



# SUSTAINABILITY REPORT 2017



# Sustainability Report

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# Sustainability Report – Board Statement

Dear Valued Stakeholders,

The Board of Directors of Top Global is pleased to present Top Global Limited's inaugural sustainability report.

With sustainability being a thriving priority for businesses globally, the Board believes that it is integral to our strategy and operation. Despite the macro-economic uncertainties and the slowdown in the property development market in Singapore, we remain optimistic about the future. We continue to take a sustainable approach in formulating our strategies as we believe that this creates long term value to our stakeholders. We are making an effort to improve the way of conducting our business operations in a manner that considers the environmental and social impact to sustain profitable growth where possible.

Our first materiality assessment has allowed us to identify the topics deemed to be material to our stakeholders. This report would delineate on the relevant key sustainability topics in relation to our business and our stakeholders, namely, Economic performance, Market Presence, Employment and Environmental Compliance.

We would like to thank the various parties who have contributed to our sustainability journey. We will continue to strive and improve our products and services to our wide ranging customers while considering the social and environmental impact to our stakeholders.



*“We continue to take a sustainable approach in formulating our strategies as we believe that this creates long term value to our stakeholders.” – SUKMAWATI WIDJAJA, Executive Chairman*

# Sustainability Report – About this Report

## Report Background

Top Global Limited and its subsidiaries (the “Group”) recognise the importance and virtuous cycle of improvement of sustainability reporting and hereby proudly present its first sustainability report which covers reporting period from 1 January 2017 to 31 December 2017.

The Group has adopted the Global Reporting Initiative (“GRI”) Standards: Core options, the latest set of standards issued by the GRI Global Sustainability Standards Board and the requirements of SGX-ST Listing Rules 711A and 711B in preparing our first sustainability report. We have not sought external assurance for this report.

## Scope

This report covers the operations of Top Global Limited in Singapore and Indonesia.

## Reporting Boundaries and Standards

The report is also prepared in accordance with GRI Principles for defining report content, including:

- **Materiality:** focusing on issues that impact business growth and are of utmost importance to stakeholders;
- **Stakeholder Inclusiveness:** responding to stakeholder expectations and interests;
- **Sustainability Context:** presenting performance in the wider context of sustainability; and
- **Completeness:** including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company’s performance.

## Accessibility

The Group continues to print only limited copies of this sustainability report as part of our environmental conservation efforts. A current electronic edition of the report is available at: [www.topglobal.com.sg](http://www.topglobal.com.sg).

## Feedback

Our stakeholder’s feedback is important to us. Please address all feedback to [www.topglobal.com.sg](http://www.topglobal.com.sg).



## Sustainability Report – Organisational Profile

Top Global Limited was incorporated and domiciled in Singapore on 9 October 1980 and listed on SESDAQ (now known as Catalist) on 21 June 2001. On 24 December 2012, the Group successfully transferred to the Mainboard of SGX-ST. The address of its registered office and principal place of business is at 302 Orchard Road, #18-02 Tong Building, Singapore 238862. On 16 October 2014, the Group completed the acquisition of a 71.52% equity interest in Indonesia's PT Suryamas Dutamakmur Tbk, which has a rich wealth of experience in Indonesia developing real estate properties, selling land and houses, as well as operating a golf course, country club and hotel.

The Group's strategic intent is to focus on the following businesses:

- i Real Estate Development
- ii Hospitality and Leisure
- iii Property Management Services
- iv Education

The Group aims to become a leading lifestyle developer in the region, offering avantgarde projects and integrated support services tailored to the evolving needs of its clients. At the same time, it is well-positioned to capture the rising demands of Asia's affluent and middle-class. Top Global's growth strategy is to explore joint ventures and collaborations with other real estate players, as well as the acquisition and setting up of other businesses in Singapore and the region, to increase its project and market exposure. It will continue to focus on identifying business opportunities to diversify beyond Singapore and Indonesia into other regions, striving to differentiate in terms of style, concept and value.

