



EC World
运通网城 REIT

Sustainability Report 2022



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Board statement

Dear Stakeholders,

Welcome to our sixth sustainability report for EC World Real Estate Investment Trust (“EC World REIT” or the “REIT”). This report, as prepared by EC World Asset Management Pte. Ltd. (“ECWAM” or the “Manager”) with the Board’s guidance, features our Environmental, Social and Governance (“ESG”) key initiatives, highlights, and performance from 1 January to 31 December 2022 (“FY2022”).

This year, ECWAM continues in our stride towards a more sustainable future through improving the social, environmental, and economic well-being of the community we operate in and work alongside.

In particular, we are proud to publish our maiden report on the recommendations set out by the Task Force on Climate-related Financial Disclosures (“TCFD”), which you can find under the “Our Environment” section. Incorporated into our climate action journey, this illustrates how climate change opportunities, risks, adaptation, and mitigation measures will now become a part of business considerations with an oversight by the sustainability committee and the Board advising management on our strategy.

The Board continues to oversee the management and monitoring of our material ESG factors and have decided to maintain our material topics in FY2022. We will continue to monitor sustainability issues with regards to our business and strategy, and will consider a re-assessment in the future, should it be appropriate.

This year, due to the robustness of our Business Continuity Plan and Enterprise Risk Management framework, COVID-19 has not had a material impact on our operations. EC World REIT has been able to effectively respond to the challenges brought about in the past year, providing our people and customers the necessary support wherever possible.

Achieving regulatory compliance and effective corporate governance continues to be key to the sustainability of our business and operations. Our Enterprise Risk Management (“ERM”) and appropriate governance procedures allows us to successfully identify and prevent cases of misconduct. We are commitment towards maintaining meaningful engagement with our stakeholders and ensuring transparency.

The REIT continues to strive towards improving our relationship with the environment and reducing our GHG emissions. We are currently carrying out feasibility studies at several properties in relation to the installation of solar panels on rooftops, with the goal of increasing our usage of renewable energy and reducing our GHG emissions. In addition to this, we maintain our dedication towards innovating our products and enhancing our assets. We improved on the fire resistance rating at Wuhan Meiluote, providing for an increased variety of goods allowed to be stored in the premises. We also dedicated efforts towards enhancing surveillance at Fu Heng Warehouse and Fuzhou E-Commerce.

EC World REIT continued to ensure a safe and engaging workplace for our employees in 2022. We have maintained zero fatalities, work-related injuries, and work-related ill health cases among the REIT’s staff in both China and Singapore. We have also conducted safety training for our front-line

employees in several properties and achieved our target of conducting an annual fire drill for front-line employees at Hengde Logistics.

We are confident that the ongoing improvements in our sustainability journey and unwavering commitment from our Sponsor and stakeholder places us in a strong position in the coming year and beyond.

Yours sincerely,

Mr Goh Toh Sim

on behalf of the Board of EC World Asset Management Pte. Ltd.

About the report

This report has been prepared with reference to the internationally recognised Global Reporting Initiative (“GRI”) Standards 2021 and GRI’s Construction and Real Estate Sector Supplement (“CRESS”). EC World REIT reports with reference to GRI standards as the standards are globally recognised as one of the best practices for reporting on an organisation’s sustainability practices.

As of FY2022, EC World REIT has also adopted the Monetary Authority of Singapore’s Guidelines on Environmental Risk Management for Asset Managers as well as the Financial Stability Board’s TCFD recommendations. The Manager also ensures that sustainability reporting practices at the REIT comply with SGX-ST Listing Manual Rules 711(A) and 711(B) and draws on the guidance set out in SGX Practice Note 7.6.

EC World REIT has initiated the internal review process of its sustainability reporting. External assurance has not been obtained for this reporting period. For questions, suggestions, and feedback related to sustainability matters, kindly send them to Ms Khoo Li Ching, Manager (Investor Relations) at ir@ecwreit.com.

Reporting Scope

This report covers ESG data and practices of EC World REIT for FY2022, ending 31 December 2022. Three-year ESG trend analyses will be presented with the ESG performance data from FY2020 to FY2022, wherever applicable. The reporting scope covers our eight properties in China and our Corporate Office (the office of ECWAM) in Singapore.



FY2022 ESG Performance Highlights



Zero-work related injuries

No work-related injuries that resulted in staff disability or fatality



Enhancement of fire resistance at Wuhan Meiluote

The installation of a fire alarm system, sprinkler system, smoke alarm and other facilities enhances the asset's ability to manage fire hazard and fulfil various needs of tenants.



Light bulb replacements

The combined estimated annual electricity savings across assets is 121,713 kWh.



Improving surveillance at Fu Heng Warehouse and Fuzhou E-Commerce

Addition of 52 new monitoring equipment at the two assets resulted in improved security of the surrounding area and enhanced ability to handle emergencies.

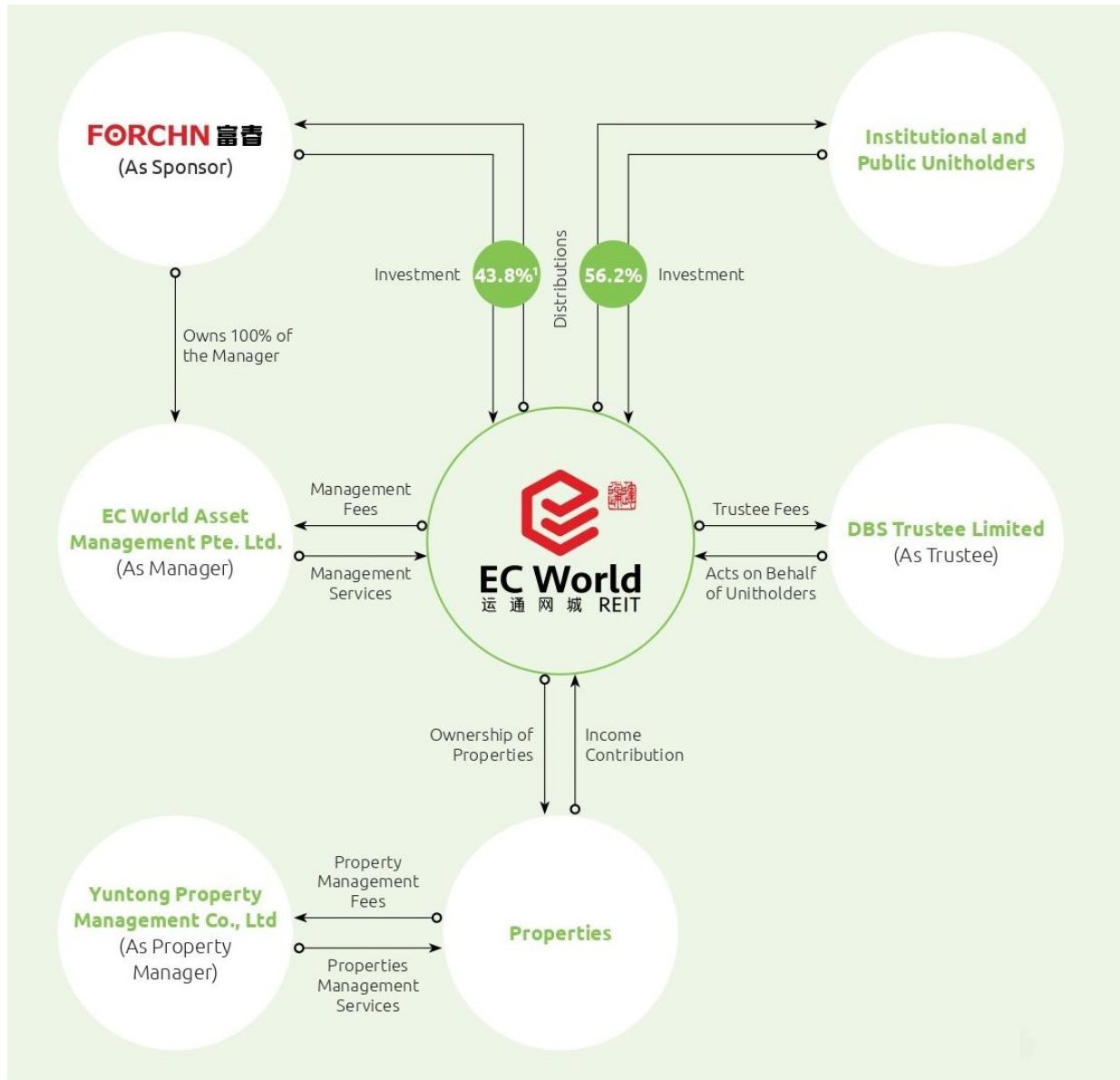
About EC World REIT

Overview of EC World REIT

EC World REIT is a Singapore Real Estate Investment Trust (REIT), with a strategy to invest principally, directly or indirectly in a diversified portfolio of income-producing real estates. The real estates are primarily used for e-commerce, supply-chain management, and logistics purposes, as well as real estate-related assets, with an initial geographical focus on the People's Republic of China (the "PRC") – primarily Hangzhou and Wuhan. The Manager is a wholly-owned subsidiary of the Sponsor – Forchn Holdings Group Co. Ltd. Yuntong Property Management Co. Ltd., also a wholly-owned subsidiary of the Sponsor, is the property manager ("Property Manager") for the properties in China. The Sponsor is headquartered at 6 Shenton Way #41-03 OUE Downtown 1 Singapore 068809.

For the financial performance of EC World REIT – including information regarding gross revenue, total assets, and net property income – please refer to the condensed interim financial statements for financial year ended 31 December 2022, released on 23 February 2023 and available on SGXNET and EC World REIT's corporate website.

Trust structure of EC World REIT¹



EC World REIT's Vision and Mission

EC World REIT leases assets in e-commerce logistics facilities, port logistics facilities and specialised logistics facilities. The REIT strives to provide our stakeholders and unitholders – including e-commerce, port logistics and specialised logistics users and operators - with long-term value generation through the sustainable enhancement of our assets. This predominant goal has been integrated into the REIT's vision and mission as illustrated below.

¹ As of 31 December 2022. Includes Units held by the Manager.





Vision





EC World REIT aims to be the premier e-commerce and specialised logistics REIT in Asia and strives to create long-term value for all our stakeholders by capturing opportunities driven by the fast-growing e-commerce and specialised logistics sectors.

Mission

- Deliver stable, sustainable, and growing distributions to our unitholders
- Grow and diversify our portfolio through yield accretive acquisitions
- Offer a differentiated and high-quality asset portfolio
- Adopt active asset management strategies to enhance performance and value of our properties

Properties of EC World REIT²³

Port Logistics			Specialized Logistics
			
Chongxian Port Investment	Chongxian Port Logistics	Fu Zhuo Industrial	Hengde Logistics

E-commerce Logistics			
			
Stage 1 Properties of Bei Gang Logistics	Wuhan Meiluote	Fuzhou E-Commerce	Fu Heng Warehouse

² With regards to Chongxian Port Logistics and Stage 1 Properties of Bei Gang Logistics, EC World REIT, through its wholly-owned subsidiary Richwin Investment Pte. Ltd., entered into a conditional equity purchase agreement dated 30 September 2022 (“**Equity Purchase Agreement**”) with Forchn Holdings Group Co., Ltd. (being the sponsor of EC World REIT), Hangzhou Futou Beigang Enterprise Management Co., Ltd. and Forchn International Pte. Ltd. for the divestment of EC World REIT’s indirect 100.0% interests in the Divestment Properties (the “**Proposed Divestment**”). Please refer to the circular issued to unitholders of EC World REIT (“**Unitholders**”) on 24 November 2022 (the “**Circular**”) as well as the announcements issued by EC World REIT from time to time, for further details.

³ Fu Zhuo Industrial has ceased to be a property of ECW's portfolio with effect from 30 September 2022 due to the Compulsory Expropriation by the PRC Authorities.

