

# BONVESTS HOLDINGS LIMITED

Sustainability Report

For the year ended 31 December 2020

## ABOUT THE REPORT

This is our fourth annual sustainability report which covers the performance data and related information for material environmental, social, and governance (ESG) topics of Bonvests Holdings Limited and its subsidiaries. The report summarises the sustainability practices and initiatives for the period 1 January to 31 December 2020 (FY2020).

### Reporting Scope

Although we practice sustainability throughout our business, the performance data in our sustainability report will encompass operations that are most material for the Group. As such, the data disclosed in our sustainability report covers our investment property, Liat Towers, and hotels including The Residence Tunis, The Residence Mauritius, The Residence Zanzibar, The Residence Maldives, The Residence Bintan, Sheraton Towers Singapore and Four Points by Sheraton Perth. Our new hotels, The Residence Maldives at Dhigurah and La Maison Arabe, Marrakech, have been included in our Sustainability Report, as they have reached a full year of operations.

### Reporting Standard

Our sustainability report is in line with the Singapore Exchange (SGX) sustainability reporting listing requirements and references the Global Reporting Initiative (GRI) standards (2016). The report references the following GRI Standards and topic-specific Disclosures:

- Disclosure 205-3 from GRI 205: Anti-Corruption 2016
- Disclosure 302-3 from GRI 302: Energy 2016
- Disclosure 303-5 from GRI 303: Water 2018
- Disclosure 404-3 from GRI 404: Training and Education 2016
- Disclosure 417-3 from GRI 417: Marketing and Labelling 2016
- Disclosure 419-3 from GRI 419: Socioeconomic Compliance 2016

### Feedback

The Group welcomes all feedback to help us improve our sustainability practices. Please send your questions or feedback to [investorrelations@bonvests.com.sg](mailto:investorrelations@bonvests.com.sg).

## BOARD STATEMENT

The Board presents our Fourth Sustainability Report. As the Board of Directors (the “Board”), for Bonvests Holdings Limited and its subsidiaries (the “Group”) we recognise the importance of sustainable business growth to both strengthen our industry position and deliver benefits to our shareholders, employees and other stakeholders. The Board oversees the direction of sustainability within the Group as well as the management of sustainability-related performance and development of the sustainability report.

In light of the COVID-19 outbreak, we have taken steps to ensure that the health and well-being of our tenants, guests and employees are prioritised. We recognise the importance of keeping all our stakeholders safe. We have introduced precautionary measures in line with government guidelines such as regular disinfection of our premises, safe distancing, and contact tracing for all our guests, employees, and visitors. This will ensure that our stakeholders remain safe as we continue to deliver our services.

The Board has been involved in reviewing the material Environmental, Social and Governance (ESG) factors for the Group. These ESG factors were determined via a materiality assessment that was conducted to identify where to concentrate our sustainability efforts in high impact areas which support our business strategy. The Board has agreed that these ESG factors remain material for 2020. In addition, we will continue to oversee the management of our impacts in these areas as well as our performance and targets for the upcoming year.

Our Sustainability Report is aligned to the sustainability reporting regulatory requirements set by Singapore Exchange (SGX); SGX-ST Listing Rules 711A and 711B and references the GRI Standards (2016).

## MANAGING BUSINESS CONTINUITY IN COVID-19

The extraordinary circumstances arising from COVID-19 has brought about substantial economic and social disruption across the world. Despite this, the Group continues to prioritise the health and safety of our stakeholders, in line with government advisories and guidelines.

During this period, we are regularly monitoring and reviewing the overall business and risk environment to ensure that our operations remain robust and sustainable whilst adopting the necessary precautions to protect our stakeholders.

Ensuring the safety and wellbeing of the employees in the workplace is essential. One of the adjustments the Group have made is to initiate or expand flexible work arrangements and other policies that allow associates to work remotely and safely. We will regularly communicate to align the government and health authorities' latest policies to help employees remain engaged as we navigate through the crisis. Where telecommuting or flexible work arrangements are not possible, such as the Group's hotel and resort operations where certain positions require direct contact with customers, the Group's hotels and resorts will provide training on infection protection measures, safe distancing guidelines, hygiene and cleaning audit and certification to ensure the associates are well aware of the appropriate procedures and are well prepared.

