



EC World
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EC World REIT
Sustainability Report

FY2023

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Board statement

GRI [2-14] [2-22]

Dear Stakeholders,

Welcome to the seventh sustainability report for EC World Real Estate Investment Trust (“EC World REIT” or the “REIT”).

This report is prepared by EC World Asset Management Pte. Ltd. (“ECWAM” or the “Manager”) under the guidance of our Board, and showcases our key initiatives, notable highlights and performance updates relating to Environmental, Social and Governance (“ESG”) matters for the period between 1 January to 31 December 2023 (“FY2023”).

ECWAM is persistently advancing towards a sustainable future by enhancing social, environmental, and economic well-being of the landscape within which we function and collaborate. We are fully committed to addressing the significant risks posed by climate change. Our climate risk disclosures reflect how we have integrated and continue to review risk identification, adaptation, and mitigation strategies associated with climate change into our business considerations. The Sustainability Committee work alongside the Board to oversee and manage related strategy.

Material ESG factors are subject to continuous monitoring and oversight of the Board, and with Management review, the Board has approved to maintain all material ESG factors in FY2023. We continue to maintain vigilance over sustainability concerns pertaining to our business and strategies, considering future re-evaluations as and when necessary. To bolster the REIT’s sustainability ambitions this year, we have reviewed and enhanced our target setting practices and revised targets across all material topics. The focus of the review exercise was to pick up relevant quantitative metrics and set appropriate time frame targets aligned to strategic business time horizons.

Our Enterprise Risk Management (“ERM”) and appropriate governance procedures are instrumental to proactively identifying and averting potential misconduct, helping us to adhere to the regulatory requirements and facilitating execution of effective corporate governance pivotal for the sustainability of our overall business and operations. We are devoted to sustaining substantive meaningful and purposeful engagement across all our stakeholder groups, and upholding transparency across our value chain.

The REIT remains committed to improving its environmental stewardship and reducing its Greenhouse Gas (GHG) intensity. Wuhan Meiluote has signed a lease agreement for a site to develop a distributed rooftop photovoltaic power station and has plans for a 5.5MW capacity installation. Our goal is to expand use of renewable energy sources across our assets, as well as lower GHG emissions intensity of the portfolio. Furthermore, we continue to focus on innovation by transitioning to LED lighting in phases, conduct customer satisfaction surveys to maintain alignment with market demand, as well as ensure high quality management and safety of properties including maintenance of critical fire maintenance records, upkeep of elevator and lightning protection systems.

In 2023, EC World REIT persevered in providing a secure and engaging work environment for our employees, as prioritising safety of our workers and employees is a top priority. We have ensured

safety training is deployed to all our front-line workers at all properties and have accomplished our goal of carrying out an annual fire drill for front-line staff across all properties.

We firmly believe that continual improvements and enhancements deployed along our sustainability journey and the unwavering support from our Sponsor and stakeholders put us in a robust position for the upcoming year and future to come.

Yours sincerely,

Mr Goh Toh Sim

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

About the report

GRI [2-2] [2-3]

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.

Since FY2022, EC World REIT reports against 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 commenced the internal review process for its sustainability report. For this reporting period, external assurance has not been sought. For questions, suggestions, and feedback related to sustainability matters, kindly send them to Ms Wensu Yu, Manager (Investor Relations) at ir@ecwreit.com.

Reporting Scope

This report covers ESG data and practices of EC World REIT for FY2023, ending 31 December 2023. Sustainability reporting is an annual endeavour of the Group, with the last sustainability report published in April 2023. Three-year ESG trend analyses will be presented with the ESG performance data from FY2021 to FY2023, wherever applicable. The reporting scope covers our seven properties in China and our Corporate Office (the office of ECWAM) in Singapore.

Singapore

- Corporate Office in Singapore

Hangzhou, China

- Fu Heng Warehouse
- Fuzhou E-Commerce
- Stage 1 Properties of Bei Gang Logistics
- Hengde Logistics
- Chongxian Port Investment
- Chongxian Port Logistics

Wuhan, China

- Wuhan Meiluote

About EC World REIT

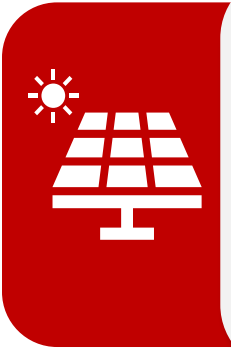
GRI [2-1] [2-6]

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 2023, released on 27 February 2024 and available on SGXNET and EC World REIT's corporate website.

FY2023 ESG Performance Highlights

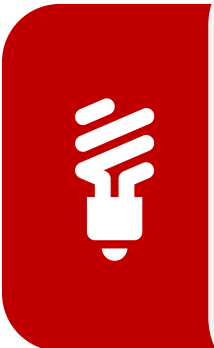


Rooftop solar panel installation in Wuhan Meiluote

After successful feasibility studies performed in previous financial year, Wuhan Meiluote discussed and signed a leasing agreement in 2023 with plans to install a rooftop photovoltaic (PV) power station with a capacity of approximately 5.5 MW. The plan is to utilise the electricity generated by the PV power station to meet the internal energy needs of the building, thereby reducing dependence on the traditional power grid.

Fire and emergency drills conducted at all properties

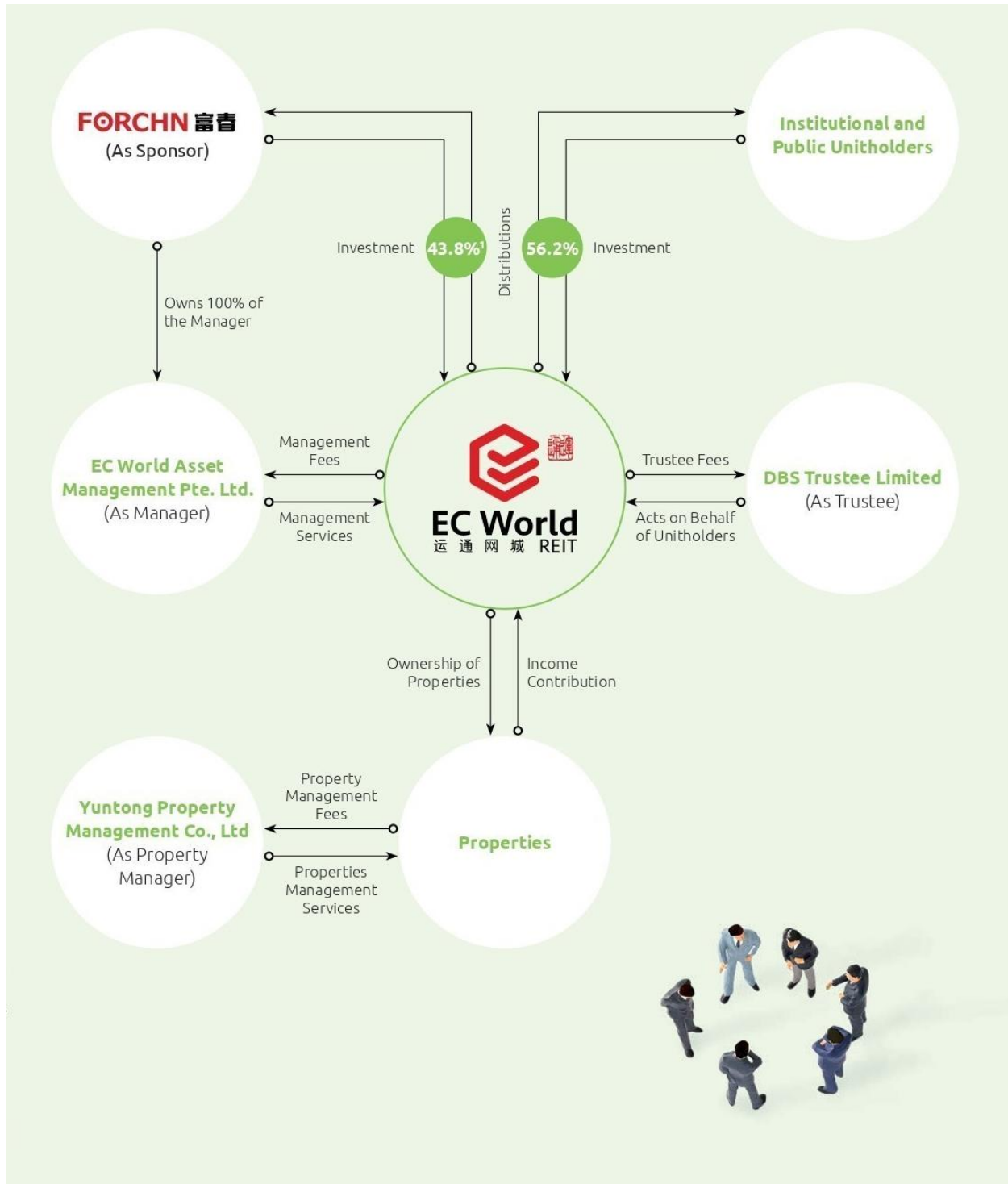
Across all properties under EC World REIT, fire drills were conducted to improve the awareness of safety precautions, to ensure that in the event of emergencies, employees and tenants understand the emergency response plan in place, and the emergency equipment and materials that would be utilised is tested.



