



SUSTAINABILITY REPORT

ABOUT THIS REPORT



This is PropNex Limited's ("**PropNex**" or the "**Company**") sixth annual Sustainability Report (the "**Report**"), summarising our policies, practices, targets and performance on material environmental, social and governance ("**ESG**") factors for the financial year ended 31 December 2023 ("**FY2023**"). The scope of the Report encompasses the real estate brokerage business in Singapore, covering the operations through PropNex Limited, PropNex Realty Pte. Ltd. ("**PropNex Realty**") and PropNex International Pte. Ltd. ("**PropNex International**").

The Report has been prepared in line with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Mainboard Listing Rules 711A and 711B and with reference to the Global Reporting Initiative ("**GRI**") Standards (2021). The GRI Standards were selected as the reporting framework as it is an internationally recognised reporting framework containing widely accepted guidelines and principles for companies to report on corporate responsibility and sustainability performance recommended by the SGX-ST. The GRI Standards are also the most applicable to facilitate our sustainability reporting goals.

Assurance

Internal controls and verification mechanisms have been established by the management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external ESG consultant for the selection of material topics, as well as compliance with GRI Standards and SGX-ST Listing Rules. The Board of Directors (the "**Board**") has assessed that external assurance is not required for the Report. The Group will continue to assess the need to further enhance the credibility of the Report through internal review or external assurance.

Availability and Feedback

All monetary and financial figures stated are in Singapore Dollars. All information is disclosed in good faith and to the best of our knowledge. Your feedback is important to us in our sustainability journey and we look forward to receiving comments on our sustainability practices and reporting at: investor_relations@propnex.com and our website at: <https://www.propnex.com/>.

SUSTAINABILITY REPORT BOARD STATEMENT

The Board is pleased to present PropNex's Sustainability Report for FY2023.

The Company and its subsidiaries (the “**Group**”) are committed to developing the four main pillars, Economic, Environmental, Social and Governance, practices in the business operations of the Group to benefit our stakeholders.

Our focus on sustainability is a cornerstone of our success, which is fundamental to achieving our long-term vision of success. Therefore, we have incorporated considerations for ESG factors in the way we grow our business, cultivate our people and serve our communities. Our actions are based on our values and understanding that the Group will thrive when our people are motivated, committed and empowered to improve themselves and continuously give back to the society.

The Group's sustainability efforts are driven by our robust governance practices and strong economic performance. With the support of our Sustainability Steering Committee (“**SSC**”), which comprises our management team, we have included sustainability issues in our strategic formulation and determination of the material ESG factors. The SSC continues to assist the Board in integrating ESG considerations into our strategic formulation and monitor, manage and report on our ESG performance in line with these identified material factors. Moving forward, we aim to link our economic performance with sustainability milestones that will drive our growth as a sustainable business.

We strive to be an organisation that takes ownership on our environmental impacts. To understand and take appropriate action to reduce our environmental footprint, we have aligned the Report with reference to the GRI Standards. In addition, we are committed to adopt the Task Force on Climate-related Financial Disclosures (“**TCFD**”) that meets the requirements of SGX-ST. To this end, we are compliant with the environmental regulations and have taken notable measures to calculate, monitor and better manage our energy use and Scope 2 emissions to operate more sustainably.

We understand how important our employees are and we create opportunities for human capital development by providing training and skill development regardless of age and gender. We promote an inclusive work culture that nurtures talent for all and creates a safe working space for our employees in terms of health, safety and diversity.

The quality of services we provide our clients is the distinguishing factor amongst our competitors in the real estate market. Hence, we create opportunities for customer empowerment and digital innovation to improve productivity and customer experiences as these are integral to improving the Group's efficiency of operations and service quality.

Community engagement is also a priority for us as we aspire to positively impact the communities that we interact with. In FY2023, we focused more on volunteer hours and had helped families in their home refurbishments and decluttering.

We will provide more details of our approach to sustainability and efforts taken to be a sustainable business in the Report.

Sincerely,
BOARD OF DIRECTORS
PropNex Limited



SUSTAINABILITY REPORT SCORECARD

**5.2%**Staff Count Year-on-Year ("Y-o-Y")
Percentage Change**11,999**Number of Salespersons
(as at 1 January 2024)**2.8%**Salespersons Count Y-o-Y
Percentage Change**93**Number of
Consumer Webinars**\$1,032,000**Charitable
Contributions**488,473kWh**

Electricity Consumption

**0.051 tCO₂e/m²**Emission
Intensity**198.17 tCO₂e**Greenhouse Gas Emissions
(Scope 2)**\$838.1m**

Revenue

**\$47.8m**

Profit Attributable to Owners

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SUSTAINABILITY AT PROPNEK

We believe in helping our various stakeholders make a difference in their lives and the lives of their loved ones.

Empowering Our People

Our people represent our culture, reputation, and achievements. To attract and retain the right talents, we provide comprehensive benefits, training and development programmes as well as innovative technological solutions.

Empowering Our Customers

We strive to enhance our customers' quality of life and build long-lasting customer relationships by sharing our knowledge with them.

Empowering The Society

We work to be a positive influence for our society and future generations by instilling a culture of accountability and giving back. We uphold the highest standards for corporate integrity and serve the communities we operate in.

Sustainability Governance Structure

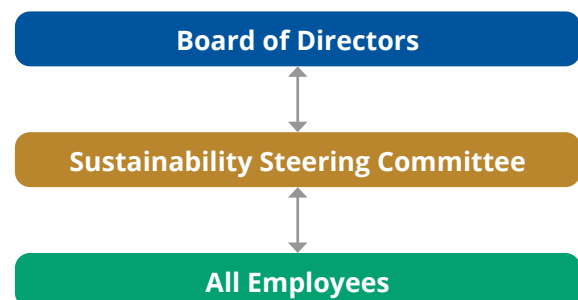
We adopt a top-down approach to manage sustainability issues that are material to our business and our stakeholders. The Board spearheads our sustainability agenda, including determining the material ESG factors that we focus on.

The Board is supported by the SSC, which consists of the Chief Executive Officer, Key Executive Officer, Chief Financial Officer, Chief Operating Officer and Senior Director of Corporate Communications and Business Development. The SSC is responsible for developing the sustainability strategy and targets in the strategic formulation of the Group, implementing action plans, and monitoring and managing our sustainability performance.

The Board approves the material ESG factors identified and ensures that the factors are well-managed and monitored. Our sustainability governance structure is illustrated as follows:



PropNex's Sustainability Governance Structure

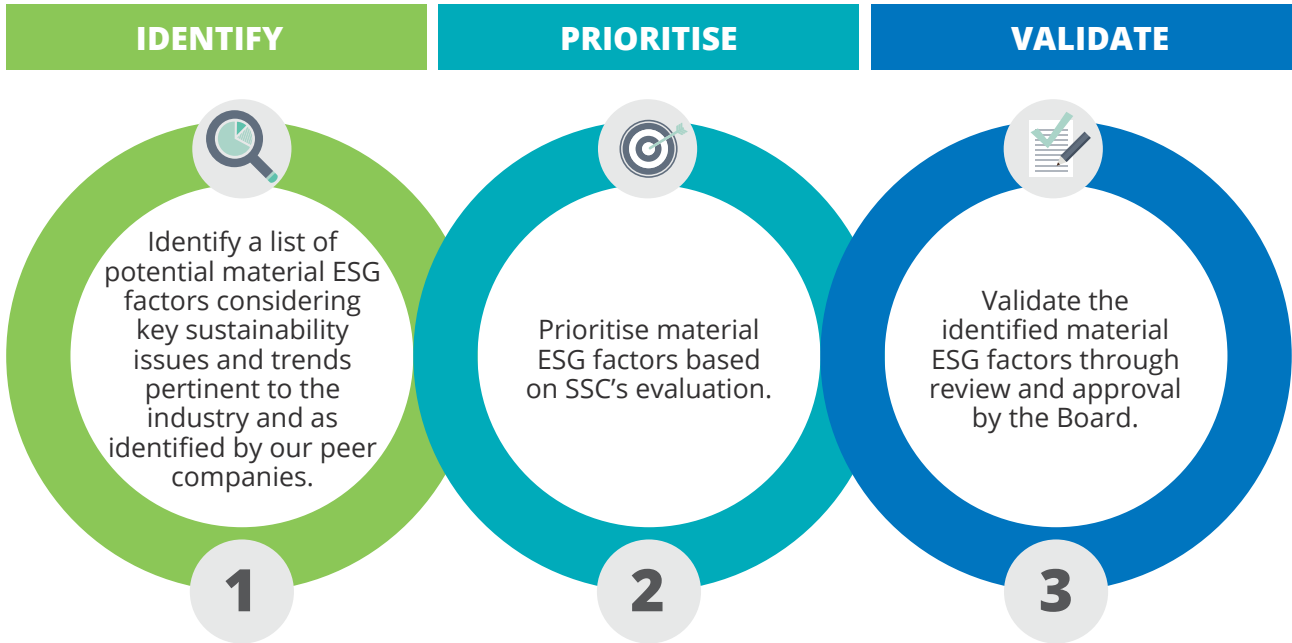


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ASSESSING OUR MATERIALITY

To identify and prioritise material ESG factors that are important to our business and key stakeholders, we have implemented a three-step materiality assessment process that aligns with the GRI Standards' Materiality Principle as follows:

