



**SUSTAINABILITY
REPORT** 2022

CONTENTS



2 GLOSSARY OF KEY ABBREVIATIONS

3 2022 SUSTAINABILITY HIGHLIGHTS

4 INTRODUCTION

4 About Far East Orchard Limited

5 ABOUT THIS REPORT

5 Reporting Framework

5 Reporting Scope

5 Internal Assurance

6 SUSTAINABILITY STRATEGY

7 BOARD STATEMENT

9 OUR SUSTAINABILITY PROGRESS

9 Far East Orchard's Sustainability Performance

10 Sustainability Governance

11 Stakeholder Engagement

12 Materiality Assessment

13 MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

13 Climate-related Impacts

14 Emissions

16 Energy-efficiency Initiatives

17 Water Management

17 Responsible Procurement

18 Enhancing Climate-related Disclosures

19 SUPPORTING PEOPLE

19 Customer Health and Safety

19 Occupational Health and Safety

21 Training and Education

23 Performance Management and Talent Development

23 Diversity and Equal Opportunity



25 UPHOLDING INTEGRITY

- 25 Transparent and Ethical Business
- 27 Customer Privacy

28 BUILDING A RESILIENT BUSINESS

- 28 Economic Performance
- 29 Quality Service

30 GRI CONTENT INDEX

33 TCFD CONTENT INDEX

34 APPENDICES

- 34 Appendix 1: Environmental Data
- 42 Appendix 2: Social and Governance Data

GLOSSARY OF KEY ABBREVIATIONS

AFR	Accident Frequency Rate	MRSC	Management Risk and Sustainability Committee
ASR	Accident Severity Rate	MOM	Ministry of Manpower
ARC	Audit and Risk Committee	OD	Occupational Disease
BCA	Building and Construction Authority	OHSAS	Occupational Health and Safety Assessment Series
CCCS	Competition and Consumer Commission of Singapore	OJT	On-Job-Training
CEI	Customer Engagement Index	PBSA	Purpose-built Student Accommodation
DPO	Data Protection Officer	PWM	Progressive Wage Model
EPC	Energy Performance Certificate	SBTi	Science-Based Targets initiative
ESG	Environmental, Social and Governance	SGX	Singapore Stock Exchange
FAQ	Frequently Asked Questions	SGX-ST	Singapore Exchange Securities Trading Limited
FEH	Far East Hospitality	SHA	Singapore Hotel Association
GHG	Greenhouse Gas	SLL	Sustainability-linked Loan
GRI	Global Reporting Initiative	SOP	Standard Operating Procedure
Group CEO	Group Chief Executive Officer	STB	Singapore Tourism Board
GRS	Governance, Risk and Sustainability	TAFEP	Tripartite Alliance for Fair & Progressive Employment Practices
GSTC	Global Sustainable Tourism Council	TCFD	Task Force on Climate-Related Financial Disclosures
HR	Human Resource	UK	United Kingdom
JV	Joint Venture	UK DEFRA	United Kingdom Department for Environment, Food & Rural Affairs
IEA	International Energy Agency	UN SDG	United Nations Sustainable Development Goal
IPCC	Intergovernmental Panel on Climate Change	WSH	Workplace Safety and Health
IT	Information Technology	WSQ	Workforce Skills Qualifications
LED	Light Emitting Diode		
MCO	Movement Control Order		

2022 SUSTAINABILITY HIGHLIGHTS

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT (ENVIRONMENTAL)



42%

Commitment to 42% reduction of GHG emissions by 2030 for owned-properties



0.06
tCO₂e/m²

GHG emissions intensity in 2022

SUPPORTING PEOPLE (SOCIAL)



14%

Reduction in workplace injuries in 2022



ZERO

Workplace fatalities for the sixth consecutive year

UPHOLDING INTEGRITY (GOVERNANCE)



BRONZE AWARD
for Best Risk Management at Singapore Corporate Awards 2022 (mid-cap category)



ACHIEVED TOP 8%
ranking among SGX-listed firms in the Singapore Governance and Transparency Index



ZERO
violations of the Competition Act and CCCS guidelines, lapses with SGX-ST Listing Manual and known incidents of bribery or corruption

BUILDING A RESILIENT BUSINESS (ECONOMIC)



Revenue
\$S\$141.0
MILLION



Profit After Tax
\$S\$21.5
MILLION

INTRODUCTION



OUR VISION

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

OUR MISSION

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

About Far East Orchard Limited

Far East Orchard Limited ("**Far East Orchard**" and together with its subsidiaries, the "**Group**") is a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio. Far East Orchard has been listed on the Mainboard of the Singapore Exchange since 1968. It is a member of Far East Organization, Singapore's largest private property developer.

Established since 1967, Far East Orchard has developed residential, commercial, hospitality and PBSA properties in Australia, Japan, Malaysia, Singapore, and the UK.

Redefining itself through a strategic transformation of the business in 2012, Far East Orchard expanded into the complementary businesses of hospitality management and healthcare real estate. In 2015, it diversified its real estate portfolio to include PBSA properties in the UK.

Through its hospitality partnerships with The Straits Trading Company and Toga Group, Far East Orchard's hospitality arm — Far East Hospitality — now owns more than 10 hospitality assets and manages over 90 hotels with close to 16,500 rooms in Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, and Singapore. Its stable of 10 unique and complementary hospitality brands are Oasia, Quincy, Rendezvous, Village, Far East Collection, A by Adina, Adina Apartment Hotels and Adina Serviced Apartments, Vibe Hotels, Travelodge Hotels and TFE Hotels Collection.

Far East Orchard's UK PBSA portfolio comprises more than 3,500 beds in Brighton, Bristol, Leeds, Liverpool, Newcastle upon Tyne and Sheffield. In 2022, Far East Orchard acquired two PBSA properties, a 690-bed development site in Bristol and a 180-bed property in Southampton. The development site in Bristol and the acquisition of the Southampton property are expected to be completed in 2027 and April 2023, respectively, which would bring Far East Orchard's PBSA portfolio to more than 4,400 beds across 14 properties in the UK.

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

ABOUT THIS REPORT

This report (“**Sustainability Report**”) covers the ESG strategy, goals, policies, initiatives, and performance material to our business and stakeholders.

We have organised the report as follows:

1. Far East Orchard’s Sustainability Strategy, which provides an overview of our strategy in support of the UN SDGs and in accordance with the latest climate science and industry best practices.
2. The four focus areas supporting Far East Orchard’s Sustainability Strategy: (i) minimising environmental and climate-related impact, (ii) supporting people, (iii) upholding integrity, and (iv) building a resilient business. This Sustainability Report discloses the approaches, policies, initiatives, and performance of each focus area.

As part of our commitment to environmental sustainability, we will provide only electronic copies of our sustainability reports on our website. We believe that engagement with our stakeholders will improve our sustainability policies, practices, performances, and disclosures. We welcome feedback and suggestions for this report at ir@fareastorchard.com.sg.

Reporting Framework

The GRI is the most widely adopted global sustainability reporting standard. Since our inaugural sustainability report in 2017, we have taken GRI standards 2016 into account to understand our impact on ESG issues better. FY2022 Sustainability Report is prepared in accordance with the GRI Standards 2021, which was revised in October 2021. We will continue to use the GRI Standards to support our reporting process and achieve greater transparency for all stakeholders when disclosing our sustainability performance and its impact. The GRI Content Index is on pages 30-32.

In 2022, we began disclosing climate-related disclosures aligned with the TCFD recommendations in four key areas of governance, strategy, risk management, and metrics and targets. The TCFD Content Index is on page 33.

Furthermore, we are committed to driving sustainable progress towards achieving the UN SDGs.



Reporting Scope

This Sustainability Report covers the Group’s ESG performance of owned and managed properties in Singapore, Malaysia, Japan, and the UK¹.

It contains full-year data from 1 January to 31 December 2022 (“**FY2022**”), which aligns with the Group’s financial year. Therefore, this Sustainability Report should be read in tandem with FY2022 Annual Report, which can be found at www.fareastorchard.com.sg/publications.html.

Internal Assurance

We have established internal control processes to ensure the accuracy and reliability of the data and narratives disclosed within this Sustainability Report. We have also undertaken an internal review of the Sustainability Reporting process in accordance with Rule 711B(3) of the SGX-ST Listing Manual.

We have enlisted the assistance of an external ESG consultant to provide guidance on material ESG topics, relevant GRI Standards and compliance with SGX-ST Listing Manual. Management has considered these to fulfil the requisite Listing Rule and disclosure obligations in relation to Sustainability Reporting.

Our internal auditor conducted an audit review on the identified sustainability reporting processes in 2022.

2022 was an important year in our sustainability journey, as we focused on establishing credible baselines and setting meaningful targets for the future. The Board deliberated and assessed that an independent external assurance is not required at this juncture. This Sustainability Report has been reviewed and approved by the Board.

¹ Please see page 34 for the full list of properties included in this report.

SUSTAINABILITY STRATEGY



To reflect our commitment to integrating sustainability into all aspects of our business strategy and operations, we refreshed our Sustainability Strategy in 2021. We have established robust governance structure, rigorous internal control and operational protocols to ensure the success of our Sustainability Strategy. This Strategy allows us to generate positive social and environmental impacts for stakeholders, local communities, business partners and suppliers.

Our ESG focus areas are minimising environmental and climate-related impact, supporting people, upholding integrity, and building a resilient business. These areas are supported

by material topics relevant to our stakeholders. To track our sustainability progress for each material topic, we have set appropriate ESG targets to support the UN SDGs².

In addition to the ESG targets, we deepened our environmental commitment by setting a new target in line with SBTi in 2022. We are committed to a 42% reduction in GHG emissions (Scope 1 and 2) for owned properties by 2030 using the baseline year of 2022³. Our decarbonisation strategies are outlined in the 'Minimising Environmental and Climate-related Impact' section.

² UN SDGs rally governments and corporations to secure the well-being of people, societies, and the planet by providing a blueprint to address the world's most pressing sustainable development challenges.

³ 2022 was chosen as a baseline year as it provides comprehensive data that reflects closer to a pre-pandemic GHG emission level.

BOARD STATEMENT

Dear Stakeholders,

We live in an increasingly uncertain and disrupted world, evidenced by recent global health issues and geopolitical events. The COVID-19 pandemic brought many countries to a standstill. As our economies recover and reopen, high costs, rising interest rates, supply chain disruptions and a tight labour market have driven prices upward, leading to inflation. Amidst these challenges, climate change remains an existential threat to the world with unprecedented heat waves, dry spells, and destructive floods. These incidents have disrupted livelihoods and generated knock-on impacts that affect the economy.

Amidst this turbulence and uncertainty, how we steward our resources and investments will be crucial in future-proofing our businesses.

Sustainability Journey in 2022

Staying resilient against macroeconomic headwinds and climate changes is at the core of Far East Orchard's business strategy. The Sustainability Strategy we shared in 2021 continues to guide our business strategy and direction in achieving business resilience. We track our sustainability performance through relevant targets across four ESG focus areas: (i) Minimising environmental and climate-related impact, (ii) Supporting people, (iii) Upholding integrity, and (iv) Building a resilient business. To that end, the Group is focused on the following:

Building climate resiliency

Developing a sustainability roadmap to guide its direction and long-term strategies

Empowering stakeholders by fostering a safe and inclusive workplace.

Maintaining high standards of corporate governance and ethics

In 2022, we deepened our sustainability commitment by adopting the TCFD's recommendations. The Board and Management roles and responsibilities were expanded to include active management of climate-related impacts and opportunities on our asset portfolios. We incorporated sustainability as a critical principle to our risk assessment framework. The Board and ARC are supported by the

MRSC and a Sustainability Working Committee comprising diverse cross-functional teams which meet regularly and drive continuous efforts for sustainability performance across the Group.

We also conducted our first climate assessment and embedded 'climate resiliency' as one of the material topics in 2022. Based on our preliminary assessment of climate-related impacts on our portfolio, there were no imminent catastrophic threats. Nonetheless, we remain vigilant and will proactively mitigate the climate-related effects.

As we intensify our climate action efforts, we seek to align with the goals of the Paris Agreement and the objectives of the Singapore Green Plan 2030. We are committed to reducing 42% in GHG emissions (Scope 1 and 2) for our owned properties by 2030, using 2022 as a baseline year. The SBTi guides our commitment to limit global warming to 1.5°C by 2050 from pre-industrial levels. We have decided to focus our decarbonisation efforts on owned properties as Far East Orchard has majority control over these properties and can take active measures to optimise energy consumption and reduce carbon emissions. As part of our efforts to reduce emissions, we will continue to engage the owners of our managed properties to evaluate energy-efficient investment opportunities. We will continuously review our decarbonisation progress and validate the targets through external assurance in the coming years.

In line with our sustainability roadmap, we expanded our emission reporting scope to better identify emissions along our value chain. In 2022, we also worked with an external ESG consultant to commence the development of our Scope 3 carbon emission inventory and will progressively disclose them in our future sustainability reports.

Our employees' health, safety and development remain a priority. Through our efforts in implementing safety measures and conducting trainings, we maintained a track record of ensuring zero workplace fatalities and cases of occupational disease for the sixth consecutive year. To provide employees with an inclusive and supportive work environment, we invest in training and development programmes to upskill and reskill employees for their career growth. Through training, employees have the opportunity to earn a better income, which is in line with the PWM introduced by the Singapore Government.

BOARD STATEMENT



We have identified and are actively pursuing a suite of decarbonisation initiatives focused on energy efficiency, which reduces energy costs and carbon footprint to meet our decarbonisation target in 2030, which will be implemented in phases.



Strong governance is the foundation of our business. Maintaining adequate and effective risk management and internal controls is essential to our role as stewards who uphold integrity. In 2022, we formalised the Anti-bribery and Corruption Policy to affirm our zero-tolerance approach to bribery and corruption and reported zero corruption or bribery cases. We are pleased to share that we maintained zero records on substantiated losses of customer data that resulted in fines. In recognition of our commitment and practices, the Board received the Bronze Award for 'Best Risk Management' in the mid-cap category at the Singapore Corporate Awards 2022. In addition, we also achieved the top 8% ranking among SGX-listed firms in the Singapore Governance and Transparency Index 2022.

Decarbonisation Plan

We have identified and are actively pursuing a suite of decarbonisation initiatives focused on energy efficiency, which reduces energy costs and carbon footprint to meet our decarbonisation target in 2030, which will be implemented in phases. We will progressively increase the use of renewable energy for our existing UK PBSA assets and our owned hospitality properties in Malaysia and Japan. We will take a measured and prudent approach to meet our environmental commitments while ensuring business resilience.

