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Engaging Stakeholders
Advancing Sustainability

PERENNIAL REAL ESTATE HOLDINGS LIMITED

Sustainability Report 2019

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BOARD STATEMENT

Perennial Real Estate Holdings Limited (“Perennial”) is pleased to present our third Sustainability Report (“SR2019”). This report has been prepared in accordance with the sustainability reporting requirements set out in the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (Rules 711A and 711B). The report is also prepared with reference to Global Reporting Initiative (“GRI”) Standards – ‘Core’ option, an internationally-recognised standard used by corporations globally.

Sustainability has been ingrained into Perennial’s strategic directions and business operations ever since it started trading on the Mainboard of the SGX-ST on 26 December 2014. As Perennial looks towards fine-tuning its approach to sustainability, the Board of Directors (“Board”) has taken steps to review its current business strategies taking sustainability issues into account and aligned its business objectives with the global agenda for sustainable development.

The Board considers the Environmental, Social and Governance (“ESG”) impacts which Perennial’s business activities have on its environment and the community. This year, the reporting scope has been expanded to include its Healthcare business, focusing on ElderCare and Senior Housing, starting from Yixian ElderCare and Retirement Home located in Fengxian District, Shanghai, China. This provides stakeholders with a wider perspective of the interactions that Perennial’s businesses have with the community at large.

In light of this development, the management has conducted a thorough review of the eight existing ESG factors (five material and three industry-relevant) and affirmed their continued relevance to Perennial’s businesses. The Board remains centrally involved in determining, managing and monitoring Perennial’s material ESG factors and its performance. The Board has reviewed and validated the eight existing ESG factors for FY2019.

Aside to assessing and managing ESG impacts, Perennial has adopted two United Nations (“UN”) Sustainability Development Goals (“SDGs”): SDGs 13 (Climate Change) and 16 (Peace, Justice and Strong Institutions)

and mapped existing initiatives and targets under each of these goals. Perennial looks towards adopting more SDGs in the years to come and urges stakeholders to embark on their journey too.

Feedback

Perennial welcomes all feedback from stakeholders on this report and its sustainability efforts. Please send your comments and suggestions to sustainability@perennialrealestate.com.sg.

OVERVIEW

This report reflects information about Perennial’s sustainability performance from 1 January 2019 to 31 December 2019 (“FY2019”), with prior period performance (“FY2018”) indicated where applicable for comparison. This report covers its Real Estate and Healthcare businesses, located in Singapore and China. Unless otherwise noted, all sustainability data and information relate to the entities in Table 1.

In FY2019, Perennial divested its entire stake in Chinatown Point’s retail mall and four strata office units. As the Company still oversees the day-to-day operations of the property, the property will remain in its reporting scope as Perennial has adopted an operational control approach for data consolidation.

Since FY2016, Perennial has acquired an effective interest of 49.9% in Shanghai RST Chinese Medicine Co. Ltd (“Renshoutang”), an established pioneer of private integrated eldercare with medical and pharmacy services in China. This year, Perennial has included Fengxian, an eldercare and retirement home in China under the Renshoutang’s portfolio, into

the reporting scope. As Perennial manages Fengxian on a strategic level, the management approach comprising policies, practices and relevant initiatives at the facility will be disclosed in this report.

For more details on the properties, please refer to the Business Review sections in the Annual Report 2019.

Perennial continues to adopt the GRI Standards as it is an internationally recognised framework that encompasses a comprehensive range of disclosures suitable for Perennial. The GRI Standards encourage transparent and consistent reporting and allow for comparability against that of its industry peers.

Building upon the GRI Standards, Perennial also commits towards the UN 2030 Agenda for Sustainable Development through the adoption of two SDGs. Through the mapping of its targets, existing initiatives and GRI disclosures, it guides Perennial on the formulation of business objectives as well as the development of future actions to further its contribution towards sustainable development.

Perennial has not sought external assurance for the information within this report but will consider doing so as its sustainability reporting matures over time.

The full SR2019, as well as Perennial’s Annual Report 2019 (“AR2019”) (including the Sustainability Summary Report) to be published in due course, will be made available for download at www.perennialrealestate.com.sg.

Table 1: Perennial’s reporting scope for SR2019

	Singapore	China
Real Estate	Capitol Singapore CHIJMES AXA Tower 111 Somerset House of Tan Yeok Nee Chinatown Point	Perennial Qingyang Mall (Chengdu) Perennial Jihua Mall (Foshan)
Healthcare		Fengxian District Yixian ElderCare and Retirement Home (Shanghai) (“Fengxian”)

APPROACH TO SUSTAINABILITY
Sustainability Governance Structure

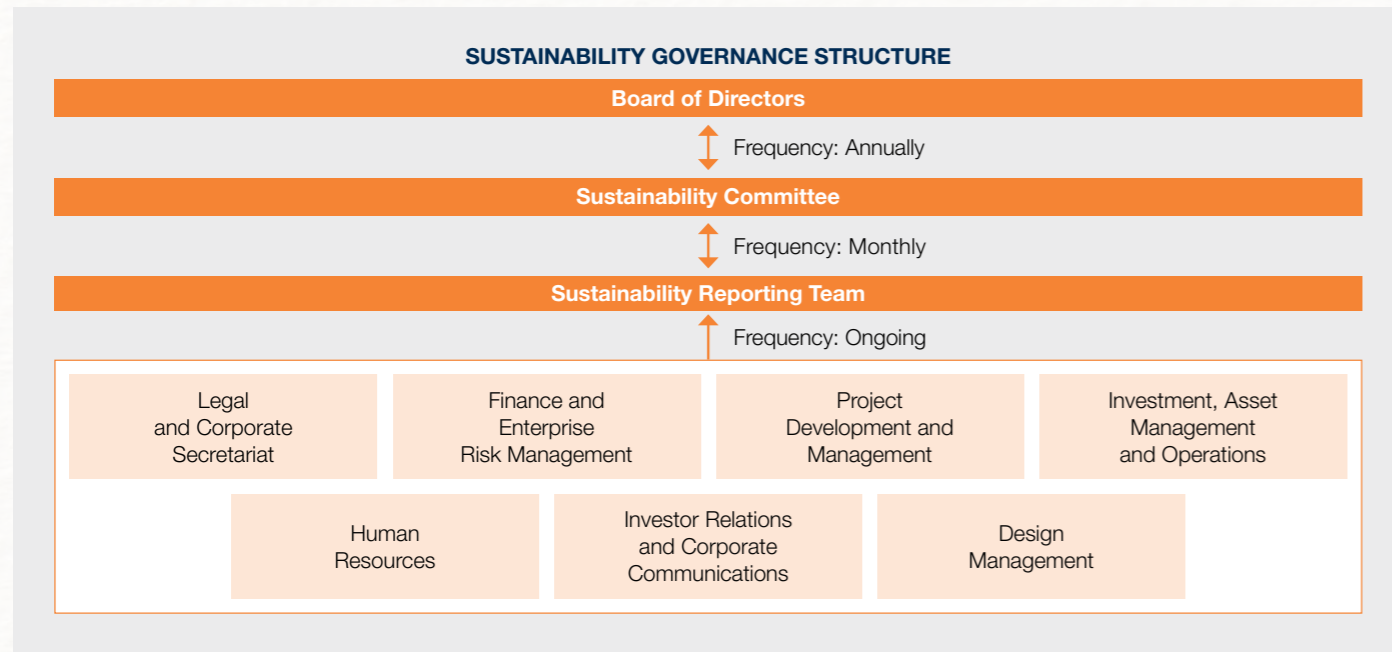
As part of Perennial's strategic formulation, the Board maintains oversight on the implementation of sustainability practices throughout the Company. Closely supported by the Sustainability Committee, they ensure

that various policies, targets and initiatives are established and cascaded down to the Sustainability Reporting Team.

The Sustainability Reporting Team works closely with different departments, listed in Figure 1, to monitor progress against targets set and collect relevant information. They are

also responsible for driving initiatives within their divisions and ensuring continuity of these projects. Thereafter, regular updates will be consolidated monthly and submitted to the Sustainability Committee for review. The Board then reviews the Sustainability Report submitted by the Committee on an annual basis.

Figure 1: Sustainability Governance Structure of Perennial



Materiality Assessment Process

Perennial conducted its first materiality assessment for its inaugural Sustainability Report in FY2017. Eight ESG factors (five material and three industry-relevant) were selected to provide an accurate reflection of key areas of stakeholder interests and their

significant impact on the community as a result of the Company's business activities. The process also guides Perennial in responding adequately and accurately to its stakeholders' concerns. This process is outlined in Figure 2 which follows the phases of identification, prioritisation, validation and review.

The Board has reaffirmed the relevance of these eight existing ESG factors (Figure 3) in FY2019. The corresponding policies, initiatives, targets and performance measurement indicators under each material factor are disclosed in this report.

