

STRENGTH IN RESILIENCE

Sustainability Report 2023



ARA H-TRUST'S MISSION

To provide sustainable and stable returns to ARA H-Trust's Stapled Securityholders through attractive distributions and long-term capital appreciation.

CORPORATE PROFILE

ARA US Hospitality Trust

Listed on the Singapore Exchange on May 9, 2019, ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust ("**ARA H-REIT**") and ARA US Hospitality Management Trust ("**ARA H-BT**"). ARA US Hospitality Trust invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. ARA US Hospitality Trust's portfolio comprises 36 select-service hotels with a total of 4,700 rooms across 18 states in the United States as at December 31, 2023.

ARA US Hospitality Trust is managed by ARA Trust Management (USH) Pte. Ltd. and ARA Business Trust Management (USH) Pte. Ltd., (collectively known as the "**Managers**"). The Managers are indirect wholly-owned subsidiaries of ARA Asset Management Limited.

For more information, please visit www.araushotels.com.

The Sponsor

The Sponsor, ARA Real Estate Investors 23 Pte. Ltd., is an indirect wholly-owned subsidiary of ARA Asset Management Limited ("**ARA**").

ARA Asset Management Limited is part of ESR Group ("**ESR**"), ESR is Asia-Pacific's ("**APAC**") leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers. With approximately US\$81 billion in fee-related assets under management¹ as at 31 December 2023, ESR's fully integrated fund management and development platform extends across various APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Southeast Asia and India, with a presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across the private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. Our purpose — Space and Investment Solutions for a Sustainable Future — drives us to manage sustainably and impactfully, and we consider the environment and the communities in which we operate as key stakeholders of our business. ESR is listed on the Main Board of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite and MSCI Hong Kong Indices.

¹ Fee-related AUM excludes AUM from Associates and levered uncalled capital. Based on FX rates as at 31 December 2023.

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INTRODUCTION

REPORTING FRAMEWORK

The Board has approved the information disclosed in this report and it has been prepared in accordance with the following standard, frameworks, guideline and regulation:

- Global Reporting Initiative (“GRI”) Universal Standards 2021
- The Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations
- United Nations Sustainable Development Goals (“UN SDGs”)
- Monetary Authority of Singapore’s (“MAS”) Guidelines on Environmental Risk Management for Asset Managers (“EnRM”)
- Singapore Exchange Securities Trading Limited’s (“SGX-ST”) Listing Rules 711A and 711B





The GRI Standards is utilised as it is an internationally recognised framework encompassing a wide range of sustainability disclosures relevant to the hospitality industry and company’s business model. This report

also refers to the TCFD recommendations to guide the assessment, management and reporting of climate related risks and opportunities. This framework was selected due to its focus on financial impacts, which aligns with stakeholders’ interest, for decision making.

This Sustainability Report, along with additional Environmental, Social and Governance (“ESG”) information, will be submitted as part of ARA H-Trust’s submissions to the 2024 Global Real Estate Sustainability Benchmark (“GRESB”) assessment¹.

REPORTING SCOPE AND PERIOD

This annual Sustainability Report covers information from January 1, 2023 to December 31, 2023, as aligned to ARA H-Trust’s financial reporting period. Relevant data from the prior years are included for comparison whenever applicable. It focuses on the ESG policies, practices, and goals considered most material to ARA H-Trust’s operations. The boundaries of the disclosed ESG data are as defined below:

Sustainability Pillar	Reporting boundary
 <p>GOVERNANCE</p>	<ul style="list-style-type: none"> • Socioeconomic and governance performance data covers employees of the Managers.
 <p>ECONOMIC</p>	<ul style="list-style-type: none"> • Economic performance data covers the operations of ARA H-Trust as a hospitality stapled group comprising ARA H-REIT and ARA H-BT. It reflects the financial performance of the 36 upscale select-service hotels in ARA H-Trust’s portfolio.
 <p>SOCIAL</p>	<ul style="list-style-type: none"> • Employment, training and community engagement data covers employees of the Managers. • Occupational and customer health and safety performance data covers employees of both the Managers and Hotel Managers², and guests staying at the hotels.
 <p>ENVIRONMENTAL</p>	<ul style="list-style-type: none"> • Environmental data relates to the 36 properties which ARA H-Trust has operational control over.³

¹ GRESB is the environmental, social and governance benchmark for real estate assets. Working in collaboration with the industry, GRESB defines the global standard for sustainability performance in real estate assets, providing standardised and validated ESG data to the capital markets. More than 100 institutional investors, including pension funds and insurance companies, use GRESB data and analytical tools to optimise the risk/return profile of their investments. In 2023, more than 2,000 property companies, REITs, funds and developers participated in the Real Estate Assessment, representing USD7.2 trillion gross asset value.

² The ARA Managers appoints third-party hotel managers, namely Aimbridge Hospitality, Concord Hospitality, Chartwell Hotel Manager and Avion Hotel Manager (“Hotel Managers”). While entrusting the day-to-day operations to the Hotel Managers, the ARA Hotel Manager maintains supervision over the portfolio’s operations, management, and maintenance. This oversight ensures alignment with strategic objectives and performance standards for the Hotel Managers.

³ For the asset divested during FY2023, namely Hyatt Place Oklahoma City Airport Hotel, its material data is included from January 1, 2023, up to its divestment date of September 26, 2023 (U.S. time). For the newly acquired asset, namely Home2 Suites by Hilton Colorado Springs South Hotel, its material data is reported from April 18, 2023 (U.S. time).

ARA H-Trust's portfolio of upscale select-service hotels is branded under three of the world's largest hotel chains, Hyatt Hotels Corporation, Marriott International and Hilton Worldwide ("**Brand Partners**"). The various brands include Hyatt House, Hyatt Place, AC Hotel by Marriott, Courtyard by Marriot, Residence Inn by Marriott and Home2 Suites by Hilton. More details regarding the portfolio hotels can be found in the Annual Report, pages 28 to 50.

RELATIONSHIP WITH HOTEL MANAGERS AND BRAND

The Hotel Managers are responsible for daily operations. From a ESG perspective, it is the Hotel Mangers that has control and influence of daily energy and water consumption, adaptation to guest/consumer preferences and behavioral changes and maintenance activities that could influence consumption and efficiencies. ARA-H Trust has leveraged impact and placed a priority to promote ESG initiatives at its hotels. The hotel brand partners also provide ESG-related support such as software, training, design guidelines, manuals, and more. Brand-level support complements the property-level operations and ESG-related efforts.

The following is an organisation chart of ARA H-Trust:



ASSURANCE AND FEEDBACK

This Sustainability Report has not undergone external assurance. The Managers may consider engaging external assurance for future reports as reporting practices and data collection mature.

The Managers value all feedback from stakeholders for continuous improvement in the company's sustainability reporting process. Please send any comments and suggestions to usht_ir@esr.com.

BOARD STATEMENT

The Board of Directors of the Managers (the “**Board**”) is pleased to present ARA H-Trust’s Sustainability Report for the financial year ended December 31, 2023 (“**FY2023**”). This report summarises ARA H-Trust’s ESG performance in FY2023 and details its progress to strengthen the implementation of material ESG topics across its real estate portfolio.

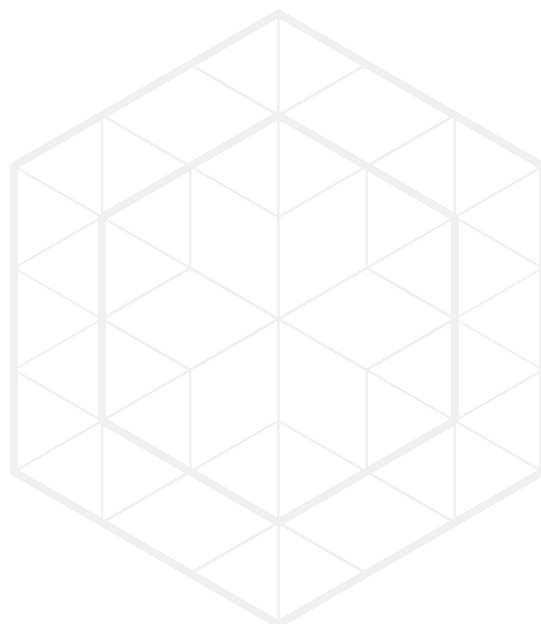
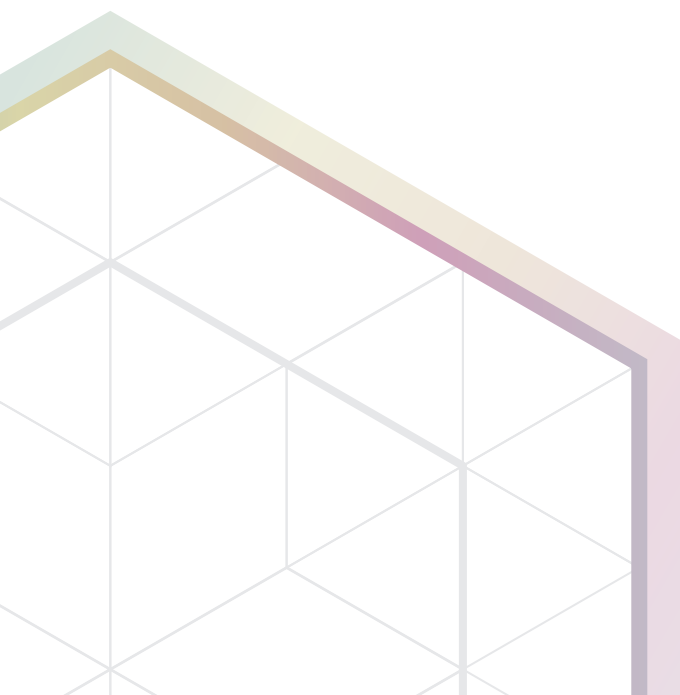
The Board recognises the significant resource requirements of hotels and therefore emphasises the importance of incorporating sustainability practices into the management of ARA H-Trust’s assets. This allows ARA H-Trust to contribute to the social and environmental well-being of stakeholders while delivering sustainable and stable returns over the long term.

