



FIGTREE HOLDINGS LIMITED
Sustainability Report 2018

02	Message from the Board	08	Economic Performance
03	About this report	09	Anti-Corruption and Anti Bribery
04	Organisational Profile	10	Environmental Compliance
05	Governance and Sustainability Approach	11	Employment
06	Stakeholder Engagement	12	Training and Development
07	Material Topics	13	GRI Content Index

MESSAGE FROM THE BOARD

We believe that by incorporating sustainability in our strategic planning and business operations, we will create long term value for our stakeholders



Danny Siaw
Executive Chairman and
Managing Director

We are pleased to present Figtree Holdings Limited’s (“Figtree” or the “Company”, together with its subsidiaries and associates, the “Group”) second sustainability report which outlined our initiatives and achievements on Environmental, Social, and Governance (“ESG”) topics for the financial year ended 31 December 2018 (“FY2018”).

At Figtree, we recognised the importance of sustainability and view sustainability as an opportunity to create value for our business and stakeholders. In response to growing interests in sustainability, we strive to reduce our environmental footprint in order to appeal to the growing number of environmentally conscious consumers, protect the health and safety of our employees and guests as well as maintain high standards of business conducts.

Setting the tone from the top, the commitment to sustainability starts from the senior management with the Board of Directors (the “Board”) responsible for overseeing the development and implementation of sustainability strategies within the Group. The Board also works closely with management to monitor the performance of the material ESG matters.

As we continue to actively review our strategy and business operations in this challenging year, we remain committed to our goal of providing quality living and working environment to our customers through our sustainability efforts and integrating it with our strategy formulation.

We would like to thank our shareholders, business partners, employees and all stakeholders for their continuous support and commitment in our sustainable journey. The material topics and factors which have been identified as being important to our stakeholders were reviewed by the Board. The Board oversees and monitors the management of these factors as part of its sustainability efforts.

The Board and senior management remains committed to building a better future and the communities we operate in.

ABOUT THIS REPORT

The Group recognizes the importance of growing business in a sustainable way. This report aims to inform our stakeholders the sustainability approaches that have been adopted by the Group and the performance in a transparent and accountable manner. This report covers the operations of the Group located in Singapore from 1 January 2018 to 31 December 2018.

In our first sustainability report, we took reference from the latest Global Reporting Initiative (“GRI”) Standards: Core Option for its robust regime and international applicability and we will continue to apply that in our future sustainability reports. In the preparation of our reports, we kept our disclosures to be in line with the requirements of Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B. In addition, we have looked into using the principles of stakeholder inclusiveness, sustainability context, materiality and completeness to put together a comprehensive report for our stakeholders. For its quality, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. Please refer to GRI Context Index, which summarises information of our report. We have not sought external assurance for this report.

Accessibility

As part of our environmental conservation efforts, this sustainability report will be publicly accessible through the Company’s website: <https://www.figtreeasia.com> as well as on Singapore Exchange Network (“SGXNET”).

Report Contact and Feedback

We value our stakeholders’ feedbacks and suggestions in relation to this sustainability report. Please address all feedbacks to: info@figtreeasia.com

ORGANISATIONAL PROFILE

Background

The Group is a provider of commercial and industrial real estate solutions, founded in 2009 and listed on SGX Catalist on 11 November 2013, with its headquarters located in Singapore. The Group typically acts as the main contractor for its projects in Singapore, covering design and building of commercial and industrial facilities, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In China and Malaysia, the Group provides design, project and construction management consulting services. Since incorporation, the Group has progressed steadily and ventured into different parts of the world including China, Malaysia and Australia.

Our Vision

To strive together to be the value add leader in the design and build construction industry

Our Mission

To design and deliver projects of high value add quality within the budget and time frame to the satisfaction of our clients

Supply Chain Management

We maintain a policy of subcontracting to those parties who best satisfies a range of criteria appropriate to the particular project. Amongst others, price competitiveness and quality is one of the major factors when considering awarding works to sub-contractors.

