

SUSTAINABILITY REPORT 2020

Our Vision

The Group aspires to deliver memorable experiences for our guests and continue to grow responsibly and in a sustainable way.



Our Mission

The Group strives to satisfy and delight our guests, and understanding the opinions, needs and desires of our stakeholders in the development of our business strategy, products and services. We believe in conducting business with the highest level of integrity, respecting history and heritage, and maintaining high standards in every aspect of our business. These permeate throughout our governance and management values, and align with the principles of sustainability, so we may seek a positive social, economic and environmental benefit for our stakeholders and the local communities where we operate.

Board Statement

The Board is committed in its sustainability efforts in addressing Environmental, Social and Governance ("ESG") factors that are material to its business. In line with our sustainability vision and mission, we consider ESG factors material to the Group and stakeholders in the formulation of the Group's strategy.

About IPC Corporation Ltd

IPC Corporation Ltd ("IPC") was incorporated in Singapore on 8 May 1985 and has been listed on the Mainboard of the SGX-ST (Stock Code : AZA) since 21 May 1993. The businesses of IPC and its subsidiaries ("The Group") includes property investment and development as well as investment holding.

Over the years, the Group developed several projects in China and Japan. The Group's notable development projects include:



- Costa del Sol in Zhuhai, China, a residential cum commercial and a hotel project, that has a total gross build-up area of more than 170,000 square meters. The project was developed from 1997 and all the residential units were completely sold by 2008; and
- Residential condo projects in various locations in Japan (Tsukuba, Tsuchiura, Uraga, Tsukimino, Oppama and Oiso), were completed between 2009 and 2013.

In the U.S., the Group transacted numerous single family homes through the buy, rehabilitation and sell process from 2009 to 2012.

Concurrently in Japan, over a couple of years from 2010, the Group bought a total of 9 hotels, out of which 6 were rebranded under the “nest” hotel branding. The “Nest Hotel” trademark and name is registered and owned by IPC.



Following its divestment of 9 hotels in Japan in 2015, IPC has transformed its business model into an asset-light hotel management business, although the Group still owns a 217 room Grand nest Hotel zhuhai in China. Armed with an extensive experience in hotel management with a proven track record of optimised returns, the Group is well positioned to competently offer consultancy and advisory services with comprehensive feasibility studies and design for owners of existing hotels embarking on renewal or new hotels development.

About this Report

Year 2020 has been an incredibly challenging year for the travel and hospitality industry due to the COVID-19 pandemic; it has been a painful and heartbreakin time for all. During the COVID-19 pandemic, we took immediate actions to prioritize the health and safety of our guests, associates and staff by having a more robust cleaning/disinfection standard and safety measures as per the Health Ministry's guidelines on cleanliness, hygiene and safety. We remain committed to providing our guests, associates and staff with a clean and safe environment for them to stay, visit and work in.

The following set out the priorities for the Group, as well our stakeholders (shareholders, guests, colleagues, local community, etc.):

Responsible Business: We strive to conduct our business with integrity in building a sustainable business that deliver long-term value and growth to all our stakeholders.

Environment: We strive to minimize our properties' operational impact on the environment through resource conservation and best practices.

- Energy
- Water
- Waste



Customer Privacy: With guests as our focal point, we strive to treat our guests' privacy and their data safely, respectfully and fairly.

Guest Experience: We aspire to deliver memorable experiences for our guests; we treat all feedback as important and track guest satisfaction data so as improve guest experience.

Code of Conduct: We believe that integrity, honesty and fairness are important elements in our business. The Code of Conduct sets out the standards of behaviour expected from our employees.



As we weather the COVID-19 pandemic challenges, we continue to embark on our sustainability efforts in addressing ESG and we are pleased to present our sustainability report for the fiscal year 2020 with reference to the GRI sustainability reporting guidelines; the report reflects the operational performance of our Grand nest Hotel zhuhai in China.

OUR SUSTAINABILITY JOURNEY

We take pride in creating memorable experiences in our hotel while operating sustainably and creating economic opportunity wherever we do business.

We are committed to making a difference in the communities where our guests and colleagues live, work and play. We continue to work diligently to minimize the environmental impact on our hotel and we stress the importance of being a responsible business and follow the principles of sustainability across our operations.



