

SUSTAINABILITY REPORT

ABOUT ESR-REIT'S SUSTAINABILITY REPORT 2024

About this report

This Sustainability Report summarises ESR-REIT's Environment, Social, and Governance ("ESG") management, targets and performance for the financial year ending 31 December 2024 (FY2024). As of 31 December 2024, our portfolio comprises 52 properties in Singapore, 18 in Australia, and 2 in Japan. For the complete list of properties, please see pages 60 to 67 of the Annual Report.

In alignment with ESR Group's ESG data scope and reporting boundary, the Environmental data disclosed in this report relates to the multi-tenanted buildings ("MTBs") which the Manager has operational control over. 20 Tuas South Avenue 14 is excluded from disclosure as it was acquired on 29 November 2024 and we do not have complete environmental data. The Social and Governance data relates to the Manager's operations, employees and its property managers. For a holistic understanding of our company's performance and sustainability efforts, please refer to our Annual Report in conjunction with this Sustainability Report.

ESR-REIT's Board of Directors (the "Board") and Board Sustainability Committee ("BSC") have reviewed and approved the report. The report was prepared referencing the following standards, frameworks, and regulations, where applicable:

- In accordance with Global Reporting Initiative ("GRI") Universal Standards 2021
- Climate-related provisions in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures
- The Sustainability Accounting Standards Board ("SASB") Standards for Real Estate
- Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Rules 711A and 711B with Practice Note 7.6
- United Nations Sustainable Development Goals ("UN SDGs")

This report aligns with the GRI Universal Standards 2021 to enable global consistency and comparability. Building onto the Taskforce on Climate-related Financial Disclosures ("TCFD"), which are now incorporated under the IFRS S2 requirements and under the purview of the International Sustainability Standards Board ("ISSB"), we are progressively aligning with the climate-related disclosure requirements of IFRS in the coming years, such as reporting against SASB and quantifying climate risks. Such disclosures will better reflect the financial impacts of climate change on our portfolio.

The report also references the following guidelines:

- SGX-ST's 27 Core Metrics
- Monetary Authority of Singapore's ("MAS") Guidelines on Environmental Risk Management for Asset Managers

To promote transparency and credibility, ESR-REIT has engaged PricewaterhouseCoopers Risk Services Pte. Ltd. to conduct an Internal Audit Review of our current sustainability reporting process primarily based on enquiry, observation and supplemented by limited testing of transactions, reports and reconciliations. To the extent applicable, the review process further strengthened our risk and governance processes, internal controls, and systems.

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In addition, we have engaged SGS International Certification Services Singapore Pte Ltd, an independent external assurance provider to provide limited assurance over selected key environmental data, namely energy intensity, water intensity and solar capacity. The assurance covers the reporting period of 1 January 2024 to 31 December 2024 and was conducted in accordance with the International Standard on Assurance Engagements — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000). The Assurance Statement prepared by SGS can be found from pages 188 to 190. We will continue to expand the scope for external assurance in future reporting cycles to align with regulatory requirements.

Restatement of information

For FY2024, we have updated our targets to account for the merger between ESR-REIT and ARA LOGOS Logistics Trust (“Merger”). In alignment with the Decarbonisation Roadmap developed by the Manager to decarbonise operations of ESR-REIT (the “Decarbonisation Roadmap”), the targets’ baseline has been refreshed to FY2023 where relevant, which is representative of the expanded portfolio. In the process, efforts have been made to align on data collection methodologies and improving completeness of the baseline. The following FY2023 figures were restated:

- **Solar generation:** This target will be measured against the solar capacity to align with the Decarbonisation Roadmap.
- **Energy consumption, Energy intensity, greenhouse gas (“GHG”) emissions and GHG emissions intensity:** These figures have been restated to align with ESR Group’s reporting boundary. For this Sustainability Report, we do not consider Australia MTBs’ common areas in the calculations as they are not managed by the landlord. Therefore, the reported data from FY2023 would have to be restated for a like-for-like comparison with FY2024, representing energy consumption for areas under the Manager’s operational control.
- **Water Consumption and Water intensity:** These figures have been restated to align with ESR Group’s reporting boundary for the above-mentioned reasons under Energy consumption, Energy intensity, GHG emissions and GHG emissions intensity.

Please refer to their respective sections for further information on the restatement.

Feedback

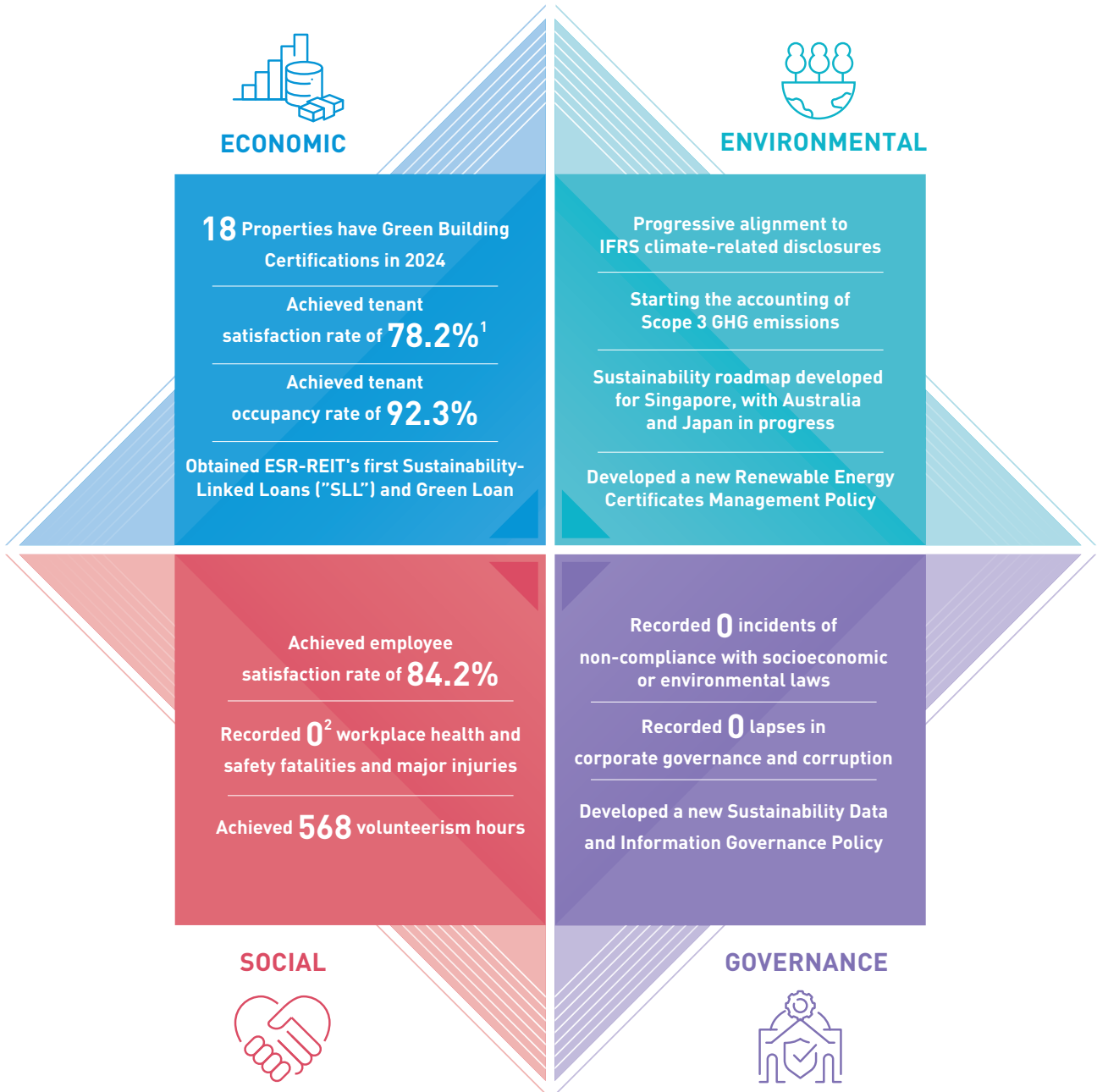
We publish our progress annually and value your feedback on our reporting, approach, and performance. Please share your thoughts and suggestions at enquiry@esr-reit.com.sg.

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2024 AT A GLANCE



- 1 Tenant satisfaction rate was derived from aggregation of results obtained for Singapore and Japan properties using number of responses received. Australia portfolio was excluded as the survey was conducted anonymously across the ESR Australia portfolio instead of ESR-REIT arising from the recent integration. Therefore, the results cannot be analysed in relation to properties held by ESR-REIT only. The survey methodology will be improved in 2025 to ensure coverage of the entire portfolio. ESR-REIT is committed to increase engagement with tenants to improve tenant relationships and to obtain and address feedback on our services and assets through a series of planned tenant programs such as Chinese New Year tenant lunch, OktoberFest and Durian Party.
- 2 This relates to the employees of ESR-REIT Manager and Property Manager.

BOARD STATEMENT

Reflecting on the past year, ESR-REIT is proud to share the progress made and achievements attained. These milestones demonstrate ESR-REIT's commitment to assimilate ESG objectives into the way we operate, to enhance our value proposition to investors and the communities we serve.

Enhancing climate risk management

Since FY2024, we have established a Board Sustainability Committee ("BSC") with subject matter expertise on sustainability risk management. This provides guidance for the business amidst more stringent reporting and risk management expectations. As a listed company, ESR-REIT is required to incorporate climate-related requirements from the IFRS Sustainability Disclosure Standards. This builds on our past TCFD assessment to provide more granular information on our governance oversight and financial materiality of sustainability. We have started modelling the impact of our material physical and transition risks that are most significant to the company's financial performance. The findings provide insights into our operational resilience, prioritisation and planning, contributing to a more holistic management of our portfolio. Moving forward, we will gradually incorporate more disclosures relating to the relevant GHG emissions in accordance with the IFRS climate-related requirements.

Expanding and implementing our decarbonisation roadmap

FY2024 marked the development of the first decarbonisation roadmap for our Singapore portfolio. It provided clarity on the assets' sustainability performance and informed the mitigation actions required to align with our targets. Building on this effort, we are developing similar roadmaps for our Australia and Japan portfolios tailored to local context. In Singapore, we will be focusing on attaining Green Building Certifications, enhancing energy efficiency and expanding our renewable energy programme. We have also started building our Scope 3 inventory, prioritising the calculation of five categories that are most material to our operations.

Strengthening business resilience

Our targets need to reflect the expanded portfolio from our merger with ARA LOGOS Logistics Trust. We recalibrated our sustainability targets to set more ambitious goals for those that have been achieved, and to ensure continued relevance of existing ones. This includes aligning with ESR Group's Net Zero Carbon commitments and charting out interim reduction targets alongside improvements in data collection. Our continued progress is evident through our fourth year of participation in GRESB Real Estate Assessment, scoring 73 points and maintaining our two-star rating from 2023.

With increased maturity in reporting our sustainability-related data, we intend to leverage technology to streamline performance tracking and disclosures. In the coming years, we are looking to onboard data management platforms and install smart meters across our properties.

Our sustainability efforts are aligned with our mission to deliver stable and long-term value for our stakeholders and Unitholders.

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PROGRESS OF SUSTAINABILITY TARGETS AND PERFORMANCE

In FY2024, we refreshed our targets with a FY2023 baseline to ensure continued relevance to the business operations.

Legend:

■	Met targets
■	On track to meet targets
■	Did not meet targets

Short Term Up to FY2025

Medium Term Up to FY2030

Long Term Up to FY2050

Material Factor	Targets	Time Horizon	2024 Performance
Investment Management — Quality Assets and Services	Updated Achieve Green Building Certification for 80.0% of Singapore properties (by Gross Floor Area ("GFA")) by FY2030	Medium Term	28.0% of Singapore properties (by GFA) have obtained Green Building Certification as at FY2024, with a pipeline of properties to achieve the certifications going forward
	New Achieve Green Building Certification for 100.0% of Japan properties (by GFA) by FY2030	Medium Term	100.0% of Japan properties (by GFA) have obtained Green Building Certification as at FY2024
	New Apply Green Leases to 100.0% of total Singapore Net Lettable Area ("NLA") by FY2028	Medium Term	Applied Green Leases to 6.6% of Singapore NLA, with new and existing leases identified to incorporate green clauses going forward
Tenant Engagement and Satisfaction	Updated Achieve >80.0% tenant satisfaction rate across the portfolio	Perpetual	Achieved tenant satisfaction rate of 78.2% in FY2024
Energy and Carbon Footprint	Achieve 7.0% reduction in absolute energy consumption for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Absolute energy consumption reduced by 20.5% from FY2023 to FY2024
	Achieve 7.0% reduction in energy intensity for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Energy intensity reduced by 17.7% (Grid and Renewables), and 16.6% (Grid only) from FY2023 to FY2024

Material Factor	Targets	Time Horizon	2024 Performance
	New Achieve total 15.0% reduction ¹ of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2027 from baseline year FY2023	Medium Term	Scope 1 and 2 emissions for Singapore MTBs' common area reduced by 17.4%, from FY2023 to FY2024
	New Achieve total 25.0% reduction ¹ of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2030 from baseline year FY2023	Medium Term	On track
	Updated Achieve total solar capacity of 30 MWp for the Singapore portfolio by FY2030	Medium Term	Solar capacity of the Singapore portfolio increased to 15.5 MWp in FY2024
Climate Change Adaptation	New Achieve Net Zero by 2050	Long Term	On track
Water	Obtain Water Efficiency Building ("WEB") Certification for all MTBs in Singapore by FY2025	Short Term	27 out of 32 MTBs in Singapore are WEB certified as at FY2024
	Achieve 14.0% water intensity reduction for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Water intensity decreased by 1.8% from FY2023 to FY2024
Employee Engagement and Satisfaction	Achieve >75.0% employee satisfaction rate	Perpetual	Achieved employee satisfaction rate at 84.2%
	Achieve >80.0% survey response rate	Perpetual	Achieved employee response rate at 93.9%
	Achieve 16.0 training hours on average per year per employee	Perpetual	Achieved average of 36.5 training hours per employee
Diversity and Equal Opportunity	Have four age group categories represented on the Board: 30-50, 50-60, 60-70 and >70 age groups	Perpetual	All four age groups are represented
	Have Board members with various tenures with the Manager's Board	Perpetual	Board members are from the '0-3', '3-5' and '5-7' years tenures

¹ Reduction will include the substitute of brown energy consumption with green energy sources such as solar power for the Singapore MTB assets.

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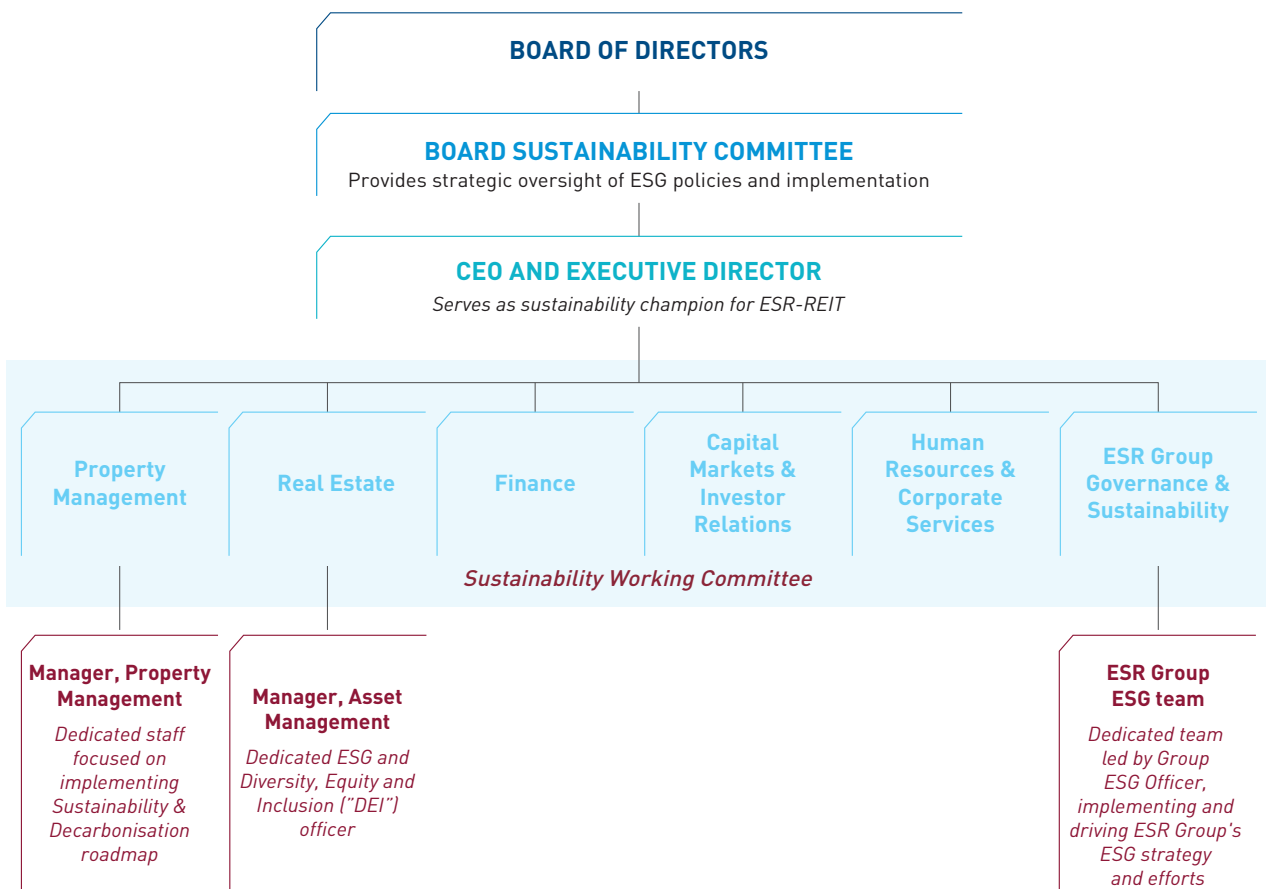
Material Factor	Targets	Time Horizon	2024 Performance
	Appoint a female Board or NRC Chairperson	Perpetual	Appointed female Board Chairperson
	Have at least two female directors on the Board	Perpetual	Two female directors are represented on the Board
	Appoint at least two different ethnic groups on the Board	Perpetual	Three ethnic groups have been represented
	Appoint at least 50.0% independent Board members	Perpetual	Achieved regulatory requirement of having at least 50.0% of the Board being independent
	Appoint at least one Board member with no prior listed company board experience and/or real estate funds management experience	Perpetual	<p>One Board member appointed in FY2023 did not have prior listed company board experience at the point of appointment</p> <p>Two Board members appointed in FY2022 did not have prior listed company board experience during their appointments. As at this report, they do not have other listed company board representation besides the Board of the Manager</p>
Health and Safety	Achieve zero Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR")	Perpetual	Achieved zero WFIR and MIR in FY2024
	Conduct quarterly health and safety committee meetings	Perpetual	Monthly health and safety committee meetings were held to review and improve on the WSH practices
Supply Chain Management	Updated 100.0% compliance of applicable Singapore vendors (Repair & Maintenance Service) with Green Procurement Policy by FY2028	Medium Term	25.0% of total applicable Singapore vendors met the Green Procurement Policy with other vendors identified to meet the policy requirement going forward
Community	Achieve 500 hours or more employee volunteerism per year	Perpetual	Achieved 568 hours in FY2024
Governance and Enterprise Risk Management	Achieve zero lapse in corporate governance or corruption	Perpetual	Achieved zero lapses in corporate governance or corruption
Regulatory Compliance	Achieve zero material incidents of non-compliance with socio-economic laws and regulations	Perpetual	Achieved zero material incidents of non-compliance with socioeconomic or environmental laws

HOW WE MANAGE SUSTAINABILITY

Our Sustainability Leaders at ESR-REIT

Sustainability Governance

Sustainability management is permeated throughout the different levels within ESR-REIT, each having differentiated responsibilities but guided by a common sustainability strategy. The three main actants are namely the Board, the BSC and the Sustainability Working Committee ("SWC").



