



SINGAPORE *e*DEVELOPMENT™

# Sustainability Report 2019



# Board Statement

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## 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 third Sustainability Report ("SR") of our Group for the financial year ended 31 December 2019 ("FY2019").

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.

The report provides an avenue for us to keep our stakeholders informed about our sustainability performance in an accountable and transparent manner. It will also highlight the Group's strategies, policies, practices, performances, and targets, for the period 1 January 2019 to 31 December 2019 ("FY2019"), in relation to the economic, environmental, social and governance factors as stated in the GRI Standards.

This report draws on the internationally recognized framework, the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards. After conducting a materiality review and assessment with our external consultants, we have identified eight (8) indicators that matter most to our business, and to both internal and external stakeholders.

These material issues have been taken into account through our four sustainability strategies – Business Integrity, Economic Performance, Environmental Sustainability and Human Capital.

## OUR SUSTAINABILITY STRATEGIES



**Business  
Integrity**



**Economic  
Performance**



**Environmental  
Sustainability**



**Human  
Capital**

# Board Statement

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## **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. In addition to complying with the recommendations of the Code of Corporate Governance 2018, 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.

We are happy to share that there was no incident of corruption for FY2019.

## **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**

SeD is committed to minimizing our environmental impact and is working towards reducing our energy footprint. Together with our staff, we have succeeded in reducing the electricity consumption in FY2019 through conscious efforts to save electricity whenever we can.

## **Human Capital**

Employees are highly valued as they are a key to the contribution of SeD's growth and success. In addition, our gender ratio of employees has improved slightly as compared to last year.

## **Looking Ahead**

SeD's Board will continue to oversee the management and monitoring of the economic, environment and social concerns material to the sustainability of our business.

We appreciate having all our stakeholders on this journey together with us, to build a more sustainable future.

**Mr. Chan Heng Fai**

**Executive Director and Chief Executive Officer**

# About This Report

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## Reporting Period 102-49 102-50 102-51 102-52

Our Sustainability Report is published on an annual basis. This is the third issue of our Sustainability Report and it covers the Financial Year 2019 ("FY2019"), for the period of 1 January 2019 to 31 December 2019.

The last report published by SeD was the Sustainability Report 2018 which was released on 27 May 2019.

## Reporting Scope 102-45 102-48

All data, statistics and improvement targets in this report relate to SeD's Property Development business, which accounts for 94% of the revenue generated by the Group in FY2019.

Our international Property Development division's two main projects are:

- 1) Black Oak (located north of Houston, Texas)
- 2) 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 that 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 16 – 19 of the report. No external assurance has been sought for this reporting period.

## Feedback 102-53

Your views and opinions are highly valued by us and we welcome any form of feedback on this report or any aspect of our sustainability performance.

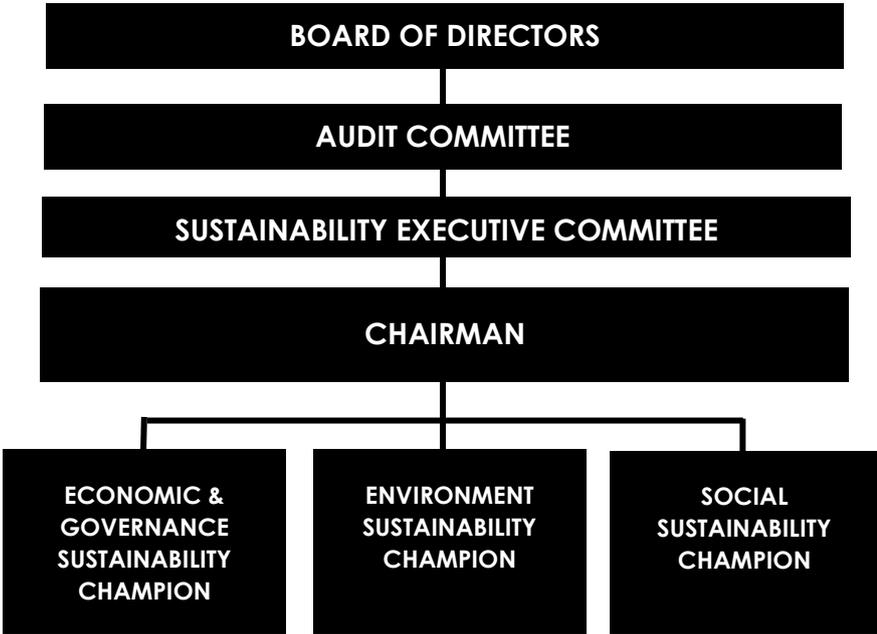
Kindly address all feedback to our Senior Vice President of Corporate Affairs, Aileen Ang at [aileen@sed.com.sg](mailto:aileen@sed.com.sg).