Materiality Assessment Process



For FY2023, we have identified eight material ESG factors from the assessment and we shall continue to review the list of material ESG factors annually to ensure their relevance. The table below discloses the material ESG factors we have identified, their relevance to our business and the GRI corresponding topic-specific:

Material ESG Factors for FY2023

Material ESG Factors	Relevance to PropNex	Corresponding GRI Standard Topic
Environment	Our business relies on the physical environment and geography of Singapore. A clean, healthy and conducive living environment is therefore crucial for the success and sustainability of the Group.	<ul style="list-style-type: none"> GRI 302: Energy GRI 305: Emissions
Employment	Our people are the cornerstone of the Group. We are committed to attracting, motivating and retaining dedicated individuals that will inspire others so as to ensure the smooth running of our business.	<ul style="list-style-type: none"> GRI 401: Employment GRI 403: Occupational Health and Safety GRI 405: Diversity and Equal Opportunity GRI 406: Non-Discrimination
Training and Education	Our people's capabilities to deliver relevant information and excellent customer service determine our reputation in the market and the success of our business. We carry out numerous training programmes to help our people excel professionally and individually.	<ul style="list-style-type: none"> GRI 404: Training and Education



Material ESG Factors	Relevance to PropNex	Corresponding GRI Standard Topic
Technological and Digital Innovation	We support our salespersons with technological solutions that help enhance their productivity, maintain service excellence and meet evolving clients' needs in a competitive business landscape.	<ul style="list-style-type: none"> • Not applicable (non-GRI topic)
Consumer Empowerment	Customer trust and loyalty are paramount to our business sustainability. We cultivate customer rapport by educating and empowering our customers to recognise and leverage on property opportunities.	<ul style="list-style-type: none"> • Not applicable (non-GRI topic)
Local Communities	Serving the communities around us is a core belief that contributes to our success. We strive to empower both our people and the less fortunate through our Corporate Social Responsibility ("CSR") initiatives.	<ul style="list-style-type: none"> • GRI 413: Local Communities
Compliance with Laws and Regulations	To maintain our stakeholders' trust in us, we uphold high standards of integrity and conduct business in full compliance with all applicable laws and regulations.	<ul style="list-style-type: none"> • GRI 205: Anti-corruption • GRI 206: Anti-competitive Behaviour • GRI 418: Customer Privacy
Economic Performance	As a listed company, driving the growth and economic performance is the first and foremost step in ensuring the sustainability of our business.	<ul style="list-style-type: none"> • GRI 201: Economic Performance

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ENGAGING OUR STAKEHOLDERS

Our core values **C.A.R.E.** are ingrained in the way we interact with our key stakeholders. We ensure regular and transparent communications with them to address any of their concerns with respect. The table below provides a summary of the stakeholders that are key to our business, the methods of engagement and the frequency of engagement with each stakeholder:

Summary of Stakeholder Engagement

Stakeholders	Engagement	Methods/Frequency
Customers	<ul style="list-style-type: none"> Customer feedback channel Research reports Consumer empowerment seminars Property Shows/XPO/ Webinars/ Property Wealth System Masterclass PropNex Friends Newsletters 	<ul style="list-style-type: none"> Throughout the year Throughout the year Throughout the year Throughout the year Fortnightly
Employees/Salespersons	<ul style="list-style-type: none"> Employee performance reviews Employee satisfaction survey Employee suggestion form Training and development programmes for employees and salespersons, including orientation PropNex Annual/Mid-Year Conventions Team Leaders' and Team Managers' meetings Strategic/Department meetings Morning Parades Salespersons' recognition platforms Jumpstart trainings Employee service awards Employee retreat and Christmas party PropNex Real Estate Salespersons Chapter 	<ul style="list-style-type: none"> Annually Annually Throughout the year Throughout the year Bi-annually Monthly Weekly Monthly Monthly Annually Annually Annually Monthly
Investors/Shareholders	<ul style="list-style-type: none"> Financial results briefings Annual General Meeting Timely updates, announcements and press releases on key business developments via SGXNet and corporate website 	<ul style="list-style-type: none"> Bi-annually Annually Throughout the year
Government/Regulators	<ul style="list-style-type: none"> Meetings, discussions and consultations Compliance with reporting requirements 	<ul style="list-style-type: none"> Throughout the year Throughout the year
Industry peers	<ul style="list-style-type: none"> Co-broking transactions Cross-agency collaboration 	<ul style="list-style-type: none"> Throughout the year Throughout the year
Media	<ul style="list-style-type: none"> Media releases and interviews on property updates 	<ul style="list-style-type: none"> Throughout the year
Local communities/ Non-governmental organisations	<ul style="list-style-type: none"> Volunteer Programme Division charity initiatives SHARE Programme Sponsor-A-Child Programme 	<ul style="list-style-type: none"> Throughout the year Throughout the year Throughout the year Throughout the year

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Climate change will threaten our access to water and food. As a low-lying city state, we are vulnerable to rising sea levels and extreme weather events. Even as we reduce our carbon emissions, we must also adapt to the impacts of climate change and invest in resilient infrastructure to safeguard our future and the Group's main business.

TCFD CLIMATE ANALYSIS

Scenario Analysis

The Singapore Government has committed to the Paris Agreement on climate change, which aims to hold the temperature increase to well below 2°C and pursue efforts to limit the temperature increase to 1.5°C. Although climate scenario analysis does not predict future events, it can be a tool for exploring a variety of possible futures, with every scenario incorporating different assumptions, drivers and levels of detail.

In our initial assessment, we identified two scenarios based on the Intergovernmental Panel on Climate Change ("IPCC"). The models we focused on were: (i) a best-case scenario where the global average temperature increases by less than 2°C; and (ii) a business as usual with no mitigation scenario where temperature increases more than 4°C by the end of the century. Against these models, we identified seven top climate-related risks and opportunities and used inputs from industry reports to assess how they may impact upon our business, strategy and financial planning. The key characteristics of our scenarios are outlined below:

Scenario	Paris-aligned Scenario (Below 2°C)	No Mitigation Scenario (4°C)
Rationale	<p>In this scenario, the world manages to reduce carbon dioxide equivalent ("CO₂e") CO₂e emissions through several measures, such as legislation, global carbon taxes, and major shifts in consumption patterns and lifestyles.</p> <p>This scenario is selected to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming to under 2°C.</p>	<p>In this scenario, the world fails to curb rising CO₂e emissions by Year 2100.</p> <p>Legislation and carbon taxes are expected to play a less significant role in this scenario, whereas impacts from extreme weather events are assumed to grow in magnitude.</p> <p>This scenario is selected to assess the physical risks under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.</p>
Underlying Model	<p>This model considers factors such as greenhouse gas ("GHG") emissions, energy transition scenarios, technological advancements, and policy developments.</p> <p>It serves as a foundation for the Group to analyse how different climate scenarios may impact its business operations and financial performance over the short-, medium-, and long-term time horizon.</p>	<p>IPCC Representative Concentration Pathway 8.5, mostly long-term.</p> <p>This model considers factors such as increased frequency of extreme weather events, rising sea levels, impacts on ecosystems and disruptions to global supply chains.</p> <p>Climate models and scientific assessments play a key role in shaping the narrative of such scenarios.</p>
Assumption	<p>Global adoption of renewable energy, advancements in technology, regulatory frameworks and changes in consumer behaviour. Additionally, assumptions related to the physical impacts of climate change, such as sea-level rises and extreme weather events, are considered.</p> <p>This scenario assumes a collective global effort to mitigate climate change and transition towards a low-carbon economy.</p>	<p>The continuation of high GHG emissions limited global efforts to reduce carbon emissions, and a lack of significant policy measures to address climate change.</p> <p>It may also assume limited technological advancements in clean energy and low levels of international cooperation to achieve climate goals.</p>

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Climate-Related Risks and Opportunities

Considering the two scenarios outlined, we have identified the climate-related risks and opportunities relevant to our business operations. Scenario analysis allows us to proactively address the factors that may impact our operations in the realm of climate considerations.

Clear communication of the Group's sustainability strategy allows our stakeholders to better understand how climate-related issues may affect our future performance. This section discloses the actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning where such information is material.

The rising global mean temperature poses a significant threat in Singapore, potentially leading to extreme weather events like flash floods, heatwaves and rising sea levels. These occurrences can directly and indirectly impact the safety of our office premises, as well as the overall well-being of our employees.

With the goal of keeping the global temperature rise below 1.5°C, as stipulated in the Paris Agreement, we have made it a top priority to tackle climate change across our business practices. A critical first step involves understanding the impact of climate change on the Group's operations and the potential risks and opportunities associated with climate change.

In FY2023, we reviewed our approach to climate-related risk management and held several physical and virtual meetings with the SSC and an external consultant to progress our understanding of climate-related risks and opportunities. The meetings resulted in a deeper understanding of how different climate-related scenarios will impact upon the business, and how the risks and opportunities interact and interplay with each other, and with our wider corporate risk management system.