Lighting upgrades across EC World properties

Upgraded LED lighting at Hengde Logistics, Fuzhou E-Commerce and Fu Heng Warehouse is expected to save an estimated 51,785 kWh annually. This comes from replacing a total of 461 lights in 2023.

Trust structure of EC World REIT¹



¹ As of 31 December 2023. Includes Units held by the Manager.

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.

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 REIT

| E-commerce Logistics | | Port Logistics | Specialized Logistics |
|---|---|--|---|
|  |  |  |  |
| Stage 1 Properties of Bei Gang Logistics | Fuzhou E-Commerce | Chongxian Port Investment | Hengde Logistics |
|  |  |  | |
| Wuhan Meiluote | Fu Heng Warehouse | Chongxian Port Logistics | |

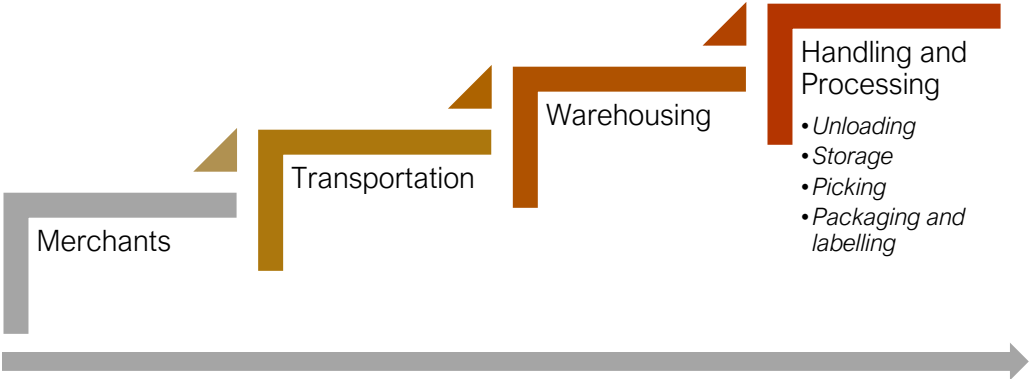
Supply Chain Management

As a REIT specialising in e-commerce logistics facilities and port logistics facilities, EC World REIT is fully aware of the importance of supply chain management in determining the organisation's reputation and success. Therefore, the Manager at EC World REIT endeavours to manage the supply chain proactively and responsibly, with a focus on sustainable procurement of materials.

EC World REIT employs an active evaluation approach aiming to accomplish procurement practices that maximise benefits both for our REIT and stakeholders. We duly evaluate the products and services offered by our suppliers to ensure that these goods and services are in compliance with standards related to sustainability considerations and are not in violation of any laws and regulations. We believe that this evaluation process will help deter any inappropriate behaviour and safeguard the interests of our stakeholders.

EC World REIT's Product Fulfilment 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.



Typical Product Fulfilment Cycle



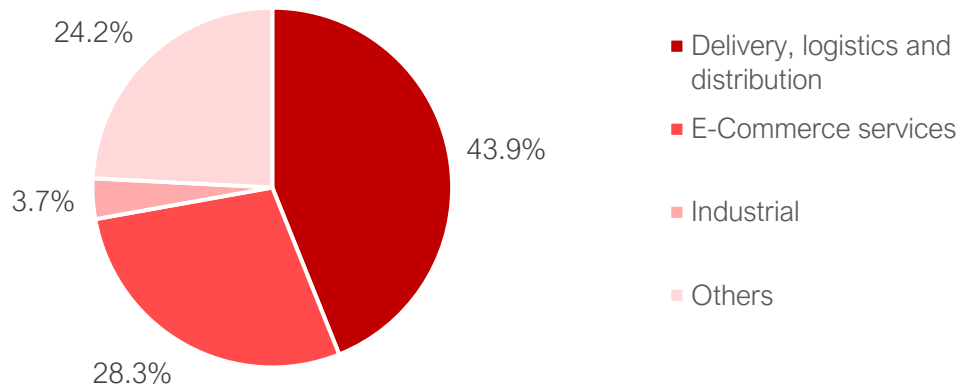
Key inland port with comprehensive logistics complex

Strategically located next to Beijing-Hangzhou Canal offering easy access to waterway and road network

Tenancy Mix and Types of Assets

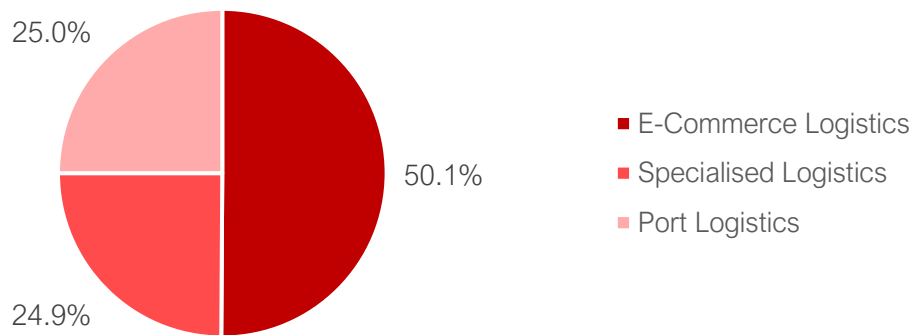
As of 31 December 2023, there were a total of 15 different tenants across EC World REIT's portfolio that contributed to gross rental income. The charts below show the breakdown of tenancy according to trade sector by net lettable area and by valuation. We also present the breakdown of tenancy according to trade sector, weighted on gross revenue contribution in 2023. For more information, please refer to our Annual Report 2023.

Breakdown of tenants according to industry, by gross rental income



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

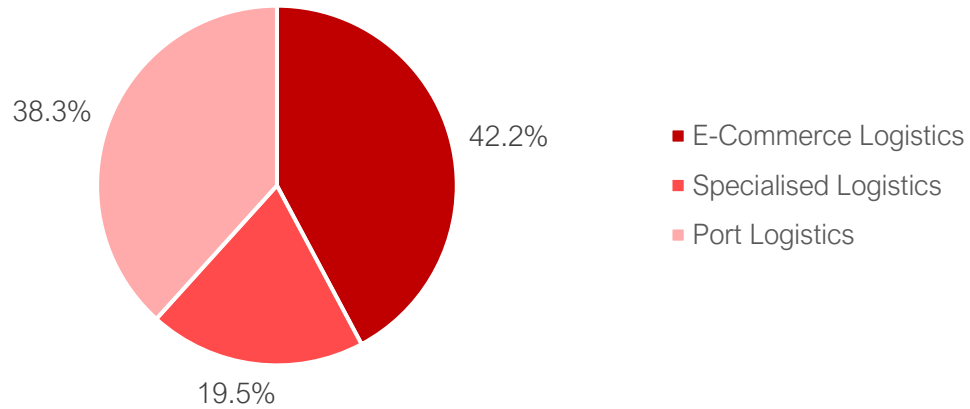
Breakdown of tenancy according to trade sector, by net lettable area²³



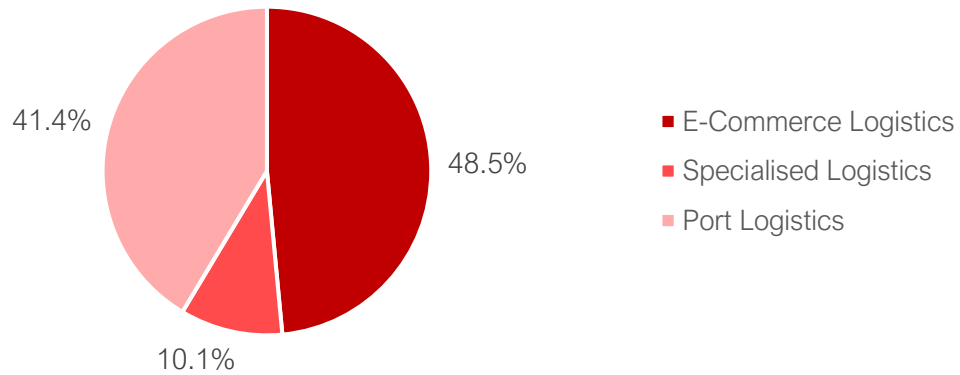
² Portfolio as at 31 December 2023.

³ Net lettable area excludes divested properties.