We have ISO procedures on Purchase Control and Vendors Assessment in place which provides guidelines along the procurement process such as vendor sourcing and selection, purchase order preparation, review and approval and vendor assessment.

Generally, we do not enter into any long term agreements or arrangements with any one of our sub-contractors as this would provide us with the flexibility to evaluate and select more sub-contractors who are able to provide higher quality work at competitive prices. Nonetheless, to ensure sustainable provision of services from our sub-contractors, we actively engage our major sub-contractors to identify and evaluate areas for improvement during the course of and at the end of the project.

External Initiatives

The Group is committed to giving back to the community and also encourages active participation by the employees to make a difference to the community. During the reporting period, we have made donations to Care Community Ltd – the voluntary welfare organisation that aims to provide the best welfare assistance to the elderly, handicapped and less fortunate in Singapore.

Membership of Associations and Certificates

- Singapore Business Federation
- Association of Catalist Companies
- Singapore Chinese Chamber of Commerce & Industry

GOVERNANCE & SUSTAINABILITY APPROACH

The Company has established policies for matters such as Conflict of Interest and Whistle-blowing in order to maintain a high standard of corporate governance and in having effective corporate practices to safeguard against fraud, with the aim of protecting shareholders' interests as well as maximising long term success of the Group. The Company has adopted a risk management framework to identify, review and manage key risks arising from the management and operations of the Group's operating segments.

Conflict of interest policy

The conflict of interest policy is embedded under the Company's Employee Handbook. All of our staff, including key management, are required to make yearly declarations to the Group on their interest (either directly or indirectly) with any of the stakeholders of the Group.

Whistle-blowing policy

The Company has adopted a whistleblowing policy which is made known to our stakeholders. The stakeholders may, in confidence, raise concerns about improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report via an independent email maintained by an outsourced service provider.

Sustainability Approach

On day-to-day basis, we constantly evaluate the expectations of our stakeholders either through informal or formal means in order to create mutual beneficial relationships. The expectations of our stakeholders would be the areas emphasised by us during our strategy setting.

STAKEHOLDER ENGAGEMENT

We regularly engage with our stakeholders to better understand their thoughts and feedback. The feedback will be incorporated into our planning and actions whenever appropriate and relevant to our business.

Our Key Stakeholders	Engagement Activities	Key topics
Customers	<ul style="list-style-type: none"> ❖ Enquiry and feedback channels 	<ul style="list-style-type: none"> ❖ Quality of products ❖ After sales services
Sub-contractors/Suppliers	<ul style="list-style-type: none"> ❖ Quotations ❖ Periodic discussion ❖ Supplier evaluation 	<ul style="list-style-type: none"> ❖ Compliance with terms and conditions of purchasing policies and procedures ❖ Maintain ethical standards
Employees	<ul style="list-style-type: none"> ❖ Induction and orientation program ❖ Staff appraisal ❖ Internal memo ❖ Training 	<ul style="list-style-type: none"> ❖ Staff rights and welfare ❖ Personal development ❖ Working environment
Investors	<ul style="list-style-type: none"> ❖ Annual general meetings ❖ Circulars to shareholders for corporate action which require shareholders' approval 	<ul style="list-style-type: none"> ❖ Profitability ❖ Transparency ❖ Timely reporting ❖ Fair purchasing practices
Government and Regulators	<ul style="list-style-type: none"> ❖ Discussions with government agencies and regulators 	<ul style="list-style-type: none"> ❖ Environmental-friendly business approach ❖ Compliance with regulations ❖ Timely reporting and resolution of issues

MATERIAL TOPICS

Based on inputs gathered from our ongoing internal and external stakeholder engagement process, we have reviewed and revisited the Economic, Social and Governance (“ESG”) factors which were of the most significant interests of our stakeholders.

Apart from the 4 material topics identified in the financial year ended 31 December 2017 (“FY 2017”), we had decided to add in training and education as an additional material topic in our second sustainability report. The table summarises the material topics reported and their corresponding GRI disclosure framework reference number.