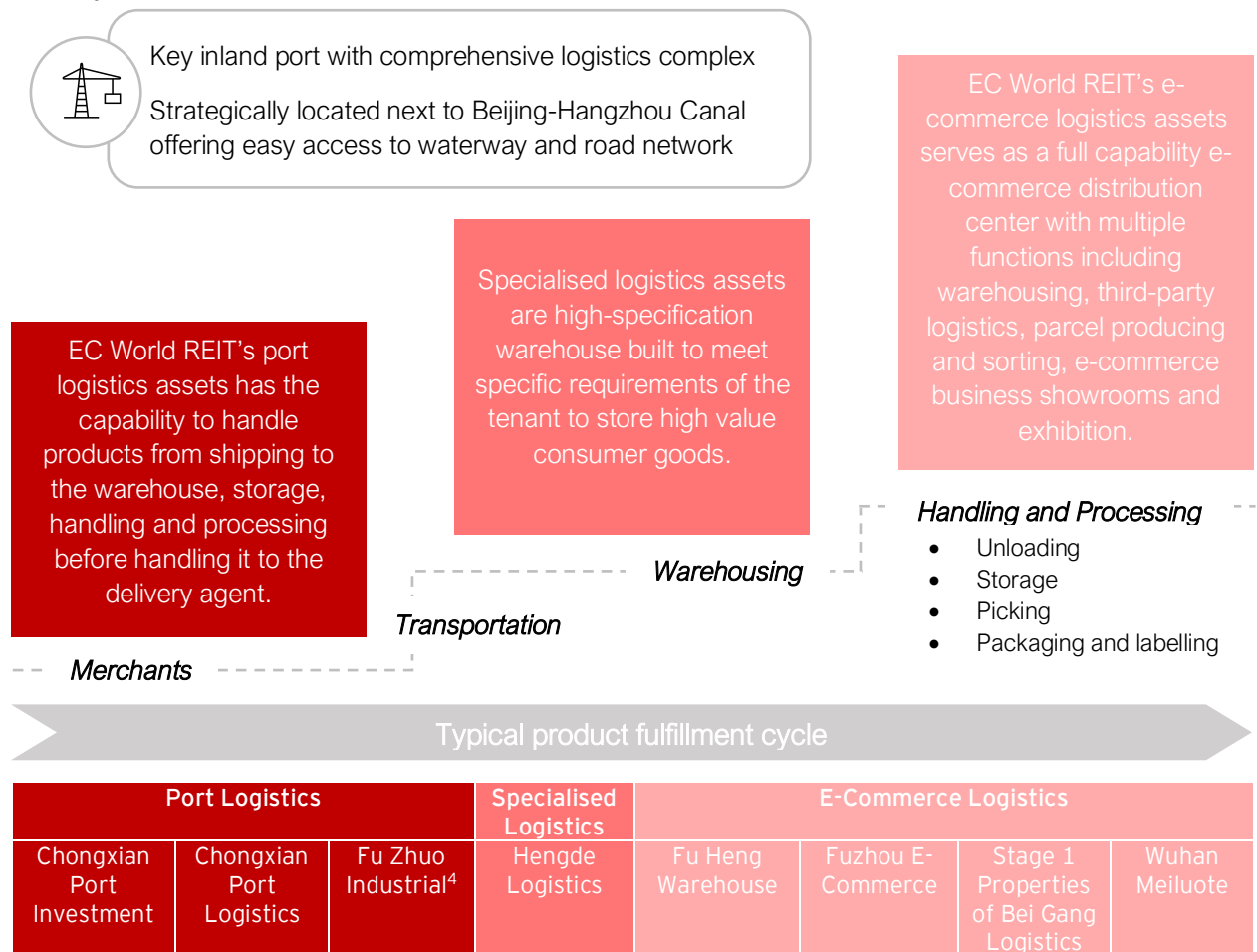
Supply Chain Management

As a REIT focusing on e-commerce logistics facilities and port logistics facilities, EC World REIT is always cognisant of the importance of supply chain management in the organisation's reputation and success. Hence, the Manager at EC World REIT strives to manage the supply chain actively and responsibly, with an emphasis on procuring materials sustainably.

EC World REIT adopts an active evaluation approach targeted to achieve procurement practices that maximises benefits for EC World REIT and our stakeholders. The products and services our suppliers provide will be assessed accordingly, to ensure that goods and services abide by standards related to sustainability considerations and are not prohibited by laws and regulations. We believe this evaluation will prevent inappropriate behaviour and safeguard our stakeholders' interests.

EC World REIT's Product Fulfillment Cycle

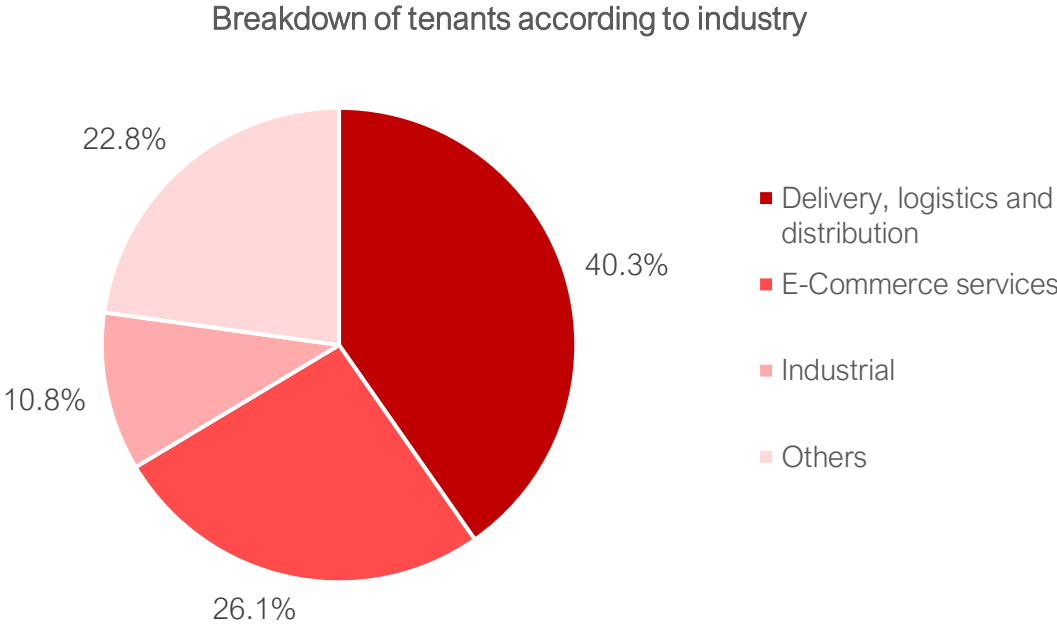
EC World REIT's asset portfolio is strategic and fulfils critical sections in the supply chain of the e-commerce and specialised logistics business. The figure below illustrates the role of our different asset types.



⁴ Fu Zhuo Industrial has ceased to be a property of ECW's portfolio with effect from 30 September 2022 due to the Compulsory Expropriation by the PRC Authorities.

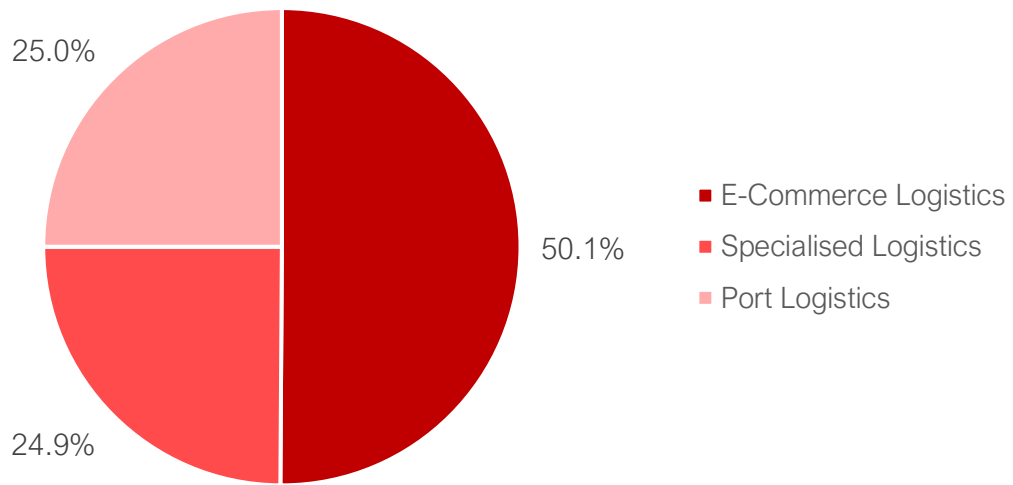
Tenancy Mix and Types of Assets

As of 31 December 2022, there were a total of 15 different tenants across EC World REIT's portfolio that contributed to gross rental income. The charts below show the breakdown of tenancy according to trade sector by net lettable area and by valuation. We also present the breakdown of tenancy according to trade sector, weighted on gross revenue contribution in 2022. For more information, please refer to our Annual Report 2022.



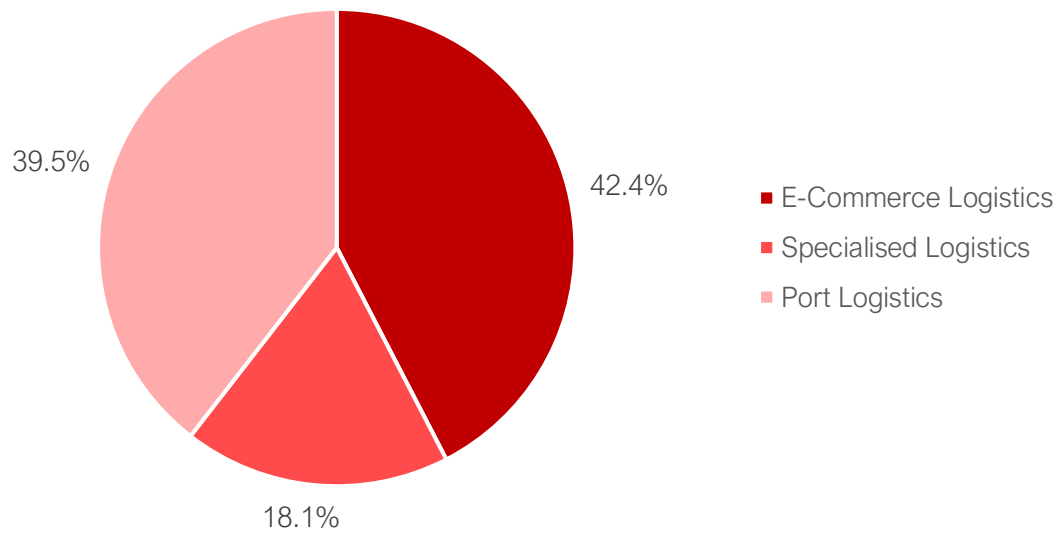
**Others include telecommunication, conglomerates, and human resources sectors*

Breakdown of tenancy according to trade sector, by net lettable area



56

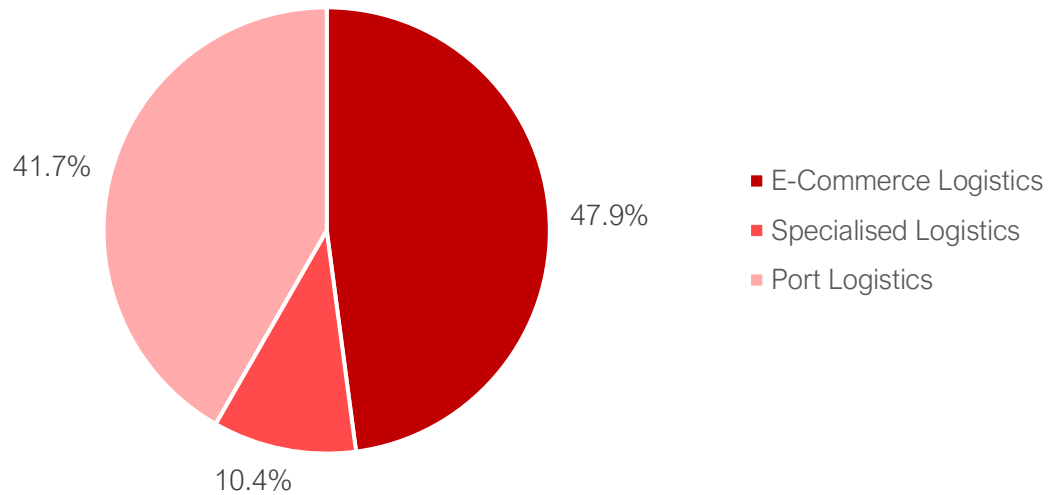
Breakdown of tenancy according to trade sector, by valuation



⁵ Portfolio as at 31 December 2022; excluding Fu Zhuo Industrial

⁶ Net lettable area excludes divested properties

Breakdown of tenancy according to trade sector, by gross revenue contribution



Our memberships

EC World REIT is a member of the Real Estate Investment Trust Association of Singapore (“REITAS”), the Singapore Business Federation, the Singapore-China Business Association, the Singapore Chinese Chamber of Commerce & Industry, and the Institute of Banking and Finance Singapore.