Breakdown of tenancy according to trade sector, by valuation



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



Our memberships

GRI [2-28]

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

GRI [2-12] [2-13] [2-14] [2-17]

EC World REIT is committed to preserving and executing its fundamental sustainability values throughout its business operations and strategies. We are devoted to continuously strengthening the incorporation of sustainability and ESG throughout our organisation. With the backing of the Sponsor, the Manager is dedicated to enhancing EC World REIT's sustainability performance continually.

EC World's sustainability governance structure plays a significant role in shaping an effective approach towards managing the risks and opportunities of our material ESG issues. Mr Goh Toh Sim, the Executive Director, and Chief Executive Officer heads the REIT's ESG policies and practices. The administration of the Manager and Property Manager supports the evaluation of ESG policies and practices, advancing sustainability practices within the REIT's properties. At the working level, several individuals are involved in overseeing the day-to-day operations, sustainability data management and reporting, and ensuring compliance to sustainability requirements.

As part of our ongoing journey towards enhancing sustainability disclosures, the Manager disclosed climate-related disclosures in FY2023 based on the illustrative phased approach of the SGX guidelines for TCFD. The environmental risk management guidelines are established and approved by the Board, detailing EC World REIT's principles and key practices for identification, assessment and management of environmental risks and 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

GRI [2-29]

Engaging with the REIT's stakeholders ultimately drives greater, and long-term value for everyone. The Manager prioritizes frequent interactions with our diverse stakeholders to understand their issues and collect their crucial feedback. This enables EC World to enhance our competencies, which will eventually deliver value for our stakeholders.

The following table showcases our objectives and strategies for engaging with our stakeholders, along with the focus areas, mode and frequency of engagement and our responses.

| Stakeholder | Goal | Modes of engagement | Frequency | Key concerns raised | EC World REIT's response |
|---------------------------|---|---|--|--|---|
| Shareholders | Provide clear and accurate information to the investment community through timely communication | <ul style="list-style-type: none"> • Telephone calls • Email • Annual General Meetings/Extraordinary General Meetings • 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 | <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 |
| | | | | <ul style="list-style-type: none"> • Regulatory compliance | <ul style="list-style-type: none"> • Adoption and adaption of relevant policies and procedures such as Enterprise Risk Management, 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 • 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 environment for our tenants | <ul style="list-style-type: none"> • Telephone calls • Email correspondence • Face-to-face engagements • Real-time problem solving | Daily | <ul style="list-style-type: none"> • Possible rental escalation • Renewal of lease • Property maintenance | <ul style="list-style-type: none"> • Active discussions on a regular basis • Improve the service and staff quality of the property |

| | | | | | |
|---------------------------------|---|---|--------------------|--|---|
| 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"> • In FY2023, EC World REIT was a <i>Race Contributor Sponsor</i> for the SGX Charity Run 2023 |

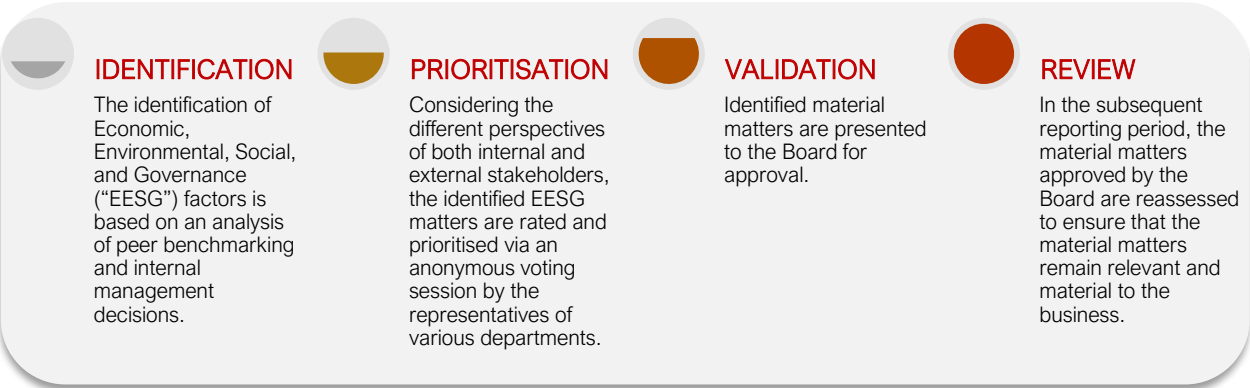
Materiality assessment

GRI [3-1] [3-2]

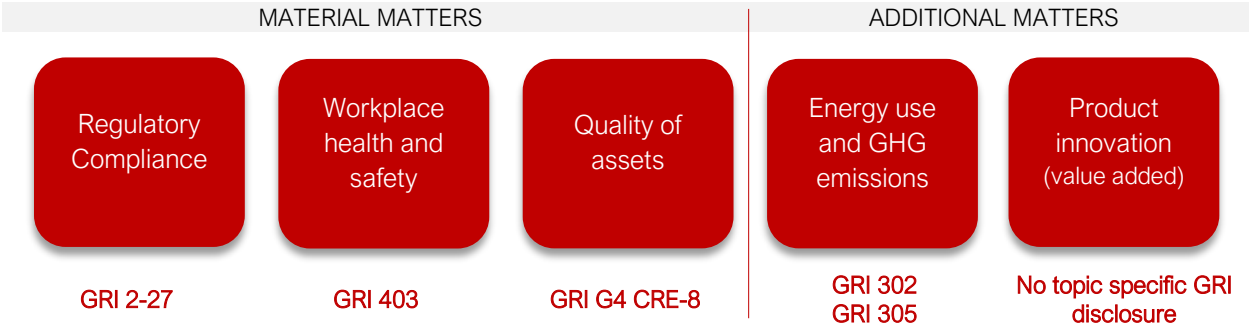
The Manager carried out the latest materiality assessment for EC World REIT in June 2018. The objective was to appraise our ESG priorities and make certain that the issues and requirements of our stakeholders were acknowledged and addressed. A third-party consultant facilitated this assessment which involved interaction with internal stakeholders. The assessment process was divided into four crucial stages and involved stakeholders from diverse departments within the REIT, as illustrated below. As a result of this exercise, three materials and two additional matters were identified.

For the reporting year 2023, the Board confirmed the continued relevance of the originally identified material matters and agreed to continue the disclosure of the two additional reporting matters that are pertinent to our business. Refer to the table given below for a full list of material matters, and additional matters identified for EC World REIT.

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



Economic, Environmental, Social and Governance factors



Governance

Risk management

Risk management plays a crucial role in the operations of the Manager at both strategic and operational levels. Our proactive stance towards risk management aids in the realisation of the Manager's business objectives and strategies, leading to the creation and preservation of value for our unitholders.

The Manager acknowledges that risk management includes both opportunities and threats. To seize opportunities, the Manager needs to take calculated risks. Thus, risk management is not just about striving for risk reduction, but rather about enhancing the balance between risk and reward within recognized and agreed-upon levels of risk appetite.

Therefore, the Manager takes risks considerably for justifiable business grounds. The Board is accountable for the governance of risk across the Manager. This entails setting the Manager's risk appetite, monitoring the Manager's ERM Framework, conducting regular reviews of the Manager's risk profile, significant risks, and risk mitigation strategies, and confirming the effectiveness of risk management policies and practices. The Audit and Risk Committee (the "ARC") assists it in these duties, providing supervision over 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 2023 to learn more about our material risks and risk management approach.

