



Far East  
Orchard  
LIMITED

# SUSTAINABILITY REPORT



2021

# Contents

<b>Introduction</b>	
- About Far East Orchard Limited	01
- Sustainability Vision Statement	02
- Key Highlights in 2021	03
<b>About this Report</b>	05
<b>Board Statement</b>	07
<b>Our Business</b>	
- Refresh of Sustainability Strategy	08
- Continuous Support for National COVID-19 Safety Measures	08
<b>How Far East Orchard Create Sustainable Value</b>	
- Sustainability Strategy	09
- Supporting Sustainable Development Agendas	10
- Sustainability Governance Structure	11
- Stakeholder Engagement	12
- Materiality Assessment	13
<b>Minimising Environmental Impact</b>	
- Carbon Management	14
- Water Management	18
- Waste (non-material)	19
- Environmental Compliance (non-material)	19
<b>Supporting People</b>	
- Customer Health and Safety	20
- Providing the Highest Quality of Service (non-material)	22
- Occupational Health and Safety	24
- Training and Education	27
- Diversity and Equal Opportunity	31
<b>Upholding Integrity</b>	
- Transparent and Ethical Business	33
- Responsible Procurement	37
- Customer Privacy	38
<b>Building a Resilient Business</b>	
- Economic Performance	39
<b>GRI Index</b>	40

## Glossary of Key Abbreviations

### A

**AFR** - Accident Frequency Rate  
**ARC** - Audit & Risk Committee  
**ASR** - Accident Severity Rate

### B

**BREEAM** - Building Research Establishment Environmental Assessment Method  
**BCA** - Building and Construction Authority  
**BMS** - Building Management System

### C

**CCCS** - Competition and Consumer Commission of Singapore  
**CEI** - Customer Engagement Index

### D

**DPOs** - Data Protection Officers

### E

**ESG** - Environmental, Social and Governance

### G

**GHG** - Greenhouse Gas  
**GRI** - Global Reporting Initiative

### H

**HR** - Human Resource

### I

**IPT** - Interested Person Transaction

### M

**MRSC** - Management Risk & Sustainability Committee

### O

**OJT** - On-the-job Training

### P

**PBSA** - Purpose-built Student Accommodation  
**PDPA** - Personal Data Protection Act  
**PDPC** - Personal Data Protection Commission

### S

**SDGs** - United Nations Sustainable Development Goals  
**SGTI** - Singapore Governance and Transparency Index  
**SGX** - Singapore Exchange Securities Trading Limited  
**SGX Listing Rules** - Mainboard Rules of the Listing Manual of SGX  
**SHA** - Singapore Hotel Association  
**SLL** - Sustainability-Linked Loan  
**SOPs** - Standard Operating Procedures

### T

**TAFEP** - Tripartite Alliance for Fair and Progressive Employment Practices  
**TCFD** - Task Force on Climate-related Financial Disclosures

### U

**UK** - United Kingdom

### W

**WSH** - Workplace Safety and Health  
**WSQ** - Workforce Skills Qualifications

# Introduction

## About Far East Orchard Limited

Far East Orchard Limited (“Far East Orchard” and together with its subsidiaries, the “Group”) is a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio. Far East Orchard has been listed on the Mainboard of the Singapore Exchange since 1968. It is a member of Far East Organization, Singapore’s largest private property developer.

Redefining itself through a strategic transformation of the business in 2012, Far East Orchard expanded into the complementary businesses of hospitality management and healthcare real estate. In 2015, Far East Orchard diversified its real estate portfolio to include PBSA properties in the UK. The Group’s hospitality arm – Far East Hospitality (“FEH”) – now owns more than 10 hospitality assets and manages over 100 properties with close to 18,000 rooms across Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, and Singapore. Far East Orchard’s current UK PBSA comprises more than 3,500 beds in the cities of Brighton, Bristol, Leeds, Liverpool, Newcastle upon Tyne, and Sheffield.

The Group also holds a portfolio of purpose-built medical suites for lease and for sale in Singapore’s premier medical hub in Novena, as well as commercial and residential in Singapore and development properties in the UK.

# Sustainability Vision Statement

We strive to create sustained economic value for our stakeholders and commit to be responsible towards the environment and society while up-holding a high standard of corporate governance. Together, we work towards creating a sustainable future through our real estate and lodging platform.

## ENVIRONMENTAL

### Minimise Environmental Impacts

Reducing our environmental footprint and preserving environmental resources across our platforms

#### Implementations:

- Tracking carbon footprint in properties we have control in
- Implementing initiatives to minimise and conserve environmental resource.

## ECONOMIC

### Resilient Business

Accountable to all stakeholders to ensure the long-term success of our business.

This is done through a diversified and balanced portfolio in the geographies we operate.

## SOCIAL

### Supporting Our People

People-first business.

Strive to provide a safe and conducive environment; empower staff members to take charge of their own success.

Maintain the highest safety and health standards to ensure customers have the best experience.

## GOVERNANCE

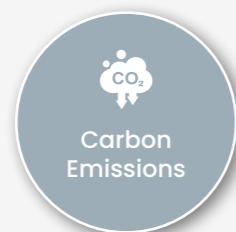
### Upholding Integrity

We believe in ethical and transparent business practices across our value chain will go a long way in maintaining business continuity and market reputation.



# Key Highlights in 2021

## 01 Minimising Environmental Footprint (Environmental)



**3 MANAGED HOTELS** achieved Green Mark Certification in 2021 (17% of managed hotel properties achieved green certifications)

Began **TRACKING** carbon emissions in owned and managed properties (Scope 1 and 2)

Four-year SLL of **£50 MILLION** secured in 2021

To voluntarily **DISCLOSE** climate-related risks aligned to TCFD recommendations from 2022

**7 MANAGED HOTELS** on track to achieving Green Mark Certification in 2022 (this represents 55% of total managed properties)

To reduce **1%** absolute carbon emissions annually from 2022



**MET 2021 TARGET:**

- No significant fines and non-monetary penalties

## 02 Supporting People (Social)



**42** workplace injuries<sup>1</sup>

**0** workplace fatalities

**0** case of occupational disease

### MET 2021 TARGETS:

- Exceeded the target of 80 hours of training per employee, reaching an average of 85.7 hours
- 100% of full-time employees received regular performance and career development reviews
- Zero cases of workplace fatalities
- No fines for safety breaches

## 03 Upholding Integrity (Governance)



Ranked among the top

**8%**

of SGX-listed firms in SGTI 2021

### MET 2021 TARGETS:

- No violation of the Competition Act and CCCS guidelines
- No lapses with SGX Listing Rules resulting in reprimands by SGX
- No incidents of bribery or corruption involving employees
- No substantiated complaints concerning breaches of customer privacy and loss of customer data that resulted in fines by the PDPC

## 04 Building a Resilient Business (Economic)



**\$30.7 MILLION** was distributed for employee compensations and benefits

**\$12.3 MILLION** in tax contributions

**70%**

of total suppliers engaged are locally based

KEY HIGHLIGHTS

<sup>1</sup> The increase in workplace fatalities from 11 in 2020 to 42 in 2021 was due to ramp-up in operations in 2021 amid the post-pandemic recovery. Although the Group did not meet its 2021 target to reduce workplace injuries by 25%, the Group maintained its record of zero workplace fatalities and will proactively improve safety measures within its operations.

# About this Report

This is Far East Orchard's fourth Sustainability Report. It contains full-year data from 1 January to 31 December 2021 ("FY2021") and the reporting period aligns with the Group's financial year. This report showcases the Group's approaches, initiatives, and performance in ESG that are material to its business and stakeholders. The information in this report should be read in tandem with Far East Orchard's FY2021 Annual Report, which can be found at: [www.fareastorchard.com.sg/publications.html](http://www.fareastorchard.com.sg/publications.html)

## Reporting Framework

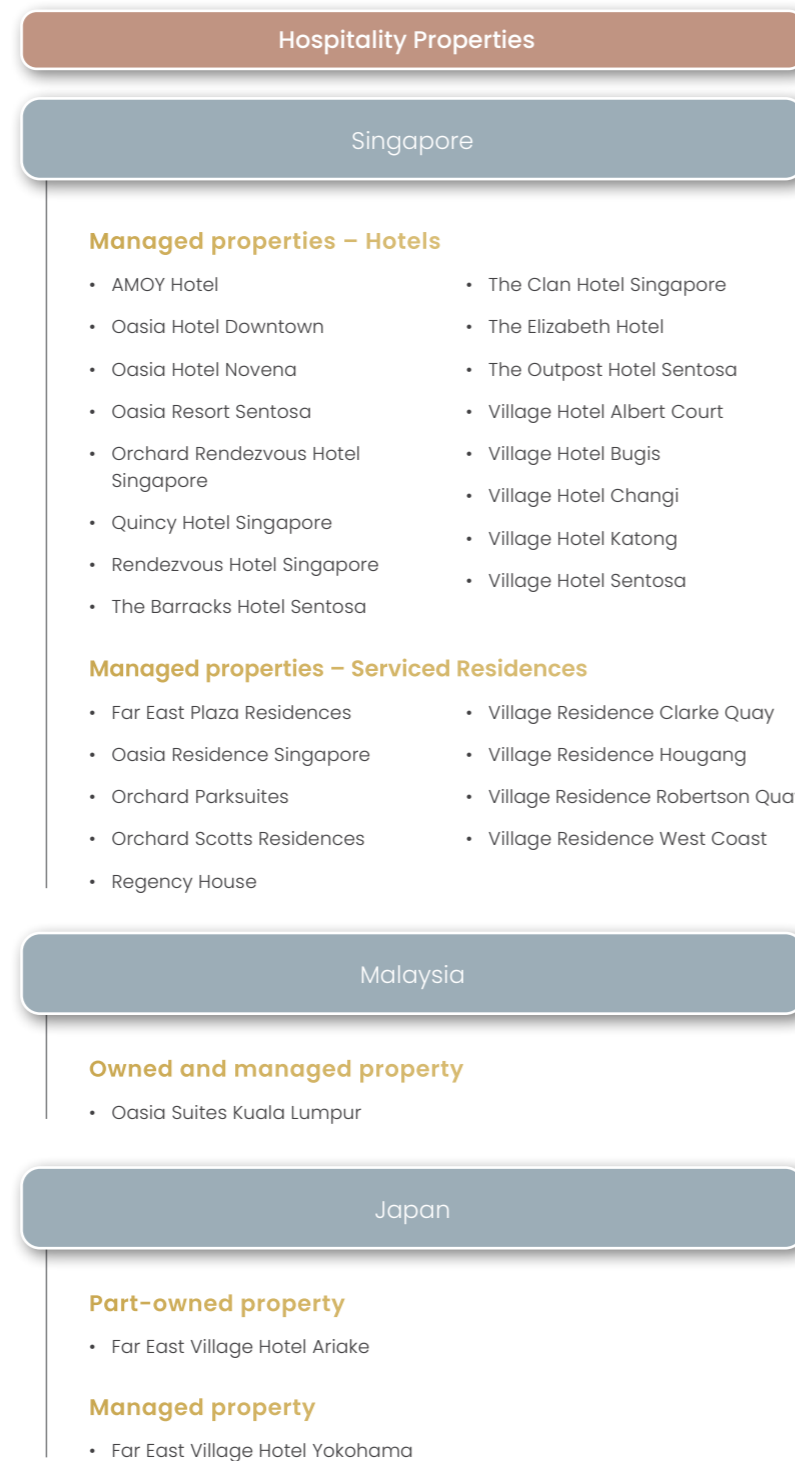
This Sustainability Report is prepared in accordance with the GRI Standards: Core option and Rules 71A and 71B of the SGX Listing Rules, which together serve as a reporting framework. Aligning the Group's sustainability disclosures with the latest practices recommended by the GRI Standards enables Far East Orchard to communicate its sustainability performance and impact to all stakeholders comprehensively and holistically. The relevant disclosures can be found in the GRI Content Index included at the end of this report (Page 40).

