SUSTAINABILITY
REPORT 2023

CONTENTS

GLOSSARY OF KEY ABBREVIATIONS

AR	FY2023 Annual Report of the Company
ARC	Audit & Risk Committee
BCA	Building and Construction Authority
BMS	Building Management System
CCCS	Competition and Consumer Commission of Singapore
CEI	Customer Experience Index
CEO	Chief Executive Officer
DPOs	Data Protection Officers
EPC	Energy Performance Certificate
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
FAQ	Frequently Asked Questions
FCU	Aircon Fan Coil Unit
FEH	Far East Hospitality
FY	Financial Year
GHG	Greenhouse Gas Emissions
GRI	Global Reporting Initiative
GRS	Governance, Risk and Sustainability
GSTC	Global Sustainable Tourism Council
HR	Human Resource
HVAC	Heating, Ventilation, and Air Conditioning
JV	Joint Venture
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IT	Information Technology
LED	Light Emitting Diode

MRSC	Management Risk and Sustainability Committee
MOM	Ministry of Manpower
NUS	National University of Singapore
OD	Occupational Disease
OJT	On-The-Job-Training
PBSA	Purpose-Built Student Accommodation
SBTi	Science-Based Targets Initiative
SGX	Singapore Stock Exchange
SGX-ST	Singapore Exchange Securities Trading Limited
SHA	Singapore Hotel Association
SIAS	Securities Investors Association (Singapore)
SLL	Sustainability Linked Loan
SOPs	Standard Operating Procedures
SSP	Shared Socioeconomic Pathways
STB	Singapore Tourism Board
SWC	Sustainability Working Committee
TAFEP	Tripartite Alliance for Fair and Progressive Employment Practices
TCFD	Task Force on Climate-related Financial Disclosures
UK	United Kingdom
UK DEFRA	United Kingdom Department for Environment, Food & Rural Affairs
UN SDGs	United Nations Sustainable Development Goals
WSH	Workplace Safety and Health
WSQ	Workforce Skills Qualifications

2023 SUSTAINABILITY HIGHLIGHTS

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT (ENVIRONMENTAL)

5% reduction of Scope 1 and 2 emissions of owned properties in 2023 against SBTi target of 42% by 2030 from the baseline year[1] of 2022
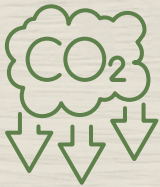
Scope 3 disclosures

initiated disclosures for business travel and upstream fuel-related and energy-related emissions

SUPPORTING PEOPLE (SOCIAL)

14% reduction in workplace reportable injuries in 2023 from 2022

ZERO incidence of discrimination and no corrective action required in 2023

81.7 hours average annual training hours given per team member

319.5 hours team member volunteer hours on Local Community engagement

UPHOLDING INTEGRITY (GOVERNANCE)

Most Transparent Company Award (Real Estate)
Securities Investors Association Singapore ("SIAS") Investors' Choice Awards 2023

38th out of 474
ranking on Singapore Governance & Transparency Index 2023

Zero violations of the Competition Act and CCCS guidelines and lapses with SGX Listing Rules and no known incidents of bribery or corruption

BUILDING A RESILIENT BUSINESS (ECONOMIC)

Revenue
S$183.6 MILLION

Profit after Tax
S$66.1 MILLION

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[1] The target has been re-baselined to include three owned hotels in Australia.

INTRODUCTION

OUR VISION

Far East Orchard is an enduring
Singapore Real Estate Enterprise that
strives to deliver steadfast growth for
all stakeholders and the community.

OUR MISSION

Far East Orchard is a real estate
company with a lodging platform
that aims to achieve sustainable
and recurring income through a
diversified and balanced portfolio.

About Far East Orchard Limited

Established since 1967, Far East Orchard has a track record in real estate development, investment and management across residential, commercial, hospitality and Purpose-Built Student Accommodation ("**PBSA**") properties in Australia, Japan, Malaysia, Singapore, and the United Kingdom ("**UK**").

Listed on the Mainboard of the Singapore Exchange, Far East Orchard is also a member of Far East Organization, Singapore's largest private property developer.

Redefining itself through a strategic business transformation in 2012, Far East Orchard expanded into hospitality management business and invested in healthcare real estate. In 2015, it further diversified its real estate portfolio to include PBSA property development and investment in the UK.

In 2023, Far East Orchard celebrated its 10-year partnerships in the hospitality business with The Straits Trading Company Limited and Toga Group, Australia.

Together with the joint venture, Toga Far East Hotels (TFE Hotels), Far East Orchard's hospitality arm, Far East Hospitality, now owns over 10 assets and manages close to 100 properties with more than 16,600 rooms in Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, Singapore, and Switzerland, featuring 10 distinct brands.

Far East Orchard's PBSA portfolio includes 3,687 beds across key cities in the UK. In 2022, Far East Orchard entered into a joint venture development in Bristol, for the development of a 706-bed PBSA asset. With the joint venture development in Bristol and announced site development in Glasgow, totalling 979 beds, the Group's total PBSA portfolio will grow to approximately 4,700 beds across 15 properties in the UK upon completion of the developments.

Additionally, the Group holds a portfolio of purpose-built medical suites for lease and sale in Novena, Singapore's premier medical hub.

ABOUT THIS REPORT

This report ("**Sustainability Report**") covers the ESG strategy, goals, policies, initiatives, and performance of assets that are material to our business and stakeholders.

The Group has organised the report as follows:

1. Far East Orchard's Sustainability Strategy, which provides an overview of our strategy in support of the UN SDGs and in accordance with the latest climate science and industry best practices.

2. The four focus areas supporting Far East Orchard's Sustainability Strategy are: (i) considering and responsibly mitigating environmental and climate-related impact to our business activities, (ii) recognising our role in uplifting our communities and supporting the health and well-being of our customers and employees, (iii) upholding integrity in everything we do and maintaining high service standards to ensure the continued trust our stakeholders have in us, and (iv) building a resilient business that continually fosters and thrives for the benefit of our people and society. This Sustainability Report discloses the approaches, policies, initiatives, and performance of each focus area.

As part of our commitment to the environment, we will provide only electronic copies of our sustainability reports on https://www.fareastorchard.com.sg/publications.html. The Group welcomes feedback and suggestions for this report at ir@fareastorchard.com.sg.

Reporting Framework

The GRI is the most widely adopted global sustainability reporting standard. Since our inaugural sustainability report in 2016, we have utilised GRI Standards to assess our impact on ESG issues. This year's Sustainability Report is prepared in accordance with the GRI Universal Standards 2021, revised in October 2021. The GRI content index is on pages 38 to 43.

Since FY2022, we have begun disclosing climate-related disclosures aligned with the TCFD recommendations in the four key areas of governance, strategy, risk management, and metrics and targets. In FY2023, we strengthened these climate-related disclosures through the commencement of the first climate scenario analysis of our business. The analysis will help us understand the implications of climate-related risks and opportunities in our current business activities and develop mitigation plans or strategies of how we would sharpen our business focus to achieve climate resiliency and to fulfil our corporate social and environmental responsibilities. The results from our climate scenario analysis will be included in our FY2024's sustainability report.

This Sustainability Report is also prepared in accordance with the sustainability reporting requirements set out in the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (Rules 711A and 711B).

Additionally, our commitment towards the disclosure standards of the UN SDGs remains unwavered. We have earmarked seven specific UN SDGs, 3, 4, 5, 6, 8, 12 and 13, where our policies and initiatives meaningfully contribute to.

Reporting Scope

This Sustainability Report encompasses our owned and managed hotels, serviced residences and PBSAs[2] across Australia, Japan, Malaysia, Singapore and the UK. Data covers the full year from 1 January to 31 December 2023 ("**FY2023**"), aligning with the Group's financial year. Therefore, this Sustainability Report should be read in tandem with the FY2023 Annual Report, which can be found at https://www.fareastorchard.com.sg/publications.html.

Climate-related and GHG Reporting

Aligning with the GHG Protocol principles for Completeness and Transparency, our reporting this year expands to cover our owned hotels in Perth and Melbourne, Australia, along with Emily Davies, a PBSA asset in the UK, acquired during the year. In our managed properties portfolio, we have included Far East Village Hotel Tokyo Asakusa in this year's report.

For our Managed properties, we segregate information into two categories based on the principle of operational control. We conducted an alignment exercise in FY2023 to understand the level of control held by us over daily operations and policies. For those in which we are a master lessee, we exercise control over daily operations and purchases and hence these will be scoped into the same category as owned properties

for reporting purposes from FY2023. While we lack full operational control over our other Managed properties, we will continue to disclose Scope 1 and 2 GHG emissions for these properties – clearly demarcated from our owned properties. This adjustment improves consistency in our GHG disclosures, offering a comprehensive overview of our operations along the lines of control and ownership.

Thus, we have reclassified the reporting of the emissions of our properties from FY2022 into three distinct categories- Owned Properties, Master Lessee Properties and Managed Properties (which will now be reported under Scope 3 henceforth).

People Reporting

Our People reporting scope covers all our team members in our corporate office and properties. Our team members are defined as all employees and include staff who are employed by our property owners but whose employment are managed by FEOR; collectively these staff work within our code of conduct and are managed by us. Externally contracted staff engaged by our partners or vendors to run various operational activities at some of our properties are excluded.

Internal Assurance

To enhance our reporting, we worked with an external ESG consultant who guided us on material topics, relevant GRI Standards and SGX Listing Rules.

The integrity of this Sustainability Report is underpinned by internal control processes to ensure the accuracy and reliability of data and narratives. An internal review, aligned with SGX-ST Listing Rules, Rule 711B (3), was conducted. This was led by our internal auditor, which conducted an audit review of identified sustainability reporting processes to validate specific disclosures. We will consider seeking external assurance in subsequent years.

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[2]   Please see Appendix 1 for the full list of properties included in this report.

BOARD STATEMENT

> **Our Sustainability Vision remains the cornerstone that guides our organizational strategy for sustainable growth. Key ESG principles, enunciated in the Sustainability Vision Statement, are woven into our business strategy supported by our enterprise risk assessment framework.**

Dear Stakeholders,

In today's dynamic business landscape, we recognise the paramount importance of aligning sustainability goals with business priorities. As global challenges amplify and the physical effects of climate change are felt worldwide, we believe that businesses must play a pivotal role in paving the way for a more sustainable future.

2023 was a year of uncertainties. Despite the complexities and challenges in our operating environment, we remain strategically focused on leveraging our core competencies and forging ahead with our commitment to our sustainability goals while maintaining operational resilience.

Continuing our Sustainability Journey in 2023

Our Sustainability Vision remains the cornerstone that guides our organizational strategy for sustainable growth. Key ESG principles, enunciated in the Sustainability Vision Statement, are woven into our business strategy supported by our enterprise risk assessment framework. We deliberately and thoroughly evaluate risks and opportunities to ensure positive economic, social, and ecological impact on our stakeholders, local communities, and the environment.

To augment the relevance of our sustainability journey in 2023, we continually reassess our ESG materiality topics. In doing so, we have expanded on our framework, refined the metrics and optimised the processes to capture the data to enhance the comprehensiveness of the existing emission reporting scope. This year, we included some categories of Scope 3 carbon emission reporting such as business travel and upstream fuel- and energy-related emissions. We plan to progressively increase the categories in future sustainability reports, targeting waste reporting in our 2024 report. This iterative reassessment ensures a more robust and precise tracking of key sustainability indicators across social and environmental dimensions.

The process aligns with our broader commitment to reporting our sustainability-related performance in accordance with the GRI and TCFD standards, as well as tracking our announced SBTi targets.

This year, we engaged an external ESG consultant to assist us in conducting a scenario-based financial impact assessment. This assessment will examine both the physical and transitional risks associated with climate change in our business operations. The insights gained should help the Group to manage climate risk exposures more effectively and work towards a reduction in our carbon footprint. By identifying and prioritising key risks and opportunities, we aim to minimise our environmental impact and fulfil our ESG commitments as a responsible and sustainable business.

Central to our success is the well-being and development of our people. Through our continual efforts in implementing safety practices and measures, we have successfully maintained our track record of ensuring zero workplace fatalities and zero cases of occupational disease for the seventh consecutive year. To continually enhance our people skillsets, we invest in training and development programmes, fostering opportunities for personal development and career progression.

Our commitment to transparency, accountability, and ethical governance remains fundamental to ensuring our sustained long-term success. In 2023, we achieved our targets with zero violations of the Competition Act and CCCS guidelines, zero known incidents of bribery or corruption, zero lapses or breaches of SGX Listing Rules, and zero incidents of substantiated losses of customer data that resulted in fines by the PDPC. In recognition of our strong corporate governance practices, Far East Orchard attained an overall score of 94 points in the Singapore Governance and Transparency Index 2023. This places us in the top 8% of companies in the index, surpassing the average score of 74.8 point.

BOARD STATEMENT

Stepping up on Our Decarbonisation Initiatives

Our decarbonisation initiatives will be reinforced by the scenario-based financial impact assessment. Through this assessment, we will endeavour to identify, assess, and quantify the physical and transitional risks associated with climate change that may affect our business operations in the short, medium, and long-term, and uncover actionable opportunities for us to address. We will continue to focus on energy efficiency enhancement initiatives and gradually transition to renewable energy across our owned and managed properties, where applicable and financially feasible. This strategic approach aligns with our commitment to achieve our declared 2030 decarbonisation targets.

In the past year, we shifted 38% of our UK PBSA assets to renewable energy sources. We will progressively increase the use of renewable energy for our existing UK PBSA assets and our owned hospitality properties in Malaysia and Japan, as long as it makes economic sense to do so.

In line with the Singapore Hotel Sustainability Roadmap by the Singapore Tourism Board and Singapore Hotel Association, we continue to support our owners in obtaining green building certifications for our managed asset portfolio. The process involves continually optimising energy use or enhancing energy efficiency across the properties, to increase our assets' climate resiliency. We are pleased to share that across the Group's managed properties, six hotels have attained BCA Green Mark certification, with Village Hotel Albert Court achieving the Green Mark Gold certification in 2023.

Embracing Sustainability at Our Core

We believe embracing sustainability at our core is vital for future-proofing our business and fostering a sustainable and inclusive future for stakeholders.

In our commitment to uphold the principles of good corporate governance, we prioritise transparent disclosures to empower our stakeholders with more informed decisions. Our Sustainability Report 2023 was prepared in accordance with the GRI Standards 2021, SGX-ST Listing Manual (Rules 711A and 711B), and the TCFD framework.

As we progress on our sustainability journey, the Board continues to steer the overall sustainability direction for the Group, overseeing and advising on sustainable principles or policies that are at the core of the Group's overall business strategy. To fulfil these responsibilities, Board members undergo sustainability training from time-to-time to equip themselves with up-to-date knowledge and skills, enhancing their collective capacity to make informed decisions that prioritise the long-term sustainability of our business. Similarly, the Management of the Group as well as relevant staff members have undergone regular trainings to ensure that they are well-versed in the latest standards and practices to continue leading the Group's strategic initiatives and sustainability thrust.

In a year where climate change continues to pose a key business and societal risk, we are committed to remaining steadfast in our dedication to sustainable practices, delivering value, and upholding the trust placed by our stakeholders.

Sincerely,
Board of Directors
Far East Orchard Limited

SUSTAINABILITY STRATEGY

Sustainability Vision

" We strive to create sustainable value for all stakeholders and commit to being responsible towards the environment and society while upholding a high standard of corporate governance. Together, we work towards creating a sustainable future through our real estate and lodging platform. "

Our Sustainability Strategy, refreshed in 2021, affirms our dedication to embedding sustainability across all facets of our business and operations. We continually develop robust and rigorous internal controls, augment our governance structure, and reinforce operational protocols to ensure the success of our Sustainability Strategy. This bedrock of reassurance enables us to focus on creating positive social and environmental impacts for our stakeholders including local communities, business partners and suppliers.

Our ESG focus areas extend across the following dimensions: considering and responsibly mitigating environmental and climate-related impact to our business activities; recognising our role in uplifting our communities and supporting the health and well-being of our customers and employees; upholding integrity in everything we do and maintaining high service standards to ensure the continued trust our stakeholders have in us. All these,

driving forward a resilient business that continually fosters and thrives for the benefit of our people and society.

These focus areas are supported by material topics relevant to our stakeholders. To monitor our sustainability progress on each material topic, we have set ESG targets for each applicable focus area, aligning them with UN SDGs[3] for relevance and oversight.

In addition to the ESG targets, we deepened our environmental commitment by setting a GHG emission target in line with SBTi in 2022. This year, we have re-baselined the target to include three owned hotels in Perth and Melbourne, Australia, as the emissions from the hotels is more than 10% of the Group's overall emissions. We remain committed to a 42% reduction in Scope 1 and 2 GHG emissions for our owned properties by 2030 using our baseline year of 2022[4]. Our decarbonisation strategies are detailed in the 'Minimising Environmental and Climate-Related Impact' chapter.

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[3] UN SDGs rally government and corporations to secure the well-being of people, societies, and the planet by providing a blueprint to address the world's most pressing sustainable development challenges.
[4] 2022 was chosen as a baseline year as the Group had captured comprehensive data reflecting our operating environment during the year.

OUR SUSTAINABILITY PROGRESS

Sustainability Performance

Our Sustainability Strategy, focus areas, material topics and performance are aligned to the UN SDGs. The figure below contains an update on the Group's progress for the different sustainability pillars in 2023.

We are committed to...	by...	contributing to the UN SDGs
Minimising environmental and climate-related impact • Climate resilience • Emissions • Water management • Waste management • Responsible Procurement	• re-baselining our Scope 1 and 2 GHG emission reduction target of 42% for owned properties by 2030 to include our owned hotels in Australia; • achieving a 5% reduction in our Scope 1 and 2 GHG emissions for our owned properties based on the above rebased targets; • strengthening Board and Management oversight and responsibilities in response to climate risks and opportunities (as recommended by TCFD); • initiating a climate scenario analysis of our portfolio focused on understanding and assessing both impact and mitigations of climate-related risks and opportunities to our businesses; • identifying, measuring, and disclosing Scope 3 emissions for Category 3: Fuel-Related and Energy-Related activities and Category 6: Business Travel', and planning to expand our scope 3 inventory to include waste reporting in our FY2024 report; and • developing a supplier due diligence framework that includes ESG considerations.	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Supporting people • Customer Health and Safety • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity • Local Community	• upholding high standards of operations for customer experience and achieving our target of no significant cases of health and safety incidents resulting in fatalities at our properties. • reducing workplace reported injury significantly by 14% in 2023 compared to 2022; and 26% compared to 2021; • achieving our target of 80 average hours of training per team member; • maintaining a balanced gender diversity of 44:56 male-to-female ratio in 2023; • initiating a community outreach programme to engage and support the environment and marginalised elderly and youths in our local community, and • contributing 319.5 volunteer hours from team members towards local community engagement in 2023.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY
Upholding integrity • Transparent and Ethical Business • Data Security and Privacy	• monitoring, reviewing, and encouraging ethical business practices across our value chain; and • maintaining zero regulatory, data and legal breaches	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Building a resilient business • Economic Performance • Quality Service	• recording a profit after tax of $66.1 million and proposing a first and final dividend of 4 cents per share for FY2023; and • strengthening our brand reputation through our outstanding service quality, thereby driving a sustainable business	8 DECENT WORK AND ECONOMIC GROWTH

Figure 1: Our progress in 2023.

