



Ascott Residence Trust

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Sustainability Report 2021



Our cover page features the letters “C” and “O” intersecting to form an interlocked design, where the “C” stands for Capitaland and the “O” stands for ONE. Together, they represent the ONE Capitaland ecosystem, and symbolise how the respective businesses that form our Group benefit from cross-platform synergies and complementary strengths; and are united and committed to the same shared purpose of Enriching Lives, Building Communities and Growing Sustainably.

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Who We Are

Ascott Residence Trust (ART) is the largest hospitality trust in Asia Pacific with an asset value of S\$7.7 billion as at 31 December 2021. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, ART's objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. ART is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

ART's international portfolio comprised 93 properties with more than 17,000 units in 43 cities across 15 countries in Asia Pacific, Europe and the United States of America as at 31 December 2021.

ART's properties are mostly operated under the Ascott The Residence, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi,

Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

In 2021, ART was named 'Global Sector Leader - Hotel' in the Global Real Estate Sustainability Benchmark (GRESB) and ranked 1st in the Singapore Governance and Transparency Index within the REITs and Business Trusts category. ART was also awarded 'Best Crisis Management (mid to large cap)' at the IR Magazine Forum & Awards - South East Asia 2021.

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT). ART is managed by Ascott Residence Trust Management Limited (as Manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd. (as Trustee-Manager of Ascott BT), both of which are wholly-owned subsidiaries of Singapore-listed Capitaland Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

Vision

To be the premier hospitality trust with quality assets in key global cities

Mission

To deliver stable and sustainable returns to Stapled Securityholders



About This Report

INTERNATIONAL STANDARDS AND GUIDELINES

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards "Core" option, and the SGX-ST Listing Manual Rules 711A and 711B. The GRI Standards have been selected as it is an internationally recognised sustainability reporting framework that covers a wide range of disclosures that is relevant to ART.

This Report incorporated elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council and references the Sustainable Development Goals (SDGs) of the United Nations (UN). ART has embarked on reviewing and executing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in this Report.

REPORTING SCOPE AND PERIOD

ART is a stapled group comprising Ascott Real Estate Investment Trust (Ascott Reit) and Ascott Business Trust (Ascott BT). ART is managed by Ascott Residence Trust Management Limited (as manager of Ascott Reit) and Ascott Business Trust Management Pte. Ltd. (as trustee-manager of Ascott BT), both of which are wholly-owned subsidiaries of Singapore-listed CapitaLand Investment Limited (CapitaLand), a leading global real estate investment manager with a strong Asia foothold. The CapitaLand team behind the Managers and the property managers responsible for property and portfolio operations are identified as employees of ART.

Taking guidance from the operational control approach as defined by the Greenhouse Gas (GHG) Protocol Corporate Standard, the computation for ART's environmental performance (carbon emissions, energy and water consumption) relates to the properties managed by ART's Sponsor, The Ascott Limited (Ascott), which is the lodging unit of CapitaLand. Properties which are in operation for less than 12 months and undergoing asset enhancement are excluded from the computation.

As at 31 December 2021, there were 91 operational properties and 2 properties under development in ART's portfolio. 50 of the operational properties were managed by ART's Sponsor and the environmental performance of these 50 properties, which are deemed to be under operational control, have been covered in this Report. The environmental performance of the remaining 41 properties, while not being reported, is being tracked and monitored internally.

Three properties were divested in FY 2021, namely, Citadines City Centre Grenoble (March 2021), Citadines Didot Montparnasse Paris (May 2021) and Somerset Xu Hui Shanghai (June 2021). As these three properties were managed by Ascott, their environmental performance for the period before they were divested was included into the computation. Ten properties, comprising seven student accommodation properties in the USA and three rental housing properties in Japan, were acquired in FY 2021. These ten properties are managed by third-party operators and hence not included in the computation.

This Report is to be read in conjunction with ART's Annual Report 2021.

FEEDBACK

Stakeholders with questions or feedback for ART are welcome to send them to ask-us@ascottresidencetrust.com

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FY 2021 Key Highlights

FY 2021 Key Highlights



Global Sector Leader – Hotel
Global Real Estate Sustainability
Benchmark 2021

**Ranked 1st in REITs and Business
Trusts category**
Singapore Governance and Transparency Index 2021



FY 2021 Key Highlights

THREE KEY PILLARS DRIVING OUR SUSTAINABILITY EFFORTS



BUILD

Portfolio Resilience
and Resource
Efficiency



ENABLE

Thriving and
Future-Adaptive
Communities



ACCELERATE

Sustainability
Innovation and
Collaboration

Anchored by strong Governance and sustainable financial performance

GENERATING VALUE IN SIX CAPITALS

Manufactured Capital
Environmental Capital

Social and Relationship Capital
Human Capital

Financial Capital
Organisational Capital

Measured by Return on Sustainability & global benchmarks

BUILD

35%
of ART's global portfolio¹
achieved green building
certification

40%
carbon emissions
intensity reduction³
since 2008

100%
of energy procured by
ART's properties in Belgium,
Germany and United
Kingdom are from
renewable sources

ENABLE

About
48:52²
males : females

100%
of Ascott's suppliers
across 12 countries
acknowledged to abide
by the CapitaLand Supply
Chain Code of Conduct⁴

ACCELERATE

First hospitality trust
in Singapore to secure a
green loan of
S\$50 million
for lyf one-north Singapore

First hospitality trust
globally to launch a
S\$200 million
sustainability-linked bond

Retained ISO 14001 and
ISO 45001 certification in
13 countries
for more than a decade

- 1 As at May 2022 and refers to the gross floor area of ART's properties by m².
- 2 Computation of workforce statistics are based on employees of ART (including our subsidiaries) and the Managers.
- 3 Computation of intensity data is for 2021 and excludes new properties which are in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party operated properties.
- 4 As part of their new and renewed contracts.

Sustainability at the Core of Everything We Do

BOARD STATEMENT

At ART, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. ART’s material environmental, social and governance (ESG) factors are aligned with CapitaLand’s 2030 Sustainability Master Plan, and reviewed by ART’s Boards together with management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi).

ART’s Boards are responsible for overseeing ART’s sustainability efforts, and take ESG factors into consideration in determining their strategic direction and priorities. The Boards also approve the executive compensation framework based on the principle of linking pay to performance. ART’s business plans are translated to both quantitative and qualitative performance targets, and executed through sustainable corporate practices.

Board Statement and CEO Message

CEO MESSAGE

ART is aligned with and actively contributes to the targets set out under CapitaLand's 2030 Sustainability Master Plan.

As we expand ART's footprint globally, we ensure that sustainability remains at the core of what we do. From ensuring that sustainability is factored in our investments, to working with our operators and lessees to green our properties globally, and stepping up our sustainable financing efforts, we aim to continue contributing to the environmental and social well-being of the communities.

Outstanding Performance in ESG

In 2021, we were recognised for our outstanding leadership in sustainability in the 2021 Global Real Estate Sustainability Benchmark (GRESB). In our first participation in GRESB, ART was named 'Global Sector Leader - Hotel', and clinched the top rank in the 'Asia Pacific Hotel - Listed' category. ART was also awarded a 4-star rating in GRESB 2021 and scored 'A' for public disclosure.

In August 2021, ART came in first place in the Singapore Governance and Transparency Index under the REITs and Business Trusts category.

Aligning our Environmental Goals with our Financing Needs

In January 2021, ART was the first hospitality trust in Singapore to secure a green loan. Proceeds from the green loan were used to finance ART's maiden development project and coliving property, lyf one-north Singapore.

In April 2022, ART was the first hospitality trust globally and the first real estate trust in Singapore to launch a sustainability-linked bond. ART had achieved a 'greenium' through the issuance of the sustainability-linked bond and committed to a sustainability performance target of greening 50% of its total portfolio by the end of 2025.

As at May 2022, about 35% of ART's properties are green-certified. ART continues to implement energy and water conservation measures to ensure efficient operations and minimise resource wastage. We are also committed to increasing our adoption of green energy at our properties, to reduce our carbon footprint and environmental impact to the communities we operate in.

Sustainability Stewardship

To strengthen our sustainability stewardship, we have formalised a Sustainability Committee to manage and implement ART's sustainability objectives and strategies. The Sustainability Committee comprises members of ART's senior management, with a common agenda to champion and drive ART's sustainability efforts to meet global standards. Aligned with CapitaLand's 2030 Sustainability Master Plan, we will continue to work towards greening our entire portfolio by 2030 and transiting to a low-carbon business.

Ms Beh Siew Kim,
Chief Executive Officer

Sustainability Management

SUSTAINABILITY COMMITMENT

The Managers are part of the CapitaLand Group and our sustainability strategy is aligned to that of CapitaLand. Details can be found in the subsequent chapters and the CapitaLand Investment Global Sustainability Report 2021.

In 2020, CapitaLand unveiled its 2030 Sustainability Master Plan to elevate the Group's commitment to global sustainability in the built environment given its presence in more than 230 cities and over 30 countries. The Master Plan focuses on three key pillars to drive CapitaLand's sustainability efforts in the ESG pillars, enabling the Group to create a larger positive impact for the environment and society.

- Build portfolio resilience and resource efficiency,
- Enable thriving and future-adaptive communities as well as
- Accelerate sustainability innovation and collaboration

Five pathways were identified to achieve the Group's sustainability objectives, and CapitaLand will adapt its strategies as technologies evolve and new scientific data become available:

1. Integrating sustainability in CapitaLand's real estate life cycle

From the earliest stage of the investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of CapitaLand's business operations.

2. Strengthening innovation and collaboration to drive sustainability

CapitaLand will continue to source globally for new ideas and technologies to meet its sustainability ambitions and work with like-minded partners to create shared values.

3. Leveraging sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emission, and health and safety. These measurements along with social indicators are key to driving performance improvement across our operating properties and development projects.

4. Monitoring and reporting progress to ensure transparency

As CapitaLand tracks its sustainability progress, it will continue to validate its performance by external assurance and align its Global Sustainability Report to international standards.

5. Increasing engagement and communication with key stakeholders

It is key to building awareness among our employees, investors, customers and communities, and collectively effecting transformational change to achieve CapitaLand's 2030 targets.

Pushing boundaries of change

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, CapitaLand had its carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario. In 2022, it updated its Scope 1 and 2 carbon emissions targets to the '1.5°C' scenario which was approved by SBTi. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact.

CapitaLand has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC), the first sustainability focused innovation challenge by a Singapore headquartered real estate company that globally sources for emerging sustainability technologies and solutions in the built environment. The CSXC covers seven challenge statements and reflects the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and intends to secure S\$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

Measuring against global benchmarks

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps CapitaLand to overcome the challenges in sustainability reporting that may arise from its portfolio of diverse asset types and global geographical presence.

Sustainability Management

CapitaLand is also a signatory to the United Nations (UN) Global Compact and its Global Sustainability Report serves as its Communication on Progress, which will be made available at www.unglobalcompact.org when published.

For its efforts, CapitaLand is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified-Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

The CapitaLand Investment Global Sustainability Report will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. It will continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility, and reference the UN Sustainable Development Goals (UN SDGs), and the Sustainability Accounting Standards Board (SASB). We also plan to enhance our climate-related disclosure and implementation in line with the Taskforce for Climate-related Financial Disclosure (TCFD). It will continue to be externally assured to AA1000 Assurance Standard. The report will cover the Group's global portfolio and employees, including its listed real estate investment trusts (REITs) and business trusts, unless otherwise indicated.

ART's sustainability report references selected GRI standards¹ to report specific information and covers ART's properties from 1 January to 31 December 2021 unless otherwise indicated. The CapitaLand team behind the Managers and the property managers responsible for property and portfolio operations are identified as employees of ART.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

In 2021, CapitaLand's sustainability management was under the purview of the CapitaLand Sustainability Council. The Sustainability Council comprised selected CapitaLand Investment Board's independent directors and members of the CapitaLand Executive Committee. It was supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CapitaLand Investment Board's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee.

The CapitaLand Sustainability Council stepped down on 31 December 2021. With effect from 1 January 2022, a CLI Board Committee, the Strategy Committee, is charged with the responsibility of overseeing sustainability strategies and plans, including providing guidance to management and monitoring progress against achieving the goals of any sustainability initiatives in 2022.

The work teams comprise representatives from CapitaLand business units and corporate functions. Each business unit has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where the Group operates with support from various departments.

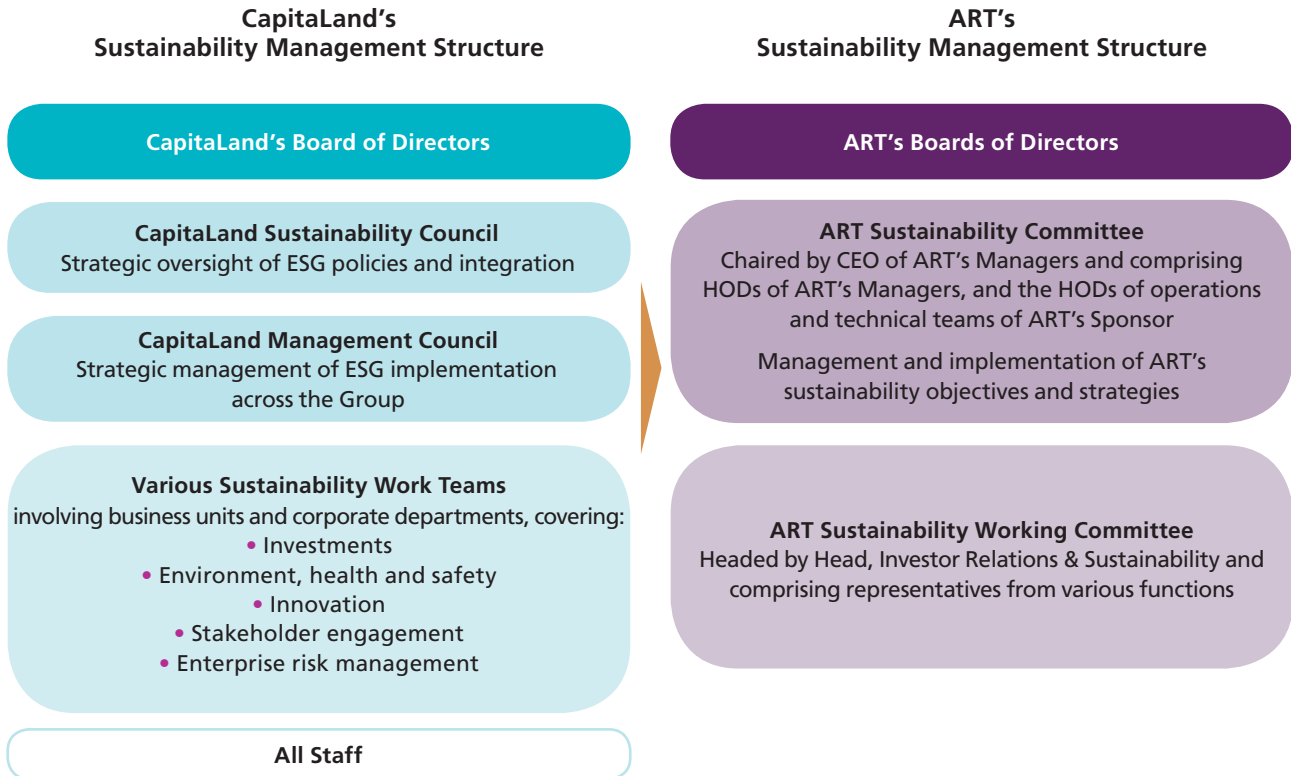
To strengthen its sustainability stewardship, ART has formalised a Sustainability Committee which comprises the CEO and Heads of Department of ART's Managers, and the Heads of Department of the operations and technical teams of its Sponsor. A Sustainability Working Committee has also been formed to provide support to the Sustainability Committee.

Through the Sustainability Committee, ART's Boards are updated regularly on matters relating to sustainability risks and business malpractice incidents. The Boards are also updated on the sustainability management performance of ART, key material issues identified by stakeholders and the planned follow-up measures.

¹ This material references Disclosure 302-1 from GRI 302: Energy 2016, Disclosure 303-1 from GRI 303: Water 2016, Disclosure 305-1 and Disclosure 305-2 from GRI 305: Emissions 2016, Disclosure 205-1 and Disclosure 205-2 from GRI 205: Anti-Corruption 2016, Disclosure 403-1 from GRI 403: Occupational Health & Injury 2016 and Disclosure 405-1 from GRI 405: Diversity 2016

Sustainability Management

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE



CORE VALUES

Winning Mindset | Enterprising | Respect | Integrity

Commitment to Our Stakeholders

We create great customer value and experiences through high-quality products and services



FOR OUR CUSTOMERS
Residents and tenants

We deliver sustainable shareholder returns and build a strong global network of capital partners



FOR OUR INVESTORS
including business partners

We develop high-performing people and teams through rewarding opportunities



FOR OUR PEOPLE
Staff

We care for and contribute to the economic, environmental and social development of communities



FOR OUR COMMUNITIES
Government agencies/ NGOs, general public, the environment, suppliers/contractors

Materiality

ALIGNMENT OF ESG KEY PERFORMANCE INDICATORS TO REMUNERATION

To measure its performance, ART has incorporated ESG key performance targets/indicators, most of which are linked to remuneration for its staff, including top management. The performance on these performance targets have financial and non-financial consequences.