This report references the SDGs and the Group is taking proactive steps to align its climate-related disclosures with the recommendations of the TCFD.

This Sustainability Report has been reviewed and approved by the Board. In compliance with SGX Listing Rule 71B, the Group will incorporate a review of its ESG performance into its internal assurance process, which will take effect from 2022.

## Reporting Scope

This report covers the Group's ESG performance of our owned and managed properties across Asia, Japan, and the UK, as listed below:



# About this Report

## Reporting Scope



## Accessibility

As part of the Group's commitment to environmental sustainability, no copies of this Sustainability Report will be printed. An electronic version of this and previous reports can be found on its website at: [www.fareastorchard.com.sg/publications.html](http://www.fareastorchard.com.sg/publications.html).

## Feedback

The Group believes continuous engagement with its stakeholders will help the Group to enhance its sustainability policies, practices, performance, and disclosures. Any feedback and/or suggestions about this Sustainability Report, may be directed to [ir@fareastorchard.com.sg](mailto:ir@fareastorchard.com.sg).





# Board Statement

Dear Stakeholders,

2021 was a year of adjustments and adaptations, as businesses and countries grappled with the ongoing challenges posed by COVID-19. At Far East Orchard, as the Group rides out the pandemic, its paramount concerns were the mental well-being and physical health and safety of its employees, guests, and stakeholders, in addition to the sustainability of its business. During the year, we had taken calculated steps to navigate through headwinds and to better equip ourselves for a post-COVID world.

Sustainability is one of the key focus on the Board's agenda. We believe it is essential to embed sustainability into the core of its business as the Group commit ourselves to creating a sustainable future for the generations to come. With that, the Board is pleased to introduce Far East Orchard's new sustainability vision: *"We strive to create sustained economic value for our stakeholders and commit to be responsible towards the environment and society while upholding a high standard of corporate governance. Together, we work towards creating a sustainable future through our real estate and lodging platform."* Going forward, this vision will serve as a bedrock for the Group.

Apart from the five SDGs identified last year, the Group made progress in advancing its sustainability efforts and disclosures. In 2021, the Group refreshed its ESG topics by measuring and disclosing its carbon footprint within the Group's portfolio, as this

**"WE STRIVE TO CREATE SUSTAINED ECONOMIC VALUE FOR OUR STAKEHOLDERS AND COMMIT TO BE RESPONSIBLE TOWARDS THE ENVIRONMENT AND SOCIETY WHILE UPHOLDING A HIGH STANDARD OF CORPORATE GOVERNANCE. TOGETHER, WE WORK TOWARDS CREATING A SUSTAINABLE FUTURE THROUGH OUR REAL ESTATE AND LODGING PLATFORM."**

helps us to understand its environmental and social impact. The Group intends to provide relevant information on climate-related disclosures in the near term. The Group is also pleased to share its first SLL framework that guides organisational efforts to embed sustainability in financial strategies. In December 2021, the Group secured its first SLL, a four-year £50 million credit facility to be used for general working capital purposes and acquisitions of PBSA properties in the UK. This is an important milestone in Far East Orchard's sustainability journey to create long-term value for stakeholders.

The Group's sustainability efforts in 2021 demonstrated the Board's commitment to entrenching ESG into its business operations. The Board is responsible for setting sustainability direction for the Group, providing oversight and management of ESG risks and opportunities. Working closely with the ARC and the MRSC, comprising Far East Orchard's management, the Board guides the setting and monitoring of material ESG factors that impact stakeholders and our operations.

As the global sustainability landscape continues to evolve, the Group anticipates that organisations like ours will be playing a greater role in meeting the needs of stakeholders and tackling environmental challenges. As the Group progresses on this sustainability journey, we thank you for supporting us while the Group strives to deliver a positive impact for all stakeholders.

**Board of Directors**  
Far East Orchard Limited

# Our Business



## Refresh of Sustainability Strategy

The global sustainability landscape is evolving amid increasing challenges brought by the COVID-19 pandemic and climate change. 2021 saw an increased urgency globally for countries and corporations to make significant efforts to reduce emissions and increase support for global sustainable development agendas. Furthermore, the pandemic also placed a spotlight on the importance for businesses to stay relevant in an ever-evolving environment by ensuring business resiliency and agility, to continue delivering value and sustainable returns to all stakeholders.

In 2021, the Group updated its sustainability strategy to better reflect its commitment to global sustainability efforts. The Group aims to make meaningful contributions toward selected SDG targets. More details on the Group's approach and commitment can be found in the report.



## Continuous Support for National COVID-19 Safety Measures

In response to shifts in business operations due to COVID-19, the Group has taken significant measures to keep employees, guests, and stakeholders safe on its premises. The Group has adhered to all national guidelines and regulatory requirements relating to workplace safety in all the markets it operates in and where suitable, implemented additional safety measures across all properties.

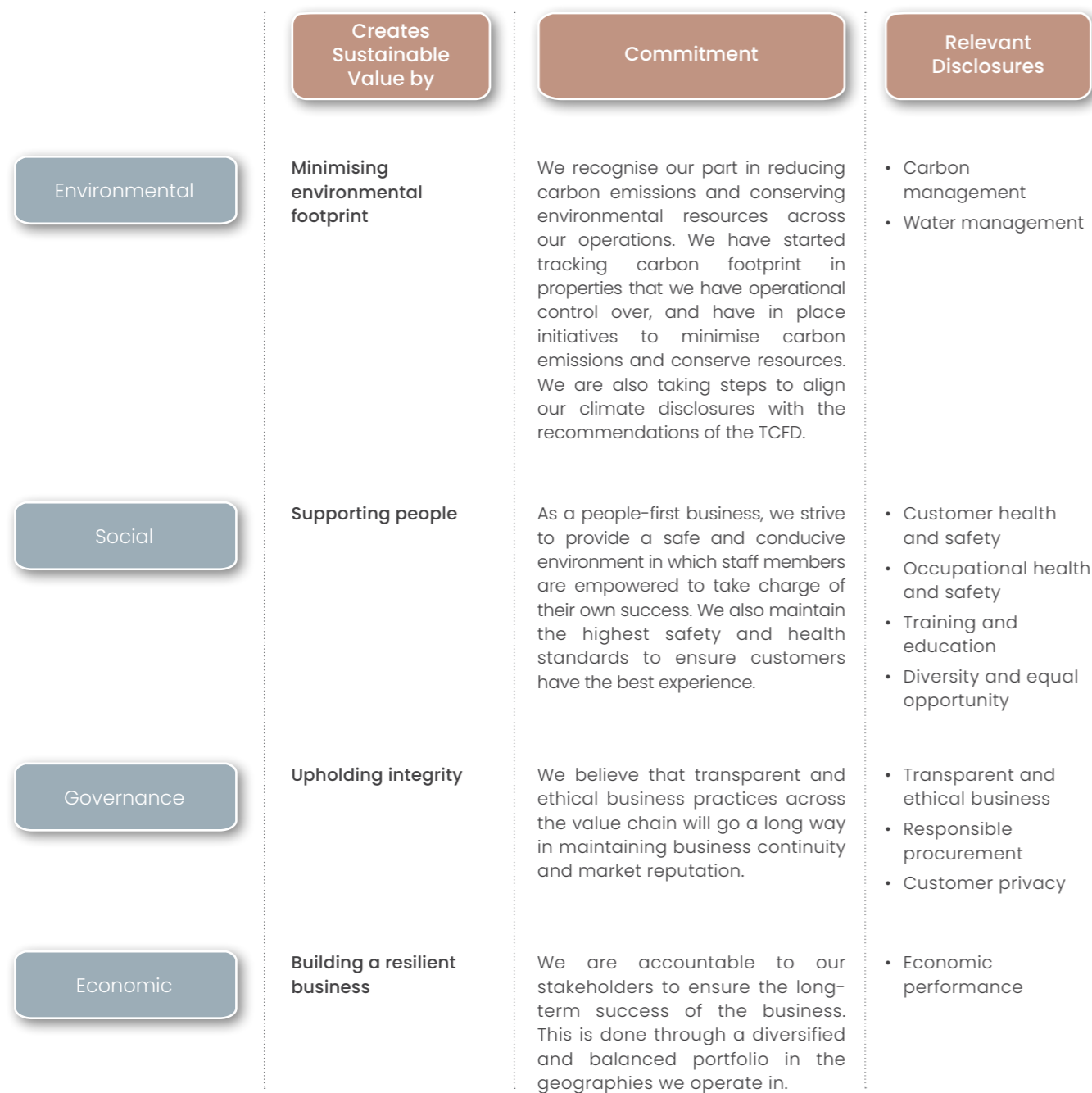
Please refer to page 26-27 for a more detailed explanation of COVID-19 measures undertaken by the Group.

OUR BUSINESSES

# How Far East Orchard Create Sustainable Value

## Sustainability Strategy

To create long-term value for stakeholders, we recognise the importance of sustainability as a core part of our business strategy. As such, the Group worked with an external partner to refresh our sustainability strategy to better reflect our commitment to stakeholders. The Group outlines four focus areas:



# How Far East Orchard Create Sustainable Value

## Supporting Sustainable Development Agendas

The SDGs aim to address global challenges, promote peace and prosperity for people and the planet, and protect the environment. We recognise our role as a corporation in making meaningful contribution to sustainable development aligned with our sustainability strategy.

In 2021, we refreshed our SDG targets to provide more relevant ESG performance information to stakeholders. The chosen SDG targets will guide the Group in its approaches to its daily operations, taking into consideration the impact on people who are part of those daily operations as well as society at large.



# How Far East Orchard Create Sustainable Value

## Sustainability Governance Structure

We recognise that a strong governance structure is imperative in integrating sustainability across all operations. All matters relating to sustainability are governed and managed by the Board, supported by the ARC and the

MRSC, comprising the management team. Together, they are responsible for providing guidance and assisting the Board in setting sustainability strategies, managing and monitoring ESG-related issues across the Group.



Figure 1: Far East Orchard's sustainability governance structure

# How Far East Orchard Create Sustainable Value

## Stakeholder Engagement

Stakeholders form the foundation of Far East Orchard's success today. Meaningful two-way communication helps the Group better manage potential ESG and business challenges.

and sustainability initiatives. This ensures that the development of our sustainability approach and business objectives are aligned with the interest of stakeholders.

We endeavour to engage with key stakeholders regularly, ensuring that their needs and concerns are taken into consideration when developing business

Stakeholders with interest in our business are engaged through both formal and informal channels of communication as detailed below.

