

SUSTAINABILITY  
REPORT  
FY2017

# MOMENTS

As Singapore's leading Asian integrated lifestyle group, we recognise the need to provide high quality products and services and we believe that sustainable practices contribute to the quality of those products and services. Therefore, we continue to strengthen our commitment to sustainability and implement various initiatives to improve the sustainability performance of our business.



## TIME TO CARE FOR MOTHER NATURE

From our kitchen and back to mother nature

## TIME TO SHARE

Sharing and warming hearts at SWAMI Home



## TIME TO RECYCLE | REUSE | REDUCE

Every bit helps – paper, plastic, cans!



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## BOARD STATEMENT

It is with pleasure that the Board of Directors at Amara Holdings Limited (“the Board”) present this inaugural Sustainability Report.

As Singapore’s leading Asian integrated lifestyle group, we recognise the need to provide high quality products and services and we believe that sustainable practices contribute to the quality of those products and services. Although, at Amara we have long-held this belief, an increased understanding and awareness of sustainability within our customers, suppliers and regulators in recent years has led to an increase in expectations in this area. Therefore, we continue to strengthen our commitment to sustainability and implement various initiatives to improve the sustainability performance of our business.

Some of these initiatives over the last few years have included diversion of food waste from landfill and incineration by the installation of an eco-digester system. The system turns food waste from 100 AM and Amara Singapore into liquid nutrient for gardening and landscaping. Other initiatives have been the use of energy efficient technologies and raising awareness among our guests, staff and partners of the need to reduce consumption of resources such as energy, waste and food. We will continue to identify opportunities that will contribute to a more environmentally friendly and sustainable hospitality and lifestyle experience.

The Board determines the direction of sustainability within the business and is supported by the Sustainability Steering Committee, which comprises key executives from Amara Holdings Limited. This year for the first time, we oversaw a materiality assessment that was conducted to identify the material Environmental, Social and Governance (ESG) factors for Amara. An integrated sustainability and business approach will enable Amara to secure holistic growth in the long run. In addition, we have set out how we manage our impacts in these areas as well as our performance and targets for the upcoming year.

We invite you to learn more about our journey and the measures we have taken to ensure the sustainable growth of Amara Holdings Limited. It is our commitment to progressively develop our sustainability approach and reporting initiatives over the coming years. We are supportive of the sustainability reporting regulatory requirements set by Singapore Exchange (SGX) under its SGX-ST Listing Rules 711A and 711B. This Sustainability Report adheres to the SGX-ST Listing Rules – Sustainability Reporting Guide and references the internationally recognised Global Reporting Initiative (GRI) Standards (2016).

## ABOUT THE REPORT

This inaugural Sustainability Report (“this report”) is published as a declaration of Amara Holdings Limited’s and its subsidiaries’ (collectively known as “Amara”) commitment towards sustainability in its business practices. To be read in conjunction with its financial statements, this report addresses Amara’s material Environmental, Social and Governance (“ESG”) topics from 1 January to 31 December 2017.

### REPORTING STANDARD

This report has been prepared in compliance with the requirements of SGX-ST Listing Rules 711A and 711B. This report is prepared with reference to the Global Reporting Initiative (GRI) Standards (2016). We also referred to the GRI Reporting Principles throughout the preparation of this report.

### REPORTING SCOPE

Amara is principally engaged in three business areas, namely, hotel investment and management, property investment and development, and specialty restaurants and food services.

In this report, we have scoped in the following properties located in Singapore by considering our level of operational control over the various activities as well as the significance of any resulting economic, environmental and social impacts.

Hotels:	Amara Singapore Amara Sanctuary Resort, Sentosa
Mall and office building:	100 AM
Restaurants:	Thanying Restaurant Silk Road Restaurant

### SUSTAINABILITY GOVERNANCE AND REPORT DEVELOPMENT

Supported by the Sustainability Steering Committee (“SSC”) and the Sustainability Task Force (“STF”), the Board determines the sustainability direction and oversees sustainability action plans, sustainability performance, and the development of this annual sustainability report. In 2017, a materiality assessment was conducted to identify the high impact sustainability areas in which we will concentrate our sustainability efforts as well as to determine the content of this report. The assessment was carried out by members of the SSC and STF, and verified by the Board. Our data is reported in good faith and to the best of our knowledge.







