



SUSTAINABILITY REPORT 2023

ABOUT CAPITALAND ASCOTT TRUST

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S\$8.7 billion as at 31 December 2023. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, CLAS' 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. CLAS is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 106 properties with over 19,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America as at 31 December 2023.

CLAS' properties are mostly operated under the Ascott, 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.

CLAS continued to receive recognition in 2023 for its commitment to upholding high standards of corporate governance, investor engagement and sustainability. CLAS retained its top spot in the REITs and Business Trusts category of the Singapore Governance and Transparency Index 2023 for the third year running. CLAS was also named "Global Sector Leader (Listed - Hotel)" in the 2023 GRESB Real Estate Assessment for the third consecutive year, in recognition of its outstanding leadership in sustainability. CLAS is a constituent of the iEdge-UOB APAC Yield Focus Green REIT Index and the iEdge-OCBC Singapore Low Carbon Select 50 Capped Index.

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager (collectively, the Managers) are wholly-owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.



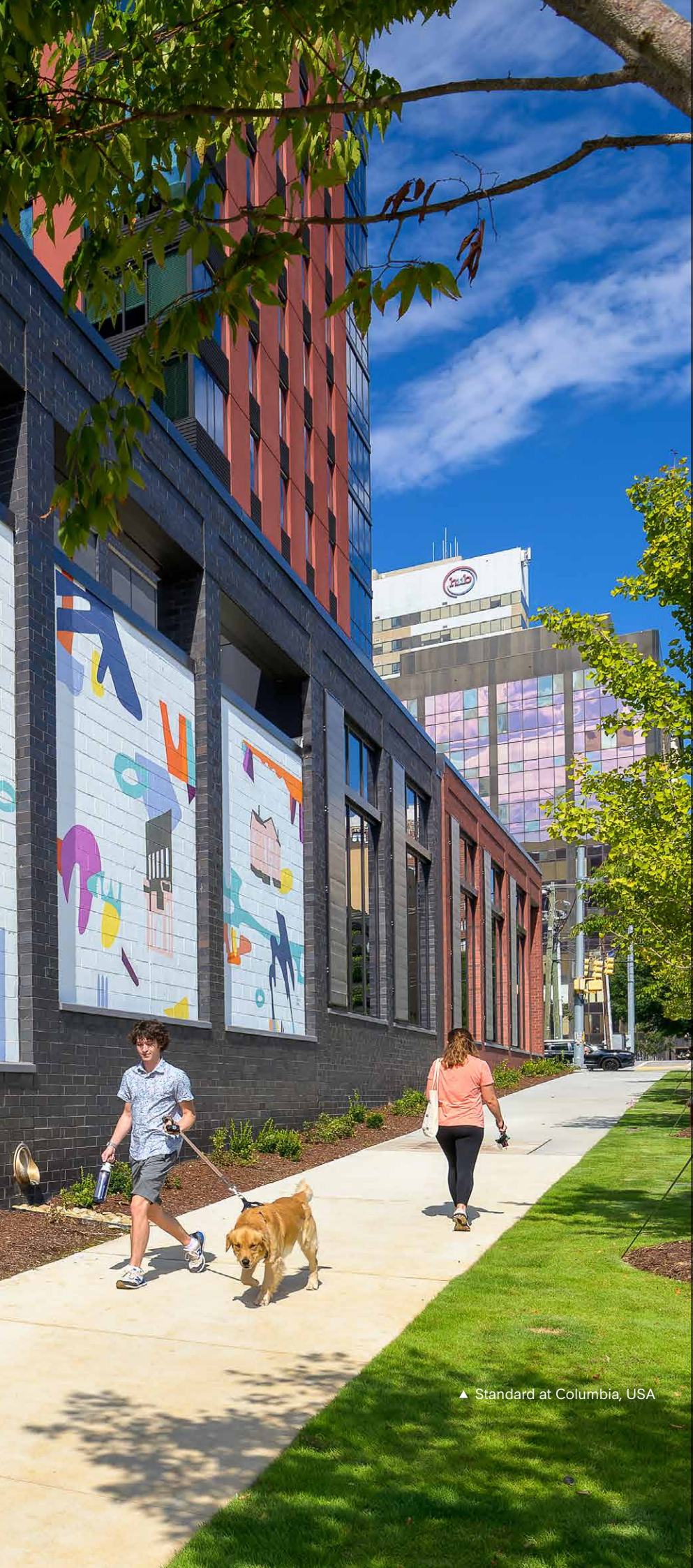
OUR VISION

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



OUR MISSION

To deliver stable and sustainable returns to Stapled Securityholders



▲ Standard at Columbia, USA

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ABOUT THIS REPORT

INTERNATIONAL STANDARDS AND GUIDELINES

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, and complies with the Singapore Exchange Securities Trading Limited's (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 are relevant to CLAS.

This report incorporates elements of the Integrated Reporting (IR) Framework of the International Financial Reporting Standards (IFRS) Foundation such as the six IR capitals - Environmental, Manufactured, Human, Social and Relationship, Organisational and Financial, and also references eight United Nations Sustainable Development Goals (UN SDGs).

CLAS also adopts a progressive approach towards climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and Sustainability Accounting Standards Board (SASB) real estate sector-specific standards in this report.

REPORTING SCOPE AND PERIOD

This report covers CLAS' portfolio for the financial period from 1 January 2023 to 31 December 2023 (FY 2023), unless otherwise indicated.

Taking guidance from the operational control approach as defined by the Greenhouse Gas (GHG) Protocol Corporate Standard, this report primarily covers CLAS' environmental performance relating to the properties managed by CLAS' Sponsor, The Ascott Limited (Ascott), the lodging unit of CLI.

CLAS' properties are predominantly managed by Ascott. As at 31 December 2023, CLAS' portfolio comprised 51 Ascott-managed operational properties:

- This excluded four properties which were divested in September 2023. The environmental data for these properties prior to their divestments has been included in our reporting, where available.
- This included three properties which were acquired in November 2023. The environmental data for The Cavendish London and Ascott Kuningan Jakarta has been included in our reporting, while Temple Bar Hotel has been excluded as the property was undergoing transition from the previous third-party operator.

Properties which were in operation for less than 12 months and/or undergoing asset enhancement have been excluded from the computation of intensity data. In FY 2023, there were five Ascott-managed properties undergoing asset enhancement¹.

The environmental performance of the remaining CLAS properties which are managed by third parties is being tracked and monitored. Scope 3 GHG emissions data for these properties has been disclosed in this report.

CLAS is managed by the Managers which are wholly-owned CLI subsidiaries. For the purpose of this report, CLAS' employees refer to the employees of the Managers and CLAS' Ascott-managed properties, unless otherwise stated.

This report is to be read in conjunction with CLAS' Annual Report 2023, which can be accessed via [CLAS' website](#). In line with CLAS' commitment to environmental sustainability, no copies of this report have been printed.

INDEPENDENT ASSURANCE

To enhance data credibility and instill confidence in readers, CLAS has engaged KPMG LLP to provide independent assurance over a selection of our key ESG disclosures in this report in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000). The assurance covers selected indicators from the GRI Standards, and is focused on figures, statements and claims related to sustainability during the reporting period of 1 January 2023 to 31 December 2023, as well as comparisons made with the period of 1 January 2019 to 31 December 2019. The assurance also covers CLAS' progress against the sustainability performance targets of its sustainability-linked bonds. The accuracy and reliability of the report's statements and figures are also validated. The assurance also covers the report's overall compliance to the Singapore Exchange's principles and rules on sustainability reporting.

For the Independent Limited Assurance Report, please refer to Appendix G of this report.

FEEDBACK

If you have questions or feedback, please send them to ask-us@capitalandascotttrust.com.

1 In addition to the computation of intensity data, consumption data for The Robertson House by The Crest Collection was also excluded from our reporting as the property was undergoing asset enhancement for most of FY 2023.



▲ The Robertson House by The Crest Collection, Singapore





ALIGNED WITH CAPITALAND INVESTMENT'S NET ZERO AMBITION

CAPITALAND INVESTMENT 2030 SUSTAINABILITY MASTER PLAN

The Managers are part of CapitaLand Investment Limited (CLI) and our sustainability strategy is aligned to that of CLI.

CLAS is aligned with the CapitaLand Investment 2030 Sustainability Master Plan unveiled in 2020 to elevate our commitment to global sustainability in the built environment. The Sustainability Master Plan drives CLI's sustainability efforts in the ESG pillars, enabling CLI to create a larger positive impact for the environment and society.

ASCOTT CARES

CLAS also aligns its sustainability goals with its Sponsor, The Ascott Limited (Ascott). Ascott is a wholly-owned business unit of CLI and a leading vertically-integrated lodging operator. Headquartered in Singapore, Ascott's presence extends across more than 220 cities in over 40 countries in Asia Pacific, Central Asia, Europe, the Middle East, Africa and the USA.





Ascott's sustainability programme, Ascott CARES, is a Global Sustainable Tourism Council (GSTC)-recognised framework consisting of five fundamental pillars: Community, Alliance, Respect, Environment and Supply Chain.

As at 31 December 2023, CLI held an approximate 28% stake in CLAS and 51 CLAS properties were managed by Ascott.



Scan here for more information
on **Ascott CARES**

CLI 2030 SUSTAINABILITY MASTER PLAN (SMP)

Build Portfolio Resilience & Resource Efficiency	Enable Thriving & Future-Adaptive Communities	Steward Responsible Business Conduct and Governance
Low Carbon Transition <ul style="list-style-type: none"> Achieve Net Zero emissions by 2050 for Scope 1 and 2 greenhouse gas (GHG) emissions Reduce: <div data-bbox="167 649 507 739"> Absolute Scope 1 & 2 GHG emissions by 46%¹ </div> <div data-bbox="167 761 507 851"> Carbon emissions intensity by 72%¹ </div> <div data-bbox="167 873 507 963"> Energy consumption intensity by 15%¹ </div> Achieve 45% of electricity consumption from renewable sources Work towards setting new Scope 3 carbon emissions reduction target 	Social Impact <ul style="list-style-type: none"> Contribute to communities' social well-being through outreach initiatives by staff and CapitaLand Group's philanthropic arm, CapitaLand Hope Foundation (CHF) Human Capital Development <ul style="list-style-type: none"> Female representation in senior management ≥40% Staff engagement score² ≥80% Staff to attend one ESG training ≥85% 	Corporate Governance <ul style="list-style-type: none"> Ensure sustainability targets are integrated into CLI Performance Share Plan & Balanced Scorecard framework to determine executive remuneration and KPIs At least 85% staff to attend one compliance related training 
Water Conservation and Resilience  <p>Reduce water consumption intensity in our day-to-day operations by 15%¹</p>	Health and Wellness <ul style="list-style-type: none"> Foster a safety culture with zero fatality, permanent disability and major injury Incorporate social integration design features in properties Implement wellness related initiatives and certifications for physical assets 	Transparent Reporting <ul style="list-style-type: none"> ESG reporting aligned and externally assured to international standards 
Waste Management and Circular Economy <div data-bbox="167 1612 327 1825"> Reduce waste intensity in our day-to-day operations by 20%¹ </div> <div data-bbox="359 1612 518 1825"> Achieve 25% recycling rate in our day-to-day operations </div>	Customer and Supplier Partnerships <ul style="list-style-type: none"> Green lease clauses for new and renewal contracts; work with tenants to improve their sustainability performance Achieve high level of customer satisfaction Contractors and vendors to abide by CapitaLand's Supply Chain Code of Conduct Zero tolerance to child labour/ forced labour 	ESG Risk Management <ul style="list-style-type: none"> Identify, assess and manage sustainability risks and opportunities Ensure sustainability risks and opportunities are managed in line with overall risk appetite and strategy 

Note that the Enable and Steward targets are intended to reflect the organisation-wide goals set by CLI on a group basis, and are intended to be implemented subject to and taking into account (i) fair and equitable employment practices and principles under applicable laws and market practice and (ii) the business and operational needs of the company and the organisation, as applicable.

¹ Using 2019 as the base year.

² Staff engagement with at least 85% participation.

CLI 2030 SMP PATHWAYS

Build

Portfolio Resilience & Resource Efficiency



Integrate sustainability in the entire real estate life cycle.

In particular, factoring Environment Health & Safety impact assessments and internal carbon price in investment process.



Source climate-technology solutions

through the global CapitaLand Sustainability X Challenge for piloting and adoption throughout the portfolio.

Use data analytics and digitalisation

to track and analyse trends in environment parameters and use the insights for portfolio optimisation.



Strengthen innovation and collaboration

by tapping on S\$50 million CapitaLand Innovation Fund, by sourcing globally and within CLI for new ideas and technologies to meet our bold sustainability ambitions.

Work with partners to create shared values

that benefit the wider real estate community through partnerships and mentorships.



Raise capital through sustainable finance instruments or initiatives

that demonstrate our sustainability leadership. Interest rate savings can be channelled back into our decarbonisation efforts.

Enable

Thriving & Future-Adaptive Communities



CapitaLand Hope Foundation as a vehicle to amplify the social impact of our contribution to the communities

by collaborating with ecosystem partners to support key underserved needs of children, youth and seniors through donations, volunteerism and thought leadership.



Build a culture of volunteerism among staff and leverage its ecosystem to rally customers and business partners to do good together.



Develop capability and build a culture of sustainability throughout the organisation.

Empower staff

with relevant knowledge and skillsets to make decisions that align with our sustainability goals.



Cultivate stakeholder engagement

through thought leadership and advocacy, towards ensuring CapitaLand as a sustainable brand that cares for the environment and communities it serves.

Steward

Responsible Business Conduct and Governance



Ensure robust ESG governance structure, where the CLI and CLAS

Boards, through its committees, oversee the sustainability strategy. Senior management own the execution on the ground through cross-team collaboration.



Monitor and report to ensure transparency of sustainability progress.

Continue to validate performance by external assurance and align the Sustainability Report to international standards and frameworks.



Integrate ESG into Balanced Scorecard Framework

and sustainability targets embedded in policies, processes, best practices and key performance indicators.

ACCOLADES



Global Sector Leader

(Listed - Hotel)
GRESB Real Estate Assessment
2021, 2022 and 2023

Ranked 1st

REITs and Business Trusts category
Singapore Governance and
Transparency Index
2021, 2022 and 2023

Scored B

CDP Climate
Change 2023

Rated 9.5 - Negligible Risk

Sustainalytics ESG Risk Rating

Top 10 in Singapore

Equileap Gender Equality Ranking
2024

Constituent of

- iEdge-UOB APAC Yield Focus Green REIT Index
- iEdge-OCBC Singapore Low Carbon Select 50 Capped Index

FY 2023 HIGHLIGHTS

Global Sector Leader (Listed – Hotel)
2023 GRESB Real Estate Assessment
for the third consecutive year

49%
of global portfolio¹
achieved green
certification

6.9%
reduction in energy
consumption intensity²
since 2019

Zero
staff work-related
fatality and
permanent
disability

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

38%
women on the
Boards³

>S\$550 mil
in sustainable financing
raised to date

1 Refers to the gross floor area of CLAS' properties by m² as at 31 December 2023.

2 For FY 2023; excluded new properties which were in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party managed properties. The intensity figure relates to purchased energy and natural gas only, and excludes diesel fuel (non-vehicle) and other fuels (vehicle).

3 Based on the board composition as at 31 December 2023 and as at the date of this report.

CEO MESSAGE

CLAS is aligned with and actively contributes to the targets and commitments outlined in the SMP. As stewards of CLAS, we seek to strike a balance between the 3 'P's – people, planet and profit.

We ensure that sustainability remains a key focus and priority in everything we do, by integrating it throughout the entire real estate life cycle – from investment, design, procurement, asset enhancement to operations.

We work with like-minded operators and partners to improve the environmental management of our properties. As at 31 December 2023, we have achieved green building certifications for 49% of our global portfolio, up from 37% the previous year, tracking well against our target. We continue to green our properties through the adoption of renewable energy and innovative technologies, as well as increasing the efficiency of our mechanical and electrical systems and processes.

Recognising that our business has an impact on the communities we operate in, we also actively engage our staff, guests, tenants and other stakeholders.

In recognition of our leadership in sustainability, CLAS has been named Global Sector Leader (Listed – Hotel) and ranked first in the Asia Pacific Hotel – Listed category of the 2023 GRESB Real Estate Assessment for the third consecutive year. In 2023, CLAS was also included as a constituent of the iEdge-UOB APAC Yield Focus Green REIT Index.

On the governance front, in 2023, CLAS was conferred the top spot in the Singapore Governance and Transparency Index under the REITs and Business Trusts category for the third year running.

CLAS is also one of the few listed trusts in Singapore to publish a sustainability report which has a limited external assurance in accordance with ISAE 3000. This gives our investors and stakeholders confidence in the quality of our data and reporting.

We consider our ESG goals in our financing efforts. To date, we have secured over S\$550 million in sustainable financing, with the latest being a sustainability-linked cross currency interest rate swap of JPY11.0 billion (c.S\$103 million).

As CLAS continues to grow as a Trust, we remain committed in our efforts to embed ESG in our strategy and activities, and to build a sustainable lodging portfolio. We endeavour to strengthen long-term value creation and deliver returns to our Stapled Securityholders, whilst making a positive impact on our stakeholders.

Ms Serena Teo
Chief Executive Officer



SUSTAINABILITY MANAGEMENT

BOARD STATEMENT

At CLAS, 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. CLAS' material environmental, social and governance (ESG) factors are aligned with CLI 2030 Sustainability Master Plan (SMP), which was refreshed in 2023 and endorsed by CLAS' Boards and Management.

The SMP steers our efforts on a common course to maximise impact through building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and stewarding responsible business conduct and governance. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). In 2023, the SMP targets were revised to elevate the SBTi-approved targets in line with a 1.5°C scenario, incorporate CLI's Net Zero commitment and enhance its focus on social indicators.

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

CLAS' sustainability efforts have been recognised by global indices such as GRESB. We will continue to identify and adopt meaningful ESG practices and enhance sustainability in our business.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT

CLAS' Boards recognise the importance of sustainability as a business imperative, and ensure that sustainability considerations are factored into CLAS' strategy development. This enables CLAS to remain competitive and resilient in an increasingly challenging business environment.

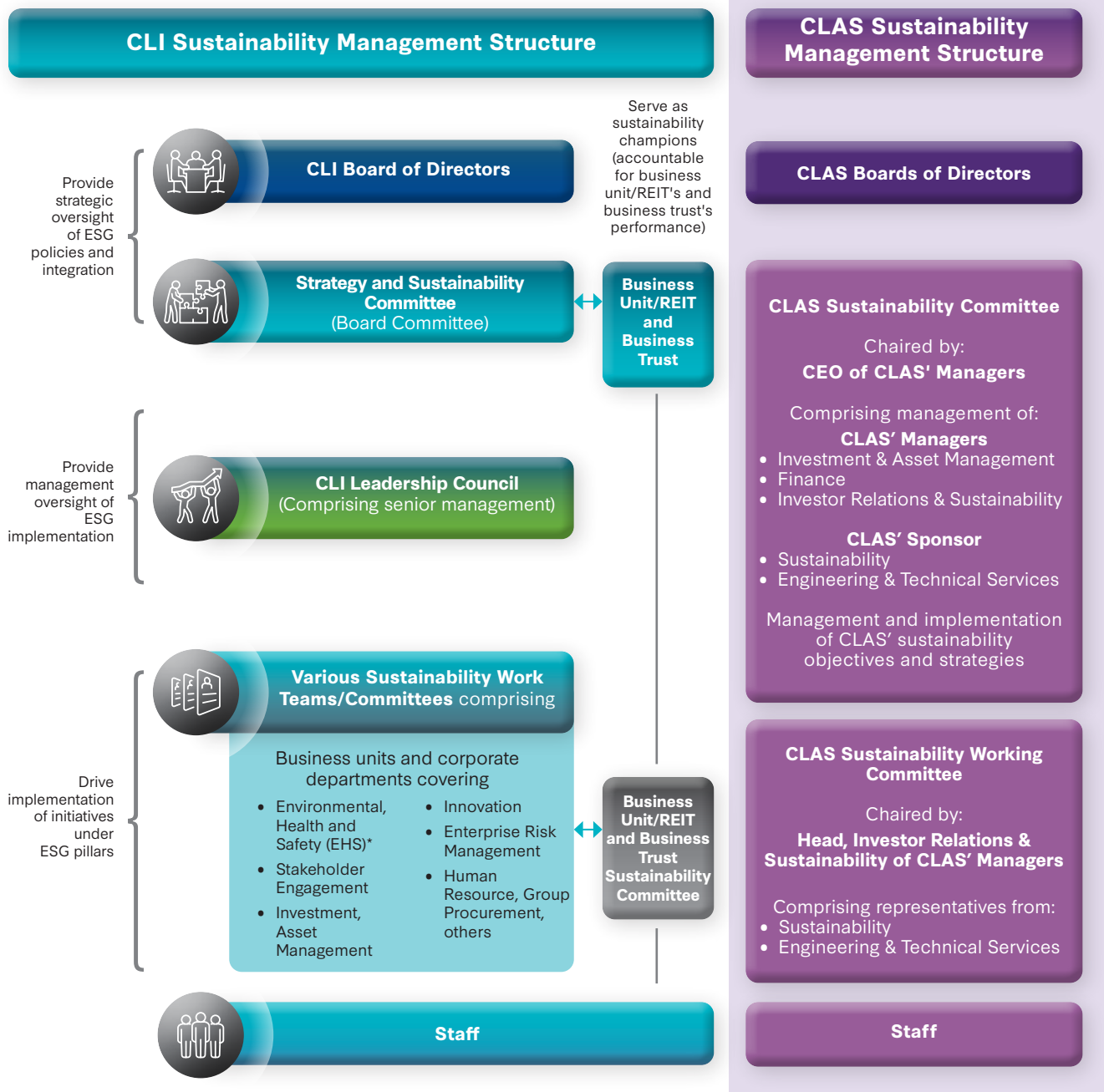
The Boards are kept informed of CLAS' sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. The Boards are updated quarterly and at ad hoc Board meetings. The Boards discuss matters relating to sustainability risks, and relevant performance metrics, which include carbon emissions and our progress on achieving the reduction targets, green certification, human capital development, as well as stakeholders' expectations on climate change, social impact and/or other matters. The Boards are also informed of any incidents relating to workplace safety, business malpractice and environmental impact, which may include climate-related damage or disruptions.

CLAS' Sustainability Committee is responsible for overseeing CLAS' sustainability strategies and goals,

and monitoring the progress of the sustainability initiatives. CLAS' Sustainability Committee comprises the CEO and Heads of Department of CLAS' Managers, and the Heads of Department of the operations and technical teams of its Sponsor. A Sustainability Working Committee, led by the Head, Investor Relations & Sustainability, provides support to the Sustainability Committee.

At CLI, lead Independent Director Mr Anthony Lim chairs the Strategy and Sustainability Committee (SSC), which is a Board Committee of CLI. The SSC typically meets twice a year, with additional meetings convened as necessary. The CLI Leadership Council makes strategic resource allocation decisions and meets on a regular basis. The CLI Leadership Council comprises the Group CEO, CEOs of the business units and key management officers of the corporate office.

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



* Includes EHS Internal Audit and Environmental Tracking System.

ALIGNMENT OF ESG KEY PERFORMANCE INDICATORS TO REMUNERATION

To further ensure commitment and involvement, CLAS has incorporated ESG key performance targets / indicators into remuneration for its staff, including top management. The performance on these performance targets have financial and non-financial consequences.

MATERIALITY

MATERIALITY

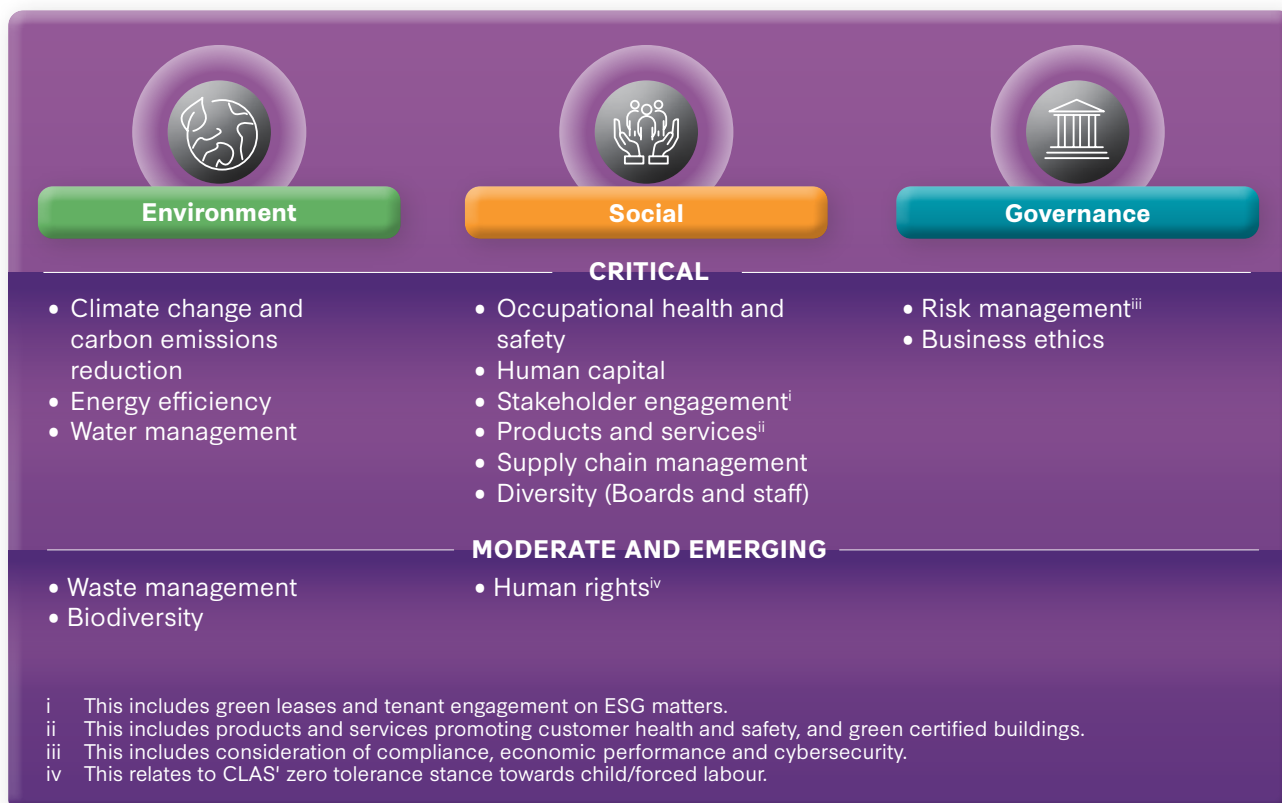
CLAS identifies and prioritises the management of material ESG issues that are most relevant and significant to the trust and its stakeholders. CLAS adopts a double materiality approach, considering issues which are material from either the impact perspective or financial perspective¹ or both.

Potentially material ESG issues arising from activities across CLAS' value chain (including potential risks and opportunities in the immediate and longer term) are primarily identified via ongoing engagement with its stakeholders and reviews of sources including investor questionnaires, as well as ESG surveys, benchmarks and frameworks such as GRESB.