Ethics and integrity

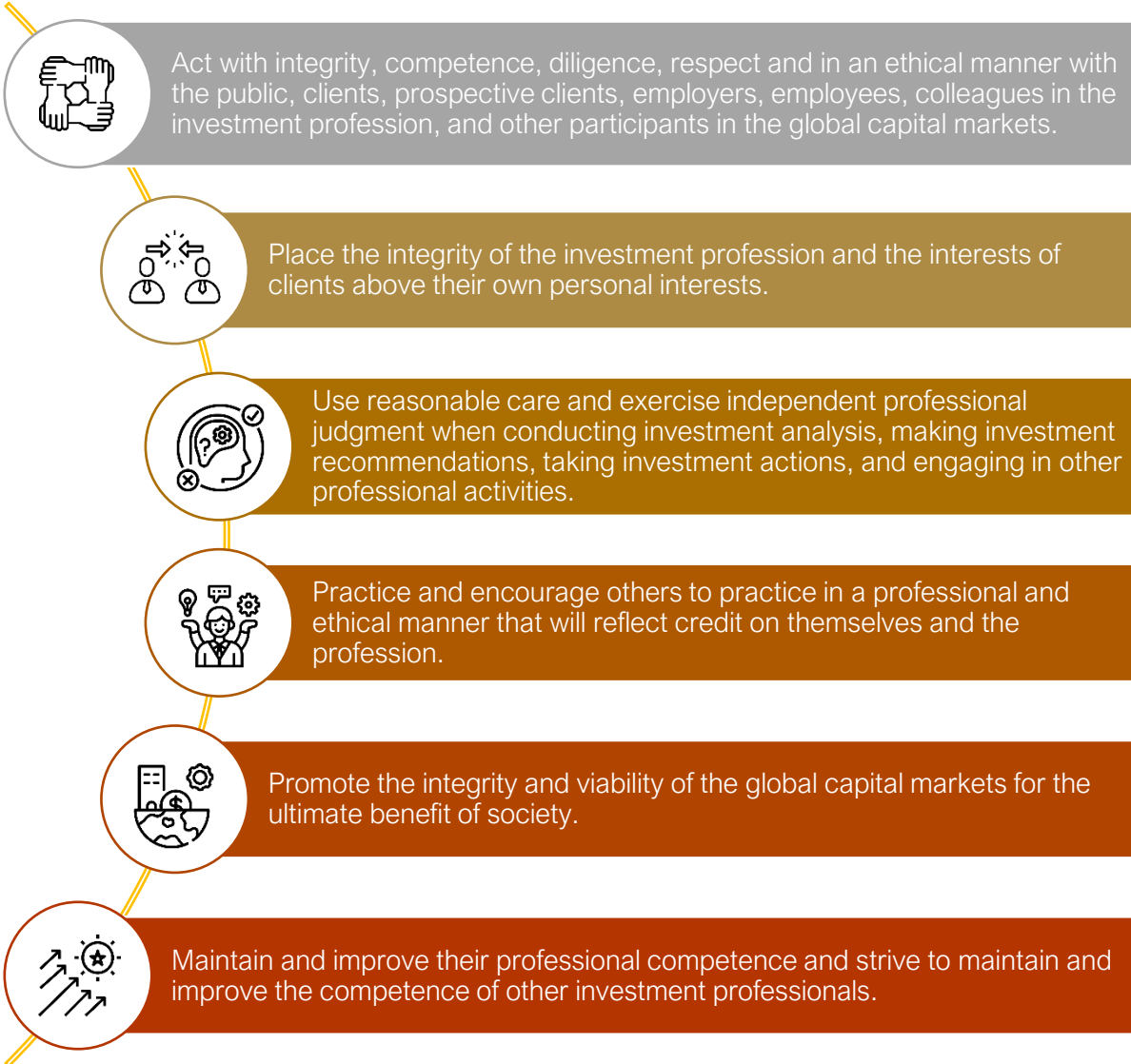
GRI [2-16]

EC World REIT strives to maintain its integrity and reputation by adhering to regulations in all the markets where we operate. The Manager is responsible for preserving the REIT's business reputation. Our employees comply with all regulations applicable to the REIT and our ethical norms and policies, including our organisation's Compliance Manual.

In accordance with our values, the REIT does not condone unethical conduct and enforces disciplinary actions whenever necessary. Employees are also expected to uphold suitable standards of behaviour and be aware of the regulations of other countries when engaging in cross-border transactions.

Moreover, potential conflicts of interest might occur during regular business operations. The Manager enforces policies to identify and manage any potential conflicts involving the Manager, its directors, and employees. Standard procedures that may be employed include internal mediation, disclosure, or securing consent from the affected party or parties.

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



Whistleblowing

GRI [2-16] [2-25] [2-26]

EC World REIT has a whistle-blowing policy in place that accompanies our internal risk management strategy.

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

GRI [3-3] [2-23] [2-24] [2-26] [2-27]

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 scrutiny towards its ethical standards, EC World continues to hold strong integrity and reputation in the markets. The topic covers EC World REIT and its subsidiaries.



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. |

FY2023 PERFORMANCE

In FY2023, EC World REIT complied with all relevant social, environmental, and economic laws and regulations. No major non-compliance cases were found and reported.



Target achieved

REVISED TARGET

Zero major compliance issues and maintain perfect compliance record annually over the next 5 years (with FY2023 as the baseline)

Our Business

Quality of assets

GRI [3-3] [2-23] [2-24] [CRE-8]

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 scope of this topic covers all our seven properties in China.



RESPONSIBILITIES

The Board of Directors, Chief Executive Officer and Executive Director, and Manager (Investment & 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 serves to enhance the quality of our assets, involves the REIT gathering yearly customer surveys on the quality of the delivering services at Chongxian Port area, with three or four sites inspected randomly. These surveys consist of short-term questionnaires focusing on the equipment maintenance services, transport and security services, and property maintenance services at the respective properties. The survey uses a point-score system where a maximum of five points can be given for each component. To uphold high standards, the REIT necessitates an average score of four points across all items. Customers are also given the opportunity to provide qualitative feedback on areas they feel could be improved at the property.

Additionally, the REIT also conducted annual tenant surveys at all properties in FY2023. These surveys encompass various aspects of a tenant’s experience in our buildings, including questions concerning service quality, infrastructure, environmental factors, fire safety, customer hotline responsiveness, front desk customer service, the maintenance of the industrial park, responsiveness, hygiene conditions, and security. Tenants also have the opportunity to share any additional comments and suggestions via this medium.

FY2023 PERFORMANCE

REVISED TARGETS

EC World is looking to improve the current occupancy rate of 79.9%



Target not achieved

Achieve an 80% portfolio occupancy targets by the end of FY2024

Annual maintenance for property-related facilities and equipment should be conducted, in accordance with national standards



Target achieved

Perform maintenance and inspections of all assets at least annually, in accordance with national and local standards

Product Innovation

GRI [3-3] [2-23] [2-24]

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 holds the belief that innovation in products is essential for retaining a competitive edge in the market and sustaining valuable, long-term relationships with customers. Consequently, the REIT constantly liaises with the Property Manager, tenants, and crucial departments to identify and foster product innovation.

The REIT's dedicated asset department oversees managing, enhancing, and transforming the properties' assets. A potential product innovation project is usually initiated by the Property Manager or based on recommendations made by the department. It then receives approval from the General Manager before any asset improvements are carried out by the department. Every year, funds are allocated for the enhancement of pre-identified assets.

Moreover, to foster innovative thinking among our employees, the Manager has implemented an incentive policy that rewards individuals who have made positive contributions to 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.

FY2023 PERFORMANCE

Replaced its LED light bulbs, and Wuhan Meiluote was contracted to build a solar power station in FY2023



Target achieved

REVISED TARGET

Upgrade 1-2 property features annually, with a focus on environmental improvement

Our people

Profile of our workforce

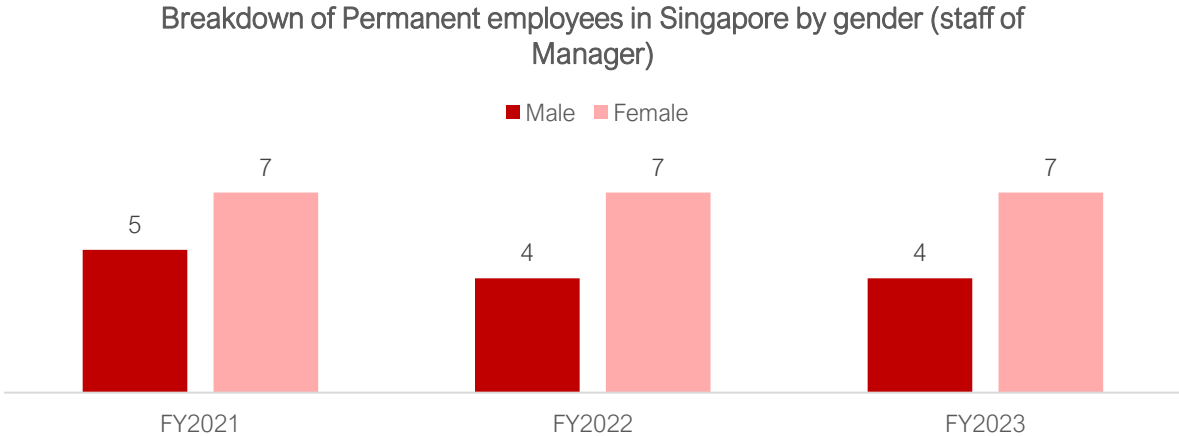
GRI [2-7] [401-1] [405-1]

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.

