



**PropNex**

Service You Trust  
**SINGAPORE**  
**PROPNE X LIMITED**

S U S T A I N A B I L I T Y   R E P O R T   2 0 1 9



UPSCALING  
**OUR PERFORMANCE**



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## ABOUT THIS REPORT

This is PropNex Limited's ("PropNex") second annual Sustainability Report ("Report").

The report summarises PropNex's policies, practices, targets and performance for our material environmental, social and governance ("ESG") factors in the financial year ended 31 December 2019 ("FY2019"). The scope of the report encompasses our real estate brokerage business in Singapore, namely PropNex Limited and PropNex Realty Pte Ltd.

This report has been prepared in line with the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B), and with reference to the 2016 Global Reporting Initiative (GRI) Standards. This year, we have included new disclosures covering energy, emissions and environmental compliance. Please see the GRI index on Page 20 for more details.

All monetary and financial figures stated are in Singapore dollars.

All information is disclosed in good faith and to the best of our knowledge. Your feedback is important to us in our sustainability journey; we look forward to receiving comments on our sustainability practices and reporting at [corpcomms@propnex.com](mailto:corpcomms@propnex.com).



## BOARD STATEMENT

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2020 marks another milestone in PropNex's history as the Group celebrates 20 years of trusted service in real estate. We are delighted to share that PropNex has a stronger foothold in the Singapore's property industry -- closing an unprecedented number of transactions and producing 21 Millionaire Achievers in FY2019. Today, we continue to be the market leader in new launches and in attracting record numbers of experienced and new salespersons to join PropNex. Despite the cooling measures and weaker market sentiments, it is commendable that we achieved a revenue of \$419.8 million for FY2019.

While the market was impacted by the July 2018 cooling measures, PropNex was able to harness our exceptional assets – leveraging on the strong branding and talent of our people across the Company, to win in the marketplace.

A cornerstone of our success is our focus in sustainability. Sustainability is fundamental to achieving our long-term vision of success. We have incorporated considerations for social and governance factors in the way we grow our business, cultivate our people and serve our communities. This is based on the belief that PropNex will thrive when our people are motivated, committed and empowered to continuously improve themselves and give back to society.

With support of the Sustainability Steering Committee ("SSC"), composed of our management team, we have considered sustainability issues as part of our strategic formulation, determined the material ESG factors, overseen the management and monitoring of the ESG factors. The SSC will continue to assist the Board in integrating ESG considerations into our strategic formulation, as well as monitor, manage and report on our ESG performance.

Our commitment to service excellence has enabled us to become Singapore's largest home-grown listed real estate agency and we will continue to drive our business for years to come. We take pride in our motto "Service You Trust" and together with our Core Values, our business decisions are made with the aim of taking pole position in the market.

We are pleased to share with you PropNex's approach to sustainability and efforts taken to be a sustainable business in the Group's Sustainability Report.

**Board of Directors**  
**PropNex Limited**

## CHAIRMAN'S MESSAGE



PropNex celebrated a truly commendable performance in 2019. Together, as one PropNex family, we achieved numerous milestones, including closing a record number of transactions, doubling the number of millionaires in 2019 over the previous year with 21 well-rewarded salespersons, continuing to be the market leader in new launches and being the only real estate agency in Singapore with more than S\$500.0 million in gross commission value of the Group's total property transactions<sup>1</sup>.

2019 was also a significant year for PropNex with the unity of different divisions into PropNex United #1PNG. Leaders and salespersons from different backgrounds come united and worked closely together under the umbrella of the Powerful Negotiators (PNG) division, as one PropNex family.

As the market leader and a respected real estate agency among our peers, PropNex welcomed esteemed Guests-of-Honour such as Minister Heng Swee Keat and Minister Josephine Teo during our 2019 PropNex quarterly conventions. They addressed a combined number of 7,000 salespersons, witnessed our philanthropic contribution of S\$500,000 to Community Chest and honoured top performers of the agency.

We ended 2019 on a strong note, establishing ourselves yet again as the industry's favourite real estate agency with a salesforce of 8,324 PropNexians (as at 1 January 2020) – the highest number of real estate salespersons in one agency. This is a 12.5 per cent increase when compared to the size of our salesforce as at the end of 2018. Thousands of customers, agents and employees are attracted to the solid reputation of the PropNex brand, built upon our amazing family-like culture, strong training and development programmes and powerful IT platforms.

We anticipate an exciting year ahead in 2020 as we celebrate our 20 years of trusted service in the real estate industry. The theme for the year "Building Legacies for Generations" reflects how PropNex has successfully helped hundreds of thousands of home owners and property investors to find their dream homes and investments, groomed the next generation of trusted real estate salespersons to continue the heritage of professional service and established a strong legacy of the PropNex brand across the region, with our partners in Indonesia, Malaysia and Vietnam.

