

# ESG Report 2023



# Sustainability

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## Glossary

A glossary of the abbreviations used in this report:

ARCC	: Audit, Risk, and Compliance Committee
BCA	: Building and Construction Authority
Board	: Board of Directors
BREEAM	: Building Research Establishment Environmental Assessment Method
CEO	: Chief Executive Officer
DEI	: Diversity, Equity and Inclusion
ESG	: Environmental, Social and Governance
FHT	: Frasers Hospitality Trust
The Sponsor	: Frasers Property Limited
The Group	: Frasers Property and its subsidiaries
Framework	: ESG Framework
FY	: Financial Year Ended 30 September
GHG	: Greenhouse Gas
GRI	: Global Reporting Initiative
MAS	: Monetary Authority of Singapore
NABERS	: National Australian Built Environment Rating System
REITAS	: REIT Association of Singapore
SIAS	: Securities Investors Association (Singapore)
SSC	: Sustainability Steering Committee
TCFD	: Task Force on Climate-related Financial Disclosures
tCO <sub>2</sub> e	: Tonnes of CO <sub>2</sub> equivalent
YoY	: Year-on-year



## Board Statement



### Dear Stakeholders,

Recognising the imperative to embrace sustainability and being rooted in our Group-wide Purpose of

- Inspiring experiences, creating places for good.
- we have committed to drive actions across our sustainability commitments while enhancing the resilience of our portfolio of quality assets.

Frasers Hospitality Trust's (**FHT**) FY2023 Environmental, Social and Governance (**ESG**) Report provides an overview of our sustainability performance and efforts throughout the year. This report signifies our accountability and transparency to our stakeholders as we strive to improve our operations and create long-term value through the three pillars of Frasers Property Limited (the **Sponsor**) Sustainability Framework – Acting Progressively, Consuming Responsibly and Focusing on People.

In FY2023, all our properties in the UK completed their BREEAM (Building Research Establishment Environmental Assessment Method) assessment and are awaiting their certification awards. Our Australia and Malaysia properties will be undergoing their green certifications in FY2024.

During the year, we continued with our decarbonisation efforts as well as undertook several initiatives to reduce the energy and water consumption and waste generation across our properties where possible. These initiatives were aligned with our Sponsor's goal of being a net-zero carbon corporation by 2050.

Testament to our continued efforts, we are proud to have achieved a score of 82 and a 4-Star Rating in the 2023 GRESB Real Estate Assessment, marking this the third consecutive year that we have attained

improvements in our score and rating. We also maintained our third-place ranking in the 'Asia Pacific Hotel - Listed' category under the Assessment. This achievement is significant as stakeholders are able to benchmark FHT's performance against its global real estate peers in the same sector.

In line with our sustainability roadmap, we continue to align this year's sustainability disclosures with the Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations.

As the global tourism and hospitality industry continues with its recovery from the pandemic, it is important that we continue to embrace innovation and forge deeper partnerships to deliver on our sustainability commitments. We are grateful for the invaluable support of our stakeholders, who have enabled us to chart the path ahead to a greener future.

The Board of Directors will continue to fulfil its duties in determining, monitoring and managing our material ESG issues, providing strategic directions on sustainability as well as overseeing the standards and management processes needed to meet our sustainability objectives.

We look forward to progressing on this journey together.

### Board of Directors

Frasers Hospitality Asset Management Pte. Ltd.  
REIT Manager of Frasers Hospitality Real Estate Investment Trust

Frasers Hospitality Trust Management Pte. Ltd.  
Trustee-Manager of Frasers Hospitality Business Trust

## Sustainability

### The Year at A Glance



#### ACTING PROGRESSIVELY

- FHT achieved a score and rating of 82 and 4-star respectively in the 2023 GRESB Real Estate Assessment, with an improved score and rating for the third consecutive year. We maintained a third-place ranking (out of 7) in the "Asia Pacific Hotel – Listed" category.
- InterContinental Singapore retained the Building and Construction Authority (BCA) Green Mark GoldPLUS certification.
- Our properties in Australia scored an average 3.5-Star Water rating (that is between average and good) and 3-Star Energy rating (average) in the National Australian Built Environment Rating System (NABERS) assessment.
- In FY2023, we established our interim decarbonisation roadmap for 2030, in line with our goal of achieving net-zero carbon emissions by 2050. We also completed a climate risk assessment to identify FHT's physical and transitional risks.



#### CONSUMING RESPONSIBLY

- Fraser Suites Queens Gate London, Park International London, Fraser Place Canary Wharf London, Fraser Suites Edinburgh, Fraser Suites Glasgow are all powered by 100% renewable energy.
- The Westin Kuala Lumpur has also subscribed to green energy in FY2023.
- 2.6% year-to-year decrease in energy consumed per occupied room night.
- Expanded Scope 3 disclosure to cover natural gas consumption at tenanted areas and employee commuting.
- Collected 419 tonnes of waste for recycling, a 17.6% increase compared to FY2022.



#### FOCUSING ON PEOPLE

- The REIT Manager's senior management and employee base has 40% and 67% female representation, respectively. During FY2023, employees of the REIT Manager underwent an average of 23 learning hours per staff.
- In FY2023, all properties managed by Frasers Hospitality, a strategic business unit of the Sponsor, achieved a positive guest review score of 63.9% (FY2022: 63.3%) and a performance score of 81.4% (FY2022: 80.8%).

# Building A Resilient Future: Our Approach to ESG

## EMBEDDING ESG WITHIN OUR CORE

As a global hospitality REIT, FHT acknowledges its duty to operate in a responsible manner. Our goal is to contribute to the environmental and social well-being of the communities where we operate in, while creating long-term shared value for our stakeholders.

Our ESG strategy aligns with our Sponsor's ESG Framework (the **Framework**) which comprises three core pillars: Acting Progressively, Consuming Responsibly and Focusing on People. We prioritise ESG-related focus areas within these key pillars that are most relevant for our hospitality business and operations.

## PILLARS



**ACTING  
PROGRESSIVELY**



**CONSUMING  
RESPONSIBLY**



**FOCUSING ON  
PEOPLE**

## FOCUS AREAS

### Innovation

Fostering an innovation culture that creates value and strengthens our competitive edge

### Resilient Properties

Strengthening the resilience and climate adaptive capacity

### Risk-based Management

Comprehensive assessment to address environmental, health and safety risks

### Responsible Investment

Incorporating social, environment and governance criteria in the evaluation process

### Materials & Supply Chain

Achieving the sustainable management and efficient use of materials along the supply chain

### Biodiversity

Enhancing the environment and ecosystem through our developments

### Energy & Carbon

Increasing substantially energy efficiency and renewable energy used

### Waste

Reducing substantially waste generation through prevention, reduction, recycling and reuse

### Water

Increasing substantially water efficiency and the recycling and safe reuse of water discharged

### Community Connectedness

Considering social value principles for communities

### Health & Well-being

Ensuring healthy and balanced work and community environments

### Diversity, Equity & Inclusion

Empowering and promoting the social inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

### Skills & Leadership

Developing skills and leadership programmes that support productive activities, creativity and innovation to deliver high-value products and services

## Sustainability

### OUR SUSTAINABILITY ROADMAP

To implement our strategy, we have established a sustainability roadmap, with annual targets to guide our overall sustainability approach and key initiatives for the year. These targets contribute to the overarching long-term goals set out by our Sponsor.

In FY2023, our Sponsor refreshed its Group ESG goals following a benchmark exercise and a review of the progress against targets announced in FY2021. The refresh took in a range of considerations including a market review of global sustainability trends, a FY2022 stakeholder survey exercise, and evolving regulatory requirements. The refreshed goals are as follows:

- Achieve net-zero carbon emissions across Scopes 1, 2 and 3 by 2050.
- Install 215 MW of renewable energy capacity on properties by 2030.
- Deploy group-wide climate risk analytics platform to identify, assess and manage climate-related risks by FY2024.
- Have 100% by gross floor area of new development projects, and 85% by gross floor area of owned and asset-managed properties, be either green-certified or pursuing green certification by 2030.
- Engage 75% of suppliers by spend on Responsible Sourcing Policy by FY2025.
- Develop a framework to assess and prioritise biodiversity risks and opportunities by FY2025.

### MANAGING SUSTAINABILITY GRI 2-9, 2-12, 2-13, 2-14

Ensuring transparency and accountability as part of our sustainability approach is a tenet of good governance and demonstrates our efforts to build trust with stakeholders. FHT has put in place a sustainability governance structure to align its sustainability goals with its business strategy and integrate ESG considerations into its long-term plans and operations.

We collaborate closely with our Sponsor on a cohesive governance approach. This alignment extends to our shared sustainability agenda, guided by the Group Sustainability Steering Committee (**SSC**). This committee, consisting of Chief Executive Officers (**CEOs**) from business units in the Group as well as other senior management, convenes six times annually to steer Group-wide sustainability strategies, and monitor sustainability performance across key metrics and endorse action plans throughout the Group. The SSC is supported by the Group Sustainability Team, which fosters close collaboration with FHT in ensuring alignment between the Group and FHT, crafting ESG action plans and monitoring advancements.

Within FHT, the Board provides strategic oversight and guidance on the identification, management and monitoring of material ESG factors, through the Audit, Risk, and Compliance Committee (**ARCC**). Focused on environmental risk oversight, the FHT Sustainability Steering Committee, led by the CEO and Head of Finance, ensures diligent monitoring. FHT also has a dedicated Sustainability Task Force,

comprising department heads from Asset Management, Finance, Investment, and Investor Relations, to drive its sustainability strategy. The Sustainability Task Force assumes the responsibility of developing FHT's sustainability framework and targets, along with formulating specific strategies, staff engagement plans, and resource allocation to execute these initiatives. The monitoring of property-level sustainability performance and indicators is entrusted to the Asset Management team and the General Managers of its hotels and serviced residences.

### PARTICIPATION IN ASSOCIATIONS AND ALIGNMENT WITH RECOGNISED STANDARDS GRI 2-28

FHT, whether independently or through its Sponsor, maintains active involvement in local and international efforts within the real estate sector. By collaborating with industry bodies, we leverage our insights and knowledge to drive meaningful change. We support and engage with various industry associations and global movements and these partnerships play a pivotal role in fulfilling our sustainability commitments.

### REIT ASSOCIATION OF SINGAPORE (REITAS)

REITAS serves as the representative advocate for Singapore's REIT sector, facilitating member engagement in policy consultations. REITAS supports the growth of the sector by improving transparency and governance for investor decision-making, and collaborating with regulators for industry-friendly policies. FHT plays an active role as a member of REITAS, participating in industry events organised by the association as well as relevant surveys initiated by the regulators which seek to gather feedback from the sector. FHT, through its Sponsor, is also represented on REITAS' Sustainability Taskforce.

As part of Frasers Property Group, we are aligned with sectoral, national, and international platforms to elevate standards and scale up best practices. These include:

- GRESB Real Estate Assessment
- Property Council of Australia
- Science Based Targets initiative
- TCFD
- United Nations Global Compact
- United Nations Women's Empowerment Principles
- Urban Land Institute Singapore
- Tripartite Alliance on Fair Employment Practices
- Net Zero Carbon Buildings Commitment of the World Green Building Council
- Singapore Green Nation Pledge by Ministry of Sustainability and the Environment

### STAKEHOLDER ENGAGEMENT GRI 2-29

An important element of FHT's approach to sustainability is engaging our stakeholders and addressing their concerns to the best of our abilities. We value our stakeholders' views and work to integrate their feedback into our practices to improve our sustainability performance.

Our stakeholders are identified and prioritised based on the impact that our operations have on them, their knowledge of the sector and FHT, and their importance to the success of our business.

We typically engage our stakeholders throughout the year via a variety of communication channels. Our goal for all our stakeholder engagement initiatives is to better understand stakeholder needs while seeking collaborative ways to achieve shared objectives.