We seek creative and innovative ways to meet the needs of our guests while maintaining high standards in every aspect of our business, from environmental to social sustainability.

As we embark on this journey, we strive to continuously identify, address and manage key material ESG factors of the business and shall review them on an ongoing basis, so as to help achieve and build a sustainable business for the interests of all stakeholders over the long term.



RESPONSIBLE BUSINESS

Our commitment to serve our guests, associates, the environment and communities is an important part of our company culture and is integrated into how we do business. The Group applies the following principles to the work we do in building a sustainable business that deliver long-term value and growth to all our stakeholders.

Guiding Principles:

1. Responsible Business: Conduct business in a manner that is honest, transparent, environmentally responsive and ethical.

2. Integrity: Embed integrity into our decisions so as to align with our strategic goals and benefit our stakeholders and the environment.

3. Equality and Respect: Conduct business with ethical conduct, which support equality and respect.

4. Focus on our People: Provide our people with opportunities to succeed, grow and give back to their communities.



5. Innovation: Use dynamic thinking and innovative technology to enhance the memorable experience, while adapting and responding to the changing market and global environmental issues.

6. Resource Efficiency: Minimize the negative impact of our operations.

7. Sustainable Growth: Grow our operations in a sustainable manner that benefit the environment for years to come.



CUSTOMER PRIVACY

We respect our guests' privacy and is committed to treat our guests' personal information safely, respectfully and fairly based on the following principles:

Guiding Principles:

Transparent collection and choice

- We will try to explain what personal information is to be collected and give a choice when appropriate.

Don't collect more than we need

- We only collect personal information that is essential for us to serve the guest and if the law requires us to do so.

Use of data

- We will try to explain what we use the personal information for.



Limited sharing of data

- We only share personal information with authorized third parties, we provide them with only the necessary information for them to complete their functions so that we may deliver or fulfil a service to the guest; except for cases where we are required or authorised by law.
- We do not sell personal information to third parties.

Security

- We take reasonable precautions to protect the security of the data collected. These include the security of the information stored on computers or in offices or archives and to prevent unauthorised access, modification, use or disclosure, and back-up systems to prevent accidental or malicious loss of data or information.
- Target to have no data breach.

How to address concerns

- We provide an avenue where the guest can write to us to address concerns over personal information collected.

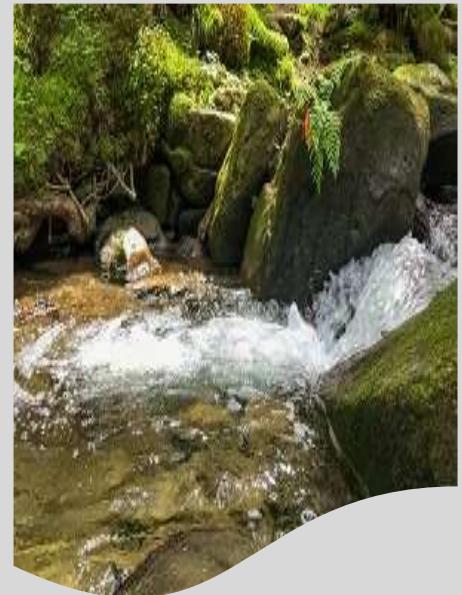


ENVIRONMENT

The Group is committed to environmental protection and sustainability. We strive to minimize our properties' operational impact on the environment through resource conservation and best practices.

In delivering this commitment, our goals are to:

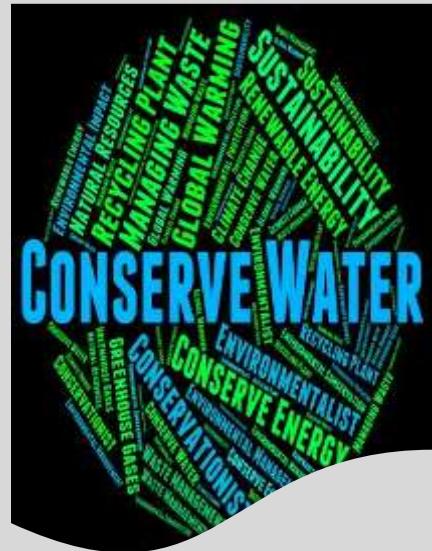
- Educate and inspire our guests and associates to conserve and preserve.
- Work diligently to minimize our waste stream and conserve natural resources, particularly through energy and water conservation, minimize usage of single-use plastics and recycle waste.
- Address environmental challenges through energy and water conservation best practices.