Our sustainability approach

Sustainability governance at EC World

EC World REIT strives to uphold and implement its core sustainability values across its business activities and strategy. EC World REIT has put in place a strong sustainability governance structure that is important in determining an effective approach towards our various material ESG issues. During the year, in compliance with SGX's new requirement for Directors to undergo mandatory sustainability training, our Chairman and Board of Directors had completed a sustainability training course led by the Institute of Singapore Chartered Accountants ("ISCA"). We are committed towards the ongoing reinforcement of sustainability and ESG across our organisation.

With the Sponsor's support, the Manager is committed to upward trajectory of EC World REIT's sustainability performance.

Executive Director and Chief Executive Officer, Mr Goh Toh Sim, heads the REIT's ESG policies and practices. The Management of the Manager and Property Manager support the assessment of ESG policies and practices, advancing sustainability practices within the REIT's properties.

The Management worked with an external ESG consultant to enhance its sustainability practice and processes and broaden EC World REIT's ESG disclosures. In FY2022, steps were undertaken to align to the roadmap introduced by SGX in relation to climate-related disclosures in issuers' sustainability reports and MAS's Environmental Risk Management guidelines for asset managers, amid heightened demand from investors and stakeholders. During the year, EC World REIT conducted both an environmental risk assessment and a climate scenario analysis in line with the TCFD recommendations, involving a gap analysis in comparison against our existing policies, ERM framework and guidelines. As a result, the environmental risk management guideline has been established and approved by the Board, detailing EC World REIT's principles and key practices for identification, assessment and management of environmental risks opportunities to enhance the REIT's portfolio. This guideline will supplement the REIT's ERM framework by specifying the ERM framework's application to environmental risks.

Stakeholder engagement

Meaningful engagement with the REIT's stakeholders ultimately drives greater, long-term value for all. The Manager prioritises nurturing our wide-ranging stakeholders frequently to understand their concern and gather critical feedback in order for EC World to improve our capabilities, which will ultimately bring benefits our stakeholders. The table below highlights our purpose and methods of engagement with our stakeholders, together with key focus areas and our responses.

Stakeholder	Goal	Modes of engagement	Frequency of engagement	Key concerns raised	EC World REIT's response
Shareholders	Provide clear and accurate information to the investing public through timely communication	<ul style="list-style-type: none"> • Telephone calls • Email • AGM/EGM • Webinar / Conferences • Social Media • Corporate website • Quarterly announcements on SGX-ST 	At least quarterly	<ul style="list-style-type: none"> • Financial performance • Outlook and growth • Regulatory compliance 	<ul style="list-style-type: none"> • Proactive investor outreach programme • Timely communication through SGXnet and website • Usage of online / electronic mediums to communicate more effectively • Adoption and adaption of relevant policies and procedures such as ERM, corporate governance policies
Employees and workers	Provide a holistic and inclusive environment with enhanced wellbeing and productivity, with potential for growth and self-development	<ul style="list-style-type: none"> • Weekly staff meeting • Email correspondences • Open discussion • Annual performance appraisal • Instant messaging apps 	<ul style="list-style-type: none"> • Weekly • Annual • Ad-hoc 	<ul style="list-style-type: none"> • Competitive remuneration • Personal career growth • Efficient cross-departmental coordination 	<ul style="list-style-type: none"> • Adoption of competitive compensation and benefits programme • Provision of training opportunities • More effective coordination via mail, work contact form, etc.
Trade Unions (China only)	Improve employee satisfaction	<ul style="list-style-type: none"> • Meetings • Discussions 	Ad-hoc	Employee benefits	<ul style="list-style-type: none"> • Active engagement to maintain and improve employee motivation and morale
Customers	To provide comfort, safe, secured, and clean work	<ul style="list-style-type: none"> • Telephone calls • Email correspondence 	Daily	<ul style="list-style-type: none"> • Possible rental escalation • Renewal of lease 	<ul style="list-style-type: none"> • Active discussions on a regular basis • Improve the service and staff quality of the property

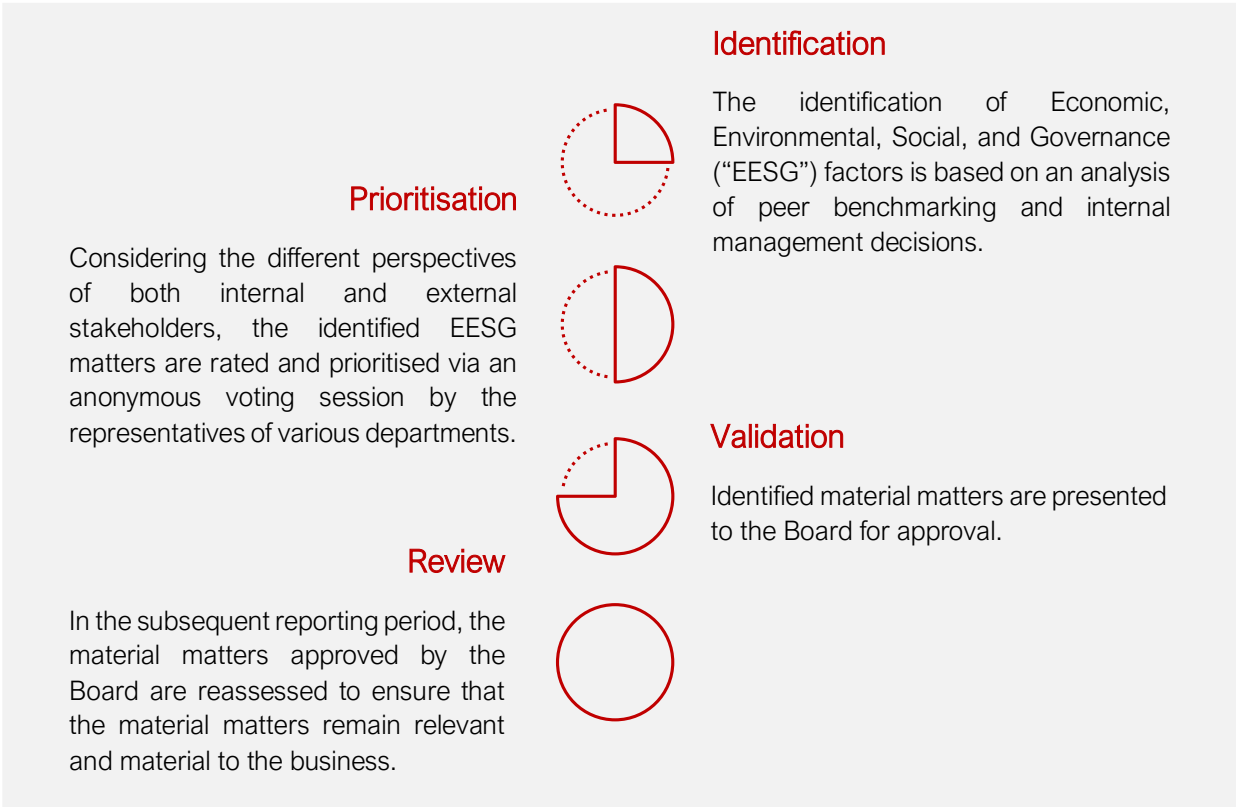
	environment for our tenants	<ul style="list-style-type: none"> • Face-to-face engagements • Real-time problem solving 		<ul style="list-style-type: none"> • Property maintenance 	
Suppliers	Prompt payments for goods/services rendered	<ul style="list-style-type: none"> • Email correspondence • Telephone • Door-to-door visits 	Ad-hoc	Delay or default in payment	Prompt processing of payment
Local communities	To create a comfortable, safe, secured, and clean social environment at the work areas	<ul style="list-style-type: none"> • Community participation in organised activities • Meetings and discussions 	As and when needed	<ul style="list-style-type: none"> • Pollution • Traffic jams • Health and safety • Waste management 	<ul style="list-style-type: none"> • Promptly responding to the needs of the community and neighbours
Government	Compliance with relevant government policies, rules, and regulations	<ul style="list-style-type: none"> • External consultants • Meetings and email correspondence 	Ad-hoc	<ul style="list-style-type: none"> • Compliance with local laws and regulations 	<ul style="list-style-type: none"> • Internal compliance senior manager • External legal consultants
Non-profit Organisations	To actively seek donation drive in the local communities, lend a helping hand, monetary donations	<ul style="list-style-type: none"> • Email correspondence • Participation in philanthropic activities 	As and when needed	Nil.	<ul style="list-style-type: none"> • Sponsorship of the D2M Run held at Singapore Sports Hub, in support of the cause for prevention and care of diabetes • Participation in SGX Cares Bull Charity Run 2022, with beneficiaries from the funds raised including local charities and associations in Singapore

Materiality assessment

The Manager undertook EC World REIT’s latest materiality assessment in June 2018 to evaluate our ESG priorities and ensure our stakeholders’ concerns and needs were recognised and included. This evaluation was facilitated by a third-party consultant for their objectivity and expertise in the subject, which included engagement with internal stakeholders. This evaluation comprised of four key stages and involved stakeholders from various departments within the REIT, illustrated in the diagram below. Through this exercise, three material and two additional matters were determined.

In FY2022, the Board confirmed the continued relevance of the material matters originally identified and agreed to continue the disclosure of the two additional reporting matters that are relevant to our business. Please refer to the table below for a full list of the REIT’s material matters and additional matters.

EC World REIT’s materiality assessment: A four-phased approach



EESG MATTER	MATERIAL MATTERS			ADDITIONAL MATTERS	
	Regulatory compliance	Workplace health and safety	Quality of assets	Energy use and GHG emissions	Product innovation (value added)
MAPPED GRI STANDARD	GRI 2-27	GRI 403	GRI G4 CRE-8	GRI 302 GRI 305	No topic specific GRI standard

Governance

Risk management

Risk management is an integral part of the business of the Manager at both the strategic and operational levels. A proactive approach towards risk management supports the achievement of the Manager’s business objective and strategy, thereby creating and preserving value for our unitholders.

The Manager recognises that risk management is as much about opportunities as it is threats. To capitalise on opportunities, the Manager has to take measured risks. Therefore, risk management is not about pursuing risk minimisation as a goal, but rather optimising the risk-reward relationship within known and agreed risk appetite levels.

The Manager therefore takes risks in a prudent manner for justifiable business reasons. The Board is responsible for the governance of risk across the Manager. The responsibilities include determining the Manager’s risk appetite, overseeing the Manager’s ERM Framework, regularly reviewing the Manager’s risk profile, material risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. For these purposes, it is assisted by the Audit and Risk Committee (the “ARC”) which provides oversight of risk management.

The Manager’s ERM Framework - as illustrated below - sets out the required environmental and organisational components which enable it to manage risks in an integrated, systematic, and consistent manner. The ERM Framework and related risk management policies are reviewed annually and periodically validated by external consultants. A robust internal control system as well as an effective, independent review and audit process are the twin pillars that underpin the Manager’s ERM Framework.



The Group's key material risks

- Business interruption risk
- Competition risk
- Credit risk
- Economic risk
- IT risk
- Leasing risk
- Foreign currency risk
- Interest rate risk
- Liquidity risk
- Regulatory and compliance risk
- Investment risk

The Manager believes that having the right risk culture and people with the right attitude, values and knowledge are fundamental to the Manager's success. Please refer to EC World REIT's Annual Report 2022 to learn more about our material risks and risk management approach.

