SUSTAINABILITY REPORT 2018

Our Vision

At the Group, we aspire to deliver memorable experiences for our guests and continue to grow responsibly and in a sustainable way.

Our Mission

At the Group, we strive to satisfy and delight our guests, and understanding the opinions, needs and desires of our stakeholders in the development of our business strategy, products and services. We believe in conducting business with the highest level of integrity, respecting history and heritage, and maintaining high standards in every aspect of our business. These permeate throughout our governance and management values, and align with the principles of sustainability, so we may seek a positive social, economic and environmental benefit for our stakeholders and the local communities where we operate.



BOARD STATEMENT

The Board is committed in its sustainability efforts in addressing Environmental, Social and Governance ("ESG") factors that are material to its business. In line with our sustainability vision and mission, we consider ESG factors material to the Group and stakeholders in the formulation of the Group's strategy.

The following set out the priorities for the Group, as well as for our stakeholders (shareholders, guests, colleagues, local community, etc.):

Responsible Business: We strive to conduct our business with integrity in building a sustainable business that deliver long-term value and growth to all our stakeholders.

Customer Privacy: With guests as our focal point, we strive to treat our guests' privacy and their data safely, respectfully and fairly.

Environment: We strive to minimize our properties' operational impact on the environment through resource conservation and best practices.

- Energy
- Water
- Waste

We are pleased to present our sustainability report for the fiscal year 2018 with reference to the GRI sustainability reporting guidelines; the report reflects the operational performance of our Grand nest Hotel in Zhuhai, China.

OUR SUSTAINABILITY JOURNEY

We take pride in creating memorable experiences in our hotel while operating sustainably and creating economic opportunity wherever we do business.

We are committed to making a difference in the communities where our guests and colleagues live, work and play. We continue to work diligently to minimize the environmental impact on our hotel and we stress the importance of being a responsible business and follow the principles of sustainability across our operations.

We seek creative and innovative ways to meet the needs of our guests while maintaining high standards in every aspect of our business, from environmental to social sustainability.

As we embark on this journey, we strive to continuously identify, address and manage key material ESG factors of the business and shall review them on an ongoing basis, so as to help achieve and build a sustainable business for the interests of all stakeholders over the long term.

RESPONSIBLE BUSINESS

Our commitment to serve our guests, associates, the environment and communities is an important part of our company culture and is integrated into how we do business. The Group applies the following principles to the work we do in building a sustainable business that deliver long-term value and growth to all our stakeholders.

Guiding Principles:

- Responsible Business: Conduct business in a manner that is honest, transparent, environmentally responsive and ethical.
- Integrity: Embed integrity into our decisions so as to align with our strategic goals and benefit our stakeholders and the environment.
- Equality and Respect: Conduct business with ethical conduct, which supports equality and respect.
- Focus on our People: Provide our people with opportunities to succeed, grow and give back to their communities.

- Innovation: Use dynamic thinking and innovative technology to enhance the memorable experience, while adapting and responding to the changing market and global environmental issues.
- Resource Efficiency: Minimize the negative impact of our operations.
- Sustainable Growth: Grow our operations in a sustainable manner that benefit the environment for years to come.

CUSTOMER PRIVACY

We respect our guests' privacy and is committed to treat our guests' personal information safely, respectfully and fairly based on the following principles:

Guiding Principles:

Transparent collection and choice

 We will try to explain what personal information is to be collected and give a choice when appropriate.

Don't collect more than we need

• We only collect personal information that is essential for us to serve the guest and if the law requires us to do so.

Use of data

• We will try to explain what we use the personal information for.

Limited sharing of data

 We only share personal information with authorized third parties, we provide them with only the necessary information for them to complete their functions so that we may deliver or fulfil a service to the guest; except for cases where we are required or authorised by law. • We do not sell personal information to third parties.

Security

- We take reasonable precautions to protect the security of the data collected. These include the security of the information stored on computers or in offices or archives and to prevent unauthorised access, modification, use or disclosure, and back-up systems to prevent accidental or malicious loss of data or information.
- Target to have no data breach.

How to address concerns

 We provide an avenue where the guest can write to us to address concerns over personal information collected.

ENVIRONMENT

The Group is committed to environmental protection and sustainability. We strive to minimize our properties' operational impact on the environment through resource conservation and best practices.

In delivering this commitment, our goals are to:

- Educate and inspire our guests and associates to conserve and preserve.
- Work diligently to minimize our waste stream and conserve natural resources, particularly through energy and water conservation, and minimize usage of single-use plastics.
- Address environmental challenges through energy and water conservation best practices.
- Value the natural and cultural heritage of our properties, allowing us to give our guests an authentically local experience.
- Comply with all applicable environmental legislation and strive to follow best environmental practices.

Environmental Sustainability:

- Make environmental considerations an important aspect of decision-making.
- Consider the opinions and feedback of our guests when examining our environmental programs and procedures.
- Target to reduce energy and water consumption by up to 5% by 2022 for each occupied room/day basis.
- Target not to offer plastic straws, as well as the phasing out the use of single-use plastic stirrers, cutlery, cups, bowls and plates (unless guests specifically ask for them) at the restaurant, bar and rooms by the end of 2019.

