

Singapore eDevelopment Limited
Sustainability Report 2018

BOARD STATEMENT 102-14

Dear stakeholders,

On behalf of the board of directors ("Board" or "Directors") of Singapore eDevelopment Limited ("SeD" or "the Group"), we are pleased to present to you the second Sustainability Report ("SR") of our Group for the financial year ended 31 December 2018 ("FY2018").

This Report draws on the internationally recognized framework, the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards. It aims to inform stakeholders of SeD about our sustainability performance in a transparent and accountable manner. In addition, it covers the Group's strategies, policies, practices and performance in relation to economic, environmental, social and governance issues ("ESG").

At SeD, we recognize that sustainability issues form an integral part of our operations and strategies, and we strive to drive our operations in the direction in which we can contribute positively to all our stakeholders.

During the year, we conducted a materiality review and assessment with our external consultants and have identified 8 indicators that matter most to our business, and to both internal and external stakeholders. These material issues are taken into account through our four sustainability strategies – Business Integrity, Economic Performance, Environmental Sustainability and Human Capital.

OUR SUSTAINABILITY STRATEGIES



BOARD STATEMENT 102-14

Business Integrity

We do not tolerate any form of corruption or fraud within the Group. Business integrity and corporate governance is an important core value of SeD.

The Board is strongly committed to achieving high standards of corporate governance which is essential to the stability and sustainability of the Group's performance, protection of the interests of shareholders of the Group and enhancement of long-term Shareholders' value and returns.

In addition to complying with the recommendations of the Code of Corporate Governance 2012, policies have also been established to address business conduct expected of all employees. Our whistleblowing policy provides avenues for staff to raise concerns about suspected Reportable Conduct which may adversely affect the Group.

Economic Performance

SeD believes in the creation of long-term economic value and a stable economic performance of the Group. In addition to the Group's financial performance, SeD also focuses on the indirect impact of our infrastructure investments on the stakeholders and the economy.

Environmental Sustainability

With the growing awareness and importance of sustainability in Singapore, we recognize that there is a need to contribute towards combatting climate change.

SeD is committed to minimizing our environmental impact by focusing on reducing our energy footprint.

Human Capital

Employees are highly valued as they are a key to the contribution of SeD's growth and success. Our headcount is 20 in FY2018 as compared to 23 in FY2017. In addition, our gender ratio of employees has remained consistent as last year.

Looking Ahead

FY2019 continues to be a transformational year for the Group. We will focus on our portfolio of businesses to deliver improved returns in the coming years. At the same time, we will continue to integrate sustainability into our daily operations across the Group. We appreciate and are thankful to all our stakeholders who are embarking this journey with us to build a more sustainable future.

The Board have considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

Mr Chan Heng Fai

Executive Director and Chief Executive Officer

ABOUT THE COMPANY

Reporting Period [102-49](#) [102-50](#) [102-51](#) [102-52](#)

SeD's Sustainability Report is published on an annual basis. This is our second Sustainability Report which covers the Financial Year 2018, for the period of 1 January 2018 to 31 December 2018.

Reporting Scope [102-45](#) [102-48](#)

All data, statistics and improvement targets are in relation to SeD's property business.

Our international property development division's two main property development projects are "Black Oak" (located north of Houston, Texas) and "Ballenger Run" (located near Washington D.C. in Frederick, Maryland).

There are no restatements of information in this report.

GRI Guidelines [102-54](#) [102-56](#)

This report is prepared based on the GRI Sustainability Reporting Standards 2016, in accordance with the Core option. The GRI Sustainability Reporting Standards is a global standard with a framework which aids SeD in presenting a balanced view of the Group's contributions towards sustainable development. The GRI content index and relevant references are provided on pages 13 - 16.

No external assurance has been sought for this reporting period.