The climate-related risks and opportunities identified as part of our climate-related risk and opportunity meetings were assessed using an impact/likelihood assessment. A material risk is one that could have a financial and/or operational impact and which is likely to occur. A material opportunity is one that is feasible, or likely to occur, and which could have long-term benefits for the Group and a positive impact with a range of our stakeholders. Therefore, we explored climate-related risks and opportunities across three timeframes, short-term (one to three years), medium-term (four to five years) and long-term (five years and beyond).

Overall, an increase in heatwaves and rainfall in Singapore is expected to persist. Both days and nights are expected to be increasingly hotter, placing increased stress on the electricity grid to cope with increased demand of energy for cooling. Monsoon rains are expected to be more intense, leading to a heightened risk of flash floods. However, the associated expenses are less than 1% of our operating costs, and thus we view the risk of such disruptions as having low/minimal impact to our operations as we do not hold significant real estate assets. Nonetheless, we recognise that climate risks such as heatwaves and flash floods have wider geographical impact that may potentially directly disrupt our operations.



Transition Risks and Opportunities

We have evaluated the likelihood and magnitude of every identified transition risk and opportunity. This assessment is accompanied by the underlying assumptions used to determine potential financial impact figures and the details of risks and opportunities identified are explained below.

Transition Risk 1	
Risk	Risk of regulatory changes towards enhanced emission-reporting obligations such as GRI, TCFD, etc.
Risk Driver	<ul style="list-style-type: none"> • Nationwide drive to decarbonisation • Increased focus on sustainability
Company-Specific Description	As a real estate agency in Singapore, the evolving emission-reporting regulations and obligations will increase the indirect operating costs of the Group, for instance, increase our professional and consultancy fees to meet reporting requirements.
Time Horizon	Medium to long term
Potential Financial Figure¹	Medium term: \$36,000 Long term: \$37,000
Explanation of Financial Impact Figure	According to the industry norm, it is estimated that the professional and consultancy fees to support Sustainability/TCFD reporting in Singapore will increase by 5% to 10% in the medium to long term. To combat this risk, we have been constantly monitoring regulatory requirements and identifying our capacity in meeting them. Moreover, we have developed action plans and a roadmap to comply with emission-reporting obligations progressively.

1. The potential financial figures were computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figures are the estimated absolute figures.



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Transition Risk 2	
Risk	Energy costs may fluctuate and a carbon tax is applied to the carbon emissions of the Group.
Risk Driver	Carbon tax could flow through in the form of higher electricity tariffs as power companies pass on the carbon tax to end users.
Company-Specific Description	Although the Group is not currently subject to any carbon pricing schemes, it considers increasing carbon policy and pricing of GHG emissions to be a climate change risk as regulatory requirements could pose a significant business cost if we do not make efforts to reduce emissions. According to National Climate Change Secretariat Singapore, the carbon tax will be raised to \$25/tCO ₂ e in 2024 and 2025, and \$45/tCO ₂ e in 2026 and 2027, with a view to reaching \$50-\$80/tCO ₂ e by 2030. On average, with every \$5/tCO ₂ e increase in carbon tax, electricity tariffs could rise by 1%. Thus, the electricity tariffs could rise by 5%, 9% and 16% respectively in the short, medium and long term.
Time Horizon	Short, medium to long term
Potential Financial Figure²	Short term: \$200,000 Medium term: \$207,000 Long term: \$221,000
Explanation of Financial Impact Figure	Climate change regulation may result in small energy price increases. We estimated that electricity spend represents less than 1% of the Group's annual operating costs, which was \$190,000 in FY2023. Applying the increasing of carbon tax prices in Singapore, it could increase the Group's energy spend to \$221,000 in the long term. While this would have minimal effect on the Group's overall financial performance, it is part of our business strategy to manage this exposure through adopting the use of energy efficient appliances such as LED lightings.

2. The potential financial figures were computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figures are the estimated absolute figures.



Transition Risk 3	
Risk	Exposure to risk of fines and penalties resulting from the Group's failure to meet climate-related practices and disclosures.
Risk Driver	<ul style="list-style-type: none"> • Changing investors' expectations • Evolving and more stringent rules and regulations
Company-Specific Description	While there were no expenses or legal and professional costs incurred on climate change in FY2023, we acknowledge this emerging risk and commit to disclosing potential financial impact figures if the risk materialises in future years. As per industry norms, it is anticipated that legal fees to engage a lawyer for environmental compliance cases may increase by an estimated 5% to 10% in the medium to long term. However, we have mitigation methods in place to minimise the risk, including the active involvement of the Board and senior management in overseeing and addressing climate-related risks. We also regularly monitor changes in regulations and adjust the Group's practices accordingly. Moreover, we will engage external legal counsel to update the Group on any regulatory changes when needed.
Opportunity 1	
Opportunity	Use of recycling and digitalisation.
Opportunity Driver	Initiatives and efforts in corporate events and business practices to support sustainability.
Company-Specific Description	We have adopted resource-efficient practices in our office spaces by implementing recycling initiatives and embracing digitalisation. We aim to capitalise on this opportunity by minimising paper usage in the office and we have introduced digital name cards for our staff and salespersons. These sustainable practices are expected to lead to a reduction in advertising and marketing expenses, as well as decreased costs associated with printing, stationery, and courier services within our Group.
Time Horizon	Short to medium term
Potential Cost Savings³	Short term cost savings: \$77,000 Medium term cost savings: \$129,000
Explanation of Financial Impact Figure	By embracing digitalisation and sustainable practices, it is estimated that the cost reductions within our Group will range from 3% to 5% in the short to medium term.

3. The potential cost savings refer to cost reductions based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions.

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Physical Risks and Opportunities

Whilst not assessed as significant, there is the potential for climate-related physical risks to significantly increase over time. We recognise that the future is uncertain, and as such have incorporated physical risk assessment into our climate-related risk assessment to ensure that we are aware of how the future may impact upon our practices. The key risks and their related impacts are explained below.

Acute Physical Risk 1	
Risk	Risk of extreme weather events such as flash flood, intense rainfall and heat waves impacting properties that the Group leases and occupies.
Risk Driver	Increased intense rainfall and flash flood leading to urban flooding, potentially causing damage to buildings and transportation networks.
Company-Specific Description	More frequent extreme weather events, such as flash flood and intense rainfall, could disrupt the transportation networks used by our employees commuting to our offices. At the same time, extreme weather events could lead to an increase in various expenses, including repair and maintenance costs, insurance premiums, refurbishment and renovation expenses, as well as expenditures on electrical fittings within the Group.
Time Horizon	Long term
Potential Financial Figure⁴	\$152,000
Explanation of Financial Impact Figure	According to analytical studies ⁵ done by Asia-based climate-tech company, Intensel Limited, it is estimated that climate change poses serious risks for real estate in Singapore, potentially causing a 46% rise in physical damage losses by 2030 due to flooding. It is estimated that all the associated costs are assumed to increase by 5% in the long term. However, we plan to conduct regular assessment on the adequacy of our insurance.

4. The potential financial figure was computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figure is the estimated absolute figure.
5. Intensel Limited conducted an analysis of 25 assets spread across Singapore, and the scenario assumes no mitigation or resilience measures are taken. The study was retrieved from: <https://sg.finance.yahoo.com/news/singapore-real-estate-face-46-182456213.html>.



Chronic Physical Risk 2	
Risk	Risk of sea level rise, changes in temperature and precipitation impacting properties that the Group leases and occupies.
Risk Driver	Increased daily mean temperature and mean sea level rise leading to changes in weather patterns.
Company-Specific Description	Rising global average temperatures could result in increased water and electricity costs in our offices.
Time Horizon	Long term
Potential Financial Figure⁶	\$224,000
Explanation of Financial Impact Figure	According to Ministry of Sustainability and the Environment, we could experience an increase in daily mean temperatures as high as 4.6°C by 2100. As per research paper ⁷ published on ScienceDirect titled: Impact of climate change and socioeconomic factors on domestic energy consumption: The case of Hong Kong and Singapore (Lam et al., 2022), every 1°C rise in air temperature, electricity consumption in Singapore may increase by 3% to 4%. This suggests a long-term projection of an 18% rise in electricity tariffs. To address this risk, we will constantly monitor our water and electricity bills in our offices as well as practise sustainability habits to reduce our electricity consumption.

Performance Metrics and Targets

We are moving towards making sustainability an integral part of our business processes, and one of our key initiatives is through enhancing our technological capabilities. Our IT Roadmap has seen the development of technological solutions, which have helped to digitise manual procedures, reduce redundancies in the processes, and facilitate collaboration and sharing of resources amongst our salespersons online. These solutions have reduced the use of paper documents and the need to travel to the PropNex office to carry out administrative tasks, which are environmentally friendly outcomes.

Moreover, the Go Green commitment highlights PropNex's existing and ongoing efforts to move towards zero waste in our business operations. In FY2023, we have successfully implemented a zero-tolerance policy on single-use plastic water bottles, introduced digital name cards for staff and salespersons and full e-invoicing for all of our customers. Moving forward, all our corporate events will have zero single-use plastics in favour of reusable and sustainable options. We also advocate our staff and salespersons to participate in activities such as green movements and tree-planting initiatives to drive awareness of reducing our carbon footprint. In FY2023, we had planted 200 trees with National Parks.