Material topics	Description	Page Reference
Economic Performance	Business performance and efforts/commitment in achieving greater results	9
Anti-corruption and Anti-bribery	Policies and measures in place for anti-corruption and anti-bribery	10
Environmental Compliance	Measures in place to comply with environmental regulations	11
Employment	Hiring policies and staff benefits	12
Training and Education	Internal and/or external trainings provided to employees in developing work skill and career advancement	12

ECONOMIC PERFORMANCE

Economic performance is very important to stakeholders, particularly to investors, as economic performance provides them with a return on their investment. In addition, other stakeholders such as employees are also deemed to benefit from such performance. Thus, economic performance has been ranked as one of the material topics for stakeholders.

In order to generate tangible value for our stakeholders, the Group has strived to maintain sustainable profits for the Group. The Board has proposed a first and final tax-exempt cash dividend of 0.3 Singapore cents per share for the FY2018.

Financial Highlights

Summary of results	Financial Year Ended		Changes	Notes
	2017	2018		
Revenue	S\$17.6 million	S\$2.4 million	Decrease by 86.5%	The year-on-year decline in revenue was due to the completion of various projects in FY2017. FY2018's gross loss was mainly due to additional costs for prior years' projects due to final settlement. The net attributable loss in FY2018 was mainly due to higher foreign exchange losses mainly from the weakening of the Australian Dollar against the Singapore Dollar, mitigated by the significant contribution from the share of results of associates. For more information, please refer to the Company's Annual Report 2018 – Operations and Financial Review.
Gross profit/(loss)	S\$11.7 million	(S\$0.1 million)	Decrease by 100.9%	
Net attributable profit/(loss)	S\$5.6 million	(S\$0.6 million)	Decrease by 110.7%	

The Group considers the stakeholders' emphasis on the Group's economic performance. While the Group strives to maximise the stakeholders' short and long term value, we ensure there will be adequate due diligence processes and adopt a disciplined investment and project selection approach.

Subsequent reporting for financial year ended 31 December 2019 (“FY2019”)

For FY2019, we aim to maintain our financial stability and generate positive returns to our stakeholders by exploring other options and viability in related fields.

ANTI-CORRUPTION AND ANTI-BRIBERY

The Group is committed to maintaining high standards of corporate governance to ensure accountability and transparency in conducting our business. The Group has established policies and procedures in place to safeguard against fraud and protect the interests of our stakeholders. A risk management framework has been adopted to identify, review and manage key risks arising from the management and operations of the Group’s operating segments.

We have complied with the principles and guidelines set out in the Code of Corporate Governance 2012 and the SGX Listing Rules. We also perform regular monitoring, evaluation and auditing of our internal policies and procedures to ensure our activity complies with the existing regulatory requirements.

The Board provides guidance and oversees the matters relating to corporate governance. Please refer to the Corporate Governance section in the Annual Report for more information.

In our call to advocate good governance within the Group, we have also formalised and established a Conflict of Interest Policy and a Whistleblowing Policy. The Conflict of Interest policy is embedded under the Group’s Employee Handbook. All of our staff, including key management is required to make yearly declarations to the Group on their interest (either directly or indirectly) with any of the stakeholders of the Group. The Whistleblowing Policy has been put in place for our employees and other stakeholders to report any concerns or complaints regarding any irregularities, improprieties, non-compliances or wrongdoings by management or staff in the course of their work.

Subsequent Reporting for FY 2019

In FY2018, there was no reported instances of inappropriate business activities across our business. Likewise, we seek to maintain our good track record of zero incidents in the upcoming year.

ENVIRONMENTAL COMPLIANCE

Figtree remains dedicated to our responsibility to protect the environment by complying with environmental laws and regulations, which contributes towards a cleaner, greener and healthier environment. We strive to introduce and promote environmental-friendly solutions to our customers. To name a few, properties under our portfolio are designed with extensive green features through passive and active strategies with holistic approach, provision of energy efficient Variant Refrigerant Flow air-conditioning system, energy efficient LED lights and lighting system.