Key Stakeholders	Topics Discussed	Modes of Engagement
Shareholders / Investors	Financial results Business performance and outlook Organisation response towards COVID-19 Far East Orchard's growth strategy (FEOR 25)	<ul style="list-style-type: none"> <li>• Half-yearly financial reporting</li> <li>• Announcements/news releases on corporate actions and developments</li> <li>• Annual General Meeting</li> <li>• Corporate website</li> <li>• Analyst meetings</li> <li>• Roadshows</li> <li>• Queries to Investor Relations team</li> </ul>
The Board	Organisation response towards COVID-19 Risk management Far East Orchard's growth strategy (FEOR 25) ESG priority areas	<ul style="list-style-type: none"> <li>• Induction and orientation programmes for new Board members</li> <li>• Ongoing communication</li> <li>• Board and Board committee meetings</li> <li>• Site visits</li> <li>• Strategy meetings</li> </ul>
Employees	Career development Colleague engagements Health and safety and personal well-being Far East Orchard's growth strategy (FEOR 25) ESG initiatives within the organisation ESG and supply chain risk	<ul style="list-style-type: none"> <li>• Orientation programme</li> <li>• Ongoing staff communication</li> <li>• Training programmes</li> <li>• Team bonding and recreational activities</li> <li>• Annual colleague engagement survey</li> <li>• Performance and career development reviews</li> <li>• Townhall meetings</li> </ul>
Customers	Quality of service and guest experience Health and safety and personal well-being	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Guest comment cards</li> <li>• Priority guest programme</li> <li>• Websites</li> </ul>
Business Partners	Far East Orchard/FEH collaboration initiatives such as supply chain and COVID-19 initiatives and opportunities to expand the business	<ul style="list-style-type: none"> <li>• Physical and virtual meetings</li> <li>• On-site visits</li> <li>• Industry gatherings</li> </ul>



# How Far East Orchard Create Sustainable Value

## Materiality Assessment

Annually, the Group reviews material topics in consultation with internal and external stakeholders to ensure the relevance of these ESG topics.

In 2021, Far East Orchard worked with an external partner to review material ESG topics, following the guidance of the GRI Standards and referencing industry best practices. The Group took a proactive materiality lens to evaluate material ESG topics, considering ESG issues that may impact operations in the immediate future and the long term, as well as the environmental and social impact on the wider society. To determine the importance of these topics to the Group's business, we consulted with external stakeholders during roadshows held throughout the year. These material ESG topics were also discussed

with internal stakeholders, taking into consideration the impact on business operations. The refreshed material ESG topics were then endorsed by the Far East Orchard's Board and management.

Through the assessment, the Group refreshed its ESG topics to reflect a greater emphasis on carbon and water management as well as diversity issues. This is aligned with the current global environmental and social context, such as the Singapore Green Plan 2030 and COP26 which shone light on the importance of climate action to create a sustainable future as well as regulatory requirements which placed higher emphasis on the need for greater diversity within an organisation.

Disclosures on the 10 material topics will be elaborated in the next sections of the report.

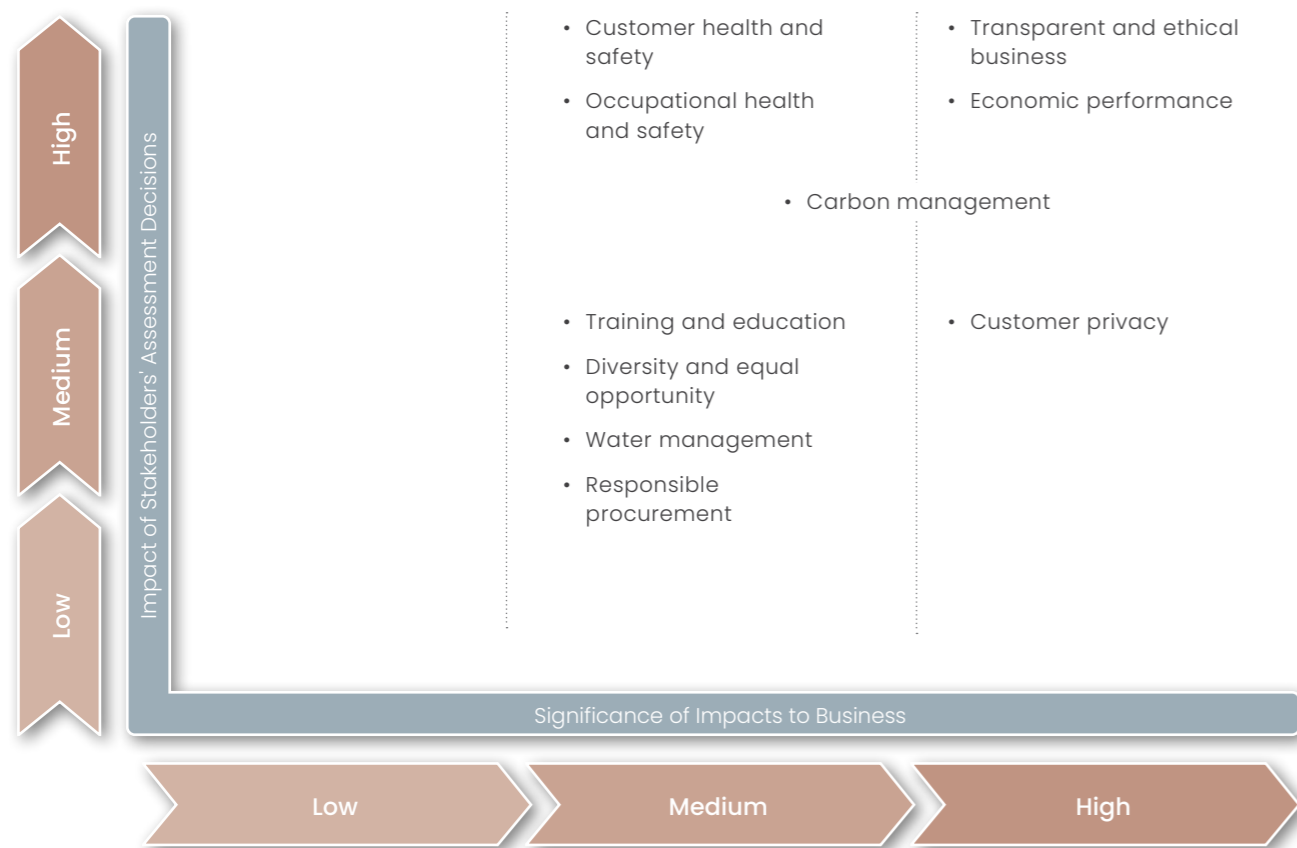


Figure 2: FY2021 Materiality Matrix

# Minimising Environmental Impact

As a leading real estate company with a lodging platform, the Group recognises that it has a significant role to protect environmental resources and advance sustainability efforts in the hospitality and PBSA sectors. This will be achieved by adopting a best practice approach to reduce the environmental footprint of its properties and promote sustainable practices across the value chain.

As first step, the Group is reviewing its current environmental initiatives and policies across its hospitality, PBSA and property development and property investment business segments. This allows the Group to consolidate current efforts and develop new initiatives to meet its commitment to reducing environmental footprint over the next few years.

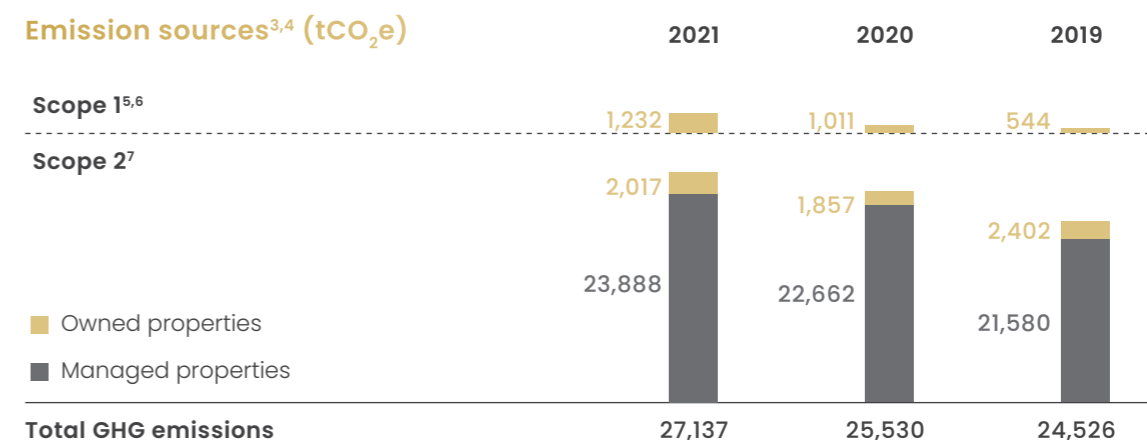
In 2021, Far East Orchard worked with an external partner to develop a GHG emissions inventory to track

the Group's environmental footprint and set an initial absolute emission reduction target of 1% annually from FY2022 onwards. These efforts will provide a baseline for the Group to refresh its carbon reduction targets in the coming years. Its performance will be monitored closely by the Board and management.

Going forward, the Group will progressively roll out environmental initiatives and will adopt wider emission reduction targets with guidance from the Board.

## Carbon Management

The Group tracks carbon emissions across all owned and managed properties within the hospitality and PBSA portfolios<sup>2</sup>. It has excluded some properties that are not fully owned or are not managed by the Group, as it has little operational control over the daily practices, purchasing decisions and capital expenditures for these properties.



<sup>2</sup> Owned and managed properties are categorised separately as Far East Orchard has a varying degree of control over these assets. The degree of control would determine the extent of environmental initiatives the Group can implement to reduce emissions.

For owned properties, the Group has operational control over fuel and electricity purchase decisions and significant control over the decision-making process of practices and policies that can influence consumption (including capital expenditures).

For managed properties, the Group has some operational control over the daily practices that influence the consumption of fuel and electricity (e.g. the type of refrigerant, turning on/off lights) but does not have significant control over purchasing decisions and capital expenditures (e.g. purchase of equipment, cost chargeable by the fuel provider and electricity provider, choice of lighting).

<sup>3</sup> Far East Orchard uses the operational approach in the calculation of GHG emissions (Scope 1 and 2) in accordance with the GHG Protocol Standards. The emission factors used are derived from the UK Defra environmental reporting guidelines, aligned to the Intergovernmental Panel on Climate Change approach.

<sup>4</sup> Far East Orchard owned and managed properties are described on the 'About this Report' page. This includes properties in Singapore, Malaysia, Japan and the UK. Far East Orchard's emission scope is reviewed on a yearly basis.

<sup>5</sup> Scope 1 carbon emissions consist of direct emissions from diesel used in backup generators, gas used in kitchens or kitchenettes and fugitive emissions from refrigerants.

<sup>6</sup> Scope 1 carbon emissions data for managed properties were not included in the current carbon emission data as fuel-related activities were managed by external partners. Far East Orchard is in the process of consolidating Scope 1 carbon emissions data for managed properties and will report the data in due course.

<sup>7</sup> Scope 2 gas includes indirect emissions from electricity usage in hotels and PBSAs. The Group uses the location-based approach to calculate emissions from electricity consumption.