We strive to deliver quality developments and efficient services, ensuring customer satisfaction, profitability and our growth. We also take pride in inculcating our employees on the best management practices to reduce our environmental footprint through reduction in construction materials and wastage of materials. The Group is committed to integrate sustainability into its decision making processes to ensure that needs and concerns of various stakeholders are considered in the development of its corporate strategy. Sustainable business practices are promoted at workplace and dealings with suppliers and customers as the Group believes that enhancing sustainable values may at the same time enhances business performance.

# Sustainability Report – Organisational Profile

## Risk Management and Internal Control

The Board, supported by the Audit Committee (“AC”), oversees the Group’s system of internal controls and risk management. The AC’s primary role is to assist the Board in ensuring the integrity of financial reporting and providing assurance that there is a sound system of internal controls in place. It is supported by Group Internal Audit, which provides independent assurance to the AC to ensure that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness.

A comprehensive set of governing policies and procedures of the main business processes such as financial reporting, revenue, procurement, human resource were established to provide guidance to the employees in managing each of these key risk areas.

## Supply Chain Management

The Group’s main suppliers consist of the main contractors and subcontractors of our business operations. In view of building a sustainable and responsible supply chain, we exercise prudence in the selection of our suppliers, assessing them through factors such as portfolio, expertise, quality and amongst others. Our Group’s Procurement Policy provides guidelines and control principles for various stages of the procurement process such as evaluation and diversification of suppliers to minimise risk and other negative impact and also to enhance flexibility so as to ensure sufficient resources and effective capabilities.



# **Sustainability Report – Governance and Sustainability Approach**

## **Corporate Governance**

Top Global is dedicated in conducting its business activities in an ethical and socially and environmentally sustainable manner. We have recognised the importance of ensuring the highest standards of corporate governance paramount in protecting and enhancing our shareholders' value and the Group's financial performance.

The Group places great emphasis on accountability, transparency, ethical business conduct and good corporate governance. We have complied with the principles and guidelines set out in the Code of Corporate Governance 2012 and the Listing Manual of the Singapore Exchange Securities Trading Limited.

In our call to advocate good governance within the Group, we have also formalised and established a Whistleblowing Policy for our employees and external parties who have dealings with the Group.

The Group aims to exceed past aspirations and work towards a greater future as we believe that a sustainable business brings long-term value to shareholders.

## **Sustainability Approach**

With our vision and corporate values in mind, we are making an effort to integrate sustainability into our businesses so that it is systematic and seamless. Where possible, we incorporate sustainability considerations in our decision-making processes.

Our sustainability efforts are led by our senior management who ensures that the Group's business objectives are in line with our commitments to sustainable development. Senior management is responsible for on-going communication to the Board of Directors.

Our Group's senior management determined focus areas where our Group can have the greatest economic, environmental and social impact, as well as the areas that are most important to our stakeholders.

Our Group has taken efforts to seek the opinion of many stakeholders either in a casual or formal way. We aspire to understand the needs and expectation of our key stakeholders and strive to build mutual beneficial relationships.

# Sustainability Report – Stakeholder Engagement

## Accountability to Stakeholders

Close collaboration with our stakeholders supports us in addressing sustainability challenges. We regularly engage with and consult our diverse groups of stakeholders. Where appropriate and relevant to our businesses, we incorporate their feedback into our planning and actions. The feedback arising from our stakeholder engagements, which includes inputs on our sustainability reporting and materiality, has helped us strengthen the relevance of our reporting and approach to managing the Group’s material issues.