ESR-REIT's Sustainability Governance Structure

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Responsibilities Within the Governance Structure

The Board has the highest level of oversight in shaping our sustainability strategy and guides the consideration of sustainability in business decisions. They are responsible for overseeing the identification and prioritisation of material ESG topics, with the most recent review conducted post-merger between ESR-REIT and ARA LOGOS Logistics Trust. The Board is also responsible for building strong relationships with key stakeholders and ensuring their interests are factored into our decision-making. All Directors have completed the required sustainability training as mandated by SGX-ST.

To support the Board in providing oversight and governance of ESR-REIT's sustainability strategy, ESG performance and compliance, we have established the BSC in FY2024, chaired by a non-executive member of the Board. The BSC members are appointed by the Board and are assessed to have knowledge of both the business activities and of sustainability issues. The members are:

- Mr. George Agethen, Non-Executive Director and Chairperson of the BSC
- Dr. Julie Lo, Independent Non-Executive Director
- Mr. Chan Mun Wei, an external sustainability consultant who is an independent party and subject matter expert

The BSC reviews and recommends improvements to the Management's proposed sustainability governance, strategy, targets, policies, and performance to set realistic goals while keeping aligned to evolving global standards. To integrate these into business operations, the BSC ensures business decisions consider these sustainability objectives and oversees implementation of the sustainability strategy. The BSC convenes semi-annually or more frequently on a need's basis, to review sustainability performance and discuss strategic priorities for reporting to the Board.

To ensure effective implementation of our sustainability efforts, we established a SWC chaired by our CEO. The SWC oversees our sustainability initiatives, ensuring they align with our strategic goals and meet stakeholder expectations. The committee reviews our business activities, identifies ESG risks and opportunities, assesses outcomes of the ESG impacts and ensures that appropriate measures are in place to manage and mitigate these risks. The committee works closely with internal teams to update and implement our enterprise risk assessment and understand the financial impact of identified risks. The SWC reports on ESG management and impact mitigation to the BSC quarterly, through the Operational Report, Risk Appetite Statements and Key Risk and Control Matrix throughout the year.

In preparation of the annual sustainability report, the SWC is responsible for managing the reporting process and review, including stakeholder engagement, materiality review and target setting. The BSC and the wider Board then reviews and approves the report for publication.



ESR-REIT's sustainability reporting process is subject to internal review. Identified processes relating to sustainability reporting have been incorporated into the internal audit plan, which covers key aspects of this Sustainability Report. The internal review takes place over one audit cycle, which may span one or a few years in accordance with risk-based planning, as approved by the Audit, Risk Management and Compliance Committee ("ARCC"). The internal review has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

STAKEHOLDER ENGAGEMENT





We regularly engage with key stakeholders to ensure alignment with our business strategy. These engagement sessions serve as a forum for open and transparent dialogue, enabling us to align our strategic objectives with the needs and expectations of our stakeholders. Concurrently, the sessions provide an avenue for us to share our plans, progress and key initiatives while soliciting feedback.

There were no critical concerns raised to the Board in FY2024.

The BSC identified the following key stakeholder groups who are involved in shaping our business performance and long-term strategy:

Stakeholder	Forms of engagement	Key topics raised	How we responded
<p>Investment Community (Institutional and Retail Investors, Analysts and the Media)</p> 	<ul style="list-style-type: none"> Dedicated investor relations team pro-actively communicates with the investment community to keep them updated on operational and financial performance, as well as ESR-REIT’s long-term strategy Regular financial and non-financial performance updates Annual General Meetings (“AGMs”) and Extraordinary General Meetings (“EGMs”) Investor conferences, face-to-face meetings and Non-Deal Roadshows 	<ul style="list-style-type: none"> Long-term, sustainable and recurring distributions ESR-REIT’s business outlook and growth strategy Timely updates on ESR-REIT’s portfolio performance, asset and capital management, asset enhancement initiatives (“AEIs”), acquisitions and divestments, as well as major corporate developments 	<ul style="list-style-type: none"> Announcement of half-yearly and annual financial results, with interim business updates in between the results periods Half-yearly briefings for analysts and media Comprehensive investor relations section on ESR-REIT’s website Provided written responses to key questions from Unitholders ahead of our AGMs and EGMs
<p>Board of Directors/ BSC</p> 	<ul style="list-style-type: none"> Regular face-to-face or virtual meetings, online communication and calls Orientation and training programmes for new and existing Directors Annual Board evaluation 	<ul style="list-style-type: none"> ESR-REIT’s overall corporate governance and sustainability framework and initiatives Setting of ESR-REIT’s strategic objectives, broad policies, procedures and targets Ensuring regulatory compliance Ensuring that the organisation meets the needs and expectations of stakeholders 	<ul style="list-style-type: none"> Timely and regular updates from key management on business activities











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Stakeholder	Forms of engagement	Key topics raised	How we responded
Government Agencies and Industry Organisations 	<ul style="list-style-type: none"> • Periodic participation in industry forums and dialogues • Membership in industry associations such as the REIT Association of Singapore 	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations • ESR-REIT's economic, environmental, social and governance impacts on the communities the REIT operates in 	<ul style="list-style-type: none"> • Ensure compliance with all applicable laws and regulations • Regular monitoring and evaluation of ESG impact
Existing and Potential Tenants 	<ul style="list-style-type: none"> • 24/7 call centre with specialised functions to address tenants' concerns • Open communication • Frequent site visits and face-to-face discussions • Social and networking events • Tenant satisfaction survey 	<ul style="list-style-type: none"> • Competitive rental rates and locations • Conducive and secure work environments with adequate facilities • On-site security practices and management 	<ul style="list-style-type: none"> • Support for key tenants' corporate milestone events • Responsiveness towards tenants' feedback • Health and safety initiatives
Local Communities 	<ul style="list-style-type: none"> • Regular monitoring of community needs via feedback sessions with Members of Parliament and community centres for respective constituencies • Social and networking events 	<ul style="list-style-type: none"> • Responsible operations • Support in community development and activities • Creation of employment opportunities • Compassion and care for the underprivileged in society 	<ul style="list-style-type: none"> • Partnerships and sponsorships for events and programmes • Giving back to the community through donations and participation in meaningful community outreach activities • Supporting tenants' Corporate Social Responsibility programmes where possible
Management Team and Employees 	<ul style="list-style-type: none"> • Weekly/bi-weekly department meetings • Bi-weekly Heads of Departments' meetings 	<ul style="list-style-type: none"> • Recruitment updates • Competitive remuneration and benefits • Job security, stability and pathways for career progression • Health, workplace safety and work-life balance • Equality and diversity at the workplace 	<ul style="list-style-type: none"> • Empowerment and active engagement • Orientation and training programmes for new employees • Annual performance review • Training and development programmes • Team bonding activities • Employee loyalty recognition programmes • Annual employee engagement survey • Annual health screening and wellness talks

OUR MATERIAL FACTORS

We regularly review our material ESG factors, including after any significant business changes and major shifts in industry trends, to identify opportunities and risks relevant to our operating environment. In FY2022/23, we conducted a thorough materiality assessment to identify, rate and prioritise material ESG factors for our expanded business following the Merger. The review prioritised topics that significantly impact our business and its relationship with the economy, environment and stakeholders along our value chain. The findings were then cascaded to the different functions, creating ownership and accountability for the effective management of these ESG factors.

The identified material topics align with our Sponsor’s sustainability goals and the UN SDGs. The Board assessed and validated the material topics to be current and relevant to ESR-REIT in FY2024 in consideration of recent global trends, as well as risks and opportunities impacting our stakeholders in the short-, medium-, and long-term horizons.

Pillar	Material areas	Related GRI Topics	Priority UN SDGs
Economic 	Investment Management — Quality of Assets and Services	Non-GRI Topic	
	Tenant Engagement and Satisfaction	Non-GRI Topic	
Environmental 	Energy and Carbon Footprint	Energy Emissions	 
	Climate Change Adaptation	Non-GRI topic	
	Water	Water and Effluents	
	Waste	Waste	
Social 	Employee Engagement and Satisfaction	Employment Training and Education	  
	Diversity and Equal Opportunity	Diversity and Equal Opportunity	
	Health and Safety	Occupational Health & Safety	
	Supply Chain Management	Environmental Assessment Supplier Social Assessment	
	Community	Local Communities	
Governance 	Governance and Enterprise Risk Management	Anti-Corruption	
	Regulatory Compliance	Socioeconomic Compliance Environmental Compliance	

ECONOMIC

MATERIAL TOPIC: INVESTMENT MANAGEMENT — QUALITY ASSETS AND SERVICES

Targets	Time Horizon	2024 Performance
Updated Achieve Green Building Certification for 80.0% of Singapore properties (by GFA) by FY2030	Medium Term	28.0% of Singapore Properties (by GFA) have obtained Green Building Certification as at FY2024, with a pipeline of properties to achieve the certifications going forward
New Achieve Green Building Certification for 100.0% of Japan properties (by GFA) by FY2030	Medium Term	100.0% of Japan Properties (by GFA) have obtained Green Building Certification as at FY2024
New Apply Green Leases to 100.0% of total Singapore NLA by FY2028	Medium Term	Applied Green Leases to 6.6% of Singapore NLA, with new and existing leases identified to incorporate green clauses going forward

Impact of Investment Management on Stakeholders

Effective management of our portfolio enables long-term quality returns. This includes supporting sustainable development through the efficient use of resources and investments in green buildings. Enhancing asset quality can benefit tenants and the surrounding community through improved facilities and cost efficiencies, and is associated with higher investment returns for Unitholders. However, to maintain and enhance the long-term value of our assets, we may undertake renovation projects that could temporarily impact rental income and tenant operations. We are committed to maintaining open and transparent communication with affected tenants and Unitholders and will coordinate renovation schedules to minimise disruptions.

How We Manage the Assets and Services

We continuously optimise and diversify our portfolios through strategic investments and divestments. Our portfolio management strategy aims to deliver strong, consistent distributions to our Unitholders through a disciplined investment approach focused on high-quality, resilient assets. Our strategy is designed to achieve this goal through three key pillars: active acquisition and development growth, achieving organic growth and exercising prudent capital management. Please refer to page 36 of the Annual Report for further details.

Key ways to improve sustainability of real estate portfolio are through conducting strategic AEs and meeting Green Building Certification standards. This is enabled through creating shared responsibility and collaborations between the Manager and our tenants, leveraging on our new Green Lease arrangements. To be more targeted in our efforts, we have engaged consultants to develop decarbonisation roadmaps for our Singapore, Australia and Japan portfolios. These roadmaps align our portfolio to the Net Zero 2050 target and chart out the various initiatives our assets should implement to achieve the target.

2024 Performance: Portfolio Assets

Ongoing AElS in ESR-REIT's Portfolio

The asset management team proactively identifies opportunities to implement AElS and solutions to meet ESR-REIT's sustainability targets, improve tenant experience and enhance property value. These AElS go beyond regular maintenance and include façade upgrades, improved common areas, enhanced fire safety systems, and energy-efficient Mechanical and Electrical systems upgrades.

Asset Enhancement Initiatives to Reduce Environmental Impact

16 Tai Seng Street is an 8-storey multi-tenanted industrial building undergoing enhancement works since 2022. The planning stages embedded initiatives to improve environmental and operational performance without compromising on the utility of the building. This includes installing a low heat gain glass façade and measures to reduce the building's thermal load. Energy-efficient features, such as Variable Voltage Variable Frequency drives and regenerative lift systems were incorporated to optimise energy consumption. Additionally, the common areas have been upgraded with energy-efficient lighting and equipped with motion sensors to further reduce energy usage.

Water-efficient fittings have also been installed as part of the toilet upgrading works to reduce water consumption. Furthermore, the property will feature electric vehicle charging stations to support tenants' use of electric vehicles and solar panels to reduce grid electricity consumption. As a testament to these green initiatives, the project has been awarded Green Mark Gold status since its commencement in 2022 and the AEl is slated for completion in 1H2025.



16 Tai Seng Street after enhancement



Low heat gain glass installed for new façade

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PROPERTIES WITH GREEN BUILDING CERTIFICATIONS

To meet our target of achieving Green Building Certifications for 80.0% of Singapore properties (by GFA) and 100.0% of Japan properties (by GFA), we have developed progressive certification plans for both new developments and existing assets over next five years.

BCA Green Mark Certifications

	Property	Year of Award & Certification Status
1	16 Tai Seng Street	2022 — Green Mark Gold
2	7002 Ang Mo Kio Avenue 5	2022 — Green Mark Gold
3	21B Senoko Loop	2022 — Green Mark Gold
4	19 Tai Seng Avenue	2022 — Green Mark Gold
5	ESR BizPark @ Changi (Hotel)	2024 — Green Mark Platinum
6	30 Marsiling Industrial Estate Road 8	2024 — Green Mark Platinum
7	8 Tuas South Lane	2024 — Green Mark Super Low Energy
8	13 Jalan Terusan	2024 — Green Mark Positive Energy
9	128 Joo Seng Road	2024 — Green Mark Super Low Energy
10	160A Gul Circle	2024 — Green Mark Positive Energy
11	5 & 7 Gul Street 1	2024 — Green Mark Positive Energy
12	120 Pioneer Road	2024 — Green Mark Positive Energy
13	20A Tuas South Avenue 14	2020 — Green Mark Platinum

LEED Certification

	Property	Year of Award & Certification Status
1	15 Greenwich Drive	2013 — LEED Platinum for Core & Shell
2	1 Greenwich Drive	2016 — LEED Gold for New Construction

Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Certification

	Property	Year of Award & Certification Status
1	ESR Sakura Distribution Centre, Japan	2022 — CASBEE Rank S
2	ESR Yatomi Kisosaki Distribution Centre, Japan	2021 — CASBEE Rank A

Green Building Council of Australia (GBCA) Green Star Certification

	Property	Year of Award & Certification Status
1	53 Peregrine Drive, Port of Brisbane, Australia	2024 — Green Star 5 Star Rating in Building Design & Construction

Influencing behaviours through Green Leases

Influencing the behaviours of tenants to support the monitoring and mitigation of sustainability impacts is a key challenge for REITs. Since FY2023, we have introduced Green Leases clauses to our Australia and Japan properties for new and renewed tenants.

We see the opportunity to leverage on Green Leases to collaborate with tenants on our sustainability initiatives. To accelerate our sustainability efforts, we have set a new target to apply Green Leases to 100.0% of our Singapore portfolio's NLA by FY2028. As of FY2024, we have applied Green Leases to 6.6% of Singapore portfolio's assets, primarily due to the introduction of new and renewed tenants. Through the use of Green Leases, we provide guidance to tenants on choosing lower impact fittings and also require the provision of environmental data to our property managers. The availability of such data will improve our sustainability performance, enhance our reporting and rating, and enable us to make better-informed decisions on potential AELs.

Tenant occupancy rates

The effectiveness of our portfolio and asset management measures are tracked through indicators such as tenant occupancy rate and tenant retention rate as at 31 December 2024. Over the past two years, our portfolio has consistently achieved an occupancy rate of >90.0% and an increase in tenant retention rate, which is testament to the value we bring to our tenants.

	2023	2024
Tenant occupancy rate	92.8%	92.3%
Tenant retention rate	75.5%	76.0%

MATERIAL TOPIC: TENANT ENGAGEMENT AND SATISFACTION

Target	Time Horizon	2024 Performance
<small>Updated</small> Achieve >80.0% tenant satisfaction rate across the portfolio	Perpetual	Achieved tenant satisfaction rate of 78.2% in FY2024

Impact of Tenant Engagement on Stakeholders

Building and maintaining strong, mutually beneficial relationships with our tenants is essential to the success of our business. Collaborating to enhance facilities while creating steady tenancy and a reliable source of income for the REIT is a key aspect of our business strategy. Without clear channels of communication, we risk missing opportunities to enhance our services and improve our relationships with tenants, which could undermine our ability to attract and retain tenants.

How We Manage Tenant Engagement

We actively engage with our tenants, address their concerns and enhance our facilities to attract and retain them. We utilise a range of communication channels, including site visits, email communication, and tenant surveys. In FY2024, we organised a series of events aimed at creating a sense of community and promoting tenant engagement.

SUSTAINABILITY REPORT

Strengthening Relationships Among Our Tenant Community

In FY2024, we continued to foster connections with our tenants through a range of engaging activities that promoted networking, idea-sharing and a sense of community.

Celebrating with our Tenants

We kicked off the year with an exclusive Chinese New Year lunch for our valued Gold and Platinum tier tenants at The Westin Singapore in February 2024. This joyous occasion brought together tenants and ESR-REIT staff for a day of networking, building connections, and celebrating the festive spirit. The event was a resounding success, with attendees appreciative of the opportunities for interaction amongst themselves and with the ESR-REIT team.



Chinese New Year celebrations with our Gold and Platinum tier tenants and our senior management team

Strengthening Relationships

In November 2024, we hosted an engagement session at The Par Club, where tenants came together to participate in indoor golf, a fun activity that encouraged movement and socialisation. This event provided a unique platform for tenants to connect with each other and with our ESR-REIT staff.