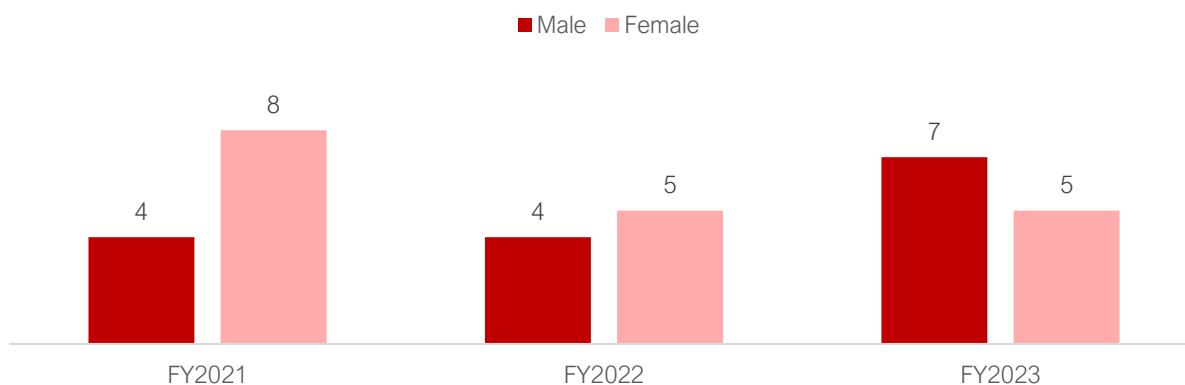
For 2023, in the Singapore office, there was one female temporary/part-time employee, no non-guaranteed hours employees, and no non-employee (contractor/supplier) hired by the Manager. There is no significant variation in staff numbers in FY2023 in Singapore⁴.

EC World has in place a formal Board Diversity Policy which recognises that a diverse Board will enhance decision making process by utilising a variety in skills, industry and business experience, gender, age and other distinguishing qualities of the members of the Board. Please find details of the Board’s composition in EC World’s Annual Report.



⁴ Variation is defined as a change of more than 10 per cent.

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



Breakdown of employee turnover by gender for FY2023

| | Male | Female |
|--------------|----------|----------|
| Singapore | 1 | 4 |
| China | 0 | 1 |
| Total | 1 | 5 |

Breakdown of employee turnover by age group for FY2023

| | < 30 years old | 30 – 50 years old | > 50 years old |
|--------------|----------------|-------------------|----------------|
| Singapore | 0 | 5 | 0 |
| China | 0 | 1 | 0 |
| Total | 0 | 6 | 0 |

Breakdown of employees per employee category by age group for FY2023

| | < 30 years old | 30 – 50 years old | > 50 years old |
|----------------|----------------|-------------------|----------------|
| Managerial | 0 | 2 | 0 |
| Non-managerial | 0 | 4 | 0 |
| Total | 0 | 6 | 0 |

Workplace Health and Safety

GRI [2-23] [2-24] [3-3] [404-1] [403-1] [403-2] [403-3] [403-4] [403-5] [403-6] [403-7] [403-9] [403-10]

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. This includes a three-level safety management responsibility system, a safety prevention supervision, a safety maintenance management responsibility system, as well as an accident emergency response system. 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.

Occupational Health Services

Employee well-being is of paramount importance 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; at our facilities in China, the Property Manager also arranges transportation to screening centres for medical examinations as needed and provides counselling.

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

In FY2023, our employees received an average of 6.6 hours of training, in which managerial employees received an average of 7.9 hours and non-managerial employees received 5.9 hours of training. The average training hours this year, split by gender, was 4.0 for males and 8.9 for females.

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 4 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.

Prevention and Mitigation of OHS Impacts

We conduct frequent workplace inspections to ensure a safe work environment for our employees. Various 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 inspections. If any issues detected or occurred, we arrange for timely maintenance and repair works which are thoroughly documented.

This year, there were no instances of fatalities or work-related ill health cases among employees as well as works who are not employees across EC World REIT's properties.

Promotion of Worker Health

Beyond employees' occupational health and safety, EC World REIT also strives to promote workers' overall health and well-being. This year, we also participated in SGX Charity Run held annually, in efforts to encourage wellbeing and morale.

Case study: Fire drill for front-line employees in Fuzhou E-Commerce and Fu Heng Warehouse

In Fuzhou and Fu Heng, an annual fire drill is conducted to emphasize safety and familiarize employees with fire emergency procedures. The drill includes sounding the fire alarm, role playing and evacuating from the building, with employees following designated escape routes to a specified assembly area outside. Designated fire wardens oversee the drill, ensuring its smooth operation and identifying areas for improvement. The results are documented and used to update the emergency response plan.



Fire drill for Fuzhou E-Commerce and Fu Heng Warehouse

FY2023 PERFORMANCE

In 2023, there were a total of 7 incidents at our properties. None of these incidents resulted in permanent disability or death among employees. To strive towards ensuring the highest health and safety standards, patrols and safety education have been strengthened as a result, with comprehensive training sessions conducted for all employees in response to the incidents, and safety briefings were given during team meetings before shifts.



Target not achieved

REVISED TARGET

Maintain zero fatalities or work-related injuries resulting in permanent disability for staff across all of EC World's operations

Fire safety drills have been conducted at all properties



Target achieved

Conduct annual fire safety drills at all properties

Our environment

Energy use and greenhouse gas (GHG) emissions

GRI [3-3] [2-23] [2-24] [302-1] [302-3] [305-2] [305-4] [CRE-3]

WHY THIS MATERIAL TOPIC AND ITS IMPACT TO EC WORLD

Energy use and its associated GHG emissions are directly contributors to climate change. Given that energy costs can make up a significant portion of a company's operating expenses, 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

The Manager (Investment & 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 level of energy-saving awareness across our properties.

Policy

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

The manager also acts in compliance with relevant standards related to dust, wastewater discharge and noises applicable to each of its properties given the location in which it operates.

Chongxian Port Investment and Chongxian Port Logistics comply with:

- Comprehensive Emission Labelling of Air Pollution, GB16297-1996 (applicable for dust)
- Comprehensive Sewage Discharge Labelling GB8978-1996 three-level discharge standard (applicable for wastewater discharge)
- Environmental Noise Emission Standards for Industrial Enterprises GB12348-2008 (applicable for noises).

Fu Heng Warehouse, Hengde Logistics, Bei Gang Logistics, and Wuhan Meiluote comply with:

- Comprehensive Sewage Discharge Labelling GB8978-1996 three-level discharge standard (applicable for wastewater discharge).

Practices

EC World REIT tracks energy usage trends systematically by generating an energy usage analysis report every month. Based on this review, the Manager implements the most practical energy-saving initiatives to address the most significant sources of energy use and emissions across our properties. Focus is to minimize the use of high-power electrical equipment, reduce electricity energy consumption, and reduce greenhouse gas emissions.

In order to enhance general awareness about energy conservation, training and education are also conducted for relevant personnel. The REIT also makes efforts to raise overall consciousness about energy conservation and emissions reduction among our lessees.

EC World REIT sustained our initiative in FY2023 to transition our lighting systems to more energy-efficient LED options. To optimize the useful lifespan of the lightings, we have been rolling out this project progressively in batches. Refer to the summary below for property-wise initiatives and progress.

This year, the combined estimated annual electricity savings across assets is 51,785 kWh.

| Property | Summary of FY2023 initiatives |
|------------------|--|
| | LED lamp replacement |
| Hengde Logistics | The original perimeter lighting at Hengde Logistics, consisting of 26W, 54W, 400W, and 72W fixtures, has been upgraded to more energy-efficient LED lighting, including 15W, 48W, 50W, and 38W fixtures. A total of 335 lights were replaced in 2023, resulting in an estimated annual |

electricity savings of 11,050 kWh. These savings were calculated based on assumptions regarding daily operating hours and the number of days in a year, which vary for each type of LED fixture.

| | |
|--|--|
| Fuzhou E-Commerce Fu Heng Warehouse | Similarly, at Fuzhou and Fu Heng, the original perimeter lighting, which used 105W, 105W, and 250W fixtures, has been upgraded to LED fixtures of 100W, 80W, and 100W. A total of 126 lights were replaced in 2023, leading to an estimated annual electricity savings of 40,735 kWh. Like the Hengde Logistics upgrade, these savings were calculated based on assumptions about daily operating hours and the number of days in a year, which vary for each type of LED fixture. |
|--|--|

| | |
|----------------|---|
| Wuhan Meiluote | Successful feasibility studies were performed in previous financial year on solar panel installation on the rooftop of the asset. In 2023, Wuhan Meiluote discussed and signed a leasing agreement for the site of a distributed rooftop photovoltaic power station, with plans to install a photovoltaic power station with a capacity of approximately 5.5 MW on the roof of the building. The plan is to utilize the electricity generated by the photovoltaic power station to meet the internal energy needs of the building, thereby reducing dependence on the traditional power grid. This will contribute to a decrease in carbon emissions and promote sustainable development. |
|----------------|---|

FY2023 PERFORMANCE⁵

This year, the total energy intensity increased by 11.9% compared to the previous year due to a rise in electricity usage. This increase is tied to operational demands and the robust business activity of tenants, which led to higher electricity consumption. As the facilities approach full capacity, electricity consumption has continued to grow. However, emission intensity saw a decrease of 19.6%, dropping from 15.35 kgCO₂e/m² in FY2022 to 12.34 kgCO₂e/m² in FY2023. This reduction is attributed to the lower grid emission factor in China for 2022. Further, emission intensity has decreased by 31.6% compared to baseline year of 2018.