- Value the natural and cultural heritage of our properties, allowing us to give our guests an authentically local experience.
- Comply with all applicable environmental legislation and strive to follow best environmental practices.
- Make environmental considerations an important aspect of decision-making.
- Consider the opinions and feedback of our guests when examining our environmental programs and procedures.

- Targets:

1. To reduce energy and water consumption by up to 5% by 2022 for each occupied room/day basis.
 2. Not to offer plastic straws, not to use single-use plastic stirrers, cutlery, cups, bowls and plates (unless guests specifically ask for them) at the restaurant, bar and rooms.
 3. Recycle waste to reduce total waste-to-landfill by sorting waste into recyclables and non-recyclables.



ENVIRONMENTAL SUSTAINABILITY:

Responsible management of natural resources in our hotel operations is a part of our business. With the changing climate and increased stresses on natural capital and resources, an ever-growing number of guests, associates and stakeholders want to be informed about and engaged in our efforts to operate our hotel more sustainably.



ENERGY

We work to reduce energy intensity at our hotel through identifying and implementing best practices at the property level; besides using energy efficient lighting and equipment, we are committed to making our properties as energy efficient as possible.

Examples of Energy Conservation Practices:

- Use low energy light bulbs, such as fluorescent and LED, wherever possible. These bulbs use up to 80 percent less energy than incandescent light bulbs.
- During room cleaning and turnover, open curtains whenever possible to let sunlight in the rooms during the cleaning work, so that a lamp should be lit only in dark areas, such as a bathroom.
- Keep windows closed and curtain drawn. The ingress of hot air during the summer and cold air during the winter contribute to significant waste of energy.
- Turn off room's lights, appliances, aircon, heaters, etc. when not physically occupied.



- Educate guests and staff to turn off lights and appliances when not in use in rooms and public areas.
- Front Desk staff book rooms in clusters, so that only occupied building areas or wings need to be heated or cooled. Rooms on top floors, at building corners, and facing west (in summer) or north (in winter) can be the most energy-intensive to heat or cool; therefore, consider renting them last.
- During lower occupancy period, try to block complete floor. If this is not practical, attempt should be made to block total wings of each floor.
- Lobby main entrance doors are not to be kept opened unduly. A door opening will result in ingress of hot air during the summer and cold air during the winter, thus contributing to significant waste of energy.

WATER

In the pursuit of water conservation at our hotel, we have identified and implemented best practices to enhance the efficient use of water at the hotel we manage; besides using low-flow faucet and toilet fixtures, etc. to reduce water usage.

Examples of Water Conservation Practices:

- Ensure that staff are trained to know how to prevent excessive water usage while cleaning. For instance, they should know how many times they should flush the toilet, to mop rather than hose the floor, not to leave the taps running when carrying out cleaning.
- Use of low flow shower heads. These provide a good quality shower experience while using only 10 litres per minute.
- Use of low flow faucets. These typically have a maximum flow of 4 to 6 litres per minute.
- Use of low flow toilets. These toilets can use up to 80 percent less water than conventional toilets.



- Implementation of re-use of linen/towel program where guests are informed that we will not change linens or towels daily unless they request the service.
- Routinely check for leaks and fixing them in a timely manner.
- Pre-soaking utensils and dishes before washing.
- Wash vegetables and fruits in a sink of water rather than using running water to rinse.

WASTE

We work to reduce waste intensity at our hotel through identifying and implementing best practices at the property level.

- a. We understand plastics accumulating in our oceans and on our beaches have become a global crisis.

Billions of pounds of plastics can be found in swirling convergences that make up about 40 percent of the world's ocean surfaces. At current rates plastics are expected to outweigh all the fish in the sea by 2050.



In joining the global fight against plastics use, we have committed to the following as part of our continuous journey to undertake sustainable practices to reduce plastic waste:

- use dispensers for soaps and shampoos in bathrooms.
- not to offer plastic straws, not to use single-use plastic stirrers, cutlery, cups, bowls and plates (unless guests specifically ask for them) at the restaurant, bar and rooms.