OUR SUSTAINABILITY PROGRESS

Sustainability Governance

Our governance structure helps us drive, monitor, and execute our Sustainability Strategy across the Group.

In 2023, we continued our progress on Board and Management oversight on climate-related risks and opportunities, aligning with TCFD's recommendations (see figure 2). Our Sustainability Working Committee gained traction in operationalising the Group's sustainability efforts. This year, we revisited and affirmed the roles and responsibilities of the Board and Management and the Working Committee, deeming them pertinent to our ongoing efforts.

Governance	Roles and responsibilities
The Board of Directors	• is collectively responsible for the long-term success and sustainability of the Group; • determines the material ESG factors of the Group; • reviews and discusses climate-related risks and opportunities; • provides strategic direction; and • oversees the design, implementation and monitoring of climate-related and other ESG-related risks and controls established by the management.

ARC	• assists the Board in fulfilling its responsibilities for the Group's:
	  – sustainability reporting and processes;
	  – management of internal controls, risk reporting and risk and sustainability management framework;
	 • evaluates how the management reviews the climate-related risks and opportunities and other ESG risks; and
	 • assesses the adequacy and effectiveness of measures in place to manage any notable risk areas.

MRSC	• supports the Board and ARC in oversight of risk and sustainability matters and initiatives; • responsible for the design, implementation and monitoring of sustainability and risk management processes, internal controls, and sustainability reporting; • responsible for identifying, assessing, managing climate-related risks and opportunities; • ensures accuracy and integrity of the sustainability reports; • provides management assurance to the Board on the adequacy and effectiveness of internal controls and sustainability and risk management processes.
GRS team	• reviews and updates ERM & sustainability assessment frameworks; • conduit between MRSC and SWC; • supports the Group on the oversight of risk matters, including climate-related risk assessments; and • scans and profiles emerging risks including climate and sustainability risks.
SWC	• formulates sustainability and climate-related initiatives to enhance the Group's sustainability performance; • reviews operational level sustainability related issues for further escalation; • monitors the progress of initiatives and updates the MRSC; • guides business divisions on the implementation of such initiatives; and • comprises representatives from business divisions.
Business divisions	• appoint appropriate representatives to the SWC; • communicates operational level critical sustainability related concerns to SWC; • implement sustainability and climate initiatives cascaded from the MRSC and/or SWC, ensuring a clear and consistent approach across the Group; and • designate leads to manage climate risks identified by the SWC, including raising material climate and ESG issues to business divisions.

Figure 2: Our sustainability governance structure.

OUR SUSTAINABILITY PROGRESS

Starting 2023, the long-term incentive scheme for Group CEO, key management personnel and selected senior executives also include carbon emission reduction targets to achieve the Group's long-term strategic sustainability objectives. The Group's remuneration policies and nomination, evaluation, and selection processes for our highest governing bodies such as the Board and ARC (including any conflicts of interest) are described in our AR pages 35-66. Details of the members of our key management personnel, Board of Directors and Board Chair are likewise given in our AR pages 16-26.

Stakeholder Engagement

Stakeholders are key to our success, and we engage with our stakeholders to ensure that their concerns are taken into account in our business and/or sustainability initiatives (see figure 3). This aligns our sustainability strategy and business objectives with our stakeholders' interests.

We engage …	through…
Shareholders/ Investors	• financial reporting (half-year and full-year); • annual reports; • annual sustainability reporting; • timely updates of new developments on our corporate website and SGXNet; • analyst meetings and roadshows; and • feedback from investors throughout the year.
Customers	• providing environmentally friendly service options; • educating guests on the sustainability practices in our hotels and serviced residences, and encouraging their participation; and • seeking feedback via surveys.
The Board	• board meetings; • updates on key business developments, risks and sustainability matters; and • discussions on major business strategies.
Team Members	• sharing of sustainability initiatives occurring across the Group; • discussions on sustainability-related enhancements to our properties; • regular dialogue sessions and town halls conducted by management; and • training on policies and procedures.
Property owners (of the managed properties)	• regular meetings to encourage the adoption of sustainability enhancements to the properties.
Business partners – including JV partners, suppliers, outsourced service providers	• sharing our transparent approach to business relationships and ESG efforts and encouraging their adoption of similar practices.
Community	• engaging stakeholders and other members of our local communities as part of our corporate social responsibility.

Figure 3: Stakeholders engaged in 2023.

OUR SUSTAINABILITY PROGRESS

Materiality Assessment

We review our material topics annually in consultation with internal and external stakeholders to ensure the relevance of these ESG topics. The review includes analysing market trends and obtaining feedback from stakeholders. Subsequently, we prioritise material topics that may impact our business and sustainability strategy in the short, medium, and long term.

In 2023, we updated our existing material topics and introduced 'Local Community' as a new material topic, recognising the impact our business operations may have on our local communities[5]. We believe the revised set of material topics will support us in delivering sustainable value to all our stakeholders, in alignment with our sustainability strategy and industry best practices. Additionally, we renamed material topic 'Customer Privacy' to 'Data Privacy', acknowledging that data privacy captures a wider umbrella of our initiatives and controls to safeguard data and privacy for all our stakeholders.

Our materiality assessment priorities are presented in the figure below.
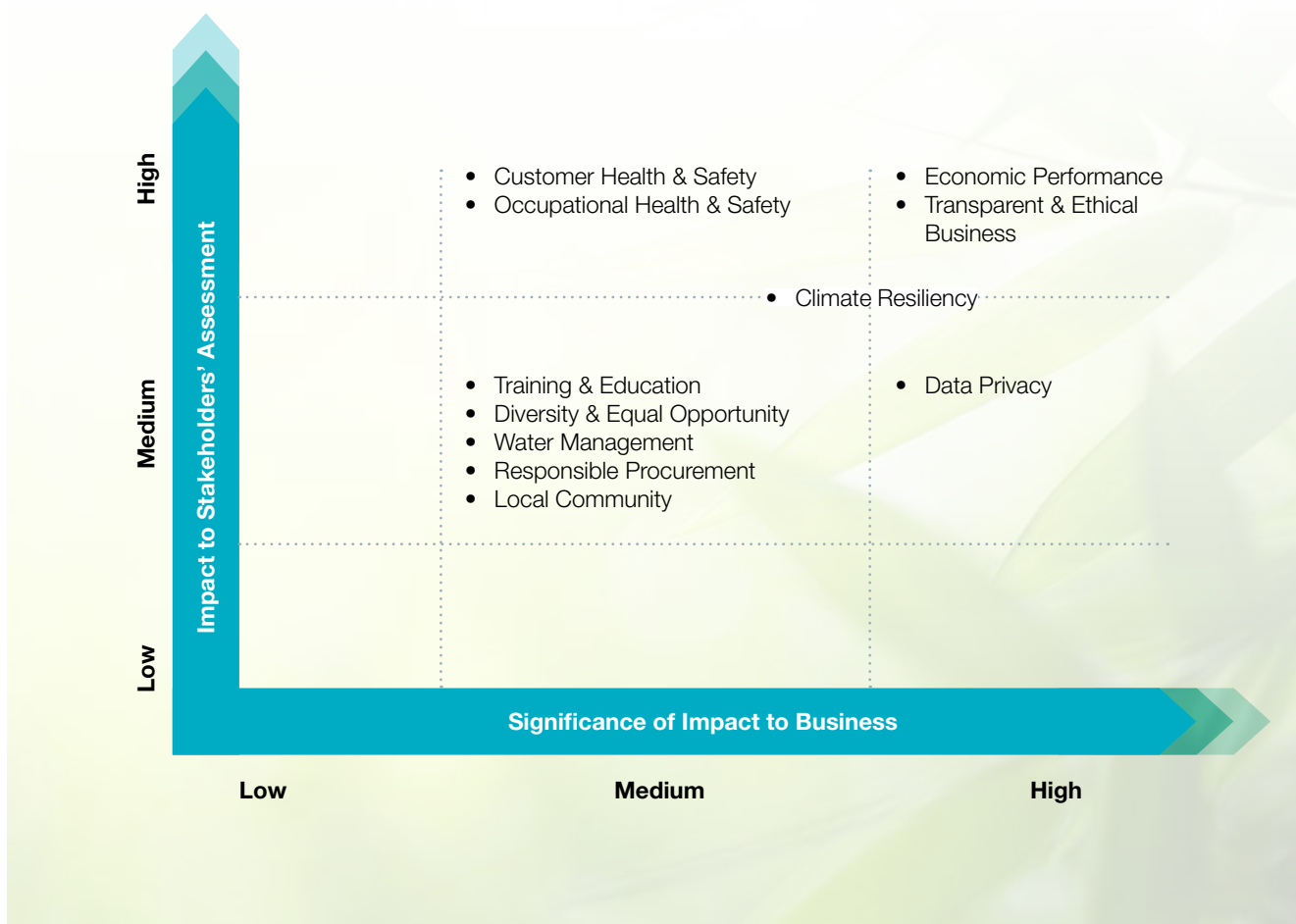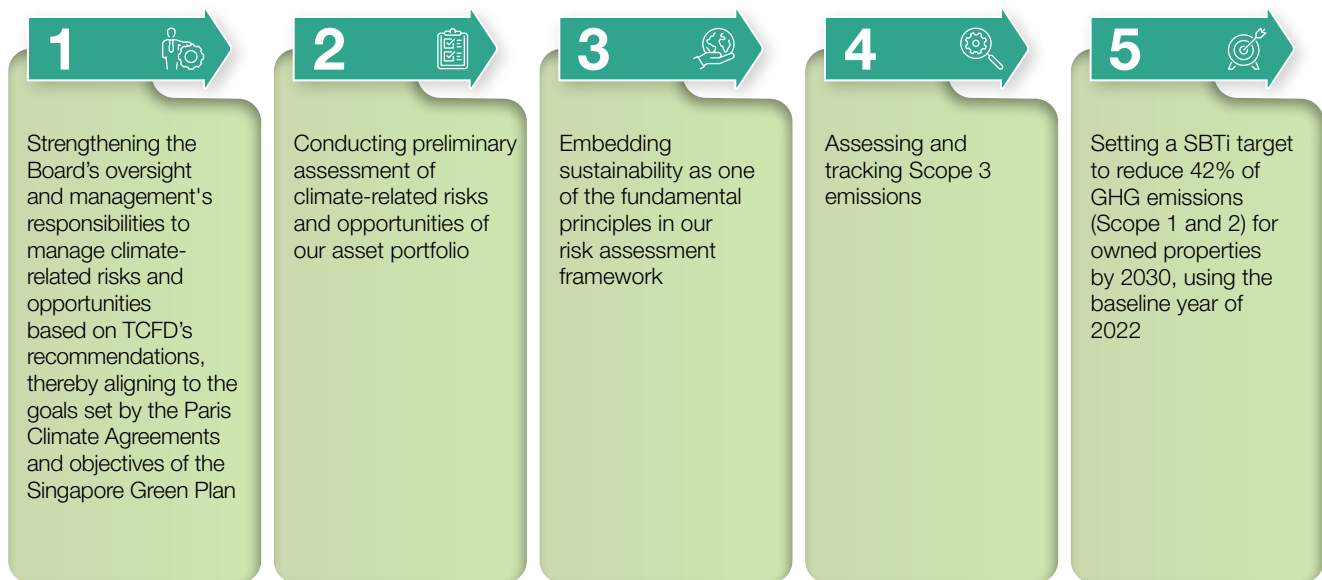

Figure 4: Materiality Assessment in 2023.

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[5]   Our disclosure on Local Community are our own endeavours based on the contribution / participation of our team members. These may not conform fully with GRI 2021 disclosures.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

According to IPCC's Synthesis Report for the Sixth Assessment Report[6], global greenhouse gas emissions have continued to increase, arising from unsustainable energy use, land use, human consumption and production patterns. To safeguard our planet, it is imperative for both individuals and institutions to play their part in protecting natural resources and addressing the levers driving climate-change. As a global corporate citizen, we are committed to following industry standards in minimising the environmental and climate impact of our operations and value chain.

Climate-related Impacts

In 2022, we conducted a preliminary assessment of our climate risks and opportunities, evaluating both transitional and physical risk impacts from climate-change to our owned and managed assets. This exercise involved scanning for emerging issues, assessing these issues' potential magnitude and likelihood, and considering practical mitigation or adaptation measures based on our organization's resources and capabilities.

1 Strengthening the Board's oversight and management's responsibilities to manage climate-related risks and opportunities based on TCFD's recommendations, thereby aligning to the goals set by the Paris Climate Agreements and objectives of the Singapore Green Plan

2 Conducting preliminary assessment of climate-related risks and opportunities of our asset portfolio

3 Embedding sustainability as one of the fundamental principles in our risk assessment framework

4 Assessing and tracking Scope 3 emissions

5 Setting a SBTi target to reduce 42% of GHG emissions (Scope 1 and 2) for owned properties by 2030, using the baseline year of 2022

In 2023, we strengthened our sustainability efforts by broadening the Board's oversight and management responsibilities, incorporating sustainability into our risk assessment framework, and committing to a SBTi target to reduce GHG emissions for our owned properties with a clear timeline.

During the year, we commenced building our Scope 3 inventory and disclosed emissions for *Category 3: Fuel-related and Energy-related activities and Category 6: Business Travel* in our Sustainability Report. We intend to expand our Scope 3 inventory with more accurate and timely data in the years ahead. Concurrently, we have also re-baselined our 2022 disclosed SBTi target to include three owned hotel properties in Australia. Our commitment remains to achieve a 42% reduction of Scope 1 and 2 GHG emissions from owned properties by 2030, against our 2022 re-baselined GHG emissions.

In 2023, we commenced our first climate scenario analysis for our portfolio and operations. The analysis will extend across three different time horizons[7] - short, medium and long term, and two different IPCC narrated scenarios[8] - SSP 2 – 4.5 and SSP 5 – 8.5. The results of the scenario analysis will be disclosed in our FY2024 sustainability report.

From our initial assessment, regulatory changes and rising material costs continue to dominate as key transitional short-term risks from climate change. Extending beyond the short-term, these transitional risks will evolve with new green building standards, rising costs of carbon, emissions-related directives and controls requiring green certifications for operating assets. At the same time, increasing global demand for sustainable resources can put pressure on material costs as the world transitions towards a lower-carbon economy. Costs related to sourcing and verifying sustainable supplies will trickle down supply chains and could

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[6] https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf

[7] The Group has classified risk time horizons as follows: short-term (2030), medium-term (2050) and long-term (2100).

[8] Shared Socioeconomic Pathways (SSP) are based on five narratives describing future alternative socioeconomic developments, including sustainable development, middle-of-the-road-development, regional rivalry, inequality, and fossil-fueled development. These five pathways were reported in the latest IPCC Sixth Assessment Report on climate change.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

affect our outlays. From the short- to medium-term horizons, we are already beginning to experience the physical risks of climate change: both the World Meteorological Organization (WMO) and the National Oceanic and Atmospheric Administration's (NOAA) National Centers for Environmental Information have confirmed that Earth's average surface temperature in 2023 was the warmest on record[9]. It is evident from the published data that the warmer than average temperature trend will continue, and physical risks of such changing temperature patterns include increased extreme weather patterns such as heatwaves, extreme precipitation, along with flash-floods and sea-level rising or river delta floodings. The impact of these events on our properties, customers and supply chains can be qualitatively estimated, and its impact on society and changing consumer behaviour would be what we hope to more adequately assess in our climate scenario analysis to be disclosed in our FY2024 Sustainability Report.

While the above climate-related risks have not significantly affected business operations this year, we are taking a proactive approach to implement measures to mitigate potential transition risks from climate change. As mentioned, we have aligned with SBTi's latest guidance[10] on Scope 1 and 2 emission reductions, and our emphasis on decarbonisation for owned properties stems from our increased control over capital expenditure and purchasing decisions in these properties. As we maintain or upgrade these assets, we have been working on ways to introduce new technologies or other consumption-reducing processes to reduce our carbon footprint and make these assets more energy efficient. We have provided more information about our owned and managed properties below.

Owned properties initiatives

Our efforts concentrate on the gradual implementation of renewable energy in the energy mix consumed by our PBSA assets in UK and our hotel properties in Australia. Because indoor climate control remains a major source of carbon emissions, we have focused on improving the renewable energy consumed. Separately, we are piloting a smart network heating system at two PBSA assets and are currently assessing the feasibility of installing heat pumps, which are more energy efficient.

Within our hotels, we transitioned to energy-efficient LED lighting across as many properties as feasible[11]. We have also started implementing smart lighting controls in rooms to reduce unnecessary energy consumption and conduct more regular maintenance, considering energy efficiency as a tenet.

Managed properties initiatives

While the Group recognises that our control over daily operations is limited due to owner-imposed guidelines, we have nonetheless sought to influence and implement initiatives to reduce carbon emissions and/or improve energy efficiency where it is within our capacity to do so. One example includes exploring the replacement of incandescent lights with more energy-efficient LED lights, and the installation of timers to regulate the operating hours of electrical devices during off-peak periods at these properties. The Group will continue to proactively encourage and collaborate with our respective property owners to explore other enhancement options.

Emissions

The primary sources of Scope 1 and 2 emissions at our owned properties are natural gas usage and electricity consumption, particularly in our Australian hotels and PBSAs. For owned properties in 2023, Scope 1 emissions increased to 2,416 tCO_2e and Scope 2 emissions dropped to 8,183 tCO_2e. This drop in Scope 2 emissions was attributable mainly to our Australian properties and UK PBSAs having improved renewable energy mix ratios. In total, our Scope 1 and 2 emissions fell by 5.23% to 10,599 tCO_2e. Our emissions intensity for our owned properties has remained stable at 0.05 tCO_2e/m^2 of floor space.

We are mindful of our emissions and will continue to take proactive measures to reduce emissions to meet our GHG emissions target in the coming years[12, 13].

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[9] The data was compiled and published by the NOAA on Jan 12 2024: https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/202313 WMO report: https://wmo.int/news/media-centre/2023-shatters-climate-records-major-impacts

[10] Starting in 2021, SBTi, the global body enabling businesses to set emissions reduction targets in line with climate science, and only accepts corporate decarbonisation targets that limit warming to 'well below 2°C' to '1.5°C' above pre-industrial levels. This is to align with global climate science.