The Group and its subsidiary, Figtree Projects Pte Ltd (“Figtree Projects”), have also adopted the Green and Gracious Builder Scheme (“GGBS”) program spearheaded by Building and Construction Authority (“BCA”) and Green Mark. The adoption of this initiative by the Group involves operational implementation of industry good practices by Figtree Projects in order to ensure that both the Group and Figtree Projects are operating well above mandatory environmental compliance.

Figtree Projects is an ISO 14001 certified entity since 2014 and is currently certified as GGBS Merit-Contractor. With concern for our environment and taking product life cycle analysis into consideration, we have adopted the BCA’s Green Mark Scheme as an initiative to shape a more environmental friendly and sustainable built environment. Below are the awarded projects undertaken by Figtree Projects:

1. BCA Green Mark Award 2013 (Gold Plus) – Second Development Pte Ltd for Menlo Logistic Hub
2. BCA Green Mark Award 2014 (Gold Plus) – Tech-Link Storage Engineering Pte Ltd for KWE Singapore Logistics Centre
3. BCA Green Mark Award 2015 (Platinum) – Figtree Projects Pte Ltd Head Office (Office Interior - Version 1.1)
4. BCA Green Mark Award 2015 (Platinum) – Development 8 Pte Ltd for LF Logistics Centre
5. BCA Green Mark Award 2017 (Gold Plus) – Hankyu Hanshin Logistics Centre

It is important that the Group consistently operate in a sustainable manner in line with our role in the environment. There was no reported incident of non-compliance to environmental laws and regulations in the reporting period.

Subsequent Reporting for FY 2019

We aim to maintain this healthy record of zero non-compliance to all relevant environmental laws and regulations in the countries which our major operations are in.

EMPLOYMENT, TRAINING AND EDUCATION

We believe the success of our business is driven by our talented and dedicated employees. Our people are the core of our business and also the key to achieve long term sustainable business goals.

We are committed to create a fair and inclusive working environment with a set of rigorous employment policies and procedures in place. We ensure that key performance indicators and performance targets are clearly discussed and communicated to employees to align their contributions to Figtree's business goals.

Employee turnover:

Region	Female (FY 2017)	Female (FY 2018)	Male (FY 2017)	Male (FY 2018)
Singapore	14.29%	-	8.70%	9.52%

New employee hires:

Age range	Female (FY 2017)	Female (FY 2018)	Male (FY 2017)	Male (FY 2018)
30 and below	1	-	-	-
31- 50	1	-	-	-
51 and above	-	-	-	-

By category:

Age range	Female (FY 2017)	Female (FY 2018)	Male (FY 2017)	Male (FY 2018)
Management level and above	2	2	14	12
Executives	4	4	9	9
General worker	1	1	-	-

By region:

Employment Type	Singapore
Permanent	100%
Contract	-

Continuous development of skills and knowledge not only contributes to employee's satisfaction but more skilled employees enhance their performance at work. In FY2018, our employees had clocked a total of 633 hours of training and development programmes which translated to an average of 25.30 training hours per employee. During the year, various internal and external training opportunities were offered to our employees, including:

S/N	Training and Development Programme
1	BIM Innovation Conference
2	Design for Safety Appreciation Course
3	Green and Gracious Builder Workshop
4	Workshop for construction professionals
5	Managing noise in construction site

S/N	Training and Development Programme
6	Construction 3D Printing
7	Innovative Design and Construction of Composite Steel-Concrete Structures
8	Building Control Regulations for Site Supervisors
9	Oxygen Reduction System (Wagner)
10	Prevention of Amputations Seminar
11	Fire Safety Workshop
12	Ethics Fundamentals
13	Data Protection Act
14	Internal Auditor Training
15	Sustainability Reporting Workshop

In attracting talent, we strive to implement a non-discriminating employment practice and provide equal opportunities to talents regardless of gender, race, religion and disability as long as the candidate fulfils our job requirements. We pay our employees fairly and carry out regular reviews to ensure that our compensation packages remain competitive.