Our Key Stakeholders	How We Engage Them	Key Topics
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Periodic meetings</li> <li>• Projects involvement</li> <li>• Performance appraisals</li> <li>• Corporate events</li> </ul>	<ul style="list-style-type: none"> <li>• Performance and skills</li> <li>• Staff morale</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Feedback from customers</li> <li>• Customers satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Products and services quality</li> </ul>
<b>Governments</b>	<ul style="list-style-type: none"> <li>• Consultations</li> <li>• Discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory and industry standards and guidelines</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Results briefing</li> <li>• Annual General Meeting</li> <li>• Emails and tele-conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Financial results</li> <li>• Investor relations</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Emails and tele-communications</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback on their products and services</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Community outreach activities</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with charitable organisations to identify the target beneficiaries</li> </ul>

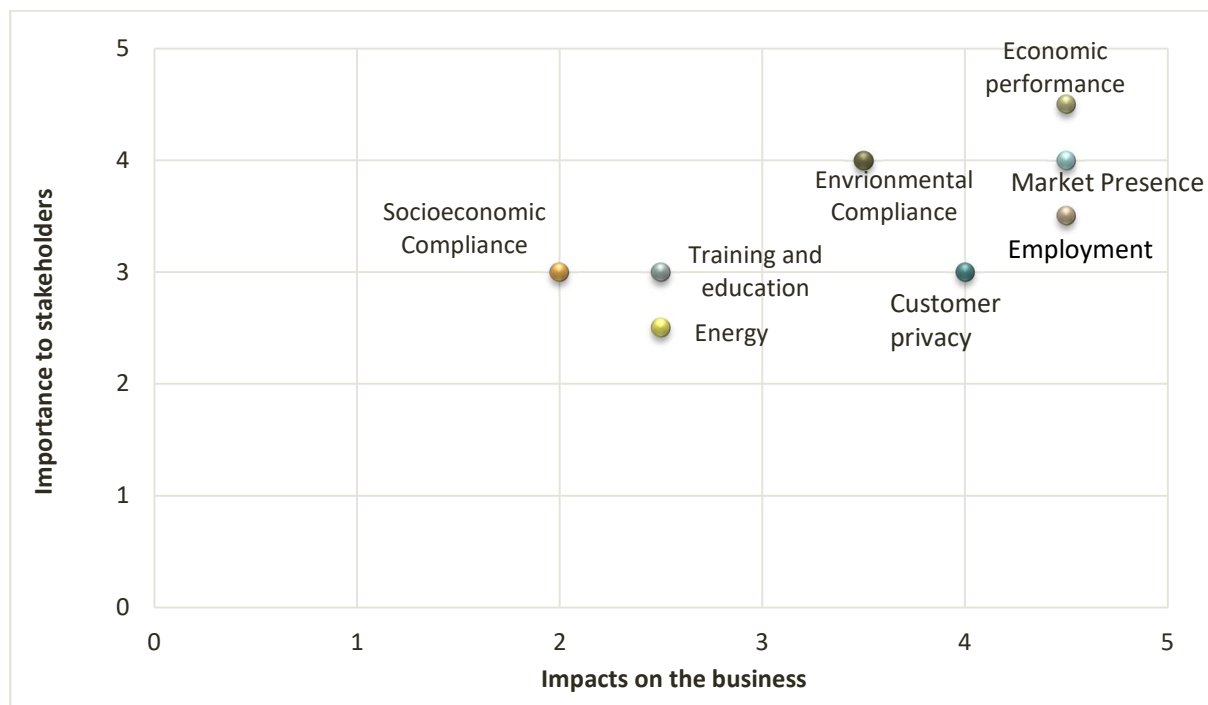


# Sustainability Report – Material Topics

## Defining the Materiality Issues

Our material issues are identified based on the significance of economic, environmental, social impacts and the degree of influence they have on stakeholder assessments and decisions. We develop our material topics in light of fresh stakeholder feedback, new trends in sustainability, challenges facing the industries, experts’ views and our own business goals. We therefore focus our sustainability efforts and reporting on these issues.