Discussions between tenants and ESR-REIT

Ensuring Tenant Safety

We also took proactive steps to ensure the safety and well-being of our tenants through fire drills at two of our key properties: 7000 Ang Mo Kio Avenue 5 and 24 Penjuru Road. These drills not only enhanced tenant safety by preparing them for emergencies but also exemplified our focus on proactive safety measures. The tenants were treated to ice cream as an appreciation of their participation.



Thanking tenants' participation in the fire drill with traditional ice cream

2024 Performance: Tenant Satisfaction

ESR-REIT's annual tenant satisfaction survey

We track tenant satisfaction rates through an anonymous survey to understand the needs of our tenants and identify areas of improvement. The survey is conducted by an independent third party which allows tenants to feedback on their experience with the property management team, leasing team and finance team, and includes a net promoter score.

	2023	2024
Tenant Satisfaction Rate	78.0%	78.2%

The FY2024 tenant survey data only accounts for responses from the Singapore and Japan portfolios. Australia portfolio was excluded as the survey was conducted anonymously across the ESR Australia portfolio instead of ESR-REIT arising from the recent integration. Therefore, the results cannot be analysed in relation to properties held by ESR-REIT only. The survey method will be improved in 2025 to ensure coverage of the entire portfolio.

The FY2024 tenant satisfaction rate is slightly below our new target of 80.0%, but remains consistent with FY2023's score of 78.0%. This may have been influenced by the Service Charge increase implemented for the Singapore portfolio in 3Q2024, which coincided with the Tenant Satisfaction Survey. The updated target in FY2024 is a stretch target that challenges us to continuously improve and serve our tenants better. ESR-REIT is committed to enhancing engagement with tenants to improve relationships and to obtain and gather feedback on our services and assets through a series of planned tenant programmes such as Chinese New Year tenant lunch, OktoberFest and Durian Party.

ENVIRONMENTAL

MATERIAL TOPIC: ENERGY AND CARBON FOOTPRINT

Targets	Time Horizon	2024 Performance
Achieve 7.0% reduction in energy consumption for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Absolute energy consumption reduced by 20.5% from FY2023 to FY2024
Achieve 7.0% reduction in energy intensity for Singapore MTBs' common area with operational control by FY2030, compared to FY2023	Medium Term	Energy intensity reduced by 17.7%, and 16.6% excluding consumption from green energy, from FY2023 to FY2024
New Achieve total 15.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2027 from baseline year FY2023	Medium Term	Scope 1 and 2 emissions for Singapore MTBs' common area reduced by 17.4%, from FY2023 to FY2024
New Achieve total 25.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2030 from baseline year FY2023	Medium Term	On track
Updated Achieve total solar capacity of 30 MWp for the Singapore portfolio by FY2030	Medium Term	Solar capacity of the Singapore portfolio increased to 15.5 MWp in FY2024

Impact of Energy Use and Carbon Emissions on Stakeholders

Energy consumption is a significant contributor to our carbon footprint. Implementing energy-saving measures and optimising operational efficiencies can reduce operating costs and benefits both the Manager and tenants. In light of the current volatile energy market, our efforts to reduce energy consumption are particularly important. Furthermore, our efforts to reduce energy consumption also impact our Scope 2 and Scope 3 GHG emissions, which are closely monitored and managed to ensure alignment with our medium to long-term energy and carbon reduction targets.

How We Manage Energy Use and Carbon Emissions

Our property management and asset management teams oversee and recommend strategies for managing energy consumption and decreasing Energy Use Intensity ("EUI"). Their operational experience has contributed to the development of the decarbonisation roadmap for our portfolio across Singapore, Australia and Japan. Moving forward, the energy efficiency and emission reduction initiatives, such as renewable energy installations, will be guided by these roadmaps.

In FY2024, we have established new absolute emissions reduction targets for our Singapore MTBs. These targets provide measurable benchmarks to guide our energy efficiency and emissions reduction initiatives. We are committed to achieve a 15.0% reduction in absolute Scope 1 and 2 emissions by FY2027 and a 25.0% cumulative reduction by FY2030 from a FY2023 baseline. The targets were determined through analysis of our current emissions profile, technological feasibility and alignment

with industry standards. We will integrate these targets into our strategic planning processes with our property management and asset management teams overseeing implementation across the portfolio. Progress on these targets will be monitored through quarterly reviews. The expanded deployment of solar energy and energy efficiency initiatives, as outlined in our Decarbonisation Roadmaps, will be instrumental in supporting this transition.

Meeting green building standards

We have attained seven new Green Mark Certifications for our Singapore assets in FY2024. The achievement of Green Mark Super Low Energy ("SLE") and Positive Energy ("PE") Certifications illustrates our commitment to ensure our properties remain best-in-class in terms of energy efficiency, using renewable energy and smart energy management.

Following the acquisition of 20 Tuas South Avenue 14, we have now achieved Green Building Certification for 28.0% of our Singapore portfolio (by GFA).

Strengthening internal controls and policies

To streamline the data collection processes and enhance audit trail, we have developed a Sustainability Data and Information Governance Policy and also started assessing ESG technology platforms in FY2024. The policy aims to align the expectations and data management procedures for ESG data owners.

Tapping on renewable energy

We actively engaged with internal stakeholders and partners regarding the registration and use of Renewable Energy Certificates ("RECs"), recognising their potential to drive business opportunities and reduce carbon emissions. With the implementation of our Renewable Energy Certificates Management Policy, we aim to establish a structured framework and methodology for the effective management of our RECs in the future.

Guiding Sustainable Tenant Behaviours Through Green Lease Clauses

In FY2024, we worked with a tenant within 30 Marsiling Industrial Estate Road 8 amidst our successful renewal of our Green Mark certification to Platinum. The engagement was effective in steering tenants away from short-term, cost-driven decisions and foster a shift towards lower-impact operational choices.

To enhance engagement with tenants on green initiatives, we incorporated energy efficiency criteria in our lease agreements according to relevant standards¹. Alongside these provisions, we also provided a detailed green fit-out guide outlining best practices for energy efficiency.

Through constructive discussions and data analysis, we communicated the long-term benefits of adopting energy-efficient solutions. A more energy-efficient water-cooled chiller system was proposed to and agreed by the tenant for installation. This not only reduces ongoing energy costs but also enhances the tenant's operational flexibility in response to future regulatory and market demands.



Energy efficient water-cooled chiller system to be installed by tenant

1 Such as BCA Green Mark 2021 Technical Guideline, Singapore Standard SS530: Code of practice for energy efficiency for building services and equipment.

SUSTAINABILITY REPORT

2024 Performance: Solar Harvesting Programme

Since 2013, we have been increasing our solar energy footprint across our assets to reduce reliance on grid electricity.

As at FY2024, 12 of our properties across Singapore, Australia, and Japan have been fitted with solar panels.

Specifically for the MTBs under ESR-REIT's operational control, four Singapore properties with a total of 12.6 MWp capacity have generated 15,225.4 MWh of solar energy in FY2024. For our overseas portfolio, the MTBs in Japan are fitted with solar panels with a total of 4.5 MWp capacity. The MTBs in Australia are fitted with solar panels with 0.1 MWp capacity.

The asset management team also worked with tenants of our Single-tenanted Building ("STB") to install solar panels to explore green potential of the available rooftop space. As at FY2024, five Singapore STBs are equipped with solar panels, contributing to 2.9 MWp solar capacity to the Singapore portfolio.



Newly installed photovoltaic panels at 51 Alps Avenue

We aim to add rooftop solar panels to 21 more properties in Singapore over the next two years. Upon completion, this will further increase our total solar capacity by approximately 20 MWp, translating to 24,000 MWh of solar energy generated per year.

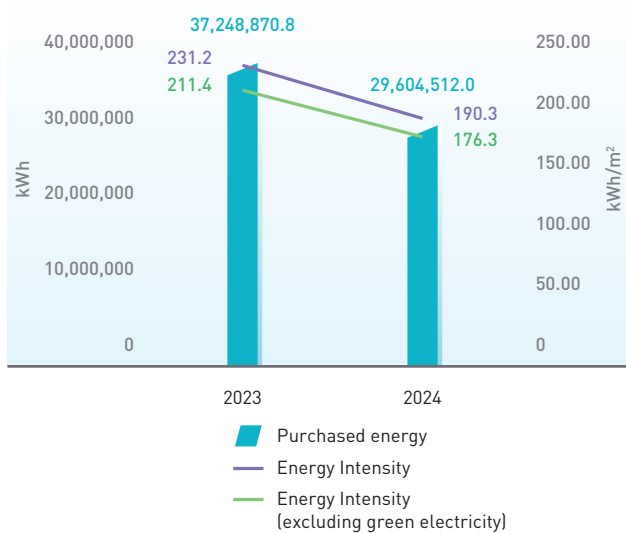
Solar PV System Capacity and Generation details of Singapore Portfolio

YEAR	Singapore Portfolio	MTBs in Singapore Portfolio		
	Total Solar Capacity (MWp)	Total Generation (MWh)	Landlord Export (MWh)	Landlord Consumption (MWh)
2023	13.8 <ul style="list-style-type: none"> 12.6 from 4 MTB properties 1.2 from 4 STB properties 	15,359.9	2,357.2	3,179.7
2024	15.5 <ul style="list-style-type: none"> 12.6 from 4 MTB properties 2.9 from 5 STB properties 	15,225.4	2,691.1	2,228.2

2024 Performance: Electricity and Cooling

Singapore

Energy consumption and intensity for Singapore MTBs



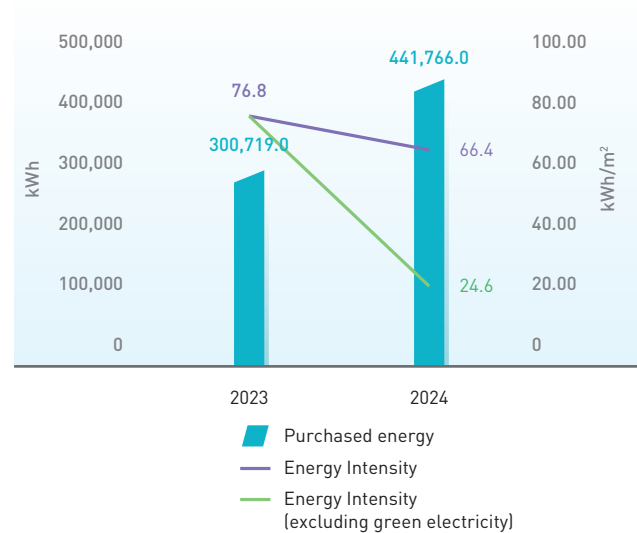
Note: Energy consumption only accounts for electricity use

FY2023 data has been restated to align on the scoping of tenant and landlord’s grid electricity and solar energy consumption across ESR-REIT’s portfolio.

To track the effectiveness of our initiatives, we have set short- and medium-term energy intensity reduction targets for our Singapore MTBs. In FY2024, absolute energy consumption reduced by 7,644,358.8 kWh and we achieved a 17.7% reduction in energy intensity and 16.6% reduction excluding the consumption of green electricity. The reduction in absolute and intensity consumption is largely due to the reduced common area consumption of 2 Fishery Port Road, a cold storage facility, which was vacated and decommissioned in late FY2023.

Japan

Energy consumption and intensity for Japan MTBs



Note: Energy consumption only accounts for electricity use

FY2023 data has been restated to align on the scoping of tenant and landlord’s grid electricity consumption.

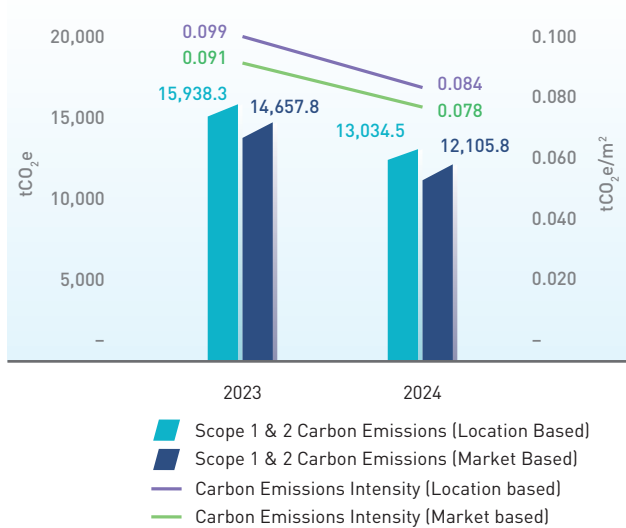
In FY2024, we saw a rise in absolute energy consumption of 141,047.0 kWh for Japan MTBs due to the acquisition of ESR Yatomi Kisosaki Distribution Centre since November 2024. However, as the new asset is operating at a higher efficiency level compared to ESR Sakura Distribution Centre, energy intensity reduced by 13.6% and 68.0%, excluding the consumption from green electricity. This is reflective of ESR-REIT’s investment strategy to acquire greener assets that provide stable returns to Unitholders while operating at higher efficiencies.

SUSTAINABILITY REPORT

2024 Performance: GHG Emissions

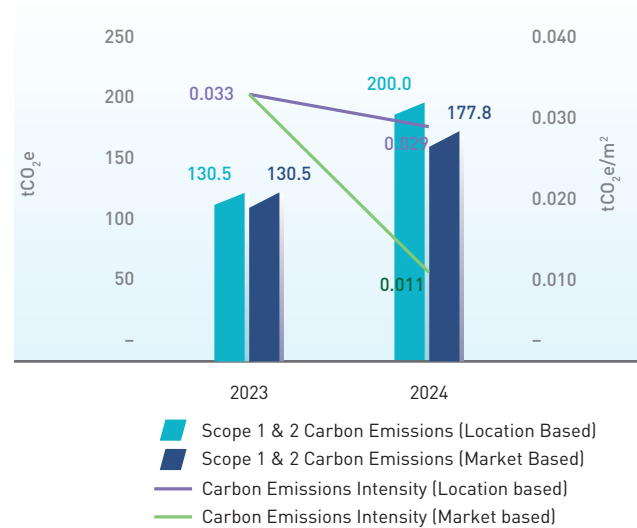
Singapore

GHG emissions and intensity for Singapore MTBs



Japan

GHG emissions and intensity for Japan MTBs



FY2023 data has been restated to reflect the GHG emissions from the scoping of tenant and landlord’s grid electricity and solar energy consumption across ESR-REIT’s portfolio.

Corresponding to the energy consumption figures, absolute market-based GHG emissions also reduced by 17.4% in FY2024 due to the reduction in electricity use. There was a 15.2% reduction in location-based emissions intensity and 13.9% reduction in market-based emissions intensity. As ESR-REIT further expands our Solar Harvesting Programme, we expect to see a gradual reduction in our market-based emissions in the following years.

FY2023 data has been restated to reflect the GHG emissions from the scoping of tenant and landlord’s grid electricity consumption.

Corresponding to an increase in energy consumption from the acquisition of one property in Japan, absolute GHG emissions increased by 69.5 tCO₂e. However, location-based GHG intensity reduced by 13.6%, compared to market-based GHG intensity which reduced 68.0%. This large reduction of market-based intensity is due to the consumption of solar energy by the newly acquired property, ESR Yatomi Kisosaki Distribution Centre.

Scope 3 Inventory

This year, we have started assessing our Scope 3 inventory, to prioritise, quantify and manage our indirect emissions from our value chain. Among the 15 categories of Scope 3, we underwent a spend-based comparison and peer review to focus on the high-impact categories with available data. We shortlisted:

- Category 1: Purchased Goods & Services
- Category 2: Capital Goods
- Category 3: Fuel- and energy-related activities
- Category 6: Business Travel
- Category 13: Downstream Leased Assets

We will calculate Categories 1, 2 and 6 emissions using spend-based methods and Categories 3 and 13 using consumption data. We aim to enhance data accuracy by collecting more granular activity data, before expanding the assessment to other material Scope 3 categories.

MATERIAL TOPIC: CLIMATE CHANGE ADAPTATION

Target	Time Horizon	2024 Performance
New Achieve Net Zero by 2050	Long Term	On track

Impact of Climate Change to Stakeholders

Climate change presents substantial physical and transitional risks that can impact REIT operations. Operating in an asset-heavy sector, our financial performance is prone to impacts from physical climate events such as floods and wildfires, accompanied by heightened climate reporting and EU regulatory requirements facing the buildings sector. These risks could affect the day-to-day operations and financial performance of our business. While climate change poses risks, it also offers opportunities for REITs to create value through investments in sustainable and resilient properties. These mitigatory measures aim to protect the longevity of assets and protect shareholder returns.

Regulations and Frameworks on Climate Change Relevant to ESR-REIT

As a REIT regulated by the MAS, we are required to comply with the MAS Guidelines on ENRM for Asset Managers by FY2023. ESR-REIT is also listed on the Mainboard of SGX-ST, which mandates climate-related financial disclosures to the IFRS standards by FY2025.

In FY2023, we have integrated our ENRM disclosures with our TCFD disclosures. This year, we are enhancing our climate-related disclosures with requirements from IFRS S2, which requires financial information on climate-related risks and opportunities, by assessing anticipated financial effects on our portfolio from climate risks.

How We Manage Climate Change

Between FY2021 to FY2023, we engaged consultants to identify the various climate risks affecting our portfolio in the short- (to FY2025), medium- (to FY2030) and long-term (to FY2050). We then integrated mitigatory measures into our Enterprise Risk Management ("ERM") framework. To better contextualise and inform the impacts of climate risk on our financial performance, we have started quantifying our transition and physical risks using relevant models and proxies to inform our financial planning.

Decarbonisation roadmaps

In FY2023, we created a Decarbonisation Roadmap for ESR-REIT's properties in Singapore, outlining our strategy to decarbonise our operations aligned to the Singapore Green Buildings Masterplan 2030. This roadmap is essential to our approach for mitigating risks identified in

our ERM framework and allows us to proactively address evolving regulatory requirements related to sustainability and climate change. We plan to enhance operational efficiency by:

- Greening our buildings while optimising energy and water consumption
- Shifting towards solar power to lessen our dependence on brown energy
- Aligning with ESR Group's Net Zero Carbon Strategy and Decarbonisation Roadmap as part of our commitment to achieving Net Zero Carbon

In FY2024, we are developing similar roadmaps for our Australia and Japan portfolio that considers the local operational context and available resources. These roadmaps serve to guide our teams with a targeted approach to decarbonisation.

Quantification of climate risks

To quantify transition risks from a 1.5°C scenario (worst case), we used the Carbon Risk Real Estate Monitor ("CRREM") tool. The CRREM tool is a publicly available Excel-based tool funded by Horizon 2020 Energy Efficiency programme of the European Commission and used by asset managers worldwide. It allows investors and property owners to assess the exposure of their assets to stranding risks and cost of excess emissions based on energy and emission data. We quantified the portfolio's Carbon Value at Risk ("CVaR")², cumulated cost of excess emissions as a percentage of portfolio gross asset value ("GAV") and cost of retrofits.