# About This Report

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## Our Sustainability Reporting Structure 102-18

SeD's Sustainability Committee is responsible for overseeing and spearheading the group's sustainability strategies, initiatives and actions.



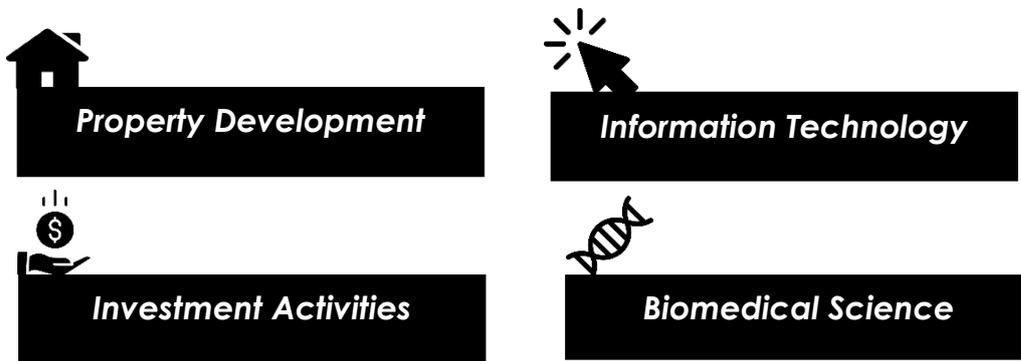
# About The Company

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## Who We Are

Incorporated in September 2009 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") since July 2010, SeD has since diversified into international markets.

The Group's portfolio comprises:



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

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

## Our Supply Chain and Sustainability <sup>102-9</sup>

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.



All our suppliers under SeD's Property Development business, who we have a long-term relationship with, are companies based in the USA. The general services we procure are construction, engineering and architectural services.

# Our Approach to Sustainability

## Our Sustainability Strategy

SeD's four sustainability strategies – 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

Collaboration with our stakeholders supports us in addressing sustainability challenges and opportunities. We engage with our stakeholders regularly and incorporate their relevant and appropriate feedback into our planning and actions.

Identification of the various stakeholders is based on our respective economic, social and environmental impacts in the context of our value chain.

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

# Our Approach to Sustainability

## Materiality Review Process 102-46 102-47

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

In determining the material topics relevant to FY2019, SeD performed an internal strategy review which included a relook at our business strategy, business model and key stakeholders and processes to identify the Group's significant economic, environmental and social impacts.

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.

We identified the following eight (8) indicators during the review conducted. The materiality assessment was subsequently endorsed by the Sustainability Executive Reporting Committee.

CATEGORY	CLASS	STANDARD	INDICATORS
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	
ENVIRONMENT	Energy	302-1	Energy Consumption Within the Organization
		302-4	Reduction of Energy Consumption
SOCIAL	Employment	401-1	New Employee Hires and Employee Turnover

***SeD is committed to achieving and maintaining a high standard of corporate governance and business integrity within the Group.***

By having a high standard of corporate governance, 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 2018 ("Code") to outline the corporate governance practices adopted by the Group in our Corporate Governance Report.

## **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. It allows the staff of the Group and any other persons to raise concerns.