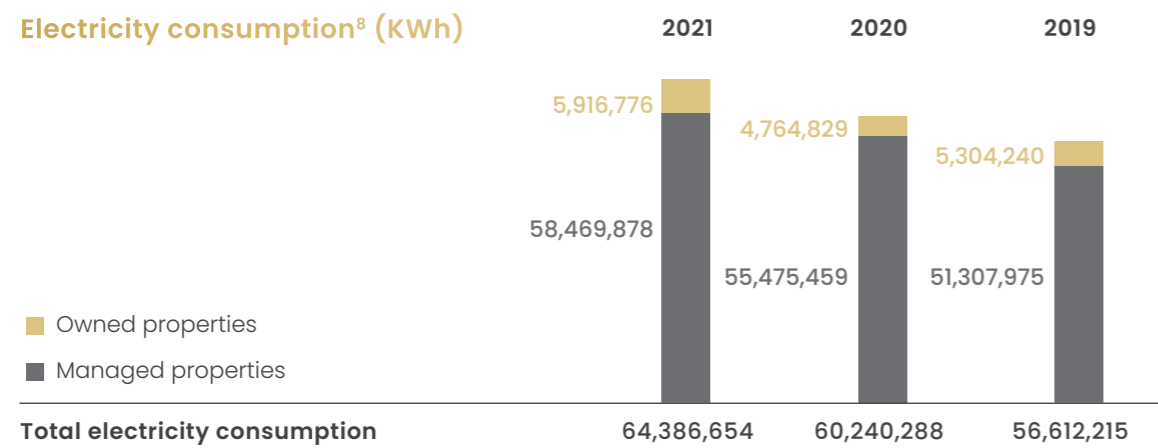
# Minimising Environmental Impact

Most of its emissions come from electricity consumption from hotel operations. The Group's absolute emissions rose year-on-year in 2020 and 2021 due to the addition of five new hotels to its managed properties portfolio in the last quarter of 2019.

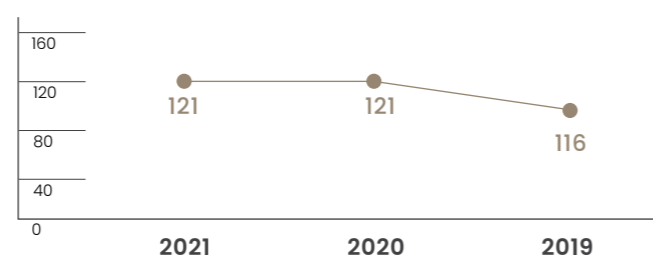
Additionally, the rise in emissions can be attributed to changes in the Group's PBSA portfolio and operations,

which includes the acquisition of King Square Studios in 2020 as well as changes to the leasing profile for the Bristol properties. Strong market demand resulted in an increase in leasing weeks for the Group's PBSA. COVID-19 lockdown regulations also contributed to the increase in absolute emissions at the Group's PBSA properties, as a higher proportion of students spent more time in the PBSA properties.

Electricity consumption<sup>8</sup> (KWh)



Energy intensity (KWh/sqm)



Although total electricity consumption increased by 7% in 2021 compared to 2020, its energy intensity remained the same, which is the result of more energy-efficient measures in place at the five new

hotels. The Group will continue to implement new initiatives, including working with third-party owners to reduce emissions in its current properties.

<sup>8</sup> Electricity consumption for 2019 and 2020 have been restated to reflect the owned and managed properties over which Far East Orchard has operational control.

# Minimising Environmental Impact

For the Group's managed properties portfolio, it has set out two key strategies to reduce environmental impact, namely:



## Energy efficiency initiatives across the Group:

Properties	Key Initiatives from 2020 to 2025
PBSA (in partnership with PBSA operator)	<ul style="list-style-type: none"> <li>Reference ISO14001 standard as a guide for business practices. ISO14001 is the most widely used standard for environmental management systems globally</li> <li>Conduct an energy audit in 2021 to identify areas to improve energy efficiency and reduce cost</li> <li>Install LED lights across all PBSA properties by 2025</li> <li>Install combined heat and power units to increase efficiency</li> <li>Develop a comprehensive carbon inventory to understand its carbon footprint and identify new energy efficiency improvements</li> </ul>
Singapore, Japan and Malaysia owned and/or managed hospitality properties	<ul style="list-style-type: none"> <li>Utilise BMS to monitor and optimise energy usage across the properties</li> <li>Progressively convert to LED lightings and motion sensor light fittings by 2025</li> <li>Reduce lifts and escalators capacity by 20-50% at night</li> <li>Install smart sensors to reduce energy usage</li> </ul>
Westminster Fire Station	<ul style="list-style-type: none"> <li>Use of LED lamps</li> <li>Install secondary glazing to existing windows</li> <li>Use energy-efficient systems including low-energy lighting controlled by photocells and time clocks and light wells</li> <li>Use a central boiler plant for heating to reduce gas consumption instead of individual apartment boilers</li> <li>Install photovoltaic panels on the roof</li> </ul>
Woods Square	<ul style="list-style-type: none"> <li>Install solar photovoltaic modules to harvest energy for the site office</li> <li>Incorporate programmable timer controls for lighting in common areas and energy-saving light fittings</li> </ul>

# Minimising Environmental Impact

## Green building certifications to improve environmental efficiency:

The Group is dedicated to ensuring that its properties under the hospitality and PBSA segment are developed and maintained in a manner that is as environmentally conscious as possible. In the last few years, it prioritised working with partners to implement environmental initiatives such as solar power systems.

In reducing the environmental impact of operations, three of the Group's Singapore managed properties were Green Mark certified by BCA in 2021 and the Group targets to achieve Green Mark for an additional seven managed properties in 2022 (Figure 3). The Group endeavours to improve energy efficiency and reduce emissions across all properties.

Properties in Singapore	Environmental Achievements
Village Hotel Albert Court	Green Mark Platinum in 2021
Rendezvous Hotel Singapore	Green Mark Gold in 2021
Village Hotel Changi	Green Mark Certified in 2021
Oasia Resort Sentosa	
Orchard Rendezvous Hotel Singapore	
The Clan Hotel Singapore	
The Outpost Hotel Sentosa	Target to be Green Mark Certified in 2022
The Barracks Hotel Sentosa	
Village Hotel Bugis	
Village Hotel Sentosa	

Figure 3: List of green certified properties

All of the Group's PBSA properties have an Energy Performance Certificate Rating of 'C' or better. Going forward, the Group and its PBSA operator, Abodus, have established a Sustainable Construction and Refurbishment Strategy to ensure new PBSA building

developments in the UK and refurbishments of existing PBSA properties would include sustainable construction principles. The Group believes this would reduce its carbon footprint in the long term.

### Key Criteria Set Out in the Sustainable Construction and Refurbishment Strategy

- The percentage of new buildings that are certified at least BREEAM Excellent or equivalent
- The percentage of buildings that have a minimum Display Energy Certificate rating of 'D'
- External awards for sustainable construction and design

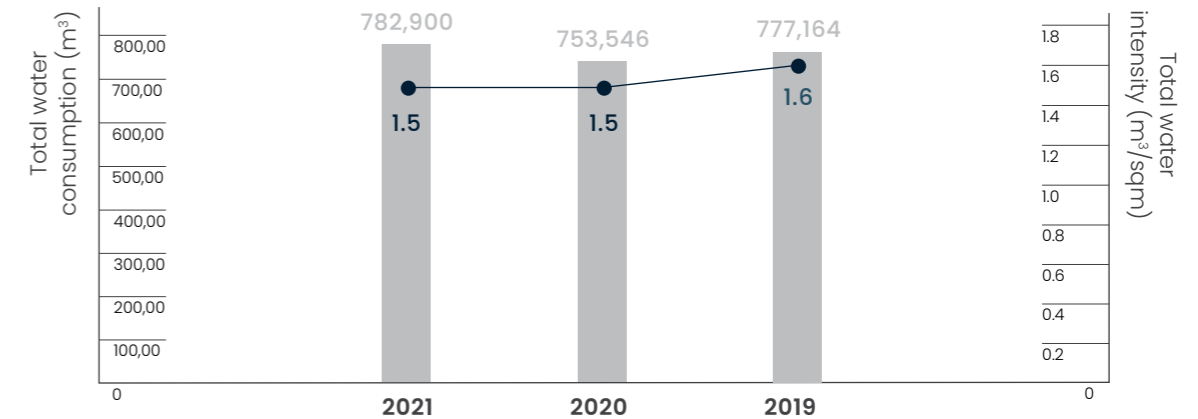
### 2022 Target

Energy consumption and GHG emission reduction by **1%** across all properties in scope

# Minimising Environmental Impact

## Water Management

### Water consumption<sup>9</sup>



Water is a significant part of the Group's environmental footprint. In 2021, the Group consumed a total of 782,900m<sup>3</sup> of water. The Group have a 2025 Water Consumption Management Plan to reduce water consumption and increase water efficiency across its properties. This includes:

- Reviewing to identify major costs and savings across all PBSA properties and hospitality properties. For PBSA, this review is conducted under the asset management initiatives and areas of enhancement include installing water-efficient showerheads and aerators for faucets
- Utilising a BMS to optimise water usage trending across all hotels and serviced residences
- Installing water-efficient fittings to control water flow in all PBSA and hospitality properties

- Tapping on Singapore's Public Utilities Board's Water Efficiency Fund to assess our water efficiency and identify opportunities for improvement in water efficiency
- Employee training and raising awareness of all employees on water consumption and conservation

The Group will continue to make improvements and implement new water-saving initiatives across its properties to optimise water usage.

### 2022 Target

**1%** water consumption reduction across all properties in scope

<sup>9</sup> In 2019 and 2020, the Group expanded its property portfolio. In FY2021, the Group decided to relook and expand its water data collection to include the new properties and close any data gap. The water data scope in 2021 was not available for previous years, as such, we will only be providing water performance data from 2021 onwards.

# Minimising Environmental Impact



### Waste (non-material)

The Group continuously seeks to innovate and adopt new initiatives to minimise waste generated at its properties. For example, at the newer hotels, plastic bottled water is no longer supplied, instead, water for guest consumption is now provided in reusable glass bottles. It also actively engages in partnerships with local start-ups and organisations such as UglyFood in Singapore by purchasing “less presentable” but perfectly edible food to educate guests on food wastage.

In addition to minimising the amount of waste generated, the Group also aims to maximise the recycling rate at all its hospitality and PBSA properties. For the PBSA properties, recycling bins are provided for the recycling of paper, glass, and food waste. The Group works with its PBSA operator, Abodus, to explore alternative waste collection options and partners with waste management contractors to increase the recycling rate.

### Environmental compliance (non-material)

The Group takes a firm approach to compliance with regulatory requirements in the jurisdictions in which it operates in. It recognises the importance of conducting an environmental impact assessment to evaluate the potential impact of the business operation of the environment and to ensure compliance with all environmental regulations. It intends to implement an environmental management policy in the future, especially in higher-risk areas where its business is operating in.

The Group conducts periodic reviews of its business practices to ensure that any non-compliant matters are promptly addressed. The whistle-blowing policy established also helps in identifying and rectifying any potential issues. In FY2021, the Group did not incur any significant fines or non-monetary penalties for non-compliance with environmental regulations.