Figure 2: Perennial's Materiality Assessment Process

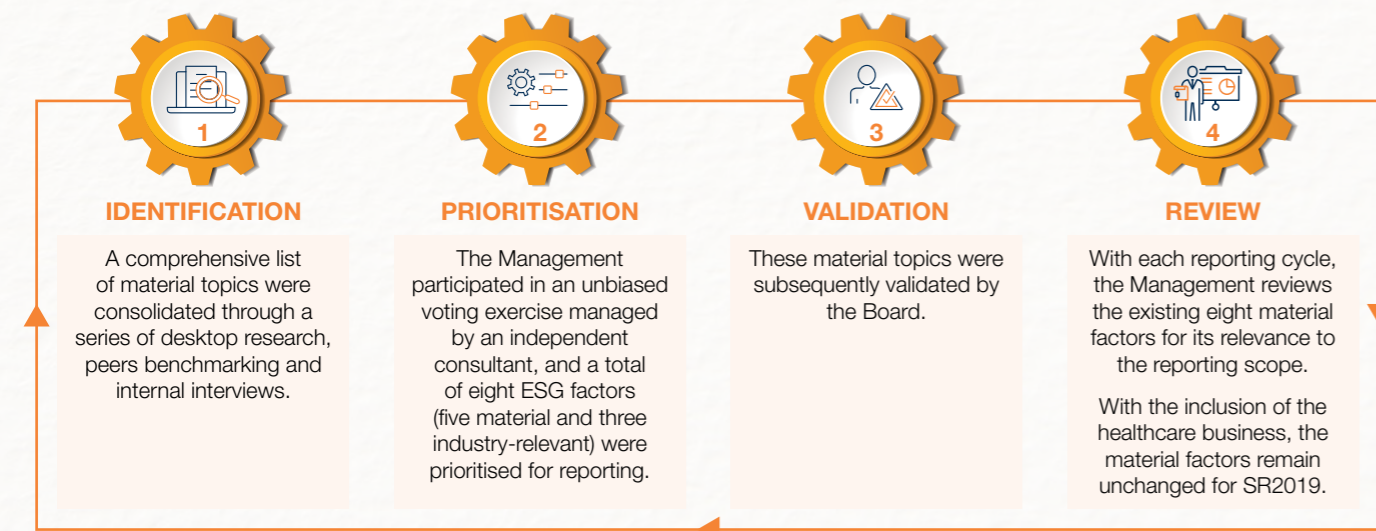
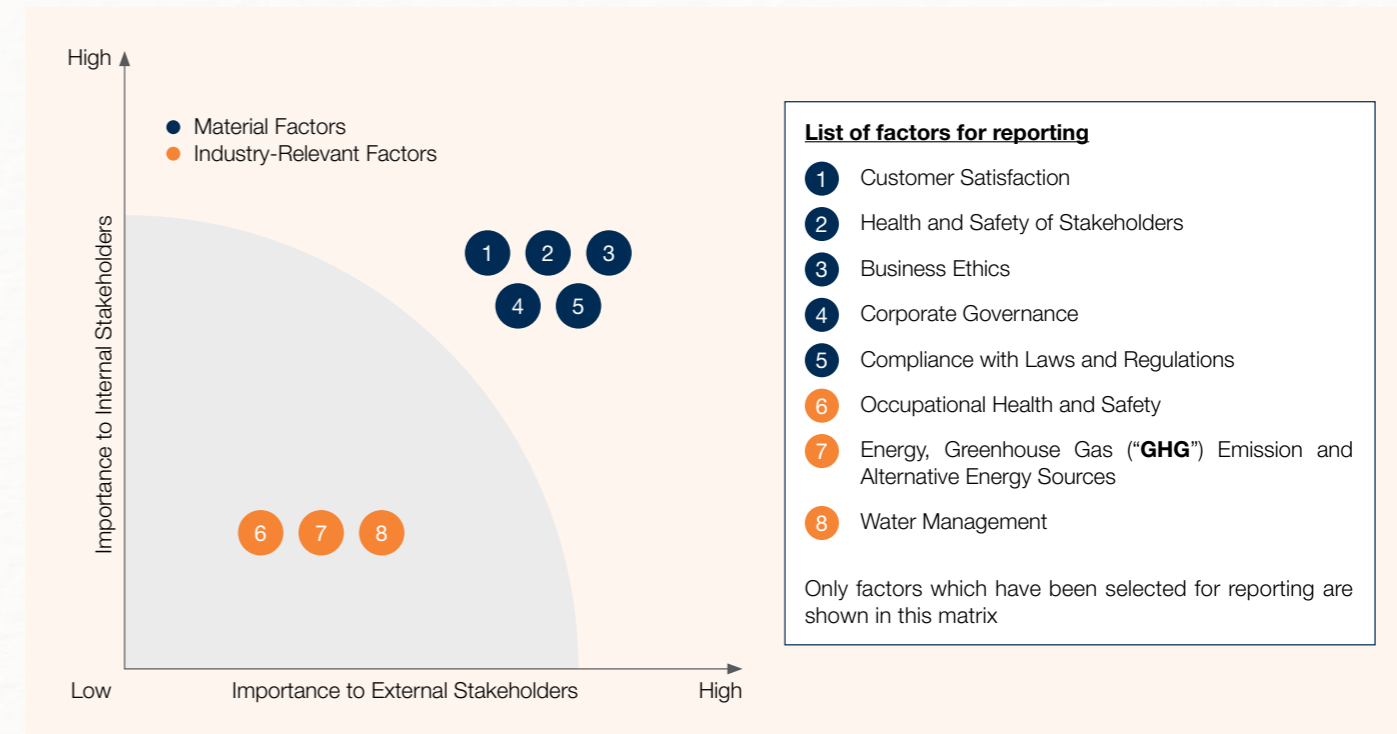


Figure 3: Perennial's Materiality Matrix



Perennial considers sustainability risks as part of its Enterprise Risk Management Framework. After the materiality assessment, the Audit and Risk Committee ("ARC") reviewed the key risks associated with the eight selected ESG factors to ensure alignment. These key risks

were also reviewed to ensure its relevance with Perennial's changing business strategies at least once annually. A summary of ESG factors mapped to their associated key risks has been included in Table 2.

Mapping to the SDGs

In 2015, the UN SDGs were launched as a global approach towards sustainable development. The 17 SDGs highlight the critical roles that global stakeholders play on sustainable and inclusive development. Together with its 169 underlying targets, they provide a comprehensive guide for stakeholders tackling global issues such as gender inequality, climate change, socioeconomic development and strong governance, through respective means of their businesses.



In FY2019, Perennial has adopted two key SDGs identified as integral to its sustainability approach. With guidance from external consultants and reference from the SDG Compass¹, Perennial's existing targets and initiatives have been mapped under each of these goals. The SDG Compass, building upon the GRI Standards as well as several other recognised standards, allows the measurement of progress as well as highlights potential areas for improvement.

Table 2: List of Key Risks Associated with ESG Factors

ESG Factors	Key Risks
Customer Satisfaction	<ul style="list-style-type: none"> Medical and Healthcare Business Risk Health, Security and Safety Risk
Occupational Health and Safety	<ul style="list-style-type: none"> Project Development Risk Health, Security and Safety Risk
Health and Safety of Stakeholders	<ul style="list-style-type: none"> Medical and Healthcare Business Risk Health, Security and Safety Risk
Business Ethics	<ul style="list-style-type: none"> Fraud and Corruption Risk
Corporate Governance	<ul style="list-style-type: none"> Fraud and Corruption Risk Compliance Risk
Compliance with Laws and Regulations	<ul style="list-style-type: none"> Compliance Risk
Energy, GHG Emissions and Alternative Energy Sources	<ul style="list-style-type: none"> Project Development Risk Health, Security and Safety Risk
Water Management	<ul style="list-style-type: none"> Compliance Risk

¹ The SDG Compass provides guidance for companies on how to align their strategies as well as measure and manage their contributions to the realisation of the SDGs. For more information, please visit www.sdgcompass.org.

Figure 4: Mapping Perennial's Initiatives to UN SDGs

 <p>Perennial's initiatives and commitments</p> <ul style="list-style-type: none"> Regular monitoring, review and disclosure of energy consumption and carbon emissions Adoption of energy-efficient technologies in Asset Enhancement Initiatives ("AEIs") across Singapore properties Target for all properties to meet Green Mark Requirements Consistent monitoring and review of consumption and efficiency <p>Relevant ESG Factor</p> <ul style="list-style-type: none"> Energy, GHG Emissions and Alternative Energy Sources 	 <p>Perennial's initiatives and commitments</p> <ul style="list-style-type: none"> Full compliance with the Code of Corporate Governance 2018 Zero tolerance towards fraud, corruption and unethical actions Remaining relevant to all relevant laws and regulations Stringent requirements conveyed to suppliers (i.e. comply with Employment Act, Workplace Safety and Health Act) <p>Relevant ESG Factors</p> <ul style="list-style-type: none"> Compliance with Laws and Regulations Business Ethics Corporate Governance
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Perennial's Sustainability Targets and Performance

This section summarises Perennial's targets and performance in FY2019 as well as targets for the forthcoming year. As operations may differ across countries and business segments, targets have been separately set and detailed as below. Perennial is pleased to announce that all the sustainability targets set for FY2019 have been achieved.







Company's Targets for FY2019	FY2019 Performance	FY2020 Targets
Environment <i>Energy, GHG and Alternative Energy Sources Water Management</i>		
SINGAPORE – Real Estate		
Mid-Term Targets		
To continue replacement to LED light fittings upon end of life or as and when necessary	Completed for retail areas of all Singapore properties. Works at CHIJMES and House of Tan Yeok Nee are ongoing	To continue replacement to LED light fittings at CHIJMES and House of Tan Yeok Nee, and upon end of life or as and when necessary
Adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets	Completed for retail areas at AXA Tower and 111 Somerset. Works at Capitol Singapore, Chinatown Point, CHIJMES and House of Tan Yeok Nee are ongoing	To continue to adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets
Perpetual Target		
Green Mark Certification upon completion of projects	Achieved	Green Mark Certification upon completion of projects
CHINA – Real Estate		
Mid-Term Targets		
To continue replacement to LED light fittings upon end of life or as and when necessary	Completed for Perennial Qingyang Mall and Perennial Jihua Mall	To continue to maintain the LED light fittings and ensure all are in good working condition
Adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets	Completed in Perennial Qingyang Mall and ongoing in Perennial Jihua Mall	To continue to adopt more accurate methods to track water consumption including the strategic installation of water meters at selected water outlets in all assets
Perpetual Target		
Regularly organise events aimed at raising environmental awareness	Visitors, tenants and employees have actively participated in the events, which improved awareness on sustainability	To continue to hold events aimed at raising environmental awareness
CHINA – Healthcare		
Mid-Term Target		
Install power meters for better management of energy consumption	Completed in Fengxian	To continue to maintain the power meters for better management of energy consumption

Company's Targets for FY2019	FY2019 Performance	FY2020 Targets
Social <i>Customer Satisfaction</i>		
SINGAPORE – Real Estate		
Perpetual Targets		
Roll out training programmes to inculcate a service culture	Achieved	All concierge staff and technicians will continue to attend customer service and safety training courses in FY2020
Continuously explore AEIs for all properties to ensure relevance and competitiveness of all assets to meet the expectations of our customers	Achieved	Continuously explore AEIs for all properties to ensure relevance and competitiveness of all assets to meet the expectations of our customers
CHINA – Real Estate		
Perpetual Target		
Roll out training programmes to inculcate a service culture	Achieved	Roll out training programmes to inculcate a service culture
CHINA – Healthcare		
Perpetual Target		
Regularly gather feedback on residents' satisfaction levels	Achieved	To continue gathering feedback on residents' satisfaction level on a regular basis
<i>Health and Safety of Stakeholders Occupational Health and Safety</i>		
SINGAPORE – Real Estate		
Mid-Term Target		
To roll out bizSAFE Level 3 to all other Centre Management Teams ("CMTs") in Singapore properties by FY2020	Achieved for CHIJMES, on track to achieve bizSAFE Level 3 for other CMTs in Singapore by FY2020	Roll out bizSAFE Level 3 to all other CMTs in Singapore properties by FY2020
Perpetual Target		
Zero fatality rate	Achieved	Zero fatality rate
CHINA – Real Estate		
Perpetual Targets		
Attain Work Safety Standardisation Certificate (Level 3)	Achieved	Continuously maintain the validity of certification
Zero fatality rate	Achieved	Zero fatality rate
CHINA – Healthcare		
Perpetual Targets		
Zero incidences of health and safety issues	Achieved	Zero incidences of health and safety issues
Zero fatality rate	Achieved	Zero fatality rate
Governance <i>Business Ethics Corporate Governance Compliance with Laws and Regulations</i>		
Perpetual Targets		
Full compliance with the Code of Corporate Governance 2018	Achieved	Full compliance with the Code of Corporate Governance 2018
Zero tolerance towards fraud, corruption and unethical actions	Achieved	Zero tolerance towards fraud, corruption and unethical actions
Zero cases of non-compliance with laws and regulations	Achieved	Zero cases of non-compliance with laws and regulations







STAKEHOLDER ENGAGEMENT

Regular interaction with stakeholders allows an organisation to understand and manage its impacts as well as to respond to various concerns. As Perennial works towards building strong rapport with its stakeholders, it maintains a consistent approach when doing so. The table below outlines how the Company engages with its six key stakeholder groups, the respective management strategy, their concerns, Perennial's responses and ultimately how they align with Perennial's value creation objectives.

