Oxley

OXLEY HOLDINGS LIMITED

SUSTAINABILITY REPORT 2018

Contents

Chairman's Message

Dear Stakeholders,

I am pleased to present the inaugural Sustainability Report of Oxley Holdings Limited ("Oxley" or "the Group"), prepared in accordance with the Global Reporting Initiative ("GRI") Standards and in compliance with the SGX-ST guidelines on sustainability reporting. The report provides information on the economic, environmental and social aspects of our sustainability practices. As we expand our footprint overseas, we have continually integrated sustainability practices into our business operations.

We place strong emphasis on environmental sustainability in the design and construction of our buildings, both residential and commercial properties. In the hospitality sector, the Group has put in place practices to safeguard the health and safety of our hotel guests and staff. We monitor our hotel operations closely to ensure its environmental sustainability.

At Oxley, we believe that a diverse workforce brings different skillsets and experience to the Group. As such, we hire employees of different ages, genders and nationalities, and post-retirement employees to diversify our workforce. We value the contributions of all our staff and remunerate them fairly.

On behalf of the Board, I would like to express my gratitude to our clients, business partners and shareholders for their unwavering support over the years. We look forward to your continual support as we strive to develop a more sustainable environment for all.

CHING CHIAT KWONG
Executive Chairman and Chief Executive Officer
Oxley Holdings Limited

Oxley's
Sustainability Story

Sustainability Philosophy

Oxley is committed to operating sustainably in economic, environmental and social aspects. While the economic landscape for the property development industry remains competitive, we believe we will achieve sustainable returns for our stakeholders with our strategic business decisions and astute foresight.

The Group has placed strong emphasis on the environmental sustainability of our property designs and workplace health & safety. Our commitment to workplace health & safety is reflected in our strong advocacy among contractors and suppliers on the importance of maintaining safe work practices.

Sustainability Targets

Oxley endeavours to create more "green" building designs for our development projects. We strive to maintain zero health & safety incidents at our project sites.

In addition, we target to maintain zero food and physical incidents at our hotels for our guests and hotel employees. We also endeavour to reduce the carbon footprint of our hotel operations.

Awards and Achievements

The Group has won numerous accolades and awards in recognition of our achievements:

**Winner
(Office Category)**

**Singapore Property
Awards 2017**

FIABCI-Singapore

Oxley Tower

**Best Hotel
Architectural Design**

**Asia Property
Awards 2017**

PropertyGuru

**Novotel on Stevens
and Mercure
on Stevens**

**Billion Dollar Club
2017 & 2018**

Most Profitable Company

The Edge Singapore

Oxley Holdings Limited

**Best Office
Architectural Design**

Asia Property Awards 2017

PropertyGuru

Oxley Tower

Oxley's Sustainability Story

BCA CONSTRUCTION EXCELLENCE AWARD 2018

Award to recognise high standards of management, technical expertise and workmanship

In addition to these distinguished awards, we have achieved a high score of 93.6 for the Construction Quality Assessment System ("CONQUAS") assessment of our property, The Flow. This is a testament of our commitment to the quality and safety standards of the construction of our properties. We have also received a merit award in the Building and Construction Authority ("BCA") Construction Excellence Award 2018.

CONQUAS CERTIFICATION

A system that assesses the quality of building projects based on structural works, architectural works and mechanical and engineering ("M&E") works

Corporate Profile

Oxley is an international property group incorporated in 2010 and headquartered in Singapore. Oxley specialises in the development of quality residential, commercial, industrial and hospitality projects. These developments are typically located in choice areas that are easily accessible. Most of its projects incorporate retail elements, as well as lifestyle features and facilities.

Oxley is listed on the Main Board of the SGX-ST (SGX: 5UX). Oxley has a strong reputation in market foresight, execution, marketing and sales, which is evident in its project track record in Singapore in the past years.

Oxley has made several land purchases in Singapore in recent years and has launched more than half of its new Singapore projects, with plans to launch the remaining Singapore projects in the months to come.

In the financial year ended 2018 ("FY2018"), Oxley completed the acquisition of Chevron House, an iconic grade-A office building in Raffles Place. Oxley's hotels, Novotel Singapore on Stevens and Mercure Singapore on Stevens commenced operations in FY2018. In addition, Oxley acquired a 19% stake in Singapore-listed United Engineers Limited and a 10% stake in Aspen (Group) Holdings Limited, a Malaysia-based property group listed on Catalist in Singapore.