Key Stakeholders	Key Topics of Concern	Mode and Frequency of Engagement
<b>Customers and Guests</b>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Quality of facilities and services</li> <li>Health and safety</li> </ul>	Throughout the year: <ul style="list-style-type: none"> <li>Bilateral communications</li> <li>Guest satisfaction surveys</li> <li>Events</li> </ul>
<b>Investment Community and Stapled Securityholders</b>	<ul style="list-style-type: none"> <li>Financial and portfolio performance</li> <li>Business strategy and outlook</li> <li>Acquisitions and divestments</li> <li>Asset enhancement initiatives</li> <li>Capital and risk management</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly business updates, financial results briefings and earnings calls</li> <li>Annual General Meeting</li> </ul> Throughout the year: <ul style="list-style-type: none"> <li>Investor conferences and non-deal roadshows</li> <li>Bilateral communications via emails, calls, company visits and site visits</li> <li>Corporate website</li> </ul>
<b>Hotel and Serviced Residence Operators</b>	<ul style="list-style-type: none"> <li>Asset management and enhancement initiatives</li> <li>Business opportunities</li> <li>Property maintenance programmes</li> <li>ESG practices</li> </ul>	<ul style="list-style-type: none"> <li>Monthly ESG performance data collection and review</li> </ul> Throughout the year: <ul style="list-style-type: none"> <li>Regular site meetings</li> <li>Discussions via calls and emails</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee development and retention</li> <li>Employee satisfaction</li> <li>Occupational health and safety</li> <li>Impact on the environment</li> <li>Employee well-being</li> <li>Organisation updates</li> </ul>	Annual <ul style="list-style-type: none"> <li>Performance appraisals</li> <li>Employee culture or pulse survey</li> <li>Group-wide Health and Safety Month and Environment Month</li> </ul> Throughout the year: <ul style="list-style-type: none"> <li>Training, including courses and orientation programme for new staff</li> <li>Team bonding activities as well as sports, volunteering and other events</li> <li>Internal communications via emails, intranet, newsletters and townhall meetings</li> </ul>
<b>Suppliers and Business Partners</b>	<ul style="list-style-type: none"> <li>Appropriate cost and budgeting</li> <li>Adherence to terms and conditions of purchasing policies</li> <li>Responsible sourcing practices</li> </ul>	As and when requested: <ul style="list-style-type: none"> <li>Quotations, proposals and tenders</li> <li>Regular meetings</li> <li>Discussions via calls and email</li> </ul>
<b>Local Community</b>	<ul style="list-style-type: none"> <li>Social and community initiatives</li> <li>Business impact on the environment and society</li> </ul>	Throughout the year: <ul style="list-style-type: none"> <li>Community engagement activities</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>FHT's latest developments, including acquisitions, equity fund raising, and divestments</li> </ul>	Throughout the year: <ul style="list-style-type: none"> <li>Media releases</li> </ul>
<b>Regulators and Non-governmental Organisations</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Regulatory and industry updates and trends</li> <li>Corporate governance</li> </ul>	Throughout the year: <ul style="list-style-type: none"> <li>Briefings, discussions and consultations</li> <li>Participation in relevant industry associations</li> <li>Participation in relevant industry surveys which seek to gather feedback from market participants</li> </ul>




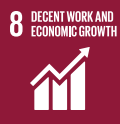










## Sustainability

### MATERIALITY ASSESSMENT

#### GRI 3-1, 3-2

We regularly review and assess how the changing landscape that we operate in affects our material ESG topics, our business and stakeholders. In FY2022, our Sponsor conducted a review of FHT's material topics to determine if any new topics had emerged, or whether

there had been a shift in the importance and impact of existing topics. The review process comprised a global market review of relevant key sustainability trends as well as surveys and interviews with internal and external stakeholders. These findings were analysed and shared with the REIT Manager. After consolidating all feedback, we finalised the list of material sustainability topics for FHT.

Group Sustainability Framework Pillars	Corresponding United Nations Sustainable Development Goals	Material Topics
<b>ACTING PROGRESSIVELY</b> 	  	<b>Economic Performance</b>  <b>Anti-corruption</b>
<b>CONSUMING RESPONSIBLY</b> 	   	<b>Energy and Greenhouse Gas (GHG) Emissions Management</b>  <b>Water Management</b>  <b>Waste Management</b>
<b>FOCUSING ON PEOPLE</b> 	  	<b>Customer Experience</b>  <b>Talent Recruitment and Retention</b>  <b>Employee Well-being and Empowerment</b>



This continual updating of our sustainability management and accompanying policies ensures that our strategy remains relevant, as we seek to address evolving risks and opportunities.

The following table elaborates the significance of our material topics, the relevant United Nations Sustainable Development Goals and areas where we have made an impact through our business relationships.

Corresponding Group Focus Areas	Rationale	Material Factor Boundaries		
		FHT/ REIT Manager	Suppliers/ Contractors	Properties
<b>Risk-based Management, Responsible Investment, Resilient Properties</b>	Our strategic objective is to manage and expand our portfolio, within our risk capacity and appetite, to deliver long-term growth in distribution and net asset value to our Stapled Securityholders.	✓		
<b>Risk-based Management</b>	The foundation of our reputation lies in ethical and fair dealings. We maintain high standards of governance and accountability to earn the trust and confidence of our stakeholders.	✓	✓	✓
<b>Energy &amp; Carbon</b>	Considering that energy consumption is one of the largest environmental impact that our operations generate, we continue to actively monitor and manage energy consumption at our properties.			✓
<b>Water</b>	Water is a limited natural resource. It is essential for us to manage our consumption to reduce unnecessary usage.			✓
<b>Waste</b>	As the operations of our properties generate various types of waste, proper waste management is key in preventing adverse impact on the local environment and public health.			✓
<b>Community Connectedness</b>	Customer experience is a vital aspect in determining the success of our business. It is our utmost priority to meet and exceed the expectations of our customers and guests.			✓
<b>Skills &amp; Leadership</b>	It is important that the REIT Manager has the capacity to manage and expand FHT's portfolio to create value for our stakeholders. We seek to attract, develop and retain the right people who are the cornerstone of our success.	✓		
<b>Diversity, Equity &amp; Inclusion (DEI)</b>	Employees are at the heart of hospitality operations. It is vital to ensure our hotel and serviced residence operators value staff well-being by providing a conducive and safe working environment. In turn, a motivated workforce can better deliver positive, memorable experiences to our customers and guests.	✓		✓

## Sustainability



### Acting Progressively

FHT is dedicated to integrating ESG factors into its business choices, maintaining utmost integrity through established governance systems to address risks and opportunities. This is accomplished through robust policies that underpin our sustainability strategy and strengthen our business resilience. We actively strive to uphold responsible practices throughout our operations, continually evaluating our performance by benchmarking our properties against reputable green building certification schemes.

## OUR PROGRESS

Focus Area	Our Goals	Our Progress in FY2023
<b>Risk-Based Management</b>	<ul style="list-style-type: none"> <li>To establish holistic overarching internal policies to govern and guide the senior management on the focus areas.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to roll out our Responsible Sourcing Policy, with 50% of the REIT Manager's suppliers acknowledging the policy.</li> </ul>
<b>Responsible Investment</b>	<ul style="list-style-type: none"> <li>To kickstart the process for green building certifications in FY2021 and achieve green certifications for at least 85% of the portfolio by 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Our properties in Australia scored an average 3.5-Star for Water rating (between Average and Good) and 3-Star for Energy rating (Average) for their NABERS assessment.</li> <li>InterContinental Singapore holds BCA Green Mark GoldPLUS certification.</li> <li>Five out of six of our UK properties are accredited under the Green Tourism Scheme.</li> <li>Notable improvement at the 2023 GRESB Real Estate Assessment with a 4-Star rating and a higher score of 82 which led FHT to maintain its third-place ranking in the 'Asia Pacific Hotel - Listed' category.</li> </ul>
<b>Resilient Properties</b>	<ul style="list-style-type: none"> <li>To carry out climate risk assessment and implement asset-level adaptation and mitigation plans in alignment with the TCFD framework by 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Our climate risk and climate 'value at-risk' portfolio-level assessment is still ongoing. We are also developing an action plan to address and mitigate key physical and transition risks.</li> <li>Aligned our climate reporting more closely to the TCFD framework.</li> </ul>

## RISK-BASED MANAGEMENT

### OUR APPROACH GRI 3-3

In view of our global portfolio, we are keenly aware of the various ESG and economic risks that our operations are exposed to.

We recognise the importance of upholding the highest standards of integrity and have established a robust governance framework to ensure regulatory compliance. Our Code of Business Conduct, which applies to all employees and leadership, sets out our

stand on ethics and compliance with ESG factors and is made available to other stakeholders.

We work with our Board and the Sponsor to implement effective internal controls across our business. Our Board ARCC supervises the audit procedures, supporting the Board in evaluating the quality and reliability of the accounting, auditing, internal controls and the REIT Manager's corporate governance practices. This includes an audit conducted by the Sponsor's internal audit team, which focuses on the REIT Manager's adequacy of internal controls, risk management and corporate governance practices. Audit findings and recommendations are then used to guide the Board and future management decisions.

The ARCC is responsible for actively integrating control measures aimed at anticipating and handling the potential business consequences of identified ESG risks. This integration is achieved through close collaboration with our Sponsor's Group Risk and Group Sustainability teams.

In FY2023, FHT remained a signatory of the annual Corporate Governance Statement of Support initiated by the Securities Investors Association (Singapore) (SIAS) to foster a culture of good corporate governance with a focus on ESG among Singapore listed companies.

### OUR ACTIONS AND PROGRESS

**GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1**

We have implemented a comprehensive set of corporate policies which are aligned with those of our Sponsor, to guide our operations and safeguard integrity and accountability in our business conduct. These policies are periodically reviewed to ensure that they remain relevant to our changing operating landscape:

- Anti-Bribery Policy
- Board Diversity Policy
- Code of Business Conduct
- Competition Act Compliance Manual
- Complaints/Feedback Handling Policy
- Continuing Education of Capital Markets Services Representatives
- Continuing Education Policy
- Corporate Social Responsibility Policy
- Diversity and Inclusion Policy
- Documents Management and Retention Policy
- Investment Manual and Guidelines - Acquisitions and Disposals
- Investor Relations Policy
- Personal Data Breach Incident Management Policy
- Personal Data Protection Policy
- Policy on Dealings in Units of FHT and Reporting Procedures
- Policy on Outsourcing
- Prevention of Money Laundering and Countering the Financing of Terrorism
- Procurement Policy
- Responsible Sourcing Policy
- Whistle-blowing Policy

To ensure the reliability of our data disclosure and processes in the publication of this year's ESG Report, we have sought independent external assurance for the report. Our assurance was carried out by Ere-S, with the engagement conducted under a limited level of assurance according to the International Standard on Assurance Engagements 3000 guidelines. Please refer to pages 107 to 109 for assurance findings and observations.

### Anti-Bribery, Anti-Corruption and Anti-Competitive Behaviour

We strive to maintain the highest standards of ethical business conduct and our commitment towards good faith business activities and regulatory compliance are outlined in our policies, namely the Anti-Bribery Policy, the Competition Act Compliance Manual and the Prevention of Money Laundering and Countering the Financing of Terrorism.

Training and communications build the awareness needed to tackle corruption and bribery. In FY2023, 91% of the REIT Manager's Singapore-based employees, and 75% of the REIT Manager's employees based outside of Singapore, received training on anti-corruption.

We also take a proactive approach to ensure compliance with all applicable laws and regulations within the markets where we have presence in. In FY2023, there was no confirmed incident of bribery and corruption within FHT's operations, and no significant breach of laws and regulations in relation to the environment, health and safety regulations or industry codes around marketing communications.

### Whistle-blowing and raising concerns

In upholding our Whistle-blowing Policy, we ensure that our employees and third parties have access to independent feedback channels. These provide safe avenues to report any improprieties, grievances or misconduct without fear of reprisal. Matters of concern can be reported by mail, electronic mail or by calling a hotline. Employees and third parties are encouraged to raise their concerns on any of the following issues relating to FHT and its staff:

- Financial fraud or professional misconduct, including concerns about accounting, internal controls or auditing matters;
- Improper conduct, dishonest, fraudulent or unethical behaviour;
- Any criminal or regulatory offence, breach, irregularity or non-compliance with laws/regulations or the Company's policies and procedures, and/or internal controls;
- Violence at the workplace, or any workplace hazards/violations which may threaten health and safety;
- Corruption or bribery;
- Conflicts of interest without proper disclosure;
- Any deliberate attempt to cover up and/or conceal misconduct; and any other improprieties or matters that may adversely affect shareholders' interest in, and assets of, the Company, and its reputation.

## Sustainability

Individuals who wish to file a whistleblowing report may refer to the details on our website.