# Supporting People

The Group strives to create value for guests, students, employees, and other partners, in line with its sustainability strategy. It has in place extensive policies and procedures to ensure that employees can provide a safe environment for guests and students at the properties. It also focuses on providing an inclusive and supportive work environment for employees to reach their fullest potential in their career aspirations.

### Customer Health and Safety

The Group is committed to maintaining the highest standard of health and safety for its guests across all properties. It has in place policies and procedures to guide employees to identify potential risks, mitigate conflicts, and implement safety protocols for various scenarios. These policies and procedures are part of the Group’s SOPs, which are reviewed annually. These policies and procedures are listed below:

## Hospitality policies and procedures

At the Group’s hospitality properties, comprehensive measures are undertaken to ensure the safety and well-being of all hotel guests. These measures include:

<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Conducting operations and internal compliance audits</li> <li>• Conducting periodic risk control and self-assessment</li> <li>• Conducting regular maintenance checks and inspections on equipment and facilities</li> <li>• Identifying and mitigating hazards that customers may encounter</li> <li>• Establishing a business response plan</li> </ul>
<b>Staff Members Readiness</b>	<ul style="list-style-type: none"> <li>• Training employees to handle Automated External Defibrillators</li> <li>• Training employees to handle reported cases of infectious diseases and render medical assistance for minor injuries</li> <li>• Enrolling employees who handle food in Food Safety and Hygiene courses</li> <li>• Conducting fire drill and emergency exercises</li> </ul>
<b>Quality Service</b>	<ul style="list-style-type: none"> <li>• Accompanying guests to nearby clinics or hospitals where medical assistance is sought</li> <li>• Ensuring that all guest incidents are recorded and reported to the duty manager</li> <li>• Making service recovery and courtesy calls to guests to check on their well-being after an incident</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Equipping buildings with closed-circuit televisions</li> <li>• Programming guest room keys for lift access to designated floors only</li> </ul>



# Supporting People

## PBSA Policies and Procedures

The Group recognises the need to maintain a high level of health and safety to ensure the well-being of students at its PBSA properties.

It works closely with its PBSA operators to ensure consistent operational processes. A health and safety committee, guided by policies and SOPs, is set up at each property to provide oversight and manage all health and safety matters, covering topics such as security, health and safety procedures, emergency

response, accident management, fire drills and drugs usage. Additionally, the Group performs annual audits for all its PBSA properties to ensure compliance with all health and safety policies and guidelines.

In FY2021, there were no fines for safety breaches, and safety processes were improved to complement and unify the safety culture across business divisions. The Group strives to abide by all policies and measures in place.

### 2022 Target

No fines for safety breaches or regulatory non-compliance

### Key Initiatives to Support Targets

- Encourage a strong internal culture of sharing or reporting any potential safety breaches or unsafe work practices observed within the hotel premises or at construction sites
- Introduce an internal “stop-work” initiative until a rectification or remediation plan is in place to address the unsafe practice
- Update existing feedback channels to seek specific inputs on health and safety at its hospitality and PBSA properties and any construction sites
- Maintain regular engagement and contact with local health and safety regulatory agencies to obtain updates on regulatory changes
- Conduct management walkabouts to provide an additional perspective and uncover “blind spots” regarding potential hazards within its hospitality and PBSA properties and at any construction sites

Improve safety processes and inculcate a strong safety-first culture across businesses

- Increase employee training for customer health and safety matters
- Conduct management walkabouts to provide an additional perspective and uncover “blind spots” regarding potential hazards within its hospitality and PBSA properties and at any construction sites

# Supporting People

## Providing the Highest Quality of Service (non-material)

The Group believes that providing quality service to customers is key to upholding the business reputation and maintaining long-term value as an organisation. It strives to maintain a high level of service standards to remain accountable to all customers.

As part of its commitment to delivering high-quality service, various initiatives have been introduced to build a service-oriented workplace. This includes:



The programme serves to recognise employees who have received excellent reviews from guests for their service delivery



Annual programme to recognise and reward employees who have delivered extraordinary service to our customers and are role models for their colleagues over the year



Employees are nominated for service excellence awards organised by//for the industry

Additionally, an independent external partner has been engaged by FEH annually since 2016<sup>10</sup> to assess the quality of its service. Collaborating with management, the external partner developed a CEI with specific

targets set for the Group after benchmarking them against the hospitality industry. The Group’s CEI score is determined through customer surveys.

### 2022 Target

CEI Survey:  
**85%**  
SCORE

### Key Initiatives to Support Targets

- FEH employees to perform a daily act of grace beyond work
- Incorporate hygiene and safety topics
- Service experience creation to meet the unspoken needs of guests
- Maintain validation by the COVID-19 Joint Task Force personnel by keeping a high standard of health and safety on the property
- Recruit mystery shoppers from government agencies to enhance the service audit

<sup>10</sup> CEI survey was not conducted in 2020 and 2021 due to COVID-19.

# Supporting People



## Service Awards and Accolades

We strive to consistently deliver quality service in all operations, and we are honoured to receive prestigious awards and accolades both locally and globally in this area.

In 2021, over 400 accolades were presented to FEH's employees, hotels, and serviced residences. We are also pleased to highlight that the Group's PBSA operator – Abodus, clinched the Student Accommodation Operator of the Year 2021 (Figure 4).



Figure 4: List of awards received by the Group in 2021

# Supporting People

## Occupational Health and Safety

The Group has a Group-wide WSH policy that governs key initiatives (Figure 5) as well as procedures for dealing with workplace hazards. This policy is set and reviewed by the WSH Committee and is strictly enforced by the WSH personnel at each property. The WSH Committee reports to the MRSC.

new employees undergo mandatory training on WSH policy during their induction period. Employees also make an annual declaration with a WSH commitment whereby they commit to a Safety Pledge to help create a safer workplace and to comply with the WSH policy as outlined in the Employee Handbook.

The Group's WSH policy aims to provide employees with a safe and healthy working environment. All

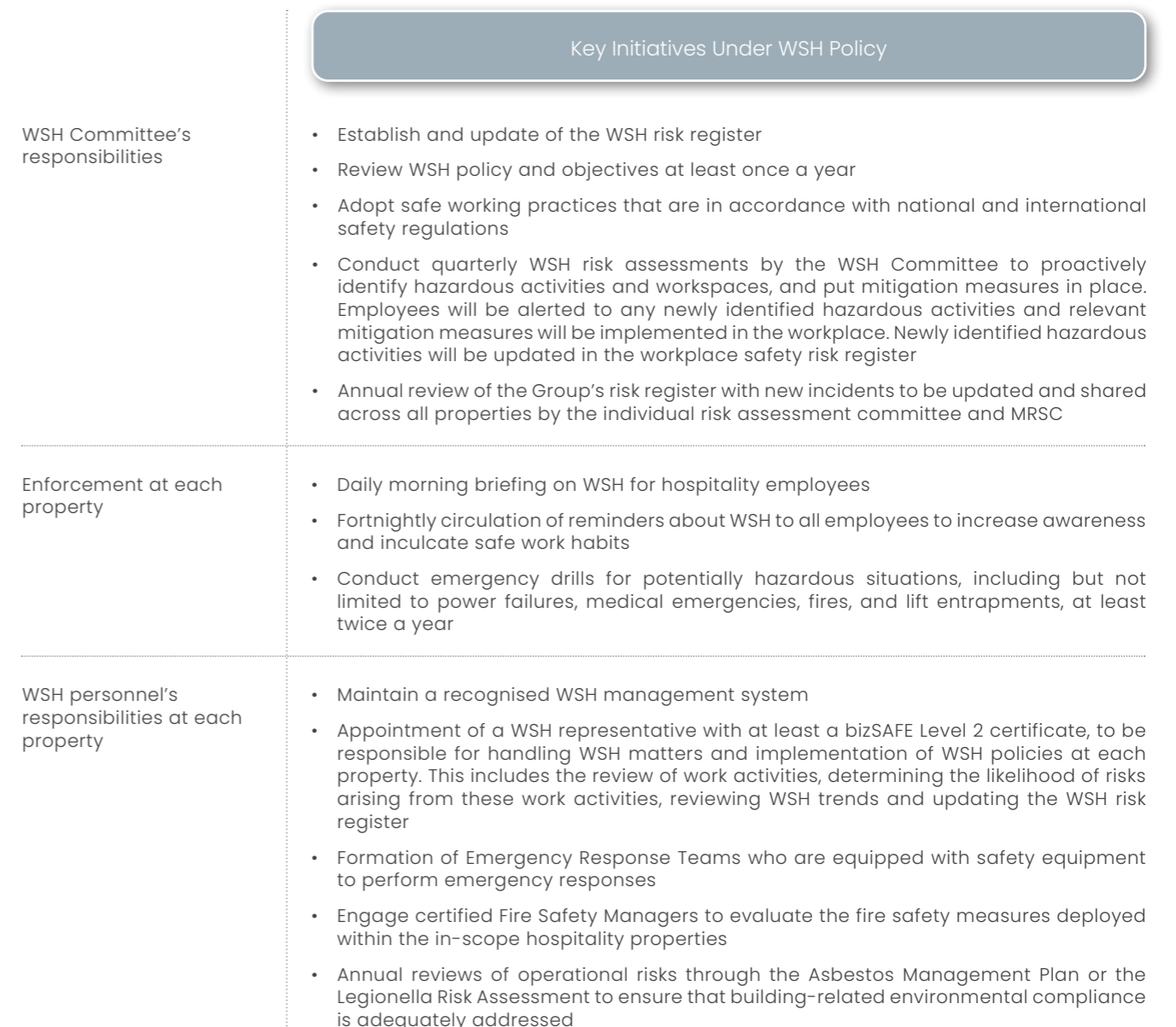


Figure 5: Occupational health and safety initiatives

# Supporting People

## Workplace Injuries

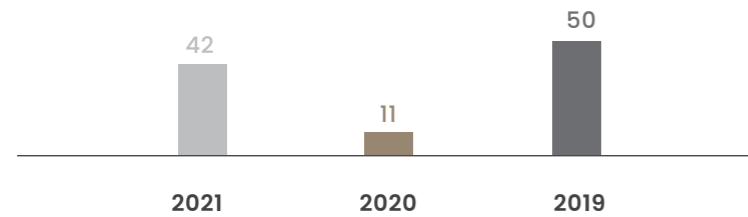


Figure 6: Number of workplace injuries

## Accident Frequency Rate<sup>11</sup> (AFR) (per million man-hours worked)



## Accident Severity Rate<sup>12</sup> (ASR) (per million man-hours worked)

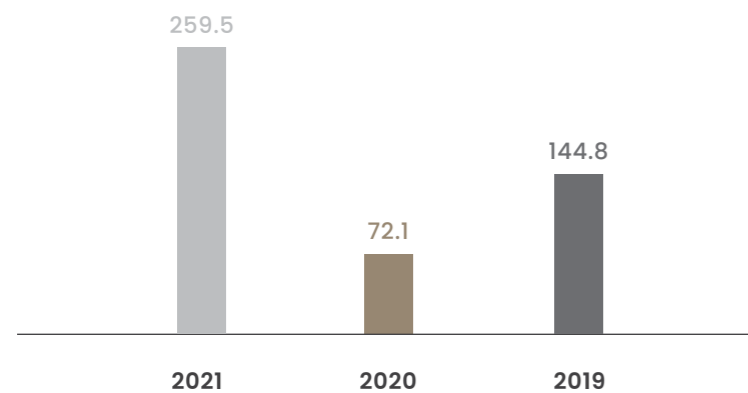


Figure 7: Rate of AFR and ASR

In FY2021, the Group maintained its track record of zero workplace fatalities and occupational disease cases at the hospitality properties for the fourth consecutive year. During the same period, a total of 42 work-related injuries, including one case of high consequence work-related injury, were recorded.

