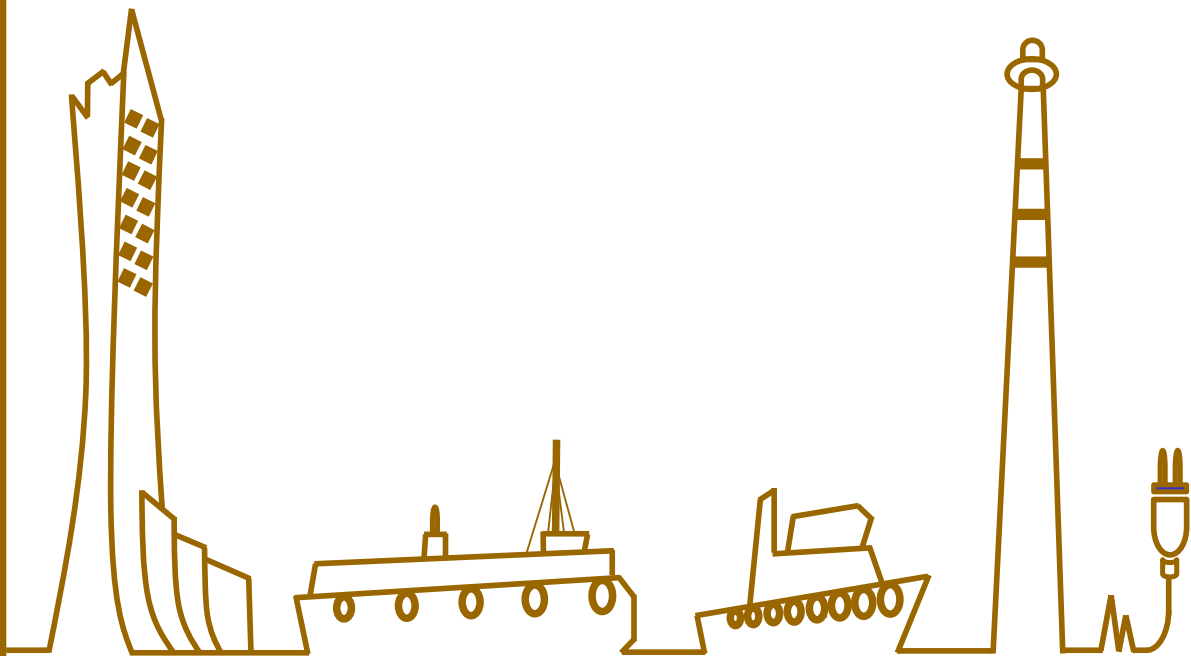




MANHATTAN RESOURCES LIMITED



SUSTAINABILITY

REPORT

2019

## Contents

ABOUT MANHATTAN RESOURCES LIMITED GROUP (THE “GROUP”).....	2
ABOUT THE REPORT.....	2
BOARD STATEMENT.....	3
STAKEHOLDERS ENGAGEMENT.....	4
OUR MATERIAL TOPICS.....	6
OUR ENVIRONMENT.....	7
Power plant business.....	7
Shipping business.....	7
Property development business.....	7
OUR PEOPLE.....	8
A safe and healthy workplace.....	8
A diverse and inclusive workforce.....	8
Talent development.....	9
GOVERNANCE.....	10
GRI CONTENT INDEX.....	11

## **ABOUT MANHATTAN RESOURCES LIMITED GROUP (THE “GROUP”)**

### ***Our Markets***

Manhattan Resources Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX”). Headquartered in Singapore, the Group’s core businesses include ship chartering and power plant in Indonesia, property development in China and mining, extraction and sale of mineral resources in China. The ship chartering business primarily serves the Indonesian market with its main customers in the coal mining industry. The power plant business operates in Indonesia where it supplies electricity to both state-owned utility company and private companies. The property development business in China is in its construction phase and will be targeting the retail, office and Soho sectors.

### ***Our Supply Chain***

With the business nature of the Group, our supply chain operates primarily in the energy resources industry with vendors supplying coal to the power plant business and fuel to the shipping business. The property development business engages consultants and contractors in the construction industry. We value a stable and efficient supply chain. Suppliers across our businesses are assessed in accordance with our procurement policies before being qualified as our list of approved vendors. We perform evaluation on new vendors and regularly re-assess the performance of our existing key suppliers. Our end-in-mind is to secure a pool of reliable suppliers that share our commitment to sustainability.