In addition, CLAS has a regular review, assessment and feedback process in relation to ESG topics. Identified material issues are reported in our corporate risk register through the annual Group-wide Risk and Control

Self-Assessment (RCSA) exercise², which identifies, assesses and documents material risks and the corresponding internal controls to manage those risks. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant. Identified material ESG issues are then prioritised based on the likelihood and potential impact of issues affecting the business continuity of CLAS. For external stakeholders, priority is given to issues important to the community and applicable to CLAS. In FY 2023, the material ESG topics that were identified were approved by the SSC and endorsed by CLAS' Boards.











PRIORITISATION OF MATERIAL ESG ISSUES



1 Taking reference from the SASB Standards for Real Estate and Real Estate Services, which identify sustainability factors that are material to short, medium, and long-term enterprise value for the industry.
 2 For more information on CLAS' Enterprise Risk Management and Group-wide Risk and Control Self-Assessment exercise, please refer to pages 87 to 92 of CLAS' Annual Report 2023.

ENVIRONMENTAL

COMMITMENTS AND PROGRESS

Areas of Focus	2030 Targets	Performance in 2023 ^{i,ii}	IR Capitals and UN SDGs supported
Low-carbon Transition 	Reduce absolute Scope 1 and 2 GHG emissions by 46% from 2019 baseline ⁱⁱⁱ to achieve science-based target	<ul style="list-style-type: none"> 15.5% reduction in absolute Scope 1 and 2 GHG emissions 	Environmental Capital Manufactured Capital      
	Reduce carbon emissions intensity by 72% from 2019 baseline ⁱⁱⁱ	<ul style="list-style-type: none"> 0.4% reduction in carbon emissions intensity^{iv} 	
	Reduce energy consumption intensity by 15% from 2019 baseline ⁱⁱⁱ	<ul style="list-style-type: none"> 6.9% reduction in energy consumption intensity^{iv} 	
	45% of total electricity consumption from renewable sources	<ul style="list-style-type: none"> 6,490 MWh (10%) of electricity consumption from renewable sources 	
	50% of portfolio to achieve a minimum green rating by 2025, and 100% of portfolio by 2030 ^v	<ul style="list-style-type: none"> 49% as at Dec 2023 51% as at May 2024 	
Water Conservation and Resilience 	Reduce water consumption intensity by 15% from 2019 baseline ⁱⁱⁱ	<ul style="list-style-type: none"> 4.8% reduction in water consumption intensity 	
Waste Management and Circular Economy 	Achieve 25% recycling rate in day-to-day operations	<ul style="list-style-type: none"> 3,476 tonnes of waste generated in 2023 11% recycling rate 	
	Annual Targets		
Sustainable Operation Excellence 	ISO 14001 certification for EMS	<ul style="list-style-type: none"> CLAS retained ISO 14001 certification in 13 countries 	
	Manage risks of environmental impact	<ul style="list-style-type: none"> CLAS leverages CLI's EMS, which is externally audited annually, providing assurance to top management and external investors on CLI's and CLAS' compliance and alignment to best practices 	

i Computation of footprint data is based on available information of the Ascott-managed properties and excludes third-party managed properties.
ii Computation of intensity data excludes new properties which were in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party managed properties.
iii Using 2019 as a baseline as the CLI 2023 SMP was introduced in 2020.
iv Intensity figures relate to purchased energy and natural gas only, and exclude diesel fuel (non-vehicle) and other fuels (vehicle).
v By gross floor area in m².

ENVIRONMENTAL

CLAS' APPROACH - ALIGNMENT TO CLI'S COMMITMENTS, SYSTEMS AND POLICIES

As a CLI-sponsored Trust, CLAS is aligned with CLI's commitment towards building a resilient and resource-efficient portfolio with minimal environmental impact to create long-term economic value for our stakeholders. CLAS works towards the long-term and annual targets set out in the CLI 2030 SMP, to transit to a low-carbon business.

To systematically monitor and manage CLAS' environmental impact and continuously improve our environmental performance across our geographically diversified portfolio, CLAS leverages CLI's comprehensive **Environmental, Health and Safety Management System** (EHSMS), which has been formed by integrating CLI's **Environmental Management System** (EMS) with its **Occupational, Health and Safety Management System** (OHSMS).

CLI's EHSMS encompasses all business functions including property development, property management as well as corporate management and operations. It provides a systematic approach to manage CLAS' environmental impact, and for CLAS to continuously improve its environmental performance by identifying and managing significant environmental aspects of its business operations that may potentially have a negative impact on the environment. CLAS evaluates the significance of each environmental aspect, and the impact is assessed based on factors such as the likelihood of occurrence, severity of the impact and control measures implemented.

CLI's Environmental, Health and Safety (EHS) Committee and the EHS Committees of the respective business units are responsible for implementing the EHSMS. For more details on CLAS' sustainability management structure, please refer to pages 13 and 14 of this report.

The EHSMS is audited by a third-party accredited certification body to the ISO 14001 and ISO 45001 standards, which are recognised internationally for the environmental management of businesses, and occupational health and safety management of businesses respectively. CLAS has retained the ISO certifications for the EHSMS in 13 countries for more than a decade.

As part of the ISO 14001 certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually. 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, covering at least 50% of the sites in each country. External audits are conducted annually by a third-party accredited certification body. In FY 2023, there were no incidents of material non-compliance with environmental laws and regulations.

Also adopted by CLAS is the CLI **Environmental, Health and Safety Policy** (CLI EHS Policy), which is made available to all staff, tenants, suppliers, service providers and partners. As an international corporate social citizen, CLAS is committed to protecting the environment and upholding the occupational health and safety of everyone in the workplace, and will:

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

All employees at CLAS' Ascott-managed properties attend training and awareness programmes to facilitate the effective implementation of the EHSMS. New hires are introduced to the EHSMS and CLI EHS Policy, and briefed on their respective roles. More detailed training on the implementation of EHSMS is conducted for the heads of departments in administration, operations, and project management, including the heads of operating properties, design managers and project managers.

SUSTAINABLE DEVELOPMENTS AND ASSETS

CLAS refers to CapitaLand's **Sustainable Building Guidelines** (SBG), an in-house guide developed since 2007, to ensure environmental factors are considered throughout all stages of a project. The SBG is regularly reviewed to ensure continuous improvement, with a focus on four key objectives - minimising carbon footprint and energy consumption, water management, reducing the generation of waste, and promoting biodiversity in the real estate life cycle.

The SBG sets guidelines for buildings to be more energy efficient, for instance - setting green rating targets, specifying minimum equipment efficiency, and requiring the use of onsite renewable energy whenever possible.

By adopting the SBG, CLAS future-proofs development properties by addressing climate change related risks right from the design stage. A key component of the SBG is the mandatory **Environment Health Safety Impact Assessment** (EHSIA) which is conducted during the feasibility study stage of any potential acquisition or investment in operational assets and development projects as part of the due diligence process. The assessment serves as a guide in considering EHS risks and opportunities upfront, so that mitigation measures can be identified at an early stage.

At CLAS' existing operational properties, environmentally-friendly practices, infrastructure and equipment upgrades are also being carried out, where

feasible, to meet green certification standards. Every property is studied in detail, and appropriate climate change adaptation measures are considered to address risks.

CLAS' TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Since 2017, CLI aligned its climate-related disclosures with the TCFD recommendations in the four key areas of governance, strategy, risk management and metrics and targets. CLI further declared its support for TCFD and its recommendations in 2019.

Aligned with CLI's commitment and in compliance with regulations, CLAS has progressively developed its climate-related disclosures since 2021, and is striving to continuously enhance its reporting against the TCFD recommendations. This chapter contains CLAS' 2023 progress update.

Disclaimer

The purpose of this section is to provide climate-related disclosures which contain information related to climate risks and opportunities, consistent with the TCFD recommendations. The information and opinions contained in this section are provided as of the date they are made and subject to change.

This report contains forward-looking statements and statements of opinion. All statements, other than statements of historical fact, including without limitation, statements regarding the plans, strategies and objectives of management in relation to climate and CLAS' future performance, are forward-looking statements. Forward-looking statements are predictive in character and involve subjective judgement, assumptions and analysis, and can be subject to potentially significant risks, uncertainties and other factors, many of which are outside the control of, and are unknown to, CLAS. Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements. CLAS does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. Users of this report are cautioned not to place undue reliance on such statements, particularly in light of the long-term horizon which this report discusses and the inherent uncertainty in possible policy, market and technological developments in the future. CLAS will continue to publish relevant climate-related disclosures in its future sustainability reports and users of this report are advised to check its website for and refer to the latest published report.

While CLAS has prepared the statements in good faith, there are also limitations with respect to climate scenario analysis derived from a third-party platform. The degree of potential risk identified in this platform does not consider mitigation or adaptation strategies that may be in place or are being implemented at the portfolio company or specific asset. It also does not consider planned mitigation or adaptation strategies at the country level. The climate scenario analysis in this report was reviewed with and augmented by another third-party consultant. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Scenario analysis is a process for identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and not designed to deliver precise outcomes or forecasts. Additionally, scenarios are not warranted or guaranteed to be free from technical inaccuracies or omissions. Instead, scenario analysis provides a way for organisations to consider how the future might look if certain trends continue or certain conditions are met. In the case of climate change, for example, scenarios allow an organisation to explore and develop an understanding of how various combinations of climate-related risks, both transition and physical risks, may affect its businesses, strategies, and financial performance over time¹.

While every effort was made to provide accurate and complete information, CLAS does not represent or warrant that the information in this report is free from errors or omissions, or is complete. This report is not intended to be and should not be relied upon as advice to investors or potential investors. In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statements contained in this Statement or the assumptions on which they are based. Climate scenarios may change and third-party platform outputs may change and improve over time. Such material is, by its nature, subject to significant uncertainties and contingencies outside of CLAS' control. Actual results, circumstances and developments may differ materially from those expressed or implied in this report.

1 For an overview of a scenario analysis, please see page 25 of TCFD's [Recommendations of the Task Force on Climate-related Financial Disclosures](#).

ENVIRONMENTAL

GOVERNANCE

Board Oversight of Climate- and Carbon-related Risks and Transition Plans

CLAS' Boards consider sustainability issues as part of their strategic formulation, determine the material ESG factors and oversee the endorse and monitoring of the material ESG factors. The Boards approve the Trust's risk appetite, which determines the nature and extent of material risks that CLAS is willing to take to achieve their strategic and business objectives. The Boards oversee CLAS' Enterprise Risk Management (ERM) Framework, and regularly review CLAS' risk profile, material risks and mitigation strategies. Climate change has been identified as one of the critical material risk issues for CLAS.

The Boards are actively involved in discussions on climate-related initiatives. Taking the lead from CLI, the Boards are updated on relevant climate-related topics including CLI's 2030 Sustainability Master Plan (SMP), green capital expenditure plans to sustain the green ratings of CLAS' properties, performance metrics such as carbon emissions performance, progress on the reduction targets, as well as stakeholders' expectations on climate change. Any natural disasters, which may include climate-related damages, disruptions to operations or health and safety risks to our employees are also reported to the Boards. EHS factors are considered as part of CLAS' investment evaluation process and strategy, and where relevant, are presented to the Boards.



For more details on CLAS' sustainability management structure, please refer to pages 13 and 14 of this report.

Climate-Specific Skills and Capacity Building

CLAS' Boards are continuously upskilling with respect to sustainability and climate-related issues. All Board members have undergone the SGX recognised sustainability training, and all new and existing Board members are briefed on sustainability management and the CLI 2030 SMP as well as climate-related matters, including choice of climate scenarios and the decarbonisation journey.

Briefings are also conducted to members of the senior management, including topics such as the use of Renewable Energy Certifications (RECs) and carbon offsets in CLAS' decarbonisation journey. Senior management also reviewed the latest climate scenario analysis, decarbonisation roadmap and workplan for CLAS.

Gathering Stakeholder Feedback on Decarbonisation

CLAS has regular engagement with its stakeholders with respect to sustainability issues, and feedback on our decarbonisation plan is mainly received through the following channels:

- Participating in sustainability surveys and engaging ESG indices and data platforms;
- Regular analyst and investor meetings (such as CLI's 2023 sustainability non-deal roadshow);
- Participation in industry panel discussions and conferences;
- Annual reports and sustainability reports;
- Annual general meetings, financial results and business updates announcements;
- Media releases and interviews;
- Company website; and
- Email enquiries/direct contact to CLAS.

STRATEGY

Identifying and Addressing Climate-related Risks

As a CLI-sponsored Trust, CLAS' identified ESG issues are aligned and adapted from CLI's list. The selected ESG issues have been deemed to be material and applicable to CLAS' business and operations. The selection of these issues is guided by CLI and CLAS' regular review, assessment and feedback process in relation to ESG topics.

Since 2016, and in the CLI ESG factors materiality review performed in 2022, climate change and emissions reduction have been identified as key ESG material issues which are relevant and critical for CLAS and CLI. Climate change has been identified as a key risk as part of the ERM Framework and includes both physical and transition risks.

Physical risks are a result of climate change and can be acute or chronic in climate patterns, such as rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. Transition risks result from a transition to a lower-carbon economy, which could entail potentially more stringent regulations and increased expectations from customers and stakeholders.




In line with CLI's SBG, CLAS identifies and addresses climate-related risks and opportunities across the real estate lifecycle, from the earliest stage of the investment process to design, procurement, construction, operations and redevelopment or divestment. CLAS generally considers the short-term timeframe to be within 2-3 years, medium-term timeframe as until 2030, and long-term timeframe to be beyond 2030.

Scenario Analysis on Future Climate-related Risks and Opportunities

In 2022, CLAS commenced a climate scenario analysis to understand how climate-related risks and opportunities could impact its portfolio. The analysis considers the latest global scientific developments, and 1.5°C to 3°C scenarios for current to long-term time frames. Together with CLI, CLAS will then review its strategies, mitigation and adaptation plans, and identify

opportunities, in alignment with the CLI 2030 SMP. The SMP was designed to build resilience throughout CLI's operations and futureproof its real estate portfolio, to guard against climate change risks, avoid premature obsolescence and leverage on available opportunities.

The climate scenario analysis for CLI's global portfolio (including CLAS) considered the parameters listed below:

	1.5°C 	2°C 	3°C 
Physical risk scenarios	NGFS ⁱ 1.5°C Orderly, 2100	NGFS 2°C Orderly, 2100	NGFS 3°C Hot House World (NDC ⁱⁱ), 2100
Outcome of analysis			Most severe physical risk impacts and costs at 3°C and in the longer term
Transition risk scenarios	CRREM ⁱⁱⁱ 1.5°C, 2050	NGFS 2°C Orderly, 2100 ^{iv}	NGFS 3°C SSP2 ^v Hot House World, 2100
Outcome of analysis	Most severe transition risk impacts and costs at 1.5°C and in the shorter term		
Geographical coverage	All assets within CLAS' operating regions as at 31 December 2022:		
	<ul style="list-style-type: none"> - Australia - Belgium - China - France - Germany - Indonesia - Japan - Malaysia - Philippines - Singapore - South Korea - Spain - United Kingdom - United States - Vietnam 		

i The Network of Central Banks and Supervisors for Greening the Financial System (NGFS).
 ii Nationally Determined Contributions (NDC).
 iii Carbon Risk Real Estate Monitor (CRREM).
 iv The CRREM 2°C, 2050 transition risk scenario was chosen at the beginning of this climate scenario analysis. However, the platform updated its models and this option was removed during the analysis. The NGFS 2°C, 2100 Orderly scenario was then identified to replace the removed CRREM 2°C, 2050 scenario.
 v Shared Socioeconomic Pathways (SSP).

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The first heatmap below on physical risks reflects the quantitative approach based on an assessment performed by a third-party platform. The second heatmap on transition risks reflects the quantitative approach based on an assessment performed by a third-party platform, which is further augmented by qualitative research undertaken by an external consultant.

The quantitative analysis performed was based on the property values of CLAS' properties and their respective

exposure to climate-related risk change. It is important to note that the risk level is based on the change of the risk in future scenarios – it is assumed that there is currently a certain level of risk exposure for each of the climate-related risks and the risk level reflects the magnitude of change. The five colour-coded risk levels are based on different thresholds of financial exposure, and are relative to the baseline exposure. Presented below are the specific exposures for CLAS' portfolio.

Risk level by third-party platform None Negligible Moderate Significant Severe

Risk Type	Primary Risk Driver	Potential Impacts	CLAS' Risk Level in 3 Scenarios			Mitigation Measures
			1.5°C (NGFS, 2100)	2°C (NGFS, 2100)	3°C (NGFS, 2100)	
Physical Risk						
Extreme cold	Cold days and extreme cold could become more common and/or severe	- Increase in heating demand leading to higher utility costs and potentially higher Scope 1 emissions, if fuel oil or natural gas boilers are used				<ul style="list-style-type: none"> Ongoing maintenance to ensure that air heating systems and generators are in good working order and appropriate for both the local and changing climate conditions. Future retrofits and designs to consider welfare of staff, guests and tenants in such environments.
Extreme heat	Hot days and extreme heat could become more common and/or severe	- Increase in cooling demand leading to higher electricity costs				<ul style="list-style-type: none"> Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions. Implement health and safety initiatives to protect people from extreme heat risk, including work restrictions during peak temperature hours, as required.
Fluvial flooding	Damage to assets located in high flood risk zones	- Increase in assets exposed to growing severity of river floods - Increase in operating costs (e.g. repair costs, business interruption)				<ul style="list-style-type: none"> Develop flood control features / measures including flood gates and drainage infrastructure where appropriate. Platform level to be checked against flood maps for new design or redevelopment. Ensure flood emergency response plans are implemented.
Coastal flooding	Properties in coastal areas may be exposed to steady and continuous sea level rise	- Increase in assets exposed to coastal flooding - Increase in capital expenditures to construct flood control infrastructure				<ul style="list-style-type: none"> Monitor national-level initiatives to mitigate coastal flooding risk. Develop flood control features / measures where appropriate. Ensure flood emergency response plans are implemented. <p><i>(Note: The risk delta from 1.5°C to 3°C scenarios for the moderate risk level is close to 56%)</i></p>

Risk Type	Primary Risk Driver	Potential Impacts	CLAS' Risk Level in 3 Scenarios			Mitigation Measures
			1.5°C (NGFS, 2100)	2°C (NGFS, 2100)	3°C (NGFS, 2100)	
Physical Risk						
Tropical cyclones	Properties may face more frequent and severe tropical cyclones	<ul style="list-style-type: none"> - Higher chance of damage to specific asset locations that are tropical cyclone-prone - Increase in operating costs (e.g. business interruption) 				<ul style="list-style-type: none"> • Check and ensure structures are sufficient to withstand increased windspeed. • Improvements to roofs and site drainage systems including reinforcement / improvement where appropriate. • Increased operational management, including regular inspections of back-up generation facilities. • Ensure business continuity plans and emergency response plans for severe storms are implemented, including plans for power supply cuts or system failures.
Wildfires	Risk of wildfires could increase in extremely dry conditions, such as drought, and during high winds	<ul style="list-style-type: none"> - Increase in assets exposed to wildfires - Increase in operating costs (e.g. business interruption) 				<ul style="list-style-type: none"> • Design and monitor landscaping to prevent vegetation encroachment to structures. • Inclusion of fire breaks (e.g., service roads) between outside vegetation and structures. • Distribution of escape plans to staff / occupants. • Ensure business continuity plans and emergency response plans for wildfires are implemented (distribution of escape plans to staff and occupants).

Risk Type	Primary Risk Driver	Potential Impacts	CLAS' Risk Level in 3 Scenarios			Mitigation Measures
			1.5°C (CRREM, 2050)	2°C (NGFS, 2100)	3°C (NGFS, 2100)	
Transition Risk						
Carbon price shifts	Carbon emissions priced through taxation or emissions trading schemes	<ul style="list-style-type: none"> - Increase in operational costs associated with carbon pricing 				<ul style="list-style-type: none"> • CLI implemented an internal carbon price which serves as a guide for long-term decisions and policy-making. • CLAS has a decarbonisation plan / strategy in place to ensure the adoption of strategies to minimise emissions and reduce exposure to carbon price shifts.

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In addition to the risk assessment performed by the third-party platform, other transition risks and opportunities were also explored, and these are detailed in the two tables below.

As some of these risks are seen as 'indirect' climate-related risks, evaluating them and keeping them in view is of importance to CLAS' climate transition journey. The perceived risk level is based on market trends, current developments and CLI and CLAS' experience and expertise in the real estate market. The perceived risk level is seen through three scenarios – a 3°C scenario which is assumed to be a 'business-as-usual' scenario where there is not sufficient action taken by economies and businesses to transition to a lower carbon economy and 1.5°C and 2°C scenarios, where there are differing

levels of potential action taken to tackle some of the risks of transitioning to a lower carbon economy.

The opportunities were reviewed as potential actions which CLAS could take or incorporate into its climate strategy, and have not been evaluated using the risk level heatmapping criteria or reviewed by scenario (these opportunities would be relevant in all scenarios).

The risks and opportunities were explored at a global portfolio level. The assigned risk level for each of the following risks and opportunities was determined primarily based on qualitative and some quantitative criteria. CLAS will continue to monitor these short-term and medium-term risks and opportunities.

Risk level by third-party consultant None Negligible Moderate Significant Severe

Risk Type	Primary Risk Driver	Potential Impacts	CLAS' Risk Level in 3 scenarios (2030)			Mitigation Measures
			1.5°C	2°C	3°C	
Transition Risk						
Changes in regulator expectations	Regulators with more stringent polices and regulations around climate change for the buildings / real estate sector	- More comprehensive disclosures expected on climate change actions and metrics				<ul style="list-style-type: none"> • CLI's group level carbon emissions target is validated by the Science Based Targets Initiative (SBTi). • CLI and CLAS' Scope 1 and 2 carbon emissions have been externally assured since FY 2010 and FY 2022 respectively. • CLI and CLAS' climate-related disclosures are aligned to international standards, and CLI and CLAS make on-going efforts to follow the latest developments around climate and emissions reporting standards. CLI and CLAS will incorporate such developments into their disclosures, to stay aligned with best practice disclosure standards on climate risk (e.g. exploring ISSB reporting recommendations and incorporating them into our disclosure).
Changes in customer expectations	Consumer preferences could shift towards greener buildings	- Increased number of travellers seeking accommodation with green credentials				<ul style="list-style-type: none"> • CLAS has green building certification and green lease targets for its portfolio. • CLAS does a continuous assessment of the green building certification for its properties and will implement necessary asset enhancements to align with relevant / latest certification levels.

Risk Type	Primary Risk Driver	Potential Impacts	CLAS' Risk Level in 3 scenarios (2030)			Mitigation Measures
			1.5°C	2°C	3°C	
Transition Risk						
Electricity price shifts	Growing adoption of renewable energy could drive changes in electricity costs	<ul style="list-style-type: none"> - Increase in capital investment in renewable energy - Fluctuations in operating costs from electricity price variability 				<ul style="list-style-type: none"> • CLAS has a renewable energy target, and CLI's carbon emissions target is validated by the SBTi. • CLI has embarked on group procurement of green power purchase agreements for key markets. • CLAS continues to implement energy efficiency improvement initiatives at its properties, where feasible.

Opportunity	Primary Driver	Potential Impacts	Approach
Use of new technologies including proptech (property technology)	Investment in technologies for improving energy and water efficiency	<p>Reduced exposure to regulations, carbon price, electricity price and water price increases</p> <p>Reduction in operating costs</p>	CLI continues to pilot new technologies in existing buildings and deploy sustainability innovations at its properties, with support from the CapitaLand Innovation Fund.
Increased demand for green products and services	Shift in consumer preferences and development of low emissions goods and services	<p>Increase in revenue by tapping on the green rental premium created by increased demand for sustainable buildings</p> <p>Increase in asset value for low carbon buildings</p>	<p>Ongoing discussions with tenants to identify opportunities to support their carbon reduction commitments.</p> <p>Continuous assessment of the green building certification for CLAS' properties and adopting the necessary asset enhancements to align with the relevant / latest certification levels.</p>

As an ongoing process, CLI and CLAS will review and update, if appropriate, the processes associated with risk management in order to account for the material environmental and climate-related risks identified.

RISK MANAGEMENT

Our Risk Management Process

CLAS undertakes and performs an annual Group-wide Risk and Control Self-Assessment (RCSA) 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 CLAS' Audit and Risk Committee and Boards.

CLAS' risk management process to address its key risks and uncertainties, including climate change, is discussed further in its Annual Report under the Risk Management section on pages 87 to 92.

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

ENVIRONMENTAL

Managing our Environmental Footprint and Climate-related Risks

Carbon Mitigation Hierarchy

CLI's SMP comprises several mitigation and decarbonisation strategies which have been prioritised based on their availability, feasibility and decarbonisation potential. Further details are presented in the Carbon Mitigation Hierarchy diagram below.

CLI is also reviewing a carbon offsets strategy at the Group level. The planned use of offsets would be aligned to the current SBTi requirements, i.e. offsets will only be used in the last-mile for emissions reductions beyond CLI's science-based reduction targets and decarbonisation strategies (i.e. residual emissions) to reach Net Zero, and offsets will be sourced from high quality reputable carbon credit projects that undergo the necessary verification and certification processes which are aligned to international standards.