Any report submitted through these channels are received by the Sponsor's Head of Group Internal Audit, who has been designated as an independent function to investigate all whistle-blowing reports. FHT will respond appropriately to individuals who engage in reprisal actions against whistle-blowers.

In FY2023, we did not receive any case via our whistleblowing channels. We will continue to foster close collaboration with our stakeholders and ensure that we pre-empt and mitigate any risks throughout our value chain.

### Supply chain management

FHT seeks to establish a sustainable supply chain by forging close partnerships with suppliers that embrace our sustainability vision and values. This ensures that they are aligned with our commitment to high quality environmental, health and safety standards. As conveyed in our Responsible Sourcing Policy, this commitment includes expectations around the following key areas:

- Environmental management – to manage the environmental impact of their products and services, and continually seek to improve their environmental efforts.
- Human rights and labour management – to eliminate human rights violations and oppose human trafficking in their operations and supply chains, and provide fair and transparent employment conditions to their employees.
- Health, safety and well-being – to manage health and safety risks and ensure that their staff are safe and protected.
- Business ethics and integrity – to uphold strong business ethics and ensure that their business is conducted lawfully and with integrity.

In FY2023, the REIT Manager continued to engage its key suppliers on its Responsible Sourcing Policy. As at 30 September 2023, half of these key suppliers have acknowledged the policy.

Our next step is to align with our Sponsor's new goal by raising our engagement level to 75% of suppliers by spend. This will be done through a Group-wide e-learning programme by the end of FY2025. We will be onboarding our suppliers onto this programme, which aims to encourage and equip them to implement sustainable business practices. This will serve as a springboard towards reducing environmental and social impacts in our value chain.

### Data privacy

At FHT, our Personal Data Protection Policy has been implemented to protect our information assets and establish responsibilities that employees must undertake to ensure maximum data confidentiality and security. In the case of information security incidents, FHT's Personal Data Breach Incident Management Policy sets out procedures for employees to manage and mitigate any negative impacts.

During the year, some of the staff at our properties attended cybersecurity training which equipped them with knowledge on basic cyber safety and the handling of personal data. For instance, 88 staff at Fraser Suites Singapore participated in the Stay Safe & Smart Online course between October 2022 to July 2023 and clocked a total of 2,211 training hours.

There was no recorded information security breach in FY2023.

### Aligning with Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management for Asset Managers

Pursuant to MAS guidelines aimed at enhancing the resilience of funds, asset managers have been tasked to implement the guidelines on environmental risk management across six key areas. We have put in place processes and practices to meet these requirements and will continue to strive for further alignment.



Key area	Status
<b>Governance and strategy:</b> The Board and senior management to oversee integration of environmental risk considerations into asset managers' strategies, business plans and product offerings.	The ARCC assists the Board in carrying out its responsibility in determining ESG factors that are material to our business, monitoring and managing ESG factors, and overseeing standards, management processes and strategies to achieve sustainability practices.  The FHT Sustainability Steering Committee, comprising the CEO and Head of Finance, has been designated to oversee and review environmental risk.
<b>Research and portfolio construction:</b> Asset managers to evaluate the potential impact of environmental risk on the return potential of our investments.	We consider operational indicators (such as GHG emissions, energy, waste and water) that may affect tenant demand as well as operational efficiencies and costs. Please refer to the Energy and Carbon section of this Report for further details.
<b>Portfolio risk management:</b> Asset managers to put in place appropriate processes and systems to assess, manage and monitor the impact of any risk.	We have put in place processes to manage environmental risk. Please refer to the Risk-Based Management section of this Report for further information.
<b>Scenario analysis:</b> Asset managers to develop capabilities in assessing environmental risk impact on their portfolios and their alignment with climate goals set under a range of scenario pathways.	We are on track to complete climate risk assessments, which include scenario analysis from temperature rises (below 2°C scenario: RCP 2.6 and below 4°C scenario: RCP 8.5) by FY2024.
<b>Stewardship:</b> Asset managers to engage investee companies to improve risk profile and support their efforts to transition towards more sustainable policies and practices.	We have progressively implemented asset enhancement initiatives with measures to improve energy and water efficiency and waste management.
<b>Disclosures:</b> Clear and meaningful disclosures, referencing well-regarded international reporting frameworks.	This Report discloses our approach to environmental risk management and the potential impacts of risk. We strive to enhance disclosures to further align to the TCFD recommendations.

## RESPONSIBLE INVESTMENT

### OUR APPROACH GRI 3-3

FHT has a geographically diversified portfolio of 14 quality assets, mostly located in key gateway cities in Asia, Australia and Europe. We recognise that we can make an impact across our value chain through how we invest.

We actively integrate ESG considerations into our business and investment decisions by driving our properties to attain green building certifications from Green Star, BCA Green Mark and more. Currently, 12% of FHT's portfolio<sup>1</sup> by gross floor area has been green-certified. In FY2023, all our UK properties completed their BREEAM assessment and are awaiting their certification award.

Furthermore, we have been benchmarking our sustainability performance through the GRESB Real

Estate Assessment since 2019. Notably, our higher rating and better score in the 2023 Assessment underscore our commitment to drive improvement on our ESG efforts.

### OUR ACTIONS AND PROGRESS

#### Advancing Green Practices in our Portfolio

In Australia, all our properties have been assessed using NABERS, which measures energy efficiency, water usage, waste management and indoor environment quality of a building and its environmental performance. Averaging 3.5 Stars for Water and 3 Stars for Energy in NABERS ratings, our properties exemplify our dedication to sustainable operations. Our next target is to have these properties certified under the Green Star scheme by the Green Building Council of Australia in FY2024.

In Singapore, InterContinental Singapore maintains its Green Mark GoldPLUS certification under the BCA Green Mark programme.

<sup>1</sup> Includes all properties in FHT's portfolio

## Sustainability

Our commitment also extends to the Green Tourism certification in the UK, which recognises our efforts to integrate sustainability into our UK properties' operations. Five of our properties have been certified under this scheme, symbolising our dedication to caring for local communities, preserving the environment, and fostering eco-friendly practices.

### Benchmarking FHT's Performance with the GRESB Real Estate Assessment

The GRESB Real Estate Assessment captures ESG performance by assessing what investors and the industry consider to be material issues in the sustainability performance of real asset investments. FHT's performance in the 2023 GRESB Real Estate Assessment improved from a 3-Star to a 4-Star rating. With a score of 82, we maintained our third-place ranking in the 'Asia Pacific Hotel - Listed' category. Our improvements spanned all ESG aspects, particularly in expanding data monitoring and reporting disclosures. We strive to continue building on this momentum by enacting positive changes across our operations and investment decisions to propel our sustainability agenda.

## RESILIENT PROPERTIES

### OUR APPROACH GRI 3-3

Climate change has been proven to present substantial risks to businesses, encompassing supply chain disruptions and rising operational vulnerabilities. Compounded by evolving regulatory landscapes and shifting consumer preferences, these threats necessitate adaptive measures. FHT is acutely aware that these risks have salient and direct financial implications.

Decarbonising the real estate sector has become an urgent imperative, underscored by COP27. We are focused on addressing climate-related risks by collaborating closely with our customers and guests, suppliers as well as communities that may be potentially impacted by our operations. Through this approach, we believe that we can forge a more sustainable future.

Enhancing the resilience of our properties against these impending threats ranks high on our agenda. In response, we are actively working to integrate these risks into our financial risk management processes. This entails harnessing climate risk data to identify, understand and manage our portfolio's exposure to climate-related hazards. Such an approach will enable us to effectively measure and manage our climate risks and opportunities.



We have set forth a series of climate objectives for FHT's business moving forward. These goals include our commitment to achieving net-zero throughout our operations and value chain by 2050. In tandem with these strategic initiatives, we continue to further align our disclosures with the recommendations put forth by the TCFD. This is aimed at fostering greater transparency to promote more informed investment, credit and insurance underwriting decisions and meet growing investor demand. Notably, our Sponsor has embarked on greater alignment with TCFD recommendations since 2019 and we have publicly affirmed our support for the TCFD disclosures through our Sponsor.

### OUR ACTIONS AND PROGRESS

The tables in the next few pages outline our approach and progress towards managing climate-related risks and opportunities.

TCFD core element	Our activities to support TCFD Alignment
<b>Governance</b>	
Describe the organisation's governance around climate-related risks and opportunities.	<p>The Board provides oversight on broader sustainability trends, risks and opportunities to connect sustainability with corporate purpose and strategy. The Board is supported by the Sponsor's SSC and Group Sustainability team.</p> <p>The ARCC continue to assist the Board in carrying out its responsibility, which includes responsibility in determining ESG factors that are material to our business, monitoring and managing ESG factors, and overseeing standards, management processes and strategies to achieve sustainability practices.</p>
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The senior management manages climate risk and identifies potential opportunities through accountability linked to remuneration.</p> <p>We established sustainability metrics, including climate-related objectives, within 'Key Responsibility Areas' and linked them to executive remuneration via the balanced-scorecard methodology.</p> <p>Two of our senior leaders underwent training on assessing and managing climate risks and opportunities, which included a deep-dive into TCFD recommendations and steps to be taken to better align with them and incorporate robust risk management processes into our strategy.</p>
<b>Strategy</b>	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>We have completed the first stage of the climate risk and climate 'value-at-risk' assessment of our portfolio and are on track towards asset-level climate risk assessments in FY2024.</p> <p>We are also in the process of conducting climate risk assessments that involve identifying potential risks to our assets and estimating financial impact to the business using scenario analysis.</p>
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>These climate risk assessments include an analysis of both the financial impacts to our major operating revenue and costs items in the absence of any mitigation actions and the potential value of damages to our assets in the face of extreme weather events.</p> <p>During FY2023, we established our interim decarbonisation roadmap for 2030, which will lead to us achieving net-zero carbon emissions by 2050.</p>
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Our Sponsor has initiated a group-wide readiness assessment of our practices as they relate to managing climate-related risk.</p> <p>Insights from the readiness assessment done on FHT have been used to develop a roadmap to align more closely with TCFD recommendations. Examples of actions within the roadmap include:</p> <ul style="list-style-type: none"> <li>• Integrating climate change risks and opportunities into strategic decision making</li> <li>• Providing annual training for business leaders</li> <li>• Undertaking climate risk assessments on the asset level, including an assessment against different and longer-term time horizons, both low-emissions and high emissions scenarios, and an assessment of financial impacts and materiality of climate related risks and opportunities</li> <li>• Improving the quality of climate-related financial disclosures</li> </ul> <p>This roadmap, approved by the Board, enables us to methodically address and mitigate physical and transition risks that are key to our business.</p>

## Sustainability

TCFD core element	Our activities to support TCFD Alignment
<b>Risk Management</b>	
Describe the organisation's processes for identifying and assessing climate-related risks.	<p>Our Sponsor has started a global process of identifying climate related risks and opportunities for our businesses at the asset-level, including identifying climate 'value at risk' for our activities and their locations.</p> <p>We have completed the first stage of the climate risk and climate 'value-at-risk' portfolio-level assessment of our properties.</p>
Describe the organisation's processes for managing climate-related risks.	<p>We identify key risks, assess their likelihood and materiality to our business and document corresponding mitigating controls in a risk register. The risk register is reviewed and updated regularly.</p> <p>Sustainability-related risks have been included in the FHT Risk Register for monitoring.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>We have implemented our Environmental, Health &amp; Safety Policy and Environmental, Health &amp; Safety Management System aligned to the ISO 14001 and ISO 45001 standards in key operating regions. For example, Fraser Suites Singapore has been certified bizSAFE Level 3 by the Singapore Workplace Safety and Health Council.</p> <p>We are on track towards integrating our climate-related risk identification activities within our Enterprise Risk Management processes and associated risk register practices.</p>
<b>Metrics and Targets</b>	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Describe the organisation's processes for managing climate-related risks.	<p>To ensure that we are on track to meet our target of net-zero carbon emissions by 2050, we measure and report our energy consumption and Scope 3 GHG emissions. Please refer to the Energy and Carbon section for detailed information on our metrics and targets.</p> <p>We measure and disclose our performance using metrics including:</p> <ul style="list-style-type: none"> <li>energy consumption (GJ)</li> <li>energy intensity (GJ/Occupied night)</li> <li>Scope 3 GHG emissions (tonnes of CO<sub>2</sub>e)</li> <li>Scope 3 GHG intensity (kgCO<sub>2</sub>e/Occupied night)</li> </ul> <p>This ESG Report is aligned with the recommended TCFD disclosures.</p> <p>Across asset classes and regions, we certify our properties in accordance to third-party green building standards, and continue to take steps to meet our goal of achieving green certification for 85% (by gross floor area) of owned properties by FY2030.</p> <p>Please refer to the Responsible Investment section for details of our green building certifications.</p>
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<p>We measure and report our Scope 3 GHG emissions across our assets.</p> <p>Please refer to the Energy and Carbon section for full details of our metrics relating to GHG emissions.</p>
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Through our Sponsor, we have introduced goals to inspire climate actions, such as attaining net-zero carbon emissions across our business and value chain by 2050.</p> <p>For further details on energy efficiency measures implemented in FY2023, please refer to the Energy and Carbon section.</p>



