



United Industrial Corporation Limited

## SUSTAINABILITY REPORT 2017







## CONTENTS

1	About this Sustainability Report
2	CEO's Statement
3	Sustainability Highlights for 2017
4	Economic Performance
5	Materiality
7	Our Stakeholders and Partners
9	Governance for Sustainable Growth
12	Environment
17	Health and Safety
19	Product and Service Quality
20	Our People
22	Talent Attraction and Retention
23	Community
24	GRI Content Index

## ABOUT THIS SUSTAINABILITY REPORT

Welcome to UIC's inaugural Sustainability Report. This report has been prepared in accordance with Global Reporting Initiative ("GRI") Standards: Core option.

This report covers our commercial offices, retail properties and residential projects in Singapore, where we are headquartered, which represents 80% of our revenue and 89% of our assets. For this reporting cycle, we have not included overseas investments in China and the United Kingdom, as well as the information technology business. We hope to expand our reporting scope and include our hospitality business for FY2018.

From 2017 onwards, we will report annually on our material sustainability issues, performance and practices for the period between 1 January to 31 December. Further details on the approach, boundary and scope of this Sustainability Report can be found in the GRI Content Index on page 24.

We welcome feedback on our Sustainability Report and practices. Please contact us at **[sustainability@uic.com.sg](mailto:sustainability@uic.com.sg)**.

This report is currently not independently audited. We hope to seek assurance for our Sustainability Report in the coming years.

## CEO'S STATEMENT

We are pleased to present UIC's Sustainability Report which meets the requirements of both the Singapore Exchange as well as the GRI Standards. With the support of the UIC Management Sustainability Committee, the UIC Board has approved this report and the key material sustainability issues identified in this report. We strive to improve our sustainability practices in the coming years. Through regular reporting of our progress, we will review our performance to ensure our approach remains relevant and effective.

In a rapidly changing business environment, strong symbiotic relationships with stakeholders and strategic sustainability efforts will enhance our overall business operations. Focusing on sustainability factors from a risk management point of view and using innovative strategies will allow us to leverage on new business opportunities, minimise risk and overcome social and business challenges.

We seek to continuously improve UIC's performance in key sustainability areas. In 2017, we implemented robust performance tracking and monitoring systems. Targets were set for all our key material issues. Conservation initiatives at our office and retail properties reduced energy and water use in 2017 by 5.5% and 1.9%, respectively.

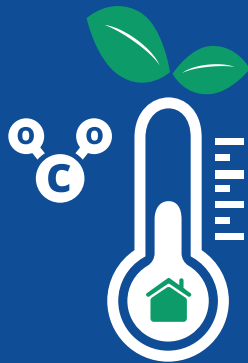
Since conducting a thorough review of our risk management procedures three years ago, we have improved UIC's safety practices. All main contractors require OHSAS 18001 certification before appointment for our development projects. In 2017, the Accident Frequency Rate ("AFR") for development projects reduced to 0.2 from 2.2 in 2016, and the Accident Severity Rate ("ASR") reduced to 2.1 from 5.1. These indicators are below the national average.



**LIM HOCK SAN**  
President/CEO

May 2018

## SUSTAINABILITY HIGHLIGHTS FOR 2017



Building Green House Gas (**GHG**)  
emission intensity **reduced by**  
**5.5%** from 2016



Accident Frequency Rate  
(**AFR**) and Accident Severity  
Rate (**ASR**) significantly  
lowered in 2017, **to 0.2**  
**and 2.1**, respectively

Building water intensity  
**reduced by 1.9%**  
from 2016



Publication of  
UIC's Inaugural  
**GRI Sustainability**  
**Report**

All main  
contractors  
are required  
to be **ISO14001**  
**and OHSAS**  
**18001 certified**



More than **doubling**  
**of Average Training**  
**Hours** per Employees  
in 2017

## ECONOMIC PERFORMANCE



UIC aims to conduct its business in a sustainable manner, while generating value for UIC's stakeholders.

Five-year financial performance for the group	2013	2014	2015	2016	2017
Revenue (\$m)	610	693	807	1,037	1,292
PATMI (\$m)	316	398	261	286	301
Gearing ratio	16	26	21	18	7
Return on equity (%)	6	7	4	5	5
Total assets (\$m)	8,182	8,489	8,538	8,622	8,259
Earnings per share (cents)	22.9	28.7	18.6	20.2	21.1

## MATERIALITY



With a wide range of matters, we had to prioritise and focus on the issues that matter most to our stakeholders. Material issues are factors that could potentially influence our ability to achieve our strategic objectives and create value for our stakeholders. We have determined UIC's key Environmental, Social and Governance ("ESG") issues by conducting a materiality assessment workshop facilitated by an external sustainability consultant. The materiality analysis was useful in determining the content of this Sustainability Report. This ensures that the report covers the topics that are of the greatest importance with regard to UIC's business environment, the nature of its projects and operations, and their economic, environmental and social impacts. These material issues have been weighed and chosen as issues that offer us opportunities as well as pose risks to our short-term and long-term business. Hence, managing these issues is imperative for us.

The process of identifying the key material issues has incorporated the AA1000 Accountability Principles Standards and GRI's steps for defining report content.

Identification involved research into external industry expectations, peer reviews and benchmarking and input from senior management. Materiality screening was conducted for the UIC Group as a whole, but for this

inaugural report, only the practices and performance of our Singapore portfolio was taken into account. For example, we determined 'Service Quality' as a key issue for the hospitality business, which will be covered in sustainability reports in the coming years when we expand the scope of our reports. The identified issues were prioritised during a workshop that was attended by senior management and the heads of department of finance, marketing, audit, corporate affairs and human resource from across our business portfolio. Based on this prioritisation, the material issues were classified as Tier 1 issues, which are critically important issues, and Tier 2 issues, which are issues of high importance. The Board has approved this report that covers the material issue and their performance indicators.

In addition to the above, we will continue to keep abreast of the changes in our business environment and further review these material issues at an appropriate time. We hope to engage external stakeholders further in the process.

At UIC, we have determined the boundary of each of our material issues as outlined in the table below. The ESG material topics apply to all operations of UIC business, except for Service Quality which applies to Hotel Operations only.

## MATERIALITY

Sustainability across our Value Chain					Boundary of our Material Issues	
Key Material Issues					Where the Impacts Occur	Involvement
Economic Performance					•	✚
Compliance & Fair Competition					•	✚
Corruption & Bribery					•	✚
Data Privacy					•	✚
Product Quality					•	✚
Health & Safety					• / ◎	✚ / ➤
Service Quality					•	✚
Climate Change & Carbon Footprint					• / ◎	✚ / ➤
Talent Attraction & Retention					•	✚
Water Consumption					• / ◎	✚ / ➤
Land Acquisition	Design Development	Construction/ Refurbishment/ Redevelopment	Leasing, Property Management	Procurement	Geographic location: Singapore Internally: • UIC's business relations: ◎ Direct involvement: ✚ Indirect involvement: ➤	
Regulators Community	Regulators Business partners	Regulators Community Business partners	Regulators Customers	Suppliers		



## OUR STAKEHOLDERS AND PARTNERS



UIC strives to create value for all our stakeholders who expect high-quality performance from our real-estate portfolio. Stakeholders are defined as groups of people or entities that are directly or indirectly influenced by our business operations and the impacts resulting from these operations, or can significantly influence our business or operations. Through our materiality workshop in 2017,

UIC has formally identified its key stakeholders. Our main stakeholder groups comprise of our business partners, customers, employees, regulators, investors and local communities in which we operate. See below for more details on objectives, forms of engagement and key topics of concern that are addressed by UIC.