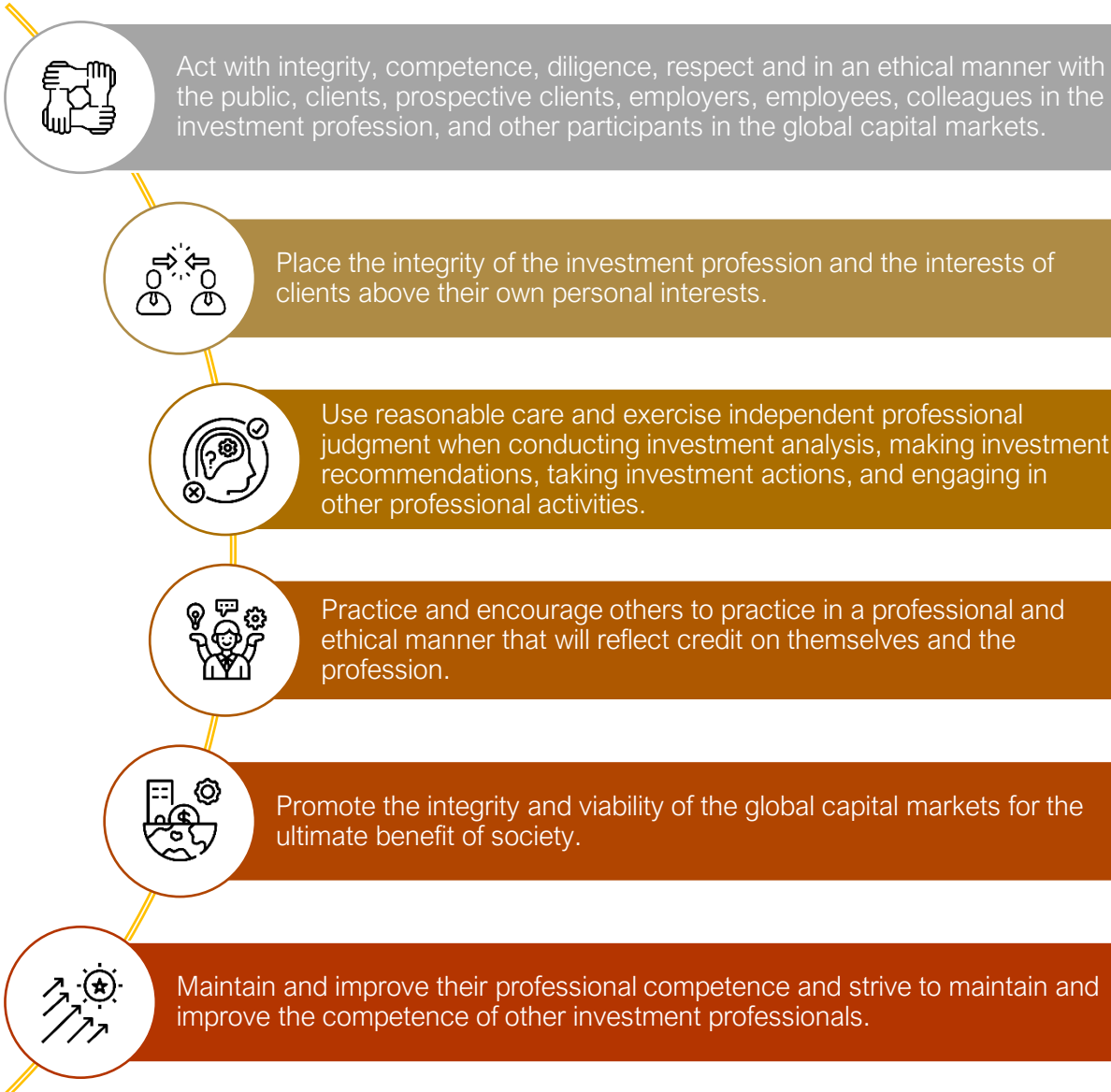
Ethics and integrity

EC World REIT seeks to uphold its integrity and reputation through compliance with regulations in all markets that we operate in. The Manager is responsible for maintaining the reputation of the REIT's business. Our employees adhere to all regulations applicable to the REIT and to our ethical standards and policies which include our Compliance Manual that was updated this financial year. The primary amendment to our Compliance Manual this year was the addition of a Sanctions Policy, in relation to sanctions-related risks.

In line with our values, the REIT does not tolerate unethical behaviour and takes disciplinary actions where necessary. Employees are further expected to maintain appropriate standards of conduct and are aware of the regulations of other countries when conducting cross-border transactions.

Further, potential conflicts of interest may arise in the normal course of business. The Manager implements policies to identify and manager any potential cases between the Manager, its directors, and employees. Standard procedures in place may involve internal mediation, disclosure or obtaining consent from the affected party/parties.

All EC World REIT employees are required to abide by the following:



Whistleblowing

EC World REIT has in place a transparent and trustworthy whistle-blowing policy that was updated this financial year, which accompanies our internal risk management strategy. The policy was updated to include additional reporting channels for the whistle-blowing procedures.

All employees are encouraged to report concerns and possible ethical breaches such as fraud, corruption, bribery or blackmail, criminal offences, non-compliance with legal or regulatory requirements, miscarriage of justice, health and safety threats and risks.

The policy protects the whistle-blower's identity and blocks them from receiving any discrimination, retaliation, harassment, or reprisal of any kind. Concerns raised by a whistle-blower will undergo independent investigations, follow-up plans and corrective actions to protect our business.

Whistleblowing procedures for employees

1 Any person may report allegations of suspected serious misconduct or any breach or suspected breach of law or regulation, which may adversely impact the Company, unitholders, employees, investors, or the public at large.

2 Acts of misconduct may be disclosed in writing, by telephone or in- person. However, all reports are encouraged to be made in writing to ensure a clear understanding of the issues raised.

3 All misconduct can be reported directly to the ARC Chairman via email, in writing, telephone, or in-person, whichever is appropriate.

4 The whistle-blower shall be expected to prove the truth of an allegation and to demonstrate sufficiency on grounds for concern.

5 All employees shall refer to the Company's whistle-blowing policy for details and procedures in reporting misconduct.

Regulatory compliance



WHY THIS MATERIAL TOPIC AND ITS IMPACT TO EC WORLD

Complying with the appropriate regulations and laws is necessary for EC World REIT to be reputable, profitable, and sustainable in the long term. In instances of non-compliance, the REIT may be impacted by fines or punitive measures that can affect its operations and limit revenue generation. Towards benefitting of human rights, regulatory compliance can help EC World to protect workers' rights and ensure that they are treated fairly and equitably. Yet, due to EC World's close scrutiny towards its ethical standards, EC World continues to hold strong integrity and reputation in the markets.



RESPONSIBILITIES

The Board and Key Management Personnel of the Manager are accountable for the compliance and the organisation-wide ethical culture of EC World REIT.



GRIEVANCE MECHANISM

The Manager is in charge of timely, fair, and thorough investigations and responses to all complaints, regardless of the degree of justification. In cases of whistleblowing, the REIT has a set of rules that prohibits employees determine the procedures that an employee would follow up. This includes prohibiting employees from following up with any potential whistle-blower or spreading any words regarding the potential whistle-blower that could be used against the Manager as an admission of liability.



EVALUATION

An annual external audit and quarterly internal audits are conducted to test the effectiveness of policies regarding regulatory compliance.

EC World REIT also engages an external consultant to assist in compliance matters and enhance regulatory framework and practices within the REIT/Manager. The external consultant also reports directly to the Board on a quarterly basis.

Policies

The REIT has developed several key policies on regulatory compliance that are illustrated below.

General Guidelines for Complaints Handling

We firmly believe that the Manager deals with all complaints in a prompt and fair manner. Regardless of whether the complaint is justified, it is thoroughly investigated and rectified within a reasonable time frame. The REIT has a set of high-level rules that are abided by:

- One must not investigate feedback against oneself.
- One must not confront the individual who lodged the complaint.
- One must not, without proper authority, say anything to the individual who lodged the complaint that could be used against the REIT as an admission of liability. Further, no verbal confirmation or explanation is allowed with media or any regulatory bodies, unless authorised.

01

Insider trading

The Manager is privy to market research, unverified information, client information and its own internally generated research. The Manager and its employees must be aware and vigilant to ensure that no one can be accused of being party to any “insider trading”. Where an employee who knowingly trades either personally or for a client while in possession of inside information may be subject to immediate suspension and/or dismissal.

02

Gifts & entertainment policy

To reduce the likelihood of a breach of section 5 or 6 of the Prevention of Corruption Act (“PCA”), the Manager has adopted a gift and hospitality policy which allows employees to accept gifts of value not more than S\$200. Employees of the Manager must exercise discretion when accepting gifts of any form from a Business Associate such that it does not influence the proper discharge of the Employee’ duties or to raise any question of impropriety.

03

Use of employees’ personal data

The Manager seeks to ensure that its employees have the right of protecting their personal data, and the need for the firm to collect, use and disclose personal data only for purposes that a reasonable person would consider appropriate in the circumstances. The Manager need not obtain an employee’s consent for evaluative purposes. The term “evaluative purposes” includes for the purpose of determining the suitability, eligibility, or qualifications of the individual to whom the data relates (i) for employment or for appointment to office; (ii) for promotion in employment or office or for continuance in employment or office; and (iii) for removal from employment or office.

The Manager complies with the Personal Data Protection Act (“PDPA”), as well as the common law and other relevant laws that are applied to the fund management industry, when handling personal data in their possession.

04 Access and correction requests of the employee

Every individual has the right of access to his/her personal data. Hence, the Manager will grant an individual access to his/her personal data which it has in its own possession or under its control when request is obtained. The Manager will make the relevant disclosures or amendments to the information kept within 30 days of obtaining the requests. Employees are required to submit request for access and correction of available information via email detailing the type and scope of information they would like to access or amend.

05 Anti-money laundering and countering the financing of terrorism

The Manager is required to comply with local legislation in respect of anti-money laundering and terrorist financing as well as applicable international legislation and standards.

06 Anti-bribery policy

The Manager has a zero-tolerance policy towards bribery and endeavours to conduct its business in an ethical and proper manner within the jurisdiction it operates in. The Manager shall always ensure compliance with all applicable national and international laws in the jurisdiction that the Manager operates in. This includes, but is not limited to, the Singapore PCA and the anti-bribery legislation of the People’s Republic of China anti-bribery laws, as well as the Manger’s internal policies towards anti-bribery.

Practices

The Manager oversees EC World REIT’s regulatory compliance based on the organisation’s Compliance Manual, Internal Delegation of Authority (“DOA”) and Office Automation system. Periodic training is provided by the Manager to its directors and employees to ensure that they are kept informed of the relevant anti-money laundering and terrorist financing regulations, particularly if there are new regulations that would impact their business and operations. This includes enabling relevant employees to attend industry courses annually such as the Real Estate Investment Trust Association of Singapore (REITAS) Ethics and Regulation course.

Procedures/Processes	Summary
Compliance Manual	The Compliance Manual is the principal resource to assist employees in understanding and demonstrating

	compliance with laws and regulations applicable to the Manager.
Internal DOA	The DOA is established for subdivision and sub-allocation of powers to make a business decision for the EC World REIT to achieve effective results as well as maintain a high standard of corporate governance.
Office Automation Approval System	The Office Automation Approval System is deployed in the subsidiaries of EC World REIT, to reduce manual processes and provide a consistent framework for daily operational decision making as well as greater mobility and ensure consistent corporate governance.

FY2022 PERFORMANCE

In FY2022, EC World REIT complied with all relevant social, environmental, and economic laws and regulations. No major non-compliance cases⁷ were found and reported.

PERPETUAL TARGET

Zero major compliance issues



Target achieved

⁷ Major non-compliance cases refer to the breach of the relevant laws, regulations, and listing rules in EC World REIT's operating countries.

Our business

Quality of assets



WHY THIS MATERIAL TOPIC AND ITS IMPACT TO EC WORLD

A building's rental rate, tenant attraction and retention rates, property valuation, and synergy with its surroundings depend significantly on the quality of its assets. As such, identifying and maintaining high-quality assets is a key pillar of EC World REIT's real estate investment strategy. The impact of quality property management is the improvement of our tenants' leasing experience, as well as the generation of sustainable returns to unitholders via competitive rental rates at our properties. Further to this, consistent quality of assets could reduce energy consumption as well as improve work efficiency.

This topic covers all our eight properties in China.



RESPONSIBILITIES

The Board of Directors, Mr Goh Toh Sim (Chief Executive Officer and Executive Director), and Mr Teo Kah Ming (Vice President, Investment and Asset Management) oversee the management of quality of assets.



GRIEVANCE MECHANISM

When any tenant experiences property-related issues during the lease term, they can report the problem to the Property Manager, who would then escalate the issue to the Manager's asset management department on a case-by-case basis. The asset management department and the project department will then conduct an on-site investigation to address the issue.



EVALUATION

Quarterly internal audits, annual external audits on our ISO9001 Quality Management System, and annual tenant surveys are conducted to ensure maintenance of our assets. This also informs the effectiveness and lessons learnt with regards to this material topic.

Policies

EC World REIT has in place four comprehensive and detailed standards that detail how our management oversees the quality of our assets and services. These standards cover all projects, from equipment to property. The REIT conducts reviews of these standards on an ad-hoc basis to ensure their relevance to our operations.