The Group's AFR increased from 4.7 in FY2020 to 20.4 in FY2021 and the ASR increased from 72.1 in FY2020 to 259.5 in FY2021. Due to the lockdown in FY2020, there was a reduction in operations and therefore a lower number of workplace injuries. As operations began to ramp-up in FY2021, correspondingly the number of workplace injuries also increased. Therefore, its FY2021 target of reducing the number of workplace injuries by 25% was not met. The Group is taking concerted efforts across all properties to reduce workplace injuries and ensure the safety of its employees.

Figure 8 shows a breakdown of the Group's 2021 health and safety performance at the hospitality properties.

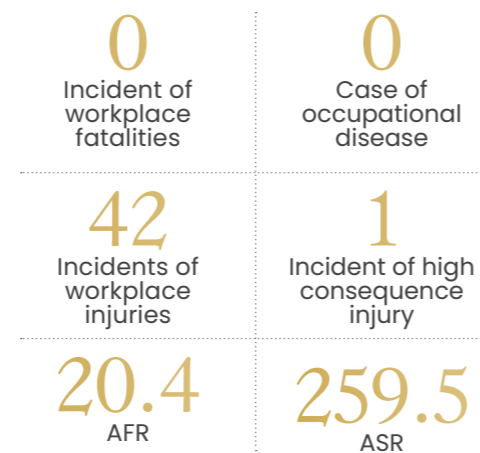


Figure 8: Occupational health and safety indicators at the hospitality properties

<sup>11</sup> According to the Ministry of Manpower, AFR refers to the number of workplace accidents reported per number of man-hours worked, multiplied by 1,000,000.

<sup>12</sup> According to the Ministry of Manpower, ASR refers to the number of man-days lost to workplace accidents per number of man-hours worked, multiplied by 1,000,000.

# Supporting People

To ensure a strong safety culture is cultivated in its operations, the Group proactively monitors and evaluates any incidents at its hospitality properties. Recurrences of incidents are prevented and minimised through the conduct of a root cause analysis, and the

sharing of lessons learnt from these incidents with all employees to increase their awareness about WSH. The Group will continue to work closely with all employees to ensure compliance with all health and safety measures implemented.

### 2022 Target

- Zero cases of workplace fatalities
- Reduce the number of workplace injuries by 25%
- Improvement to AFR and ASR

### Key Initiatives to Support Targets

- Conduct regular safety training
- Collaborate with local authorities to organise emergency drills for potentially hazardous situations
- Quarterly WSH Committee meetings, where representatives from each property share about common incidents, causes and preventive measures
- Organise two roadshows at every hospitality property to promote WSH

### Responding to the COVID-19 Pandemic

#### Singapore

The COVID-19 pandemic swept across the globe in 2020, caused major disruptions to businesses and industries all over the world. To ensure minimal impact on the Group's operations, Business Continuity Plans were enforced in addition to safe workplace measures.

In 2021, new and enhanced safety measures were introduced under the 'Far More Assured' initiative scheme at the Group's managed hotels and serviced residences to ensure the safety and well-being of guests and employees at our properties. Examples include increased frequency of deep cleaning of public areas and high touchpoint surfaces as well as ensuring each room is fully disinfected at the end of each guest's stay. Additionally, all the Group's managed hotels are certified with the SG Clean quality mark issued by Singapore's National Environmental Agency, which reflects the Group's commitment to adopting measures to provide a clean and safe environment for all guests and employees.

In addition, the Group also introduced the 'Zero-touch' initiative to reduce the spread of COVID-19.

This includes hotels offering virtual precinct tours, having self check-in kiosks, offering guests the option of contactless payments and using QR codes to host information. It is working towards rolling out a Contactless Web-Based Technology across all hospitality properties between 2022 to 2023 to provide a contactless experience for all guests from pre-registration to check out.

Far East Orchard also complies with all applicable regulatory requirements to ensure employees can continue to work in a safe working environment. Where possible, internal and external meetings were conducted virtually to minimise the number of employees at the workplace. For all physical meetings conducted, the number of attendees is limited, and safe distancing is always observed.

#### United Kingdom

The Group complies with the UK government's and sector-specific guidelines relating to the control of COVID-19. To this end, the Group's UK PBSA operator,

# Supporting People

Abodus, received the COVID-19 assurance statement from the British Safety Council in November 2020, which reflects the Group’s commitment to maintaining the highest level of health and safety. Each PBSA property has dedicated site teams, sanitation stations and heightened cleaning schedules.

Abodus offers a range of self-help resources, including a COVID-19 handbook, to support students and guide them on how to maintain their health and safety. The resources create awareness for students on the different health and safety protocols as well as what to do in the event they feel ill.

## Training and Education

The Group recognises that employees are the foundation of the success of its operations. As such, it invests in training development programmes, cultivating the abilities of employees to ensure they have the necessary skill sets to navigate challenges

and remain relevant in the changing business landscape. This enables the Group to retain a competitive edge and enhance its brand profile.

The HR team enhances the capabilities of employees by fostering inter-department learning, providing opportunities to be mentored, and networking opportunities, as well as providing professional and leadership development opportunities. In FY2021, management and various employees undertook sustainability training, which included modules on sustainability frameworks, strategies and carbon emission standards.

Creating a learning culture where employees feel valued and take pride in carrying out their work, will contribute to the success of the organisation and enhance overall business performance. Figure 9 highlights the Group’s holistic approach toward employee development.



Figure 9: Far East Orchard’s holistic employee development approach

# Supporting People

Aligned with the Group’s holistic employee development approach, the Individual Development Plan and Leadership Development Plan were introduced to upgrade employees’ capabilities

and skills. These plans seek to cultivate individual skills relevant to their job requirements and build leadership capabilities to develop a talent pool ready for succession.

Development Plan	Aim
Individual Development Plan	Based on the training needs as highlighted between employees and supervisors, the most effective method to equip the individual will be identified. These are varied between cross-exposure, e-Learning, OJT or classroom training. Classroom training could be funded by Singapore WSQ.
Leadership Development Plan	A Manager Development Programme serves to equip and prepare future leaders with the necessary skill sets and knowledge required to perform their leadership roles. There are core modules from financial literacy to leadership skills as well as an Individual Development Plan. The training programme includes, but is not limited to, cross-exposure, mentoring, OJT, leadership sharing series and self-directed learning.
Accelerated Career Pathway	This programme is open to all employees who qualify (based on a series of assessments). The objectives of the programme serve to equip talented employees with the required skills and knowledge of a manager. The Group has structured and customised learning programmes to hone functional and leadership skills of individuals to be ready for future opportunities. This programme looks to develop future leaders to the rank of hotel managers within 10 years.

To ensure the effectiveness of training programmes implemented for employees, programmes are sourced to meet business needs. The programme is reviewed and customised to support the development requirements of its employees. Learning programmes are reviewed half-yearly to ensure relevance to the changing business landscape and employee profiles. This is under the purview by the Group’s designated

Learning and People Development team, which uses a Learning Management System to monitor and evaluate the development of employees. The system records the impact of training programmes on employees and provides a monthly review of training investment in terms of time and cost. Additionally, post-training evaluation, as well as observation of any OJT transfer of learning, are in place.



# Supporting People

In 2021, each employee received an average of 85.7 hours of training. Figure 10 shows a breakdown of the average hours of training received by employees by gender.



Figure 10: Average training hours per year per employee

With an average of 85.7 hours of training recorded for each employee in 2021, the Group exceeded its 2021 target of achieving an average of 80 hours of training per employee. However, the recorded training hours in 2021 was lower compared to 2020 because of the restrictions from the COVID-19 pandemic on conducting in-person training.

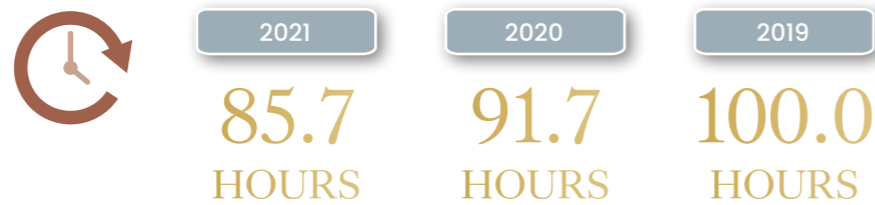


Figure 11: Average training hours per year per employee

Going forward, the Group will continue to work towards implementing new training programmes to equip employees with the necessary knowledge and skills. This will be accompanied by a training and development target of 80 hours per annum for 2022.

2022 Target

Key Initiatives to Support Targets

- Conduct training for employees via varied modes of learning
- Roll out compulsory e-learning courses and additional courses including:
  - o PDPA
  - o Mental Wellness
  - o Cybersecurity

Maintain a minimum of **80 HOURS** of training per employee per annum

# Supporting People

## Performance Management and Talent Development

At Far East Orchard, emphasis is not only placed on employees' professional development, but also on personal development. The Group believes that the individual development of employees is important in the creation of a value-driven organisation.

To evaluate employees' achievements and development against goals set at the beginning of the financial year, it has in place a continuous performance management process that enables employees to review and monitor their personal development and growth throughout the year.

The Group supports continuous performance reviews and conversations. Employees and supervisors

engage in meaningful conversations to review work performance progress, development, and feedback in each quarter. The year-end performance appraisal facilitates managers and employees to review their achievements and contributions to the Group for the year. This whole process is accelerated by the Group's dedicated eAppraisal system, which provides visibility and structure to monitor and review all documented goals, achievements, and feedback.

In FY2021, 100% of its employees received a regular performance and career development review. For FY2022, the Group aims to maintain its performance and ensure 100% of all employees receive guidance and support to reach their aspirations.

2022 Target

Key Initiatives to be Continued/Implemented

- Inculcate a culture of continuous performance management at all levels, encouraging effective ongoing conversations and feedback between managers and their direct reports throughout the year

**100%** of full-time employees to receive regular performance and career development reviews

# Supporting People

## Diversity and Equal Opportunity

Far East Orchard, takes a holistic view of diversity and believes that diversity is a wide-ranging concept that covers aspects such as industry knowledge, professional experience, educational qualifications, interpersonal and problem-solving skills, gender, age, ethnicity, nationality, independence, and length of service, amongst others. The Group values diversity and believe in the importance of driving innovation and inspiring creativity in the workplace, to ensure continued business growth in a competitive global marketplace.