The achievements we have accomplished today, after 20 years in the real estate business, are made possible by our very own salespersons, managers, leaders and also all our PropNex staff who have continued to trust in the PropNex brand. It is through their belief and efforts that have made us number one in the industry.

We will continue to fly the PropNex flag high, backed by their trust and support, as well as that of our clients, developers and partners.







With Service You Trust,

**Ismail Gafoor**




Executive Chairman and CEO  
PropNex Limited



<sup>1</sup> Total property transactions refer to the total number of Option-to-Purchase issued by property sellers and developers to buyers but yet to be exercised for that financial year.

## FY2019 SCORECARD

 <b>4.3%</b> Staff count YoY percentage change	 <b>8,324</b> Number of salespeople (as at 1 January 2020)	 <b>12.5%</b> Salesforce count YoY percentage change
 <b>26</b> Number of training hours per staff	 <b>\$55,443.88</b> Total training expenditure for staff	 <b>\$557.54</b> Training expenditure per staff

 <b>9</b> Number of Consumer Empowerment seminars	 <b>95</b> Number of Consumer Seminars at Showflat	 <b>\$529,179</b> Charitable contributions
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 <b>660,887.7kWh</b> Electrical consumption	 <b>141.22CO<sub>2</sub>e</b> Carbon Emission
 <b>0.3t/\$m</b> Electrical consumption	

 <b>\$419.8m</b> Net Revenue
 <b>\$21.1m</b> Net Profit after tax

## SUSTAINABILITY AT PROPNE X

In line with our twentieth anniversary tagline “Building Legacies for Generations”, we believe in helping our various stakeholders make a difference in their lives and the lives of their loved ones.

### VISION

To become the leader in any market we serve and revolutionise this organisation to have the strength of a big company combined with the leanness and agility of a small firm.



### MISSION

To enhance customers’ quality of life through value-added professional service.

### VALUES

Our core values, C.A.R.E., is at the heart of everything we do. We believe realising our core values is key to ensuring the sustainability of our business. With our core values as the foundation, our approach to sustainability is defined by three pillars: empowering our people, empowering our customers, and empowering the society.



## SUSTAINABILITY AT PROPNEK



### Empowering Our People

Our people represent our culture, reputation and achievement. We provide comprehensive benefits, training and development programmes, and innovative technological solutions to attract and retain the right talents.

**C**ontinuous Self-improvement  
**A**utonomy and Entrepreneurship  
**R**espect and Concern for individuals  
**E**thics, Honesty and Integrity



### Empowering the Society

We work to be a positive influence for our society and future generations by instilling a culture of accountability and giving back. We uphold the utmost standards for corporate integrity and serve the communities we operate in.



### Empowering Our Customers

We strive to enhance our customers' quality of life and build our customer relationships by sharing our knowledge with them.

## Sustainability Structure

We adopt a top-down approach to the management of sustainability issues material to our business and our stakeholders. The Board of Directors spearheads our sustainability agenda, including determining the material ESG factors that we focus on.

The Board is supported by the SSC in the implementation of the sustainability agenda, which consists of the Chief Executive Officer, Key Executive Officer, Financial Controller, Chief Operating Officer and the Director of Corporate Communications and Marketing.

The SSC is responsible for developing the sustainability strategy and targets in the strategic formulation of the Group, implementing action plans, and monitoring and managing our sustainability performance.

The Board approves the material ESG factors identified by the Sustainability Task Force and ensures that the factors are well-managed and monitored.



## ASSESSING OUR MATERIALITY

This report has been prepared in accordance with the requirements of SGX-ST Listing Rules 711A and 711B, and with reference to the Global Reporting Initiative (“GRI”) Standards. The GRI Standards were selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

To identify and prioritise material ESG factors that are important to our business and key stakeholders, we have implemented a three-step materiality assessment process that is in line with the Global Reporting Initiative (“GRI”) Standards’ Materiality Principle.



The assessment for 2019 yielded seven material ESG factors. This year, we have added Environment as a material factor, given the reliance of our business on the physical landscape. We will continue to review the list of material ESG factors annually to ensure their relevance.