To quantify physical risks stemming from a 4°C scenario (worst case), we used Climate X, a platform that models physical impact on buildings through a digital twin of assets to understand how the changing weather events under each warming scenario might impact buildings. For financial impacts not accounted by the platform, we referenced proxies from the market. These methods provided estimates of the expected financial impact on our portfolio that include damages from physical hazards, loss in revenue from non-operating days and increased operational costs.

The findings are used by the relevant departments in the SWC in risk management and business planning.

2 The CVaR is a metric that measures climate-related financial impacts to the portfolio value. The analysis used the current and projected prices of Renewable Energy Certificates as a proxy to the cost of excess emissions in the scenarios which the portfolio is operating above the 1.5°C trajectory.

SUSTAINABILITY REPORT

Climate-Related Disclosures

ESR-REIT is listed on the SGX-ST and is required to disclose climate-related information based on the IFRS Sustainability Disclosure Standards by FY2025. Specifically, the IFRS S2 Climate-related Disclosures Standard incorporates and builds on the TCFD framework and SASB sector standards. The standards show increased expectations for the reporting company to quantify business activities vulnerable to climate risk and its financial impact on the business.

In FY2024, we have conducted a gap analysis of current processes against the IFRS S1 and S2 Standards and are working to fully meet the climate-related requirements in FY2025. Notwithstanding the transition to the IFRS disclosure, we have also complied with the relevant climate-related financial disclosures required under the TCFD framework under the SGX-ST Listing Rules for FY2024. We are exploring models to quantify the climate risks and to integrate our findings into our risk management and business decisions next year.

Recommended Disclosures	Response
Governance	
The Board's oversight of climate-related risks and opportunities	<p>The BSC has oversight of ERM, including climate-related risks and opportunities. This includes approving and monitoring the Manager's risk appetite and risk tolerance statements, and defining acceptable risk levels to achieve business objectives. The ARCC assists the Board in evaluating the effectiveness of internal controls and risk management systems.</p> <p>ESR-REIT's roadmaps to mitigate impacts from climate-related risks have been approved by the BSC. The BSC meets semi-annually to review ESR-REIT's sustainability performance, including progress on climate mitigation efforts.</p> <p>Refer to Our Sustainability Leaders at ESR-REIT from pages 129 to 130 for more information about the Board's responsibilities.</p> <p>Refer to How We Manage Climate Change on page 145 for more information on our roadmaps.</p>
Management's role in assessing and managing climate-related risks and opportunities	<p>Our CEO, Mr. Adrian Chui, chairs the SWC, a cross-functional team responsible for managing ESR-REIT's climate-related risks and opportunities. This committee regularly reviews the progress and effectiveness of sustainability objectives and strategies. The SWC oversees and reports on the mitigation strategies, policies, and controls in place. Climate-related factors have also been integrated into all investment and asset management decisions.</p> <p>Refer to Our Sustainability Leaders at ESR-REIT from pages 129 to 130 for more information about the Management's responsibilities.</p>

Recommended Disclosures	Response
Strategy	
<p>The climate-related risks and opportunities ESR-REIT has identified over the short-, medium-, and long-term that could affect the company's prospects</p>	<p>We conducted climate risk scenario analyses for our Singapore, Japan and Australia portfolios, modelling the Net-Zero³ and Business-as-Usual⁴ scenarios to assess transition and physical risks across the short- (up to FY2025), medium- (up to FY2030) and long-term (up to FY2050).</p> <p>The analyses identified the following key risks:</p> <ul style="list-style-type: none"> Physical risks such as flooding, extreme weather and temperature changes Transition risks such as carbon pricing, stricter regulations and evolving stakeholder expectations <p>Following an initial qualitative assessment conducted in FY2022, we have quantified impacts from the identified physical risks and transition risks in FY2024, disclosed below in the Metrics and Targets section.</p> <p>We will conduct further analysis on the impacts quantified to translate the findings and prioritise the identified risks for our financial planning process in FY2025.</p> <p>Refer to Appendix E from pages 186 to 187 for more information on the climate risks identified.</p>
<p>The current and anticipated impact of climate-related risks and opportunities on ESR-REIT's business model and value chain</p>	<p>The identified climate risks and opportunities are expected to affect our capital expenditures, operational expenditures, income and asset and liabilities.</p> <p>For example, a key medium-term risk material to ESR-REIT's business is the expected increase in operating costs from increased cost of utilities, as utility companies pass through the rising carbon tax costs to end users. To mitigate this, and to tap on the growing demand for sustainable real estate, we are investing in renewable energy initiatives to reduce our grid energy consumption and operational costs.</p> <p>Refer to Appendix E from pages 186 to 187 for the potential impacts and their estimated time horizons.</p>
<p>The effects of the identified risks and opportunities on ESR-REIT's strategy and decision making, including information on its climate transition plan</p>	<p>The findings of climate risk assessment and scenario analysis were incorporated into our portfolio and risk management strategy setting.</p> <p>As part of our adaptation strategy, we are exploring smart building technologies, flood control measures and are building ESG capabilities of our workforce. This commitment extends beyond asset resilience to encompass climate-proofing our operations.</p> <p>We have also developed and will continue to develop decarbonisation roadmaps for our portfolios to gain clarity on the reasonable actions that can be taken to meet our energy and emission targets.</p>

3 RCP 2.6, limit warming to within 1.5°C from pre-industrial levels by 2100.

4 RCP 8.5, 4°C warming from pre-industrial levels by 2100.

SUSTAINABILITY REPORT

Recommended Disclosures	Response
<p>The effects of climate-related risks and opportunities on ESR-REIT's financial position, financial performance and cash flows over the short-, medium-, and long-term</p>	<p>We modelled the impacts of transition and physical risks on our portfolio using FY2023 data:</p> <ul style="list-style-type: none"> • Climate-related transition risks: Our portfolio's CVaR is projected to be 18.3% by 2050 in a 1.5°C scenario at FY2023 consumption projections. This means 18.3% of the portfolio value is at risk if the portfolio continues its current operations without further decarbonisation measures to meet the 1.5°C trajectory. • Climate-related physical risks: 47.4% of our assets are exposed to high risks relating to river, surface, coastal flooding and storm surge under a 4°C scenario. This means that 47.4% of our assets face higher building recovery costs when affected by the physical risks of a warming world. • Climate-related opportunities: 43.1% of our portfolio have been installed/have plans to install solar panels as a move to reduce Scope 2 emissions and reliance on brown energy. • Capital deployment: Based on the decarbonisation roadmaps developed by our consultants for our portfolio, we intend to budget S\$38.3 million towards AEs to mitigate against climate-related risks. This includes expanding the use of renewable energy and upgrading equipment to more efficient ones.
<p>The climate resilience of ESR-REIT's strategy and its business model to climate-related changes, developments and uncertainties</p>	<p>We explored opportunities for green financing for projects focused on enhancing our environmental performance and value of our assets. These projects — focusing on green buildings, renewable energy, waste and water management and clean transportation — aim to enhance the long-term value and resilience of our assets while improving our environmental performance and strengthening our competitive position in a changing market.</p> <p>In FY2024, ESR-REIT further strengthened its financial position by securing its inaugural sustainability-linked and green loans. This included a S\$200.0 million sustainability-linked unsecured revolving credit facility in March 2024 and a S\$225.0 million sustainability-linked unsecured term loan in October 2024, as well as a S\$341.5 million term loan which had a green loan component in November 2024 as part of the acquisition of 51.0% interest in 20 Tuas South Avenue 14. These financings are aligned with ESR-REIT's commitment to integrate ESG considerations into its capital management strategy. These milestones underscore ESR-REIT's ongoing dedication to sustainability and responsible financial stewardship.</p> <p>By proactively investing in climate resilience measures, we aim to mitigate the financial impacts of rising energy costs, increased regulatory requirements, and physical risks associated with extreme weather events.</p>

Recommended Disclosures	Response
Risk Management	
<p>ESR-REIT’s processes and policies for identifying, assessing, and monitoring climate-related risks</p>	<p>To disclose against the TCFD recommendations in FY2022, we conducted a qualitative assessment of climate-related risks that are most material to the business. The climate scenario analysis has enabled us to identify financial impacts stemming from transition risks, such as more stringent green requirements under the Singapore Green Building Masterplan and financial impacts from physical risks, such as extreme weather events and disasters.</p> <p>We incorporate environmental risk due diligence into our investment decisions and prioritise AELs to improve environmental performance where feasible. Furthermore, we conduct periodic reviews to identify emerging environmental risks and shifts in the ESG landscape, including climate change. From a risk management perspective, such analysis seeks to ensure the identified climate-related risks and opportunities remain current, enabling us to focus our efforts more strategically.</p>
<p>ESR-REIT’s processes for managing climate-related opportunities</p>	<p>For existing properties, we have prioritised high impact initiatives and planned them for the short to medium-term, in line with our energy and emission targets. We also conduct regular risk assessments to identify potential points of vulnerability.</p> <p>Please refer to the Material topic: Investment Management — Quality Assets and Services from pages 134 to 136 for more information on the opportunities in attaining Green Building Certifications and conducting AELs.</p>
<p>ESR-REIT’s processes for identifying, assessing, and monitoring climate-related risks are integrated into the risk management process</p>	<p>We have integrated environmental risks into our existing ERM Framework to identify, assess, monitor and manage climate-related risks and opportunities across our portfolio. In FY2024, we have quantified some of the key climate risks, allowing for a clearer understanding of their potential impact.</p> <p>Based on this analysis, we are currently developing and refining our mitigation and adaptation strategies to enhance operational resilience. These strategies will be detailed in FY2025 sustainability report.</p>

SUSTAINABILITY REPORT

Recommended Disclosures	Response
Metrics and Targets	
The metrics used by ESR-REIT to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>ESR-REIT uses the following metrics to assess climate-related risks and opportunities:</p> <ul style="list-style-type: none"> • GHG emissions • Energy consumption and intensity • Solar power capacity • Water intensity • Green Building Certification <p>We will continue to explore other metrics to measure climate-related risks and opportunities where relevant.</p>
Sustainability-related (climate included) performance metrics incorporated into remuneration policies	<p>We incorporated sustainability targets into corporate, management level and employees' appraisal structure as follows:</p> <ul style="list-style-type: none"> • Corporate scorecard: 15.0% of the annual corporate score is attributed to Sustainability / ESG and Investor Relations • Included three key performance indices for the Performance Unit Award for management level: Total Unitholder Return, Price/Book Multiple and Sustainability Targets • Appraisal form for employees' performance: employees are rated based on their demonstration of corporate values in inclusion and sustainability

Recommended Disclosures	Response
Industry-based metrics	Please refer to the Appendix D on page 184.
The targets set by ESR-REIT to mitigate and adapt to climate-related risks and opportunities	<p>Energy</p> <ul style="list-style-type: none"> • Achieve 7.0% reduction in absolute energy consumption for Singapore MTBs' common area with operational control by FY2030, compared to FY2023 • Achieve 7.0% reduction in energy intensity for Singapore MTBs' common area with operational control by FY2030, compared to FY2023 <p>GHG emissions</p> <ul style="list-style-type: none"> • Achieve Net Zero by 2050 • Achieve total 15.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2027 from baseline year FY2023 • Achieve total 25.0% reduction of absolute Scope 1 and 2 emissions for Singapore MTBs' common area with operational control by FY2030 from baseline year FY2023 <p>Solar capacity</p> <ul style="list-style-type: none"> • Achieve total solar capacity of 30 MWp for the Singapore portfolio by FY2030 <p>Green Building Certification</p> <ul style="list-style-type: none"> • Achieve Green Building Certification for 80.0% of Singapore properties (by GFA) by FY2030 • Achieve Green Building Certification for 100.0% of Japan properties (by GFA) by FY2030 <p>Water</p> <ul style="list-style-type: none"> • Obtain WEB Certification for all MTBs in Singapore by FY2025 • Achieve 14.0% water intensity reduction for Singapore MTBs' common area with operational control by FY2030, compared to FY2023

SUSTAINABILITY REPORT

MATERIAL TOPIC: WATER

Targets	Time Horizon	2024 Performance
Obtain Water Efficiency Building ("WEB") Certification for all MTBs in Singapore by FY2025	Short Term	27 out of 32 MTBs in Singapore are WEB certified as at FY2024
Achieve 14.0% water intensity reduction for Singapore MTBs' common area with operation control by FY2030, compared to FY2023	Medium Term	Water intensity decreased by 1.8% from FY2023 to FY2024

Impact of Water Management to Stakeholders

The extent of water-related risks faced by ESR-REIT depends on the specific location of our properties and the nature of our building tenants' operations. Water-related challenges such as contaminated water discharge and large water consumption may lead to increased costs and potential conflicts with local communities and regulations.

How We Manage Water as a Resource

In Singapore, we are aligning with national water conservation efforts by upgrading our buildings with water-efficient fixtures rated at 3-ticks under PUB's Water Efficiency Labelling Scheme. To influence our tenants to conserve water, we provide guidance on the installation of water fixtures and behaviours to reduce water consumption within our Green Lease clauses.

In response, we are implementing proactive measures to manage water consumption, including closely monitoring tenant activity levels, introducing educational programmes to raise awareness of water conservation and identifying potential water leakage risks to improve overall water efficiency across our properties.

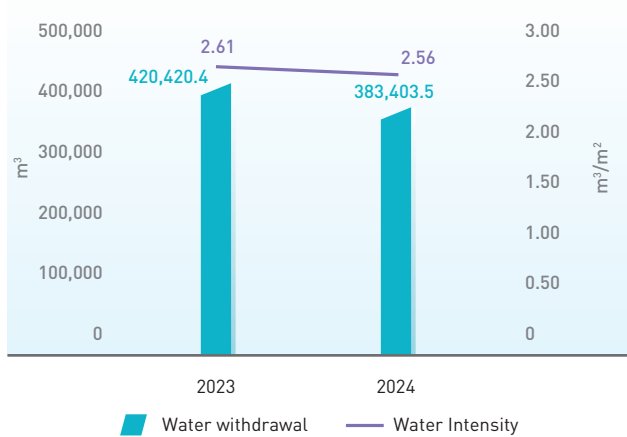
Our Plan for Water Efficiency Improvement is as follows:

- Smart Metering for Improved Tracking and Monitoring:** We have launched a Smart Metering Replacement Program to digitalise data collection and trend analysis. By 2026, all Singapore properties will be equipped with smart meters integrated into our Integrated Utilities Management System ("IUMS"). This will streamline operational management, tenant billing, and provide real-time data analytics. This allows for continuous monitoring of consumption patterns, enabling comparisons across buildings and tenants, allowing our property managers to detect leaks early to prevent water wastage and improve efficiency.
- Upgrading Water Fittings for Enhanced Efficiency:** As part of ongoing AEI and property upgrades, we are planning the installation of water-efficient plumbing and sanitary fittings. Currently, 27 of our MTBs hold the WEB certification. Moving forward, we are reassessing and upgrading the plumbing and sanitary fittings with improved water-efficient level within our properties, ensuring compliance to PUB WEB requirement.
- Education and Awareness Programme:** Achieving water conservation goals require collaboration between ESR-REIT and our tenants. In addition to building system and fixture upgrades, we are actively engaging tenants through educational initiatives. These efforts are reinforced through our Green Lease clauses, which provide tenants with clear guidelines on sustainable water usage practices. These educational programmes will build upon existing initiatives and incorporate the insights gained from our enhanced monitoring capabilities to maximise their impact.

2024 PERFORMANCE: WATER WITHDRAWAL

Singapore

Water withdrawal and intensity for Singapore MTBs



Water consumed by ESR-REIT’s Singapore properties was withdrawn from the Public Utilities Board municipal water supply and NEWater. The utilisation of NEWater, which is high-grade recycled water produced from treated used water, reduces our demand of other water sources and improves water conservation.

FY2023 data has been restated to align on the scoping of tenant and landlord’s water consumption across ESR-REIT’s portfolio, and to express water withdrawal in m³.

To track the effectiveness of our initiatives, we have set water intensity reduction targets for our Singapore MTBs, aiming to reduce water intensity by 14.0% from FY2023 to FY2030. In FY2024, there was an 8.8% reduction in absolute water withdrawal, and a corresponding decrease in water intensity by 1.8%. The reduction in absolute water withdrawal is largely attributed to 2 Fishery Port Road as it was vacated and decommissioned since late FY2023.

Japan

Whole building water withdrawal for Japan portfolio was 1,503.0 m³ in FY2024, reduced from the 1,564.0 m³ in FY2023. Absolute water withdrawal for common area was 351.0 m³ in FY2024, and the water intensity is at 0.23m³/m², largely attributed to the water consumption in ESR Yatomi Kisosaki Distribution Centre from its date of acquisition. Due to the limitations of metered data, water consumption in the common area of ESR Sakura Distribution Centre is currently calculated based on utility bills and tenant recovery, resulting in a negative value. This will be improved in future years as we continue to enhance our data collection and monitoring systems.

MATERIAL TOPIC: WASTE

Impact of Waste Management to Stakeholders

REITs can generate significant waste due to their large property portfolios and tenant activities. Effective waste management is crucial to reduce environmental impact and operational costs. This presents an opportunity for property managers to adopt effective waste management practices and involve tenants in these initiatives. On a large scale, these initiatives can decrease operational cost, reduce unnecessary resource consumption and divert waste from landfills.

How We Manage Waste

The team implements waste management strategies aligned with Singapore’s Zero-Waste Masterplan: Reduction, Reuse then Recycling of waste. To promote recycling, we have provided recycling bins in Singapore and Japan properties. We also comply with Singapore’s National Environment Agency’s (“NEA”) Mandatory Waste Reporting scheme to report our monthly waste disposal and recycling rates.

In FY2024, we conducted a detailed analysis of waste collection data in Singapore’s MTBs, focusing on common areas. This assessment aimed to evaluate total waste generation and the recycling rate. General waste from business parks contributed to higher waste generation, highlighting them as critical targets for improvement. Our business parks and 7000 Ang Mo Kio Avenue 5 have successfully implemented on-site waste segregation and recycling programs. These initiatives will provide us with benchmarks for our waste management efforts, enabling the establishment of measurable improvement targets aligned with the NEA Mandatory Waste Reporting scheme for industrial premises in future.