Additionally, four of our managed properties – Village Hotel Sentosa, The Outpost Hotel Sentosa, The Barracks Hotel Sentosa and Orchard Rendezvous Hotel Singapore achieved the Green Mark Gold certification from the BCA during the year. We will continue to engage with hotel owners to look at the possibility of achieving green building certifications for our other managed hotels in Singapore. In the long term, we aim to adopt more energy-efficient technologies to achieve greater energy savings across our managed properties.

Board's Commitment to Accelerating Sustainability

2022 was a transformative year for the Group as we took bold steps to address climate-related impacts. We believe these steps are necessary as they align with the Group's Sustainability Strategy to create a sustainable future for all stakeholders through our lodging platform.

Any successful sustainability programme must be coupled with effective and transparent disclosures. Thus, our Sustainability Report 2022 was prepared in accordance with the GRI Standards 2021 and the SGX-ST Listing Manual (Rules 711A and 711B).

While the Board continues to lead the Group's sustainability direction, ensuring that ESG risks and opportunities are incorporated into the overall business strategy, the Board also actively guides and reviews material ESG topics and their respective targets. To fulfil these responsibilities, Board members underwent sustainability trainings to stay abreast of the relevant knowledge and skills. Similarly, Management and relevant employees tasked with the Group's sustainability performance responsibilities have undergone appropriate trainings.

As we progress on our sustainability journey, the Board continues to support the commitment to bring sustainable transformation to our businesses and daily lives for all our stakeholders and future generations. We are ever grateful for your support given through the years and will continue our mission to deliver a positive impact for all stakeholders.

Sincerely,

Board of Directors
Far East Orchard Limited

OUR SUSTAINABILITY PROGRESS

Far East Orchard's Sustainability Performance

Our Sustainability Strategy, focus areas, material topics and performance are aligned with the UN SDGs. Figure 1 below contains an update on the Group's progress in 2022.

We are committed to...	by...	contributing to the UN SDGs
<p>Minimising environmental and climate-related impact</p> <ul style="list-style-type: none"> Climate Resiliency Water Management Responsible Procurement 	<ul style="list-style-type: none"> setting a GHG emission reduction target (Scope 1 and 2) of 42% for owned properties by 2030, using 2022 as the baseline year; progressively increase the use of renewable energy at our owned properties; encouraging owners of our managed properties to adopt sustainable practices; strengthening the Board's oversight and Management's responsibilities in managing climate-related risks and opportunities based on the TCFD recommendations; conducting preliminary climate-related risks and opportunities assessment of our asset portfolio; embedding sustainability as a criteria in the risk assessment framework; assessing the materiality of Scope 3 emission categories and progressively disclosing them in future sustainability reports; and incorporating sustainability considerations into our procurement policies. 	  
<p>Supporting people</p> <ul style="list-style-type: none"> Customer Health and Safety Occupational Health and Safety Training and Education Diversity and Equal Opportunity 	<ul style="list-style-type: none"> ensuring high health and safety standards for our customers and employees; reducing workplace injury by 14.3% in 2022; achieving 86.2 hours of training per employees; maintaining a balanced gender diversity of 44:56 male-to-female ratio in 2022; and starting new programmes to recruit underprivileged and marginalised groups to the business. 	  
<p>Upholding integrity</p> <ul style="list-style-type: none"> Transparent and Ethical Business Customer Privacy 	<ul style="list-style-type: none"> monitoring, reviewing, and implementing ethical business practices across the value chain; and maintaining zero regulatory, data and legal breaches. 	
<p>Building a resilient business</p> <ul style="list-style-type: none"> Economic Performance 	<ul style="list-style-type: none"> generating a revenue of S\$141.0 million and profit after tax of S\$21.5 million; and strengthening our brand reputation through outstanding service quality, thereby driving a sustainable business. 	

Figure 1: Our progress in 2022.

OUR SUSTAINABILITY PROGRESS

Sustainability Governance

Our robust governance structure drives, monitors, and executes our Sustainability Strategy across the Group.

In 2022, we refreshed the roles and responsibilities of the Board and Management to oversee climate-related factors and performances, aligned with TCFD's recommendations (see Figure 2). A Sustainability Working Committee was also established to drive the Group's sustainability efforts.

Governance	Roles and responsibilities
Board of Directors	<ul style="list-style-type: none"> • is collectively responsible for the long-term success and sustainability of the Group; • determines the material ESG factors; • reviews and discusses climate-related risks and opportunities; • oversees the design, implementation and monitoring of climate-related risks and internal controls established by the management; and • meets quarterly and at special meetings that are convened as required.
ARC	<ul style="list-style-type: none"> • assists the Board in fulfilling its responsibilities for sustainability reporting and processes; • evaluates how the management reviews the climate-related risks and opportunities; and • assesses the adequacy and effectiveness of the risk management framework and internal controls.
MRSC	<ul style="list-style-type: none"> • supports the ARC; • is responsible for the design, implementation and monitoring of risk management process, internal controls, and sustainability reporting; • is responsible for managing climate-related risks and opportunities; • ensures accuracy and integrity of the sustainability reports; and • provides management assurance to the ARC and the Board that the risk management framework and internal controls are adequate and effective.
GRS team	<ul style="list-style-type: none"> • reviews and updates risk assessment frameworks; • supports the Group in the review of risk registers, which covers but not limited to climate-related risk identification, analysis, treatment, and monitoring; and • scans and profiles emerging climate-related risks.
Sustainability Working Committee (Comprises cross-functional team)	<ul style="list-style-type: none"> • formulates sustainability and climate-related initiatives to enhance sustainability performance; • monitors the progress of initiatives and update the MRSC; and • guides the business divisions on the implementation of initiatives.
Business divisions	<ul style="list-style-type: none"> • appoint appropriate representatives to the Sustainability Working Committee; • implement sustainability and climate-related initiatives cascaded from the MRSC and/or Sustainability Working Committee, ensuring a clear and consistent approach across the Group; and • designate risk champions to manage climate-related risks identified by the GRS team through their risk registers. These champions are also responsible for raising material climate and ESG issues with the heads of business divisions.

Figure 2: Our sustainability governance structure.

OUR SUSTAINABILITY PROGRESS

Stakeholder Engagement

Stakeholders are monumental to the success of an organisation, and we endeavour to engage with stakeholders regularly to ensure their needs and concerns are considered when developing business and sustainability initiatives (see

Figure 3). This allows for the development of our sustainability approach and business objectives in alignment with stakeholders' interests.

We engage ...	through...
Shareholders/ Investors	<ul style="list-style-type: none"> • quarterly financial results; • annual sustainability reporting; • timely updates of new developments on the corporate website and SGXNet; • analysts meetings and roadshows; and • feedback from investors during annual general meetings.
Customers	<ul style="list-style-type: none"> • providing environmental-friendly service offerings; • promoting the use of recycled products within our hotels and serviced residences; and • seeking feedback via customer surveys.
The Board	<ul style="list-style-type: none"> • regular Board meetings; • updates on key developments and risks to the business; and • discussions on major business strategies.
Employees	<ul style="list-style-type: none"> • sharing of sustainability initiatives within the Group; • discussions on sustainability enhancements to our properties; and • training on policies and procedures related to sustainability.
Property owners	<ul style="list-style-type: none"> • regular meetings to encourage the adoption of sustainability enhancements to the properties.
Business partners – including JV partners, suppliers, outsourced service providers	<ul style="list-style-type: none"> • sharing our sustainability efforts and encouraging the adoption of similar sustainability plans.

Figure 3: Stakeholders engaged in 2022.

OUR SUSTAINABILITY PROGRESS

Materiality Assessment

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

In 2022, we re-validated our existing material topics and deemed them relevant to supporting our ability to deliver sustainable value to all stakeholders, in alignment with our Sustainability Strategy and market best practices. Additionally, we have embedded 'climate resiliency' as a new material topic, which replaces the former 'carbon management'. We believe that environmental sustainability encompasses more than just managing carbon emissions; it should also entail building resilience in our business to withstand climate-related impact.

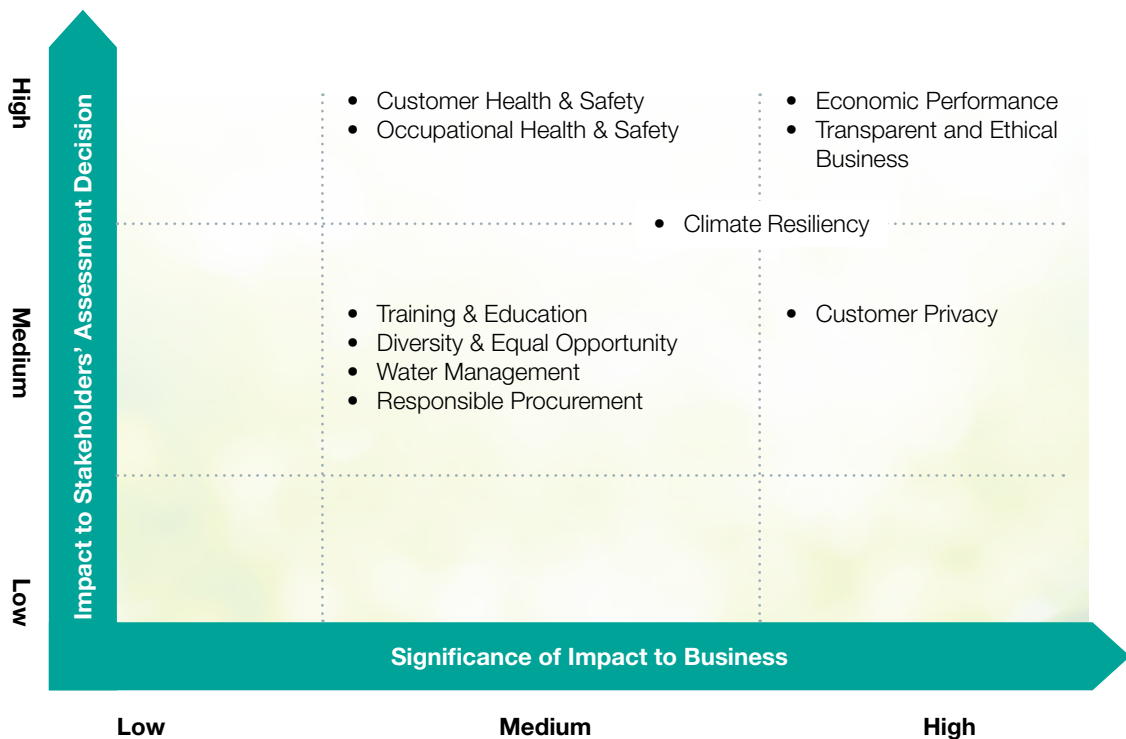


Figure 4: Materiality Assessment in 2022.

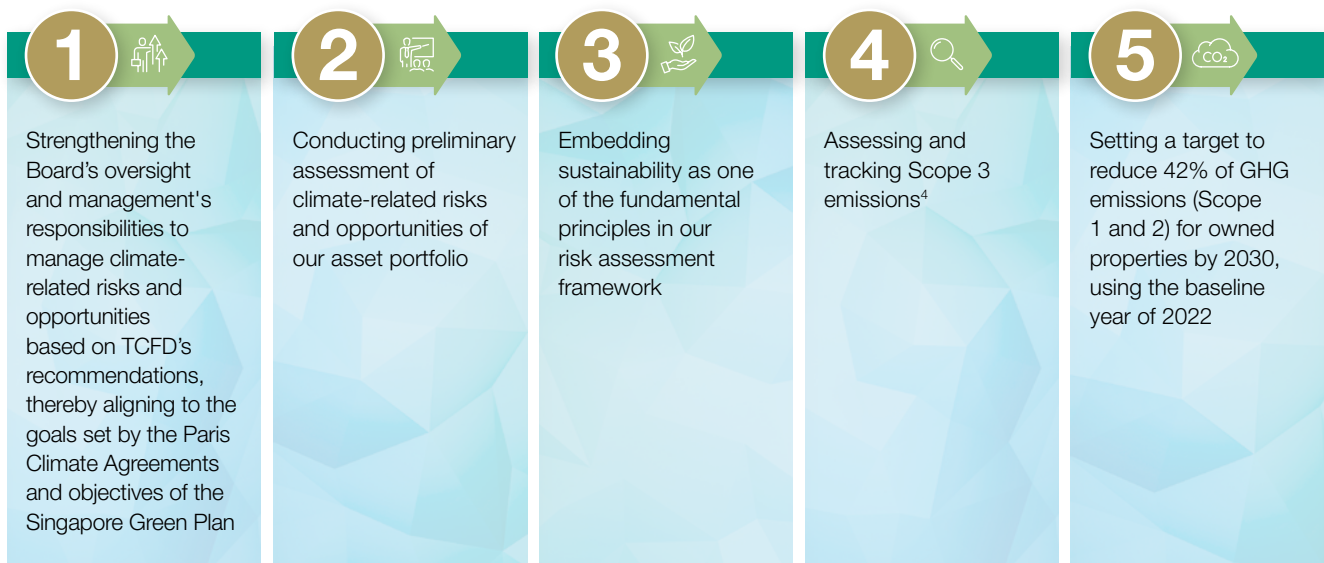
The geopolitical tensions have raised concerns over energy resiliency, and soaring energy costs have affected many countries, including markets which we operate in. Against the macroeconomic backdrop and our climate commitments, 'climate resiliency' has become an increasingly crucial topic that can impact our business and our ability to meet the

Group's sustainability commitments. Thus, we expanded the topic of climate resiliency to include carbon emissions and climate-related impact, which aligns with our decarbonisation target. We will conduct further studies on this topic and provide more details in due course.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Protecting natural resources and mitigating climate-related impacts are necessary to preserve the environment we depend on. Environmental conservation supports the vitality of the hospitality and student accommodation business and we are committed to adopting best practices to minimise environmental and climate-related impact in our operations and value chain in these sectors.

In 2021, we began tracking our environmental footprint by identifying GHG emissions (Scope 1 and 2). This exercise provided a baseline for us to expand our sustainability effort in 2022 by:



Climate-related Impacts

To reinforce the Group's climate resilience, we conducted our first climate assessment in 2022⁵. We evaluated transitional and physical impacts on our owned hotels, managed hotels, and PBSA assets. This exercise included scanning for emerging issues that could impact the asset portfolios, assessing the issue's magnitude and likelihood, and evaluating practical mitigation or adaptation measures based on the organisation's resources and capabilities. The sources used for evaluation are publicly available data, regulatory updates and the Group's internal policies and practices.