In pursuit of this objective, the Board is responsible for approving ARA H-Trust’s material topics, supervising the management of material areas, ensuring compliance with relevant regulations, and reviewing and approving the sustainability report. The Board also oversees the development and implementation of robust risk management policies and procedures to address potential strategic, financial, operational, compliance, climate-related and environmental risks, thereby safeguarding the company’s assets.

THE APPROACH TO SUSTAINABILITY

To enhance our sustainability efforts, the Board oversees the relevant ESG approach implemented by ARA H-Trust to carefully manage financial and non-financial impacts to, and from, the business operations. This is reflected in ARA H-Trust’s material topics and corresponding targets, which the Board reviews and approves annually, taking into consideration stakeholder inputs. In FY2023, the Managers mapped the material topics to five UN SDGs to identify the most impactful actions from its operations, as well as to show the commitment to collaborate with its stakeholders to achieve these common goals.

ARA H-Trust remains steadfast in its commitment to sustainability by integrating sustainable practices into the management of its hotels. This dedication is reflected in the communication of sustainability strategies and expectations through engagements with all stakeholders, including employees, suppliers, and Hotel Managers. The Managers considered their feedback in the review of its sustainability approach and initiatives, and intend to engage their stakeholders further to refresh the material topics.



KEY ACHIEVEMENTS

The growing severity of climate-related disasters and rising temperatures is a growing global concern. ARA -H Trust resilience strategy includes active risk management, continuous property enhancements and proactive preventive maintenance. By harnessing data, the Managers proactively manage resource consumption across properties. In a cohesive approach, they work closely with third-party Hotel Managers to introduce energy, water, and waste reduction initiatives. In FY2023, the Managers piloted new initiatives across its hotel properties such as a waste reduction programme to extend the use of good-condition furniture and on-demand water heaters to reduce energy consumption. They also expanded effective pilot initiatives from past years to other hotels in the portfolio.

With the support of the Board, ARA H-Trust has participated in the GRESB rating submission in 2023 and has achieved a 3-star rating with a score of 78, an increase of 6 points and a substantial jump from a 2-star rating. This accomplishment reflects ARA H-Trust's commitment to comprehensive data collection and disclosures, which it will continue to strengthen across its operations in coming years.

LOOKING FORWARD

The Board will continue to augment its ESG competencies to effectively perform its role in sustainability governance and management, as guided by SGX-ST and MAS. Sustainability remains a pivotal factor in ARA H-Trust hotels' operations, and the Managers will continue to seek more efficient methods to enhance their ESG footprint to create a sustainable future.




FY2023 SNAPSHOT

Governance


0 incidents of corruption


0 incidents of fraud or non-compliance with socioeconomic or environmental laws


Incorporates ESR Group's
4 lines of defence risk governance model


0 whistle-blowing cases reported

Economic (as of December 31, 2023)


Gross revenue:
US\$175.5 M


Market capitalisation:
US\$176 M



Operates across:
18 states in the U.S



36 Upscale select-service hotels



6 premier international hotel brands



4,700 rooms


Environment


Energy Intensity of
19.30 kWh/sq ft
or **48.55 kWh/occupied room**


Emissions intensity
of **5.54 kgCO₂e/sq ft**
or **13.91 kgCO₂e/occupied room**


Water intensity of
0.18 m³/sq ft


Total Scope
1 and **2** emissions:
16,738,075 kgCO₂e


10.0% reduction in energy intensity per occupied room or
3.8%/sq ft from FY2022 to FY2023

Social


0 fatalities for both ARA H-Trust's employees and Hotel Managers' Associates


0 serious incidents concerning customer health and safety


All hotels received health and safety certifications


Collaborated with Hotel Brand Partners and Hotel Managers to promote sustainable procurement

PERFORMANCE OF SUSTAINABILITY TARGETS

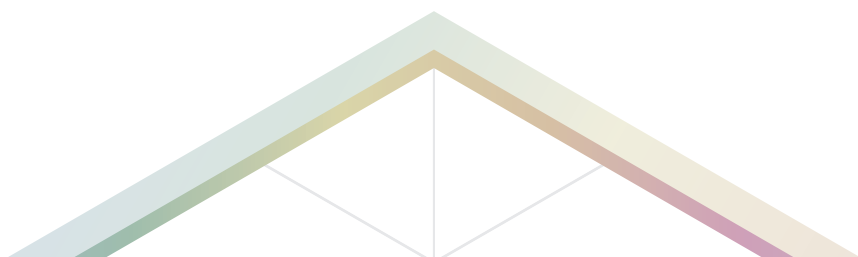
ARA H-Trust's FY2023 targets and performance for its identified material factors are summarised in the table below.

Legend:

 Met targets
 Targets not met

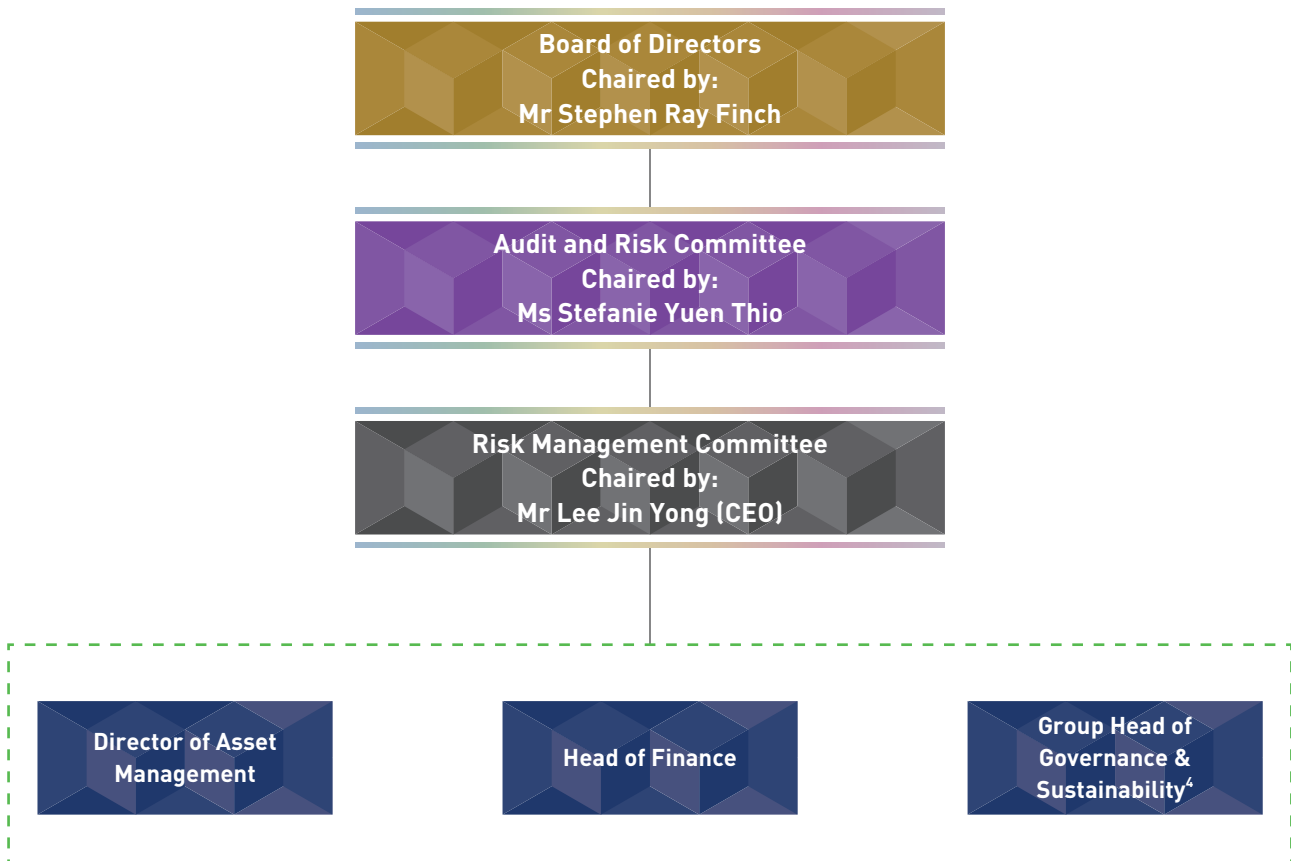
Material Factor	Targets for 2023 and beyond	Time horizon	2023 Performance
Corporate Governance	<ul style="list-style-type: none"> To maintain zero reported cases of corruption or fraud 	Annual	<ul style="list-style-type: none"> Zero reported cases of corruption or fraud in 2023
Economic Performance	<ul style="list-style-type: none"> Achieving sustainable economic growth and delivering long-term value for ARA H-Trust's stakeholders 	Annual	<ul style="list-style-type: none"> Refer to Statement of Financial Position (AR page 107), Statement of Comprehensive Income (AR Page 108 and 109) and Statement of Distributable Income (AR Page 110)
Energy	<ul style="list-style-type: none"> To achieve 3% reduction in energy intensity per occupied room values over 5 years from 2022 baseline. 	Medium term	<ul style="list-style-type: none"> Average energy intensity per occupied room: 48.55 kWh This is an 10.0% reduction from FY2022
	<ul style="list-style-type: none"> To implement energy saving initiatives across all hotels 	Short term	<ul style="list-style-type: none"> Implemented 6 energy saving initiatives across the portfolio. Examples of these initiatives are listed from page 38 to 41.
	<ul style="list-style-type: none"> To continue monitoring and tracking electricity and natural gas consumption across all hotels 	Annual	<ul style="list-style-type: none"> Total energy consumption (electricity and natural gas): 58,431,876 kWh
Employment	<ul style="list-style-type: none"> To maintain zero validated cases of non-compliance with employment regulations or acts concerning employee rights 	Annual	<ul style="list-style-type: none"> Zero validated cases of non-compliance with employment regulations or acts concerning employee rights
Occupational Health and Safety	<ul style="list-style-type: none"> To maintain zero fatalities for all the staff 	Annual	<ul style="list-style-type: none"> Zero fatalities for all staff

Material Factor	Targets for 2023 and beyond	Time horizon	2023 Performance
Training and Education	<ul style="list-style-type: none"> To maintain an average of 26 training hours per employee 	Annual	<ul style="list-style-type: none"> An average of 18.6 training hours per employee
Customer Health and Safety	<ul style="list-style-type: none"> To maintain zero serious incidents concerning customer health and safety 	Annual	<ul style="list-style-type: none"> No known serious incidents concerning customer health and safety
Socioeconomic Compliance	<ul style="list-style-type: none"> To maintain zero reported cases of non-compliance with relevant laws, regulations and governance policies 	Annual	<ul style="list-style-type: none"> Zero reported cases of non-compliance with relevant laws, regulations and governance policies
	<ul style="list-style-type: none"> To maintain zero significant fines, non-monetary sanctions, zero penalties or letters issued by relevant authorities on breaches of environmental and socioeconomic compliance 	Annual	<ul style="list-style-type: none"> No significant fines and non-monetary sanctions, no penalties or letters issued by relevant authorities on breaches of environmental and socioeconomic compliance



SUSTAINABILITY AT ARA H-TRUST

SUSTAINABILITY LEADERSHIP IN ARA H-TRUST



The Board oversees ARA H-Trust's sustainability efforts and has established the Audit and Risk Committee ("ARC"), chaired by Ms Stefanie Yuen Thio. The ARC's role is to assist the Board in ensuring the integrity of financial reporting and that sound internal controls are in place. A separate risk management committee (the "RMC") was established to assist the ARC in assessing the adequacy and effectiveness of internal controls. The RMC identifies the material risks that ARA H-Trust faces, including financial and climate related risks, sets out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes in the external business environment as well as to drive sustainability performance.

The RMC is chaired by Mr Lee Jin Yong, Chief Executive Officer of ARA H-Trust, who is supported by the Director of Asset Management and Head of Finance and is advised by ESR Group Head of Governance and Sustainability to ensure alignment with ESR's sustainability initiatives and reporting of ESG matters. This composition enables both a top-down approach to identify emerging risks from the external business environment and as well as a bottom-up approach to identify risks from specific business processes or projects.



More information on the composition and responsibilities of the Board, ARC and RMC can be found in the Annual Report, pages 56 to 75.

⁴ Group Head of Governance & Sustainability from ESR Group does not carry out any managerial or executive functions within the ARA H-Trust RMC and instead advises them on risk management matters.



STAKEHOLDER ENGAGEMENT

The Managers engage and consult their stakeholders at multiple touchpoints throughout the year to build trust, collaborate, manage risks and guide improvements in the operation of the hotel portfolio. Tapping on engaged stakeholders can amplify the impact of sustainability initiatives through their actions and influence.

In FY2023, The Managers engaged the following stakeholder groups who are key to their operations to understand their ESG focus areas.