MATERIALITY

ART has a regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

Guided by CapitaLand's 2030 Sustainability Master Plan, ART, as part of the Group, elevated its commitment to global sustainability in the built environment,

identifying and reviewing material issues that are most relevant and significant to us and our stakeholders. With the restructuring of CapitaLand into CapitaLand Investment and CapitaLand Development, these ESG material issues are prioritised based on the likelihood and potential impact of issues affecting business continuity of CapitaLand Investment, which ART is part of. For external stakeholders, priority is given to issues important to the society and applicable to CapitaLand Investment. For more information on stakeholder engagement, please refer to the Social and Relationship Capital chapter of this report and CapitaLand Investment Global Sustainability Report 2021.

MATERIAL ESG FACTORS/INDICATORS		
KEY MATERIAL ISSUES - Climate change and carbon reduction - Energy efficiency - Water management	KEY MATERIAL ISSUES - Occupational health and safety - Human capital - Stakeholder engagement - Supply chain management - Diversity (Board and staff)	KEY MATERIAL ISSUES Products and services (including customer health and safety)
MEDIUM PRIORITY - Waste management - Biodiversity	MEDIUM PRIORITY Human rights	



Creating Value and Alignment to UN SDGs

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The Guiding Principles of the International Integrated Reporting Council Framework were referenced in this report, and the value we create is mapped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational and Financial. This is also mapped against eight UN SDGs that are most

aligned with our CapitaLand 2030 Sustainability Master Plan (SMP) targets, and where CapitaLand Investment can achieve the greatest positive impact. For more information, please refer to the subsequent chapters and the CapitaLand Investment Global Sustainability Report 2021.

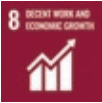
SMP Pillars and Focus Areas	Our Commitments	2021 Value Created	
BUILD Portfolio Resilience and Resource Efficiency - Low Carbon Transition - Water Conservation and Resilience - Waste Management and Circular Economy	- Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increased use of renewable energy - Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern - Green our portfolio by 2030 - Strengthen climate resilience of our portfolio by addressing climate related risks and opportunities throughout the real estate lifecycle	35% of ART's global portfolio achieved green certification¹ 40% reduction in carbon emissions intensity since 2008² - Continued to enhance the implementation and reporting of TCFD recommendations	Environmental Capital Manufactured Capital    
ENABLE Thriving and Future-Adaptive Communities - Dynamic Human Capital - Healthy and Safe Buildings - Proactive Customer Relationship Management - Robust Supply Chain Management	- ART believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff - CapitaLand is a signatory to the UN Global Compact - ART aims to provide a work environment that is safe and contributes to the general well-being of our staff, guests and residents, tenants, contractors, suppliers and the communities that use our properties	Global workforce (more than 1,400 staff)³ About 60 nationalities   About 60% of ART's global workforce was aged between 30 and 50  Males and females at a ratio of about 48:52  About 40 training hours per staff  0 work-related fatality and permanent disability	Human Capital Social and Relationship Capital    

¹ As at May 2022 and refers to the gross floor area of ART's properties by m².

² Computation of intensity data is for 2021 and excludes new properties which are in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party operated properties.

³ Computation of workforce statistics are based on employees of ART (including our subsidiaries) and the Managers.

Creating Value and Alignment to UN SDGs

SMP Pillars and Focus Areas	Our Commitments	2021 Value Created	
ENABLE Thriving and Future-Adaptive Communities	- CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management - Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions - ART is committed to activities that are aligned with our focus on community investment. We engage our stakeholders in raising awareness in the areas of philanthropy, environment, health and safety, as well as promote sustainability amongst our guests, residents, and tenants	No reported incident relating to discrimination, child labour or forced labour	Human Capital Social and Relationship Capital    
ACCELERATE Sustainability Innovation and Collaboration - Sustainable Operational Excellence - Sustainable Finance - Sustainability Innovation and Technology	- Maintain safe, accessible, vibrant and quality real estate developments to enhance the lives of our guests and residents, tenants and members of the community - Integrate ART's ESG performance with financial metrics - Actively embrace innovation to ensure commercial viability without compromising the environment for future generations	- Retained ISO 14001 and ISO 45001 certification in 13 countries for more than a decade - Inaugural CapitaLand Sustainability X Challenge received 270 innovations from over 25 countries. CapitaLand is currently piloting 6 innovative projects from the USA, Singapore and China in the area of improving building energy and water efficiency as well as indoor air quality - ART secured its first green loan of S\$50 million in early January 2021 and launched its first sustainability-linked bond of S\$200 million in April 2022 - Refer to the Financial Review section on pages 67 to 73 of ART's Annual Report	Manufactured Capital Organisational Capital Financial Capital  

Environmental and Manufactured Capital

SUSTAINABILITY PRIORITIES, TARGETS AND PROGRESS AT A GLANCE



PRIORITY



TARGET



PROGRESS



Reduction of carbon emissions intensity

CapitaLand target: **Reduce carbon emissions intensity by 78%** by 2030, using 2008 as a base year

ART in FY 2021: **40% reduction** from the 2008 baseline



Reduction of energy consumption intensity

CapitaLand target: **Reduce energy consumption intensity by 35%** by 2030, using 2008 as a base year

ART in FY 2021: **25% reduction** from the 2008 baseline



Reduction of water consumption intensity

CapitaLand target: **Reduce water consumption intensity by 45%** by 2030, using 2008 as a base year

ART in FY 2021: **45% reduction** from the 2008 baseline



Green certification of properties

ART target: 50% of portfolio by 2025 and **100% of portfolio by 2030¹**

ART as at May 2022: **35%**

All new development projects to meet minimum green rating target set

In progress



Bicycle parking and end-of-trip facilities are available at lyf one-north Singapore to encourage guests to stay active and reduce their carbon footprint.

¹ By gross floor area in m²

Environmental and Manufactured Capital

MANAGING OUR ENVIRONMENTAL FOOTPRINT

CapitaLand's [Environmental Management System \(EMS\)](#) is a key tool in managing ART's environmental footprint across its global and diverse portfolio. CapitaLand's EMS is integrated with CapitaLand's Occupational, Health and Safety Management System to establish CapitaLand's Environmental, Health and Safety Management System (EHSMS). CapitaLand's EHSMS is audited by a third-party accredited certification body to ISO 14001 and ISO 45001 standards, internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses respectively.

As part of the CapitaLand Group, ART is committed to working towards the long-term and annual targets under CapitaLand's 2030 Sustainability Master Plan Framework.

CapitaLand's long-term targets (using 2008 as base year) are as follow:

- Reduce carbon emissions intensity by 78% by 2030
- Reduce energy consumption intensity by 35% by 2030
- Increase the proportion of total electricity consumption from renewable sources to 35% by 2030
- Reduce water consumption intensity by 45% by 2030

Through CapitaLand's Environmental Tracking System (ETS), ART has comprehensive coverage of all the properties in its portfolio. In addition to its Ascott-managed properties, ART onboarded its third-party managed properties onto ETS in 2021 and began tracking and monitoring the energy and water usage, carbon emissions and waste generated from these properties.

The operations team of each property submits monthly data and uploads supporting documentation onto the platform. The aggregated data is analysed to gauge consumption patterns better and help uncover opportunities for further operational efficiency improvements.

ENVIRONMENTAL HEALTH AND SAFETY

ART is committed to protecting the environment and upholding the occupational health and safety (OHS) of our employees, residents, contractors, suppliers and the communities who use our properties, and will

- Carry out exemplary Environmental, Health and Safety practices to minimise pollution and health and safety risks
- Seek continual improvement on its Environmental, Health and Safety performance
- Comply with pertinent legislations and other requirements
- Implement the CapitaLand's Sustainable Building Guidelines and Occupational Health and Safety programmes

CapitaLand's Environmental, Health and Safety (EHS) Committee maintains the Group's EHS Management System. Each strategic business unit, including Ascott, also has its own EHS Committee to drive initiatives in countries where they operate, with support from various departments. Ascott's EHS Committee is led by CapitaLand Investment's CEO for Lodging.

CapitaLand's EHS policy is readily available to all employees, tenants, suppliers, service providers and partners. Employees attend training and awareness programmes to facilitate the effective implementation of CapitaLand's EHSMS. New hires are introduced to the EHSMS and CapitaLand's EHS policy and briefed on their respective roles. More detailed training on the implementation of EHSMS is conducted for heads of departments in administration, operations, and project management, including heads of operating properties, design managers and project managers.

CapitaLand's EHSMS encompasses all business functions such as property management and property development for ART's Ascott-managed properties. From 2022, ART plans to pursue EHS certification for its third-party managed properties under management contracts.

“In 2021, CapitaLand Investment implemented a shadow internal carbon price to quantify climate-related risk and opportunities for its new investments. It is also developing a new metric, Return on Sustainability”

RISK MANAGEMENT OF ENVIRONMENTAL ASPECTS AND IMPACT

As part of the certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually.

CapitaLand's EMS provides a systematic approach to manage ART's environmental impact and to improve its environmental performance. One of the elements involves identifying and managing significant environmental aspects of its business operations that can potentially impact the environment. ART evaluates the significance level of each environmental aspect and impact using a risk assessment technique based on factors such as the likelihood of occurrence, the severity of the impact and control measures to be implemented.

ART is aligned with CapitaLand's commitment towards minimising environmental impacts such as resource depletion and carbon emissions. This is demonstrated by setting environmental targets such as green building rating targets, carbon emissions, energy and water usage reduction targets, participating in stakeholder engagement activities, and implementing numerous measures to achieve them.

Global Internal and External Audits

Ascott has retained ISO 14001 and ISO 45001 certification in 13 countries for more than a decade. An internal audit system ensures the conformance and effective implementation of its EMS to ISO 14001 international standards. Internal audits are conducted at least once a year in the 13 markets, covering at least 50% of the sites in each country. External audits are conducted annually by a third-party accredited certification body.

SUSTAINABLE DEVELOPMENTS AND ASSETS

ART refers to CapitaLand's [Sustainable Building Guidelines](#) (SBG) to ensure environmental factors are considered throughout all stages of a project. The in-house guide is regularly reviewed to ensure continuous improvement, with four key goals in mind – minimising carbon footprint and energy consumption, water management, reducing waste generation, and promoting biodiversity.

As climate change becomes an increasingly pressing issue, the call to action has raised expectations for

companies to take charge of the key environmental aspects of their businesses. By adopting the SBG, ART aims to future-proof its developments by addressing the changing climatic conditions right from the design stage. Environmentally-friendly practices, infrastructure and equipment upgrades are also being carried out at existing operating buildings, where feasible, to meet green certification standards.

Every property is studied in detail, and appropriate measures are taken to address climate change risks. The SBG also sets guidelines for buildings to be less energy reliant, for instance, setting minimum green rating targets and encouraging the use of renewable energy whenever possible.

Environment Health Safety Impact Assessment

A key component of the SBG is the [Environment Health Safety Impact Assessment](#) (EHS IA), which is conducted during the feasibility study stage of an acquisition or development project. The EHS IA serves as a guide in considering EHS risks and opportunities upfront, and covers areas such as climate change risk exposure, carbon emissions, energy and water consumption, biodiversity, heritage or protected land use, pollution and air quality. The EHS IA also helps to identify mitigation measures earlier.

The significant findings of the EHS IA are included in the investment paper submitted to the Boards for approval. The cost implications, including estimated carbon costs and cost avoidance, form part of the EHS IA. In 2021, CapitaLand Investment implemented a shadow internal carbon price to quantify climate-related risk and opportunities for its new investments. It is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure ESG impact. CapitaLand Investment will continue to explore new metrics to measure climate-related risks and opportunities.

Green Building Rating and Certification

Green building ratings and certifications help affirm the quality of ART's properties. These ratings serve as an external validation that ART has considered these key environmental aspects in its project design, development and operations. Green-rated properties are also more resource-efficient to construct and operate, which aids in resource management.

Environmental and Manufactured Capital

In Singapore, the Building and Construction Authority (BCA) administers the Green Mark Certification and the target is to obtain a minimum of Green Mark Gold^{PLUS}. For properties outside of Singapore, the green rating certification is administered by government ministries and agencies as well as accredited certification bodies including World Green Building Council recognised Green Building Councils and World Bank Group's International Finance Corporation (IFC). In 2018, Ascott signed an Memorandum of Understanding with IFC to pioneer a green certification for the serviced residence industry, as part of the IFC's Excellence in Design for Greater Efficiencies (EDGE) programme.

For development projects, green building rating targets are determined at the outset. ART has two ongoing projects – the redevelopment of Somerset Liang Court in Singapore and development of Standard at Columbia in USA. Both properties are designed and constructed to meet green certification standards. ART's maiden development project, lyf one-north Singapore, obtained the BCA Green Mark Gold^{PLUS} certification in 2020.

Green certification of rental housing and student accommodation properties is relatively uncommon in the lodging sector. In 2022, ART will embark on a market study to explore and/or develop green certification typologies for these niche real estate asset classes, to green the rental housing and student accommodation properties in its portfolio.

“ART targets to green 50% of its portfolio of properties by 2025, and 100% of its portfolio of properties by 2030¹”

As at May 2022, 21 properties in the ART portfolio have obtained green building ratings and certification. This represents approximately 35% of ART's gross floor area. A list of ART's green-certified properties can be found on the next page.

PERCENTAGE OF PROPERTIES CERTIFIED TO A RECOGNISED SUSTAINABILITY STANDARD

As at	Dec 2021	May 2022	2030 Target
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By gross floor area

33%

35%

100%



By number of properties

22%

22%

100%



Somerset Kuala Lumpur is the latest property in the ART portfolio to obtain the EDGE green certification.

Environmental and Manufactured Capital

No.	Property	GFA (m ²)	Country	Green Certification
1	Citadines on Bourke Melbourne	26,413	Australia	Green Star Certification
2	Citadines Connect Sydney Airport	9,154	Australia	Green Star Certification
3	Citadines St Georges Terrace Perth	5,158	Australia	Green Star Certification
4	Courtyard by Marriott Sydney-North Ryde	9,990	Australia	Green Star Certification
5	Novotel Sydney Central	37,476	Australia	Green Star Certification
6	Novotel Sydney Parramatta	18,706	Australia	Green Star Certification
7	Pullman and Mercure Brisbane King George Square	18,748	Australia	Green Star Certification
8	Pullman and Mercure Melbourne Albert Park	48,000	Australia	Green Star Certification
9	Pullman Sydney Hyde Park	20,900	Australia	Green Star Certification
10	La Clef Louvre Paris	3,663	France	BREEAM Certification
11	Citadines Arnulfpark Munich	7,689	Germany	EDGE Certification
12	Citadines City Centre Frankfurt	8,499	Germany	DGNB Certification
13	Citadines Michel Hamburg	6,577	Germany	DGNB Certification
14	Ascott Jakarta	42,139	Indonesia	EDGE Certification
15	Somerset Grand Citra Jakarta	37,766	Indonesia	EDGE Certification
16	Somerset Kuala Lumpur	18,847	Malaysia	EDGE Certification
17	Ascott Makati	48,874	The Philippines	EDGE Certification
18	lyf one-north Singapore	6,823	Singapore	BCA Green Mark
19	Citadines Trafalgar Square London	7,280	United Kingdom	BREEAM Certification
20	Somerset Grand Hanoi	41,760	Vietnam	EDGE Certification
21	Somerset Hoa Binh Hanoi	20,469	Vietnam	EDGE Certification

Green Leases

Beyond investing in environmentally sustainable properties, and operating them according to best practices, ART understands the important role that end-users of its buildings play. ART works together with its retail and commercial tenants to improve their sustainability performance. A green fit-out guide is given to new tenants to encourage them to adopt green fittings and promote green practices and behaviour. From 2022, green lease clauses will be progressively incorporated into the tenant agreements, where minimum equipment and lighting efficiency requirements are stipulated.

Sustainable Sourcing at the Properties

ART seeks to integrate sustainable practices into its supply chain and reduce the negative environmental and social impact of its business activities. By working with like-minded operators, ART increases the use of green products at its properties by procuring recycled products and materials from sustainable sources. The

operators work with environmentally-responsible partners and ensure that their staff practise the 3Rs of reusing, recycling and reducing.

As part of its green practices, Ascott ensures that its operating equipment and supplies adhere to green specifications. Forest Stewardship Council (FSC) or recycled paper is used, where available, for all office printing, marketing collateral and stationery items. Ascott has also reduced the use of single-use plastics at its properties, including replacing plastic bottled water, laundry bags and amenities with environmentally-friendly alternatives.