In our first year of risk assessment, we identified regulatory and material costs as key short-term risks⁶ that may arise due to climate change. Regulatory risks can stem from new green building standards, carbon pricing and emissions-related regulations. At the same time, increasing material costs

can occur from climate-related phenomena, such as severe weather events disrupting supply chains. In addition, as the industry transitions to a low-carbon economy, energy prices may become volatile, resulting in higher material costs.

While these global market forces have not significantly impacted business operations, we are taking proactive measures to mitigate these risks. In line with SBTi's latest guidance⁷, we plan to reduce emissions (Scope 1 and 2) for owned properties by 42% by 2030, from the baseline year 2022. We have focused our decarbonisation efforts on owned properties due to our greater control over capital expenditure and purchasing decisions. Therefore, it is within our capacity to explore new technologies and innovations that may reduce direct emissions or be more energy efficient.

⁴ The Group is currently consolidating Scope 3 emissions data and will progressively disclose Scope 3 emissions in future sustainability reports.

⁵ Full disclosures of its climate-related risks and opportunities aligned to TCFD's recommendations can be found on pages 35-41.

⁶ The Group classifies risk time horizons as follows: short-term (1-5 years), medium-term (6-10 years) and long-term (>= 11 years).

⁷ Starting in 2021, SBTi, the global body enabling businesses to set emissions reduction targets in line with climate science, and only accepts corporate decarbonisation targets that limit warming to 'well below 2°C' to '1.5°C' above pre-industrial levels. This is to align with global climate science.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

For owned properties, our efforts will concentrate on introducing renewable energy, which will be implemented progressively. For PBSA, we observed that heating remains a high source of carbon emissions. In 2022, we piloted feasibility studies to assess the use of heat pump systems in place of gas boiler systems. We will continue our evaluation and implement changes to heat pump systems where applicable.

For managed properties, we recognise that we only have control over daily operations and will strategically implement initiatives to reduce emissions and/or enhance energy efficiency. For instance, we have looked into replacement of incandescent lights with energy-efficient LED and installation of timers to control the operating hours of electrical devices during off-peak periods. Nevertheless, we continue to proactively encourage and collaborate with the respective property owners to explore other energy enhancement options.

Emissions

The COVID-19 restrictions prior to 2022 had hampered equipment servicing and maintenance. Since the relaxation of COVID-19 restrictions, we have rectified the combined heat and power generators in some of our PBSAs, which contributed to the overall reduction of Scope 1 emission of our owned properties by approximately 15.6% in 2022.

On Scope 2 emission of owned properties, we saw an increase by 33%. This increase is primarily due to:

- Higher occupancy of our hotel in Malaysia after the country lifted its COVID-19 MCO⁸;
- Improvement of PBSA occupancy to 85% from 79% in previous year⁹; and
- More accurate emissions data collected after a faulty electricity meter at one of our PBSA property was repaired in the last quarter of 2021, when COVID-19 restrictions were relaxed.

For managed properties, we have been disclosing Scope 2 emission since 2021. The net increase to Scope 2 emission of managed properties was 1.8% in 2022 but factoring the sale of one of the managed properties and comparing against matching asset portfolio, the increase was 3.3%. The increase was due to the general higher occupancy experienced across our managed properties as the hospitality business gradually recovered following the reopening of borders and progressive lifting of COVID-related restrictions from the second quarter of 2022. We also added Scope 1 emission data for managed properties in 2022 as part of our ongoing effort to improve our ESG disclosures.

The Group's combined Scope 1 and 2 emissions and emissions intensity is summarised in Figure 5¹⁰. We are mindful of our emissions consumption and will take proactive measures to reduce emissions following our decarbonisation plan in the coming years.

⁸ Malaysian Government issued MCO in 2020 to 2021. The MCO was gradually lifted towards the last quarter of 2021.

⁹ The average occupancy rates are calculated over the reporting year based on the occupancy rate of the academic years.

¹⁰ The Group uses the operational approach in calculating GHG emissions (Scope 1 and 2) in accordance with the GHG Protocol Standards. Owned and managed properties are categorised separately as the Group has varying degrees of control over these assets. The degree of control would determine the extent of environmental initiatives the Group can implement to reduce emissions. Please refer to page 34 for further details on the Group's operational control over owned and managed properties.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

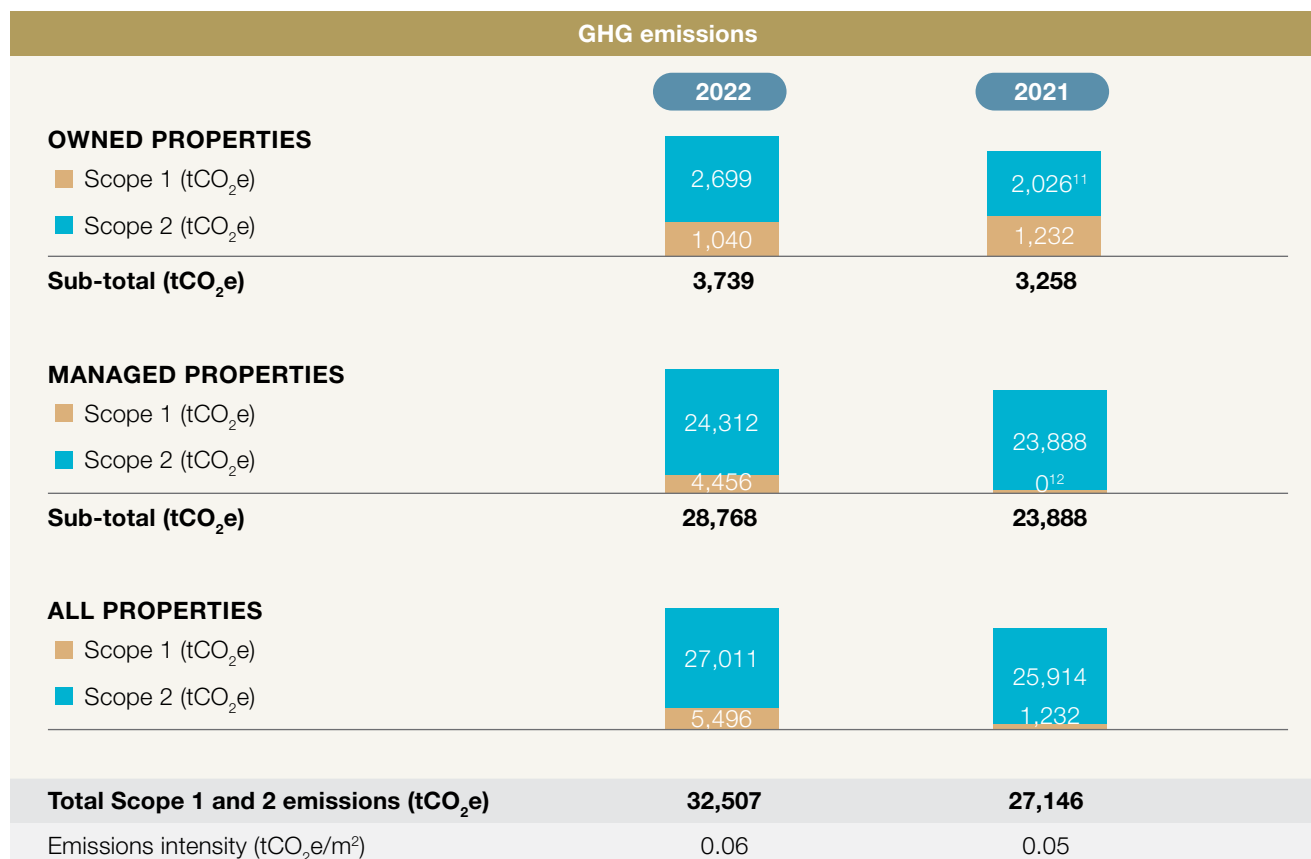


Figure 5: Scope 1 and 2 emissions.

In preparation for our Scope 3 disclosures in accordance with our disclosure roadmap, we worked with an external ESG consultant in 2022 to identify emissions along the value chain

and to determine the Scope 3 emissions that are material to the business¹³. We have begun tracking these emissions and will progressively disclose them in our future sustainability reports.

¹¹ Scope 2 for owned properties exclude emissions from electricity consumption at one of our PBSA property due to a faulty meter. The meter was repaired in the last quarter of 2021. Full year Scope 2 emissions data for all PBSA is disclosed from 2022 onward.

¹² Scope 1 for managed properties was not available in prior years.

¹³ Please see pages 40-41 for details on the Group's Scope 3 emissions.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Energy-efficiency Initiatives

While our decarbonisation plan focuses on owned properties, we continue to recommend energy-efficiency initiatives to the owners of the managed properties. The initiatives achieved in 2022 and our plans are tabulated in Figure 6 below.

Business Segment	2022 Achievement	Key Initiatives (to be completed by 2030)
PBSA	<ul style="list-style-type: none"> Conducted feasibility study of the use of a heat pump system for three PBSA. Conducted feasibility study on the introduction of renewable energy to the PBSA portfolio. 	<ul style="list-style-type: none"> Continue feasibility studies on the use of heat pump systems in other PBSA and implement the use of the system where applicable. Replacement of conventional lighting with LED. Use of renewable energy in all PBSA.
Hospitality	<ul style="list-style-type: none"> Increased percentage of lighting fitted with LED: <ul style="list-style-type: none"> Oasia Suites Kuala Lumpur – 50% Far East Village Hotel Ariake – 100% Managed properties in Singapore – 100% 	<ul style="list-style-type: none"> 100% replacement of conventional lighting with LED. Optimise energy usage of common areas and installations (e.g. lifts). Encourage property owners to retrofit the building using more energy-efficient equipment. Develop opportunities and encourage guests to reduce their environmental footprint during their stays.

Figure 6: Energy efficiency planning across owned and managed properties.

Green Buildings Certifications

Besides energy-efficiency initiatives, we strive to acquire, manage, and improve our asset portfolio to align with market expectations and consumer demands for green buildings. We actively review and establish climate-related criteria that are applicable to both our current portfolio and newly acquired buildings, with the goal of contributing to lower the Group's emissions and achieve green certificate levels.

For our PBSA segment, our portfolio management team periodically conducts property assessments and progressively enhances our PBSA properties over the years. Through these efforts, more than 80% of our PBSA properties have achieved EPC rating of B, while the remaining PBSA properties achieved EPC rating of C. The Group and PBSA operator has established annual sustainability operating plans to ascertain that we maintain or improve properties' energy performance. These plans set the annual sustainability targets at the property level and ensure that each operator aligns with the sustainability principles. We aim to get an EPC rating of at least B for all our PBSA properties by 2030 (see Figure 7).

In 2022, four managed properties – Village Hotel Sentosa, The Outpost Hotel Sentosa, The Barracks Hotel Sentosa and Orchard Rendezvous Hotel Singapore achieved the Green Mark Gold certification from the BCA. Across the Group's managed properties, seven hotels are Green Mark certified, and we will continue to engage with hotel owners to look at the possibility of achieving green building certifications for our remaining managed properties in Singapore.

Our hospitality business, FEH, is working with hotel owners towards achieving the GSTC certification for all managed hotels in line with the Singapore Hotel Sustainability Roadmap¹⁴ to further bolster our sustainability commitments. This certification ensures our hotels are held to a globally competitive standard and meet rising global demands for sustainable tourism. We are conducting a gap analysis to ascertain our managed hotels' readiness to meet the GSTC Criteria by the end of 2024 and to seek further clarification on areas requiring further improvement to obtain this certification.

With the two-prong effort of introducing energy-efficiency initiatives and our ambition to achieve green building certificates, we endeavour to meet our environmental target by 2030.

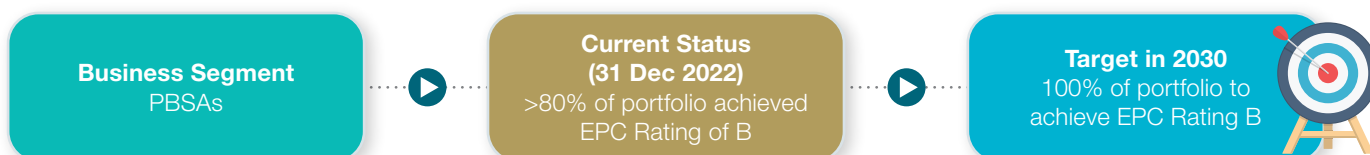


Figure 7: PBSA green building certificate achievement and targets.

¹⁴ The SHA and STB announced the launch of the Hotel Sustainability Roadmap in March 2022, in line with Singapore Green Plan 2030. The roadmap has set ambitious aims for the industry, including reducing emissions by 2030 with an end goal of net zero emissions by 2050.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Water Management

As part of our environmental efforts, we actively conserve water across our asset portfolio. Water is a vital resource that ensures the comfort of our guests and students, and we recognize our role in ensuring the reliability, accessibility and quality of water supply in all our operating markets.

With higher occupancy across our assets, we experienced an increase in water consumption by 1.3%. The water usage intensity remains relatively stable at 1.5m³/m². We will continue to pursue water conservation by:

- Exploring and replacing sanitary ware and bathroom fittings to be more water-efficient.
- Raising the awareness of tenants and guests on water conservation practices.
- Training employees on water conservation without compromising cleanliness and hygiene.

We continue to set a target of a 1% water consumption reduction for 2023.