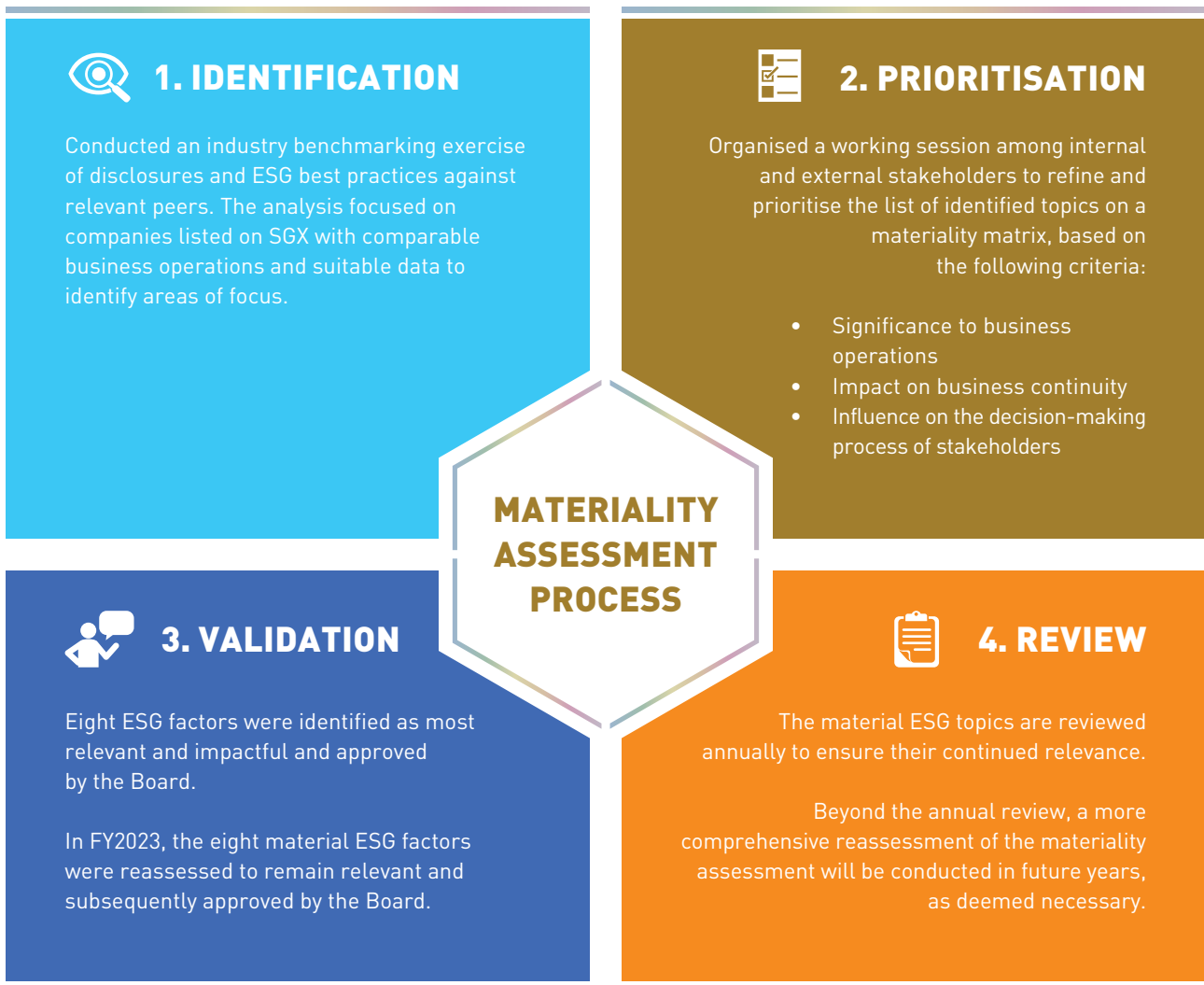
Stakeholder Group	Engagement Methods and Frequency	Key Topics Raised	ARA H-Trust’s Responses in FY2023								
Legend for engagement frequency: ■ Throughout the year ■ Monthly ■ Quarterly ■ Annually ■ Ad hoc											
 Customers and Guests	■ Bilateral communications	<ul style="list-style-type: none"> • Customer satisfaction • Quality of facilities and services • Customer health and safety 	<p>The hotels conducted regular guest feedback and satisfaction surveys to ensure open communication with customers.</p> <p>ARA H-Trust places a high priority on guest satisfaction and monitors each hotel’s score as a key metric on a monthly scorecard dashboard. The hotel brands issue surveys relating to topics such as cleanliness, working order and guest services. Service recovery action plans are implemented at any hotel that measures below the brand average.</p> <p>The hotels adhere to their brands’ safety and cleanliness standards and attain relevant certifications, such as the Global Biorisk Advisory Council (“GBAC”) STAR, to ensure consistently high quality across the properties.</p>								
	■ Tenant Engagement and Satisfaction			 Employees	■ Training, including courses, seminars, webinars and orientation for new employees	<ul style="list-style-type: none"> • Good employee welfare and working environment • Skills development and training • Good corporate governance • Opportunities for career development and progression • Workplace health and safety 	<p>Employees are supported in career development through regular performance appraisals, training programmes and ready access to resources. Employees are also required to attend annual mandatory training in anti-corruption, conflict of interest, code of conduct and business ethics.</p> <p>The Managers remain committed to good governance and fair employment practices and communicate these efforts through internal newsletters.</p>	■ Employee feedback and employee satisfaction survey	■ Team bonding activities	■ Internal communications via emails, intranet, newsletters and townhall meetings	
 Employees	■ Training, including courses, seminars, webinars and orientation for new employees	<ul style="list-style-type: none"> • Good employee welfare and working environment • Skills development and training • Good corporate governance • Opportunities for career development and progression • Workplace health and safety 	<p>Employees are supported in career development through regular performance appraisals, training programmes and ready access to resources. Employees are also required to attend annual mandatory training in anti-corruption, conflict of interest, code of conduct and business ethics.</p> <p>The Managers remain committed to good governance and fair employment practices and communicate these efforts through internal newsletters.</p>								
	■ Employee feedback and employee satisfaction survey										
	■ Team bonding activities										
	■ Internal communications via emails, intranet, newsletters and townhall meetings										
	■ Performance appraisals										

Stakeholder Group	Engagement Methods and Frequency	Key Topics Raised	ARA H-Trust's Responses in FY2023
Legend for engagement frequency:			
■ Throughout the year ■ Monthly ■ Quarterly ■ Annually ■ Ad hoc			
 Government Agencies and Industry Organisations	■ Briefings, discussions and consultations with relevant authorities	<ul style="list-style-type: none"> • Compliance with rules and regulations • Effective corporate governance • Keeping abreast with regulatory and industry updates and trends 	<p>The Managers held regular discussions with regulators and authorities such as the MAS and the SGX-ST to comply with and stay abreast of regulations.</p> <p>The Managers review the sustainability reporting recommendations received from SGX-ST and plan to incorporate them into existing sustainability management practices.</p>
	■ Regulatory filings		
	■ Participation in relevant industry associations, forums and dialogues. ARA H-Trust is a member of American Hotels & Lodgings Association ("AHLA"), Aimbridge Owners Advisory Board, Hyatt's Owners Advisory Council and the Hotel Asset Managers Association		
 Hotel Managers	■ Detailed monthly performance reviews of earnings, forecasts and compliance reports	<ul style="list-style-type: none"> • Asset management and asset enhancement initiatives ("AEIs") • Business opportunities • Property maintenance and operation tracking programmes, system upgrade of equipment, minimising energy, water consumption and emissions. • ESG practices and initiatives in line with hotel brands standards 	<p>The Managers held regular meetings and calls with the Hotel Managers to review performance metrics and discuss strategies for performance enhancement.</p> <p>The Manager strategize revenue management through weekly meetings and reporting utilizing brand revenue management tools to optimize segmentation and channel mix, forecasting and pricing.</p> <p>Analytical data-driven approach to asset management utilizing dashboards and heat maps to monitor key performance metrics including RevPAR Index growth, expense management including labor productivity, gross operating profit margins/flow, capital expenditure spend and guest satisfaction.</p>
	■ Site inspections of properties, evaluations and discussions on areas for improvement in staff performance and capital needs		
	■ Reviews of asset enhancement works and capital expenditure against capital budget		
	■ Medallia Guest Sentiment Reporting and Benchmarking		

Stakeholder Group	Engagement Methods and Frequency	Key Topics Raised	ARA H-Trust's Responses in FY2023
Legend for engagement frequency: ■ Throughout the year ■ Monthly ■ Quarterly ■ Annually ■ Ad hoc			
 Investors	<ul style="list-style-type: none"> ■ Half-yearly financial reporting and interim business updates ■ Post-results analyst and investor briefings ■ Annual general meetings ■ Publications, including Annual Report and Sustainability Report ■ Direct email and phone correspondences through a dedicated investor relations contact ■ Corporate website ■ Investor conferences and roadshows 	<ul style="list-style-type: none"> • Performance of hotels • Business strategy and outlook • Net asset value growth • Sustainable returns • Timely and transparent reporting • Good corporate governance 	<p>ARA H-Trust published quarterly business and operational updates, half-yearly financial announcements, year-end audited financial statements, and annual reports to communicate the business performance to investors and stakeholders.</p> <p>These reports and announcements can be found on ARA H-Trust's corporate website at www.araushotels.com.</p>
 Partnered Brands	<ul style="list-style-type: none"> ■ Owner orientation and brand standards training ■ Owner dialogues and Forums ■ Brand audits ■ Key Metrics Utilisation and Benchmark Reporting 	<ul style="list-style-type: none"> • Maintaining brand and service standards • Optimising hotel performance and revenue • Leverage brand business intelligence ("BI") tools and resources for enhanced service deliveries 	<p>The Managers held regular meetings with the corporate management team from the hotel brands to discuss updates to the brand standards and performance.</p> <p>The Managers also participated in the following Brand Partners' sustainability programs:</p> <ul style="list-style-type: none"> • 32 Hyatt Hotels (World of Care Hyatt Hotels Corporate Responsibility) • 3 Marriott Hotels (Sustain Responsible Operations Marriott International Serve 360) • 1 Hilton Hotel (Travel with purpose Corporate Responsibility at Hilton Worldwide)