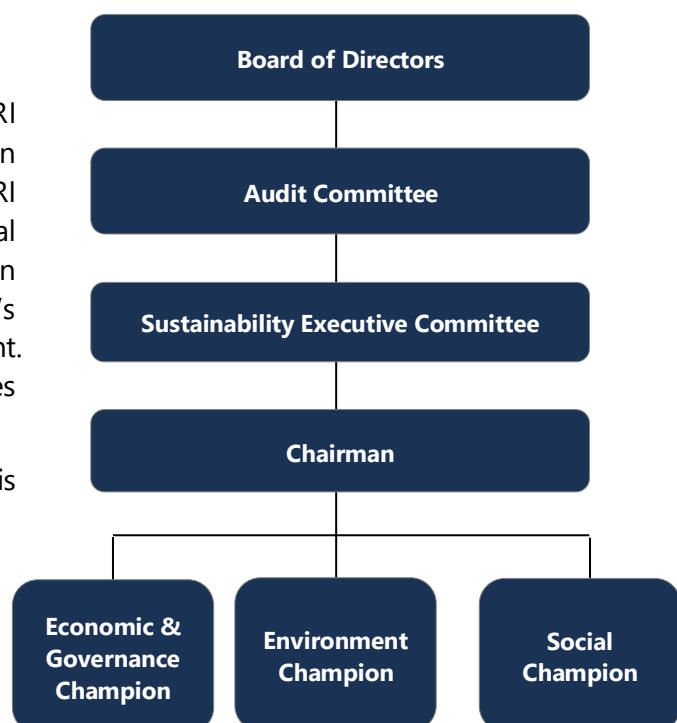
Feedback [102-53](#)

Our stakeholders' views are important to us and we welcome feedback on this report and any aspect of our sustainability performance. Kindly address all feedback to our Senior Vice President of Corporate Affairs, Aileen Ang at aileen@sed.com. [102-53](#)

Our Sustainability Reporting Structure

SeD's sustainability strategies and actions are spearheaded by the Sustainability Committee which oversees the group-wide sustainability strategies and initiatives.

Sustainability Reporting Structure [102-18](#)



ABOUT THE COMPANY

Who We Are

Incorporated in September 2009, SeD has since then diversified into international markets.

The Group's portfolio comprises:

- (i) property development and related services;
- (ii) information technology related businesses;
- (iii) development, research, testing, manufacturing, licensing and distribution of biomedical products; and
- (iv) investment activities

Besides our head office located in Singapore, we have other global offices in Hong Kong, Malaysia and the United States of America.

We serve in the markets of the following countries: Singapore, Australia, People's Republic of China and the United States of America.

Our Value Chain and Sustainability 102-9



SeD places an emphasis on sustainability in our value chain as we believe that a sustainable business operation is a strong driver of value and success for the business, as well as for the community and environment.

We will continue to integrate sustainability into all our business operations by engaging closely with our stakeholders across our value chain.

OUR APPROACH TO SUSTAINABILITY

Our Sustainability Strategy

SeD’s sustainability strategy – Business Integrity, Economic Performance, Environmental Sustainability and Human Capital was formalized by the Sustainability Committee. SeD places sustainability at the core of our strategy and operations to create sustainable value for all our stakeholders.

Stakeholder Engagement [102-40](#) [102-42](#) [102-43](#) [102-44](#)

Stakeholders are key to providing us with feedback and comments on our business conduct and operations. By collaborating with our stakeholders, it supports us in addressing sustainability challenges and opportunities.

We engage with our stakeholders regularly and incorporate relevant and appropriate feedback into our planning and actions.

Stakeholders	Stakeholders’ Expectations/ Concerns	Engagement Platform
Employees	<ul style="list-style-type: none"> • Safe and conducive workplace • Fair labour practices and compensation 	<ul style="list-style-type: none"> • Trainings • Grievance/ feedback channels • Regular reviews and appraisals • Intranet platform for policies, news and benefits
Customers	<ul style="list-style-type: none"> • Product compliance with all relevant regulations • Timely follow-up on customer feedback • Ability to offer competitive and cost-efficient solutions which are safe and environmentally responsible 	<ul style="list-style-type: none"> • Feedback channels such as email and telephone communications • Client meetings • Corporate website, email and newsletters
Suppliers	<ul style="list-style-type: none"> • Clear two-way communication channels • Timely feedback regarding materials/ services provided 	<ul style="list-style-type: none"> • Inspections and quality site visits • Quotations and requests for proposal • Raw material specifications discussion meetings
Shareholders & Regulators	<ul style="list-style-type: none"> • Business resilience and financial performance • Business strategy and direction • Corporate governance and compliance • Transparent and timely communication of information 	<ul style="list-style-type: none"> • Results announcements and news releases • Corporate website and email • Annual General Meetings

OUR APPROACH TO SUSTAINABILITY

Reporting Principles [102-46](#)




In defining our reporting content, we applied the GRI reporting principles for defining report content – stakeholder inclusiveness, the sustainability context, materiality and completeness – by considering the Group’s activities, impact and substantive expectations and interests of our stakeholders.