[11] Exceptions may include special lighting such as chandeliers, designer lights or ballroom lights that may not be feasible to replace to LED because of incompatibility.

[12] The Group uses the operational approach in calculating GHG emissions (Scope 1 and 2) in accordance with the GHG Protocol Standards. Owned, master lessee and managed properties are categorised separately as the Group has varying degrees of control over these assets. The degree of control would determine the extent of environmental initiatives the Group can control, influence, and implement to reduce GHG emissions. Correspondingly, the Group's portfolio is categorised as owned, master lessee and managed properties. 'Owned properties' refer to fully owned or co-owned properties with significant operational control by the Group. 'Managed properties' are not owned by the Group but managed by our subsidiary, FEH. 'Master lessee' properties are also not owned by the Group but given that the Group operates as the 'Master Lessee', it retains an extent of operational control over the properties. Some properties co-owned by the Group (ie, with minority stake and minimal operational control) are excluded from the emissions inventory as the Group does not exercise control over their daily operations, purchasing decisions and capital expenditures.

[13] Because of varying billing cycles across different properties, some properties have used estimates for their final month of energy consumption in FY2023. Efforts would be made to provide/account for actual full-year data going forward.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

GHG emissions	2023[14]	2022[15]
OWNED		
■ Scope 1 (tCO$_2$e)	8,183	8,868[15]
■ Scope 2 (tCO$_2$e) (Market-based)	2,416	2,316
Sub-total Scope 1 and 2 emissions (tCO$_2$e) (Market-based)	**10,599** (↓585 tCO$_2$e or 5.23%)	**11,184**
Emissions intensity (tCO$_2$e/m²) (Market-based)	**0.05**	**0.05**
MASTER LESSEE		
■ Scope 1 (tCO$_2$e)	2,687	2,589
■ Scope 2 (tCO$_2$e)		0.8
Sub-total Scope 1 and 2 emissions (tCO$_2$e)	**2,687**	**2,590**
Emissions intensity (tCO$_2$e/m²)	**0.06**	**0.06**
Total Scope 1 and 2 emissions (tCO$_2$e) (Market-based)	**13,286** (↓488 tCO$_2$e or 3.54%)	**13,774**

Figure 5: Scope 1 and 2 emissions.

We have enhanced our emission disclosures to identify and measure emissions along our value chain. In this report, we are beginning to disclose selective Scope 3 emissions which we have deemed reliable and accurate to report. As we enhance our data capture processes, we have plans to progressively expand our Scope 3 GHG inventory in future sustainability reports.

Starting this year, we will report the emissions from managed properties under our Scope 3 emissions reporting due to our limited operational control over them. We are reducing our GHG emissions by introducing energy efficient initiatives, however, our emissions intensity remains constant at 0.05 tCO$_2$e/m².

Scope 3 - Category 3 and Category 6

Total Scope 3 Emissions **1,122**

1,102 — Category 3: Fuel-Related and Energy-Related Activities (tCO$_2$e)

20 — Category 6: Business Travel (tCO$_2$e)[16]
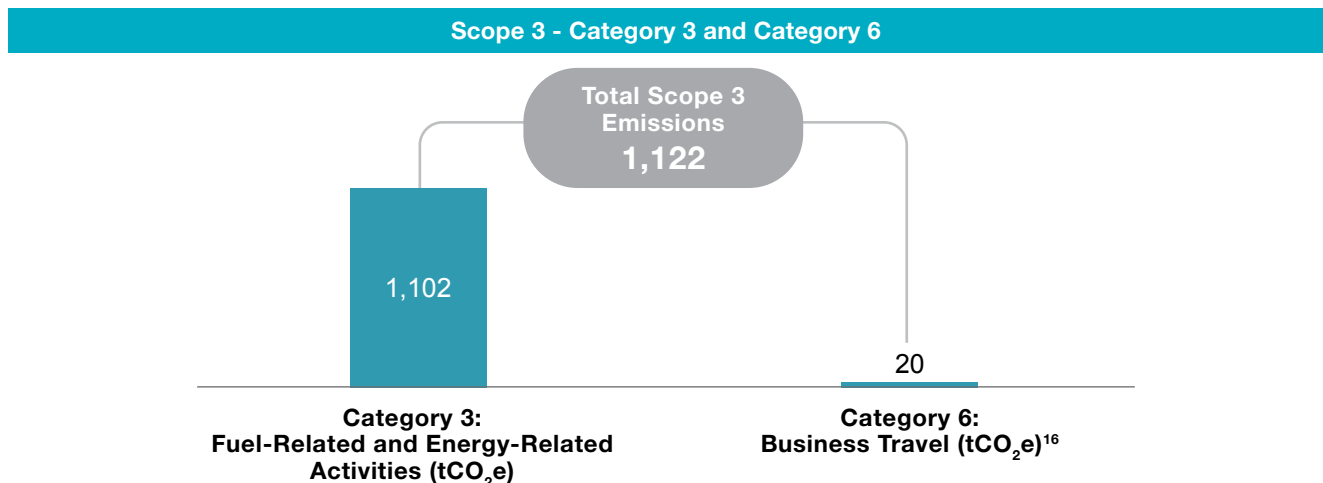
Figure 6: Scope 3 emissions.

[14] The full FY2023 GHG inventory is given in the Appendix. Our GHG methodology is aligned with the GHG Protocol, https://ghgprotocol.org/sites/default/files/ghgp/standards/Scope%202%20Guidance_Final_0.pdf and also in GRI 305-2. For scope 2 GHG emissions, we apply a market-based method by considering emission factors from contractual instruments.

[15] FY2022 GHG inventory has been re-baselined to include the owned Australian hotels.

[16] Head office employee travel only.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

GHG emissions from our managed properties (reported under Scope 3)	2023	2022
Managed (Fuel and Refrigerants) (tCO$_2$e)	3,384	4,456
Managed (Electricity) (tCO$_2$e)	22,634	22,375[17]
Total Scope 3 emissions (tCO$_2$e)	**26,018**	**26,830[18]**
Emissions intensity (tCO$_2$e/m²)	**0.08**	**0.08**

Figure 7: Emissions from Managed Properties (Reported Under Scope 3).

Energy-efficiency initiatives

While our decarbonisation plan focuses on owned properties, we continue to recommend energy-efficiency initiatives to the owners of our managed properties. The initiatives achieved in 2023 and our plans are tabulated in Figure 8 below.

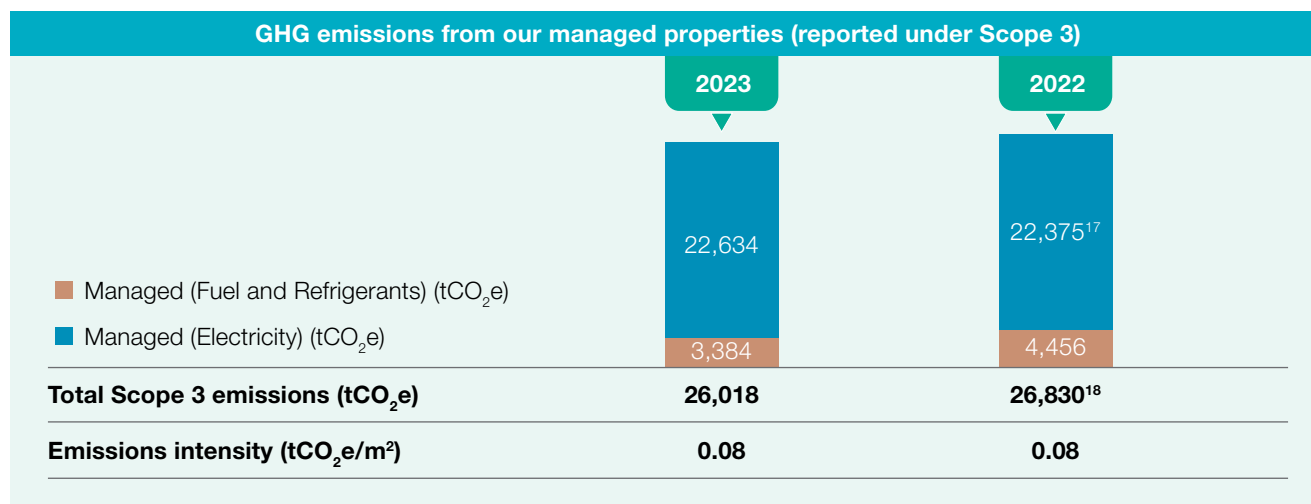| Business Segment	Current Status (31 Dec 2023)	Key Initiatives (to be completed by 2030)
Owned hotel properties	• Transitioned to energy-efficient LED lighting throughout 70% of the properties. • Implementation of smart lighting controls in hotel rooms. • Regular system maintenance of HVAC and lighting. • Recycling bins were placed in hotel rooms and initiatives were rolled out to reduce the use of single-use plastics. • In Australia, leftover food is sent to a leading food rescue organization. • 50% of conventional lighting was fitted with LED at Oasia Suites Kuala Lumpur	• Use of Solar PV roof technology in areas which are deemed feasible for deployment. • Review and upgrade where feasible, HVAC and water systems to improve energy efficiency. • 100% replacement of conventional lighting with LED for all properties.
Managed Properties	• Replacement of less efficient FCUs and upgrading of air-conditioning units of some properties. • Adjustment of chiller set points based on demand and desired ambience. • Launched a carbon offset programme for our guests from August 2023. • Conducting feasibility study for chiller replacement at a property.	• Optimise energy usage of common areas and installations (e.g., lifts). • Encourage property owners to retrofit the building with more energy-efficient equipment. • Develop opportunities and encourage guests to reduce their environmental footprint during their stays.
PBSA	• Implemented LED replacement at one of our properties. • Pilot testing of smart networking heating at two of our properties. • Reviewing feasibility for heat pump installation. • Introduced renewable energy use at five PBSAs.	• Review and upgrade where feasible, heat pump systems in all PBSAs. • Replacement of conventional lighting with LED, where practicable. • Explore and implement where feasible, network heating in properties where there is a high reliance on electricity for heating. • Use of renewable energy in all PBSAs.

Figure 8: Energy efficiency planning across owned properties, managed properties and PBSAs.

[17] The emissions factor 2023 data set has updated the emissions factors for Japan for 2022, and EMA has updated the grid emission factor for Singapore for 2021 and 2022, which has led to an overall increase in the Scope 2 emissions from managed properties in 2022.
[18] This is higher than what was reported in FY2022's SR due to a change in Scope 2 emissions.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Green Building Certifications

Besides energy-efficiency initiatives, we strive to acquire, manage, and improve our asset portfolio to align with market expectations and consumer demands for greener buildings. We actively review and establish climate-related criteria that are applicable to both our current portfolio of assets and newly acquired buildings, to lower the Group's emissions and where feasible, work towards achieving green certification for the buildings we own or manage.

For our PBSA properties, our portfolio management team periodically conduct property assessments and progressively enhance our PBSA properties for improved energy efficiency over the years. Through these efforts, all PBSA properties had achieved an EPC Rating of C or higher in 2022 and this was improved to 80% of our portfolio achieving EPC rating of B in 2023[19]. The Group and our PBSA operator have established annual Sustainability Operating Plans to ascertain that we maintain or improve our properties' energy performance. We are conducting pilot tests on smart networking heating systems and are looking into feasibility studies for heat pump installation. We aim to get an EPC rating of minimum B for all our PBSA properties by 2030.

For our owned hotel properties, we are focusing on improving energy efficiency through the progressive transitioning to LED-lighting from the traditional incandescent light bulbs and reducing energy wastage through routine maintenance of our HVAC and lighting systems to ensure optimal performance.

In 2023, Village Hotel Albert Court, a Master Lessee property, achieved the Green Mark Gold certification from the BCA. Across the Group's managed properties, six hotels are currently Green Mark certified. We are also conducting a chiller replacement feasibility study for Village Hotel Changi and replacing less efficient FCUs with more energy efficient air-conditioning units.

Business Segment
PBSAs

Current Status (31 Dec 2023)
More than 80% of portfolio achieved EPC Rating of B

Target in 2030
100% of our portfolio to achieve EPC Rating B or higher
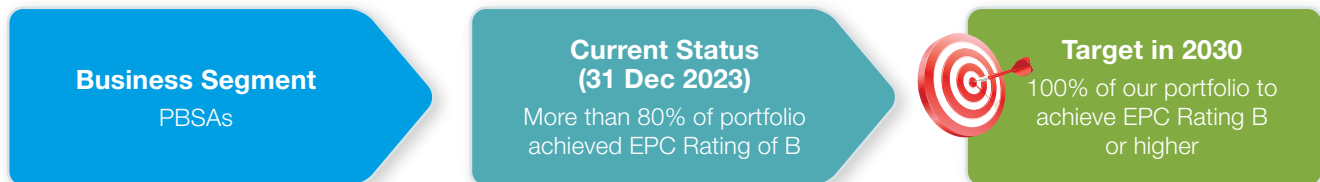
Figure 9: PBSA Green Building certificate achievement and targets.

Sustainability Certifications

Our hospitality arm FEH, achieved the Sustainability Hotel Award (2023-2024) for its four managed Sentosa hotels in 2023. This award is presented by the SHA and supported by the BCA, National Environment Agency and the STB.

FEH aims to obtain the GSTC certification for all managed hotels in Singapore, in line with the Singapore Hotel Sustainability Roadmap[20] to further demonstrate our commitment to environmental standards. This international certification recognises hotels that achieve globally competitive environmental standards which meet the rising demands for sustainable tourism. In 2023, we conducted a gap analysis to ascertain our hotels' readiness to meet the GSTC Criteria and made further improvements to our internal processes and plans. We aim to have GSTC certification for all FEH-managed hotels by the end of 2024.

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[19] EPC stands for Energy Performance Certificate, and it denotes how energy efficient a UK property is. EPC bands range from A (most energy efficient) to G (least), and the average EPC rating in UK is D.
[20] SHA and STB announced the launch of the Hotel Sustainability Roadmap in March 2022, in line with Singapore Green Plan 2030. The roadmap has set ambitious aims for the industry, including for 60% of hotel room stock in Singapore to attain internationally recognised hotel sustainability certification by 2025 and reduce emissions by 2030 with an end goal of net-zero emissions by 2050.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Water Management

As part of our overall environmental efforts, we proactively implement measures to conserve water across our asset portfolio. Recognising that water is an essential resource, we acknowledge our responsibility in ensuring the reliability, accessibility, and quality of water supply for our operations.

Our 2023 water usage has increased, corresponding with the inclusion of our three owned hotels in Australia, a new PBSA, and higher occupancy across many assets. As a result, we did not meet our water reduction targets from the previous year. Nevertheless, we remain committed to implementing new initiatives and exploring new technologies to enhance water conservation.

Water Conservation Efforts
In our owned properties and PBSAs we are implementing the following initiatives:

- Introducing a water filtration system and providing reusable glass bottles for our guests.
- Installing water restrictors for showers and taps.
- Raising awareness of our guests by providing greener cleaning services, promoting reuse of towels and lowering the frequency of linen change.
- Conducting regular maintenance to reduce water wastage due to faulty fixtures and plumbing issues.
- Redesigning our landscape to introduce native, drought-resistant plants that require minimal irrigation wherever feasible.
- Monitoring the feasibility of introducing water-saving shower heads for PBSAs.

We have set a target of a 1% water intensity consumption reduction for 2024 across all our properties.

We are committed to continue our efforts to optimise water consumption across all our owned and managed properties to reduce our overall water usage intensity in 2024.

Water consumption (m³)

2023[21]: 1,064,178 (Owned properties 286,782; Master Lessee properties 100,473; Managed properties 676,922)
2022: 792,963 (Owned properties 169,774[22]; Master Lessee properties 80,270; Managed properties 542,919)
2021: 782,879 (Owned properties 140,776; Master Lessee properties 142,025[23]; Managed properties 500,079)

Owned properties ■ Master Lessee properties ■ Managed properties

Water intensity (m³/m²)

	2023	2022	2021
Owned water intensity	1.36	1.28	1.06
Master Lessee water intensity	2.21	1.76	2.24
Managed water intensity	2.00	1.62	1.47

Figure 10: Water consumption.

21 At many properties, water consumption is billed by billing cycles and for the last billing cycle, usually covering the months of Nov and Dec 2023, the data was not available at the time of reporting. Where unavailable, we have used estimates averaging water consumed over past months to provide approximate numbers for this report. Efforts would be made to provide / account for actual full year data going forward.
22 Utility operator-issued water readings for November and December were unavailable in certain UK municipalities at the time of reporting. As such estimations based on occupancy of the corresponding months were used instead.
23 This includes Orchard Rendezvous Hotel, Village Residence Albert Court and Village Residence Clarke Quay (VRCQ). VRCQ has been excluded from 2022 onwards as it was divested.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Waste Management

Waste generation is part-and-parcel of our operational activities. If left unmonitored and improperly disposed, it can lead to adverse environmental impacts and GHG emissions. We recognise our role in reducing waste through promoting recycling and proper waste disposable habits among our customers and team members to minimise the impact of waste from our operations to our local communities and environment. For us to better tailor our waste management initiatives, we need to first properly track and measure baselines for benchmarking. As such, we are in the process of developing a methodology to collect and disclose general waste and recyclable waste data across our owned properties. Relevant waste information will be disclosed starting from FY2024.

Owned properties

In terms of current initiatives, we are implementing a range of initiatives to reduce waste generated:

- Providing recycling bins for guests and training staff to segregate the waste to reduce contamination, and enhancing recycling efficiency;
- Shifting away from single-use plastics by adopting biodegradable and reusable alternatives, such as refillable guest amenities, biodegradable slippers, and paper cups;
- Bulk purchase of hotel products to reduce packaging waste;
- Prioritising electronic communication over hardcopies to minimise paper waste; and
- Exploring and implementing where feasible, use of food waste digester to reduce waste generated.

Managed properties

While we do not have complete operational control of the properties we manage, we recognise our role in influencing the waste management behaviour at these properties. As a result, some of the above waste reduction initiatives extends to our managed properties where for example, we have done away with physical compendiums in favour of electronic ones; and have progressively switched out from smaller amenity bottles to larger refillable ones in guest rooms to reduce plastic bottle consumption.

Responsible Procurement

We are conscious of our role and influence across our supply chain. As a result, we encourage our suppliers and business partners to act responsibly and sustainably.