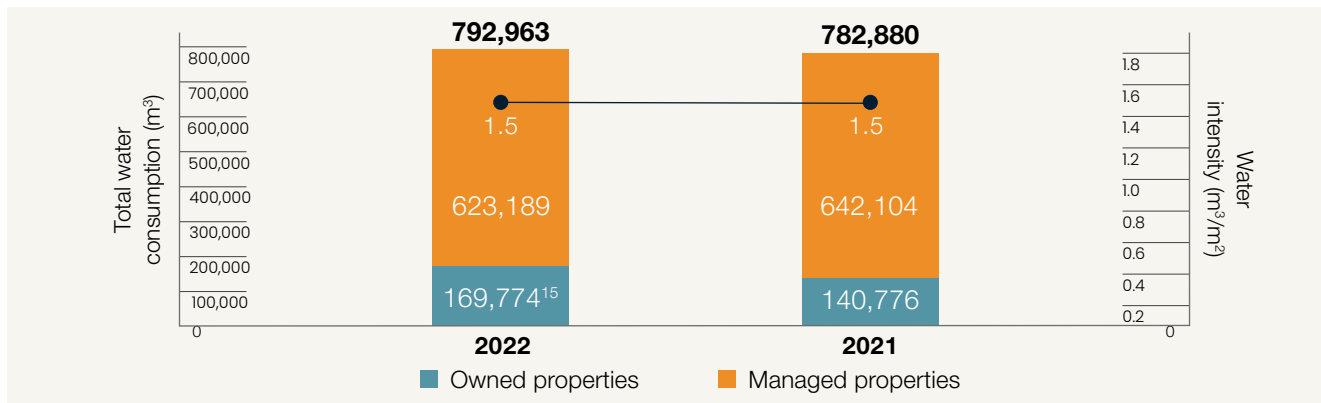


Figure 8: Water consumption

Responsible Procurement

We are cognisant of our role and influence across our supply chain. As a result, we take active measures to encourage our suppliers and business partners to act responsibly and sustainably. We conduct frequent discussions and educational sessions with our suppliers and partners on the industry’s best practices to reduce environmental footprints. For example, we encourage our contractors to acquire raw materials from sustainable sources and to incorporate an environmentally conscious construction process into their development projects.

In 2022, we incorporated sustainability considerations into our procurement policies across PBSA and hospitality segments. For PBSA, our operator is required to use more

efficient equipment and fittings where applicable. For our hospitality business, we reviewed FEH’s sustainability roadmap for suppliers and included best practices related to business ethics, labour and human rights, a safe and healthy work environment and commitment to the environment. A stakeholder engagement exercise was also conducted for key suppliers to seek feedback on our sustainability roadmap for suppliers.

In 2023, we will be finalising and officially launching FEH’s sustainability roadmap for hospitality suppliers. We will continue to work closely with the key suppliers and strongly encourage them to adopt the best practices suggested in the sustainability roadmap for hospitality suppliers.

2022 Achievement	2023 Target
<ul style="list-style-type: none"> • Reviewed our procurement policies to include sustainability considerations. • Conducted stakeholder engagement exercise for key suppliers to our hospitality segment to gather feedback on our sustainability roadmap for hospitality suppliers. 	<ul style="list-style-type: none"> • Finalise and officially launch FEH’s sustainability roadmap for hospitality suppliers.

Figure 9: Sustainable procurement targets.

¹⁵ Utility operator-issued water readings for November and December are unavailable in certain UK municipalities at the time of reporting. As such, estimations based on occupancy of the corresponding months were used instead.

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT

Enhancing Climate-related Disclosures

A well-established and transparent disclosure framework should accompany a successful sustainability programme. We continue strengthening our climate-related disclosures in line with TCFD's recommendations and SGX regulatory requirements¹⁶ as outlined in our 3-year disclosure roadmap below (see Figure 10).

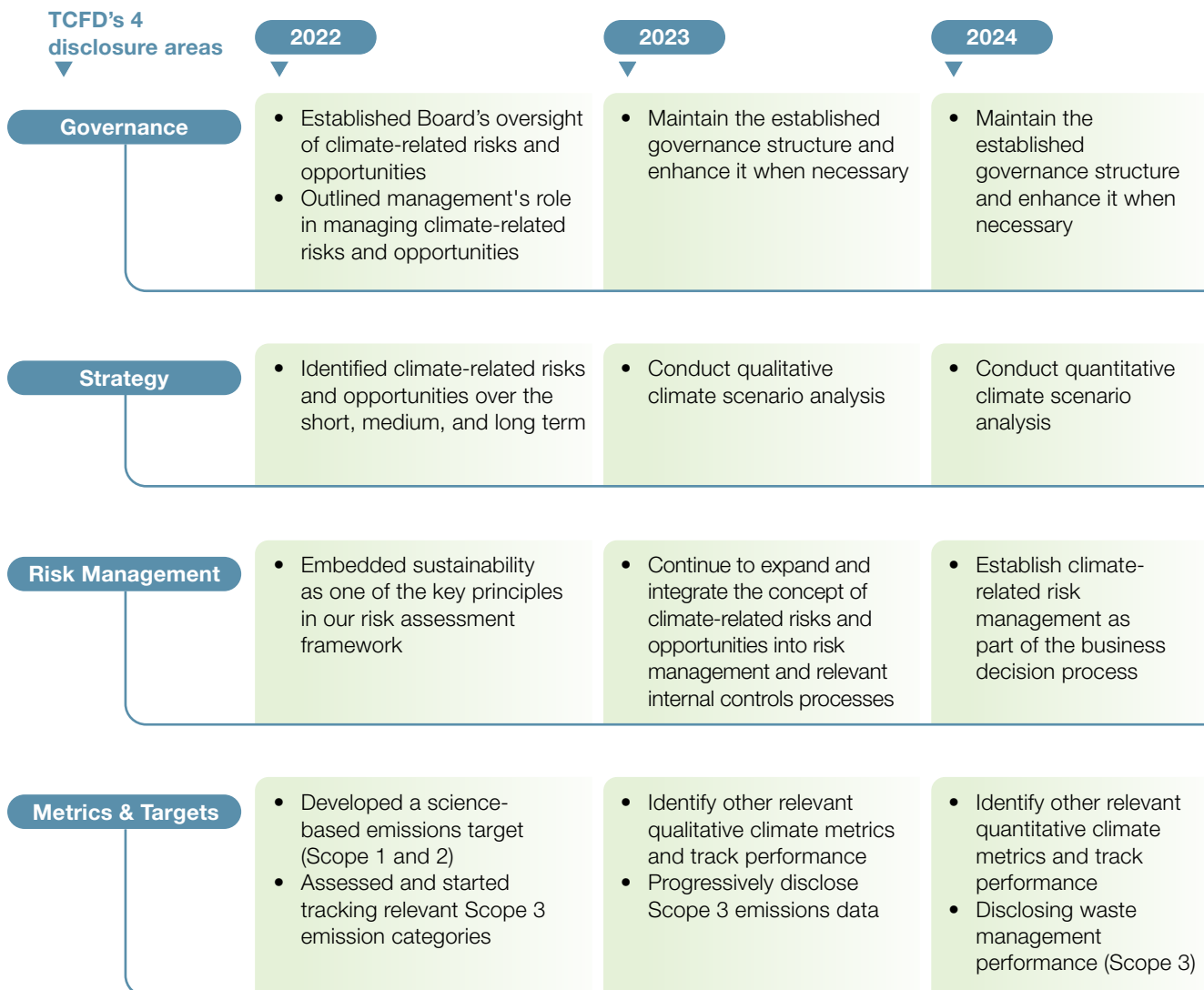


Figure 10: Our 3-year climate disclosure roadmap¹⁷.

¹⁶ SGX mandates climate disclosures for listed companies based on TCFD's recommendations starting from the reporting period of FY2022.

¹⁷ We have referenced SGX's illustrative phased approach and Sustainable Stock Exchanges Model Guidance on Climate Disclosure's checklist in developing our 3-year disclosure roadmap.

SUPPORTING PEOPLE

We value the well-being of our guests, tenants, employees and business partners. Therefore, we strongly advocate health and safety, training and development of our people, and an inclusive and supportive working culture. This is reflected in our comprehensive set of policies and procedures.

Customer Health and Safety

As a hospitality and student accommodation provider, the health and safety of our guests and tenants are our utmost priority. Hence, we established a comprehensive set of rules and processes to aid employees in hazard identification and implementing safety protocols across various scenarios¹⁸.

We have collaborated with our PBSA operator to formalise the health and safety policies and procedures. While our operator manages the day-to-day health and safety issues, our portfolio management team oversees PBSA health and safety matters. Incident reports are provided by our operator regularly, and the management team is kept informed of the issues on the ground.

In 2022, there was a case regarding one of our hotel pools not meeting the stipulated chlorine level due to a lapse by our pool maintenance contractor. We recognised that while tasks can be outsourced, our responsibilities cannot be neglected. We took the incident seriously and emphasised the importance of health and safety to our contractor and steps were taken to minimise the recurrence of similar vendor lapses.

Moving into 2023, we continue to aim for zero health and safety regulatory breaches that lead to fines.

Occupational Health and Safety

We are committed to ensuring a safe and healthy working environment by caring for our employees and prioritising their well-being. We regularly reinforce the concepts in our WSH policies (see Figure 11) to our employees. At each property, WSH Committees are set up to enforce these policies. Property-level WSH findings are consolidated at the corporate operation level and shared with the GRS team. The MRSC is regularly apprised of occupational health and safety issues and incidents at the properties. The Board has oversight of the issues and incidents through regular reporting. A clear escalation protocol is established to expeditiously notify management and Board of major incidents and to acquire the necessary guidance and decision.

General work safety practices are communicated during onboarding and annual training. All new employees undergo WSH policy training at the start of their employment while existing employees undergo yearly refreshers. In addition, employees commit to a safety pledge annually.

With the guidance of our risk assessment procedures, the operation teams conduct WSH hazard risk assessments to identify dangerous work situations and implement mitigation measures specific to their areas of operations, including applying alternative work methods to eliminate or mitigate hazard exposure. Employees are also trained on the mitigation actions for any risks identified through the assessment, including but not limited to the use of protective equipment.

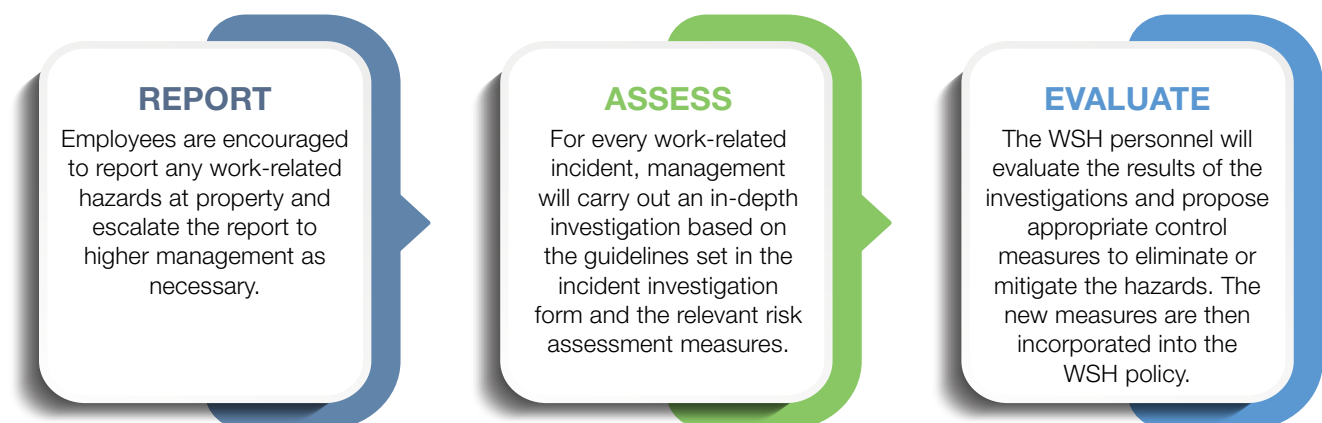


Figure 11: WSH policy

¹⁸ Please see page 42 for details of measures to safeguard our customer health and safety.

SUPPORTING PEOPLE

In this reporting year, we are pleased to report that we have maintained our target of zero fatality rate for the sixth consecutive year. The targets of reducing AFR and ASR were also met in 2022. Although we did not achieve the target of a 25% reduction in workplace injury incidents, cases have dropped to 36 from 42 compared to previous year, representing a 14.3% reduction. Among the 36 injury cases recorded in 2022, we reported one case of high consequence work-related injury.

Our workplace injury rate decreased significantly by 23.8% in 2022 from 4,482 to 3,416 per 100,000 employees. We are cognisant that our workplace injury rate is currently higher than the accommodation industry's national statistics¹⁹. We aim to lower the incident rate by 20% by 2025, which would bring us to the national level.

Health and safety incidents	2022	2021
Incidents of workplace fatalities	0	0
Case of occupational disease	0	0
Case of workplace injuries	36	42
Case of injury of high consequence	1	0
Workplace injury rate ²⁰		
– Fatal injury rate	0	0
– Non-fatal injury rate	3,416	4,482
OD Incidence Rate ²¹	0	0
Accident Frequency Rate	15.6	20.4
Accident Severity Rate	80.4	259.5
Total workdays lost	185	531

Figure 12: Hospitality segment's health and safety performance.²²

¹⁹ From FY2022 onwards, we will report the Group's workplace injury and OD incident rates. This aligns with the MOM revised metrics used in the annual National Workplace Safety and Health Report. National statistics for Non-fatal injury rate (i.e. major and minor injuries) for the accommodation industry recorded in Workplace Safety and Health Report 2021 published by MOM was 2786.2.

²⁰ Workplace Injury Rate = (Number of fatal and non-fatal workplace injuries/ number of employees) x 100,000.

²¹ OD Incidence Rate = (Number of OD cases/ number of employees) x 100,000.

²² This data only covers the Group's hospitality segment, the PBSA segment is excluded because personnel on-premise are employed and managed by third-party PBSA operator.

SUPPORTING PEOPLE

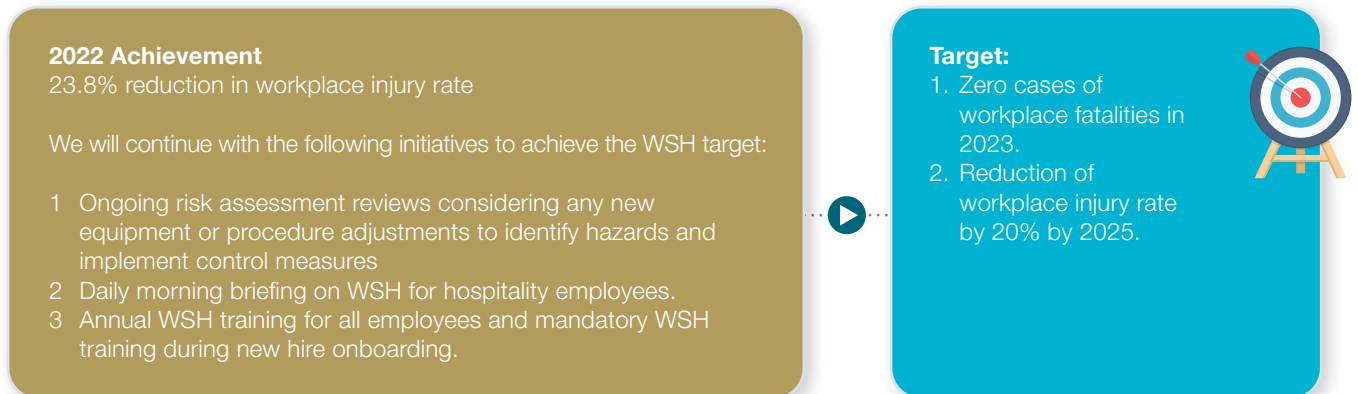


Figure 13: Health and safety target.