Similarly, ART's third-party operators have sustainable sourcing practices in place. Marriott aims to source responsibly 95% of each of its top 10 categories of supplies by 2025. Marriott also plans to source 50% of its produce locally by 2025. Likewise, Accor dedicates part of its sourcing and procurement to small and medium-sized companies to increase and protect local jobs.

“In FY 2021, energy consumption from renewable sources increased threefold”

ART ensures that sustainability is embedded into its business operations. ART works closely with its operators to advance its environmental stewardship goals, providing resources, guidance and case studies on best practices.

Energy & Emissions

ART is committed to transiting to a low-carbon business and addressing climate change risks through the reduction of energy consumption and carbon emissions in its business. ART aims to minimise its environmental footprint by leveraging technology and increasing the use of renewable energy.

CapitaLand's long-term targets (using 2008 as base year) are to reduce carbon emissions intensity by 78% and energy consumption intensity by 35% by 2030. Its carbon emissions reduction targets have been approved by the SBTi. CapitaLand also aims to increase the proportion of total electricity consumption from renewable sources to 35% by 2030.

The third-party operators of ART's properties have also made long-term commitments to reduce energy consumption and carbon emissions. For instance, Accor aims to reduce its absolute carbon emissions by 46% by 2030 (using 2019 as base year) and targets to achieve net zero emissions by 2050. Marriott aims to reduce its carbon intensity per square metre of conditioned space by 30% (using 2016 as base year) and source at least 30% of its overall electricity from renewable energy by 2025.

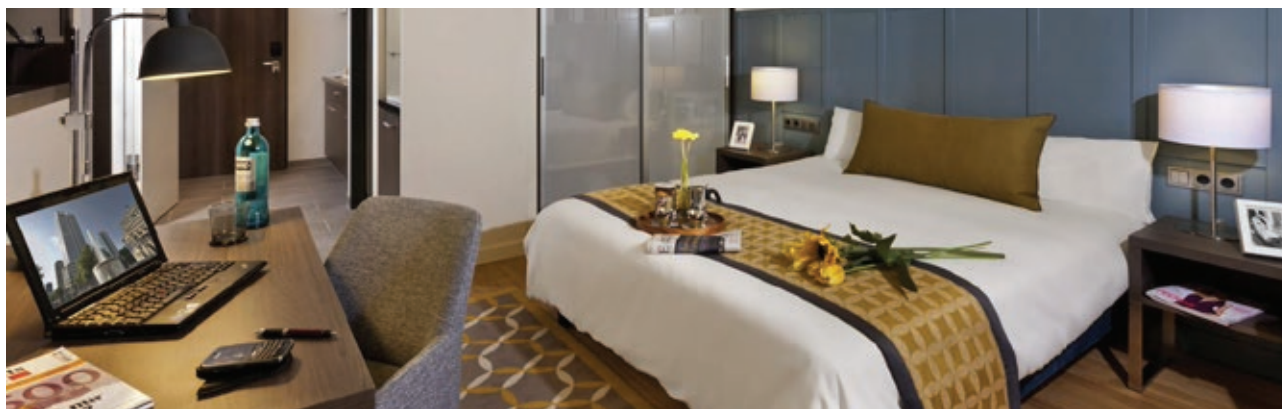
To reduce energy consumption, energy audits are conducted at ART's properties. Following the energy audits, action plans are put in place, and solutions such as lighting retrofits, building automation

systems, Heating, Ventilation and Air Conditioning (HVAC) and plant upgrades are carried out. A smart occupancy detection system is progressively rolled out at ART's properties to maximise energy efficiency and operational productivity. The system reduces the usage of air-conditioning when occupancy is low and it is able to generate c.25% in cost savings.

In FY 2021, ART's energy intensity was a 25% reduction from the 2008 baseline, compared to 26% in FY 2020. Energy intensity was marginally higher in FY 2021 compared to FY 2020 as consumption at ART's operational properties increased in tandem with the higher occupancies and recovery from COVID-19. Total energy consumption in FY 2021 decreased 5% compared to FY 2020 as three properties were divested during the year.

In FY 2021, ART's carbon emissions intensity was a 40% reduction from the 2008 baseline, compared to 38% in FY 2020. Carbon emissions intensity was marginally lower in FY 2021 compared to FY 2020 despite the higher energy intensity as ART increased the use of renewable energy at its properties. Carbon emissions in FY 2021 decreased 11% compared to FY 2020, also partly due to the divestment of the three properties.

In FY 2021, energy consumption from renewable sources increased threefold as ART's properties in the United Kingdom began procuring 100% of their energy from renewable sources. Currently, ART's Belgium properties are also procuring 100% of their power supply from renewable sources, and Germany has recently begun doing so from 1 January 2022. ART is committed to adopting the use of renewable energy at its properties and will continue to look for opportunities to do so.



ART's Belgium, Germany and UK properties procure 100% of their energy from renewable sources.

Environmental and Manufactured Capital

Somerset Kuala Lumpur



Somerset Kuala Lumpur is a serviced residence situated within the prestigious Embassy Row of Kuala Lumpur, Malaysia. Its prime location provides quick access to Kuala Lumpur's Golden Triangle. Each apartment is catered to providing both comfort and convenience – offering generous space, designer fittings and modern amenities.

Somerset Kuala Lumpur is the latest property in the ART portfolio to have attained the EDGE certification. Energy-saving light bulbs and variable speed drives, which the centralised air-conditioning plant's chilled water pumps have been retrofitted with, enable the property to achieve energy savings of about 26% (698 MWh/year). Water-efficient fixtures, including low-flow faucets and dual flush closets, which have been installed in the apartment units, enable the property to reduce water consumption by 28% (3,300 m³/year). Through the implementation of multiple sustainable strategies, the property's estimated annual utility cost avoidance is about S\$65,000.

Environmental and Manufactured Capital

WATER

ART is committed to reducing water consumption, reusing water and preventing water pollution.

CapitaLand's long-term target (using 2008 as base year) is to reduce water intensity to 45% by 2030. The third-party operators of ART's properties have also made long-term commitments to reduce water consumption. For instance, Marriott aims to reduce water intensity per occupied room by 15% (using 2016 as a base year).

Water audits, metering and monitoring are performed at ART's properties to track consumption and detect leaks early. Water-saving solutions implemented at the properties include low-flow fixtures, motion-activated faucets, dual flush/low flush toilets. ART's properties also recycle water and reduce the reliance on portable water. For instance, the rainwater may be harvested for landscape irrigation.

For projects under development, the main contractors are required to be ISO 14001 certified and to monitor wastewater discharge into watercourses or sewers. At the Singapore development sites, wastewater is generally recycled and reused for vehicular washing.

In FY 2021, ART's water intensity was a 45% reduction from the 2008 baseline, compared to 48% in FY 2020. The reduction was lower than in FY 2020 as consumption at ART's operational properties increased in tandem with the higher occupancies and recovery from COVID-19. Despite the higher consumption at ART's operational properties, the total water consumption in FY 2021 decreased 4% year-on-year as three properties were divested during the year.

WASTE

ART is committed to managing waste at its properties responsibly and implements waste management strategies as part of its EMS. Waste at ART's operating properties is mainly generated by guests, tenants and the general public, and ART engages its stakeholders through various means to reduce and recycle waste. Recycling bins are made available at its properties.

For projects under development, the main contractors are required to implement proper waste management procedures to minimise construction waste, and to properly manage and dispose the waste generated. CapitaLand targets to divert 75% of its construction waste from landfill by 2030.

To improve its design and construction processes, CapitaLand leverages Building Information Modelling (BIM) technology, which performs clash detection before construction and identifies situations where mechanical and electrical pipes will clash with structural members. This detection saves time, cost of remedial work and minimises material waste.

Waste data in certain countries is not readily available or cannot be consolidated due to local supply chain challenges. As such, ART aims to improve tracking of the waste data at its properties, reduce waste generation and achieve a recycling rate of 25% by 2030.

PRESERVING BIODIVERSITY

ART is committed to preserving the biodiversity of its sites as well as the wider area wherever possible. This is done by addressing any distinctive ecological features of the site, taking into consideration nature reserves on or near the site, protecting plant and animal species on the site and removing invasive plant species on or near the site. External experts will be engaged to provide advice where appropriate.

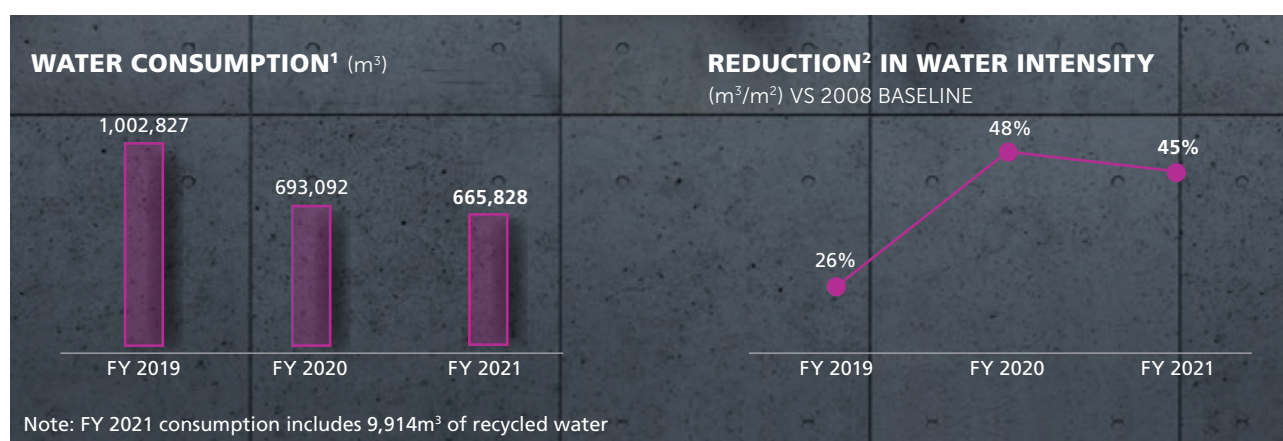
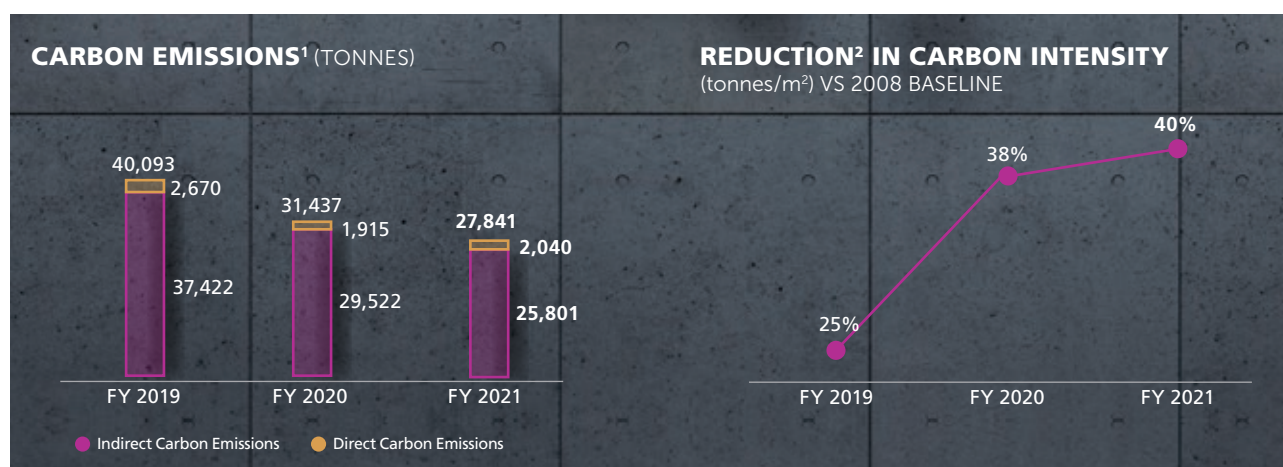
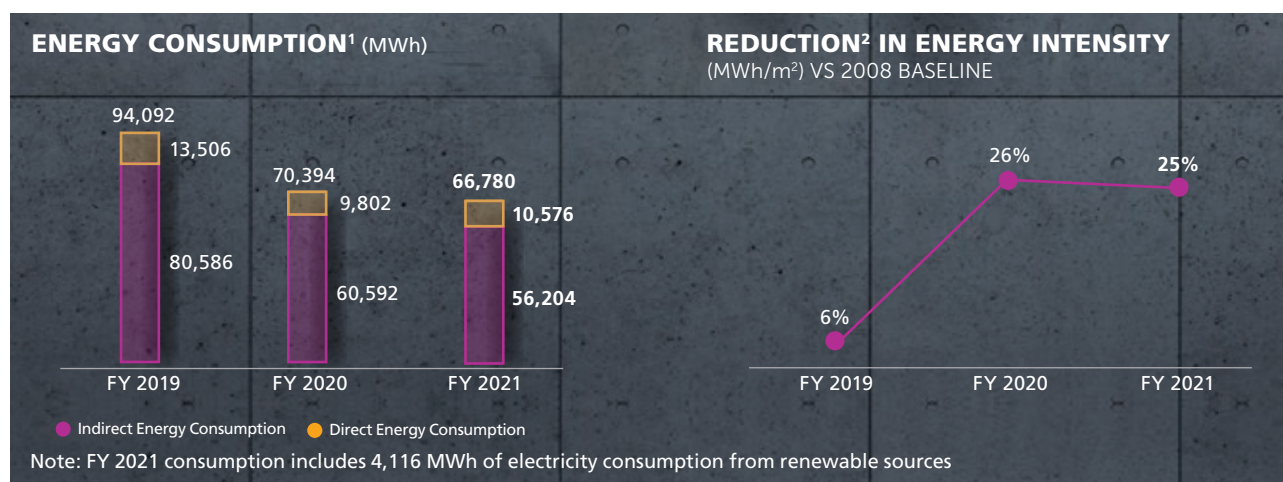
ART's development projects are located in urban and built-up areas. There are no sites located within protected areas and hence no material biodiversity risk identified. Instead, ART encourages greenery within its projects as it enhances the wellness of its end users and the vitality of the surrounding communities over the long-term.

Other references for this chapter:

- Marriott International, 2021 Serve 360 Report
- Accor, "Accor reaffirms its net-zero commitment and signs two new initiatives", 2021

Environmental and Manufactured Capital

The charts below show the consumption and reduction trends for the past three years. Consumption was lower in FY 2020, compared to FY 2019, as some properties were temporarily closed and the occupancies of the operating properties were lower due to COVID-19. In FY 2021, consumption was lower compared to FY 2020 as three properties were divested during the year. Excluding the divestments, consumption was higher as demand for accommodation improved. On a same-store basis, carbon emissions decreased as ART's properties increased their adoption of renewable energy by three times in FY 2021.



Some adjustments were retrospectively made to the historical footprint and intensity computation to reflect the latest and most accurate data.

1 Computation of footprint data excludes third-party operated properties.

2 Computation of intensity data excluded new properties which were in operation of less than 12 months, properties undergoing asset enhancement programmes and third-party operated properties.

Environmental and Manufactured Capital

EMBEDDING SUSTAINABILITY INTO OPERATIONS

In its endeavour to embed sustainability into its business operations, ART's Ascott-managed properties have deployed several innovative solutions and digital technologies to reduce consumption and waste. These solutions also serve to enhance employee productivity and guest experience.



Environmental and Manufactured Capital

ENGAGING OUR STAKEHOLDERS

ART encourages the guests at its properties to adopt environmentally sustainable habits through various initiatives.

Ascott offers guests the choice to opt out of daily housekeeping. 'Go Green' notifications are sent through its DiscoverASR mobile app and guests are rewarded with loyalty points should they request for a lower frequency of cleaning of rooms.

In 2021, over 30 ART properties worldwide participated in the World Wide Fund Earth Hour initiative by turning

off the façade and nonessential lights throughout the night. At Ascott Orchard Singapore, in conjunction with Earth Day, guests were given succulent plants and at Somerset Millennium Makati, guests were educated on the benefits of having indoor plants in their apartments and given plantable pencils.

With the rising demand for sustainable products and services, ART's operators are also collaborating with online travel agencies, industry associations and certification bodies to certify ART's properties and showcase their sustainability efforts to bookers and guests.



Over 30 ART properties participated in the World Wide Fund Earth Hour initiative by turning off the façade and nonessential lights throughout the night.



In conjunction with Earth Day, guests at Ascott Orchard Singapore were given succulent plants.



Guests at ART's Philippines properties were educated on the benefits of having indoor plants and given plantable pencils.



Guests were also encouraged to reduce waste and given reusable handmade cotton bowl covers.