Asset management standards

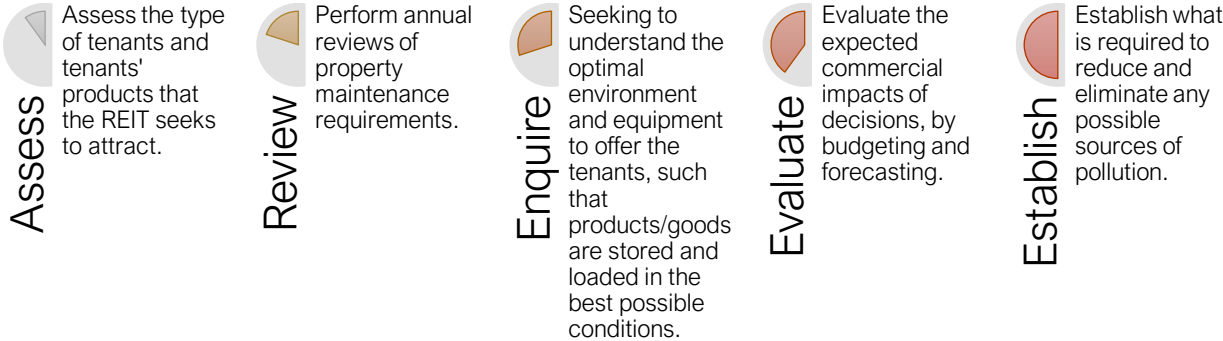
Property Management Standards	Established to strengthen the management of EC World REIT's real estate, scientifically carry out the transfer, supervision, and post-evaluation of investment project assets, achieve investment objectives, maximise investment benefits, and promote the rapid development of EC World REIT.
Equipment Assets Management Standards	Place the integrity of the investment profession and the interests of clients above their own personal interests.
Asset Security Management Standards	Internally developed to: <ol style="list-style-type: none">1. Strengthen the effectiveness and safety of the asset management function;2. Ensure comprehensive security management of the rented units and the property managers;3. Ensure complete prevention of various types of safety accidents, natural disasters, and;4. Provide protection of the REIT's business orders and assets.
Fixed Assets Security Management Standards	Internally formulated to strengthen the management of fixed assets of EC World REIT and ensure the completeness, safety, reasonable and adequate use of the fixed assets.

Practices

The Manager supervises asset quality in order to safeguard the interests and expectations of our stakeholders and also maintain high work productivity and maximisation of resource efficiency. The Manager oversees this through working with the Property Manager to conduct periodic assets checks and maintenance. Such checks differ according to the machinery or equipment, due to their corresponding set periods for routine checks, ranging from monthly, quarterly, or annually.

As a mechanism for feedback, the operation staff of the Property Manager are welcome to provide any suggestions at any time regarding management practices.

On a frequent basis, the REIT will assess the need for asset, facilities, and equipment enhancements. The process that we take for asset quality assessments are extensive and typically involve the following five practices:



Aside from this, the REIT regularly conducts maintenance of our facilities and equipment, and also executes annual inspections by the Maintenance Units across our properties to satisfy the local and national asset management standards the REIT complies with. This is illustrated below.

Equipment name	Frequency
Elevators	Maintenance biweekly (as stipulated by regulations) and inspection annually
Fire protection system (including fire alarm systems, water sprinkler systems, building ventilators, fire extinguishers, emergency telephones, etc.)	Monthly to semi-annually (depending on system or equipment)
Crane	Maintenance every month and inspection every two years

Another aspect of our feedback system, which ultimately strengthens our quality of assets, the REIT collects monthly customer surveys at Chongxian Port Investment on the quality of the port warehouse leasing services, inspecting three or four sites at random. These surveys consist of short-term questionnaires that focus on the equipment maintenance services, transporting and security

services, and property maintenance services at the respective properties. The survey uses a point-score system with the ability to score a maximum of five points per component. To ensure the maintenance of high standards, the REIT requires an average score of four points across all items. Customers can also provide qualitative feedback on what aspects of their experience at the property can be improved.

In addition, the REIT also carried out annual tenant surveys at all properties in FY2022. These surveys cover several components of a tenants' experience in our buildings, including questions pertaining to service quality, infrastructure, environment, fire safety, customer hotline responsiveness, front desk customer service, industrial park maintenance, responsiveness, hygiene condition, and security. Tenants can also provide other comments and suggestions via this channel.

FY2022 PERFORMANCE

This year, EC World REIT focused our efforts on two key initiatives:

Improvement of Fire Resistance at Wuhan Meiluote: We upgraded the #4 Ancillary Building at Wuhan Meiluote from a Fire Resistance Rating D to C2. This increased the variety of goods allowed to be stored in the premises, improving the quality of the asset. A more detailed case study can be found within the Product Innovation section.

Increasing surveillance at Fu Heng Warehouse and Fuzhou E-Commerce: Prior to the addition of 52 new monitoring equipment at the assets, there were many blind corners that staff could not observe. As such, in the instance where facilities or vehicles were damaged, it was impossible to establish the cause and responsible party to make a claim. It is difficult for monitoring room personnel to cooperate with on-site inspectors, resting in the extension of the inspection time.

Through this transformation, incidences of inability to establish the cause of damage has been greatly reduced, and with improvement of online and offline cooperation, the bandwidth for emergency handling has increased and been enhanced.



PERPETUAL TARGET

New/renewed leases at rental rates equal to or above the rental rate of the current property.

Target not achieved

Perform maintenance and inspection of the assets as per national and local standards



Target achieved

In FY2022, we achieved 86.8% new or renewed leases at rental rates equal to or above the current property.

Product innovation

WHY THIS MATERIAL TOPIC AND ITS IMPACT TO EC WORLD



EC World REIT values the importance of innovation in attracting new tenants and improving client relationships, especially in the real estate sector. At EC World REIT, we foster innovation in the structure of rental lease and services, flexibility in the building's aesthetics and fixtures, availability of space for leasing, as well as in our customer service. Placing importance on product innovation is ultimately a value-add for our customers, enhancing our relationship and longevity of a healthy and positive environment.

Innovation takes place across all our properties, including the corporate office in Singapore.



RESPONSIBILITIES

The Engineering Department at the Property Manager works closely with the Investment and Asset Management Department of the Manager in implementing product innovation initiatives at EC World REIT.



GRIEVANCE MECHANISM

The Engineering Department at the Property Manager welcomes any ideas or feedback regarding innovation from all employees. These suggestions will be submitted to the General Manager for review and approval.



EVALUATION

While product innovation on its own cannot be evaluated, the success of our innovation strategies can be reflected in other material matters. For example, product innovation can enhance the quality of assets, improve workplace health and safety, increase the tenant retention rate, and boost energy efficiency.

Policies and Practices

EC World REIT believes that product innovation is key to maintaining a competitive advantage in the market while also maintaining long-term, valuable relationships with customers. Therefore, the REIT regularly engages with the Property Manager, the tenants and key departments for product innovation identification and creation.

The REIT's dedicated asset department oversees the maintenance, upgrading, and transformation of the properties' assets. Typically, a potential product innovation project would first be initiated by the Property Manager or would be via suggestions made by the department. It would then undergo approval by the General Manager before the department undergoes any asset improvements. Funds are set aside every year for improving the pre-identified assets.

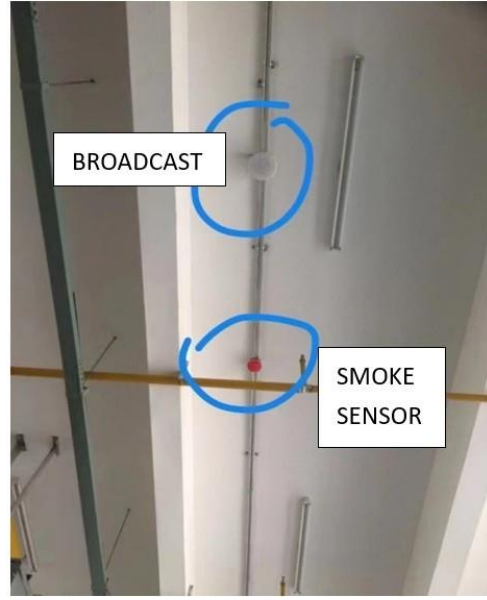
Further, as a way of encouraging innovative thinking among our employees, the Manager has also put in place an incentive policy that rewards those who have positively contributed towards their projects through technological innovation.

Another key practice EC World REIT prioritises is providing services for our tenants. Not only does this reinforce positive value to the relationship, but also enhances their experience as a customer. The REIT provides information regarding labour service companies registered in the park at no further cost, allowing customers to identify and connect with the service best suited to their needs. Also, we upgrade the dormitories within our premises according to their needs. We are also looking to increase the accessibility of logistics equipment leasing in the future.

FY2022 PERFORMANCE

As part of the Manager's and Property Manager's commitment to consistently improve our products and services to enhance our logistics operations, we continue to discover gaps that can be improved and focus our efforts as such.

In FY2022, the building fire resistance rating at Wuhan Meiluote was upgraded. A fire alarm system, sprinkler system, smoke alarm and other facilities were added by the Property Manager, enhancing the ability to prevent and manage fire hazards in the asset. As the fire protection level improves, the property will be able to fulfill the fire protection storage needs of various tenants in the warehouse. This would broaden the leasing customer group beyond just production and processing warehouses, making it suitable for logistics e-commerce companies as well, which can be considered in future investment promotions.



Overall, the development to the property helps advance the quality and effectiveness of our tenants' logistics operations, improving our stakeholder relationships in the long term.

PERPETUAL TARGET

Upgrading one or two property features on an annual basis



Target achieved

Our people

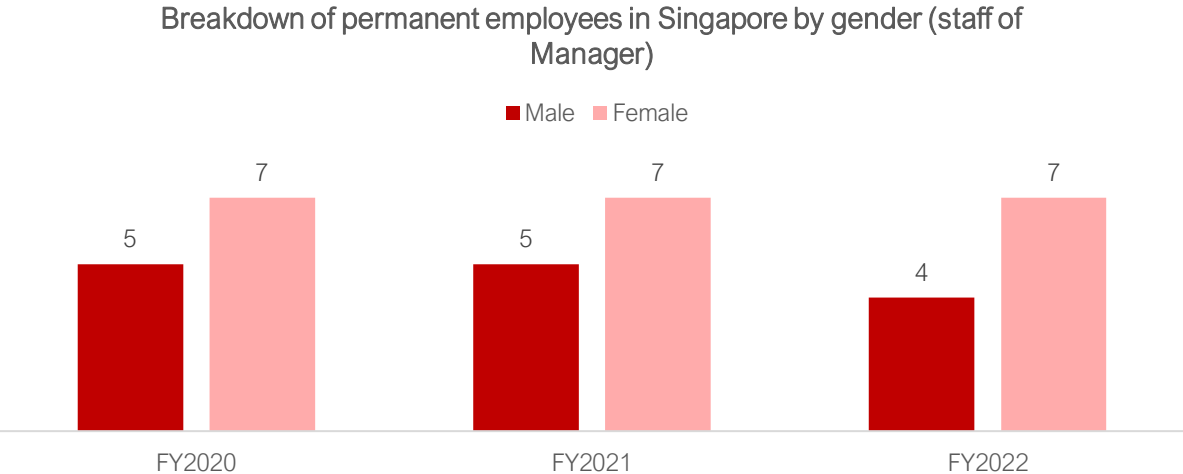
Profile of our workforce

The sustainability and prosperity of EC World REIT’s success is dependent on a diverse and healthy workforce. Our workers under the Property Manager located in China, making up a significant portion of our workforce, are defined as non-employees under the REIT. They are all non-guaranteed hours employees. This is due to the nature of our business.

The REIT’s direct employees are under the responsibility of the Manager located in Singapore.

In the Singapore office, there was one female temporary/part-time employee, no non-guaranteed hours employees, and one non-employee (contractor/supplier) hired by the Manager in FY2022. There was no significant variation⁸ in staff numbers in FY2022 in Singapore. However, our China workforce experienced a slight spike, with a 25% year-on-year variation as a result of employee transfers.