With international borders remaining closed, businesses continue to experience significant disruption and shifts in consumer demand and behaviour. The Group's hotels and resorts have actively pursued alternative business options such as domestic markets for Staycations, changing the meal preparation and service settings in accordance to government's safe measurement guidelines for dine in and banquet events, provide on-line and mobile orders for meal delivery and partnering various government agencies to provide accommodation to healthcare groups and homebound arrivals serving the Stay Home Notice (SHN).

While we have come to terms with the impact of COVID-19 is having on our business, the crisis also reveals areas where we can build resilience and reshape our workforce during this challenging period. Tapping on government grants and skill redevelopment support, we have intensified the training programs to realign the hotels and resorts workforce for work redesign and organisational restructuring in preparation for recovery.

Despite the challenges, the Group continues to explore new ideas to contribute to the environmental sustainability efforts. In certain resorts where we have larger land area, we have a program to grow edible vegetable gardens and installed food digesters to recycle the food waste into compost. In Singapore where space is limited, a smaller scale edible vegetable garden and hydroponic system is being explored to promote the food sustainability. At Sheraton Towers Singapore, the hotel will be completing the installation of an ecoDigester System in early 2021 to convert 350kg of food waste every 24 hours to recycled water for system back wash.

## WHO WE ARE

The Group has been established as an experienced player in the property industry for more than 30 years. The Group's three core businesses are hotel ownership and management, property development and investment, and waste management and contract cleaning of buildings. Bonvests has hotel assets in Tunisia, Zanzibar, Mauritius, Maldives and Bintan, Indonesia under The Residence by Cenizaro brand, Sheraton Towers Singapore Hotel, Four Points by Sheraton Perth, Australia and La Maison Arabe, Marrakech in Morocco. The Group's commercial real estate portfolio comprises business-related office and retail space in Singapore, Australia and Tunisia. We take pride in managing our diverse property portfolio to enhance the experience of our building tenants and visitors. With a strong foundation, the Group will remain committed to seeking quality projects and opportunities to develop them with innovative solutions.

## SUSTAINABILITY AT BONVESTS HOLDINGS

The hospitality sector is one that is closely entwined with numerous ESG issues. Environmental concerns such as energy and water use arising from hotel facilities, biodiversity issues in locations with sensitive ecosystems as well as employee and guest wellbeing has long been at the top of the Group's list of priorities. Concerns over these factors have been growing due to an increase in awareness from various stakeholder groups over the last few years. More and more hotel guests are expecting destination hotels to be aware of the aforementioned issues and to mitigate their negative impacts. Investors are also seeing the linkages between good sustainability management and good business governance.

Our guest experience is of paramount importance to us and we believe that it is possible to operate responsibly, without sacrificing any guest or employee comfort. In fact, we believe that the changing landscape allows us to leverage off sustainability efforts to create better experiences.

In 2017, the Group worked towards formalising and standardising our approach to key concerns. This involved setting up a sustainability governance structure and formalising reporting lines on sustainability performance. Over the last year, we have continued to strengthen these structures and work on our various sustainability initiatives. We have a number of practices in place that help us to better manage our operational impacts and we invest in our diverse range of talent through training and career development. We will continue to look for opportunities to continue our sustainability journey in the coming years.

## STAKEHOLDER ENGAGEMENT

We engage with our stakeholders through a variety of channels. This regular engagement allows us to determine some of the key areas with regards to Environmental, Social and Governance (ESG) issues for our stakeholders.