Training and Education

We believe having highly skilled employees will enhance our business competitiveness and increase our brand profile. Thus, we invest in training and development programmes to grow the capabilities of our employees to ensure they remain competent in this fast-changing business landscape (see Figure 14). Through training, our employees also gain the opportunity to earn better income, which is in line with the PWM introduced by the Singapore Government.



Figure 14: Comprehensive approach to employee development

All Board members have undergone sustainability training to meet the increasing responsibility of overseeing sustainability risks. Additionally, the management and other employees tasked with the Group's sustainability performance responsibilities have also undergone sustainability training in the following areas:

- Capacity building session to understand the TCFD recommendations and incorporation of climate-related risks and opportunities into business and financial planning.
- Capacity building session to understand and explore decarbonisation initiatives for our properties.

The above trainings helped our employees to embark on various environmental initiatives that will be rolled out in the following years.

Managers in supervisory roles were enrolled in an e-learning course - 'Delivering Employee Feedback'. This course aims to guide participants to deliver constructive feedback effectively and promptly to their direct reports. Participants learn methodology and framework to mentor and support their employees to improve their performance and achieve set goals. The course enhanced managers' competency to positively carry out our organisation's quarterly performance review.

We understand it may be difficult for employees to attend long off-site courses, especially against the backdrop of workforce shortage in the hospitality industry. To resolve this issue, we

SUPPORTING PEOPLE

introduced a bite-sized training curriculum and provide daily succinct training known as the “Daily Dose” programme. Although short, the “Daily Dose” is structured to offer critical and useful knowledge such as service quality, occupational health and safety, sustainability, and governance to the employees and are delivered by specially trained team leaders. We also invited trainers on-site where applicable to make it convenient

for employees. With these efforts, we continue to meet our training and development targets of more than 80 hours per person per annum. In 2022, each employee received an average of 86.2 hours of training. The training hours between male and female employees are similar, as depicted below (see Figure 15).

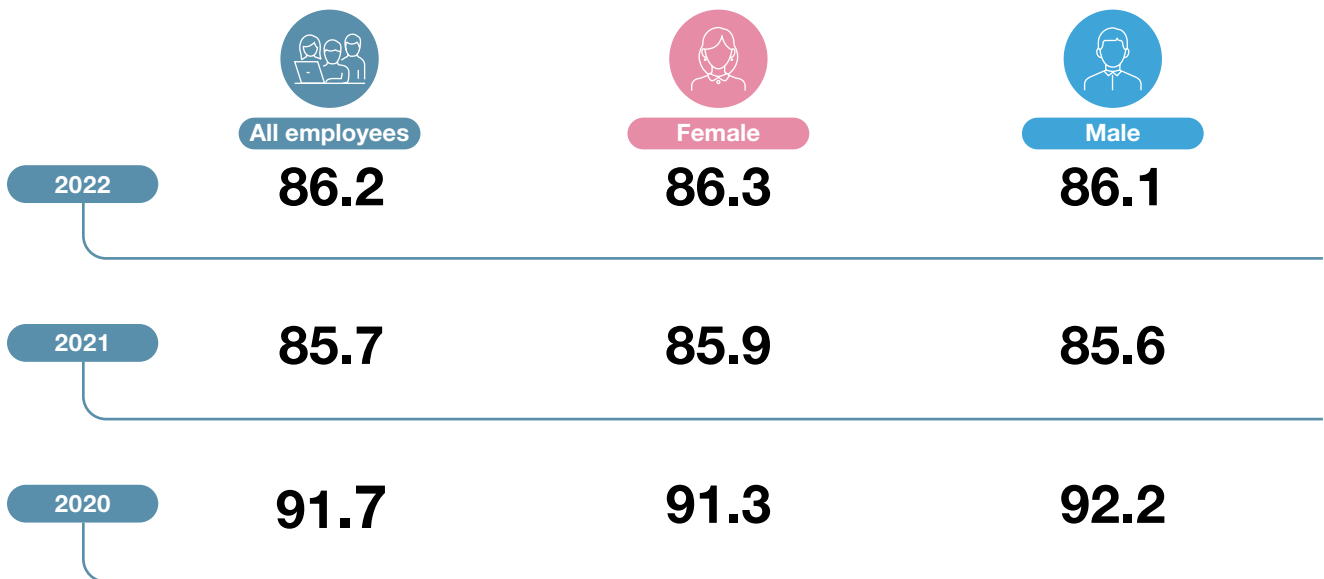


Figure 15: Employees' Training Hours (per employee).

We will continue to source and conduct new training programmes to provide employees with essential knowledge and skillsets. Although we recognise the importance and benefits of on-site coaching (e.g. OJT), we want to align the training disclosure closer to practices of similar industries. Therefore, we target to conduct a review on the training programmes and institutionalise a training disclosure policy in 2023 and will update any change in our future sustainability reports.

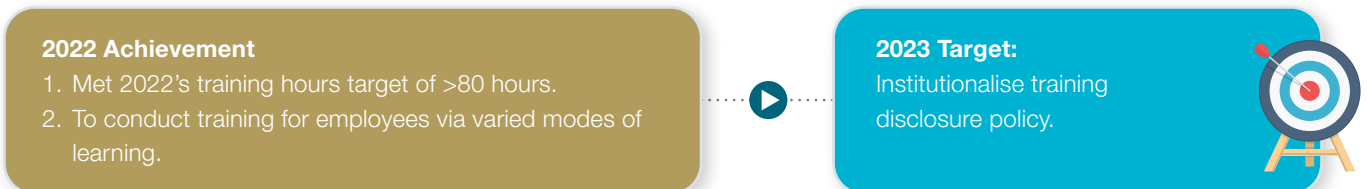


Figure 16: Employee training target.

SUPPORTING PEOPLE

Performance Management and Talent Development

We are committed to engaging and developing our employees professionally. A performance management system is used to enable employees to set goals, monitor their development and evaluate their accomplishments.

A meaningful and open conversation is held between supervisors and their direct reports every quarter to discuss work performance and analyse growth and development needs. Additionally, year-end performance appraisals allow managers and employees to reflect on their accomplishments

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

In 2022, 100% of full-time employees received periodic performance and career development reviews. For 2023, we aim to maintain this performance management target and ensure all employees receive guidance and support to reach their professional aspirations.

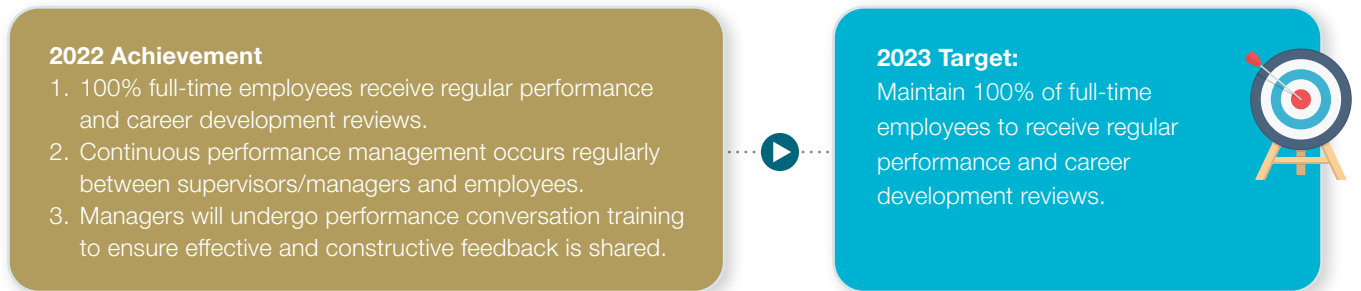
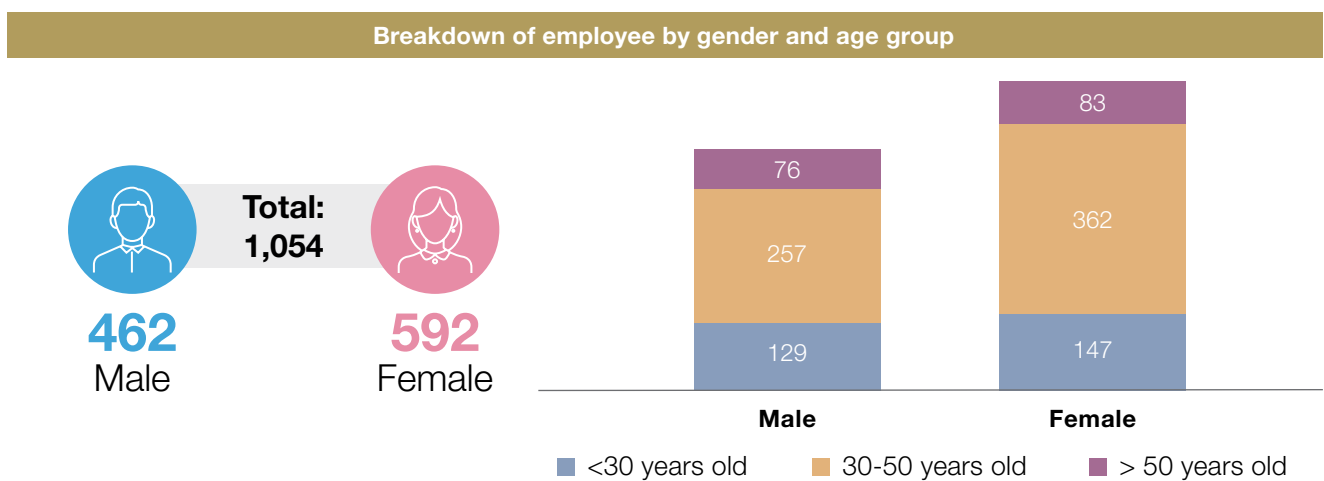


Figure 17: Employee appraisal target.

Diversity and Equal Opportunity

At Far East Orchard, we remain focused on fostering an inclusive and diverse work environment, which is critical to generating new ideas and propelling the business to greater heights. To this end, we make every effort to promote diverse background across the Group, taking into consideration

gender, age, experiences and cultures²³. In 2022, we had a total headcount of 1,054, of which 462 (44%) were male and 592 (56%) were female. The breakdown of employees by gender and age group are as follows:



²³ For Board Diversity policy and target, please see 41 on annual report.

SUPPORTING PEOPLE

Our approach to candidate selection for senior management is based on merit, experience and job fit. Currently, 33.3% of our key management personnel are women.

We are committed to ensuring equal opportunity for existing and new employees, especially for the marginalised or disadvantaged groups. We have a fair recruitment policy to ensure candidates are assessed solely on merit. We strictly follow the TAFEP guidelines on fair employment practices to create a work environment where each employee feels valued and respected. We also actively foster a culture where employees of all levels and experiences can share their views openly. We are pleased to announce that there were zero incidents of discrimination in 2022.

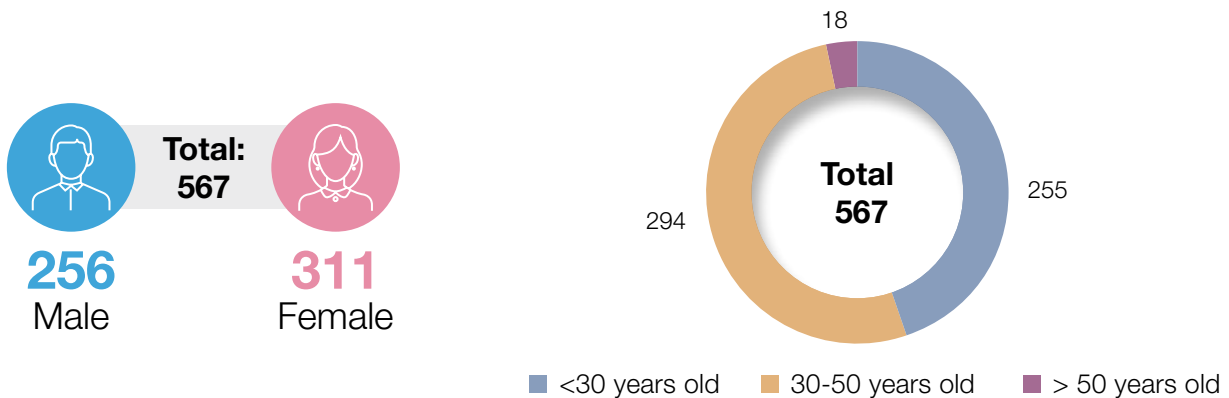
In 2022, we deepened our commitment to establish a robust local talent pipeline and inclusive workforce by launching a careers internship programme with Temasek Polytechnic. This programme aims to address the perennial labour

shortage issues in Singapore and the hospitality sector by providing opportunities for local talents to undergo internship opportunities and secure full-time employment in the hospitality sector. It also provides learning & development support to upskill the hospitality workforce. We are also exploring avenues to recruit ex-offenders and persons with disability for hotel management positions.