In 2022, we incorporated environmental considerations into our procurement policies across PBSA and hospitality business segments. For our hospitality business, key suppliers are highly encouraged to adopt FEH's Sustainability Roadmap for Suppliers. The policy encourages sustainable business practices related to business ethics, labour and human rights, safe and healthy workplaces, and a commitment to the environment. A stakeholder engagement exercise was conducted for key suppliers in 2022, and the finalised procurement policy was released in 2023 for key suppliers (accounting for 60% of FEH's purchase value) to be aligned with FEH's recommendations and target milestones. By 2026, it will be made mandatory for key suppliers to be aligned with all FEH's recommendations. FEH's Corporate Operations and Central Sourcing teams will continue to work closely with key suppliers to implement the Sustainability Roadmap for Suppliers and gather their acknowledgement on an annual basis.

We achieved our 2023 target of launching our FEH Sustainability Roadmap for hospitality suppliers.

Current progress (2023)

We have implemented the following initiatives for our PBSA suppliers:
- screened our suppliers using the environmental criteria, of which 7 out of 29 suppliers were screened for their environmental impact;
- implemented a decarbonisation plan with the energy supplier to move towards renewable energy and reduce our reliance on brown energy.

We have been able to implement the following for our hospitality procurement practice:
- launched the Sustainability Roadmap for key suppliers

2030 Target
- To increase the number of suppliers who align with our sustainability business practices.

Figure 11: Sustainable procurement targets.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Enhancing Climate-related Disclosures

We continue to strengthen our climate-related disclosures in line with TCFD's recommendations and SGX regulatory requirements[24] as outlined in our three year disclosure roadmap below (see Figure 12). We commenced our inaugural climate scenario analysis of our asset portfolio in 2023. The results of this analysis will be disclosed in 2024.
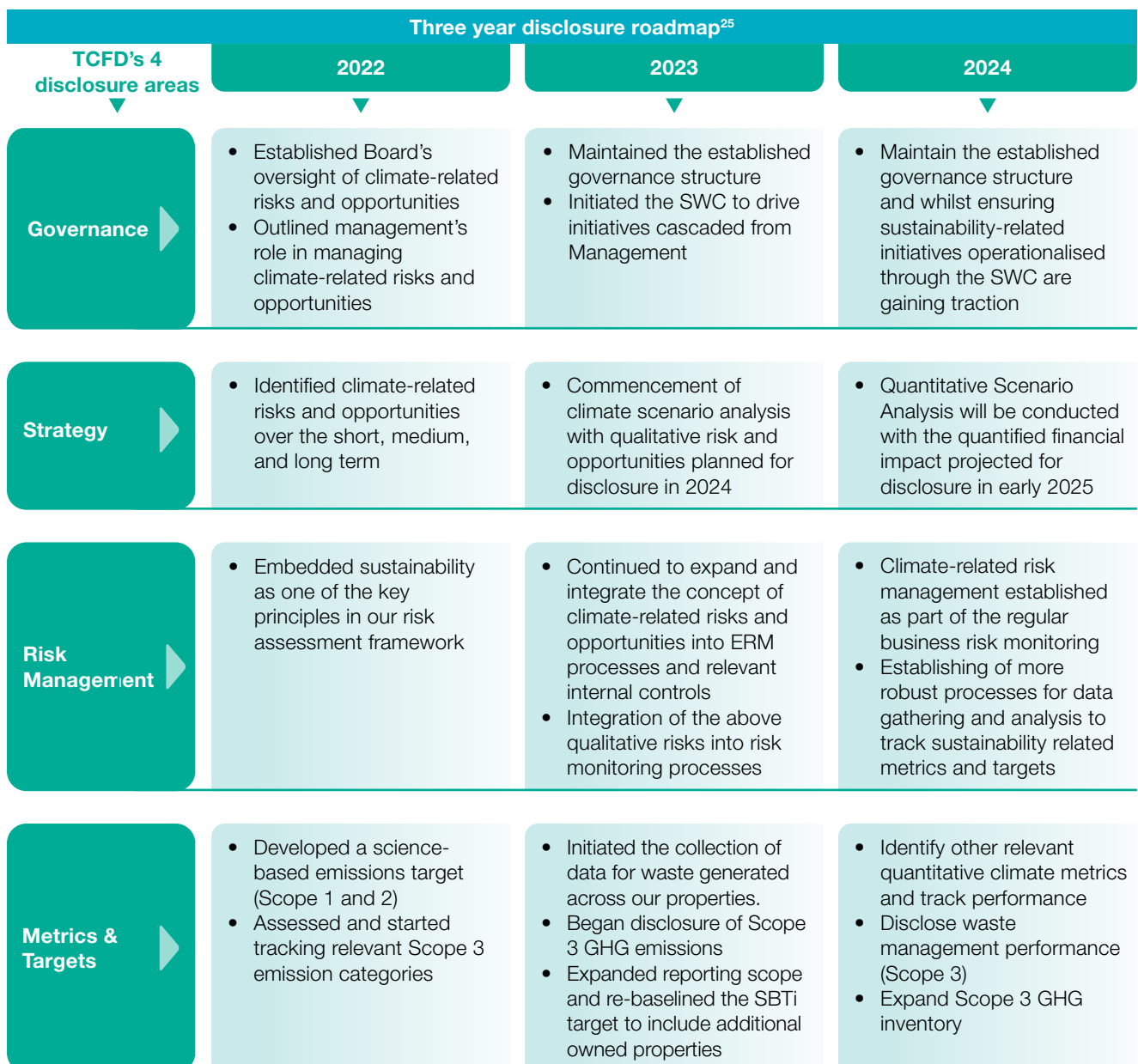
Three year disclosure roadmap[25]			
TCFD's 4 disclosure areas	**2022**	**2023**	**2024**
Governance	• Established Board's oversight of climate-related risks and opportunities • Outlined management's role in managing climate-related risks and opportunities	• Maintained the established governance structure • Initiated the SWC to drive initiatives cascaded from Management	• Maintain the established governance structure and whilst ensuring sustainability-related initiatives operationalised through the SWC are gaining traction
Strategy	• Identified climate-related risks and opportunities over the short, medium, and long term	• Commencement of climate scenario analysis with qualitative risk and opportunities planned for disclosure in 2024	• Quantitative Scenario Analysis will be conducted with the quantified financial impact projected for disclosure in early 2025
Risk Management	• Embedded sustainability as one of the key principles in our risk assessment framework	• Continued to expand and integrate the concept of climate-related risks and opportunities into ERM processes and relevant internal controls • Integration of the above qualitative risks into risk monitoring processes	• Climate-related risk management established as part of the regular business risk monitoring • Establishing of more robust processes for data gathering and analysis to track sustainability related metrics and targets
Metrics & Targets	• Developed a science-based emissions target (Scope 1 and 2) • Assessed and started tracking relevant Scope 3 emission categories	• Initiated the collection of data for waste generated across our properties. • Began disclosure of Scope 3 GHG emissions • Expanded reporting scope and re-baselined the SBTi target to include additional owned properties	• Identify other relevant quantitative climate metrics and track performance • Disclose waste management performance (Scope 3) • Expand Scope 3 GHG inventory

Figure 12: Our 3-year climate disclosure roadmap[25].

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[24] SGX mandates climate disclosures for listed companies based on TCFD's recommendations starting from the reporting period of FY2022.

[25] We have referenced SGX's illustrative phased approach and Sustainable Stock Exchanges Model Guidance on Climate Disclosure's checklist in developing our 3-year disclosure roadmap. Our TCFD content index is disclosed on page 44 of this report.

SUPPORTING PEOPLE

We recognise that people are the cornerstone of our organization. Accordingly, we prioritise the well-being of our guests in our hospitality properties, students living in our PBSA properties, team members[26], and business partners – firmly advocating health and safety along with training and development to inculcate the right values and culture for us to progress collectively as one organization. In this regard, we have implemented detailed policies and procedures, aligned with our sustainability strategy, to foster a safe environment for our guests, and an inclusive and supportive workplace.

Customer Health and Safety

The Group is committed to upholding high health and safety standards for guests, students, and tenants across our portfolio of properties. Through our policies and procedures, our team members are guided to manage risks and implement preventative measures or safety protocols to safeguard the safety of customers and team members. The policies and procedures form part of the Group's Standard Operating Procedures (SOP), which are reviewed periodically and listed in Appendix 2.

Our hotel segment values customer health and safety as a top priority and this is managed closely at each property by our team members who are trained to offer immediate assistance and follow-throughs to ensure guest well-being. Incidents are centrally monitored through an incident reporting process with guest incidents tended to on the ground with immediacy by ground teams. Regular updates, on-site risk assessments, investigations and incident reports classified in a centralised system are provided to management for oversight and guidance. Our GRS team, together with Management, reviews the more severe matters and where appropriate, takes further action to assist in safeguarding our customers' health and safety. To uphold guest health and safety standards, staff training, and awareness sessions are regularly conducted alongside specific initiatives at properties with identifiable risk areas. Where necessary, guests are also briefed to be mindful of personal safety in areas of potential hazards.

We review overall guest satisfaction as part of our guest experience feedback and satisfaction ratings conducted by an independent external agency; we also assess and respond to customer reviews, feedback, and ratings provided directly to us or posted on major online travel platforms and social media. On customer health and safety matters, our aim is to continue to ensure that our hospitality to our guests' needs is uncompromising.

For PBSAs, our portfolio management team works closely with the operator[27] of our facilities to centrally formalise health and safety policies or procedures. While our operator attends to day-to-day health and safety issues or incidents at the PBSAs, our portfolio management team oversees health and safety matters at the portfolio level, liaising with our GRS team when further guidance is required. Where relevant, incident reports are raised by our operator to our PBSA portfolio management team, and our management team is kept abreast of the relevant issues on the ground.

In all, we are pleased to share that there were no significant cases of health and safety incidents resulting in fatalities at our properties or any regulatory fines or penalties imposed on us associated with non-compliance to health and safety standards in this area. We will continue to abide by all regulatory policies and industry standards. These standards guide our own practices or measures that maintain our commitment to uphold customer health and safety as a foremost priority in our places of operations.

Occupational Health and Safety

Foundational to safeguarding our team members' well-being is our commitment to foster a safe and healthy working environment through our dedicated WSH committee for our hotel operations. The committee sets and reviews the WSH policies that govern key initiatives and procedures to manage hazards[28]. These policies are strictly enforced by WSH personnel at each property, and property-level WSH findings are consolidated at the corporate operation level and shared with the GRS team. The MRSC is regularly apprised of occupational health and safety issues and incidents at the properties. A clear escalation protocol is established to expeditiously notify management of major incidents to enable any necessary guidance and decisions. The ARC regularly reviews WSH matters and incidents are tracked for summary discussions at quarterly meetings.

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[26]   We define team members as all employees and include associated staff who are employed by our property owners but whose employment is managed by the Group. As at 31 Dec 2023, this pool includes 265 employees and 821 associated staff who are employed by our property owners but who work within our code of conduct and are managed by us. As noted earlier, we exclude from our reporting, all externally contracted staff engaged by our partners or vendors to run various operational activities at our properties.

[27]   Third-party operators manages our assets operationally on our behalf and we do not have team members onsite at these properties.

[28]   Please see Appendix 2 for the Group's health and safety policies and procedures.

SUPPORTING PEOPLE

REPORT
Team members are encouraged to report any work-related hazards at the property; managers will escalate the report to higher management if necessary.

ASSESS
For every major work-related incident, an in-depth investigation based on internal guidelines will be conducted along with any relevant risk assessment measures.

EVALUATE
WSH trained personnel will evaluate the results of the investigations and propose appropriate control measures to eliminate or mitigate the hazards. The new measures may be incorporated into the WSH policy.
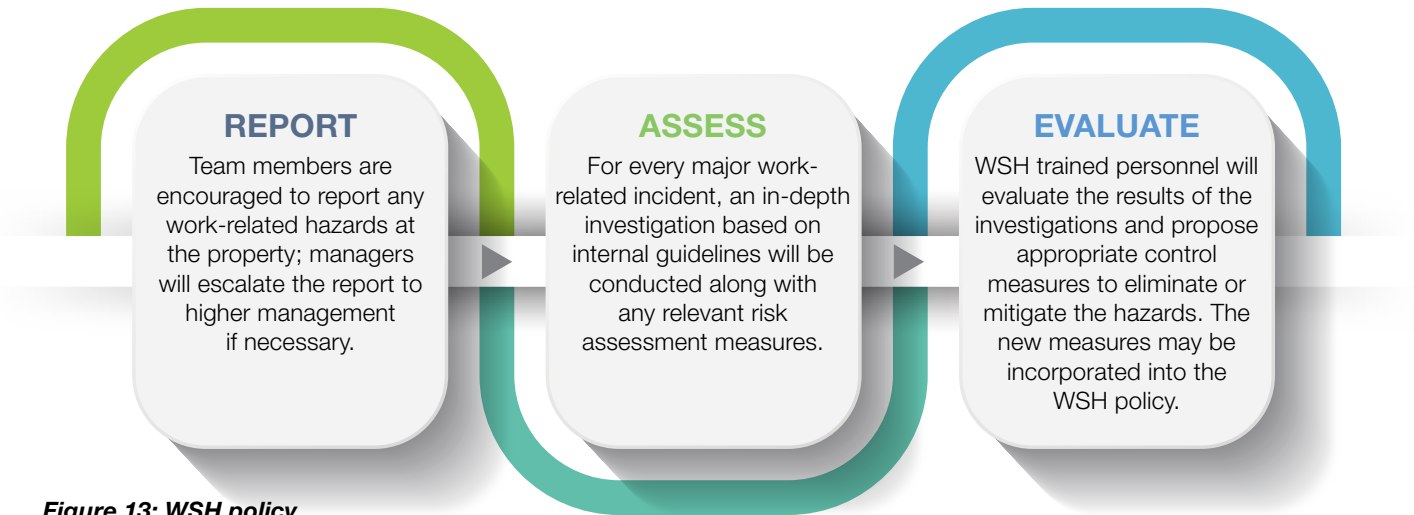
Figure 13: WSH policy

Work safety practices are communicated to team members during onboarding and annual training sessions. All new team members undergo WSH policy training at the start of their employment while existing team members participate in yearly refreshers. In addition, team members make an annual statement of their WSH commitment and Safety Pledge, affirming commitment to building a safer workplace and to comply with the WSH policy specified in the Employee Handbook. The WSH concepts are integrated into our Daily Briefing Medium – known as "Daily Dose", as well as, SOPs, case studies and contests. Team members are also regularly encouraged to report potential hazards to their supervisors or management for review and/or further action.

Where necessary, guided by risk assessment procedures, operation teams conduct WSH hazard risk assessments to identify dangerous work situations and implement mitigation measures specific to their areas of operations, including applying alternative work methods to minimise hazard exposure. Team members are also trained on the mitigation actions for any risks identified through the assessment, including but not limited to the use of protective equipment.

In this reporting year, we are pleased to report that we have maintained our target of zero fatalities for the seventh consecutive year since we commenced sustainability reporting; we are well on track to achieving our target to reduce our workplace injury rate by 20% by 2025, from 2022 levels. For FY2023, we have observed a 14% decrease in reported workplace injuries from 2022 and a 26% decline from 2021. Of the 31 injury cases recorded in 2023, there was one high consequence work-related injury recorded. This is a notable achievement as our workplace injury rate in 2021 and 2022 was above the published level for the Accommodation & Food Services industry by the MOM[29]. In 2023, our workplace injury rate fell to 2,854 dropping 16.5% when compared to our workplace injury rate of 3,416 in 2022.

Health and safety incidents	2023	2022
Incidents of workplace fatalities	0	0
Case of occupational disease	0	0
Case of workplace injuries (including high consequence injury)	31	36
Case of injury of high consequence	1	1
Workplace injury rate[30]		
– Fatal injury rate	0	0
– Non-fatal injury rate	2,854	3,416
Total workdays lost	**152**	**185**

Figure 14: Hospitality segment's health and safety performance[31].

[29] National statistics for total injury rate (major and minor) for the accommodation industry recorded in the Workplace Safety and Health Report published by MOM were 2786.2 and 2,777.2 in 2021 and 2022 respectively.
[30] Incident rate = (no. of cases/ headcount) x 100,000
[31] This data only covers the Group's hospitality segment – reportable incidents required by authorities in Singapore.

SUPPORTING PEOPLE

Current progress (2023)
- Zero cases of workplace fatalities
- 16.5% reduction in workplace injury rate (from 2022)

We implemented the following initiatives to achieve the workplace health and safety target:
- Ongoing risk assessment reviews considering any new equipment or procedure adjustments to identify hazards and implement control measures.
- Daily morning briefing on WSH for hospitality team members
- Annual WSH training for all team members and mandatory WSH training during new hire onboarding

2024 Target:
- Zero cases of workplace fatalities in 2024.
- Further progress towards our target of reducing 2022 workplace injury rate by 20% by 2025.

Figure 15: Health and safety target.

Training and Education

We invest in training and development programmes for our team members to nurture their capabilities, ensuring they stay abreast of the evolving business landscape and for long-term career development. This strategic investment enables the Group to maintain a competitive edge, elevate the quality of our services, and enhance our brand profile. Our approach to employee development is comprehensively orchestrated as illustrated in Figure 16.

All Board members have undergone sustainability training to meet the increasing responsibility of overseeing sustainability risks. Additionally, relevant management and team members have also received sustainability training in the following areas:

- Capacity building session to understand the recommendations of TCFD and incorporation of climate risks into business and financial planning.
- Capacity building session to understand and explore decarbonisation initiatives for hotels and PBSAs.

The above sessions enabled our team members to embark on various environmental initiatives that will be rolled out in the following years.

Managers in supervisory roles were enrolled in an e-learning course, 'Delivering Employee Feedback', to support our efforts in performance management and talent development.
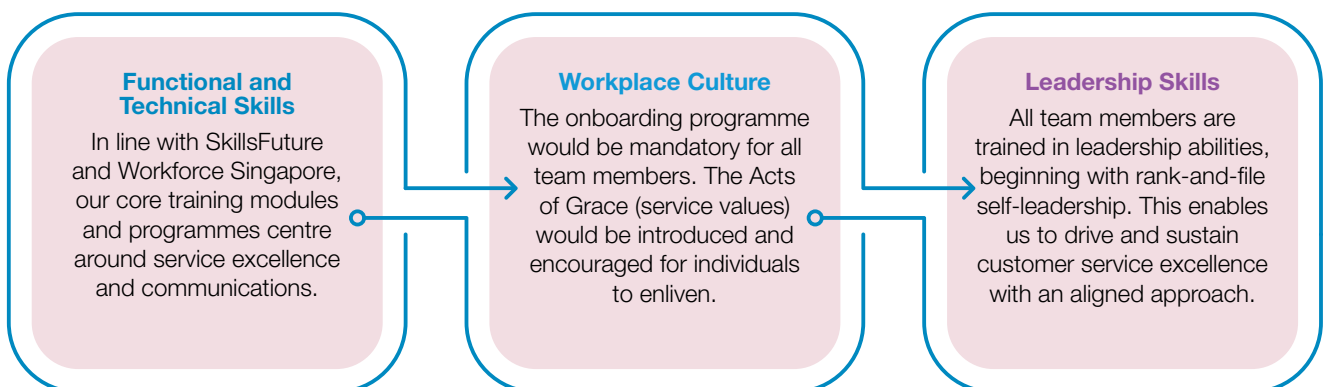
Functional and Technical Skills

In line with SkillsFuture and Workforce Singapore, our core training modules and programmes centre around service excellence and communications.