## FHT's Climate-related Physical Assets

PHYSICAL CLIMATE RISK		
Risk Description	Description of Potential Business Impact	Business Response
<b>Extreme water levels</b>  More frequent and intense levels of rainfall can lead to flooding	Exposure of assets to river floods damaging both the built and surrounding infrastructure and natural environment could impair accessibility and damage functionality of buildings. This could lead to increased expenditure due to increased frequency of repair and maintenance. In addition, revenue could be affected due to the closure of operations.	For acquisition of assets, green build certifications are sought as they factor in stronger structures, better insulation of buildings, more efficient roof drainage to cope with rain loads, energy efficient cooling systems, possibility of onsite renewable energy and so on which will contribute to addressing physical climate risks in the long run. Technical building assessments will also be conducted prior to acquisition.
<b>Rising temperatures</b>  Higher mean temperatures, heatwaves	Higher temperatures reduce durability of building materials and affect the indoor climate. This could lead to higher expenses arising from more frequent maintenance checks and higher energy consumption required for cooling.  Extreme temperatures also pose health and safety risks to property staff. Restricting/ shifting working hours could affect business productivity.	
<b>Extreme weather</b>  More frequent and intense storms and droughts	More frequent and intense storms can cause damage to building infrastructure. Thus, higher expenses from more frequent repairs and maintenance of building infrastructure and replacement of fixtures.	
<b>Fire risk</b>  Increased potential and frequency of fire-related events linked to the warm and dry conditions due to climate change	Destruction of assets and the surrounding environment would lead to costs incurred to rebuild and/or replace assets that are damaged.	

## Sustainability

### FHT's Climate-related Transition Risks and Opportunities

TRANSITION RISKS		
Risk Description	Description of Potential Business Impact	Business Response
<b>Carbon pricing</b>	Increasing carbon prices across countries would lead to increased operating costs due to direct and indirect carbon taxes on energy consumption and from within the value chain.	In FY2023, our Sponsor trialled shadow pricing to support investment decisions, with a plan to further expand shadow pricing within investment activities to manage carbon related risks.
<b>Policy requirements for low carbon buildings</b>	With evolving building sector standards and regulations and national policies, businesses may need to upgrade existing assets or ensure new builds or assets comply. This could lead to increased expenditure to retrofit existing assets and ensure new builds comply. Failure to meet these policy requirements can lead to reputational risks.	Carbon neutral or low carbon designs are pursued for all new builds, while decarbonisation strategies are being implemented for existing properties to reduce its annual carbon emissions.
TRANSITION OPPORTUNITIES		
Opportunity	Opportunity Description	Description of Potential Business Impact
<b>Improving the resilience and energy efficiency of our portfolio</b>	Improving energy efficiency would help to reduce operating costs. New technologies are becoming increasingly available to increase the energy efficiency of buildings.	On an ongoing basis, investments on more efficient technology and innovations are being reviewed and budgeted for, while energy audits are being implemented across the portfolio.
<b>Deepening partnerships</b>	As a landlord, collective efforts with our customers and guests are a crucial part for the decarbonisation of our operations. These partnerships enable us to drive sustainable practices within our shared spaces.	We work closely with our operators to measure our properties' emissions and support investments and collaborations towards energy efficiency and waste reduction.



## Consuming Responsibly

We are committed to advancing responsible tourism and environmental stewardship within our hotels and serviced residences. Recognising our role in minimising our environmental impact, we ensure that sustainability is deeply embedded in our operations and value chain.

We strive to streamline our resource consumption by reducing waste generation, conserving energy and water, enhancing energy efficiency and using renewable energy where possible. This commitment is reinforced through the formulation of policies promoting positive environmental and social outcomes. Beyond that, we also pursue a collaborative approach in reducing our collective environmental footprint, actively encouraging sustainable practices among our employees, customers and guests, and property operators. We have set interim targets to be achieved by FY2024, using the baseline year of FY2018, which is the first year we began monitoring our environmental data.

## OUR PROGRESS

Focus Area	Our Goals	Our Progress in FY2023
<b>Energy &amp; Carbon</b>	<ul style="list-style-type: none"> <li>To develop a net-zero carbon roadmap and establish carbon targets in line with a science-based approach to achieve net-zero carbon emissions by 2050.</li> <li>To reduce the energy intensity of the portfolio by 3% per annum for the portfolio by 2024 against a 2018 baseline.</li> </ul>	<ul style="list-style-type: none"> <li>During FY2023, we established our interim decarbonisation roadmap for 2030, which contributes to our goal of achieving net-zero carbon by 2050.</li> <li>Energy intensity decreased by 2.6% year-on-year (<b>YoY</b>) to 0.3 GJ per occupied room night.</li> <li>Expanded Scope 3 Categories 7 and 13 disclosure.</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>To reduce the water intensity reduction of the portfolio by 1.5% per annum by 2024 against a 2018 baseline.</li> </ul>	<ul style="list-style-type: none"> <li>Water intensity increased by 18% per room night due to higher occupancy recorded across all properties in FY2023 compared to FY2022.</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>To establish a waste recycling target and expand waste data coverage from current 10 properties to 14.</li> </ul>	<ul style="list-style-type: none"> <li>Waste data coverage increased to cover 11 properties.</li> <li>Waste recycled increased by 17.5% YoY to 419 tonnes.</li> <li>Waste intensity increased by 15% YoY to 3.8 kg per occupied night.</li> </ul>

## Sustainability

### ENERGY AND CARBON

#### OUR APPROACH GRI 3-3

FHT supports our Sponsor's goal of achieving net-zero emissions by 2050. This commitment drives us to adopt strategies aimed at enhancing our operational efficiency and reducing energy consumption across our properties. As part of this journey, we are developing a net-zero carbon roadmap and setting specific decarbonisation targets.

We harness technology to optimise energy consumption and drive emission reductions across our operations. We closely monitor the energy usage patterns across our properties and identify areas where efficiency improvements can be made. This data-driven approach enables us to make informed decisions and implement targeted energy-saving initiatives that lead to a reduction of our carbon footprint. Combining this approach with the use of technology, we are paving the way towards a more sustainable future for our operations.

Nonetheless, our commitment to net-zero emissions extends beyond our business operations. We encourage and empower our employees, our customers and guests, and suppliers to adopt environmentally conscious practices and choices. This proactive engagement promotes a culture of environmental responsibility that extends throughout our ecosystem.

#### OUR ACTIONS AND PROGRESS

##### Energy GRI 302-2, 302-3, 302-5

Energy consumption in our portfolio comprises mainly of electricity and natural gas consumed at our leased assets. With the recovery of global tourism, our properties have reported healthy increase in occupancy. Overall energy consumption<sup>2</sup> at our tenanted properties increased by 29.1% YoY to 227,290 GJ. This included 42 MWh of electricity and 76,383 GJ of natural gas consumed across our assets. Nevertheless, we continue to take proactive measures to engage with our customers and guests to reduce energy consumption. Despite a rise in energy consumption, we observed a 2.6% YoY decline in energy intensity from FY2022 to 0.3 GJ per occupied night in FY2023.

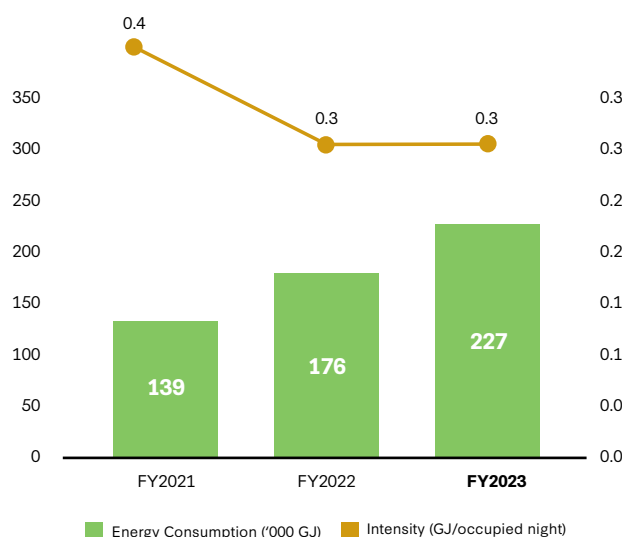
In FY2023, our properties in Australia achieved an average of 3 Stars NABERS energy rating. In the UK, all but one of our properties obtained an Energy Performance Certificate.

We also increased the proportion of our energy derived from renewable sources in FY2023 as we purchased close to 4 GWh of renewable energy off-site in the UK and Malaysia, covering 9.5% of our electricity consumption for the portfolio. Currently, Fraser Suites Queens Gate London, Park International London, Fraser Suites Canary Wharf London, Fraser Suites Edinburgh, Fraser Suites Glasgow and The Westin Kuala Lumpur are supplied with 100% renewable electricity.

At InterContinental Singapore, we undertook the replacement of air handling unit coils and cooling tower fan belts which led to a 2% savings in energy consumption. At Novotel Sydney Darling Square, fluorescent lights were progressively replaced by LED panel lights to reduce our electricity consumption.

Moving forward, we remain focused on our goal of reducing the energy intensity of our portfolio by 3% per annum by FY2024 against a FY2018 baseline.

**Energy Consumption (GJ) and Intensity (GJ per occupied night)**



##### Carbon Emissions GRI 305-3, 305-4, 305-5

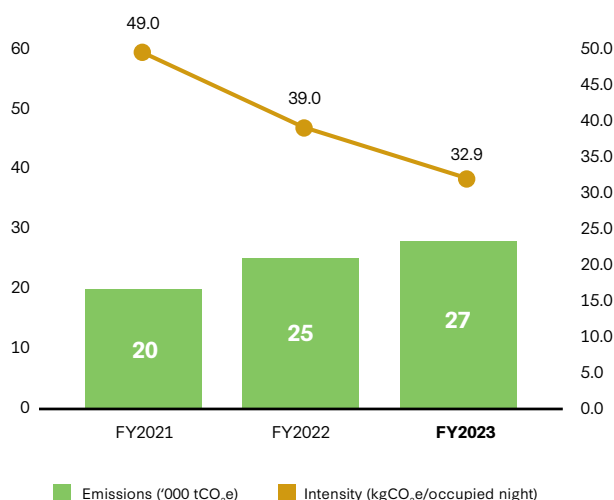
As FHT does not have direct operational control over its assets, all energy-related emissions are classified as Scope 3 Category 13. This only considers electricity and natural gas consumed at our properties. In FY2023, our total carbon emissions amounted to approximately 27,500 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)<sup>3</sup>, representing an increase of 11.8% as compared to FY2022. Our emissions intensity was 32.9 kgCO<sub>2</sub>e per occupied room, down 15.7% from the previous year. Our carbon emissions for Category 13 remained relatively unchanged compared to our FY2019 baseline<sup>4</sup>.

<sup>2</sup> Energy data for the reported periods are restated to factor in replacement of previous estimates with actual data. All consumption and intensity values are based on energy consumption at tenanted areas, as FHT does not have direct operational control over its assets.



In order to better understand our carbon emissions formation, we encouraged all our employees to participate in the Group's annual employee survey to estimate Category 7 of Scope 3 emissions. We received a response rate of 57% and the Scope 3 Category 7 emissions were estimated to be 5 tCO<sub>2</sub>e.

**Scope 3 Categories 7 and 13 Emissions (tCO<sub>2</sub>e) and intensity (kgCO<sub>2</sub>e per occupied night)**



Scope Category	FY2023 Emissions ('000 tCO <sub>2</sub> e)
Category 7 Employee commuting <sup>5</sup>	<0.1
Category 13 Downstream leased assets	27.5

benchmarking the water efficiency of our properties to gain valuable insights into our performance in sustainable water management. This not only validates our commitment to responsible resource usage, but also enables us to identify areas for improvement.