Stakeholders <sup>1</sup>	Forms of Engagement Platform and frequency	Key Topics of Concern <sup>2</sup>
Business Partners	<ul style="list-style-type: none"> <li>Email and phone communication</li> <li>Bi-weekly meetings with contractors</li> <li>Weekly or daily site visits</li> </ul>	Improve planning and communication, meet safety expectations, resolve issues
Communities	<ul style="list-style-type: none"> <li>Ad hoc meetings</li> <li>Feedback channel</li> <li>Annual staff volunteering</li> <li>Sponsorship</li> <li>Ad hoc media relations</li> <li>Ad hoc printed communication (Flyers)</li> </ul>	Engage communities, receive feedback, foster partnerships and sponsorships for event and programmes
Customers (owners, tenants, shoppers and general public)	<ul style="list-style-type: none"> <li>Customer service channels</li> <li>Email and phone communication</li> </ul>	Service quality, defects' feedback, technical assistance to tenants.
Employees	<ul style="list-style-type: none"> <li>Annual performance reviews</li> <li>Events</li> <li>Email and phone communication</li> <li>Intranet</li> </ul>	Updates from management, human resources issues, career progression, team building
Investors	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Quarterly Results and announcements released on SGX- ST counter</li> <li>Annual Report</li> <li>Email and phone communication</li> <li>Corporate website</li> </ul>	Economic performance, Investment opportunities
Regulators	<ul style="list-style-type: none"> <li>Briefings</li> <li>Site inspections</li> <li>Renewal of government approvals</li> <li>Consultations with statutory bodies</li> </ul>	Compliance with all relevant laws and regulations, submission of required documentation, addressing issues promptly

<sup>1</sup> GRI 102-40 List of stakeholder groups

<sup>2</sup> GRI 102-44 Key topics and concerns raised

## **OUR STAKEHOLDERS AND PARTNERS**

### **VALUE CHAIN**

UIC is working towards implementing sustainability practices along UIC's value chain. We see this as an investment in the future of our business and its longevity. It is our way of establishing sustainability practices as part of the organisation and beyond. We obtain the products and services required for our property business and corporate office from mainly local suppliers and consultants. For development projects, we engage both local and international contractors in collaborative partnerships, particularly for issues such as safety.

We remain connected with relevant local communities and businesses through UIC's memberships in Singapore Institute of Directors, Real Estate Developers' Association of Singapore, Singapore Business Federation, Singapore National Employer Federation, Real Estate Information System and the Singapore Green Building Council.

# GOVERNANCE FOR SUSTAINABLE GROWTH



## GOVERNANCE

UIC complies with the Code of Corporate Governance 2012 and the corporate governance policies and practices therein. For details on these processes, please refer to our Annual Report which sets out our Board and Board committee composition and selection process, remuneration and compliance matters.

As part of our sustainability reporting initiative, we have set up a Sustainability Steering Committee ("SSC") which reports to our Risk Management Committee. The SCC makes key decisions concerning sustainability and ESG practices for UIC. SSC and Risk Management Committee meetings are held every quarter, or more often if required.



We have policies in place that help us provide a framework upon which we implement our principles. Some of these policies include the UIC Employee Code of Conduct, Whistle-Blower Protection Policy, Anti-bribery, Competition Law Compliance and Declaration of Conflict of Interest. We also have a conflict of interest and corporate gifts policy that details the restrictions on engaging in self-rewarding business. UIC has a whistle blowing policy detailed in our employee handbook. We

also have a confidential information policy through which all employees must observe strict secrecy in all matters relating to the business and affairs of the Company. Additionally, we have an Occupational Health and Safety ("OHS") policy that sets out the objective and actions for maintaining health and safety standards within the organisation. All main contractors are required to be OHSAS 18001 certified for our development projects.

## GOVERNANCE FOR SUSTAINABLE GROWTH

### RISK MANAGEMENT

As part of risk management, UIC supports the precautionary principle by ramping up our efforts to avoid negative impacts such as pollution and attempting to mitigate our impacts on natural resources where possible.

The UIC Group aims to minimise natural and environmental risks by implementing a number of technical and organisational measures, such as setting targets and raising awareness through sustainability reporting.

Our risk register outlines the major health and safety risks that are present within the organisation. As we pursue a sustainable, long-term growth path, we will strive to work towards a 'risk-aware' culture with the risk register and risk management programme for our businesses and operations.

The main sustainability issues facing UIC are discussed by the SSC and proposed solutions are presented to the senior management. Please refer to our Annual Report for more details on UIC's audit process.

### ECONOMIC PERFORMANCE

We recognise that the lasting success of any organisation is based increasingly on acting responsibly and ensuring social acceptance by various stakeholders. UIC's economic performance has a positive impact on the internal and external environment of the organisation. Our Singapore-based business contribute to the economy of Singapore by creating homes, retail spaces, jobs during construction and use, through the taxes paid by UIC and overall contributions to the economy of the country. UIC's business growth and economic performance positively impacts its employees as we provide continued employment opportunities. For more details on our Financial and Economic Contribution, refer to page 4.

### COMPLIANCE AND FAIR COMPETITION

As part of UIC's goal of providing quality products and services, we emphasise on compliance and fair competition. To avoid violations of regulations and our internal policies and codes, employees are kept fully informed of the instruments and measures used by our compliance team through our intranet, where employees can find compliance-related information and have access to training materials.

As a responsible developer, UIC has identified compliance and fair competition as a priority and a key material issue. In 2017, there were no incidences of regulatory non-compliance. This includes compliance with environmental laws, codes and regulations and fair competition. Our target for FY2018 is to continue this approach.

We practise ethical marketing of our products and services, including the marketing of residential projects, commercial leasing and serviced apartment sales. As such, we adhere to the Singapore Code of Advertising Practice and relevant rules and regulations that apply. In addition, we also adhere to the UIC Group policy on Public Affairs / Communications / Brand. In 2017, there were no incident of non-compliance and no substantiated complaint regarding breach of ethical marketing, communication or customer privacy.

### ANTI-CORRUPTION AND BRIBERY

At UIC, we take a strong position against corruption. New employees at all levels are required to declare conflicts of interest. They are also briefed on our anti-corruption policy and whistle-blowing procedures during their orientation. Our whistle-blowing policy is communicated to all staff and provides a robust channel for stakeholders and employees to report improper conduct by any of our employees. Investigations are carried out and appropriate remedial actions taken where required. All recorded cases are reported to the Group's Audit Committee.

## GOVERNANCE FOR SUSTAINABLE GROWTH

In addition, all employees were reminded of UIC's Code of Conduct, Whistle Blower Protection Policy, Anti-Bribery Policy, Conflict of Interest and Insider Trading policies during our annual briefing in 2017.