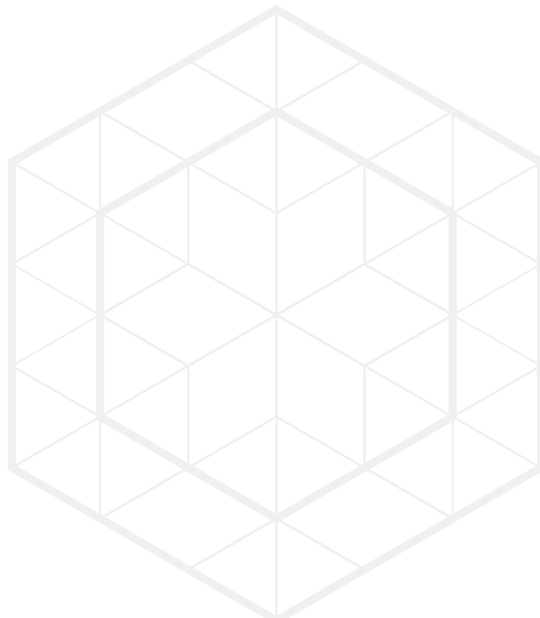
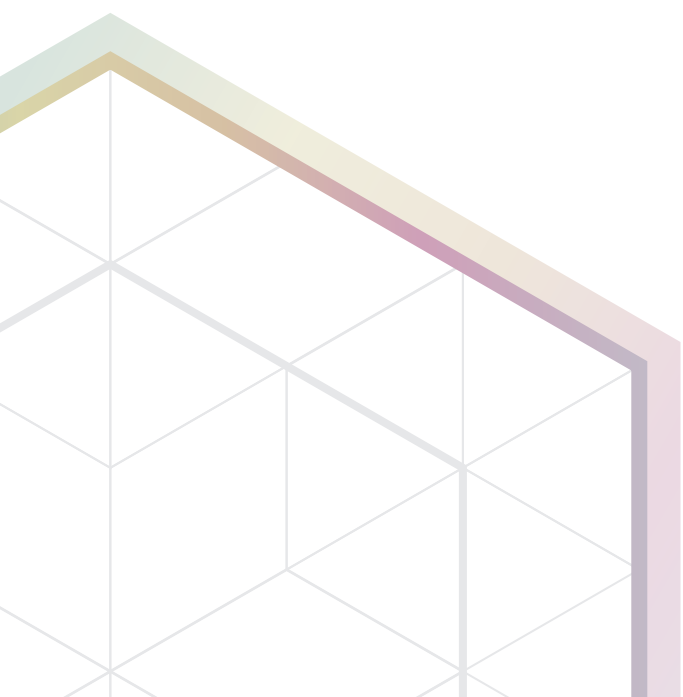
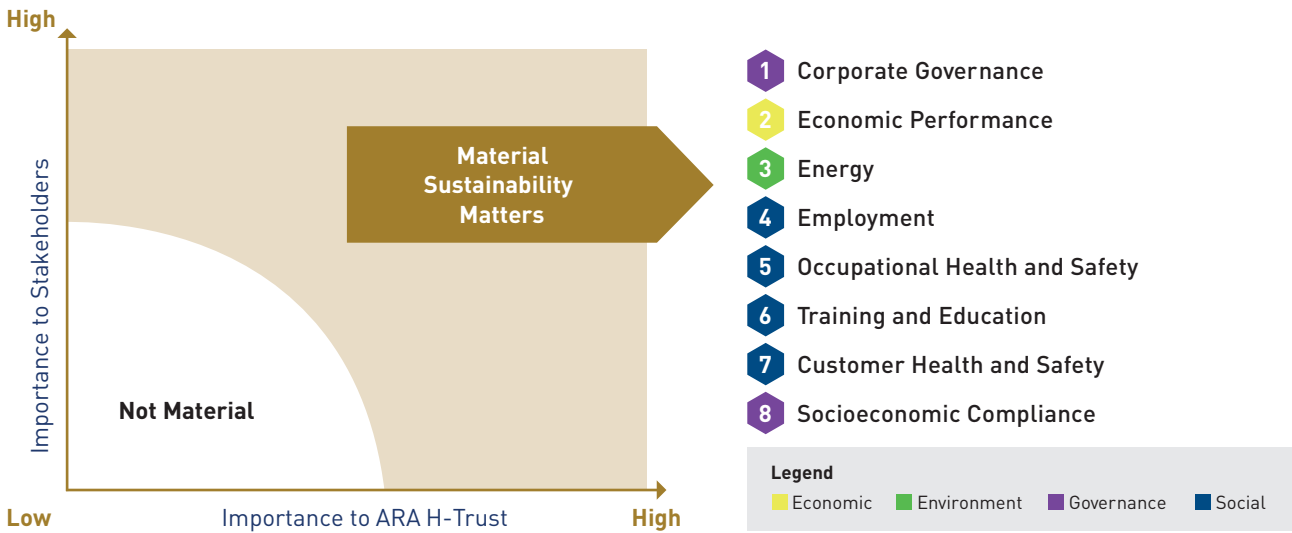
MATERIALITY ASSESSMENT

The identification of material areas, implementation of initiatives and tracking of targets are implemented by the Managers and supervised by the Board. ARA H-Trust conducted its first materiality assessment in FY2021 to assess the relevance of its material topics to its business activities and to its key stakeholders. The Managers considered potential and relevant ESG-related risks, broader economic trends impacting the hospitality industry and stakeholder engagement methods conducted. The Managers engaged an external consultant and implemented a four-step materiality assessment process as shown below.





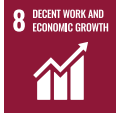







On an annual basis, the Managers review the identified material topics with inputs from their stakeholders to confirm their relevance. In FY2023, the eight material topics were evaluated to still be material in the operating context of ARA H-Trust and were approved by the Board.

Through engagement of both internal and external stakeholders, the Managers adopted a materiality matrix that outlines the key sustainability matters impacting its business strategy, financial planning and business model.

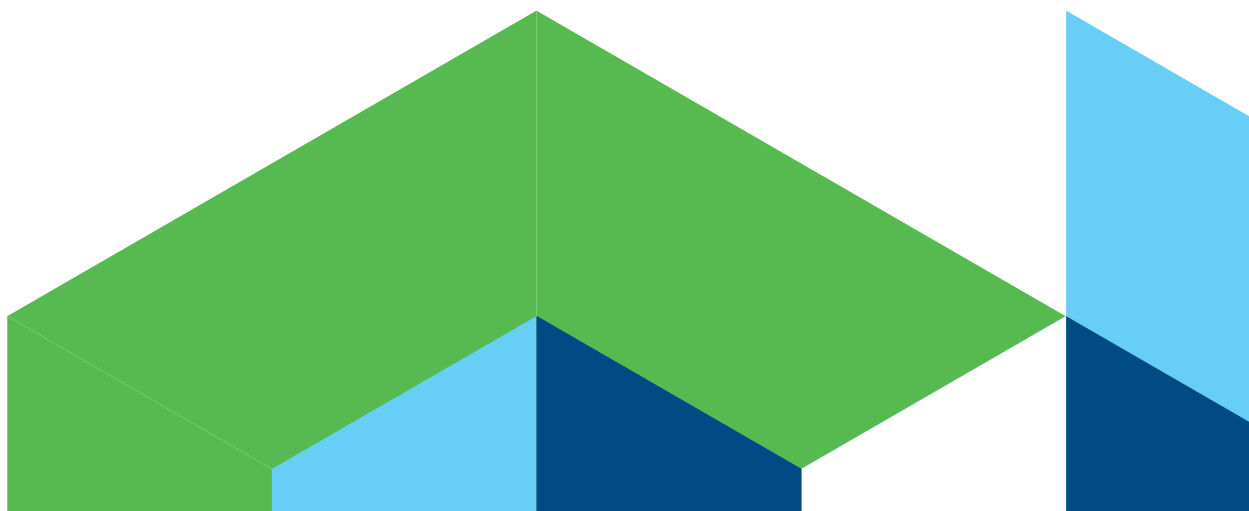


SUMMARY OF MATERIAL TOPICS

The identified material factors have also been mapped to relevant GRI Topic Disclosures and UN SDGs that ARA H-Trust believes are the most impactful from its operations.


Category	Material Factor	Related GRI Standards and Topics	Priority UN SDGs
 Corporate Governance	Corporate Governance	GRI 205 Anti-Corruption	
	Socioeconomic Compliance	GRI 2–27 Compliance with laws and regulations	
 Economic	Economic Performance	GRI 201 Economic Performance	
 Environmental	Energy	GRI 302 Energy GRI 305 Emissions	 
 Social	Employment	GRI 401 Employment GRI 405 Diversity and Equal Opportunity	  
	Occupational Health and Safety	GRI 403 Occupational Health & Safety	
	Training and Education	GRI 404 Training and Education	
	Customer Health and Safety	GRI 416 Customer Health and Safety	

Aside from the eight identified material topics, this report has included information on four other topics of interest to showcase the company’s efforts in managing and advancing these areas. These four topics are Supply Chain Management, Water, Waste and Climate Change Resilience.



STRONG GOVERNANCE

MATERIAL TOPIC: CORPORATE GOVERNANCE

 Targets	 Time Horizon	 Performance
<ul style="list-style-type: none"> To maintain zero reported cases of corruption or fraud 	Annual	Zero reported cases of corruption or fraud in 2023

Impact of Strong Governance

A strong and effective corporate governance framework is essential in protecting the interest of stapled securityholders and is critical to the success of ARA H-Trust’s performance. It serves as a shield against fraud, mismanagement and regulatory non-compliance, thereby ensuring smooth operations and safeguarding of ARA H-Trust’s assets. By fostering transparency and accountability, trust is build which attracts capital, thereby laying the groundwork to build a resilient business.

The Management Approach

ARA H-Trust is committed to upholding business integrity, ethics and fair practices across its business to maintain high confidence and trust among its valued stakeholders. The Managers have a fiduciary obligation to act honestly and with due care and diligence, placing the interests of stapled securityholders first.