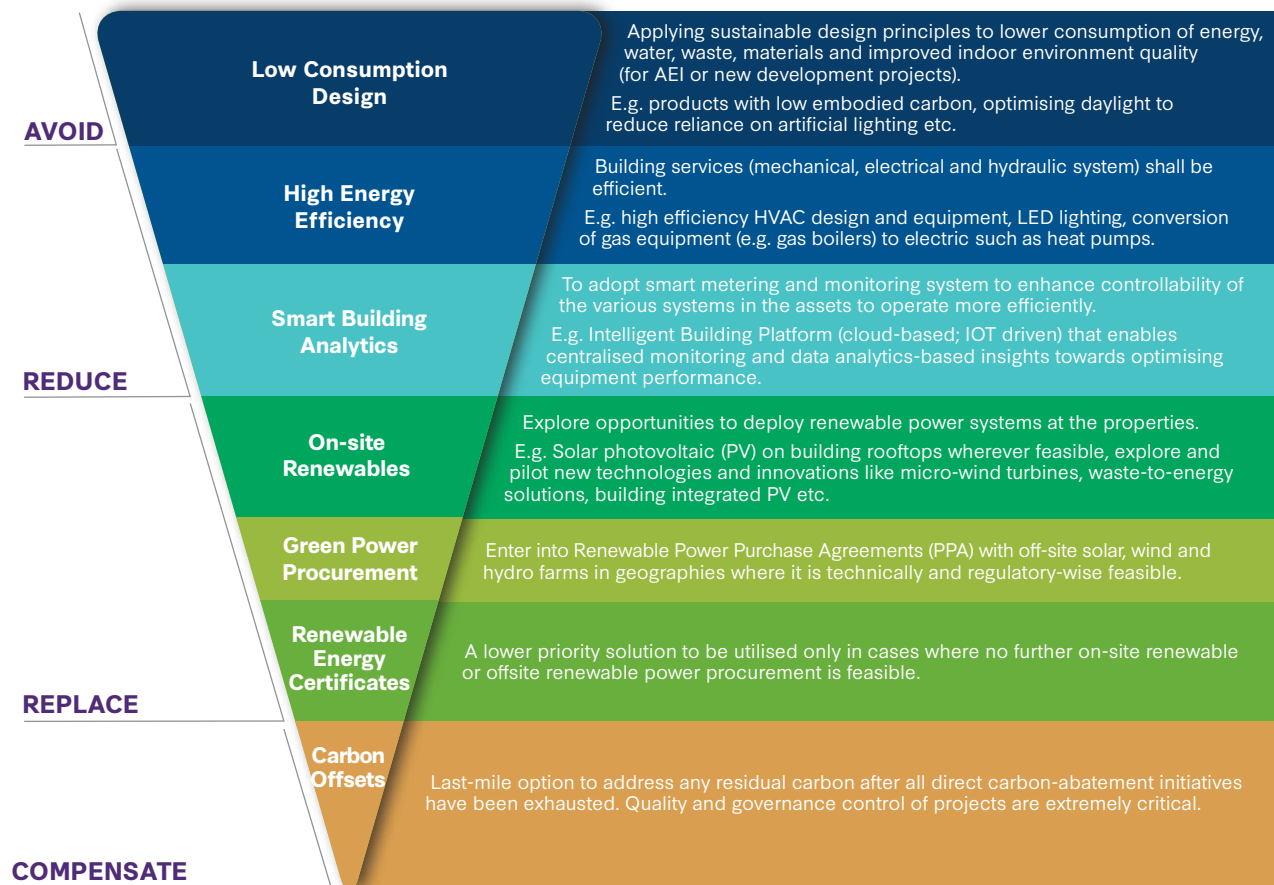
Environment, Health and Safety Impact Assessment and Shadow Internal Carbon Price

During the feasibility study stage of any potential acquisition or investment in operational assets and development projects, CLAS uses the Environment, Health and Safety Impact Assessment (EHSIA) as a tool for identifying climate-related and EHS risks and

opportunities as part of the due diligence process, in order to identify mitigation measures at an early stage. The EHSIA 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 assessment also includes the application of a shadow internal carbon price, which CLI has implemented since 2021 to quantify climate-related risks and opportunities for new investments.

The significant findings of the EHSIA and their cost implications are incorporated in the investment paper submitted to the Boards for approval, to provide a more holistic perspective of the investment and ensure necessary capital expenditure has been set aside for the investment to meet the SMP targets.

Apart from the shadow internal carbon price, CLI will explore new metrics to measure climate-related risks and opportunities, which CLAS will assess and adopt where relevant for its portfolio. CLI also continues to enhance and develop its proprietary metric, Return on Sustainability, in addition to the regular financial return, to measure ESG impact. This metric aims to redirect investments towards lower-carbon solutions, and renewable energy projects across CLI's and CLAS' operations.



STRATEGY TO IDENTIFY CLIMATE-RELATED RISKS AND OPPORTUNITIES - LIFE CYCLE MANAGEMENT



ASSESSING NEW INVESTMENTS

- All new investments into operational assets and development projects undergo the **EHSIA** during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset / project site and its surroundings.

The EHSIA covers performance metrics such as energy efficiency, as well as transition and physical risks and opportunities. Significant findings from the assessment are incorporated in the investment paper submitted to CLAS' Boards for approval.

- For development projects, the local context of each project is studied in detail, and appropriate climate change adaptation measures are considered. The SBG 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.



MONITORING TRANSITION RISKS FOR OPERATIONAL ASSETS

- The CLI **EHSMS**, which is audited by a third-party accredited certification body to ISO 14001 and ISO 45001 standards, serves to monitor transition risks relating to climate regulations via EHS legal register updates and regular stakeholder engagements.
- Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of CLAS' portfolio.
- The CLI 2030 SMP 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 CLAS' properties.
- Initiatives are put in place to improve the environmental performance, resilience and durability of CLAS' properties through system upgrades, system optimisation, effective maintenance and changes to user behaviour, and are expected to mitigate the impact of changing weather conditions.



OTHER VALUE CHAIN ENGAGEMENTS AND LOW CARBON INITIATIVES

- **Working with like-minded operators:** In 2022, Ascott, CLAS' Sponsor and the operator of about half of CLAS' properties, was one of the first hospitality groups to receive the Global Sustainable Tourism Council's (GSTC) Recognised Standard status. Ascott also unveiled Ascott CARES, a sustainability framework that aligns its growth strategy with ESG considerations alongside GSTC Criteria.
- **Climate-related supplier engagement:** Ascott works closely with Group Procurement in the procurement of major items to advise on specific climate-related requirements, including energy efficiency, reduced packaging and recycled content. In addition, main contractors are required to be ISO 14001 certified or implement onsite audit. Preference is given to vendors with EHS certifications.
- **Green lease engagement with tenants:** A green fit-out guide is provided to tenants to encourage them to adopt greener fit-outs and promote green practices and behaviour. Ascott has committed to implement its green lease programme to 100% of its properties by 2030.

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Green Capital Expenditure

In 2023, CLI conducted and provided to senior management a portfolio review on the required capital expenditure (capex) for its global portfolio, including CLAS, to meet the SMP environmental targets for carbon emissions, on-site renewable energy, energy efficiency, water efficiency and green certification.

The goal of this review was to ensure that an appropriate amount of capex for relevant environmental initiatives and technologies was set aside in the annual budget. Time bands were included in the review to map out the phased implementation of the capex plans, and to provide management with insights on the medium-term capex requirements.

The outcomes of the portfolio review were further combined with climate scenario analysis data. This allowed CLI and CLAS to better manage the transition risks of each individual property, generate further insights on the properties' environmental performance, and customise property-specific strategies.

Green Building Rating and Certification

Green building ratings and certifications help to affirm the quality of CLAS' properties. These ratings serve as an external validation that CLAS 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.

For properties in Singapore, the Building and Construction Authority (BCA) administers the Green Mark Certification. For properties outside of Singapore, the green rating certification is administered by government ministries and agencies, as well as accredited certification bodies including the World Bank Group's International Finance Corporation (IFC) and Green Building Councils which are part of a global network recognised by the World Green Building Council. 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 and redevelopment projects, green building rating targets are determined at the outset and the properties are designed and constructed to meet green certification standards. In June 2023, CLAS completed the development of Standard at Columbia, a freehold student accommodation property in South Carolina, USA which was designed to meet green certification standards. Shortly after, the property received the National Green Building Standard certificate. CLAS' ongoing urban redevelopment project, Somerset Liang Court Property Singapore, is similarly designed to meet green certification standards. The development is expected to complete in 2026.

Green certification of rental housing and student accommodation properties is relatively uncommon in the lodging sector. In 2022, CLAS embarked on and completed a market study to identify green certification typologies for these niche real estate asset classes, so as to green its rental housing and student accommodation properties. In 2023, CLAS achieved its first green certification for a rental housing property, Alpha Square Kita 15 jo in Sapporo, Japan, and first green certification for a student accommodation property, Standard at Columbia in South Carolina, USA. Alpha Square Kita 15 jo is also the first property and rental housing property in Japan to receive the EDGE certification.

CLAS targets to green 50% of its portfolio of properties by 2025, and 100% of its portfolio of properties by 2030. Excluding renewals, 22 properties were newly green-certified from January 2023 to May 2024, bringing the total number of green-certified properties to 47 as at May 2024. Approximately 51% of CLAS' gross floor area is now green-certified, up from 37% at the end of 2022. A list of CLAS' green-certified properties can be found in Appendix A of this report.

Percentage of properties certified to a recognised sustainability standard

	Dec 2021	Dec 2022	Dec 2023	May 2024	2030 Target
 By gross floor area	33%	37%	49%	51%	100%
 By number of properties	22%	25%	43%	46%	100%

Excludes properties under development.

FIRST PROPERTY IN JAPAN AND CLAS' FIRST RENTAL HOUSING PROPERTY TO RECEIVE EDGE CERTIFICATION - ALPHA SQUARE KITA 15 JO

Located in Sapporo, Japan, Alpha Square Kita 15 jo is one of 24 rental housing properties in CLAS' Japan portfolio.

Rental housing, or built-to-rent properties, are residential properties which comprise purpose-built apartment units with fully-fitted kitchens, water heaters, air-conditioners, broadband internet access, security access phones and built-in wardrobes. Such properties typically cater to long-staying guests with an average length of stay of two years.

In November 2023, Alpha Square Kita 15 jo became the first property in Japan, and CLAS' first rental housing property, to achieve the EDGE certification. The property has a variety of green features to improve energy efficiency, including roof and exterior wall insulation, a reduced window-to-wall ratio, and the usage of high-performance glass which provide natural light transmission while limiting heat gain and thermal energy transfer. These are complemented with the implementation of an energy-efficient space heating system.

The property also ensures water sustainability with the installation of water-efficient fixtures (showerheads, faucets) in the bathrooms and kitchens. These are complemented with a rainwater harvesting system which captures and diverts rainwater from the rooftop for later use, and smart water meters that monitor and facilitate improvement in water management.

Overall, the green features at the property are estimated to reduce both energy and water consumption by 26% (339,285 kWh/year² and 3,287 m³/year respectively), compared with the base case in the EDGE assessment tool. The property's estimated annual utility cost avoidance is about S\$32,000.



Preserving Biodiversity

CLAS leverages CLI's commitment to preserve the environmental integrity and biodiversity of its sites as well as the wider area wherever possible. This is achieved 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 are engaged to provide advice where appropriate.

CLAS' development projects are all located in urban and built-up areas. There are no sites located within protected areas and hence no material biodiversity risks

were identified. Instead, CLAS 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.

Working with Like-minded Operators

Ascott, CLAS' Sponsor and the operator of about half of its properties, received the Global Sustainable Tourism Council's (GSTC) Recognised Standard status in 2022. As a member of GSTC, Ascott was one of the first hospitality groups to be conferred the status for its adoption of the GSTC Industry Criteria. This was an affirmation of Ascott's commitment to the gold standard for sustainable tourism.

2 Translating to a reduction in Scope 2 emissions of about 158 tonnes CO₂e.

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One of Ascott’s commitments under Ascott CARES is to certify 100% of its properties³ to a recognised sustainability standard (e.g. GSTC or equivalent) by 2028. As at the date of this report, two of CLAS’ properties, Ascott Orchard Singapore and Iyf one-north Singapore, have achieved GSTC certification.

Accor, a third-party operator of CLAS’ properties, has also joined the GSTC in 2022 and entered into collaborations with other key sustainable certification programmes which would help it reach its target of 100% of its network eco-certified by 2026. Marriott, another of our third-party operators, is a member of the Sustainable Hospitality Alliance which had entered into a new partnership with GSTC in 2023. The Sustainable Hospitality Alliance brings together the hospitality industry and strategic partners to address key challenges affecting the planet and its people, local destinations and communities.

Sustainable and Responsible Sourcing

CLAS 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, CLAS 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.

In 2023, Ascott focused on developing a global strategy and roadmap for responsible sourcing, and undertook an industry benchmarking assessment. Through the exercise, priority categories and specific focus items were identified, which allowed Ascott to refine its responsible sourcing commitments under Ascott CARES.

The following is a list of Ascott’s responsible sourcing commitments and respective status:

Ascott CARES Commitment	Progress Status as of May 2024
To train 100% of Ascott’s procurement staff in the topic of responsible sourcing by 2023	Achieved
To eliminate single-use plastics across straws, stirrers, bottled water, mini toiletries and takeaway cups by 2024	Work-in-progress
To eliminate use of all other guest-facing single-use plastic items by 2028	
To minimise use of paper and switch to 100% certified recycled or sustainable forestry sources by 2028	
To use 100% responsibly sourced coffee, tea and sugar by 2028	
To use 100% green cleaning products by 2028	

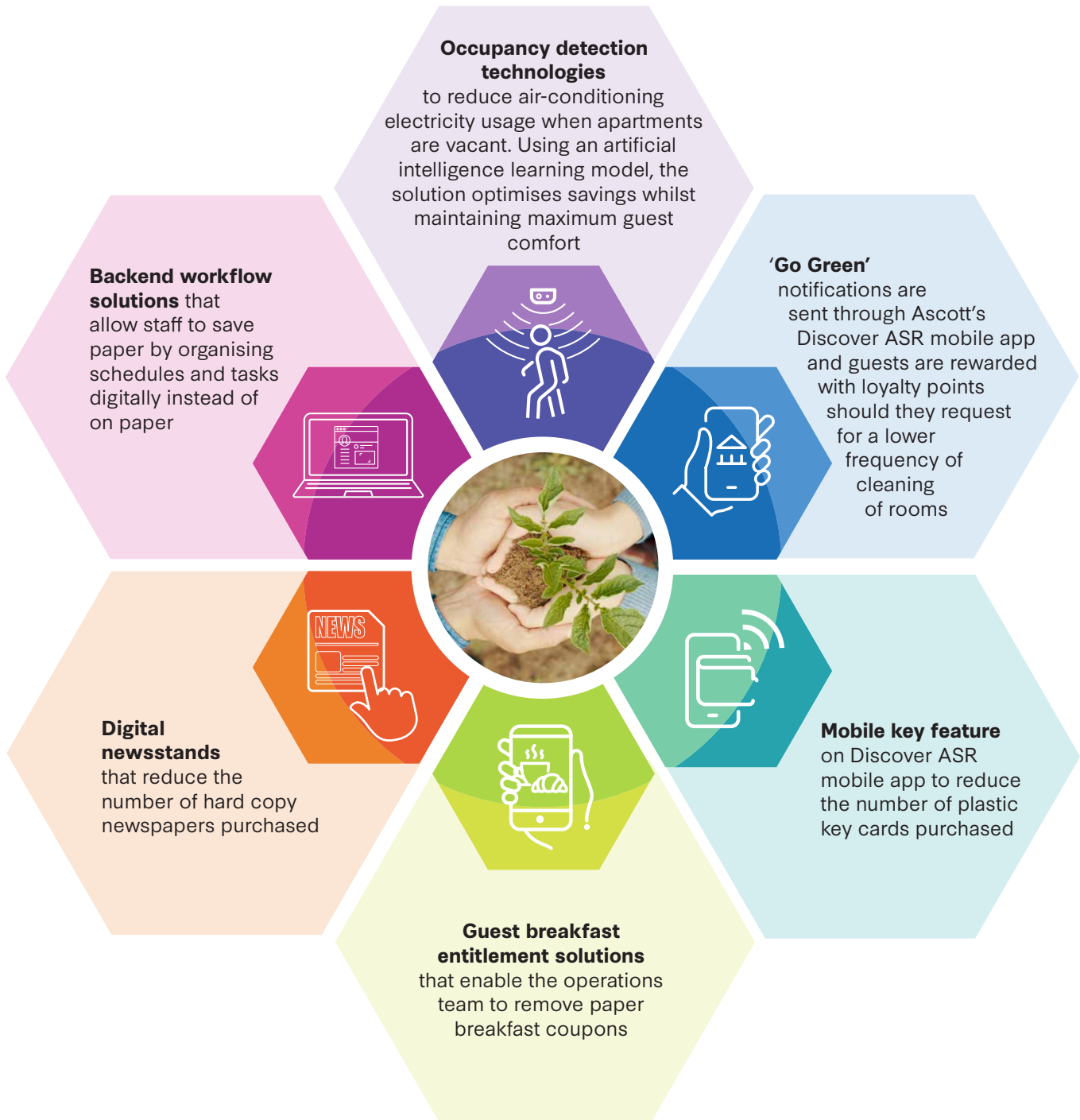
On guest supplies, Ascott has already begun reducing the use of single-use plastics at its properties, including replacing plastic bottled water, laundry bags and amenities with environmentally-friendly alternatives. Ascott also ensures that its operating equipment and supplies adhere to green specifications.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

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

³ Managed and branded with more than two years of operations.

Embedding Sustainability into Operations

CLAS' Ascott-managed properties embed sustainability into their day-to-day operations, and deploy several innovative solutions and digital technologies to reduce consumption and waste. These solutions also serve to enhance employee productivity and guest experience.



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CULTIVATING SUSTAINABILITY INNOVATIONS AT CLAS' PROPERTIES - THE CAPITALAND SUSTAINABILITY X CHALLENGE



▲ Ascott Makati in The Philippines

The CapitaLand Sustainability X Challenge (CSXC) is a global platform to advance innovation and collaboration in sustainability within the built environment. Through CSXC, CapitaLand aims to source for emerging solutions and technologies

globally to solve sustainability challenges impacting the built environment.

In 2023, this global search for sustainability innovations saw 10 outstanding winners emerge from a pool of over 680 entries from 79 countries. These innovators won an opportunity to pilot their innovations at selected CapitaLand properties with up to S\$1 million in total to cover the cost of test bedding.

Ascott supported the CSXC mentorship programme by sharing industry insights, and providing guidance on real-life challenges to its assigned innovator, whose air conditioner solution reduces grid energy consumption by running directly on solar power on a sunny day and integrating both solar and grid energy when there is insufficient solar energy.

This solution will be piloted at a CLAS property in 2024 - Ascott Makati in The Philippines, and is targeted to achieve energy savings of 30%.

Green Leases

Beyond investing in environmentally sustainable properties and operating them according to best practices, CLAS understands the important role that the end-users of its buildings play. Collaboration with tenants has become increasingly important, and CLAS has continued to work together with its retail and commercial tenants to improve their sustainability performance and support their sustainability goals.

We are engaging our tenants and encouraging them to include green lease clauses into the new and renewal lease agreements, where minimum equipment and lighting efficiency requirements are stipulated. Green fit-out guides are given to new tenants to encourage them to implement environmentally-friendly features and sustainable practices. The guides focus on areas such as energy and water conservation, proper waste management, indoor environmental quality, green purchasing and good maintenance practices which can improve the overall well-being of both tenants and customers while achieving cost savings from reduced utilities consumption.

One of Ascott's commitments under Ascott CARES is to implement a green lease programme at 100% of its properties by 2030, to support the tenants in their sustainability journeys. In 2023, about 90% of CLAS' tenants with new and renewal contracts included green lease clauses into their agreements.

Engaging and Educating Our Guests on Going Green

At CLAS' properties, guests are encouraged to adopt environmentally sustainable habits through various initiatives. Feedback from the guests on sustainability practices are welcomed, and ample opportunities are provided for them to participate in sustainability-themed events and activities organised by our properties.

Guests at Ascott-managed properties are offered go-green options such as the "Go Green Towel and Linen" reuse programmes, and those who opt for a reduced room-cleaning frequency during their stays enjoy added loyalty points via the "Go Green" initiatives on Ascott's loyalty mobile app, Discover ASR. At some properties, guests are offered the opportunity to join in on water conservation efforts, by timing their showers with water-proof hourglass sand timers.

Other initiatives to drive awareness and promote sustainability at our properties are featured below.

SUSTAINABILITY AT SOMERSET

In November 2023, the new Somerset Sustainability Passport Programme was officially launched and rolled out at Somerset properties globally. As part of this programme, guests are engaged in eco-friendly activities, wellness programmes and community initiatives, and are given Sustainability Passports with tasks to complete. Children are also rewarded with limited edition collectibles and prizes upon completing the activities and interactive games in the Sustainability Passport. Through this, guests are encouraged to be part of the green travel movement and Somerset’s commitment to delivering sustainable travel experiences.

Rewards such as discounts and perks are extended to guests when they make sustainable choices. For instance, guests earn Ascott Star Rewards (ASR) points when they opt in for GoGreen, an eco-friendly initiative which allows guests to select a reduced housekeeping frequency via the Discover ASR mobile app and receive ASR points that can be redeemed for future stays.



▲ Engaging guests, including children, on everyday sustainable practices

Another initiative was the “Bring the Green On” campaign, a partnership with a local coffee bean supplier, which each of CLAS’ Vietnam Somerset serviced residences participated in. The campaign involved the repurposing of unused coffee powder. At each property, there was a designated coffee powder collection point. Guests could collect coffee powder for free, and by scanning a QR code on the packaging, discover various ways to recycle coffee powder. They were also invited to join a contest and share creative ways of recycling coffee powder. At Somerset Ho Chi Minh City, staff hosted a “floral sea-themed” art workshop, where guests of various ages reused waste materials to create beautiful art pieces. These events and initiatives all contribute to the active nurturing of a passion for environmental conservation among guests at our properties.



▲ Promoting eco-friendly practices amongst guests by partnering with a local coffee bean supplier to repurpose unused coffee powder

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PROMOTING SUSTAINABILITY AND THE CIRCULAR ECONOMY AT SOMERSET MILLENNIUM MAKATI

At Somerset Millennium Makati, our staff hosted an art workshop for guests promoting sustainability and the circular economy, called "Colours for a Cause". Guests learnt painting techniques and eco-friendly practices through the hands-on experience of transforming upcycled eco-bags into works of art, which they could bring home as a souvenir. The event also aimed to promote self-expression through art while supporting local artisans and indigenous communities. The upcycled bags were made of locally sourced pandan, with rescued hotel linens as the lining. The workshop was led by a Person with Disability artist, and a portion of the proceeds went to selected beneficiaries, contributing to a brighter future for them.



▲ Transforming upcycled eco-bags into works of art

REPURPOSING PLASTIC BOTTLES INTO SCHOOL UNIFORMS

Several of CLAS' properties in China participated in a campaign to recycle for good by collecting plastic bottles. Close to 40,000 plastic bottles were collected and repurposed into components for school uniforms. The recycling of plastic achieved a significant reduction of 1.64 tonnes in carbon emissions. Aside from contributing to environmental sustainability, the initiative also supported the education of 13 students through donation of the school uniforms.



▲ Recycling plastic bottles for a good cause



EARTH HOUR AT CLAS' PROPERTIES

Earth Hour is a global initiative to turn off lights for an hour on the last Saturday of March annually. At Citadines Trafalgar Square London, our staff conducted an environmental-themed colouring activity and games at the lobby to encourage guests to gather together and turn off the electricity in their rooms in conjunction with Earth Hour. LED battery candles were lit, filling the lobby with a glowy ambience, while guests enjoyed snacks and bonded with each other.



▲ Earth Hour programme at Citadines Trafalgar Square London – switching off the electricity in the rooms and enjoying a communal activity at the lobby

At Ascott Kuningan Jakarta, our staff adorned the lobby of the property with eco-friendly décor that showcased the beauty of nature. The team participated in the movement by switching off non-essential lights for an hour. This symbolic gesture was a reminder of our commitment to energy conservation and reducing our carbon footprint. Part of the event was a painting activity that allowed guests and staff to express their creativity while highlighting the importance of preserving our planet and encouraging everyone to play a part in protecting the environment.

The Earth Hour initiatives reflect CLAS' dedication to sustainability and our ongoing efforts to promote eco-friendly practices within our properties and beyond.



▲ Engaging guests in eco-friendly art activities for Earth Hour at Ascott Kuningan Jakarta

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Monitoring Physical Risks

Physical risks are observed through the regular monitoring of incidents, such as floods, across the portfolio. In 2020, CLI had conducted a global portfolio baseline study to better understand its properties' physical climate risk in relation to floods. This included insights into whether properties were located in low lying plains, had encountered flooding in previous years, had equipment located in the basement, and had exposure to other flood risks. 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. To further strengthen climate resilience to flood risk, CLAS, through CLI, regularly engages its operations teams to ensure flood emergency response plans are implemented across its portfolio.

Managing Transition Risks

CLAS is cognisant of the risk posed by existing and emerging regulatory requirements in relation to climate change as a transitional climate change risk, and will continue to monitor any developments in this area. Some of the risks relating to CLAS' key markets are tabled below.

Type of Transition Risk	Country	Country-specific Developments
Regulatory or compliance risk, prompted by certain regulations in the countries of operation	Singapore	<ul style="list-style-type: none"> In 2020, the Monetary Authority of Singapore (MAS) introduced the Environmental Risk Management Guidelines which require financial institutions and asset managers to place greater emphasis on both physical and transition environmental risks. In December 2021, the Singapore Exchange (SGX) introduced a mandate that all issuers must provide climate reporting that is aligned to the recommendations of the TCFD in their sustainability reports from the financial year commencing 2024 for the materials and buildings industry. For now, this requirement is on a 'comply or explain' basis for CLI and CLAS. In 2023, ACRA and SGX also launched public consultation on the recommendations by the Sustainability Reporting Advisory Committee (SRAC). The recommendations aim to further advance climate reporting in Singapore. These recommendations resulted in the mandatory climate reporting details for listed and large non-listed companies being confirmed by the ACRA and the SGX Reg Co on 28 February 2024. These include: <ul style="list-style-type: none"> From FY 2025, all listed issuers will be required to report and file annual climate-related disclosures (CRD), using requirements aligned with the International Sustainability Standards Board (ISSB) standards. Scope 3 climate-related disclosures will become mandatory for listed issuers in FY 2026. External limited assurance on Scope 1 and 2 GHG emissions will become mandatory for listed issuers in FY 2027. Other developments, such as Singapore's Green Plan 2030 that charts ambitious and concrete targets that will strengthen Singapore's commitments under the United Nations 2030 Sustainable Development Agenda and Paris Agreement, and position Singapore to achieve its long-term net zero emissions aspiration by 2050, are also monitored by CLAS as they affect the day-to-day operations and practices of the Trust. In 2022, Singapore also announced that to achieve the nation's climate ambitions, the carbon tax will be raised to \$25/tCO₂e in 2024 and 2025, and \$45/tCO₂e in 2026 and 2027, with a view to reaching \$50-80/tCO₂e by 2030. This will provide a strong price signal for businesses and individuals to reduce their carbon footprint in line with national climate goals.

Type of Transition Risk	Country	Country-specific Developments
Regulatory or compliance risk, prompted by certain regulations in the countries of operation	Australia	<ul style="list-style-type: none"> In 2019, Australia introduced a national plan “The Trajectory” that aims to achieve zero energy and carbon-ready commercial (including offices and industrial premises) and residential buildings. This is also a key initiative to address Australia’s 40% energy productivity improvement target by 2030 under the National Energy Productivity Plan. Australia has committed to achieve net zero emissions by 2050. As of late 2023, the Australia Treasury released a proposal to set out the climate-reporting rules for companies. Under this proposal, companies will need to disclose climate-related information as part of their general financial reporting, starting as early as July 2024 for some companies. As of January 2024, there is a draft legislation that amends the Australian Securities and Investment Commission Act 2001 and the Corporations Act 2001 to introduce standardised, internationally-aligned reporting requirements for businesses, to ensure they are making high quality climate-related financial disclosures.
	The United Kingdom	<ul style="list-style-type: none"> In the UK, a Net Zero Strategy sets out policies and proposals for decarbonising all sectors the UK economy to meet its Net Zero target by 2050. As of 2023, the UK has been working on developing the UK Sustainability Disclosure Standards (SDS) which aims to set out corporate disclosures on the sustainability-related risks and opportunities that companies face. Published by the Department for Business and Trade (DBT), UK SDS will be based on the IFRS Sustainability Disclosure Standards issued by the ISSB. The Secretary of State for Business and Trade will consider the endorsement of the IFRS Sustainability Disclosure Standards, to create UK SDS by July 2024. Following endorsement, UK SDS may be referenced in any legal or regulatory requirements for UK entities.
	Europe	<ul style="list-style-type: none"> The European Union has set its plan to reduce greenhouse gas emissions by at least 55% by 2030 and achieve climate neutrality by 2050. Targets are currently being drafted to revise and expand the EU Emission Trading System, adapting the Effort Sharing Regulation and the framework for land use emissions, reinforcing energy efficiency and renewable energy policies. Furthermore, since January 2023, the Corporate Sustainability Reporting Directive (CSRD) came into force in Europe. This new directive strengthens the rules concerning social and environmental information that should be reported by companies. Companies subject to CSRD will have to report according to the European Sustainability Reporting Standards (ESRS).