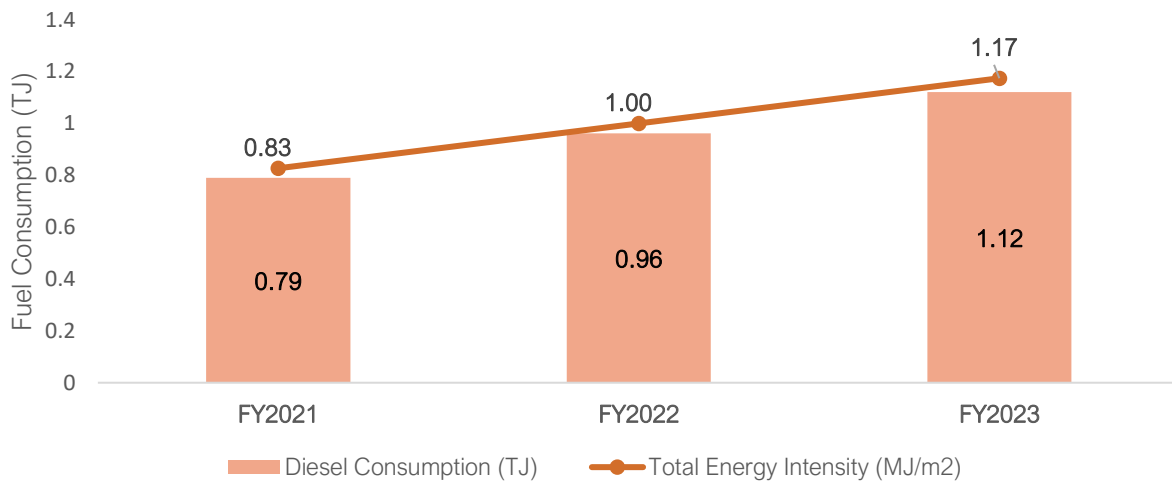
We remain committed to reducing energy consumption by further implementing additional energy-saving measures. As part of our efforts this year, we have transitioned our lighting to LED lights, resulting in an estimated reduction of 51,785 kWh in electricity consumption, and we have also successfully signed a leasing agreement for the installation of a photovoltaic power station

⁵ 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.

with a rooftop capacity of approximately 5.5 MW at Wuhan Meiluote.

| Fuel consumption (TJ) | Electricity consumption (TJ) | Total energy consumption (TJ) | Scope 1 GHG emissions intensity (kgCO _{2e} /m ²) | Scope 2 GHG emissions intensity (kgCO _{2e} /m ²) ⁶ |
|-----------------------|------------------------------|-------------------------------|---|--|
| 1.12 | 73.85 | 74.97 | 0.09 | 12.3 |

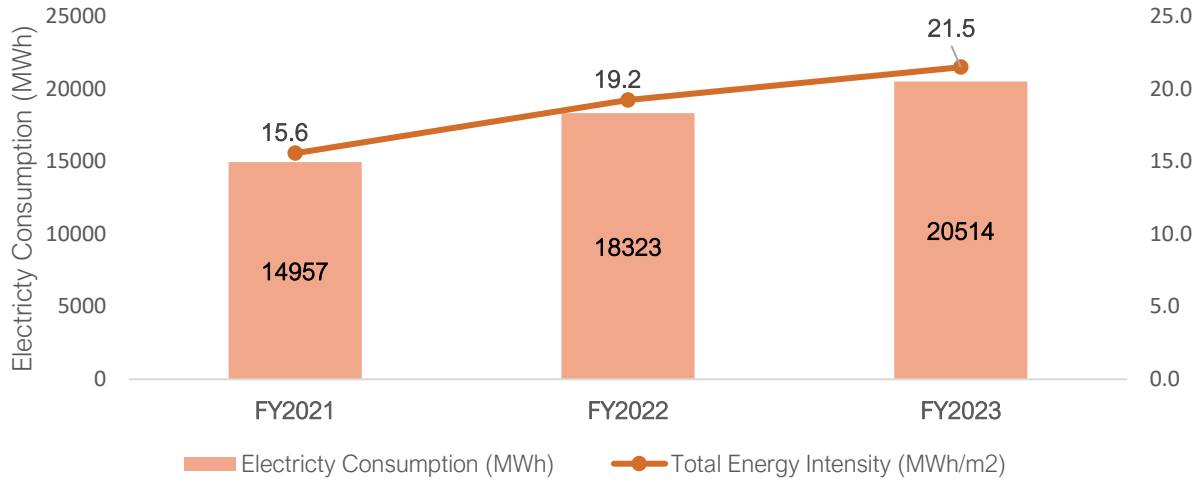
Fuel consumption (Scope 1) within EC World REIT
FY2021 - FY2023¹³



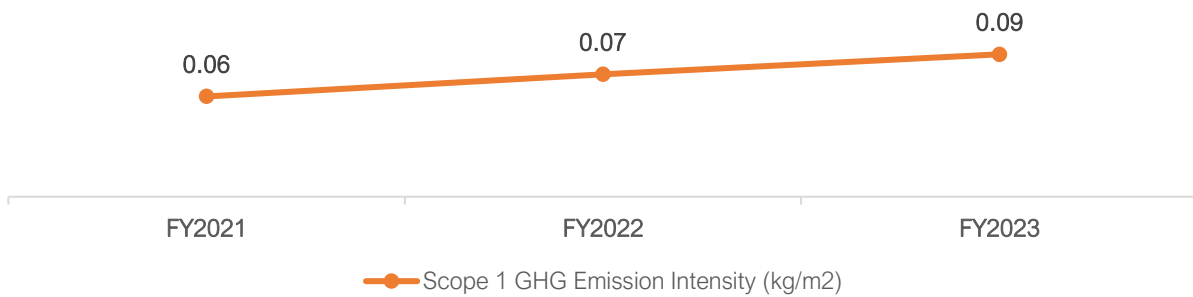
⁶ The latest electricity grid emission factors (kg CO₂/kWh) were used for the calculation, which were as follows: Singapore (2022) and China (2022).

⁷ In FY2022, a slight comparative conversion adjustment was made to convert the density for diesel.

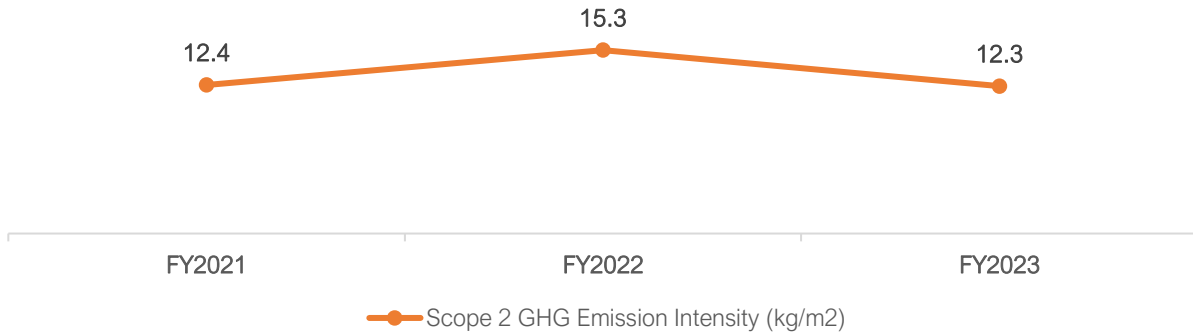
Electricity consumption (Scope 2) within EC World REIT
FY2021 - FY2023



Scope 1 GHG Emission Intensity (kg/m²)
FY2021-2023¹³



Scope 2 GHG Emission Intensity (kg/m²)
FY2021-2023



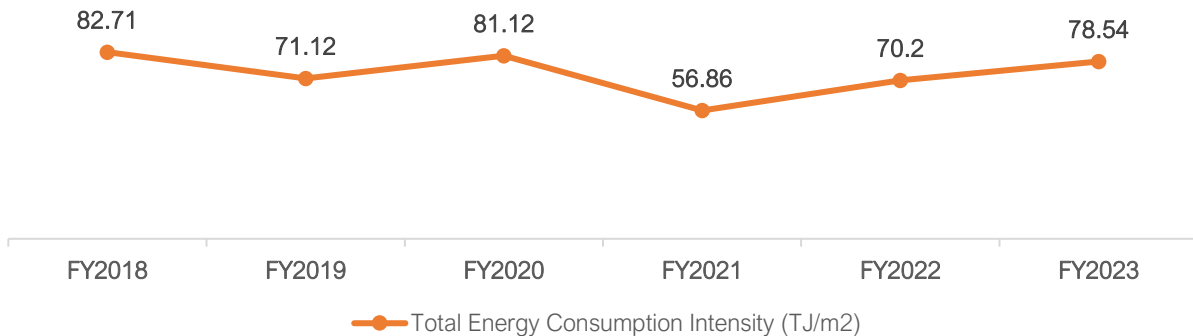
FY2023 PERFORMANCE

EC World REIT has reduced its total energy intensity by 5.05% from the properties under its operational control and is on its way to achieving its revised 2030 target

REVISED TARGET

EC World REIT aims reduce its total energy intensity by at least 20% by 2030 from the properties under its operation control compared with FY2018 baseline

Total Energy Consumption Intensity (TJ/m²)
FY2018-2023



Environmental Risk Management and Climate Change Resilience

The Monetary Authority of Singapore released a set of guidelines on environmental risk management (“MAS guidelines”) in December 2020. The aim of these guidelines is to bolster the resilience and management of environmental risk by financial institutions, 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 adopted the TCFD recommendations and met the requirements of SGXRegCo ahead of time by incorporating climate related financial disclosures based on TCFD recommendations from previous reporting year onwards. The FY2023 marks the second year of reporting the TCFD disclosures aligned as per the year 2 of phased implementation by SGX.