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

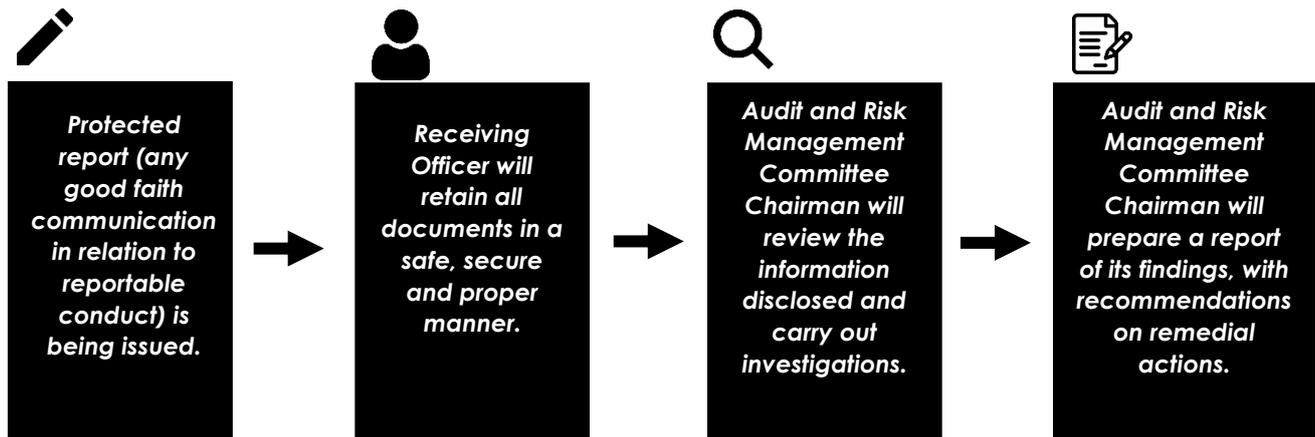
- Provide for the mechanisms by which whistle-blowers may report Reportable Conduct;
- Enable the Group to effectively deal with reports from whistle-blowers, in a way that will protect the identity of the whistle-blowers and persons who participate in investigations initiated under this policy, and 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.

# Business Integrity 102-16 205-2 205-3

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The summary of the policy process is highlighted below.



## Our Performance

### FY2019 TARGET

To have no confirmed incidents of corruption

### FY2019 PERFORMANCE

There was no confirmed incident of corruption

### FY2020 TARGET

To have no confirmed incidents of corruption

# Economic Performance

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***By adopting responsible business practices and embedding sustainability in our business, SeD believes it can create long term economic value and contribute to a stable economic performance of the Group.***

## **Our Performance** 201-1

The Group's revenue has increased by \$5.4 million or 20% from \$26.9 million from FY2018 to \$32.3 million in FY2019 due to contributions of revenue from the property development project located in Frederick County, Maryland USA ("Ballenger Run"), the property development project located in Houston, Texas ("Black Oak") and the revenue from the sale of biomedical products.

Total operating expenses decreased by \$0.9 million or 11% from \$8 million in FY2018 to \$7.1 million in FY2019. 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 2019.

## **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, SeD agreed that it would convey a plot of land to the Frederick County Board of Education ("BOE"). The plot of land was conveyed with no monetary consideration for a public-school site totaling a minimum of 13+/- acres, to serve the project and the surrounding regions.

# Economic Performance

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In addition, we work closely with various parties to understand the most recent market demand. One such project involves the rezoning and construction of a multi-family continuing care retirement community (“CCRC”). We have completed the rezoning CCRC and have commenced its construction to hold 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 supply, support a steady local economy, and sustain community relations.

All the contractors we engage for the Ballenger Run and Black Oak Project are based in the USA. These contractors hire locals for the construction work and generally source their materials locally.