Oxley holds a 20% stake in Galliard (Group) Limited, a leading integrated property group in the UK, and a 40% stake in Pindan Group Pty Ltd, an integrated property group based in Western Australia.

Building on its strong foundation, Oxley has made remarkable progress in expanding its footprint overseas. Currently, the Group has overseas business presence across 10 geographical markets, namely the United Kingdom (the "UK"), Ireland, Cambodia, Malaysia, Myanmar, Indonesia, Cyprus, China, Vietnam and Australia. Its overseas flagship projects include Royal Wharf, a waterfront township development in London, The Peak and The Bridge, two mixed-use developments in Phnom Penh, Cambodia, and Dublin Landings, the largest mixed-use development in the business district of Dublin, Ireland.

Ethics and Compliance

Oxley adheres to the highest standards of ethics and integrity and complies with applicable regulations and professional codes of conduct.

Whistle-blowing Policy

The Audit Committee ("AC") reviews the whistle-blowing policy and procedures, which provides staff with well-defined and accessible channels within the Group for reporting possible improprieties in matters of financial reporting or other matters in confidence. The policy also ensures that there is independent investigation of such matters and appropriate follow-up action.

There was no instance of whistle-blowing in FY2018.

Anti-corruption

Oxley takes a strong stance against any form of corruption in the Group. All employees are educated on the Group's zero tolerance against corruption. In the event that there is corruption, we will conduct independent investigations promptly, followed by implementing mitigating measures to prevent recurrence.

There was no reported incident of corruption in FY2018.

Governance and Statement of the Board

Oxley's Board of Directors and senior management consider sustainability issues as part of the strategic formulation of the Group. To implement our sustainability efforts, a Sustainability Task Force comprising key management personnel and chaired by the Chief Financial Officer has been established to oversee the sustainability performance.

The Board approves the material economic, environmental and social factors identified by the Task Force, and ensures that the factors identified are managed and monitored.

Please refer to the Corporate Governance Report in our Annual Report 2018 for more information on corporate governance practices, precautionary measures and risk management structure.

Board of Directors

Chief Financial Officer

Sustainability Task Force

Finance

Project

Marketing

Human Resource
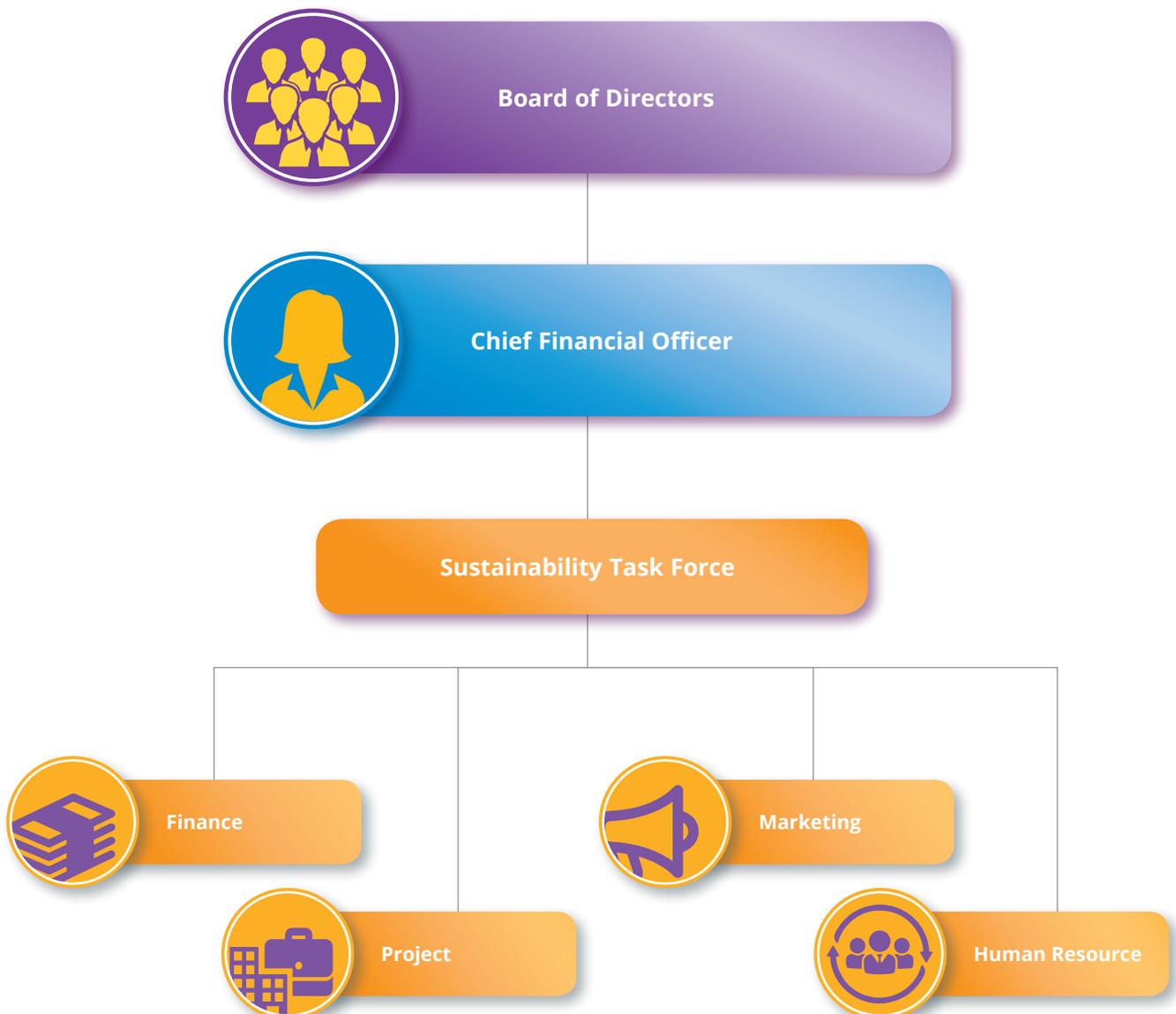
The Group understands that stakeholder engagement is the key to sustainable growth. As such, we have implemented various channels where we can conduct meaningful dialogues with them and provide updates on any material stakeholder issues. We determine the material topics based on their materiality to stakeholders. Our stakeholders are groups that have material impact on or are impacted by our operations.