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Type of Transition Risk	Country	Country-specific Developments
Regulatory or compliance risk, prompted by certain regulations in the countries of operation	The United States of America	<ul style="list-style-type: none"> In March 2021, the US introduced the CLEAN Future Act with an aim to achieve Net Zero emissions by 2050 with an interim target of at least 50% reduction by 2030 from 2005. There is also a push for stronger building energy codes that aim for all new buildings built by 2029 to use 50% less energy as compared to existing buildings built under current codes. The new energy codes will ensure that all new buildings built in and after 2030 should be “zero energy ready”. This means that they are highly efficient and can meet their energy needs onsite or from nearby zero-emission energy sources. On 6 March 2024, the US SEC adopted rules to enhance and standardise climate-related disclosures by public companies and in public offerings. These rules are aimed at providing investors with more consistent, comparable and reliable information about the financial effects of climate-related risks on a registrant’s operations and how it manages those risks while balancing concerns about mitigating the associated costs of the rules. The final rules will become effective 60 days following publication of the adopting release in the Federal Register, and compliance dates for the rules will be phased in for all registrants, with the compliance date dependent on the registrant’s filer status.
	Japan	<ul style="list-style-type: none"> In 2021, Japan’s Financial Services Agency (FSA) announced its intention to make climate disclosures mandatory for large Japanese companies from April 2022. This comes after the FSA introduced a range of climate disclosures into the corporate governance code of Japan. However, since this code does not legally demand compliance from participating organisations, the FSA started requiring companies listed on the Prime market to comply with its new Japan mandatory climate disclosure regulations and disclose business risks in line with the TCFD recommendations. This regulation increased the number of companies in Japan that are disclosing information in alignment with the TCFD.
Market risks including shifts in carbon and electricity prices, or customer expectations	Global level	<ul style="list-style-type: none"> These developments are prompted by various country-specific or global platforms, including COP28 in November and December 2023, where the key takeaway was that progress on climate action was too slow across all areas such as reduction of greenhouse gas emissions and strengthening resilience to changing climate. The main decision was to accelerate action across all areas by 2030, including to speed up the transition away from fossil fuels to renewables such as wind and solar power in their next round of climate commitments. 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.

METRICS & TARGETS

Commitment to Decarbonisation

In FY 2022, CLI's carbon emissions reduction targets were approved by the SBTi for a 1.5°C scenario. This target is in line with the goals of the Paris Agreement to keep global temperature rise to 1.5°C in this century. CLI has also committed to Net Zero by 2050 for its Scope 1 and 2 emissions.

As part of CLI, CLAS is aligned with these targets. Sustainability and climate-related performance metrics and targets are linked to the remuneration of all employees, including top management. The Balanced Scorecard framework for FY 2023 included both quantitative and qualitative targets relating to climate change. Since FY 2021, carbon emissions intensity reduction was introduced as a performance measure in CLI's Performance Share Plan Awards, which was granted to members of senior management.

Tracking our Environmental Performance

Through CapitalLand's **Environmental Tracking System (ETS)**, a cloud-based platform that facilitates data tracking and benchmarking processes when identifying consumption patterns, CLAS has been monitoring the environmental performance (energy and water usage, carbon emissions, waste generated) of the properties in its portfolio, both the Ascott-managed and third party-managed ones.

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

Energy and Carbon Emissions

CLAS 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. It tracks the carbon emissions of its properties via the ETS. To calculate its carbon emissions, CLAS takes guidance from the operational control approach as defined by the GHG Protocol Corporate Standard.

CLAS discloses the carbon emissions of its properties in its sustainability reports, and the Scope 1 and 2 data has been externally assured since FY 2022. A focus

area for CLI and CLAS is the tracking and disclosure of material Scope 3 categories in the next few years, especially supply chain emissions. CLAS' disclosure of Scope 3 GHG emissions relating to its third-party managed properties can be found in Appendix B of this report.

CLAS is aligned to CLI's commitment to reduce its absolute Scope 1 and 2 emissions by 46% by 2030 (from a 2019 baseline), with an aim to achieve Net Zero by 2050. This target has been validated by the SBTi to be in line with a 1.5°C trajectory. As set out in the SMP, CLI also targets to reduce carbon emissions intensity by 72% and energy consumption intensity by 15% by 2030. In terms of the proportion of total electricity consumption from renewable sources, it aims to increase this to 45% by 2030.

Over the next decade, as part of CLI's roadmap to Net Zero, CLI and CLAS will continue to source globally for new ideas and technologies to achieve higher energy efficiency and intensify its renewable energy integration efforts.

The third-party operators of CLAS' properties have also made long-term commitments to reduce energy consumption and carbon emissions. For instance, Accor has committed to decarbonise all its operations and achieve Net Zero by 2050 – including a 46% emission reduction by 2030 (using 2019 as baseline), validated by the SBTi. Marriott aims to reduce its carbon intensity per square metre of conditioned space by 30% (using 2016 as baseline), and to achieve Net Zero by 2050. It also aims to source a minimum of 30% of its overall electricity from renewable energy by 2025.

To reduce energy consumption, energy audits are conducted at CLAS' properties. Following the energy audits, action plans are put in place, and solutions such as lighting retrofits, building automation systems, HVAC and plant upgrades are carried out.

A smart occupancy detection system is being progressively rolled out at CLAS' properties, with the objective of maximising energy efficiency and operational productivity. The system connects an occupancy sensor and smart thermostat to monitor and automatically control the air-conditioning temperature in guest rooms to save energy. In 2023, the total energy savings at the properties was approximately 913,900 kWh, translating into a reduction of 170.5 tonnes of carbon emissions, and bringing about cost savings of close to S\$146,000.

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Carbon Emissions^{i,ii}

Total Scope 1 and 2 emissions of

33,870
tonnes CO₂e

Carbon emissions intensity of

4.42
kgCO₂e/m²/month

Reduction of

0.4%
in carbon emissions intensity
from 2019 baseline



Energy^{i,ii}

Total energy consumption of

82,151
MWh

Energy consumption intensity of

10.10
kWh/m²/month

Reduction of

6.9%
in energy consumption intensity
from 2019 baseline

- i Computation of footprint data is based on available information of the Ascott-managed properties and excludes third-party managed properties.
- ii Computation of intensity data excludes new properties which were in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party managed properties. Intensity figures relate to purchased energy and natural gas only, and exclude diesel fuel (non-vehicle) and other fuels (vehicle).

In 2023, about 10% of total electricity consumption was from renewable sources. In late 2023, Japan was another location where Ascott began purchasing renewable electricity. As at the date of this report, all of CLAS' Ascott-managed properties in Belgium, Japan, Germany and the United Kingdom procure electricity from renewable sources.

CLAS is committed to adopting the use of renewable energy at its properties and will continue to identify opportunities to increase renewable energy use as countries increase their renewable energy capacity.



▲ At two of CLAS' Indonesia properties (Ascott Jakarta and Ascott Kuningan Jakarta), solar panels have been installed to supplement their energy requirements, resulting in a reduction of carbon footprint and energy costs.

Water

CLAS adopts a strategic approach to water management to enhance the efficiency, resilience and long-term value of its portfolio. The World Resources Institute's Aqueduct Water Risk Atlas is a tool which maps and identifies overall water risk levels associated with risks such as droughts, floods and water stress (ratio of water demand to renewable supply). According to this tool, the cities within the key markets where CLAS' properties are located register predominantly low to low-medium overall water risk levels up till 2030. Nonetheless, CLAS is committed to actively manage and reduce total water consumption, reuse and recycle water where possible, and to prevent water pollution. Over the years, numerous water-saving initiatives have been introduced to reduce overall water intensity with an aim to achieve cost savings as well.

Overall water risk levels for CLAS' key markets



Low



Low-Medium



Medium-High



High



Extremely High

CLAS' Key Market	Australia	France	Japan	Singapore	United Kingdom	United States
Overall Water Risk Level ⁱ	Low-Medium	Low	Low-Medium	Low	Low-Medium	Low-Medium

ⁱ Based on the predominant risk level of the cities where CLAS' properties are located.
Source: World Resources Institute's Aqueduct Water Risk Atlas (wri.org)

At CLAS' properties, water audits, metering and monitoring are performed to track consumption and detect leaks early. Some water-saving solutions implemented include low-flow fixtures, motion-activated faucets and dual / low flush toilets. Water is recycled and the reliance on portable water is reduced. For instance, rainwater may be harvested for landscape irrigation (watering of plants) or cleaning of garbage areas with a simple system installed that requires no pump or electricity.

CL's long-term target (using 2019 as base year) is to reduce water intensity by 15% by 2030. The third-party operators of CLAS' 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^{i,ii}

Total water consumption of

881,210
m³

Water consumption intensity of

0.110
m³/m²/month

Reduction of

4.8%
in water consumption intensity
from 2019 baseline

ⁱ Computation of footprint data is based on available information of the Ascott-managed properties and excludes third-party managed properties.

ⁱⁱ Computation of intensity data excludes new properties which were in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party managed properties.

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Waste

CLAS acknowledges the importance of managing waste at its properties responsibly and is committed to implementing strategies to ensure the proper disposal of waste. All waste generated at CLAS' properties is non-hazardous. As waste is mainly generated by guests, tenants and the general public, CLAS engages these stakeholders through various means to reduce and recycle waste. Recycling bins are available at CLAS' properties, and waste is managed through the use of landfills and recycling facilities. In CLAS' Singapore properties, waste is sent to waste-to-energy incineration plants instead of landfills.

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. CLI also leverages Building Information Modelling (BIM) technology to improve its design and construction processes. This technology performs clash detection before construction and identifies situations where mechanical and electrical pipes will clash with structural members, saving time, cost of remedial work and minimising material waste.

Waste data in certain countries is not readily available or cannot be consolidated due to local supply chain challenges. Nonetheless, in 2023, CLAS continued to improve tracking of the waste data at its properties. We recorded a total of 3,476 tonnes of waste generated in 2023 and a recycling rate of 11% in our day-to-day operations⁴. We remain focused on our target to achieve a recycling rate of 25% by 2030.

WASTEMASTER FOOD RECYCLING SYSTEM TESTBED

In December 2023, the WasteMaster, a food recycling system, was installed and implemented as a testbed at one of CLAS' properties, The Robertson House by The Crest Collection, with funding support from the CapitaLand Innovation Fund. The WasteMaster is a type of food dehydrator which recycles food into a compost-like material. This material retains the food nutrients value, and can be repurposed into other uses, e.g. power generation or feed stock.

The WasteMaster occupies a limited amount of space. It mitigates any business disruption that may come as a result of poor hygiene management, odour control and pest control. As there is no additional food waste segregation or monitoring required, and the machine automatically loads waste, operations teams are relieved as less manpower is needed, resulting in labour and time savings.

The WasteMaster also supports the upcycling and circular economy as there is a wide range of potential uses for the food waste residue. As the residue is lightweight, there is ease of packaging, shipping and storage. Carbon emissions reduction is another benefit of the WasteMaster system, as incineration is avoided. Electricity consumption reduction is expected as well, as air-conditioning for odour control would not be required.

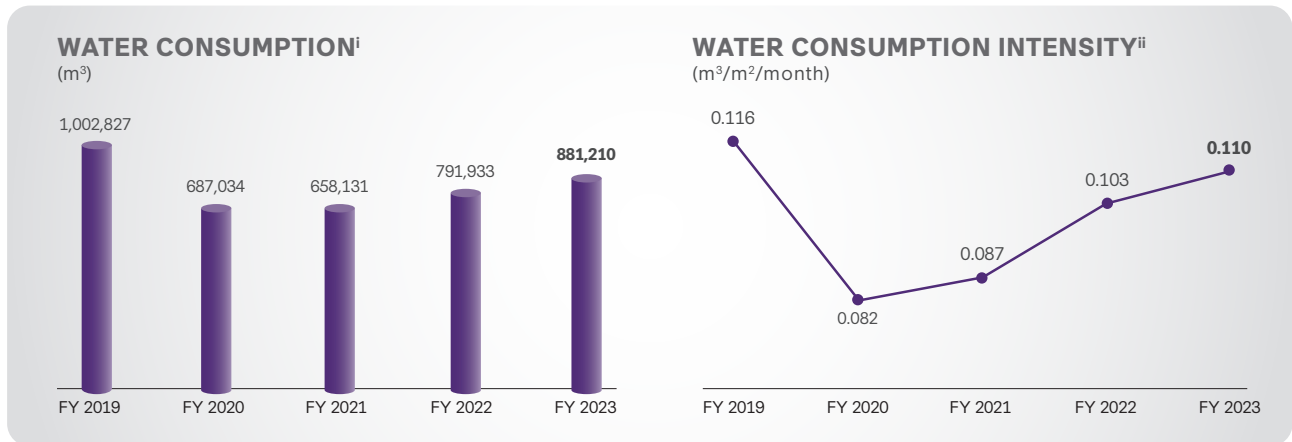
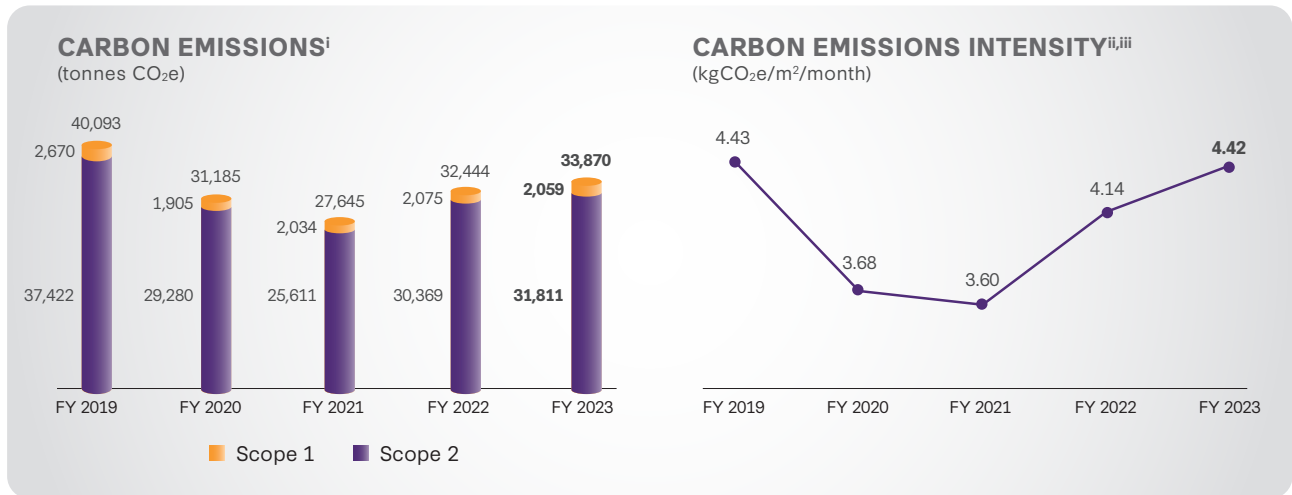
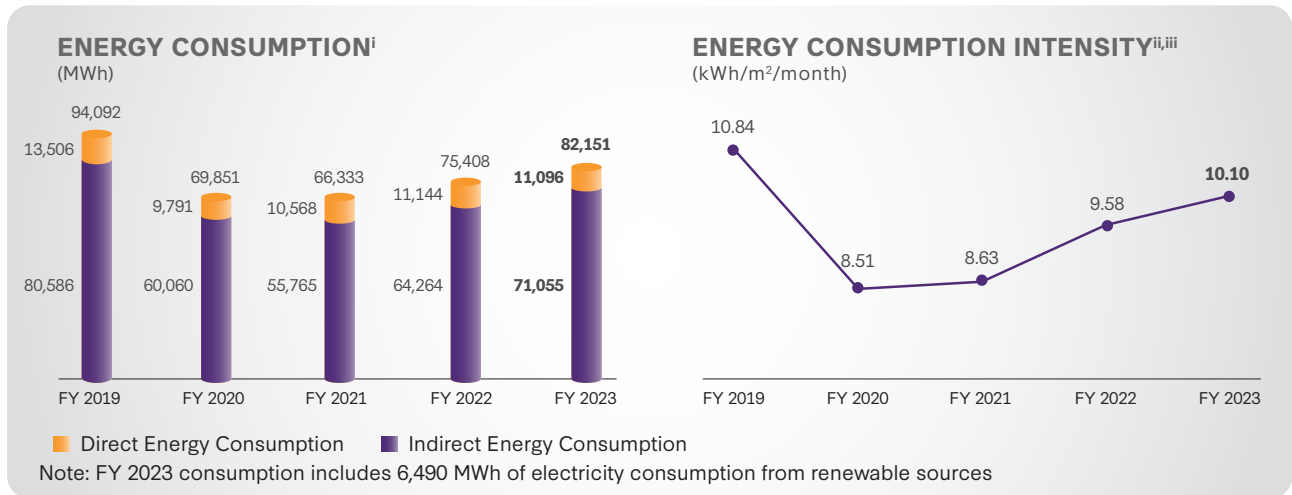
Currently, the team behind this testbed is finetuning the operations and studying how to increase the food waste recycling rate at the property. The plan is to roll out the system to other properties, if successful.



▲ WasteMaster food recycling system testbed at The Robertson House by The Crest Collection

⁴ Computation of footprint data is based on available information of the Ascott-managed properties and excludes third-party managed properties.

The charts below show the consumption and intensity trends of CLAS' Ascott-managed properties for the past five years. In 2020 and 2021, consumption was lower as some properties were temporarily closed and the occupancies of the operating properties were lower due to COVID-19. In 2022 and 2023, consumption was higher as demand for accommodation recovered. The average occupancy of CLAS' Ascott-managed properties increased from about 72% in 2022 to 77% in 2023.





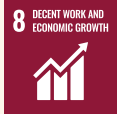






i Computation of footprint data is based on available information of the Ascott-managed properties and excludes third-party managed properties. CLAS' disclosure of its Scope 3 carbon emissions (for third-party managed properties and corporate air travel) can be found in Appendix B of this report.

ii Computation of intensity data excludes new properties which were in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party managed properties. Please refer to "About This Report" on page 3 for more information.

iii Intensity figures relate to purchased energy and natural gas only, and exclude diesel fuel (non-vehicle) and other fuels (vehicle).

SOCIAL

COMMITMENTS AND PROGRESS

Areas of Focus	2030 Targets	Performance in 2023	IR Capitals and UN SDGs supported
Diversity 	At least 40% female representation in senior management level	<ul style="list-style-type: none"> Female employees in CLI's senior management positions – 38% Female employees who are key management personnel of CLAS' Managers – 75% 	Human Capital Social and Relationship Capital    
Human capital development 	Staff engagement score of at least 80% (with at least 85% participation)	<ul style="list-style-type: none"> Engagement score of 84% and participation rate of 89% for CLI Lodging business unit 	
	At least 85% of staff to attend one ESG training and be future-ready and productive employees	<ul style="list-style-type: none"> Staff who attended at least one ESG training – 86%¹ Staff who attended at least one professional course – 84%¹ Average training hours per staff – 28 hours¹ 	
Supply chain management 	Contractors and vendors to abide by CapitaLand's Supply Chain Code of Conduct	<ul style="list-style-type: none"> In 2023, Ascott's suppliers acknowledged to abide by CapitaLand's Supply Chain Code of Conduct as part of their new and renewed contracts² 	
Areas of Focus	Perpetual Targets	Performance in 2023	
Human rights 	Zero tolerance to child/forced labour	Zero incidents	
Occupational health & safety 	Maintain ISO 45001 certification for OHS Management System	Retained ISO 45001 certification in 13 countries	
	Zero work-related incidents resulting in fatality and permanent disability	Zero incidents	
	Zero work-related incidents resulting in fatality and permanent disability for contractors where applicable	Zero incidents	

1 Excluding interns, trainees, temporary and outsourced staff, and employees from the three properties which were acquired in November 2023 and the four properties which were divested in September 2023.

2 With the exception of certain contractual arrangements which are waived or excluded.

OUR STAKEHOLDERS

Stakeholders are groups that have a vested interest in CLAS and can either affect or be affected by CLAS' business and operations. CLAS' key stakeholders comprise employees, guests and tenants, business associates, suppliers and the local community. Other groups include regulators and key government agencies, non-governmental organisations, representatives of the capital market and the media.



OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety (OHS) of our stakeholders is of utmost importance to CLAS.

As a Group, OHS is championed by CLI's Group Safety Council, which was established in 2020 and comprises members of the CLI Leadership Council. The Group Safety Council reviews major OHS incidents and helps to reinforce a culture of safety. At the Lodging business unit, Ascott's **Lodging Safety Council** is chaired by the CEO for Ascott and CLI Lodging, and the CEO of CLAS' Managers is a member of the council.

CLAS practises **Singapore's Code of Practice (CoP) on Chief Executives' and Board of Directors' Workplace Safety and Health (WSH) Duties** at its Ascott-managed properties. The CoP, which came into effect in October 2022, embodies four principles comprising 17 actionable measures that company directors can demonstrate leadership in, by improving WSH performance and management. Ascott's senior management conducts

monthly safety inspections at the Singapore properties to pre-emptively identify and address safety hazards. In addition, WSH updates are discussed with CLAS' Boards at the quarterly board meetings.



▲ CEO of CLAS' Managers, Serena Teo (third from left), conducting a safety inspection at Citadines Mount Sophia Property Singapore

SOCIAL

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. 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. CLAS provides staff with safe and healthy working conditions and strives to eliminate or minimise hazards and risks through various measures, aiming for a 'zero harm' outcome.

ISO-certified OHS Management System

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, for more than a decade. Internal audits are scheduled at least once a year, covering 50% of the sites in each country and external audits are scheduled annually with an accredited third-party certification body. CLAS has presence in 13 of the 19 countries covered under CapitaLand's OHS Management System.

CLAS 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.

Hazards Identification and Risk Assessments are carried out annually or when necessary. OHS hazards are identified for the administration, development and operational functions of CLAS' businesses and their risks are assessed. CLAS has also put in place various standard operating procedures to identify and reduce occupational injury rates. For new investments, the **Environment Health Safety Impact Assessment (EHSIA)** enables the investment team to consider OHS risks and opportunities upfront and to identify mitigating measures early. This approach underscores our commitment to integrating safety and sustainability in our investment decisions.

Fostering a Safety-first Culture

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 Ascott CARES has been rolled out to Ascott properties globally.

CLI and CLAS seek to foster a positive and proactive 'safety-first culture' with zero fatality, permanent disability or major injury, and for main contractors where applicable. Two new safety initiatives were launched in 2023 – **CLI Global Safety Guidelines (GSG)** and the **iSafe digital app**.



▲ iSafe digital app

CLI's GSG assures a consistent standard of safety practice. The GSG provides clarity in terms of safety requirements to CLAS' operators. This is especially crucial as safety practices and requirements vary from country to country. The GSG sets the base, and CLAS' properties conform to the GSG even if local country regulations do not require them. Staff and workers receive training on OHS, like "Safety Fundamentals" and "Risk Assessment Essentials", to better equip them to implement the GSG.

To enable worker participation in safety improvement opportunities, CLAS leverages CLI's in-house digital solution, the iSafe digital app. The iSafe app empowers staff to "snap and submit" safety improvement reports as they perform their day-to-day duties. This app is enabled for all Singapore properties and will be progressively rolled out globally.

Amongst CLAS' employees and employees at CLAS' third-party managed properties, there were zero work-related incidents resulting in fatality and permanent disability, and 22 staff work-related injuries reported in FY 2023. Thorough investigations were conducted, and all necessary follow-up actions, such as reinforcing the OHS standard operating procedures amongst staff to minimise the occurrence of such hazards, were undertaken. Amongst CLAS' employees, the injury rate³ was 4.7, the lost day rate⁴ was 49 and the absentee rate⁵ was about 3.5% in FY 2023.

In FY 2023, there were no incidents of material non-compliance with safety laws and regulations.

3 Injury rate is computed based on the number of injuries per million hours worked. Injuries refer to work-related incidents that resulted in at least one day of medical leave. The total number of hours worked in FY 2023 was 3,813,004.

4 Lost day rate is computed based on the number of man-days lost due to workplace injuries per million hours worked.

5 Absentee rate is computed based on the number of absent days over the number of available scheduled work days, regardless of whether the absence was due to a work-related illness or not.

EMPLOYEES

Employee Profile

CLAS is managed by the Managers which are wholly-owned CLI subsidiaries, and CLAS' properties are predominantly managed by Ascott. For the purpose of this sustainability report, CLAS' employees refer to the employees of the Managers and CLAS' Ascott-managed properties, unless otherwise stated.

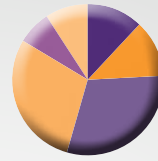
The total headcount for CLAS was 1,774 as at 31 December 2023, comprising 96% full-time equivalent and 4% part-time employees⁶. The total headcount increased from 1,645 as at 31 December 2022, due to higher staffing needs post COVID-19 and changes in CLAS' portfolio⁷. 71% of the employees were from CLAS' properties in Asia Pacific, while the other 29% of the employees were from CLAS' properties in Europe (including UK).

EMPLOYEE GENDER PROFILE



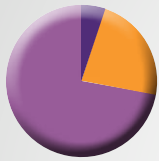
Female	49%
Male	51%

EMPLOYEE AGE PROFILE



	Female	Male
<30 years old	12%	12%
30 to 50 years old	31%	29%
>50 years old	7%	9%

EMPLOYEE SENIORITY PROFILE



Management	5%
Executive	23%
Non-executive	72%

FEMALE REPRESENTATION IN MANAGEMENT POSITIONS

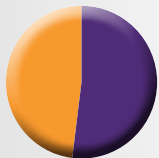


38%
Female employees in CLI's senior management positions



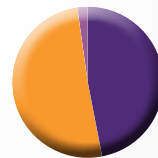
75%
Female employees who are key management personnel of CLAS' Managers

NEW HIRE GENDER PROFILE



Female	52%
Male	48%

NEW HIRE AGE PROFILE



<30 years old	47%
30 to 50 years old	51%
>50 years old	2%

TURNOVER GENDER PROFILE



CLAS' Managers	
Female	50%
Male	50%

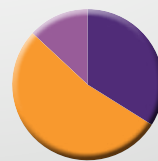


CLAS' Employees	
Female	51%
Male	49%

TURNOVER AGE PROFILE



CLAS' Managers	
30 to 50 years old	50%
>50 years old	50%



CLAS' Employees	
<30 years old	34%
30 to 50 years old	53%
>50 years old	13%

6 The total headcount excludes interns, trainees, temporary and outsourced staff. As at 31 December 2023, of the full-time equivalent employees, 72% were from CLAS' properties in Asia Pacific and 28% were from CLAS' properties in Europe (including UK); 50% and 50% were males and females respectively; 23% were under 30 years old, 60% were 30-50 years old and 17% were over 50 years old. Of the part-time employees, 36% were from CLAS' properties in Asia Pacific and 64% were from CLAS' properties in Europe (including UK); 55% and 45% were males and females respectively; 52% were under 30 years old, 45% were 30-50 years old and 3% were over 50 years old.