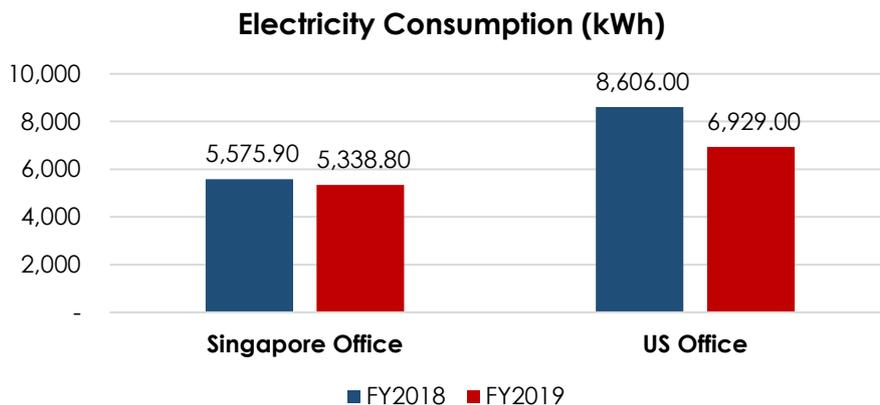
# Environment

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***With the growing awareness and importance of sustainability in Singapore, SeD is committed to minimising our environmental impact by focusing on reducing our energy footprint.***

## Energy Consumption 302-1

The consumption of electricity is being monitored on a monthly basis to measure the success of the initiatives that are implemented. We are happy to share that we have been able to reduce the overall electricity consumption of SeD in FY2019 as compared to FY2018.



In FY2019, our Singapore office at Suntec Tower consumed a total of 5,339 kWh, a decrease of 237 kWh as compared to FY2018. This is attributable to the collective efforts of staff who are conscious of the importance of saving energy and, through reminders, practice good energy-saving habits.

The decrease was due to our staff having the knowledge, being reminded and aware of the importance of reducing their electricity consumption.

Our Houston office reported a total consumption of 6,929 kWh, a decrease of 1,677 kWh as compared to FY2018. The decrease was due to constant reminders to staff to save energy.

# Environment

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## Reduction of Energy Consumption <sup>302-4</sup>

The actions taken to reduce energy consumption include using LED lights and constantly reminding staff to be mindful of the need to save electricity (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.

## Our Performance

### FY2019 TARGET

To reduce our energy consumption levels

### FY2019 PERFORMANCE

Reduced our overall energy consumption levels by 13%

### FY2020 TARGET

To monitor and reduce our energy consumption levels by 5%

# Social

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

## Employment 102-7 102-8 401-1

Employee headcount as at 31 December 2019 decreased by 3 personnel from 20 in FY2018 to 17 in FY2019. Being a global group, we have employees of different nationalities – Singapore, Hong Kong and the USA. There were no temporary or part-time employees in FY2019.

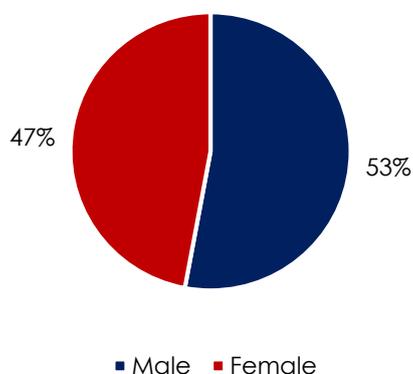
### Employee Headcount as at 31 Dec 2019 (Country Breakdown)



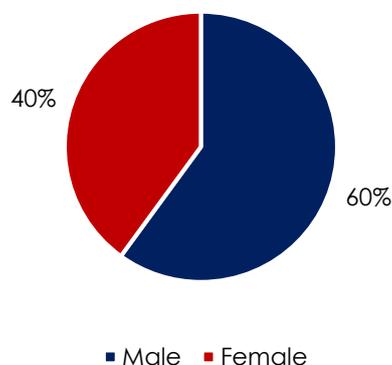
In addition to the Group's employees, SeD also outsources the development and project management activities to third-party contractors and consultants.

The gender distribution of our staff has improved in FY2019. The proportion of male staff to their female counterparts is 53% to 47% compared to 60% (Male) to 40% (Female) in FY2018.