Stakeholders	Key Topics / Areas of Concern	Mode of Engagement	Frequency
Employees	<ul style="list-style-type: none"> <li>Employee satisfaction</li> <li>Training and career development</li> <li>Health, safety, and well-being</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisals</li> <li>Team-building activities</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Annual appraisals</li> <li>From time to time</li> <li>Ongoing</li> </ul>
Guests & Tenants	<ul style="list-style-type: none"> <li>Guest satisfaction</li> <li>Quality of facilities and/or services</li> <li>Health, safety, and well-being</li> </ul>	<ul style="list-style-type: none"> <li>Guest satisfaction surveys</li> <li>Two-way communications</li> <li>Email</li> <li>Website / feedback form</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> </ul>
Shareholders & Business Partners	<ul style="list-style-type: none"> <li>Business strategy and outlook</li> <li>Economic performance</li> <li>ESG practices</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Release of financial results, announcements, and other relevant disclosures</li> <li>Management meetings, briefings, and conference calls</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>Ongoing</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory filings</li> <li>Regulatory briefings</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> </ul>

## MATERIALITY

It is important to focus our sustainability efforts in areas where we can have the most impact. We need to identify the ESG factors that our stakeholders are most concerned about, taking into account the factors with the greatest impact on our business as well as those that are most impacted by our business. This year, management reviewed the material ESG factors selected. The material factors remained unchanged from 2019 as these areas are linked closely to the challenges and issues arising from COVID-19. The impacts of COVID-19 have been weaved into each material ESG factor.

Our six material ESG factors are listed below. We include details on all our factors in this report, except for “Economic Performance”, for which you can find details in our 2020 Annual Report.

### Material Factors for the Group:

Economic	Environmental	Social	Governance
1) Economic Performance	2) Energy 3) Water	4) Health, Safety and Welfare 5) Talent development	6) Regulatory compliance

## ENVIRONMENTAL

### Energy

#### 2020 Highlights

Indicator	2020 Actual Performance	2020 Target	2021 Target(s)
Electricity intensity	<ul style="list-style-type: none"> <li>Hotel Properties - Electricity intensity for the hotel properties increased by 115% to 146.27kWh/guest night.</li> <li>Investment Properties - Electricity intensity for the investment properties decreased 2.8% to 78.63 kWh/m<sup>2</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain or reduce electricity intensity from the baseline 2017.</li> <li>Hotel: <b>Not met</b></li> <li>Investment Properties: <b>Met</b></li> </ul>	<ul style="list-style-type: none"> <li>Maintain or reduce electricity intensity from the baseline 2017.</li> </ul>
	<b>2017 Baseline Levels:</b> Hotel Properties: 70.77 kWh/guest night Investment Properties: 133.12 kWh/m <sup>2</sup>		

The hospitality industry can be one that has a high energy demand. Providing a good quality service to guests include maintaining comfortable temperature in rooms, which often requires heating or cooling, and provision of clean linens, which require round the clock laundry operations. Our hotels are in operation 24 hours a day, leading to constant lighting in certain areas and facilities such as spas, gymnasiums and swimming pools also require an energy source to operate. However, we realise that these energy demands could have negative environmental consequences and that the reduction of GHG emissions, which are a result of the use of fossil fuels, is high on the agenda of many of the world's governments. Therefore, the Group continues to look for opportunities to play a role in reducing these potentially negative impacts through a number of energy reduction initiatives.

#### Key Highlights

All our hotels utilise technology to reduce electricity use, such as through setting timers and using movement activated sensors. We are in the process of replacing our conventional lighting fixtures with new, energy efficient items which consume less electricity. The Properties also focus its attention on building energy-friendly habits, such as setting the air conditioners to a fixed temperature and switching off outlets which are not in use.

Due to the lower capacity experienced as a result of the pandemic, the overall energy consumption was reduced by shutting down facilities that were not in use. Other measures included the revision of air conditioning schedules for restaurants, meeting and function rooms, setting higher temperature and adjust the air flow for unoccupied rooms and only running the dishwasher and laundry washer under full load to optimise the energy resources.

To demonstrate commitment to environmental responsibility, Sheraton Towers Singapore has a Green Committee in place to brainstorm and implement initiatives to save energy. During the year, STS has installed light sensors in non-guest contact areas in to reduce energy usage. Monthly energy consumption is monitored closely and is reported periodically to management. In 2020, Sheraton

Towers Singapore continued to maintain the Green Mark certification by BCA and the "Platinum" status in its building energy efficiency.