### FEEDBACK

We welcome all feedback to help us continuously improve our sustainability practices and maintain an open dialogue with our stakeholders. Please send your comments or feedback to [corporate@amaraholdings.com](mailto:corporate@amaraholdings.com).

## STAKEHOLDER ENGAGEMENT

At Amara, we believe stakeholder engagement is key to nurturing good relationships between the business and the societies in which we operate. Stakeholder feedback can also result in improved business planning and performance. Therefore, we actively engage with a diverse group of stakeholders through efficient and effective collaboration on a regular basis.

Amara's approach towards stakeholder engagement is summarised below:

<b>Investors</b> 	Timely updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and website  Annual General Meeting	Throughout the year  Annually	<ul style="list-style-type: none"> <li>• Sustain profitability and enhance shareholder returns</li> <li>• Transparent reporting</li> <li>• Sound corporate governance practices</li> </ul>
<b>Customers</b> 	Customer satisfaction and customer engagement through close monitoring of feedback on travel websites and gathering comments from hotel, restaurant and event customers.	Throughout the year	<ul style="list-style-type: none"> <li>• Deliver affordable, quality products and services</li> <li>• Responsiveness to customers' requests and feedback</li> </ul>
<b>Employees</b> 	Induction programme for new employees  Training and development programmes  Career development performance appraisals  Recreational and wellness activities  Regular email communications and town hall meetings	Throughout the year  Throughout the year  Throughout the year  Throughout the year	<ul style="list-style-type: none"> <li>• Equitable remuneration</li> <li>• Fair and competitive employment practices and policies</li> <li>• Safe and healthy work environment</li> <li>• Focus on employee development and well-being</li> </ul>
<b>Communities</b> 	Corporate philanthropy and contributing to local communities  Corporate volunteering such as participation in activities organised by the Public Hygiene Council and Sunshine Welfare Action Mission (SWAMI) Home  Open communication channels with local communities	Throughout the year  Throughout the year  Throughout the year	<ul style="list-style-type: none"> <li>• Contributions to communities</li> <li>• Responsible and ethical business practices</li> </ul>
<b>Regulators</b> 	Meetings, seminars and dialogue sessions  Memberships in industry associations such as Singapore Business Federation, Singapore Chinese Chamber of Commerce & Industry, Singapore Hotel Association and Singapore National Employers Federation	Throughout the year  Throughout the year	<ul style="list-style-type: none"> <li>• Compliance with, and keeping abreast of changes to laws and regulations relating to employment standards and foreign workers</li> </ul>
<b>Suppliers</b> 	Regular dialogue sessions with key suppliers and service providers  Establish channels of communication	Throughout the year  Throughout the year	<ul style="list-style-type: none"> <li>• Fair and equal treatment of suppliers</li> <li>• Regular and punctual payments upon commencement of service</li> </ul>

## MATERIALITY ASSESSMENT

A materiality assessment was carried out to identify, prioritise and validate ESG issues material to Amara. The aim of the exercise is to gain a clear understanding of the areas that are significant to business operations, while also taking stakeholders' concerns into account.

In 2017, the assessment process was conducted by an independent sustainability consultant and involved identifying a universe of ESG issues relevant to the hotel and real estate industry and gathering internal stakeholder feedback via a questionnaire. This was followed by a prioritisation workshop during which 8 ESG factors were determined to be most material to Amara. The materiality of these factors was validated by the Board and will be the focus of this report:

	<b>Material Topics</b>
<b>Environmental</b> <i>Reducing our environmental footprint</i>	Energy and Emissions Water Effluents and Waste
<b>Social</b> <i>Managing our talent and our responsibilities</i>	Talent Retention Occupational Health and Safety Customer Health and Safety
<b>Governance</b> <i>Complying with applicable laws and regulations</i>	Regulatory Compliance
<b>Economic</b> <i>Addressing the flow of capital</i>	Economic Performance <sup>1</sup>

<sup>1</sup> Please refer to this annual report for more information on our economic performance. This factor will not be covered in our sustainability report.