7 CLAS considers a change in total headcount of 10% or above to be significant.



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

Human Rights

CapitaLand has a **Social Charter**⁸ 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 harassment⁹, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance. Applicable to all staff, the policy guides CapitaLand towards ensuring a supportive and respectful environment for individuals across all aspects of the business and operations.

CapitaLand was ranked amongst the top three in the Real Estate category of The Straits Times' Singapore's Best Employers 2023¹⁰.

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

CLAS 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 CLAS' project sites.

In FY 2023, CLAS 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, motivate and retain talent.

Diversity, Equity and Inclusion

CLAS embraces diversity, equity and inclusivity regardless of age, religion, gender, race, nationality and

family status. CLAS is guided by CapitaLand's **Diversity & Inclusion Policy**¹¹, which expects employees to foster a culture of diversity and inclusion, where different perspectives, experiences and skillsets are respected and valued. In 2023, CLI's Chief Sustainability Officer introduced a 3-part e-learning series on the Fundamentals of Diversity, Equity and Inclusion to enhance staff's knowledge of working in and leading diverse teams at the workplace. Having a diverse mix of employees is also a target under the CLI 2030 SMP.

CLAS has a vibrant and competent workforce that has given it a competitive advantage. As at 31 December 2023, CLAS' employees comprised 86 nationalities. About 24% of its global workforce was below the age of 30 years old, 59% between 30 to 50 years old and 16% above 50 years old. The workforce also comprised a balanced gender mix of males and females, at 51:49. Female employees comprised more than 38% of CLI's senior management, about 51% of CLAS' middle and senior management positions and 75% of the Managers' key management personnel. CLAS was ranked amongst the top 10 companies in Singapore in Equileap's Gender Equality Global Report & Ranking 2024¹².

To attract talent, job opportunities are advertised publicly via online job portals, with selections based on individual merit, in line with CLAS' non-discriminatory employment practices. In FY 2023, there were 386 new hires, representing about 22% of the total headcount of CLAS. Approximately 48% of the new hires were male and 52% female. About 47% of the new hires were below the age of 30 years old, 51% were between 30 to 50 years old and 2% were above 50 years old. About 71% of the new hires were from CLAS' properties in Asia Pacific and the other 29% were from CLAS' properties in Europe (including UK).

Fair Remuneration

All staff have signed employment contracts with the key employment terms and conditions clearly stated. This allows staff to understand both their rights and obligations, as well as those of the company, thus minimising potential employment disputes.

CLAS observes a pay-for-performance philosophy that rewards employees for superior performance, which aligns the interests of employees with that of Stapled Securityholders, to deliver long-term value. All employees

8 An extract of CapitaLand's Social Charter is available on [CLAS' website](#) and the full policy is available on our Intranet.

9 An extract of CapitaLand's Harassment Policy is available on [CLAS' website](#) and the full policy is available on our Intranet.

10 Source: [The Straits Times](#) (2023)

11 An extract of CapitaLand's Diversity & Inclusion Policy is available on [CLAS' website](#) and the full policy is available on our Intranet.

12 The Gender Equality Global Report & Ranking by Equileap is an in-depth analysis of the gender equality performance of publicly listed companies around the world. Companies are scored based on 19 criteria, including the gender balance of the workforce, senior management and board of directors, as well as the pay gap and policies relating to parental leave. The report is accessible [here](#).

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 CLAS' compensation package and benefit programmes remain competitive and comprehensive, CapitaLand engages third-party consultants to benchmark CLAS' 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. The overall annual variable bonus pool is determined based on the achievement against a holistic set of quantitative and qualitative targets in the Balanced Scorecard dimensions of Financials, Execution, Future Growth, Talent Management and Sustainability (including Environment, Social and Governance factors). These targets are cascaded across the organisation, thereby creating alignment across business units. The amount of bonus awarded to each staff is further based on their relative contributions and individual performance. Staff at managerial grades are eligible to receive performance-based long-term share awards. Sustainability targets are integrated into CLAS' Performance Share Plan and the share awards will vest over three years.

CLAS also practises pay parity and rewards men and women fairly based on merit, ability and experience for comparable roles across the organisation's hierarchy. Its hiring and 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. From the 2023 group-level benchmarking exercise, no major pay gap was found¹³.

Re-Employment Opportunities

CLAS leverages CapitaLand's **transition assistance programme** to engage with employees who are approaching retirement, starting nine months before their retirement date. This programme seeks to evaluate their career options, which may include early retirement, step-down positions or consultancy roles.

CapitaLand has a re-employment policy to enable employees to work beyond the retirement age in the respective countries, if they are still able and willing to continue contributing. In FY 2023, there were 24 CLAS employees aged above 62.

In cases where employees experience involuntary career endings, CapitaLand initiates one-on-one

conversations to explore suitable redeployment opportunities for the employee within the company, or collaborate with external agencies, such as the Employment & Employability Institute, to secure appropriate placements that leverage the affected employee's skills and experience. In accordance with the Tripartite Guidelines on the Re-employment of Older Employees, affected Singapore-based employees who choose to exit the company without accepting the re-deployment opportunities will receive an employment assistance payment to support their transition.

Respect for Freedom of Association

CLAS 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. 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 to 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. About 37% of CLAS' global workforce is covered by collective bargaining agreements. Notwithstanding this, all other CLAS employees not covered by collective bargaining agreements will continue to have their key employment terms aligned to the relevant collective bargaining agreements in the countries.

Talent Management

CLAS 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, CLAS constantly builds its management bench strength by identifying and developing promising talents.

In 2021, CLAS established a Nominating and Remuneration Committee which regularly reviews the succession plans for the Boards and Board Committees as well as the key management personnel of CLAS' Managers. On an annual basis, CLAS identifies and reviews suitably qualified candidates from both within and outside of the organisation who could be considered for key positions when the need arises in the immediate, medium and long term.

13 The average gender pay gap for CLI (comparison is for base salary and other cash incentives) is about 8% in favour of females at non-executive levels, 3% in favour of females at executive levels and 11% in favour of males at middle management levels. At senior management levels with female representation, the average pay gap is 25% in favour of males. There are three levels of senior management with no female representation. For reference, the 2023 Organisation for Economic Co-operation and Development average gender wage gap is 12%.

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Partnerships with Educational Institutions

CapitaLand recruits talent through a network of local and overseas universities, and attracts young talent with less than five 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.

Learning and Development

CLAS is committed to building and developing a dynamic workforce and talent pool that enables CLAS to achieve its next phase of growth. CLAS 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. Sponsorship of certified courses (such as diplomas, degrees or postgraduate courses) is available to support full-time employees in acquiring knowledge and skills

readiness and service excellence, fostering knowledge exchange and providing upskilling opportunities.

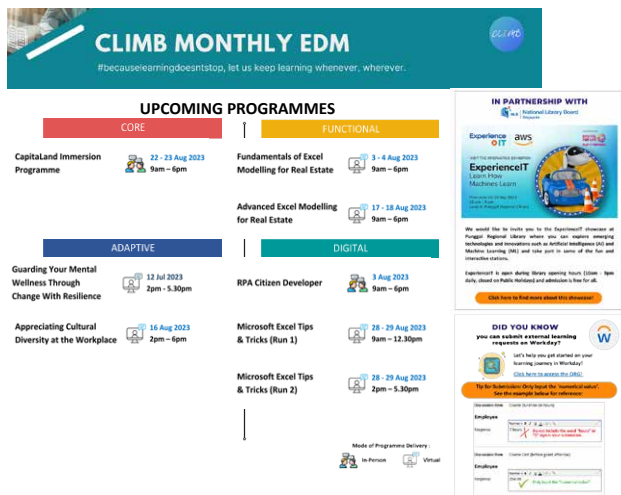
ACE, in collaboration with the Global Sustainable Tourism Council, recently launched its first run of the Sustainable Hotel Course, to jointly train and equip industry leaders and professionals in Singapore on sustainability. This collaboration contributes to Singapore's hotel sustainability roadmap, which has a target of at least 60% of all hotel room stock in Singapore achieving internationally-recognised sustainability certifications by 2025.

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 2023, about 34% of CLAS' employees¹ 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 2023, 84% of CLAS' employees¹ attended at least one professional training course, and 85% attended at least one ESG training.

The average training hours per employee¹ was approximately 28 hours. The average training hours was 26 hours for male employees and 31 hours for female employees. The average training hours was 33 hours for full-time employees, 12 hours for contract employees and 71 hours for employees who are above retirement age and rehired.



▲ Monthly eDM on upcoming training programmes for employees

which will assist them in their current roles or future planned appointments. 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

Employee Benefits and Well-being

CLAS believes that healthy workplaces help employees flourish and reach their potential. CLAS 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. All staff are entitled to parental leave. CapitaLand also provides Family Event and Extended Child Care Leave for staff to care for their loved ones, including children, spouses, parents, parents-in-law, or siblings. This is over and above the legal requirement. CapitaLand adheres to the respective social security contribution or pension plan obligations of the countries where it operates.

Building a Healthier Workplace

CLAS adopts CapitaLand's well-being strategy of building a culture of holistic well-being, which is critical to developing workplace resilience. In 2022, the CapitaLand Wellbeing Programme was refreshed to offer a more holistic focus on six dimensions of wellness that contribute to one's sense of wellness or quality of life – emotional (mental), financial, purposeful (community involvement), social, career and physical wellness.

Employees are able to access the CapitaLand Wellbeing Programme to learn more about managing the six dimensions of wellness and to seek support when needed. Regular virtual talks on these six dimensions are available for all employees globally to join.

▲ As part of the CapitaLand Wellbeing Programme, regular talks are conducted on various topics of well-being.

Employee Engagement

CLAS supports opportunities for management-employee engagements through various channels, including staff communication sessions held by the senior management of CLI 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. New joiners are also invited to engagement events with the senior management of Ascott, to welcome them and assist them in assimilating into their new roles.

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

Employee engagement or pulse surveys are conducted annually. In 2023, a group-wide **Employee Pulse Survey** was conducted for all CLI staff through independent vendors Qualtrics and Ugam. The survey included questions on employee engagement, core values & culture, growth & development, empowerment & accountability, performance & recognition, work processes, collaboration & teamwork, employee well-being and net promoter score. The survey included both close-ended questions on a Likert scale and open-ended questions.

The results were aggregated to understand employees' perceptions of their work environment and identify areas for improvement. The survey had a participation rate of 93% and the average engagement score was 84%, an improvement from 2022's participation rate of 91% and average engagement score of 83%.

For the CLI Lodging business unit, which the employees of CLAS' Managers and CLAS' Ascott-managed properties are part of, the employee engagement score was in line with CLI at 84% with a participation rate of 89%¹⁴.

Following the survey, the HR Business Partners worked with the respective CEOs to address the key issues within their business units. At the Group level, initiatives were rolled out to address concerns, where applicable.



▲ Conducted annually, Ascott Moments Week is a week-long event that celebrates staff around the world while reinforcing behaviours that promote service excellence. Ascott Moments Week 2023 centered on the theme "You Matter! Bringing the Brand Experience to LIFE", focusing on the key role employees play in delivering excellent Brand Experience through the Brand Signatures, activations, and touchpoints.

14 A further breakdown of the survey results was done for the Managers, with the employee engagement score at 75% and participation rate of 80%.

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Fostering Genuine Connections Amongst Employees

CapitaLand encourages employee engagements to foster a vibrant and productive work environment. CLAS embodies this through promoting social events and team building activities.

The **CLI Employee Experience Committee**, a staff volunteer initiative to drive key experience building programmes for CLI, was launched in 2023 to organise group-level events and foster bonds across business units. The committee organised various employee engagement activities throughout the year, such as the CapitaLand Group Sports Day 2023, Staff Appreciation Night 2023 and monthly employee well-being activities.



▲ Employees of CLAS' Managers at a Christmas-themed cooking team building event

The inaugural CapitaLand Group Sports Day 2023 saw participation from more than 1,400 Singapore-based employees across the Group. Employees were grouped into four houses based on their business units and took part in inter-house competitions including basketball, captain's ball, futsal, table tennis and team relay. This event fostered inter-business unit cohesion, and demonstrated CapitaLand's commitment to promoting a healthy work-life balance and upholding a positive company culture.



◀ The Ascott team at the CapitaLand Group Sports Day 2023

The **Thinking Cap Team** (TTCT) was set up in 2022 for colleagues within the Listed Funds business to engage and synergise. TTCT introduces initiatives and programmes to forge better work relationships, enable staff to have a better understanding of the CLI ecosystem, as well as promote employee well-being. The CLI Listed Funds Cross-REIT Sharing & Team Bonding Session 2023 provided a platform for cross-sharing of ideas and discussion on topics of interest across the various CLI Listed Funds. A panel session discussed the challenges and potential business opportunities ahead for the various real estate sectors and markets. Following the session, a meaningful team building event that involved the construction of refurbished bicycles for charitable causes was conducted in the afternoon. 119 employees participated in the event, building 12 bicycles for charity.



▲ CLI Listed Funds Cross-REIT Sharing & Team Bonding Session 2023 participants with the refurbished bicycles

Recognising Outstanding Employees

Besides staff communication sessions, surveys, social events and team building activities, another way in which we engage employees is by recognising and awarding individuals who have demonstrated exemplary attitudes in their work.

The Stars of Ascott – Service from the Heart Awards and Stars of Ascott – Outstanding Service from the Heart Awards recognise outstanding individuals who go the extra mile to create ‘WOW’ experiences for guests and colleagues.



▲ Stars of Ascott – Outstanding Service from the Heart Award Winners for 2023

Employee Movement

CLAS monitors the movement of its workforce closely. In FY 2023, CLAS’ Managers had two staff departures, representing an employee turnover rate of about 8%. This comprised one female and one male, with one between the age of 30 to 50 years old and the other above 50 years old. This is an improvement from FY 2022 when the turnover rate was about 15% (excluding internships which had concluded during the year).

For CLAS, the employee turnover was 436 in FY 2023, representing an employee turnover rate of about 25%. Males comprised 49% and females comprised 51% of the employee turnover. About 34% of the employee turnover was below the age of 30 years old, 53% between 30 to 50 years old and 13% above 50 years old. About 63% of the employee turnover was from CLAS’ properties in Asia Pacific, while the other 37% was from CLAS’ properties in Europe (including UK).

The turnover rate is lower than hospitality companies globally. Given that CLAS’ business is in the labour-intensive hospitality industry with a large number of non-executive staff, the staff movement is deemed normal. CLAS conducts exit interviews with employees leaving the company as part of our efforts to effect positive changes within CLAS.

CUSTOMERS (GUESTS AND TENANTS)

One of CLAS’ priorities is to foster meaningful interaction with guests and tenants at our 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** (GSS) filled up upon guest check-out through which metrics such as customer satisfaction and net promoter score (NPS) are measured and tracked, and a Global Review Index™ based on online guest reviews from more than 140 online travel agencies and review sites in over 45 languages. Third-party services are used to send the surveys to guests, track and collect the responses and generate reports. 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 guests and tenants.

Customer satisfaction is calculated based on the percentage of customers¹⁵ who responded “Very satisfied” or “Satisfied” to the following question: “Overall, how satisfied are you with your recent stay experience?”. NPS is calculated based on the percentage of promoters¹⁵ subtracted by percentage of detractors¹⁵ in response to the following question: “Based on your latest stay experience, would you recommend us to your family, friends, and colleagues?”.

In 2023, 100% of guests at CLAS’ Ascott-managed properties were sent the GSS. The properties received a customer satisfaction score of 90 points and NPS of 47, with a response rate of 8.7%. Based on the Global Review Index™, the properties achieved a positive rating of above 80% for 2023.

Tenant & Guest Health & Well-being

The health and safety of tenants and guests are of utmost importance to Ascott and CLAS. Our properties offer a comprehensive array of wellness amenities, including fitness facilities and wellness activities to promote guests’ physical and mental well-being during their stays. Additionally, some properties, such as Somerset Kuala Lumpur, offer mini salad bars in the lobby for all guests to enjoy, as part of elevating guests’ health and wellness through healthier diets.

Ascott Clean360 is a global hygiene programme implemented to meet current-day needs. Precautions taken under this programme include rigorous disinfection and cleaning frequencies, especially for high-touch areas, and easy accessibility to hand sanitisers, amongst others. In 2021, Ascott was the first hospitality company

15 Out of total number of respondents to the GSS.

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in the world to offer its guests global access to a comprehensive suite of telehealth, tele-counselling and travel security advisory services. In a global partnership with leading health and security services company **International SOS**, Ascott provided the following complimentary services as part of its enhanced Ascott CARES commitment:

- **Medical Advice & Assistance:** Get guidance from International SOS' health experts on matters including medication, non-life-threatening ailments, acute and chronic illnesses.
- **Travel Security Advice:** Receive advice on security matters like safe transportation options and assistance during in-country incidents such as protests or natural disasters.
- **Mental Health & Emotional Support:** Access accredited counsellors for help with various mental and emotional health issues including depression, anxiety and trauma.
- **Evacuation Coordination and Support:** Receive assistance for medical or security incidents requiring evacuation to a medical centre or repatriation to a safe location.

In 2023, the programme assisted over 100 of Ascott's guests across 15 cities in areas such as medical assistance, travel advisory and emotional support.

Enhancing Guest Experiences

A pillar under Ascott CARES, Ascott seeks to build resilient and prosperous communities where it operates, anchored in strong community support and cultural heritage.

Ascott strives to ensure that guests get to experience well-rounded local experiences and culture as they settle into a destination. In addition, to foster interaction amongst guests and elevate guests' experience during their stay, our properties curate events and activities for guests to participate in.

lyf one-north Singapore collaborated with Monster Day Tours on a Singapore Street Food & Night Tour to introduce the lyf residents to Clarke Quay, Singapore's most popular night spot, and other places of interest along the Singapore River. The tour also included a UNESCO hawker dining experience, where the participants enjoyed local Singaporean dishes, such as prawn noodles, satay and fried carrot cake at Lau Pa Sat. Such heritage tours conducted by the properties promote an appreciation of local cultural heritage, as well as enhance guests' experiences during their stays.



▲ Participants on the Singapore Street Food & Night Tour visiting places of interest (top) and enjoying local dishes (bottom)

At our Ascott-managed Vietnam properties, the first Friday of every month is Residents' Day. Guests, who are mainly expatriates and business travellers, are introduced to a variety of authentic Vietnamese food and drinks, including Vietnamese spring rolls, green sticky rice, lotus seed sweet soup and salt coffee. Such activities allow our guests to learn more about Vietnam's history and gain a deeper appreciation for the local culture.

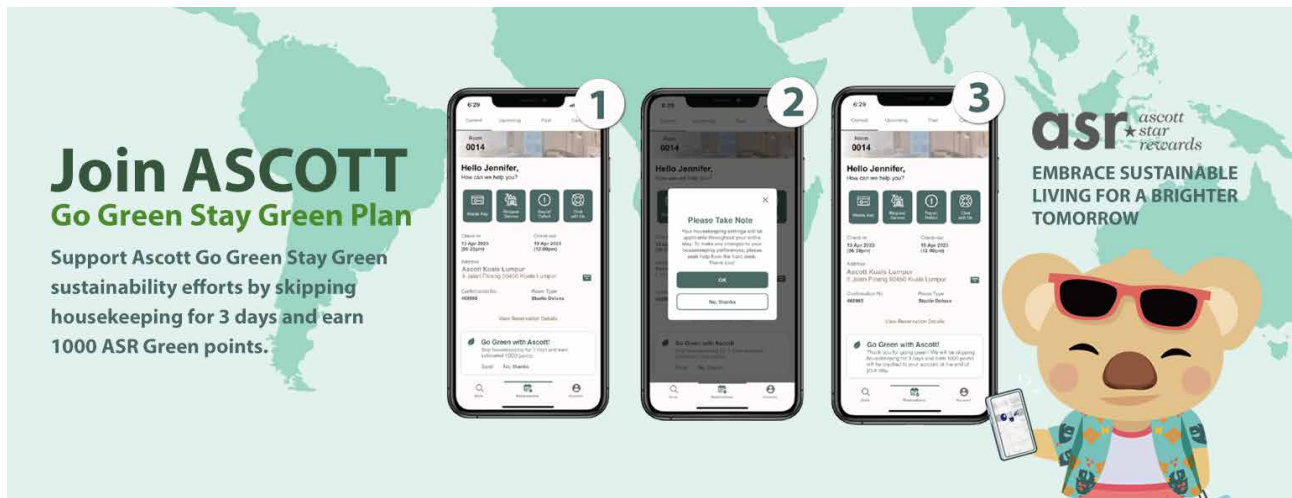


▲ Introducing traditional Vietnamese dishes to guests on Residents' Day

Building Customer Loyalty and Going Green with Ascott Star Rewards

Another important touchpoint with guests is Ascott's loyalty programme, Ascott Star Rewards (ASR). ASR members can enjoy discounted rates and other perks when booking through the Discover ASR website or mobile app, and earn ASR points which can be redeemed for rewards such as complimentary stays or upgrades.

Augmenting guests' experience with a 'phygital' experience, the Discover ASR mobile app also includes other features such as allowing guests to customise their stay by sharing pre-arrival and in-stay requests, earn ASR points if they opt out of housekeeping service as part of Ascott's Go Green initiative, and share feedback on their stay through a pulse survey in the mobile app. Guests can also access the in-app social wall and private messaging features which allow them to interact with fellow guests or communicate privately with the front desk.



ASR members can also make a difference by donating their ASR points to CapitaLand Hope Foundation, the philanthropic arm of CapitaLand, to support community development initiatives in countries where CapitaLand operates.

INVESTMENT COMMUNITY (INVESTORS, ANALYSTS) AND MEDIA

CLAS 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 CLAS' **Investor Relations Policy**¹⁶, which states the guiding principles of our approach and can be accessed on CLAS' corporate website.

CLAS 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 CLAS' latest corporate developments are promptly disclosed via SGXNet and made available on CLAS' corporate website.

CLAS also makes it a practice to release our financial results and business updates within 30 days from the

About 90 engagements with 1,300 analysts and investors in 2023

end of each quarter. To provide more comprehensive updates on CLAS' financial and operational performance, post-results briefings are held for the media, analysts and investors. In 2023, CLAS actively engaged various stakeholders through more face-to-face engagements, which consisted of both group and one-on-one meetings, which included non-deal roadshows held overseas. In total, we reached out to about 1,300 analysts and investors, across about 90 engagements in 2023.

The meetings provided an effective platform for CLAS to initiate transparent and timely communication on matters such as the financial and operating performance, its portfolio reconstitution activities and perspectives on outlook. We also sought feedback from the investment community on CLAS' transactions and equity fund raising. Through the outreach, the investment community, including new investors who received CLAS' Stapled Securities as part of CLI's

16 More information on CLAS' Investor Relations policy can be found on [CLAS' website](#).

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distribution-in-specie exercise in 2023, was able to gain a better understanding of CLAS. These interactions also enabled us to hear the views and concerns of our stakeholders, and continuously improve our disclosures and value proposition to investors.

In 2023, CLAS continued to receive industry recognition for our efforts in investor engagement and corporate governance. Testament to our commitment in upholding high standards on the corporate governance front, CLAS was ranked first in the REITs and Business Trusts category of the Singapore Governance and Transparency Index 2023 for the third year running.



▲ Pre-Extraordinary General Meeting Dialogue with SIA's Members



▲ CLAS' Extraordinary General Meeting held in October 2023

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

CLAS works closely with our contractors and suppliers that are committed to high EHS standards. The **Capitaland Procurement Policy** and **Capitaland's Supply Chain Code of Conduct**¹⁷ form the basis for CLAS' engagement with our supply chains to influence them to operate responsibly in the areas of anti-corruption, child labour, forced labour, 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.

17 An extract of Capitaland's Supply Chain Code of Conduct is available on [CLI's website](#) and the full policy is available on our Intranet.

18 Some examples of the ESG pillars include corruption, human rights (such as forced labour, child labour, human trafficking and discrimination), politically exposed parties, sanctions, safety and environmental regulation breaches. These pillars cover the suppliers and contractors' own employees, women, children and local communities.

Supply Chain Management

CLAS has 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. Contractors are appointed only upon meeting these stringent environmental, health and safety requirements. CLI's in-house contractor management guidelines require all contractors to comply with local government and other legal requirements. Preference is given to ISO 14001 and ISO 45001 certified companies or equivalent.

Ascott's suppliers include suppliers of in-room amenities, furniture, fixtures and equipment, food and beverage, and outsourced service providers for housekeeping, security, maintenance and engineering. In 2023, Ascott's suppliers acknowledged to abide by Capitaland's Supply Chain Code of Conduct as part of their new and renewed contracts².

Third-party ESG Due Diligence Screening on Critical Suppliers and Contractors

CLI has identified critical suppliers and contractors as high-spend suppliers and contractors, non-substitutable suppliers and contractors, or critical business component suppliers and contractors such as term contractors providing facility maintenance and property management services, IT service providers, and contractors for construction works. There were more than 6,400 critical suppliers and contractors with active contracts with CLI (including CLAS) in 2023.

To strengthen the ESG performance of its suppliers and contractors, CLI commenced a pilot screening of close to 500 critical suppliers and contractors in Singapore, China, and India on their ESG performance. The screening was conducted by a third-party ESG due diligence screening platform, using the suppliers' and contractors' publicly available information. The platform then scored the suppliers and contractors on each ESG pillar¹⁸ by using artificial intelligence (AI) to rate the suppliers and contractors' risk and resilience. Post-AI screening, the platform provider's in-house ESG specialists reviewed the ESG issues flagged.

From the initial screening in 2022, 17 suppliers and contractors were rated as Leaders and five received below-average ESG scores. In 2023, CLI worked with the platform provider to deploy a series of ESG-related capability-building programmes to the five identified suppliers and contractors with below-average ESG scores, beginning with gap analysis and interviews with them. Once the gaps were identified, a tailored work plan was implemented to raise each supplier's and contractor's awareness and improve its ESG

performance. Post the capability-building programme, these five suppliers and contractors achieved an improved ESG scoring of average or better.