In Four Points by Sheraton Perth, hotel consultants test for energy efficiency and monitor reports to ensure that the Building Management System is running at maximum efficiency. The BMS is aligned to the manufacturer's parameters and industry standards. Associates are continuously educated to adopt practices that reduce electricity use. In 2020, we have achieved a NABERS energy rating of 5 stars.

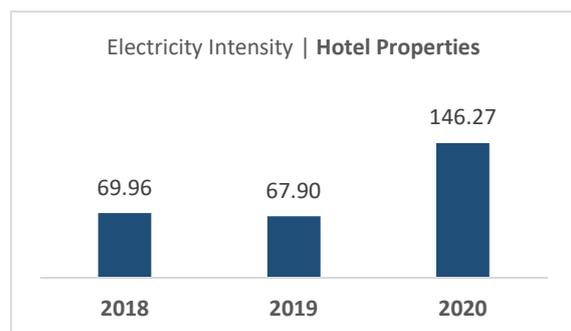
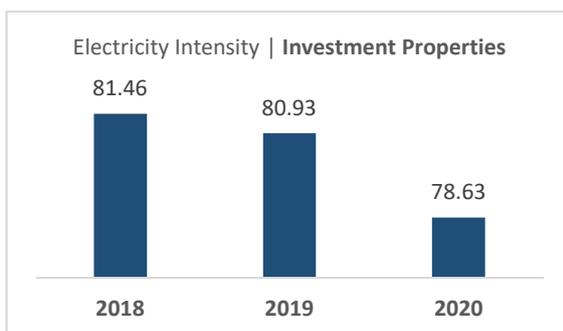
At The Residence Zanzibar, Maldives and Bintan operations, we have implemented a "Switch off Something" policy which is communicated to all staff and encourages them to switch off any electrical items or outlets not being used as they go about their everyday business.

In Mauritius, we have replaced the lighting fixtures in the swimming pools from halogen bulbs with the more energy-efficient LEDs. Furthermore, a photovoltaic solar system has been installed in late 2020, and we expect to see a decline in diesel usage as a result in the year ahead.

La Maison Arabe has introduced a number of initiatives to contribute to an increase in energy efficiency. For instance, housekeepers are requested during daytime to use natural light during room cleaning. During winter, the hotel makes use of traditional fireplaces to heat some of the areas of the hotel, such as the front desk area. The hotel has also started to replace high energy consumption spotlights to lower-demand LEDs to further improve its energy efficiency.

#### Performance Summary

Our electricity intensity for the investment properties decreased slightly from 80.93 kWh/m<sup>2</sup> to 78.63kWh/m<sup>2</sup> as a result of our continuous energy saving efforts. However, the electricity intensity for hotel properties have increased from 67.90 kWh/guest night to 146.27kWh/guest night. This is due to the continued use of electricity and air conditioning at common facilities (e.g. hotel lobby, corridors, kitchens and guest rooms to prevent mildew) despite a fall in overall guest occupancy. It should be noted that the electrical consumption for hotel properties has fallen significantly by 25% to 22.8GWh despite the rise in electricity intensity.



Note: Data excludes electricity consumption in tenanted areas at our properties.

## Water

### 2020 Highlights

Indicator	2020 Actual Performance	2020 Target	2021 Target(s)
Water intensity	<ul style="list-style-type: none"> <li>Hotel Properties - Water intensity for the hotel properties increased to 3.23 m<sup>3</sup>/guest night*.</li> <li>Investment Properties - Water intensity for investment properties has decreased to 0.84 m<sup>3</sup>/m<sup>2</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain or reduce water intensity from the baseline 2017 levels</li> <li>Hotel: <b>Not met</b></li> <li>Investment Properties: <b>Met</b></li> </ul>	<ul style="list-style-type: none"> <li>Maintain or reduce water intensity from the baseline 2017 levels</li> </ul>
	<b>2017 Baseline Levels:</b> Hotel Properties: 1.33m <sup>3</sup> /guest night Investment Properties: 0.90m <sup>3</sup> /m <sup>2</sup>		

\* The increase in water intensity is attributed to higher water consumption arising from enhancement works carried out by the Properties.