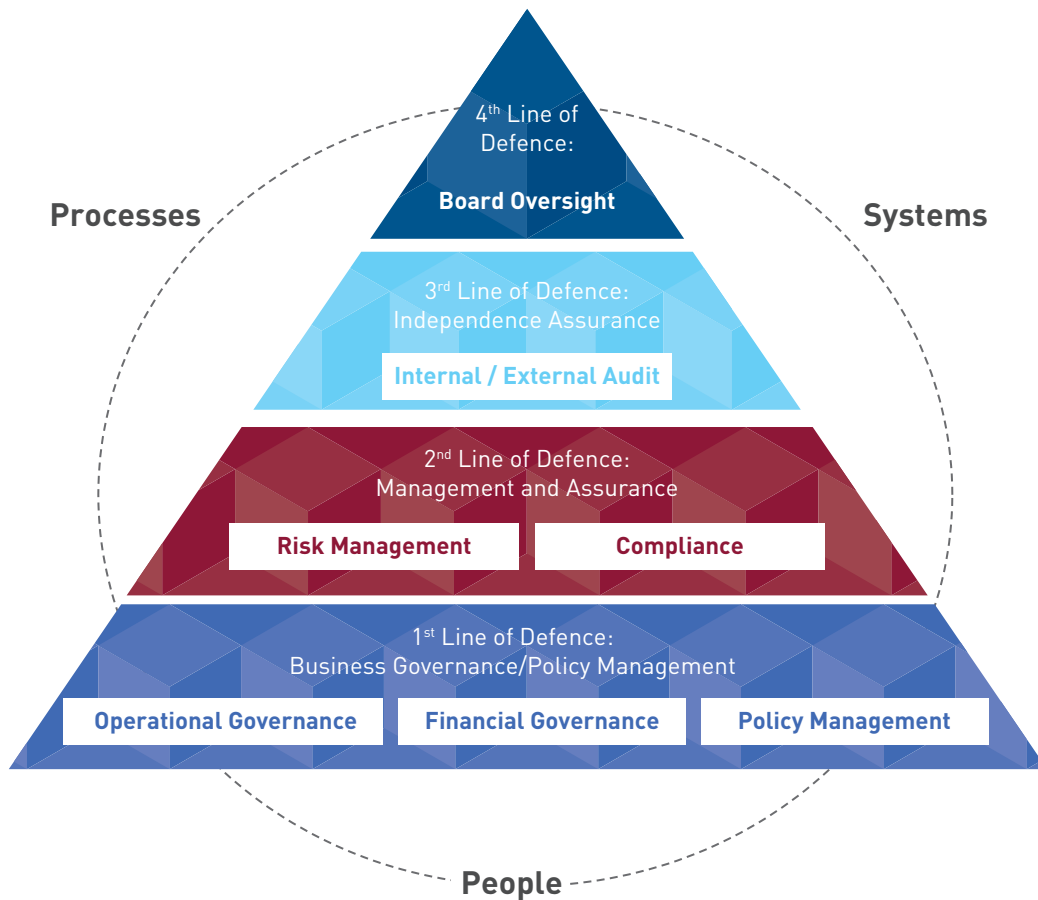
The Board recognises that a strong corporate governance culture is pertinent to the management of ARA H-Trust’s economic, environmental and social risks. This is cascaded through its corporate policies, ensuring proper oversight over day-to-day operations to establish checks and balances. Specifically on the topic of sustainability, the Managers have attended a one-time training on sustainability matters and will continue to keep abreast of the sustainability landscape in the hospitality industry through relevant training and workshops.

ARA H-Trust adheres to all applicable legislations and regulations such as the Code of Corporate Governance 2018, the Code on Collective Investment Schemes, the Trust Deed, and the listing rules and regulations set out by SGX.

Risk Management

ARA H-Trust incorporates ESR Group’s comprehensive “four lines of defence” risk governance model. The company integrates preventive controls as the first line through business governance and policy management. At the second line, risk oversight is enabled through risk management and compliance. The third line involves independent assurance from both internal and external

audit, while the fourth line accounts for the Board’s oversight on overall risk management. This governance model distributes risk ownership across all levels and departments while ensuring clear accountability allowing for comprehensive risk identification, assessment and control implementation.



ARA H-Trust’s risk management is also guided by the company’s Enterprise Risk Management Framework (“**ERM Framework**”), which is adapted from The Committee of Sponsoring Organisations of the Treadway Commission 2013 edition (“**COSO Model**”) and best practices from the Asia Risk Management Institute. Since FY2022, ARA H-Trust has included sustainability risk management into the ERM Framework. This entails

regular review, implementation and monitoring of its risk management strategy, risk appetite, risk tolerance, risk parameters and risk policies for traditional and sustainability-related risks. Sustainability-related risks include both physical and transition risks identified during the scenario analysis. On a needs basis, the Board and ARC review reports from the RMC on major risk exposures and the steps taken to monitor, control and mitigate the identified risks.

The RMC meets quarterly and operationalises the risk management process through identifying and reviewing key risks across ARA H-Trust's management, operations and subsidiaries. They then recommend mitigatory measures aligned with the overarching risk guidelines and risk appetite to the ARC and the Board quarterly. The respective divisions manage the business and process-level risks under the ERM framework, appointing risk owners and assessing control measures, with updates reported periodically to the RMC. The RMC is also responsible for the development of internal escalation processes for the identification, assessment and reporting of risks. When a risk is assessed to be material, the Managers will allocate appropriate resources to manage the risk and disclose to the Board the assessment, response and management of the risk against set environmental targets.



In FY2023, there were **no critical concerns** of environmental risks communicated to the Board.

The ESR Group Head of Governance & Sustainability works with the Internal Auditor of the Managers to conduct periodic reviews of ARA H-Trust's risk profile and provide independent assurance to ensure the effectiveness of the existing framework and controls.

Whistle-Blowing Policy

The Manager has a Whistle-Blowing Policy to facilitate the responsible and effective reporting of misconduct, ensuring that independent investigations and appropriate actions take place. A feedback channel on ARA H-Trust's website allows whistleblowers to raise concerns directly. Such complaints are also copied to the ESR Group Head of Governance & Sustainability, to ensure full transparency. The whistleblowers are safeguarded against any reprisals, with their identities kept confidential except for circumstances where it is required by law to reveal the information.

The Whistle-Blowing Policy is guided by global best practices to ensure concerns like financial reporting issues or Code of Conduct violations are handled responsibly. All follow-up investigations undertaken by the Internal Auditors are based on instructions from the ARC, who would be apprised of the outcome of each investigation.

The Whistle-Blowing Policy is transparently communicated to all relevant stakeholders through ARA H-Trust's website. The Whistle-Blowing Policy and Code of Conduct are circulated, among other policies, to all new incoming staff and these policies are included as part of all the staff's annual declaration of compliance.



There were **no whistle-blowing cases** reported for FY2023.




Sustainability-related Policies

The identified material areas across the economic, environmental, social and governance pillars are priority areas for ARA H-Trust. To guide ARA H-Trust's management and monitoring of these topics, the company is aligned to the sustainability policies of ESR Group, which are publicly available on their website, found here: <https://www.esr.com/environmental-social-governance/>.

The following table reflects the sustainability policies from ESR Group that are implemented in ARA H-Trust. The relevant policies are referenced under each material topics' management approach.

 GOVERNANCE	
<ul style="list-style-type: none"> Group ESG Policy Board Diversity Policy Anti-Bribery & Corruption and The Handling of Gifts, Travel & Entertainment Policy Anti-Money Laundering & Counter-Terrorist Financing & Sanctions Policy Delegation of Authority Corporate Governance Code Conflict of Interest Policy Employee Dealing and The Handling of Inside Information Policy Group Crisis Management 	<ul style="list-style-type: none"> Code Of Conduct & Business Ethics Whistle-Blowing Policy Responsible Investment Policy Shareholders Communication Policy Enterprise Risk Management Framework Conflicts of Interest in Relation to Fund Management & Capital Policy Supplier Code of Conduct Policy Responsible Investment Policy ESG Data Collection and Review Policy Information Security Policy Social Media
 ENVIRONMENTAL	
<ul style="list-style-type: none"> Climate Change Adaptation, Mitigation & Resilience Policy Net Zero Carbon Policy Energy and Emissions Management Policy Environmental Resource Management Policy 	<ul style="list-style-type: none"> Environmental Management System Policy Indoor Environmental Quality Policy Sustainable Procurement Policy
 SOCIAL	
<ul style="list-style-type: none"> Diversity, Equity & Inclusion Policy Human Rights Policy Community Development Policy 	<ul style="list-style-type: none"> Group Human Resources Quality of Assets and Services Employee handbook Health and Safety

MATERIAL TOPIC: SOCIOECONOMIC COMPLIANCE

 Targets	 Time Horizon	 Performance
<ul style="list-style-type: none"> To maintain achieving zero reported cases of non-compliance with relevant laws, regulations and governance policies 	Annual	Zero reported cases of non-compliance with relevant laws, regulations and governance policies
<ul style="list-style-type: none"> To maintain zero significant fines, non-monetary sanctions, zero penalties or letters issued by relevant authorities on breaches of environmental and socioeconomic compliance 	Annual	No significant fines and non-monetary sanctions, no penalties or letters issued by relevant authorities on breaches of environmental and socioeconomic compliance

Impact of Socioeconomic Compliance

Ensuring socioeconomic compliance is crucial for maintaining a business that is operationally sustainable. Adhering to relevant regulations and standards helps mitigate legal risks and prevents damage to reputation while also appealing to responsible investors and fostering trust among stakeholders. This commitment leads to a stable workforce, fostering positive relationships within the community and uphold ARA H-Trust’s ethical obligations to the society.