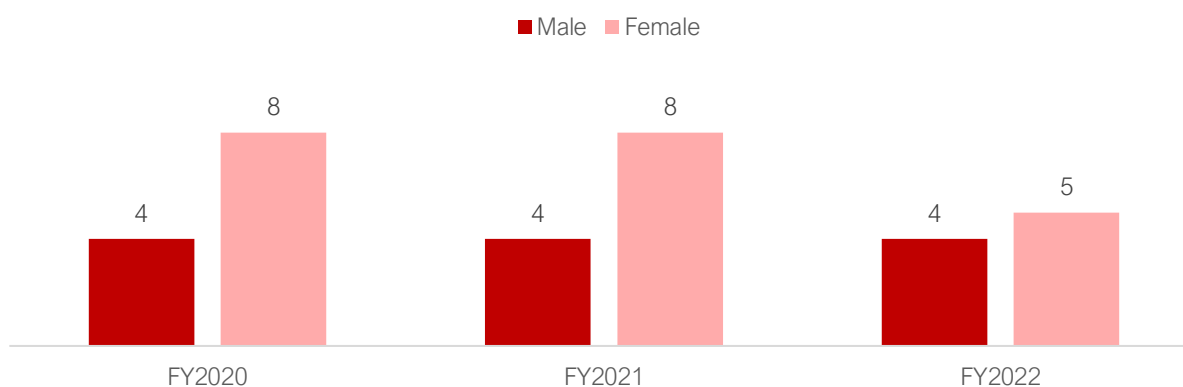
Details of our workforce are illustrated below⁹.



⁸ Variation is defined as a change of more than 10 per cent.

⁹ As mentioned earlier, Fu Zhuo Industrial has ceased to be a property of ECW’s portfolio, hence, the workforce data does not include Fu Zhuo Industrial.

Breakdown of Permanent employees in China by gender (staff of Property Manager)



Breakdown of employee turnover by gender for FY2022

	Male	Female
Singapore	0	2
China	0	3
Total		5

Breakdown of employee turnover by age group for FY2022

	< 30 years old	30 – 50 years old	> 50 years old
Singapore	1	1	0
China	0	3	0
Total	1	4	0

Breakdown of employees per employee category by age group for FY2022

	< 30 years old	30 – 50 years old	> 50 years old
Managerial	1	2	0
Non-managerial	0	2	0
Total	1	4	0

Workplace health and safety



WHY THIS MATERIAL TOPIC AND ITS IMPACT TO EC WORLD

Workplace health and safety concerns all stakeholders of EC World REIT, with the potential to significantly impact business continuity and the well-being of our employees, visitors, and customers. Providing a safe and healthy work environment is not only a regulatory compliance but also essential for employee morale. It impacts employee satisfaction and productivity – a safe workplace therefore positively impacts company reputation, while failure to provide a safe workplace may even result in financial cost. As such, to protect our stakeholders, the Manager sets and implements rigorous procedures regarding health and safety at the workplace to improve our bottom line.

The Manager at EC World REIT stresses the importance of workplace health and safety across all departments on a regular basis.



RESPONSIBILITIES

The Board, Senior Management, the Compliance & Risk Management Department, and the HR Department oversee and monitor workplace health and safety, both in the REIT's assets and at the Manager's operational premises.



GRIEVANCE MECHANISM

Employees under both the Manager and Property Manager are encouraged to immediately report any incidents or potential risks regarding workplace health and safety via our Whistle-blowing Policy.



EVALUATION

Multiple internal audits are conducted annually to identify and correct potential misbehaviour and issues.

A monthly report is also recorded and sent to the Board/Senior Management.

Policies

The REIT complies with the appropriate workplace health and safety regulations in the countries that we operate in.

Singapore	China	
<p>Workplace Safety and Health (“WSH”) Act</p> <p>The WSH Act is a legislation that covers the safety, health, and welfare of persons at work. The WSH Act requires stakeholders to take reasonably practicable measures to ensure the safety and health of workers and contributes to creating a safety culture in the workplace.</p>	<p>Work Safety Law</p> <p>The Work Safety Law is a national legislation that creates an obligation for employers in China to provide a safe and healthy working environment for employees by establishing a comprehensive health and safety program and protects workers from accidents in the workplace.</p>	<p>Guideline of China Occupational Safety and Health Management System</p> <p>This standard stipulates the principles and general requirements for the establishment, maintenance, and evaluation of the standardized management system for enterprise safety production. It also outlines the responsibilities of on-site safety risk control and risk management in implementing proper emergency and accident management procedures.</p>

In addition to this, the Property Manager sets wide-ranging safety management policies and procedures at our assets in China. These range from the establishment of a work safety committee, work safety meeting arrangements, special equipment safety management, fire safety, safety education and training, electricity use, management of hazardous items and more.

The occupational health and safety management system covers all employees exposed to occupational hazards and all production areas involving occupational hazard.

Practices

The REIT has in place a standard operating procedure which guides all our workplace health and safety practices:

Workplace Health and Safety Promotion Plan

EC World REIT promotes a healthy and safe workplace by:

- Inspecting and checking workplace surroundings
- Training for new employees and recurring on-the-job training for existing employees on safety awareness and occupational health, in a classroom format at least once a year
- Contract staff training involving safety agreements and safety briefings
- Regular engagement of employees through talks and feedback sessions
- Investigation of incidents and maintenance of incident records via our Emergency

- Incident Report and Process
- Fire/safety drills
- Banners to promote workplace health and safety

Hazard Identification and Risk Assessments

The REIT takes the appropriate measures within hazard identification and risk assessments. The environmental and safety department and safety steering committee from the Property Manager of each facility work together to ensure compliance with the Health and Safety Management System as well as the relevant regulations. Risk assessments and internal audits are also conducted annually.

The Environmental and Safety Department and Safety Steering Committee from the Property Manager of each facility collaborate to confirm compliance with Health and Safety Management System as well as relevant laws and regulations. Risk assessments and internal audits are also conducted annually. This year, we conducted hazard and risk assessment at Chongxian Port Investment & Logistics.

Occupational Health Services

Employee well-being is fundamental to EC World REIT. The Manager sponsors employees of the REIT's Manager with a medical health check-up at least once every two years; in our China facilities, the Property Manager also arranges transport where necessary to screening centres for medical examinations and provide counselling.

Worker Training and Consultation on Occupational Health and Safety (OHS)

In FY2022, our employees received an average of 8.5 hours of training, in which managerial employees received 79.5 hours and non-managerial employees received 22.5 hours of training. The average training hours per employees per year for male and female was 73.5 and 28.5 respectively.

Occupational health and safety training at the REIT is aligned with the necessary regulations and is mandatory for all employees. All incoming employees will undergo a safety training programme to familiarise themselves with handling electrical items in the office pantry, safety guidelines for using the ladder, emergency exits and fire extinguishers and proper handling of heavy or bulky items. In the Singapore office, a health and safety office tour is arranged for new employees. This year, we conducted two health and safety office tours for 2 new employees, assisting them with comprehending our safety-oriented approach prior to the start of work. Contract staff must attend a safety briefing and acknowledge safety agreements before commencing work. For special equipment operators such as electricians, the REIT requires the provision of relevant certificates and training records before engaging them for work.

In China, staff meetings within the REIT's working groups are also held on a weekly basis, primarily to gather feedback regarding occupational health and safety in our daily operations. Any concerns and feedback will then be conveyed to management, for appropriate action to then be taken if necessary.

Case study: Safety training for front-line employees

At Chongxian Port Investment and Chongxian Port Logistics, in addition to the compulsory occupational health and safety training, we also conducted regular safety training and standard operations training for all front-line employees to enhance safety awareness of our employees. This year, we conducted three safety trainings over the course of three months for our front-line workers to ensure our employees work safely and understand how to respond appropriately to emergencies.



Safety education for front-line employees

Prevention and Mitigation of OHS Impacts

We conduct frequent workplace inspections to provide a safe work environment for the employees. Various workplace inspections at our China assets include daily inspections of electrical rooms, biweekly and quarterly lift maintenance, monthly checks on fire suppression systems, and canteen work checks. Should any issues detected or occurred, timely maintenance and repair works will be arranged and documented.

Promotion of Worker Health

Apart from employees' occupational health and safety, EC World REIT also endeavour to promote workers' overall health and well-being. In the Singapore office, the Manager organises staff welfare activities and initiatives such as the distribution of sanitizers, disposable masks & ART kits as well as the dispensation of Vitamin C supplements in the office pantry for staff usage. We also participated in the 2022 SGX Bull Charge Run as well as the DM2 Charity Run this year. At the China properties, the Property Manager provides sports utilities and frequently holds mass sports events.

Case study: Fire drill for front-line employees in Hengde

In Hengde, a fire drill is conducted annually to reinforce the importance of safety and to familiarise the occupants with the steps they need to take in case of a fire emergency. The fire drill involves sounding the fire alarm and evacuating the building, with participants following designated escape routes to a designated assembly area outside the building. The drill is observed and evaluated by designated fire wardens to ensure it runs smoothly and to identify areas for improvement. The results of the fire drill are documented and used to update the emergency response plan as needed.



Fire drill for Hengde employees

FY2022 PERFORMANCE

In FY2022, EC World REIT recorded zero fatalities as a result of work-related injuries, as well as zero high-consequence work-related injuries¹⁰ and zero recordable work-related injuries for both workers in China and employees in Singapore. No cases of recordable work-related ill health or fatality as a result of work-related ill health were recorded either.

¹⁰ As defined by GRI 403 2018 Standards, high-consequence work-related injury refers to work-related injury that results in a fatality or an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

PERPETUAL TARGET

Zero work-related injuries that resulted in staff permanent disability or fatality



Target achieved

Conduct annual fire safety drill



Target achieved

Our environment

Energy use and greenhouse gas (GHG) emissions

WHY THIS MATERIAL TOPIC AND ITS IMPACT TO EC WORLD



Energy use and its associated GHG emissions directly contribute to climate change. Energy costs can be a significant portion of a company's operating expenses, and efforts to reduce energy use can result in cost savings. Reducing energy use and GHG emissions positively impacts the business by cost reductions, enhancing its reputation, and gaining a competitive advantage in the marketplace. As a responsible organisation, we are fully aware of our duty to protect the environment and combat global warming by maximising the energy efficiency across our properties.

This report includes the total energy use and GHG emissions data generated from the properties under the REIT's operational control. Scope 1 (direct GHG emissions) and Scope 2 (energy indirect GHG emissions) are both reported.



RESPONSIBILITIES

Mr Teo Kah Ming (Vice President, Investment and Asset Management) oversees the energy-saving initiatives and the corresponding emissions which are undertaken by the Property Manager in China.



GRIEVANCE MECHANISM

Employees are encouraged to report any excessive or inefficient energy use to the Property Manager.



EVALUATION

The Manager evaluates energy usage and GHG emissions based on the number of energy initiatives and energy-saving awareness across our properties.

Policy

In China, our properties comply the Energy Conservation Law – China’s national regulation on energy and emissions.

Practices

EC World REIT tracks energy usage trends systematically by generating an energy usage analysis report every month. Based on the review, the Manager implements the most practical energy-saving initiatives which can tackle significant sources of energy use and emissions across our properties.

To increase general awareness of energy conservation, training and education are also conducted for relevant personnel. The REIT also takes steps to increase overall awareness on energy conservation and emissions reduction among our lessees.

In FY2022, EC World REIT continued our initiative of switching our lighting systems to more energy-efficient LED options. To fully utilise the useful lifespan of the lightings, we have been implementing this progressively in batches. This year, the combined estimated annual electricity savings across assets is 121,713 kWh.

Property	Summary of FY2022 initiatives
Hengde Logistics	<p>The original fence at Hengde Logistics which was using 26W lighting and has now been replaced with LED 15W lighting. 500 lights were replaced in 2021, which will save 7,150 kWh of electricity per annum.</p> <p>Feasibility studies are also being carried out regarding solar panel installation on the rooftop of the asset.</p>
Fu Heng Warehouse	<p>The original iodine-halogen light bulbs at Fu Heng Warehouse were damaged. We opted to replace the 120 damaged 250W light bulbs with more energy efficient 65W LED bulbs. This will translate to 53,280 kWh of electricity saved per annum.</p>
Wuhan Meiluote	<p>Feasibility studies are being carried out on solar panel installation on the rooftop of the asset.</p>

FY2022 PERFORMANCE^{11 12}

Energy consumption of EC World REIT's properties is from purchased electricity and diesel consumption. In FY2022, EC World REIT's total energy consumption was 18323 MWh, translating to carbon emission of 14636 tonnes CO₂e. The main source of emissions was purchased electricity, which had a carbon emission intensity of 15.3 kgCO₂e/m². This year, the total energy intensity increased 23.7% compared to last year, as the REIT's operations gradually returned to pre-pandemic levels. Accordingly, carbon emission intensity increased by 23.5% compared to FY2021. However, the carbon emission intensity decreased by 15.0% compared to baseline year 2018.