Workplace Culture

The onboarding programme would be mandatory for all team members. The Acts of Grace (service values) would be introduced and encouraged for individuals to enliven.

Leadership Skills

All team members are trained in leadership abilities, beginning with rank-and-file self-leadership. This enables us to drive and sustain customer service excellence with an aligned approach.

Figure 16: Comprehensive approach to team member development

SUPPORTING PEOPLE

This course aims to guide participants to deliver constructive feedback effectively and promptly to their direct reports. Participants learn methodology and framework to mentor and support their employees to improve their performance and achieve set goals. The course enhanced managers' competency to positively carry out our organization's quarterly performance reviews.

We understand it may be difficult for team members to attend long off-site courses, especially against the backdrop of workforce shortage in the hospitality industry. To resolve this issue, we introduced a bite-sized structured training curriculum and provided short daily training via the "Daily Dose" programme. Although short, the "Daily Dose" is structured to

offer critical and useful knowledge such as service quality, occupational health and safety, sustainability, and governance to team members and are delivered by specially trained team leaders.

We also bring trainers on-site where applicable to make it convenient for team members. In 2023, we institutionalised our training manual and approach and rebaselined our training and development targets to 80 hours per team member per annum. We achieved an average of 81.7 annual training hours for each team member in 2023. The training hours breakdown between male and female team members are illustrated below.
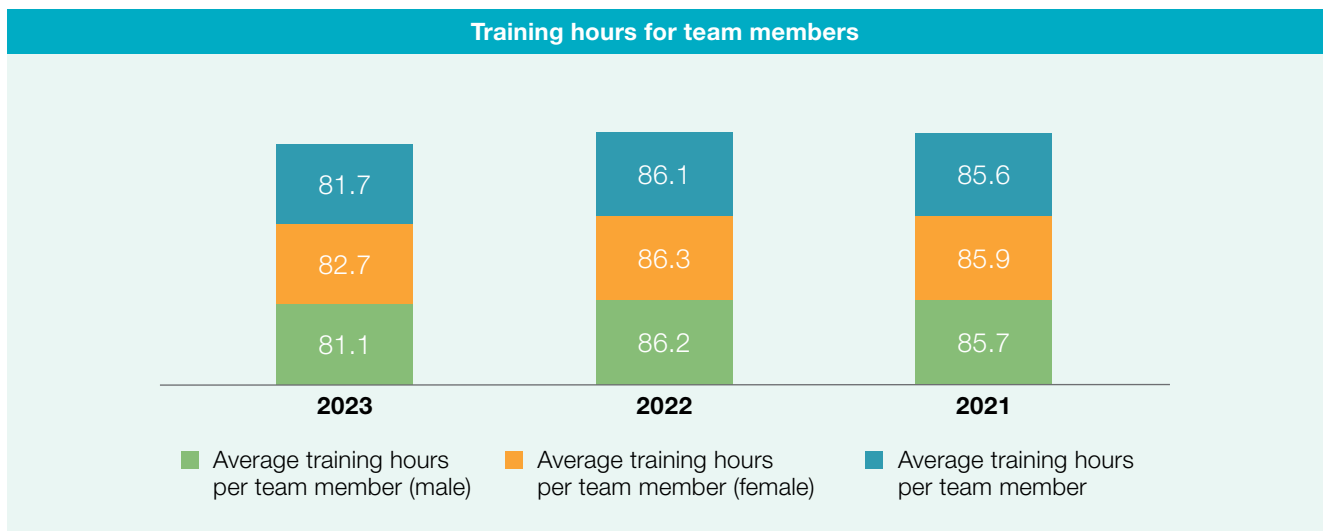
Training hours for team members

	2023	2022	2021
Average training hours per team member	81.7	86.1	85.6
Average training hours per team member (female)	82.7	86.3	85.9
Average training hours per team member (male)	81.1	86.2	85.7

- Average training hours per team member (male)
- Average training hours per team member (female)
- Average training hours per team member

Figure 17: Training hours for team members.

We will continue to source and implement new training programmes to provide team members with essential knowledge and skillsets. We continue to target an average of 80 annual hours of training per team member for 2024.

Performance Management and Talent Development

We are committed to engaging and developing our team members professionally. A performance management system is used to allow team members to monitor their development and

Current progress (2023)
1. Institutionalised training approach and rebaselined 2022's training hours target to 80 annual hours per team member.
2. To conduct training for team members via varied modes of learning.

2024 target
Average of 80 hours of training per annum per team member

Figure 18: Staff member training target.

SUPPORTING PEOPLE

growth over time, allowing the evaluation of accomplishments and targets on an annual basis.

A meaningful conversation is held between supervisors and supervisees regularly to discuss work performance and analyse growth opportunities and development needs with feedback provided. Additionally, year-end performance appraisals allow managers and team members to reflect on their accomplishments and contributions. Our dedicated

eAppraisal system streamlines the process, providing visibility and structure to track and evaluate all documented goals, successes, and feedback.

In 2023, 100% of team members received a regular performance and career development review. For 2024, we aim to maintain this performance management target and ensure all team members receive guidance and support to pursue their professional aspirations.

Current progress (2023)
- 100% of full-time team members receive regular performance and career development reviews.
- Continuous performance management occurs regularly between supervisors/managers and team members.
- Managers will undergo performance conversation training to ensure effective and constructive feedback is shared with their supervisees.

2024 target
Maintain 100% of full-time team members receiving regular performance and career development reviews.

Figure 19: Staff member appraisal target.

Diversity and Equal Opportunity

At Far East Orchard, we recognise the importance in fostering an inclusive and diverse work environment, which is critical to driving innovation and propelling the business to greater heights in a competitive global landscape. To that end, we make every effort to ensure diverse representation across the

Group, considering gender, age, experiences, cultures and backgrounds. In 2023, we had a total headcount of 1,153, of which 514 (45%) were male and 639 (55%) were female. The breakdown of team members by gender and age group is as follows.
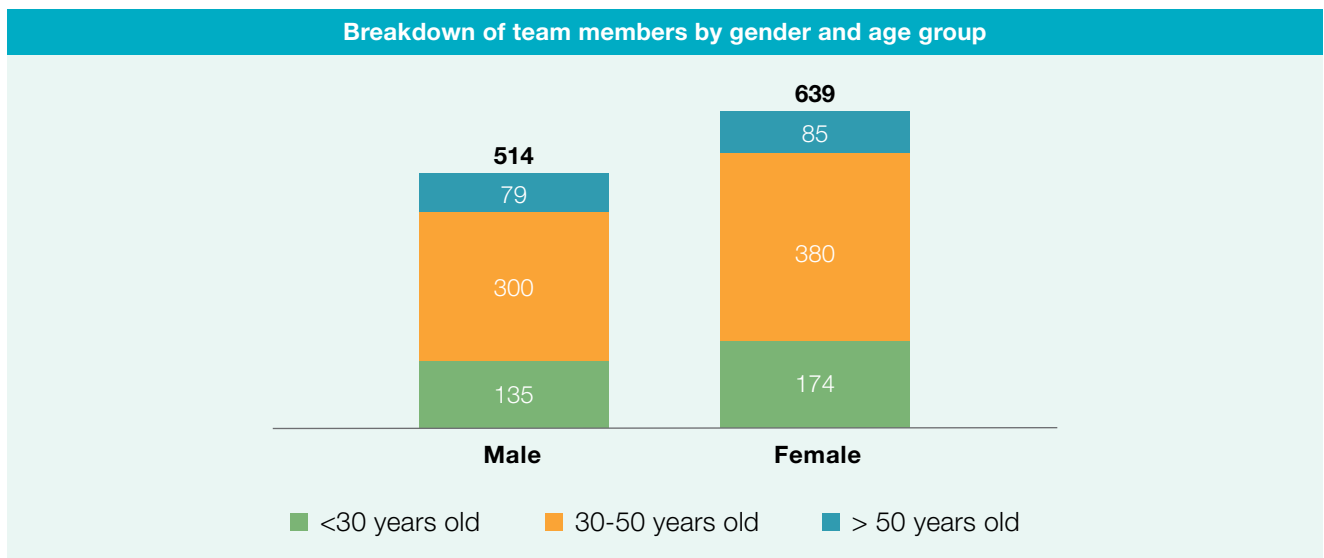

Figure 20: Breakdown of team members by gender and age group

SUPPORTING PEOPLE

Out of all team members, 87 (7.5%) are covered by collective bargaining agreements.

Our approach to candidate selection for senior management is based on merit, experience and job fit. Currently, 37.5% of our key management personnel are women[32]

We are committed to ensuring equal opportunity for existing and new team members, including the marginalised or disadvantaged groups. We have set out a fair recruitment policy in our internal human resources handbook to ensure all team members are assessed solely on merit. We strictly follow the TAFEP guidelines on fair employment practices to create a work environment where each team member feels valued and respected. We also actively foster a culture where team members of all levels and experiences can share their views openly. We are pleased to announce that there were zero incidence of discrimination, and no regulatory workplace corrective actions were required in 2023.

During the year, we hired 513 new team members and saw a turnover of 415 team members, translating to a new hire and turnover rate of 44.5% and 36.0% respectively as at 31 Dec 2023. The bulk of the new hires and turnovers are from our hospitality business segment. As the tourism sector recovers post-COVID, our recruitment and attrition numbers remain relatively high, although comparatively lower than the previous year.

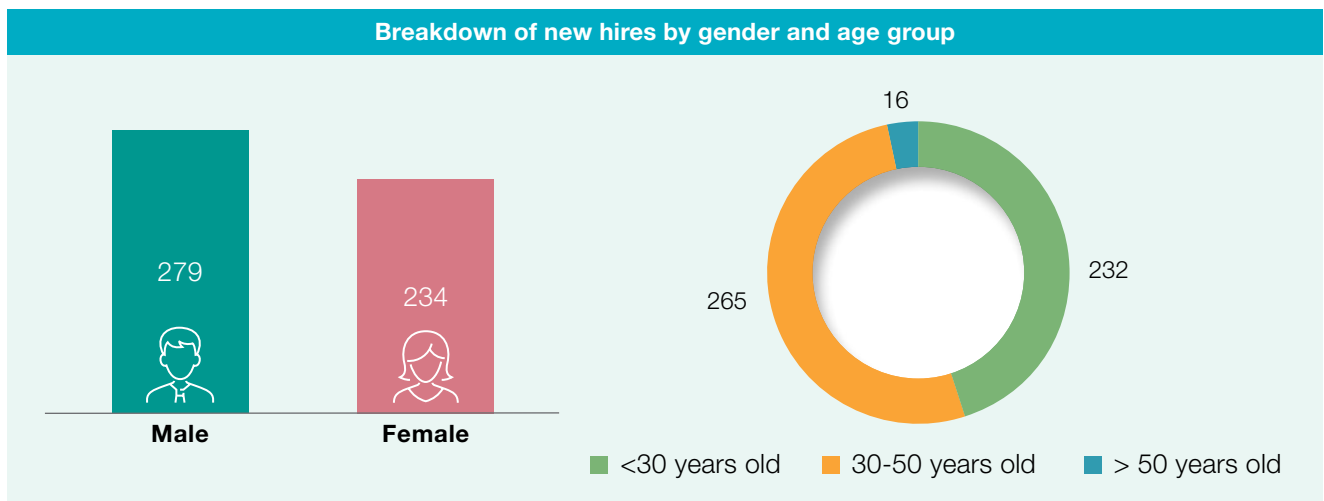The breakdown of new hires and turnover by gender and age group are as shown:

Breakdown of new hires by gender and age group

Male 279

Female 234

232 <30 years old
265 30-50 years old
16 > 50 years old

Figure 20: Breakdown of team members by gender and age group

Breakdown of turnover by gender and age group

Male 232

Female 183

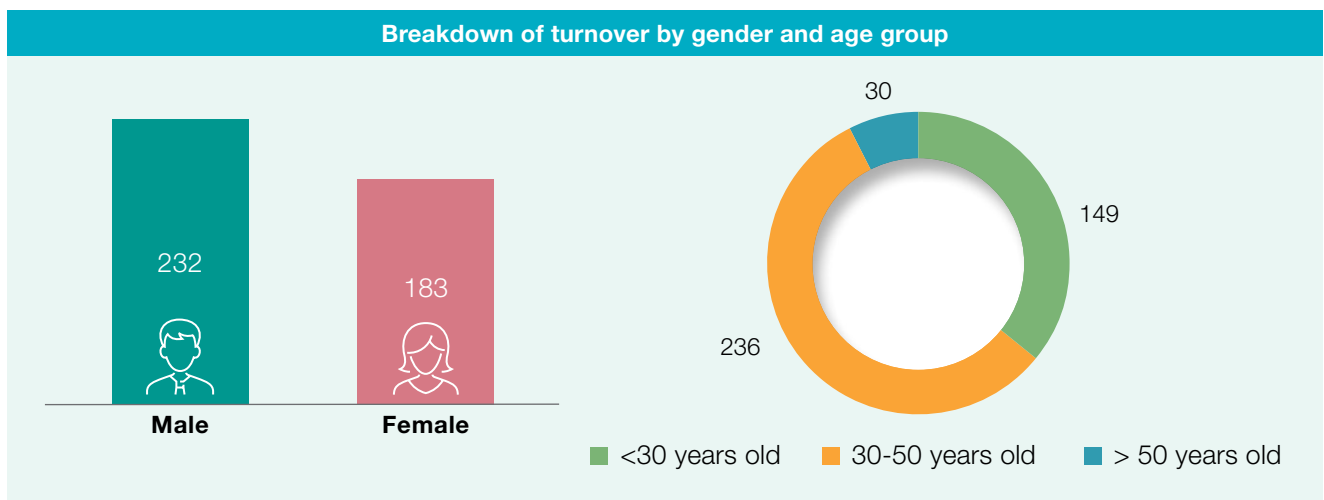149 <30 years old
236 30-50 years old
30 > 50 years old

Figure 21: Breakdown of turnover by gender and age group

[32] The diversity of our Board of Directors (including our diversity policy commitment) is disclosed in our AR pages 16 to 26.

SUPPORTING PEOPLE

Local Community

As a local organization incorporated in 1967, we recognise the importance of the Singapore culture and our potential to instil or create positive impacts to Singapore's unique local community through our touchpoints at our properties. The Group endeavours to operate a business that responds to our communities' needs and strives to harness the expertise of our employees to forge a lasting relationship with the communities that we serve.

Recognising our responsibility as a nexus to show our local communities to people of varying backgrounds and cultures from other countries, it is a part of our beliefs to respect the underprivileged, the common folks as well as the environment which defines the character of our local communities. We connect with our local communities through community outreach programmes to strengthen our bonds with them; undertakings that align with our Corporate motto "HOPE". The culture of HOPE embraces the way we seek to treat or interrelate with our communities. It stands for:

HUMILITY
in the way we treat each other

OPENNESS
in sharing our views and ideas without judgment

POSITIVITY
in how we approach our work

EXCELLENCE
in striving to make a meaningful impact

In FY2023, we started a Corporate Social Responsibility programme in Singapore which aims to align both corporate and team member values or interests with community-focused initiatives that aims to foster enduring and thriving mutual relationships with our local community in Singapore.

With an initial target of 150 volunteer hours, our employees contributed a total of 319.5 volunteer hours in 2023 through their direct involvement in organising and participating in a diverse set of community outreach activities covering the following areas:

- Engagements and outings with underprivileged children;
- Goodie bag packing and gifting to the elderly or infirmed;
- Befriending senior citizens; and
- Beach clean-ups.

Apart from volunteer hours, we also measure anecdotal feedback from participants in our local community outreach events and given below are some responses we had taken from the various activities above.

SUPPORTING PEOPLE

"We are deeply appreciative of Far East Hospitality Management's commitment to supporting our organization's mission and making a positive impact on the lives of these children. Your generosity has made a significant difference, and we cannot thank you enough for your kindness and dedication to our cause."

Angelia Yeo
ARK student care

"I also want to thank all the volunteer that bought for us the food and the day that you have spend time with all of us. I really love the programme today. Thank you!"

Qiara
Participant

"I had the good day with the volunteer and staffs. I also want to say Thank You to the volunteer for spending time with all of us. I really appreciate and enjoyed the programme a lot. Thank You!"

Liyana
Participant

Through the above activities, we believe that we have contributed in our small way, to uplifting our social and environmental impact on Singapore's local community. We hope to continue our endeavours in fostering positive social and environmental impact in Singapore and beyond by:

- Targeting 300 volunteer hours for FY2024;
- Continually reassessing how we can make a difference; and
- Exploring local community outreach programmes beyond Singapore.

UPHOLDING INTEGRITY

The Group recognises that having a strong corporate governance is critical to the success of our organization. Our sustainability strategy is underpinned by robust and rigorous internal governance policies, and procedures that guide our employees' conduct and interactions with suppliers and partners to ensure transparent, accountable, and fair business operations[33].

Transparent and Ethical Business

At Far East Orchard, we uphold the highest standards of transparency and conduct business fairly and ethically in the markets we operate in by setting up internal governance policies and procedures through our Employee Handbook and the Code of Conduct. These policies are available on the Group's intranet and are accessible to all team members.

Anti-corruption and Anti-bribery Policies

To uphold high standards in corporate governance, the Group has due diligence processes in place to instil our corporate stance against corruption and bribery policies. E-learning courses are regularly conducted to refresh team members on our policies. All team members are expected to be familiar with the policy and are required to declare on an annual basis that they have read and complied with it.

Based on the results of the risk assessment conducted, we deem the risk of corruption to be low due to these measures:

- Appropriate segregation of duties is in place throughout the entire purchasing-delivery-payment process.
- High-value purchases are subject to a tendering process, and bids are evaluated by a panel rather than individuals.

- Team members receive regular policy revision updates and trainings.
- Management maintains an emphasis on rigorous corporate values and anti-corruption principles.
- Regular communication of a desire for transparent business dealings to our partners, suppliers or third parties with whom we have business dealings.

Whistle-blowing Policy

Since 2015, the Group has implemented a whistle-blowing policy, which allows team members and external parties to raise concerns about probable improprieties involving the Group and its officers in good faith, confidentially and without fear of retaliation.