Material ESG Factors	Materiality Relevance	Corresponding Topic-specific GRI Standards
<b>Economic Performance</b>	As a listed company, driving the growth and economic performance of our company is the first and foremost step to ensuring the sustainability of our business.	<ul style="list-style-type: none"> <li>GRI 201: Economic Performance</li> </ul>
<b>Compliance with Laws and Regulations</b>	To maintain our stakeholders' trust in us, we uphold high standards of integrity and conduct business in full compliance with all applicable laws and regulations.	<ul style="list-style-type: none"> <li>GRI 205: Anti-corruption</li> <li>GRI 418: Customer Privacy</li> <li>GRI 419: Socioeconomic Compliance</li> </ul>
<b>Environment</b>	Our business relies on the physical environment and geography of Singapore. A clean, healthy and conducive living environment is therefore crucial for the success and sustainability of our company.	<ul style="list-style-type: none"> <li>GRI 302: Energy</li> <li>GRI 305: Emissions</li> <li>GRI 307: Environmental Compliance</li> </ul>
<b>Employment</b>	Our people are the cornerstone of our company. We are committed to attracting, motivating and retaining dedicated individuals that will inspire others, so as to ensure the smooth running of our business.	<ul style="list-style-type: none"> <li>GRI 401: Employment</li> </ul>
<b>Training and Education</b>	Our people's capabilities to deliver relevant information and excellent customer service determine our reputation in the market and our business success. We carry out numerous training programmes to help our people excel professionally and individually.	<ul style="list-style-type: none"> <li>GRI 404: Training and Education</li> </ul>
<b>Technological and Digital Innovation</b>	We support our salespersons with technological solutions that help enhance their productivity, maintain service excellence and meet evolving client needs in a competitive business landscape.	<ul style="list-style-type: none"> <li>Not applicable (non-GRI topic)</li> </ul>
<b>Consumer Empowerment</b>	Customer trust and loyalty are paramount to our business sustainability. We cultivate customer rapport by educating and empowering our customers to recognise and leverage on property opportunities.	<ul style="list-style-type: none"> <li>Not applicable (non-GRI topic)</li> </ul>
<b>Local Communities</b>	Serving the communities around us is a core belief that contributes to our success. We strive to empower both our people and the less fortunate through our Corporate Social Responsibility (“CSR”) initiatives.	<ul style="list-style-type: none"> <li>GRI 413: Local Communities</li> </ul>

## ENGAGING OUR STAKEHOLDERS

Our core values C.A.R.E. are ingrained in the way we interact with our key stakeholders. We ensure our communications with our stakeholders are regular and transparent so that we can address their concerns with respect.

Stakeholders	Engagement Methods	Frequency
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer feedback channel</li> <li>• Research reports</li> <li>• Consumer empowerment seminars</li> <li>• Consumer Showflat talks</li> <li>• PropNex Privilege Membership programme</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the year</li> <li>• Throughout the year</li> <li>• Throughout the year</li> <li>• Throughout the year</li> <li>• Throughout the year</li> </ul>
<b>Employees/Salespersons</b>	<ul style="list-style-type: none"> <li>• Staff performance appraisals</li> <li>• Staff satisfaction survey</li> <li>• Staff suggestion form</li> <li>• Training and development programmes for staff and salespersons, including orientation</li> <li>• Quarterly Conventions</li> <li>• Team Leaders and Team Managers' Meetings</li> <li>• Strategic/Department meetings</li> <li>• Monday Morning Parades</li> <li>• Salespersons' Recognition platforms</li> <li>• Jumpstart Trainings</li> <li>• Annual Dinner and Dance (salespersons &amp; staff)</li> <li>• Team Leaders' Retreat</li> <li>• Staff Service Awards</li> <li>• Staff Outings and Christmas party</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Annually</li> <li>• Throughout the year</li> <li>• Throughout the year</li> <li>• Quarterly</li> <li>• Monthly</li> <li>• Monthly</li> <li>• Monthly</li> <li>• Monthly</li> <li>• Bi-annually</li> <li>• Annually</li> <li>• Annually</li> <li>• Annually</li> <li>• Annually</li> </ul>
<b>Investors/Shareholders</b>	<ul style="list-style-type: none"> <li>• Financial results briefings</li> <li>• Annual General Meeting</li> <li>• Timely updates, announcements and press releases on key business decisions and developments via SGXNet and corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Annually</li> <li>• Throughout the year</li> </ul>
<b>Government/Regulators</b>	<ul style="list-style-type: none"> <li>• Meetings, discussions and consultations</li> <li>• Compliance with reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the year</li> <li>• Throughout the year</li> </ul>
<b>Industry peers</b>	<ul style="list-style-type: none"> <li>• Co-broking transactions</li> <li>• Cross-agency collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the year</li> <li>• Throughout the year</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Media releases and interviews on property updates</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly, ad hoc</li> </ul>
<b>Local communities/ Non-governmental organisations</b>	<ul style="list-style-type: none"> <li>• CSR initiatives</li> <li>• Division charitable initiatives</li> <li>• PropNex Cares Programme</li> <li>• Sponsor-A-Child Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout the year</li> <li>• Throughout the year</li> <li>• Monthly</li> <li>• Throughout the year</li> </ul>

## GROWING OUR PROPnex FAMILY

We help our people establish a fulfilling career at PropNex by offering them the care, guidance and resources they need to continuously improve themselves, exercise entrepreneurship and achieve autonomy.