Human Capital

SUSTAINABILITY PRIORITIES, TARGETS AND PROGRESS AT A GLANCE



PRIORITY



TARGET



PROGRESS



Employee safety

Zero incidents of staff fatality and permanent disability

FY 2021:
Zero incidents



Contractor safety

Zero incidents of contractor fatality and permanent disability

FY 2021:
Zero incidents



Supply chain management

Compliance to
CapitaLand Supply Chain Code of Conduct

FY 2021:
100% of Ascott's suppliers across 12 countries acknowledged to abide by the CapitaLand Supply Chain Code of Conduct as part of their new and renewed contracts



Human Capital

OUR PEOPLE

As an externally-managed stapled group, ART has no employees and is managed by the Managers. For the purpose of this sustainability report, ART's employees refer to the employees of the Managers and Ascott-managed properties of ART unless otherwise stated. The total headcount for ART was 1,466 in FY 2021, comprising 99% full-time equivalent and 1% part-time employees¹.

ART's properties are predominantly managed by Ascott, a wholly-owned subsidiary of CapitaLand. Key performance indicators for ART's business and people development are aligned with that of CapitaLand.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety (OHS) of our employees, guests, contractors, suppliers and the communities in which we operate in is of utmost importance to ART. As part of risk management, effective OHS management is necessary to raise staff productivity and morale.

Employees assume individual ownership and responsibility for OHS management and are encouraged to proactively report all OHS related incidents, including non-compliances and non-conformities. ART provides staff with safe and healthful working conditions and strives to eliminate or minimise hazards and risks through various measures. OHS performance monitoring includes all staff (both full-time and part-time) and contractors involved in the daily operations and project management of development sites. Training and awareness programmes are regularly organised for the staff of ART every year.

CapitaLand's [OHS Management System](#) has been externally audited by a third-party accredited certification body to ISO 45001 standards, a recognised international standard for OHS Management Systems, in 13 countries for more than a decade. Internal audits are scheduled at least once a year in the 13 countries, covering 50% of the sites in each country.

ART seeks to appoint and gives preference to ISO 45001 certified contractors, vendors and service providers. In Singapore, non-ISO 45001 certified vendors and service providers are required to achieve bizSAFE Level 3 and above. ART is also working with its third-party operators to obtain ISO certification for its third-party managed properties.

[Hazards Identification and Risk Assessments](#) are reviewed annually or when necessary. OHS hazards are identified for the administration, development and operational functions of ART's businesses and their

risks are assessed. ART has also put in place various standard operating procedures to identify and reduce occupational injury rates.

ART responded to the threat of COVID-19 promptly by putting in place appropriate health and safety measures to mitigate risks. Ascott launched 'Ascott Cares' to further raise the standards of care for its guests, staff and partners with the implementation of stringent health and cleanliness measures at its properties. Ascott also collaborated with Bureau Veritas to provide independent audits and certification for the hygiene and safety standards of Ascott properties worldwide. The comprehensive protocols of 'Ascott Cares' comply with the World Health Organization's standards and local regulations and have been rolled out to Ascott properties globally.

In 2021, Ascott was the first hospitality company in the world to offer its guests global access to a comprehensive suite of telehealth, telecounselling and travel security advisory services. In a global partnership with leading health and security services company International SOS, Ascott provided complimentary services as part of its enhanced 'Ascott Cares' commitment.

CapitaLand seeks to foster a positive and proactive 'safety culture' with zero fatality, permanent disability or major injury across the CapitaLand Group and for main contractors where applicable. For ART, there were zero work-related fatality, permanent disability or occupational disease cases and nine staff work-related injuries reported in FY 2021. Thorough investigations were conducted, and all necessary follow-up actions were undertaken. The injury rate² was 2.8 and lost day rate³ was 74 in FY 2021. The absentee rate⁴ was about 2.8%.

SUPPLY CHAIN MANAGEMENT

ART works closely with its contractors and suppliers who are committed to high quality environmental, health and safety standards. The [CapitaLand Procurement Policy and the CapitaLand Supply Chain Code of Conduct](#) form the basis for ART's engagement with its supply chain to influence them to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management. There is a structured procurement process, and contracts are awarded after rigorous tender selection involving a balanced evaluation of financial and non-financial criteria including safety requirements. All main contractors appointed are to be ISO 14001 certified or, to comply fully with local environmental laws and regulations, and audited annually by an independent accredited assessor.

1 About 48% and 52% of the full-time equivalent employees are male and female respectively, and about 46% and 54% of the part-time employees are male and female respectively.
2 Injury rate is computed based on the number of work-related injuries per million hours worked.
3 Lost day rate is computed based on the number of man-days lost due to workplace injuries per million hours worked.
4 Absentee rate is computed based on the number of absent days over the number of available scheduled work days.

Human Capital

Ascott's suppliers include suppliers of in-room amenities, furniture, fixtures and equipment, food & beverage, and outsourced service providers for housekeeping, security, maintenance and engineering. In 2021, 100% of Ascott's suppliers across 12 countries acknowledged to abide by the CapitaLand Supply Chain Code of Conduct as part of their new and renewed contracts.

HUMAN RIGHTS

ART has an integrated human capital strategy to recruit, develop and motivate staff. Key performance indicators (KPI), both for the business as well as for people development, are in place to ensure that staff's performance goals are aligned with ART's business objectives. Staff are provided with the appropriate development opportunities to perform well in their job.

CapitaLand has a Social Charter which sets out commitments to support the preservation of human dignity and self-respect of every individual, covering topics on human rights, child labour, forced labour, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance. Applicable to all CapitaLand staff, the policy guides CapitaLand towards ensuring a supportive and respectful environment for individuals across all aspects of CapitaLand's business and operations.

Anti-Discrimination, Anti-Child Labour and Anti-Forced Labour

ART upholds CapitaLand's commitment to be a workplace of choice for its employees. CapitaLand is a signatory of the United Nations Global Compact and has signed the Employers Pledge for Fair Employment Practices with the Tripartite Alliance for Fair and Progressive Employment Practices. In line with CapitaLand's global commitment to human rights, it is mandatory for appointed main contractors to ensure that there is no child labour and/or forced labour at ART's project sites.

In FY 2021, ART had zero incidents related to discrimination, child labour or forced labour, and no employee was below the age of 16.

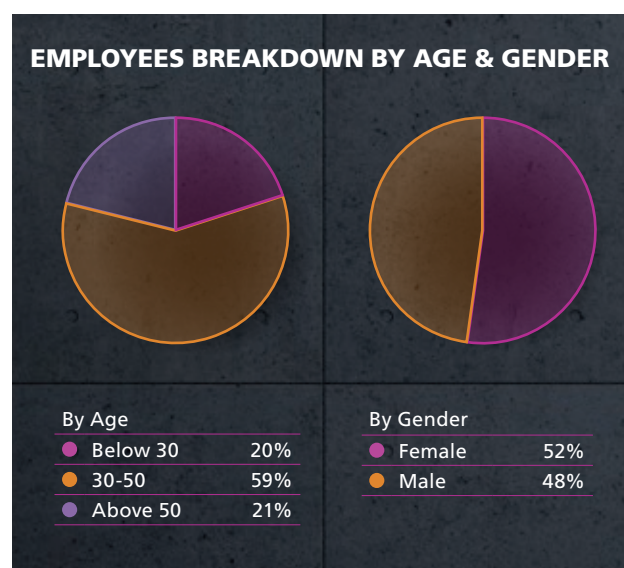
POSITIVE WORK ENVIRONMENT

A positive work environment is crucial to attract, retain and grow talent.

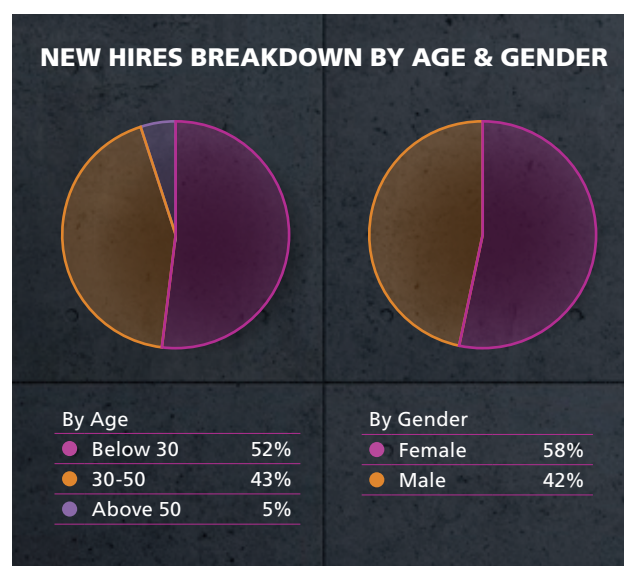
Gender Diversity and Pay Parity

ART embraces diversity and believes that every employee can make a significant contribution based on merit, regardless of age, race, gender, religion or family status. About 63 nationalities are working for ART.

ART has a vibrant and competent workforce that has given it a competitive advantage. About 20% of its global workforce is below the age of 30 years old, 59% between 30 to 50 years old and 21% above 50 years old. The workforce also comprises an almost equal ratio of males and females, at 48:52. Female employees comprise about 10% of Ascott's middle and senior management levels and 80% of the Managers' Key Management Personnel.



To attract talent, job opportunities are advertised publicly via online job portals, with selections based on individual merit, in line with ART's non-discriminatory employment practices. In FY 2021, new hires represented about 14% of the total headcount of ART. Approximately 42% of the new hires were male, and 58% female. About 52% of the new hires were below the age of 30 years old, 43% were between 30 to 50 years old and 5% were above 50 years old.



Human Capital

ART rewards men and women fairly based on merit, ability and experience for comparable roles across the organisation's hierarchy. Its incentive systems focus on performance and is gender-agnostic. Staff pay is also market benchmarked based on job roles using gender-neutral pay surveys provided by independent remuneration consultants.

Re-Employment Opportunities

CapitaLand has a re-employment policy to enable employees to work beyond the current statutory retirement age of 63, up to 67 years old, if they are still able and willing to continue contributing. In FY 2021, there were 16 ART employees above retirement age who extended their employment.

Respect for Freedom of Association

ART respects its employees' right to freedom of association and adheres to the Industrial Relations Act that allows trade unions to represent employees for collective bargaining. At the Group level, CapitaLand also works closely with the unions to foster a conducive and productive working environment for the mutual benefit of both the company and the employees. In the event of significant operational changes, CapitaLand will ensure the unions and staff are engaged in advance for consultation and minimise potential operational disruption and impact to those affected.

Ascott was the first in the hospitality industry in Singapore to form a jobs and skills training partnership with the Food, Drinks and Allied Workers Union, echoing the Labour Movement's strategy of upskilling workers in tandem with industry's transformation through the ground up efforts of the Company Training Committee. CapitaLand Investment's CEO for Lodging, Kevin Goh, was honoured by the National Trades Union Congress, with the May Day Medal of Commendation in 2020 for his strong advocacy for productivity improvements and upgrading of staff capabilities to ensure a dynamic and digitally-savvy workforce. Around 30% of Ascott's employees were covered under collective agreements in 2021.

Fair Remuneration

ART observes a pay-for-performance philosophy that rewards for superior performance, which aligns employees and Staped Securityholders' interests to deliver long-term value. All employees receive regular performance and career development reviews where employees are highly encouraged to discuss their performance, areas for improvement, development needs and career aspirations.

To ensure that ART's compensation package and benefit programmes remain competitive and comprehensive, CapitaLand engages third-party consultants to benchmark ART's remuneration packages against the different talent markets. Salaries are reviewed using these benchmarks as well as each employee's job scope and responsibilities to ensure that they commensurate with market practice. Besides the base salary, other components of the compensation package include short-term cash bonuses and performance-based long-term share awards.



For more information on remuneration matters relating to the Boards and key management personnel of ART, please refer to pages 112 to 117 and page 131 of the Corporate Governance section of ART's Annual Report 2021.

Talent Management

ART actively seeks innovative, dynamic and talented individuals to fuel its growth and adopts a holistic approach to manpower planning. This includes developing internal talent and hiring talent across different career stages, from entry-level graduates to mid-career professionals and industry veterans. As part of its regular succession planning process, ART constantly builds its management bench strength by identifying and developing promising talents.



For more information on succession planning relating to the Boards and key management personnel of ART, please refer to pages 108 to 109 and pages 112 to 113 of the Corporate Governance section of ART's Annual Report 2021.

Partnerships with Educational Institutions

CapitaLand recruits talent through a network of local and overseas universities, and attracts young talent with less than two years of working experience through its Graduate Development Programme. CapitaLand also partners with educational institutions to offer internships, as a means of discovering young talents at an early stage. Exceptional interns may join the company upon graduation through the Graduate Development Programme, or other available full-time opportunities.

CapitaLand believes in cultivating talents to contribute to the business and in the process, serve the societies in which it operates. In addition to offering career opportunities to students, CapitaLand is also a sponsor of the BCA-CapitaLand iBuildSG Undergraduate Scholarship. The scholarship is tenable for studies in any one of the built environment courses offered by the National University of Singapore (NUS), Nanyang Technological University (NTU), Singapore Institute of Technology (SIT), Singapore University of Technology & Design (SUTD) and for undergraduate courses conducted by the BCA Academy (BCAA).

Human Capital



Learning and Development

ART is committed to building and developing a dynamic workforce and talent pool that enables ART to achieve its next phase of growth. Therefore, ART seeks to equip employees with future-ready skills through various training programmes.

CapitaLand has an in-house training hub, [CapitaLand Institute of Management and Business \(CLIMB\)](#), that provides appropriate training to help employees grow in their personal and professional capacities. Furthermore, CapitaLand allocates up to 3.0% of its annual wage bill towards employees' learning and development programmes. Employees can participate in certified skills training programmes, personal development courses as well as industry seminars and conferences. Employees pursuing relevant training courses are entitled to 10 days of examination leave per calendar year.

To cater to Ascott's rapid expansion and development of human capital, the [Ascott Centre for Excellence \(ACE\)](#) is a global hospitality training centre approved by the SkillsFuture Singapore specialising in training for the hotel and accommodation services sector. ACE conducts training through proprietary programmes focused on competencies and skills in operational readiness and service excellence.

CapitaLand recognises the impact of technology in the workplace and implemented its 'Building Capabilities Framework' to build a future-ready workforce with the digital mindset, competencies and capabilities to stay competitive in the future real estate landscape. In FY 2021, more than 50% of Ascott's employees⁵ participated in at least one digital-related training programme. Such training included transition awareness programmes on working and managing teams virtually, and cyber awareness training to acquire knowledge on how to detect potential cyber breaches especially with the increased reliance on digital services.

In FY 2021, approximately 92% of Ascott employees⁵ attended at least one professional training course, and about 90% attended at least one ESG training, and the average training hours per employee was approximately 39 hours. The average training hours was 40 hours for full-time employees, 35 hours for employees on contract and 13 hours for rehired retirees. The average training hours was 37 hours for male employees and 41 hours for female employees.



A Learning Fest was recently held at the Ascott Centre for Excellence, and best practices on technology and innovation for the hotel and accommodation services sector were shared with more than 70 participants, including existing trainees and representatives from hotel partners.

⁵ Including employees of the Managers

Human Capital

Employee Well-being

ART has in place a total well-being programme that promotes personal development, health and work-life balance. Initiatives include a comprehensive medical and benefits plan, paid maternity and paternity leave, flexible work arrangements (flexible working hours and locations) and subsidised rates for employees staying at Ascott properties. These benefits are also extended to part-time employees on a pro-rated basis. For more information on employee wellness initiatives, please refer to the Social and Relationship Capital chapter of this report.



Employee Engagement

ART supports opportunities for management-employee engagements through various channels, including staff communication sessions held by the senior management of CapitaLand and Ascott. These sessions allow the senior management to communicate and interact with the employees, facilitating the effective flow of information and alignment of business goals and objectives across the workforce. The senior management team of Ascott also provides updates on ART's financial and operational performance during its staff communication sessions. In view of the COVID-19 situation, staff communication sessions were held virtually. New joiners in 2021 were also invited to virtual engagement events with the ART and Ascott CEOs, to welcome them and assist them in assimilating into their new roles.

ART practises an open-door policy, allowing all employees to raise their concerns or feedback relating to any aspect of their employment with the senior management or the Human Resource department. Employees can also access information such as the Group's latest developments, employment policies, benefits and practices through the company's intranet.

Employee Movement

ART monitors the movement of its workforce closely. In FY 2021, the employee turnover rate was about 20%, of which females comprised 61% and males comprised 39% of the employee turnover. About 47% of the employee turnover is below the age of 30 years old, 43% between 30 to 50 years old and 10% above 50 years old.

The turnover rate is lower than hospitality companies globally, especially in view of the COVID-19 pandemic. Given that ART's business is in the labour-intensive hospitality industry with a large number of non-executive staff, the staff movement is deemed normal. ART also conducts exit interviews with employees leaving the company as part of its continuing efforts to effect positive changes within ART.

Social and Relationship Capital

ART recognises that anticipating and meeting the needs of its stakeholders create long-term business viability and success. Stakeholders are groups that have a vested interest in ART and can either affect or be affected by ART's business and operations.

Our key stakeholders comprise employees, guests and tenants, business associates, builders and suppliers, and the local community. Other groups include regulators and key government agencies, non-governmental organisations, representatives of the capital market and the media.