COMMUNITY

Government Agencies and Regulators

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

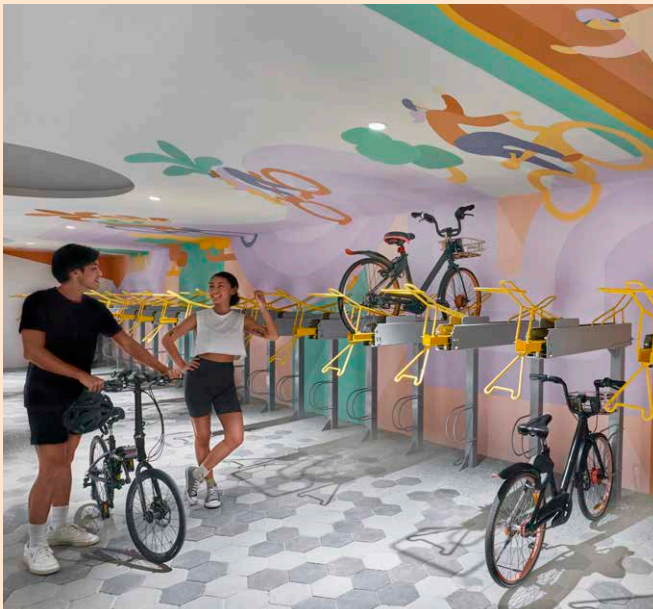
Social Integration at CLAS' Properties

CLAS is committed to managing safe, accessible, vibrant and quality real estate to enhance the lives of its guests, tenants and members of the community. In alignment with CapitaLand's Sustainable Building Guidelines and Universal Design (UD) considerations, new developments and properties undergoing major asset enhancements are designed to promote social

integration, including ensuring accessibility in the built environment and public spaces in CLAS properties for people of different age groups and varying abilities, such as:

- Seamless connectivity to the external surroundings, e.g. bus stops, adjacent buildings, streets and sidewalks;
- Accessible (handicapped) parking lots and family lots;
- Barrier-free access from accessible (handicapped) parking lots and family lots to lift lobbies;
- Sheltered and barrier-free drop-off areas;
- Designated pedestrian lanes in carparks;
- Amenities such as accessible (handicapped) toilets, lifts and nursing rooms;
- Connectivity to public transport, roads, amenities and between buildings; and
- Community spaces as public gathering points.

lyf one-north Singapore is seamlessly connected to its external surroundings, with a sheltered walkway to the bus stop and the train station just across the road. The property also has accessible parking lots, and a sheltered and barrier-free drop off area. End-of-trip facilities, such as bicycle parking and electric vehicle charging lots are available for staff, residents and the public to use. Amenities such as accessible toilets and lifts are also available within the property.



▲ End-of-trip facilities



▲ Accessible toilet



▲ Sheltered walkway from bus stop

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CLAS' overseas properties are to comply with local UD/ barrier-free codes and guidelines, and are encouraged to adopt Singapore's Building & Construction Authority UD Guide in the absence of local codes and guidelines when undergoing development or asset enhancement.

Taking a Step Towards a More Inclusive Future

In partnership with Accessible Accommodation, Quest Apartment Hotels, a member of The Ascott Limited, organised a training for over 1,200 associates under the Tourism Accommodation Inclusion Programme to better understand and implement measures to meet the requirements of persons with disabilities. Quest also launched the Quest Accessibility Playbook to facilitate the implementation of accessible initiatives across all Quest properties to create welcoming and accessible spaces for everyone.

Building Resilience in Communities

Community development is a key focus for CLAS as it builds strong social capital and goodwill for CLAS 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, contributes towards building resilience in communities where CapitaLand operates, through supporting education, health and well-being initiatives, targeting at children, youth and seniors. CLAS supports various stakeholder engagement activities including environmental sustainability, health and safety, social integration as well as helping vulnerable youth and elderly.

In 2023, 61 CLAS employees contributed approximately 464 volunteer hours.

Since 2011, Ascott Indonesia has partnered SOS Children's Village to uplift local communities and empower children from underprivileged backgrounds. On 17 August 2023, Indonesia's Independence Day, Ascott Jakarta welcomed 11 college-level students from SOS Children's Village Jakarta to join its flag-hoisting ceremony. The students were also given an exclusive property tour of Ascott Jakarta, and were exposed to the various aspects of hospitality operations. This experience not only allowed them to gain exposure to the hospitality industry but also opened doors for them to pursue internship and traineeship opportunities. Additionally, as part of Ascott's commitment to community well-being, for its 2023 donation drive, the Ascott Indonesia management team presented donations from Ascott and guests to SOS Children's Village.



▲ Ascott Indonesia management team at SOS Children's Village

Employees of CLAS' Managers, together with other CapitaLand employees, befriended 37 seniors from Fei Yue Community Services and TOUCH Home Care during a #LoveOurSeniors outing to IMM organised by CHF. Stories and smiles were exchanged during the meal sponsored by Soup Restaurant Group and CHF. After the meal, the seniors, accompanied by the volunteers, went grocery shopping at the supermarket.

By 2030, about one in four Singaporeans will be aged 65 and above¹⁹. Programmes like #LoveOurSeniors will go a long way in supporting our seniors in building resilience and leading quality lives in their golden years.

“I hope that seniors can go for more outings as many are alone and cooped up at home. It will be a good experience as it will also help seniors be more relaxed.”

- A senior who participated in the #LoveOurSeniors outing








▲ Employees of CLAS' Managers at the #LoveOurSeniors outing to IMM

¹⁹ Source: Prime Minister's Office Singapore (2023).

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STAKEHOLDER ENGAGEMENT





CLAS recognises that meeting the needs of our stakeholders creates long-term business viability and success. We proactively engage our stakeholders to better address their needs, build social and relationship capital and develop shared values for the long term.

	 Employees	 Customers (Guests and Tenants)
Stakeholders 	Develop a high-performance work culture that embraces diversity, innovation and teamwork	Understand guests' needs; track, monitor and enhance their experience
Engagement Channels 	<ul style="list-style-type: none"> • Regular dialogue sessions with senior management • Ongoing consultations and conferences through various feedback channels, annual performance assessments for employees to track performance and identify training and development goals • Engagement through one-on-one meetings and networking events • Employee engagement surveys • Volunteer programmes • Recreational and bonding activities • Regular employee engagement initiatives 	<ul style="list-style-type: none"> • Regular satisfaction surveys • Guest Rating Score • Engagement programmes / activities and post event feedback • Loyalty programmes • Marketing and promotional campaigns
Key Topics / Issues 	<ul style="list-style-type: none"> • Career development, training and progression • Remuneration and benefits • Work-life balance • Employee welfare and well-being • Occupational health and safety • Promoting a culture of service excellence 	<ul style="list-style-type: none"> • Health and safety • Quality and well-managed properties • Operational and service improvements • Positive guest experience

Through various engagement channels, CLAS seeks to understand our stakeholders' views in order to communicate effectively and build lasting partnerships with them. Issues of interest to CLAS' stakeholders have been discussed earlier in this section and are summarised below.

 Investment Community (Investors, Analysts) and Media	 Supply Chain (Main Contractors, Vendors, Suppliers and Creditors)	 Community
<p>Cultivate trust and confidence through two-way communication, deliver sustainable distributions and achieve capital stability</p>	<p>Be a fair and reasonable employer for goods and services, and share industry best practices</p>	<p>Establish strong relationships with the community to collectively build a sustainable business environment; be a responsible corporate citizen and contribute to the communities in which CLAS operates</p>
<ul style="list-style-type: none"> • CLAS' website (www.capitalandascotttrust.com) • Annual and Extraordinary General Meetings • Annual reports and sustainability reports • Timely announcements on SGXNet and CLAS' website, including financial results and business updates • Quarterly analyst and investor results / business updates briefings and group calls • Roadshows, conferences and meetings • Media releases and media interviews • Participation in sustainability surveys 	<ul style="list-style-type: none"> • Sharing CapitaLand's EHS policy, contractor management guidelines, house rules and standard operating procedures (SOPs) 	<ul style="list-style-type: none"> • Collaborations with CapitaLand Hope Foundation to contribute to non-profit organisations • Management of ESG issues • Corporate social responsibility programmes • Partnerships with government, national agencies and non-governmental organisations • Media releases / announcements to update on key initiatives • Sustainability reports • One-on-one meetings and dialogues with government, national agencies and non-governmental organisations as necessary
<ul style="list-style-type: none"> • Operational efficiency and cost optimisation • Earnings, operational performance, business strategy and market outlook • Long-term sustainable distributions and total returns • ESG risks and opportunities 	<ul style="list-style-type: none"> • Fair competition and compliance to procurement policy • Adherence to safety requirements 	<ul style="list-style-type: none"> • Volunteerism and philanthropy • Community programmes to generate wider awareness of health and wellness and advocate sustainable consumer behaviours • Sustainable building developments • Environmental, health and safety measures in properties • Compliance with laws and regulations • Advocating best practices

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	 Employees	 Customers (Guests and Tenants)
Responses 	<ul style="list-style-type: none"> • Regular staff communication sessions • Regular reviews with employees on performance and identify training and development goals • Employee engagement surveys • Learning and Development programmes through CLIMB and ACE • CapitaLand Wellbeing Programme • Practising Singapore’s Code of Practice on Chief Executives’ and Board of Directors’ Workplace Safety and Health Duties • Stars of Ascott – Service from the Heart Awards and Outstanding Service from the Heart Awards • Foster culture of belonging in the workplace through networking events and bonding activities 	<ul style="list-style-type: none"> • Ascott CARES programme • Guest satisfaction surveys • Keep properties relevant through active portfolio management • Regular employee training • Employ technology to elevate guest experience • Enhance guest experience through engagement programmes and activities • Ascott Star Rewards loyalty programme, which offers member rewards and benefits
Outcomes 	<ul style="list-style-type: none"> • Amongst CLAS’ employees and employees at CLAS’ third-party managed properties, there were zero work-related incidents resulting in fatality and permanent disability in FY 2023 • Employee engagement score of 84% for the CLI Lodging business unit in 2023, an improvement from 83% in 2022 • Awards / achievements: <ul style="list-style-type: none"> - CapitaLand was ranked amongst the top three in the Real Estate category of The Straits Times’ Singapore’s Best Employers 2023 - CLAS was ranked amongst top 10 in Singapore in the Equileap’s Gender Equality Global Report & Ranking 2024 	<ul style="list-style-type: none"> • CLAS’ Ascott-managed properties received a customer satisfaction score of 90 points and net promoter score of 47 • Based on the Global Review Index™, CLAS’ Ascott-managed properties achieved a positive rating of above 80% for 2023



**Investment Community
(Investors, Analysts)
and Media**



**Supply Chain (Main
Contractors,
Vendors,
Suppliers and
Creditors)**



Community

- Proactive communication and dialogue with investment community
- Timely and transparent disclosures
- Active portfolio and asset management
- Prudent capital management
- Value creation through disciplined approach to acquisitions and divestments
- Proactive participation in GRESB Real Estate Assessments and other sustainability surveys

- Supplier and vendor performance evaluation
- Share CapitaLand’s Supply Chain Code of Conduct with suppliers
- Appoint and give preference to ISO 45001 certified contractors, vendors and service providers

- Compliance monitoring
- Monitor environmental performance and progressively pursue green building certification for properties in our portfolio
- Grant three days of volunteer service leave per employee
- Participate in community programmes with social / charity objectives
- Partner with government / national agencies and tenants to promote sustainability and healthy living





- Positive feedback from investor meetings and conferences
 - Investors recognise that CLAS’ diversification and portfolio of growth and stable income assets provide resilience amidst global uncertainties while CLAS’ strategy of portfolio reconstitution and asset enhancement initiatives offer further capacity for growth
- Awards / achievements:
 - CLAS retained the top spot in the REITs and Business Trusts category of the Singapore Governance and Transparency Index 2023 for the third year running
 - CLAS was named “Global Sector Leader (Listed - Hotel)” in the 2023 GRESB Real Estate Assessment for the third consecutive year

- In 2023, Ascott’s suppliers acknowledged to abide by CapitaLand’s Supply Chain Code of Conduct as part of their new and renewed contracts
- Zero work-related incidents resulting in fatality and permanent disability in FY 2023

- CLAS keeps abreast of regulatory requirements and facilitates compliance with relevant regulations
- As of May 2024, 47 CLAS properties have obtained green building certifications
- In 2023, 61 CLAS employees contributed approximately 464 volunteer hours

GOVERNANCE

COMMITMENTS AND PROGRESS

Areas of Focus	2030 Targets	Performance in 2023	IR Capitals and UN SDGs supported
<p>Corporate governance</p> 	<p>At least 85% of staff to attend one compliance related training</p> <hr/> <p>Ensure sustainability targets are integrated into the Performance Staped Security Plan (PSSP) and Balanced Scorecard framework to determine executive remuneration and key performance indicators</p>	<ul style="list-style-type: none"> 81% of staff attended fraud, bribery and corruption awareness online training¹ <hr/> <ul style="list-style-type: none"> With effect from the FY 2023 award, the Managers' PSSP encompasses pre-determined targets for sustainability, such as green building certification Under the Balanced Scorecard framework, CLAS' strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in various dimensions including sustainability For more information regarding executive remuneration, please refer to pages 112 to 118 of CLAS' 2023 Annual Report 	<p>Organisational Capital</p> 
<p>Transparent reporting</p> 	<p>Ensure reporting is aligned to international standards such as TCFD and GRI with disciplined internal checks as well as external assurance of data by accredited bodies</p>	<ul style="list-style-type: none"> CLI's sustainability reporting (which includes CLAS) has been aligned to GRI Standards and Greenhouse Gas (GHG) Protocol (operational control method) since 2009, CDP since 2010, GRESB since 2013, Integrated Reporting Framework since 2015, UN SDG Reporting since 2016, TCFD framework since 2017, and SASB Standards since 2020 CLI's Global Sustainability Report has been externally assured since 2010 and CLAS' Sustainability Report has been externally assured since 2022. Please refer to Appendix G of this report for the Independent Limited Assurance Report 	
<p>Risk reporting</p> 	<p>Ensure processes to identify, assess, and manage sustainability risks and opportunities in the short-, medium-, and long-term are integrated into overall enterprise risk management processes</p> <hr/> <p>Ensure sustainability risks and opportunities are managed in line with overall risk appetite and strategy</p>	<ul style="list-style-type: none"> Annual group-wide RCSA exercise requires business units and corporate functions to identify, assess and document material risks which include ESG-related risks and opportunities, along with their key controls and mitigating measures For more information on the RCSA exercise and risk management processes, please refer to pages 87 to 92 of CLAS' 2023 Annual Report <hr/> <ul style="list-style-type: none"> CLI's revised 2030 SMP was launched in May 2023 after a regular review to ensure that it remains relevant to CLI's business strategy and is aligned with climate science Performance against CLI 2030 SMP targets is tracked and reported to CLAS Management and Boards at least annually 	

¹ Computation of FBC training statistics is based on staff strength as at 21 August 2023 (being the starting date of the training), excluding interns, trainees, temporary and outsourced staff, employees on long leave and employees from the four properties which were divested in September 2023.

CORPORATE GOVERNANCE CULTURE

The Managers embrace the tenets of good corporate governance, including accountability, transparency and sustainability. The Managers believe that practising good corporate governance is essential to ensuring long-term business viability and growth, while safeguarding CLAS' assets and Stapled Securityholders' interests. CLAS' Boards lead by example and are responsible for the Managers' corporate governance standards and policies, underscoring the importance of good corporate governance to CLAS.

We have appropriate people, processes and structure to direct and manage the business and affairs of the Managers with the aim of achieving operational excellence and delivering CLAS' long-term strategic objectives. The policies and practices developed by the Managers to meet the specific business needs of CLAS provide a strong foundation for a trusted and respected business enterprise.

Throughout FY 2023, 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. Where there are deviations from the provisions of the Code, appropriate explanations are provided.

CLAS 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).

CLAS has received multiple accolades for its excellence in corporate governance and efforts to uphold high standards of transparency in its disclosures. In 2023, CLAS was ranked first in the Singapore Governance and Transparency Index within the REITs and Business Trusts category for the third consecutive year. CLAS was also named "Best Investor Relations - Gold" amongst REITs and Business Trusts in the Singapore Corporate Awards 2022. CLAS 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

Board Diversity

The 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 in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.

The Boards believe in diversity and value the benefits that diversity can bring in their deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Boards' decision-making capability and ensures that the Managers can benefit from all available talent and perspectives.

CLAS' diversity targets, plans, timelines and progress are described in the following table.

DIVERSITY TARGETS, PLANS AND TIMELINES	TARGETS ACHIEVED / PROGRESS TOWARDS ACHIEVING TARGETS
Gender	
To have at least 2 female Directors on the Boards during the period leading up to 2025.	Achieved – As at March 2024, 3 out of 9 Directors were female. This represented 33.3% of the Boards.
The Managers believe in achieving an optimum mix of men and women on the Boards to provide different approaches and perspectives.	As at the date of this report, 3 out of 8 Directors are female. This represents 37.5% of the Boards.
Age	
To ensure that the Boards comprise Directors across the following age groups:	Achieved – As at March 2024 and as at the date of this report, the Boards comprise Directors across all 3 age groups.
(a) 50 and below;	As at March 2024:
(b) 51 to 60; and	(a) 50 and below – 2 Directors
(c) 61 and above,	(b) 51 to 60 – 2 Directors
and to maintain such level of age diversity during the period leading up to 2025.	(c) 61 and above – 5 Directors
The Managers believe that age diversity would provide a broad spectrum of thoughts and views in deliberations of the Boards and Board Committees.	As at the date of this report:
	(a) 50 and below – 2 Directors
	(b) 51 to 60 – 2 Directors
	(c) 61 and above – 4 Directors

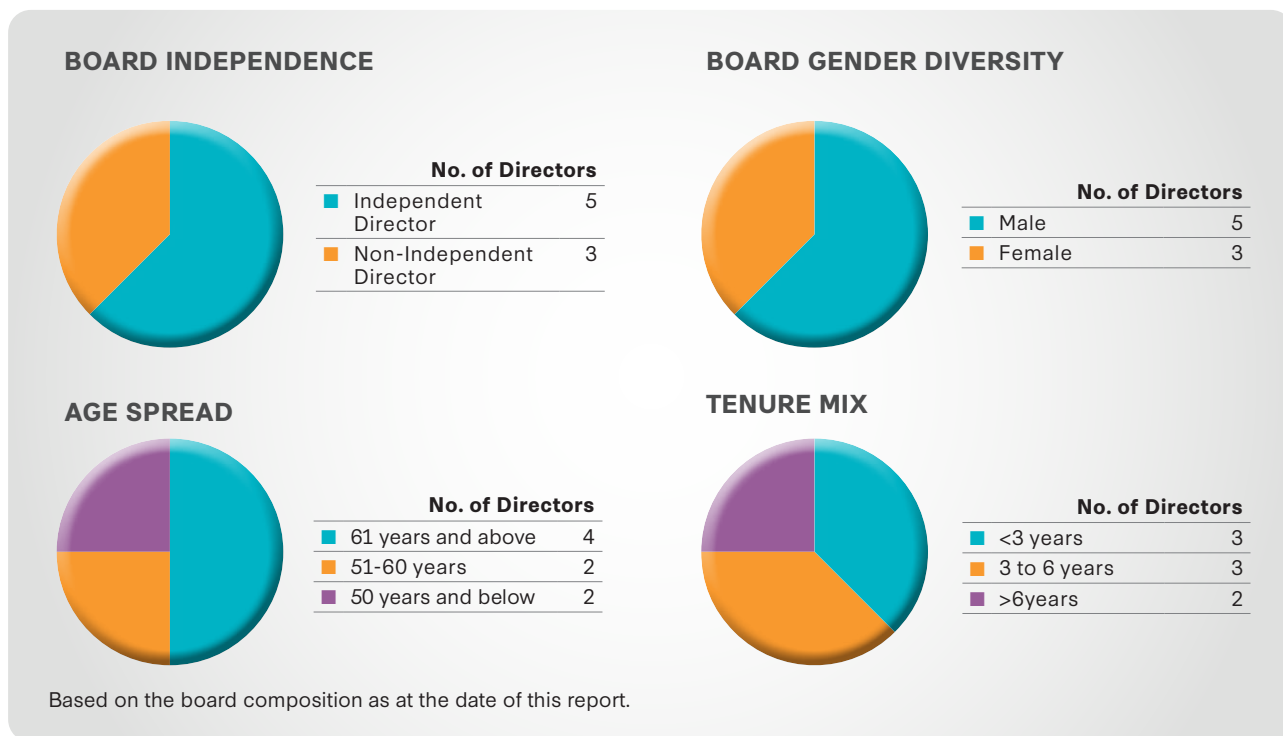
GOVERNANCE

DIVERSITY TARGETS, PLANS AND TIMELINES	TARGETS ACHIEVED / PROGRESS TOWARDS ACHIEVING TARGETS
Tenure	
<p>To ensure that the Boards comprise Directors across the following tenure groups:</p> <ul style="list-style-type: none"> (a) less than 3 years; (b) 3 to 6 years; and (c) more than 6 years, <p>and to maintain such level of tenure diversity during the period leading up to 2025.</p> <p>The Managers believe that tenure diversity would facilitate renewal of the Boards progressively and in an orderly manner, whilst ensuring knowledge continuity about the Managers and CLAS and their business operations and sustainability of corporate performance.</p>	<p>Achieved – As at March 2024 and as at the date of this report, the Boards comprise Directors across all 3 tenure groups. In particular:</p> <p>As at March 2024:</p> <ul style="list-style-type: none"> (a) less than 3 years – 3 Directors (b) 3 to 6 years – 3 Directors (c) more than 6 years – 3 Directors <p>As at the date of this report:</p> <ul style="list-style-type: none"> (a) less than 3 years – 3 Directors (b) 3 to 6 years – 3 Directors (c) more than 6 years – 2 Directors
Skills & Experience	
<p>To ensure that the Directors as a group, possess:</p> <ul style="list-style-type: none"> (a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, banking, real estate and investment management; and (b) a mix of industry experience, management experience and listed company board experience by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025. <p>The Managers believe that diversity in skill sets would support the work of the Boards and Board Committees and needs of the Managers, and that an optimal mix of experience would help shape the Managers’ strategic objectives and provide effective guidance and oversight of Management and the Managers’ operations. The Managers continually endeavour to deepen the bench strength of the Boards with complementary and relevant expertise, including in the areas of lodging, hospitality and sustainability.</p>	<p>Achieved / Achieving Targets – As at March 2024 and as at the date of this report, the Boards comprise Directors who, as a group, possess a significant majority of the identified core skills and experience. The Boards will continue to look for opportunities to strengthen certain skill sets.</p> <p>In terms of skill sets, the Boards comprise Directors with a variety of skills and expertise in areas including hospitality, investment management, real estate, accounting, finance, governance, banking and capital markets and sustainability.</p> <p>In terms of experience, the Boards comprise Directors who are corporate and business leaders and who collectively have experience in general business management, have served on public listed company boards, have international or regional experience and have exposure in various industry sectors and markets.</p>

The **Nominating and Remuneration Committee** (NRC), in carrying out its duties of determining the optimal Board composition in their board renewal process and addressing board vacancies, identifies possible candidates with relevant backgrounds and industry experience. In identifying possible candidates and making recommendations of board appointments to the Boards, the NRC considers, among others, achieving an appropriate level of diversity in the Boards’ composition with regards to diversity factors such as age, gender, educational, business and professional backgrounds of their members.

In line with the Board Diversity Policy, the Boards comprise members who are corporate and business leaders, and are professionals with diverse backgrounds, expertise and experience including accounting and finance, banking and capital markets, investment, real estate, legal and compliance, technology, leadership, governance, and sustainability. A few members of the Boards have prior working experience in the real estate and hospitality industries in which CLAS operates, including Mr Lui Chong Chee (Chairman since 22 April 2024), Ms Serena Teo, Mr Kevin Goh and Ms Beh Siew Kim. The members of the Boards bring with them the combination of skills, talents, experience, and diversity required to serve the needs of CLAS.

Gender diversity is also considered a key aspect of CLAS' Board diversity. Based on the board composition as at March 2024, CLAS had three female Board members, one of whom is also the CEO. The female representation on the Boards, which comprised nine members, was 33.3%. Based on the board composition as at the date of this report, three out of eight Board members are female, representing 37.5% of the Boards, exceeding the Council for Board Diversity's 2025 target of women making up 25% of the boards of SGX-ST listed companies.



Board Independence

The Boards have a strong independent element. Based on the board composition as at March 2024, six out of nine directors, including the Chairman, were non-executive independent directors (ID). Based on the board composition as at the date of this report, five out of eight directors, including the Chairman, are non-executive 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.

Board Performance

The Boards undertake, with the assistance of the Company Secretary, 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 by the Company Secretary, who aggregates and reports the evaluation results 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. As and when required, external

facilitators may be appointed to assist in the evaluation process of the Boards, Board committees and the individual Directors. For FY 2023, the evaluation process was conducted without involving any external facilitator.

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 considered in the decision-making process. For FY 2023, the outcome of the evaluation was satisfactory and the Boards as a whole, and each of the Board Committees, received affirmative ratings across all 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 2023, the outcome of the evaluation was satisfactory and each of the directors received affirmative ratings across all the evaluation categories.

GOVERNANCE

The Boards are committed to ethics and integrity of action and have adopted a **Board Code of Business Conduct and Ethics**. 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 CLAS and his or her own interests.



For more information on CLAS' board diversity, independence and performance, please refer to the Corporate Governance section on pages 94 to 98 and 100 to 112 of CLAS' Annual Report 2023.

REGULATORY COMPLIANCE

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

In FY 2023, there were no incidents of material non-compliance with the applicable laws and regulations relevant to the Managers.

ENTERPRISE RISK MANAGEMENT

The Managers maintain adequate and effective systems of risk management and internal controls (including financial, operational, compliance and information technology (IT) and sanctions-related controls) to safeguard Stapled Securityholders' interests and CLAS' 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 Audit and Risk Committee (ARC) assists the Boards in carrying out the Boards' responsibility of overseeing the risk management framework and policies for CLAS.

The Managers' **Enterprise Risk Management (ERM) Framework** is adapted from the International Organization for Standardization 31000 International Risk Management Standards and is benchmarked against other relevant best practices and guidelines.

It sets out the required environmental and organisational components for identifying, assessing, responding to, monitoring and reporting material risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually to ensure its continued relevance and practicality.

As part of the ERM Framework, the Managers undertake and perform a **Risk and Control Self-Assessment** annually to identify key material risks (which include new and emerging risks), the mitigating measures and any opportunities that could be leveraged on. The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the ARC and the Boards, considering the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council and the Listing Manual. The ESG risks identified include fraud, bribery and corruption risk, environmental risk, health and safety risk as well as regulatory and compliance risk.

CLAS believes that having the right risk culture and people with the right attitude, values and knowledge are integral to its success. To enhance its employees' risk management knowledge, CLI's risk management team regularly conducts workshops which are targeted at different management levels and functions. It also promotes a culture of risk awareness which embeds risk management principles in decision-making and business processes.



For more information on CLAS' ERM Framework, including the material risks identified, please refer to the Risk Management section on pages 87 to 92 of CLAS' Annual Report 2023.