### EMPLOYMENT

The collective sum of our people – including their life experiences, knowledge, creativity and talent – represents the PropNex culture, reputation and achievements. We are committed to recruiting, cultivating and retaining staff and salespersons that believe in and practise our core values, and who consistently strive to provide service that our customers trust.

#### Recruitment

##### Staff

Our Recruitment & Selection Policy and Diversity Policy guides the recruitment of our employees. We embrace and encourage our employees' differences in age, colour, ethnicity, marital status, gender, national origin, political affiliation, race, religion, sexual orientation and other characteristics that make our employees unique.

At PropNex, we take cultivating a culture of diversity and inclusion seriously. Employees who believe they have been subjected to any kind of discrimination that conflicts with our Diversity Policy are encouraged to seek assistance from their immediate superior or the Human Resources Department. Any employee found to have exhibited any inappropriate conduct or behaviour against others may be subject to disciplinary action.

Our referral programme encourages our staff and salespersons to recommend suitable candidates to apply for job openings at PropNex. Upon appointment and subsequent confirmation in the position, a \$500 referral fee will be awarded to the referee.

##### Salespersons

Our cultivation of salespersons begins even before they become a PropNexian and extends to providing assistance to new real estate salespersons (RES) candidates. Any person interested in becoming a RES is welcome to participate in our Real Estate Programme in RES Study Groups and we train and guide new RES candidates in preparation for the RES exam. Once they pass the RES exam, they will be eligible to participate in our orientation programme (Success Seminar) and activities like the Accelerated Closing System (ACS).

All employment conditions, including responsibilities and the split of commission, are stated in the Associate Agreement that our salespersons sign with us. We require our salespersons to review their contract with us at least once every two years to ensure that they are reminded of and fully understand their employment conditions. For our Team Leaders, we ask that they sign an additional contract when they become Team Leaders to ensure they understand their role and responsibilities.



## GROWING OUR PROPNE X FAMILY

### Benefits

#### Staff

PropNex provides a suite of benefits to ensure that our staff members are well taken care of, including:

- Festive advance for salaries and festive leave for staff's choice of festive period;
- Birthday vouchers;
- Discounted medical consultation and health screenings for staff and their family through Make Health Connect Corporate Programme;
- Discounts and promotion schemes for telecommunication services; and
- Discounted premium rates for group term life and personal accident insurance.

#### Salespersons

There are also various benefits which PropNex salespersons enjoy, including:

- Discounted premium rates for group term life and personal accident insurance;
- 10-year pension scheme programme for performing Team Leaders;
- Legacy Planning Programme for Team Leaders to receive passive income after retirement;
- Spouse protection scheme for deceased Team Leaders;
- Discounted medical consultation fees for our salespersons and dependents at over 500 participating clinics;
- PX MediCare app, developed exclusively for PropNexians to access medical services with ease;
- Professional indemnity insurance that includes individual coverage;
- Discounts and promotion schemes for telecommunication services; and
- Special advertising rates in the classified sections of local publications.



## GROWING OUR PROPnex FAMILY

### Recognition

We believe in recognising and rewarding the contributions and achievements of our staff and salespersons. We have put in place the following schemes to showcase our gratitude towards staff and salespersons who exhibit excellence and dedication.



#### Service Awards for Staff

- Staff who have served the Company for at least 4.5 years are awarded the Good Service Award trophy and a crossed cheque of \$500.
- Staff who have served the Company for at least 9.5 years is awarded the Long Service Award trophy and a gift item valued at \$1000.



#### PropNex Ambassadors for Salespersons

- PropNex Ambassadors are salespersons who have:
  - been with PropNex for 5, 10 or 15 years;
  - established a niche for themselves in the real estate industry;
  - contributed to business continuity and client engagement; and
  - actively participated in PropNex's CSR initiatives.
- PropNex Ambassadors are recognised and presented with their charity plaques and a prestigious Ambassador badge at our quarterly mega conventions.

	2018	2019
Number of new employee hires	38	31
Annual rate of new employee hires	43.18%	32.0%
Monthly average rate of new employee hires	3.84%	2.68%
Number of employee turnover	19	23
Annual rate of employee turnover	21.60%	23.71%
Monthly average rate of employee turnover	1.92%	1.97%
Number of salespersons recruited	1,174	924

**2019 Performance against 2019 Targets:** Achieved, the Group has a similar level of staff retention and has recruited over 900 salespersons.

#### Notes:

The total number and rate of new employee hires and employee turnover disclosed in this report are regardless of gender, age group and region.

Computation of new employee hires rate and employee turnover rate include full-time permanent staff only.