We remain dedicated to decreasing energy consumption by implementing additional energy-saving measures. As part of our efforts this year, we have switched our lighting to LED lights, resulting in an estimated reduction of 122 MWh in electricity consumption.

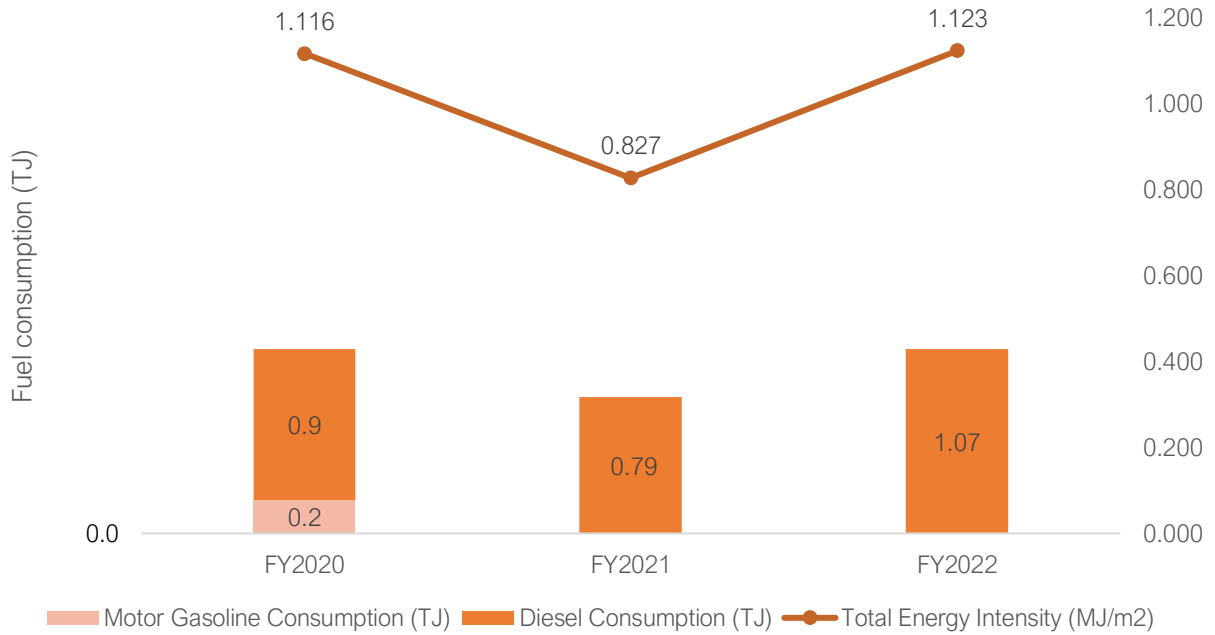
Fuel consumption (TJ)	Electricity consumption (TJ)	Total energy consumption (TJ)	Scope 1 GHG emissions intensity (kgCO ₂ e/m ²)	Scope 2 GHG emissions intensity (kgCO ₂ e/m ²) ¹³
1.1	66.0	67.0	0.08	15.3

¹¹ GHG emissions are calculated following the requirements and principles of Greenhouse Gas Protocol. Scope 1 emission factors are sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Scope 2 emission factors are sourced from relevant official documents from Singapore and China.

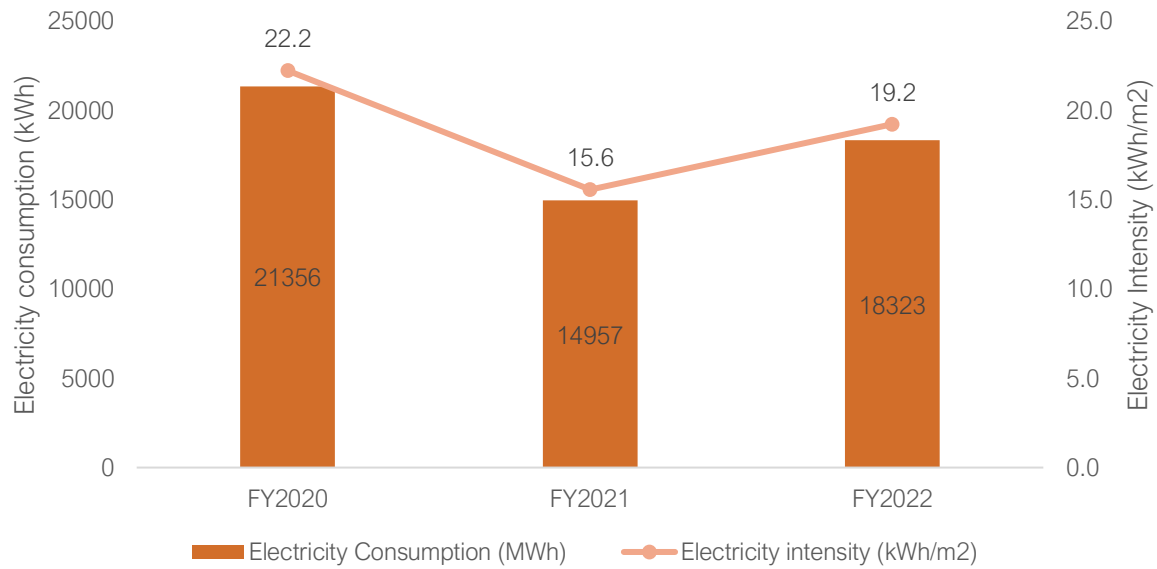
¹² FY2022 energy consumption and Scope 1 and 2 GHG emission intensity data excludes Fu Zhuo Industrial.

¹³ The latest electricity grid emission factors (kg CO₂/kWh) were used for the calculation, which were as follows: Singapore (2020), Hangzhou (2019), and Wuhan (2019).

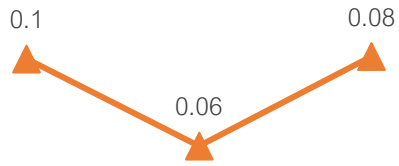
Fuel consumption (Scope 1) within EC World REIT from FY2020 - FY2022



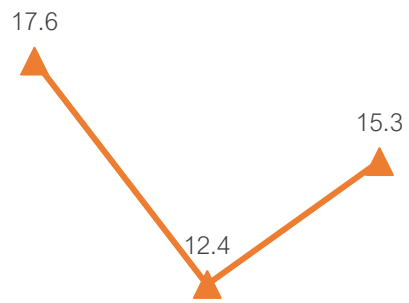
Electricity Consumption (Scope 2) within EC World REIT from FY2020 - FY2022



Scope 1 GHG Emission Intensity (kg/m²)



Scope 2 GHG Emission Intensity (kg/m²)



FY2020

FY2021

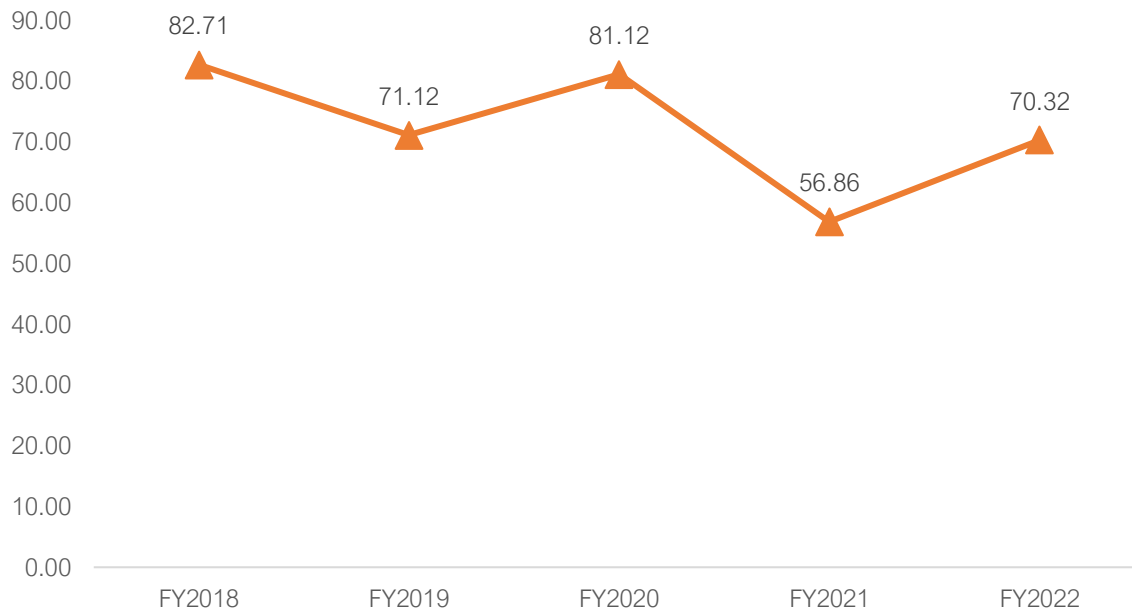
FY2022

FY2020

FY2021

FY2022

Total Energy Consumption intensity (TJ/m²)



FY2018

FY2019

FY2020

FY2021

FY2022

FY2022 TARGET

EC World REIT aims to maintain or reduce its total energy intensity from the properties under its operation control gradually over the next five years (with FY2018 being the baseline).



Target achieved

Environmental Risk Management and Climate Change Resilience

In December 2020, the Monetary Authority of Singapore released a set of guidelines on environmental risk management (“MAS guidelines”) to enhance financial institutions’ resilience to and management of environmental risk, including asset managers like EC World REIT.

Additional to this is the announcement made by the Singapore Exchange Regulation (SGX RegCo) in December 2021, stipulating that all issuers must provide climate reporting on a “comply or explain” basis within their sustainability reports, from FY2022 onwards. As classified within the financial sector as identified by the TCFD (in accordance with Thomson Reuters sector classification), climate reporting becomes mandatory by FY2023/24 onwards. EC World REIT has set out to meeting the requirements of SGXRegCo ahead of time, adopting the TCFD recommendations for the first time in this year’s sustainability report.

The following section establishes the REIT’s approach to managing climate-related risks that may impact our business, with close reference to the four primary pillars of TCFD. The REIT adopts a phased approach towards climate reporting, as recommended by SGX.

Key Components of TCFD Recommendations	Key Requirements of MAS Guidelines	EC World REIT’s Response
<p>Governance</p> <p>a) Describe the board’s oversight of climate-related risks and opportunities.</p> <p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Governance and Strategy</p> <p>Board and Senior Management to be involved in identifying environmental risks and opportunities, evaluating their impact on the Manager’s strategies, business plans and products, and ensuring the appropriate management of risks and opportunities</p>	<ul style="list-style-type: none"> • The Board provides oversight on climate-related risks and opportunities. Sustainability and climate-related performance will be reviewed and updated at least once a year. The Board and Management will ensure evaluation of the actual and potential impact of climate-related risks and opportunities on EC World REIT’s strategies, business plans and properties. • The Management is to design, implement, and monitor internal controls and risk management systems, develop tools and metrics to monitor exposures to environmental risk. The management will take responsibility for identifying, assessing, mitigating, monitoring, and reporting such environmental risks to the Board.