Materiality Review Process [102-46](#) [102-47](#)

As part of SeD’s process in determining materiality, an internal strategy review and sustainability workshop moderated by an external consultant was organized during the year. During these sessions, the Group reviewed its vision, mission and core values, strategic direction, sustainability impacts and material topics.

We reflected on significant economic, environmental and social impacts to determine aspects that are material to the organization as they are integral to SeD’s success of building a sustainable future for all of our stakeholders.

8 indicators, which are grouped into 3 main categories, were identified during the assessment conducted in accordance with GRI’s Sustainability Reporting Standards 2016. The materiality assessment was subsequently endorsed by SeD’s Sustainability Committee.

Category	Class	Standard	Indicators
 Environment	Energy	302-1	Energy Consumption within the Organization
		302-4	Reduction of Energy Consumption
 Economic	Economic Performance	201-1	Direct Economic Value Generated and Distributed
	Indirect Economic Impacts	203-1	Infrastructure Investments and Services Supported
	Procurement Practices	204-1	Proportion of Spending on Local Suppliers
	Anti-Corruption	205-2	Communication and Training about Anti-Corruption Policies and Procedures
205-3		Confirmed Incidents of Corruption and Actions Taken	
 Social	Employment	401-1	New Employee Hires and Employee Turnover

BUSINESS INTEGRITY 102-16 205-2 205-3

SeD is committed to achieving and maintaining a high standard of corporate governance and business integrity within the Group. By doing so, it helps to ensure the stability and sustainability of the Group's performance, protect the interests of shareholders of the Group and enhance long-term Shareholders' value and returns.

The Group has substantially complied with the recommendations of the Code of Corporate Governance 2012 ("Code") to outline the corporate governance practices adopted by the Group in our Corporate Governance Report.

For FY2018, we have communicated such anti-corruption policies and procedures to all our employees. There have been no incidents of corruption in FY2018. We aim to maintain this for FY2019.

Whistleblowing Policy and Procedures

Our whistleblowing policy was set up with the purpose to encourage the reporting in good faith of suspected Reportable Conduct by establishing clearly defined processes.

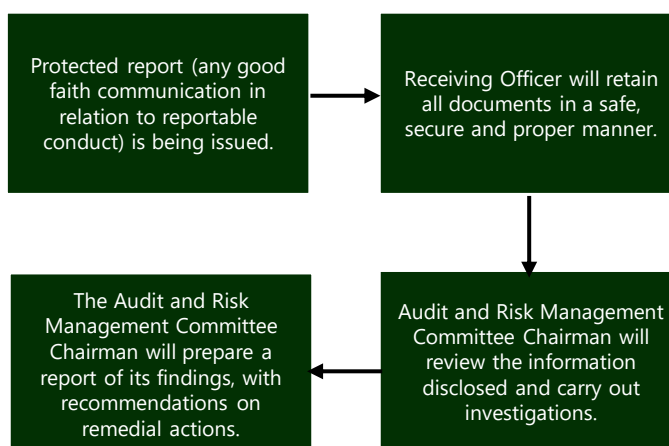
The objectives of the whistle-blower protection policy are to:

- Provide for the mechanisms by which Whistle-Blowers may report Reportable Conduct;
- Enable the Group to effectively deal with reports from Whistle-Blowers, in a way that will protect the identity of the Whistle-Blowers and persons who participate in investigations initiated under this policy, and provide for the secure storage of the information provided;

- Establish the policies for protecting Whistle-Blowers and persons who participate in investigations initiated under this policy, against reprisal by any person internal or external to the Group; and provide for an appropriate infrastructure for receiving, investigating and taking corrective or remedial action in relation to such reports.

SeD has designated the company's secretary as the Receiving Officer, who reports directly to the Audit and Risk Management Committee Chairman on all matters arising under this policy.

The summary of the policy process is highlighted below.



We are pleased to report that there were no instances of corruption during FY2018 and aim to maintain this performance for FY2019.

ECONOMIC PERFORMANCE

By adopting responsible business practices and embedding sustainability in the business, SeD believes it creates long-term economic value and contributes to a stable economic performance of the Group.

Our Performance [201-1](#)

For FY2018, the Group recorded a total revenue of \$26.9 million, an increase by S\$11.9 million from FY2017. This was due to a contribution of revenue from the property development project located in Frederick County, Maryland USA and revenue from the sale of biomedical products.