Annual rate of new employee hires/employee turnover = total number of employee hired/resigned ÷ total number of employees as of 31 December for the FY.

Monthly average rate of new employee hires/employee turnover = sum of every month's new employee hires/employee turnover rate during FY ÷ 12.

Employment Targets for 2020	
FY2020 Target	Action Plan
Continue to retain and attract talents.	Continue to provide benefits, recognition and incentives to attract and retain employees and salespersons

## GROWING OUR PROPNEK FAMILY

### TRAINING AND EDUCATION

Continuous self-improvement is a core value at PropNex as the regular training and education of our employees and salespersons are critical for the growth and sustainability of our business. We provide customised and comprehensive training programmes that enable our people to achieve their potential, both individually and professionally.

#### Staff

We provide a variety of training programmes for our staff to ensure that they are equipped with the right skills to perform their job to the best of their abilities. We discuss with our employees about their projected career path, identify their challenges and training needs, and monitor their training progress during the annual performance review. The Human Resources Department consolidates training needs for discussion and coordinates the relevant training.



#### Orientation Programme

Introduction to PropNex's core values, organisational structure, welfare and benefits, Code of Conduct, Staff Handbook and internal systems and platforms.



#### Built to Last Programme

A customised six session training programme personally facilitated by our CEO to align our staff with PropNex's values and to equip our staff with practice continual innovation.



#### Customer Service Training Programme

This programme is offered annually to ensure that our staff are adequately trained to provide excellent service, including management of challenging internal and external customers.



#### Supervisory Training Programme

Head of Department / Supervisors are trained on effective communication, coaching, supervisory and delegation skills to enable them to be effective supervisors.



#### Property-related Training

Staff members are required to complete property-related training based on and related to their job scope, such as property laws, through the Life Mastery Academy.



#### Personal Enrichment Programme

This is a series of personal development programmes that emphasise the use of positive psychology to realise an individual's natural potential to achieve their career, family and life goals. The Human Resources Department identifies key management and supervisory staff to attend such trainings annually.

## GROWING OUR PROPnex FAMILY

### Salespersons

We have developed a comprehensive world-class training roadmap for our salespersons that provides a clear path for professional progression. Each roadmap can be further customised according to and based upon the needs, level of experience and career aspirations of each salesperson.

Our impressive training roadmap focuses on providing training in the following three main aspects: market segment and specialised skills; policies and regulations; and mindset training. Advanced training programmes are also available for experienced salespersons or those who have chosen to become a Team Leader through the Dual Career Path Scheme.

### Addressing COVID-19

In light of the current COVID-19 situation, we leverage on online alternatives like e-learning to substitute physical classes. In playing our part in the community to slow the transmission of the virus, PropNex has also suspended physical trainings like bootcamps until such time where authorities give the green light.

#### Introductory Training (Compulsory)



- Orientation programme.
- Professional Start-up Programme (Basic or Advanced).

#### Market Segment and Specialised Skills Training



- Courses on project presentation, closing techniques, digital prospecting and more.
- Quarterly updates on market outlook, including development in specific regions and of specific projects.

#### Mindset Training



- Salespersons' Bootcamp.
- Leadership Bootcamp.

#### Continuous Training



- Talks that provide updates, such as Winning Wednesdays, Fantastic Fridays.
- Monthly workshops on legal subject matter.

#### Dual Career Path Scheme



- Salespersons who have completed specific training courses and achieved certain commission targets may be elected to become a Team Manager, and may subsequently be promoted to Team Leader. Team Managers and Leaders are responsible for recruiting, supervising and mentoring salespersons.

#### Team Build Training



- Trainings provided to Team Leaders to help them better build and lead their teams.

#### Asset Progression Consultant Training



- Training in advanced concepts, such as asset progression and wealth management, is provided to experienced salespersons who are interested.

### Team Building Training

Through our Virtual Office platform and proprietary mobile phone application, our salespersons are able to sign up for training courses, track their training progress and make sure that they have completed all compulsory training, including those required by PropNex and fulfilling continuing professional development (CPD) credits mandated by the Council for Estate Agencies (CEA) regulatory framework.

Performance	2018	2019
Average training hours completed	21	26

**2019 Performance against 2019 Targets:** Achieved, average training hours is higher than 2018.

Training & Education Targets for 2020	
FY2020 Target	Action Plan
At least 20 hours of average training hours completed	Continue to review training roadmaps and provide comprehensive training programmes for our staff and Salespersons

## SERVING OUR CUSTOMERS

### CONSUMER EMPOWERMENT

Our mission is to enhance customers’ quality of life through value-added professional service. Property purchases are important life decisions and we are committed to sharing our knowledge with our customers and consumers at large to help them make the right choices.