The following table summarises our key stakeholders, engagement platforms and their key concerns:

Stakeholders	Engagement platforms	Issues of concern	Read more in the following sections
Property buyers	• Annual reports • Showflat brochures	• Quality of housing	• Property Development
Hotel guests	• Survey forms to gather feedback from hotel guests • TripAdvisor and Booking.com websites	• Safety and security of guests • Data privacy	• Guest Health and Safety • Protecting Customer Privacy and Data
Employees	• Performance appraisal system • Staff training	• Remuneration and benefits • Occupational health and safety	• Employee Remuneration and Benefits • Occupational Health and Safety
Contractors and suppliers	• Assessment of contractors and suppliers on occurrence of accidents	• Health and safety • Environmental compliance	• Contractor and Supplier Management • Occupational Health and Safety
Government and regulators	• SGX quarterly announcements • Annual reports • Ongoing dialogues	• Environmental compliance with government agencies • Regulatory and industrial requirements required by government	• Fines and Penalty • Occupational Health and Safety
Community	• Community services engagement	• Environmental impact • Social development	• Design for Sustainability • Social Compliance • Giving Back to the Community
Shareholders and investors	• Annual reports • Investor relations management	• Economic performance • Anti-corruption	• Anti-corruption

Reporting Practice

Oxley's first sustainability report has been produced in accordance with the GRI Standards "**Core**" option covering our Group's performance from 1 July 2017 to 30 June 2018.

The GRI Standards represent the global best practices for reporting on economic, environmental and social topics.

The report incorporates the primary components of report content as set out by the SGX's "Comply or Explain" requirements on sustainability reporting under Listing Rule 711B.

GRI does not require external assurance and Oxley's Sustainability Task Force has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year.

This report supplements the Group's 2018 Annual Report and is available online at: https://www.oxley.com.sg/. Detailed section references with GRI Standards can be found on the GRI Standards Content Index page.

Oxley's material topics are identified based on their impact on our internal and external stakeholders, as outlined in the Stakeholder Engagement Section.