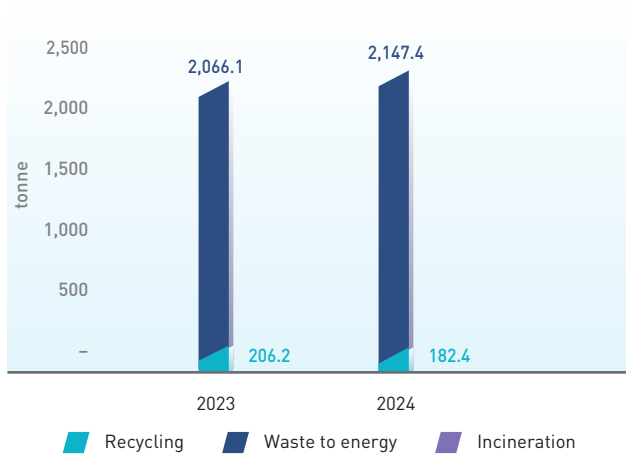
Looking ahead, we are preparing to conduct a waste audit for properties identified with high waste generation in FY2025. This audit will help us pinpoint opportunities to broaden our waste collection and recycling practices, especially within business parks. By gaining insights into waste generation behaviours and identifying the factors contributing to low recycling rates, we can formulate targeted strategies aimed at enhancing waste reduction and boosting recycling efficiency across our portfolio. This data-drive approach ensures that our waste management initiatives are both focused and impactful, reinforcing our commitment to advance a more sustainable built environment.

SUSTAINABILITY REPORT

2024 Performance: Waste Management

Singapore

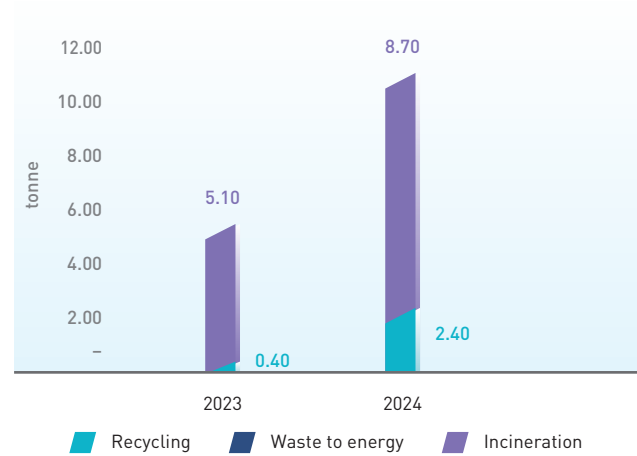
Waste generation and management for Singapore MTBs



In FY2024, there is an absolute increase in waste generation of 2.5%. The proportion of waste recycled reduced slightly from 9.1% to 7.8%. Moving forward, the team has plans to conduct a waste audit for properties with higher waste generation to better understand the waste generated and tailor strategies to minimise waste generation and improve recycling rates.

Japan

Waste generation and management for Japan MTBs



In FY2024, the 101.8% increase in waste generation is attributed partly to the increase in waste generated from ESR Sakura Distribution Centre and the acquisition of ESR Yatomi Kisosaki Distribution Centre. In the coming years, the team is looking to better encourage recycling within the common areas and initiatives to reduce waste.

SOCIAL



MATERIAL TOPIC: EMPLOYEE ENGAGEMENT AND SATISFACTION

Targets	Time Horizon	2024 Performance
Achieve >75.0% employee satisfaction rate	Perpetual	Achieved employee satisfaction rate at 84.2%
Achieve >80.0% survey response rate	Perpetual	Achieved employee response rate at 93.9%
Achieve 16.0 training hours on average per year per employee	Perpetual	Achieved average of 36.5 training hours per employee

Impact of Employee Engagement and Satisfaction

Ensuring our employees remain engaged and satisfied is a key priority. By fostering a positive work environment, we create an ecosystem that encourages collaboration, innovation and growth. This, in turn, drives business success and contributes to the well-being of our employees and the communities we serve.

Aligned with ESR Group's ESG policies and guided by global human rights standards such as the International Labour Organisation ("ILO")'s Declaration on Fundamental Principles and Rights at Work, we prioritise the health, well-being and safety of our employees by upholding the principles outlined in ESR Group's Human Rights Policy and Diversity, Equity and Inclusion Policy. These policies are available on the Group's corporate website⁵.

How We Manage Employee Engagement and Satisfaction

We empower our employees through comprehensive training programmes that equip them with the skills and knowledge to excel in their roles. New hires receive onboarding sessions to ensure a smooth transition into their roles and departments. To promote our employees'

growth, we offer regular performance and career development reviews, with 96.5% of employees appraised in FY2024 excluding contract staff and employees who left.

We leverage LinkedIn Learning's diverse range of courses to cater to the unique needs and interests of our employees. Our internal training initiatives are designed to be accessible and relevant, addressing specific business needs on compliance and IT security and supporting employee growth. Through the platform, we can cascade mandatory trainings, such as the Manager's core values and tap on the Artificial Intelligence functionality offered to allow employees to access training programmes related to their interests and career aspirations. We ensure that the managers receive the necessary resources to mentor employees, including self-management skills and industry-specific knowledge.

As part of our ongoing staff engagement initiatives, we have introduced various activities to support our employees' physical and mental well-being. Our annual health screening programme provides employees with an opportunity to monitor their health and receive advice on maintaining a healthy lifestyle.

⁵ https://www.esr-reit.com.sg/sustainability_corporate_policies.html

SUSTAINABILITY REPORT

We organised a staff engagement programme on “Body Gua Sha for Tension and Toning” to promote well-being among our employees. The 1-hour session, led by Mr. Chua Hong Leong, a renowned entrepreneur and wellness advocate, introduced employees to the benefits of Gua Sha techniques and aromatherapy using essential oils. The session aimed to help employees alleviate body aches caused by stress and promote relaxation. A brief consultation period was also provided for employees who had specific concerns or body ailments.



ESR-REIT Staff Attending the Body Gua Sha for Tension and Toning



Consultation with Mr. Chua during the session

2024 Performance: Employee Satisfaction

To maintain a workplace environment where employees feel valued, motivated and empowered to excel, we conducted an annual Employee Engagement survey to identify areas for improvement and gain insights into employee sentiment. The survey delved into areas such as career development, job satisfaction and mental health and well-being, along with an additional category on employee recognition this year.

The FY2024 survey achieved a 93.9% response rate, with a satisfaction rating of 84.2%. This marks the eighth consecutive year with satisfaction scores above 80.0%, a testament to our ongoing engagement to fostering a culture of recognition and growth that inspires employees to thrive in their roles.

2024 Performance: Training and Education

	Average no. of hours of training
By gender	
Male	38.5
Female	35.8
By employment category	
Senior management level	53.2
Middle management level	33.2
Executive level	36.2
Total average	36.5

By regularly monitoring training hours per employee, and other key performance indicators, we track the effectiveness of our training initiatives and our Human Resources Department continued to refine our programmes to meet the evolving needs of our employees. In FY2024, our average training hours per employee was 36.5, a 27.0% increase from FY2023.

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

Targets	Time Horizon	2024 Performance
Have four age group categories represented on the Board: 30–50, 50–60, 60–70 and >70 age groups	Perpetual	All four age groups are represented
Have board members with various tenures with the Manager's Board	Perpetual	Board members are from the '0-3', '3-5' and '5-7' years tenures
Appoint a female Board or NRC Chairperson	Perpetual	Appointed female Board Chairperson
Have at least two female directors on the Board	Perpetual	Two female directors are represented on the Board
Appoint at least two different ethnic groups on the Board	Perpetual	Three ethnic groups have been represented
Appoint at least 50.0% independent Board members	Perpetual	Achieved regulatory requirement of having at least 50.0% of the Board being independent
Appoint at least one Board member with no prior listed company board experience and/or real estate funds management experience	Perpetual	One Board member appointed in FY2023 did not have prior listed company board experience at the point of appointment Two Board members appointed in FY2022 did not have prior listed company board experience during their appointments. As at the date of this report, they do not have other listed company board representation besides the Board of the Manager.

Note: Refer to details in Principle 2 Board Composition and Guidance of Corporate Governance section on page 97.

Impact of Diversity and Equal Opportunity

People are our greatest asset and we strive to create a workplace where everyone can thrive. This means fostering an environment of inclusivity, respect and understanding, where diverse perspectives, skills and experiences are valued and leveraged. Our diverse workforce enables us to better serve the geographies we operate in, reflecting their changing needs, unique cultures and values.

How We Manage Diversity and Equal Opportunity

In accordance with the Tripartite Guidelines on Fair Employment Practices⁶ and the Ministry of Manpower's Fair Consideration Framework⁷, we ensure that our hiring processes are free from bias, transparent and focused on individual merit.

Our talent assessments are designed to evaluate candidates based on their skills, qualifications and potential for growth. To maintain an environment that reflects and safeguards the diversity of our community, we provide training and development opportunities that cater to the needs of all employees while promoting open communication and addressing unconscious bias.

We remain committed to forming a diverse Board of Directors that accounts for the complexity of our business and the evolving industry landscape. Our formal Board Diversity Policy, established in FY2019 and reviewed in FY2023, prioritises the appointment of directors who can effectively mentor the Management to achieve our long-term goals by actively considering factors like industry expertise, age, gender, ethnicity, tenure and alignment with SGX-ST's requirements.

⁶ <https://www.tal.sg/tafep/getting-started/fair/tripartite-guidelines>

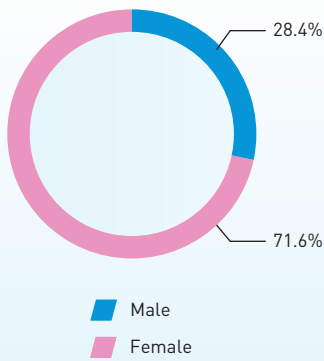
⁷ <https://www.mom.gov.sg/employment-practices/fair-consideration-framework>

SUSTAINABILITY REPORT

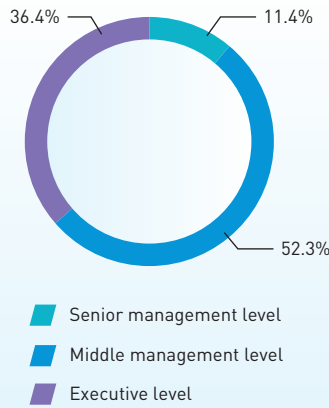
2024 Data: Our People

We are proud to have a workforce that reflects the diversity of our community. As at 31 December 2024, we have a total of 88 employees in Singapore, comprising 84 permanent full-time employees, one contracted part-time employee and three contracted full-time workers. In addition to our employees, we also rely on a team of contractors who support our operations at our MTBs. This group of 193 individuals include technicians and contractors providing cleaning and conservancy services, general building maintenance and security management services.

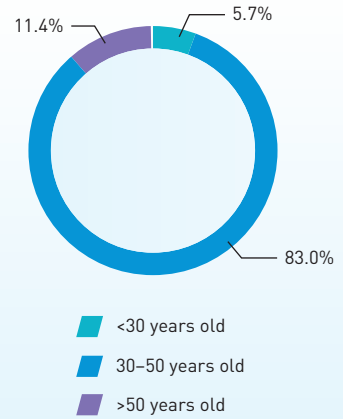
Employees By Gender



Employees By Employee Category

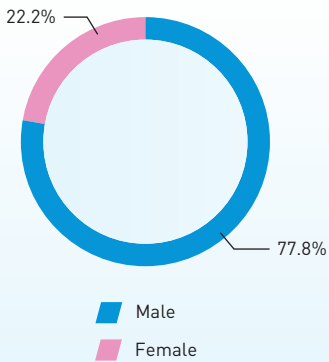


Employees By Age Group

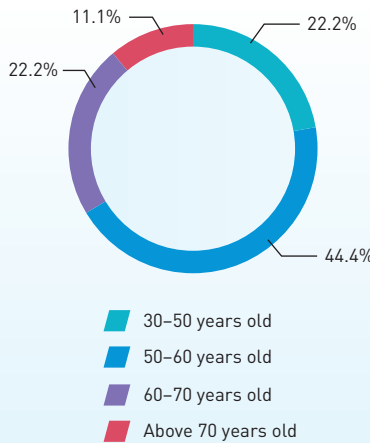


Our Board of Directors consists of nine members. Please refer to more information on our Board members in our Annual Report, pages 26 to 31.

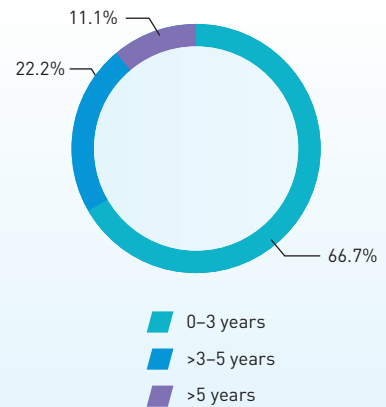
Board of Directors by Gender



Board of Directors by Age Group

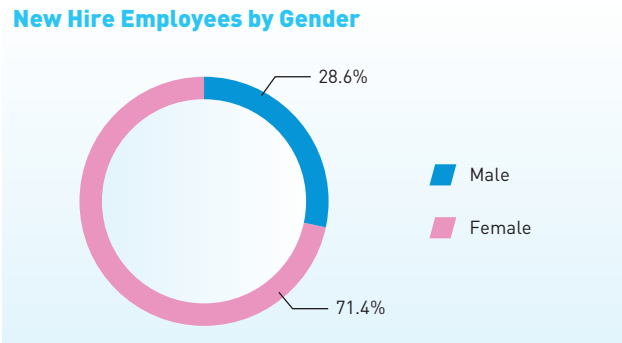


Board of Directors by Tenure

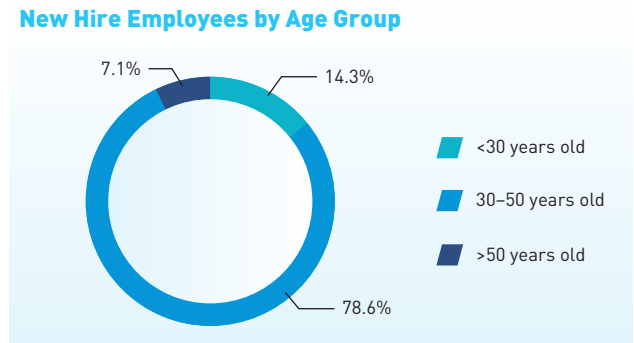


In FY2024, we welcomed 14 new colleagues.

New Hire Employees by Gender

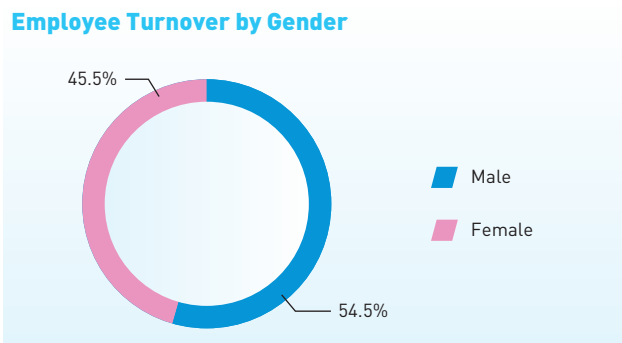


New Hire Employees by Age Group

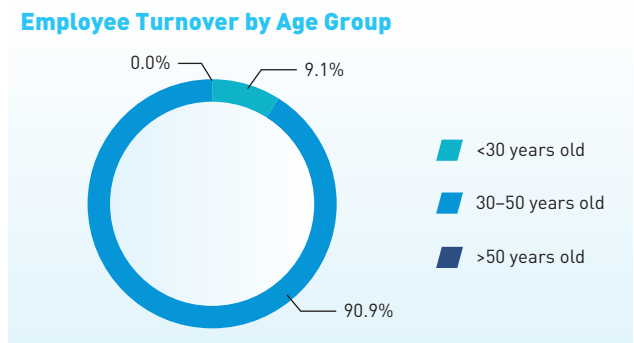


In FY2024, 11 employees left the company.

Employee Turnover by Gender



Employee Turnover by Age Group



SUSTAINABILITY REPORT

MATERIAL TOPIC: HEALTH AND SAFETY

Targets	Time Horizon	2024 Performance
Achieve zero Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR")	Perpetual	Achieved zero WFIR and MIR in FY2024
Conduct quarterly health and safety committee meetings	Perpetual	Monthly health and safety committee meetings were held to review and improve on the WSH practices

Impact of Health and Safety to Stakeholders

Occupational health and safety ("OHS") represents a fundamental pillar of our organisational sustainability. The implementation of robust OHS practices creates significant positive impacts to our stakeholders across our operations. For our employees, this translates to enhanced workplace safety, reduced accident risks, and improved overall well-being. At the enterprise level, our strong safety culture leads to increased operational efficiency, minimal disruptions, and lower insurance and medical expenses. Our tenants and visitors benefit from safer building environments, while our contractors and vendors operate under clear safety protocols that protect their workers.

However, we recognise potential risks inherent in property management operations, including workplace accidents, occupational illnesses, and safety incidents. To address these challenges, we have implemented comprehensive mitigation strategies and continue to enhance our safety frameworks.

How We Manage Health and Safety

Our approach to health and safety management centres on prevention, continuous improvement, and stakeholder engagement. The cornerstone of this strategy is our Workplace Safety and Health ("WSH") policy framework, which extends beyond our employees to encompass vendors, tenants, and all building occupants. We implement Safety Management Systems, including a robust Permit-to-Work system, and conduct regular safety audits and inspections across all properties. Our comprehensive risk assessment and management protocols are supported by ongoing safety training and certification programs, while active stakeholder engagement ensures broad participation in safety practices.

Our Workplace Safety and Health System

Our WSH system operates through a structured governance framework led by a dedicated committee. This committee, chaired by the General Manager of property management, includes representatives from all departments, ensuring comprehensive oversight of our safety initiatives. The WSH committee maintains a rigorous monthly meeting schedule to review safety incidents and industry trends, analyse property-specific WSH findings, update safety protocols based on learned experiences, and monitor the effectiveness of existing safety measures. This regular cadence ensures timely identification and resolution of potential safety concerns.

Stakeholder engagement remains integral to our safety management. Regular consultations with employees, feedback integration from service providers, tenant involvement in safety programs, and accessible reporting channels foster an environment where protection becomes a shared responsibility.