STAKEHOLDER ENGAGEMENT

Through the various engagement channels listed below, ART seeks to understand its stakeholders' views in order to communicate effectively and build lasting partnerships with them. Issues of interest to ART's various stakeholders are outlined in each of the following sections.



 Stakeholder	 Employees	 Customers – Guests and Tenants
 Description/ Purpose	To develop a high-performance work culture that embraces diversity, innovation and teamwork	To track, monitor and improve on guest satisfaction
 Engagement Channel	› Regular dialogue sessions with senior management › Regular employee engagement survey › Volunteer programmes › Recreation club activities › Regular staff engagement initiatives, such as the global LIFE Heartware Awards to recognise staff who consistently provide exemplary service	› Regular satisfaction surveys › Guest Rating Score › Loyalty programmes › Marketing and promotional campaigns
 Key Topics/ Issues	› Work-life balance › Remuneration and benefits › Employee welfare and well-being › Training and development › Promoting a culture of service excellence	› Quality and well-managed properties › Operational and service improvements › Positive guest experience

Social and Relationship Capital

 Stakeholder	 Investors, Analysts and Media	 Supply Chain – Main Contractors, Vendors, Suppliers, Creditors
 Description/ Purpose	To cultivate trust and confidence through two-way communication	To be a fair and reasonable employer for goods and services and share industry best practices
 Engagement Channel	› Announcements on SGXNet and on ART's corporate website, including ART's financial results and business updates › Annual and Extraordinary General Meetings › Annual reports and sustainability reports › Media releases and interviews › Regular analyst and investor meetings › Responses to sustainability surveys	› CapitaLand's contract management guidelines and house rules › CapitaLand Supply Chain Code of Conduct › EHS Guidelines › Policy and quarterly EHS monitoring › Vendor evaluation, including events, meetings and trainings
 Key Topics/ Issues	› Operational efficiency, monetary savings, cost optimisation › Distribution yield, earnings, operational performance, business strategy, market outlook › Environmental, Social and Corporate Governance risks and opportunities	› Design and quality › Occupational health and safety practices › Workers welfare and well-being › Environmental compliance › Timely payment

 Stakeholder	 Government Agencies and Regulators / Community and NGOs
 Description/ Purpose	To be a responsible corporate citizen and contribute to the communities in which ART operates
 Engagement Channel	› Employee volunteerism and corporate social responsibility programmes › Regulatory readiness to the Singapore Government's commitment to manage carbon emission › Longstanding partner of various national programmes › Sustainability reports › Participation in external conferences/forums › Corporate advertisements › Consultation and sharing with academics, NGOs and business associations › Senior management representation on boards of various industry bodies and sustainability related public discussions
 Key Topics/ Issues	› Philanthropy › Sustainable building developments › Stakeholder programmes to advocate sustainable consumer behaviours › Advocating best practices

Social and Relationship Capital



EMPLOYEES

ART actively engages its employees through various channels, which include regular staff communication sessions and pulse surveys administered by CapitaLand. In November 2021, ART's employees were invited, along with all other CapitaLand employees, to participate in a Pulse Survey conducted by CapitaLand. The purpose was to gather feedback and sentiments from employees following the successful restructuring of CapitaLand into CapitaLand Investment Limited and CapitaLand Development Pte. Ltd., so that improvement opportunities may be reviewed.

Besides staff communication sessions and surveys, another employee engagement initiative is the Grand

LIFE Heartware Awards, an internal branding campaign of Ascott. The Awards are aimed at recognising outstanding individuals who consistently demonstrate exemplary attitude in their work and go the extra mile to 'deliver service from the heart' to colleagues and residents, creating Ascott Moments.

Apart from engaging its employees, ART has put in place a total well-being programme that promotes personal development, health and work-life balance for its staff. Initiatives include a comprehensive medical and benefits plan, paid maternity and paternity leave, flexible work arrangements (flexible working hours and locations) and subsidised rates for employees staying at Ascott properties. These benefits are also extended to part-time employees on a pro-rated basis.

In view of the COVID-19 situation, most staff had to work remotely. CapitaLand organised more virtual talks on mental wellness, and weekly virtual workout sessions were conducted in Singapore to engage its staff. In addition, doctors were invited to educate staff about the different Covid-19 vaccines and their benefits and effects. In the UK and Australia, complementary flu vaccinations were offered to the staff at Ascott-managed properties.



For more details on employee engagement, please refer to the employee engagement section under the Human Capital chapter of this report.

INVESTMENT COMMUNITY (INVESTORS, ANALYSTS) AND MEDIA

ART is committed to proactive, timely and transparent two-way communication with stakeholders, which include potential and existing retail and institutional investors, sell-side analysts and the media. This commitment is underpinned by ART's Investor Relations Policy, which states the guiding principles of its approach and can be accessed on its corporate website (<https://investor.ascottresidencetrust.com/investor-relations-policy.html>).

ART makes disclosures on an immediate basis as required under the Listing Manual, or as soon as possible where immediate disclosure is not practicable. This is to ensure that all stakeholders have the essential knowledge to make informed investment decisions. All announcements, press releases and presentation slides relating to ART's latest corporate developments are promptly disclosed via SGXNet and made available on ART's corporate website (<https://www.ascottresidencetrust.com>). Information such as ART's stock data, factsheet, publications, tax refund procedures and a list of frequently asked questions, can be found in the Investor Relations section of the



website. Investors may also sign up for email alerts to receive timely updates on ART's latest announcements. ART makes it a practice to release its financial results and business updates within 30 days from the end of each quarter. To provide more comprehensive updates on ART's financial and operational performance, post-results briefings are held for the media, analysts and investors. In 2021, ART hosted and participated in a myriad of virtual engagements, and reached out to over 2,000 analysts and investors via both group and one-on-one formats.

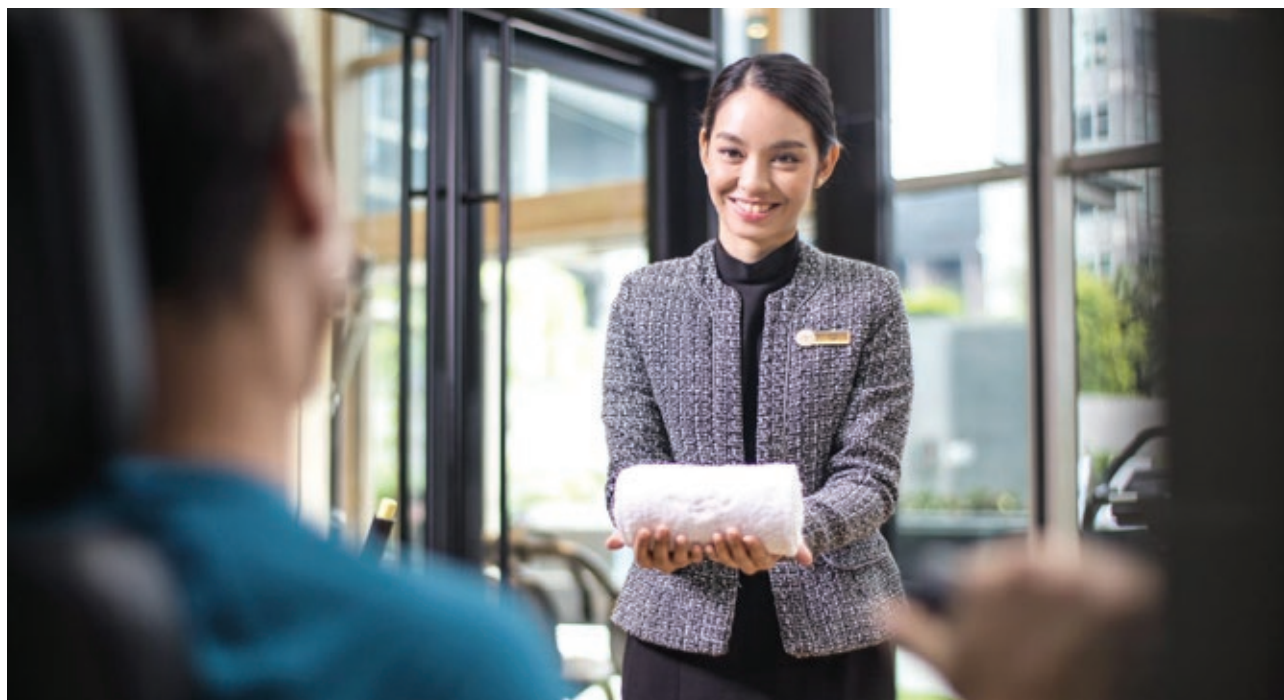
Social and Relationship Capital

As investor emphasis on sustainability management has been growing, ART engaged the investment community in a number of virtual events centred around the theme of sustainability. During the webinars, ART's sustainability targets and initiatives were shared, as well as its plans and progress. Investors are also able to read

up more about ART's sustainability management and practices in the Sustainability section of the corporate website.



For more information on ART's engagement with investors and media, please refer to the Investor Relations section on pages 80 to 83 of ART's Annual Report 2021.



CUSTOMERS (GUESTS & TENANTS)

One of ART's priorities is to foster meaningful interaction with guests and tenants at its properties, and to improve the level of customer satisfaction. Customer satisfaction is tracked and monitored at Ascott-managed properties via two main avenues – a Guest Satisfaction Survey filled up upon check-out through which metrics such as Customer Satisfaction and Net Promoter Score are measured and tracked, and a Guest Rating Score™, derived from guest reviews from more than 175 online travel agencies and review sites in over 45 languages. These metrics along with other insights from guest feedback allow Ascott to benchmark and respond appropriately by making the necessary operational and service improvements to create a better experience for its guests and tenants.

SUPPLY CHAIN (MAIN CONTRACTORS, VENDORS, SUPPLIERS, CREDITORS)

ART works closely with its contractors and suppliers that are committed to high quality EHS standards. The CapitaLand Procurement Policy and the CapitaLand

Supply Chain Code of Conduct form the basis for ART's engagement with its supply chain to influence them to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management.

Apart from close engagement, the Managers also ensure that the suppliers are duly paid to safeguard their creditors' rights and interests.



For more information, please refer to the Supply Chain Management section in the Human Capital chapter of this report.

GOVERNMENT AGENCIES AND REGULATORS

ART is committed to adhering to regulatory compliance. Procedures are adopted and regular monitoring and evaluation / audit of systems (e.g. CapitaLand EHSMs) are carried out to ensure ART's activities and operations comply with existing requirements.



For more details, please refer to the Environmental Capital chapter of this report.

Social and Relationship Capital

COMMUNITY



Employees of ART's Managers distributed masks to the local community as part of Temasek Foundation's Stay Prepared initiative.

In line with CapitaLand's sustainability strategy, community development is a key focus for ART as it builds strong social capital and goodwill for ART in the communities in which it operates.

CapitaLand is a strong advocate for community volunteering and one of the first companies in Singapore to formalise a three-day Volunteer Service Leave system, to encourage employees to contribute back to the community. CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand Group, aims to nurture and inspire the young, improve the quality of life of seniors, and protect the environment for future generations, with a focus on communities where CapitaLand operates. ART supports various stakeholder engagement activities including environmental sustainability, health and safety, social integration as well as helping vulnerable elderly.

In 2020 and 2021, employees of ART's Managers participated in a community involvement project organised by CHF and other community partners, delivering specially curated meals to vulnerable seniors to complement their dietary needs. The project is part of a community initiative, #LoveOurSeniors, which aims to improve the quality of life of seniors in need by providing them with better nutrition, enhanced well-being and improved living conditions.

CapitaLand has also been supporting Temasek Foundation's Stay Prepared initiative amid the COVID-19 situation by rallying employee volunteers to distribute masks nationwide at shopping malls. Employees of ART's Managers volunteered to help out in this activity, at Plaza Singapura and Junction 8 in Singapore, in 2021 and early-2022.



As part of CapitaLand's #LoveOurSeniors initiative, specially curated meals were distributed to vulnerable seniors to complement their dietary needs.

Organisational Capital

CORPORATE GOVERNANCE CULTURE

ART's Managers are committed to upholding the highest standards of corporate governance and transparency in their policies and processes, while achieving operational excellence and delivering ART's long-term strategic objectives. The Managers believe that practising good corporate governance is essential to ensuring long-term business viability and growth, and safeguarding ART's assets and Stapled Securityholders' interests.

ART's Boards are responsible for the corporate governance standards and policies developed by the Managers, underscoring the importance of corporate governance to ART. The policies and practices meet the specific business needs of ART and provide a firm foundation for a trusted and respected business enterprise.

Throughout FY 2021, the Managers have complied with the principles of corporate governance laid down by the Code of Corporate Governance 2018 (Code), and also complied, substantially, with the provisions underlying the principles of the Code.

ART is a signatory to the Statement of Support Towards Excellence in Corporate Governance initiated by Securities Investors Association (Singapore) (SIAS). The Managers are also members of the Financial Industry Disputes Resolution Centre Ltd (FIDReC), Investor Relations Professionals Association (Singapore) (IRPAS) and REIT Association of Singapore (REITAS).

ART has received multiple accolades for its excellence in corporate governance and efforts to uphold high standards of transparency in its disclosures. In FY 2021, ART was conferred the top spot within the REITs and Business Trusts category of the Singapore Governance and Transparency Index, after placing third for three consecutive years. ART has also been included by the SGX-ST in the Fast Track Programme list. The scheme recognises listed companies with good governance standards and compliance practices, and accords prioritised clearance for selected corporate-action submissions.

BOARD DIVERSITY, INDEPENDENCE AND PERFORMANCE

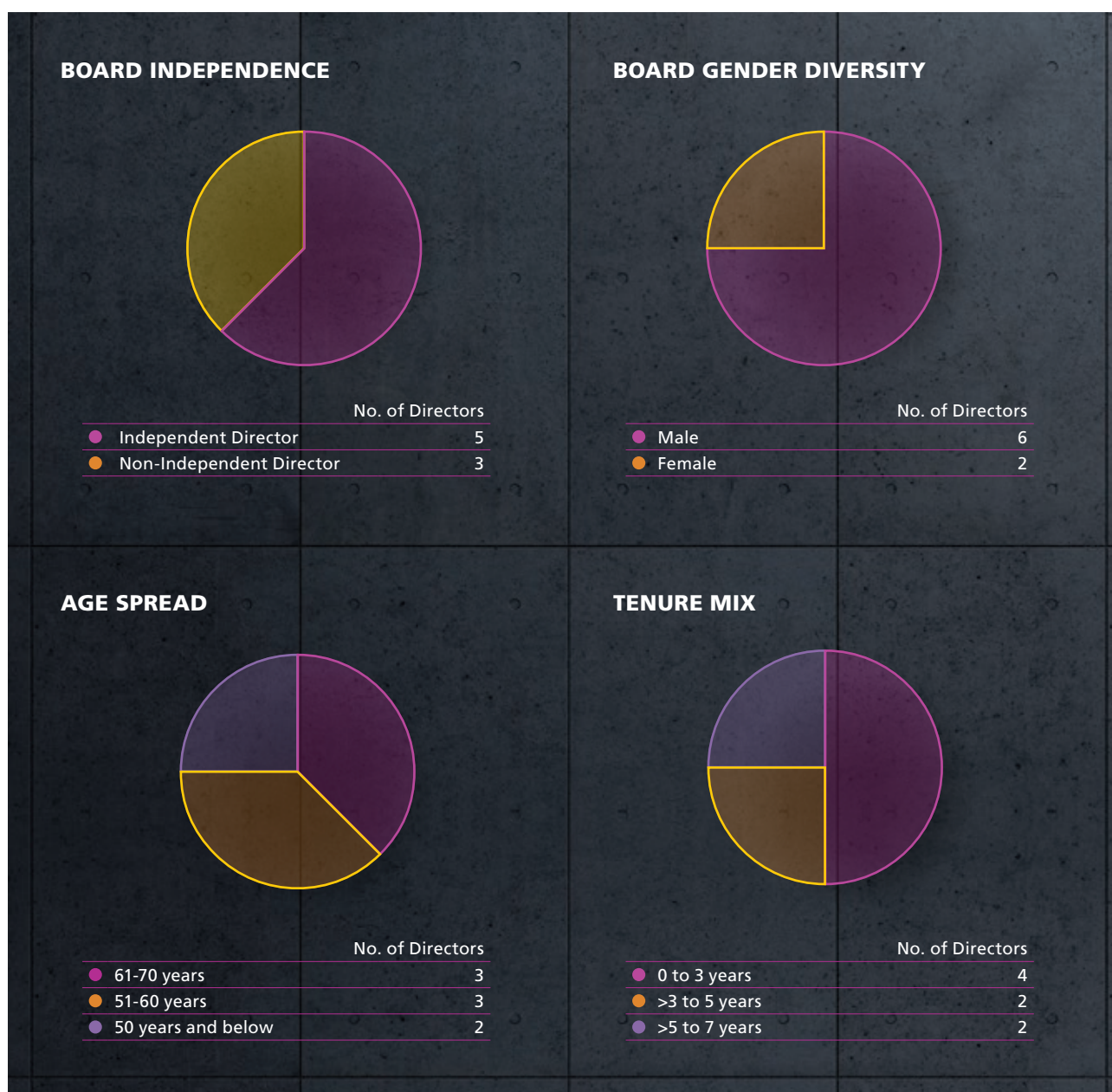
ART's Boards embrace diversity and have formally adopted a [Board Diversity Policy](#). The Board Diversity Policy provides for the Boards to comprise talented and dedicated directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in business or professional experience, age and gender.