We aim to assess all of our operations for risks relating to corruption. We target to achieve full compliance. During 2017, there were no reported cases of corruption at UIC.

We recognise the need to communicate our firm stance on compliance, fair competition, anti-corruption and anti-bribery with our business partners, as incidences may occur externally.

### DATA PRIVACY

UIC meets all data protection requirements when handling personal data from its customers, prospects, employees and business partners. Our Personal Data Protection Policy guides our employees to ensure data confidentiality in all matters relating to the business and affairs of the Company and its stakeholders. We ensure that our employees are aware of how data and information is to be handled. UIC updates its Personal Data Protection Policy as required to ensure that it is consistent with our future developments, industry trends and/or any changes in the Singapore Personal Data Protection Act. We target to achieve full compliance and zero complaint. There were no breach of the Personal Data Protection Act at UIC in 2017.



## ENVIRONMENT



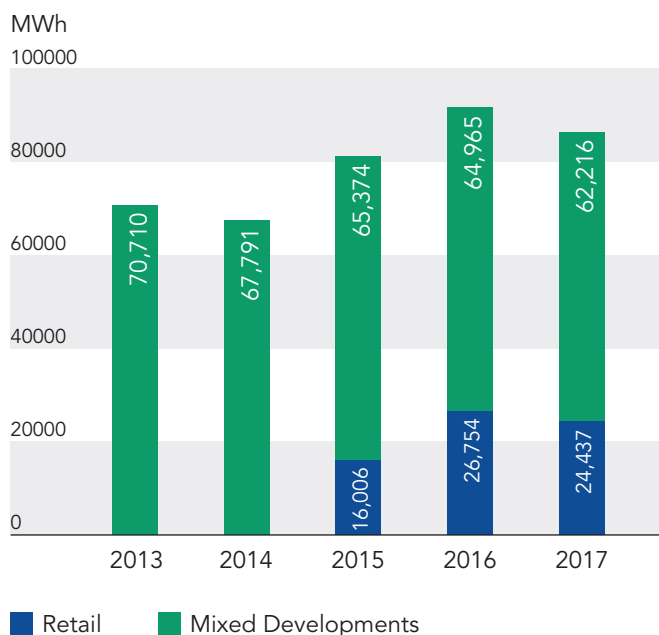
### CLIMATE CHANGE AND CARBON FOOTPRINT

As a property developer and manager, we are cognisant that buildings contribute to global energy use and greenhouse gas emissions. UIC is committed to addressing climate change through the reduction of its energy consumption and other carbon emission outputs in its business operations. We seek to improve our energy efficiency in the most feasible manner to reduce and mitigate our total emissions and operating costs. By integrating energy efficiency considerations into the design and construction of our buildings as required for Green Mark Certifications, we can also help to reduce

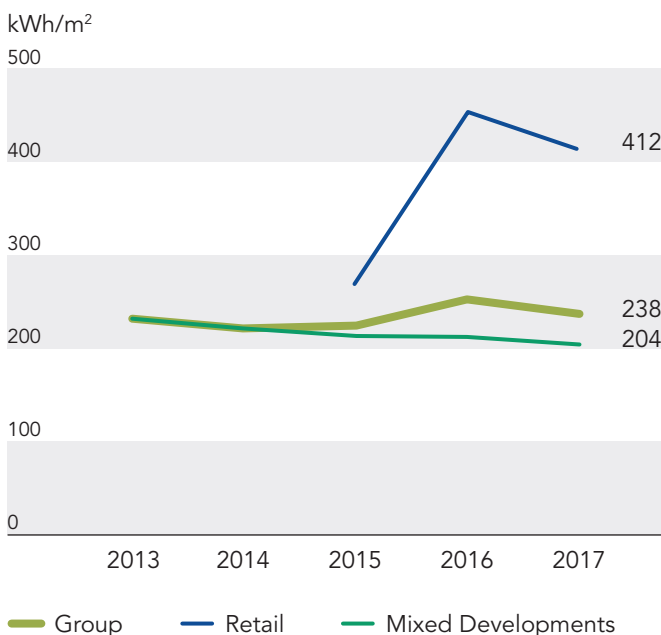
the energy buildings requirements of the buildings and electricity expenditure of our tenants and residents. We have set targets to reduce our Green House Gas ("GHG") emission, energy and water intensities at UIC's investment properties and development projects<sup>3</sup>.

We have put in place a data monitoring system in 2017 to track and monitor our environmental performance at our investment properties and development projects. This includes recording the Company's GHG emission, energy and water intensities to enable us to benchmark and set targets that are independent of business growth<sup>4</sup>.

#### BUILDING ENERGY CONSUMPTION



#### BUILDING ENERGY INTENSITY BY GFA



<sup>3</sup> Environmental performance data includes UIC's investment properties and development projects in Singapore, excluding Marina Square Hotels. Environmental data also includes the properties and various joint venture projects with UOL Group. Electricity consumption figures for some properties have been rounded. Data for tenant's consumption are included for retail properties only.

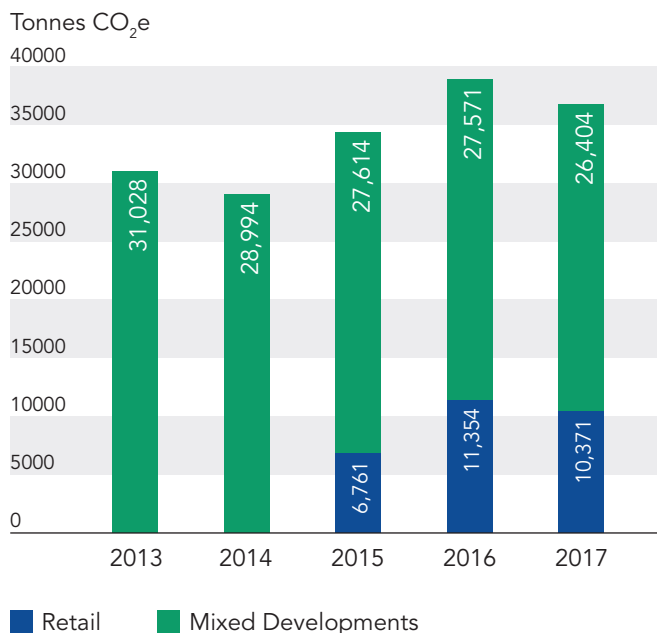
<sup>4</sup> The denominator for GHG emissions, energy and water intensities for investment properties is the total gross floor area.