Table 3: Perennial's Approach to Stakeholder Engagement

Stakeholders	Customers (Tenants, Shoppers, Residents and Customers) 	Business Partners 	Regulators 	Our Community 	Shareholders and the Investment Community 	Our People 
Why is the stakeholder important?	Customer satisfaction is key to Perennial's business and it strives to enhance customer experience by tailoring its offerings to best meet the needs of its customers.	Suppliers play a vital role in supporting Perennial towards continuous and sustainable growth.	Understanding and staying compliant with all applicable laws and regulations safeguard Perennial's licence to operate.	Through the spaces Perennial manages, it interacts and endeavours to contribute to the communities in a consistent manner to aid their sustainable development.	Shareholders and investors guide and influence Perennial's operations and decision-making.	Human capital is Perennial's key resource. A stable and resilient workforce is key to the long-term growth and viability of Perennial.
Stakeholder management strategy	Face-to-face meetings <i>(ongoing and annually during contract renewals)</i> Customer service touch points such as walkabout on the premises, service desk, hotline and general enquiries mailbox <i>(daily)</i>	Calls and email correspondences <i>(ongoing)</i> Face-to-face meetings to review feedback and performance <i>(ongoing)</i> Chinese New Year Spring Festival Dinner <i>(annual)</i>	Internal management discussions and open communications with authorities <i>(as appropriate)</i> Systematic review, monitoring and tracking of energy and water consumption to ensure efficiency <i>(ongoing)</i> Attend talks, seminars and workshops organised by regulatory agencies <i>(ongoing)</i>	Community outreach programs ² <i>(as appropriate)</i> Sponsorships (monetary, in-kind and venue sponsorships) <i>(as appropriate)</i>	Annual General Meeting SGXNet announcements and press releases <i>(as appropriate)</i> Participation in Securities Investors Association (Singapore) ("SIAS") Shareholder Communication Services Programme <i>(ongoing)</i> Investors meetings <i>(ongoing)</i> Analysts' and media briefing <i>(semi-annually for financial results and when necessary for major transactions)</i> Communication through website, calls and email correspondences <i>(ongoing)</i>	Open communication and performance review with employees <i>(ongoing)</i> Prompt feedback provided by supervisors and HR <i>(ongoing)</i> Workshops for work and non-work related developments <i>(as appropriate)</i> Employee Volunteerism Programmes <i>(as appropriate)</i> Staff bonding sessions <i>(as appropriate)</i> External and in-house trainings conducted by professional bodies <i>(ongoing)</i>
Key area of focus	<ul style="list-style-type: none"> Health, safety and security at all properties Customer satisfaction 	<ul style="list-style-type: none"> Timely payment upon completion of works Regulatory compliance Alignment of business partners' goals with Perennial's sustainability goals 	<ul style="list-style-type: none"> Full regulatory compliance Upholding health and safety standards Minimising the environmental impact of Perennial's operations and activities 	<ul style="list-style-type: none"> Responsible and sustainable use of resources Management of our community impact Support for our community by providing timely help and fostering a strong relationship 	<ul style="list-style-type: none"> Business operations and performance Growth strategy and market outlook Capital management 	<ul style="list-style-type: none"> Fair and equal employment opportunities Remuneration, compensation and benefits Career progression Skills development and continuous upgrading Employee wellness Safe and healthy working environment

² More information on Perennial's outreach programs can be found on pages 124 to 125 in our Annual Report 2019.

Stakeholders	Customers (Tenants, Shoppers, Residents and Customers) 	Business Partners 	Regulators 	Our Community 	Shareholders and the Investment Community 	Our People 
Perennial's Response	<ul style="list-style-type: none"> Consistently review health and safety measures, including emergency processes and response plans conducted by project managers and property management teams Formulate key strategic decisions on product and service offerings based on understanding of customers' perspectives and expectations 	<ul style="list-style-type: none"> Payments monitored closely by procurement and finance department Continued compliance with relevant laws and regulations, adhere to code of conduct, policies and implementation of formalised reporting channels Ongoing commitment towards sustainability practices 	<ul style="list-style-type: none"> Compliance with all relevant laws, regulations, adhere to code of conduct, policies and implementing formalised channels of reporting Robust Corporate Governance ("CG") framework in place Implement health and safety measures for both customers and employees Stringent monitoring of energy and water usage to ensure efficiency 	<ul style="list-style-type: none"> Stringent monitoring and regular review of energy and water consumption Monetary, in-kind and venue sponsorships to various organisations Champion and support initiatives that focus on corporate giving, community partnerships, and employee volunteerism 	<ul style="list-style-type: none"> Regular communication and engagement with shareholders and Investment Community Proactive management of foreign currency exposure and liquidity while maximising capital efficiency 	<ul style="list-style-type: none"> Adoption of TAFEP's five principles of fair employment practices Open door policy where employees can provide feedback or raise issues and concerns Perennial Real Estate Graduate Associate Programme Opportunities for employee volunteerism to promote employee fulfilment Comply with Ministry of Manpower ("MOM") by implementing a safety risk assessment framework managed by Operations Team Appointment of OHSAS 18001 certified or equivalent contractors on-site
ESG Factors	<ol style="list-style-type: none"> Customer Satisfaction Health and Safety of Stakeholders 	<ol style="list-style-type: none"> Health and Safety of Stakeholders 	<ol style="list-style-type: none"> Health and Safety of Stakeholders Corporate Governance Compliance with Laws and Regulations 	<ol style="list-style-type: none"> Energy, GHG emissions and Alternative Energy Sources Water Management 	<ol style="list-style-type: none"> Corporate Governance Compliance with Laws and Regulations 	<ol style="list-style-type: none"> Business Ethics Compliance with Laws and Regulations Occupational Health and Safety
Reference to the Annual Report 2019	<p>Customer Satisfaction (page 94)</p> <p>Health and Safety of Stakeholders (page 94 – 95)</p>	<p>Health and Safety of Stakeholders (page 94 – 95)</p> <p>Supplier Management (page 95)</p>	<p>Health and Safety of Stakeholders (page 94 – 95)</p> <p>Corporate Governance (page 97 – 115)</p> <p>Compliance with Laws and Regulations (page 95)</p>	<p>Energy, GHG emissions and Alternative Energy Sources (page 93)</p> <p>Water Management (page 93)</p> <p>Our Community (page 124 – 125)</p>	<p>Corporate Governance (page 97 – 115)</p> <p>Compliance with Laws and Regulations (page 95)</p> <p>Investor and Media Relations (page 122 – 123)</p> <p>Financial Statements (page 129 – 209)</p>	<p>Business Ethics (page 95)</p> <p>Compliance with Laws and Regulations (page 95)</p> <p>Occupational Health and Safety (page 94 – 95)</p> <p>Our People (page 126 – 127)</p>
Alignment with value creation objectives	Quality products and services in a safe environment	Mutually beneficial long-term partnerships	Compliance with quality standards and regulatory requirements, strong governance culture	Addressing the needs and challenges of the community while contributing to its development	Delivering sustainable returns	Safe and conducive workplace with opportunities that cut across our integrated platform

ENVIRONMENT

Perennial recognises the importance of reducing the impacts of its business operations on the environment. Led by the Sustainability Committee, the Environment and Climate Change Mitigation Policy was established, guiding not only improvements on energy consumption performance across several Singapore properties through energy-efficient AEs but also the promotion of environmental awareness in all employees and stakeholders.

Throughout its day-to-day operations, Perennial also explores opportunities to adopt energy-saving practices while meeting all legal and environmental standards where Perennial operates.

Across both Real Estate and Healthcare businesses, a management team located at each property monitors consumption levels, conducts cost-benefit analysis and explores ways to improve usage efficiency.


In Real Estate properties, an Asset Control Group ("ACG") at each property is responsible for analysing consumption data. Anomalies or spikes in electricity and water usage will be discussed during monthly review meetings. Consumption from previous months and years will be used as comparison during the analysis and any drastic deviations will be promptly raised for further actions to be taken. Through trend analysis, the ACG also guides towards future target setting and adoption of energy-saving initiatives.

Energy, GHG Emissions and Alternative Energy Sources


Improving Energy Efficiency across Properties

This year, Perennial has fully completed LED light fitting replacements for retail areas across almost all³ of its real estate properties in Singapore and China. All other light fittings will be replaced upon end of life or as and when necessary. Energy-saving escalators with sensors were also installed in Singapore, which reduces consumption during non-peak hours at these properties.

Another major source of energy in commercial buildings is attributed to the chiller systems.

 **How does Perennial Manage this?**


- Environment and Climate Change Mitigation Policy


 **Who at Perennial Oversees this?**

- Sustainability Committee

 **Highlights of FY2019**

- 100% LED light replacement at all retail areas of both China properties and Singapore properties with CHIJMES and House of Tan Yeok Nee still ongoing
- Installation of water-efficient taps across all properties
- Onsite wastewater and rainwater treatment facilities at Fengxian
- All Singapore properties have met BCA Green Mark requirements after relevant AEs have completed

 **Relevant UN SDG**

 **13 CLIMATE ACTION**

At 111 Somerset, a designed chiller system servicing four retail level floors achieved a high energy efficiency of below 0.7kW/RT. This has helped to relieve the higher energy consumption in the midst of AEI works.

In China, energy-related trainings were conducted for employees which aimed to improve existing skillsets and their knowledge in latest energy monitoring systems. Perennial plans to carry out trainings for more employees in the near future. At Fengxian, the installation of power meters was also completed during the year and the team onsite will continue to assess its sufficiency and may propose further installations if necessary.

Purchased electricity from the grid remains as the primary source of energy used across Singapore and China, with a small portion of natural gas consumed at Perennial Qingyang Mall during the winter months. In FY2019, Perennial's total energy consumption was

recorded at 46,350 MWh, of which 1,337 MWh were from natural gas usage. This resulted in a corresponding GHG emissions⁴ of 20,037 tonnes CO₂e, of which 270 tonnes CO₂e were Scope 1 GHG emissions.

For the purpose of like-for-like comparison, Perennial reports the major source of energy consumption – purchased electricity (Figure 5) and corresponding Scope 2 GHG emissions (Figure 6). In FY2019, total electricity consumption was recorded at 45,013 MWh, a 5% increase from FY2018. Correspondingly, Scope 2 GHG from electricity consumption also increased from 19,234 tonnes CO₂e in FY2018 to 19,767 tonnes CO₂e in FY2019. Overall, Perennial has maintained a stable consumption of energy used across both years. The ACGs at each property will continue to monitor performance and explore new ways to reduce consumption while increasing efficiency of existing equipment.