- b. The rise in waste will reach 3.4 billion tons by 2050 from around 2 billion tons in 2016, with more than a third of waste globally ending up in landfill. A booming waste burden could also contribute to climate change impact, with the treatment and disposal of current waste levels generating around 5 percent of carbon emissions.



We have committed to the following as part of our continuous journey to undertake sustainable practices to manage waste to reduce total waste-to-landfill:

- having recycling bins in common and/or public areas
- sort waste into recyclables and non-recyclables

GUEST EXPERIENCE

We aspire to create a memorable experience for our guests as it will enhance our brand loyalty and with positive guest experience, it shall resonate far beyond the duration of their stay.

Guiding Principles:

Friendly and Courteous

- Friendly and courteous service assures guests that they can relax and enjoy their stay, and makes guests feel appreciated and encouraged to return.



Knowledgeable

- Guests often request information about specific items, hotel staff who are knowledgeable can provide the help they need.

Knowing your Guest

- Guest experience improves when you know your guest. Knowing the needs of the guest, and to deliver consistently and efficiently on those needs can create overwhelming guest experience and loyalty.

Consistent and Efficient

- Consistent and efficient service will make guest feels at ease and assure a positive experience.

Communication

- The art of communication consists of providing just the right amount of information exactly when it is needed.

Trust

- A state of trust must be established between the hotel staff and the guest. A bond of trust is central to return business.



Exceed Expectation

- A returning guest expect the same or better level of service each time they visit.
The best service is constantly improving service.

Address Guest Complaints Promptly

- Service recovery is the last line of defence to the service to the guest. By addressing complaints promptly, it could make the difference between a positive and negative guest experience.

To ensure continuous improvement in providing excellent service to our guests, we make it a point to connect with our guests on a personal level and pay close attention to our guest feedback and guest satisfaction data. We obtain feedback and satisfaction data from guests in numerous ways:

- feedback and satisfaction questionnaires
- email
- verbal communication



We are committed to treat all feedback as important to us and we shall analyse feedback, guest satisfaction data and other relevant data to guide future decisions at our property and consider the improvements we could make in the future based on these data; this is to enable us to make the best decisions and use our resources productively so as to show our guests that we genuinely value their inputs.

- Target to analyse 100% of guest feedback.
- Target to achieve an average guest satisfaction score of at least 70%.

CODE OF CONDUCT

At the Group, our values and principles define who we are and how we do business. We believe that acting responsibly, ethically, with integrity, honesty and fairness are important elements in conducting our business. The Code of Conduct sets out the guiding principles for business conduct expected from all our employees.

Guiding Principles:

Employees Responsibility

All employees shall comply with the Group's Code of Conduct, policies and processes; abide with applicable laws and regulations.

Bribery, Illegal Commissions and Gifts

It is an offence for any employee to solicit money, loan, fee, reward, gift and any favour (collectively referred to as "Personal Advantage") from guests, partners, suppliers or any person in connection with the Group's business.



Loans

An employee or his/her immediate family should not accept, offer or be a guarantee for a loan to, or accept a loan from any person or company having business dealings with the Group, except for normal loans from banks or financial institutions made at the prevailing interest rates and terms.

Use of Proprietary Information

Employees are not allowed at any time to disclose any proprietary information to a third party without permission. Such information may relate to the Group's operations including strategies, sales and marketing plans, new products/services, financial information, clientele database, copyrighted materials, etc. It is the responsibility of each employee who has access to or is in control of such proprietary information to provide adequate safeguards to prevent its abuse or misuse. Examples of misuse include use or disclosure of information in return for monetary rewards, for personal interest and/or to act against the Group's interest.



Insider Trading

It is illegal, unethical and strictly prohibited for employees to make use of insider information, which has not been made public, to secure Personal Advantage at the expense of the Group.



Misuse of Company Assets and Resources

The appropriation of the Group's properties, including finished/unfinished goods, by employees for personal use or gain is a crime of theft; the culprit liable for dismissal and prosecution.