Additionally, the HDB Hub, where our office is situated, had undergone various green building initiatives and enhancements to promote sustainability and environmental consciousness. These initiatives include the installation of energy-efficient systems, green features, and sustainable building practices. Notably, HDB Hub was awarded the BCA Green Mark (Platinum - Re-certification) in 2020 under the category of existing non-residential building with LED lightings for common areas, solar photovoltaic system at rooftop and extensive greenery supplemented by vertical green walls.

6. The potential financial figure was computed based on the relevant costs incurred in FY2023, taking into consideration the applied assumptions. The reported figure is the estimated absolute figure.

7. The research paper was retrieved from: <https://www.sciencedirect.com/science/article/pii/S2352484722017838>

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Within the Group, our GHG emissions primarily stem from the utilisation of purchased energy in the form of electricity consumption (Scope 2 Emissions), which is produced as a by-product of fossil fuel combustion. Electricity plays a vital role in supporting our business operations and powering various electrical devices and appliances. As a result, we report Scope 2 indirect emissions in a quantitatively way in accordance with the GHG protocol and the GRI Standards. Subsequently, we plan to progressively disclose Scope 3 GHG emissions, such as category of Business Travel.

The Group is dedicated to reduce our electricity consumption through the implementation of sustainable practices, including:

- Turning off lights, computers, and other electrical devices when they are not in use;
- Regularly maintaining equipment to ensure optimal energy efficiency; and
- Installing energy-efficient fixtures and fittings, such as LED lightings.

These measures are aimed at minimising our environmental footprint and lowering GHG emissions associated with our electricity consumption.

FY2023 Performance and Future Targets

Energy Consumption and GHG Emissions Performance
(GRI 302: Energy, GRI 305: Emissions)

Pollutant	CO ₂
Operating Margin Grid Emission Factor⁸ (kg CO₂/kWh)	0.4168

We have recorded our electrical consumption captured at various office premises, including HDB Hub Levels 10, 11 and 18 and General Magnetic Building. The tabulations were based on utility bills from the electricity supplier.

Financial Year	FY2023	FY2022
Gross Floor Area (m²)	3,893.1	3,893.1
Total Electricity Consumed (MWh)	488.47	501.94
Energy-use Intensity (MWh/m²)	0.1255	0.1289
Total Emissions (Scope 2; tCO₂e)	198.17	203.64
Emission Intensity (tCO₂e/m²)	0.051	0.052

We are actively seeking solutions to enhance the energy efficiency of our office premises. This involves the adoption of various technologies and best practices that serve to reduce our environmental footprint, enhance operational efficiency, and yield cost savings. One noteworthy aspect is our SSC, which has instilled a sense of environmental responsibility among our employees. This is achieved by encouraging them to turn off lights when not in use and promoting the use of digital documentation whenever feasible. Additionally, we have implemented a paper recycling program across all our offices.

8. Operating Margin Grid Emission Factor in 2022 was retrieved from Singapore Energy Market Authority.

The Board and management set goals and targets to measure progress for material factors under environment. The table below summarises our performance in FY2023:

FY2023 Performance against Targets Set in the Financial Year Ended 31 December 2022 (“FY2022”)

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Energy Consumption and GHG Emissions	Undertake further initiatives to promote environmental sustainability	The Group explored and considered various initiatives such as effectively using energy efficient appliances.

Looking ahead, as part of our ongoing commitment to environmental stewardship, we aim to take progressive climate actions and set the following targets:

Performance Metrics	Short-Term Target (One to Three Years)	Medium-Term Target (Four to Five Years)	Long-Term Target (Five Years and Beyond)
Energy Consumption and GHG Emissions	<ul style="list-style-type: none"> Ensure sustainable practices adopted by all employees in office spaces Disclose Scope 3 emissions under category of Business Travel 	<ul style="list-style-type: none"> Reduce energy use intensity by 10% Reduce Scope 2 emission intensity by 5% Achieve 50% of office spaces with energy efficient fixtures and fittings, such as LED lightings 	<ul style="list-style-type: none"> Reduce energy use intensity by 15% Reduce Scope 2 emission intensity by 10% Engage in carbon market participation

No incidents of non-compliance with environmental laws and regulations were identified within the reporting year.



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SOCIAL (OUR HUMAN CAPITAL)

Our commitment to sustainability extends beyond environmental concerns and encompasses our responsibility to our community. We recognise the importance of operating in a way that supports and uplifts the community we serve, as well as our employees, salespersons, customers, and stakeholders. In this section of the Report, we delve into the various initiatives and programmes we have implemented throughout the year to promote social responsibility. Through these efforts, we aim to foster a culture of social responsibility and contribute to a more equitable and sustainable future.

EMPLOYMENT

(GRI 401: Employment; GRI 403: Occupational Health and Safety; GRI 405: Diversity and Equal Opportunity; GRI 406: Non-Discrimination)

We have full-time employees and salespersons. We help our people establish a fulfilling career at PropNex by offering them the care, guidance and resources they need to continuously improve themselves, exercise entrepreneurship and achieve autonomy.

Joining Our PropNex Family

The collective sum of our people, including their life experiences, knowledge, creativity, and talent, represents the PropNex culture, reputation and achievements. We are committed to recruiting, cultivating and retaining employees and salespersons that believe in and practise our core values, and who consistently strive to provide service that our customers trust.

Recruitment of Employees

Our Recruitment and Selection Policy and Diversity Policy guide our recruitment process. We embrace and encourage diversity in age, colour, ethnicity, marital status, gender, national origin, political affiliation, race, religion, sexual orientation, and other unique characteristics that our employees bring to the table.

At PropNex, we take cultivating a culture of diversity and inclusion seriously. Employees who believe they have been subjected to discrimination in conflict with our Diversity Policy are encouraged to seek assistance from their immediate superior or the Human Resources Department. Any employee found to have exhibited any inappropriate conduct or behaviour against others may be subject to disciplinary action.

Additionally, our referral programme incentivises our staff to refer suitable candidates for job openings at PropNex. Referees who refer successful candidates will receive a referral fee upon the candidate's appointment and confirmation in the position.

Recruitment of Salespersons

Our cultivation of salespersons begins even before they become a PropNexian and extends to helping new real estate salespersons ("RES") candidates. Any person interested in becoming a RES is welcome to participate in our Real Estate Programme in RES study groups where we train and guide new RES candidates in preparation for the RES exam. Once they pass the RES exam, they will be eligible to participate in our recruitment programme.

All conditions, including responsibilities and the split of commission, are stated in the Associate Agreements that our salespersons sign with us. We require our salespersons to review their contracts with us regularly to ensure that they are reminded of and fully understand the terms and conditions. For our Team Leaders, we request that they sign an additional contract when they become Team Leaders to ensure they understand their role and responsibilities.

BENEFITS

Employees

PropNex provides a suite of benefits to ensure that our employees are well taken care of, including:

- Festive advance for salaries and festive leave for employee's choice of festive period;
- Birthday vouchers and birthday leaves;
- Discounted medical consultation and health screenings for employees and their families through Make Health Connect Corporate Programme;
- Discounts and promotion schemes for telecommunication services; and
- Provide comprehensive insurance coverage for all employees in the form of group term life, group hospitalisation and surgical and personal accident insurance.

Salespersons

There are also various benefits which PropNex salespersons enjoy, including:

- Discounted premium rates for term life and personal accident insurance;
- 10-year pension scheme programme for performing Team Leaders;
- Legacy Planning Programme for Team Leaders to receive passive income after retirement;
- Spouse protection scheme for deceased Team Leaders;
- Discounted medical consultation fees for our salespersons and dependents at over 500 participating clinics;
- PX MediCare app, developed exclusively for PropNexians, to access medical services with ease;
- Professional indemnity insurance that includes individual coverage;
- Discounts and promotion schemes for telecommunication services; portals and group discounts for digital onboarding; and
- Special advertising rates in the classified sections of local publications.

PropNex Real Estate Salespersons Chapter was set up in 2021, first real estate agency to have a formalised framework supported by Singapore Industrial and Services Employees' Union ("**SISEU**"), which looks into the welfare, promotes professionalism in enhancing the business and industry practices and provides a platform for raising issues and protecting real estate salespersons. This collaboration will allow PropNex salespersons to take the lead in playing a more active and vital role in voicing their concerns and educating fellow PropNex salespersons of fair practices in the industry. The internal representative committee of the PropNex Real Estate Salespersons Chapter, which comprises of salespersons, serve as the voice for our salespersons. They will work closely with the guidance of SISEU to improve the competencies of the salespersons under their guidance and also serve as a platform for bi-partite deliberation with SISEU to provide workplace advice. PropNex will also adopt applicable Tripartite Guidelines issued by the Tripartite Partners, National Trades Union Congress, the Ministry of Manpower (Singapore) and the Singapore National Employers Federation.