We implement a multi-tiered approach through these key standards and initiatives:

- We are certified to ISO 45001:2018 Occupational Health and Safety System, which has been internally and externally audited, aligning with Singapore's Ministry of Manpower ("MOM") regulations and guidelines. This system minimises hazards and risks across project sites and properties, establishing safeguards while protecting our workforce of 84 full-time staff members, four contract personnel, and one external service provider.
- Inspection protocols embedded within daily operations and tenant activities, facilitating proactive hazard recognition. Each incident, regardless of magnitude, necessitates reporting to MOM and triggers a formal investigation. The property managers implement remedial actions, working with vendors to establish preventive solutions.
- WSH audits conducted monthly across our properties by external consultants, encompassing structural integrity, workplace conditions, fire safety systems and emergency preparedness. As of end FY2024, assessments were completed for properties in Singapore, with no regulatory non-compliance.
- Education on safety practices remains a priority through our employee training programme. All new employees undergo mandatory OHS training on fire escape plans, appointed first aiders, location of safety kits and department-specific education. Our property management team completes compulsory training in occupational first aid which are renewed biennially, implementation of incident management process ("IIMP") and responding to fire incidents at the workplace ("RFIW").

We maintain a strong focus on continuous improvement by systematically incorporating lessons learned from safety audits and incidents into our operational procedures. This includes immediate implementation of corrective actions, regular policy reviews and updates, enhanced training programs based on identified needs and strengthened preventive measures. Our WSH system provides comprehensive safety oversight across our operations, with no exceptions to representation in safety committees, ensuring all workers are protected under our safety framework.

2024 Performance: Occupational Health & Safety

In FY2024, we recorded 172,527 hours of work by employees, and 843,024 hours of work by other workers⁸

Out of which, there were zero work-related fatalities, worked-related ill health, recordable work-related injuries and high-consequence work related injuries

Supporting Employee Health & Wellbeing

Building upon our robust safety framework, we recognise that employee well-being encompasses dimensions beyond physical workplace safety. The Manager has developed and implemented an extensive array of health and wellness initiatives that addresses the holistic needs of our workforce.

- Comprehensive Employee Insurance Coverage: Term Life, Personal Accident, Critical Illness, Hospital and Surgical, Panel General Practitioner and Outpatient Specialist, Dental and Travel
- Flexi-benefits scheme allowing reimbursements for approved expenditures
- Leave Benefits: Inclusive of examination and study leave provisions alongside standard entitlements
- Flexible working arrangements to support work-life integration
- Ongoing wellness education through wellness webinar series
- Bi-weekly social gatherings featuring refreshments at the office pantry
- Direct communication channel to HR for confidential support and guidance when needed
- Mental health feeds sent to employees to increase awareness, promote well-being, foster a positive culture and boost productivity

⁸ Workers include technicians and contractors providing cleaning and conservancy services, general building maintenance and security management services. Worker manhours were estimated from daily rosters.

SUSTAINABILITY REPORT

MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT

Target	Time Horizon	2024 Performance
<p>Updated 100.0% compliance of applicable Singapore vendors (Repair & Maintenance Service) with Green Procurement Policy by FY2028</p>	Medium Term	25.0% of total applicable Singapore vendors met the Green Procurement Policy with other vendors identified to meet the policy requirement going forward

Impact of Supply Chain Management to Stakeholders

For REITs, strategic supply chain management delivers multiple benefits across operations and sustainability. Inadequate management can result in environmental degradation, unsustainable resource consumption, worker exploitation, and disruption to local communities. We believe that well-managed supply chains not only minimise operational and reputational risks through reliable material sourcing and ethical practices but also accelerate project completion timelines, driving business growth. When executed thoughtfully, optimisation of procurement and logistics processes can substantially reduce waste generation and carbon emissions. Additionally, adherence to social legislation ensures fair labour standards throughout the supply chain.

How We Manage Our Supply Chain

To address the social and environmental implications of our operational practices throughout our applicable supply chain, we first developed and published our Green Procurement Policy in FY2021. This framework, which aligns with ESR Group's Supplier Code of Conduct and its Sustainable Procurement Policy references Singapore authority guidelines such as the BCA Green Mark Certification and the Singapore Green Building Council database, serves as the foundation for implementing sustainable practices across our applicable supply chain network. In 2024, we established the detailed scope and evaluation criteria for this policy, ensuring all vendors providing goods and services to our property management division, including contractors engaged in development activities for ESR-REIT, comply with these standards. Full policy details are accessible on our website at https://www.esr-reit.com.sg/sustainability_corporate_policies.html.

Screening of Suppliers

Since FY2019, we have maintained direct management of our Singapore portfolio, working with a diverse network of local repair & maintenance suppliers to deliver exceptional service to our tenants.

To maintain high standards, we implement rigorous vendor screening through our due diligence process. This begins at the initial engagement phase, where potential suppliers must acknowledge and comply with our Green Procurement Policy and undergo our vendor tender pre-qualification assessment. Only approved vendors who successfully complete this evaluation are included in our Green Procurement Compliance List and are eligible to participate in tenders or Request for Quotations.

Our supply chain management system operates on two fundamental principles: regulatory compliance and ethical conduct. All suppliers and vendors must adhere to applicable laws and regulations while maintaining business practices that align with our internal Code of Conduct and Business Ethics. More information on these requirements is available at <https://www.esr.com/environmental-social-governance/>.

To ensure ongoing compliance, we implement a systematic contract renewal assessment process. Our evaluation includes:

1. Verification of continued adherence to our Green Procurement Policy
2. Review of operational policies and procedures
3. Assessment of process documentation
4. Recognition of newly acquired sustainability certifications

For vendors who fall short of our requirements, we provide a structured improvement period, allowing them to enhance their practices before their next contract renewal. However, persistent non-compliance results in removal from our approved vendor list and disqualification from future tender participation. These assessments are conducted either by our internal Contracts and Procurement team or by independent third-party evaluators.

2024 Performance: Supply Chain Management

100.0% of new suppliers underwent environment and social criteria screening

During tender evaluation, we prioritise suppliers demonstrating strong environmental commitment. This year, we have screened 100.0% of new suppliers based on our environmental and social criteria. Meanwhile, existing suppliers under Repair & Maintenance services have been reviewed during our bi-annual vendor screening exercise.

- Suppliers that lack the necessary credential or found to be non-compliant to Authority Requirements are deemed to have a higher risk of causing negative impact. This includes workplace accidents and health and safety issues. We strictly adhere to the compliance requirements to ensure the well-being of our employees, suppliers and tenants.
- Suppliers are recommended to use products/services following local environmental standards, such as products under Singapore Green Building Labelling Scheme ("SGLS"), Energy Star and Singapore Green Building Product ("SGBP"). Relevant teams are working together with their suppliers to align to the requirements to mitigate the environmental impacts of the goods and services.

MATERIAL TOPIC: COMMUNITY

Target	Time Horizon	2024 Performance
Achieve 500 hours or more employee volunteerism per year	Perpetual	Achieved 568 hours in FY2024

Impact of Community Engagement to Stakeholders

We believe in meaningful community engagement, and creating lasting partnerships that benefit both the society and our business. Through collaboration with communities, government bodies and various stakeholders, we foster civic responsibility while addressing environmental and social challenges in an integrated approach to create a resilient, sustainable, and inclusive environment for all parties involved.

How We Manage Community Engagement

The Manager holds regular consultation with grassroots organisations to identify pressing community needs, followed by the development of targeted programmes that leverage our resources and expertise. Through strategic allocation of financial and human capital, we work to maximise positive impact across all our initiatives. This is supported by continuous monitoring and evaluation to ensure effectiveness. We receive feedback on our community programmes, which guide improvements and implementation of future programme iterations.

Our community support model encompasses structured donations aligned with community needs, in-kind contributions of resources and expertise, and partnership programs with local organisations. Employee volunteerism remains a cornerstone of our community engagement strategy, and two days of annual volunteer leave are provided for all employees. In FY2024, 97.7% of our employees have participated in at least one community activity organised by the company, reflecting strong employee commitment to community service and 568 hours of staff volunteerism.

Management is in the midst of developing a Corporate Social Responsibility ("CSR") policy in FY2025 that aligns with our organisational values and stakeholder needs, and is in accordance with ESR Group's Community Development Policy and three Group Social Impact focus areas: Strengthening Social Resilience, Health & Well-being, Promoting Education & Upskilling, and Protecting the Environment.

SUSTAINABILITY REPORT

2024 Performance: Community Engagement Efforts

Activity highlights

Environmental protection through small actions

Beach clean-up

ESR-REIT employees spent a day with volunteers from the Kembangan-Chai Chee Community Club and PassionWave for a beach cleanup at East Coast Park. Together, we removed waste from the beach and surrounding waters. The clean-up was followed by a team lunch, where participants shared their experiences and discussed the importance of raising awareness on responsible waste disposal and marine pollution.

One Million Tree Movement

ESR-REIT also contributed to the East Coast group representation constituency's ("GRC") One Million Tree Movement. Our CEO, Mr. Adrian Chui, planted a tree on behalf of the organisation as a symbol of our commitment to improving our urban environment and enhancing our resilience towards climate change.

Contributing to the community

ESR-REIT Kidzcare Tuition Centre

Since 2019, the Manager has collaborated with Kidzcare@Kembangan-Chai Chee, an initiative to provide underprivileged primary school students with safe and conducive space to learn. The Manager provides three air-conditioned units at ESR BizPark @ Chai Chee for tuition lessons to be conducted and provides certified tutors for the programme.

Enrichment Lessons

This year we launched a pilot programme to provide non-academic enrichment lessons for the youths of Kembangan Chai Chee in the form of guitar and art lessons to supplement the ongoing ESR-REIT Kidzcare Tuition Centre initiative, for a more holistic approach to youth development.

We collaborated with our tenants, The Music Works and Artlette Art Studio to provide art and music lessons. This marks a significant milestone in our CSR journey as we increasingly seek to involve our stakeholders (tenants and community partner Kembangan-Chai Chee) in our CSR initiatives to make meaningful impact within our community.

Laptop Donation

Recognising the growing importance of digital tools in modern education, especially in the wake of the global shift to online learning, ESR-REIT donated 10 refurbished laptops to underprivileged students to support their education journey and enable access to online learning resources.



ESR-REIT Lunch-time Rescued Vegetable Distribution Initiative

In FY2024, the Manager continued with its Lunch Time Rescued Vegetable Distribution initiative. Unsold “ugly” but perfectly edible vegetables from the Pasir Panjang Wholesale Center that are to be discarded due to aesthetic imperfections are collected and distributed to underprivileged families. This initiative aims to reduce food waste while helping to alleviate grocery costs for needy families.

Twice a month on a rotational basis, ESR-REIT employees, head to the heartlands to sort and distribute these rescued vegetables to residents during their lunch break. The Manager also sponsors the transportation of these vegetables from the wholesale centre to Kembangan-Chai Chee for distribution.



Encouraging healthy lifestyle through fun and games

Marine Parade Cluster Family Day & Health Fiesta 2024

The Manager was the F&B sponsor for the Marine Parade Cluster Family Day & Health Fiesta 2024, a community event promoting health and wellness. The event featured activities such as obstacle courses, carnival games, health screenings, and exercise sessions which were designed to engage families and encourage healthy lifestyles. This sponsorship reflects our commitment to strengthening community bonds and supporting community well-being.

Supporting women, building capabilities

Commitment to Empowering Lower-Income Women through the SHE Initiative

To support the empowerment of lower-income women, the Manager participated in the Singapore Her Empowerment (“SHE”) annual fundraising event. The Manager showcased its dedication to fostering gender equality and supporting women in workforce re-entry by purchasing a table at the event, which was attended by 10 of its female employees.

The funds raised at the event will empower lower-income women through training, mentorship, and mental health support, and help them re-enter the workforce.



GOVERNANCE

MATERIAL TOPICS: REGULATORY COMPLIANCE, GOVERNANCE, AND ENTERPRISE RISK MANAGEMENT

Targets	Time Horizon	2024 Performance
Achieve zero lapse in corporate governance or corruption	Perpetual	Achieved zero lapses in corporate governance or corruption
Achieve zero material incidents of non-compliance with socio-economic laws and regulations	Perpetual	Achieved zero material incidents of non-compliance with socioeconomic or environmental laws

Impact of Regulatory Compliance, Governance and ERM to Stakeholders

Strong governance and compliance form the cornerstone of our business management, fostering stakeholder trust and sustainable value creation. For REITs, effective governance practices serve multiple critical functions under key regulatory frameworks including the Code of Corporate Governance 2018, SGX-ST Listing rules and the Code on Collective Investment Schemes. These frameworks establish essential requirements for Board composition and stakeholder protection, ensuring we maintain high standards of corporate conduct while protecting Unitholder interests. Through robust risk management and compliance frameworks, we manage various business risks, enhance our market reputation, and create enduring value. Our commitment to regulatory adherence not only safeguards against potential legal risks and financial penalties but also strengthens our position as a trusted market participant.

How We Manage Regulatory Compliance, Governance and ERM

We have implemented a comprehensive governance framework that upholds ethical conduct and responsible management throughout our operations, encompassing three key pillars: robust compliance mechanisms, proactive risk management, and continuous professional development.

We foster a strong compliance culture through continuous learning and development initiatives. Our approach includes annual compliance updates and comprehensive training programs delivered by the Compliance and Risk Management Department. In FY2024, the Compliance team conducted one compliance training and employees also attended a Group-level training to reinforce understanding of the Group's internal policies and procedures.

We have strict internal policies and procedures to ensure that ESR-REIT upholds the conditions specified in the Trust Deed and all applicable laws and regulations, including the Code of Corporate Governance 2018, the Code on Collective Investment Schemes and SGX-ST's Listing Rules.

As part of the Group's broader compliance programme, all employees complete mandatory online training covering essential topics such as conflict of interest management, anti-bribery measures, anti-corruption practices, and corporate compliance policies. Detailed information about these policies are available [here](#).

Open Communication for Transparency

The ARCC and the Board emphasise transparency and open communication throughout the organisation, which is underscored in the Policy on Conflict of Interest. The Manager bolsters this by upholding a zero-tolerance stance on corruption. Ethical conduct and anti-corruption measures include incorporating internal guidelines on the receipt and offering of gifts and entertainment within the policy, ensuring employees are equipped with the knowledge and resources to navigate potential conflicts.

We maintain a robust whistleblowing system that enables both internal and external stakeholders to report potential improprieties confidentially. The Policy on Whistleblowing has been communicated to all employees and details are available on our corporate website. Employees of the Managers and external parties can raise their concerns by filling in a form found on ESR-REIT's website and submitting it to whistleblowing@esr-reit.com.sg. The case will be routed directly to the ARCC Chairman and designated officers, to allow independent investigation of the matter raised and appropriate follow-up actions. Internally, employees can also choose to report any observed incident to their immediate supervisor, any Heads of Departments, the Head of Compliance, Risk Management & Sustainability⁹, the ARCC Chairperson or the CEO. Employees can refer to the internal telephone directory for the contacts information of the various points of contact.

Our investigation process ensures independent examination of all valid reports under the direct oversight of the ARCC Chairperson, with quarterly review of all cases by the ARCC. We handle all information confidentially to protect whistleblower interests.

For internal grievance handling, we maintain clear escalation pathways for workplace concerns, including a structured process for addressing issues such as compensation fairness, working conditions, and interpersonal conflicts. Employees can directly consult with department heads for policy clarification, and we provide a formal escalation mechanism through our Grievance Handling Policy.

Enterprise Risk Management

The Manager has established a risk management system to identify, measure, prioritise and respond to potential risks that may significantly affect ESR-REIT's operations. We take a systematic four-step process to effective risk management:

1. Risk Identification and Assessment
2. Risk Management Application
3. Risk Monitoring
4. Reporting

As part of risk identification and assessment, we have assessed environmental risks across our portfolio in Singapore, Australia and Japan using an Environmental Risk and Control Matrix. This matrix identifies, assesses, and manages environmental risks, encompassing regulatory compliance, resource efficiency, and climate-related risks (transition: policy & legal, technology, market, reputation; physical: acute and chronic) across short-, medium-, and long-term time horizons. The matrix utilises 27 risk descriptors and is reviewed bi-annually to account for emerging risks, with quarterly updates from Heads of Department ensuring the effectiveness of existing controls. Incremental risk descriptors are reported to the board quarterly. For more details about our governance practices and risk management activities, please refer to the Risk Management and Corporate Governance sections from page 86 to 120 of the Annual Report.

There were no material incidents of non-compliance with socioeconomic or environmental laws and regulations in FY2024.

⁹ Head of Compliance, Risk Management & Sustainability has stepped down in November 2024 and was replaced by the ESR Group Head of Governance & Sustainability.

SUSTAINABILITY REPORT

Sustainability Governance

Building on our commitment to responsible governance, the Board Sustainability Committee has been established to enhance governance by providing oversight and strategic guidance on ESG matters. This establishment underscores our move to align closely with stakeholder expectations and global best practices. The committee, comprising two board members and an external consultant, met once in FY2024 to discuss ESR-REIT's ESG strategies and performance. 100.0% of the BOD completed the SGX-prescribed sustainability training, which equipped them with essential knowledge of ESG principles and frameworks. To assess the effectiveness of this training, we conducted post-training assessments that measured knowledge improvement, ensuring directors are prepared to integrate ESG insights into board discussions and strategic decisions.

Moreover, all employees took part in the "Introduction to Sustainability" training provided by the Compliance and Risk Management Department, which aimed at strengthening our internal capacity for effectively managing ESG matters. Similar post-training assessments were implemented to evaluate knowledge enhancement, empowering employees to integrate sustainability principles into their day-to-day work.

2024 Performance: Compliance to Laws and Regulations

100.0% of operations assessed for risks related to corruption

100.0% of employees received training on anti-corruption

APPENDIX A: METHODOLOGY SUMMARY

This section outlines the scope, definitions, methodologies and assumptions used in calculating ESR-REIT’s ESG data.

Environmental

Control approach

ESR-REIT refers to the operational control approach as per the GHG Protocol Corporate Standards to consolidate environmental information. This requires ESR-REIT to account for 100.0% of the environmental data from operations over which it has operational control i.e. possessing complete authority to introduce and implement operating policies within the operations. This refers to the MTBs in ESR-REIT’s portfolio where there is landlord control of the common areas in the properties. The calculation excluded data from properties divested and included data from properties invested in the reporting year.

In FY2024, this refers to a total of 38 properties — 32 in Singapore, four in Australia and two in Japan.

MTBs in ESR-REIT’s portfolio:

Business Park	High-Specifications Industrial	Logistics	General Industrial
2	7	10	19

Electricity and Cooling Consumption

Grid Electricity Consumption

Electricity consumed by properties in ESR-REIT’s portfolio includes grid electricity, expressed in kWh. Landlord energy consumption refers to the energy consumed by common areas and shared services that ESR-REIT has operational control over.

Data Source: National Utility Providers.