## ENVIRONMENT

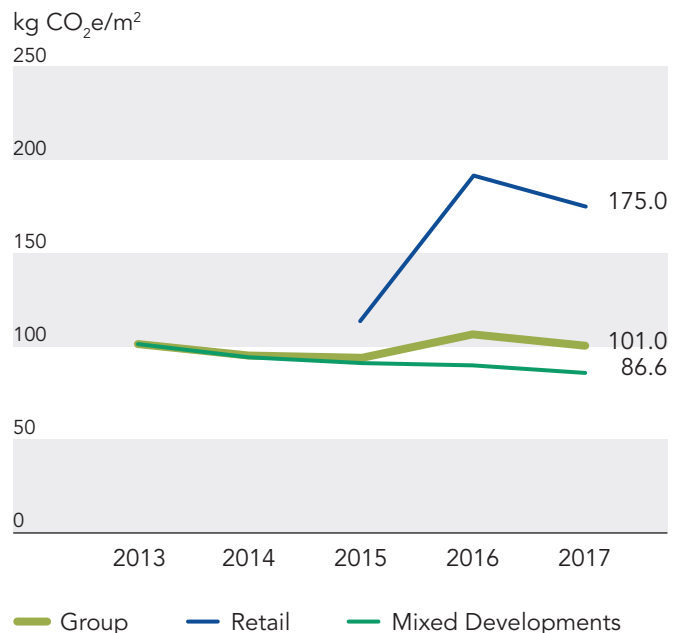
In 2017, the building energy consumption and energy intensity at UIC's investment properties decreased by 5.5% (compared to 2016) to 86,653 MWh and 238 kWh/m<sup>2</sup>, respectively. Efforts to conserve energy and reduce emissions include replacing two chillers with more efficient models at our retail properties, fine tuning chilled water balancing to match building cooling load and replacing old fan coils to improve efficiency. For one of our retail malls, the close monitoring of chilled water header temperature set-point to match building cooling load led to a reduction in energy use of approximately 3,600 kWh per month<sup>5</sup>.

The building GHG emissions and emission intensity were 36,775 tonnes of CO<sub>2</sub>e and 101 kg of CO<sub>2</sub>e/m<sup>2</sup>, respectively, in 2017<sup>6</sup>.

### BUILDING GHG EMISSIONS



### BUILDING GHG INTENSITY BY GFA



<sup>5</sup> Based on metered energy consumption and assuming energy saved per day x 30 days/month.

<sup>6</sup> Greenhouse Gas Protocol emission factors from March 2017 cross sector tools were used to derive greenhouse gas equivalent emissions from diesel. Gases included in the calculations are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. Electricity consumption was converted to greenhouse gas equivalent emissions using the Singapore electricity grid emission factor from 2013 and 2016, published by the Energy Market Authority.

## ENVIRONMENT

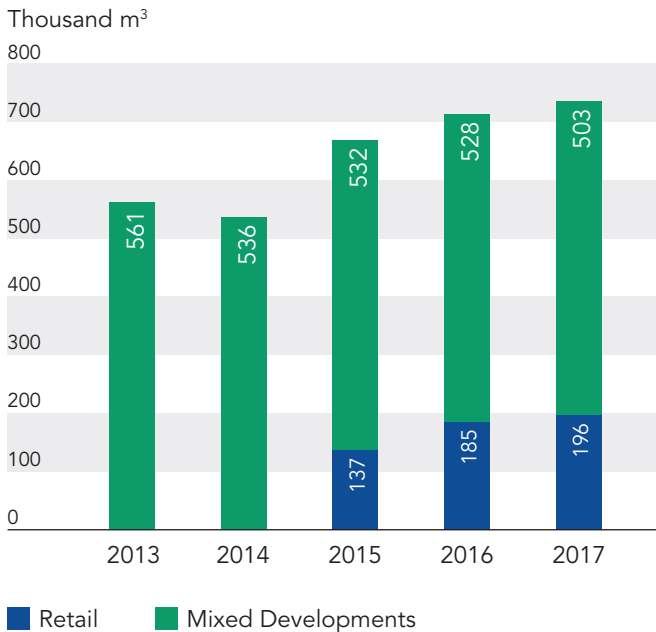
### WATER CONSUMPTION

Water is a precious resource in Singapore, therefore we focus on minimising water consumption during our operations and business activities. We have implemented initiatives which reduced water use, such as promoting water-saving practices, adoption of water-efficient technologies and equipment, as well as process improvements.

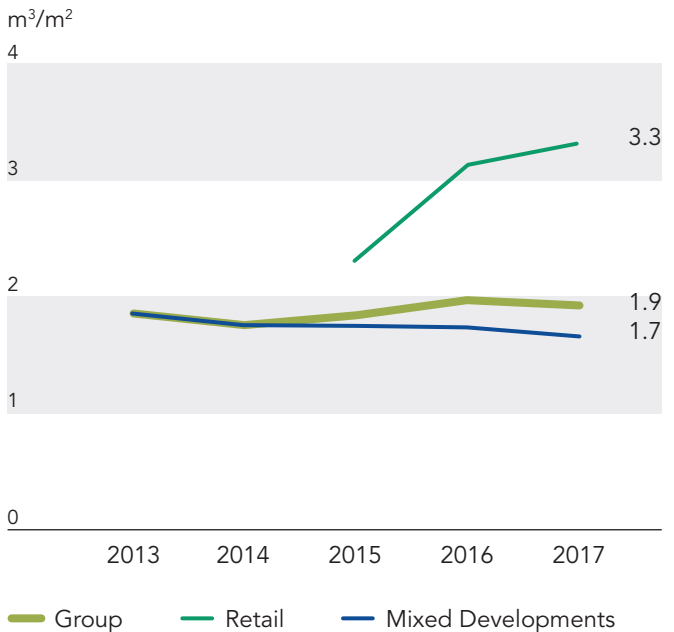
In 2017, the total building water consumption at our investment properties was 699,819 cubic metres. Building water intensity reduced by 1.9% to 1.9 m<sup>3</sup>/m<sup>2</sup> in 2017 from 2016. At UIC, water is sourced from the mains supply provided by Public Utilities Board of Singapore.

In 2018, we will continue to monitor our environmental footprint from initiatives implemented.

#### BUILDING WATER CONSUMPTION



#### BUILDING WATER INTENSITY BY GFA



## ENVIRONMENT

### DEVELOPMENT PROJECTS<sup>7</sup>

Energy consumption for development projects are from electricity and diesel. In 2017, total energy consumption was 5,222 MWh and energy intensity was 32.9 kWh/\$'000<sup>8</sup>. GHG emissions and GHG emission intensity were 1,759 tonnes of CO<sub>2</sub>e and 11.1 kg CO<sub>2</sub>e/\$'000 respectively in 2017. GHG emissions increased by 75% from 2016 to 2017. The reason for this increase was due to the reduction in productivity which is common during the tail end of construction.

Development Projects	2013	2014	2015	2016	2017
Electricity Consumption (in MWh)	106	598	1,298	3,486	2,321
Diesel consumed (in MWh)	759	5,374	9,142	5,312	2,901
Total Energy consumed (in MWh)	865	5,972	10,440	8,798	5,222
Total GHG emissions (in tonnes of CO <sub>2</sub> e)	249	1,690	2,987	2,897	1,759
Scope 1 emissions (in tonnes of CO <sub>2</sub> e)	203	1,434	2,439	1,417	774
Scope 2 emissions (in tonnes of CO <sub>2</sub> e)	46	256	548	1,480	985
GHG intensity by value of work completed (kg CO <sub>2</sub> e/\$'000)	6.0	15.4	14.7	13.2	11.1
Total water consumed (thousand m <sup>3</sup> )	8,051	45,768	14,039	43,247	26,149
Water intensity by value of work completed (m <sup>3</sup> /\$'000)	195.5	417.5	69.2	197.2	164.9
Value of work completed (in \$'000)	41,177	109,625	202,985	219,272	158,621

<sup>7</sup> The development projects consist of 6 developments, of which 100% of the GHS emissions are reported. For one development, Thomson Three, UIC owns 50% in a joint venture with UOL Group. UIC owns 50% of another joint venture development with UOL Group, Archipelago that is excluded from the data.