RECOGNITION

We believe in recognising and rewarding the contributions and achievements of our employees and salespersons. We have put in place the following schemes to showcase our gratitude towards employees and salespersons who exhibit excellence and dedication. We also have monthly, quarterly and yearly performance recognition for our salespersons. The following table discloses the schemes we have to recognise and reward the contributions and achievements of our employees and salespersons:

SUSTAINABILITY REPORT

SOCIAL (OUR HUMAN CAPITAL)

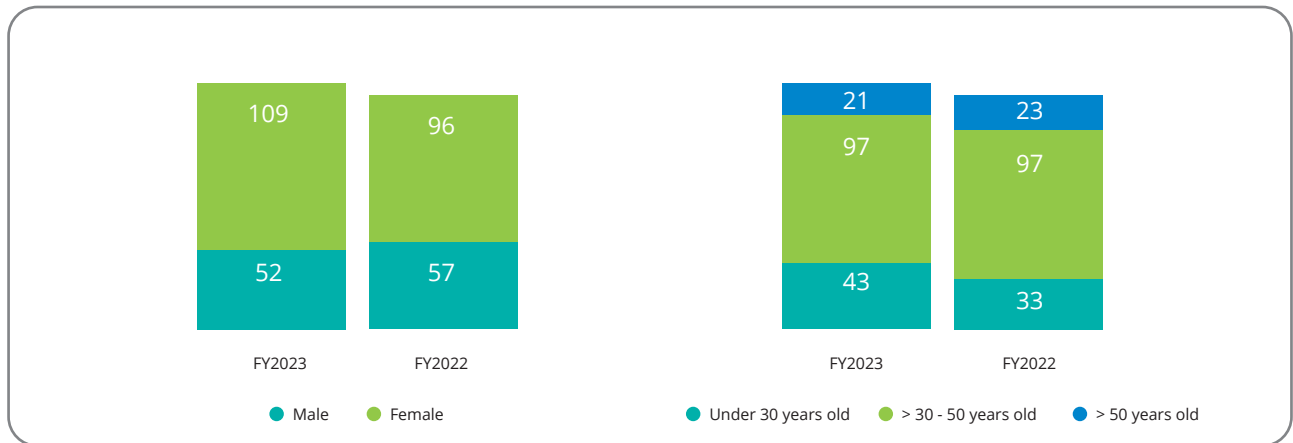
Performance Recognition Schemes for Employees and Salespersons

Service Awards for Employees	PropNex Ambassadors for Salespersons
<ul style="list-style-type: none"> Employees who have served the Group for at least 4.5 years are awarded the 5-year Service Award trophy and monetary token of \$500. Employees who have served the Group for at least 9.5 years are awarded the 10-year Service Award trophy and monetary token of \$1,000. Employees who have served the Group for at least 14.5 years are awarded the 15-year Service Award trophy and monetary token of \$1,500. 	<p>PropNex Ambassadors are salespersons who have:</p> <ul style="list-style-type: none"> Been with PropNex for 5, 10, 15 or 20 years; Established a niche for themselves in the real estate industry; Contributed to business continuity and client engagement; and Actively participated in PropNex’s CSR initiatives. <p>PropNex Ambassadors are recognised and presented with their charity plaques and a prestigious Ambassador badge at specially held dedicated events.</p>

FY2023 Performance and Future Targets

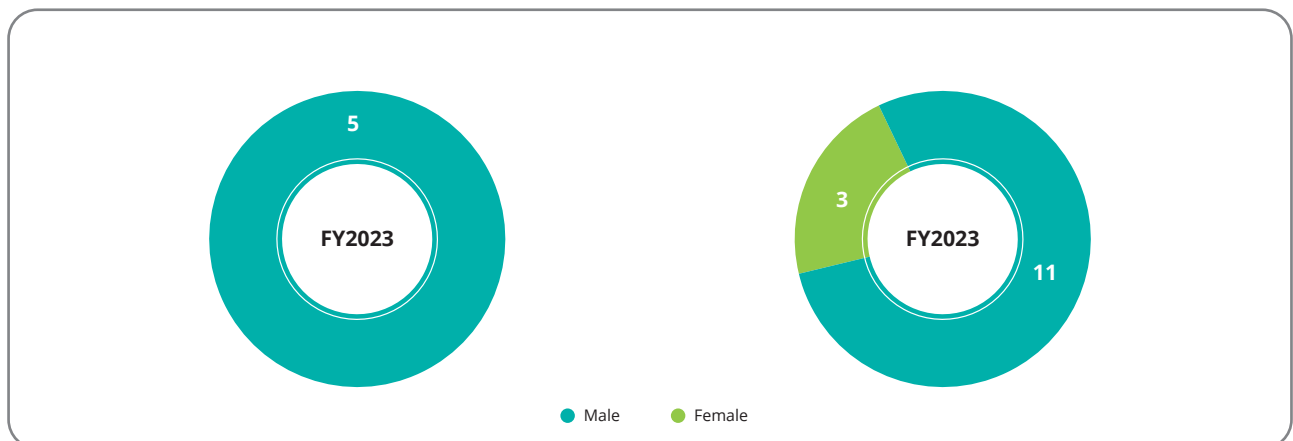
At PropNex, we encourage a workforce that is diverse in gender and age. The following illustrations disclose the age and gender diversity of the Group’s employees, including PropNex Realty and PropNex International:

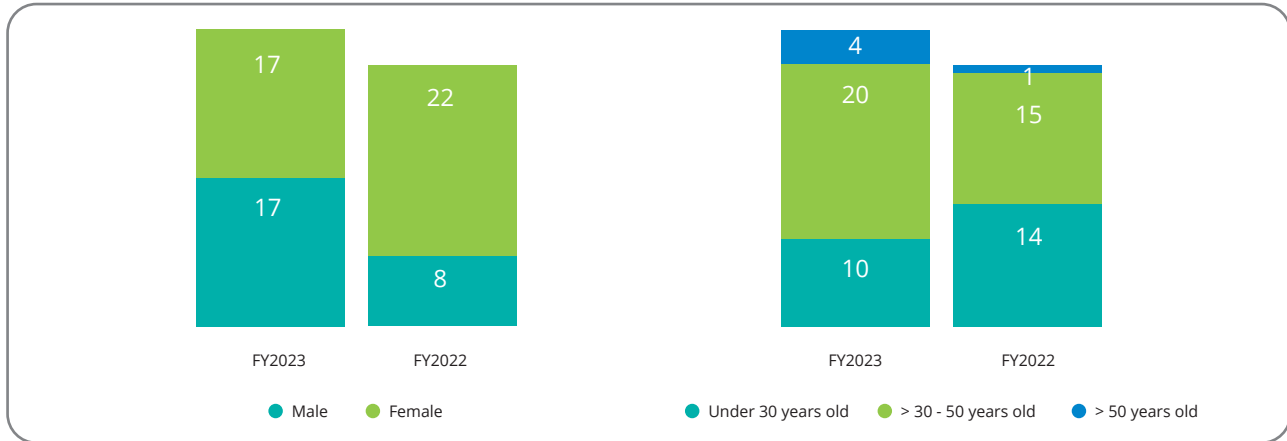
Employment (by Gender) as at 31 December Employment (by Age Group) as at 31 December



Diversity within the Company’s Board

Diversity within the Group’s Management



Employee Turnover (by Gender)**Employee Turnover (by Age Group)**

Our employees-related data is updated on a monthly basis using internal reports and data collection processes to monitor and track our performance.

The tables below disclose the absolute and annual rate of new employee hired and employee turnover as well as the number of salespersons recruited for FY2023:

Employment Statistics⁹

Category	FY2023	FY2022
Number of new employees hired	39	33
Annual rate of new employees hired ¹⁰	24.2%	21.6%
Number of employee turnover	34	30
Annual rate of employee turnover ¹¹	21.1%	19.6%

Salespersons Statistics

Category	FY2023	FY2022
Number of salespersons recruited	331	871

9. Employment statistics are based on full-time permanent staff only and independent of gender and age group.

10. This is computed based on number of new employees hired divided by the total number of employees as at 31 December.

11. This is computed based on number of employee turnover divided by the total number of employees as at 31 December.

SUSTAINABILITY REPORT

SOCIAL (OUR HUMAN CAPITAL)

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Annual rate of employee turnover	Continue to retain and attract talents that are diverse in terms of age and gender, and inclusive.	The Group achieved a similar level of staff retention in FY2023 compared to FY2022.
Number of salespersons recruited	Continue to retain and attract talents that are diverse in terms of age and gender, and inclusive.	In FY2023, the Group recruited 331 new and experienced salespersons, working towards the vision of having 15,000 salespersons by 2026.

Targets and Action Plan for Financial Year Ending 31 December 2024 ("FY2024")

Employment/Recruitment Targets for FY2024	
FY2024 Targets	Action Plan
Continue to retain and attract talents that are diverse in terms of age and gender, and inclusive.	Continue to provide benefits, recognition, and incentives to attract and retain employees and salespersons.

No incidents of discrimination, no fatalities, and no work-related injuries were recorded in FY2023.



SUSTAINABILITY REPORT

TRAINING AND EDUCATION

(GRI 404: Training and Education)

Continuous self-improvement is a core value at PropNex as regular trainings and education for our employees and salespersons are critical to the growth and sustainability of our business. We offer customised and comprehensive training programmes to help our people to reach their full potential, both professionally and individually.