Figure 5: Energy Consumption and Intensity⁵

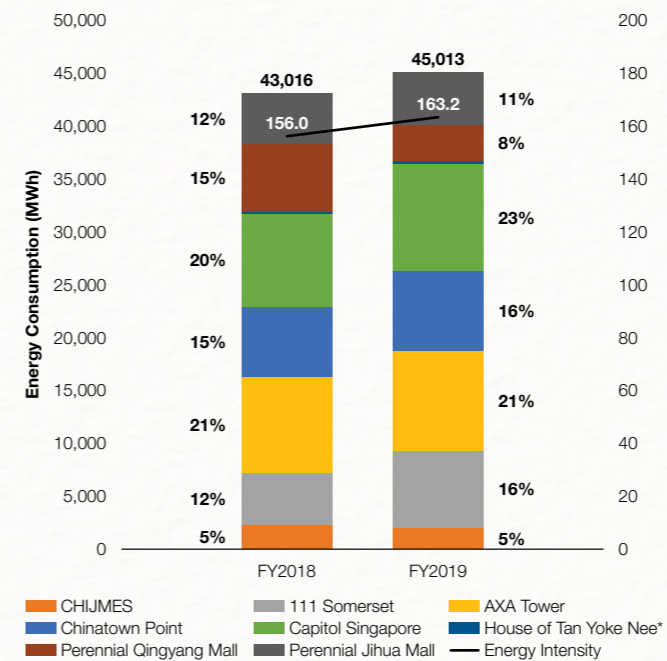
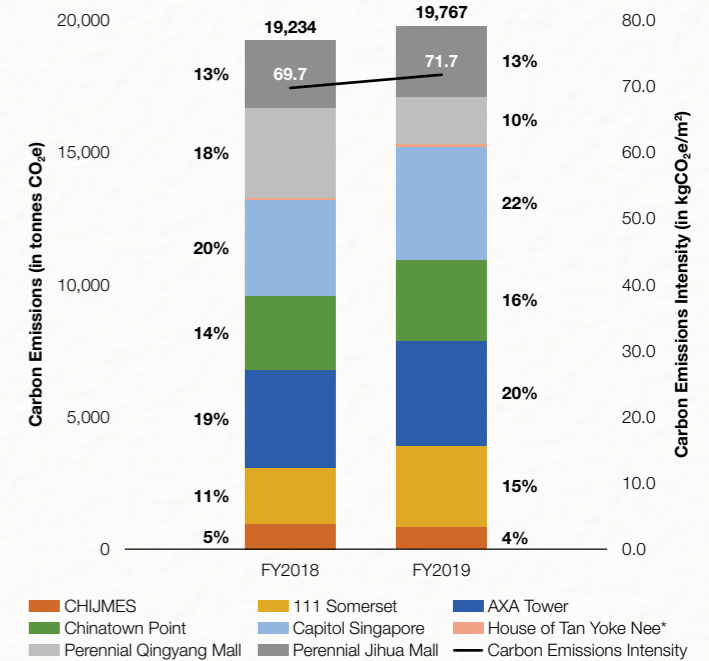


Figure 6: Carbon Emissions and Intensity⁶



* Energy consumption of House of Tan Yeok Nee accounts for less than 1% of total energy and GHG emissions, hence its exact percentage is not reflected in Figures 5 and 6 based on the scale used

CASE STUDY: Spreading Environmental Awareness through Fun and Games!

In the year, properties in China held various sustainability awareness events aimed at educating the public on the importance of sustainability and how they can contribute towards the environment. The events received support from the local government and media. Over 100 visitors, tenants and employees have actively participated in these events.

In September 2019, a total of three anti-trash run events were held at Perennial Jihua Mall (Foshan). The events attracted over 500 "eco-warriors" dressed in traditional Chinese clothing who actively picked up litter along the running route. The event promoted the integration of Chinese culture and also aimed to inculcate the right attitude towards waste disposal by placing waste where it belongs – in a rubbish bin.

An online game "Where Does The Garbage Go" was launched on Weibo to educate the public on the importance of segregating recyclables such as glass, plastic, metal from general waste. Scores



Anti-trash run events

Online game

were displayed on a leaderboard and players with the highest scores were awarded with attractive prizes.

Moving forward, Perennial will continue to organise such events that raise awareness on environmental protection.

³ With the exception of CHIJMES and House of Tan Yeok Nee which are still undergoing AEI projects.

⁴ Energy indirect carbon emissions (or Scope 2 emissions) are GHG emissions from purchased or acquired electricity. Emission factors used for Singapore were derived from 2018 Singapore Energy Statistics published by the Energy Market Authority of Singapore. Emission factors used for China derived from National Center for Climate Change Strategy and International Cooperation's website.

⁵ FY2018 energy consumption and intensity data were restated, as an estimated figure was used for December 2018 consumption. The actual consumption was only available in FY2019, hence actual consumption has been reflected this year.

⁶ FY2018 carbon emissions and intensity data were restated due to the revised energy consumption and intensity data. Please refer to Footnote 5.

Water Management

Water Saving Measures

Since FY2017, Perennial has consistently tracked water consumption levels and has introduced water-saving initiatives where appropriate. During the year, more water fittings with Water Efficiency Labelling Scheme ticks issued by PUB, Singapore's National Water Agency were procured and installed during AEI works at 111 Somerset. In FY2019, installation of water meters has been fully completed at retail areas of AXA Tower and are currently ongoing amongst other properties in Singapore. With the installation of water meters, the ACG was able to obtain more accurate readings of water consumption and promptly respond to any water leakages. The data also allowed for more detailed analysis of consumption patterns across the assets.

Similarly in the China properties, advanced water-efficient taps and several other water-saving fittings have been introduced. In FY2019, Perennial Qingyang and Perennial Jihua malls have also completed installation of water meters and will continue to monitor its sufficiency. Further measures will be introduced to better track water consumption when required. At Fengxian, used water is collected and treated at the onsite wastewater treatment station before it is discharged into the domestic wastewater system. The wastewater is thus returned to the water cycle with reduced impact on the environment.

In FY2019, Perennial recorded a total water consumption of 508,261 m³ across Singapore and China assets. In Singapore, Perennial's water consumption in FY2019 recorded an overall 17% increase from FY2018. This was attributed to an incident at Capitol Theatre where a fire alarm panel was triggered,

activating the deluge system, causing water to flow out from the fire sprinklers. Upon further investigation, there was no fire detected on the premises. To prevent reoccurrence, the Operations Team will arrange regular facility maintenance works and enhance security patrol in public areas of Capitol Singapore.

Perennial continues to align itself with Singapore's movement towards being self-reliant where NEWater is targeted to meet up to 55% of total water demand by 2060. In FY2019, 49% of Perennial's water use in Singapore came from NEWater, a 10% increase from 172,606 m³ in FY2018.

Moving forward, Perennial will continue to explore water saving initiatives to reduce usage as well as to educate stakeholders across all assets on the importance of water conservation.

Figure 7: Water Consumption in Singapore and China⁷

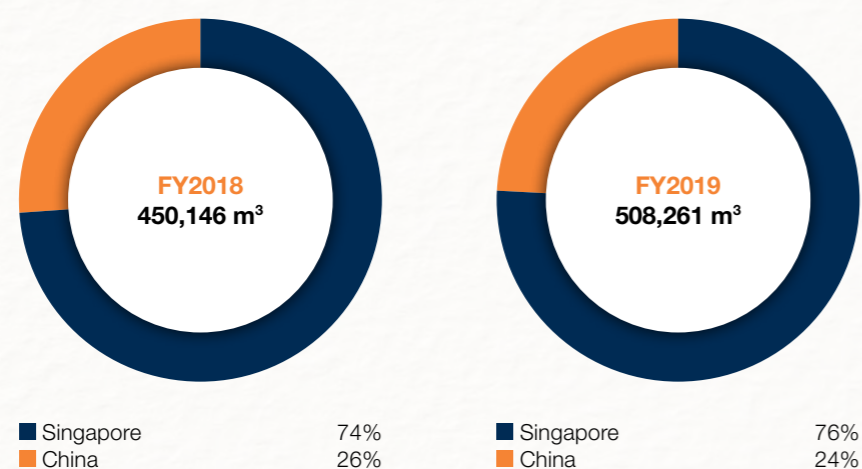
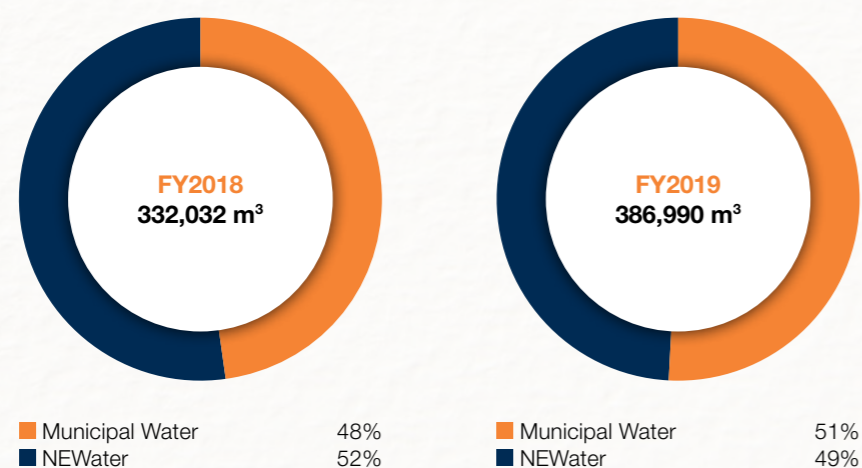


Figure 8: Breakdown of Water Consumption in Singapore



⁷ FY2018 water consumption data was restated, as an estimated figure was used for December 2018. The actual consumption was only available in FY2019, hence actual consumption has been reflected this year.

SOCIAL

Customer Satisfaction

Perennial remains dedicated to deliver a good customer service experience to its end-users (tenants, shoppers, residents and customers).

The CMT located at each property comprising operations, marketing communications and leasing departments liaises and regularly engages with tenants while working in tandem with headquarters ("HQ") to provide resources and tailored offerings for all end-users. The respective teams on site conduct daily walkabouts, checking on overall ambience, experience and interact with the various stakeholders.

At Fengxian, the Residents Democratic Management Committee's staff members interact with the residents on a daily basis to understand their concerns, which allows Perennial to better meet their needs.

Asset Enhancement Initiatives

Over the years, Perennial strives to be at the forefront of delivering a quality experience for its customers. Through numerous AEIs implemented, shoppers are now able to enjoy a wider range of amenities and retail options all within a more holistic environment.



How does Perennial Manage this?

- Tenant Liaison Standard Operating Procedures ("SOPs") are in place which guide Perennial on management of tenants for better Customer Satisfaction



Who at Perennial Oversees this?