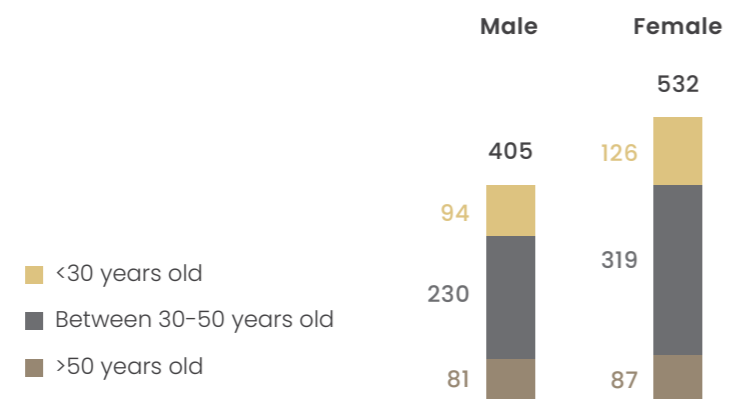
Having diversity on the Board is vital as it boosts decision-making capabilities. In 2018, Far East Orchard

established a Board Diversity Policy, setting out two specific targets addressing gender and age. The age target is to have directors of different age ranges so that the Board will not comprise of directors only in a particular age band. The gender target is for women to comprise at least 20% of the Board. Both targets were met and maintained throughout FY2021 and to date. The Board comprises Directors of various ages ranging from 40s to 70s. In terms of gender diversity, 3 of the 7 Directors or 42.8% of the Board (in FY2021), and 4 of the 9 Directors or 44.4% (as of the date of this report) are women. More details are set out in the Corporate Governance section of its FY2021 Annual Report.

Recruitment of new employees and access to career opportunities are purely based on merit, and not one's gender, nationality, or age group.

As of 31 December 2021, the Group employed a total of 937 employees<sup>14</sup>, of which 405 or 43.2% are male and 532 or 56.8% are female. The breakdown of employees by gender and age group is as follows:

Breakdown of employees by gender and age group



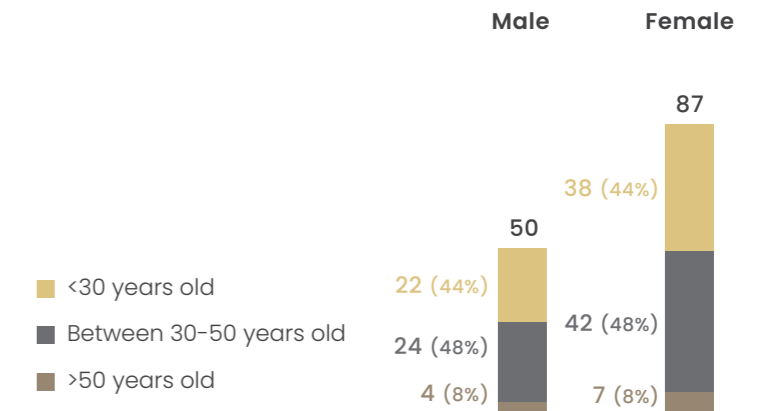
Out of all employees, 73 employees are covered by collective bargaining agreements.

<sup>14</sup> Total number of employees exclude part-time employees and contract employees employed by the Group for less than a year.

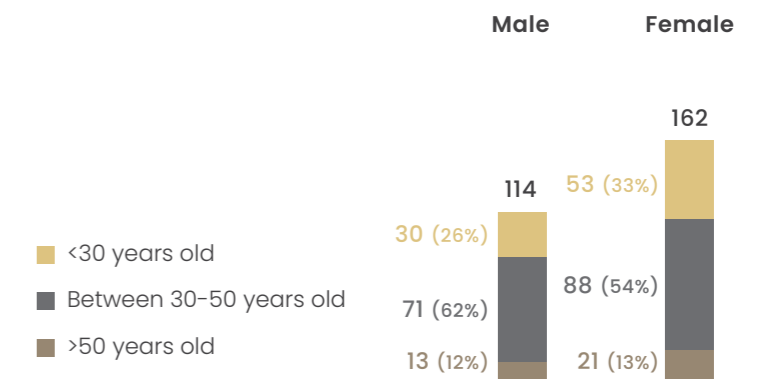
# Supporting People

The Group had 137 new hires and 276 turnovers in FY2021, which translates to a new hire and turnover rate of 14.6% and 29.5% respectively. It recognises the importance of employee retention and seek to implement new initiatives as well as strictly follow the TAFEP guidelines on fair employment practices to create a work environment where each employee feels valued and respected. The breakdown of new hires and turnover by gender and age group are as shown:

Breakdown of new hires by gender and age group



Breakdown of turnovers by gender and age group



The Group is pleased to announce that there were 0 incidents of discrimination and no corrective actions were required in FY2021.

2022 Target	Key Initiatives to be Continued/Implemented
Maintain current employee diversity in respect of age and gender	To remain current employment practices

# Upholding Integrity

The sustainability strategy is supported by robust governance policies and procedures that guide employees' conduct within the organisation as well as the interactions with its suppliers and partners across the value chain.

fairly and ethically in the markets it operates in. The Group takes a zero-tolerance stance against all forms of corruption, bribery, and anti-competitive behaviour, and do not condone any non-compliance with applicable laws and regulations.

## Transparent and Ethical Business

The Group is committed to upholding the highest standards of transparency and conducting business

### Strong Corporate Governance

The Group is committed to good corporate governance, accountability and transparency in all its endeavours, and expects employees to conduct all work and business dealings with the highest standard of integrity and ethics. The Group has established a rigorous set of corporate policies and internal controls (Figure 12) to ensure compliance with the relevant

laws and regulations, for strong corporate governance, and to provide employees with clear guidance on how to conduct themselves professionally. The Group believes this will aid in the long-term success of its business, as well as safeguard stakeholders' interests. The established corporate governance policies and internal controls are presented as below:

#### Corporate Policies

- Corporate Governance Policies Manual
- Employee Handbook
- Code of Conduct
- Enterprise Risk Management Manual
- Securities Trading Policy
- Whistle-blowing Policy
- Investor Relations Policy
- Procurement Policy
- Board Diversity Policy
- Disclosure of Profit Guidance Policy
- Crisis Management Policy
- IPT Standard Operating Procedure

#### Internal Controls

- Delegation of Authority Matrix
- Periodic internal and external audits
- Quarterly circular to Board and employees on Securities Trading Policy

Figure 12: Corporate policies and Internal control

The Employee Handbook and Code of Conduct, which employees are to abide by, reflects the Group's commitment to upholding high standards of ethical and professional conduct. Relevant disciplinary

actions will be taken in the event of non-compliance. To ensure the highest standard of corporate governance, the Group will be implementing an anti-corruption and anti-bribery policy in 2022.

# Upholding Integrity

## Whistle-blowing Policy

Since 2015, the Group has put in place a whistle-blowing policy, which provides an avenue for employees and external parties to raise concerns in good faith, on a confidential basis without fear of reprisals, about possible improprieties relating to the Group and its officers. The ARC is responsible for the oversight and monitoring of the whistle-blowing arrangements, while the Group's internal auditors (an independent professional firm) assist the ARC with the enforcement of the whistle-blowing policy. In accordance with the Group's whistle-blowing policy, the identity of the whistle-blower is kept confidential, and unless required by law or with the whistle-blower's

prior consent, his/her identity will not be revealed by the internal auditors to the Group.

The Group's whistle-blowing policy is communicated to all external parties and made available to all levels of employees. In the event a whistle-blowing report is found to be valid, appropriate action (including reporting the case to external authorities) will be taken in accordance with the nature and magnitude of the impropriety. In FY2021, there were zero whistle-blowing cases reported. Far East Orchard is compliant with Rule 1207(18A) and (18B) of the SGX Listing Rules in relation to its whistle-blowing policy.

## Compliance Training

The Group has in place rigorous compliance and training programmes to ensure that all businesses are conducted in line with applicable laws and regulations,

and to maintain a good business reputation. Figure 13 highlights some measures which have been implemented across the organisation.

#### Compliance Checks

- Putting in place internal processes to monitor continuous compliance and reinforce adherence with the Competition Act
- Evaluating reported incidents of non-compliance with the Competition Act, CCCS guidelines and investigations by relevant authorities against the Group for anti-competitive behaviour, if any
- Reviewing legal contracts and agreements to ascertain the absence of anti-competitive behaviour

#### Staff Members Readiness

- A Competition Law Compliance Manual is part of the Employee Handbook which is given to all new hires and made available to all employees. The Manual states the prohibited activities under the Competition Act and the appropriate course of action when employees encounter any situations that may fall foul of the Competition Act. There is also a FAQ to address some common queries and a guide to handling dawn raids.
- Incorporating a session on compliance with competition law as part of the orientation programme for new employees
- Arranging legal briefings conducted by external competition lawyers and/or via e-learning on competition law for employees
- Conducting in-house quarterly briefings on competition law for sales and marketing employees

Figure 13: Measures adopted to ensure that business operations are conducted ethically

# Upholding Integrity

## Awards and Achievements

The Group is pleased to share our achievements in upholding the highest standards of corporate governance.

Achievement	Description
Strong ranking on SGTI 2021	<p><b>Ranked among the top 8% of SGX-listed firms in SGTI 2021</b></p> <p>The SGTI is the leading index that assesses and publicly scores and ranks Singapore-listed companies on their corporate governance practices and disclosures, on an annual basis.</p> <p>In 2021, Far East Orchard is ranked 42 out of 519 SGX-listed companies for corporate governance in Singapore and remained among the top 8% of SGX-listed companies. The overall score of 92 remains consistent with 2020.</p>

For more information regarding the Group’s corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018, please refer to Far East Orchard’s FY2021 Annual Report under the Corporate Governance section.

# Upholding Integrity

In 2021, the Group met the target of zero violations of the Competition Act and CCCS guidelines, zero lapses with SGX Listing Rules and no known incidents of bribery or corruption. To maintain market reputation and trust among stakeholders, the Group will continue to adhere strictly to all applicable laws.

2022 Target	Key Initiatives to Support Targets
No violations of the Competition Act and CCCS guidelines	<ul style="list-style-type: none"> <li>• Outline our expectations of our employees in relation to compliance with competition laws during orientation programmes</li> <li>• Provide appropriate training and refresher courses for employees that deal directly with any competitors</li> <li>• Encourage reporting of any suspected anti-competitive conduct to relevant parties (e.g., risk management and compliance personnel) and/or external regulatory agencies</li> <li>• Build a culture that encourages employees to immediately inform the Group’s Head of Legal when they become aware of any behaviour or work practice that appears to be inconsistent with the Group’s Competition Compliance Manual</li> </ul>
To ensure no lapses with SGX Listing Rules resulting in reprimands by SGX	<ul style="list-style-type: none"> <li>• Participate in seminars, dialogues, round-table discussions, and consultations with SGX, to understand and track any new listing rules and keep abreast of any penalties issued against other SGX-listed companies</li> <li>• Maintain and track new listing rules or updates</li> <li>• Maintain and centralise all communication and correspondence with SGX (and any other relevant regulatory authorities), monitor and track all inquiries, feedback, and responses and maintain a consistent response in each correspondence</li> <li>• Continue the practice of mandatory Annual Declaration by employees to declare potential interests so they may be appropriately managed</li> <li>• Continue the practice of mandatory declaration of interests by Directors annually, and as and when should any conflict of interest arise</li> </ul>
To ensure no known incidents of bribery or corruption involving employees	<ul style="list-style-type: none"> <li>• Continue the practice of mandatory Annual Declaration by employees to declare potential interests so they may be appropriately managed, and to agree to comply with the Employee Handbook and Code of Conduct - including conduct on “Giving/Offering Gifts and Other Inducements” and “Receiving Gifts and Lavish Entertainment”</li> <li>• Continual update of the Employee Handbook and/or Code of Conduct which is made available to all employees via the intranet</li> </ul>



# Upholding Integrity

## Responsible Procurement

The Group relies on suppliers and partners to support its hospitality and PBSA operations, therefore having a sustainable supply chain can increase its productivity and efficiency while managing operational risks. As such, the Group is committed to upholding responsible practices by prioritising working with socially and environmentally responsible business partners at its operations. In assessing new partnerships with external parties, its takes into consideration their geographical location and the environmental impact of the relevant logistics. In FY2021, more than 70% of its suppliers and distributors supplying to its hospitality operations are locally based, which reduced the environmental impact arising from logistics, and allowed it to support local businesses.