Figtree also go beyond labour regulations and statutory requirements to attract and retain talent. Various benefits are provided to full-time employees, which includes the following:

- a) Work Injury Compensation Insurance
- b) Group Personal Accident Insurance
- c) Medical benefits
- d) Option of stock ownership under the Figtree Employee Share Option Scheme

In addition to the minimum leave stated under Employment Act, the Group also provides parental leave for employees with children. During the reporting period, 9 employees were entitled to parental leave. 5 male employees and 4 female employees have taken parental leave. The employees are still employed under the Group as at 31 December 2018

Subsequent Reporting for FY 2019

The Group is committed to nurturing a performance-driven organisation by attracting, developing and retaining the right talent. In addition, the Group targets to maintain current level of average training hours per employee and continue to put in effort to facilitate various internal and external training for our employees. The Group will continue to periodically review our employment policies and work towards a more inclusive workforce.

GRI CONTENT INDEX

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if any
102-1 Name of the organisation	Cover page
102-2 Activities, brands, products, and services	Page 4
102-3 Location of headquarters	Page 4
102-4 Location of operations	Page 4
102-5 Ownership and legal form	Page 4
102-6 Markets served	Page 4
102-7 Scale of the organisation	Pages 4, 9 and Annual Report 2018 – Financial Statements: Balance Sheets
102-8 Information on employees and other workers	Page 14
102-9 Supply chain	Page 4
102-10 Significant changes to the organisation and its supply chain	N/A. There were no significant changes to the organisation and its supply chain in FY2018.
102-11 Precautionary principle or approach	Page 6
102-12 External initiatives	The Company has not subscribed nor endorsed any externally-developed economic, environmental and social charters, principles, or other initiatives.
102-13 Membership of associations	Page 5
102-14 Statement from senior decision maker	Page 1
102-16 Values, principles, standards, and norms of behaviour	Page 4
102-18 Governance structure	Annual Report 2018 – Board of Directors
102-40 List of stakeholder groups	Page 7
102-41 Collective bargaining agreements	N/A. None of our employees are covered by collective bargaining agreement in FY2018.
102-42 Identifying and selecting stakeholders	Page 7
102-43 Approach to stakeholder engagement	Page 7
102-44 Key topics and concerns raised	Page 8
102-45 Entities included in the consolidated financial statements	Annual Report 2018 – Corporate Structure

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if any
102-46 Defining report content and topic boundaries	Page 3
102-47 List of material topics	Page 8
102-48 Restatements of information	N/A. There were no restatements of information.
102-49 Changes in reporting	N/A. There were no changes in reporting.
102-50 Reporting period	Page 3
102-51 Date of most recent report	14 November 2018
102-52 Reporting cycle	Page 3
102-53 Contact point for questions regarding the report	Page 3
102-54 Claims of reporting in accordance with the GRI Standards	Page 3
102-55 GRI content index	Pages 17 to 18
102-56 External assurance	Page 3
103-1 Explanation of the material topic and its boundaries	Pages 8 to 16
103-2 The management approach and its components	Page 9 to 16
103-3 Evaluation of the management approach	Page 9 to 16
201-1 Direct Economic value generated and distributed	Page 9 and Annual Report – Financial Statements: Consolidated Income Statements
205-1 Operations assessed for risks related to corruption	Page 10
205-2 Communication and training about anti-corruption policies and procedures	Page 10
205-3 Confirmed incidents of corruption and actions taken	Page 11
307-1 Non-compliance with environmental laws and regulations	Page 12
401-1 New employee hires and employee turnover	Page 13
401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Page 16
401-3 Parental leave	Page 16
404-1 Average hours of training per year per employee	Page 14
404-2 Programs for upgrading employee skills and transition assistance program	Pages 14 to 15