As Singapore’s largest listed home-grown real estate agency, we pride ourselves of being in the best position to give consumers relevant and timely advice on all aspects of property investment. We have been empowering homebuyers and investors since 2013 by giving advice on the latest property trends, outlook of the real estate market, and sharing knowledge and strategies to navigate the constantly fluid real estate landscape.

We regularly monitor and annually review our consumer empowerment roadmap to develop consumer empowerment initiatives for the year, including topics of focus and channels and medium through which to engage consumers.

We also actively engage and empower consumers, as well as prospective and existing customers, through the following channels:

<p align="center"><b>Consumer Empowerment Seminars</b></p>	<p align="center"><b>Consumer Showflat Talks</b></p>	<p align="center"><b>PropNex Privilege Membership Programme</b></p>
<p>Keynote speakers from our management team, including our Executive Chairman and CEO Mr. Ismail Gafoor and Executive Director Mr. Kelvin Fong, share valuable tips, insights to market sentiments, risks and investment opportunities in current property market, and knowledge on specific property segments such as HDB and Core Central Regions with consumers.</p>	<p>We hold sharing sessions at showflats of new projects to share with consumers about the unique selling points of a particular project. These seminars are conducted by PropNex Management and the Project Leaders.</p>	<p>We provide insights and updates from our property experts and analysts to our members on property related new, policies and market outlook.</p>

#### Addressing COVID-19

In light of the current COVID-19 situation, we leverage on online alternatives like webinars and social media to substitute face to face meet-ups and physical seminars.

	2018	2019
Number of Consumer Empowerment Seminars held	9	9
Number of Consumer Showflat Talks held	30	95



**2019 Performance against 2019 Targets:** Achieved, held Consumer Empowerment Seminars at least quarterly and held Consumer Empowerment Showflat Talks at least monthly

Social Targets for 2020	
FY 2020 Target	Action Plan
Continue to hold Consumer Empowerment Seminars at least quarterly and hold Consumer Empowerment Showflat Talks at least monthly as long as there are new launches by developers.	Conduct consumer showflat talks and consumer empowerment seminars, including online webinars.



## SERVING OUR CUSTOMERS

### COMPLIANCE WITH LAWS AND REGULATIONS

We believe the key to achieving this is to conduct our business ethically, honestly and with integrity, thereby serving as a role model for others. PropNex does not tolerate any acts of fraud and corruption, and follows all laws and regulations relevant to our business.

Like other real estate practitioners, PropNex adheres to the regulatory framework of the Estate Agents Act, guided by the CEA. CEA, a government agency under the Ministry of National Development, is committed to raising the professionalism of the real estate agency industry. PropNex regularly collaborates with CEA on industry development programmes and supports them in protecting the interests of the consumers through targeted public education schemes.

Being a service-oriented company working closely with customers, PropNex also closely abides by the Personal Data Protection Act, ensuring the security of our customers' private data.

Furthermore, our employees and salespersons must abide by the PropNex Code of Conduct, Staff Handbook, Associate Agreements and various corporate policies, such as the Conflict of Interest Policy. They must also conduct themselves in a professional and ethical manner. For our salespersons, we have implemented the Annual CEA License Renewal Exercise Policy to check and verify their license to practice.

All departments have also put in place policies and processes to ensure that our operations comply with applicable laws and regulations. Our Compliance Department is responsible for monitoring our performance on regulatory compliance. Internal audits are conducted annually to evaluate the effectiveness of compliance controls in place.

Our Whistleblowing Policy, for both employees and salespersons, details the proper channels and procedures by which they can raise their concerns about possible improprieties and misconduct.

We regularly provide relevant briefings and training to update our staff and salespersons on changes in laws and regulations. Staff and salespersons are also educated via compulsory monthly Morning Parade briefings, circulars, e-mail broadcasts, and company announcements in our Virtual Office.

**2019 Performance against 2019 Targets:** Achieved. There were no non-compliant incidents with relevant laws and regulations that resulted in significant fines or legal actions against the Group. There were no letter of complaints against the Group from Personal Data Protection Commission ("PDPC") concerning breaches of customer privacy and losses of customer data. The Group had no incidents of corruption in 2019.

Social Targets for 2020	
FY 2020 Target	Action Plan
Maintain zero non-compliant incidents with relevant laws and regulations that resulted in significant fines or legal actions against the Group.	To continue to conduct various programmes in raising professionalism standards of our sales force and using case-studies to educate salespersons.
Maintain zero letter of complaints against the Group from authorities like Personal Data Protection Commission ("PDPC") concerning breaches of customer privacy and losses of customer data.	
Maintain zero incidents of fraud or corruption.	

## EMBRACING OUR COMMUNITY

PropNex strives to be a positive corporate citizen and influence, both for our society today as well as future generations. We do this by championing our core values of respect and concern for others, in reaching out and helping less privileged communities.