The [Nominating and Remuneration Committee](#) (NRC), in carrying out its duties of determining the optimal composition of the Boards in its Board renewal process, identifying possible candidates and making recommendations of board appointments to the Boards, considers diversity factors such as age, educational, business and professional backgrounds of their members. Female representation is also considered an important aspect of diversity.

The current Boards comprise eight members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting and finance, banking and capital markets, real estate and construction, innovation and technology, investments, mergers and acquisitions, legal, as well as hospitality ownership and management. The current Boards have two female members, comprising 25% of the Boards, one of whom is also the CEO. Two of the eight directors are aged 50 years old and below, three are between 51-60 years old and three are between 61-70 years old.

Organisational Capital

“63% of ART’s Boards is independent, and
25% of ART’s directors are female”



Organisational Capital

The Boards have a strong independent element as five out of eight directors, including the Chairman, are non-executive independent directors (ID). Other than the CEO who is the only executive director on the Boards, non-executive directors make up the rest of the Boards. None of the directors have served on the Boards for nine years or longer. No lead ID is appointed as the Chairman is an ID.

The Boards undertake, with the assistance of the NRC, a process to evaluate the effectiveness of the Boards as a whole and that of each of its Board Committees and individual directors for every financial year. As part of the process, a questionnaire is sent to the directors. The evaluation results are aggregated and reported to the NRC, and thereafter the Boards. The findings are considered by the Boards and follow up action is taken where necessary with a view to enhancing the effectiveness of the Boards, Board Committees and individual directors in the discharge of their duties and responsibilities.

For Board and Board Committees, the evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Boards also consider whether the creation of value for Stapled Securityholders has been taken into account in the decision-making process. For FY 2021, the outcome of the evaluation was satisfactory and the Boards as a whole, and each of the Board Committees, received affirmative ratings across all the evaluation categories.

In respect of individual directors, the evaluation categories covered in the questionnaire include director's duties, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY 2021, the outcome of the evaluation was satisfactory and each of the directors on the whole received affirmative ratings across all the evaluation categories.

The Boards are committed to ethics and integrity of action and have adopted a [Board Code of Business Conduct and Ethics](#) (Board Code) which provides that every director is expected to, among other things, adhere to the highest standards of ethical conduct. All directors are required to comply with the Board Code.

This sets the appropriate tone from the top in respect of the desired organisational culture, and assists the Boards in ensuring proper accountability within the Managers. In line with this, the Boards have a standing policy that a director must not allow himself or herself to get into a position where there is a conflict between his or her duty to ART and his or her own interests.



For more information on ART's Board Diversity, Independence and Performance, please refer to pages 103 to 107 and 111 of the Corporate Governance section of ART's Annual Report 2021.

WHISTLE-BLOWING POLICY

A [whistle-blowing \(WB\) policy](#) and other procedures have been put in place by the Managers to provide staff and external parties who have dealings with the Managers independent, well-defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The objective of this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. All new employees of the Managers are informed of this policy which is made available on the company's intranet.

The Audit Committee (AC) maintains oversight and monitoring of WB reports at its scheduled meetings. Independent, thorough investigation and appropriate follow up actions are taken. The outcome of each investigation is reported to the AC. In FY 2021, there were no WB incidents or reports received via the WB channel.



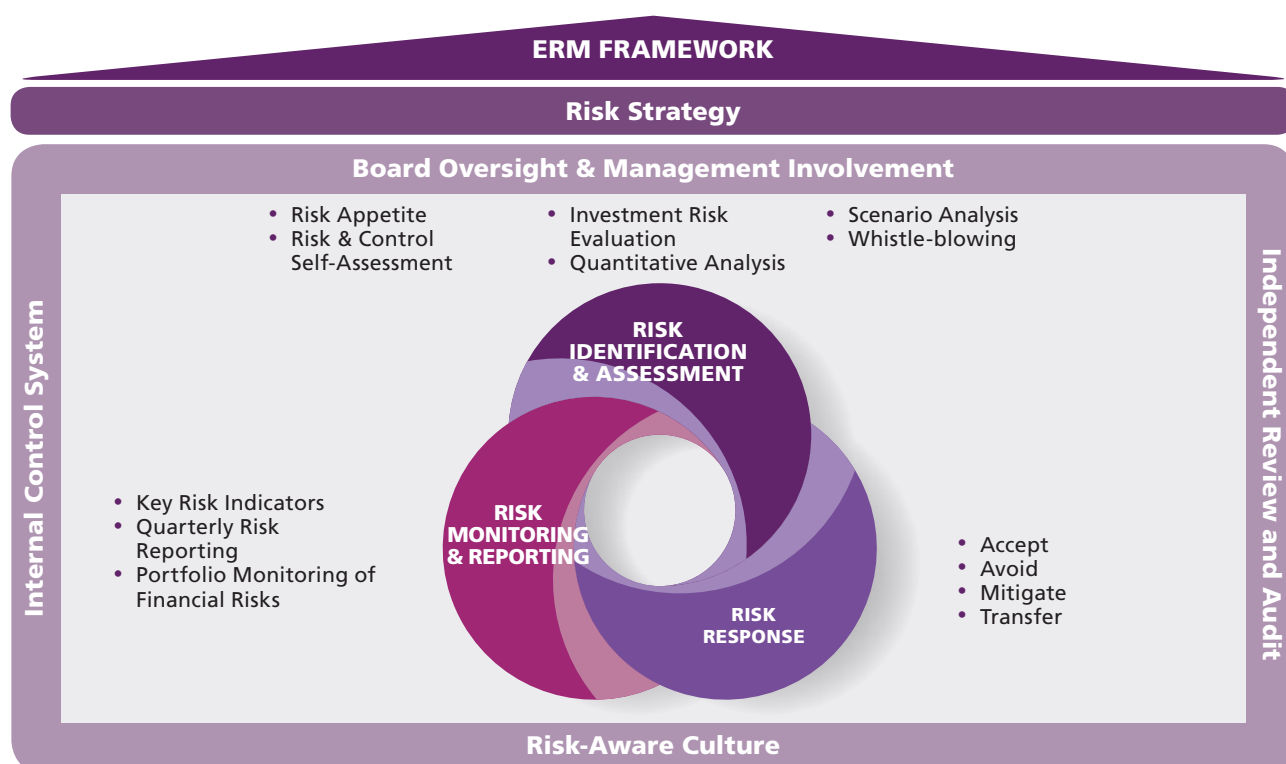
For more information on ART's WB practices, please refer to pages 121 and 128 of the Corporate Governance section of ART's Annual Report 2021.

REGULATORY COMPLIANCE

ART strives to comply with all regulations in the jurisdictions it operates in and will have no tolerance for any regulatory breaches which would significantly affect its ability to conduct its business operations.

In FY 2021, there were no incidents of material non-compliance with the applicable laws and regulations relevant to the Managers.

Organisational Capital



ENTERPRISE RISK MANAGEMENT

The Managers maintain adequate and effective systems of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safeguard Stapled Securityholders' interests and ART's assets.

The Boards have overall responsibility for the governance of risk and oversee the Managers in the design, implementation and monitoring of the risk management and internal controls systems. The AC assists the Boards in carrying out the Boards' responsibility of overseeing the risk management framework and policies for ART.

The Managers adopt an [Enterprise Risk Management \(ERM\) Framework](#) which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

As part of the ERM Framework, the Managers undertake and perform a Risk and Control Self-Assessment annually to identify material risks along with their mitigating measures. The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually, by Management, the AC and the Boards, taking into account the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council and the Listing Manual.

FRAUD, BRIBERY AND CORRUPTION (FBC) RISK MANAGEMENT FRAMEWORK

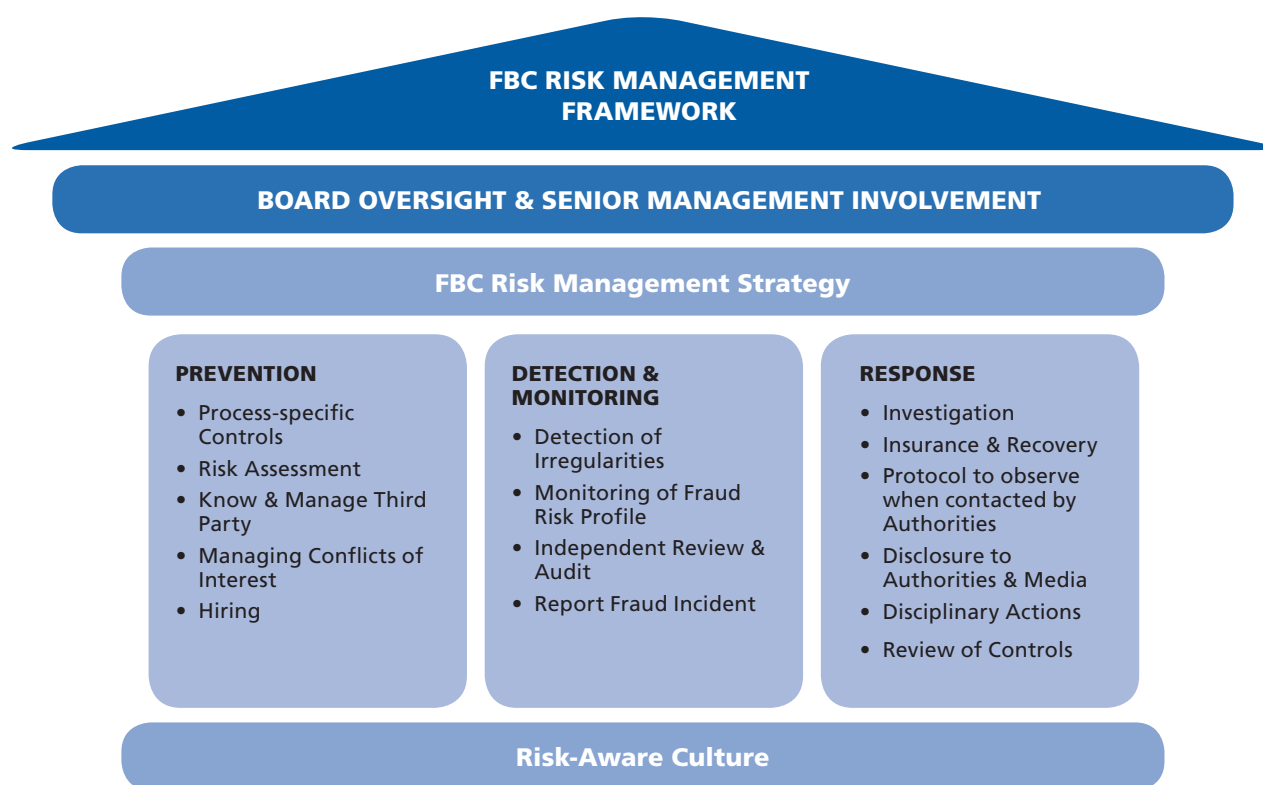
In line with their core values, the Managers are committed to doing business with integrity. This is reflected in their longstanding zero tolerance stance against fraud, bribery and corruption (FBC). Consistent with this commitment, various policies and guidelines are in place to guide all employees of the Managers to maintain the highest standards of integrity in their work and business dealings. This includes clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, and an annual pledge by all employees of the Managers to uphold the Managers' core values and not to engage in any corrupt or unethical practices.

The Managers' zero tolerance policy on bribery and corruption extends to their business dealings with third parties. Pursuant to this policy, the Managers require that certain agreements incorporate anti-bribery and anti-corruption provisions.



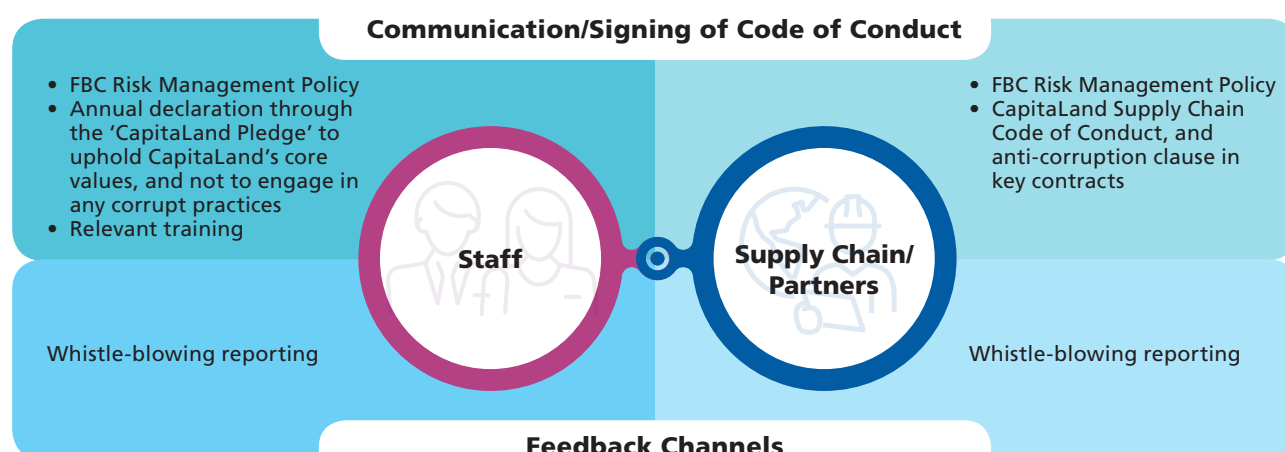
For more information on ART's ERM Framework including the material risks identified, please refer to the Risk Management section on pages 92 to 96 of ART's Annual Report 2021.

Organisational Capital



The Managers' employees adhere to CapitaLand Investment's **Fraud, Bribery and Corruption Risk Management Policy** (FBC Risk Management Policy), which reiterates the Management's strong stance against fraud, bribery and corruption, and sets the overarching approach in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The Managers' stance against bribery and corruption is also reiterated by Management during regular staff communication sessions.

Substantiated cases of FBC are reported quarterly to the AC. Actions taken can include the termination of staff's contract, and/or reporting to the appropriate external authorities. In FY 2021, there was one substantiated case which was detected through internal checks and balances. Investigations were carried out, processes were reviewed and actions were taken to prevent recurrence in the future. The staff involved were issued official warnings and most of them resigned on their own accord. There were no cases involving anti-competition or money laundering behaviour.



Organisational Capital

ETHICAL MARKETING

ART supports the ethical marketing of our products and services and practises fair competition, including room sales. It adheres to the Singapore Code of Advertising Practice (SCAP) and any other rules and regulations that apply. The SCAP was formulated against the background of national law, international law and practice, including the International Code of Advertising Practice published by the International Chamber of Commerce.

ETHICS TRAINING

The Managers' employees undergo appropriate training and development to ensure all are well-informed about the core values and principles that shape the way the Group works and functions. New staff learn about these by attending the online New Staff Orientation and CapitaLand Immersion Programme (CIP). Existing staff learn about CapitaLand's mission and vision via e-learning such as "CapitaDNA: Strengthening Core Values" where specific examples and applications of the company's core values in the workplace are shared. Employees also attend training pertaining to ethics and code of conduct and enterprise risk management, which includes sharing of FBC incidents and how prevention and detection can be carried out. In FY 2021, a new FBC e-learning was launched and rolled out to all staff, and 97% of Ascott's employees, including the Managers, participated in the training.

"97% of Ascott's employees participated in fraud, bribery and corruption training in FY 2021"

PERSONAL DATA PRIVACY AND PROTECTION

ART respects the confidentiality of personal data and privacy of individuals and is committed to complying with the Singapore Personal Data Protection Act (Act 26 of 2012) and other applicable data protection laws, including the European Union General Data Protection

Regulation where applicable. In alignment with its [Data Policy](#), ART adopts a pragmatic "data-light, data-tight" approach in its business conduct, where personal data is collected only for what is required in business or in activities conducted by the organisation, and the personal data will be properly destroyed once there is no business or legal purpose. ART does not collect personal data randomly or indiscriminately without purpose and does not disclose personal data unless prior consent has been obtained. ART has administrative, physical and IT security measures to protect the personal data. ART's Data Policy is publicly available at <https://www.discoverasr.com/en/privacy-policy>.

There were no substantiated complaints reported in FY 2021, regarding breaches of privacy and loss of personal data.

BUSINESS CONTINUITY MANAGEMENT

The Managers have implemented a Business Continuity Management (BCM) programme that puts in place prevention, detection, response and, business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on ART's operations, and also has in place a [Business Continuity Plan](#) (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and is able to tap on a pool of CapitaLand Investment employees who are trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events.