Material Topics	Applicable Segment
ECONOMIC	
Economic Performance	Property development
Anti-corruption	Group level
ENVIRONMENTAL	
Energy	Property development, hotel
Emission	
Water	Hotel
Effluent and Waste	
Environmental Compliance	Applicable by country of operation
Supplier Environmental Assessment	Property development, hotel
SOCIAL	
Employment	Group level
Occupational Health and Safety	Property development, hotel
Diversity and Equal Opportunity	Group level
Non-discrimination	
Child Labour	
Forced or Compulsory Labour	
Human Rights Assessment	
Supplier Social Assessment	Property development, hotel
Customer Health and Safety	Hotel
Customer Privacy	
Socio-economic Compliance	Group level

Oxley is committed to be a responsible corporate citizen in the communities we operate in, and endeavour to deliver safe, efficient, environmentally sustainable and high-quality property developments. We strive to minimise our impact on the environment by reducing our carbon footprint and water consumption.

Design for Sustainability
<u>**Sustainable Building**</u>
At Oxley, we are committed to Sustainable Buildings. All of our properties have received Green Mark Certifications, which is a testament of our commitment to maintaining the environmental friendliness and sustainability of our buildings in terms of design, construction and operations.

Featured Story:
Riverfront Residences, Singapore

The property is sustainably designed to enhance the living of our buyers by promoting efficiency, and creating a comfortable home environment.

Smart Homehub - Control devices and sensors in the smart home system

Smart air conditioner control - Turn on/off air conditiner and control temperature remotely

Smart digital lock - Keyless door and digital keypad

Property Development

Featured Story:
Royal Wharf, London

The property features lifestyle amenities such as lush gardens, as well as sustainable roof designs which enrich the biodiversity and environmental quality for home owners.

Gardens - A wide range of courtyard gardens

Brown roofs - Made using recycled materials. They attract local plants and wildlife, which help to build the biodiversity of the landscape. They also reduce rainwater run-off, help to insulate buildings, and effectively reduce the urban heat island effect.

In London, our Royal Wharf development was assessed and certified under the Building Research Establishment Environment Assessment Method ("BREEAM") scheme. The scheme is the world's leading sustainability assessment method for buildings, and Oxley was rated "Very Good" in this scheme. Royal Wharf was also awarded a Level 4 rating by the government of the United Kingdom under the Code for Sustainable Homes ("the Code"). The Code is an environmental assessment for new homes in United Kingdom.

Occupant Safety
In addition to creating sustainable building designs, ensuring the quality and safety of our properties for our buyers is our priority. In FY2018, there was no incident of non-compliance concerning the health and safety impact of our properties.

The Group supervises the compliance of all property development projects with local design and construction requirements and guidelines. For example, in compliance with BCA Code on Accessibility in the Built Environment, we have incorporated barrier-free accessibility in our property designs to ensure that our buildings are accessible and user-friendly for persons with disabilities and families with young children.

We comply with CONQUAS, an assessment system by BCA, for the construction of our properties. The assessment goes through tests that help to safeguard the interest of building occupants in terms of safety, comfort and aesthetic defects and deliver safe and high-quality properties to our buyers.

Leverage on Technology

Oxley is committed to leveraging technology to improve productivity at our project sites. For our projects, such as Riverfront Residences, Affinity at Serangoon and The Verandah Residences, we implemented the use of prefabricated bathroom units ("PBUs"), whereby bathroom units are preassembled off-site. This effectively reduces manpower and minimises downtime as production of PBUs can continue even during bad weather conditions. Furthermore, there is a better control of material usage and the prefabrication process, resulting in higher quality finishes and lower wastage.

Construction Safety Management

Other than ensuring construction quality, the Group has gone the extra mile to ensure that all contractors and suppliers are notified of their worksite health and safety responsibilities during the vendor selection process, and are able to meet the standards expected by the Group in addition to International Organisation for Standardisation ("ISO") certifications. We have also appointed a Design for Safety ("DfS") professional to identify and address measures to eliminate and mitigate the risks inherent in the design of a construction project from design stage to construction completion. This reduces the health and safety risk in the construction, maintenance and repair phases.

In FY2018, there was no occupational health and safety incident at our project sites.

Contractor and Supplier Management

The Group ensures that the practices and policies of our contractors and suppliers are in line with ours. All contractors and suppliers are reviewed and selected based on performance, workplace health and safety, environmental and social criteria. We assess new contractors based on their track records, and worksite health and safety practices during the quotation and tendering process before awarding the contracts. Those who do not meet our standards will be delisted from our approved list of vendors.

During FY2018, we assessed all construction contractors according to our quotation and tendering selection criteria. There had been no breach of regulations regarding environmental and labour laws.