Water is another essential resource in the hospitality sector. Water is used by our guests and our hotels for washing and cooking and these activities will increase as our occupancy increases. Water is a limited resource and can become scarce, particularly at some of our more remote locations. For this reason, we strive to use water responsibly in order to reduce the demand from the hotels.

#### Key Highlights

All our properties closely monitor their water consumption on a regular basis. Periodic maintenance is also conducted in order to identify any potential leaks or overuse as well as to ensure maximum performance and efficiency during operations. Management actively monitor metre readings and follow up with investigations for any spikes in water usage. At some of our assets, there are daily walkthroughs to ensure that there are no water leakages from bathroom fittings. Likewise, water pressure is monitored to identify irregularities that could indicate a leak.

As a result of a lower guest occupancy due to COVID-19, we have sought to reduce overall water consumption by shutting off some facilities on our properties. Other measures include applying water efficient appliances in washrooms, guest bathrooms and kitchens and only running dishwashers and laundry washers under full load to minimise water wastage.

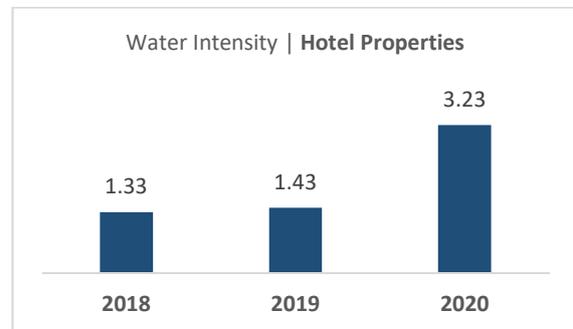
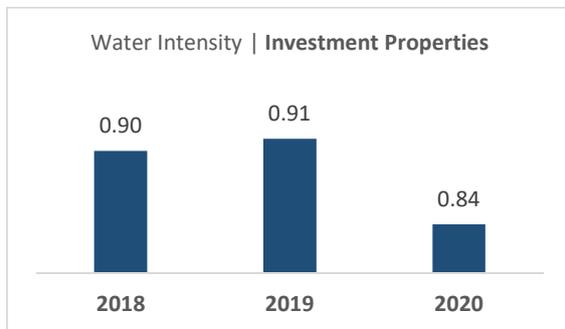
At Sheraton Towers Singapore, a variety of methods have been introduced to reduce water usage, such as the provision of eco-friendly washer and dry cleaner laundry services to hotel guests. We will be completing the installation of an ecoDigester System in early 2021 to convert 350kg of food waste every 24 hours to recycled water for system back wash.

Le Maison Arabe continues to take responsibility in regulating its water use in a sustainable manner. The hotel has recently replaced old laundry machines with newer ones which are less water-intensive. Watering the gardens is restricted to evenings and early mornings to reduce water loss through evaporation. Staff are required to perform daily checks on hotel rooms to ensure that there are no water leakages from bathroom fittings. Water pressure is also monitored to identify irregularities that may indicate a leak.

The Residence Mauritius is currently using sewer treatment plant-processed and treated water for its irrigation system. Rainwater is collected in this system and is used for irrigation as well. The introduction of this system will enable us to reduce reliance on public utilities. Efforts are also made to reduce water consumption by all our stakeholders. Staff and visitors are requested not to run taps unnecessarily. We place tent cards in guest rooms to ask guests to be conservative with their water use.

#### Performance Summary

Water intensity for investment properties has decreased from  $0.91\text{m}^3/\text{m}^2$  to  $0.84\text{m}^3/\text{m}^2$  in the same period. However, the water intensity for hotel properties risen significantly from  $1.43\text{m}^3/\text{m}^2$  to  $3.23\text{m}^3/\text{m}^2$  per guest night for FY2020. The increased intensity was due to additional cleaning effort to sanitise the checked-out guest rooms, associates' uniform, and used bed and bath linens. The hotels also conduct regular maintenance programme to wipe down the public area, restaurants and un-used guestrooms to prevent mildew. However, we have experienced a 21% reduction in water consumption for hotel properties to  $503,146\text{m}^3$ .