Further information on the company’s profile can be found in our annual report publicly available on the SGX’s website.

## **ABOUT THE REPORT**

This report summarises our approach towards sustainability and provides an annual update on our sustainability performance and progress for the period 1 January 2019 to 31 December 2019. Our report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and Singapore Exchange’s Practice Note 7.6 Sustainability Reporting Guide. GRI is an internationally recognised sustainability framework and has been chosen for its robust guidelines and suitability to our business model. This report has also taken into consideration the primary components of report content as set out by the SGX’s “Comply or Explain” requirements for sustainability reporting. We have not sought external assurance for this reporting period.

## **BOARD STATEMENT**

The Group recognises the growing importance of sustainable growth and how such sustainability practices impact our various stakeholders. We prioritise our sustainability efforts on our core businesses in the shipping, power plant and property development segments. Within our various business segments, we identify with the various key stakeholders and focus on their concerns in areas such as the environmental sustainability, economic performance, workforce well-being and governance. Key material factors identified are regularly reviewed and monitored by the Board of Directors (the “Board”). With the Board setting the right tone for our sustainability efforts, we aim to be a growing business embedded with long-term sustainability. Ethics and integrity remain core values in guiding the conduct of the Group’s businesses. The Group also continues to uphold its practices on good corporate governance and risk management. Such values and principles have also been efficiently emphasised and communicated across the organisation with implementation of strict processes and controls within the Group’s daily operation. Further details can be found in the “Report on Corporate Governance” in our annual report.

## STAKEHOLDERS ENGAGEMENT

We maintain regular engagement with our key stakeholders who have significant influence on our business and to whom our business impacts the most. Their needs and concerns are important in helping us understand the accountability of our business actions and improve our decision making. We focus our efforts on addressing their key interests while striving for operational efficiency in order to create long-term sustainable growth for the Group and our stakeholders. Below is a summary of our key stakeholders, our approach in engaging them, their concerns and our responses to them.

Key Stakeholder Group	Approach to Stakeholder Engagement	Key topics and concerns	Our Responses
Employees	<ul style="list-style-type: none"> <li>Annual appraisals</li> <li>Team meet-ups</li> <li>Team bonding sessions</li> <li>Whistle blowing via "information@manhattan.sg"</li> </ul>	<ul style="list-style-type: none"> <li>Workplace safety</li> <li>Training and development</li> <li>Remuneration</li> <li>Welfare</li> </ul>	<ul style="list-style-type: none"> <li>Implement workplace safety measures and a strict set of standard operating procedures</li> <li>Encourage employees to attend training and courses</li> <li>Employee benefits in monetary and non-monetary forms</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Quarterly SGX announcement or as and when there are significant updates</li> <li>Company email/ website</li> <li>Whistle blowing via "information@manhattan.sg"</li> </ul>	<ul style="list-style-type: none"> <li>Key developments</li> <li>Business strategies</li> <li>Economic performance</li> <li>Investor relations</li> </ul>	<ul style="list-style-type: none"> <li>Timely release of corporate announcements on significant developments</li> <li>Annual reports</li> <li>Optimise operational efficiency and cost effectiveness</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>Keeping informed of the latest regulations and compliance requirements via relevant websites and our outsourced consultants</li> <li>Continuous working-level engagement</li> <li>Official visits and meetings</li> <li>Consultations</li> <li>Seminars</li> <li>Whistle blowing via "information@manhattan.sg"</li> </ul>	<ul style="list-style-type: none"> <li>Legal and regulatory compliance</li> <li>Environmental and social impact</li> <li>Corporate governance</li> <li>Accountability</li> </ul>	<ul style="list-style-type: none"> <li>Work closely with outsourced professionals to ensure compliance</li> <li>Attend training and seminars</li> <li>Uphold environmental safety standards by having internal and independent checks</li> <li>Implement good corporate governance practices</li> </ul>