## OUR ACTIONS AND PROGRESS

### GRI 303-1, 303-3

At our properties, conscious efforts continued to be taken during FY2023 to manage water consumption. This is exemplified by InterContinental Singapore, which worked to increase the cycle of concentration in its cooling tower and control conductivity for blowdowns. This led to 3 to 5 % savings in water consumption within the property. At Fraser Suites Sydney, new water restrictors for taps and showers were implemented to reduce the outflow of volume of water per minute.

Additionally, all of our Australia properties were evaluated against NABERS, a recognised benchmark that comprehensively evaluates building operational performance. As of FY2023, Novotel Sydney Darling Square held a NABERS water rating of 4 Stars, Novotel Melbourne on Collins held a 3.5 Stars rating and Fraser Suites Sydney held a 3 Stars rating.

In FY2023, our properties consumed a total of 846,000 kL<sup>6</sup> of water, all of which was drawn from municipal water supply. We saw an increase as compared to FY2022 due to the increase in business activities post-pandemic. Our water intensity per occupied room night also increased from 0.9 to 1.1 kL per occupied night.

## WATER

### OUR APPROACH

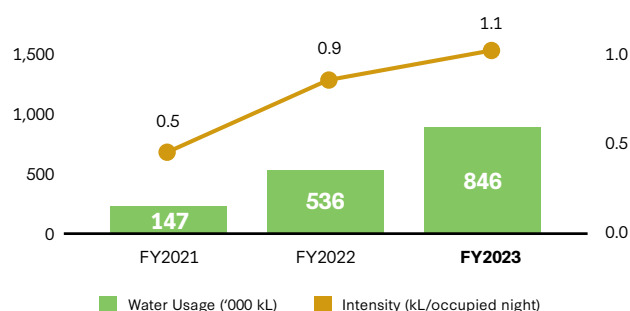
#### GRI 3-3, 303-1

FHT recognises its responsibility to enhance water efficiency in its business activities while mitigating the effects of water scarcity in the countries where it has presence in.

To reduce our water consumption, we have consistently adopted the approach of managing our water usage by prioritising the adoption of water-efficient devices and equipment wherever feasible.

To ensure that our strategy and goals are aligned with industry best practices, we place a strong emphasis on

**Water Usage (kL) and Intensity (kL per occupied night)**



3 GHG emissions are calculated using the location-based method. Scope 3 GHG data for the reported periods are restated to factor in the replacement of previous estimates with actual data and updates in historical emissions factors.

4 Comparison is based on the performance of 13 properties. As a complete dataset for waste collected and recycled, which was more representative of our business activities, was established in FY2019, the baseline year was set as such instead of FY2018.

5 5 tCO<sub>2</sub>e was calculated for Category 7 based on 55% of response rate from our annual employee commuting survey.

6 Water data for the reported periods are restated to factor in replacement of previous estimates with actual data. Total amount shown is based on 12 properties. Water usage at Fraser Place Canary Wharf London was charged as part of estate shared services and hence, the consumption data was not available.

## Sustainability

### WASTE

#### OUR APPROACH

GRI 3-3, 306-1, 306-3

In the face of a resurgent tourism sector and evolving consumer preferences, hospitality players continue to play a crucial role in promoting responsible waste management in their properties. The influx of guests post-pandemic has led to increased waste disposal, further underscoring the urgency of waste reduction. A key focal point of FHT's waste management approach lies in adopting circular economy principles across its portfolio.

Effective waste management yields advantages, such as providing us with an impetus to develop resource-efficient practices and achieve cost savings. Through waste recycling partnerships with specialists and non-governmental organisations, our properties have been striving to maximise the recovery, reuse and recycling of waste where possible.

#### OUR ACTIONS AND PROGRESS

GRI 306-2, 306-3, 306-4, 306-5

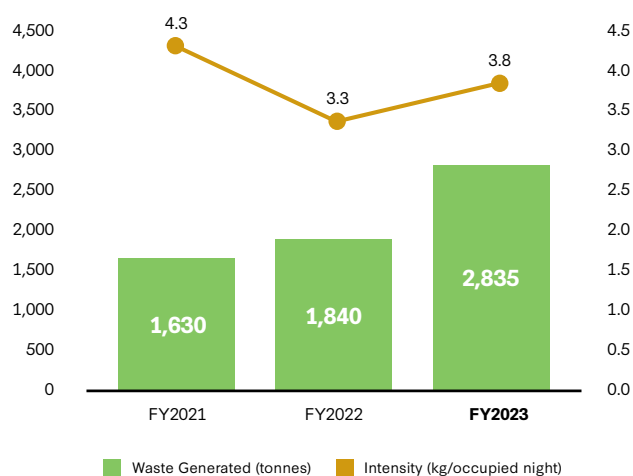
As at end FY2023, all properties in our portfolio have successfully phased out single-use plastics across

their various operations, such as food and beverage, laundry and bathroom amenities. Notably ibis Styles London Gloucester Road and Novotel Melbourne on Collins have replaced single-use plastic bottles and individually-packaged breakfast items with reusable containers. In addition, Fraser Suites Singapore has partnered with World Wildlife Fund Singapore to advance its Plastic ACTION initiative. Through this initiative, Fraser Suites Singapore is committed to achieving 100% reusable or >50% recyclable packaging design models by 2025 and supporting research projects and innovation aimed at enhancing plastics and recycling infrastructure.

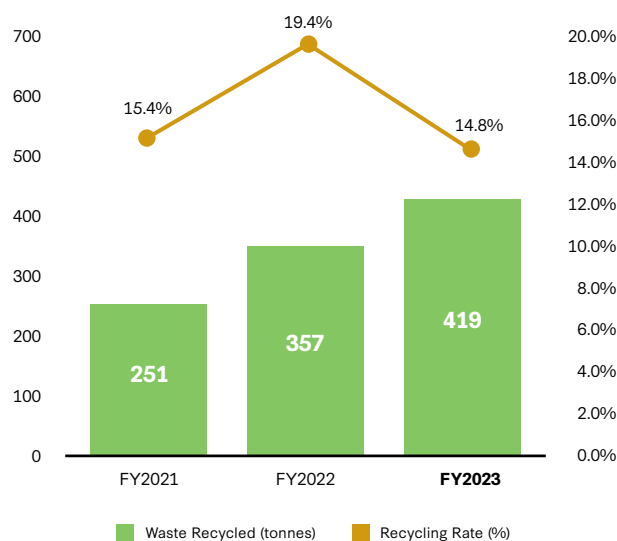
In FY2023, 11 of our properties generated a total of 2,835 tonnes<sup>7</sup> of waste, out of which 14.8% was successfully recycled. Another 42.3% of the waste was incinerated and the remaining 42.9% was sent for landfill.

The increase in waste generated was mainly attributed to higher occupancy on the back of continued recovery in global tourism. Waste intensity increased YoY by 15.0% 3.8 kg per occupied night while waste recycled increased YoY by 17.5% to 419 tonnes. Moving forward, we remain committed to minimising our environmental impact and advancing our responsible waste management practices.

**Waste Generated (tonnes) and Intensity (kg per occupied night)**



**Waste Recycled (tonnes) and Recycling Rate (%)**



<sup>7</sup> Waste data for the reported periods are restated to factor in replacement of previous estimates with actual data. Total amount presented is based on 11 properties, with waste data from Fraser Suites Queens Gate London being estimated.



## Focusing on People

At the heart of FHT's approach lies a people-centric strategy, driving satisfaction and value for our customers and guests, employees and staff at our properties as well as local communities. We seek to nurture our employees and prioritise the holistic well-being of all stakeholders, to deliver our shared Group purpose "Inspiring experiences, creating places for good."

Our workforce is our most invaluable asset. As such, we are dedicated to cultivating a diverse, inclusive, and secure workplace and nurturing our team through continuous learning and development.

We also strive to create lasting value and contribute to the well-being of the communities in which we operate by continually investing in them through various initiatives that support health and education and protect the environment.

## OUR PROGRESS

Focus Area	Our Goals	Our Progress in FY2023
<b>Diversity, Equity &amp; Inclusion (DEI)</b>	<ul style="list-style-type: none"> <li>To embed DEI in our culture through employee engagement.</li> <li>To provide training and education that raises employee awareness of DEI and associated benefits.</li> <li>To enhance processes and policies to encourage greater flexibility and diversity.</li> </ul>	<ul style="list-style-type: none"> <li>82% of employees of the REIT Manager participated in the biennial Culture Survey led by our Sponsor.</li> <li>Continued alignment with the Sponsor's Diversity and Inclusion Policy and Group DEI Framework.</li> </ul>
<b>Skills &amp; Leadership</b>	<ul style="list-style-type: none"> <li>To achieve an average of 30 training hours per employee.</li> </ul>	<ul style="list-style-type: none"> <li>Clocked an average of 23 learning hours per employee.</li> </ul>
<b>Health &amp; Well-being</b>	<ul style="list-style-type: none"> <li>To create a safe working environment and achieve zero injuries.</li> <li>To improve the well-being of our employees, customers and communities by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to maintain safety priority with no work-related fatalities reported at all our properties.</li> </ul>
<b>Community Connectedness</b>	<ul style="list-style-type: none"> <li>To seek meaningful long-term relationships that respect local cultures and create lasting benefits.</li> <li>To identify measurements to quantify positive contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved a positive guest review score of 63.9% (FY2022: 63.3%) and a performance score of 81.4% (FY2022: 80.8%) across all properties managed by Frasers Hospitality.</li> <li>Continued alignment with our Sponsor's Community Investment Framework.</li> </ul>

Sustainability

DIVERSITY, EQUITY, AND INCLUSION

OUR APPROACH  
GRI 3-3, 2-29, 2-7

At FHT, we embrace diversity and are committed to creating an inclusive workplace. Job opportunities are offered based on merit, regardless of age, race, gender, religion, marital status or disability. We view diversity as an asset that empowers us to create a thriving, vibrant workplace.

Guided by the Tripartite Alliance on Fair Employment Practices, FHT adopts equitable employment practices and provides support to employees facing discrimination at work.

All employees are expected to uphold fair and equal principles as set out in our Code of Business Conduct and the Group’s Diversity and Inclusion Policy.

Additionally, we ensure that we are aligned with our Sponsor’s DEI Framework, which comprises four key equity areas: gender equity, generation equity, cultural equity and ability equity.

To cultivate a culture of diversity and inclusivity, we engage our employees in surveys such as the biennial Culture Survey led by our Sponsor, which saw 82% of the employees of REIT Manager participated in the Survey in FY2023, as well as interim Pulse surveys. The findings from such engagements not only enhance our understanding of our teams’ work dynamics but also help foster improved communication and cooperation among employees. With regard to incidents including improprieties, grievances or misconduct, employees can report these without fear of reprisal through confidential whistleblowing channels. We work to resolve such cases and engage in the necessary remediation measures. For more information on our whistleblowing policy and how we handle reported incidences, please refer to the section on Risk-Based Management.

<b>GENDER EQUITY</b> Continue to advance women at the workplace, enable flexible working arrangements and support all families	<b>CULTURAL EQUITY</b> Promote a positive environment where employees can deliver their best regardless of race, ethnicity or sexual orientation
<b>GENERATION EQUITY</b> Develop strategies and support for an age-diverse workforce, rethink learning and development for long-life learning	<b>ABILITY EQUITY</b> Develop awareness and understanding of recruiting and employing talent with disabilities, provide solutions at properties for inclusive spaces

OUR ACTIONS AND PROGRESS  
GRI 2-7, 2-9, 401-1, 404-3, 405-1

In alignment with our Sponsor, we work to uphold the United Nations Women’s Empowerment Principles, and are committed to advancing gender equality within our workplace, ensuring fair representation of women in leadership roles and promoting equal opportunities for all employees regardless of gender.

At the property level, InterContinental Singapore celebrated International Women’s Day by way of encouraging staff at the hotel to pledge their personal commitments to challenge gender bias and champion equality. In addition, to ensure that women are presented with equal opportunities to develop leadership skills, the hotel’s Director of Sales and Marketing was selected as part of InterContinental Hotels Group’s 2023 RISE Programme, a global talent initiative designed to inspire confidence and ambition, broaden networks and drive career progression for female leaders.