## SOCIAL

### Health, Safety and Welfare

#### 2020 Highlights

Indicator	2020 Actual Performance	2020 Target	2021 Target(s)
Percentage of eligible staff receiving health and safety training	<ul style="list-style-type: none"> <li>100% of eligible<sup>1</sup> staff receiving health and safety training</li> </ul>	<ul style="list-style-type: none"> <li><b>Achieved</b> - 100% of eligible staff has received or is scheduled to complete health and safety training</li> </ul>	<ul style="list-style-type: none"> <li>100% of eligible staff to continue to receive health and safety training</li> </ul>

The health, safety, and welfare of both our staff, guests and tenants remain our utmost priority, especially during this challenging period. We have a responsibility to ensure the well-being of those who stay or work in our Properties in order to provide a safe and positive experience.

Over the year, we have reviewed our existing processes and introduced new protocols to address the risks posed by the pandemic. The measures that we have rolled out are in line with best practices and government health guidelines.

During the year, Sheraton Towers Singapore has been audited and certified as a SG Clean Hotel, a quality mark which demonstrates commitment to the highest level of hygiene and sanitation practices. Four Points Perth was identified as a Quarantine hotel for individuals entering Western Australia.

#### Health, safety and welfare of our staff

In the course of our work as hotel operators, there are some occasions where our employees may be at risk of injury. Higher risk areas include employees in the kitchens and restaurants, maintenance and cleaning. Although serious injuries are rare, we do all we can to ensure our employees are safe and remain healthy in their places of work.

In addition to these practices, we also implemented a number of in-house awareness training briefings. Employees will attend a new joiner orientation where new staff are introduced to work at our various locations. These orientations are tailored to the location as well as the new staff's role and will include instructions on how to stay safe in their role and the risks they need to look out for. The hotels provide a range of health and safety training across key topics such as usage of fire safety, hygiene, CPR and AED familiarity, and COVID-19 measures. These trainings are mandatory for all staff.

During this time of pandemic, Sheraton Towers Singapore reinforces the notion that the health of our guests and associates are a key priority by emphasising formal guidelines towards safeguarding our stakeholders. Depending on the extent and/or type of interaction with guests, our associates have been augmented with adequate and suitable personal protective equipment (not limited to N95 respirators, surgical masks, surgical gowns, and eye protection). Sheraton also seeks for perfection in sanitising and has requested a professional company to sanitise common areas such as guest transit locations and COVID-19 swabbing/serology testing sites in addition to the usual guestrooms.

While coping with the safety guidelines and distancing measures are the utmost importance in our operations. We are mindful of the impact of this profound changes and disruptions in our daily routines affecting the emotional wellbeing of our associates. At Sheraton Towers Singapore, we are regularly communicating to align our associates with current government's policies and our business continuity plans to help them remain engaged as we navigate through the crisis. Our Human Resource department is also continuing with staff recognition programmes to recognise associates' good performance and contribution, and more training will be provided to enhance their skills to minimise the fear of job insecurity.

In some locations, such as Mauritius, we have Health and Safety officers who ensure our compliance with the OSHA Act and reports on performance are sent to the relevant government ministry. We also have a Health and Safety committee who meet every two months to update the teams on performance and review policies and practices. In Tunis, we have a nurse present every day, and a work doctor who comes three times a week. These personnel are hired solely for the monitoring and control of staff health.

At Sheraton Towers Singapore Hotel, an annual Table Top Exercise for Crisis Management under the Marriott International Standard and a security and safety audit from the Singapore Authority and Marriott International are held. The Sheraton Towers Singapore Hotel management team is also a member of the neighbourhood watch guard in collaboration with the Police Force.

Demonstrating our commitment to the safety of our staff, we have health and safety champions at relevant locations. This champion is responsible for putting into place any safety precautions that might be necessary. Their role also includes the collection of data and information on health and safety and reporting this to the general manager of the hotel.

### **Guests and visitors health and safety**

With thousands of guests and visitors passing through our hotels and properties over the year, we have a responsibility to safeguard their safety during their time with us. The experience of our guests and visitors is paramount to us and this includes allowing them to feel safe and relaxed in order to fully enjoy their visit.