UPSKILLING OUR EMPLOYEES AND SALESPERSONS

Employees

We provide various training programmes for our employees to ensure they have the necessary skills to perform their job to the best of their abilities. We discuss their projected career path with them, identify any challenges they may face and monitor their training progress during the annual performance review. The Human Resources Department consolidates the training needs of our employees for discussion and coordinates the relevant trainings. The table below discloses the training programmes provided to our employees in FY2023:

Training Programmes for Employees

Training Programme	Description of Programme
Orientation Programme	Introduction to PropNex's core values, organisational structure, welfare and benefits, Code of Conduct, Staff Handbook and internal systems and platforms.
Built to Last Programme	A customised six session training programme personally facilitated by our Chief Executive Officer to align our employees with PropNex's core values and to equip them with the mindset for continuous improvement and innovation.
Establish Relationships for Customer Confidence	This programme covers knowledge and application skills to build customer confidence in the organisation and to develop customer relationships for customer loyalty. It also involves the know-how of handling service opportunities and escalated service challenges.
Supervisory Training Programme	Heads of Department/Supervisors are trained on effective communication, coaching, supervisory and delegation skills to enable them to be effective supervisors.
Data Protection Policies, Obligations and Risks Workshop	A programme which lays the practical foundation of compliance in personal data protection. It covers the 11 obligations and Do Not Call Registry of Personal Data Protection Act from an operational and information life cycle perspective.
Information Security Training Workshop	Real-world threats and scenarios as well as best practices in cybersecurity to equip trainees with the skills to protect themselves in the cyberworld. It also shows the relationship between cybersecurity and data protection and common issues for data breaches. The different types of threats/attacks covered include identity theft, mobile security, social engineering, ransomware and hardware exploits.
Personal Enrichment Programme	This is a series of personal development programmes that emphasise the use of positive psychology to realise an individual's natural potential to achieve their career, family and life goals. The Human Resources Department identifies key management and supervisory employees to attend such trainings annually.

SUSTAINABILITY REPORT

TRAINING AND EDUCATION

(GRI 404: Training and Education)

Salespersons

We have developed a comprehensive world-class training roadmap for our salespersons, providing a clear path for professional progression. Each roadmap can be customised based on the salesperson needs, level of experience, and career aspirations. Our impressive training program focuses on three main aspects, market segment and specialised skills, policies and regulations, and mindset training. For experienced salespersons or those who have chosen to become a Team Leader through the Dual Career Path Scheme, advanced training programs are also available. The table below discloses the training programmes provided for our salespersons in FY2023:

Training Programmes for Salespersons

Training Programme	Description of Programme
Masterclass	Trainings in advanced concepts such as asset progression and wealth management including hands-on workshops.
Continuous Trainings	Seminars that provide updates on latest policies such as Legal Insider or the Key Executive Officer Tuition. Monthly Tech Insider or Sales Insider programmes to sharpen the skills of our experienced salespersons.
Market Segment and Specialised Skills Trainings	Courses on project presentation, closing techniques, digital prospecting and more. Quarterly updates on market outlook, including development in specific regions and specific projects.
Dual Career Path Scheme	Salespersons who have completed specific training courses and achieved certain commission targets may be elected to become a Team Manager and be subsequently promoted to a Team Leader. Team Managers and Team Leaders are responsible for recruiting, supervising and mentoring a team of salespersons.
Continuing Professional Development ("CPD") Courses	<p>All salespersons are required to attend CPD courses under Professional Competencies and Generic Competencies (previously referred to as non-core course). Professional Competencies courses provide salespersons with opportunities to develop and deepen their knowledge in real estate agency work covering laws and regulations, property markets, and other real estate knowledge. Generic Competencies courses contribute to salespersons' overall personal development, sharpening their soft skills in critical core areas such as digital fluency, communication and people development. These skills are grouped into three clusters, Thinking Critically, Interacting with Others and Staying Relevant.</p> <p>Under the current framework, salespersons must achieve a minimum of six CPD credits per cycle, with four CPD credits from Professional Competencies courses and two CPD credits from Generic Competencies courses.</p>

FY2023 PERFORMANCE AND FUTURE TARGETS

The table below discloses the average training hours completed by our employees in FY2023:

Average Training Hours Per Employee

Training and Development		
Category	FY2023	FY2022
Average training hours	17.1	8.2

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Average training hours	Continue to develop our employees and salespersons in setting world class service standards.	Average training hours for our employees had increased in FY2023.

Targets and Action Plan for FY2024

Training and Development Targets for FY2024	
FY2024 Targets	Action Plan
Continue to develop our employees and salespersons in setting world class service standards.	Revamp our trainings for all employees in better serving our internal stakeholders as well as clients. Also, review and update our salespersons' training roadmaps and provide comprehensive training programmes in adapting to the current market sentiments.



SUSTAINABILITY REPORT

TECHNOLOGICAL AND DIGITAL INNOVATION

Technology in the real estate realm has disrupted and transformed how business is conducted and will continue to play a pivotal role in the way corporations conduct their business. One of our key strategies is the empowerment of our people by enhancing our technological capabilities. We are committed to improving our salespersons' productivity by providing relevant and reliable technological support. This in turn helps them to provide better customer service for their clients.

Our Tech Development Working Committee has developed the PropNex IT Roadmap to guide our future investments in technological and digital innovation. In consultation with our salespersons, we identified their needs and challenges.

PropNex's utmost priority is to ensure all our salespersons have access to powerful digital tools as well as the tech literacy to fully make use of these tools, allowing them to efficiently access mass amounts of information at their fingertips to obtain useful insights. We have a team of 40 app developers who developed several technological solutions and tools including our two signature apps, PropNex Business Suite and PropNex Investment Suite.



The table below provides an elaboration on the technological solutions and tools that we developed:

Technological Solutions and Tools Developed

PROPNEK INVESTMENT SUITE (LAUNCHED IN APRIL 2022)



Geared towards helping salespersons identify market trends across various property segments. The app was created to provide in-depth analysis of historical data detailing the price trends, rental yields, recent transactions, comparisons with nearby properties, and more with a click of a button.

PROPNEK BUSINESS SUITE (LAUNCHED IN MAY 2023)



The PropNex Business Suite was launched for salespersons usage and it integrates advanced functionalities that redefine the marketing and sale of resale properties. The new app will foster greater collaboration amongst salespersons and substantially reduce the time taken to close transactions.

Key features include:

- Collaborative listing generation: Salespersons can effortlessly generate listings for new launches, resale and auction properties. A listing entry made by a salesperson will immediately be accessible to all other PropNex salespersons, maximising exposure for the listing efficiently.
- AI-powered unique descriptions: The app utilises artificial intelligence (“AI”) technology to automatically rewrite property descriptions, ensuring each salesperson has a unique listing.
- One-click portal posting: Salespersons can quickly post listings to major property portals with a single click, streamlining the marketing process.
- Versatile fact sheets: The generated listings can be converted into fact sheets, serving as versatile collateral for salespersons. Such fact sheets are ideal for client re-engagement and social media outreach, enhancing the overall marketing strategy.

Targets and Action Plan for FY2024

Technological and Digital Innovation Targets for FY2024

FY2024 Targets

Action Plan

Increase productivity for the sales force

More trainings and adoption of the apps for salespersons to close transactions faster.

SUSTAINABILITY REPORT

CONSUMER EMPOWERMENT

Our mission is to enhance customers' quality of life through value-added professional service. Property purchases are important life decisions and we are committed to sharing our knowledge with our customers and consumers at large to help them make the right choices.

EMPOWERING OUR CONSUMERS

As Singapore's largest listed home-grown real estate agency, we pride ourselves on being in the best position to give consumers relevant and timely advice on all aspects of property investments. We have been empowering homebuyers and investors since 2013 by giving advice on the latest property trends, outlook of the real estate market, and sharing knowledge and strategies to navigate the dynamic real estate landscape.

We regularly monitor and review our consumer empowerment roadmap to develop consumer empowerment initiatives for the year, including topics of focus and channels of engagement with the consumers. We also actively engage and empower consumers, as well as prospective and existing customers, through the following existing and new channels in FY2023:

Consumer Empowerment Initiatives

CONSUMER EMPOWERMENT SEMINARS/WEBINARS

Keynote speakers from our management team including our Executive Chairman and Chief Executive Office, Mr. Ismail Gafoor, and Executive Director and Deputy Chief Executive Officer, Mr. Kelvin Fong, share valuable tips, insights to market sentiments, risks and investment opportunities in the current property market, and knowledge on specific property segments such as Core Central Regions with consumers.

PROPERTY WEALTH SYSTEM MASTERCLASS

Taking the consumer seminars to the next level, PropNex designed a more intensive programme that provides consumers with greater in depth look into the market and property investment strategies in 2023. The Property Wealth System Masterclass, a full two-day programme, covers essential property investment strategies, tips for asset progression, including how to identify opportunities, exit strategies and more.

SG PROPERTY XPO 2023

Since 2019, PropNex started the property XPO which offers a platform and venue for homebuyers to learn of the different choices in the market and hear of our speakers' analysis of the various developments. In FY2023, we conducted a two-weekend XPO and held 16 workshops.

PROP NEX FRIENDS MEMBERSHIP PROGRAMME

We provide insights and updates from our property experts and analysts to our members on property related news, policies and market outlook. Special deals and property related news are also included in the fortnightly newsletter.

PROP NEX MONOPOLY CHAMPIONSHIP 2023

For the second year running, this exciting four-month intensive competition where participants could use their real estate skills to outbid and outplay others to emerge as the overall champion with the highest asset value. This aims to introduce insights of the Singapore residential market and financial literacy in a fun and gamified manner. The Grand Champion Winner brought home the coveted \$108,000 prize money, beating 109 other finalists from the 10,000 registrants in the Championship.