<sup>8</sup> Intensities for joint venture development with UOL Group projects are derived using value of work as denominator.

## ENVIRONMENT

### INITIATIVES

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#### Engaging workers at The Clement Canopy for reduced energy consumption

The Clement Canopy is a state of the art 505-unit condominium, developed using the highly sophisticated Prefabricated Prefinished Volumetric Construction methodology. When it is completed in FY2019, it will be the tallest residential building in the world using this new method of construction. This development is jointly developed by UIC and UOL Group.



By engaging with the main contractors, we are able to roll out initiatives which will help to lower energy consumption during the construction phase. Some of these initiatives include raising workers' awareness on energy consumption through training, installing a control switch for every room in the workers' quarters to turn off the power and the prevailing policy is to demand that all site equipment should be shut down when not in use. In addition, manpower is greatly reduced on site and all pre-fabrication and pre-finishing are done off-site in a factory-like environment and only brought to site to be assembled. This approach has resulted in a safer environment for the workers and productivity recorded thus far is up by 50%. We expect to save 15% of the construction time and this in turn will result in lower energy used in the overall project.

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We endeavour to continue contributing to green and environmentally friendly living. UIC has been awarded the Green Mark award from the Building and Construction Authority ("BCA") for several residential and commercial properties (see Product Quality on page 19). Energy use and efficiency have improved with the engagement of an energy audit expert in 2016. UIC supports green initiatives

in our offices and encourages staff to be environmental friendly by saving electricity and water, and recycling. UIC will also start tracking energy use at our corporate office in Clifford Centre for FY2018. We will strengthen our processes to review our environmental performance against these targets and for benchmarking, based on our quarterly data tracking.



## HEALTH AND SAFETY



Health and safety is a key business challenge and risk in our industry. We are committed to applying a positive and proactive health and safety culture across all areas of our business. Safety issues at our development projects are assessed regularly at management meetings and adequate controls are put in place to minimise these exposures. Our risk assessment procedures were reviewed three years ago.

### WORKPLACE HEALTH AND SAFETY

The Company Emergency Response Team has been set up in various buildings to prepare employees in the event of an emergency. Regular fire drills are conducted. For project management, contracting partners present safety reports and address issues. Risk assessments are carried out to ensure that all control measures are implemented prior to any work activity.

Occupational health and safety data is tracked and reviewed on a regular basis. This not only includes incidents and near misses, but also includes occupational diseases, lost time due to injuries, AFR and ASR, hazards for all directly employed staff and contractors working on-site (see below). We have an 'Incident Investigation and Reporting' procedure in place to record health and safety incidents. A Health and Safety report is generated each time an incident occurs and the reasons are analysed in detail to ensure it is not repeated. For customers, UIC discloses health and safety data, including injuries and fatalities. We take all possible measures to focus on prevention and to ensure accidents do not occur.

Our procedures require each Health and Safety incident to be reported to management. We carry out regular reviews and evaluations of our operations and processes, as well as conduct annual audits on our properties

to ensure compliance with legal requirements. The Management Safety Committee meets representatives from property management teams to review safety practices and resolve safety-related matters bi-monthly. We implement measures for the improvement of health and safety performance. These measures include training of all new employees in a safety initiation course as part of employee's orientation programme, and raising awareness through exhibitions and evacuation drills.

Findings from our health and safety reviews and reports are discussed by the Safety Management Committee and presented to senior management for review during meetings held on a quarterly basis.

### DEVELOPMENT PROJECTS

For project management, contracting partners are required to present safety reports and address issues in weekly meetings and to take preventive actions where necessary. Contractors are encouraged to report not only on accidents but also near-misses so that actions can be taken to prevent accidents from occurring. Statutory regulations require safety audits to be conducted by external safety consultants twice a year to ensure a safe working environment.

During our selection process, one of the criteria for appointment of a contractor is the OHSAS standard. OHS Policy procedure applies to all operations performed by UIC and the organisation's project sites.

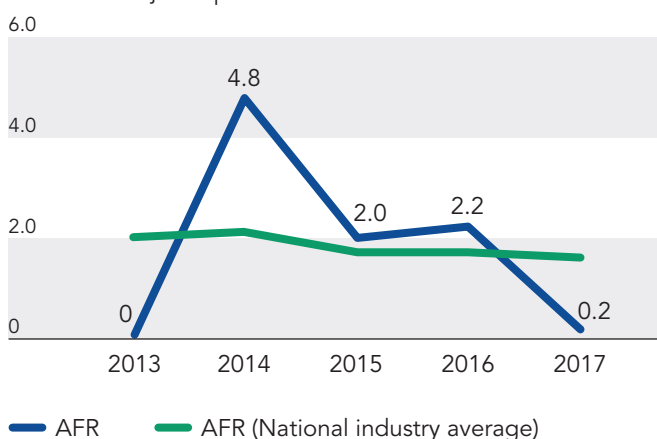
As developers, we operate in a high-risk industry prone to accidents. In 2017, the AFR was 0.2 and our Accident Severity Rate<sup>9</sup> ("ASR") was 2.1. These rates are well below the national industry average.

9 ASR excluding fatalities. In 2015, there was one fatality. Taking the fatality into account, the ASR for 2015 was 1,225.

## HEALTH AND SAFETY

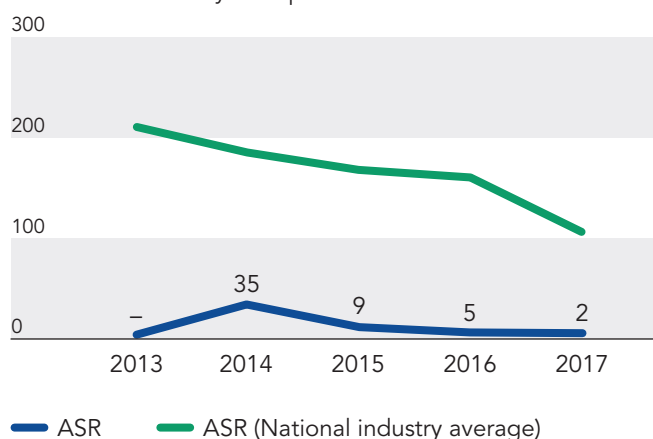
### ACCIDENT FREQUENCY RATE (AFR)

Number of injuries per million man hours



### ACCIDENT SEVERITY RATE (ASR)

Number of man-days lost per million man hours



Health and Safety Statistics	2017	
	Employees	Contractors
<b>Development Projects</b>		
Number of workplace fatalities	0	0
Number of non-fatal workplace injuries	0	1
Number of occupational diseases	0	0
Number of lost days	0	11
Number of man hours worked	1,729,089	3,424,422
<b>Buildings</b>		
Number of workplace fatalities	0	0
Number of non-fatal workplace injuries	2	9
Number of occupational diseases	0	0
Number of lost days	59	n.a.

In 2017, UIC had no incidents of non-compliance with regulations and voluntary codes concerning health and safety at buildings and development projects.