Energy and Emissions Management

Oxley is committed to working closely with our contractors and suppliers to manage our energy efficiency and carbon footprint. They are required to comply with our environmental policies and guidelines at all geographical locations where we operate.

The Group has implemented energy-efficient features such as Light-emitting Diode ("LED") lights at corridors of our properties and green label products to conserve daily energy usage. We strive to optimise the energy efficiency of our building structures by adopting energy-efficient air-conditioning systems and motion-sensor toilets to reduce energy consumption.

Fines and Penalty

During FY2018, the Group had no incident of non-compliance with environmental and socio-economic laws and regulations.

Property Development

Property Marketing

At Oxley, we strictly comply with Controller of Housing ("COH") guidelines which require show units to be accurately depicted. We also obtain the approval of COH of our building plans before opening our showflats for viewing.

Below are the key COH guidelines that we comply with:

Show unit has to be built according to the approved building plan

Floor to floor ceiling height and dimensions of the unit have to be the same as depicted

Display a list of materials, finishes, fittings and appliances which will be provided in the actual unit in the show unit

Prominently display written notice on the interior design to show the differences between the actual unit and show unit

All floor spaces to be built in accordance with the approved building plan, including balcony, air-con ledge and any other spaces which form part of the show unit

By complying with COH guidelines, we provide assurance to prospective buyers that our show units accurately represent the units for sale and ensure that there is no marketing misrepresentation.

Oxley works closely with our hotel operator to ensure strict compliance with local environmental and social laws and regulations. We prioritise the health and safety of our guests and employees through food and physical safety practices.

Guest Health and Safety

At Oxley, we provide hotel guests the transparency and assurance of food safety standards and certifications by regularly conducting Food Safety Audits at our hotels. Currently, our hotels have achieved a "B" grade.

Aside from food hygiene, we highlight to our hotel operator the importance of the safety and security of the hotel's guests. We emphasise on proper safety measures such as implementing fire safety measures and conducting routine fire drills at the hotel premises. To ensure guests' security, security cameras are installed at the hotel premises and only hotel guests are able to gain access to the floor of their room with their room cards. We will have our safety measures periodically reviewed to ensure the physical safety and security of our guests.

The hotel operator is required to comply with National Environment Agency ("NEA") and local health and safety regulations. During FY2018, there had been no incident of non-compliance with customer health and safety regulations.

Occupational Health and Safety

The Group is aware that staff health and safety is an important consideration in running an effective hotel business. During the initial selection of our hotel operators, we assess their safety practices and procedures in maintaining employee health and safety. We also assess our existing hotel operator annually to ensure that they have not had any employee health and safety breaches. We require hotel operators to train the staff on proper safety policies. We periodically review safety risks and implement corresponding safety measures to mitigate these risks.

In FY2018, there was no breach of regulations on occupational health and safety.

Energy and Emissions Management

Our hotels in Singapore commenced operations in FY2018, with Novotel Singapore on Stevens commencing operations in October 2017, and Mercure Singapore on Stevens in December 2017. We are committed to working closely with our hotel operator to manage energy usage and reduce emissions.

To reduce energy usage and emissions during daily operations, 80% of the lights installed at our hotels are energy-efficient LED lights. We raise staff awareness to encourage environmentally friendly practices, such as switching off lights and air-conditioning in vacant rooms.

Hotel	Energy Consumption (kWh)	Intensity Ratio (kWh/m²)	Carbon Dioxide Emission (kg)	Intensity Ratio (kg/m²)
Novotel Singapore on Stevens	1,977,268.8	162.4	1,471,517	120.9
Mercure Singapore on Stevens	2,239,239.1	154.1	1,666,480	114.7

Table 1: Energy consumption and carbon dioxide emission of the hotels for FY2018.

Hotel

Effluents and Waste Management

We require our hotel operators to implement proper effluents and waste management in their daily hotel operations to prevent any risk of pollution and spread of disease. To optimise waste management at our hotels, we outsource the disposal of dry waste such as paper, metal and plastic to a professional waste management company. This ensures that waste is disposed of in a proper manner that is in compliance with local health codes.

Other than ensuring proper waste management, we implemented sustainable initiatives that reduce overall wastage at our hotels, including minimising the change of towels and bed linens. Guests have the choice to put signs in the hotel room to indicate the frequency of changing their towels and bed linens during their stays at the hotels. The hotel also partners with a local start-up to come up with initiatives to reduce food wastage through repackaging and redistribution of food. At Food Exchange, a buffet restaurant in Novotel Singapore on Stevens, customers can pack their meals in a green box at designated timings and pay a discounted price to enjoy these food items.