FRAUD, BRIBERY AND CORRUPTION RISK MANAGEMENT FRAMEWORK

CLAS adopts a zero-tolerance stance against any Fraud, Bribery and Corruption (FBC) in the conduct of its business activities and expects all its employees to be committed to the highest standards of integrity in their

work and business dealings. The FBC Risk Management Framework has been set in place to manage FBC risks in an integrated, systematic and consistent manner.

FBC RISK MANAGEMENT FRAMEWORK

Board Oversight and Management Involvement

The Boards, with the support of the ARC and Management, are responsible for the oversight and governance of FBC Risk Management.

FBC Risk Management Strategy



Prevention

- Process-specific Controls
- Risk Assessment
- Knowing and Managing Third Parties
- Managing Conflicts of Interest
- Hiring



Detection and Monitoring

- Detection of Irregularities
- Monitoring of Fraud Risk Profile
- Independent Review & Audit
- Report Fraud Incident



Response

- Investigation
- Insurance & Recovery
- Protocol to observe when contacted by Authorities
- Disclosure to Authorities and Media
- Disciplinary Actions
- Review of Controls

Risk-Aware Culture

A risk-aware culture, underpinned by the Group's organisational culture, values and practices, sets the foundation for effective management of FBC risks.

CLAS abides by CLI's **FBC Risk Management Policy**, which reiterates Management's strong stance against FBC and sets the overarching approach in managing FBC risks. An extract of the policy is available on [CLAS' website](#) and the full policy is available on our Intranet.

The Managers' zero-tolerance policy on bribery and corruption extends to their business dealings with third parties (including contractors, subcontractors, suppliers, consultants, agents, representatives, and others performing work or services for or on behalf of the Managers). Pursuant to this policy, the Managers require that certain agreements incorporate anti-bribery and anti-corruption provisions.

Suppliers who have acknowledged CapitaLand's Supply Chain Code of Conduct are required to conduct themselves ethically, respect local laws and regulations, and strictly prohibit bribery and corruption in any form. Suppliers are encouraged to report all actual breaches

or concealment of any forbidden acts including but not limited to anti-bribery and anti-corruption, unfair business practices, conflict of interest and gifts and gratuities.

As a holder of a Capital Markets Services Licence (CMSL) issued by the Monetary Authority of Singapore (MAS), the Managers also abide by MAS' guidelines on the prevention of money laundering and countering the financing of terrorism.

The Managers have in place a **policy on the prevention of money laundering and terrorism financing** and always remain alert to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing. Suspicious transactions will be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department. All prospective employees, officers and CMSL Representatives of the Managers are also screened against various money

GOVERNANCE

laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS.

Substantiated cases of FBC are reported quarterly to the ARC. Actions taken can include the termination of staff's contract, and/or reporting to the appropriate external authorities. In FY 2023, three cases were substantiated². Employees involved in all of these cases had their employment terminated. There were no cases involving anti-competition or money laundering behaviour. Processes were reviewed and actions were taken to prevent recurrence in the future.

CLAS made no payment and donation to political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups, as it expects to be judged on its own merits. CapitaLand Hope Foundation's constitution also states that no grant or assistance shall be given in aid of any political organisation or purpose.



For more information on CLAS' FBC Risk Management framework, Anti-Money Laundering and Countering the Financing of Terrorism measures, please refer to the Corporate Governance section on pages 131 to 133 of CLAS' Annual Report 2023.

Staff	Supply Chain/Partners
Communication/Signing of Code of Conduct	
<ul style="list-style-type: none"> › FBC Risk Management Policy › Annual declaration through the 'CapitaLand Pledge' to uphold CapitaLand's core values, and not to engage in any corrupt practices › Relevant training 	<ul style="list-style-type: none"> › FBC Risk Management Policy › CapitaLand's Supply Chain Code of Conduct and anti-corruption clause in key contracts
Feedback Channels	
› Whistle-blowing reporting	› Whistle-blowing reporting

WHISTLE-BLOWING AND GRIEVANCE HANDLING

A **whistleblowing (WB) policy** and other procedures, including grievance handling, are in place to provide employees and external parties who have dealings with the Managers with a well-defined, accessible and trusted channel to report grievances, suspected FBC, dishonest practices or other improprieties in the workplace. It also allows for the independent investigation of any reported incidents and determination of appropriate actions for follow up. The objective of the WB policy is to encourage the reporting of such matters – that staff or external parties making any report in good faith will be able to do so with confidence, that they will be treated fairly, and to the furthest extent possible, be protected from reprisal, if any. The identity of the whistle-blower is kept confidential. The ARC maintains oversight and monitoring of WB reports at its scheduled meetings.

All employees of the Managers are informed of the WB policy which is available on [CLI's website](#) and on the Intranet.



For more information on CLAS' WB policy, please refer to the Corporate Governance section on pages 123 and 132 of CLAS' Annual Report 2023.

CONFLICT OF INTEREST

Employees complete an annual declaration which provides important information that allows actions to be taken to minimise any potential conflicts of interest. All employees are required to provide declarations on areas including indebtedness, directorships or employment outside the organisation, relatives working in the Group, securities trading and compliance with financial crime and sanction compliance policies. In FY 2023, there were no material conflicts of interest noted.

ETHICAL MARKETING

CLAS supports the ethical marketing of its products and services and practices 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.

² These cases were disclosed regardless of the financial loss to CLAS. There was no financial loss to CLAS arising from these cases.

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 CLI works and functions. Employees learn about these by attending the online orientation modules on the Staff Orientation App and CapitaLand Immersion Programme when they first join, and via e-learning courses such as "CapitaLand 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, code of conduct and enterprise risk management, which includes sharing of FBC incidents and how prevention and detection can be carried out. In FY 2023, 100% of the Managers' key management personnel, and 81% of CLAS' employees¹ participated in FBC or anti-corruption training. 99% of the employees who participated in FBC or anti-corruption training were full-time equivalent and 1% were part-time employees. About 90% of the employees were from CLAS' properties in Asia Pacific, while the other 10% were from CLAS' properties in Europe (including UK).

Additionally, CLAS' Boards recognise the importance of continual training and development for CLAS' directors. In FY 2023, the training programmes attended by the directors included the Sustainability Training for Directors of REIT Manager organised by REITAS, as well as various seminars in relation to board matters, audit and risk committee matters such as business interruption risk, cybersecurity, environmental health and safety and global sanctions compliance policy.

PERSONAL DATA PRIVACY AND PROTECTION

CLAS 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 **Personal Data Protection Policy**, CLAS 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. CLAS does not collect personal data randomly or indiscriminately without purpose and does not disclose personal data unless prior consent has been obtained. CLAS has administrative, physical and IT security measures to protect personal data. CLAS' Personal Data Protection Policy is publicly available on [DiscoverASR's website](#).

There were no substantiated complaints reported in FY 2023 regarding breaches of privacy and loss of personal data.

BUSINESS CONTINUITY MANAGEMENT

The Managers have implemented a Business Continuity Management 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 CLAS' operations and 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 CLI 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 CLAS, allowing the Managers to continue to function as the managers of CLAS 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 CLAS on business interruption events.

INFORMATION TECHNOLOGY AND CYBERSECURITY

CLI has in place policies and procedures which set out the governance and controls of IT and cybersecurity risks. This is under the purview of Group Technology and overseen by a member of the CLI Management Council. The **cybersecurity policy** is available to staff on our Intranet.

To build a resilient cyber infrastructure and network, CLI reviews its cybersecurity strategy against existing and evolving threat landscapes and institutes measures to minimise exposure to vulnerability. Mitigating actions include conducting IT Security Awareness Training for staff, an annual Disaster Recovery Plan exercise to ensure timely recoverability of business-critical IT systems and engaging independent security service providers to conduct vulnerability assessments to further strengthen the IT systems.

ECONOMIC

STRONG RECOVERY IN FINANCIAL PERFORMANCE IN FY 2023

23% y-o-y increase in RevPAU to S\$148

20% y-o-y increase in revenue to S\$744.5 million

20% y-o-y increase in gross profit to S\$338.2 million

25% y-o-y increase in total distribution to S\$237.0 million

16% y-o-y increase in DPS to 6.57 cents

DISCIPLINED CAPITAL MANAGEMENT

BBB (stable outlook)
investment grade credit rating

Gearing of
37.9%¹

~ 81%
Debt effectively on fixed interest rates

Debt headroom of
S\$2.0 billion²

4.0X³
Healthy interest cover

~S\$1.32 billion in available funds, comprising cash on-hand and available credit facilities

SUSTAINABLE FINANCE

>S\$550 million raised to date

In this chapter, we report on the Financial Capital of the IR Framework.

FINANCIAL PERFORMANCE

In FY 2023, CLAS delivered a strong financial performance due to continued recovery in operating performance and contributions from new properties.

In 4Q 2023, CLAS' portfolio revenue per available unit (RevPAU) increased to 103% of pre-pandemic levels, mainly due to higher average daily rates. The RevPAU of CLAS' key markets, Australia, Japan, Singapore, the United Kingdom and USA, continued to exceed pre-pandemic same-store levels. Japan posted the strongest year-on-year (y-o-y) growth in RevPAU, fuelled by the reopening of its international borders in late-2022.

For the full year, RevPAU was 23% higher y-o-y, and revenue and gross profit increased by 20% to S\$744.5 million and S\$338.2 million respectively.

The total distribution to Stapled Securityholders for FY 2023 was S\$237.0 million, 25% higher as compared to FY 2022. 100% of distribution income (other than gains from the sale of real estate properties) was paid out, demonstrating CLAS' firm commitment to deliver stable distributions. Distribution per Stapled Security (DPS) increased for the third consecutive year to 6.57 cents for FY 2023. DPS was 16% higher y-o-y. Excluding one-off items (comprising realised exchange gains), DPS rose 14%.

The improvement in our operating performance and outlook resulted in an increase in CLAS' portfolio valuation of about 2% in FY 2023, notwithstanding higher capitalisation and discount rates across most markets. Markets with valuation gains included Australia, Europe, Japan, Singapore and the United Kingdom.

1 The ratio of net debt to net assets for CapitalLand Ascott REIT Group and CapitalLand Ascott Business Trust Group is 67.7% and 21.1% respectively; the ratio for CLAS is 59.9%.

2 Refers to the amount of additional debt before reaching aggregate leverage of 50%; based on an aggregate leverage limit of 45%, the debt headroom is approximately S\$1.1 billion.

3 The adjusted interest cover ratio, including distributions on perpetual securities, is 3.4X.

CAPITAL MANAGEMENT

CLAS adopts a prudent and disciplined approach towards capital management to ensure financial flexibility in our funding structure and to mitigate concentration risk. CLAS' strong financial and cash positions have enabled us to remain resilient against an uncertain macroeconomic backdrop and capture inorganic growth opportunities, delivering sustainable returns to our Staped Securityholders.

As at 31 December 2023, CLAS had total available funds of S\$1.32 billion, comprising cash on-hand and available credit facilities. 67% of CLAS' total debt was funded by bank borrowings and the remaining 33% was tapped from the debt capital market. CLAS' outstanding borrowings was S\$3.0 billion with an effective interest rate of 2.4% per annum and weighted average debt to maturity of 3.7 years. To hedge against rising interest rates, approximately 81% of the total borrowings were effectively on fixed interest rates.

As at 31 December 2023, CLAS' gearing was 37.9%, with a debt headroom of S\$2.0 billion², providing it with greater access to growth opportunities and increased capacity for more development and conversion projects.



For more information on CLAS' financial performance, please refer to the Financial Review section on pages 62 to 68 and Financial Statements on pages 144 to 343 of CLAS' Annual Report 2023.

SUSTAINABLE FINANCE

CLAS continues to align our environmental goals with our financing needs, collaborating with like-minded stakeholders in the financing and investment community.

In February 2022, CLAS' **Sustainability-Linked Finance Framework** was published, demonstrating its commitment to sustainable financing, and serving to align CLAS' ESG goals with the CLI 2030 SMP. CLAS also obtained a Second-Party Opinion from Moody's ESG Solutions on its Framework.

Moody's noted that CLAS' key performance indicators were clearly defined, measurable and demonstrated a robust level of ambition compared to its peers in the hospitality sector, and that the Framework clearly disclosed CLAS' strategies to achieve its sustainability performance targets, acknowledging the credibility of the strategies.

Under the Framework, CLAS issued its inaugural sustainability-linked bond in April 2022. CLAS was the first hospitality trust globally and the first Singapore-listed real estate trust to launch a sustainability-linked bond and achieved a greenium⁴ through the issuance. The bond was well-received by institutional investors at about 2.2 times oversubscribed and was upsized from S\$150 million to S\$200 million.

Under the issuance of this bond, CLAS has committed to a sustainability performance target of greening 50% of its total portfolio by the end of 2025⁵.

As at 31 December 2023, 49% of CLAS' total portfolio has been green-certified. CLAS remains on track to achieve the sustainability performance target by 2025, in relation to the bond issued in April 2022.

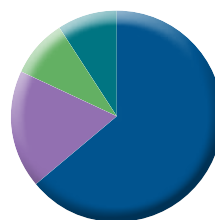
In November 2022, CLAS partnered the International Finance Corporation (IFC) to launch IFC's first sustainability-linked bond in the hospitality sector globally. Proceeds of approximately S\$168.6 million from the bond will be used to refinance CLAS' existing borrowings and to further decarbonise three of our serviced residences in Southeast Asia, namely Ascott Jakarta in Indonesia as well as Ascott Makati and Somerset Millennium Makati in the Philippines. The three properties are expected to achieve a 40.5% reduction⁶ in electricity consumption, and to also obtain IFC's Excellence in Design for Greater Efficiencies (EDGE) certification by the end of 2028.

As at 31 December 2023, the three properties have achieved a 44.4% reduction in electricity consumption, tracking ahead of the sustainability performance target of 40.5%. Additionally, two of the three properties have obtained the EDGE certification. CLAS is on track to achieve the sustainability performance targets by 2028, for the bond launched in November 2022.

In FY 2023, CLAS entered into a sustainability-linked cross currency interest rate swap of JPY11.0 billion.

In total, CLAS has raised about S\$551.2 million through sustainable financing.

TOTAL SUSTAINABLE FINANCING



Sustainability-linked bond	64%
Sustainability-linked cross currency swap	18%
Green loan	9%
Sustainability-linked loan	9%

4 Greenium or green premium refers to the cheaper cost of funding by issuing debt that have positive environmental impact as compared to traditional bonds.

5 By the total gross floor area, excluding properties under development.

6 Against EDGE 2019 base case.

APPENDIX A: LIST OF PROPERTIES WITH GREEN CERTIFICATION

Properties with green certification, as at 31 Dec 2023

No.	Property	GFA (m ²)	Country	Green Certification	Year of Award/Renewal
1	Citadines Trafalgar Square London	7,280	United Kingdom	BREEAM Certification	2012
2	Citadines Michel Hamburg	6,577	Germany	DGNB Certification	2015
3	Ascott Makati	48,874	The Philippines	EDGE Certification	2018
4	Citadines Arnulfpark Munich	7,689	Germany	EDGE Certification	2020
5	Ascott Jakarta	42,139	Indonesia	EDGE Certification	2020
6	Somerset Grand Citra Jakarta	37,766	Indonesia	EDGE Certification	2020
7	Somerset Grand Hanoi	41,760	Vietnam	EDGE Certification	2020
8	Somerset Hoa Binh Hanoi	20,469	Vietnam	EDGE Certification	2020
9	Somerset Kuala Lumpur	18,847	Malaysia	EDGE Certification	2022
10	Somerset Central TD Hai Phong City	14,500	Vietnam	EDGE Certification	2022
11	Citadines on Bourke Melbourne	26,413	Australia	Green Star Certification	2023
12	Citadines Connect Sydney Airport	9,154	Australia	Green Star Certification	2023
13	Citadines St Georges Terrace Perth	5,158	Australia	Green Star Certification	2023
14	Courtyard by Marriott Sydney-North Ryde ⁱ	9,990	Australia	Green Star Certification	2023
15	Novotel Sydney Parramatta	18,706	Australia	Green Star Certification	2023
16	Pullman and Mercure Brisbane King George Square	18,748	Australia	Green Star Certification	2023
17	Pullman and Mercure Melbourne Albert Park	48,000	Australia	Green Star Certification	2023
18	Pullman Sydney Hyde Park	20,900	Australia	Green Star Certification	2023
19	Quest Campbelltown	7,873	Australia	Green Star Certification	2023
20	Quest Cannon Hill	6,924	Australia	Green Star Certification	2023
21	Quest Macquarie Park Sydney	5,575	Australia	Green Star Certification	2023
22	Quest Mascot	7,200	Australia	Green Star Certification	2023
23	Quest Sydney Olympic Park	7,163	Australia	Green Star Certification	2023
24	Sydney Central Hotel (formerly Novotel Sydney Central)	37,476	Australia	Green Star Certification	2023
25	Citadines Sainte-Catherine Brussels	7,800	Belgium	EDGE Certification	2023
26	Somerset Olympic Tower Tianjin	26,780	China	EDGE Certification	2023
27	Citadines Antigone Montpellier	5,604	France	EDGE Certification	2023
28	Citadines Austerlitz Paris	1,827	France	EDGE Certification	2023
29	Citadines Maine Montparnasse Paris	2,123	France	EDGE Certification	2023
30	Citadines Montmartre Paris	4,030	France	EDGE Certification	2023
31	Citadines Place d'Italie Paris	7,486	France	EDGE Certification	2023
32	Citadines Presqu'île Lyon	5,700	France	EDGE Certification	2023
33	Citadines République Paris	3,301	France	EDGE Certification	2023
34	Citadines Tour Eiffel Paris	4,815	France	EDGE Certification	2023
35	Citadines Trocadéro Paris	4,698	France	EDGE Certification	2023

ⁱ This property has been divested in January 2024.

No.	Property	GFA (m ²)	Country	Green Certification	Year of Award/Renewal
36	La Clef Tour Eiffel Paris	10,186	France	EDGE Certification	2023
37	Citadines City Centre Frankfurt	8,499	Germany	EDGE Certification	2023
38	Ascott Kuningan Jakarta	18,883	Indonesia	EDGE Certification	2023
39	Temple Bar Hotel Dublin	7,800	Ireland	EDGE Certification	2023
40	Alpha Square Kita 15 jo	5,049	Japan	EDGE Certification	2023
41	The Robertson House by The Crest Collection	11,056	Singapore	EDGE Certification	2023
42	Citadines Barbican London	4,687	United Kingdom	EDGE Certification	2023
43	Citadines Holborn-Covent Garden London	7,432	United Kingdom	EDGE Certification	2023
44	Standard at Columbia	26,822	USA	NGBS Certification	2023
45	Somerset Ho Chi Minh City	24,162	Vietnam	EDGE Certification	2023
46	La Clef Louvre Paris	3,373	France	EDGE Certification BREEAM Certification	2024 2014

Properties that have newly obtained green certification in 2024, up till the month of May

No.	Property	GFA (m ²)	Country	Green Certification	Year of Award
1	Somerset Grand Central Dalian	32,272	China	EDGE Certification	2024

APPENDIX B: KEY ESG DATA SUMMARY

Environmental Data

Metric	Unit	2019	2020	2021	2022	2023
Greenhouse Gas (GHG) Emissionsⁱ						
Scope 1	tonnes CO ₂ e	2,670	1,905	2,034	2,075	2,059 ^{iv}
Scope 2	tonnes CO ₂ e	37,422	29,280	25,611	30,369	31,811 ^{iv}
Scope 3ⁱ comprising the following:						
Corporate air travel ⁱⁱ	tonnes CO ₂ e	220	49	1	177	59 ^{iv}
Properties managed by third parties ⁱⁱⁱ	tonnes CO ₂ e	-	-	-	-	25,645 ^{iv}
Emission intensity, Scope 1 and Scope 2^v	kgCO ₂ e/m ² /month	4.43	3.68	3.60	4.14	4.42
Energy Consumption						
Total energy consumption	MWh	94,092	69,851	66,333	75,408	82,151
	GJ	338,731	251,464	238,799	271,469	295,744
Direct fuel combustion	MWh	13,506	9,791	10,568	11,144	11,096
	GJ	48,622	35,248	38,045	40,118	39,946
Natural gas	% of Total Energy	14.1	13.9	15.8	14.2	12.9
Diesel fuel (non-vehicle)	% of Total Energy	0.3	0.1	0.1	0.1	0.1
Other fuels (vehicle)	% of Total Energy	-	-	-	0.5	0.5
Purchased energy	MWh	80,586	60,060	55,765	64,264	71,055
	GJ	290,110	216,216	200,754	231,351	255,798
Electricity	% of Total Energy	82.7	82.9	80.6	81.9	79.9
Heat/steam/chilled water	% of Total Energy	2.9	3.1	3.5	3.3	6.6
Renewable electricity	MWh	1,277	1,261	4,116	6,213	6,490
	GJ	4,597	4,540	14,818	22,367	23,364
Proportion of electricity from renewables	% of Electricity	1.6	2.2	7.7	10.1	9.9
Energy consumption intensity^v	kWh/m ² /month	10.84	8.51	8.63	9.58	10.10
Water Consumption						
Total water consumption	'000 m ³ (ML)	1,003	687	658	792	881
Municipal water supply	% of Total Water	98.7	98.6	98.5	98.7	98.9
Recycled water	% of Total Water	1.3	1.4	1.5	1.3	1.1
Water consumption intensity	m ³ /m ² /month	0.116	0.082	0.087	0.103	0.110
Waste and Recycling						
Total waste generated	tonnes	-	-	-	-	3,476
Waste directed to disposal	tonnes	-	-	-	-	2,852
Recycled waste	tonnes	-	-	-	-	372
Waste to energy	tonnes	-	-	-	-	252
Recycling rate	% of Total Waste generated	-	-	-	-	11

Note: '-' means that data was not reported.

i CO₂ equivalent (CO₂e) emissions include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. The Scope 1 and Scope 2 figures are computed from direct fuel combustion and purchased energy respectively. The GHG emissions are calculated based on conversion factors from UK Government GHG Conversion Factors for Company Reporting 2023, International Energy Agency (IEA) 2023 and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). Scope 3 figures relating to corporate air travel have been provided by CLAS' corporate travel agency and computed using official data from RDC Aviation.

ii Air travel from Singapore, including return trips, for employees of the Managers of CLAS.

iii Total energy consumption of CLAS' third-party managed properties in 2023 was 66,314 MWh or 238,730 GJ. For CLAS' rental housing properties, the data relates only to the landlord-controlled areas of the properties and not the tenanted areas.

iv Scope 1 and Scope 2 GHG emissions in 2023 reduced by 23% and 15% compared to their respective 2019 levels, while Scope 3 GHG emissions relating to corporate air travel reduced by 73%. Scope 3 GHG emissions relating to properties managed by third parties were not disclosed prior to 2023.

v Intensity figures relate to purchased energy and natural gas only, and exclude diesel fuel (non-vehicle) and other fuels (vehicle).

Social Data

Metric	Unit	2021	2022	2023
Diversity (gender & age)^{vi}				
Current employees				
Total number of employees	Number	1,466	1,645	1,774
Male	Number (%)	705 (48%)	802 (49%)	898 (51%)
Female	Number (%)	755 (52%)	831 (51%)	876 (49%)
<30 years old	Number (%)	294 (20%)	332 (22%)	430 (24%)
30 - 50 years old	Number (%)	871 (59%)	949 (58%)	1,053 (60%)
>50 years old	Number (%)	301 (21%)	351 (20%)	291 (16%)
New hires				
Total new hires	%	14	24	22
Male	Number (%)	86 (42%)	208 (53%)	184 (48%)
Female	Number (%)	121 (58%)	182 (47%)	202 (52%)
<30 years old	Number (%)	108 (52%)	204 (51%)	182 (47%)
30 - 50 years old	Number (%)	90 (43%)	176 (44%)	196 (51%)
>50 years old	Number (%)	11 (5%)	20 (5%)	8 (2%)
Turnover				
Total turnover	%	20	22	25
CLAS' Managers	%	-	15	8
Male	Number (%)	112 (39%)	166 (49%)	212 (49%)
Female	Number (%)	177 (61%)	174 (51%)	224 (51%)
<30 years old	Number (%)	137 (47%)	162 (47%)	149 (34%)
30 - 50 years old	Number (%)	125 (43%)	158 (45%)	230 (53%)
>50 years old	Number (%)	28 (10%)	29 (8%)	57 (13%)
Development & Training^{vii}				
Average training hours per employee	Hours/ employee	39	31	28
Male	Hours/ employee	37	30	26
Female	Hours/ employee	41	33	31
<p>vi The employee numbers reported under Diversity (gender & age) are based on available information and may differ from the total number of employees.</p> <p>vii The training numbers reported excluded interns, trainees, temporary and outsourced staff, and employees from the three properties which were acquired in November 2023 and the four properties which were divested in September 2023.</p>				

APPENDIX B: KEY ESG DATA SUMMARY

Metric	Unit	2021	2022	2023
Occupational Health & Safety				
Staff				
Fatalities	Number of cases	0	0	0
High-consequence injuries (injuries resulting in permanent disability)	Number of cases	0	0	0
Recordable injuries	Number of cases	9	14	22
Recordable work-related ill health cases (occupational disease)	Number of cases	0	0	0
Injury Rate ^{viii}	per million manhours worked	2.8	3.9	4.7
Lost Day Rate ^{ix}	per million manhours worked	74	58	49
Absentee Rate ^x	per available scheduled work days	2.8	2.5	3.5
Contractors				
Fatalities	Number of cases	0	0	0
High-consequence injuries (injuries resulting in permanent disability)	Number of cases	0	0	0
<p>viii Injury rate is computed based on the number of injuries per million hours worked for CLAS employees (being employees of the Managers and CLAS' Ascott-managed properties). Injuries refer to work-related incidents that resulted in at least one day of medical leave.</p> <p>ix Lost day rate is computed based on the number of man-days lost due to workplace injuries per million hours worked for CLAS employees.</p> <p>x Absentee rate is computed based on the number of absent days over the number of available scheduled work days for CLAS employees, regardless of whether the absence was due to a work-related illness or not.</p>				

Governance Data

Metric	Unit	2021	2022	2023
Board Composition				
Board independence	%	63	63	63
Women on the board	%	25	38	38
Management Diversity				
Women who are in senior management positions				
CLI	%	40	40	38
Key management personnel of CLAS' Managers	%	75	75	75
Ethical Behaviour				
Fraud, bribery and corruption or anti-corruption training for employees ^{xi}	Number (%)	6,755 (97%)	1,019 (70%)	1,203 (81%)
<p>xi Computation of FBC training statistics for 2021 is based on staff strength of Ascott. For 2022 and 2023, the statistics are based on CLAS employee staff strength as at 30 September 2022 and 21 August 2023 (being the starting dates of the trainings), respectively, excluding interns, trainees, temporary and outsourced staff, employees on long leave and employees from divested properties.</p>				

APPENDIX C: GRI CONTENT INDEX

CLAS has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

The GRI Content Index references CLAS' Sustainability Report 2023 (SR) and the Annual Report 2023 (AR).