## ENVIRONMENT

### ENERGY AND EMISSIONS

Energy usage and associated emissions are an increased priority globally. Singapore's 3rd Green Building Masterplan by Building and Construction Authority (BCA) maps out a holistic strategy to accelerate the 'greening' of buildings to achieve the national target of 80% green buildings by 2030. In addition, Singapore ratified the Paris Agreement, committing to reduce emissions intensity by 36%, from 2005 levels, by 2030, while the Singapore Budget 2017 was also lauded as the most environmentally conscious budget to-date.

The use of energy is essential to our business operations, however, we can lower our environmental footprint and contribute to the mitigation of climate change by using energy more efficiently and exploring renewable sources of energy. We are committed to upgrading the Green Mark Certification to Green Mark Gold Plus at Amara Singapore and 100 AM. As part of this commitment, we have been implementing the following environmental initiatives over the last few years:

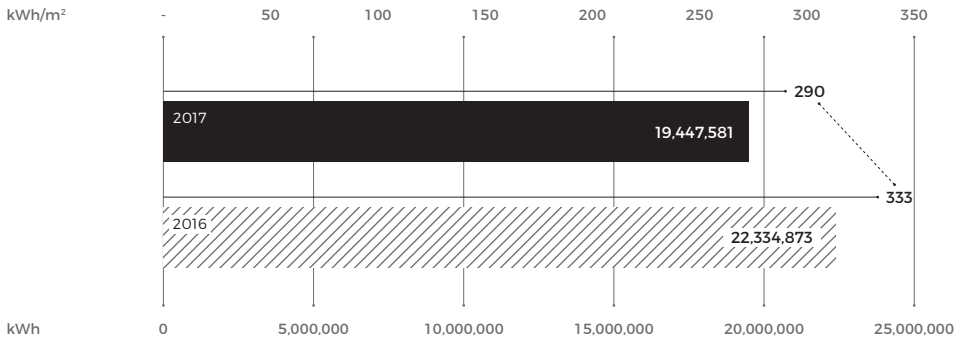
- Maximise the usage of LED lights. A programme to gradually replace T5 and T8 lighting to LED lighting has been in place since 2016
- Progressively installing motion sensors for lighting and escalators for more efficient energy use
- Adjustment of lux level by using dimming sensor in carparks
- Regular maintenance and replacement of equipment to ensure energy efficiency
- Introduction of energy efficient air-conditioning system and auto switch off at 8 pm in the office building and 11 pm in the retail mall at 100 AM
- Installation of Building Management System ("BMS") to allow automatic control according to various cooling loads
- Replacement of 5 old chillers with 4 new, more energy efficient units. The new chillers are complete with new cooling towers and pumps and achieve an energy efficiency of 0.65 compared to the previous >1.0.
- Auto-switch off in hotel rooms when guests step out of the rooms
- By encouraging hotel guests to forgo a daily change of linen and towels which result in energy saving

To measure the effectiveness of the existing energy saving initiatives, we track and monitor energy consumptions on a monthly basis. The monthly data provides a better understanding of the energy usage of our buildings to allow us to monitor and improve the measures already in place. The Energy Efficiency Index (EEI), introduced by BCA, is adopted to benchmark the energy efficiencies of our buildings against the industry. Total energy usages are reported to BCA regularly via the Building Energy Submission Scheme. We strive to upgrade the Green Mark rating to Green Mark Gold Plus for our buildings in the forthcoming year.