FY2023 Performance and Future Targets

Consumer Empowerment Statistics

Category	FY2023	FY2022
Number of Consumer Empowerment Seminars/ Webinars held	93	99

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Number of Consumer Empowerment Seminars/ Webinars held	Continue to hold engagement sessions for existing and potential clients	The Group maintained the number of Consumer Empowerment Seminars/ Webinars conducted in FY2023.

Targets and Action Plan for FY2024

Consumer Empowerment Targets for FY2024	
FY2024 Targets	Action Plan
Continue to hold engagement sessions for existing and potential clients	Conduct consumer empowerment seminars to continue empowering home investors.



SUSTAINABILITY REPORT

LOCAL COMMUNITIES

(GRI 413: Local Communities)

PropNex strives to be a positive corporate citizen and influence, both for our society today as well as future generations. We do this by championing our core values of respect and concern for others, in reaching out and helping less privileged communities.

GIVING BACK TO OUR COMMUNITIES

Since 2000, we have been involved in various charitable events and championed numerous meaningful causes in Singapore and overseas. Our CSR Philosophy “Empowering Future Generations through Education” guides our CSR initiatives. We review current initiatives and plan for future CSR direction and initiatives during our strategic meetings.

PropNex firmly believes in contributing back to the communities around us and in which we operate, at the Company, team and individual levels. We can only truly help our communities when a culture of giving is instilled in each and every one of our employees and salespersons. PropNex has established programmes and initiatives to enable everyone within the PropNex family to easily be involved with and contribute to our CSR initiatives.

The table below discloses the CSR initiatives that we carried out in FY2023:

CSR Initiatives in FY2023

SHARE Programme	Sponsor-A-Child Programme
Monthly deduction of commission or salaries from salespersons or employees who opted in for this programme.	Paired contributing and participating employees and salespersons with a child whom they have sponsored, to spend time and enjoy a day of engagement together.
Division Charity Initiatives	Volunteer Programme
Different teams within PropNex took the lead to organise charity initiatives of their own on a regular basis.	Employees and salespersons were roped in to engage and volunteer their hours.

PropNex has adopted Community Chest as its main charity beneficiary since 2013. Through Community Chest, we support a myriad of social service programmes that assist over 300,000 people in need in Singapore. We have also expressed a preference for adopting schools and centres that cater to children with special needs and disabilities as beneficiaries to further align our contribution with our CSR philosophy.

Continuing our commitment of an annual \$500,000 in donations since 2015, we together with our salespersons contributed \$1,032,000 in FY2023 through our monthly SHARE and Sponsor-A-Child programmes for beneficiaries of Community Chest, namely Ministry of Social & Family Development, Autism Resource Centre (Singapore), Life Community Services Society, AWWA Ltd, Care Corner Student Care Centres, Montfort Care, Chen Su Lan Methodist Children’s Home, Association of Persons with Special Needs (APSN) and Singapore Cancer Society.

For the Group’s philanthropic efforts, PropNex was recognised as the Community Chest Platinum Award in 2023.



FY2023 PERFORMANCE AND FUTURE TARGETS

PropNex focused more on engagement with our beneficiaries in FY2023. We enlarged our pool of volunteers and had doubled our volunteer hours.

Monetary Contributions and Voluntary Hours for Local Community Initiatives

Category	FY2023	FY2022
Monetary contribution to local community initiatives	\$1,032,000	\$1,340,000
Number of volunteer hours	2,763 hrs	1,560 hrs

FY2023 Performance against Targets Set in FY2022

Performance Metrics	Targets Set in FY2022	Performance in FY2023
Monetary contributions and number of volunteer hours	Contribute to Community Chest adopted charity beneficiaries of at least \$1 million and a target of a minimum of 1,000 volunteer hours in FY2023.	The Group together with its salespersons contributed more than \$1 million and volunteered more than 1,000 hours in FY2023.

Targets and Action Plan for FY2024

Local Communities Targets for FY2024	
FY2024 Targets	Action Plan
Contribute to Community Chest adopted charity beneficiaries of at least \$1 million and a target of a minimum of 1,200 volunteer hours in FY2024.	Continue to raise funds for the unprivileged and plan for volunteer activities.



SUSTAINABILITY REPORT

GOVERNANCE

At PropNex, we prioritise transparency, accountability, and good corporate governance in pursuit of our sustainability goals as it helps to ensure that our business practices align with our values and priorities. In this section of the Report, we highlight key initiatives that we have undertaken to promote ethical and responsible behaviour throughout our organisation. We recognise that governance is an ongoing process and we remain committed to continually enhance our policies and practices to uphold the highest standards of corporate responsibility.

COMPLIANCE WITH LAWS AND REGULATIONS

(GRI 205: Anti-corruption, GRI 206: Anti-competitive Behaviour, GRI 418: Customer Privacy)

We believe the key to achieving this is to conduct our business ethically, honestly and with integrity, thereby serving as a role model for others. PropNex does not tolerate any acts of fraud and corruption and follows all laws and regulations relevant to our business.

Laws Abided and Policies at PropNex

Like other real estate practitioners, PropNex adheres to the regulatory framework of the Estate Agents Act, guided by the Council for Estate Agencies (“CEA”), a government agency under the Ministry of National Development, and is committed to raise the professionalism of the real estate agency industry. PropNex regularly collaborates with CEA on industry development programmes and supports them in protecting the interests of the consumers through targeted public education schemes.

The Group holds a firm stance against corruption and does not tolerate any malpractice, impropriety or statutory non-compliance in the course of its business. The Group has a set of rules and regulations which all employees are required to act in accordance with the highest standards of personal and professional integrity. All Group’s employees are required to read, understand and comply with the purposes and provisions of the rules and regulations when they are onboarded.

To avoid any conflicts of interest, we have a Conflict of Interest Policy in place that must be adhered to by all employees. For FY2023, there were no incidents of conflict of interest reported.

The Group has implemented an internal complaint handling process for complaints received against our salespersons on the possible breach of the Estate Agents Act (including the Code of Ethics and Professional Client Care). The process is overseen by the Key Executive Office and includes investigation, counselling and coaching by our compliance officers. A formal report detailing the investigation will be submitted to the CEA within 2 weeks from the date the complaint is received. In cases where the respondent salesperson is found to have fallen short of the expected professional, a Letter of Advice will be served as warning.

All salespersons have access to the Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021 as well as the Guide on Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021. Briefings are conducted by the Key Executive Officer and Assistant Director and updates are communicated via physical and virtual trainings, and via emails to all salespersons. Training materials and resources on anti-money laundering and countering the financing of terrorism are also available to all salespersons via the Virtual Office.

Being a service-oriented company working closely with customers, PropNex also closely abides by the Personal Data Protection Act, ensuring the security of our customers’ personal data.

At PropNex, we hold our employees and salespersons to the highest ethical standards. To ensure this, we require them to comply with the PropNex Code of Conduct, Staff Handbook, Associate Agreements and various corporate policies, including the Conflict of Interest Policy. We take this responsibility seriously and have implemented several measures to enforce these policies. All new employees must read, acknowledge and sign the PropNex Code of Conduct before commencement of their employment. Additionally, all employees and salespersons are expected to maintain a professional and ethical demeanour at all times. These anti-corruption policies have been communicated to both staff and salespersons to ensure that everyone is aware of their responsibilities and our commitment to ethical practices.

All departments have also put in place policies and processes to ensure that our operations comply with applicable laws and regulations. Our Compliance Department is responsible for monitoring our performance on regulatory compliance. Internal audits are conducted annually to evaluate the effectiveness of compliance controls in place. For FY2023, there have been no legal actions regarding anti-competitive behaviour and no violations of anti-trust and monopoly legislations.

Our Whistleblowing Policy, for both employees and salespersons, details the proper channels and procedures by which they can raise their concerns about possible improprieties and misconduct. We regularly provide relevant briefings and training to update our employees and salespersons on changes in laws and regulations. Employees and salespersons are also educated via compulsory monthly Morning Parade briefings, circulars, e-mail broadcasts, and announcements in our Virtual Office. We have also reviewed it to keep it updated and relevant from time to time.

FY2023 PERFORMANCE AND FUTURE TARGETS

FY2023 Performance against Targets Set in FY2022

Achieved. In FY2023, there was no non-compliant incident with relevant laws and regulations that resulted in significant fines or legal actions against the Group, and there was also no letter of complaints against the Group from the Personal Data Protection Commission (“PDPC”) concerning breaches of customer’s personal data and losses of customer data. The Group also did not have any incidents of corruption in FY2023.

In FY2023, the Group conducted 16 compliance trainings and legal clinics with professionals and lawyers as speakers for our salespersons. Also, the Group updated existing videos which to explain various transaction documents and these are accessible to our salespersons, consumers and the public.

Targets and Action Plan for FY2024

Compliance with Laws and Regulations Targets for FY2024	
FY2024 Targets	Action Plan
Maintain zero non-compliant incidents with relevant laws and regulations that could result in significant fines or legal actions against the Group.	Continue to conduct various programmes in raising the professionalism standards of our sales force and using cases studies to educate our salespersons.
Maintain zero letter of complaints against the Group from authorities like PDPC concerning breaches of customer’s personal data and losses of customer data.	
Maintain zero incidents of fraud or corruption.	