The Management Approach

The Managers are committed to upholding the highest ethical and professional standards in performing their roles and responsibilities. ARA H-Trust’s Corporate Governance Framework is enforced at all levels with policies and measures in place against fraud, corruption, insider trading and misuse of confidential information.

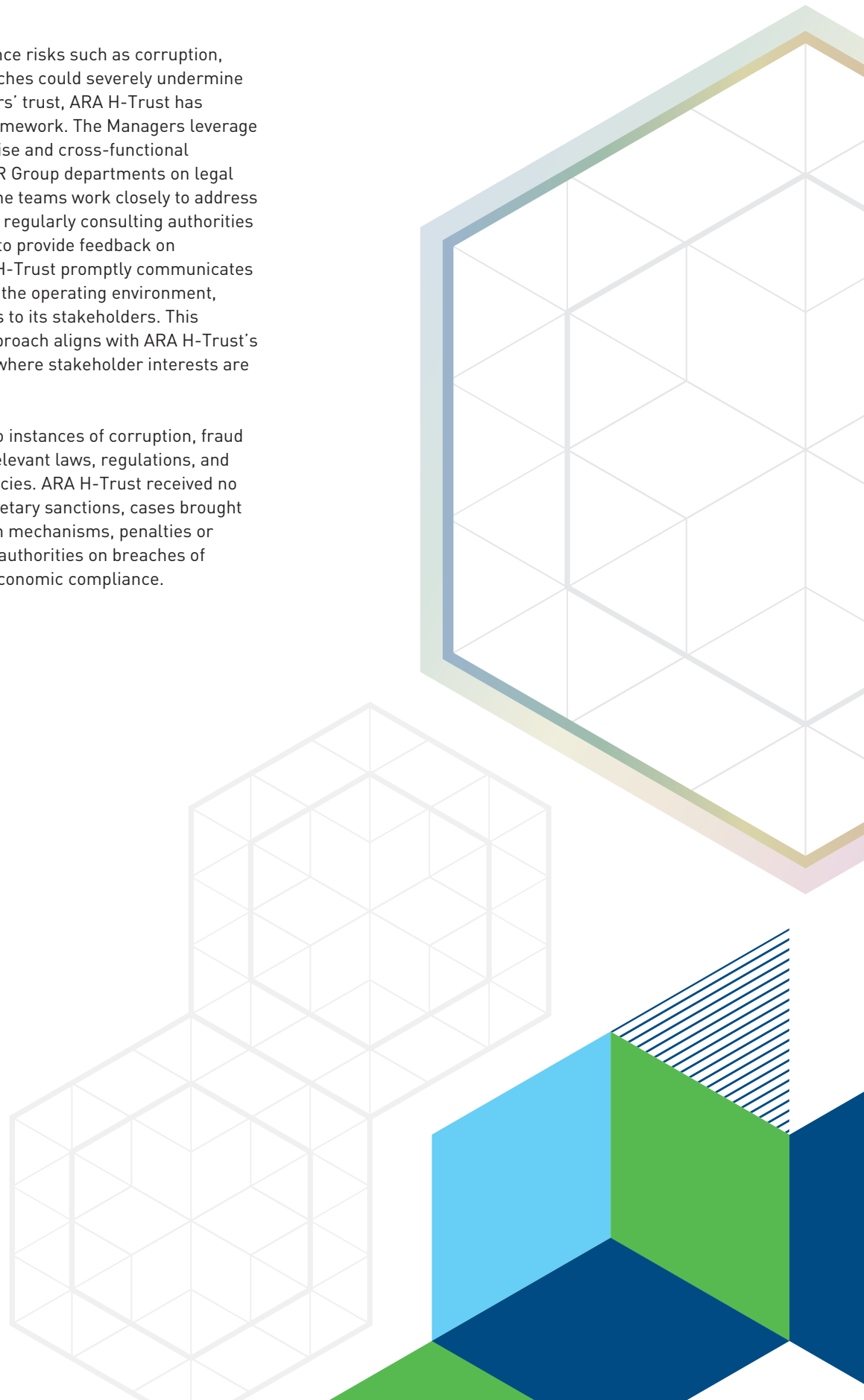
All members of the Management team and employees have acknowledged the anti-corruption policies and procedures during the annual declaration exercise. They have also received communications and attended mandatory training on anti-corruption. New employees are made aware of these policies as part of their onboarding programme. All Hotel Managers and suppliers have also been updated on ARA H-Trust’s anti-corruption policies and procedures. ARA H-Trust adopts a zero-tolerance approach. Any non-compliance will prompt disciplinary action and/or immediate dismissal of the employee.



Regulatory Compliance




Recognising that compliance risks such as corruption, fraud and regulatory breaches could severely undermine the public and stakeholders' trust, ARA H-Trust has adopted a Compliance Framework. The Managers leverage both external legal expertise and cross-functional collaboration between ESR Group departments on legal and regulatory matters. The teams work closely to address evolving regulations while regularly consulting authorities such as SGX-ST and MAS to provide feedback on regulatory changes. ARA H-Trust promptly communicates any significant changes in the operating environment, legislation and regulations to its stakeholders. This integrated compliance approach aligns with ARA H-Trust's integrity-focused culture where stakeholder interests are put first.

In FY2023, there were zero instances of corruption, fraud or non-compliance with relevant laws, regulations, and corporate governance policies. ARA H-Trust received no significant fines, non-monetary sanctions, cases brought through dispute resolution mechanisms, penalties or letters issued by relevant authorities on breaches of environmental and socioeconomic compliance.



DELIVERING EXCEPTIONAL VALUE

MATERIAL TOPIC: ECONOMIC PERFORMANCE

 Targets	 Time Horizon	 Performance
<ul style="list-style-type: none"> Achieving sustainable economic growth and delivering long-term value for H-Trust’s stakeholders 	<p>Annual</p>	<p>Refer to Statement of Financial Position (AR page 107), Statement of Comprehensive Income (AR Page 108 and 109) and Statement of Distributable Income (AR Page 110)</p>

Impact of Economic Performance

ARA H-Trust is committed to increasing shareholder value through delivering stable and growing distributions to stapled securityholders. As ESG performance will play an increasingly significant role in driving investment returns, ARA H-Trust proactively incorporates ESG considerations into its business operations to manage risk and strengthen its financial performance, while maintaining accountability and creating value for its stakeholders.

The Management Approach

ARA H-Trust’s investment strategies are shown below. They are bolstered through the consideration of ESG impact of the investments:

1. Acquisition of accretive and higher yield properties
2. Hands-on asset management
3. Prudent capital and risk management

The Asset Managers carefully strategise and execute essential Asset Enhancement Initiatives (“**AEIs**”) throughout their portfolio to enhance the overall guest experience and operational efficiencies, thereby ensuring ARA H-Trust’s properties remain competitive among industry peers. Please refer to the “Environmental Stewardship” section to see examples of green initiatives implemented across the ARA H-Trust hotel portfolio.

2023 Performance: Economic Value Generation

ARA H-Trust's asset management and portfolio optimisation strategy aims towards building a resilient U.S. hotel portfolio. The company used the net cash proceeds from prior divestment of five non-core Hyatt Place hotels in FY2022 to acquire Home2 Suites by Hilton Colorado Springs South for US\$29.0 million in FY2023. The hotel was acquired at a net property income yield of approximately 9.0% and was immediately accretive to the portfolio. Please refer to the Annual Report, page 6, for more details on the portfolio optimisation and rebalancing strategy.