To ensure sustainability is embedded across the supply chain, the Group aims to educate stakeholders and suppliers about its sustainability beliefs and

encourage them to adopt sustainable practices. For example, contractors are encouraged to source raw materials from sustainable sources and incorporate an eco-conscious construction process in its development projects.

The Group has incorporated environmental and social considerations into its procurement policies to minimise potential disruption to its operations. The hospitality procurement policy outlines ESG criteria that suppliers must adhere to. As part of the assessment list when considering suppliers, it ensures that all suppliers comply with applicable laws and regulations. The Group also prioritises suppliers who have certification in safe working environment, responsible labour practices as well as sustainable forestry and animal welfare.

In 2021, 100% of the Group's suppliers fully complied with its procurement policy.

2022 Target

Conduct an annual review, where at least **THREE** random suppliers are selected to report on their sustainability efforts and progress as compared to the previous year

# Upholding Integrity

## Customer Privacy

With the increased digitalisation of services, data security is becoming a key issue. The Group has put in place policies and processes to safeguard the privacy of customers' personal information and commits to comply with all applicable data protection laws.

For example, personal information collected from guests who stay at hospitality properties managed by the Group will strictly be used and disclosed for registration and stay purposes only. The Group does not divulge or sell customers' personal information to third parties for marketing or promotional purposes.

Upholding customer privacy is of utmost importance to the Group, and key initiatives have been implemented throughout the organisation to manage customers' personal information:

- Appointment of DPOs for each business unit who maintains and monitors each business unit's compliance with the relevant data protection legislation
- Regular monitoring of business processes and security procedures to assess and ensure compliance with relevant data protection laws
- Periodic reviews and updates to manuals and policies to ensure relevancy, including the Information Security and Management Policy, Privacy Policy, and a manual for employees to inculcate awareness of, and facilitate compliance with, applicable data protection laws

- Maintaining a data inventory map to facilitate effective record management
- Taking measures to comply with the advisory guidelines relating to the National Registration Identity Card and other national identification numbers issued by Singapore's PDPC
- Taking measures to comply with other relevant regional and/or national guidelines, including the European Union's General Data Protection Regulation and the UK's Data Protection Act 2018

Employees are provided with a manual to familiarise themselves with the data protection policies. The manual is updated based on proposed changes to the PDPA of Singapore to ensure its relevance, with the latest review and update being done in the last quarter of FY2021. Annually, employees are required to go through an e-learning course on data protection.

The Group's Privacy Policy can be found at [www.fareastorchard.com.sg/privacy-policy.html](http://www.fareastorchard.com.sg/privacy-policy.html) and the DPOs can be contacted by email at [dpo@fareastorchard.com.sg](mailto:dpo@fareastorchard.com.sg).

In FY2021, there were no substantiated complaints concerning breaches of customer privacy and loss of customer data that resulted in fines by the PDPC.

2022 Target

No substantiated complaints concerning breaches of customer privacy and loss of customer data that resulted in fines by the PDPC

Key Initiatives to be Continued/Implemented

- Training to educate employees on data privacy regulations and their role in compliance
- Regular review of business processes to facilitate compliance with data privacy regulations

# Building a Resilient Business

## Economic Performance

In FY2021, the Group recorded revenue of S\$106.8 million, a 4.8% decline year-on-year, mainly attributable to the Group's hospitality business being impacted by the protracted COVID-19 pandemic as well as the ongoing lockdowns and border closures which impeded international travel and tourism. The decline was partially mitigated by the demand for accommodation facilities for isolation purposes and from companies for accommodation for their foreign workers in Singapore. Net profit increased to S\$16.8 million in FY2021, reversing the net loss of S\$8.9 million in FY2020, primarily due to fair value gains on investment properties.

For detailed information on the Group's financial performance for FY2021, please refer to the following sections in the FY2021 Annual Report:

- Chairman's Statement - Pages 06 - 09 of Annual Report 2021
- CEO's Message - Pages 10 - 13 of Annual Report 2021
- Financial Highlights - Page 30 of Annual Report 2021
- Financial Report - Page 69 onwards of Annual Report 2021

The Group prioritises the distribution of sustainable economic value aligned to its mission of 'achieving sustainable and recurring income' through a diversified and balanced portfolio. It contributed to the local economies by creating jobs, supporting local suppliers as well as paying taxes and dividends.

The Group provides relevant information about its economic contribution to stakeholders as follow:

Economic Contribution	2021 S\$'000	2020 S\$'000	2019 S\$'000
Employee compensation	30,704	30,937	39,697
Local suppliers engaged	70% of total suppliers	70% of total suppliers	70% of total suppliers
Distributed dividend (cash and shares)	13,654	26,302	26,227
Income tax expense <sup>15</sup>	12,304	5,550	4,152

<sup>15</sup> Income tax expense comprised of current and deferred income tax. Please refer to FY2021 Financial Report section for the detailed breakdown.

# GRI Index

GRI Standards	Disclosure Number	Disclosure Title	References and/or Explanation
<b>General Disclosures</b>			
GRI 102 (2016): General Disclosures	102-1	Name of the organisation	Page 01
	102-2	Activities, brands, products, and services	Page 01
	102-3	Location of headquarters	Page 01
	102-4	Location of operations	Page 01
	102-5	Ownership and legal form	Page 01
	102-6	Markets served	Page 01
	102-7	Scale of the organisation	Pages 05, 06 & 31
	102-8	Information on employees and other workers	Pages 31 & 32
	102-9	Supply chain	Page 37
	102-10	Significant changes to the organisation and its supply chain	No significant changes to the organisation and its supply chain during the reporting period
	102-11	Precautionary principle or approach	Pages 16 - 19
	102-12	External initiatives	No external initiatives
	102-13	Membership of associations	Member of SHA
	102-14	Statement from senior decision-maker	Page 07
	102-16	Values, principles, standards, and norms of behaviour	Page 02
	102-18	Governance structure	Page 11
	102-40	List of stakeholder groups	Page 12
	102-41	Collective bargaining agreements	Page 31
	102-42	Identifying and selecting stakeholders	Page 12
	102-43	Approach to stakeholder engagement	Page 12
	102-44	Key topics and concerns raised	Pages 12 & 13
	102-45	Entities included in the consolidated financial statements	Refer to Annual Report Page 78 onwards
	102-46	Defining report content and topic boundaries	Pages 05, 06 & 13
	102-47	List of material topics	Page 13
	102-48	Restatements of information	No restatements were made
	102-49	Changes in reporting	Pages 05 & 13
102-50	Reporting period	Page 05	
102-51	Date of most recent report	The last sustainability report was published in April 2021	
102-52	Reporting cycle	Page 05	
102-53	Contact point for questions regarding the report	Page 06	
102-54	Claims of reporting in accordance with GRI standards	Page 05	
102-55	GRI content index	Page 40	
102-56	External assurance	Far East Orchard has not sought external assurance on this report but may do so in the future	

# GRI Index

GRI Standards	Disclosure Number	Disclosure Title	References and/or Explanation
<b>Material Topic: Transparent and Ethical Business</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Pages 33 - 36
	102-2	The management approach and its components	Pages 33 - 36
	103-3	Evaluation of the management approach	Pages 33 - 36
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Page 36
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Page 36
<b>Material Topic: Customer Privacy</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Page 38
	102-2	The management approach and its components	Page 38
	103-3	Evaluation of the management approach	Page 38
GRI 418 (2016): Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 38
<b>Material Topic: Carbon Management</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Pages 14 - 17
	102-2	The management approach and its components	Pages 14 - 17
	103-3	Evaluation of the management approach	Pages 14 - 17
GRI 302 (2016): Energy	302-1	Energy consumption within the organisation	Page 15
	302-3	Energy intensity	Page 15
GRI 305 (2016): Emissions	305-1	Direct (Scope 1) GHG emissions	Page 14
	305-2	Energy indirect (Scope 2) GHG emissions	Page 14
GRI 307 (2016): Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Page 19

# GRI Index

GRI Standards	Disclosure Number	Disclosure Title	References and/or Explanation
<b>Material Topic: Water Management</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Page 18
	102-2	The management approach and its components	Page 18
	103-3	Evaluation of the management approach	Page 18
GRI 303 (2018): Water and Effluents	303-5	Water consumption	Page 18
<b>Material Topic: Customer Health and Safety</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Pages 20 & 21
	102-2	The management approach and its components	Pages 20 & 21
	103-3	Evaluation of the management approach	Pages 20 & 21
GRI 416 (2016): Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Page 20
<b>Material Topic: Occupational Health and Safety</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Pages 24 - 27
	102-2	The management approach and its components	Pages 24 - 27
	103-3	Evaluation of the management approach	Pages 24 - 27
GRI 403 (2018): Occupational Health and Safety	403-1	Occupational health and safety management system	Page 24
	403-2	Hazard identification, risk assessment, and incident investigation	Page 24
	403-3	Occupational health services	Page 24
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 26
	403-5	Worker training on occupational health and safety	Page 26
	403-6	Promotion of worker health	The Group is evaluating the relevance of these topics to the operations and will disclose data in due course
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 24, 26 & 27
403-9	Work-related injuries	Page 25	

# GRI Index

GRI Standards	Disclosure Number	Disclosure Title	References and/or Explanation
<b>Material Topic: Training and Education</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Pages 27 - 30
	102-2	The management approach and its components	Pages 27 - 30
	103-3	Evaluation of the management approach	Pages 27 - 30
GRI 404 (2016): Training and Education	404-1	Average hours of training per year per employee	Page 29
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 28
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 30
<b>Material Topic: Diversity and Equal Opportunity</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Pages 31 & 32
	102-2	The management approach and its components	Pages 31 & 32
	103-3	Evaluation of the management approach	Pages 31 & 32
GRI 401 (2016): Employment	401-1	New employee hires and employee turnover	Page 32
GRI 405 (2016): Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 31
GRI 406 (2016): Nondiscrimination	406-1	Incidents of discrimination and corrective actions taken	Page 32
<b>Material Topic: Economic Performance</b>			
GRI 103 (2016): Management Approach	103-1	Explanation of the material topic and its boundary	Page 39
	102-2	The management approach and its components	Page 39
	103-3	Evaluation of the management approach	Page 39
GRI 201 (2016): Economic Performance	201-1	Direct economic value generated and distributed	Page 39