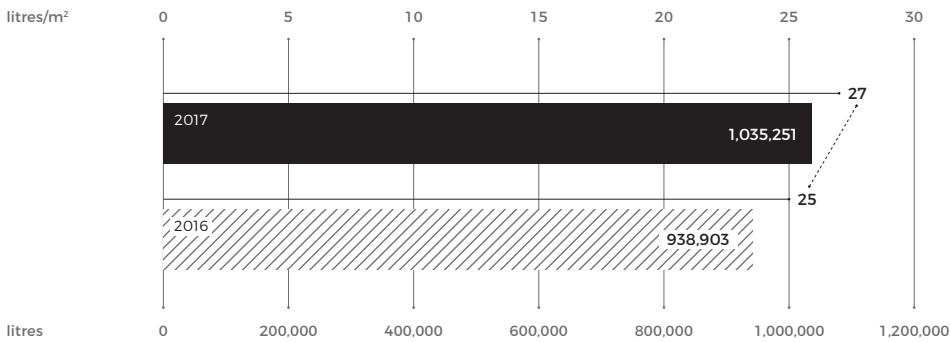
In 2017, electricity consumption amounted to 19,447,581 kilowatt hours (kWh), representing a 13% decrease from 22,334,873 kWh in 2016. Electricity intensity also decreased from 333 kWh/m<sup>2</sup> in 2016 to 290 kWh/m<sup>2</sup> in 2017. Gas consumption increased 10% from 938,903 litres in 2016 to 1,035,251 litres in 2017 and intensity increased from 25 litres per m<sup>2</sup> to 27 litres per m<sup>2</sup>. Total Greenhouse Gas (GHG) emissions from electricity decreased 14% to 8,245,774 tonnes of CO<sub>2</sub> in 2017 and GHG emissions intensity was lower at 123 tonnes of CO<sub>2</sub>/m<sup>2</sup>.



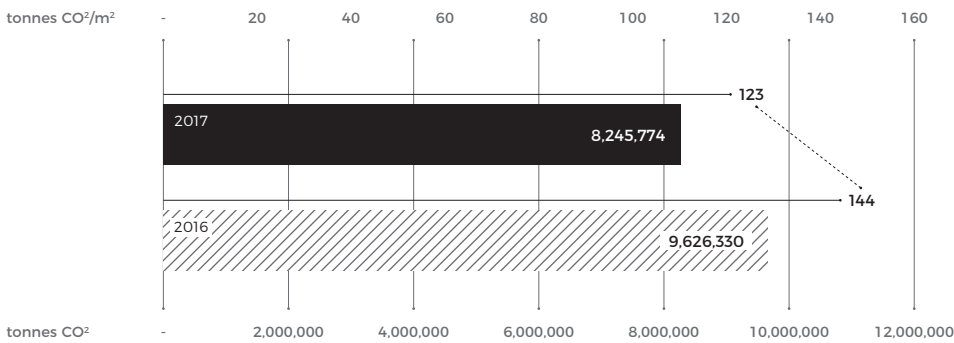
**Electricity consumption (kWh) and electricity intensity (kWh/m<sup>2</sup>)**



**Gas consumption (litres) and gas intensity (litres/m<sup>2</sup>)**



**GHG emissions from electricity (tonnes CO<sub>2</sub>) and GHG emissions (tonnes CO<sub>2</sub>/m<sup>2</sup>)**



In the forthcoming year, we target to reduce or maintain the same consumption and intensity levels as 2017.

**WATER**

The use of water is essential and integral to the business operations of the Hotels, 100 AM and Restaurants and provision of reliable and usable water in our buildings is expected by our guests and tenants.

However, water availability is a concern in Singapore as it relies heavily on imported water from Malaysia to meet its water needs. Hence, we strive to achieve a balance between making water available and water conservation efforts.

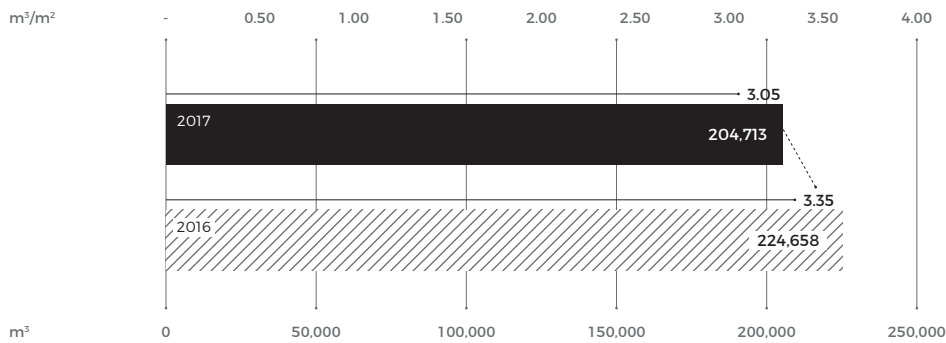
The Hotels have implemented a number of initiatives to minimise water usage:

- Set up a new cooling tower at Amara Singapore, which resulted in 10% reduction of water usage annually
- Implemented efficient laundry programmes for water saving

At the Hotels and 100 AM, regular monitoring measures are in place to identify and address any elevated consumption and potential leaks. As requested by the Public Utilities Board (PUB), total water data is reported through the Water Efficiency Management Plan.

Our water supply is sourced from public utilities. In 2017, our water consumption amounted to 204,713 cubic metres (m<sup>3</sup>), representing a 9% year-on-year decrease from 2016. Water intensity also decreased from 3.35 m<sup>3</sup>/m<sup>2</sup> in 2016 to 3.05 m<sup>3</sup>/m<sup>2</sup> in 2017.

**Water consumption (m<sup>3</sup>) and water intensity (m<sup>3</sup>/m<sup>2</sup>)**



In the forthcoming year, we target to reduce or maintain the same water consumption and intensity levels as 2017.

**EFFLUENTS AND WASTE**

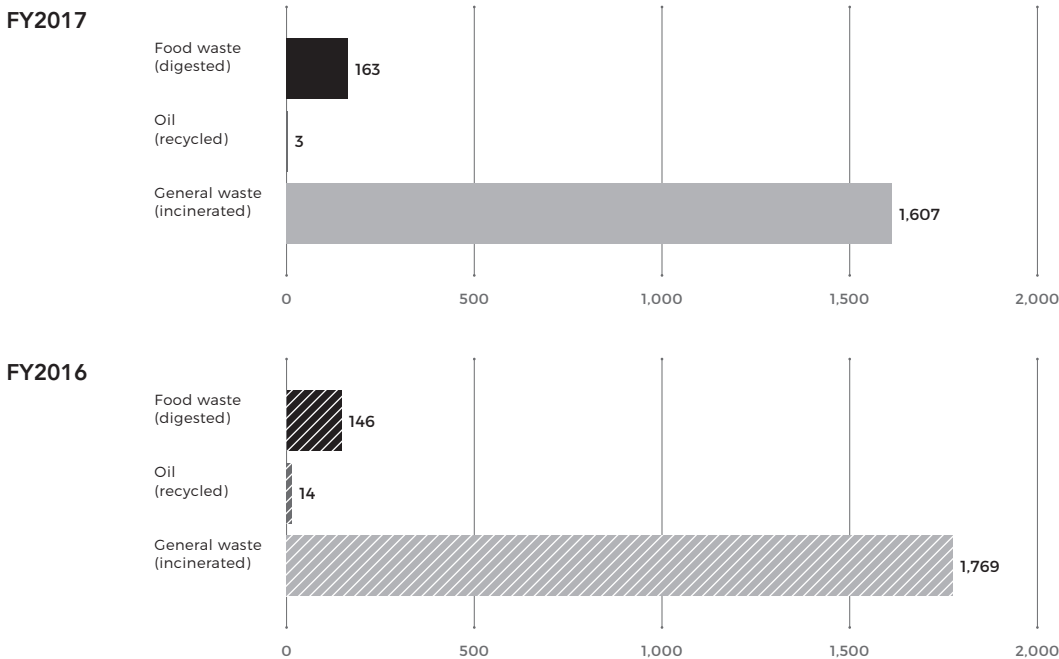
Waste is generated from 100 AM and the Hotels’ operations. Waste generated typically consists of food waste (including used oil), general waste (e.g. consumables) and wastewater.

We recognise that the improper treatment and disposal of waste can pose harm to human health and the environment. We also acknowledge that there is a need to manage waste holistically and we endeavour to play our part in contributing towards Singapore’s national agenda to become a Zero Waste Nation under the Sustainable Singapore Blueprint 2015.