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 and has reported based on year 2 requirements of phased implementation by SGX.

Key Components of TCFD Recommendations and EC World REIT’s Response

Governance

- a) Describe the board’s oversight of climate-related risks and opportunities.
- b) Describe management’s role in assessing and managing climate-related risks and opportunities.

EC World REIT’s Response

- 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.
- Management’s role is to design, implement, and monitor internal controls and risk management systems, develop tools and metrics to monitor exposures to environmental risk. Management holds the responsibility for identifying, assessing, mitigating, monitoring, and reporting environmental risks, including climate-related risks to the Board.
- Please refer to page 13 on “Our Sustainability Approach” for more information.

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

EC World REIT's Response

- The Manager has identified and evaluated the impact of climate-related risks and aims to incorporate environmental risk management into the current Risk Management Policy and Investment Policy. This integration ensures that environmental risks are taken into consideration and appropriately managed during the research and portfolio construction phases.
- EC World 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 page 45-47 for more information on the climate-related risks identified and assessed impact under different scenarios.
- In August 2023, EC World REIT released and implemented the Business Sustainability Program to ensure active prevention and to deal with a series of consequences of disasters, minimise the spread and loss of disasters, and control them within the scope that the company can bear, and effectively ensure business continuity.
- More details on risk assessment and impact of risks are discussed in the Risk Management section below.

Risk Management

a) Describe the organisation's processes for identifying and assessing climate-related risks.

b) Describe the organisation's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

EC World REIT's Response

- 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 Risk Management Policy, the Manager will assess and implement collaborative asset enhancement initiatives (AEIs) to improve the environmental performance of its properties where feasible.

Furthermore, the Manager will introduce training to enhance skills in environmental and climate-related risk and will consider collaborating with other asset managers where such opportunities present themselves.

- Please refer to page 45-47 for more information on EC World REIT's climate-related risks identification and assessment, and the applicable mitigation measures.
- As per the Business Sustainability Program launched and implemented in August 2023, the risk assessment is mainly scored from the two dimensions of risk impact and likelihood to determine the risk level. The impact of risk is assessed in three dimensions: property damage, business interruption and third-party liability, and the impact of each aspect is divided into five levels.
- Using the developed risk assessment tool, the risk assessment of the possible crisis of the REIT project is carried out, the risk score is determined: the impact (property damage + business interruption + third-party liability) × likelihood, and a targeted business continuity plan is formulated based on the risk score results. The risk level is divided into General Risks for a score between 3-27, Greater Risk for score between 28-48, and Significant Risks for a score of more than 48.

Metrics and Targets

- a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets

EC World REIT's Response

- The manager reports climate-related and environmental metrics such as energy consumption and intensity, Scope 1, and Scope 2 GHG emissions and intensity as disclosed in this sustainability report. Refer to pages 39 to 42 for more information on EC World REIT's target and performance for "Energy use and GHG Emissions".
- The most relevant and significant Scope 3 emissions for the REIT Industry typically include emissions related to purchased goods and services, fuel-and-energy-related activities (not included in Scope 1 and 2), waste generated in operations, business travel, employee commuting, downstream leased assets, and investments. EC World is currently exploring the opportunity to report more about our Scope 3 emissions in subsequent reporting cycles.
- Moving forward, EC World REIT is open to exploring longer-term targets to improve and manage our environmental risk and opportunities, such as exploring Green Mark initiatives.

For FY2023, EC World REIT has reviewed and stands by the qualitative environmental risk assessment and scenario analysis exercise conducted in the previous financial year to identify and assess the potential impacts of:

- Transition risks⁸, under a Net Zero scenario, and a Business-as-usual (BAU) scenario
- Physical risks⁹, under a BAU scenario

The Net Zero scenario presumes that by 2100, the increase in global mean temperature from pre-industrial levels would be 1.5°C or less. This scenario anticipates higher transition risks due to regulatory, market, and technological changes in a more environmentally sustainable, lower-carbon economy. We have considered physical risks to be negligible 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 pathway¹⁰.

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 synchronized with our capital planning and investment time horizons, which extend to 5 to 10 years or more. To manage climate-related risks effectively, we have established a set of perpetual targets for constant monitoring and management of existing and newly 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 | Examples of Possible Impacts | Mitigation measures |
|--|--|---|
| Transition risk | | |
| Regulatory and policy - The risk of loss resulting from failure to comply with laws, regulations, contracts or court decisions relating to the | Mandatory climate-related disclosures (and stricter sustainability reporting requirements) could lead to additional expenses as regulated companies establish and maintain processes for monitoring carbon emissions. If a company's gathering | <ul style="list-style-type: none"> • EC World seeks to maintain transparency and accountability through regular reporting on its climate risks and opportunities • EC World keeps abreast of latest regulatory developments through |

⁸ 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.

⁹ 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.

¹⁰ 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.

| | | |
|---|--|---|
| impacts of climate change. | and management of basic data and information is not prompt and robust, non-compliance with the disclosure of greenhouse gas (GHG) emissions could impact capital financing. | regular training in sustainability <ul style="list-style-type: none"> • EC World currently meets China’s Energy Conservation Law and has an energy intensity target in place. • EC World keeps in place a transitional risk register to continue monitoring the development of various ESG regulations. |
| Reputational - The risk of damage to an organization's image and brand as a result of its actions or perceived inaction on climate-related issues. | Failure to satisfy rising stakeholder expectations concerning climate change and emissions reduction, reporting disclosure obligations, and green building certifications may result in negative reputational impacts. This could make it challenging to secure investment capital, insurance, and approvals, affect talent retention and attraction, and lead to potential shareholder divestment. Reports where performance falls short of stakeholder expectations could deteriorate investor confidence and lead to decreases in company valuations. | <ul style="list-style-type: none"> • EC World ensures regular communications with its key stakeholders to keep up to date with any stakeholder feedback on climate-related issues (please see the “Stakeholder Engagement” section on page 13-14). • EC World provides training and education on awareness of energy conservation for relevant personnel and lessees, as well as conduct annual tenant surveys at several properties to collect feedback. |
| Market – Mandates and regulation of existing products and services | There is increasing pressure to decarbonize, potentially resulting in increased compliance costs. Expanded coverage of energy-saving laws/energy efficiency standards, enhanced targets of cap-and-trade programs, and extensive renovations and retrofitting for green technology may be costly and result in significant capital expenditure. | <ul style="list-style-type: none"> • EC World has prioritised Quality of Assets and Product Innovation as key material topics, turning this risk into opportunities to improve on EC World’s assets. |
| Technology and cyber - The risk of obsolescence or reduced competitiveness resulting from the failure to adopt new technologies or business practices that address the | Failure to incorporate new disruptive technologies that could potentially manage energy, emissions, water, and waste demands in the operation of buildings could lead to loss of market share and stranded assets. The application of inventive green technologies could heighten the construction and maintenance costs of buildings. | <ul style="list-style-type: none"> • EC World has prioritised Quality of Assets and Product Innovation as key material topics, turning this risk into opportunities to improve on EC World’s assets. |

impacts of climate change

Physical risk

Acute - Extreme weather such as flooding, fire index caused property damage and business disruption

Flooding events can cause property damage and disrupt the usage of facilities. Similarly, fire incidents can lead to property destruction and interrupt facility operations.