Since the World Health Organisation declared the COVID-19 outbreak as a pandemic in March 2020, our hotels and resorts have started to implement new cleaning and sanitisation protocols with hospital-grade disinfectants, installed hand-sanitising stations and plexiglass barriers at our front desks, and encouraged guests and staff to wear face masks and adhere to social distancing measures.

At Sheraton Towers Singapore, we have implemented SafeEntry QR code, Identity Card and token scanners with temperature readers at various entry points to track potential risk exposure faced by our guests or associates in order to assist in government contact tracing efforts.

Other initiatives include:

- Cleaning high touch points such as remote controls, bedside control panels, telephones and surfaces
- Guests' usage of Gym and Pool are controlled and managed according to the social distancing guidelines. Gym equipment are wipe down by the attendant after each use.
- Hosting banquet events are in line with Social Management Measures including crowd controls and seating limits per table.
- Conducting regular maintenance programme to wipe down the public area, restaurants and unoccupied guestrooms to prevent mildew.

There are several aspects of our hotel operations where we specifically focus on the health and safety of our guests and visitors. These include food safety and general safety in the rooms, shared areas, pools, spas and golf courses. In the kitchens, our chefs and employees have strict systems in place which prevent the serving of unsafe food. Regular checks on the freshness of the food are carried out, both when supplies arrive at the restaurants as well as on a daily basis. Some initiatives include having dedicated sets of cutting boards, knives and other utensils to avoid cross contamination and labelling of food to track use-by-dates to prevent food becoming out of date. We purchase food items regularly and are careful to avoid over-ordering to avoid waste and ensure the ultimate freshness in food served. Kitchen staff are trained in food hygiene, either using international standards, such as Hazard Analysis and Critical Control Points (HACCP) or by medical and hygiene professionals. Relevant government departments in each location will carry out inspections as per their relevant mandatory schedules. Halal certifications are also obtained where necessary to provide reassurance to our Muslim guests.

We receive audits from various authorities and agencies to address both occupational and guest safety where appropriate. For example, at Sheraton Towers Singapore Hotel, these include an annual audit from Marriott on the Hotel's safety for guests and associates, an annual SHA/SPF/NCPH Hotel Security Audit, an annual SCDF Fire Safety Audit, a quarterly peer audit by sister hotels and an annual audit from Marriott on Food Hygiene. A Fire Safety and Security Committee Meeting sits every month.

## Talent Development

### 2020 Highlights

Indicator	2020 Actual Performance	2020 Target	2021 Target(s)
• % eligible staff receiving performance appraisals	• 100% eligible staff received performance appraisals	▪ <b>Achieved</b> - 100% eligible* staff receive performance appraisals	▪ 100% eligible staff receive performance appraisals

Our staff are imperative to the success of our operations. As a guest-centric business, it is key that our staff are well trained and highly skilled to meet and even surpass the expectations of our hotel guests. For this reason, we place heavy emphasis on our staffs' development in knowledge and skills and proactively seek learning opportunities on their behalf.

### Training and education

2020 posed new challenges for our staff with the onset of Covid-19. The pandemic reaffirmed our commitment in ensuring our staff possess the required access and opportunity in training and development. Staff were provided resources to upgrade their professional skills via eLearning, cross division On-The-Job training and additional training comprising of safe working procedures and proper utilisation of personal protective equipment.

For hotel operations, staff with diverse skillsets and experience are a necessity, including chefs, technicians, receptionists, and housekeeping staff. Training are tailored for staffs' learning progress which ranges from requiring specialised training in niche fields (e.g. cooking and food hygiene) to more general areas such as Work, Health, Safety (WHS) training and Basic Fire Awareness. Staff satisfaction in their career is also a key priority for us which is addressed at least annually during the performance appraisal which pertains to all eligible staff. Staff will be informed of their performance against expectations, checked with if there are gaps in their knowledge, and asked if there exist avenues that they wish to venture into to advance in their career.

Style of training varies based on suitability of the information to be taught which can range from on-the-job training for knowledge that requires more experiential learning to online training for more passive awareness.