At Amara, we strive to do our part for the environment to the best of our ability. The following food waste management practices have been implemented at 100 AM and the Hotels:

- Operate a zero inventory practice, where we endeavour to order just the right amount so that there is no leftover inventory
- Implemented an on-site, cost effective eco-digester system. This system accepts all food waste and converts it to liquid nutrient, which is used for gardening and landscaping, eliminating the need for chemical-based fertiliser. The system speeds up decomposition time from 4 weeks to just 24 hours and has cut down the amount of waste going to incinerator by 10%

**Waste by type and disposal method (tonnes)**



General waste produced by Amara reduced from 1,769 tonnes in 2016 to 1,607 tonnes in 2017. Used oil was reduced by over 11 tonnes to just 3 tonnes in 2017. Food waste disposed of via the eco-digester increased from 146 tonnes to 163 tonnes. In the forthcoming year, Amara targets to increase the amount of food waste diverted from the incinerator to the eco-digester by 20%.

## SOCIAL

### TALENT RETENTION

At Amara, our people play a crucial role in maintaining quality service, therefore, we believe in cultivating a strong and cohesive workforce. To that end, we endeavour to create an environment where our employees feel valued and respected, invest our efforts in attracting talent, provide a robust training and development environment and care for the well-being of our people. At Amara, our human resource strategies and policies are in line with the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). We believe these practices are particularly important in countries, such as Singapore, with its diverse ethnic, religious, age and gender makeup. We recruit individuals with the necessary competencies, experience, qualifications and mindset to make a positive contribution to the business objectives of Amara. We employ qualified candidates without any discrimination against age, gender, race, marital status or religion. By adopting fair employment practices, we can access a wider talent pool, increase productivity and staff retention, attract talent from different backgrounds and form a diverse workforce with diverse skills and experiences.

The employee handbook details policies and procedures on hiring, learning and development, and employee conduct. Similarly, Amara Singapore's and Amara Sanctuary Resort, Sentosa's Handbooks describe the Hotels' business values, integrity, and ethics including a detailed description of the fair employment practices and conflict of interests' policy it subscribes to.

Our headcount has decreased slightly in 2017 to 378 from 389 in 2016 and our gender split is roughly equal.

Employee Category		As of 31 December 2016	As of 31 December 2017
Permanent	Male	195	198
	Female	194	180
	Total	389	378

Amara believes investment in employees through training and development programmes strengthens an employee's commitment, leading to desirable performance levels at both individual and organisation levels.

We encourage our employees to upgrade their knowledge and skills at all times. A robust performance appraisal system is established to evaluate the performance of employees and understand their needs for further growth and development. The performance appraisal also serves to allow effective communication between employee and employer and creates a culture of trust and openness. Training hours for employees are monitored and reviewed each year as one of their Key Performance Indicators.

		As of 31 December 2016	As of 31 December 2017
Average hours of training per employee per year	Total	15	14
Average hours of training per employee per year - by employee category	Senior management level	7	9
	Middle management level	11	8
	Executive level	15	14
Percentage of employees receiving annual performance appraisals		100%	100%

During 2017, employees went through an average of 14 training hours per year, slightly down from the average of 15 hours received in 2016. In the forthcoming year, we target to achieve an average of at least 20 training hours per employee per year. All employees will continue to receive an annual performance appraisal.

## OCCUPATIONAL HEALTH AND SAFETY

The nature of the working environment and industry means that some of Amara's employees are in roles that expose them to some health and safety risks. As a responsible employer, Amara has an obligation to address and mitigate these risks where possible, with the aim of creating a zero-accident workplace environment for its employees. We have the following processes, procedures and initiatives in place to do this:

- Data collection and timely reporting of injuries to Ministry of Manpower
- Regular checks around the workplace to identify any areas of potential risk
- Regular fire safety audits and drills
- Timely investigation and execution of preventive and corrective actions upon reported incidents by employees, guests, tenants and visitors
- Regular maintenance of equipment
- Mandatory inspection and load testing of the common elevators and fire lifts
- Hazards are adequately signposted
- Educating staff on the potential health risks and safety hazards in the work environment (e.g. slippery floors, fire hazards) and the proper precautions
- Educating tenants on the proper maintenance of plumbing, sanitary, kitchen exhaust and fire protection systems
- Educating staff on handling emergencies, threats and accidents
- Regularly reviewing our work environment conditions and work practices to identify any new or arising safety hazards and potential health risks
- Standard operating procedures on handling emergencies, threats and accidents
- Upgrading our equipment and providing our staff with the necessary safety equipment required to perform the job function safely
- Providing an open channel of communication across all levels to gather feedback and comments on safety and health-related issues for open discussion