- Perennial Corporate Office located at HQ
- CMT located at respective property
- Residents Democratic Management Committee at Fengxian



Highlights of FY2019

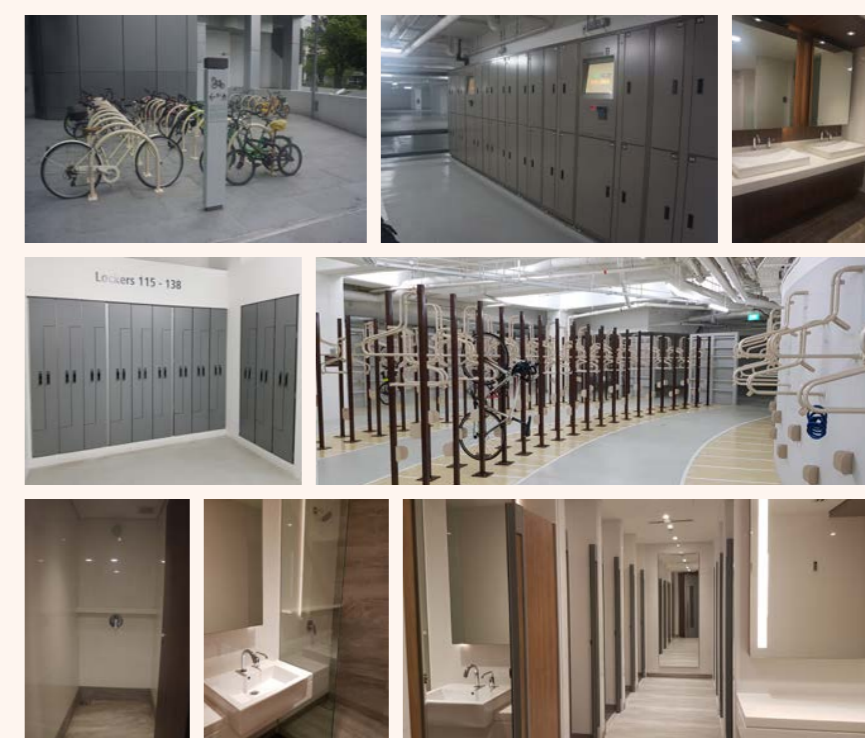
- AEIs conducted to enhance customer experience across Perennial's properties
- Training provided to concierge officers to improve customer service quality
- Regular engagement with tenants, shoppers, residents and customers to gather feedback on satisfaction levels

In FY2019, Perennial introduced several amenities such as addition of nursing rooms (111 Somerset) and wheelchair lifts (Chinatown Point) to provide greater convenience and accessibility. The installation of turnstiles with a lift destination control system at AXA Tower has provided even greater access control security to tenants and visitors with a reduction in waiting time.

CASE STUDY: End-of-Trip Facilities at AXA Tower and 111 Somerset

Perennial advocates for a productive and healthy work environment across its commercial assets. In response to the Government's call, End-of-Trip ("EOT") facilities were introduced at AXA Tower and 111 Somerset. Bicycle lots, lockers, shower rooms and toilets were installed to provide greater convenience for tenants and visitors who cycle to work. Rolled out in April 2019, these facilities have been welcomed by the tenants, shoppers and visitors. EOT facilities also demonstrate Perennial's continued support for the environment by encouraging the use of non-motorised transport options, further reducing overall carbon footprint.

Number of EOT Facilities	AXA Tower	111 Somerset
Bicycle Racks	134	100
Lockers	152	76
Shower Rooms	14	4
Toilets	5	5

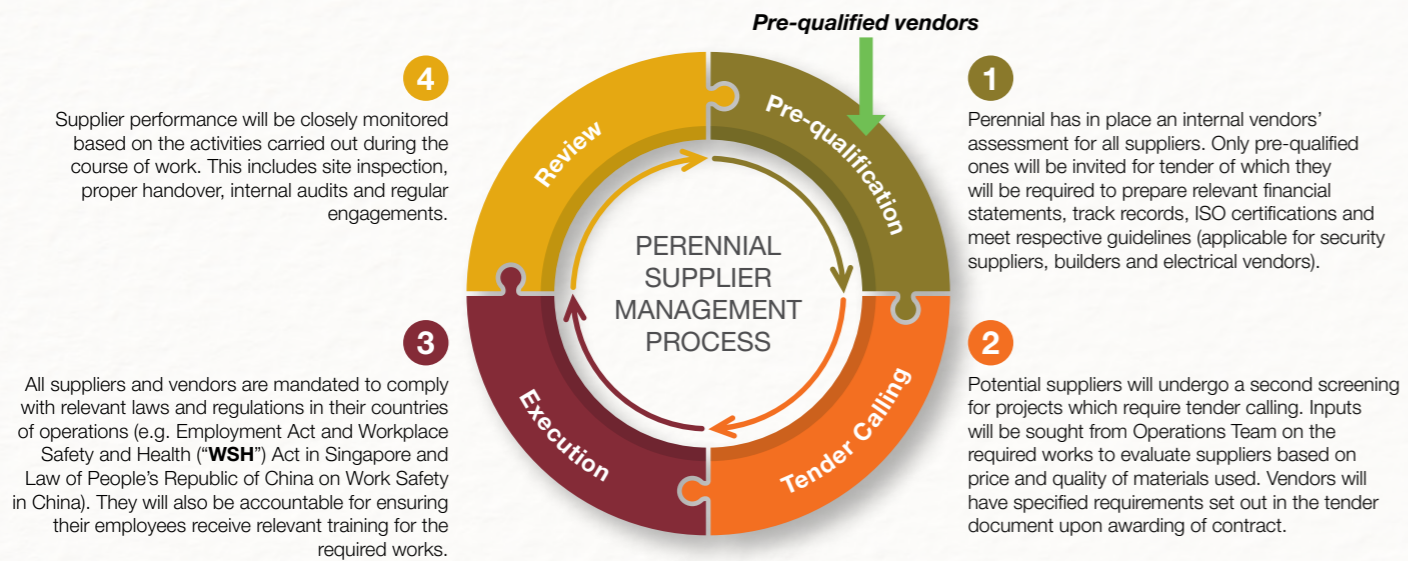


Bicycle racks, lockers, shower rooms and restrooms provided at 111 Somerset and AXA Tower

Supplier Management

While majority of Perennial's operations are carried out by its employees, the supply chain is made up of suppliers which provide services such as cleaning and security works. As Perennial upholds its commitment to sustainability, it sets a similar expectation for its supply chain as well. Through a rigorous four-step approach, Perennial screens potential suppliers and vendors based on requirements specific to each project. For major projects such as AElS, Perennial practises the approach illustrated below.

Figure 9: Perennial's Supplier Management Process



- 1. PRE-QUALIFICATION**
Perennial has in place an internal vendors' assessment for all suppliers.
New suppliers must present relevant financial statements, track records and ISO certifications. They must also meet respective guidelines such as:
(i) Police Licensing and Regulatory Department minimum B grade (for security suppliers)
(ii) Building & Construction Authority and ISO certification (for builders and electrical vendors)
Current suppliers have to pass Perennial's internal vendors' assessment (minimum average grading).
- 2. TENDER CALLING**
Potential suppliers will undergo a second screening for projects which require tender calling.
For projects that require the calling of tender, potential suppliers will undergo two screenings. Should there be any deviation from the Pre-Qualification list, senior management's approval would be sought.
Operations Team will determine the required scope of work and evaluate suppliers based on price and quality of materials used. Vendors are required to meet specified requirements set out in the tender document to ensure the quality of their goods and services.
For example, security officers will have to possess the Workforce Skills Qualifications ("WSQ") Certificate in Security Operations, have relevant working experience and be physically fit. Cleaning service contractors should also be certified by WSQ/National Skills Recognition System ("NSRS") or at minimum possess a Cleaning Business License from National Environmental Agency ("NEA").
- 3. EXECUTION**
All suppliers and vendors are mandated to comply with relevant laws and regulations in their countries of operations (e.g. Employment Act and WSH Act in Singapore and Law of People's Republic of China on Work Safety in China).
Suppliers are also required to ensure that service staff hired have received relevant service delivery training, in order to ensure that these staff possess a positive working attitude.
- 4. REVIEW**
Supplier performance is closely monitored via activities carried out during the course of work. such as:
(i) Site inspection – To certify that work is carried out in a manner that safeguards workers' health and safety.
(ii) Proper handover – Work carried out by contractors should be endorsed through proper handover documentation featuring sign-off from all parties.
(iii) Internal audit – Internal audit team will work together with independent external consultants to audit operational processes to ensure that standards are met.
(iv) Regular engagement – Regular meetings are held with suppliers and contractors for updates on projects and construction works.

Campaigns for Tenants and Visitors

Throughout the year, tenants were invited to participate in monthly advertising and promotion ("A&P") campaigns. Working closely with the participating tenants, exclusive food and shopping discounts were offered to shoppers as well, generating good press publicity and tenants in turn enjoy greater exposure.

These campaigns have generated greater footfall for the malls and overall sales. Kids Fest held at 111 Somerset in October 2019 saw a series of activities catered for children, ranging from roving magician to balloon art sculpture. It witnessed an increase in traffic by 9.7% compared with the previous week. In December 2019, Capitol Singapore held its first Christmas event with the transformation of the Outdoor Plaza into a European-inspired Capitol Kempinski Christmas Market. The three-week long market featured over 50 festive booths selling Christmas goodies like panettone, log cakes, chilled mulled wine and many more. The event attracted over 876,000 members of the public.

In China, a series of sustainability-related events ranging from personal wellbeing,



Christmas event at Capitol Singapore

health talks to safety awareness were held throughout the year. Through a collaboration with the gym located within Perennial Jihua Mall, fitness activities were launched, encouraging shoppers to adopt an active lifestyle. Complimentary classes such as

boxing, trampoline fitness and Pilates were organised. Another focus of these events was to improve mental wellbeing. Perennial Jihua Mall organised a 'stress-relieving' exhibition, an interactive experience where shoppers cycled and punched their stress away.



Sustainability events in China

The Spirit of Giving

Aside to working with tenants, Singapore retail properties are equipped with facilities that cater to large-scale events and symposiums. In FY2019, Perennial offered over S\$1 million in venue sponsorships for numerous events dedicated to its beneficiaries, some of which are showcased below:

On 16 August 2019, Perennial welcomed over 60 volunteers from Voices of Singapore, Dementia Prevention Choral Group and Lions Befrienders for a delightful session of 'SingWithJoy@CHIJMES'.

On 6 December 2019, The Perennial and The Capitol Kempinski Hotel Singapore Charity Night was held and saw a night of triple celebrations as Perennial celebrated its 10th anniversary, as well as commemorated the 1st anniversary of The Capitol Kempinski Hotel Singapore and the 115th anniversary of Stamford House with a charity dinner at Capitol Theatre graced by Minister for Education, Mr Ong Ye Kung, as Guest-of-Honour.

The Charity Night raised S\$255,000 for beneficiaries of the Community Chest. Separately, Perennial also donated S\$100,000 to the Straits Times School Pocket Money Fund ("STSPMF"). A charity silent auction was also held with full proceeds donated equally towards the Community Chest and STSPMF.

The night's celebrations kicked off with the lighting up of the Capitol • Kempinski

This event was one of the first of its kind which showcases Perennial's efforts in raising awareness on dementia among the aged community. These regular choir practices function as exercises for the brain by stimulating and improving memory, which has been shown to delay onset of dementia.