We have identified 8 relevant sustainability topics, reflected in the Materiality Matrix below. 4 sustainability topics i.e. economic performance, market presence, employment and environmental compliance were selected for this sustainability report purpose. The topics were further deliberated and narrowed down through our engagement process with stakeholders.

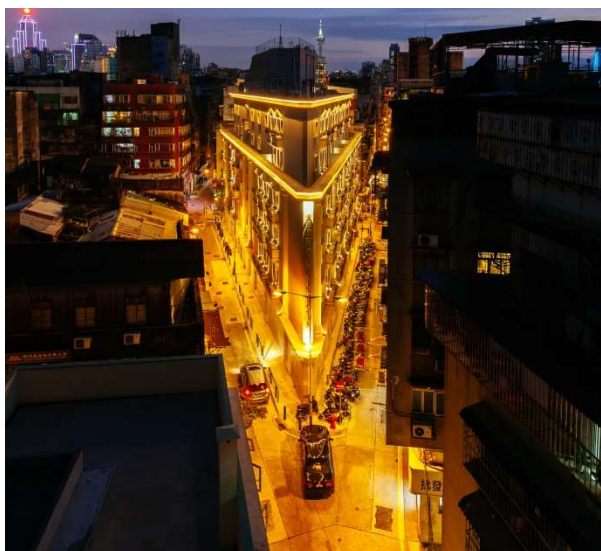


# Sustainability Report – Topic Specific Disclosure

## Economic Performance

To maintain sustainable economic growth and in pursuit of our vision, the Group has expanded in our hospitality business in Singapore through an increase in stake holding in our associate 5Footway Founders Pte Ltd (“5Footway Group”) to 83.75%. In Indonesia, R Hotel Rancamaya Golf & Resort continues to perform exceptionally well and won Indonesia’s Best Golf Hotel award at the 4th Annual World Golf Awards 2017.

## Financial Highlights



In FY2017, the Group is pleased to announce that it achieved a 11.7% growth in revenue from S\$121.8 million in FY2016 to S\$136.1 million in FY2017. The business segments which contributed largely to the increase in revenue was the Group’s Braddell Project and hospitality management from its Indonesia subsidiary PT Suryamas Dutamakumur Tbk golf and country club, as well as consolidation of 5Footway Founders Pte Ltd and its subsidiaries (“5Footway Group”).

Distribution and marketing expenses increased by S\$0.4 million, this was attributable to the increase in commission expenses of S\$1.0 million and offset by a reduction in marketing expenses of S\$0.6 million. The increase in employee compensation of S\$1.2 million, depreciation expenses of S\$0.3 million and housekeeping expenses of S\$0.2 million for consolidation of 5Footway Group from 31 August 2017 (date of acquisition) to 31 December 2017 resulted in an overall increase in Administrative expenses by S\$2.3 million. In view of the services incurred due to the voluntary general offer of \$0.3 million and S\$0.1 million for acquisition of additional shares in PT SMDM, legal and professional fees increase by S\$0.4 million. Lower interest expenses ensued from the repayment of bank loans during FY2017, causing finance costs to be reduced by S\$1.0 million. In all, the Group’s gross profit rose by \$18.3 million and maintained a healthy financial position with net cash of S\$77.2 million from our operating activities.

With the Singapore’s government increased investment in the republic’s infrastructure, the Group is confident about the hospitality sector and are positioning ourselves to capitalise on any growth in this sector in the near future.

## Subsequent reporting for FY2018

For FY2018, we hope to continue generating profits and positive net cash flow with our portfolio on hands.

# Sustainability Report – Topic Specific Disclosure

## Market Presence



### Awards and Accolades

The Group has garnered a few awards and accolades in 2016 and 2017, in addition to those awarded before 2016.

The latest awards are those such as “The Prospective Housing in Bogor” for Royal Tajur in 2017 from Properti Indonesia Award (PIA), Most Favoured Middle Class - Township Scale Housing Estate in Bekasi 2017 for Harvest City From Housing Estate Award 2017 and Most Favoured Middle Class Housing Project - Township Scale in Bekasi 2016 for Harvest City From Housing Estate Award 2016.