During the year, we recorded zero incidents of work-related fatalities and an accident frequency rate of 17 incidents per million man-hours worked. We are committed to continue strengthening our safety management practices to minimise injuries in the workplace.

In the forthcoming year, Amara targets zero workplace incidents leading to employee fatality or permanent disability.

## CUSTOMER HEALTH AND SAFETY

### Food safety

As a hotel and restaurant operator, Amara has an obligation to ensure that the food and beverages it serves are safe for consumption. Internationally recognised food safety management systems have been developed to help businesses avoid the risks of unsafe food reaching consumers. In Singapore, compliance with all food safety, food hygiene and other relevant laws and regulations is paramount in ensuring the health and safety of its customers.

At Amara, Standard Operating Procedures (SOPs) are in place to manage food safety and all employees are trained in these various SOPs. SOPs cover the proper methods of heating, cooling and washing to prevent foodborne illness as well as labelling of food with expiry dates to prevent food from going out of date and colour-coding of food and equipment to avoid cross-contamination. Our First In, First Out (FIFO) system also avoids the serving of out-of-date food and eliminates spoiled food waste. This system also better organises our stock and inventory by keeping adequate records and monitoring stock movement.

In addition to our SOPs, we provide our employees with access to food safety training courses. These courses keep employees up-to-date on Singapore's food regulations, sale of food acts and the latest food hygiene and safety requirements. For quality control, we send our food samples for regular laboratory testing.

### Building safety

As a property owner, it is our responsibility to ensure that guests and visitors of our properties are safe from injury at all times. We are committed to abiding by safety laws and regulations and we implement policies and practices to maintain a high level of awareness. Fire safety is one such area on which we focus.

We conduct fire drill exercises twice a year and it is compulsory for our employees to attend regular fire training courses. We maintain strict safety procedures for fire safety inspections and monthly maintenance of lifts and escalators. We received a Fire Safety Excellence Design Award in 2017, which accords recognition to our efforts in this area. For other hazards around the buildings, we conduct risk assessments regularly and security patrols every two hours. Any identified hazards are adequately signposted to prevent accidents or injuries.

In 2017, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety of guests and visitors which resulted in a fine, penalty or warning.

Moving forward, Amara targets to maintain zero non-compliance with voluntary codes/laws and regulations.

## GOVERNANCE

Amara strives to adopt best practices in order to maintain a high standard of corporate governance and business conduct to safeguard the interests of its stakeholders.

### COMPLIANCE WITH LAWS & REGULATIONS

Businesses exist and grow with the support of the community in which it operates. Maintaining public trust is therefore of utmost priority to any company. Amara is committed to uphold high ethical standards and integrity in its operations, complying with all laws and regulations in its location of operations. This involves good corporate governance, responsible business practices, as well as an accountable and transparent management system in order to prevent non-compliance, misconduct or corrupt business practices.

We are committed to abiding by all applicable laws and regulations. We adhere to the listing rules and regulations set out by SGX and the MAS Securities and Futures Act. Our corporate governance framework and practices with specific reference made to each of the principles of the Code of Corporate Governance 2012 are set out in the "Corporate Governance Report" section of this annual report.

Our properties are subject to environmental laws and regulations, including the Building Control (Environmental Sustainability) Regulations administered by the Building and Construction Authority (BCA), as well as the Energy Conservation Act and Environment Protection and Management Act governed by the National Environment Agency (NEA).

There were no incidents of corruption during the year. There were no incidents of non-compliance with laws and regulations resulting in significant fines or sanctions in 2017.

Moving forward, Amara targets to maintain zero non-compliance with laws and regulations, including environmental regulations that will result in significant fines or sanctions in 2018.