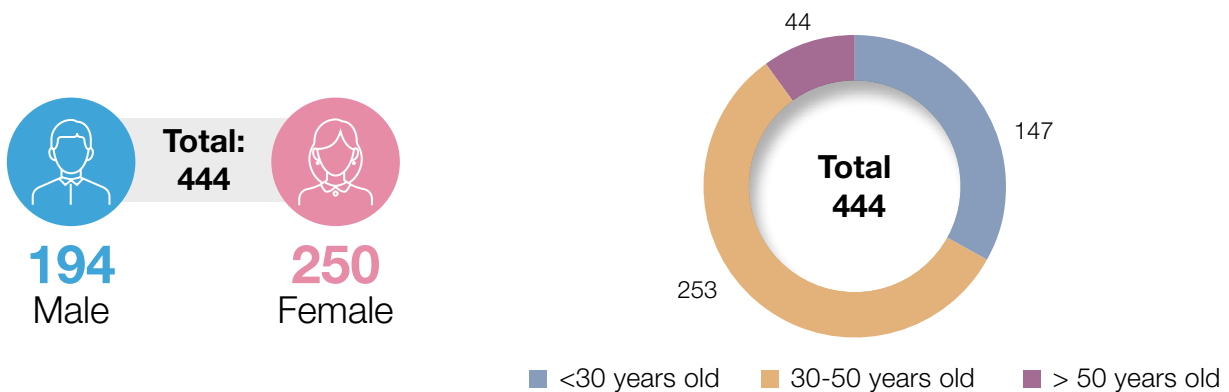
During the year, we hired 567 new employees and saw a turnover of 444 employees, translating to a new hire and turnover rate of 53.8% and 42.1%, respectively. The bulk of the new hires and turnovers are from our hospitality segment. We saw an unprecedented surge in recruitment and attrition numbers as the industry competed for talent when borders reopened and tourists returned.

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

Breakdown of new hires by gender and age group



Breakdown of turnover by gender and age group



UPHOLDING INTEGRITY

Internal controls and governance are critical to the success of any organisation. We have established robust and rigorous internal governance policies, and procedures to ensure transparent, accountable, and fair business operations.

Transparent and Ethical Business

We are firmly committed to maintaining a high standard of corporate governance and promoting corporate transparency, accountability and integrity to enhance long-term shareholder value, while taking into account the interests of our other stakeholders.

Anti-corruption and Anti-bribery Policies

All employees are required to read and acknowledge the Code of Conduct and Employee Handbook on an annual basis. Based on the results of the risk assessment conducted, we deem the risk of corruption to be low due to these measures:

- Appropriate segregation of duties is in place throughout the entire purchasing-delivery-payment process.
- High-value purchases are subject to a tendering process, and bids are evaluated by a panel rather than individuals.
- All employees undergo regular training and are updated on any policy revisions.
- An emphasis on rigorous corporate values and anti-corruption principles are maintained by management.

Whistle-blowing Policy

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

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

There were no whistle-blowing cases reported in 2022.

Awards and Achievements

We are pleased to share our achievements in upholding the highest standards of corporate governance in 2022 (see Figure 18).

Award	Description
Best Risk Management Award (Bronze) at Singapore Corporate Awards 2022 (mid-cap category: S\$300m to less than S\$1 billion)	The Singapore Corporate Awards serve as the umbrella award for exemplary corporate governance practices for listed companies in Singapore. It seeks to consolidate existing awards while introducing new awards around excellent corporate governance. The Best Risk Management Award recognises companies that have established and disclosed adequate and effective risk management practices to support their strategic direction.
Ranked top 8% among SGX-listed firms in the Singapore Governance and Transparency Index	The Singapore Governance and Transparency Index is the leading index for assessing corporate governance practices of Singapore-listed companies.

Figure 18: Awards and achievements.

UPHOLDING INTEGRITY

For more information regarding our corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018, please refer to Far East Orchard's 2022 Annual Report under the Corporate Governance section.

In 2022, we achieved the target of zero violations of the Competition Act and CCCS guidelines, zero lapses with SGX Listing Rules and no known incidents of bribery or corruption. We will adhere strictly to all applicable laws to maintain market reputation and trust among stakeholders.

2022 Achievement	2023 Target
<p>No violation of the Competition Act and CCCS guidelines in 2022</p> <p>The following initiatives are carried out annually:</p> <ol style="list-style-type: none"> 1. Outline the expectations to our employees about compliance with competition laws during orientation programmes. 2. Provide appropriate training and refresher courses for employees dealing directly with competitors. 3. Encourage reporting of any suspected anti-competitive conduct to relevant parties (e.g. risk management and compliance personnel) and/or external regulatory agencies. 4. Build a culture that encourages employees to immediately inform the Group's Head of Legal when they become aware of any behaviour or work practice inconsistent with the Group's Competition Compliance Manual. 	<p>Zero violation of the Competition Act and CCCS guidelines.</p>
<p>No lapses resulting in reprimands by SGX in 2022</p> <p>The following initiatives are carried out annually:</p> <ol style="list-style-type: none"> 1. Participate in seminars, dialogues, round-table discussions, and consultations with SGX to understand and track any new listing rules and keep abreast of any penalties issued against other SGX-listed companies. 2. Maintain and track new listing rules or updates. 3. Maintain and centralise all communication and correspondence with SGX (and any other relevant regulatory authorities), monitor and track all inquiries, feedback, and responses, and maintain a consistent response in each correspondence. 4. Continue the practice of mandatory Annual Declarations by employees to declare potential conflict of interests so they may be appropriately managed. 5. Continue the mandatory declaration of interests by Directors annually, and as and when should any conflict of interest arises. 	<p>No lapses with SGX-ST Listing Manual resulting in reprimands by SGX.</p>
<p>No corruption or bribery cases in 2022.</p> <p>The following initiatives are carried out annually:</p> <ol style="list-style-type: none"> 1. Continue the practice of mandatory Annual Declaration by employees to declare potential conflict of interests so they may be appropriately managed and to agree to comply with the Employee Handbook and Code of Conduct - including conduct on "Giving/Offering Gifts and Other Inducements" and "Receiving Gifts and Lavish Entertainment". 2. Continual update of the Employee Handbook and/or Code of Conduct, made available to all employees via the intranet. 	<p>Zero corruption or bribery cases.</p>

Figure 19: Maintaining a high standard of corporate governance.

UPHOLDING INTEGRITY

Customer Privacy

Data security is becoming increasingly important as services evolve to be more digitalised. We are committed to abiding by all relevant data protection laws and have implemented multiple policies and procedures to protect our customers' personal information privacy. For example, personal information acquired from visitors staying in hospitality locations handled by us will strictly be used and disclosed solely for registration and stay purposes only. We do not disclose or sell personal information about our customers to other parties for marketing or promotional purposes.

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

1. Appointing DPOs for each business unit who maintain and monitor each business unit's compliance with the relevant data protection legislation.
2. Maintaining a data inventory map to facilitate effective record management.
3. Evaluating the risk of third-party vendors who possess customer data to ensure there is a statement of compliance or letter of assurance on data privacy controls.
4. Assessing the adequacy and effectiveness of IT controls that maintain the confidentiality, integrity and availability of the IT system and related IT infrastructures.
5. Monitoring our business processes and security procedures to assess and ensure compliance with relevant data protection laws.
6. Periodically reviewing and updating manuals and policies to ensure relevancy, including its Information Security and Management Policy, Privacy Policy, and manual for employees to inculcate awareness of and facilitate compliance with applicable data protection laws.

For the hospitality segment, employees are provided with a manual to familiarise themselves with the data protection policies and undergo an e-learning refresher course annually. The manual was updated in 2022 to reflect the changes to the Personal Data Act of Singapore that was amended in 2021. Our Privacy Policy can be found at www.fareastorchard.com.sg/privacy-policy.html, and the DPOs can be contacted by email at dpo@fareastorchard.com.sg.

In 2022, there were no substantiated complaints concerning breaches of customer privacy and loss of customer data that resulted in fines by the Personal Data Protection Commission. We remain steadfast in upholding our data privacy and security standards, and continue to target for no substantiated losses of customer data in 2023.

BUILDING A RESILIENT BUSINESS

Economic Performance

In 2022, we recorded revenue of S\$141.0 million, a 32.0% year-on-year increase, attributed to the improved operating performance of the Hospitality and PBSA businesses. Net profit increased to S\$21.5 million in FY2022, compared to S\$16.8 million in 2021, primarily due to significantly better operating performance, driven by the recovery of Hospitality business segment.

For detailed information on our financial performance for 2022, please refer to the following sections in the 2022 Annual Report:

- Chair's Statement - Pages 6-9 of Annual Report 2022
- Group CEO's Message - Pages 10-13 of Annual Report 2022

- 5-year Financial Highlights - Page 30 of Annual Report 2022
- Financial Report - Page 69 onwards of Annual Report 2022

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

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

Economic Contribution (in S\$'000)			
	Employee compensation	Distributed dividend (cash and shares)	Income tax expense ²⁴
2022	35,192	13,936	1,420
2021	30,704	13,654	12,304
2020	30,937	26,302	5,550

Figure 20: Our financial performance.

²⁴ Income tax expense comprised of current and deferred income tax. Please refer to FY2022 Financial Report section for the detailed breakdown.

BUILDING A RESILIENT BUSINESS

Quality Service

We place great emphasis on the quality of service provided to our guests and tenants because it directly impacts our reputation and therefore influence our business performance.

We engage an independent vendor annually to assess the service quality of the Group's hotels. The assessment is done by benchmarking against global hospitality peers and rating our services through the CEI²⁵. In 2022, we achieved a CEI score of 87, above the target of 85 set for 2022. We

endeavour to maintain the target score of 85 in 2023. This will be achieved through the following:

- Performing daily act of grace beyond work by our employees.
- Incorporating high levels of hygiene and safety standards.
- Creating service experiences to meet the unspoken needs of guests.



Singapore Tourism Awards 2022: SPECIAL MENTION FOR MOST EXEMPLARY EMPLOYER

- The Singapore Tourism Awards celebrates and recognises individuals and organisations in the tourism sector for delivering outstanding experiences and demonstrating enterprise excellence.



HR Excellence Awards 2022: EXCELLENCE IN CRISIS MANAGEMENT AND RECOVERY – GOLD

- The HR Excellence Awards recognises teams and individuals who were resilient in pushing the boundaries of people strategy and achieving new heights in employee engagement, performance management and more.



Human Resources Online (Employee Experience Awards): BEST RESPONSE TO COVID-19 – SILVER

- The Employee Experience Awards recognises employers who are taking concrete steps to put the spotlight on the employee experience.

Figure 21: Quality service awards.

²⁵ The Group's CEI score is determined based on customer surveys conducted by an independent external vendor.

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference / Remarks
<i>General Disclosures</i>			
GRI 2: General Disclosure 2021	2-1	Organizational details	Page 4
	2-2	Entities included in the organization's sustainability reporting	Page 5 and 34 AR2022: Page 28
	2-3	Reporting period, frequency, and contact point	Page 5
	2-4	Restatements of information	No restatement
	2-5	External assurance	Page 5
	2-6	Activities, value chain and other business relationships	Page 4
	2-7	Employees	Page 22
	2-8	Workers who are not staff	Outsourced services are on outcome-basis and headcount information from vendor is unavailable
	2-9	Governance structure and composition	AR2022: 16-25
	2-10	Nomination and selection of the highest governance body	AR2022: Page 42-45
	2-11	Chair of the highest governance body	AR2022: Page 42
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 10 and 35
	2-13	Delegation of responsibility for managing impacts	Page 10, 35 and 36
	2-14	Role of the highest governance body in sustainability reporting	Page 10 and 35
	2-15	Conflicts of interest	AR2022: Page 65 and 66
	2-16	Communication of critical concerns	AR2022: Page 38
	2-17	Collective knowledge of the highest governance body	AR2022: Page 39
	2-18	Evaluation of the performance of the highest governance body	AR2022: Page 45 and 46
	2-19	Remuneration policies	AR2022: Page 46-51
	2-20	Process to determine remuneration	AR2022: Page 46-51
	2-21	Annual total compensation ratio	Not included due to sensitivity of data
	2-22	Statement on sustainable development strategy	Page 6-8 AR2022: 6-13
	2-23	Policy commitments	Page 9
	2-24	Embedding policy commitments	Page 9, 13-29
	2-25	Processes to remediate negative impacts	Page 13-29 AR2022: 63 and 64
	2-26	Mechanisms for seeking advice and raising concerns	Page 11 and 25 AR2022: 58
	2-27	Compliance with laws and regulations	Page 19, 20 and 26
	2-28	Membership associations	Member of SHA
	2-29	Approach to stakeholder engagement	Page 11
	2-30	Collective bargaining agreements	Percentage of employees on collective bargaining not disclosed due to sensitivity of data
<i>Material Topics</i>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 11, 12, and 36-38
	3-2	List of material topics	Page 12

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference / Remarks
<i>Material Topics</i>			
Material Topic: Climate Resiliency			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 13, 14, 36-38, 40 and 41
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 39
	302-3	Energy intensity	Page 39
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 15 and 39
	305-2	Energy indirect (Scope 2) GHG emissions	Page 15 and 39
Material Topic: Water Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 17
GRI 303 (2018): Water and Effluents	303-5	Water consumption	Page 17 and 40
Material Topic: Responsible Procurement			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 17
GRI 308: Supplier Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Page 17 We have incorporated the criteria in 2022 and will progressively disclose data in future sustainability reports.
Material Topic: Customer Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 19 and 42 AR2022: Page 64
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Page 19 and 42
Material Topic: Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 19, 20 and 43
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 19 and 43. Our occupational health and safety management system is in compliance with Workplace Safety and Health (Incident Reporting) Regulations.
	403-2	Hazard identification, risk assessment, and incident investigation	Page 19 and 43
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 43
	403-5	Worker training on occupational health and safety	Page 43
	403-6	Promotion of worker health	AR2022: Page 64
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 19 and 43
	403-8	Workers covered by an occupational health and safety management system	Our occupational health and safety management system covers all employees, which is in compliance with Workplace Safety and Health (Incident Reporting) Regulations.
	403-9	Work-related injuries	Page 20

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference / Remarks
<i>Material Topics</i>			
Material Topic: Training and Education			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 21, 22, 44 and 45
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 22
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 21 and 22
	404-3	Percentage of staff receiving regular performance and career development reviews	Page 23
Material Topic: Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 23 and 24 AR2022: Page 41
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 23 and 24
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and staff	Page 24 AR2022: Page 16-25 and 41
Material Topic: Transparent and Ethical Business			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 25 and 26
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Page 25 and 26 AR2022: Page 63
	205-3	Confirmed incidents of corruption and actions taken	Page 26
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 26
Material Topic: Customer Privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 27
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 27
Material Topic: Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 28 and 29
GRI 201 (2016): Economic Performance	201-1	Direct economic value generated and distributed	Page 28 AR2022: Page 69 onwards

TCFD CONTENT INDEX

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

TCFD Recommended Disclosure	Comments and Reference
GOVERNANCE	
Describe the board's oversight of climate-related risks and opportunities	Page 35
Describe management's role in assessing and managing risks and opportunities	Page 36
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Page 36-38
Describe the impact of climate-related risks and opportunities the organization has identified over the short, medium, and long term	Page 36-38
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Page 13 and 36-38
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks	Page 38
Describe the organization's processes for managing climate-related risks	Page 38
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Page 38
METRICS AND TARGETS	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 39 and 40
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<ul style="list-style-type: none"> • Scope 1 & 2: Page 39 and 40 • Scope 3 Materiality Assessment: Page 40 and 41
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Page 40

APPENDIX 1: ENVIRONMENTAL DATA

List of Properties Included in this Sustainability Report

The Group's sustainability disclosures include owned and managed properties in Singapore, Malaysia, Japan, and the UK, where the Group has operational control²⁶ (see Table 1). We will actively review the list to ensure our environmental footprint is accounted for appropriately and in line with GHG Protocol Standards.