As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber attacks, data breaches and epidemics. This approach aims to minimise financial loss to ART, allows the Managers to continue to function as the managers of ART and mitigate any negative effects that the disruptions could have on the Managers' reputation, operations and ability to remain in compliance with relevant laws and regulations. The Managers have also acquired insurance policies for ART on business interruption events.

Financial Capital



RECOVERY IN FINANCIAL PERFORMANCE

6
successive
quarters of RevPAU
improvement since
2Q 2020

43%
y-o-y
increase in
DPS to
4.32 cents

85%
y-o-y increase in DPS excluding
divestment gains distributed



DISCIPLINE IN CAPITAL MANAGEMENT

c.\$1.04 billion
in total available
funds,
comprising cash
on-hand and available
credit facilities

Low gearing of
37.1%
Debt headroom
of
\$1.9 billion¹

c.74%
debt on fixed interest rates

Note: Above as at / for the financial year ended 31 December 2021

FINANCIAL PERFORMANCE

In FY 2021, ART's operating performance continued on an upward trajectory as vaccination programmes picked up pace in most of ART's key markets and demand for travel gradually returned with countries easing border control restrictions. Larger markets such as Europe and the United States of America led the reopening, domestically and internationally. Several other markets like Singapore and Australia had also progressively opened their borders to vaccinated travellers.

ART's revenue per available unit (RevPAU) improved for six consecutive quarters since the second quarter of 2020. Revenue and gross profit for FY 2021 increased by 7% and 16% to S\$394.4 million and S\$173.3 million respectively.

The total distribution to Stapled Securityholders for FY 2021 was S\$137.3 million, 46% higher as compared to FY 2020. To share divestment gains with Stapled Securityholders, replace income loss from divested assets and mitigate the impact of COVID-19, ART distributed divestment gains of S\$45.0 million to Stapled Securityholders. The distribution per Stapled Security (DPS) for FY 2021 was 4.32 cents.

Excluding the divestment gains distributed in FY 2021 and FY 2020, the DPS rose 85% year-on-year due to the properties' improved operating performance and active portfolio management.

CAPITAL MANAGEMENT

ART adopts a prudent and disciplined approach towards capital management to ensure financial flexibility in its funding structure and to mitigate concentration risk. ART's strong financial and cash positions have enabled it to weather the pandemic well and capture inorganic growth opportunities.

As at 31 December 2021, ART had total available funds of S\$1.04 billion, comprising cash on-hand and available credit facilities. 72% of ART's total debt was funded by bank borrowings and the remaining 28% was tapped from the debt capital market. ART's outstanding borrowings was S\$2.7 billion with an effective interest rate of 1.6% per annum. Approximately 74% of the total borrowings were effectively on fixed interest rates to hedge against rising interest rates.

As at 31 December 2021, ART's gearing was 37.1% and its debt headroom was S\$1.9 billion¹, providing it with greater access to growth opportunities and increased capacity for more development and conversion projects.



For more information on ART's financial performance, please refer to the Financial Review section on pages 67 to 73 and Financial Statements on pages 140 to 349 of ART's Annual Report 2021.

¹ Before reaching aggregate leverage of 50%

Financial Capital

SUSTAINABLE FINANCE

To deepen its commitment towards sustainability, ART secured its first **S\$50 million five-year green loan** from DBS Bank in early January 2021. The proceeds from the loan were used to finance ART's maiden development project, lyf one-north Singapore, which is certified Green Mark Gold^{PLUS} by the Building and Construction Authority.

In April 2022, ART was the first hospitality trust globally and the first Singapore-listed real estate trust to issue a **sustainability-linked bond of S\$200 million**. ART achieved a 'greenium' through the issuance of the sustainability-linked bond and committed to a sustainability performance target of greening 50% of its total portfolio by the end of 2025. Fitch Ratings assigned a 'BBB-' rating on the bond and proceeds from the bond issuance will be used to refinance ART's existing borrowings.

As the deal was met with strong demand from institutional investors and about 2.2 times oversubscribed, the bond issue was eventually upsized from S\$150 million to S\$200 million.

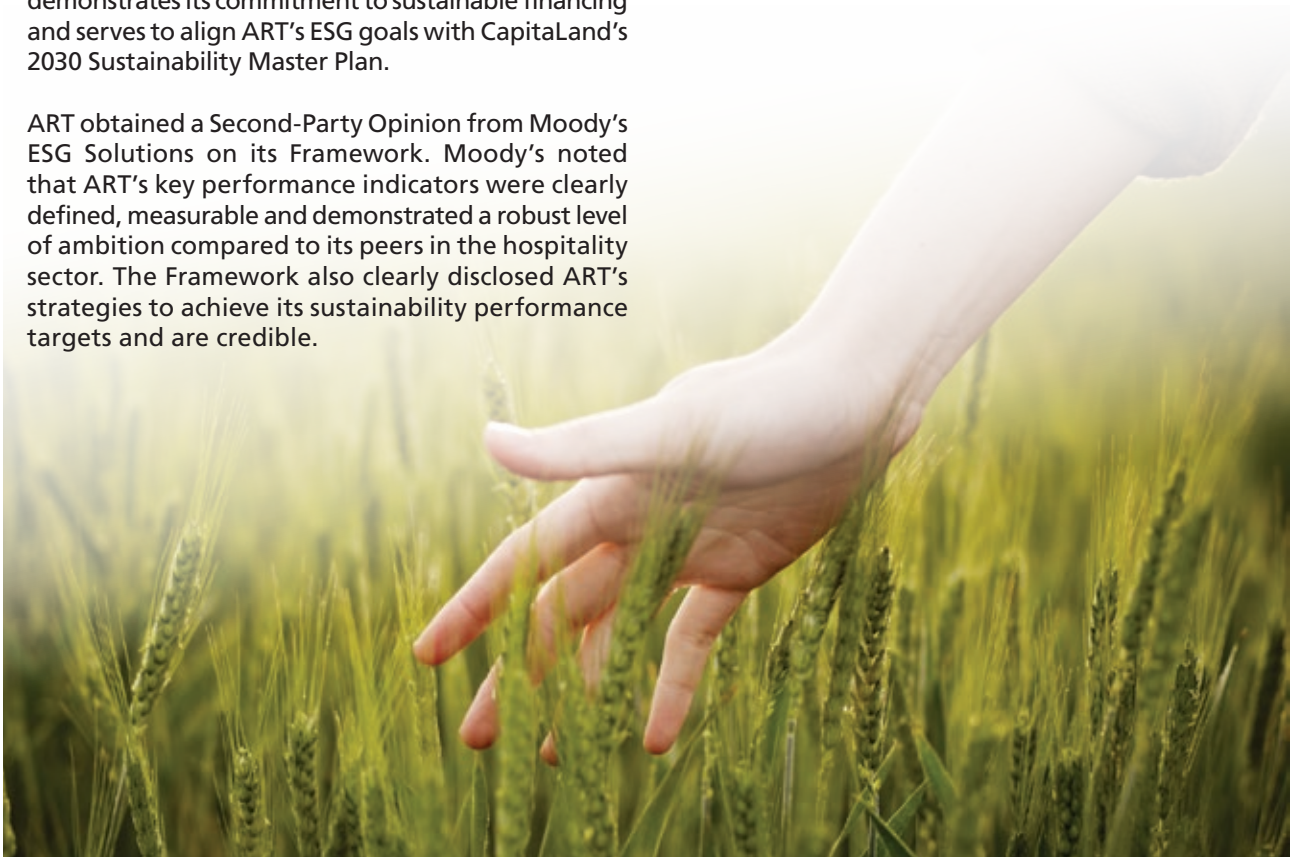
ART's sustainability-linked bond was issued under its **Sustainability-Linked Finance Framework** (Framework) which was published in February 2022. ART's Framework demonstrates its commitment to sustainable financing and serves to align ART's ESG goals with CapitaLand's 2030 Sustainability Master Plan.

ART obtained a Second-Party Opinion from Moody's ESG Solutions on its Framework. Moody's noted that ART's key performance indicators were clearly defined, measurable and demonstrated a robust level of ambition compared to its peers in the hospitality sector. The Framework also clearly disclosed ART's strategies to achieve its sustainability performance targets and are credible.



<http://www.ascottresidencetrust.com/about-us/sustainability>

Scan the above QR code to access ART's sustainability-linked finance framework and second-party opinion report



Task Force on Climate Related Financial Disclosures (TCFD)

CapitaLand Investment Limited (CLI) had started to align its climate related disclosures with TCFD recommendations in the four key areas of governance, strategy, risk management and metric and targets since FY 2017 and further declared its support for TCFD and its recommendations in FY 2019.

ART has started taking steps to integrate the recommendations of the TCFD and will continue enhancing its implementation of TCFD recommendations and reporting.

GOVERNANCE

ART's Boards consider sustainability issues as part of their strategic formulation, determine the material ESG factors and oversee the management and monitoring of the material ESG factors.

The Boards set the Trust's risk appetite, which determines the nature and extent of material risks that ART is willing to take to achieve their strategic and business objective. As part of the material risk issues being highlighted, climate change has been identified as critical. The Boards review climate change risks as part of the CLI Enterprise Risk Management (ERM) Framework.

The Boards are updated on ART's environment and climate-related initiatives, as well as relevant performance metrics, e.g. carbon emissions performance, progress on the reduction targets, green certification, as well as stakeholders' expectations on climate change. They are also kept aware of any environmental incidents, which may include climate-related damages or disruptions.

At the Trust level, ART's CEO chairs its Sustainability Committee, which comprises the Heads of Department of ART's Managers, and the Heads of Department of the operations and technical teams of its Sponsor, The Ascott Limited. ART's Sustainability Committee is supported by a Sustainability Working Committee, which is headed by ART's Head, Investor Relations and Sustainability.

ART's Sustainability Committee meets at least twice a year, and its Sustainability Working Committee regularly informs and updates members of ART's Sustainability Committee on climate-related risks and opportunities, for example, on the use of Renewable Energy Certificates, internal carbon price and carbon offsets. The Head of the Sustainability Working Committee works closely with the Sustainability Committee and other employees on a C-suite level to drive initiatives related to climate-related risks and opportunities, as well as broader environmental issues. A key objective of ART's senior management is to transit to a low-carbon business that is aligned with climate science and build a resilient and resource efficient portfolio.

In alignment with CLI, the CEO of ART's Managers is responsible for ART's climate change-related targets.

In 2021, CLI's sustainability management comes under the purview of the CapitaLand Sustainability Council which comprises two independent Board members and four executive committee members that report to the CLI Board. CapitaLand's Management Council consists of the Group CEO, all Presidents and/or CEOs of business units and key management officers of the Corporate Office provide strategic management of ESG implementation across CLI. It is supported by the CLI Sustainability Office and various work teams in driving continued progress and improvement in the areas of ESG. It is chaired by one of CLI Board's independent directors whom is a member of its Executive Resource and Compensation Committee and Risk Committee. The CapitaLand Sustainability Council stepped down on 31 December 2021. With effect from 1 January 2022, a CLI Board Committee, the Strategy Committee, is charged with the responsibility of overseeing sustainability strategies and plans, including providing guidance to management and monitoring progress against achieving the goals of any sustainability initiatives in 2022. The work teams comprise representatives from CLI business units and corporate functions. This governance is cascaded from CLI to ART.

STRATEGY

CLI's identified ESG issues have been deemed to be material and applicable to ART, as a CLI-sponsored trust, and ART's business and operations. The selection of these issues are guided by CLI's regular review, assessment and feedback process in relation to ESG topics.

Climate change and emissions reduction is one of the key ESG material issues identified as relevant and critical for CLI and ART. Climate change risk has been identified as a key risk as part of the ERM Framework and includes both physical and transitional risks. Physical risks include consideration of rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. Transitional risks include potentially more stringent regulations and increased expectations from customers and stakeholders.

TCFD Recommendations

In line with CLI, ART's strategy to identify and address climate-related risks and opportunities spans all areas of its real estate life cycle, from the earliest stage of the investment process, to design, procurement, construction, operations and redevelopment or divestment.

- All new investments into operational assets and development projects undergo the EHS Impact Assessment during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset/project site and its surroundings. The assessment covers performance metrics such as energy efficiency, as well as transitional and physical risk and opportunity considerations. Significant findings from the assessment would be incorporated in the investment paper submitted to ART's Boards for approval.
- Through the implementation of CapitaLand's Sustainable Building Guidelines (SBG), it aims to identify and address the risks and opportunities of climate change right from the design stage. The local context of each project will be studied in detail, and appropriate measures will be taken into consideration with regards to adaptation of climate change. SBG also sets guidelines for buildings to be more energy efficient, e.g. setting green rating targets, specifying minimum equipment efficiency, and requiring the use of onsite renewable energy whenever possible.
- At the operational asset level, CLI's Environment, Health and Safety Management System (EHSMS), which is audited by a third-party accredited certification body to ISO 14001 standards, serves to monitor transition risks relating to climate regulations via EHS legal registers updates and regular stakeholder engagement. Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of its portfolio.
- CapitaLand's 2030 Sustainability Master Plan further outlines the targets and pathways for transition to a low-carbon business that is aligned with climate science. Energy use and carbon reduction targets, as well as green certification targets are set for its operational assets. Initiatives are put in place to improve the environmental performance, resilience and durability of its assets through system upgrades, system optimisation, effective maintenance and changes to user behaviour. The continued achievement of high green building ratings as well as energy and water efficiency measures put in place to achieve the reduction targets

would help to mitigate the impact of changing weather conditions.

In identifying climate-related risks and opportunities, ART considers medium-term (until 2030) and long-term time frames (beyond 2030). The time frames are in line with CapitaLand's 2030 Sustainability Master Plan.

CLI piloted various physical risk platforms with sample global assets (including some ART assets), to prepare for its group-wide scenario analysis study. CLI and its REITs aim to conduct its climate scenario analysis in 2022 for its global portfolio, including ART's assets. This analysis would consider scenarios based on the latest global and scientific developments, and likely cover a spectrum of scenarios from 1.5°C to 4°C scenarios for current to long-term time frames, to draw conclusions on the financially material physical and transition risks and validate CLI's current strategy. It will then review CLI's mitigation and adaptation plans, identify opportunities which are designed to build resilience throughout its operations and future-proof its real estate portfolio. These would enable CLI to guard against climate change risks, avoid premature obsolescence and adopt available opportunities.

RISK MANAGEMENT

ART conducts an annual Trust-wide Risk and Control Self-Assessment (RCSA) exercise that requires business units and corporate functions to identify, assess and document material risks which include ESG relevant risks, along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed at the Trust level before they are presented to ART's Audit Committee and Boards. This exercise is based on CLI's annual Group-wide RCSA exercise, review of the Risk Appetite Statement and Key Risk Indicators on Climate Change and Environmental Risk. Such climate-related risks and opportunities are identified and mitigated through CapitaLand's ERM framework, and its externally certified ISO 14001 Environmental Management System (EMS).

ART's risk management process to address its key risks and uncertainties, including climate change, is discussed further in its Annual Report, Enterprise Risk Management on pages 92 to 96.

Upon completion of the scenario assessment study, targeted in 2022, CLI and the Trust will review and update, if appropriate, the processes associated with risk management in order to account for environmental and climate-related risks.

Climate-related risks and opportunities are identified and mitigated through CLI's ERM Framework, and its externally certified ISO 14001 EMS. The Trust prioritises material ESG issues based on the likelihood and potential impact of the issues affecting business continuity and

TCFD Recommendations

development. Notably, ART is cognisant of the risks posed by existing and emerging regulatory requirements in relation to climate change as it is outlined in CLI's ERM Framework as a transitional climate change risk. Some of these risks include:

- Regulatory or compliance risk, prompted by certain regulations in the countries of operation. These include but are not limited to the Environmental Risk Management Guidelines introduced by the Monetary Authority of Singapore (MAS) in 2020 requiring financial institutions and asset managers to place greater emphasis on both physical and transitional environmental risks and the Singapore Stock Exchange mandate from December 2021 that all issuers must provide climate reporting that is aligned to the recommendations of the Task Force on Climate-related Financial Disclosures on a 'comply or explain' basis in their sustainability reports from FY 2022. Climate reporting will be mandatory for the materials and buildings industry from FY 2024.
- Market risks, including shifts in carbon and electricity prices, or customer expectations, prompted by the conclusions of COP26 in November 2021, where it was recognised that urgent action is needed to combat global warming and this can only be done through global action from governments and businesses. Other developments, such as the European Union's aim to be climate-neutral by 2050 as part of the European Green Deal, are also monitored by ART as they affect the day-to-day operations and practices of the Trust.

Climate-related physical risks occurring as extreme weather events, for example, cases of floods, and changing climate patterns are regularly monitored across the portfolio. In 2020, CLI conducted a global portfolio baseline study to better understand its portfolio's physical climate risks in relation to floods. This included insights into whether the properties were located in low lying plains, encountered flooding in previous years, had equipment located in the basement, etc. Globally, most of CLI's properties already have flood control features/measures in place, such as flood barriers, sensors, water level pumps and flood emergency response plans.