We also embrace a workforce that spans diverse age groups, demonstrating our commitment to equal opportunity employment. Recognising the significance of age diversity, we value the unique perspectives and experiences each generation brings to our operations. This inclusivity promotes collaboration and a dynamic work environment, allowing us to better serve our customers and guests and navigate the ever-changing business landscape.

We also recognise the importance of building a sustainable talent pipeline by carrying out yearly performance evaluation that encompasses an open and transparent appraisal approach. All staff eligible for incentives receive a performance and career development review. This enables our employees to evaluate their performance and gain insights into their career growth. Our reward system is rooted in meritocracy, ensuring that employees are recognised and incentivised based on their achievements. Moreover, we are committed to fostering equal access to opportunities for all, promoting a pathway for professional development. This highlights our dedication to fostering a work environment that nurtures individual growth and potential.



We measure progress against applicable international standards by tracking and disclosing our employee composition in alignment with relevant GRI recommendations.

As at 30 September 2023, the REIT Manager has 15 employees, comprising 67% females and 33% males. Of the 15 employees, 73% are located in Singapore

while 27% are located overseas. Women made up 40% of the REIT Manager's management.

In FY2023, four employees were hired, while two employees contributed to the total turnover during the year. A breakdown of hiring and turnover rates during the reporting period by gender, age group and region is presented in the table below:

	Gender		Age			Region	
	Female	Male	Age under 30 Years Old	Age 30 - 50 Years Old	Age above 50 Years Old	Singapore	Rest of the World
<b>Hiring rate</b>	27%	0%	7%	13%	7%	20%	7%
<b>Turnover Rate</b>	7%	7%	7%	7%	0%	13%	0%

## SKILLS AND LEADERSHIP

### OUR APPROACH

#### GRI 3-3

Acknowledging the pivotal role our employees play in driving the success of our business, we prioritise fostering a diverse talent pool by attracting, retaining, and continually developing our workforce. We partner with our Sponsor's Talent & Learning team, which identifies and curates comprehensive training programmes to meet the diverse needs of our employees. We believe that this further enhances our capacity to adapt to evolving industry landscapes and ensures that our business continues to deliver exceptional value to our stakeholders.

### OUR ACTIONS AND PROGRESS

#### GRI 404-1, 404-2

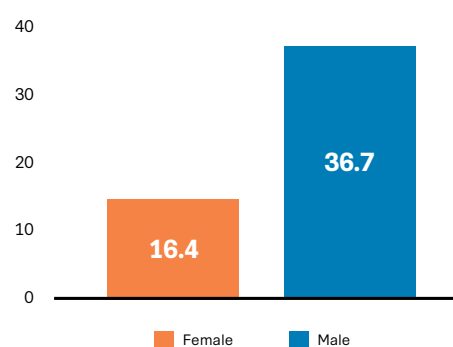
In FY2023, the REIT Manager's employees continued to participate actively in learning and development programmes. During the year, they underwent an average of 23 learning hours per employee. Among them, women underwent an average of 16 hours of learning, while men underwent 37 hours.

Among the training that employees underwent include sustainability concepts and practices. Such knowledge enables them to develop a deeper appreciation for sustainability and its implications across various aspects of our operations. In addition, new hires of the REIT Manager undergo sustainability training via an e-learning module. As at the end of FY2023, all the Directors have undergone SGX-prescribed sustainability training.

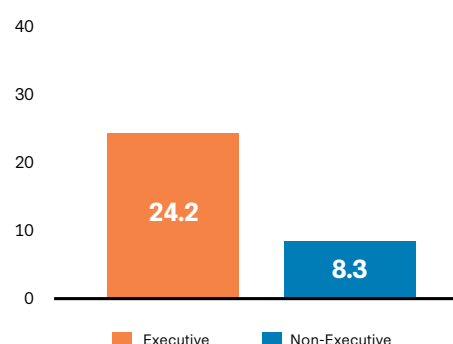
At InterContinental Singapore, a programme entitled, Leading Others, was conducted during FY2023 to support front-line leaders in their transition to

managerial roles. This programme emphasises the core tenets of effective management and leadership. Six of the property staff successfully completed this programme and earned a globally recognised Diploma in Hospitality Leadership accredited by the Confederation of Tourism & Hospitality.

**Average learning hours by gender**



**Average learning hours by employment category**



## Sustainability

### HEALTH AND WELL-BEING

#### OUR APPROACH

##### GRI 3-3

Our utmost priority lies in safeguarding the holistic well-being of our stakeholders, be it our employees, customers and guests or the local communities that we engage with. As such, we are dedicated to creating a secure and healthy environment for people to work, live and play. This commitment is underscored by our efforts to uphold the highest standards of safety within our workplace and throughout all our business operations.

#### Occupational Health and Safety

##### GRI 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

In FY2023, there was zero work-related fatality, high-consequence injury, work-related ill health or significant safety-related non-compliance case among staff and contractors at our properties. However, 14 recordable injuries were reported, resulting in 56 lost days. Appropriate follow-up actions were taken after the incidents to remediate, strengthen safety protocols and prevent recurrence.

Collaborating closely with our appointed hotel operators, we endeavour to elevate the levels of health and well-being of our property staff across our portfolio of assets. Each property has a committee in place to regularly review, assess and identify areas for improvement with regards to health and safety across our business. The committee is also responsible for establishing and upholding health and safety policies and practices. This includes organising safety training for our employees on topics such as:

- Fire safety and disaster preparedness
- Safety and security
- Emergency management
- Evacuation
- COVID-19 awareness
- Hygiene standards
- First aid
- Counterterrorism

Staff at our Singapore properties are also encouraged to tap on the benefits of the Singapore Workforce Skills Qualifications, a comprehensive credential system that hones, evaluates and certifies skills and competencies.

Within our properties, a robust Business Continuity Plan has been established to proactively anticipate and alleviate the repercussions of potential disruptions, ranging from pandemics to fires and power failures. Regularly scheduled test drills are conducted, serving to enhance the efficiency of the Business Continuity Plan across various scenarios and to ensure its ongoing applicability. The outcomes of these drills are documented on a quarterly basis, providing a comprehensive overview of performance. Notably, these assessments highlight areas that may warrant improvement, subsequently driving targeted actions to enhance the overall preparedness of the properties.

Another key focus of our approach is ensuring that are aligned with the health, safety and cleanliness standards in the countries where we have presence. Some of the key certifications and audits achieved by our properties are listed in the table at the bottom of this page.

#### Promoting Employees' Holistic Well-being

##### GRI 401-2, 403-6

We align our human resource practices with those of our Sponsor, ensuring consistency across the REIT Manager's employees. These include an extensive range of welfare benefits, encompassing family care and parental leave, life, medical, and accident insurance coverage as well as gender-neutral compassionate leave to support any employee facing pregnancy loss.

The REIT Manager's remuneration practices are guided by fairness and equity, aligning compensation with employees' roles and performance. We provide a comprehensive benefits package to our employees which covers life insurance, healthcare, disability coverage, childcare, parental and adoption leave, and retirement provisions.

Property	Certifications and Audits
Fraser Suites Singapore	bizSAFE Level 3-certified by the Singapore Workplace Safety & Health Council
The Westin Kuala Lumpur	Annually audited according to the Malaysia Department of Occupational Safety and Health's Self-Regulation and Occupational Safety and Health Act 1994
ANA Crowne Plaza Kobe	Audited every three years to attain the Hazard Analysis and Critical Control Points certification from verification company, SGS

In Singapore, eligible full-time, permanent part-time and some contract employees benefit from our Flexible Benefits Plan, enabling them to customise benefits according to their health and well-being needs.

They can utilise the employer assistance programme launched by our Sponsor which provides confidential professional counselling services, allowing employees an avenue to sound out should they face any personal challenges. Since FY2022, access to this programme has been extended to the immediate family members of our employees, cementing our commitment to supporting the holistic well-being of our employees and their loved ones.

We also assist retiring employees during their transition from work to retirement, providing employment support and post-retirement contracts when applicable.

Beyond safety measures, we have also introduced employee well-being programmes aimed at safeguarding the health of the employees of the REIT Manager and the properties. Staff of the REIT Manager participated in a range of activities organised by our Sponsor's Corporate Wellness team. These activities address the physical, mental, financial and environmental wellness aspects of the Corporate Wellness Framework. Property-level well-being initiatives were organised by the property managers for their staff and guests, underscoring our dedication to a holistic approach to well-being.

To gain comprehensive insights into the sentiments of our employees, our Sponsor conducts Group-wide employee surveys every two years. These surveys serve as a valuable tool for understanding employee perspectives of the REIT Manager, gauging their satisfaction levels, and identifying areas for improvement. By engaging in these surveys, we demonstrate our commitment to fostering a supportive and fulfilling work environment that is responsive to the diverse requirements of our workforce.

To better support our employees' wellbeing, we implemented StartWell@FH, a pilot wellness programme to help new hires of the REIT Manager transition into their new role with confidence and be their best at work. By participating in a questionnaire, they received a balanced view of their own health and well-being against the wellness facets of sleep, nutrition, activity, social connectedness, outlets and time out. Thereafter, a regular impact assessment was performed using practical tools for these employees to follow-up on and take care of their well-being.

## **Elevating Guest Wellness**

### **GRI 403-6**

At properties managed by Frasers Hospitality, several innovative initiatives were implemented to enhance the well-being of our valued guests.

Fraser Suites Singapore, introduced an herb garden, following a Farm-to-Table concept, where its kitchen is able to utilise freshly harvested herbs in restaurant dishes. Its guests are also encouraged to use these herbs for their own culinary creations, and a dedicated plot in the garden allows them to grow their own herbs. Another unique feature is The Plant Nook, a plant library where guests can "adopt-a-plant" during their stay. They can then return their adopted plants to the library when they check out, fostering a harmonious connection to nature during their visit.

## **OUR ACTIONS AND PROGRESS**

### **GRI 401-3**

The REIT Manager has implemented an inclusive, gender-neutral parental leave policy for all employees. In FY2023, none of the employees of the REIT Manager went on parental leave. Of our employees who went on maternity leave in our previous reporting year, half remained employed with us a year after their return to work. None of our employees went on paternity leave in the previous reporting year.

## **COMMUNITY CONNECTEDNESS**

### **OUR APPROACH**

#### **GRI 3-3**

We are dedicated to forming meaningful and lasting connections with our customers and guests, employees, suppliers, and local communities. This commitment is demonstrated through our involvement in community investment activities, including beach clean-ups and food donations, as well as guest engagement initiatives such as residence career talks. These initiatives have been curated with our core values in mind, to enhance the sense of community connectedness and foster a stronger, more interconnected community.

## Sustainability

To continuously raise service quality levels and enhance guest experience, we take the following three-pronged approach:

### Monitoring customer feedback and satisfaction

- This involves collating guest sentiments through various channels, such as in-room and post-stay surveys, and tracking reviews on major travel service platforms.
- Targets have been set for response rates in relation to online reviews and direct guest communications.
- Service protocols are in place to ensure complaints are addressed and treated with utmost care, and to strive for positive service delivery.

### Providing training targeted at customer service excellence

- Staff at our properties attend curated trainings centred at raising hospitality standards.
- Staff at Frasers Hospitality-managed properties are given holistic training in areas such as front office excellence, housekeeping excellence and security, as well as on the job and functional department training through the Certified Departmental Trainers conducted by our Learning & Development team.
- New and existing staff at InterContinental Singapore attend e-learning on the hotel chain's approach to hospitality.
- New hires at Novotel Melbourne on Collins and Novotel Sydney Darling Square undergo Heartist training with the aim of focusing on the guest journey.

### Engaging external parties to evaluate service quality

- Deploying independent mystery guests to stay on property to assess service quality, where relevant.
- Annual independent audits on brand standards and quality evaluation are commissioned annually by the hotel and serviced residence operators.

## OUR ACTIONS AND PROGRESS

We share in our Sponsor's Purpose of "Inspiring experiences, creating places for good". We dedicate our resources towards making a positive difference to society, key community investment focus areas, and understanding and engaging with our employees, customers and guests.