On 6 December 2019, The Perennial and The Capitol Kempinski Hotel Singapore Charity Night was held and saw a night of triple celebrations as Perennial celebrated its 10th anniversary, as well as commemorated the 1st anniversary of The Capitol Kempinski Hotel Singapore and the 115th anniversary of Stamford House with a charity dinner at Capitol Theatre graced by Minister for Education, Mr Ong Ye Kung, as Guest-of-Honour.

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The night's celebrations kicked off with the lighting up of the Capitol • Kempinski

Singing Tree to officially launch the Capitol • Kempinski Christmas Market. The Christmas Market featured an outdoor ice skating rink and all attending beneficiaries from the Community Chest and STSPMF were invited to enjoy and have fun on the skating rink. They also savoured a special Christmas buffet spread to round up the festivities.

Regular Engagement and Feedback

Stakeholders' feedback is of utmost importance as it has a large impact on the marketing and business opportunities for the malls. While the feedback highlights potential areas for improvement, it also showcases the areas which Perennial has done well in. Through these regular interactions, the Company would be able to allocate the appropriate resources to address the stakeholders' concerns. Feedback is gathered through various channels – mainly

from daily walkabouts and survey forms to evaluate the effectiveness of each campaign. The Marketing and Communications team continues to support tenants on their advertising needs to boost sales and traffic. In FY2019, Perennial held over 150 A&P campaigns and events, which were well received by both tenants and shoppers.

Shoppers can provide feedback on their shopping experience at Perennial's malls through the Concierge or an electronic form

available on the respective mall's website. All suggestions and opinions would be acknowledged by the Customer Service Team and escalated to the CMT should further actions be required. During the year, training programmes were also rolled out for mall technicians to improve their equipment knowledge to better serve the tenants. All concierge staff and technicians will be enrolled in customer and service training courses in FY2020.

CASE STUDY: Customer Service Assistants across Malls

Perennial aims to provide quality and efficient customer service to all. A dedicated team of Customer Service Assistants ("CSAs") located at each mall are guided by the CSA Service Standard which sets out procedures on reacting and responding to customers in a professional manner.

CSAs provide a variety of services ranging from general services such as Lost & Found and tenants' promotions to incident and feedback reporting across all Perennial-owned and/or managed properties. Additionally, they also oversee operational aspects of the mall such as daily operating routines from before the start of the malls' operations to after the malls' closing.

Customers are also encouraged to leave their feedback regarding products, service quality, and the property's facilities, security and cleanliness. When feedback is received, an acknowledgement message will be sent to the customer. All unsatisfactory feedback will be addressed by the Management team within 24 hours. Should the feedback involve tenants, the CSA will reach out to them for follow-up actions. A copy of the resolution document will be issued to the

customer upon the closure and recorded within the system. All incident reports received will be reviewed for continuous improvement. These records may also be incorporated into customer quality trainings for future CSAs.

This year, a customer satisfaction survey was conducted at Perennial Jihua

Mall aimed to understand customers' preference to promotions as well as areas for improvement. Over 600 responses were received with more than 50% of the respondents requesting for more dining options, of which 40% suggested hotpot restaurants. Since then, the feedback has been taken into consideration and Perennial Jihua Mall looks to explore these options.



CSA Desk at Perennial Jihua Mall

Prioritising Patients in Eldercare

Perennial recognises the significant potential in China's healthcare industry as demand for medical services and quality integrated elderly care is set to expand substantially amidst a rapidly ageing population. Perennial's constant engagement with industry-relevant players in the market via partnerships and joint ventures continues to drive the implementation of its integrated real estate and healthcare model.

Its healthcare business focuses on two core segments, namely Hospitals and Medical Centres, and Eldercare and Senior Housing.

Under Renshoutang's portfolio, Fengxian is the first eldercare home that has embarked on its sustainability reporting journey. It strives to provide a therapeutic environment for its residents through various eldercare facilities including a clinic, a library, and activity rooms

which allow numerous social activities such as chess, painting and music appreciation. Holistic services ranging from daily nursing care to specific dementia care are also provided on site. Fengxian aims to deliver the best of both medical treatment and nursing services to its residents. Feedback is regularly gathered from residents to understand satisfaction levels and identify areas for enhancements.

Health and Safety of Stakeholders

Maintaining a Safe Environment for All

Each day, thousands of stakeholders spend long hours at or pass through Perennial's premises. Safeguarding their health and safety is important and considered an integral part of Perennial's business. While the Group strives to provide a dynamic and holistic experience for stakeholders, pertinent steps are taken on the prompt identification, resolution and mitigation of health and safety risks.

Since FY2015, Health, Security and Safety Risk has been considered as part of the Group's Enterprise Risk Management Framework. Together with the other sustainability risks, it is reviewed annually to ensure appropriate actions are taken to mitigate associated impacts.

The HSS Policy guides employees in conducting risk assessments ("RAs") and incorporating several safety measures to safeguard lives of its stakeholders. Likewise, this policy also extends to Perennial's tenants, shoppers and contractors. Cascading these stringent guidelines down its supply chain, Perennial only hires qualified contractors with a proven track record and relevant health, safety and environmental certifications such as bizSAFE (Level 3 and above), ISO 45001, OHSAS 18001 and ISO 14001.

All selected contractors will have to submit a series of safety document comprising RAs, safe work procedures ("SWPs") and other relevant information to the Operations Team at the CMT for review. Prior to commencement of high-risk Mechanical & Electrical and AEI works, a permit-to-work has to be obtained by the team before they can enter the work site. During the course of the works, contractors will have to arrange for qualified personnel such as a WSH coordinator and officers to be on site and attend site coordination meetings. Perennial monitors WSH performance of contractors for the entire duration of project as well. Sufficient safety hoardings are put up to prevent trespassing, and ample lighting installed to caution stakeholders from the dangers within the site.

In China, the SOPs on Work Safety and Production also include guidelines for stakeholders, with an emphasis on emergency response. Similar to the set of Crisis Management Standard Procedures⁸ for Singapore assets, guidelines on handling situations such as electrical failure and gas



How does Perennial Manage this?

- Workplace Health, Safety and Security Policy ("HSS Policy") for properties in Singapore
- SOPs on Work Safety and Production for properties in China
- Work Safety Guidelines in Fengxian



Who at Perennial Oversees this?

- Perennial Corporate Office Safety Team
- CMT located at each property in Singapore and China
- Safety Officers at Fengxian



Highlights of FY2019

- Annual fire drills held across Singapore and China properties
- Attained yearly recertification for Fire Safety Managers across all Singapore assets
- Fire safety awareness course held annually for residents at Fengxian

leakage, as well as breakdown of lifts and elevators at malls have been established as well. Responsibilities of the relevant personnel and course of action to be taken are detailed within the guidelines, ensuring that employees are familiar during times of emergencies.

All stakeholders are encouraged to promptly report any potential hazards or safety incidents to their immediate liaison or to the Customer Service Counters. Following which, the relevant department would step in and conduct further investigation where necessary.

Safeguarding Lives of the Elderly

With close to 700 residents under Fengxian's care, their safety and wellbeing are of utmost importance. Focusing on its core as a quality provider of elderly rehabilitative care, it is equipped with state-of-the-art health screening machines, supported by an experienced and professional medical team specialising in geriatric, rehabilitation medicine, nutrition and other relevant fields. Aside from providing quality homes and facilities, various landscaping features have also been considered and incorporated into its overall design. This brings the best of both facilities as well as a natural environment for all.

Aside to the provision of quality facilities and amenities, comprehensive SOPs on health, safety and wellbeing have been established. Overnight patrols and curfews are strictly

enforced to ensure accountability and safety of the elderly residents. Also, in addition to the daily safety inspections conducted by respective Safety Personnel and Safety Officers, guidelines are in place to prioritise residents' safety in the event of emergencies such as:

- Outbreak of diseases
- Injuries such as slip, trips and falls, burns and abrasions
- Fire and other related accidents
- Missing residents

All medical staff are required to familiarise themselves with the follow-up actions for all of these situations. Throughout the year, table-top exercises and real-life simulation were conducted to test for responsiveness. Results from these exercises would be recorded. Existing SOPs may be reviewed to increase robustness.

Throughout the premises, safety posters and evacuation response plans are displayed to remind residents of the actions to be taken in times of emergencies. Each year, a fire safety awareness course is conducted for all residents.

In FY2019, Fengxian has achieved its target of zero fatality rate and zero incidents of health and safety issue – a performance it aims to upkeep.

⁸ This set of procedures provides guidance to employees on course of action when dealing with situations such as medical emergencies, violent crimes of behaviour, political situations, environmental or natural disasters and building faults (which can threaten safety aspect of the building or customers such as shattered glass, power and electrical failure and gas leakage).

Providing a Holistic and Engaging Environment for Residents at Fengxian

The atrium garden and rooftop garden located within the building provides the residents access to the outdoors well within Fengxian's safe and secure premises. Residents can also enjoy a myriad of activities ranging from calligraphy, board games to folding origami aimed at improving their focus and hand-eye coordination.



Atrium Garden and Rooftop Garden

Elderly engaged in various activities such as calligraphy, board games and origami



Residents attending annual fire safety awareness course



Safety posters displayed

Occupational Health and Safety

The provision of a safe and healthy workplace is key towards building a high-performing workforce. Across Singapore and China, policies and SOPs have been established to ensure operations remain in full compliance with all applicable legal requirements, standards and code of practices.

Safe, Secure & Well at Perennial

The HSS Policy guides both the Safety Team at Perennial HQ and respective CMTs located at each property on the processes towards achieving positive health and safety performance across its Singapore properties. This is done through holding regular fire drills and conducting safety trainings to ensure the well-being of employees during the course of work.

Perennial is currently on track to achieve bizSAFE Level 3 certification for all CMTs in Singapore by FY2020, with CHIJMES being the first property to achieve this certification in FY2019.



How does Perennial Manage this?

- Workplace HSS Policy for properties in Singapore
- SOPs on Work Safety and Production in China
- Work Safety Guidelines in Fengxian



Who at Perennial Oversees this?