Hospitality Properties	
Singapore	
Managed Properties – Hotels <ul style="list-style-type: none"> • AMOY Hotel • Oasia Hotel Downtown • Oasia Hotel Novena • Oasia Resort Sentosa • Orchard Rendezvous Hotel Singapore • Quincy Hotel Singapore • Rendezvous Hotel Singapore • The Barracks Hotel Sentosa • The Clan Hotel Singapore • Vibe Hotel Singapore Orchard (fka The Elizabeth Hotel) • The Outpost Hotel Sentosa • Village Hotel Albert Court • Village Hotel Bugis • Village Hotel Changi • Village Hotel Katong • Village Hotel Sentosa 	Managed properties – Serviced Residences <ul style="list-style-type: none"> • Adina Serviced Apartments Singapore Orchard (fka The Regency House) • Far East Plaza Residences • Oasia Residence Singapore • Orchard Parksuites • Orchard Scotts Residences • Village Residence Hougang • Village Residence Robertson Quay • Village Residence West Coast
Malaysia	
Owned and managed property	
<ul style="list-style-type: none"> • Oasia Suites Kuala Lumpur 	
Japan	
Part-owned property	
<ul style="list-style-type: none"> • Far East Village Hotel Ariake 	
Managed property	
<ul style="list-style-type: none"> • Far East Village Hotel Yokohama 	
PBSA (Owned properties)	
United Kingdom	
<ul style="list-style-type: none"> • Harbour Court, Bristol • Hollingbury House, Brighton • King Square Studios, Bristol • Portland Green Student Village, Newcastle upon Tyne: <ul style="list-style-type: none"> • Bryson Court • Marshall Court • Newton Court • Rosedale Court • Turner Court 	<ul style="list-style-type: none"> • The Glassworks, Liverpool • The Elements, Sheffield • The Foundry, Leeds • St Lawrence House, Bristol

Table 1: Properties in Sustainability Report.

²⁶ Owned and managed properties are categorised separately as the Group has varying control over these assets. The degree of control would determine the extent of environmental initiatives we can implement to reduce emissions.

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

For managed properties, the Group has some operational control over the daily practices which influence the consumption of fuel and electricity (e.g., replacement of incandescent lights with energy-efficient LED, control of operating hours of electrical devices, etc.) but does not have significant control over purchasing decisions and capital expenditures (e.g. replacement of building services and installations).

For excluded properties, the Group does not have significant control over either capital expenditure or daily operations and practices.

APPENDIX 1: ENVIRONMENTAL DATA

TCFD Disclosures

We align our climate disclosures to the four segments of the TCFD framework: 1. governance 2. strategy 3. risk management, 4. metrics and targets.

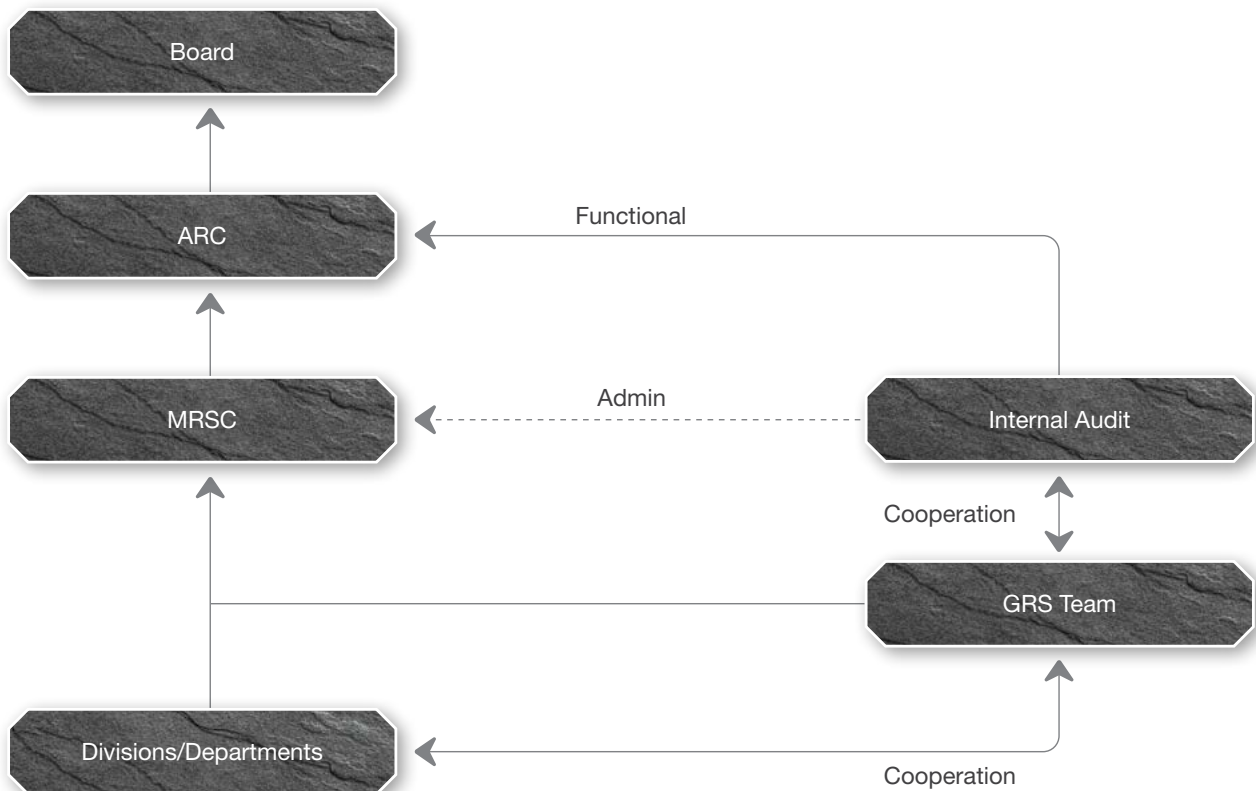
1. Governance

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

The Board of Directors is collectively responsible for the long-term success and sustainability of the Group. It determines the material ESG factors, reviews and discusses climate-related risks and opportunities, and oversees the design, implementation and monitoring of

climate-related risks and internal controls established by the management. The Board meets quarterly and at special meetings that are convened as required.

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



APPENDIX 1: ENVIRONMENTAL DATA

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

The MRSC supports the ARC. It is responsible for the design, implementation and monitoring of risk management process, internal controls, and sustainability reporting as well as managing climate-related risks and opportunities.

The MRSC ensures the accuracy and integrity of sustainability reports, and provides management assurance to the Board on the risk management process and that internal controls are adequate and effective.

2. Strategy

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

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

The assessment consists of the following steps:

- Scanning for emerging climate issues impacting our asset portfolio.
- Assessing the magnitude and likelihood of those issues.
- Evaluating practical mitigation or adaptation measures based on the organisation's resources and capabilities.

The Group defines time horizons as follows:

- Short-term: 1-5 years
- Medium-term: 6-10 years
- Long-term: \geq 11 years

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

Risk type	Risk description	Time horizon	Potential financial impact	Possible mitigation and adaptation measures
Physical risk	Chronic	• Extreme heat	Long term	<ul style="list-style-type: none"> • Increase in operating costs due to greater cooling demands, building damage, and supply chain disruption. • Reduced revenue. • Higher costs from negative impacts on the workforce. • Increased costs of non-life insurance premiums.
	Acute	• Floods		

APPENDIX 1: ENVIRONMENTAL DATA

Risk type	Risk description	Time horizon	Potential financial impact	Possible mitigation and adaptation measures	
Transition risk	Policy and Legal	<ul style="list-style-type: none"> • Mandates on and regulation of existing buildings and services • Carbon pricing • Enhanced emissions reporting obligations 	Short-term	<ul style="list-style-type: none"> • Increased operating costs and investments in new buildings and retrofitting existing buildings. • Write-offs, asset impairment and early retirement of existing assets due to policy changes. 	<ul style="list-style-type: none"> • Set science-based decarbonisation target and plans. • Implement environmental initiatives. • Track environmental performance and monitor hotspots. • Clinch sustainable financing instruments with lower interest rates.
	Market	<ul style="list-style-type: none"> • Increased cost of raw materials 	Short-term	<ul style="list-style-type: none"> • Increased operational costs due to changing input prices and output requirements. • More volatile fossil fuel prices as the energy system transitions from fossil fuels. 	<ul style="list-style-type: none"> • Track environmental performance and monitor hotspots. • Incorporate climate and ESG criteria into procurement policies for hospitality and PBSA business segments,
	Reputation	<ul style="list-style-type: none"> • Increased stakeholder concern or negative stakeholder feedback • Shift in consumer preference 	Medium-term	<ul style="list-style-type: none"> • Decreased demand for goods and services in the hospitality industry due to a shift in consumer preference. • Decreased revenue from corporate travellers from organisations with strong climate commitments and targets. 	<ul style="list-style-type: none"> • Disclose climate-related risks aligned to TCFD recommendations. • Review the feasibility of obtaining GSTC certification. • Partner with international sustainability associations to contribute to regional standards.
	Technology	<ul style="list-style-type: none"> • Use of less-energy-efficient technology 	Medium-term	<ul style="list-style-type: none"> • Increased costs to adopt new low-emission processes. • Increased cost of holding impaired technology assets (fossil-fuel-powered heavy machinery). 	<ul style="list-style-type: none"> • Review current equipment and technology to identify and prioritise equipment to be switched to lower-carbon options.

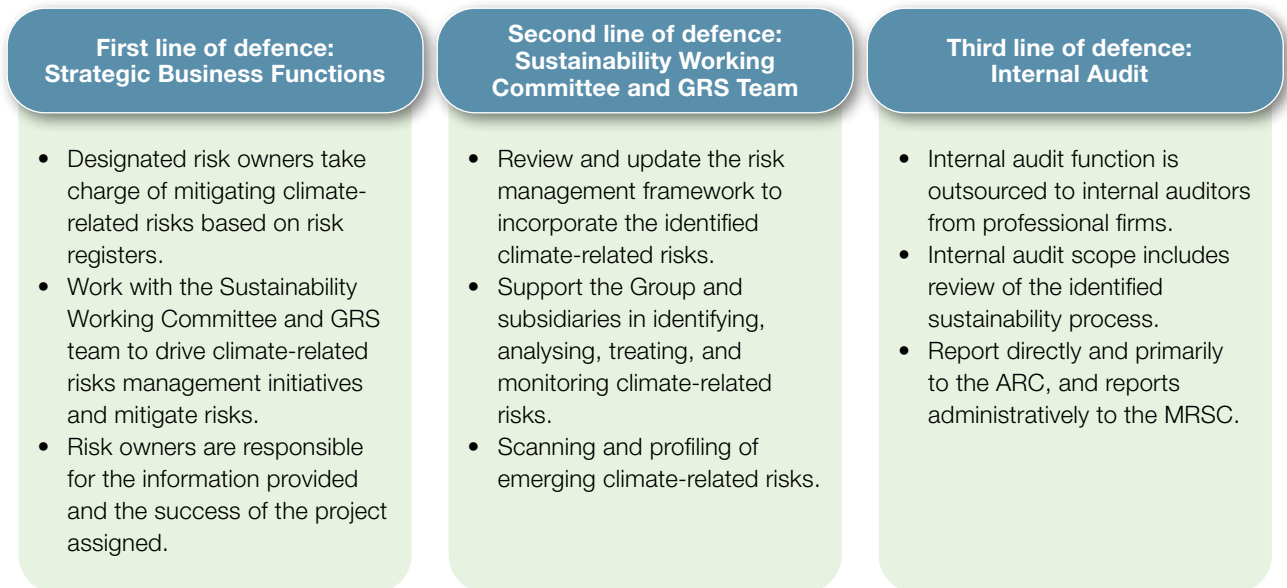
APPENDIX 1: ENVIRONMENTAL DATA

Opportunities	Time horizon	Potential financial impact	Possible response to climate opportunities
Sustainable finance	Long-term	<ul style="list-style-type: none"> Lower cost of capital 	<ul style="list-style-type: none"> Took up SLL and continuously tracked its performance against the SLL targets
Cost savings through green technologies and innovations	Long-term	<ul style="list-style-type: none"> Lower long-term cost of energy 	<ul style="list-style-type: none"> Embarked on a feasibility study of air-sourced heat pump installation in PBSA
Demand for sustainable tourism	Medium-term	<ul style="list-style-type: none"> New consumer segments for hospitality and PBSAs businesses 	<ul style="list-style-type: none"> Completed the design of a sustainable tourism package that will be rolled out in FY2023

3. Risk Management

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

Effective risk management is fundamental to safeguarding the business and delivering positive outcomes for all stakeholders. We have embedded sustainability as one of the key principles in our risk assessment framework and incorporated multiple lines of defence as safeguards.