Protecting Guest Privacy and Data

Oxley takes utmost care in protecting the privacy and data of hotel guests. Our hotels are in strict compliance with the Personal Data Protection Act ("PDPA").

There had been no reported breach in FY2018.

At Oxley, we endeavour to create an inclusive workplace environment, committed to mutual respect, fairness and equality for all our staff and workers. We provide opportunities for continuous learning and skills improvement for staff development.

Workforce Diversity

At Oxley, we advocate fair employment and endeavour to achieve a balanced and diversified workforce, including hiring of post-retirement employees above 62 years old. As at the end of FY2018, our total staff strength including hotel and overseas staff, was 356.

Our Current Workforce by Age and Gender

Age (in Years)	Male	Female	Total
30 and below	26.1%	20.8%	46.9%
Between 31 and 40	20.8%	10.1%	30.9%
Between 41 and 50	6.2%	5.3%	11.5%
Above 50	7.6%	3.1%	10.7%
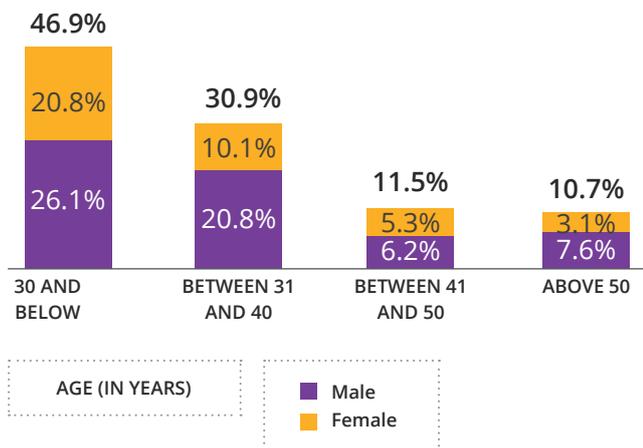
Employee Remuneration and Benefits

At Oxley, we recognise the valuable contribution of all employees. We strongly believe in fair remuneration. All employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance.

We prioritise the welfare of our employees by granting a range of employee benefits such as medical insurance, healthcare and parental leave. In FY2018, 3 employees took parental leave and all of them returned to work after their parental leave ended.

Employees also need to stay informed and update their skill sets in the ever-changing work environment. Both on-the-job and ad-hoc trainings are made available to our employees. Employees can attend courses which are relevant to their work nature.

Social Compliance

At Oxley, we endeavour to be a socially responsible corporate citizen and we strictly comply with local social laws and regulations in the countries where we operate. In FY2018, the Group had no incident of non-compliance with social laws and regulations involving discrimination, child labour, forced or compulsory labour and infringement of human rights.

Giving Back to the Community

Oxley believes that corporate social responsibility is imperative to the Group's true success. Oxley has been active in contributing back to society. Some of the activities we have participated in include:

- Donated S$100,000 for SGX Bull Charge charity run in November 2017.