Responsible management of natural resources in our hotel operations is a part of our business. With the changing climate and increased stresses on natural capital and resources, an ever-growing number of guests, associates and stakeholders want to be informed about and engaged in our efforts to operate our hotel more sustainably.

ENERGY

We work to reduce energy intensity at our hotel through identifying and implementing best practices at the property level; besides using energy efficient lighting and equipment, we are committed to making our properties as energy efficient as possible.

Examples of Energy Conservation Practices:

- Use low energy light bulbs, such as florescent and LED, wherever possible. These bulbs use up to 80 percent less energy than incandescent light bulbs.
- During room cleaning and turnover, open curtains whenever possible to let sunlight in the rooms during the cleaning work, so that a lamp should be lit only in dark areas, such as a bathroom.
- Keep windows closed and curtain drawn. The ingress of hot air during the summer and cold air during the winter contribute to significant waste of energy.
- Turn off room's lights, appliances, aircon, heaters, etc. when not physically occupied.
- Educate guests and staff to turn off lights and appliances, in rooms and public areas, when not in use.

- Front Desk staff book rooms in clusters, so that only occupied building areas or wings need to be heated or cooled.
 Rooms on top floors, at building corners, and facing west (in summer) or north (in winter) can be the most energy-intensive to heat or cool; therefore, consider renting them last.
- During lower occupancy period, try to block complete floor. If this is not practical, attempt should be made to block total wings of each floor.
- Lobby main entrance doors are not to be kept opened unduly. A door opening will result in ingress of hot air during the summer and cold air during the winter, thus contributing to significant waste of energy.



WATER

In the pursuit of water conservation at our hotel, we have identified and implemented best practices to enhance the efficient use of water at the hotel we manage; besides using low-flow faucet and toilet fixtures, etc. to reduce water usage.

Examples of Water Conservation Practices:

- Ensure that staff are trained to know how to prevent excessive water usage while cleaning. For instance, they should know how many times they should flush the toilet, to mop rather than hose the floor, not to leave the taps running when carrying out cleaning.
- Use of low flow shower heads. These provide a good quality shower experience while using only 10 litres per minute.
- Use of low flow faucets. These typically have a maximum flow of 4 to 6 litres per minute.
- Use of low flow toilets. These toilets can use up to 80 percent less water than conventional toilets.

- Implementation of re-use of linen/towel program where guests are informed that we will not change linens or towels daily unless they request the service.
- Routinely check for leaks and fixing them in a timely manner.
- Pre-soaking utensils and dishes before washing.
- Wash vegetables and fruits in a sink of water rather than using running water to rinse.

WASTE

We work to reduce waste intensity at our hotel through identifying and implementing best practices at the property level.

We understand plastics accumulating in our oceans and on our beaches have become a global crisis. Billions of pounds of plastics can be found in swirling convergences that make up about 40 percent of the world's ocean surfaces. At current rates, plastics are expected to outweigh all the fish in the sea by 2050.

In joining the global fight against plastics use, we have committed to the following as part of our continuous journey to undertake sustainable practices to reduce plastic waste:

- use dispensers for soaps and shampoos in bathrooms.
- not to offer plastic straws, as well as the phasing out the use of single-use plastic stirrers, cutlery, cups, bowls and plates (unless guests specifically ask for them) at the restaurant, bar and rooms by the end of 2019.

PERFORMANCE

Environmental Performance Indicators

In 2018:

1. Electricity: The absolute energy consumption for the hotel operations totalled 1,257,992 kWh; and the Energy intensity is a normalised measure of energy intensity per occupied room/day is 14.03 kWh.

Energy Usage					
	Total	Per Occupied	Change from 2017		
	Consumption	Room/day	(Per Occupied		
KPI	(kWh)	(kWh)	Room/day)		
2017	1,279,246	14.10	-		
2018	1,257,992	14.03	- 0.496 %		

2. Water: The absolute water consumption for the hotel operations totalled 21,485 cubic metres; and the Water intensity is a normalised measure of water consumption per occupied room/day is 0.298 cubic metres.

Water Usage			
	Total	Per Occupied	Change from 2017
	Consumption	Room/day	(Per Occupied
KPI	(cubic metres)	(cubic metres)	Room/day)
2017	22,245	0.299	-
2018	21,485	0.298	- 0.334 %

PERFORMANCE

- 3. Waste: In joining the global fight against plastics use, we have taken steps to reduce plastic waste:
- use dispensers for soaps and shampoos in bathrooms.
- not to offer plastic straws, as well as the phasing out the use of single-use plastic stirrers, cutlery, cups, bowls and plates (unless guests specifically ask for them) at the restaurant, bar and rooms.
- 4. Customer Privacy: There are no reported cases of customer privacy breach.



FEEDBACK

We hope you find this report informative, and we welcome your input and views: <u>ir@ipc.com.sg</u>

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