Online training has been included by our Maldives hotel to boost the level of knowledge and skills for employees while reducing exposure risks to the pandemic. Cross-training is also conducted for the purposes of upgrading skills and to improve the quality of operations.

The Residence Mauritius places special emphasis on the development of high performers by introducing a Talent Management Programme where these individuals may receive a promotion upon completion 6 to 9 months of additional training. Staff from the property also benefit from a balance of in-house training and sponsored external courses.

Four Points by Sheraton Perth and Sheraton Towers Singapore Hotel utilise an online platform, myLearning, via the Marriott L&D portal to provide deeper insights to staff such as risk management training and harassment prevention practices. Sheraton Towers Singapore Hotel takes this a step further by encouraging associates to explore a multitude of courses under the Singapore Workforce Skills Qualification not limited to English mastery, computer classes and business writing skills. Cross-department training and opportunities are also present across all locations for potential vertical and horizontal development. Sheraton Towers Singapore Hotel is also venturing more into career

development and aims to provide opportunities to develop operation managers to succeed as business managers by keeping them engaged with information on business development, strategies and performance. With regards to Four Points Hotel, improvements have been made to their onboarding process which now includes monthly meetings to keep new starters on track and motivated.

**Diversity and equal opportunity**

We do not condone any discrimination in our workforce, and it is heavily emphasised that all staff be treated fairly, regardless of age, race, gender or religion. This applies to all aspects of our human resources from recruitment to promotion to retirement. Our employee handbooks include our position of equal opportunities. The Sheraton Towers Singapore Hotel falls under the Singapore Tripartite Alliance while we align with the principles from the National Workers Union and comply with Employment Rights Act in Mauritius.

## GOVERNANCE

### Regulatory Compliance

#### 2020 Highlights

As a responsible corporate citizen, we strive to have a zero-tolerance policy towards any non-compliance with relevant laws and regulations. We hold ourselves to high standards in this area and we have a number of policies in place to avoid inappropriate conduct that can lead to the loss of stakeholder trust as well as the loss of operating licenses. We constantly review our existing policies and frameworks to ensure that we are in compliance with the applicable regulations and standards.

We are pleased to note that there were zero incidents of non-compliance with laws and regulations relating to corruption, marketing communications, and social and economic issues that have resulted in significant fines or non-monetary sanctions. This includes any non-compliances to COVID-19 rules and guidelines. We will continue to maintain this standard for the upcoming year.

The main areas which we concentrate our governance efforts are around anti-corruption and marketing and labelling.

#### Anti-corruption

Corruption can be a concern in some of our locations of operations and in the real estate and hospitality industry. We are mindful of these risks and thus have prepared policies and procedures to avoid these issues, which, but is not limited to, areas of:

- Anti-corruption;
- Anti-fraud;
- Conflict of interest;
- Whistle blowing; and
- Anti-bribery.

These policies are made known to all our staff and we conduct trainings and briefings to be sure staff are aware of how they are expected to behave as well as what activities may constitute a breach of the law. Corporate level staff are also required to make self-declarations each year to keep management up to date and increase awareness amongst the staff.

#### Marketing and labelling

As a hotel owner and operator, the success of our business is heavily dependent on advertising. We are careful to ensure that our advertising is fair, true and transparent to avoid misleading our guests. Any breach of marketing and labelling standards can lead a loss of confidence from our guests. In Singapore, we adhere closely to the relevant rules and regulations, such as the Singapore Advertising Standards. We aim to continue to comply with all applicable requirements established by the relevant bodies.

#### Corporate compliance

Other laws and regulations that are relevant to us include SGX listing rules, MAS laws and regulations and regulations under the Personal Data Protection Act. Management keeps a close eye on activities around these issues and policies such as our Corporate Code of Conduct mean that staff are aware of expectations upon them. In addition, management level staff complete an annual self-declaration that covers areas such as conflicts of interest and independence.

We reviewed our regulatory risks as part of the management risk assessment process in 2020 and have achieved the 2020 target. We will continue to conduct reviews in the coming 12 months.