- Donated S$1,000,000 to Thye Hua Kwan in March 2018.
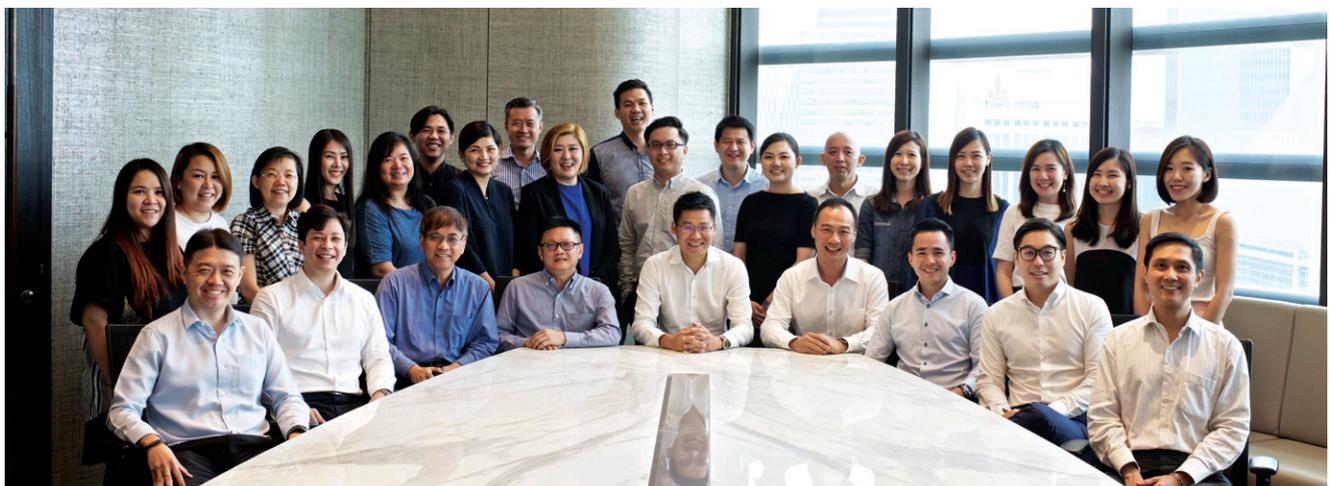
SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	• Economic, Environmental and Social Topics • Stakeholder Engagement
2	Policies, Practices and Performance	• Chairman's Message • Oxley's Sustainability Story • Property Development, Hotel, Our People, Our Assets
3	Board Statement	Governance & Statement of the Board
4	Targets	Oxley's Sustainability Story
5	Framework	Reporting Practice

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GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Annual Report 2018
102-2	Activities, brands, products, and services	Annual Report 2018
102-3	Location of headquarters	Annual Report 2018
102-4	Location of operations	Annual Report 2018
102-5	Ownership and legal form	Annual Report 2018
102-6	Markets served	Annual Report 2018
102-7	Scale of the organisation	Annual Report 2018
102-8	Information on employees and other workers	Annual Report 2018
102-9	Supply chain	Annual Report 2018
102-10	Significant changes to the organisation and its supply chain	Annual Report 2018
102-11	Precautionary principle or approach	Annual Report 2018
102-12	External initiatives	Annual Report 2018
102-13	Membership of associations	Annual Report 2018
102-14	Statement from senior decision-maker	Chairman's Message
102-15	Key impacts, risks, and opportunities	Chairman's Message, Oxley's Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics
102-17	Mechanisms for advice and concerns about ethics	Ethics
102-18	Governance structure	Governance and Statement of the Board

GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
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102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
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205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
302-1	Energy consumption within the organisation	Energy and Emissions Management
302-3	Energy intensity	Energy and Emissions Management
302-4	Reduction of energy consumption	Energy and Emissions Management
302-5	Reductions in energy requirements of products and services	Design for Sustainability, Energy and Emissions Management
305-2	Energy indirect (Scope 2) Greenhouse Gas ("GHG") emissions	Energy and Emissions Management
305-4	GHG emissions intensity	Energy and Emissions Management
305-5	Reduction of GHG emissions	Energy and Emissions Management
306-1	Water discharge by quality and destination	Effluents and Waste Management
306-2	Waste by type and disposal method	Effluents and Waste Management
307-1	Non-compliance with environmental laws and regulations	Fines and Penalty
308-1	New suppliers that were screened using environmental criteria	Contractor and Supplier Management

GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
308-2	Negative environmental impacts in the supply chain and actions taken	Contractor and Supplier Management
401-1	New employee hires and employee turnover	Workplace Diversity
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Remuneration and Benefits
401-3	Parental leave	Employee Remuneration and Benefits
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Construction Safety Management, Occupational Health and Safety
405-1	Diversity of governance bodies and employees	Workforce Diversity
405-2	Ratio of basic salary and remuneration of women to men	Employee Remuneration and Benefits
406-1	Incidents of discrimination and corrective actions taken	Social Compliance
408-1	Operations and suppliers at significant risk for incidents of child labour	Social Compliance
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social Compliance
412-1	Operations that have been subject to human rights reviews or impact assessments	Social Compliance
413-1	Operations with local community engagement, impact assessments and development programs	Giving Back to the Community
414-1	New suppliers that were screened using social criteria	Contractor and Supplier Management
414-2	Negative social impacts in the supply chain and actions taken	Contractor and Supplier Management
416-1	Assessment of the health and safety impacts of product and service categories	Design for Sustainability, Guest Health & Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Design for Sustainability, Guest Health & Safety
417-1	Requirements for product and service information and labelling	Property Marketing
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419-1	Non-compliance with laws and regulations in the social and economic area	Fines or Penalty