### Benchmark of Employee Entry Level

Top Global Limited is dedicated in supporting the communities we operate in, this dedication has seen us presenting our employees with favourable working environment, also supporting an equitable and sustainable livelihood directly.

Our employees in Singapore are paid according to the regulatory requirement in the local industry. The Central Provident Fund (CPF) is Singapore’s comprehensive social security savings scheme, for salaried Singaporeans and Permanent Residents to fund their retirement, healthcare, and housing needs. Under the scheme, Top Global and its employees make monthly contributions to the employees’ CPF account in accordance with the prevailing regulations.

## Sustainability Report – Topic Specific Disclosure

Besides complying with Singapore’s statutory requirements on making monthly contributions to employees’ CPF accounts, we also adhere to the respective social security contribution or pension plan obligations of the countries it operates in.

Our Indonesia hires get paid according to the nation’s minimum wage for Senior High School graduates and an allowance on top of the minimum wage for Bachelor Degree graduates. Our employees are presented with opportunities to learn new skills and advance in their careers.

### Subsequent Reporting for FY 2018

We will look out for promising opportunities and hope to broaden our presence in Asia region. We will constantly review our policies and approaches to remuneration and local hiring in order to enhance our contribution to economic development in local areas or communities where our main operations operate.



# Sustainability Report – Topic Specific Disclosure

## Employment

We operate in a non-unionised workplace. The success of our business is highly dependent on the commitment of our employees. We are committed in creating a diversity and inclusive workplace to attract, retain and motivate employees. We believe that our people are our asset.

### Employment Policy

We have a rigorous set of employment policy and procedure in place to augment the level of transparency the organisation has to its employees. To promote a diversity and inclusive workplace, we have employed key performance indicators to ensure that our employees' performance goals are in line with our business objectives. Employees are provided with appropriate development opportunities to perform well in their job, this is evident in the reduction of 46% in employee turnover from 2016 to 2017. New hires represented 17% of the total workforce in 2017, with a diverse individual of different age groups which ranges from fresh graduates, to mid-career professionals.

### Well-being of Our Employees

We provide comprehensive benefits to our full time employees, including health care and employee insurance, the option of stock ownership under the Group's Employees' Share Option Scheme and Performance Share Plan. On top of the leave benefits each employee is entitled to under Government regulations, the Group has also established policies that are pro-family for the welfare for our staff, such as childcare leave. During the reporting period, a female employee has taken Maternity Leave.

The Group has implemented a Whistleblowing Policy to provide a framework to promote responsible and secure whistle blowing without fear of adverse consequences. Under the same policy, frivolous and bogus complaints are strictly prohibited and strict disciplinary action will be taken upon an individual who does not use the policy responsibly. Besides the Whistleblowing Policy, we also take care of our employees' grievances through appropriate channels stipulated.

### Distribution by Region

<b>Region</b>	<b>Number of employees</b>
Singapore	21.40%
Indonesia	78.60%
<b>Total</b>	<b>100%</b>

### Distribution by Region and Gender:

<b>Region</b>	<b>Male</b>	<b>Female</b>
Singapore	48.00%	52.00%
Indonesia	63.50%	36.50%

# Sustainability Report – Topic Specific Disclosure

Distribution by Employment type and Gender:

<b>Employment Type</b>	<b>Female</b>	<b>Male</b>
Permanent	28.05%	71.95%
Contract (Freelance)	48.30%	51.70%

Employee Turnover by region:

<b>Gender</b>	<b>Singapore</b>	<b>Indonesia</b>
Male	16.00%	20.10%
Female	26.00%	23.11%

New hires by gender and region:

<b>Gender</b>	<b>Singapore</b>	<b>Indonesia</b>
Male	-	17.50%
Female	34.78%	12.88%

Subsequent Reporting for FY 2018

We intend to constantly review our employment policies and work towards a more diversified and inclusive workforce. In long run, we aim to achieve automation in the workplace which could enhance employee productivity and increase efficiency.