Total operating expenses decreased by S\$1.5 million or 16% from S\$9.5 million in FY2017 to S\$8.0 million in FY2018. This is mainly due to cost savings achieved through the streamlining of our corporate expenditure.

For the full details of the Group's economic performance, kindly refer to our Annual Report 2018.

Indirect Economic Impacts [203-1](#)

Besides the direct economic value being generated, SeD also focuses on the indirect impact our infrastructure investments can have on the stakeholders and the economy.

Our investment in the community is shown by designing highways, streets, roads, or common driveways guided by the following principles:

- Design for opportunities to create interconnections between adjoining parcels.
- Provide for safety, efficiency, and convenience of all users of the transportation system.

- Be suitably located and designed/improved to accommodate prospective traffic, emergency service vehicles, and road maintenance equipment.

Transportation systems and parking areas are intended to be adequate to serve the proposed use in addition to existing uses by providing safe and efficient circulation, and design consideration that maximizes connections with surrounding land uses and accommodates public transit facilities.

During our development for the Ballenger Run project, we worked with the Frederick County Board of Education ("BOE"). SeD agreed that it would convey to the BOE, with no monetary consideration paid, a public-school site totalling a minimum of 13+/- acres, to serve the project and the surrounding regions.

In addition, we work closely with various parties to understand the most recent market demand. In view of this, management is pursuing the rezoning of the multi-family continuing care retirement community parcel to allow for approximately 36 age-restricted villa lots.

Procurement Practices [204-1](#)

By supporting local suppliers, SeD can indirectly attract additional investment to the local economy. It can also help to provide supply, support a steady local economy, and sustain community relations.

For the Ballenger Run and Black Oak Project, the contractors engaged are local companies. Manpower onsite for construction is generally sourced locally by third-party contractors. In addition, materials are generally sourced locally by third-party contractors.

ENVIRONMENT

Energy Consumption 302-1

We track our electricity consumption on a monthly basis to monitor and improve any initiatives in place.

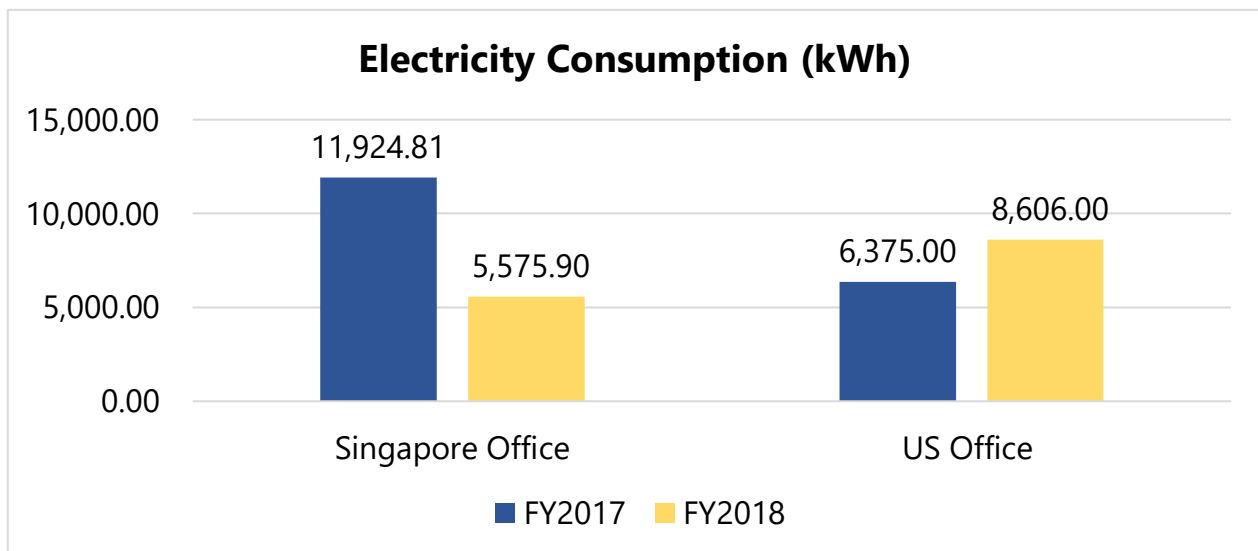
This year, our Singapore office at Suntec Tower consumed 5,575.90 kilowatts of electricity, a significant reduction from 11,924.81 kilowatts of electricity in FY2017. This was because we occupied 1 office in FY2018 as compared to 3 offices in FY2017.