The ARC oversees and monitors the whistle-blowing policy, while our internal auditors (an independent external firm) support the ARC in the enforcement of the policy. The communication channels for whistle-blowing reports are published on the Company's website. The whistle-blower's identity is kept confidential in accordance with our policy; unless compelled by law or with the whistle-blower's prior approval, his/her identity will not be revealed to us by the internal auditors.

In FY2023, there were no whistle blowers cases noted across the Group.

Corporate Governance Awards and Achievements

We are pleased to share our achievements in upholding the highest standards of corporate governance in 2023 (see Figure 22).

Award	Description
SIAS Investors' Choice Awards 2023 - Most Transparent Company Award (Real Estate)	Winner of the prestigious Most Transparent Company Award 08 November 2023
Singapore Governance and Transparency Index 2023	Improved by 2 positions, to rank 38 out of 474 listed companies in 2023[34]

Figure 22: Corporate governance achievements.

UPHOLDING INTEGRITY

For more information regarding our corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018, please refer to Far East Orchard's 2023 Annual Report under the Corporate Governance section.

In 2023, we achieved our target of zero violations of the Competition Act and CCCS guidelines, zero lapses with SGX Listing Rules and no known incidence of bribery or corruption. We adhere strictly to all applicable laws to maintain market reputation and trust among stakeholders.

Current progress (2023)	2024 Target
No violation of the Competition Act and CCCS guidelines in 2023. The following initiatives are carried out annually: 1. Outline the expectations to our team members about compliance with competition laws during orientation programmes. 2. Provide appropriate training and refresher courses for team members dealing directly with competitors. 3. Encourage reporting of any suspected anti-competitive conduct to relevant parties (e.g., risk management and compliance personnel) and/or external regulatory agencies. 4. Reinforce a culture that encourages team members to immediately inform the Group's Head of Legal when they become aware of any behaviour or work practice inconsistent with the Group's Competition Compliance Manual.	0 violation of the Competition Act and CCCS guidelines.
No lapses resulting in reprimands by SGX in 2023. The following initiatives are carried out annually: 1. Participate in seminars, dialogues, round-table discussions, and consultations with SGX to understand and track any new listing rules and keep abreast of any penalties issued against other SGX-listed companies. 2. Maintain and track new listing rules or updates. 3. Maintain and centralise all communication and correspondence with SGX (and any other relevant regulatory authorities), monitor and track all inquiries, feedback, and responses, and maintain a consistent response in each correspondence. 4. Continue the practice of mandatory Annual Declarations by team members to declare potential interests so they may be appropriately managed. 5. Continue the mandatory declaration of interests by Directors annually, as and when any conflict of interest should arise.	No lapses with SGX Listing Rules resulting in reprimands by SGX.
No corruption or bribery cases in 2023. The following initiatives are carried out annually: 1. The practice of mandatory Annual Declaration by team members to declare potential interests so they may be appropriately managed and to agree to comply with the Employee Handbook and Code of Conduct - including conduct on "Giving/ Offering Gifts and Other Inducements" and "Receiving Gifts and Lavish Entertainment". 2. Continual updating of the Employee Handbook and/or Code of Conduct, made available to all team members via the intranet.	0 corruption or bribery cases.

Figure 23: Maintaining a high standard of corporate governance.

UPHOLDING INTEGRITY

Data Security And Privacy

With the increased digitalisation of services, data security is becoming an increasingly important issue to safeguard our customers' data and interests. We are committed to full compliance with all relevant data protection laws and have implemented policies and procedures to protect our customers' data privacy. For example, personal information acquired from customers staying in hospitality locations handled by us are strictly used for guest registration and stay purposes only. We do not disclose personal information about our customers to other parties for marketing or promotional purposes.

We have a robust process to prevent loss of data by:

1. Appointing DPOs for each business unit to maintain and monitor each business unit's compliance with the relevant data protection legislation.
2. Identifying sensitive personal data through a data inventory to support personal data privacy compliance.
3. Evaluating the risk of third-party vendors who may manage data to ensure there is a statement of compliance or letter of assurance.

4. Assessing the adequacy and effectiveness of IT controls that maintain the confidentiality, integrity and availability of IT systems and related IT infrastructures.
5. Monitoring our business processes and security procedures to assess and ensure compliance with relevant data protection laws.
6. Periodically reviewing and updating manuals and policies to ensure relevancy, including our Information Security and Management Policy, Privacy Policy, and manual for team members to inculcate awareness of and facilitate compliance with applicable data protection laws.
7. Regularly reviewing our data inventory list for ongoing monitoring and response.

Our Privacy Policy can be found at https://www.fareastorchard.com.sg/privacy-policy.html, and the DPOs can be contacted by email at dpo@fareastorchard.com.sg

In 2023, there were no substantiated complaints concerning breaches of customer privacy and loss of customer data that resulted in fines by the Personal Data Protection Commission of Singapore, or related regulatory body. We remain steadfast in upholding our data privacy and security standards.

BUILDING A RESILIENT BUSINESS

Economic Performance

In FY2023, we recorded revenue of S$183.6 million, a 30.3% increase from FY2022, boosted by the strong performance of the hospitality business. Net profit after tax increased to S$66.1 million in FY2023, compared to S$21.5 million in FY2022, primarily due to fair value gains on investment properties.

For detailed information on our financial performance for 2023, please refer to the following sections in the 2023 Annual Report:

- Chair's Statement – Pages 06 – 09 of Annual Report 2023
- Group CEO's Message – Pages 10 – 13 of Annual Report 2023

- Financial Highlights – Page 30 of Annual Report 2023
- Financial Report – Page 69 onwards of Annual Report 2023

The Group prioritises the distribution of sustainable economic value aligned with our mission of 'achieving sustainable and recurring income' through a diversified and balanced portfolio. We contribute to local economies by creating jobs, supporting local suppliers and paying taxes and dividends.

We provide relevant information about our economic contribution to stakeholders as follows:

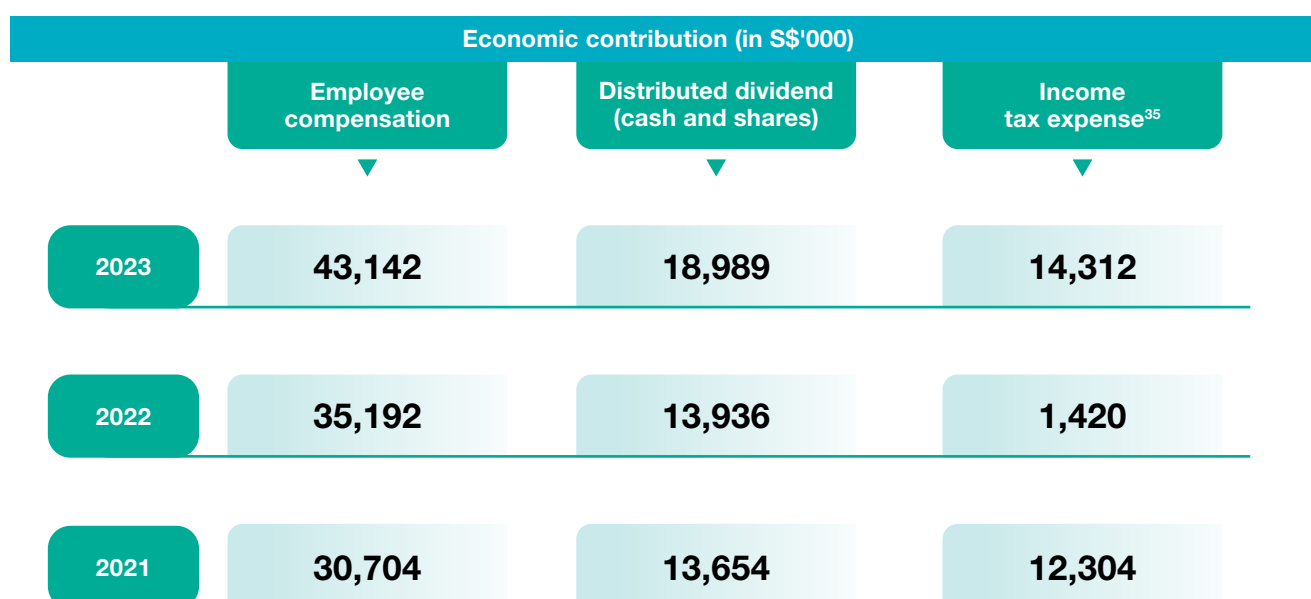| Economic contribution (in S$'000)			
	Employee compensation	**Distributed dividend (cash and shares)**	**Income tax expense[35]**
2023	43,142	18,989	14,312
2022	35,192	13,936	1,420
2021	30,704	13,654	12,304

Figure 24: Financial performance.

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[35] Income tax expense comprised current and deferred income tax. Please refer to FY2023 and FY2022 Annual Reports, Financial Report sections for the detailed breakdown.

BUILDING A RESILIENT BUSINESS

Quality Service

The Group places a strong emphasis on delivering high-quality service to customers as a crucial element in upholding our business reputation and maintaining long-term organizational value. We prioritise service standards in doing business and strive to maintain accountability to our customers, recognising its direct impact on our reputation and its influence on our overall business performance.

We engage an independent partner annually to assess the Group's hotel service quality. The assessment is done by benchmarking against global hospitality peers and rating our services through the CEI[36]. In 2023, we achieved a CEI score of 88.89, above the target of 83.29 set for 2023. We endeavour to achieve the target score of 87.40 in 2024. This

will be achieved through an emphasis on a culture of service excellence including:

- Team members striving to perform acts of grace beyond work normally expected of them;
- Incorporating high levels of hygiene and safety standards across all operational activities;
- Seeking to deliver customised experiences to meet the unspoken needs of guests.

As a testament to our emphasis on service quality, our properties and team members have won awards and recognition in 2023 through our efforts to provide high service standards and bespoke curated guest experiences across our hotel operations (see Figure 23).

Name of awards organiser	Award category	Property/Award Recipient
Booking.com - 11th Annual Booking.com Traveller Review Awards 2023 11th Annual Booking.com Traveller Review Awards 2023	Traveller Review Award 2023 – Score Ranking 9.3 (Ranked #3)	The Barracks Hotel Sentosa
	Traveller Review Award 2023 – Score Ranking 9	The Clan Hotel Singapore
Her World Spa Awards 2023	Most Pampering Spa-cation: Oasia Signature Retreat	Oasia Spa
Singapore Women's Weekly Spa Awards 2023	Best Massage For A City Escape: Oasia Signature Massage	Oasia Spa
Expat Living Reader's Choice Awards 2023	Best Serviced Apartments – Finalist	Adina Serviced Apartments Singapore Orchard

Figure 25: Quality service awards.

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36   The Group's CEI score is determined based on customer surveys conducted by an independent external partner.

BUILDING A RESILIENT BUSINESS

Name of awards organiser	Award category	Property/Award Recipient
TripAdvisor	TripAdvisor Travellers' Choice Awards 2023 Best of the Best Hotels (Singapore)	The Barracks Hotel Sentosa – Ranked #1
		Oasia Hotel Novena, Singapore – Ranked #7
		The Clan Hotel Singapore – Ranked #8
		Quincy Hotel Singapore – Ranked #15
		AMOY Hotel – Ranked #25
	TripAdvisor Travellers' Choice Awards 2023 Best of the Best (Luxury)	The Clan Hotel Singapore – Ranked #5
		Oasia Resort Sentosa – Ranked #25
	TripAdvisor Travellers' Choice Awards 2023 Family-Friendly Hotels in Asia	Village Hotel Sentosa
	TripAdvisor Travellers' Choice Awards 2023 (Top 10% Listings on TripAdvisor)	The Outpost Hotel Sentosa
		Oasia Hotel Downtown
		Village Residence Robertson Quay
		Adina Serviced Apartment Singapore Orchard
		Village Residence Hougang
		Oasia Residence Singapore
		Orchard Parksuites
		Oasia Suites Kuala Lumpur
		Orchard Rendezvous
HoneyCombers Sustainability Awards 2023	Best Hotel for Eco-luxe Accommodation	Oasia Hotel Downtown Silver winner
HoneyCombers Love Local Awards 2023	Best Spa in Singapore	Oasia Spa Gold winner

Figure 25: Quality service awards.

BUILDING A RESILIENT BUSINESS

Name of awards organiser	Award category	Property/Award Recipient
Travel + Leisure; T + L Luxury Awards Asia Pacific 2023	Hotel Spas in Singapore	Oasia Spa, Oasia Resort Sentosa –#1
	Hotel Pools in Singapore	The Clan Hotel Singapore –#5
	Hotels in Singapore	The Barracks Hotel Sentosa –#7
FIABCI (Fédération Internationale des Administrateurs de Bien-Conselis Immobiliers)	Hotel category for offering bespoke experiential guest experiences	Sentosa Cluster of Hotels: The Barracks Hotel Sentosa The Outpost Hotel Sentosa Village Hotel Sentosa Oasia Resort Sentosa
Singapore Hotel Sustainability Award	Recognition of hotel's best practices in sustainability	Sentosa Cluster of Hotels: The Barracks Hotel Sentosa The Outpost Hotel Sentosa Village Hotel Sentosa Oasia Resort Sentosa
Employee Experience Awards 2023 Singapore	Best Post-Pandemic Recovery Strategy - Silver	Far East Hospitality
	Best Soft Skills Training Programme Silver	
HRM Asia Readers' Choice Award 2023	Best Serviced Apartment – Silver Award	Oasia Residence, Singapore
	Best Serviced Apartment – Bronze Award	Adina Serviced Apartments Singapore Orchard

Figure 25: Quality service awards.

BUILDING A RESILIENT BUSINESS

Name of awards organiser	Award category	Property/Award Recipient
Luxury Lifestyle Awards 2023	Best Luxury City Serviced Apartments, Singapore	Adina Serviced Apartments Singapore Orchard
Synergy Global Partner Awards 2023	The Remarkable Award Supplier of the Year	Orchard Parksuites
Booking.com Traveller Review Award 2023	Booking.com Traveller Review Award 2023	Adina Serviced Apartments Singapore Orchard
		Oasia Residence, Singapore
		Village Residence Hougang
		Village Residence Robertson Quay
World Travel Awards 2023	Singapore's Leading Lifestyle Hotel	The Outpost Hotel Sentosa
EdgeProp Excellence Awards 2023	Best Rated Hotel Development, Hotels Category	The Barracks Hotel Sentosa
Travel Weekly Magellan Awards 2023	Hospitality – Upscale Hotel/Resort - Silver award	The Outpost Hotel Sentosa
Harper's Bazaar Spa Awards 2023	Ultimate Weekend Recharge Experience: Oasia Signature Retreat	Oasia Spa
	Best Relaxing Top-To-Toe Experience – Editor's Pick: Elixir Journey	
Travel + Leisure India's Best Awards 2023	Best Leisure Hotel (International)	Village Hotel Sentosa
Singapore Hotel Association (SHA)	Employee of the year Awards 2023 (FDAWU/NTUC/SHA)	15 individual recipients
	Excellent Service Awards (EXSA) 2023	17 Outstanding Stars 79 Stars 51 Gold medals 64 Silver medals
	National Kindness Award	14 Gold 9 Managerial
ARDE Best Receptionist 2023	Winner	The Clan Hotel Nur Hylma

Figure 25: Quality service awards.

GRI CONTENT INDEX

Statement of use	FEOR has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023 ("FY2023").
GRI 1 used	GRI 1 : Foundation 2021

GRI Standards	Disclosure Number	Disclosure Title	Remarks / Omission Reason	Page Reference / Remarks
General Disclosures				
GRI 2 (2021): General Disclosures	2-1	Organizational details	Disclosed	Page 4
	2-2	Entities included in the organization's sustainability reporting	Disclosed	Page 6 (Reporting Scope)
	2-3	Reporting period, frequency, and contact point	Disclosed	Page 6 (Reporting Scope)
	2-4	Restatements of information	Disclosed	Page 6 (Reporting Scope)
	2-5	External assurance	Disclosed (Internal Assurance)	Page 6 (Reporting Scope)
	2-6	Activities, value chain and other business relationships	Disclosed	Page 6 (Reporting Scope)
	2-7	Staff	Disclosed	Page 6 (Reporting Scope)
	2-8	Workers who are not staff	Disclosed	Page 6 (Reporting Scope)
	2-9	Governance structure and composition	Disclosed	Page 11 (Sustainability Governance)
	2-10	Nomination and selection of the highest governance body	Disclosed	Page 11 (Sustainability Governance)
	2-11	Chair of the highest governance body	Disclosed	Page 11 (Sustainability Governance)
	2-12	Role of the highest governance body in overseeing the management of impacts	Disclosed	Page 11 (Sustainability Governance)
	2-13	Delegation of responsibility for managing impacts	Disclosed	Page 11 (Sustainability Governance)
	2-14	Role of the highest governance body in sustainability reporting	Disclosed	Page 11 (Sustainability Governance)
	2-15	Conflicts of interest	Disclosed	Page 11 (Sustainability Governance)
	2-16	Communication of critical concerns	Disclosed	Page 11 (Sustainability Governance)
	2-17	Collective knowledge of the highest governance body	Disclosed (AR)	AR Pages 16 - 26

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Remarks / Omission Reason	Page Reference / Remarks
General Disclosures				
GRI 2 (2021): General Disclosures	2-18	Evaluation of the performance of the highest governance body	Disclosed	Page 11 (Sustainability Governance)
	2-19	Remuneration policies	Disclosed	Page 12 (Sustainability Governance)
	2-20	Process to determine remuneration	Disclosed	Page 12 (Sustainability Governance)
	2-21	Annual total compensation ratio	Information unavailable / Incomplete FY2023	
	2-22	Statement on sustainable development strategy	Disclosed	Page 13 (Sustainability Strategy)
	2-23	Policy commitments	Disclosed	Pages 6, 20 (Reporting Scope)
	2-24	Embedding policy commitments	Disclosed	Page 6 (Reporting Scope)
	2-25	Processes to remediate negative impacts	Not Applicable	
	2-26	Mechanisms for seeking advice and raising concerns	Disclosed	Page 30 (Whistle-blowing policy)
	2-27	Compliance with laws and regulations	Disclosed	Page 30 (Upholding Integrity)
	2-28	Membership associations	Not Applicable	
	2-29	Approach to stakeholder engagement	Disclosed	Page 12 (Stakeholder Engagement)
	2-30	Collective bargaining agreements	Disclosed (percentage)	Page 27 (Diversity and Equal Opportunity)
Material Topics				
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	Disclosed	Page 13 (Materiality Assessment)
	3-2	List of material topics	Disclosed	Page 13 (Materiality Assessment)
Material Topic: Transparent and Ethical Business				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 30 (Transparent and Ethical Business)
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Disclosed	Pages 30 - 31
	205-2	Communication and training about anti-corruption policies and procedures	Disclosed	Pages 30 - 31