### Elevating Guest Experiences

Our properties have feedback mechanisms in place to track guest satisfaction levels and ensure that our service offerings remain tailored to their diverse needs. The Novotel Melbourne on Collins received a score of 79% in its Customer Satisfaction Survey. Fraser Suites Singapore utilises the ReviewPro online reputation and post-stay survey management system to ensure that customer feedback is reviewed and valued. At The Westin Kuala Lumpur, all social media hotel reviews are tracked to collect guest feedback through the Brand Standard Audit, and actions are taken to enhance the service and satisfaction levels, ensuring a delightful experience for guests.

Additionally, our properties employ innovative solutions to enhance customer engagement and address requests seamlessly, elevating service quality while eliminating the need for physical interaction. For instance, Fraser Suites Singapore leverages Whizz, an automoted robot which uses advanced artificial intelligence navigation technology, to vacuum carpeted corridors and improve air quality by reducing airborne fungi by 80% as well as residue and micro organisms by 72%. Smart features, such as a solar-powered "Big Belly" waste compactor, have also been strategically placed at the property's communal areas to promote eco-friendly waste management while reducing the manpower needed to manage waste.

At Fraser Suites Sydney and across selected properties in the UK, Lola, an interactive digital concierge chatbot, helps streamline customer experiences by integrating seamlessly with property workflow management systems. ibis Styles London Gloucester Road further enhances guests' journey through fully digital experiences that offer contactless solutions at every touchpoint from check-in to check-out.

## Giving back to local communities

Our property-level community investment initiatives are aligned with our Sponsor's Community Investment Framework, which outlines three core focus areas for maximising positive impact: health, education, and the environment. This commitment is further solidified through initiatives tailored to address the distinct needs of local communities and create a meaningful and positive societal influence. The following subsections highlight some of our significant long-term community initiatives.

### Health

Fraser Suites Sydney supported Jeans for Genes, the iconic fundraising campaign of the Australia Children's Medical Research institute to help find cures for children's genetic diseases. In August 2023, staff at the property participated by donating to the fundraiser and helped raise awareness by wearing jeans and sharing pictures on social media. The property also organised a blood donation drive to support the local communities.

In addition, Fraser Suites Sydney participated in Cooking for a Cause, where a team of 10 staff at the property took part in a hands-on cooking class. Over the course of three hours, the team creatively utilised rescued ingredients from supermarkets, delis, hotels and restaurants – to craft delicious meals to be distributed to vulnerable members of their local community. Additionally, the team conducted a food drive to further support the local community by contributing a variety of essential dry goods.

### Environment

A total of 12 hotel staff from InterContinental Singapore participated in a beach clean-up activity which contributed to Singapore Tourism Board's Go Green Initiative aimed at creating a cleaner and greener Singapore. In September 2023, the hotel also organised activities including the Kayak Waterway Clean Up Programme, Food Bank Warehouse volunteering and an IHG Cluster Walkathon which initiatives involved staff members engaging in meaningful litter-picking activities to create awareness around the impact of litter on our waters and wildlife, as well as participating in tasks such as sorting incoming food donations, conducting stocktaking, and managing inventory.

As part of our TrashtoTreasure initiative, Fraser Suites Singapore collected close to 10 boxes of clothes, stationery and toys which were donated to The Salvation Army, as part of a collective effort to reduce waste, while giving back to the community.

Our properties across Singapore, switched off non-essential lights for an hour to show their support for Earth Hour, with staff and guests signing a pledge board to save the Earth.

### Education

At ANA Crowne Plaza Kobe, team members welcomed children from an orphanage to the hotel, sharing experiences and insights regarding the hospitality sector and engaging them with educational and interactive activities. The hotel also offered complimentary stay and table manner seminar to a total of 15 kids and teachers from the orphanage.

### Local communities

The Westin Kuala Lumpur partnered with non-profit organisation, Kechara Soup Kitchen, to provide food to the homeless every Tuesday, in line with the Marriott's Serve 360 initiative. In celebration of Hari Raya, the hotel offered food donations and distributed meals to the local community at PPR Sri Alam. A career drive was also carried out at PPR Sri Alam to provide job opportunities to the local community.



## Sustainability

### About this Report

#### GRI 2-2, 2-3

#### REPORT SCOPE

FHT's ESG Report covers our sustainability performance for the financial reporting period from 1 October 2022 to 30 September 2023.

The report describes the sustainability activities and performance of our 13 properties located across Asia, Australia and the UK<sup>8</sup>. Information relating to energy, water, waste, customer experience, employee health and well-being<sup>9</sup>, talent recruitment and retention, and our contribution to the communities has been disclosed in good faith and to the best of our knowledge. In this report, employees refer to the staff of the REIT Manager and all employee data disclosed relates only to the REIT Manager.

#### INTERNATIONAL STANDARDS AND GUIDELINES

This Report has been prepared in accordance with:

- the GRI Universal Standards 2021
- the Singapore Exchange Securities Trading Ltd Listing Manual (Rules 711A and 711B)

FHT has applied the Reporting Principles from the GRI Standards to ensure high quality and proper representation of the reported information. For a full list of disclosures reported, please refer to the GRI Content Index on page 110.

This report has also incorporated the recommendations of the TCFD.

#### EXTERNAL ASSURANCE

To verify the reliability of the data and management approach disclosed in our ESG Report, we sought an independent limited assurance by Ere-S Pte Ltd, a third-party assurance provider. Details of the assurance scope and findings can be found in the Independent Assurance Statement on pages 107 to 109.

#### FEEDBACK

We welcome any feedback or suggestion that will help us improve our ESG reporting and performance. Please write to: [ir@frasershospitality.com](mailto:ir@frasershospitality.com).

Thank you.



<sup>8</sup> Maritim Hotel Dresden has been excluded from the scope of the report due to limitations in master lease agreement.

<sup>9</sup> Occupational health and safety data is available for 13 properties covered in the report.

# Independent Assurance Statement

## TO THE MANAGEMENT<sup>1</sup> OF FRASERS HOSPITALITY TRUST

Ere-S Pte Ltd (Ere-S) has undertaken an independent limited assurance on the content of Frasers Hospitality Trust's (FHT) ESG Report FY2023 ("the Report"). The engagement, which took place between September and November 2023, formed part of a wider assurance of Frasers Property Limited's ESG Report.

### Scope

The assurance encompassed the entire Report and focused on all figures, statements and claims related to sustainability during the reporting period October 2022 to September 2023. This included the environmental and social management approach and performance data related to the company's corporate office and portfolio of owned and managed properties (13 in total)<sup>2</sup>, covering the following topics: Energy, carbon emissions, water, waste, diversity, employment, training, and safety.

The assurance does not cover historical figures, such as in environmental charts showing FY2021 and FY2022 performance, which were restated to factor in updated and actual data from the relevant periods. Disclosures on projected performance and savings of individual projects or properties were also not covered.

Ere-S did not verify that the Report contained all information required by the GRI Standards for each disclosure listed in the Report's GRI Content Index, nor did Ere-S assess the validity of the information given in the Index, including the reasons for omissions. Similarly, the verification did not cover whether FHT's material issues, approaches and outcomes presented in the Report were specifically aligned with any other frameworks mentioned in the Report, such as the Task Force on Climate-related Financial Disclosures (TCFD) framework, the MAS guidelines, the GHG Protocol, and the Sustainable Development Goals (SDGs).

Figures or statements unrelated to sustainability were not covered in the assurance. These include organisation profile and corporate structure, corporate financial and economic performance, and, where applicable, technical descriptions and figures of construction, machineries, technologies, plants and production processes.

### Assurance criteria

The information was verified against the principles of Accuracy, Verifiability, Clarity, Completeness, Balance,

Comparability, Sustainability Context and Timeliness as defined under the Global Reporting Initiative (GRI) Standards.

### Type of assurance

This assurance engagement was carried out to a limited level of assurance in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. A limited level assurance relies on desktop-based assessment and basic sampling that is sufficient to support the plausibility of the information.

### Assurance methodology

The assurance procedures and principles applied in this engagement are compliant with ISAE 3000 and are drawn from a methodology developed by Ere-S comprising the following steps:

1. Identifying and classifying data sets according to the relevant topics and the types of evidence required for the verification process.
2. Carrying out virtual interviews and remote desktop-based data verification with the key data owners located at FHT's corporate office in Singapore. Specifically:
  - Enquiring about the quantitative and qualitative aspects of the performance disclosures, related statements and the underlying measurement systems, data collection and quality control mechanisms.
  - Requesting evidence of data sources from the data owner or key functional manager, as well as explanations of data collection and calculation methods (including conversion factors, estimates, key assumptions and apportionment methodologies) to substantiate the figures and claims.
  - Taking a broad sampling of quantitative data to validate data sets and corresponding sources, as well as other supporting information.
  - Challenging the claims made in the Report and comparing the presented evidence (including calculation methods, criteria and assumptions) with external sources and information from other business units and portfolios covered in the wider assurance engagement.

1 Includes Frasers Hospitality Asset Management Pte. Ltd., the REIT Manager of Frasers Hospitality Real Estate Investment Trust, and Frasers Hospitality Trust Management Pte. Ltd., the Trustee-Manager of Frasers Hospitality Business Trust.

2 InterContinental Singapore, Fraser Suites Singapore, Fraser Suites Sydney, Novotel Sydney Darling Square, Novotel Melbourne on Collins, Fraser Suites Queens Gate London, Park International London, Fraser Place Canary Wharf London, ibis Styles London Gloucester Road, Fraser Suites Edinburgh, Fraser Suites Glasgow, ANA Crowne Plaza Kobe and The Westin Kuala Lumpur. Due to a lack of data, Maritim Hotel Dresden was not included in the assurance.

3. Assessing the collected data against the reporting criteria and providing recommendations for correction of the Report's content or for future improvement of the data collection and reporting procedures.
4. Validating the performance disclosures submitted in the final version of the Report and, where applicable, verifying that Ere-S recommendations have been applied.

Ere-S was given access to the data management systems covering the entire FHT portfolio to allow our assurance team to evaluate the environmental and safety data more comprehensively. Social performance figures, such as those relating to workforce profile and training, as well as group-level initiatives disclosed in the Report, were verified in separate interviews as part of the assurance process for Frasers Property Limited.

Ere-S assessment of statements concerning the number (or absence) of complaints, incidents, breaches, and cases of non-compliance to policies and regulations related to environmental and social issues was founded on confirmation by key data owners and, where available, internal documents presented during the interviews.

FHT's stakeholder groups or their representatives were not interviewed during the assurance to assess the results of the engagement initiatives and the impact of the actions taken by the organisation.

### Limitations

A limited assurance provides a relatively lower level of confidence in an organisation's disclosures than a reasonable level of assurance (as used in financial auditing) would provide. The restricted extent, timeline and precision of audit procedures in a limited assurance can leave small misstatements undetected. In addition, sustainability-related evidence being more persuasive rather than conclusive, the assurance findings are more constrained to the judgement of the assurance practitioner.

To mitigate the associated risk of material misstatement in the disclosures being assessed during this engagement and to provide greater confidence in the accuracy of the information, including the application of the management approach, data collection methods, criteria and assumptions, further confirmation of the presented evidence was sought by Ere-S from multiple data owners and using other internal and external documentation.

### Responsibility and independence

This statement represents the independent opinion of Ere-S, whose responsibility was to provide the assurance, to express conclusions according to the agreed scope, and to prepare the assurance report and this assurance statement for the Management of FHT alone and for no other purpose. The Management of FHT was responsible for the preparation of the Report, including all statements and figures contained within it, and for the selection and application of the methods to collect and compile the performance data of its operations and properties. Ere-S was not involved in the development of the Report or any other aspects or projects related to the sustainability framework of FHT. The activities of Ere-S are independent of FHT and Frasers Property Limited and contain no financial interest in their business operations.

### Findings and Observations

FHT's incorporation of sustainability management strategies and objectives during the reporting period was evidenced by policies, initiatives, performance indicators and targets aligned with the Group's ESG framework. Supported by a risk-based approach for evaluating impacts and developing mitigation measures, assessment by FHT of social and environmental issues, including climate change, could also be observed. The approach included interaction with diverse groups of stakeholders, although consistent two-way engagement appeared overall limited except for employees and customers.

In Ere-S's opinion, the Report presents accurate information. It also provides good coverage of FHT's material aspects with, this year, additional energy and GHG emissions indicators and data points from natural gas consumption. We could evaluate the performance figures and trace them back to the source data sets, calculation methods and supporting evidence. Although multiple inconsistencies were initially identified in the calculation and compilation procedures of environmental data, FHT took the required corrective actions and followed the recommendations put forward by Ere-S. The final disclosures present a good level of accuracy and reliability.