In UIC, we have a strong focus on employee health and well-being. In 2017, the absentee rate for employees was

3.1%. Over the years, we have received several awards for our management's approach and programmes on employee workplace health, including the Singapore Health Award Platinum Award 2014 and Gold Award 2012 for UIC Group of Companies.

## PRODUCT AND SERVICE QUALITY



The Group is committed to the development of environmentally friendly buildings and sustainable features are incorporated at the design stage. UIC's joint venture project with UOL Group, The Clement Canopy, will adopt an advanced construction technology, the Prefabricated Prefinished Volumetric Construction technology (See page 16). The Group's new project developments are subject to BCA's Construction Quality Assessment System and buildability score.

Our residential developments, V on Shenton, was awarded the BCA Green Mark Gold Plus and Alex Residences received the merit award in the Residential Building category. Our mixed-used development, the UIC Building, was awarded BCA Green Mark Gold Plus in the Non-Residential Building category. For all future projects, UIC targets to achieve at minimum a Green Mark Gold award.

UIC takes a comprehensive approach to product responsibility, from the design and development of resilient and environmentally friendly buildings to the provision of a safe environment for tenants, residents and other end-users.

Meeting the needs of our customers is a key aim of our business, and our strategic approach is focused on achieving high levels of customer service and addressing complaints satisfactorily.

We provide our customers with all the information necessary for a prudent and deliberate decision-making process. Essential information is neither concealed nor presented in a misleading manner. In our advertisements, we ensure compliance with all legal requirements. UIC does not sell or provide any products whose sale is prohibited in specific markets.

## OUR PEOPLE



At UIC, we strongly believe that workplace satisfaction and productivity can be enhanced when individuals feel that they are part of an inclusive environment, where their contributions are recognised and valued, and where they feel supported and motivated to do their best. To that end, we value our employees and are committed to human resource policies that help us attract, retain and grow talent, in addition to building a conducive work environment.

UIC's Code of Business Conduct policy sets out the expectation of employees in relation to fraud, bribery, conflict of interest, anti-competitive conduct, harassment, health, safety and environment. This policy is communicated to our employees through the Employee Handbook. Non-compliance with UIC's Employee Handbook results in disciplinary action depending on the nature of the breach.

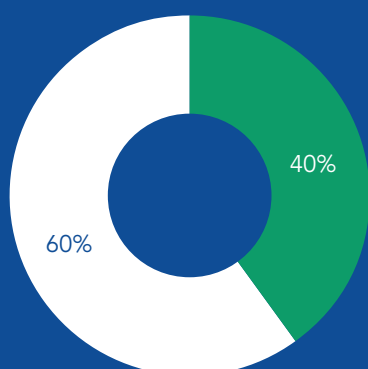
### LABOUR PRACTICES AND EMPLOYMENT

We employ the talent and skills of our local community. As at 31 December 2017, UIC Group's total workforce is 260 employees. In our property business, all of UIC's employees, including senior management, were Singaporeans or Permanent Residents.

We respect all employees' rights to freedom of association and the right to be members of trade unions. Approximately 35% of our employees are covered by collective agreements in Singapore. We contribute to the Central Provident Fund of all our employees in Singapore, which is a comprehensive social security savings plan for retirement.

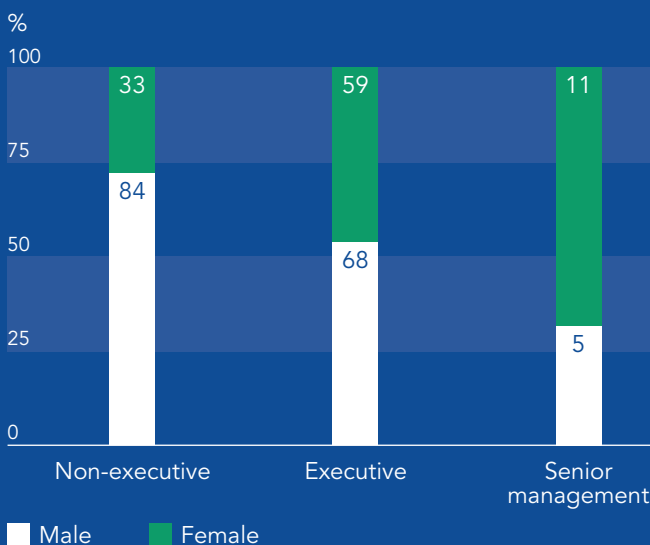
### OUR WORKFORCE

#### GENDER DIVERSITY



■ % Male ■ % Female

#### EMPLOYEES BY CATEGORY AND GENDER



## OUR PEOPLE

### NON-DISCRIMINATION

We are committed to non-discrimination and equal opportunity at UIC. This is supported by our Employee Code of Conduct, which sets the tone of the Group's stance against discrimination on any basis, including ethnicity, gender, religious beliefs, or age. UIC is a signatory to the Employers Pledge for Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices. Employees are hired solely on the basis of individual competencies as well as organisational and job fit.

Opportunities for advancement, promotion and recognition of achievements, compensation, training and other conditions of employment are also based on merit only. In 2017, there were no reported cases of discrimination at UIC.

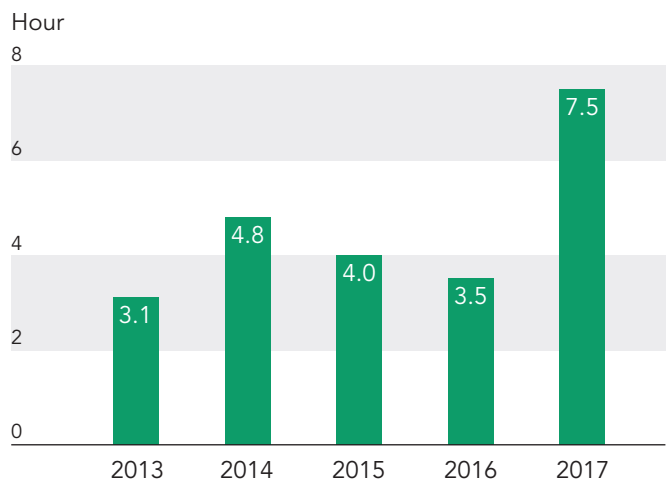
### TRAINING

To enable employees to develop and refine their skills and competencies, we customise learning and development programmes to cater to different career stages and industry needs. This leads to a more empowered, engaged and skilled workforce.

In 2017, our employees received a total of 1,947 training hours with an annual average of 7.6 and 7.3 hours for males and females respectively. We use benchmarking to review our performance, and we recognise that this is an area where we can improve. It is therefore our aim to introduce more training programs for our employees to enhance skills development and complement their on-the job learning through mentoring. We have also set a target to increase the average training hours per employee by 5% in 2018.

Average Training Hours	2017	
Per Employees by Category and Gender	Male	Female
Overall average training hours	7.6	7.3
Non-executive	5.4	0.3
Executive	9.0	11.1
Senior management	25.6	8.1

### AVERAGE TRAINING HOURS PER EMPLOYEE



### REEMPLOYMENT TRAINING

The UIC Group supports re-employability beyond the statutory retirement age. Retirees are offered post-retirement employment opportunities at UIC, in-line with the Singapore Tripartite Guidelines on the re-employment of older employees. As of 31 December 2017, there were eight re-engaged staff.