Cooling Electricity Consumption (Singapore)

Electricity used for cooling purposes by properties in ESR-REIT’s portfolio includes on-site Chilled Water System (“CWS”) Consumption and off-site District Cooling System (“DSC”) Consumption, expressed in kWh. Landlord Cooling energy consumption refers to the energy consumed for common area cooling that ESR-REIT has operational control over. The on-site CWS Consumption has been included under the building’s grid electricity consumption if the power supply of it was tapped from building’s main switchboard; otherwise, it has not been included under and shall be accounted separately. The off-site DCS consumption is not accounted under the building’s grid electricity consumption, but is calculated separately and added to the Landlord Energy Consumption.

Energy intensity (Singapore)

Energy intensity per square metre is calculated by the energy consumed in the year, relative to the total common area of properties. For assets that are acquired or divested within the year, the partial energy consumption data would be extrapolated for a full year for annualisation purposes.

Two intensity values were provided: one considers grid and renewable electricity consumption and the second considers only grid electricity consumption. Both intensity values are expressed in kWh/m².

Solar energy consumption

For properties with on-site solar system installed, the solar energy generated was partially fed into the main switchboard of the building for direct consumption, and partially exported to the national grid. The breakdown of tenant and landlord solar consumption was not readily available due to site constraint of metering arrangement. Hence, the solar consumption breakdown was estimated based on the ratio between overall energy consumption of landlord and tenants.

SUSTAINABILITY REPORT

GHG Emission

ESR-REIT's Scope 1 relates to diesel used for back-up generator sets at our properties and fugitive emissions from our chillers and refrigeration units, expressed in tCO₂e. GHG Emission values were calculated using emission factors of grid electricity and fuel use into tCO₂e. Specifically for fuel emission factors, the gases CO₂, N₂O and CH₄ were included in the calculations. Emissions were calculated from the use of energy in common areas and shared services.

Data Source:

- Scope 1 stationary combustion emission factors are referenced from the GHG Protocol Emission Factors from Cross-Sector Tools
- Scope 1 fugitive emission factors are referenced from the Global Warming Potential values for 100-year time horizon from the IPCC Sixth Assessment Report
- Scope 2 grid emission factor for Singapore (2023) is provided by the EMA, while emission factor Japan (2022) is provided by the Agency for Natural Resources and Energy

GHG Emission Intensity

GHG intensity per square metre is calculated by the GHG emissions from the year, relative to the total common area of properties. For assets that are acquired or divested within the year, the partial emissions data would be extrapolated for a full year for annualisation purposes.

GHG emission intensity is expressed in tCO₂e/m².

Water Withdrawal

Water withdrawn by properties in ESR-REIT's portfolio includes municipal water and NEWater, expressed in m³. This refers to the water withdrawn by common areas and shared services that ESR-REIT has operational control over. Due to the nature of ESR-REIT's business, minimal water is consumed¹ in our business operations. Hence, we assume water withdrawn equals to water discharged.

Data Source: National Utility Providers.

Cooling System Water Consumption refers to water consumed on-site in ESR-REIT's portfolio, for cooling purposes in Singapore. Landlord Cooling System Water consumption refers to the water consumed for common area cooling that ESR-REIT has operational control over.

The on-site CWS Water Consumption has been included under the building's grid electricity consumption if the power supply of it was tapped from building's main water meter; otherwise, it has not been included under and shall be accounted separately. The off-site DCS water consumption is not accounted for under building's water consumption and shall not be included as aligned with industry practices.

Water intensity (Singapore)

Water intensity per square metre is calculated by the water withdrawn in the year, relative to the total common area of properties. For assets that are acquired or divested within the year, the partial water withdrawal data would be extrapolated for a full year for annualisation purposes.

Water intensity is expressed in m³/m².

Waste Generation

Waste generated by properties in ESR-REIT's portfolio includes hazardous and non-hazardous waste, expressed in tonnes. This refers to the waste generated in the common areas and shared services that ESR-REIT has operational control over.

Social

Employee

Employees considers the staff who are directly employed by the Managers, including full-time, part-time and temporary staff.

Workers who are not employees

This refers to workers that are contracted to provide services to the Managers' business operations.

New Hires and Turnover

New hire and turnover records present the number of employees at the end of each financial year, reflecting employee movement throughout the year. New hires refer to employees that joined the Managers during the year. Turnovers refer to employees who left the Managers during the year, including voluntary resignation, dismissal, retirement, or death.

Governance

Corruption

Corruption refers to actions including conflict of interest, bribery, embezzlement, fraud and unfair business practices that contribute to dishonest and illegal business dealings.

¹ As per GRI 303 Water and Effluents, water consumption measures water used by an organisation such that it is no longer available for use by the ecosystem or local community.

APPENDIX B: ESG DATA SUMMARY**Economic**

Metric	Unit	2023	2024
Green Building Certifications			
Certified properties in Singapore	GFA (%)	16.6	28.0
Tenancy			
Tenant occupancy rate	%	92.8	92.3
Tenant retention rate	%	75.5	76.0
Tenant satisfaction rating (Singapore, Japan)	%	78.0	78.2

Environment

Metric	Unit	2023	2024
Landlord Solar Energy			
<i>Singapore</i>			
Solar generation	kWh	15,359,872.1	15,225,359.1
Solar consumption	kWh	3,179,701.8	2,228,222.1
<i>Japan</i>			
Solar generation	kWh	2,021,594.0	2,241,682.0
Solar consumption	kWh	0	51,158.7 ¹
Landlord Electricity Consumption			
<i>Singapore</i>			
Number of properties captured in the data ²	Number	30	30
Purchased Energy (including grid electricity, solar energy and district cooling)	kWh	37,248,870.8	29,604,512.0
Energy intensity	kWh/m ²	231.2	190.3
Energy intensity excluding green energy	kWh/m ²	211.4	176.3
District cooling ³	kWh	567,076.6	583,035.4
Energy intensity (District cooling)	kWh/m ²	47.0	48.5
<i>Japan</i>			
Number of properties captured in the data ⁴	Number	1	2
Purchased Energy (including grid electricity and solar energy)	kWh	300,719.0	441,766.0
Energy intensity	kWh/m ²	76.8	66.4
Energy intensity excluding green energy	kWh/m ²	76.8	24.6

1 Solar consumption breakdown between landlord and tenants was estimated based on the overall energy consumption ratio between landlord and tenant.

2 Properties with operational control.

3 Includes only MTBs with district cooling consumption directly managed by the property management team.

4 Properties with operational control.

SUSTAINABILITY REPORT

Metric	Unit	2023	2024
Landlord GHG Emissions			
<i>Singapore</i>			
Scope 1	tCO ₂ e	457.8	837.4
Scope 2 (Location-Based)	tCO ₂ e	15,525.3	12,197.1
Scope 2 (Market-Based)	tCO ₂ e	14,200.0	11,268.3
Scope 1 & 2 (Location-Based)	tCO ₂ e	15,983.1	13,034.5
Scope 1 & 2 (Market-Based)	tCO ₂ e	14,657.8	12,105.8
GHG intensity (Location-Based)	tCO ₂ e/m ²	0.099	0.084
GHG intensity (Market-Based)	tCO ₂ e/m ²	0.091	0.078
<i>Japan</i>			
Scope 1	tCO ₂ e	0	8.3
Scope 2 (Location-Based)	tCO ₂ e	130.5	191.7
Scope 2 (Market-Based)	tCO ₂ e	130.5	169.5
Scope 1 & 2 (Location-Based)	tCO ₂ e	130.5	200.0
Scope 1 & 2 (Market-Based)	tCO ₂ e	130.5	177.8
GHG intensity (Location-Based)	tCO ₂ e/m ²	0.033	0.029
GHG intensity (Market-Based)	tCO ₂ e/m ²	0.033	0.011
Landlord Water Consumption			
<i>Singapore</i>			
Number of properties captured in the data ⁵	Number	30	30
Total water withdrawal	m ³	420,420.4	383,403.5
Water withdrawal intensity	m ³ /m ²	2.61	2.56
<i>Japan</i>			
Number of properties captured in the data ⁶	Number	1	2
Total water withdrawal	m ³	-32.0 ⁷	351.0⁷
Water withdrawal intensity	m ³ /m ²	-0.008	0.23
Waste Generation			
<i>Singapore</i>			
Number of properties captured in the data ⁸	Number	28	28
Hazardous waste generated	kg	0	0
Non-hazardous waste generated	tonnes	2,272.3	2,329.8
Waste diverted from disposal (Recycled)	tonnes	206.2	182.4
Waste directed to disposal (Waste-to-energy facilities)	tonnes	2,066.1	2,147.4

5 Properties with operational control.

6 Properties with operational control.

7 As there is limited visibility on landlord consumption of water from metered data, landlord water consumption in ESR Sakura Distribution Centre was estimated based on utility bills and tenant recovery, hence the negative value obtained. This will be improved upon in future years.

8 Includes only MTBs with waste disposal directly managed by the property management team.

Metric	Unit	2023	2024
<i>Japan</i>			
Number of properties captured in the data	Number	1	2
Hazardous waste generated	tonnes	0	0
Non-hazardous waste generated	tonnes	5.5	11.1
Waste diverted from disposal (Recycled)	tonnes	0.4	2.4
Waste directed to disposal (incineration)	tonnes	5.1	8.7

Social

Metric	Unit	2023	2024	
Employee Satisfaction				
Employee Survey response rate	%	89.0	93.9	
Satisfaction rating	%	80.5	84.2	
Employee Appraisal				
Employees that underwent appraisal	%	100.0	96.5	
Training and Education (Gender and Employment Category)				
Male	Average number of training hours	32.8	38.5	
Female		27.0	35.8	
Senior management		26.4	53.2	
Middle management		29.7	33.2	
Executive		28.6	36.2	
Current Employees (Gender, Employment Category and Age)				
Male	Number	27	25	
Female		58	63	
Senior management		10	10	
Middle management		40	46	
Executive		35	32	
<30 years old		5	5	
30–50 years old		71	73	
>50 years old		9	10	
Male		%	31.8	28.4
Female			68.2	71.6
Senior management	11.8		11.4	
Middle management	47.1		52.3	
Executive	41.2		36.4	
<30 years old	5.9		5.7	
30–50 years old	83.5		83.0	
>50 years old	10.6		11.4	

SUSTAINABILITY REPORT

Metric	Unit	2023	2024
Workers who are not employees			
Workers who are not employees	Number	189	193
New Hires (Gender and Age)			
Male		6	4
Female		17	10
<30 years old	Number	3	2
30–50 years old		20	11
>50 years old		0	1
Male		26.1	28.6
Female		73.9	71.4
<30 years old	%	13.0	14.3
30–50 years old		87.0	78.6
>50 years old		0.0	7.1
Turnover (Gender and Age)			
Male		10	6
Female		11	5
<30 years old	Number	3	1
30–50 years old		14	10
>50 years old		4	0
Male		47.6	54.5
Female		52.4	45.5
<30 years old	%	14.3	9.1
30–50 years old		66.7	90.9
>50 years old		19.0	0.0
Board of Directors (Gender, Age and Tenure)			
Male		80.0	77.8
Female		20.0	22.2
30–50 years old		20.0	22.2
50–60 years old		50.0	44.4
60–70 years old	%	20.0	22.2
>70 years old		10.0	11.1
<3 years		70.0	66.7
3–5 years		20.0	22.2
>5 years		10.0	11.1

Metric	Unit	2023	2024
Employee OHS			
No. of work-related fatalities	Number	0	0
No. of work-related ill health	Number	0	0
Fatality rate (per 1,000,000 hours worked)	%	0	0
No. of recordable work-related injuries	Number	0	0
Recordable work-related injury rate (including fatalities) (per 1,000,000 hours worked)	%	0	0
No. of high-consequence work-related injuries	Number	0	0
High-consequence work-related injury rate (excluding fatalities) (per 1,000,000 hours worked)	%	0	0
Total manhours worked	Hours	165,360	172,527
Other workers OHS			
No. of work-related fatalities	Number	0	0
No. of work-related ill health	Number	0	0
Fatality rate (per 1,000,000 hours worked)	%	0.0	0.0
No. of recordable work-related injuries	Number	0	0
Recordable work-related injury rate (including fatalities) (per 1,000,000 hours worked)	%	0.0	0.0
No. of high-consequence work-related injuries	Number	0	0
High-consequence work-related injury rate (excluding fatalities) (per 1,000,000 hours worked)	%	0.0	0.0
Total manhours worked ⁹	Hours	827,820	843,024
Supply Chain Management			
New suppliers that underwent environment and social criteria screening	%	100.0	100.0
Employee volunteerism			
Total hours of employee volunteerism	Number	528.5	568.0

Governance

Metric	Unit	2023	2024
Compliance			
Material incident of non-compliance with socioeconomic or environmental laws and regulations	Number	0.0	0.0
Operations assessed for risks related to corruption	%	Not tracked	100.0
Employees trained on anti-corruption	%	100.0	100.0

⁹ The total manhours worked were estimated from daily rosters, including the hours worked by technicians and contractors providing cleaning and conservancy services, general building maintenance and security management services.

SUSTAINABILITY REPORT

APPENDIX C: GRI CONTENT INDEX

Statement of use	ESR-REIT has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 in accordance with the GRI Standards		
GRI 1 used	GRI 1: Foundation 2021		
Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
The organisation and its reporting practices			
2-1	Organisational details		
2-2	Entities included in the organisation's sustainability reporting	About ESR-REIT's Sustainability Report 2024, page 121	
2-3	Reporting period, frequency and contact point	About ESR-REIT's Sustainability Report 2024, page 121	
2-4	Restatements of information	About ESR-REIT's Sustainability Report 2024, page 122	
2-5	External assurance	About ESR-REIT's Sustainability Report 2024, page 122	
Activities and Workers			
2-6	Activities, value chain and other business relationships	Annual Report: About Us, page 4 Annual Report: Message to Unitholders, page 12 About ESR-REIT's Sustainability Report 2024, page 121	
2-7	Employees	Material topic: Employee Engagement and Satisfaction, page 155 Appendix B: ESG Data Summary, page 173	
2-8	Workers who are not employees	Appendix B: ESG Data Summary, page 173	
Governance			
2-9	Governance structure and composition	Annual Report: Board of Directors, pages 26 to 31 How We Manage Sustainability, Sustainability Governance, pages 129 to 130 Material topic: Diversity and Equal Opportunity, page 158	
2-10	Nomination and selection of the highest governance body	Annual Report: Corporate Governance, Selection and Appointment of Directors, page 103	
2-11	Chair of the highest governance body	Annual Report: Corporate Governance, Principle 2: Board Composition and Guidance, page 97	

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
2-12	Role of the highest governance body in overseeing the management of impacts	How We Manage Sustainability, Our Sustainability Leaders at ESR-REIT, pages 129 to 130	
2-13	Delegation of responsibility for managing impacts	How We Manage Sustainability, Our Leaders at ESR-REIT, pages 129 to 130	
2-14	Role of the highest governance body in sustainability reporting	Board Statement, page 125	
2-15	Conflicts of interest	Annual Report: Corporate Governance, Role of Board, pages 93 to 94 Annual Report: Corporate Governance, Principle 8: Disclosure on Remuneration, pages 106 to 108 Annual Report: Corporate Governance, Dealings with Potential Conflicts of Interest, pages 117 to 118	
2-16	Communication of critical concerns	How We Manage Sustainability, Stakeholder Engagement, pages 131 to 132	
2-17	Collective knowledge of the highest governance body	Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, Sustainability Governance, page 168	
2-18	Evaluation of the performance of the highest governance body	Annual Report: Corporate Governance, Principle 5: Board Performance, page 104	
2-19	Remuneration policies	Annual Report: Corporate Governance, Principle 6: Procedures for Developing Remuneration Policies, page 104	
2-20	Process to determine remuneration	Annual Report: Corporate Governance, Principle 7: Level and Mix of Remuneration, pages 104 to 105	
2-21	Annual total compensation ratio	NIL	Not disclosed due to confidentiality constraints.
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Board Statement, page 125	
2-23	Policy commitments	Material topic: Energy and Carbon Footprint, page 140 Material topic: Supply Chain Management, page 162 Material topic: Employee Engagement and Satisfaction, page 155 Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	

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Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
2-24	Embedding policy commitments	Material topic: Energy and Carbon Footprint, page 140 Material topic: Supply Chain Management, page 162 Material topic: Employee Engagement and Satisfaction, page 155 Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	
2-25	Processes to remediate negative impacts	Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	
2-26	Mechanisms for seeking advice and raising concerns	How We Manage Sustainability, Stakeholder Engagement, pages 131 to 132 Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 167	
2-27	Compliance with laws and regulations	Material topic: Regulatory Compliance, Governance, and Enterprise Risk Management, page 168	
2-28	Membership associations	How We Manage Sustainability, Stakeholder Engagement, page 132	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	How We Manage Sustainability, Stakeholder Engagement, page 131	
2-30	Collective bargaining agreements	NIL	All employees within the scope of this report are not covered by collective bargaining agreements, as they are considered as professionals.
Topic Specific Disclosures			
Disclosures on Material Topics			
3-1	Process to determine material topics	How We Manage Sustainability, Our Material Factors, page 133	
3-2	List of material topics	How We Manage Sustainability, Our Material Factors, page 133	

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
Investment Management — Quality of Assets and Services			
N/A	Responsible investing and quality of assets and services	Material topic: Investment Management — Quality of Assets and Services, page 134	
3-3	Management of material topics	Material topic: Investment Management — Quality of Assets and Services, page 134	
Tenant Engagement and Satisfaction			
N/A	Tenant engagement and satisfaction	Material topic: Tenant Engagement and Satisfaction, page 137	
3-3	Management of material topics	Material topic: Tenant Engagement and Satisfaction, page 137	
Energy and Carbon Footprint			
3-3	Management of material topics		
302-1	Energy consumption within the organisation	Appendix B: ESG Data Summary, page 171	
302-2	Energy consumption outside of the organisation	NIL	There is no material energy consumed outside of the organisation boundaries.
302-3	Energy intensity	Appendix B: ESG Data Summary, page 171	
302-4	Reduction of energy consumption	NIL	While we are unable to provide a breakdown of reduction in energy consumption corresponding to each efficiency initiative, we can attribute the reduction in energy consumption in FY2024 to a combination of efficiency initiatives and tenant engagement efforts.
302-4	Reductions in energy requirements of products and services	NIL	We plan to quantify energy reductions from more efficient products and services in the future.
305-1	Direct (Scope 1) GHG emissions	Appendix B: ESG Data Summary, page 172	

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Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
305-2	Energy indirect (Scope 2) GHG emissions	Appendix B: ESG Data Summary, page 172	
305-3	Other indirect (Scope 3) GHG emissions	NIL	We are calculating our Scope 3 emissions in FY2024, which is not ready for disclosure at the time of publication of this report. Please refer to Material topic: Energy and Carbon Footprint, page 144 for more information on our Scope 3 Inventory Plans.
305-4	GHG emissions intensity	Appendix B: ESG Data Summary, page 172	
305-5	Reduction of GHG emissions	NIL	While we are unable to provide a breakdown of reduction in GHG emissions corresponding to each decarbonisation initiative, we can attribute the reduction in GHG emissions in FY2024 to a combination of increased use of solar energy and efficiency initiatives.
305-6	Emissions of ozone-depleting substances (ODS)	NIL	ODS is not a material output of ESR-REIT's business operations.
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	NIL	NOX, SOX and other air emissions are not significant outputs of ESR-REIT's business operations.