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Remarks / Reason for Omission	Page Reference / Remarks
Material Topics				
Material Topic: Transparent and Ethical Business				
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Disclosed	Page 31
Material Topic: Responsible Procurement				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 20 (Responsible Procurement)
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Information unavailable/ Incomplete	
	308-2	Negative environmental impacts in the supply chain and actions	Information unavailable/ Incomplete	
Material Topic: Data Security and Privacy				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 32 (Data Security and Privacy)
GRI 418 (2016): Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Disclosed	Page 32 (Data Security and Privacy)
Material Topic: Emissions				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 15 (Emissions)
GRI 302 (2016): Energy	302-1	Energy consumption within the organization	Disclosed	Page 50 (Electricity)
	302-2	Energy consumption outside of the organization	Disclosed (relevant available information as part of Scope 3 GHG)	
	302-3	Energy intensity	Disclosed (relevant available information as part of Scope 3 GHG)	
	302-4	Reduction of energy consumption	Disclosed	Page 17 (Energy Efficiency Initiatives)
	302-5	Reduction of energy requirements of products and services	Disclosed	Page 15 (Emissions)

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Reason for Omission	Page Reference / Remarks
Material Topics				
GRI 305 (2016): Emissions	305-1	Direct (Scope 1) GHG emissions	Disclosed	Page 16 (Emissions)
	305-2	Energy indirect (Scope 2) GHG emissions	Disclosed	Page 16 (Emissions)
	305-3	Other indirect (Scope 3) GHG emissions	Disclosed (relevant available information)	Page 17 (Emissions)
	305-4	GHG emissions intensity	Disclosed	Page 17 (Emissions)
	305-5	Reduction of GHG emissions	Disclosed	Page 16 (Emissions)
	305-6	Emissions of ozone-depleting substances (ODS)	Information unavailable/ Incomplete	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable/ Incomplete	
Material Topic: Water				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 19 (Water)
	303-1	Interactions with water as a shared resource	Disclosed	Page 19 (Water)
	303-2	Management of water discharge-related impacts	Not applicable	
GRI 303 (2018): Water and Effluents	303-3	Water withdrawal	Not applicable	
	303-4	Water discharge	Not applicable	
	303-5	Water consumption	Disclosed	Page 19 (Water)
Material Topic: Customer Health and Safety				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 22 (Customer Health and Safety)
GRI 416 (2016): Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Disclosed	Page 22 (Customer Health and Safety)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	Page 22 (Customer Health and Safety)
Material Topic: Occupational Health and Safety				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Pages 22 - 23 (Occupational Health and Safety)
GRI 403 (2018): Occupational Health and Safety	403-1	Occupational Health and Safety Management System	Disclosed	Page 22 (Occupational Health and Safety)
	403-2	Hazard identification, risk assessment, and incident investigation	Disclosed	Page 22 (Occupational Health and Safety)

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Reason for Omission	Page Reference / Remarks
Material Topics				
Material Topic: Occupational Health and Safety				
GRI 403 (2018): Occupational Health and Safety	403-3	Occupational health services	Disclosed	Page 23 (Occupational Health and Safety)
	403-4	Worker participation, consultation, and communication on occupational health and safety	Disclosed	Page 23 (Occupational Health and Safety)
	403-5	Worker training on occupational health and safety	Disclosed	Page 23 (Occupational Health and Safety)
	403-6	Promotion of worker health	Disclosed	Page 23 (Occupational Health and Safety)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed The Group does not generally have significant cases of systemic occupational health and safety incidents requiring mitigation.	Page 23 (Occupational Health and Safety)
	403-8	Workers covered by an occupational health and safety management system	Disclosed	Page 23
	403-9	Work-related injuries	Disclosed	Page 23
	403-10	Work-related ill health	Disclosed	Page 23
Material Topic: Training and Education				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 24 (Training and Education)
GRI 404 (2016): Training and Education	404-1	Average hours of training per year per employee	Disclosed	Page 25 (Training and Education)
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Disclosed	Page 24 (Training and Education)
	404-3	Percentage of staff receiving regular performance and career development reviews	Disclosed	Page 26 (Training and Education)
Material Topic: Diversity and Equal Opportunity				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 26 (Diversity and Equal Opportunity)
GRI 401 (2016): Employment	401-1	New employee hires and employee turnover	Disclosed	Page 27 (Diversity and Equal Opportunity)

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Reason for Omission	Page Reference / Remarks
Material Topics				
Material Topic: Diversity and Equal Opportunity				
GRI 401 (2016): Employment	401-2	Benefits provided to full-time employees that were not provided to temporary or part-time employees	Information unavailable/ Incomplete (Temporary or part-time employees (including interns) are generally provided specific contracts with benefits similar to full-time employees. But there may be occasional exceptions.)	
	401-3	Parental leave	Information unavailable/ Incomplete FY2023	
GRI 405 (2016): Diversity and Equal Opportunity	405-1	Diversity of governance bodies and staff	Disclosed	Page 27 (Diversity and Equal Opportunity)
	405-2	Ratio of basic salary and remuneration of women to men	Information unavailable/ Incomplete FY2023	
GRI 406 (2016): Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Disclosed	Page 27 (Diversity and Equal Opportunity)
Material Topic: Economic Performance				
GRI 3 (2021): Material Topics	3-3	Management of material topics	Disclosed	Page 33 (Economic Performance)
GRI 201 (2016): Economic Performance	201-1	Direct economic value generated and distributed	Disclosed	Page 33 (Economic Performance)
	201-2	Financial implications and other risks and opportunities due to climate change	Information unavailable/ Incomplete FY2023	
	201-3	Defined benefit plan obligations and other retirement plans	Information unavailable/ Incomplete FY2023	
	201-4	Financial assistance received from government	Not applicable	

TCFD CONTENT INDEX

List of references within Far East Orchard Limited's annual report, sustainability report and appendices that cover the four overarching pillars under the recommendations of TCFD.

TCFD Recommended Disclosure	Comments and Reference
GOVERNANCE	
Describe the board's oversight of climate-related risks and opportunities	Pages 11, 46
Describe management's role in assessing and managing risks and opportunities	Pages 11, 46
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Pages 14, 15, 47, 48
Describe the impact of climate-related risks and opportunities the organization has identified over the short, medium, and long term	Pages 14, 15, 47, 48
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Page 15 (Climate-related Impacts)
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks	Page 49
Describe the organization's processes for managing climate-related risks	Page 49
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Page 49
METRICS AND TARGETS	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	• Environmental: Pages 15 - 19, 50 - 53 • Social 　– Gender Diversity: Pages 26 - 27 　– Age-Based Diversity: Page 26 　– Employment: Pages 26 - 27 　– Development & Training: Pages 24 - 25 　– Occupational Health & Safety: Pages 23, 54 • Governance 　– Board Composition: Pages 11 - 12, AR Pages 16 - 26 　– Management Diversity: AR Pages 16 - 26 　– Ethical Behaviour: Pages 30 - 32 　– Certificates: Pages 12, 30 - 32 　– Alignment of Frameworks: Pages 5 - 6 　– Assurance: Page 6
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	• Scope 1 & 2: Pages 16, 17, 50 - 53 • Scope 3 Materiality Assessment: Pages 52 - 53
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	• Pages 15, 51

APPENDICES

Appendix 1: Environmental Data

List of properties included in this Sustainability Report

The Group's sustainability disclosures include owned and managed properties in Australia, Singapore, Malaysia, Japan, and the UK, where the Group has operational control[37]. We will actively review the list to ensure our environmental footprint is accounted for appropriately and in line with GHG Protocol Standards.

Hospitality Properties	
Australia	
Owned Properties • Rendezvous Hotel Perth Central • Rendezvous Hotel Perth Scarborough • Rendezvous Hotel Melbourne	
Singapore	
Managed Properties – Hotels • AMOY Hotel • Oasia Hotel Downtown • Oasia Hotel Novena • Oasia Resort Sentosa • Quincy Hotel Singapore • Rendezvous Hotel Singapore • The Barracks Hotel Sentosa • The Clan Hotel Singapore • The Outpost Hotel Sentosa • Village Hotel Bugis • Village Hotel Changi • Village Hotel Katong • Village Hotel Sentosa • Vibe Hotel Singapore Orchard **Master Lessee Property – Hotels** • Orchard Rendezvous Hotel Singapore • Village Hotel Albert Court	**Managed properties – Serviced Residences** • Adina Serviced Apartments Singapore Orchard • Far East Plaza Residences • Oasia Residence Singapore • Orchard Parksuites • Orchard Scotts Residences • Village Residence Hougang • Village Residence Robertson Quay • Village Residence West Coast
Malaysia	
Owned and managed property • Oasia Suites Kuala Lumpur	
Japan	
Part-owned property • Far East Village Hotel Ariake, Tokyo **Managed property** • Far East Village Hotel Yokohama • Far East Village Hotel Tokyo, Asakusa	

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[37] Owned and managed properties are categorised separately as the Group has varying control over these assets. The degree of control would determine the extent of environmental initiatives we can implement to reduce emissions.

For owned properties, the Group has operational control over fuel and electricity purchase decisions and significant control over the decision-making process of practices and policies that can influence consumption (including capital expenditures).

For master lessee properties, the Group has operational control over fuel and electricity purchases decisions and some control over purchase decisions. However, it does not have control over capital expenditures (e.g., purchase of equipment, asset enhancement).

For managed properties, the Group has some operational control over the daily practices which influence the consumption of fuel and electricity (e.g., the type of refrigerant, turning on/off lights) but does not have significant control over purchasing decisions and capital expenditures (e.g., purchase of equipment, cost chargeable by the fuel provider and electricity provider, choice of lighting).

The Group does not have significant control over either capital expenditure or daily operations and practices for excluded properties.

APPENDICES

PBSA (Owned properties)
United Kingdom

- Emily Davies, Southampton
- Harbour Court, Bristol
- Hollingbury House, Brighton
- King Square Studios, Bristol
- Portland Green Student Village, Newcastle upon Tyne:
  - Bryson Court
  - Marshall Court
  - Newton Court
  - Rosedale Court
  - Turner Court
- St Lawrence House, Bristol
- The Glassworks, Liverpool
- The Elements, Sheffield
- The Foundry, Leeds

TCFD Disclosures

We align our climate disclosures to the four segments of the TCFD framework: 1. Governance, 2. Strategy, 3. Risk Management, and 4. Metrics And Targets.

1. Governance

A. Board's oversight of climate-related risks and opportunities

The Board of Directors is collectively responsible for the long-term success and sustainability of the Group. It determines the material environmental, social and governance factors, reviews and discusses climate-related risks and opportunities, and oversees the design, implementation and monitoring of climate-related risks and internal controls established by the management. The Board meets quarterly and at special meetings that are convened as required.

The ARC and MRSC support the Board.

B. Management's responsibilities for climate-related risks and opportunities

The ARC assists the Board in fulfilling its oversight responsibilities for the sustainability reporting and processes, internal controls management, risk reporting and risk management framework. It evaluates how the management reviews the Group's climate-related risks and opportunities and assesses the adequacy and effectiveness of the measures in place.

The MRSC supports the Board and ARC. It is responsible for the design, implementation and monitoring of risk management process, internal controls, and sustainability reporting as well as managing climate-related risks and opportunities. The MRSC ensures accuracy and integrity of the sustainability reports and provides management assurance to the Board on the risk management process and that internal controls are adequate and effective.

2. Strategy

A. Identification, assessment and prioritisation of climate-related risks and opportunities

Led by the GRS team, our climate-related matters are reviewed annually, and the impact of transitional and physical risks are continually assessed. Sources referenced to assess these issues are from publicly available data, regulatory updates in operating areas and the Group's internal policies and practices.

The assessment consists of the following steps:
1. Scanning for emerging climate issues impacting its asset portfolio.
2. Assessing the magnitude and likelihood of those issues.
3. Evaluating practical mitigation or adaptation measures based on the organization's resources and capabilities.

APPENDICES

The Group defines time horizons as follows:

1. Short-term: 2030
2. Medium-term: 2050
3. Long-term: 2100

The Group will be using the following scenarios for the climate scenario analysis:

1. SSP 2 – 4.5
2. SSP 5 – 8.5

The following is a detailed description of the Group's preliminary climate-related risks and opportunities assessment.

Risk type		Risk description	Time horizon	Potential financial impact	Mitigation and adaptation measures
Physical risk	• Chronic • Acute	• Extreme heat • Floods • Resource scarcity (e.g., water)	• Short-term • Medium-term • Long-term	• Higher operational cost due to greater cooling demands, and supply chain disruptions. • Increased capital expenditure and delays in operations. • Increased cost of capital and decrease in asset value. • Reduced revenue and higher costs from negative impacts on the workforce. • Increased costs of non-life insurance premiums.	• Conduct climate scenario analysis to understand the financial impacts of physical risks better. • Incorporate climate risk considerations in future investment decisions. • Conduct property-level flood assessment and install flood defences where necessary.
Transitional risk	Policy and Legal	• Mandates on and regulation of existing buildings and services • Carbon pricing • Enhanced emissions reporting obligations • Difficulties in leasing property	• Short-term	• Increased operating costs and investments in new buildings and retrofitting existing buildings. • Write-offs, asset impairment and early retirement of existing assets due to policy changes. • Stringent policies that require assets to be green certified before leasing.	• Ensure assets have attained the required green building certification.
	Market	• Increased cost of raw materials • Requirement to use sustainable resources	• Short-term • Medium-term	• Increased operational costs due to changing input prices and output requirements. • More volatile fossil fuel prices as the energy system transitions from fossil fuels. • Supply chain disruptions and increased costs from sourcing and verifying new sustainable resources.	• Track environmental performance and monitor hotspots. • Incorporate climate and ESG criteria into procurement policies for hospitality and PBSA business segments (incorporated in 2022).

APPENDICES

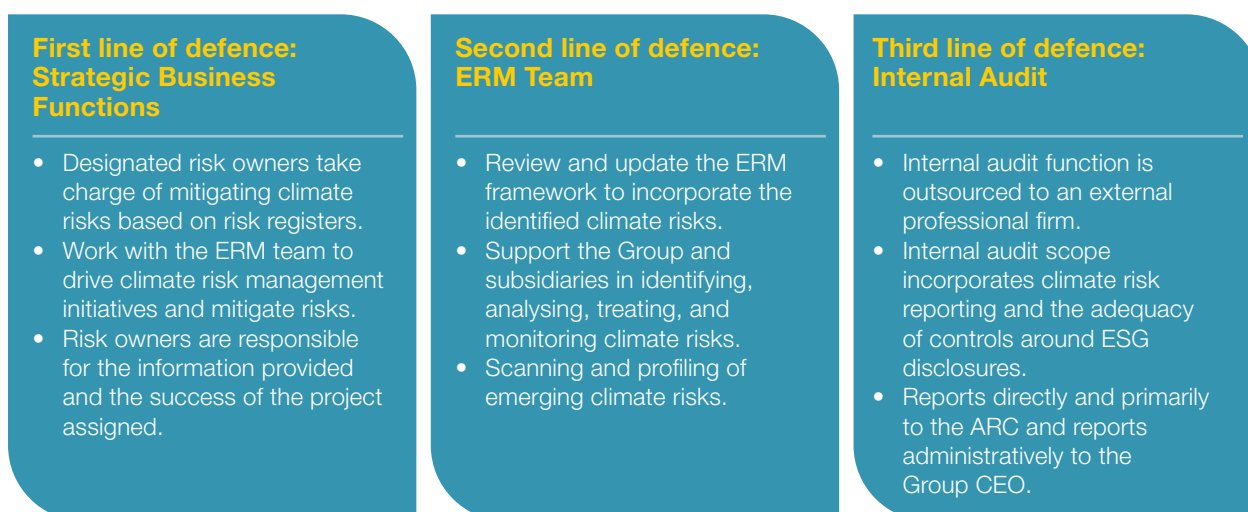| Risk type		Risk description	Time horizon	Potential financial impact	Mitigation and adaptation measures
Transitional risk	Reputation	• Increased stakeholder concern or negative stakeholder feedback • Shift in consumer preference	• Medium-term	• Decreased demand for goods and services in the hospitality industry due to a shift in consumer preference. • Decreased revenue from corporate travellers from organizations with strong climate commitments and targets. • Decreased valuation due to "brown discounts".	• Ensure assets are properly retrofitted and positioned as green assets to relevant stakeholders.
	Technology	• Use of less-energy-efficient technology • New disruptive technologies and trends	• Medium-term	• Increased costs to adopt new low-emission processes. • Increased cost of holding impaired technology assets (fossil-fuel-powered heavy machinery). • Existing technological assets become stranded as they become obsolete. • Increased capital expenditure to replace old retrofitting.	• Review current equipment and technology to identify and prioritise equipment to be switched to lower-carbon options. • Stay updated on the latest climate-related innovation and trends in the market.

Opportunities	Time horizon	Potential financial impact	Response to climate opportunities
Sustainable finance	Long-term	• Lower cost of capital	• Entered SLL and continuously tracked its performance against the SLL targets.
Cost savings through green technologies and innovations	Long-term	• Lower long-term cost of energy	• Embarked on a feasibility study of air-sourced heat pump installation in PBSA.
Demand for sustainable tourism	Medium-term	• New consumer segments for hospitality and PBSAs businesses	• Completed the design of a sustainable tourism package that will be rolled out in FY2023.
Increased valuation from 'greeniums'	Short-term Medium-term Long-term	• Increased property valuations and revenue	• Position assets as market leading green assets.

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3. Risk Management

A. Process of identifying, assessing, and managing climate-related risks

Effective risk management is fundamental to safeguarding the business and delivering positive outcomes for all stakeholders. ESG is integrated into the Group's ERM framework, ensuring consistent and robust risk management practices. Climate-related risk identification and mitigation strategies are incorporated as part of its ERM process as follows:

First line of defence: Strategic Business Functions	Second line of defence: ERM Team	Third line of defence: Internal Audit
• Designated risk owners take charge of mitigating climate risks based on risk registers. • Work with the ERM team to drive climate risk management initiatives and mitigate risks. • Risk owners are responsible for the information provided and the success of the project assigned.	• Review and update the ERM framework to incorporate the identified climate risks. • Support the Group and subsidiaries in identifying, analysing, treating, and monitoring climate risks. • Scanning and profiling of emerging climate risks.	• Internal audit function is outsourced to an external professional firm. • Internal audit scope incorporates climate risk reporting and the adequacy of controls around ESG disclosures. • Reports directly and primarily to the ARC and reports administratively to the Group CEO.