However, the Report's completeness could be further improved, as all safety and environmental performance still needs to be included for one property and waste data is also missing for two other properties. A higher balance level, i.e., showing positive and negative information, is also recommended and could be achieved with highlights on current gaps, negative results and corresponding action plans, for example, related to alignment with standards or year-on-year performance comparison.

## Conclusion

On the basis of a limited assurance engagement consistent with the above-listed criteria, nothing has come to Ere-S attention that causes us not to believe that, in all material respects, Frasers Hospitality Trust's ESG Report FY2023 provides a credible and fair representation of the organisation's sustainability profile and includes statements and figures that achieve an adequate level of reliability and accuracy.

A detailed assurance report containing the above findings and additional recommendations for improvement has been presented to the Management of Frasers Hospitality Trust.



Reg no. 201003736W  
[www.ere-s.com](http://www.ere-s.com)

Singapore, 27 November 2023

### **Jean-Pierre Dalla Palma**

Director and Lead Certified Sustainability  
Assurance Practitioner

## Sustainability

## GRI Content Index

<b>Statement of use</b>	Frasers Hospitality Trust has reported in accordance with the GRI Standards for the period 1 October 2022 to 30 September 2023 (FY2023).
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	Trust Structure and Organisational Structure, Page 6 Corporate Information, Page 7			
	2-2 Entities included in the organization’s sustainability reporting	About this Report, Page 106			
	2-3 Reporting period, frequency and contact point	About this Report, Page 106			
	2-4 Restatements of information	Consuming Responsibly - Energy and Carbon, Pages 96 - 97 Consuming Responsibly - Water, Page 97 Consuming Responsibly, Waste, Page 98			
	2-5 External assurance	Independent Assurance Statement, Pages 107 - 109			
	2-6 Activities, value chain and other business relationships	About Frasers Hospitality Trust, Page 2			
	2-7 Employees	Focusing on People – Diversity, Equity and Inclusion, Pages 100 - 101			
	2-8 Workers who are not employees		a,b,c	Not applicable.	Not meaningful to disclose due to the nature of our business.
	2-9 Governance structure and composition	Trust Structure and Organisational Structure, Page 6 Board of Directors, Pages 61 - 65 Management Team, Pages 66 - 67 Corporate Governance Reports - Board Composition, Pages 133 - 145 Managing Sustainability, Page 82 Diversity, Equity and Inclusion, Page 100			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Reports - Board Composition, Pages 133 - 145			
	2-11 Chair of the highest governance body	Board of Directors, Pages 61 - 65			
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors, Pages 61 - 65 Board Statement, Page 79 Managing Sustainability, Page 82			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Reports - Delegation of Authority Framework, Pages 129 - 130 Management Team, Pages 66 - 67 Managing Sustainability, Page 82			
	2-14 Role of the highest governance body in sustainability reporting	Board Statement, Page 78 Managing Sustainability, Page 82			



GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>GRI 2: General Disclosures 2021</b>	2-15 Conflicts of interest	Corporate Governance Reports - Conflict of Interest, Page 144 Additional Information - Interested Person Transactions, Pages 309 - 311			
	2-16 Communication of critical concerns	Corporate Governance Reports - Whistle-Blowing Policy, Pages 157 - 158 Investor Relations, Page 158 Conduct of General Meetings, Pages 159 - 160			
	2-17 Collective knowledge of the highest governance body	Board Statement, Page 79 Corporate Governance Reports - Training and Development of Directors, Pages 132 - 133			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Reports - Board Performance Evaluation, Pages 144 - 145			
	2-19 Remuneration policies	Corporate Governance Reports - Remuneration Matters, Pages 145 - 152			
	2-20 Process to determine remuneration	Corporate Governance Report - Remuneration Matters, Pages 145 - 152			
	2-21 Annual total compensation ratio		a, b, c	Confidentiality constraints.	We are unable to disclose the ratio due to our highly competitive labour market.
	2-22 Statement on sustainable development strategy	Board Statement, Page 79			
	2-23 Policy commitments	Acting Progressively - Risk-based Management, Page 87			
	2-24 Embedding policy commitments	Acting Progressively - Risk-based Management, Page 87			
	2-25 Processes to remediate negative impacts	Acting Progressively - Risk-based Management, Page 87	e	Information unavailable	We do not track the effectiveness of the mechanisms but we readily welcome feedback through our various communication channels.
	2-26 Mechanisms for seeking advice and raising concerns	Acting Progressively - Risk-based Management, Page 87			
	2-27 Compliance with laws and regulations	Acting Progressively - Risk-based Management, Page 87			
	2-28 Membership associations	Participation in Associations and Alignment with Recognised Standards, Page 82			
	2-29 Approach to stakeholder engagement	Managing Sustainability - Stakeholder Engagement, Pages 82 - 83			
	2-30 Collective bargaining agreements		a, b	Confidentiality constraints.	We do not publicly disclose this data.

## Sustainability

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Managing Sustainability – Materiality Assessment, Pages 84 - 85			
	3-2 List of material topics	Managing Sustainability – Materiality Assessment, Pages 84 - 85			
Acting Progressively					
Risk-based Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Acting Progressively – Risk-based Management, Pages 86 - 87			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management - Fraud Risk, Page 121 Acting Progressively - Risk-based Management, Pages 87 - 88	a	Information incomplete.	Lack of data for meaningful disclosure.
	205-2 Communication and training about anti-corruption policies and procedures		c, d	Information incomplete.	Lack of data for meaningful disclosure.
	205-3 Confirmed incidents of corruption and actions taken	Risk Management - Fraud Risk, Page 121 Acting Progressively – Risk-based Management, Pages 87 - 88			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Acting Progressively – Risk-based Management, Pages 87 - 88			
Responsible Investment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Acting Progressively – Responsible Investment, Pages 89 - 90			
Resilient Properties					
GRI 3: Material Topics 2021	3-3 Management of material topics	Acting Progressively – Resilient Properties, Pages 90-94			
Consuming Responsibly					
Energy and Carbon					
GRI 3: Material Topics 2021	3-3 Management of material topics	Consuming Responsibly – Energy and Carbon, Page 96			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Consuming Responsibly – Energy and Carbon, Page 96		Not applicable.	Due to the nature of our business, we do not have direct operational control over our tenanted assets.
	302-2 Energy consumption outside of the organization	Consuming Responsibly – Energy and Carbon, Page 96			
	302-3 Energy intensity	Consuming Responsibly – Energy and Carbon, Page 96			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>GRI 302: Energy 2016</b>	302-5 Reductions in energy requirements of products and services		a, b, c	Information incomplete.	Due to the management of diverse properties and YoY fluctuations, we are unable to provide specific numerical reductions in energy consumption that are directly tied to initiatives. This complexity makes it challenging to precisely isolate the impact of its reduction measures.
	305-1 Direct (Scope 1) GHG emissions			Not applicable.	Due to the nature of our business, we do not have direct operational control over our tenanted assets.
<b>GRI 305: Emissions 2016</b>	305-2 Energy indirect (Scope 2) GHG emissions			Not applicable.	Due to the nature of our business, we do not have direct operational control over our tenanted assets.
	305-3 Other indirect (Scope 3) GHG emissions	Consuming Responsibly – Energy and Carbon, Pages 96 - 97			
	305-4 GHG emissions intensity	Consuming Responsibly – Energy and Carbon, Pages 96 - 97			
	305-5 Reduction of GHG emissions	Consuming Responsibly – Energy and Carbon, Pages 96 - 97			
<b>Water</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Consuming Responsibly – Water, Page 97			
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Consuming Responsibly – Water, Page 97			
	303-2 Management of water discharge-related impacts		a	Information incomplete.	All effluent discharge is handled by municipalities.
	303-3 Water withdrawal	Consuming Responsibly – Water, Page 97	b, c	Information incomplete.	FHT tracks total water withdrawal but currently does not break this down to water stress areas.
<b>Waste</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Consuming Responsibly – Waste, Page 98			
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Consuming Responsibly – Waste, Page 98			
	306-2 Management of significant waste-related impacts	Consuming Responsibly – Waste, Page 98			

## Sustainability

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	Consuming Responsibly – Waste, Page 98			
	306-4 Waste diverted from disposal	Consuming Responsibly – Waste, Page 98			
	306-5 Waste diverted to disposal	Consuming Responsibly – Waste, Page 98			
<b>Focusing on People</b>					
<b>Diversity, Equity and Inclusion</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Focusing on People – Diversity, Equity and Inclusion, Page 100			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Focusing on People – Diversity, Equity and Inclusion, Pages 100 - 101			
<b>GRI 404: Training and Education 2016</b>	404-3 Percentage of employees receiving regular performance and career development reviews	Focusing on People – Diversity, Equity and Inclusion, Pages 100 - 101			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Focusing on People - Diversity, Equity and Inclusion, Pages 100 - 101			
	405-2 Ratio of basic salary and remuneration of women to men		a, b	Confidentiality constraints.	We are unable to disclose the ratio due to our highly competitive labour market.
<b>Skills and Leadership</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Focusing on People – Skills and Leadership, Page 101			
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Focusing on People – Skills and Leadership, Page 101			
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Focusing on People – Skills and Leadership, Page 101	b	Information incomplete.	Lack of data for meaningful disclosure.
<b>Health and Well-being</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Focusing on People - Health and Well-being, Page 102			
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to fulltime employees that are not provided to temporary or part-time employees	Focusing on People – Health and Well-being, Pages 102 - 103			
	401-3 Parental leave	Focusing on People – Health and Well-being, Page 103			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Focusing on People – Health and Well-being, Page 102	a, b	Information incomplete.	Lack of data for meaningful disclosure.
	403-2 Hazard identification, risk assessment, and incident investigation	Focusing on People – Health and Well-being, Page 102	a, b, c, d	Information incomplete.	Lack of data for meaningful disclosure.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Focusing on People – Health and Well-being, Page 102	a, b	Information incomplete.	Lack of data for meaningful disclosure.
	403-5 Worker training on occupational health and safety	Focusing on People – Health and Well-being, Page 102	a	Information incomplete.	Lack of data for meaningful disclosure.
	403-6 Promotion of worker health	Focusing on People – Health and Well-being, Pages 102 - 103			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focusing on People – Health and Well-being, Page 102			
	403-9 Work-related injuries	Focusing on People – Health and Well-being, Page 102	a, b, c, d, e, f, g	Information incomplete.	Lack of data for meaningful disclosure.
	403-10 Work-related ill health	Focusing on People – Health and Well-being, Page 102	a, b, c, d	Information incomplete.	Lack of data for meaningful disclosure.
<b>Community Connectedness</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Focusing on People – Community Connectedness, Pages 103 - 105			

#### Notes on Reporting Scope

- Maritim Hotel Dresden is not included in all data disclosed.
- With the exceptions mentioned in the corresponding footnotes, all figures reported for energy consumption, GHG emissions, water consumption and waste generated are computed based on the entire building areas for all properties.
- The GHG emission factors are from Energy Market Authority - Singapore Energy Statistics 2021; Australia National Greenhouse Accounts Factors 2021, 2022, 2023, UK Government GHG Reporting 2021, 2022, 2023; Climate Transparency (2019 Report) for Japan and GreenTech Malaysia.
- As a complete dataset for waste collected and recycled, which was more representative of our business activities, was established in FY2019, the baseline year was set as such instead of FY2018.
- The number of recordable injuries and lost days led to a recordable injury rate of 5.1 and a severity rate of 20.5. Rates are calculated per million hours worked, and man-hours have been estimated by property managers based on regular business operations.
- Discrepancies between individual figures and aggregates, or derived values, in the charts and tables of this report are due to rounding.



**FRASERS HOSPITALITY ASSET MANAGEMENT PTE. LTD.**

As REIT Manager of Frasers Hospitality Real Estate Investment Trust  
Company Registration Number 201331351D

**FRASERS HOSPITALITY TRUST MANAGEMENT PTE. LTD.**

As Trustee-Manager of Frasers Hospitality Business Trust  
Company Registration Number 201401270M

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

Phone: +65 6276 4882  
Fax: +65 6276 6328

**[frasershospitalitytrust.com](http://frasershospitalitytrust.com)**