Key Components of TCFD Recommendations	Key Requirements of MAS Guidelines	EC World REIT's Response
<p>Strategy</p> <p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Governance and Strategy Integrate environmental risk into overall investment risk management framework to identify, address and monitor the risks</p> <p>Research and Portfolio Construction In assessing environmental risk, to consider both transition and physical risks on an individual asset and/ or portfolio level</p> <p>To embed relevant environmental risk considerations in this process and evaluate the potential impact of relevant environmental risk on return potential</p> <p>Portfolio Risk Management Where environmental risk is material, develop capabilities in scenario analysis to evaluate impact on portfolio and portfolio resilience to financial losses</p>	<ul style="list-style-type: none"> • Please refer to page 13 on "Sustainability Approach" for more information. • The Manager has identified and assessed the impact of climate-related risks and aims to integrate environmental risk management into current Risk Management Policy and Investment Policy to ensure that environmental risks are considered and appropriately managed during research and portfolio construction. • The Manager has also conducted a qualitative assessment of climate-related transition and physical risks for all its properties, considering short-term, medium-term to 2030 and long-term to 2050. Please refer to pages 50 to 51 for more information on the climate-related risks identified and assessed impact under different scenarios.
<p>Risk Management</p> <p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Portfolio Risk Management Put in place policies and processes to assess, monitor and manage environmental risk</p> <p>Stewardship Consider implementing Asset Enhancement Initiatives ("AEIs") to improve the efficiency of resource use, or attain green building certification</p> <p>Consider collaborative opportunities with other asset</p>	<ul style="list-style-type: none"> • The Manager has integrated a set of Environmental Risk Management guidelines into its existing Risk Management Policy to introduce process and systems to identify, monitor, assess and manage the potential and actual impact of environmental risk. • With the refinement of Risk Management Policy, the Manager will assess and implement collaborative AEIs to improve the environmental

Key Components of TCFD Recommendations	Key Requirements of MAS Guidelines	EC World REIT's Response
	managers to build knowledge and skills	<p>performance of its properties where feasible.</p> <ul style="list-style-type: none"> • Moreover, the Manager will introduce training to upskill in environmental and climate-related risk and will consider collaborating with other asset managers where such opportunities arise. • Please refer to pages 50 to 51 for more information on EC World REIT's climate-related risks identification and assessment, and the applicable mitigation measures.
<p>Metrics and Targets</p> <p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.</p>	<p>Disclosure</p> <p>Make regular and meaningful disclosure of environmental risks and exposure, with clear metrics and targets</p>	<ul style="list-style-type: none"> • Climate-related and environmental metrics such as energy consumption and intensity, Scope 1 and Scope 2 GHG emissions and intensity are disclosed in this sustainability report. Please refer to page 46 for more information on EC World REIT's target for "Energy use and GHG Emissions". • Moving forward, EC World REIT is also exploring longer-term targets of environmental risk and opportunities such as exploring Green Mark initiatives.

In FY2022, EC World REIT conducted our inaugural qualitative environmental risk assessment and scenario analysis exercise to identify and assess the potential impacts of:

- Transition risks¹⁴, under a Net Zero scenario, and a Business-as-usual (BAU) scenario

¹⁴ Transition risks arise from the process of shifts towards a low-carbon economy, and can include regulatory changes, disruptive technological developments, and shifts in consumer and investor preferences.

- Physical risks¹⁵, under a BAU scenario

The Net Zero scenario assumes that the global mean temperature increases by 2100 from pre-industrial levels would be 1.5°C or less, and will attract higher transition risks arising from the regulatory, market, and technological changes in a lower-carbon and more environmentally-sustainable economy. We have assumed that physical risks would be insignificant under a Net Zero scenario.

The BAU scenario assumes that global mean temperature increases by 2100 would be more than 4°C, with higher physical risks arising from changes in the physical environment and climate. The physical risk exposure of our assets was determined using data from the CMIP5 and CMIP6 climate models for the RCP 8.5 pathway¹⁶.

The identified transition and physical risks were assessed for the following time horizons:

- Short-term: Within the next 5 years (by 2025)
- Medium-term: Within the next 6 to 10 years (by 2030)
- Long-term: Within the next 30 to 40 years (by 2050)

Our short- and medium-term time horizons are aligned with our capital planning and investment time horizons of 5 to 10 years or more. To better manage climate-related risks, we have set a perpetual target for continuous monitoring and management of ongoing and additionally identified climate-related risks. Our mitigating measures through our strategy, portfolio and risk management policies and processes in response to the results of the assessment are detailed in the tables below.

Risk Type	Description	Examples of Possible Impacts
Transition Risk		
Regulatory and policy	The risk of loss resulting from failure to comply with laws, regulations, contracts or court decisions relating to the impacts of climate change.	Mandatory climate-related disclosures (and stricter sustainability reporting requirements) would result in additional cost as regulated companies create and maintain processes for carbon emission monitoring. Capital financing may be affected by non-compliance disclosure of GHG emissions if a company's collection and management of basic data and information is not timely and robust.
Reputational	The risk of damage to an organization's image and brand as a result of its actions or perceived	Failure to meet increasing stakeholder expectations in relation to climate change and emissions reduction, reporting disclosures obligations, green building certifications may

¹⁵ Physical risks arise from the impact of weather events and long-term or widespread environmental changes and can include increased severity of extreme weather events such as floods, and rising mean temperatures, sea levels, and weather patterns.

¹⁶ The Coupled Model Intercomparison Project (CMIP) phases 5 and 6 provide climate modelling datasets produced under the World Climate Research Programme (WCRP), which have been used to inform the Intergovernmental Panel on Climate Change (IPCC) Fifth and Sixth Assessment Reports. Representative Concentration Pathway (RCP) 8.5 is a greenhouse gas concentration trajectory by the IPCC that assumes that emissions continue to rise throughout the 21st century.

	inaction on climate-related issues.	lead to adverse reputational impacts, resulting in difficulties securing investment capital, insurance and approvals, affecting talent retention and attraction, and leading to potential shareholder divestment. Reports where performance does not meet stakeholder expectations could worsen investor confidence and cause reductions in company valuations.
Market	The risk of financial loss resulting from changes	Less desirable properties in locations vulnerable to climate change may lead to reduced occupier/tenant demand, reduction in customer base, and reduced asset value. There could also be potential for increased real estate taxes.
Technology and cyber	The risk of obsolescence or reduced competitiveness resulting from the failure to adopt new technologies or business practices that address the impacts of climate change.	Failure to implement new disruptive technologies that have the potential to address energy/emissions/water/waste demands in the buildings' operations may lead to loss in market share and stranded assets. The usage of innovative green technologies could increase the construction costs and the maintenance cost of buildings.
Physical Risk		
Acute	Extreme weather such as flooding, fire index caused property damage and business disruption	Flooding events lead to damaged properties and disruption of the use of facilities. Fire events lead to damaged properties and disruption of the use of facilities
Chronic	Long-term, persistent impacts of climate change on an organization's assets, operations, and supply chains.	For example, drought/water stress lead to higher water costs.

Water Management

EC World REIT recognises the crucial role of water management within our business. We have decided to begin reporting on our practices and initiatives related to water management starting from this year. In China, our properties comply with local water discharge requirements, which is known as China's integrated wastewater discharge standard. Our wastewater is directly discharge into secondary sewage treatment plant through the district sewage system for unified treatment. EC World has dedicated efforts towards enhancing water quality by ensuring and separating the hazardous wastewater from sewage. This year we have 278,180 tonnes water consumed by China properties¹⁷, translating to water intensity is 292 kg/m².

¹⁷ As of this year, we have initiated reporting on our water usage. Our scope of reporting for water consumption and water intensity includes 7 properties located in China, within our operational control.

	Water consumption (ton)	Water Intensity (kg/m2)
FY2022	278,180	292

Waste Management

As a REIT, proper waste management is significant as we have sizeable influence on enabling communities achieve waste reduction and diversion. Further, implementing the appropriate practices and initiatives will also improve efficiency of product and material usage, and also contribute towards lowering costs in the long-term. Therefore, EC World has decided to begin reporting our efforts and practices in waste management starting from this year. This year, we have collected 3,571 tonnes waste in total from the 7 properties¹⁸ located in China.

In China, our properties abide by the Solid Waste Pollution Prevention and Control Law of The People's Republic of China, which guides the classification and treatment of waste. The waste is collected and processed by a contracted company and disposed of through incineration without energy recovery.

¹⁸ The scope of reporting for waste consumption includes 7 properties: The Stage 1 properties of Bei Gang Logistics, Wuhan Meiluote, Fuheng Industrial, Fuzhou Industrial, Chongxian Port Investment, Chongxian Port Logistics and Hengde Logistics.

GRI content index¹⁹

GRI Standard	Disclosure	EC World REIT Response	Page Reference	
General Disclosures				
GRI 2: General Disclosures 2021	1. The organisation and its reporting practices			
	2-1	Organisational details	About EC World REIT	6-12
	2-2	Entities included in the organisation's sustainability reporting	About the report	4-5
	2-3	Reporting period, frequency and contact point	About the report	4-5
	2-4	Restatements of information	No restatements of information have been made in SR2022.	N.A.
	2-5	External assurance	Not sought for 2022 Sustainability Report	N.A.
	2. Activities and workers			
	2-6	Activities, value chain and other business relationships	About EC World REIT	6-12
	2-7	Employees	Profile of our workforce	33-34
	2-8	Workers who are not employees	Information unavailable/incomplete	NA
	3. Governance			
2-9	Governance structure and	Annual report	NA	

¹⁹ As a result of the application for extension of time to hold the AGM, please be aware that the information pertaining to the annual report and financial statements will only be accessible once the annual report has been published.

GRI Standard	Disclosure		EC World REIT Response	Page Reference
		composition		
	2-10	Nomination and selection of the highest governance body	Annual report	NA
	2-11	Chair of the highest governance body	Annual report	NA
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability governance at EC World, Stakeholder engagement	13-15
	2-13	Delegation of responsibility for managing impacts	Sustainability governance at EC World	13
	2-14	Role of the highest governance body in sustainability reporting	Board statement, Sustainability governance at EC World	2-3, 13
	2-15	Conflicts of interest	Annual report	NA
	2-16	Communication of critical concerns	Ethics and integrity, Whistleblowing, Regulatory Compliance	19-24
	2-17	Collective knowledge of the highest governance body	Sustainability governance at EC World	13
	2-18	Evaluation of the performance of the highest governance body	Annual report	NA
	2-19	Remuneration policies	Annual report	NA

GRI Standard	Disclosure		EC World REIT Response	Page Reference
	2-20	Process to determine remuneration	Annual report	NA
	2-21	Annual total compensation ratio	Annual report	NA
	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	Board statement	2-3
	2-23	Policy commitments	Disclosed throughout SR2022 across all material topics	19, 22, 26, 31, 36, 42
	2-24	Embedding policy commitments	Disclosed throughout SR2022 across all material topics	19, 22, 26, 31, 36, 42
	2-25	Processes to remediate negative impacts	Whistleblowing	19-20
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing, Regulatory Compliance	21-24
	2-28	Membership associations	About EC World REIT	12
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Stakeholder engagement	13-15
	2-30	Collective bargaining agreements	EC World REIT does not have any collective bargaining agreements.	N.A.
General Disclosures				

GRI Standard	Disclosure		EC World REIT Response	Page Reference
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality assessment	16
	3-2	List of material topics	Materiality assessment	16
Topic-specific GRI Standard Disclosures				
Category: Economic		Product Innovation (Value-added Service)		
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Disclosed throughout SR2022 across all material topics	20, 24, 29, 34, 40
Category: Environmental		Energy Use and GHG Emissions		
GRI 3: Material Topics 2021	3-3	Explanation of the material topic and its Boundary	Our environment	41-52
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy use and greenhouse gas (GHG) emissions	41-46
	302-3	Energy intensity	Energy use and greenhouse gas (GHG) emissions	41-46
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Energy use and greenhouse gas (GHG) emissions	41-46
	305-4	GHG emissions intensity	Energy use and greenhouse gas (GHG) emissions	41-46
GRI G4 Sector Disclosure: Construction and Real Estate	CRE-3	Greenhouse gas emissions intensity from buildings	Energy use and greenhouse gas (GHG) emissions	41-46

GRI Standard	Disclosure		EC World REIT Response	Page Reference
GRI 303: Water and Effluents 2018	303-4	Water withdrawal	Water Management	51
GRI 306: Waste 2020	306-5	Waste directed to disposal	Waste Management	52
Category: Social		Workplace Health and Safety		
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Workplace health and safety	35-40
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Profile of our workforce	33-34
GRI 404: Training and Education 2016	404-1	Average hours of training per employee	Workplace health and safety	37
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Profile of our workforce	33-34
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Workplace health and safety	35-40
	403-2	Hazard identification, risk assessment, and incident investigation	Workplace health and safety	35-40
	403-3	Occupational health services	Workplace health and safety	35-40

GRI Standard	Disclosure		EC World REIT Response	Page Reference
	403-4	Worker participation, consultation, and communication on occupational health and safety	Workplace health and safety	35-40
	403-5	Worker training on occupational health and safety	Workplace health and safety	35-40
	403-6	Promotion of worker health	Workplace health and safety	35-40
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace health and safety	35-40
	403-9	Work-related injuries	Workplace health and safety	35-40
	403-10	Work-related ill health	Workplace health and safety	35-40
Category: Social		Quality of Assets		
GRI 3: Material Topics 2021	3-3	Management of material topics	Quality of assets	25-29
GRI G4 Sector Disclosure: Construction and Real Estate	CRE-8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Quality of assets	25-29
Category: Governance		Regulatory Compliance		
GRI 3: Material Topics 2021	3-3	Management of material topics	Regulatory Compliance	21-24

GRI Standard	Disclosure		EC World REIT Response	Page Reference
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	Regulatory Compliance	21-24