GRI Standards	Disclosure Number	Disclosure Title	Notes and Page Reference	Externally Assured
GRI 1: Foundation 2021	-		Sustainability Report 2023	
General Disclosures				
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organisational Details	SR About CapitaLand Ascott Trust (Pg 1)	
	2-2	Entities included in the organisation's sustainability reporting	SR About This Report (Pg 3)	
	2-3	Reporting period, frequency and contact point	Financial year 1 January 2023 to 31 December 2023 Annual reporting cycle	
			SR About This Report (Pg 3)	
	2-4	Restatements of information	NIL	
	2-5	External assurance	SR About This Report (Pg 3)	
			SR Appendix G: Independent Assurance Statement (Pg 91-95)	
	Activities and workers			
	2-6	Activities, value chain and other business relationships	SR About CapitaLand Ascott Trust (Pg 1)	
			SR Social (Pg 55-56)	
			AR Portfolio Overview (Pg 26-29)	
	2-7	Employees	SR Social (Pg 46-47)	
SR Appendix B: ESG Data Summary (Pg 75-77)			√	
2-8	Workers who are not employees	SR Social (Pg 46, 55)		
		For the purpose of this report, interns, trainees, temporary and outsourced staff are regarded as workers but not employees included under the total headcount for CLAS.		
Governance				
2-9	Governance structure and composition	SR Sustainability Management (Pg 13-14)		
		SR Governance (Pg 64-66)		
2-10	Nomination and selection of the highest governance body	AR Corporate Governance (Pg 94-110)	√	
		SR Governance (Pg 64-66)		
		AR Corporate Governance (Pg 108-111)		

APPENDIX C: GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Notes and Page Reference	Externally Assured	
GRI 2: General Disclosures 2021	2-11	Chair of the highest governance body	SR Governance (Pg 66) Mr Bob Tan was the non-executive independent Chairman of the CLAS Boards from 1 September 2016 to 21 April 2024. Mr Lui Chong Chee was appointed as the non-executive independent Chairman of the CLAS Boards effective 22 April 2024.		
	2-12	Role of the highest governance body in overseeing the management of impacts	SR Board Statement and Sustainability Management (Pg 13-14)		
			SR CEO Message (Pg 11)		
			SR Environmental (Pg 19)		
	2-13	Delegation of responsibility for managing impacts	SR Sustainability Management (Pg 13-14)		
			SR Sustainability Management (Pg 13-14)		
			SR Materiality (Pg 15)		
	2-14	Role of highest governance body in sustainability reporting	SR	Corporate Governance (Pg 95-96, 100-105)	
	2-15	Conflicts of interest	AR	Sustainability Management (Pg 13-14)	
	2-16	Communication of critical concerns	SR Governance (Pg 69)		
			AR Corporate Governance (Pg 132)		
	2-17	Collective knowledge of highest governance body	SR Governance (Pg 70)		
			AR Corporate Governance (Pg 97)		
	2-18	Evaluation of the performance of the highest governance body	SR Governance (Pg 66)		
			AR Corporate Governance (Pg 111-112)		
2-19	Remuneration policies	SR Sustainability Management (Pg 13-14)			
		SR Environmental (Pg 38)			
		SR Social (Pg 47-48)			
		AR Corporate Governance (Pg 112-118)			
2-20	Process to determine remuneration	SR Sustainability Management (Pg 13-14)			
		SR Social (Pg 47-48)			
		AR Corporate Governance (Pg 112-118)			
2-21	Annual total compensation ratio		Not disclosing due to confidentiality reasons		
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	SR CEO Message (Pg 11)			
		SR Board Statement (Pg 13)			
2-23	Policy commitments	SR Environmental (Pg 17)			
		SR Social (Pg 47-48)			
		SR Governance (Pg 68)			

GRI Standards	Disclosure Number	Disclosure Title		Notes and Page Reference	Externally Assured
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	SR	Sustainability Management (Pg 13-14)	
			SR	Environmental (Pg 17)	
			SR	Social (Pg 45, 47, 59-62)	
	2-25	Processes to remediate negative impacts	SR	Social (Pg 59-62)	
			SR	Governance (Pg 67-69)	
			AR	Risk Management (Pg 88-92)	
	2-26	Mechanisms for seeking advice and raising concerns	SR	Governance (Pg 69)	
			AR	Corporate Governance (Pg 132)	
	2-27	Compliance with laws and regulations	SR	Environmental (Pg 17)	
SR			Social (Pg 45, 47)		
SR			Governance (Pg 67-70)		
2-28	Membership associations	SR	Environmental (Pg 28)		
		SR	Governance (Pg 64)		
Stakeholder Engagement					
	2-29	Approach to stakeholder engagement	SR	Social (Pg 43-62)	
	2-30	Collective bargaining agreements	SR	Social (Pg 48)	
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR	Materiality (Pg 15)	
	3-2	List of material topics	SR	Materiality (Pg 15)	
Climate Change and Emissions					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR	Materiality (Pg 15)	
			SR	Environmental (Pg 16-42)	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR	About This Report (Pg 3)	√
			SR	Environmental (Pg 39, 42)	
			SR	Appendix B: ESG Data Summary (Pg 75)	
	305-2	Energy indirect (Scope 2) GHG emissions	SR	About This Report (Pg 3)	√
			SR	Environmental (Pg 39, 42)	
		SR	Appendix B: ESG Data Summary (Pg 75)		
305-3	Other indirect (Scope 3) GHG emissions	SR	Appendix B: ESG Data Summary (Pg 75)		
305-4	GHG emissions intensity	SR	Environmental (Pg 39, 42)		
		SR	Appendix B: ESG Data Summary (Pg 75)		
305-5	Reduction of GHG emissions	SR	Environmental (Pg 38-39, 42)	√	

APPENDIX C: GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title		Notes and Page Reference	Externally Assured
Energy					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Environmental (Pg 16-42)	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SR SR	Environmental (Pg 38-39, 42) Appendix B: ESG Data Summary (Pg 75)	√
	302-2	Energy consumption outside of the organisation	SR SR	Environmental (Pg 38) Appendix B: ESG Data Summary (Pg 75)	
	302-3	Energy intensity	SR SR	Environmental (Pg 39, 42) Appendix B: ESG Data Summary (Pg 75)	√
	302-4	Reduction of energy consumption	SR SR	CLI 2030 SMP (Pg 7-8) Environmental (Pg 38-39, 42)	
Water Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Environmental (Pg 16-42)	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	SR	Environmental (Pg 40)	
	303-2	Management of water discharge-related impacts	SR	Environmental (Pg 40)	
	303-3	Water withdrawal	SR	Environmental (Pg 40) Water is supplied to CLAS properties by municipal water networks.	
	303-4	Water discharge		Wastewater is discharged into the public sewerage system or sewage treatment plant.	
	303-5	Water consumption	SR SR	Environmental (Pg 40, 42) Appendix B: ESG Data Summary (Pg 75)	√
Waste Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Environmental (Pg 16-42)	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	SR	Environmental (Pg 41)	
	306-2	Management of significant waste-related impacts	SR	Environmental (Pg 41)	
	306-3	Waste generated	SR SR	Environmental (Pg 41) Appendix B: ESG Data Summary (Pg 75)	
	306-4	Waste diverted from disposal	SR SR	Environmental (Pg 41) Appendix B: ESG Data Summary (Pg 75)	
	306-5	Waste directed to disposal	SR SR	Environmental (Pg 41) Appendix B: ESG Data Summary (Pg 75)	

GRI Standards	Disclosure Number	Disclosure Title		Notes and Page Reference	Externally Assured
Biodiversity					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Environmental (Pg 16-42)	
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss		Environmental (Pg 17, 28) No material biodiversity risk was identified during the reporting period.	
	101-2	Management of biodiversity impacts	SR		
	101-4	Identification of biodiversity impacts			
	101-5	Locations with biodiversity impacts			
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Social (Pg 43-45)	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SR	Social (Pg 44-45)	Certified to ISO 45001 standards
	403-2	Hazard identification, risk assessment, and incident investigation	SR	Social (Pg 44-45)	
	403-3	Occupational health services	SR	Social (Pg 44-45)	
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR SR	Environmental (Pg 17) Social (Pg 44-45)	
	403-5	Worker training on occupational health and safety	SR	Social (Pg 44-45)	
	403-6	Promotion of worker health	SR	Social (Pg 44-45, 49-50)	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR	Social (Pg 44-45)	
	403-8	Workers covered by an occupational health and safety management system	SR	Social (Pg 44-45)	
	403-9	Work-related injuries	SR SR	Social (Pg 44-45) Appendix B: ESG Data Summary (Pg 77)	√
Human Capital					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Social (Pg 43-62)	
GRI 401: Employment 2016	401-1	New hires and employee turnover	SR SR	Social (Pg 46-47, 52) Appendix B: ESG Data Summary (Pg 76)	√

APPENDIX C: GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title		Notes and Page Reference	Externally Assured
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR SR	Social (Pg 49) Appendix B: ESG Data Summary (Pg 76)	√
	404-2	Programs for upgrading employee skills and transition assistance programs	SR	Social (Pg 48-49)	
	404-3	Percentage of employees receiving regular performance and career development reviews	SR	Social (Pg 47-48)	
Stakeholder Engagement					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Social (Pg 43-62)	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments and development programmes	SR	Social (Pg 44, 56-62)	
GRI 415: Public Policy 2016	415-1	Political contributions	SR	Governance (Pg 69)	
Supply Chain Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Social (Pg 55-56, 59-62)	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	SR	Social (Pg 55-56)	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	SR	Social (Pg 55-56)	
	414-2	Negative social impacts in the supply chain and actions taken	SR	Social (Pg 55-56)	
Diversity and Human Rights					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR SR	Materiality (Pg 15) Social (Pg 43-62) Governance (Pg 63-70)	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SR SR SR	Social (Pg 46-47) Governance (Pg 64-66) Appendix B: ESG Data Summary (Pg 77)	√
	405-2	Ratio of basic salary and remuneration of women to men	SR	Social (Pg 48)	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	SR	Social (Pg 47)	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	SR	Social (Pg 47, 55-56)	

GRI Standards	Disclosure Number	Disclosure Title		Notes and Page Reference	Externally Assured
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR	Social (Pg 47, 55-56)	
GRI 412: Human Rights Assessment 2016	412-1	Operations subjected to human rights reviews	SR	Social (Pg 45-48)	
Products and Services					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR SR	Materiality (Pg 15) Environment (Pg 17) Social (Pg 44-45)	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	SR SR	Environment (Pg 17) Social (Pg 44-45)	
Business Ethics and Risk Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Governance (Pg 63-70)	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	SR AR AR	Governance (Pg 68-69) Risk Management (Pg 87-90) Corporate Governance (Pg 131)	
	205-2	Communication and training about anti-corruption policies and procedures	SR SR AR	Governance (Pg 68-70) Appendix B: ESG Data Summary (Pg 77) Corporate Governance (Pg 131)	v
	205-3	Confirmed incidents of corruption and actions taken	SR	Governance (Pg 68-69)	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	SR	Governance (Pg 70)	
Other Topic-Specific Standards					
Economic Benefits to Stakeholders					
GRI 3: Material Topics 2021	3-3	Management of material topics	SR SR	Materiality (Pg 15) Economic (Pg 71-72)	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SR AR AR	Economic (Pg 71-72) 5-Year Financial Summary (Pg 7) Financial Statements (Pg 144-345)	
	201-2	Financial implications and other risks and opportunities due to climate change	SR	Environmental (Pg 18-37)	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community		100% of the key management personnel of CLAS' Managers are hired from the local community.	

APPENDIX D: UNITED NATIONS GLOBAL COMPACT

10 Principles of the UN Global Compact

Principles		Page Reference in this Report
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Social (Pg 47, 55-56)
Principle 2	Make sure that they are not complicit in human rights abuses	
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Social (Pg 48)
Principle 4	The elimination of all forms of forced and compulsory labour	Social (Pg 47, 55-56)
Principle 5	The effective abolition of child labour	
Principle 6	The elimination of discrimination in respect of employment and occupation	Social (Pg 47)
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	Environmental (Pg 16-42)
Principle 8	Undertake initiatives to promote greater environmental responsibility	
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Governance (Pg 63-70)

APPENDIX E: SGX LIST OF CORE ESG METRICS

SGX List of Core ESG Metrics

Topic	Metric	Page Reference in this Report
Environment		
Greenhouse Gas Emissions (GHG)	Absolute emissions by (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	Environmental (Pg 39, 42) and Appendix B (Pg 75)
	Emission intensities by (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	Carbon emissions are computed taking guidance from the operational control approach as defined by the GHG Protocol Corporate Standard, in line with CLI.
Energy Consumption	Total energy consumption	Environmental (Pg 39, 42)
	Energy consumption intensity	
Water Consumption	Total water consumption	Environmental (Pg 40, 42)
	Water consumption intensity	
Waste Generation	Total waste generated	Environmental (Pg 41)
Social		
Gender Diversity	Current employees by gender	Social (Pg 46-47)
	New hires and turnover by gender	Social (Pg 46-47, 52)
Age-Based Diversity	Current employees by age groups	Social (Pg 46-47)
	New hires and turnover by age groups	Social (Pg 46-47, 52)
Employment	Total turnover	Social (Pg 46, 52)
	Total number of employees	Social (Pg 46)
Development and Training	Average training hours per employee	Social (Pg 49)
	Average training hours per employee by gender	
Occupational Health and Safety	Fatalities	Social (Pg 45)
	High-consequence injuries	
	Recordable injuries	
	Recordable work-related ill health cases	

APPENDIX E: SGX LIST OF CORE ESG METRICS

SGX List of Core ESG Metrics

Topic	Metric	Page Reference in this Report
Governance		
Board	Board independence	Governance (Pg 66)
Composition	Women on the board	Governance (Pg 64, 66)
Management Diversity	Women in the management team	Social (Pg 46-47)
Ethical Behaviour	Anti-corruption disclosures	Governance (Pg 68-69)
	Anti-corruption training for employees	Governance (Pg 70)
Certifications	List of relevant certifications	ISO 14001 and ISO 45001 certification Environmental (Pg 17) Green building certifications Environmental (Pg 27-28) and Appendix A (Pg 73-74)
Alignment with Frameworks	Alignment with frameworks and disclosure practices	About this Report (Pg 3)
Assurance	Assurance of sustainability report	KPMG LLP was engaged to provide independent assurance over a selection of our key ESG disclosures in this report in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000). The assurance covers selected indicators from the GRI standards and CLAS' progress against the sustainability performance targets of its sustainability-linked bonds.

APPENDIX F: SASB DISCLOSURE INDEX

CLAS seeks to provide material sustainability information in line with the recommendations of the SASB. It considered SASB's Real Estate Sustainability Accounting Standards in developing the following table of key sustainability metrics.

Disclosure Topics	Disclosure Number	Detail	Notes and Page Reference in this Report
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sector	97.7% coverage for CLAS' Sponsor-managed operational properties in FY 2023 ⁱ . (Pg 3) All of these properties are hospitality assets (serviced residences and hotels).
	IF-RE-130a.2	Total energy consumed by: portfolio area with data coverage, (1) percentage grid electricity, and (2) percentage renewable, by property sector	Total energy consumed by CLAS' portfolio was 295,744 GJ (82,151 MWh). (Pg 39, 42) Grid electricity accounted for 80% of total energy consumed, and percentage of renewable energy was 8%.
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Like-for-like percentage change in energy consumption ⁱⁱ was an increase of 6% from 2022 to 2023 due to an increase in average occupancy.
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	CLAS identifies and addresses climate-related risks and opportunities, and integrates energy management considerations into all stages of the real estate lifecycle, from the earliest stage of the investment process to design, procurement, construction, operations and redevelopment or divestment. (Pg 19)
i	Four of CLAS' properties in France were divested in September 2023 and the environmental data for these properties prior to their divestments have been included in our reporting, where available.		
ii	Computation excludes all properties acquired, divested, undergoing development or asset enhancement programmes during 2022 or 2023.		

APPENDIX F: SASB DISCLOSURE INDEX

Disclosure Topics	Disclosure Number	Detail	Notes and Page Reference in this Report
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area, and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	<p>97.0% coverage for CLAS' Sponsor-managed operational properties in FY 2023ⁱ. (Pg 3)</p> <p>According to World Resources Institute's Aqueduct Water Risk Atlas, the cities within the key markets where CLAS' properties are located register predominantly Low to Low-Medium overall water risk levels up till 2030. There are no regions with High or Extremely High overall water risk levels. (Pg 40)</p>
	IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property sector	Total water withdrawn by CLAS' portfolio was 881,210 m ³ in 2023. (Pg 40)
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	Like-for-like change in water consumption ⁱⁱ was an increase of 9% from 2022 to 2023 due to an increase in average occupancy.
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	CLAS adopts a strategic approach to water management to enhance the efficiency, resilience and long-term value of its portfolio. (Pg 40)
Management of Tenant Sustainability Impacts	IF-RE-410a.3	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	<p>We engage and encourage our tenants to include green lease clauses into the new and renewal lease agreements, where minimum equipment and lighting efficiency requirements are stipulated. Green fit-out guides are given to new tenants to encourage them to implement environmentally-friendly features and sustainable practices.</p> <p>Ascott has committed to implement its green lease programme to 100% of its properties by 2030. In 2023, about 90% of CLAS' tenants with new and renewal contracts included green lease clauses into their agreements. (Pg 31)</p>

Disclosure Topics	Disclosure Number	Detail	Notes and Page Reference in this Report
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	<p>CLAS performed a climate scenario analysis to understand how climate-related risks and opportunities could impact its portfolio. The analysis considered the latest global scientific developments, and 1.5°C to 3°C scenarios for current to long-term time frames.</p> <p>CLI conducted a global portfolio baseline study to better understand its properties' physical climate risk in relation to floods. This included insights into whether properties were located in low lying plains, had encountered flooding in previous years, had equipment located in the basement, and had exposure to other flood risks. 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. To further strengthen climate resilience to flood risk, CLAS, through CLI, regularly engages its operations teams to ensure flood emergency response plans are implemented across its portfolio.</p> <p>(Pg 20-24, 35)</p>
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	<p>Since 2017, CLI aligned its climate-related disclosures with the TCFD recommendations in the four key areas of governance, strategy, risk management and metrics and targets. CLI further declared its support for TCFD and its recommendations in 2019.</p> <p>Aligned with CLI's commitment and in compliance with regulations, CLAS has progressively developed its climate-related disclosures since 2021, and is striving to continuously enhance its reporting against the TCFD recommendations.</p> <p>(Pg 16-42)</p>

APPENDIX G: INDEPENDENT LIMITED ASSURANCE REPORT

To the Directors of

CapitaLand Ascott Trust Management Limited (in its capacity as Manager of CapitaLand Ascott Real Estate Investment Trust) (“Manager”),

CapitaLand Ascott Business Trust Management Pte. Ltd. (in its capacity as Trustee-Manager of CapitaLand Ascott Business Trust) (“Trustee-Manager”) and

DBS Trustee Limited (in its capacity as Trustee of CapitaLand Ascott Real Estate Investment Trust) (“Trustee”)

Report on CapitaLand Ascott Trust Sustainability Report for the year ended 31 December 2023 (“the Sustainability Report”), the selected Global Reporting Initiative Sustainability Reporting Standards disclosures (“Selected GRI Disclosures”) and Sustainability Linked Bonds’ Key Performance Indicators (“SLB KPIs”)

CapitaLand Ascott Trust is a stapled group comprising of CapitaLand Ascott Real Estate Investment Trust and its subsidiaries and CapitaLand Ascott Business Trust and its subsidiaries (collectively, “the Stapled Group”).

Conclusion

We have performed a limited assurance engagement on whether:

- CapitaLand Ascott Trust’s Sustainability Report and the Selected GRI Disclosures for the year ended 31 December 2023 have been prepared in accordance with Rule 711B of the Singapore Exchange (“SGX”) Listing Manual and the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”); and
- The SLB KPIs have been prepared in accordance with the following Sustainability-Linked Bonds (“SLB”) criteria:
 - i SLB1 (launched in April 2022): Ascott Residence Trust Sustainability-Linked Finance Framework dated February 2022.
 - ii SLB2 (launched in November 2022): Mandate letter signed between Stapled Group and the SLB2 bondholders dated 25 August 2022 and pricing supplement for SLB2 dated 31 October 2022.

We do not express a conclusion or any other form of assurance on other information. Other information is defined as all information in the Sustainability Report other than our Assurance Report and the Selected GRI Disclosures and SLB KPIs as identified in the table below.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that:

- the Sustainability Report has not described the sustainability practice on a comply-or-explain basis with reference to the following components as listed under Rules 711 of the SGX Listing Manual:
 - i Material environmental, social and governance factors;
 - ii Policies, practices and performance;
 - iii Targets;
 - iv Sustainability reporting framework; and
 - v Board statement and associated governance structure for sustainability practices.
- the Selected GRI Disclosures as identified in the table below, are not presented, in all material respects, in accordance with the relevant topic-specific disclosure requirements in the GRI Standards;
- the Selected GRI Disclosures as identified in the table below, are not calculated, in all material respects, in accordance with the relevant topic-specific disclosure requirements in the GRI Standards; and
- the Key Performance Indicators (“KPIs”) of the Stapled Group’s SLBs 1 and 2 as identified in the table below, are not calculated, in all material respects in accordance with the SLB criteria.

Material Topic	GRI Standards topic-specific disclosure		Selected GRI Disclosures
Energy Efficiency	GRI 302-1 (2016)	Energy consumption within the organisation	Direct energy consumption: 11,096 megawatt-hour (MWh) / 39,946 Gigajoule (GJ) Indirect energy consumption: 71,055 megawatt-hour (MWh) / 255,798 Gigajoule (GJ)
	GRI 302-3 (2016)	Reduction in energy intensity compared to 2019 baseline*	6.9%
Water Management	GRI 303-5 (2018)	Water consumption	881 Megaliters (ML)
	-	Reduction in water intensity compared to 2019 baseline*	4.8%
Climate Change and Carbon Reduction	GRI 305-1 (2016)	Direct (Scope 1) GHG emissions	2,059 tonnes CO ₂ e
	GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions	31,811 tonnes CO ₂ e (location-based)
	GRI 305-5 (2016)	Reduction in GHG emissions intensity compared to 2019 baseline*	0.4%

* The 2019 baseline figures are not assured by KPMG

Material Topic	GRI Standards topic-specific disclosure		Selected GRI Disclosures			
			Gender	Male	Female	
Human Capital	GRI 401-1 (2016), GRI 405-1 (2016)	New employee hires and employee turnover	Gender			
			New hires	48%	52%	
			Employee turnover	49%	51%	
			Existing employees	51%	49%	
			Age Group	<30	30-50	>50
			New hires	47%	51%	2%
	Employee turnover	34%	53%	13%		
	Existing employees	24%	60%	16%		
				2023		
			Total turnover - all employees		25%	
			Total turnover - employees of the Manager		8%	
	GRI 404-1 (2016)	Average hours of training per employee	Type	Average training hours per employee		
			Total	28		
		Male	26			
		Female	31			
		Full time	33			
		Contract	12			
		Rehired retirees	71			
GRI 2-7 (2021)	Total number of employees	Total number of employees at the reporting year end of 2023: 1,774 employees				

APPENDIX G: INDEPENDENT LIMITED ASSURANCE REPORT

Material Topic	GRI Standards topic-specific disclosure		Selected GRI Disclosures		
Occupational Health and Safety	GRI 403-9 (2018)	Work-related injuries	Work-related Injuries 2023		
			Number of workplace accidents		22
			Work-related Permanent Disability 2023		
			Number of workplace accidents		0
			Work-related Fatalities 2023		
			Number of workplace accidents		0
Board Composition and Management Diversity	GRI 2-9 (2021), GRI 405-1 (2016)	Diversity of governance bodies	Gender Male Female		
			Directors		62.5% 37.5%
			Key Management Personnel		25% 75%
			Type Independent Non-independent		
			Composition of Board of Directors		62.5% 37.5%
Risk Management and Business Ethics	GRI 205-2 (2016)	Anti-corruption training	Anti-Corruption Training 2023		
			Number of employees that received anti-corruption training		1,203
			Percentage of employees that received anti-corruption training		81%
-	-	List of sustainability or ESG related certifications	Certifications up to 31 December 2023 ISO Green building		
		Number of certifications	2	46	
Bond	KPI		Selected SLB KPI Disclosures		
Sustainability-Linked Bond 1 (SLB1)	KPI #1	Percentage of portfolio that is green certified	Green Certification Rate 2023		
			Percentage of portfolio that is green certified		49%
Sustainability-Linked Bond 2 (SLB2)	KPI #1	Reduction in energy intensity performance of 3 properties	Reduction in Electricity Consumption 2023		
			Reduction in electricity consumption performance of 3 properties		44.4%
	KPI #2	Number of properties (out of 3) with green certification	Green Certification Rate 2023		
		Number of properties (out of 3) with green certification			2

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under those standards are further described in the “Auditors’ responsibilities” section of our report.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) and Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities under the Fourth Schedule of the Accountants (Prescribed Standards and Code of Professional Conduct and Ethics) Order 2023* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies International Standard on Quality Management 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Restriction on use or distribution

This report has been prepared for the Directors of the Manager, Trustee-Manager and Trustee for the purpose of providing an assurance conclusion on the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of the Manager, Trustee-Manager and Trustee, or for any other purpose than that for which it was prepared.

Responsibilities for the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs

The Manager is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs that are free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs, and appropriately referring to or describing the criteria used;
- preparing and presenting the Sustainability Report, the Selected GRI Disclosures in accordance with Rule 711B of the SGX Listing Manual and GRI Standards;
- preparing and presenting the SLB KPIs in accordance with the SLB criteria;
- preventing and detecting fraud and for identifying and ensuring that the Stapled Group complies with laws and regulations applicable to its activities;
- selecting the content of the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs, including identifying and engaging with intended users to understand their information needs;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures; and
- supervision of other staff involved in the preparation of the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs.

The responsibilities of the directors of the Manager include overseeing the Stapled Group’s sustainability reporting process.

APPENDIX G: INDEPENDENT LIMITED ASSURANCE REPORT

Inherent limitations in preparing the Sustainability Report, the Selected GRI Disclosures and the SLB KPIs

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Auditors' responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Report, the Selected GRI Disclosures and SLB KPIs is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Sustainability Report, the Selected GRI Disclosures and SLB KPIs and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we performed the procedures below:

- Inquiries of management to gain an understanding of the Stapled Group's processes for determining the material issues for the Stapled Group's key stakeholder groups;
- Interviews with relevant staff at Stapled Group and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Sustainability Report;
- Inquiries about the design and implementation of the systems and methods used to collect and report on the GRI Disclosures and SLB KPIs, including the aggregation of the reported information;
- Comparison of the GRI Disclosures and SLB KPIs presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been appropriately included in the GRI Disclosures and SLB KPIs; and
- Reading of the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Stapled Group.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



KPMG LLP

Public Accountants and Chartered Accountants

Singapore
30 May 2024



CAPITALAND ASCOTT TRUST MANAGEMENT LIMITED

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

CAPITALAND ASCOTT BUSINESS TRUST MANAGEMENT PTE. LTD.

As Trustee-Manager of CapitaLand Ascott Business Trust
Company Registration Number: 201925299R

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