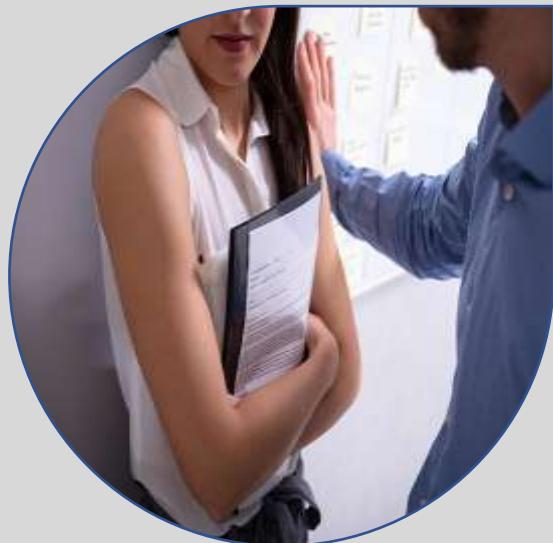
Handling Conflict of Interest Situations

'Conflict of interest' situations arise when the employees' personal interests compete or conflict with the Group's interests. Employees should take it as his/her personal responsibility to avoid engaging in situations that may lead to or involve conflict of interest when dealing with customers, suppliers, contractors and colleagues, etc.



Workplace Harassment, Abuse & Violence

The Group will not tolerate workplace harassment, abuse and violence of any kind. These include unwanted sexual advances, sexual innuendoes, threats, bullying, ridicule, etc.



Outside Employment

Employees should not take up concurrent employment, either part-time/regularly or on a consulting basis, without the prior written approval from the Human Resources department.

Protecting the Environment

Protection of the environment is a top priority for the Group. Responsible environmental activities are good for both our business and the communities we serve. The Group is committed to complying with all applicable environmental laws, regulations and guidelines where we do business. All employees are to properly handle, store and dispose of all materials and wastes in accordance to applicable environmental laws, regulations and guidelines.



Reporting of Violations

Employees are responsible to promptly report any observed or suspected violations of the Code of Conduct, policies and laws to the Manager of the Human Resources department. All reports shall be promptly and fairly investigated.

We are committed to ensure all employees act responsibly, ethically, with integrity, honesty and fairness at all times as these are important elements in the way we conduct our business.

- Target to have zero cases of employee soliciting Personal Advantage

PERFORMANCE

In 2020:

A. Environment:

- Electricity:** The absolute energy consumption for the hotel operations totalled 1,156,579 kWh; and the Energy intensity is a normalised measure of energy intensity per occupied room/day was 14.47 kWh.

Energy Usage			
KPI	Total Consumption (kWh)	Per Occupied Room/day (kWh)	Change from Previous Year (Per Occupied Room/day)
2019	1,214,081	14.07	+0.285%
2020	1,156,579	14.47	+2.843%

* The increase in Per Occupied Room/day usage is related to having a more robust cleaning/disinfection standard during the COVID-19 pandemic.

- Water:** The absolute water consumption for the hotel operations totalled 13,210 cubic metres; and the Water intensity is a normalised measure of water consumption per occupied room/day was 0.307 cubic metres.

Water Usage			
KPI	Total Consumption (cubic metres)	Per Occupied Room/day (cubic metres)	Change from Previous Year (Per Occupied Room/day)
2019	19,710	0.299	+0.336%
2020	13,210	0.307	+2.675%

* The increase in Per Occupied Room/day usage is related to having a more robust cleaning/disinfection standard during the COVID-19 pandemic.

3. **Waste:** In joining the global fight against plastics use, we have taken steps to reduce plastic waste and taken steps to recycle waste to reduce total waste-to-landfill as part of our waste management:

- use dispensers for soaps and shampoos in bathrooms.
- not to offer plastic straws, not to use single-use plastic stirrers, cutlery, cups, bowls and plates (unless guests specifically ask for them) at the restaurant, bar and rooms.
- having recycling bins in common and/or public areas
- sort waste into recyclables and non-recyclables



B. Customer Privacy: There was no reported cases of customer privacy breach.

C. Guest Feedback: 100% of guest feedback were analysed.

D. Guest Satisfaction Score: 82%.

E. Employee soliciting Personal Advantage cases: Zero

FEEDBACK

We hope you find this report informative, and we welcome your input and views: ir@ipc.com.sg

IPC Corporation Ltd
23 Tai Seng Drive, #06-00
Singapore 535224
www.ipc.com.sg