- EC World has developed and implemented a Business Sustainability Program to ensure active prevention and to deal with a series of consequences of disasters, minimise the spread and loss of disasters, and control them within the scope that the company can bear, and effectively ensure business continuity.

| Opportunity Type | Description | Possible Opportunities |
|---------------------|--|---|
| Resource Efficiency | The opportunity to reducing operating costs through improved energy usage, moving to more efficient technologies, reducing wastage, and managing supply chains more effectively. | EC World is committed to upgrading the perimeter lighting to more energy-efficient LED lighting, leading to annual electricity savings. Reduced operating costs by improving efficiency across buildings, particularly in relation to energy efficiency but also including broader materials, water, and waste management. Innovation plays a significant role in this transition, including developing efficient heating solutions and circular economy solutions, making advances in LED lighting technology, retrofitting buildings. |
| Energy Source | Opportunities related to low-emission energy sources and transitioning to a low-carbon economy. | The rooftop photovoltaic power station installed at Meiloute is used to meet the internal energy needs of the building, thereby reducing dependence on the traditional power grid, and contribute to a decrease in carbon emissions and promote sustainable development. Shift in energy usage toward low emission energy sources could potentially save on annual energy costs. |

Products and Services

Creating or expanding low-emission goods or services or developing innovative climate-related products that can either reduce emissions or help with adaptation.

Innovation and development of new low-emission products and services may improve the competitive position and capitalize on shifting consumer and producer preferences.

Water Management

GRI [306-5]

EC World REIT acknowledges the significant role of water management within our business. The Manager begin reporting on our practices and initiatives related to water management starting from the previous financial year. In China, our properties comply with local water discharge regulations, 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. In FY2023, the total water consumption by China properties¹¹ decreased to 255,173 tons as compared to 278,180 tonnes of water in FY2022 translating to a water intensity of 267 kg/m² in FY2023.

| Financial year | Water consumption (tons) | Water Intensity (kg/m ²) |
|----------------|--------------------------|--------------------------------------|
| FY2023 | 255,173 | 267 |
| FY2022 | 278,180 | 292 |

Waste Management

GRI [303-5]

As a REIT, waste management is vital since we have a considerable influence on enabling communities to accomplish waste reduction and diversion. Moreover, implementing suitable practices and initiatives will enhance the efficiency of product and material use, as well as contribute to cost reduction in the long run. EC World began to report own efforts and practices in waste management starting from the previous fiscal year. In FY2023, we have collected 1365.22 tonnes waste in total from the 7 properties located in China. A significant reduction in waste production was observed as different operational statuses and termination statuses for EC World properties tenants led to a change in waste quantity.

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.

¹¹ 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.

| Financial year | Waste collected (tonnes) |
|----------------|--------------------------|
| FY2023 | 1,365.22 |
| FY2022 | 3,571.01 |

GRI Content Index¹²

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| General Disclosures | | | | |
| GRI 2: General Disclosures 2021 | 1. The organisation and its reporting practices | | | |
| | 2-1 | Organisational details | About EC World REIT | 5 – 7 |
| | 2-2 | Entities included in the organisation's sustainability reporting | About the report | 4 |
| | 2-3 | Reporting period, frequency and contact point | About the report | 4 |
| | 2-4 | Restatements of information | No restatements of information have been made in FY2023. | - |
| | 2-5 | External assurance | External assurance has not been sought for the FY2023 Sustainability Report | - |
| | 2. Activities and workers | | | |
| | 2-6 | Activities, value chain and other business relationships | About EC World REIT | 5 – 12 |
| | 2-7 | Employees | Our people - Profile of our workforce | 31 – 32 |
| | 2-8 | Workers who are not employees | Information unavailable/incomplete | - |
| | 3. Governance | | | |

¹² As a result of the application for extension of time to hold the Annual General Meeting (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 |
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| | 2-9 | Governance structure and composition | Annual report | - |
| | 2-10 | Nomination and selection of the highest governance body | Annual report | - |
| | 2-11 | Chair of the highest governance body | Annual report | - |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Our sustainability approach - Sustainability governance at EC World | 13 |
| | 2-13 | Delegation of responsibility for managing impacts | Our sustainability approach - Sustainability governance at EC World | 13 |
| | 2-14 | Role of the highest governance body in sustainability reporting | Board statement | 2 – 3 |
| | | | Our sustainability approach - Sustainability governance at EC World | 13 |
| | 2-15 | Conflicts of interest | Annual report | - |
| | 2-16 | Communication of critical concerns | Governance -Whistleblowing | 18 – 19 |
| | 2-17 | Collective knowledge of the highest governance body | Our sustainability approach - Sustainability governance at EC World | 13 |
| | 2-18 | Evaluation of the performance of the highest governance body | Annual report | - |

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| | 2-19 | Remuneration policies | Annual report | - |
| | 2-20 | Process to determine remuneration | Annual report | - |
| | 2-21 | Annual total compensation ratio | Annual report | - |
| Strategy, policies and practices | | | | |
| | 2-22 | Statement on sustainable development strategy | Board statement | 2 – 3 |
| | 2-23 | Policy commitments | Disclosed throughout SR2023 across all material topics | 21, 25, 29, 33 – 34, 38 |
| | 2-24 | Embedding policy commitments | Disclosed throughout SR2023 across all material topics | 21, 25, 29, 33 – 34, 38 |
| | 2-25 | Processes to remediate negative impacts | Governance -Whistleblowing | 19 – 20 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Governance -Whistleblowing | 19 – 20 |
| | 2-28 | Membership associations | About EC World REIT | 13 |
| Stakeholder engagement | | | | |
| | 2-29 | Approach to stakeholder engagement | Our sustainability approach - Stakeholder engagement | 14 – 16 |
| | 2-30 | Collective bargaining agreements | EC World REIT does not have any collective bargaining agreements. | - |

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| General Disclosures | | | | | |
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | Our sustainability approach - Materiality assessment | 16 | |
| | 3-2 | List of material topics | Our sustainability approach - Materiality assessment | 16 | |
| Topic-specific GRI Standard Disclosures | | | | | |
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| GRI 3: Material Topics 2021 | 3-3 | Management of Material Topics | Our business - Product innovation | 29 – 30 | |
| Category: Environmental | | Energy Use and GHG Emissions | | | |
| GRI 3: Material Topics 2021 | 3-3 | Explanation of the material topic and its Boundary | Our environment - Energy use and greenhouse gas (GHG) emissions | 38 – 40 | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organisation | Our environment - Energy use and greenhouse gas (GHG) emissions | 40 – 43 | |
| | 302-3 | Energy intensity | Our environment - Energy use and greenhouse gas (GHG) emissions | 41 – 44 | |
| GRI 305: Emissions 2016 | 305-2 | Energy indirect (Scope 2) GHG emissions | Our environment - Energy use and greenhouse gas (GHG) emissions | 41 – 44 | |
| | 305-4 | GHG emissions intensity | Our environment - Energy use and greenhouse gas (GHG) emissions | 41 – 44 | |

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| GRI G4 Sector Disclosure: Construction and Real Estate | CRE-3 | Greenhouse gas emissions intensity from buildings | Our environment - Energy use and greenhouse gas (GHG) emissions | 41 – 44 |
| GRI 303: Water and Effluents 2018 | 303-5 | Water consumption | Our environment - Water management | 50 – 51 |
| GRI 306: Waste 2020 | 306-5 | Waste directed to disposal | Our environment - Waste management | 50 – 51 |
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| GRI 3: Material Topics 2021 | 3-3 | Management of Material Topics | Our people - Workplace health and safety | 33 – 36 |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Our people - Profile of our workforce | 31 – 32 |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per employee | Our people - Workplace health and safety | 35 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Our people - Profile of our workforce | 32 – 33 |
| GRI 403: Occupational | 403-1 | Occupational health and safety management system | Our people - Workplace health and safety | 34 – 37 |

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| Health and Safety 2018 | 403-2 | Hazard identification, risk assessment, and incident investigation | Our people - Workplace health and safety | 34 – 37 |
| | 403-3 | Occupational health services | Our people - Workplace health and safety | 34 – 37 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Our people - Workplace health and safety | 34 – 37 |
| | 403-5 | Worker training on occupational health and safety | Our people - Workplace health and safety | 34 – 37 |
| | 403-6 | Promotion of worker health | Our people - Workplace health and safety | 34 – 37 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Our people - Workplace health and safety | 34 – 37 |
| | 403-9 | Work-related injuries | Our people - Workplace health and safety | 34 – 37 |
| | 403-10 | Work-related ill health | Our people - Workplace health and safety | 34 – 37 |
| Category: Social | | Quality of Assets | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Our business - Quality of assets | 25 – 28 |
| GRI G4 Sector Disclosure: Construction | CRE-8 | Type and number of sustainability certification, rating and labelling schemes for new | Our business - Quality of assets | 25 – 28 |

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| and Real Estate | | construction, management, occupation and redevelopment | | |
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| GRI 2: General Disclosures 2021 | 2-27 | Compliance with laws and regulations | Governance - Regulatory Compliance | 21 – 24 |