## Environmental Compliance

The Group aims to minimise the environmental impact of its activities through relentless improvements on our business processes and operations. We believe that the reduction of our environmental footprint would contribute to the Group's increased productivity, lower consumption of natural resources, reduced wastage and pollution and an overall of improved financial performance.

There was no reported incident of non-compliance to environmental laws and regulations in the reporting period.

Subsequent Reporting for FY 2018

We strive to be vigilant in ensuring compliance with environmental laws and/or regulations and better environmental protection. We will continue exploring opportunities to introduce modern technologies in our business operations in order to cut down carbon footprint.

# Sustainability Report – GRI Content Index

GRI Standard Disclosure	Page Reference and Reasons for Omission, if applicable	
<b>GENERAL DISCLOSURE</b>		
GRI 102: General Disclosures 2016	<b>Organizational Profile</b>	
	102-1 Name of the organisation	Cover Page
	102-2 Activities, brands, products, and services	Page 3
	102-3 Location of headquarters	Page 3
	102-4 Location of operations	Annual Report 2017 page 6-9
	102-5 Ownership and legal form	Annual Report 2017 page 84-94
	102-6 Markets served	Annual Report 2017 page 6-9
	102-7 Scale of the organisation	Annual Report 2017 page 4-9
	102-8 Information on employees and other workers	Page 11-12
	102-9 Supply chain	Page 4
	102-10 Significant changes to the organisation and its supply chain	No significant changes to the organisation and its supply chain
	102-11 Precautionary principle or approach	Page 4
	102-12 External initiatives	The Group does not subscribe to any significant external initiatives
	102-13 Membership of associations	No main memberships of industry or other associations, and national or international advocacy organisations maintained at organisational level
	<b>Strategy</b>	
	102-14 Statement from senior decision maker	Page 1
	<b>Ethics and Integrity</b>	
	102-16 Values, principles, standards, and norm of behaviour	Page 3
	<b>Governance</b>	
	102-18 Governance structure	Page 5, Annual Report 2017 page 10-12
	<b>Stakeholder Engagement</b>	
	102-40 List of stakeholder groups	Page 6
	102-41 Collective bargaining agreements	The management has not adopted any collective bargaining agreement
	102-42 Identifying and selecting stakeholders	Page 6
	102-43 Approach to stakeholder engagement	Page 6
	102-44 Key topics and concerns raised	Page 7
	<b>Reporting Practice</b>	
	102-45 Entities included in the consolidated financial statements	Annual Report 2017 page 84 -94
	102-46 Defining report content and topic boundaries	Page 2
	102-47 List of material topics	Page 7
	102-48 Restatements of information	N/A, this is our first report
	102-49 Changes in reporting	N/A, this is our first report
102-50 Reporting period	Page 2	
102-51 Date of most recent report	Page 2	
102-52 Reporting cycle	Page 2	
102-53 Contact point for questions regarding the report	Page 2	
102-54 Claims of reporting in accordance with the GRI Standards	Page 2	
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102-56 External assurance	Page 2	

# Sustainability Report – GRI Content Index

GRI Standard Disclosure		Page Reference and Reasons for Omission, if applicable
<b>MATERIAL TOPICS</b>		
<b>Economic Performance</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	Page 8
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 201: Economic Performance	201-1 Direct Economic value generated and distributed	
<b>Market Presence</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	Page 9-10
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
<b>Employment</b>		
GRI 103: Management Approach	103-1-3 Explanation of the material topic and its boundaries	Page 11-12
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 401: Employment	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
<b>Environmental Compliance</b>		
GRI 103: Management Approach	103-1-3 Explanation of the material topic and its boundaries	Page 12
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	