SUSTAINABILITY REPORT

ECONOMIC

As Singapore's largest real estate agency, PropNex fulfils an important role within the real estate sector by facilitating the buying, selling, renting and leasing of properties in Singapore. In line with our vision of having the strength of a big company and our status as a listed entity on the SGX-ST, PropNex also contributes to the economy by providing gainful employment to thousands of employees and salespersons.

ECONOMIC PERFORMANCE

(GRI 201: Economic Performance)

The Group's revenue decreased by 18.6% from \$1,029.2 million in FY2022 to \$838.1 million in FY2023. The Group's salesforce grew from 11,667 as at 1 January 2023 to 11,999 as at 1 January 2024.

For more information on the financial performance of the Group, you may refer to the "Financial and Operations Review" Section in the Annual Report.

No incident of non-compliance with socio-economic laws and regulations was identified in FY2023.



SUSTAINABILITY REPORT

APPENDIX A: GRI CONTENT INDEX

Statement of use	PropNex Limited has reported the information cited in this GRI Content Index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location*	
GRI 2: General Disclosures 2021	2-1	Organisational details	Page 1
	2-2	Entities included in the organisation's sustainability reporting	Page 36
	2-3	Reporting period, frequency and contact point	Page 36
	2-4	Restatements of information	No restatements of information were made in the FY2023 Report
	2-5	External assurance	Page 36
	2-6	Activities, value chain and other business relationships	Page 4
	2-7	Employees	Page 52 to 56
	2-8	Workers who are not employees	Page 52 to 56
	2-9	Governance structure and composition	Page 20 to 27 and 39
	2-10	Nomination and selection of the highest governance body	Page 20 to 27, 39 and 82 to 87
	2-11	Chair of the highest governance body	Page 20 to 27 and 39
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 39
	2-13	Delegation of responsibility for managing impacts	Page 39
	2-14	Role of the highest governance body in sustainability reporting	Page 39
	2-15	Conflicts of interest	Page 77
	2-16	Communication of critical concerns	Page 98. There were no critical concerns raised in FY2023.
	2-17	Collective knowledge of the highest governance body	Page 78. The Board had attended the sustainability training courses prescribed by SGX.
	2-18	Evaluation of the performance of the highest governance body	Page 86 to 87
	2-19	Remuneration policies	Page 87 to 92
	2-20	Process to determine remuneration	Page 88 to 90
	2-21	Annual total compensation ratio	Not disclosed.
	2-22	Statement on sustainable development strategy	Page 37

* Location is referenced to pages in the Annual Report for the financial year ended 31 December 2023

SUSTAINABILITY REPORT

APPENDIX A: GRI CONTENT INDEX

GRI Standard	Disclosure	Location*	
GRI 2: General Disclosures 2021	2-23	Policy commitments	Page 52 and 66 to 67
	2-24	Embedding policy commitments	Page 52 and 66 to 67
	2-25	Processes to remediate negative impacts	Page 67
	2-26	Mechanisms for seeking advice and raising concerns	Page 67
	2-27	Compliance with laws and regulations	Page 66 to 67
	2-28	Membership associations	Page 66 to 67
	2-29	Approach to stakeholder engagement	Page 42
	2-30	Collective bargaining agreements	We do not have any collective bargaining agreements in place.
GRI 3: Material Topics	3-1	Process to determine material topics	Page 40
	3-2	List of material topics	Page 40 to 41
GHG Emissions and Energy Consumption			
GRI 3: Material Topics	3-3	Management of material topics	Page 43 to 51
GRI 302: Energy	302-1	Energy consumption within the organisation	Page 50
	302-3	Energy intensity	Page 50
	302-4	Reduction of energy consumption	Page 49 to 51
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Page 50
	305-4	GHG emission intensity	Page 50
	305-5	Reduction of GHG emission	Page 49 to 51
Economic Performance			
GRI 3: Material Topics	3-3	Management of material topics	Page 68
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Page 68
Compliance with Laws and Regulations			
GRI 3: Material Topics	3-3	Management of material topics	Page 66 to 67
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies	Page 66 to 67
	205-3	Confirmed incidents of corruption and actions taken	Page 67
GRI 206: Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 67
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 67

* Location is referenced to pages in the Annual Report for the financial year ended 31 December 2023

GRI Standard	Disclosure		Location*
Employment			
GRI 3: Material Topics	3-3	Management of material topics	Page 52 to 56
GRI 401: Employment	401-1	New employee hires and employee turnover	Page 54 to 55
GRI 403: Occupational Health and Safety	403-9	Work-related injuries	Page 56
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 54 to 55
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	Page 56
Local Communities			
GRI 3: Material Topics	3-3	Management of material topics	Page 64 to 65
GRI 413: Local Communities	413-1	Operations with implemented local community engagement, impact assessments, and/or development programs	Page 64 to 65
Training and Development			
GRI 3: Material Topics	3-3	Management of material topics	Page 57 to 59
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Page 59
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 57 to 58
Consumer Empowerment (Non-GRI Topic)			
GRI 3: Material Topics	3-3	Management of material topics	Page 62 to 63
Technological and Digital Innovation (Non-GRI Topic)			
GRI 3: Material Topics	3-3	Management of material topics	Page 60 to 61

* Location is referenced to pages in the Annual Report for the financial year ended 31 December 2023

SUSTAINABILITY REPORT

APPENDIX B: TCFD DISCLOSURES

TCFD Recommended disclosures	PropNex's approach	Reference
Governance		
Describe the PropNex Board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> PropNex Board has oversight of PropNex's sustainability approach and the integration of sustainability-related matters, including climate-related issues, in the formulation of PropNex's strategy. PropNex Board monitors and oversees progress on sustainability and climate-related risks and opportunities that meet shareholders' expectations, and reviews significant issues raised. PropNex Board approves the Sustainability Report, which provides comprehensive sustainability disclosures. 	<ul style="list-style-type: none"> Sustainability Governance Structure
Describe PropNex management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> The SSC consists of the Chief Executive Officer, Key Executive Officer, Chief Financial Officer, Chief Operating Officer and the Senior Director of Corporate Communications and Business Development. The SSC is responsible for developing the sustainability strategy and targets in the strategic formulation of the Group, implementing action plans, and monitoring and managing sustainability performance. 	
Strategy		
Describe the climate-related risks and opportunities PropNex has identified over the short, medium, and long term.	<ul style="list-style-type: none"> In FY2023, we have strengthened our understanding of how climate-related risks and opportunities could potentially affect our respective business lines and operational activities. Going forward, we will continue to monitor sustainability developments and review our risks and opportunities. 	<ul style="list-style-type: none"> Climate-Related Risks and Opportunities
Describe the impact of climate-related risks and opportunities PropNex's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. 	
Describe the resilience of PropNex's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> In FY2023, we have explored the use of climate scenario analysis to enhance our assessment and quantification of the impacts of our risks and opportunities to support PropNex's strategic decision-making. 	<ul style="list-style-type: none"> Scenario analysis

TCFD Recommended disclosures	PropNex's approach	Reference
Risk Management		
Describe PropNex's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> The SSC was formed to drive the implementation of PropNex's sustainability strategy, including our climate agenda and climate risk management. 	<ul style="list-style-type: none"> Climate-Related Risks and Opportunities
Describe PropNex's processes for managing climate-related risks.	<ul style="list-style-type: none"> Some climate-related risks have been categorised as emerging risks and PropNex recognises that climate-related risks are inherently linked to other strategic, financial and operational risks. In FY2023, key business and support units were individually engaged by the SSC in a series of physical and virtual meetings to identify and assess climate-related risks across three-time horizons (short-term: 1 to 3 years, medium-term: 4 to 5 years, long-term: 5 years and beyond), and discuss the potential actions in response to those risks. 	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the PropNex's overall risk management.	<ul style="list-style-type: none"> PropNex began the journey to adopt the recommendations of the TCFD in FY2022, and we have a roadmap for adopting the recommendations. We recognise that climate-related risks affect our businesses as do other strategic, financial and operational risks. Such risks are embedded in our enterprise risk management framework with the business and support units owning and managing the risks. 	
Metrics and Targets		
Disclose the metrics used by PropNex to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> PropNex has prepared the TCFD report in accordance with Task Force on Climate-Related Financial Disclosures. PropNex has reported on our Energy Consumption and GHG emissions in the TCFD report. 	<ul style="list-style-type: none"> Performance Metrics and Targets
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<ul style="list-style-type: none"> PropNex has measured and disclosed our Scope 2 GHG emissions in this TCFD report, including the related risks. PropNex will progressively disclose our Scope 3 GHG emissions in our subsequent TCFD reports. 	
Describe the targets used by PropNex to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> PropNex has committed to reduction targets to ensure our emission reduction targets align with the need to keep global warming below 1.5°C compared with preindustrial levels. All data included in the sustainability report has been submitted for an internal review and was approved by the PropNex Board in December 2023. 	



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SINGAPORE
PROPNEX LIMITED

480 Lorong 6 Toa Payoh
#10-01 HDB Hub
Singapore 310480