4. Metrics and Targets

A. Environmental Metrics and Disclosures

GHG Emission[38]			
	2023	**2022[39]**	**2021**
Scope 1 (tCO$_2$e)[40]			
■ Owned properties	2,416	2,316 / 0.8	1,312
■ Master Lessee properties			
	2,687	2,589	
Scope 2 (tCO$_2$e)[41]			
■ Owned properties	8,183	8,868	3,184
■ Master Lessee properties			2,026[42]
Total GHG emissions (tCO$_2$e)	**13,286**	**13,774**	**6,512**
Scope 1 and 2 Emission intensity (Owned properties) (tCO$_2$e/m²)	**0.05**	**0.05**	**0.03**
Scope 1 and 2 Emission intensity (Master Lessee properties) (tCO$_2$e/m²)	**0.06**	**0.06**	**0.05**

[38] Far East Orchard uses the operational approach in the calculation of GHG emissions in accordance with the GHG Protocol Standards. The emission factors used are derived from the UK DEFRA environmental reporting guidelines, which is aligned to the IPCC and IEA, the EMA, and Australian National Greenhouse Accounts Factors.

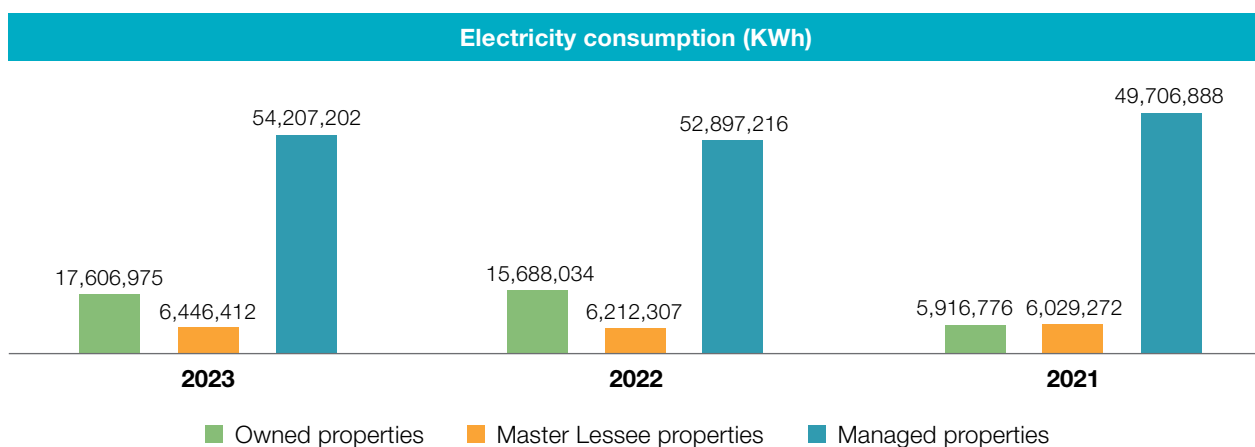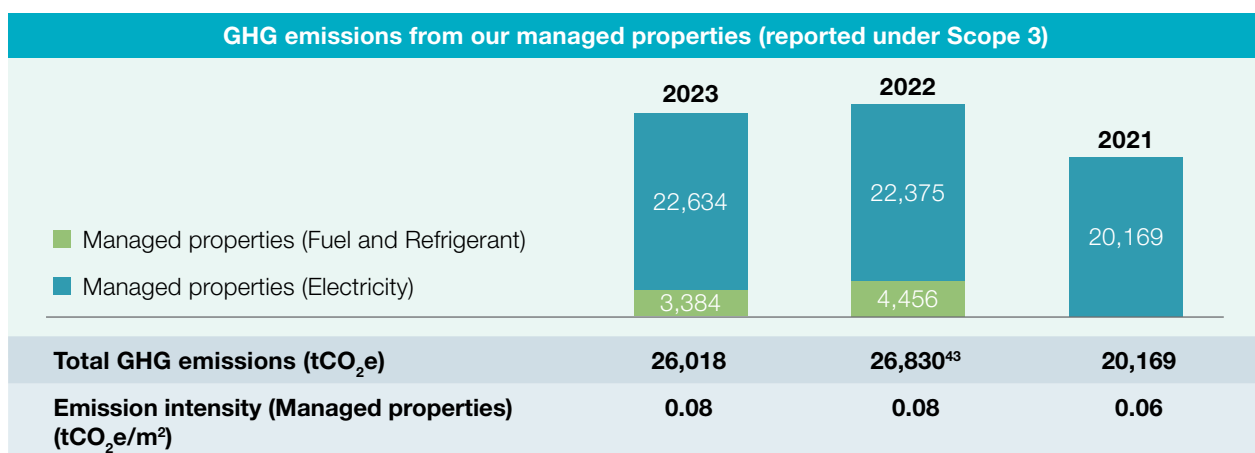[39] FY2022 GHG emissions have been re-baselined to include three owned Australian hotels.

[40] Scope 1 carbon emissions consist of direct emissions from diesel used in backup generators, gas used in kitchens or kitchenettes and heaters and fugitive emissions from refrigerants.

[41] Scope 2 includes indirect emissions from electricity usage in hotels and PBSAs. The Group uses a location-based approach to calculate emissions from electricity consumption.

[42] Scope 2 for owned properties exclude emissions from electricity consumption at one PBSA property due to a faulty meter, and our three owned Australian hotels. This was rectified in 2022.

APPENDICES

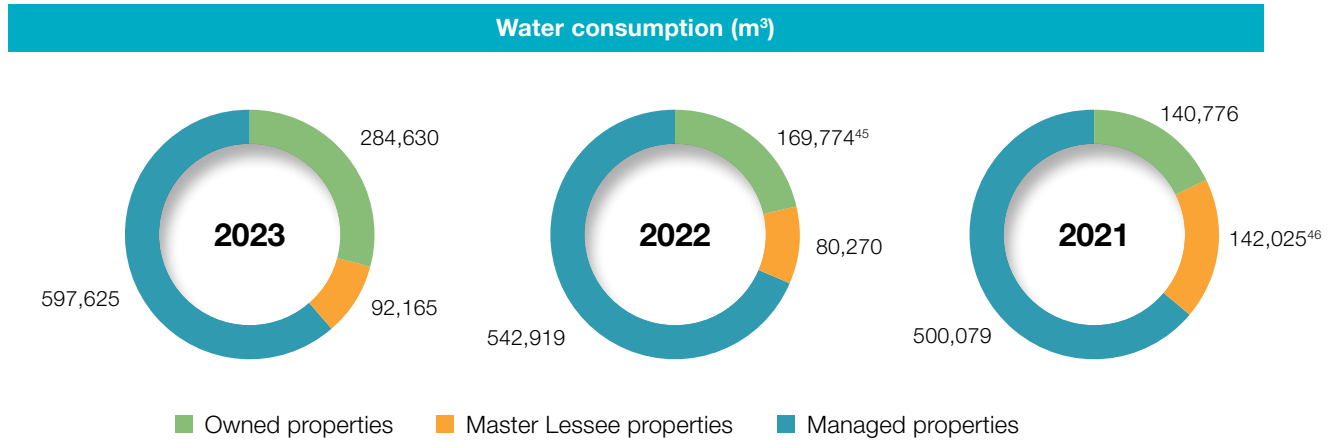| Scope 3 Category	2023
Category 3: Fuel-Related and Energy-Related Activities (tCO$_2$e)	1,102.36
Category 6: Business Travel	19.98
Total Scope 3 Emissions	**1,122.34**

GHG emissions from our managed properties (reported under Scope 3)			

- ■ Managed properties (Fuel and Refrigerant)
- ■ Managed properties (Electricity)

	2023	2022	2021
Total GHG emissions (tCO$_2$e)	**26,018**	**26,830**[43]	**20,169**
Emission intensity (Managed properties) (tCO$_2$e/m²)	**0.08**	**0.08**	**0.06**

Electricity consumption (KWh)

- ■ Owned properties   ■ Master Lessee properties   ■ Managed properties

	2023	2022	2021[44]
Total electricity consumption (KWh)	68,927,374	68,585,250	55,623,664
Electricity intensity (Owned properties) (KWh/m²)	69.75	76.08	44.72
Electricity intensity (Master Lessee properties) (KWh/m²)	141.69	136.54	95.16
Electricity intensity (Managed properties) (KWh/m²)	159.84	157.46	147.96

[43]   This is higher than what was reported in FY2022's SR due to change in Scope 2 emissions (emission factors and estimates).
[44]   The electricity consumption numbers have been restated based on up-to-date data.

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Water consumption (m³)

2023

284,630
92,165
597,625

2022

169,774[45]
80,270
542,919

2021

140,776
142,025[46]
500,079

■ Owned properties   ■ Master Lessee properties   ■ Managed properties

Water Consumption (m³)

	2023	2022	2021
Total water consumption (m³)	1,064,178	792,963	782,879
Water intensity (Owned) (m³/m²)	1.36	1.28	1.52
Water intensity (Master Lessee) (m³/m²)	2.21	1.76	2.24
Water intensity (Managed) (m³/m²)	2.00	1.62	1.47

B.   Targets (Scope 1 & 2)

The Group has set the following targets to mitigate its climate-related risks, in line with climate science and global best practices.

Targets	Target in 2030
Scope 1 and 2 GHG emissions	Reduce GHG emissions (Scope 1 and 2) for owned properties by 42% by 2030, from a baseline year of 2022. This includes emissions from the owned hotels in Australia.
Scope 1 and 2 GHG emission intensity	GHG emissions intensity reduces corresponding to above absolute targets.
Percentage of UK PBSA with EPC rating of B	100%

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[45] Utility operator-issued water readings for November and December were unavailable in certain UK municipalities at the time of reporting. As such estimations based on occupancy of the corresponding months were used instead.

[46] This includes Orchard Rendezvous Hotel, Village Residence Albert Court and Village Residence Clarke Quay (VRCQ). VRCQ has been excluded from 2022 onwards as it was sold off.

APPENDICES

C.   Scope 3 Emissions Materiality Assessments

The Group evaluated the 15 categories of Scope 3 emissions in 2022. The evaluation considered the materiality of each emission category relative to the Group's total emissions and its relevance to the Group's business operations[47].

Scope 3 emission categories	Inclusion for disclosure	Scope and Approach
Category 1: Purchased goods and services[48]	To be considered for inclusion in the 2024 Sustainability Report.	Management, hospitality, and other workforce services comprise approximately 45% to 55% of the Group's total purchased goods and services for owned properties. Thus, this category accounts for relevant spending on services incurred by owned properties (i.e., owned hotels and PBSAs).

Spent data from managed properties are not included as the Group does not have control over purchasing decisions for managed properties. |
Category 2: Capital goods[49]	Under review and consideration for disclosure.	Acquisition of properties is most material to this emission category due to the nature of the Group's business (i.e., purchase of accommodation-related properties). The Group includes emissions from acquisition activities for this category.
Category 3: Fuel-related and energy-related emissions not included in Scopes 1 or 2[50]	Included in the 2023 Sustainability Report.	This consists of all upstream activities to produce the fuels and electricity consumed by the Group (both owned and managed properties).
Category 4: Upstream transportation and distribution	Not included.	Majority of the Group's purchases are from domestic markets, and emissions from this category are immaterial.
Category 5: Waste generated in operations[51]	To be considered for inclusion in the 2024 Sustainability Report.	Waste generated on-site for owned and managed properties (i.e., hospitality, owned hotels and PBSAs) is included.
Category 6: Business travel	Included in the 2023 Sustainability Report.	This consists of all air travel and hotel stays undertaken by head office employees only.
Category 7: Employee commuting	Under review and consideration for disclosure.	Currently consolidating data to evaluate the materiality of this emission stream.
Category 8: Upstream leased assets	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).
Category 9: Downstream transportation and distribution	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).

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[47]   The Group's evaluation approach is derived from the GHG Accounting and Reporting Principles of the GHG Protocol Standard.

[48]   The WRI/Quantis Scope 3 Evaluator ("Quantis") is used to estimate emissions from spend data. Emission factors used is derived from Quantis and applied to total spend to calculate the overall emissions for this category. Going forward, the Group will continue to work towards improving the accuracy of Scope 3 emissions data by working with key suppliers.

[49]   The WRI/Quantis Scope 3 Evaluator ("Quantis") is used to estimate emissions from acquisition cost. Emission factors used is derived from Quantis and applied to total cost to calculate the overall emissions for this category. Going forward, the Group will continue to work towards improving the accuracy of Scope 3 emissions data by working with key suppliers.

[50]   Emission factors for this category is derived from government data and the IEA.

[51]   The emission factors used are derived from the UK DEFRA environmental reporting guidelines, which is aligned to the Intergovernmental Panel on Climate Change approach, and IEA.

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Scope 3 emission categories	Inclusion for disclosure	Scope and Approach
Category 10: Processing of sold products	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).
Category 11: Use of sold products	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).
Category 12: End-of-life treatment of sold products	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).
Category 13: Downstream leased assets	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).
Category 14: Franchises	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).
Category 15: Investments	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e., hotel management and ownership of PBSAs).

Appendix 2: Social and Governance Data

Customer health and safety policies

The Group sets the following policies and procedures to ensure the safety of its customers.

Risk Management	• Conducting operations and internal compliance audits. • Conducting periodic risk control and self-assessment. • Conducting regular maintenance checks and inspections on equipment and facilities. • Identifying and mitigating hazards that customers may encounter. • Establishing a business response plan.
Team Member Readiness	• Training team members to handle Automated External Defibrillators. • Training team members to handle reported cases of infectious diseases and render medical assistance for minor injuries. • Enrolling team members who handle food in Food Safety and Hygiene courses. • Conducting fire drills and emergency exercises.
Quality Service	• Accompanying guests to nearby clinics or hospitals where medical assistance is sought. • Ensuring that all guest incidents are recorded and reported to the duty manager. • Making service recovery and courtesy calls to guests to check their well-being after an incident.
Infrastructure	• Equipping buildings with closed-circuit televisions. • Programming guest room keys for lift access to designated floors only.

APPENDICES

Workplace Health and Safety Policies

The Group has set the following policies and procedures to ensure a safe working environment for all team members. The Group regularly updates these policies and processes.

	Key Initiatives Under WSH Policy
Policies	• Adopt safe working practices that align with national and international safety regulations. • Provide team members with safe and well-maintained tools and equipment. • Provide training to all team members to enhance their competence and awareness of WSH requirements. • Annual pledge to acknowledge and comply with the Group's Safety Commitment, outlined in the Employee Handbook. • Review of WSH Policy and objectives at least once a year. • Requirement for all engaged vendors or suppliers to submit Risk Assessment and Safe Work Procedures. Preference for all vendors / suppliers to be bizSAFE III certified (specific waiver needed if criterion not met); ISO45001 certification or equivalent well-recognised national safety management system standard is generally preferred unless waived for specific reasons.
Reinforcements	• Fortnightly circulation of reminders about WSH to all team members to increase awareness and impart safe work habits. • Conduct quarterly cluster WSH meetings. • Conduct annual WSH risk assessments to identify hazardous activities and workspaces and implement mitigation measures proactively. • Conduct emergency drills for potentially hazardous situations, including, but not limited to, power failures, medical emergencies, fires, and lift entrapments, at least twice a year. • Monthly updates on Incidents with Root Cause analysis to mitigate re-occurrences.
WSH personnel's responsibilities at each property	• Maintain a recognised WSH management system with certified CERT Team Members. • Appointment of a WSH representative with at least a bizSAFE Level 2 certificate (bizSAFE III preferred). • Responsible for handling WSH matters and implementing WSH policies at each property. • Engagement of respective property Fire Safety Managers to evaluate the fire safety measures deployed within the in-scope hospitality properties. • Formation of Emergency Response Teams equipped with safety equipment to perform emergency responses. • Engage certified Fire Safety Managers to evaluate the fire safety measures deployed within the in-scope hospitality properties. • Annual reviews of operational risks through the Asbestos Management Plan or the Legionella Risk Assessment to ensure that building-related environmental compliance is adequately addressed (in UK only).

APPENDICES

Training and Education Programmes

The Group has the following initiatives to provide team members with skills training and opportunities.

Development Plans	Objectives
Individual Development Plan	Based on the training needs highlighted by team members and supervisors, the most effective method to equip the individual will be identified. These are varied between cross-exposure, e-Learning, OJT, and classroom training. Singapore WSQ could fund classroom training.
Leadership Development Plan	A Manager Development Programme serves to equip and prepare future leaders with the necessary skill sets and knowledge to perform their leadership roles. There are core modules from financial literacy to leadership skills and individual Development Plans. The training programme includes, but is not limited to, cross-exposure, mentoring, OJT, leadership sharing series and self-directed learning.
Accelerated Career Pathway	This programme is open to all qualified team members (based on a series of assessments). The programme aims to equip talented team members with the required skills and knowledge of a manager. The Group has structured and customised learning programmes to hone individuals' functional and leadership skills to be ready for future opportunities. This programme looks to develop future leaders to be hotel managers within 10 years.

Internal Governance and Employee Policies

The following are internal policies to ensure the business is conducted in line with applicable laws and regulations and aligned with global best practices. The Group reviews these policies on an annual basis.

Corporate Policies	Internal Controls
• Corporate Governance Policies Manual • Employee Handbook • Code of Conduct and Employee Handbook • Enterprise Risk Management Manual • Securities Trading Policy • Whistle-blowing Policy • Investor Relations Policy • Procurement Policy • Board Diversity Policy • Disclosure of Profit Guidance Policy • Crisis Management Policy • IPT Standard Operating Procedure • Anti-Bribery and Corruption Policy • Personal Data Protection Policy • Foreign currencies & control procedures, including forex monitoring & hedging • Interest rate hedging policy	• Delegation of Authority Matrix. • Periodic internal and external audits. • Quarterly circular to Board and team members on Securities Trading Policy. • Business Continuity Plans.

APPENDICES

Compliance Training

The Group has set the following compliance and training programmes to ensure the business is conducted in line with applicable laws and regulations, and maintain a good business reputation.

Compliance Checks	Team members Readiness
• Putting in place internal processes to monitor continuous compliance and reinforce adherence to the Competition Act. • Evaluating reported incidence of non-compliance with the Competition Act, CCCS guidelines and investigations by relevant authorities against the Group for anti-competitive behaviour, if any. • Reviewing legal contracts and agreements to ascertain the absence of anti-competitive behaviour.	• Competition Law Compliance Manual is part of the Employee Handbook, which is given to all new hires and made available to all team members. The Manual states the prohibited activities under the Competition Act and the appropriate course of action when team members encounter any situations that may fall foul of the Competition Act. There is also a FAQ to address common queries and a guide to handling dawn raids. • Incorporating a session on compliance with competition law as part of the orientation programme for new team members. • Arranging legal briefings conducted by external competition lawyers and/or via e-learning on competition law for team members. • Conducting in-house quarterly briefings on competition law for sales and marketing team members.

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