### Gender Distribution For FY2019



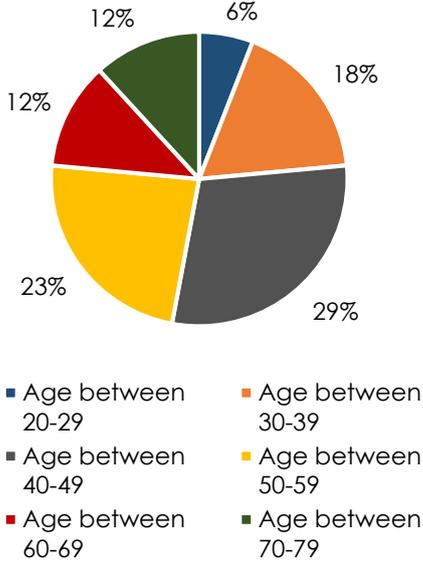
### Gender Distribution For FY2018



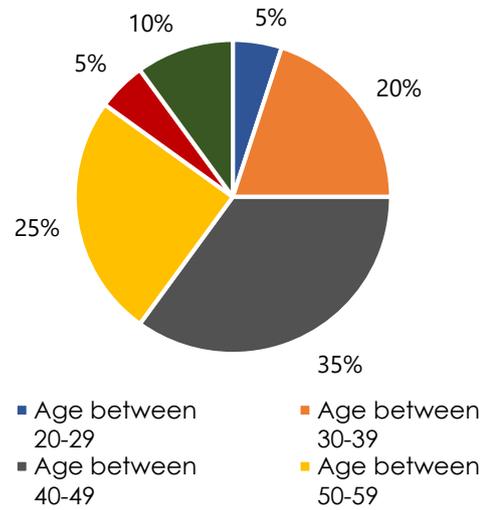
In terms of age distribution, the majority of our employees remain to be between the ages of 40 – 49 (29% of the total headcount).

# Social

**Age Distribution For FY2019**



**Age Distribution For FY2018**

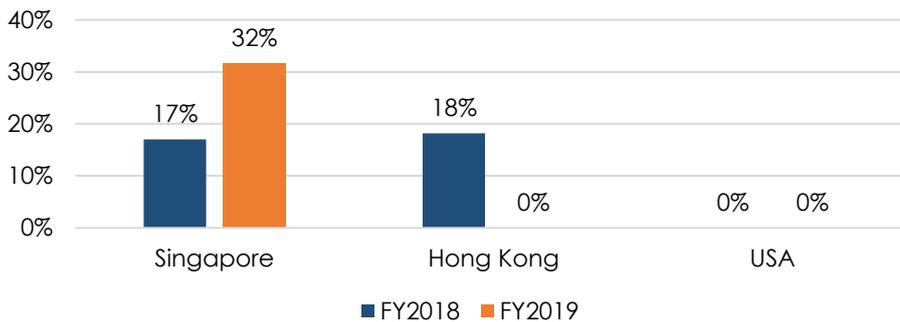


## Employee Turnover

Three (3) Singaporean employees resigned during the year. The employee turnover rate for Singapore is 32%\*.

\* Derived by dividing the number of resigned employees by the average number of employees in that location.

**Turnover rate by location (Resigned / Average)**



There were no new employee hires in FY2019.