Key Stakeholder Group	Approach to Stakeholder Engagement	Key topics and concerns	Our Responses
Customers	<ul style="list-style-type: none"><li>• Contract negotiation</li><li>• Meetings</li><li>• Company hotlines</li><li>• Emails communications</li><li>• Whistle blowing via "information@manhattan.sg"</li></ul>	<ul style="list-style-type: none"><li>• Service quality</li><li>• Customer satisfaction</li></ul>	<ul style="list-style-type: none"><li>• Ensure smooth and reliable delivery of services</li><li>• Optimise operational efficiency to keep prices competitive</li><li>• Engage and work closely with the consultants for the marketing efforts</li></ul>

## OUR MATERIAL TOPICS

Our materiality assessment reflects the significant economic, environmental and social impacts on our businesses. Potential sustainability issues were identified through various engagements with our key stakeholders and internal assessments. This was followed by management's evaluation of the relevance and significance of each potential issue to our core businesses. Management identifies and prioritises material issues which have the most significant sustainability impact to our key stakeholders. These key material issues have been presented to the Board. With their diverse roles and experience, the Board has assessed and approved the material topics and the content presented in this report.

We have identified the following key material issues vital to our core businesses and have been used to define the content of this report.

<p><b>OUR ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• Environmental compliance</li> </ul>
<p><b>ECONOMIC PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>• Economic and financial contributions</li> </ul> <p><i>* Refer to the Group's annual report 2019</i></p>
<p><b>OUR PEOPLE</b></p> <ul style="list-style-type: none"> <li>• Occupational safety and health</li> <li>• Diversity and equal opportunities</li> <li>• Training and education</li> </ul>
<p><b>GOVERNANCE</b></p> <ul style="list-style-type: none"> <li>• Good corporate governance practice</li> <li>• Ethics and integrity</li> </ul> <p><i>* Refer to the "Report on Corporate Governance" in the Group's annual report 2019</i></p>

## **OUR ENVIRONMENT**

We understand the importance of managing our impact on the environment, even more so with the nature of our businesses and operations. Specifically, air and water pollutions are the major environmental pressure caused by the power plant, shipping operations and property development. We strive to operate responsibly in order to minimise our environmental footprints wherever we operate in. In the coming year, the Group will continue upholding business practices and observing measures in mitigating emissions and wastage. Environmental sustainability will remain a key consideration in all our businesses.

### ***Power plant business***

Air, waste water and ash emissions are carefully handled to prevent any toxic emission and minimise environmental pollution. Our waste management processes ensure that our power plant units are well-equipped to adequately filter all waste before discharging. The coal we use for our coal-fired steam power plant are of low sulphur content, minimising the impact of coal burning and the harmful ash content. Routine checks by the operation team help assure that the power plant units are operating properly. Regular tests and laboratory analyses are conducted to monitor the parameters of the waste emissions. We are proud to report that there have been no cases of fines or non-monetary sanctions for any non-compliance with regulatory requirements in the year 2019. For the upcoming year we target to continuously maintain our current clean record.

### ***Shipping business***

Marine pollution remains one of the major environmental concerns in the shipping sector. Scheduled repair and maintenance of our fleet aid in ensuring that our vessels along with their engines and equipment are operating properly at all times. Independent inspections are conducted to certify that each of our vessels is adequately equipped to mitigate and prevent pollution as well as complying with the regulatory requirements. For the year 2019, we are pleased to report that our fleet have met with the regulatory requirements and no cases of non-monetary sanctions for non-compliance have been reported. For the upcoming year we target to continuously maintain our current clean record.

### ***Property development business***

We recognised that a healthy environment and symbiotic relationship with nature is critical to the sustainability of businesses. The Ningbo Yinzhou Manhattan Tower will have a greening rate of approximately 20%. The design also aims to maximise use of natural lighting to reduce electricity consumption. Energy efficient lightings will also be installed to increase the efficiency of energy usage. During the construction phase, electricity from power grid supply is used to reduce reliance on diesel generators to further decrease our carbon footprint. For the operations of asset, we intend to use computer-based energy management system to optimise chiller efficiency and Building Management System (BMS) to control key equipment in order to effectively control and reduce energy use.



## OUR PEOPLE

We operate in specialised industries which are labour intensive. With over 80 employees in the various geographical locations that the Group operates in, our employees are the core drivers of our businesses and we stay committed in providing a safe and inclusive workplace for our people.