APPENDIX 1: ENVIRONMENTAL DATA

4. Metrics and Targets

A. Environmental Metrics and Disclosures

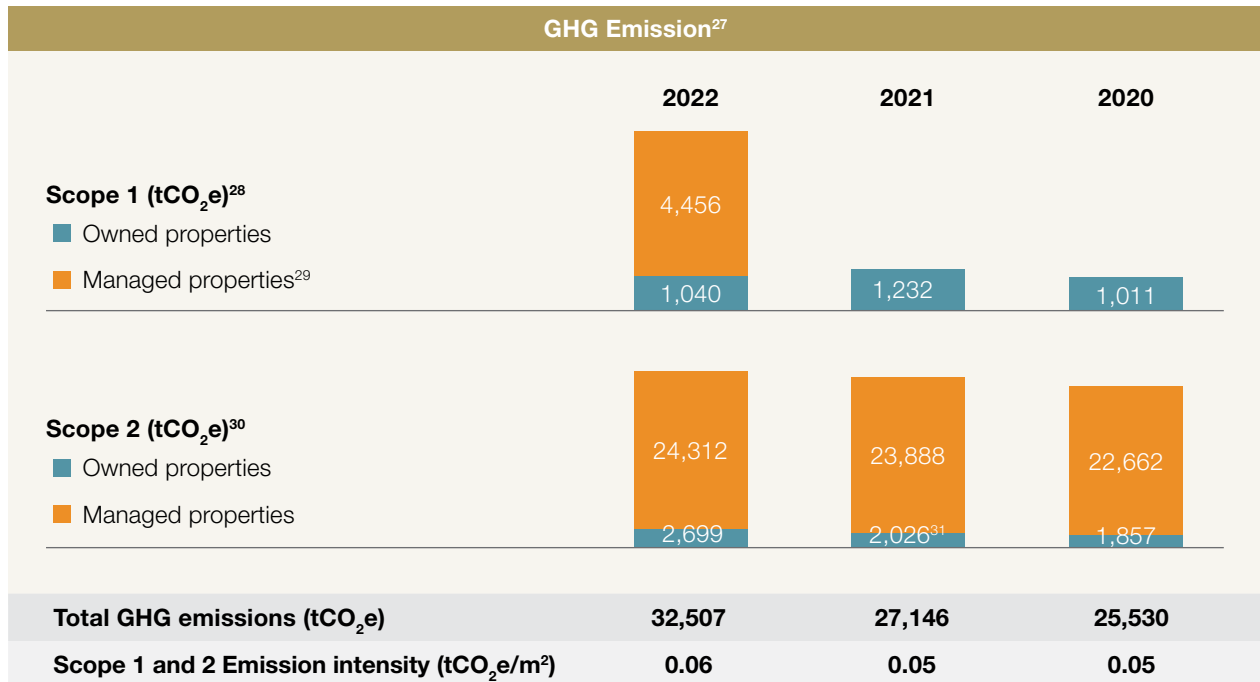
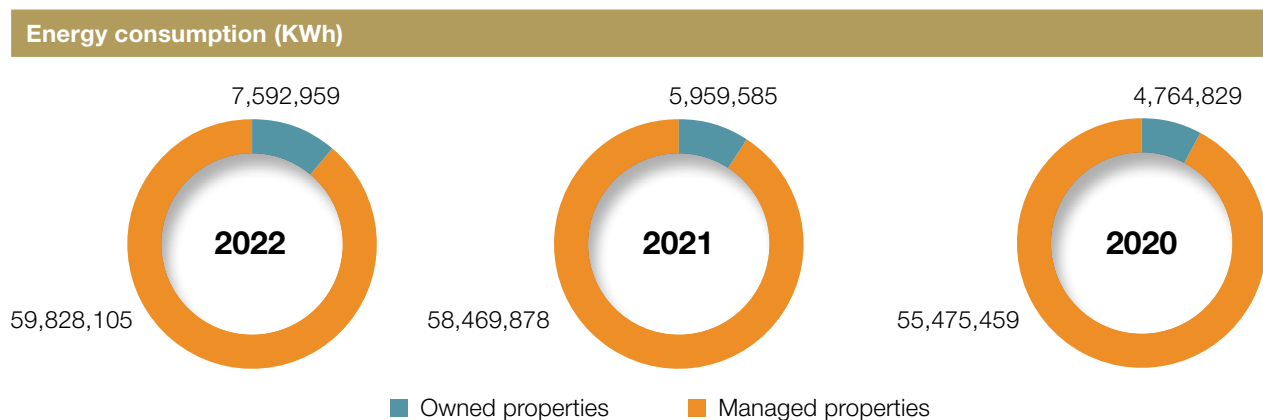


Figure 22: Scope 1 and 2 emissions.



	2022	2021	2020
Total electricity consumption (KWh)	67,421,064	64,429,463	60,240,288
Electricity intensity (KWh/m²)	131	121	116

²⁷ Far East Orchard uses the operational approach in the calculation of GHG emissions in accordance with the GHG Protocol Standards. The emission factors used are derived from the UK DEFRA environmental reporting guidelines, which is aligned to the IPCC and IEA.

²⁸ Scope 1 carbon emissions consist of direct emissions from diesel used in backup generators, gas used in kitchens or kitchenettes and fugitive emissions from refrigerants.

²⁹ Scope 1 emissions from managed properties are included for the first time in this report as the Group only began the consolidation of data in 2022.

³⁰ Scope 2 includes indirect emissions from electricity usage in hotels and PBSAs. The Group uses location-based approach to calculate emissions from electricity consumption.

³¹ Scope 2 for owned properties exclude emissions from electricity consumption at a PBSA property due to a faulty meter. This was rectified in 2022.

APPENDIX 1: ENVIRONMENTAL DATA

Water consumption (m ³)	2022	2021 ³²	2020
Owned properties	169,774 ³³	140,776	21,404
Managed properties	623,189	642,104	732,142
Total water consumption (m ³)	792,963	782,880	753,546
Water intensity (m ³ /m ²)	1.5	1.5	1.5

B. Targets (Scope 1 & 2)

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

Targets	Target in 2030
Scope 1 and 2 GHG emissions	Reduce GHG emissions (Scope 1 and 2) for owned properties by 42% by 2030, from a baseline year of 2022.
Percentage of UK PBSA with EPC rating of B	100%

C. Scope 3 Emissions Materiality Assessments

The Group evaluated the 15 categories of Scope 3 emissions in 2022. The evaluation considered the materiality of each emission category relative to the Group's total emissions and its relevance to the Group's business operations³⁴.

Scope 3 emission categories	Inclusion for disclosure	Scope and Approach
Category 1: Purchased goods and services ³⁵	Under review and consideration for disclosure.	Management, hospitality, and other workforce services comprise approximately 45% to 55% of the Group's total purchased goods and services for owned properties. Thus, this category accounts for relevant spending on services incurred by owned properties (i.e. owned hotels and PBSAs). Spent data from managed properties are not included as the Group does not have control over purchasing decisions for managed properties.
Category 2: Capital goods ³⁶	Under review and consideration for disclosure.	Acquisition of properties is most material to this emission category due to the nature of the Group's business (i.e. purchase of accommodation-related properties). The Group includes emissions from acquisition activities for this category.
Category 3: Fuel- and energy-related emissions not included in Scopes 1 or 2 ³⁷	Under review and consideration for disclosure.	This consists of all upstream activities to produce the fuels and electricity consumed by the Group (both owned and managed properties).

³² In 2019 and 2020, the Group expanded its property portfolio. In 2021, the Group decided to relook and expand its water data collection to include the new properties and close any data gap. The water data scope in 2021 was not available for previous years, as such, there is a significant difference between water consumption data in 2020 and 2021.

³³ Utility operator-issued water readings for November and December are unavailable in certain UK municipalities at the time of reporting. As such, estimations based on occupancy of the corresponding months were used instead.

³⁴ The Group's evaluation approach is derived from the GHG Accounting and Reporting Principles of the GHG Protocol Standard.

³⁵ The WRI/Quantis Scope 3 Evaluator ("Quantis") is used to estimate emissions from spend data. Emission factors used are derived from Quantis and applied to total spend to calculate the overall emissions for this category. Going forward, the Group will continue to work towards improving the accuracy of Scope 3 emissions data by working with key suppliers.

³⁶ The WRI/Quantis Scope 3 Evaluator ("Quantis") is used to estimate emissions from acquisition cost. Emission factors used is derived from Quantis and applied to total cost to calculate the overall emissions for this category. Going forward, the Group will continue to work towards improving the accuracy of Scope 3 emissions data by working with key suppliers.

³⁷ Emission factors for this category is derived from government data and the IEA.

APPENDIX 1: ENVIRONMENTAL DATA

Scope 3 emission categories	Inclusion for disclosure	Scope and Approach
Category 4: Upstream transportation and distribution	Not included.	Majority of the Group's purchases are from domestic markets, and emissions from this category are immaterial.
Category 5: Waste generated in operations ³⁸	To be included in the Sustainability Report 2024.	Waste generated on-site for owned and managed properties (i.e. hospitality, owned hotels and PBSAs) is included.
Category 6: Business travel	Under review and consideration for disclosure.	Currently consolidating data to evaluate the materiality of this emission stream.
Category 7: Employee commuting	Under review and consideration for disclosure.	Currently consolidating data to evaluate the materiality of this emission stream.
Category 8: Upstream leased assets	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 9: Downstream transportation and distribution	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 10: Processing of sold products	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 11: Use of sold products	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 12: End-of-life treatment of sold products	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 13: Downstream leased assets	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 14: Franchises	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).
Category 15: Investments	Not included.	Emissions from this category are not material to the Group due to the nature of the business (i.e. hotel management and ownership of PBSAs).

³⁸ The emission factors used are derived from the UK DEFRA environmental reporting guidelines, which is aligned to the IPCC and IEA.

APPENDIX 2: SOCIAL AND GOVERNANCE DATA

Customer Health and Safety Policies

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

Risk Management

- Conducting operations and internal compliance audits.
- Conducting periodic risk and control self-assessment.
- Conducting regular maintenance checks and inspections on equipment and facilities.
- Identifying and mitigating hazards that customers may encounter.
- Establishing a business response plan.



Employees Readiness

- Training employees to handle Automated External Defibrillators.
- Training employees to handle reported cases of infectious diseases and render medical assistance for minor injuries.
- Enrolling employees who handle food in food safety and hygiene courses.
- Conducting fire drills and emergency exercises.



Quality Service

- Accompanying guests to nearby clinics or hospitals where medical assistance is sought.
- Ensuring that all guest incidents are recorded and reported promptly.
- Making courtesy calls to guests to check their well-being after an incident.



Infrastructure

- Equipping buildings with closed-circuit televisions.
- Programming guest room keys for lift access to designated floors only.



APPENDIX 2: SOCIAL AND GOVERNANCE DATA

Occupational Health and Safety Policies

Far East Orchard has set the following policies and procedures to ensure a safe working environment for all employees. The Group regularly updates these policies, taking reference to Workplace Safety and Health Act 2006 and subsidiary legislation.

Key Initiatives Under WSH Policy

Procedural controls

- Adopt safe working practices that align with national and international safety regulations.
- Provide employees with safe and well-maintained tools and equipment.
- Provide training to all employees to enhance their competence and awareness of WSH requirements.
- Annual pledge to acknowledge and comply with the Group's Safety Commitment, outlined in the Employee Handbook.
- Review of WSH Policy and objectives at least once a year.
- Requirement for all engaged main contractors to be OHSAS 18001 certified or equivalent to a well-recognised safety management system standard.



Reinforcements

- Fortnightly circulation of reminders about WSH to all employees to increase awareness and impart safe work habits.
- Conduct quarterly cluster WSH meetings.
- Conduct annual WSH risk assessments to identify hazardous activities and workspaces and implement mitigation measures proactively.
- Conduct emergency drills for potentially hazardous situations, including, but not limited to, power failures, medical emergencies, fires, and lift entrapments, at least twice a year.
- Monthly updates on Incidents with Root Cause analysis to mitigate re-occurrences.



WSH personnel's responsibilities at each property

- Fire safety manager are to evaluate emergency response plan and the deployed safety measures to ensure compliance with regulatory requirements.
- Trained and certified company emergency respond team acts as first-responders to emergency situation.
- Trained personnel are engaged to review operational risks in accordance to asbestos management plan.
- Qualified personnel are engaged to conduct legionella risk assessment.



APPENDIX 2: SOCIAL AND GOVERNANCE DATA

Training and Education Programmes

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



Development Plans INDIVIDUAL DEVELOPMENT PLAN

Objectives

Based on the training needs highlighted by employees and supervisors, the most effective training method will be identified. These are varied between cross-exposure, e-Learning, OJT, and classroom training. Singapore WSQ could fund classroom training.



Development Plans LEADERSHIP DEVELOPMENT PLAN

Objectives

Manager development programme serves to equip and prepare future leaders with the necessary skill sets and knowledge to perform their leadership roles. The programme includes core modules ranging from financial literacy to leadership skills. The training programme includes, but is not limited to, cross-exposure, mentoring, OJT, leadership sharing series and self-directed learning.



Development Plans ACCELERATED CAREER PATHWAY

Objectives

This programme is open to all qualified employees (based on a series of assessments). The programme aims to equip talented employees with the required skills and knowledge of a manager. The Group has structured and customised learning programmes to hone individuals' functional and leadership skills to be ready for future opportunities.

Governance and Employee Policies

The following policies are institutionalised to equip employees with the our principles towards regulatory compliance and alignment to global best practices. Internal controls are established to provide employees the necessary instructions and provide monitoring mechanism.

Corporate Policies	Internal Controls
<ul style="list-style-type: none"> • Corporate Governance Policies Manual • Employee Handbook • Code of Conduct & Ethics • Enterprise Risk Management Manual • Securities Trading Policy • Whistle-blowing Policy • Investor Relations Policy • Procurement Policy • Board Diversity Policy • Disclosure of Profit Guidance Policy • Crisis Management Policy • IPT SOP • Information Security Management Policy • Personal Data Protection Policy • Anti-Bribery and Corruption Policy 	<ul style="list-style-type: none"> • Delegation of Authority Matrix • Internal and external audits • Annual declaration of potential conflicts of interests • Quarterly circular to Board and employees on Securities Trading Policy

APPENDIX 2: SOCIAL AND GOVERNANCE DATA

Compliance Training

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

Compliance Checks	Employees Readiness
<ul style="list-style-type: none"> • Putting in place internal processes to monitor continuous compliance and reinforce adherence to the Competition Act. • Evaluating reported incidents of non-compliance with the Competition Act, CCCS guidelines and investigations by relevant authorities against the Group for anti-competitive behaviour, if any. • Reviewing legal contracts and agreements to ascertain the absence of anti-competitive behaviour. 	<ul style="list-style-type: none"> • Competition Law Compliance Manual is part of the Employee Handbook, which is given to all new hires and made available to all employees. The Manual states the prohibited activities under the Competition Act and the appropriate course of action when employees encounter any situations that may fall foul of the Competition Act. There is also a FAQ to address common queries and a guide to handling dawn raids. • Incorporating a session on compliance with competition law as part of the orientation programme for new employees. • Arranging legal briefings conducted by external competition lawyers and/or via e-learning on competition law for employees. • Conducting in-house quarterly briefings on competition law for sales and marketing employees.



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