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
Climate Change Adaptation			
N/A	Climate change adaptation	Material topic: Climate Change Adaptation, page 145	
3-3	Management of material topics	Material topic: Climate Change Adaptation, pages 145-151	
Water			
3-3	Management of material topics	Material topic: Water, page 153	
303-1	Interactions with water as a shared resource	Material topic: Water, page 153	
303-2	Management of water as a shared resource	Material topic: Water, page 153	
303-3	Water withdrawal	Appendix B: ESG Data Summary, page 172	
303-4	Water discharge	Appendix A: Methodology Summary, page 170	The Manager's properties discharge water to local sewer systems and do not directly discharge into surface water, groundwater or seawater bodies.
303-5	Water consumption	Appendix A: Methodology Summary, page 170	Due to the nature of the business, we assume water withdrawal is the same as water discharged.
Waste			
3-3	Management of material topics	Material topic: Waste, page 153	
306-1	Waste generation and significant waste-related impacts	Appendix B: ESG Data Summary, pages 172-173	
306-2	Waste by type and disposal method	Appendix B: ESG Data Summary, pages 172-173	
306-3	Waste generated	Appendix B: ESG Data Summary, pages 172-173	
306-4	Waste diverted from disposal	Appendix B: ESG Data Summary, pages 172-173	
306-5	Waste directed to disposal	Appendix B: ESG Data Summary, pages 172-173	
Employee Engagement and Satisfaction			
3-3	Management of material topics	Material topic: Employee Engagement and Satisfaction, page 155	
404-1	Average hours of training per year per employee	Material topic: Employee Engagement and Satisfaction, page 156	

SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
404-2	Programmes for upgrading employee skills and transition assistance programmes	Material topic: Employee Engagement and Satisfaction, page 155	
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix B: ESG Data Summary, page 173	
Diversity and Equal Opportunity			
3-3	Management of material topics	Material topic: Diversity and Equal Opportunity, page 157	
401-1	New employee hires and employee turnover	Appendix B: ESG Data Summary, page 174	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	NIL	Not disclosed due to confidentiality constraints.
401-3	Parental leave	NIL	We plan to disclose in future reports.
405-1	Diversity of governance bodies and employees	Appendix B: ESG Data Summary, pages 173-174	
405-2	Ratio of basic salary and remuneration of women to men	NIL	Not disclosed due to confidentiality constraints.
Health and Safety			
3-3	Management of material topics	Material topic: Health and Safety, page 160	
403-1	Occupational health and safety management system	Material topic: Health and Safety, pages 160-161	
403-2	Hazard identification, risk assessment and incident investigation	Material topic: Health and Safety, page 161	
403-3	Occupational health services	Material topic: Health and Safety, page 161	
403-4	Worker participation, consultation and communication on occupational health and safety	Material topic: Health and Safety, page 161	
403-5	Worker training on occupational health and safety	Material topic: Health and Safety, page 161	
403-6	Promotion of worker health	Material topic: Health and Safety, page 161	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Material topic: Health and Safety, page 161	

Disclosure Number	Disclosure Title	Section/Page Number	Omissions and Explanations
403-8	Workers covered by an occupational health and safety management system	Material topic: Health and Safety, page 161	
403-9	Work-related injuries	Appendix B: ESG Data Summary, page 175	
403-10	Work-related ill health	Appendix B: ESG Data Summary, page 175	
Supply Chain Management			
3-3	Management of material topics	Material topic: Supply Chain Management, pages 162	
308-1	New suppliers that were screened using environmental criteria	Appendix B: ESG Data Summary, page 175	
308-2	Negative environmental impacts in the supply chain and actions taken	Material topic: Supply Chain Management, page 162	
Community			
3-3	Management of material topics	Material topic: Community, pages 163-165	
413-1	Operations with local community engagement, impact assessments and development programs	Material topic: Community, pages 163	
413-2	Operations with significant actual and potential negative impacts on local communities	NIL	We plan to disclose in future reports.
Governance and Enterprise Risk Management			
205-1	Operations assessed for risks related to corruption	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 168 Appendix B: ESG Data Summary, page 175	
205-2	Communication and training about anti-corruption policies and procedures	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, pages 167-168	
205-3	Confirmed incidents of corruption and actions taken	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 168	
Regulatory compliance			
3-3	Management of material topics	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 166	
2-27	Compliance with laws and regulations	Material topics: Regulatory Compliance, Governance, and Enterprise Risk Management, page 167-168	

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APPENDIX D: SASB CONTENT INDEX

Topic	SASB Code	Accounting Metric	2024				2023			
			Business Park	High-Specifications Industrial	Logistics	General Industrial	Business Park	High-Specifications Industrial	Logistics	General Industrial
Energy MGMT	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector ¹	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	IF-RE-130a.2	(1) Total energy (GJ) consumed by portfolio area with data coverage, by property subsector	49,095.1	27,573.2	35,654.4	14,668.1	45,162.5	25,281.7	77,326.9	9,133.7
	IF-RE-130a.2	(2) Percentage of energy consumed that was supplied from grid electricity, by property subsector	74.1%	100.0%	77.6%	98.4%	72.7%	100.0%	85.6%	96.9%
	IF-RE-130a.2	(3) Percentage of energy consumed that was renewable energy, by property subsector	0.0%	0.0%	22.4%	1.6%	0.0%	0.0%	14.4%	3.1%
	F-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	8.7%	9.1%	-53.9%	60.6%	ESR-REIT only started reporting in alignment with SASB in 2023. Hence, like-for-like change in energy consumption is tracked from 2023 onwards.			
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Building energy management considerations are integrated into our climate targets. ESR-REIT has set targets to achieve 7.0% reduction in energy intensity for Singapore MTBs' common area by progressive reduction of 1.0% per annum from FY2023 to FY2030. We also aim to add rooftop solar panels to 21 more properties in Singapore over the next 2 years.							
Water MGMT	IF-RE-140a.1	(1) Water withdrawal data coverage as a percentage of total floor area, by property subsector ¹	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage	0.096	0.137	0.073	0.077	0.118	0.136	0.103	0.063
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	-18.5%	0.1%	-28.6%	22.0%	ESR-REIT only started reporting in alignment with SASB in 2023. Hence, like-for-like change in water withdrawn is tracked from 2023 onwards.			
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water scarcity poses a long-term risk, threatening operational efficiency and increasing costs. For mitigation of our water management risk, ESR-REIT has set targets to obtain WEB Certification for all MTBs in Singapore by FY2025, and achieve 14.0% water intensity reduction from year FY2023 by FY2030.							

¹ We report consumption data only for common areas of MTBs, for which we have operational control over. In the coming years, we will gradually increase the scope of consumption data coverage to report data for the entire portfolio.

Topic	SASB Code	Accounting Metric	2024				2023			
			Business Park	High-Specifications Industrial	Logistics	General Industrial	Business Park	High-Specifications Industrial	Logistics	General Industrial
MGMT Tenant Sustainability Impacts	IF-RE-410a.3	Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	ESR-REIT has set a new target to apply Green Leases to 100% of our Singapore portfolio's NLA by FY2028. Our Green Lease clauses provide tenants with clear guidelines on sustainable water usage practices, efficient fit-out plans and installation of smart metering allows for continuous monitoring provides insights to water consumption patterns. The asset management team have also worked with five STB tenants to install solar panels.							
Climate Change Adaption	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	ESR-REIT will conduct an assessment to assess properties located in 100-year flood zones in our next climate scenario analysis.							
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	Please refer to Material topic: Climate Change Adaptation from pages 145 to 151, and Appendix E: Qualitative Climate Risk Assessment from pages 186 to 187.							
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector ²	2	7	11	12	2	7	10	12
	IF-RE-000.B	Leasable floor area, by property subsector	1,787,821.3	1,844,585.0	8,384,631.3	2,424,944.1	1,786,958.1	1,599,827.7	6,545,752.4	2,379,317.0
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector ³	2.9%	7.8%	21.4%	34.6%	2.9%	8.6%	38.3%	41.0%
	IF-RE-000.D	Average occupancy rate, by property subsector ⁴	79.5%	77.6%	76.8%	79.1%	68.2%	78.3%	91.4%	86.5%

2 We only report the number of MTBs, for which we have operational control over, to ensure consistency with the energy and water consumption data disclosed.

3 We report percentage of STBs over MTBs across our entire portfolio.

4 We only report the average occupancy rate of MTBs, for which we have operational control over, to ensure consistency with the energy and water consumption data disclosed.

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APPENDIX E: QUALITATIVE CLIMATE RISK ASSESSMENT

Country	Risks identified
Singapore	<p>Transition risk</p> <ul style="list-style-type: none"> Regulatory Changes (Medium and Long Term): Singapore's Green Building Masterplan ("SGBMP") "80-80-80" target by 2030 mandates 80% of buildings by GFA will have Green Building Certifications. There will be increased mandatory environmental sustainability standards for new buildings and existing buildings to undergo a major retrofit to raise minimum energy performance and align with mandatory sustainable construction practices. <p>The rising carbon tax (projected to reach \$50-\$80/tCO₂e by 2030) will directly impact operational expenditure. These factors necessitate substantial capital expenditure for upgrades to meet stricter energy performance standards and sustainable construction practices for both new and existing buildings. By 2050, further regulatory tightening and evolving stakeholder expectations are anticipated, requiring ongoing adaptation and investment.</p> <ul style="list-style-type: none"> Evolving Stakeholder Expectations (Medium and Long Term): Growing stakeholder pressure for enhanced sustainability performance will influence tenant selection criteria, potentially impacting lease agreements and rental rates. We aim to capitalise of these opportunities by proactively pursuing of green building opportunities. <p>Physical Risks</p> <ul style="list-style-type: none"> Rising Temperatures (Long Term): Increased frequency of extreme heat events will lead to higher cooling loads, resulting in increased energy consumption and operational costs for air conditioning systems. This risk requires long-term planning for energy efficiency upgrades and potentially alternative cooling solutions. Flooding (Medium and Long Term): The increased risk of flooding, due to rising sea levels and more intense rainfall, poses an acute threat to coastal assets. Disruptions to transportation networks and asset accessibility could lead to significant short-term financial losses (rental income reduction) and potential long-term damage to asset value. This requires immediate and ongoing investment in flood mitigation measures. Water Stress (Long Term): As a chronic long-term risk, water scarcity could impact operational efficiency and increase costs. Addressing this requires implementation of water management strategies.

Country	Risks identified
Australia	<p>Transition Risks</p> <ul style="list-style-type: none"> Regulatory Changes (Medium and Long Term): Australia's "Trajectory for Low Energy Buildings" national plan, aiming for zero-energy and carbon-ready buildings by 2050, presents a significant transition risk. Meeting the 40% energy productivity improvement target by 2030 will require substantial capital expenditure in upgrades to existing assets and the implementation of energy-efficient design in new developments. This necessitates investment in energy-efficient technologies and building designs to comply with evolving regulations and maintain a competitive edge in the market. <p>Physical Risks</p> <ul style="list-style-type: none"> Flooding (Short, Medium and Long Term): Australia already experiences frequent flooding, exacerbated by projected increase in intense rainfall and rising sea levels. This poses a significant risk to assets, particularly those located in low-lying coastal areas. The potential for damage, business interruption and loss of rental income requires both short-term mitigation strategies (e.g., improved drainage) and long-term adaptation measures (e.g., relocation or building design adjustments). Water Stress (Long Term): Decreased rainfall, as documented in the Australian Government's Bureau of Meteorology's State of the Climate 2020 report, poses a chronic long-term risk. Water scarcity could impact operational efficiency and increase costs. Implementation of water management strategies, including water conservation and exploring alternative water sources, are necessary to mitigate this risk.
Japan	<p>Transition Risks</p> <ul style="list-style-type: none"> Regulatory Changes (Medium and Long Term): Japan's strengthened Building Energy Efficiency Act of 2016, mandating energy-saving standards for mid-size buildings, presents a medium-term risk. Further tightening of energy conservation targets by the METI, potentially increasing by around 10%, will increase capital expenditure for upgrades to meet stricter standards. This requires investment in energy-efficient technologies and building designs to ensure compliance and maintain a competitive edge. Further regulatory changes are anticipated beyond 2030, requiring ongoing adaptation. <p>Physical Risks</p> <ul style="list-style-type: none"> Flooding (Medium and Long Term): Japan's high rainfall and the projected nine-fold increase in flood damage by 2100 (Bank of Japan research) represent a significant and escalating threat. This necessitates both immediate mitigation strategies (improved drainage, flood defences) and long-term adaptation measures (e.g., relocation of vulnerable assets, building design adjustments) to protect assets and minimize financial losses. Earthquakes (Short, Medium and Long Term): While not directly climate-related, the potential for increased earthquake frequency due to climate change warrants consideration alongside other physical risks. Japan's geographical vulnerability requires robust earthquake-resistant building design and disaster preparedness measures to minimise damage and operational disruption.

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APPENDIX F: ASSURANCE STATEMENT

Independent Verification Report Summary

SGS INTERNATIONAL CERTIFICATION SERVICES SINGAPORE PTE LTD'S REPORT ON VERIFICATION OF ESR-REIT'S ENERGY INTENSITY, WATER INTENSITY, AND SOLAR POWER CAPACITY DISCLOSURES

Nature of the Verification

SGS International Certification Services Singapore Pte Ltd (hereinafter referred to as "SGS") was commissioned by ESR-REIT Management (S) Limited (hereinafter referred to as "ESR-REIT") to commence a limited assurance external verification. The verification is limited to the disclosures of the performance level of three Key Performance Indicators ('KPIs') and for the reporting period 1 January 2024 to 31 December 2024.

The KPIs are as follows:

- KPI 1: Energy intensity (excluding Solar Energy) in common areas of multi-tenanted buildings in Singapore
- KPI 2: Water intensity in common areas of multi-tenanted buildings in Singapore
- KPI 3: Solar power capacity in Singapore

Intended Users of This Verification Report

This verification report is provided with the intention of informing all ESR-REIT's stakeholders and bank (lender) based in Singapore as part of the requirement under the SLL.

Responsibilities

The disclosures of the performance level of the three KPIs, its presentation, and supporting documents provided to SGS are the responsibility of the directors, governing body, and the management of ESR-REIT. SGS has not been involved in the preparation of any of the material included in the disclosures.

Our responsibility is to express an opinion on the text, data, graphs, and statements within the scope of verification with the intention of informing all the intended users.

Assurance Standards, Type, and Level of Assurance

SGS performs the engagement based upon internationally recognized assurance guidance and standards. The verification engagement has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
International Standard on Assurance Engagements — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000)	Limited

Scope of Verification

The scope of the verification included evaluation of quality, accuracy, and reliability of disclosed and specified performance information. The limited assurance external verification agreed with ESR-REIT includes the performance level of the following KPIs:

Key Performance Indicators	Scope	Reported Value	Units
KPI 1: Energy intensity (excluding Solar Energy) in common areas	Multi-Tenanted Buildings (MTBs) in Singapore	176.3	kWh/sqm
KPI 2: Water intensity in common areas	Multi-Tenanted Buildings (MTBs) in Singapore	2.56	m ³ /sqm
KPI 3: Solar power capacity	Multi-Tenanted Buildings (MTBs) and Single-Tenanted Buildings (STBs) in Singapore	15.5	MWp

Reported values for KPI 1, 2 and 3 in 2024 is calculated based on the updated KPI quantification approach as documented in the Basis of Environmental Targets dated 12 March 2025, which was developed by ESR-REIT. Thus, where applicable, the baseline performance in 2023 will be restated to conform with the updated approach to ensure comparability. For the avoidance of doubt, assessing the accuracy or conformance of the restated baseline to the updated KPI quantification approach is beyond the scope of the current engagement.

Verification Methodology

The verification comprised a combination of pre-verification research, interviews with relevant employees such as the asset management and property management team member(s) at ESR-REIT, documentation and data records review as well as data validation carried out from 16 January 2025 to 13 March 2025. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling KPI information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of KPI's and related themes.

Limitations and Mitigation

SGS assurance engagements are based on the assumption that the data and information provided by ESR-REIT have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from ESR-REIT, being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders.

The verification team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors and sustainability professionals specializing in the Environmental, Social, and Governance (ESG), environmental and carbon fields. The verification team conducted the engagement in accordance with the SGS Code of Integrity.

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Findings and Conclusions

Verification Opinion

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

Quality and Reliability of Specified Performance Information

During the assurance engagement, some examples of good practice and opportunities for improvement in underlying processes were identified and reported to the organisation, with the aim of enabling a process of continual improvement in collecting and reporting KPI data.

Good Practice

- Notwithstanding that it is ESR-REIT's first year undertaking external assurance, the organisation demonstrates strong inter-departmental teamwork across the asset management, finance and property management teams to ensure timely closure of audit findings.
- The organisation exhibits strong willingness and agility to improve reporting procedures. Notably, ESR-REIT proactively developed a basis of preparation in consultation with consultants, enhancing transparency of reported data.
- SGS noted that the organisation had conducted pre-assurance on the reported data prior to the external audit. The organisation is encouraged to continue implementing such review measures as a good practice. For example, the organisation may consider implementing a formal internal audit annually for future reporting years.

Opportunities for Improvement

- The organisation could consider leveraging technology to automate data collection and reporting, especially concerning energy and water consumption recovered from tenants. SGS noted that, as of March 2025, ESRREIT is in the process of adopting such technology.
- As the organisation's portfolio contains assets with different submetering setups, it may consider conducting a sensitivity analysis on alternative approaches to the current quantification method. For example, while tenants' usage of electricity and water use attributed to chilled water is currently estimated, the organisation may consider using billing data to ascertain usage by tenants, where possible, to optimise accuracy and ease of data collection.
- Organisation may consider elaborating on criteria for including or excluding assets that may not be operating under normal conditions during the reporting year within the scope of the KPI.

Signed:



Priyanka Mehta

Sustainability & ESG Manager

SGS International Certification Services Singapore Pte Ltd

13 March 2025

Verified by:

Valerie Koh



Adrian Lamano