Through CLI's ERM Framework and the implementation of the EHS IA for all new investments, CLI identifies and prioritises certain physical risks, e.g. floods are highlighted in the due diligence reports and plans to integrate climate change resilience and adaptation considerations into the design, development and

management of its properties are identified. To further strengthen climate resilience to flood risk, CLI will regularly engage its business units to ensure flood emergency response plans are implemented across its portfolio.

METRICS AND TARGETS

CLI tracks and reduces the carbon emissions of its managed and owned operational properties, including those of ART, via its cloud-based Environmental Tracking System. All related metrics have been regularly disclosed in its annual Global Sustainability Report. Since 2010, CapitaLand has been disclosing scope 1, 2 and 3 GHG emissions of its global portfolio and the data has been externally assured.

Furthermore, in 2020, CapitaLand had their carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'Well-below 2°C' scenario. In 2022, it updated its Scope 1 and 2 carbon emissions targets to the '1.5°C' scenario which was approved by SBTi. CLI would be evaluating the targets and the progress towards them and exploring options for any long-term targets of decarbonisation. Please refer to the CapitaLand Investment Global Sustainability Report 2021.

At the Trust level, for FY 2021, overall carbon intensity (tCO₂e / m²) for Direct Scope 1 and Indirect Scope 2 carbon emissions was reduced by 40% from the 2008 baseline and it has increased the proportion of renewable energy to 6%, which contributes towards CLI's carbon emissions reduction targets. To calculate its carbon emissions, ART takes guidance from the operational control approach as defined by the GHG Protocol Corporate Standard, in line with CLI. For more information, please refer to pages 19 and 22.

Aligned with CLI, ART has set sustainability and climate related performance metrics and targets that are linked to the remuneration policies for members of senior management, such as the Balanced Scorecard (BSC) framework for FY 2021 which had included both quantitative and qualitative targets relating to climate change. The BSC is cascaded group wide. In FY 2021, carbon emissions intensity reduction was introduced as a performance measure in the Group's Performance Share Plan Awards which was granted to members of senior management.

CLI also implemented a shadow internal carbon price in 2021 to quantify climate-related risk and opportunities for its new investments. It is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure its ESG impact. CLI will continue to explore new metrics to measure climate-related risks and opportunities.

Appendix A: GRI Content Index

GRI STANDARDS CONTENT INDEX FOR 'IN ACCORDANCE' – CORE

The GRI Content Index references ART's Annual Report 2021.

GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)			
General Disclosures - Organisational Profile			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	Corporate Profile - Page 2
	102-2	Activities, brands, products and services	Corporate Profile - Page 2
	102-3	Location of headquarters	Corporate Profile - Page 2
	102-4	Location of operations	Corporate Profile - Page 2
	102-5	Ownership and legal form	Corporate Profile - Page 2
	102-6	Markets served	Corporate Profile - Page 2
	102-7	Scale of the organisation	Human Capital - Page 26 Annual Report - Pages 4 to 5, 26 to 29, 67 to 73
	102-9	Supply chain	Human Capital - Pages 26 to 27
	102-10	Significant changes to the organisation and its supply chain	Annual Report - Q&A in Conversation with Chairman & CEO - Pages 11 to 13
	102-11	Precautionary principle or approach	Environmental and Manufactured Capital - Pages 15 to 18
	102-12	External initiatives	Sustainability Management - Page 9 Human Capital - Pages 27 to 28 Organisational Capital - Page 36
	102-13	Membership of associations	Same as 102-12
	Strategy		
	102-14	Statement from senior decision-maker	Board Statement & CEO Message - Pages 6 and 7
	102-15	Key impacts, risks and opportunities	Creating Value and Alignment to UN SDGs - Pages 12 and 13 Social and Relationship Capital - Pages 31 and 32
Ethics and Integrity			
	102-16	Values, principles, standards and norms of behaviour	Sustainability Management - Pages 8 to 10 Organisational Capital - Pages 36 to 38
Governance			
	102-18	Governance structure	Sustainability Management - Pages 8 to 10 Annual Report - Corporate Governance - Pages 97 to 129
	102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Management - Pages 8 to 10
	102-21	Consulting stakeholders on economic, environmental, and social topics	Social and Relationship Capital - Pages 31 and 32

Appendix A: GRI Content Index

GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
General Disclosures - Organisational Profile			
GRI 102: General Disclosures 2016	Governance		
	102-22	Composition of the highest governance body and its committees	Organisational Capital - Pages 36 to 38 Annual Report - Corporate Governance - Pages 103 to 110
	102-23	Chair of the highest governance body	Organisational Capital - Page 38 Annual Report - Corporate Governance - Page 108
	102-24	Nominating and selecting the highest governance body	Organisational Capital - Pages 37 and 38 Annual Report - Corporate Governance - Pages 101, 103, 106, 109 to 110
	102-25	Conflicts of interest	Annual Report - Corporate Governance - Pages 103 to 106
	102-26	Role of highest governance body in setting purpose, values and strategy	Board Statement & CEO Message - Pages 6 and 7 Sustainability Management - Pages 8 to 10
	102-27	Collective knowledge of highest governance body	Annual Report - Corporate Governance - Page 100
	102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Management - Page 9 Materiality - Page 11 Social and Relationship Capital - Pages 31 and 32
	102-31	Review of economic, environmental, and social topics	Board Statement & CEO Message - Page 6 Materiality - Page 11
	102-36	Process for determining remuneration	Annual Report - Corporate Governance - Pages 112 to 117
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Social and Relationship Capital - Pages 31 and 32
	102-41	Collective bargaining agreements	Human Capital - Page 28
	102-42	Identifying and selecting stakeholders	Social and Relationship Capital - Pages 31 and 32
	102-43	Approach to stakeholder engagement	Social and Relationship Capital - Pages 31 to 35
	102-44	Key topics and concerns raised	Social and Relationship Capital - Pages 31 to 35
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	About this Report - Page 3
	102-46	Defining report content and topic Boundaries	About this Report - Page 3 Materiality - Page 11
	102-47	List of material topics	Materiality - Page 11
	102-48	Restatements of information	Nil

Appendix A: GRI Content Index

GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
General Disclosures - Organisational Profile			
GRI 102: General Disclosures 2016	Reporting Practice		
	102-49	Changes in reporting	There are no significant changes from previous reports.
	102-50	Reporting period	Financial year 1 January to 31 December 2021 About this Report - Page 3
	102-51	Date of most recent report	Published on 31 May 2021
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	About this Report - Page 3
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report - Page 3
	102-55	GRI content index	Appendix A - Pages 47 to 54
	102-56	External assurance	Sustainability Management - Page 9
Material Topics			
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Environmental and Manufactured Capital - Pages 15, 16 and 19
	103-2	The management approach and its components	Environmental and Manufactured Capital - Pages 15, 16 and 19
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital - Pages 15, 16 and 19
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental and Manufactured Capital - Pages 19 and 22
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental and Manufactured Capital - Pages 19 and 22
	305-3	Other indirect (Scope 3) GHG emissions	Environmental and Manufactured Capital - Pages 19 and 22
	305-4	GHG emissions intensity	Environmental and Manufactured Capital - Pages 19 and 22
	305-5	Reduction of GHG emissions	Environmental and Manufactured Capital - Pages 19 and 22
Energy Efficiency			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Environmental and Manufactured Capital - Pages 15, 16 and 19
	103-2	The management approach and its components	Environmental and Manufactured Capital - Pages 15, 16 and 19
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital - Pages 15, 16 and 19

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GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
Material Topics			
Energy Efficiency			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Environmental and Manufactured Capital - Pages 19 and 22
	302-3	Energy intensity	Environmental and Manufactured Capital - Pages 19 and 22
	302-4	Reduction of energy consumption	Environmental and Manufactured Capital - Pages 19 and 22
	302-5	Requirements in energy requirements of products and services	Environmental and Manufactured Capital - Pages 19 and 22
Water and Affluents			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Environmental and Manufactured Capital - Pages 15, 16 and 21
	103-2	The management approach and its components	Environmental and Manufactured Capital - Pages 15, 16 and 21
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital - Pages 15, 16 and 21
GRI 303: Water 2016	303-1	Management Approach: Interactions with water as a shared resource	Environmental and Manufactured Capital - Page 21
	303-2	Management Approach: Management of water discharge-related impacts	Environmental and Manufactured Capital - Page 21
	303-4	Water discharge	Environmental and Manufactured Capital - Page 21
	303-5	Water consumption	Environmental and Manufactured Capital - Pages 21 and 22
Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Environmental and Manufactured Capital - Pages 15, 16 and 21
	103-2	The management approach and its components	Environmental and Manufactured Capital - Pages 15, 16 and 21
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital - Pages 15, 16 and 21
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Environmental and Manufactured Capital - Page 21
	306-2	Management of significant waste-related impacts	Environmental and Manufactured Capital - Page 21
Biodiversity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Environmental and Manufactured Capital - Pages 16 and 21
	103-2	The management approach and its components	Environmental and Manufactured Capital - Pages 16 and 21
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital - Pages 16 and 21

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GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
Material Topics			
Biodiversity			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None during the reporting period. Environmental and Manufactured Capital - Page 21
	304-2	Significant impacts of activities, products, and services on biodiversity	
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Human Capital - Page 26
	103-2	The management approach and its components	Human Capital - Page 26
	103-3	Evaluation of the management approach	Human Capital - Page 26
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Human Capital - Page 26
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital - Page 26
	403-3	Occupational health services	Human Capital - Page 26
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital - Page 26
	403-5	Worker training on occupational health and safety	Human Capital - Page 26
	403-6	Promotion of worker health	Human Capital - Page 26
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital - Page 26
	403-9	Work-related injuries	Human Capital - Page 26
Human Capital			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Human Capital - Pages 25 to 30
	103-2	The management approach and its components	Human Capital - Pages 25 to 30
	103-3	Evaluation of the management approach	Human Capital - Pages 25 to 30
GRI 401: Employment 2016	401-1	New hires and employee turnover	Human Capital - Pages 27 and 30

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GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
Material Topics			
Human Capital			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital - Page 29
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital - Pages 28 and 29
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital - Page 28
Stakeholder Engagement			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Social and Relationship Capital - Pages 31 to 35
	103-2	The management approach and its components	Social and Relationship Capital - Pages 31 to 35
	103-3	Evaluation of the management approach	Social and Relationship Capital - Pages 31 to 35
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments and development programmes	Social and Relationship Capital - Pages 31 to 35
Supply Chain Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Human Capital - Pages 26 and 27
	103-2	The management approach and its components	Human Capital - Pages 26 and 27
	103-3	Evaluation of the management approach	Human Capital - Pages 26 and 27
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Human Capital - Pages 26 and 27
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Human Capital - Pages 26 and 27
Diversity and Human Rights			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Human Capital - Page 27 Organisational Capital - Page 36
	103-2	The management approach and its components	Human Capital - Page 27 Organisational Capital - Page 36
	103-3	Evaluation of the management approach	Human Capital - Page 27 Organisational Capital - Page 36

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GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
Material Topics			
Diversity and Human Rights			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	Human Capital - Page 27
GRI 412: Human Rights Assessment 2016	412-1	Operations subjected to human rights reviews	Human Capital - Pages 26 and 27
Products and Services			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Materiality - Page 11 Environmental and Manufactured Capital - Page 15 Human Capital - Page 26
	103-2	The management approach and its components	Environmental and Manufactured Capital - Page 15 Human Capital - Page 26
	103-3	Evaluation of the management approach	Environmental and Manufactured Capital - Page 15 Human Capital - Page 26
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Environmental and Manufactured Capital - Page 15 Human Capital - Page 26
Other Topic-Specific Standards			
Environmental Compliance			
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental and Manufactured Capital - Page 16
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Financial Capital - Pages 42 and 43
	103-2	The management approach and its components	Financial Capital - Pages 42 and 43
	103-3	Evaluation of the management approach	Financial Capital - Pages 42 and 43
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Capital - Page 42 Annual Report - 5-Year Financial Summary - Page 7 Annual Report - FY 2021 Key Highlights - Pages 8 and 9 Annual Report - Financial Statements - Pages 140 to 349
	201-2	Financial implications and other risks and opportunities due to climate change	TCFD Recommendations - Pages 44 to 46

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GRI Standards	Disclosure Reference	Disclosure Title	Page Reference
Other Topic-Specific Standards			
Business Ethics			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Organisational Capital - Pages 36 to 41
	103-2	The management approach and its components	Organisational Capital - Pages 36 to 41
	103-3	Evaluation of the management approach	Organisational Capital - Pages 36 to 41
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Organisational Capital - Pages 38 to 41
	205-2	Communication and training about anti-corruption policies and procedures	Organisational Capital - Pages 38 to 41
	205-3	Confirmed incidents of corruption and actions taken	Organisational Capital - Page 40
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	Organisational Capital - Page 41
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	Organisational Capital - Page 41

Appendix B: United Nations Global Compact

10 PRINCIPLES OF THE UN GLOBAL COMPACT

Principles		Page Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Human Capital - Pages 25 to 30
Principle 2	Make sure that they are not complicit in human rights abuses	Human Capital - Pages 25 to 30
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital - Pages 25 to 30
Principle 4	The elimination of all forms of forced and compulsory labour	Human Capital - Pages 25 to 30
Principle 5	The effective abolition of child labour	Human Capital - Pages 25 to 30
Principle 6	The elimination of discrimination in respect of employment and occupation	Human Capital - Pages 25 to 30
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	Environmental and Manufactured Capital - Pages 14 to 24
Principle 8	Undertake initiatives to promote greater environmental responsibility	Environmental and Manufactured Capital - Pages 14 to 24
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Environmental and Manufactured Capital - Pages 14 to 24
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Organisational Capital - Pages 36 to 41

Appendix C: SGX List of Core ESG Metrics

SGX LIST OF CORE ESG METRICS

Topic	Metric	Page Reference
Environmental		
Greenhouse Gas Emissions (GHG)	Absolute emissions by (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	Environmental and Manufactured Capital - Pages 19 and 22 Carbon emissions are computed referencing the operational control approach as defined by the GHG Protocol Corporate Standard, in line with CLI.
	Emission intensities by (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	Environmental and Manufactured Capital - Pages 19 and 22 Carbon emissions are computed referencing the operational control approach as defined by the GHG Protocol Corporate Standard, in line with CLI.
Energy Consumption	Total energy consumption	Environmental and Manufactured Capital - Pages 19 and 22
	Energy consumption intensity	Environmental and Manufactured Capital - Pages 19 and 22
Water Consumption	Total water consumption	Environmental and Manufactured Capital - Pages 21 and 22
	Water consumption intensity	Environmental and Manufactured Capital - Pages 21 and 22
Waste Generation	Total waste generated	Environmental and Manufactured Capital - Page 21
Social		
Gender Diversity	Current employees by gender	Human Capital - Page 27
	New hires and turnover by gender	Human Capital - Pages 27 and 30
Age-Based	Current employees by age groups	Human Capital - Page 27
	New hires and turnover by age groups	Human Capital - Pages 27 and 30
Employment	Total turnover	Human Capital - Page 30
	Total number of employees	Human Capital - Page 26
Development and Training	Average training hours per employee	Human Capital - Page 29
	Average training hours per employee by gender	Human Capital - Page 29
Occupational Health and Safety	Fatalities	Human Capital - Page 26
	High-consequence injuries	Human Capital - Page 26
	Recordable injuries	Human Capital - Page 26
	Recordable work-related ill health cases	Human Capital - Page 26

Appendix C: SGX List of Core ESG Metrics

Topic	Metric	Page Reference
Governance		
Board Composition	Board independence	Organisational Capital - Pages 36 to 38
	Women on the board	Organisational Capital - Pages 36 to 37
Management Diversity	Women in the management team	Human Capital - Page 27
Ethical Behaviour	Anti-corruption disclosures	Human Capital - Page 26 Social and Relationship Capital - Page 34 Organisational Capital - Pages 38 to 40
	Anti-corruption training for employees	Organisational Capital - Page 41
Certifications	List of relevant certifications	ISO 14000 and ISO 45000 certification Environmental & Manufactured Capital - Page 15
		Green building certifications Environmental & Manufactured Capital - Page 18
Alignment with Frameworks	Alignment with frameworks and disclosure practices	About this Report - Page 3
Assurance	Assurance of sustainability report	CapitaLand Investment Limited engaged an independent third party to provide independent assurance on their report. The assurance engagement was conducted in accordance with the AA1000 Assurance Standards, and the scope of the assurance covered Ascott Residence Trust's portfolio.



ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

As Manager of Ascott Real Estate Investment Trust
Company Registration Number: 200516209Z

ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

As Trustee-Manager of Ascott Business Trust
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Ascott Residence Trust

Sustainability Report 2021