- Perennial Corporate Office Safety Team
- CMT located at each property in Singapore and China
- Safety Officer supported by respective Safety Personnel from various departments in Fengxian

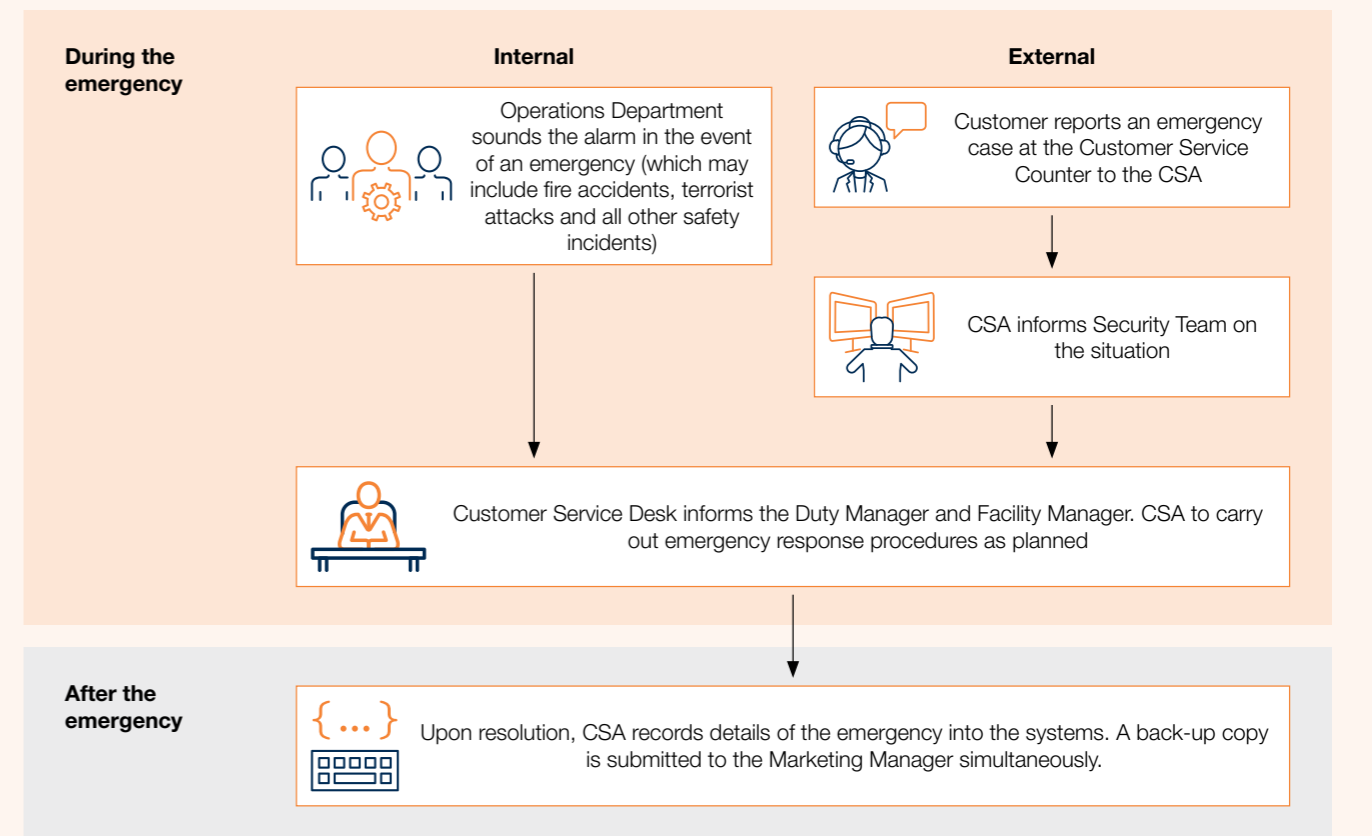


Highlights of FY2019

- Annual fire drills held across Singapore and China properties
- Obtained bizSAFE Level 3 certification for CHIJMES
- Work Safety Standardisation Certificate (Level 3) for Perennial Qingyang Mall and Perennial Jihua Mall

CASE STUDY: Emergency Response Workflow at Perennial

In the event of emergencies such as fire, terrorist activities amongst other safety incidents, an Emergency Response workflow would be activated. It guides various functions on the necessary procedures during and after the emergency.



As Perennial continues to roll out bizSAFE Level 3 certification across other properties in Singapore, existing SOPs have been established covering areas of RA, SWP, and SGSecure knowledge. The Safety Team, with the help of Human Resources (“HR”) division would ensure the communication to employees across Perennial. During the year, should there be any major changes to the work activities, the Safety Team would review the existing risk register to update the SOPs and guidelines accordingly. In FY2019, the HSS policy and relevant SOPs were reviewed and validated for its continued relevance.

All the executive officers, operations officers and technicians are required to be briefed on safety knowledge by respective supervisors before commencing with high-risk activities such as working at height. Based on the types of work to be carried out from daily checks on operations to regular maintenance work, appropriate personal protective equipment such as helmets, safety shoes would have to be worn by employees, depending on the severity of hazards. Additionally, first aid boxes are also easily accessible and placed strategically on site.

For properties in China, relevant SOPs have been established in accordance to local regulations. In FY2019, both Perennial Qingyang Mall and Perennial Jihua Mall have attained Work Safety Standardisation Certificate (Level 3). They will work towards maintaining the validity of this certificate through regular review of SOPs by the safety engineers. These SOPs are made available

to employees in a handy guidebook which comprise, but are not limited to, guidelines on RA, SWP, emergency response plans and incident reporting channels. A reporting channel has also been designed to protect female employees. Annually, both malls conduct mandatory fire drills as stipulated by the national laws. These fire drills may involve tenants, shoppers and members of the public. While these fire drills function as a practice for the Fire Safety Team to improve responsiveness, they also enhance the employees’ awareness of the SOPs during emergencies.

Inculcating a Safe Work Culture at Fengxian

Fengxian strives to be a one-stop centre where quality eldercare services are provided for all. Focusing on rehabilitative care, it also strives to deliver holistic care to all residents. The Work Safety Guidelines is a comprehensive set of SOPs prepared in accordance with national laws and regulations to ensure that all eldercare workers are well aware of the risks involved and mitigative actions, and that they receive adequate training to carry out their daily responsibilities.

The SOPs define roles and responsibilities of various functions on operations management and crisis management. Specifically, it requires each department to appoint a Safety Personnel who will be responsible for daily walkabouts. The Safety Personnel will focus on identifying hazards and rectifying any safety-related issues within the premises. Thereafter, the Safety Officer would cross check on the daily

findings. Every month, the Safety Officer chairs a Safety Review Meeting where all Safety Personnel will come together to review salient health and safety issues identified and share good practices.

To inculcate a safety-first culture among its medical staff, all new hires are required to undergo a compulsory induction training, comprising of a safety module where they will learn about safe working practices, measures to be taken during daily operations or in times of emergency.

Performance

In FY2019, Perennial recorded zero fatalities and occupational diseases across its real estate and eldercare operations in Singapore and China. However, there was one work-related incident where an employee sustained a minor injury while moving furniture due to inadequate lighting. Since the incident, corrective actions were taken to ensure sufficient lighting and care is provided for future work.

Perennial strives to improve the safety culture within its properties through regular reviews of policies and work procedures. Plans are in the pipeline for properties in China to increase robustness of safety inspections and the frequency of facility and equipment maintenance. Moreover, regular communication between Management and employees also helps to raise awareness and emphasise the importance of a safety-first culture throughout Perennial.

Profile of Our Workforce

Employees are the core of a successful business. Likewise, at Perennial, the Company values each and every individual, providing them with a conducive work environment where equal opportunities, fair compensation and benefits as well as opportunities for career development are present.

Data in this section refers only to employees within the reporting scope from Perennial Corporate Office and CMTs across Singapore

and China. At the end of FY2019, Perennial recorded a total of 281 employees (59% are females and 41% are males). All employees work full-time on either a five-day or six-day work week. 98% of the workforce are hired on a permanent contract basis.

Across age diversity, majority of employees remains in the 30 to 50 years old category, with a growing portion of employees from the less than 30 years old category. This year, Perennial saw a 3% increase in employees

less than 30 years of age category, from 22% in FY2018 to 25% in FY2019, and a 3% drop in employees above 50 years of age, from 12% to 9% in FY2018.

Perennial recruits and retains employees based on meritocracy as well as its business needs. For more details of Perennial’s approach towards Human Capital Management and global workforce statistics, please refer to “Our People” section on pages 126 to 127 of the Annual Report 2019.

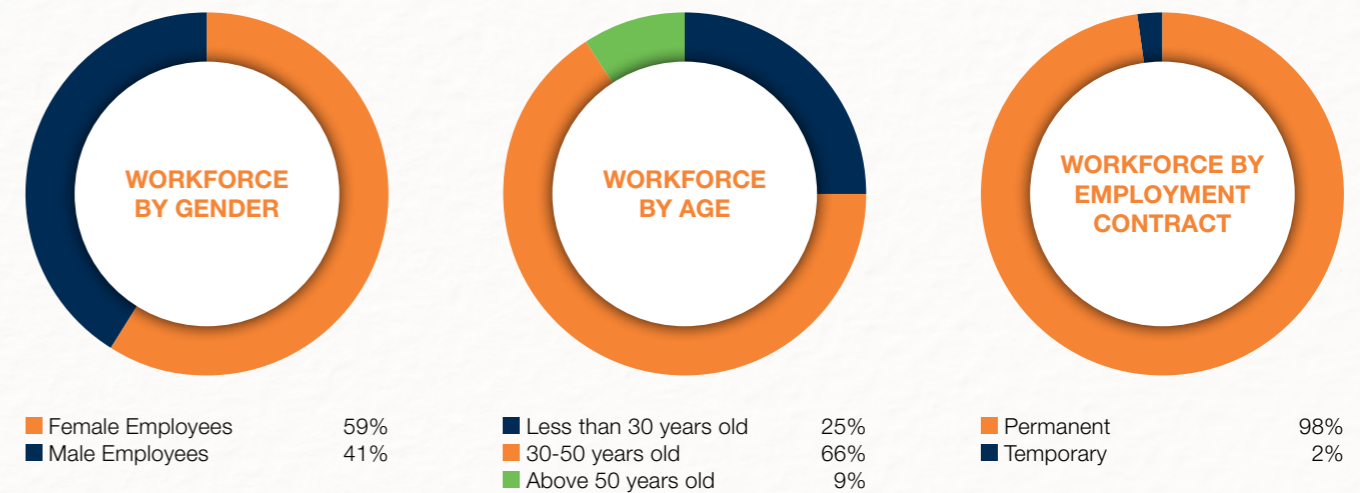


Table 4: Safety Performance in Singapore and China

Key Safety Indicators	FY2018			FY2019		
	Male	Female	Total	Male	Female	Total
Workplace Injury Rate⁹ (per 100,000 people)						
Singapore		0		1370	0	552
China					0	
Accident Frequency Rate¹⁰ (“AFR”)						
Singapore		0		6.51	0	2.64
China					0	
Accident Severity Rate¹¹ (“ASR”)						
Singapore		0		111	0	45
China					0	
Absenteeism¹²						
Singapore	1.72%	1.70%	1.71%	1.94%	1.89%	1.91%
China	0.06%	0.56%	0.35%	0.27%	0.52%	0.41%

Formulas used for Workplace Injury Rate, Accident Frequency Rate and Accident Severity Rate were derived from Ministry of Manpower, Singapore

9 Workplace Injury Rate is defined as the total number of fatal and non-fatal workplace injuries per 100,000 employed persons
 10 Accident Frequency Rate is defined as the total number of workplace incidents reported per 1,000,000 man-hours worked
 11 Accident Severity Rate is defined as the total number of man days lost to workplace accidents per 1,000,000 man-hours worked
 12 Absentee rate is defined as total absentee days lost over of total days scheduled to be worked by employees for the same period. Breakdown by male and female is based on their proportion of total workforce. Absent day is defined when employee is absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. This includes medical and hospitalisation leave taken.