### *A safe and healthy workplace*

Given the nature of our businesses in the power plant, shipping and property development sectors, workplace safety is a priority for the Group. We are committed in creating a safe working environment and achieving zero fatalities. We have in place a stringent set of safety practices and processes. Communication and implementation of safety measures and policies are taken very seriously across all our businesses to ensure that all staff understands the practices and the magnitude of the consequences. We believe not just in creating a safe working environment but also constantly promoting responsible workplace behaviors in our people.

The Group is pleased to report zero fatalities across all our business segments in the year. We will keep on reviewing and improving our safety standards throughout all our business operations so as to prevent fatalities and minimise any injuries.

### *A diverse and inclusive workforce*

Our people span across various functions, locations and languages. Our recruitment and compensation policies are based on merit and office discrimination is strictly disallowed as outlined in our Code of Ethics and Conduct. We value diversity at every level of our organisation and provide equal employment opportunities regardless of gender and age. With that being said, due to the nature of our businesses, employees deployed in the forefront of our operations have been dominated by the male population. This group of employees represents the crew in the shipping segment, the operation and maintenance workers in the power plant segment and the workers in the property development segment. During the year, there have been no cases of grievances concerning any discrimination or unfair employment practices reported. We will continue to uphold the principle of equal opportunities and respect the rights of our people.

By business segments and gender	2019		2018	
	Female	Male	Female	Male
Power plant	6	29	3	32
Shipping*	1	28	7	69
Property development	7	4	7	6
Corporate	7	9	8	9
<b>Total</b>	<b>21</b>	<b>70</b>	<b>25</b>	<b>116</b>

By management level and gender	2019		2018	
	Female	Male	Female	Male
Directors	1	4	1	4
Senior Management	2	4	1	6
Executives	18	17	23	30
Crew and workers*	0	45	0	76
<b>Total</b>	<b>21</b>	<b>70</b>	<b>25</b>	<b>116</b>

**By age group**

<b>Age group</b>	<b>2019</b>	<b>2018</b>
30	14	26
30 – 50	67	99*
> 50	10	16
<b>Total</b>	<b>91</b>	<b>141</b>

\*the Group's headcount decreased subsequent to the completion of the disposal of vessels in November 2018.

***Talent development***

Our achievements would not have been possible without our people. Capable leaders along with skilled and competent staff are especially critical for a growing organisation like us. Retaining the right people and keeping them motivated has become our ongoing strategy towards a sustainable business model. We seek to attract and retain the best staff through our remuneration packages and development opportunities. Staff are encouraged and given the resources to pursue training and skills upgrading opportunities. Annual performance appraisals are conducted to acknowledge our employees' achievements in the year, and to help them identify areas for continuous growth and track their career progression. As the Group progresses on, we will continue our long term goal of developing and empowering our people.

***Benefits and welfare***

Beyond the competitive remuneration, the Group also provide a comprehensive welfare and benefits scheme, including medical and dental benefits for all our full-time employees. We also adopt benefits in line with Singapore government's pro-family legislation. Mothers and fathers whose children are Singapore Citizens at birth get to enjoy maternity leave of 16 weeks and paternity leave of two weeks respectively, as advocated by the Singapore government. 3 employees with at least one Singapore Citizen child under the age of seven were entitled to six days of paid childcare leave in 2019.

## **GOVERNANCE**

Good corporate governance practices delineate the Group's business conduct and our attitude to ethical matters. The Group's corporate governance practices are guided by the Singapore Code of Corporate Governance issued by the Monetary Authority of Singapore. Such practices help ensure accountability and transparency within the Group and in turn maintain an operating environment which serves the interests of all stakeholders.

The Board is the Group's highest governance body that provides an oversight of the Group's business affair. The Board is responsible for the overall corporate governance and provides leadership and guidance on business strategies, succession planning, risk management, internal controls and financial performance. To efficiently manage its responsibilities, certain functions have been delegated to the three board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each of the committees has its own written terms of reference whose actions are reported to and monitored by the Board.

Our corporate governance practices and internal Code of Ethics and Conduct call for all employees to act with the highest standard of integrity, ensuring that we operate ethically across all our businesses. Our whistle-blowing policy also encourages and provides a channel for stakeholders to report and to raise, in good faith and in confidence, their concerns about possible improprieties in all matters. Going forward, we will continue to stay committed in instilling good governance practices across the Group. More details about our corporate governance can be found in the "Report on Corporate Governance" in our annual report.