Since 2000, we have been involved in various charitable events and championed numerous meaningful causes, in Singapore and overseas. Our CSR Philosophy, “Empowering Future Generations through Education”, guides our CSR initiatives. We review current initiatives and plan for future CSR direction and initiatives during our strategic meetings.

PropNex firmly believes in contributing back to the communities around us and in which we operate, at the company, team and individual levels. We can only truly help our communities when a culture of giving is instilled in each and every one of our employees and salespersons. PropNex has established programmes and initiatives to enable everyone within the PropNex family to easily be involved with and contribute to our CSR initiatives.

<b>SHARE Programme</b>	<b>Sponsor-A-Child Programme</b>	<b>Division Charity Initiatives</b>
<ul style="list-style-type: none"> <li>Monthly deduction of commission or salaries from salespersons or staff who have opted in for this programme.</li> </ul>	<ul style="list-style-type: none"> <li>Pairing contributing and participating staff and salespersons with a child whom they have sponsored, to spend time and enjoy a day of engagement together.</li> </ul>	<ul style="list-style-type: none"> <li>Different teams within PropNex take the lead to organise charity initiatives of their own on a regular basis.</li> </ul>

PropNex has adopted Community Chest as its main charity beneficiary since 2013. Through Community Chest, we support myriad social service programmes that assist over 300,000 people in need in Singapore. We have also expressed a preference for adopting schools and centres that cater to children with special needs and disabilities as beneficiaries, to further align our contribution with our CSR philosophy.

Continuing our commitment of an annual \$500,000 in donations since 2015, we contributed another \$529,179 to Community Chest in 2019 through our monthly SHARE and Sponsor-A-Child programme. The funds raised will help to improve facilities and programmes provided at our adopted beneficiaries, Pathlight School, AWWA, Care Corner Student Care Centre, SHINE and Metta Welfare Association.

In addition to monetary contributions, we also took 70 children from Community Chest Day Care Centre out for a Christmas Art Jam Funtastic Day on 4 December 2019, allowing our salespersons and staff to interact and engage with these children.

PropNex has won the Community Chest Platinum Award in 2019 in recognition of our corporate philanthropic efforts.



	2018	2019
Monetary contribution to local community initiatives	\$522,822	\$529,179

**2019 Performance against 2019 Targets:** Achieved, contributed at least a total of S\$500,000.

**Supporting COVID-19 front-line warriors**

During this unprecedented crisis, PropNex intends to donate an additional \$250,000 dedicated to support front-line warriors fighting the current COVID-19 pandemic.

Social Targets for 2020	
FY2020 Target	Action Plan
Contribute at least a total of S\$500,000 and another S\$250,000 in 2020 to support front-line warriors fighting the COVID-19 pandemic.	Continue to raise funds for the unprivileged and volunteer hours

## INNOVATING ON THE DIGITAL FRONT

Technology in the real estate realm has disrupted and transformed how business is conducted, and will continue to play a pivotal role in the way corporations conduct their business.

One of our key strategies is the empowerment of our people by enhancing our technological capabilities. We are committed to improving our salespersons' productivity by providing relevant and reliable technological support. This in turn helps them to provide better customer service for their clients.

Our Information Technology (IT) Working Committee has developed the PropNex IT Roadmap to guide our future investments in technological and digital innovation. In consultation with our salespersons, we identified their needs and challenges. These were then translated into modules and focal points in our Roadmap. We continuously evaluate our IT needs and calibrate our IT Roadmap accordingly throughout the year.

### Long term target

We aim to achieve the following through the implementation of our IT Roadmap:

- Digitalise manual procedures and processes;
- Reduce redundancies in procedures and processes;
- Facilitate the collaboration and sharing of resources amongst salespersons;
- Enable consumers to access relevant property information more easily.

As of 2019, we have developed several technological solutions that aim to assist our salespersons, as summarized below.



#### PA App

This app transforms the way our salespersons work as it frees up our salespersons' time on administrative work and improves the productivity of our salespersons. Some of the features include financial calculators for the Additional Buyers' Stamp Duty or the Sellers' Stamp Duty, Progressive Payment and more. Our salespersons can create their own website of their listings in just a click.

PropNex has raised the bar by being the first to roll out such features in the industry, setting ourselves apart from others and leading with innovative practices.



#### Virtual Office Mobile

Through a browser or smartphone, our salespersons are able to access policy updates, submit listings, obtain prompt updates on completed transactions, download and submit transaction documents, register for training courses and monitor receivable commissions on-the-go.