Our Houston office reported a total consumption of 8,606 kilowatts of electricity, an increase from 6,375 kilowatts of electricity in FY2017.

Reduction of Energy Consumption 302-4

The actions taken to reduce energy consumption include changing most of our lights to LED to save electricity and educating staff to be more aware of reducing their electricity consumption (e.g. switching off their computer at the end of the day or switching off the lights in each room when they are not in use).

While the Group is not able to promise a specific level of energy reduction, we will monitor our energy consumption and make plans to reduce our energy consumption levels through the implementation of other energy saving measures.



SOCIAL

Employment [102-7](#) [102-8](#) [401-1](#)

Employees are a crucial asset to SeD as they play a significant role in ensuring a high level of efficiency and achieving greater output.

Our headcount for the Property Development Division totalled to 20 for FY2018, a small decrease from 23 in FY2017.

Being a global group, our headcount includes employees from Singapore, Hong Kong and the United States of America.

There were no temporary or part-time employees in FY2018.

Employee Headcount (Country Breakdown)



11 personnel



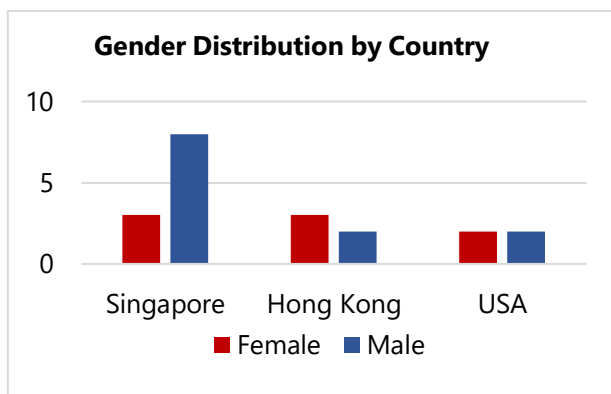
5 personnel



4 personnel

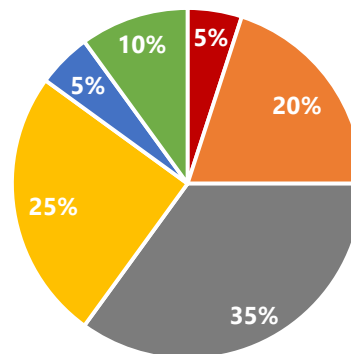
In addition to the Group's employees, SeD also outsources the development and project management activities to third-party contractors and consultants.

Similar as FY2017, our gender distribution is considerably fair with 60% of our staff being Male and 40% of our staff being Female.



In terms of age distribution, the majority of our employees still fall within the category of "Age between 40 – 49", with them making up 35% of our headcount.

Age Distribution (Group)



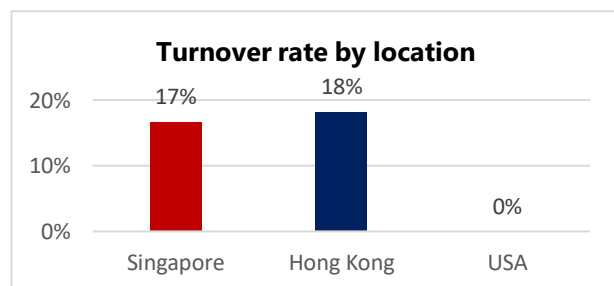
- Age between 20-29
- Age between 30-39
- Age between 40-49
- Age between 50-59
- Age between 60-69
- Age between 70-79

Employee Turnover

During the year, 3 employees resigned with the breakdown being 2 employees from Singapore and 1 employee from Hong Kong. The employee turnover rate for each location is derived by dividing the number of resigned employees by the average number of employees in that location.

There were no new employee hires in FY2018.

We will continue to practice fair employment.



GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
GRI 102: GENERAL			
Organizational Profile			
GRI 102-1	Name of the organization	Cover page of this report	1
GRI 102-2	Activities, brands, products, and services	2018 Annual Report - Company Profile (page 1) - CEO Message (page 2 - 4) - Financial Review (page 5 – 7) - Group Structure (page 9)	-
GRI 102-3	Location of headquarters	2018 Annual Report – Notes to the Financial Statements, Note 1 (page 54)	-
GRI 102-4	Location of operations	2018 Annual Report – Notes to the Financial Statements, Note 3 (page 76)	-
GRI 102-5	Ownership and legal form	2018 Annual Report – Notes to the Financial Statements, Note 1 (page 54)	-
GRI 102-6	Markets served	2018 Annual Report – Notes to the Financial Statements, Note 3 (page 76)	-
GRI 102-7	Scale of the organization	2018 Annual Report - Consolidated Statement of Comprehensive Income (page 47) - Statements of Financial Position (page 46)	-
		Social – Employment	11
GRI 102-8	Information on employees and other workers	Social – Employment	11
GRI 102-9	Supply chain	About the Company - Our Value Chain and Sustainability	5
GRI 102-10	Significant changes to the organization and its supply chain	Not applicable. There are no significant changes during the period under review	-
GRI 102-11	Precautionary Principle or approach	SeD does not specifically utilise to the precautionary approach when managing risk; however, our management approach is risk-based, and supported by our risk management and internal control framework.	-
GRI 102-12	External initiatives	Not applicable. SeD has not subscribed to or endorsed any externally-developed economic, environmental and social charters, principles, or other initiatives.	-
GRI 102-13	Membership of associations	Not applicable. SeD is not a member of any industry or associations, and national or international advocacy organizations.	-

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
GRI 102: GENERAL			
Strategy			
GRI 102-14	Statement from senior decision-maker	Board Statement	2 – 3
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Business Integrity	8
Governance			
GRI 102-18	Governance structure	2018 Annual Report - Corporate Governance Report (Pages 10 – 38)	-
		About the Report – Our Sustainability Structure	4

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	Our Approach to Sustainability - Stakeholder Engagement	6
GRI 102-41	Collective bargaining agreements	Not applicable. None of the employees are under the collective bargaining agreements.	-
GRI 102-42	Identifying and selecting stakeholders	Our Approach to Sustainability - Stakeholder Engagement	6
GRI 102-43	Approach to stakeholder engagement		
GRI 102-44	Key topics and concerns raised		
Reporting Practice			
GRI 102-45	Entities included in the consolidated financial statements	2018 Annual Report - Notes to the Financial Statements (Pages 75 – 88)	-
		About the Report – Reporting Scope	4
GRI 102-46	Defining report content and topic Boundaries	Our Approach to Sustainability - Reporting Principles - Materiality Review Process	7
GRI 102-47	List of material topics	Our Approach to Sustainability –Materiality Review Process	
GRI 102-48	Restatements of information	About the Report – Reporting Scope	4
GRI 102-49	Changes in reporting	About the Report – Reporting Period	
GRI 102-50	Reporting period		
GRI 102-51	Date of most recent report		
GRI 102-52	Reporting cycle		
GRI 102-53	Contact point for questions regarding the report		
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About the Report – GRI Guidelines	
GRI 102-55	GRI content index	GRI Index	12 – 15
GRI 102-56	External assurance	No external assurance has been sought for the FY2018 Sustainability Report.	4

GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
GRI 103: MANAGEMENT APPROACH			
GRI 103-1	Explanation of the material topic and its Boundary	Refer to the respective GRI indicators (Specific Standard Disclosures) in the GRI Content Index for more information.	-
GRI 103-2	The management approach and its components		
GRI 103-3	Evaluation of the management approach		
SPECIFIC STANDARD DISCLOSURES			
Economic			
Economic Performance			
GRI 201-1	Direct economic value generated and distributed	2018 Annual Report - Consolidated Statement of Comprehensive Income (page 47) - Statements of Financial Position (page 46)	-
		Economic Performance – Our Performance	9
GRI 203-1	Infrastructure investments and services supported	Economic Performance – Indirect Economic Impacts	9
GRI 204-1	Proportion of spending on local suppliers	Economic Performance – Procurement Practices	9
Anti-Corruption			
GRI 205-2	Communication and training on anti-corruption policies and procedures	Business Integrity	8
GRI 205-3	Confirmed incidents of corruption and actions taken		
Environment			
Energy			
GRI 302-1	Energy consumption within the organization	Environment – Energy Consumption	10
GRI 302-4	Reduction of energy consumption	Environment – Reduction of Energy Consumption	
Social			
Employment			
GRI 401-1	New employee hires and employee turnover	Social	11