## GRI CONTENT INDEX

GRI STANDARDS	DESCRIPTIONS	REFERENCE	Remarks
<b>GENERAL STANDARD DISCLOSURES</b>			
<b>Organisation profile</b>			
102-1	Name of organisation	Page 2: About MRL Group	
102-2	Activities, brands, products, and services	Page 2: About MRL Group	
102-3	Location of headquarters	Page 2: About MRL Group	
102-4	Location of operations	Page 2: About MRL Group	
102-5	Ownership and legal form	Page 2: About MRL Group	
102-6	Markets served	Page 2: About MRL Group	
102-7	Scale of the organization	Page 8: Our people	
102-8	Information on employees and other workers	Page 7 & 8 : Our people	
102-9	Supply chain	Page 2 : About MRL Group	
102-10	Significant changes to the organization and its supply chain	N.A.	No significant changes
102-11	Precautionary Principle or approach	Annual report – Risk management Page 20	
102-12	External initiatives	N.A.	No such initiatives
102-13	Membership of associations	N.A.	No such memberships
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Page 3: Board statement Page 4: Our material topics	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	Page 3: Board statement	
<b>Governance</b>			
102-18	Governance structure	Annual report – Corporate governance Page 9-23	
<b>Stakeholders engagement</b>			
102-40	List of stakeholder groups	Page 4-5: Stakeholder engagement	

102-41	Collective bargaining agreements	N.A.	Our workforce is not covered by specific collective bargaining agreements
102-42	Identifying and selecting stakeholders	Page 4-5: Stakeholder engagement	
102-43	Approach to stakeholder engagement	Page 4-5: Stakeholder engagement	
102-44	Key topics and concerns raised	Page 4-5: Stakeholder engagement	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Annual report Page 80-82	
102-46	Defining report content and topic Boundaries	Page 6: Our material topics	
102-47	List of material topics	Page 6: Our material topics	
102-48	Restatements of information	N.A.	No restatement made
102-49	Changes in reporting	N.A.	No changes
<b>Report profile</b>			
102-50	Reporting period	Page 2: About the report	
102-51	Date of most recent report	Page 2: About the report	
102-52	Reporting cycle	Page 2: About the report	
102-53	Contact point for questions regarding the report	Contact details of MRL	
102-54	Claims of reporting in accordance with the GRI Standards	Page 2: About the report	
102-55	GRI content index	Page 11: GRI content index	
102-56	External assurance	Page 2: About the report	
<b>SPECIFIC STANDARDS DISCLOSURES</b>			
<b>Environmental compliance</b>			
103-1	Explanation of material topic and boundary	Page 7: Our environment	
103-2	Management approach and its components	Page 7: Our environment	
103-3	Evaluation of management approach	Page 7 : Our environment	
307-1	Non-compliance with environmental laws and regulations	Page 7 : Our environment	
<b>Occupational health and safety</b>			
103-1	Explanation of material topic and boundary	Page 8: Our people Page 8: A safe and healthy workplace	
103-2	Management approach and its components	Page 8: Our people Page 8: A safe and healthy workplace	
103-3	Evaluation of management approach	Page 8 : Our people	

		Page 8: A safe and healthy workplace	
403-2	Types and rate of injuries	Page 8: Our people Page 8: A safe and healthy workplace	
<b>Diversity and equal opportunities</b>			
103-1	Explanation of material topic and boundary	Page 8: Our people Page 8: A diverse and inclusive workforce	
103-2	Management approach and its components	Page 8: Our people Page 8: A diverse and inclusive workforce	
103-3	Evaluation of management approach	Page 8: Our people Page 8: A diverse and inclusive workforce	
405-1	Diversity of employees	Page 8: Our people Page 8: A diverse and inclusive workforce	
<b>Training and education</b>			
103-1	Explanation of material topic and boundary	Page 8: Our people Page 9: Talent development	
103-2	Management approach and its components	Page 8: Our people Page 9: Talent development	
103-3	Evaluation of management approach	Page 8: Our people Page 9: Talent development	
<b>Economic performance</b>			
103-1	Explanation of material topic and boundary	Annual report Page 1	
103-2	Management approach and its components	Annual report Page 1	
103-3	Evaluation of management approach	Annual report Page 1	
201-1	Direct economic value generated and distributed	Annual report Page 1	