GOVERNANCE

Perennial is committed to maintaining the highest standards of corporate governance and transparency in its business operations. This is underpinned by three interlinked aspects, namely business ethics, corporate governance and regulatory compliance.

Business Ethics

Ethical business conduct is guided by a suite of policies and procedures comprising of the Employee Code of Conduct, Whistleblowing Policy and Grievance Handling Procedures which advises employees on responsible decision making. Additionally, a Grievance Handling Procedure informs employees on the actions to be taken when reporting any suspected wrongful activities within the Group.

Annually, this set of policies and documents would be circulated to Management and employees of Perennial. While it serves as a refresher on the expected conduct, it also emphasises on the severity should they be found to be in violations of these policies.

The Whistleblowing Policy comes under the purview of the ARC. All stakeholders including employees and third-party service providers, partners and strategic alliances have full access to it and are encouraged to report any possible concerns on malpractices. Identities of whistleblowers would be protected throughout any length of investigation. For more details of this Policy, please refer to <http://perennialrealestate.listedcompany.com/misc/whistle-blowing-policy.pdf>.

In FY2019, Perennial is pleased to report that there were no reported cases of fraud, corruption and unethical actions.

Corporate Governance

A strong culture of CG is key to economic growth as it improves investors' confidence and reputation through the robust internal controls in place. Since incorporation, Perennial has emphasised on the importance of good CG through the annual CG report and review of internal policies and guidelines. More details on Perennial's CG practices can be found on pages 97 to 115 of the CG section of AR2019.

Under the CG framework, a comprehensive ERM framework has been put in place to ensure risks arising from Perennial's business activities are monitored and managed. Sustainability risks have been considered within this Framework which has strengthened the Group's understanding of its full suite of risks, ultimately improving its sustainability management. Due to the rapidly


How does Perennial Manage this?

- Employee Code of Conduct
- Whistleblowing Policy
- Full compliance with relevant laws and regulations in countries of operation


Who at Perennial Oversees this?

- HR
- Legal and Corporate Secretariat
- Risk Management Team


Highlights of FY2019

- Annual Circulation of Company's Employee Code of Conduct and Whistle Blowing Policy
- 6th consecutive year as signatory to SIAS CG Statement of Support
- Several Management and Executive employees sent on courses to keep updated with Corporate Governance and relevant compliance matters


Relevant UN SDG



changing business environment, the Risk Management Team reviews associated risks on an annual basis and works with relevant departments to implement mitigative actions. For more details on Perennial's key risks, please refer to pages 116 to 121 of the Risk Management section of AR2019.

In FY2019, several Management and Executive employees were also sent on relevant courses conducted to remain relevant with latest requirements in CG and related matters. Perennial is a signatory of the SIAS CG Statement of Support for the 6th consecutive year.

In the year, Perennial also achieved full compliance with the Code of CG 2018 and continues to prepare its CG Report in a timely manner within the Annual Report.

Compliance with Laws and Regulations

Ensuring regulatory compliance across all business activities is critical in maintaining Perennial's license to operate. With a diverse business portfolio spanning across numerous cities, it is imperative to consider the local regulations in areas of environment, labour practices and health and safety. Instances of

non-compliance may bring about detrimental impact to reputation, incur penalties and hinder growth plans. As such, Perennial has in place a robust compliance framework which ensures regulatory obligations are met sufficiently.

Perennial believes it is a shared responsibility that lies among the various functions as they interact with respective regulatory bodies as shown in Table 5. The various business functions ensure they remain well informed of any changes and make necessary updates to existing processes so as to remain within regulatory boundaries. This is done through regular participation in compliance trainings and seminars conducted by various regulatory institutions. Additionally, Perennial's Legal department should also be consulted if departments require further assistance or advice.

Under the oversight of the Risk Management Team, a quarterly reporting on incidences of non-compliance or regulatory and reputational impacts is submitted to the Board. In FY2019, Perennial has achieved its target of zero cases of non-compliance and will continue to upkeep this positive performance.

Table 5: List of Regulators and Applicable Regulations¹³

Regulators	Regulations (Examples)
Accounting and Corporate Regulatory Authority Singapore Exchange	<ul style="list-style-type: none"> Business Registration Act Exchange Listing Rules Companies Act
National Environment Agency	<ul style="list-style-type: none"> Code of Practice of Environmental Health ("COPEH") Energy Conservation Act 2012 Environmental Protection and Management Act Environmental Public Health Act Infectious Disease Act Resource Sustainability Act 2019 Smoking (Prohibition in Certain Places) Act Carbon Pricing Act
Ministry of Manpower	<ul style="list-style-type: none"> Employment Act Employment Claims Act Employment (Part-Time Employees) Regulations 1996 Workplace Safety and Health (WSH) Act Work Injury Compensation Act
Workplace Safety and Health Council Singapore Civil Defence Force	<ul style="list-style-type: none"> Code of Practice of Workplace Health and Safety Fire Safety Act Fire Code 2018
Relevant Laws for Properties in China	<ul style="list-style-type: none"> Law of the People's Republic of China on Work Safety Law of the People's Republic of China on Prevention and Control of Occupational Diseases Labour Law of the People's Republic of China Law of the People's Republic of China on Promotion of Employment Emergency Response Law of the People's Republic of China Environmental Protection Law of the People's Republic of China Fire Protection Law of the People's Republic of China Law of the People's Republic of China on Energy Conservation Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures Company Law of the People's Republic of China
Relevant Laws for Eldercare in China	<ul style="list-style-type: none"> Food Safety Law of the People's Republic of China Food Hygiene Law of the People's Republic of China

¹³ This table is intended to be an exhaustive list of the laws and regulations applicable for Perennial's Real Estate business in Singapore and China, and Eldercare business in China

GRI CONTENT INDEX

General Standard Disclosures			
GRI Standard	Disclosure	Section of Report and / or Explanation for Omission	Page Reference
GRI 102: General Disclosures 2016	Organisational profile		
	102-1	Name of the organisation	Overview 1
	102-2	Activities, brands, products, and services	Overview 1
	102-3	Location of headquarters	Overview 1
	102-4	Location of operations	Overview 1
	102-5	Ownership and legal form	Overview 1
	102-6	Markets served	Overview 1
	102-7	Scale of the organisation	Overview 1
	102-8	Information on employees and other workers	Profile of our Workforce 21
	102-9	Supply chain	Customer Satisfaction: Supplier Management 14
	102-10	Significant changes to the organisation and its supply chain	Not applicable
	102-11	Precautionary Principle or Approach	Materiality Assessment Process; Governance 2-3, 22
	102-12	External Initiatives	Perennial is a signatory to the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)
	102-13	Membership of Associations	<ul style="list-style-type: none"> Orchard Road Business Association (OBRA) Securities Investors Association of Singapore (SIAS) Singapore National Employers Federation Chengdu Qingyang Supo Street Chamber of Commerce, China
	Strategy		
	102-14	Statement from senior decision-maker	Board Statement 1
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Business Ethics 22	
Governance			
102-18	Governance structure	Overview 1	
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement 6-9	
102-41	Collective bargaining agreements	None of Perennial's employees are covered under collective bargaining agreements	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement 6-9	
102-43	Approach to stakeholder engagement	Stakeholder Engagement 6-9	
102-44	Key topics and concerns raised	Stakeholder Engagement 6-9	

General Standard Disclosures			
GRI Standard	Disclosure	Section of Report and / or Explanation for Omission	Page Reference
GRI 102: General Disclosures 2016	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Annual Report 2019 204-206
	102-46	Defining report content and topic Boundaries	Overview 1
	102-47	List of material topics	Materiality Assessment Process 2-3
	102-48	Restatements of information	Energy, GHG Emissions and Alternative Energy Sources 10-11
	102-49	Changes in reporting	Overview 1
	102-50	Reporting period	Overview 1
	102-51	Date of most recent report	2018
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions regarding the report	Feedback 1
	102-54	Claims of reporting in accordance with the GRI Standards	Overview 1
	102-55	GRI content index	GRI Content Index 24
	102-56	External assurance	Overview 1
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Corporate Governance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Corporate Governance 22
	103-2	The management approach and its components	Corporate Governance 22
	103-3	Evaluation of the management approach	Corporate Governance 22
Customer Satisfaction			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Customer Satisfaction 13
	103-2	The management approach and its components	Customer Satisfaction 13
	103-3	Evaluation of the management approach	Customer Satisfaction 13
Business Ethics			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics 22
	103-2	The management approach and its components	Business Ethics 22
	103-3	Evaluation of the management approach	Business Ethics 22
GRI 205: Anti-corruption 2016	205-2	Communication and Training about Anti-Corruption Policies and Procedures	Business Ethics 22
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics 22

Material Topics				
GRI Standard		Disclosure	Section of Report and / or Explanation for Omission	Page Reference
Regulatory Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Compliance with Laws and Regulations	22-23
	103-2	The management approach and its components	Compliance with Laws and Regulations	22-23
	103-3	Evaluation of the management approach	Compliance with Laws and Regulations	22-23
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Compliance with Laws and Regulations	22-23
GRI 419: Socioeconomic Compliance 2016	419-2	Non-compliance with laws and regulations in the social and economic area	Compliance with Laws and Regulations	22-23
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety	19-20
	103-2	The management approach and its components	Occupational Health and Safety	19-20
	103-3	Evaluation of the management approach	Occupational Health and Safety	19-20
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	19-20
Health and Safety of Stakeholders				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Health and Safety of Stakeholders	17-18
	103-2	The management approach and its components	Health and Safety of Stakeholders	17-18
	103-3	Evaluation of the management approach	Health and Safety of Stakeholders	17-18
GRI 416: Customer Health and Safety 2016	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Health and Safety of Stakeholders	17-18
Energy, GHG Emissions and Alternative Energy Sources				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Energy, GHG Emissions and Alternative Energy Sources	10-11
	103-2	The management approach and its components	Energy, GHG Emissions and Alternative Energy Sources	10-11
	103-3	Evaluation of the management approach	Energy, GHG Emissions and Alternative Energy Sources	10-11
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy, GHG Emissions and Alternative Energy Sources	10-11
	302-3	Energy Intensity	Energy, GHG Emissions and Alternative Energy Sources	10-11
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	Energy, GHG Emissions and Alternative Energy Sources	10-11
	305-2	Energy indirect (Scope 2) GHG Emissions	Energy, GHG Emissions and Alternative Energy Sources	10-11
	305-4	GHG emissions intensity	Energy, GHG Emissions and Alternative Energy Sources	10-11

Material Topics				
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	103-2	The management approach and its components	Water Management	12
	103-3	Evaluation of the management approach	Water Management	12
GRI 303: Water 2016	303-1	Water Withdrawal by Source	Water Management	12
	303-3	Water Recycled and Reused	Water Management	12



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