Measurable	2019 Performance
Increased listings for internal co-broking opportunities	- 10,000
- Good Reviews & Testimonials	- Reviews in the App Store
- Increased number of co-marketing listings	- Salespersons were able to seal the deal much faster, Before the introduction of the Chope features, salesperson may not have viewings, after endorsing Chope, the salesperson is able seal the deal within 3 days.

## ENVIRONMENT

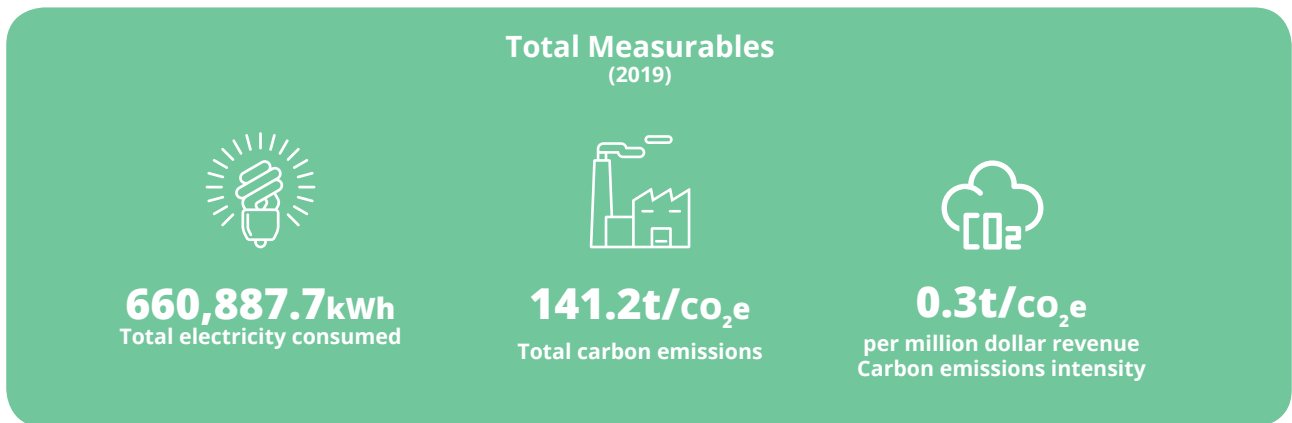
Rampant use of energy from non-renewable sources can cause global warming and, through the resultant melting of the polar ice caps, subsequent sea level rise. As a small island state of which a third is below five metres above means sea level, climate change can adversely impact Singapore and the main business of PropNex: real estate.

2019 is the first year where we began measuring our environmental data. We have logged our electrical consumption captured at various corporate premises at HDB Hub Levels 10, 11 and 18, Branch Office and General Magnetic Building. Tabulations were based on utility bills from the electricity supplier.

All electricity is purchased from the national grid and is produced almost entirely by the combustion of natural gas, which is classified as Scope 2 emissions.

A total 660,887.7 kWh of electricity was used, which translates to 141.2 CO<sub>2</sub>e.

No incident of non-compliance with environmental laws and regulations were identified within the reporting year.



Environmental Targets for FY2020	
FY2020 Target	Action Plan
Undertake further initiatives to promote environmental sustainability	The Group will explore and consider various initiatives such as purchasing more energy efficient appliances, motion sensors for lights etc.

## ECONOMIC PERFORMANCE

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As the nation's largest real estate agency, PropNex fulfils an important role within the real estate sector by facilitating the buying, selling, renting and leasing of property in Singapore.

In line with our vision of having the strength of a big company and our status as a listed entity on the Singapore Exchange, PropNex also contributes to the economy by providing gainful employment to thousands of employees and salespersons.

In FY2019, the Group recorded a revenue of S\$419.8 million, against S\$431.5 million recorded in FY2018, as a result of a decrease in commission income from agency services of S\$29.5 million year-on-year to S\$278.3 million in FY2019. This was partially offset by the increase in commission income from project marketing services of approximately S\$17.6 million year-on-year to S\$134.9 million in FY2019. The Group's salesforce grew from 7,400 as at 1 January 2019 to 8,324 as at 1 January 2020. Consequently, net profit after tax came in at S\$21.1 million for FY2019, compared to S\$21.9 million in FY2018.

You may refer to our financial results announcements on SGXNET or PropNex's corporate website for more information.

No incident of non-compliance with socio-economic laws and regulations were identified within the reporting year.

## GRI INDEX

GRI Standard	GRI Standard Title	GRI Disclosure	GRI Disclosure Title
201	Economic Performance	201-1	Direct economic value generated and distributed
205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures
302	Energy	302-1	Energy consumption within the organization
302	Energy	302-3	Energy intensity
305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions
307	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations
401	Employment	401-1	New employee hires and employee turnover
404	Training and Education	404-1	Average hours of training per year per employee
404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs
413	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs
418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area



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