## TALENT ATTRACTION AND RETENTION



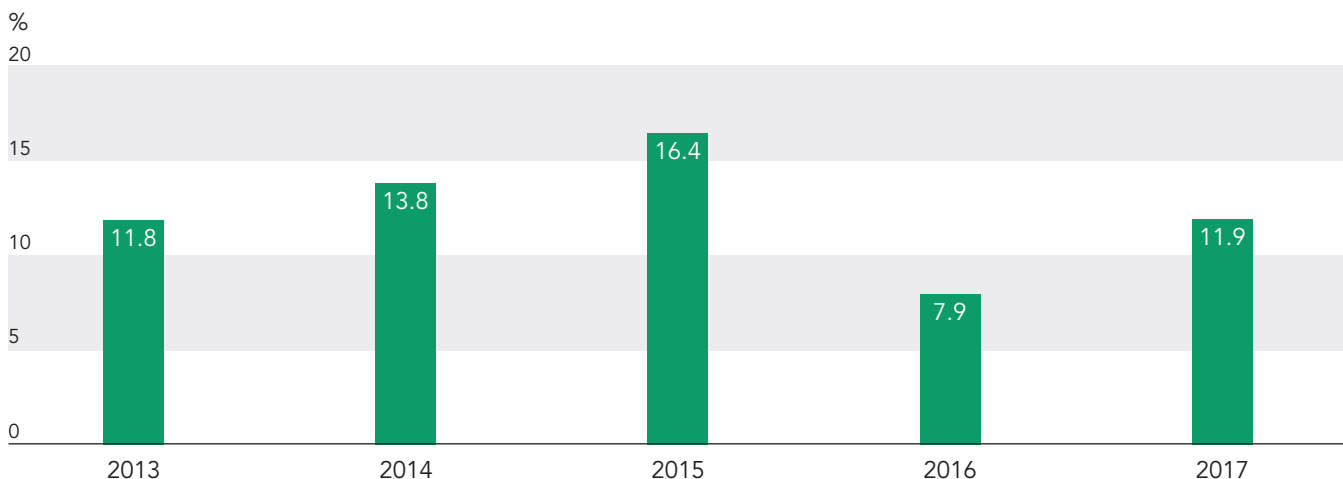
It is important for UIC to attract and retain talent in order to build strengths as well as talent pipelines for leadership succession planning.

At UIC, employee engagement through meetings are a broad measure we use to evaluate staff commitment and motivation at work. These engagements are aimed to help retain talent, achieve our goals and objectives, and encourage employees to feel involved in matters that relate to them at work. This guides our training and human resource programs as well.

In 2017, the turnover rate was 11.9%, which remained below the national industry average, reflecting that our strategies we have in place are supportive of retaining employees.

Performance reviews are conducted on a yearly basis for all employees at UIC. The process, undertaken jointly by the employee and their respective supervisor, entails the setting of targets and personal Key Performance Indicators and a career developmental roadmap detailing work plans, training and measurable performance targets.

### TURNOVER RATE



Turnover Rate	2013	2014	2015	2016	2017
Group*	11.8%	13.8%	16.4%	7.9%	11.9%
National industry average (Real Estate Services)**	36.0%	40.8%	37.2%	34.8%	35.4%

\* Voluntary turnover rates, in alignment with Ministry of Manpower benchmarking statistics.

\*\* From Ministry of Manpower, Singapore. Annualised figure for 2017, derived from half-year averages.

## COMMUNITY



Volunteer with Very Special Arts (VSA) – Be a friend to people with disabilities through the Arts!



Packing of gifts for UIC Grant-A-Wish

UIC supports its local community through events for the young, elderly and others. The Group also donates to charities every year and partners with local organisations for community outreach programmes.

In 2017, 36 employees contributed 156 volunteering hours to support the communities in which we operate. We conducted a review of our volunteering strategy in 2017 to step up our community programmes.



## GRI CONTENT INDEX

- 25 General Disclosures
- 28 Topic Specific Disclosures

## GRI CONTENT INDEX



GRI Standard	Disclosure	Section / Page numbers
<b>General Disclosures</b>		
Organisational Profile		
GRI 102: General Disclosures 2016	102-1 Name of the organisation	<i>United Industrial Corporation Limited</i>
	102-2 Activities, brands, products, and services	About this Sustainability Report, pg. 1 <i>UIC does not provide products or services that are banned in any markets.</i>
	102-3 Location of headquarters	About this Sustainability Report pg. 1;
	102-4 Location of operations	AR pg. 12-26; About this Sustainability Report pg. 1
	102-5 Ownership and legal form	AR pg. 42-46
	102-6 Markets served	AR pg. 12-26
	102-7 Scale of the organisation	AR pg. 12-26; <i>UIC consists of four operations in Singapore: Investment Properties; Property Trading; Hotel operations; and Information Technology.</i>
	102-8 Information on employees and other workers	Our People, pg. 20
	102-9 Supply chain	Materiality, pg. 6; Our Stakeholders and Partners > Value Chain, pg. 8
	102-10 Significant changes to the organisation and its supply chain	<i>No significant changes.</i>
	102-11 Precautionary Principle or approach	Governance for Sustainable Growth > Risk Management, pg. 10
	102-12 External initiatives	About this Sustainability Report, pg. 1; CEO's Statement, pg. 2; Our Stakeholders and Partners > Value Chain, pg. 8; Governance for Sustainable Growth > Compliance and Fair Competition, pg. 10; Our People > Non-discrimination, pg. 21
	102-13 Membership of associations	Our Stakeholders and Partners > Value Chain, pg. 8



## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>General Disclosures</b>		
Strategy		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	CEO's Statement, pg. 2
Ethics and Integrity		
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	Product and Service Quality, pg. 19 Our People, pg. 20
Governance		
GRI 102: General Disclosures 2016	102-18 Governance structure	Governance for Sustainable Growth > Governance, pg. 9
Stakeholder Engagement		
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Our Stakeholders and Partners, pg. 7
	102-41 Collective bargaining agreements	Our People > Labour Practices and Employment, pg. 20
	102-42 Identifying and selecting stakeholders	Our Stakeholders and Partners, pg. 7
	102-43 Approach to stakeholder engagement	CEO's Statement, pg. 2; Materiality, pg. 5; Our Stakeholders and Partners, pg. 7-8
	102-44 Key topics and concerns raised	Our Stakeholders and Partners, pg. 7

## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>General Disclosures</b>		
Reporting Practice		
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	About this Sustainability Report, pg. 1
	102-46 Defining report content and topic Boundaries	Materiality, pg. 5-6
	102-47 List of material topics	Materiality, pg. 6
	102-48 Restatements of information	<i>Not applicable as this is UIC's inaugural sustainability report</i>
	102-49 Changes in reporting	<i>Not applicable as this is UIC's inaugural sustainability report</i>
	102-50 Reporting period	About this Sustainability Report, pg. 1
	102-51 Date of most recent report	<i>Not applicable as this is UIC's inaugural sustainability report</i>
	102-52 Reporting cycle	About this Sustainability Report, pg. 1
	102-53 Contact point for questions regarding the report	About this Sustainability Report, pg. 1
	102-54 Claims of reporting in accordance with the GRI Standards	About this Sustainability Report, pg. 1
	102-55 GRI content index	GRI Content Index, pg. 25-33
	102-56 External assurance	About this Sustainability Report, pg. 1



## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>Topic Specific Disclosures</b>		
<b>Economic Performance</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Governance for Sustainable Growth, Economic Performance pg. 10
	103-2	The management approach and its components Governance for Sustainable Growth, Economic Performance pg. 10
	103-3	Evaluation of the management approach Governance for Sustainable Growth, Economic Performance pg. 10
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed Economic Performance, pg. 4
<b>Anti-Corruption and Anti-Competitive Behaviour</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Governance for Sustainable Growth, pg. 10-11;
	103-2	The management approach and its components AR, pg. 40; Governance for Sustainable Growth, pg. 10-11;
	103-3	Evaluation of the management approach Governance for Sustainable Growth, pg. 10-11;
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption Governance for Sustainable Growth, pg. 11; <i>We conduct due diligence checks and assessment for corruption risks.</i>
	205-2	Communication and training about anti-corruption policies and procedures Governance for Sustainable Growth, pg. 10-11;
	205-3	Confirmed incidents of corruption and actions taken Governance for Sustainable Growth, pg. 10
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices Governance for Sustainable Growth, pg. 10; <i>For FY2017, there have been no legal actions for anti-competitive, anti-trust behaviour at UIC.</i>

## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>Topic Specific Disclosures</b>		
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Environment, pg. 12-16
	103-2	The management approach and its components Environment, pg. 12-16
	103-3	Evaluation of the management approach Environment, pg. 12-16
GRI 302: Energy 2016	302-1	Energy consumption within the organisation Environment > Climate Change and Carbon Footprint, pg. 12-13
	302-2	Energy consumption outside of the organisation Environment > Development Projects, pg. 15
	302-3	Energy intensity Environment > Climate Change and Carbon Footprint, pg. 12-13; Environment > Development Projects, pg. 15
GRI Construction and Real Estate Sector Disclosures	CRE1	Building Energy intensity Environment > Climate Change and Carbon Footprint, pg. 12-13;
GRI 302: Energy 2016	302-4	Reduction of energy consumption Environment > Climate Change and Carbon Footprint, pg. 12-13; Environment > Development Projects, pg. 15
	302-5	Reductions in energy requirements of products and services Environment > Climate Change and Carbon Footprint, pg. 13; Environment > Development Projects, pg. 15
<b>Water</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Environment, pg. 12-16
	103-2	The management approach and its components Environment, pg. 12-16
	103-3	Evaluation of the management approach Environment, pg. 12-16
GRI 303: Water 2016	303-1	Water withdrawal by source Environment > Water Consumption, pg. 14; Environment > Development Projects, pg. 15
GRI Construction and Real Estate Sector Disclosures	CRE2	Building Water intensity Environment > Water Consumption, pg. 14; Environment > Development Projects, pg. 15

## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>Topic Specific Disclosures</b>		
<b>Emissions</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Environment, pg. 12-16
	103-2	The management approach and its components Environment, pg. 12-16
	103-3	Evaluation of the management approach Environment, pg. 12-16
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions Environment > Development Projects, pg. 15
	305-2	Energy indirect (Scope 2) GHG emissions Environment > Climate Change and Carbon Footprint, pg. 13; Environment > Development Projects, pg. 15
	305-4	GHG emissions intensity Environment > Climate Change and Carbon Footprint, pg. 13; Environment > Development Projects, pg. 15
<b>Product Quality</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Product and Service Quality, pg. 19
	103-2	The management approach and its components Product and Service Quality, pg. 19
	103-3	Evaluation of the management approach Product and Service Quality, pg. 19
GRI Construction and Real Estate Sector Disclosures	CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, Management, occupation and redevelopment Product and Service Quality, pg. 19

## GRI CONTENT INDEX

GRI Standard	Disclosure		Section / Page numbers				
Topic Specific Disclosures							
Employment							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Materiality, pg. 6; Our People, pg. 20-22			
	103-2	The management approach and its components		Our People, pg. 20-22			
	103-3	Evaluation of the management approach		Our People, pg. 20-22			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover		Our People, pg. 22;			
			Turnover and New Hires in 2017				
				Employee Turnover	Employee Rate	New Hires	Rate of New Hires
			Male	18	11%	5	3%
			Female	15	18%	14	17%
			< 30 years	7	37%	6	32%
			30 - 50 years	16	15%	15	14%
	>50 years	10	7%	5	4%		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Life insurance is not provided to temporary staff. UIC's significant location of operation is in Singapore.			
Training and Education							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Materiality, pg. 6; Our People, pg. 20-22			
	103-2	The management approach and its components		Governance for Sustainable Growth > Compliance and Fair Competition, pg. 10; Health and Safety > Workplace Health and Safety, pg. 17; Our People, pg. 20-22			
	103-3	Evaluation of the management approach		Our People, pg. 20-22			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee		Our People, pg. 21			
	404-3	Percentage of employees receiving regular performance and career development reviews		Our People, pg. 22			

## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>Topic Specific Disclosures</b>		
<b>Diversity, Equal Opportunity and Non-Discrimination</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Our People, pg. 21
	103-2	The management approach and its components Our People, pg. 21
	103-3	Evaluation of the management approach Our People, pg. 21
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees Our People, pg. 21
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken Our People, pg. 21
<b>Occupational Health and Safety</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Materiality, pg. 6; Health and Safety, pg. 17-18
	103-2	The management approach and its components Health and Safety, pg. 17-18
	103-3	Evaluation of the management approach Health and Safety, pg. 17-18
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 Health and Safety, pg. 17-18
<b>Customer Health and Safety</b>		
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, pg. 18

## GRI CONTENT INDEX

GRI Standard	Disclosure	Section / Page numbers
<b>Topic Specific Disclosures</b>		
<b>Environmental and Socioeconomic Compliance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality, pg. 6; Our Stakeholders and Partners, pg. 7; Governance for Sustainable Growth, pg. 10-11; Health and Safety, pg. 17
	103-2 The management approach and its components	AR, pg. 35, 39-40, 42, 122; Our Stakeholders and Partners, pg. 7; Governance for Sustainable Growth, pg. 10-11; Health and Safety, pg. 17; Product and Service Quality, pg. 19; Our People > Labour Practices and Employment, pg. 20
	103-3 Evaluation of the management approach	Our Stakeholders and Partners, pg. 7; Governance for Sustainable Growth, pg. 10-11; Health and Safety, pg. 17
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Governance for Sustainable Growth > Compliance and Fair Competition, pg. 10; Health and Safety, pg. 18; Product and Service Quality, pg. 19
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Governance for Sustainable Growth > Compliance and Fair Competition, pg. 10;
<b>Local Communities</b>		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Community Engagements, pg. 23
<b>Supplier Social and Environmental Assessments</b>		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Highlights for 2017, pg. 3; All our main contractors in Singapore are required to be ISO 14001 certified ISO 14001.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	UIC currently does not screen suppliers using social criteria.



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