## FY2020 TARGET

To maintain an employee turnover rate of not more than 3 persons

# GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
<b>GRI 102: GENERAL</b>			
<b>Organizational Profile</b>			
GRI 102-1	Name of the organization	Cover page of this report	1
GRI 102-2	Activities, brands, products, and services	2019 Annual Report - Company Profile (Page 1) - CEO Message (Page 2 - 4) - Financial Review (Page 5 - 6) - Group Structure (Page 9)	-
GRI 102-3	Location of headquarters	2019 Annual Report – Notes to the Financial Statements, Note 1 (Page 57)	-
GRI 102-4	Location of operations	2019 Annual Report – Notes to the Financial Statements, Note 3 (Page 78)	-
GRI 102-5	Ownership and legal form	2019 Annual Report – Notes to the Financial Statements, Note 1 (Page 57)	-
GRI 102-6	Markets served	2019 Annual Report – Notes to the Financial Statements, Note 3 (Page 78)	-
GRI 102-7	Scale of the organization	2019 Annual Report - Consolidated Statement of Comprehensive Income (Page 52) - Statements of Financial Position (Page 51)	-
		Social – Employment	14
GRI 102-8	Information on employees and other workers	Social – Employment	14
GRI 102-9	Supply chain	About the Company - Our Supply Chain and Sustainability	5
GRI 102-10	Significant changes to the organization and its supply chain	There are no significant changes during the period under review	NA
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	SeD has not subscribed to or endorsed any externally developed economic, environmental and social charters, principles, or other initiatives.	NA
GRI 102-13	Membership of associations	SeD is not a member of any industry or associations, and national or international advocacy organizations.	NA

# GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
<b>GRI 102: GENERAL</b>			
<b>Strategy</b>			
GRI 102-14	Statement from senior decision-maker	Board Statement	2
<b>Ethics and integrity</b>			
GRI 102-16	Values, principles, standards, and norms of behaviour	Business Integrity	8
<b>Governance</b>			
GRI 102-18	Governance structure	2019 Annual Report - Corporate Governance Report (Page 10 – 41)	-
		About the Report – Our Sustainability Structure	4

# GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
<b>Stakeholder Engagement</b>			
GRI 102-40	List of stakeholder groups	Our Approach to Sustainability - Stakeholder Engagement	6
GRI 102-41	Collective bargaining agreements	None of the employees are under the collective bargaining agreements.	NA
GRI 102-42	Identifying and selecting stakeholders	Our Approach to Sustainability - Stakeholder Engagement	6 - 7
GRI 102-43	Approach to stakeholder engagement		
GRI 102-44	Key topics and concerns raised		
<b>Reporting Practice</b>			
GRI 102-45	Entities included in the consolidated financial statements	2019 Annual Report - Notes to the Financial Statements, Note 7 (Pages 81 - 88)	-
		About the Report – Reporting Scope	3
GRI 102-46	Defining report content and topic Boundaries	Our Approach to Sustainability - Materiality Review Process	7
GRI 102-47	List of material topics		
GRI 102-48	Restatements of information	About the Report – Reporting Scope	3
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	About the Report – Feedback	
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	16 – 19
GRI 102-56	External assurance	About the Report – GRI Guidelines	3

# GRI INDEX: CORE OPTION 102-55

GRI Indicator	Disclosure	Report Sections	Page Reference
<b>MANAGEMENT APPROACH</b>			
GRI 103-1	Explanation of the material topic and its Boundary	Refer to the respective GRI indicators (Specific Standard Disclosures) under the following sections: - Business Integrity - Economic Performance - Environment - Social	-
GRI 103-2	The management approach and its components		
GRI 103-3	Evaluation of the management approach		
<b>SPECIFIC STANDARD DISCLOSURES</b>			
<b>Economic</b>			
<b>Economic Performance</b>			
GRI 201-1	Direct economic value generated and distributed	2019 Annual Report - Consolidated Statement of Comprehensive Income (Page 52) - Statements of Financial Position (Page 51)	-
		Economic Performance – Our Performance	10
GRI 203-1	Infrastructure investments and services supported	Economic Performance – Indirect Economic Impacts	10
GRI 204-1	Proportion of spending on local suppliers	Economic Performance – Procurement Practices	11
<b>Anti-Corruption</b>			
GRI 205-2	Communication and training on anti-corruption policies and procedures	Business Integrity	8 – 9
GRI 205-3	Confirmed incidents of corruption and actions taken		
<b>Environment</b>			
<b>Energy</b>			
GRI 302-1	Energy consumption within the organization	Environment – Energy Consumption	12
GRI 302-4	Reduction of energy consumption	Environment – Reduction of Energy Consumption	13
<b>Social</b>			
<b>Employment</b>			
GRI 401-1	New employee hires and employee turnover	Social - Employment	14 – 15