Gross revenue for FY2023 grew 3.8% year-on-year to \$175.5 million due to continued cash flow growth across the portfolio. Distribution to stapled securityholders grew 13.3% to US\$19.8 million on the back of higher net operating income, primarily driven by higher gross operating profit and lower property tax expenses. As a result, distributions per stapled security increased 12.3% to 3.430 U.S cents for FY2023 compared to 3.054 U.S cents in the previous year.




Moving forward, ARA H-Trust strives to deliver sustainable and stable returns for the company's stapled securityholders, through attractive distributions and long-term capital appreciation while continuously managing the portfolio's ESG impact and environmental risk exposure.

For more information on the financial summary for FY2023, please refer to page 9 of the Annual Report.



STAKEHOLDER AND COMMUNITY

MATERIAL TOPIC: EMPLOYMENT

 Targets	 Time Horizon	 Performance
<ul style="list-style-type: none"> To maintain zero validated cases of non-compliance with employment regulations or acts concerning employee rights 	Annual	Zero validated cases of non-compliance with employment regulations or acts concerning employee rights

Impact of Employment

The Managers believe that the core of its business is highly dependent on its employees. Skilled professionals across management, analytics, and operations collaborate to optimise returns, find new opportunities and weather market shifts. This includes asset managers who oversee hotel operations, financial analysts who assess acquisition opportunities and hospitality specialists who keep track of market trends. Investing in employee development and a diverse team builds internal capabilities while providing socioeconomic benefits for other stakeholders in the value chain, such as suppliers and the local community where the hotels operate.

The Management Approach

The company's people remain the greatest asset in business growth. At ARA H-Trust, the Managers foster a sustainable and inclusive work environment where employees can develop holistically, through five main strategic focuses:

1. Talent Strategy & Planning
2. Talent Acquisition
3. High Performance Culture
4. Employee Connectivity and Engagement
5. Business Driven

ARA H-Trust promotes fair and equal access to opportunities for all and recognises its responsibility to increase inclusion for vulnerable groups facing entrenched discrimination. In its implementation of these principles, the ESR Group Human Rights Policy formalised in 2023 was adopted. This includes adherence to international standards like the International Labour Organisation's ("ILO") Declaration on Fundamental Principles and Rights at Work.

Upholding employee rights and compliance with employment regulations is of utmost priority in ARA H-Trust's workforce management. The Managers promote a diverse, team-based culture in terms of age, gender and skill sets. The Managers take pride in effective workforce management, enabling strategic hiring and incentivising performance, aligning talent growth to its business needs. Throughout FY2023, the Managers continued providing stable employment, meeting all employment regulations and requirements concerning diversity across its U.S and Singapore operations. The open-door policy also invites employees to voice their opinions to shape decisions collectively. This allowed ARA H-Trust to achieve its target of zero validated cases of non-compliance with employment regulations or acts concerning employee rights.

Aside from policies that safeguard employment rights, ARA H-Trust promotes employee well-being through the provision of comprehensive health and wellness benefit scheme that meets its employees’ physical and mental health needs. The Managers have a similar focus on supporting the professional growth of employees, with training resources made accessible to all employees to upskill and keep abreast of the latest hospitality sector developments. Practices of enriching and supporting workers while adhering to employment regulations nurture an engaged workforce that fuels business growth.

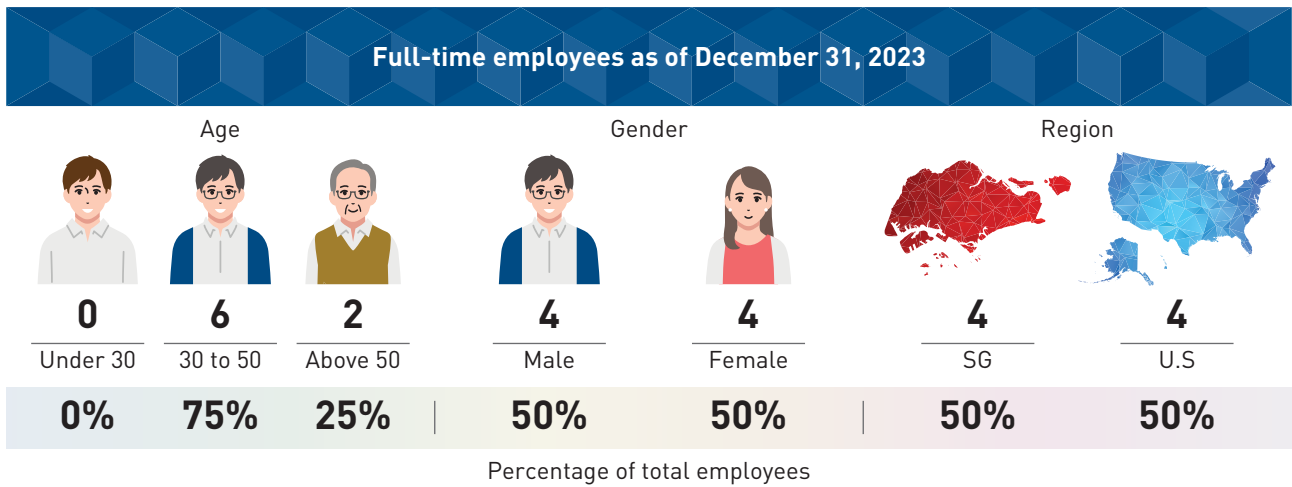
Please refer to the “Training and Education” section for more information on employee engagement and management approach.

In FY2023, we received an employee satisfaction score of 4.32/5 with 66.7% response rate from ARA H-Trust employees.

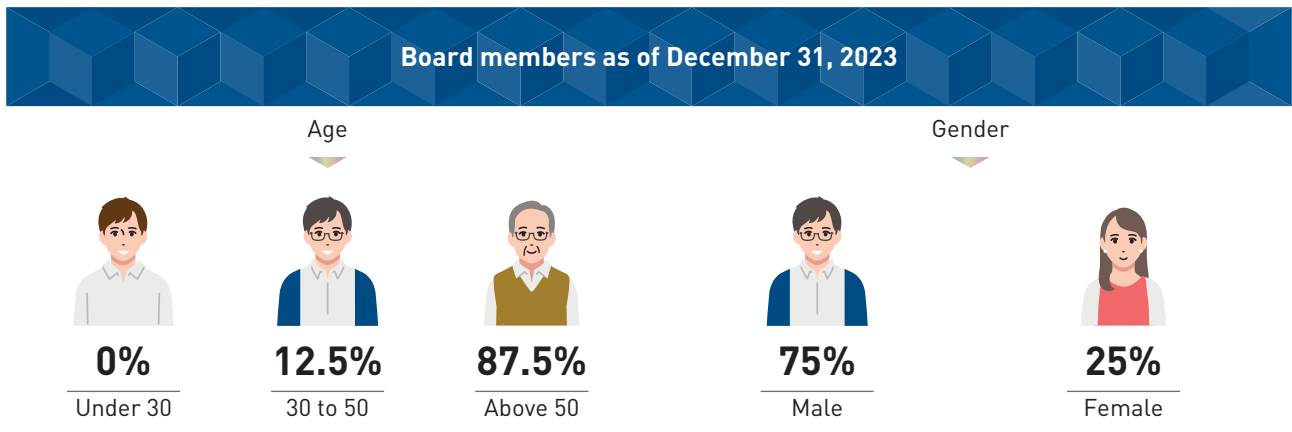
2023 Human Capital Data

The Managers’ team is composed of eight full-time permanent employee headcounts as of December 31, 2023, and does not employ any part-time or temporary employees. ARA H-Trust’s hotels are managed and operated by third-party hotel operators who engage workers on hotel operations such as front desk, housekeeping and sales. Despite the competitive nature of industry, the company sustained stable employment in FY2023, with no layoffs and timely replacements addressing turnover.

The employee profile is as follows:



The Board profile is as follows:



New employees hired as of December 31, 2023

	Age			Gender		Region	
	Under 30	Age 30 to 50	Above 50	Male	Female	SG	U.S
Number	0	2	0	0	2	2	0
Total employees	0	8	0	4	4	4	4
Rate of new hires	0%	25%	0%	0%	50%	50%	0%

Employee turnover as of December 31, 2023

	Age			Gender		Region	
	Under 30	Age 30 to 50	Above 50	Male	Female	SG	U.S
Number	0	3	0	2	1	3	0
Total employees	0	8	0	4	4	4	4
Rate of turnovers	0%	38%	0%	50%	25%	75%	0%

Positive Social Impact

ARA H-Trust supports and encourages the many community outreach initiatives of our third-party operators. Through active engagement with the property teams, the Trust has expanded their reach of our social impact, strengthening communities within and around the markets where hotels are located. The following are examples of the programmes that the teams participated in FY2023.

Food distribution to the community

The Managers participated in the Food Drive activity run by Food Bank Singapore on September 11, 2023, to acquire and distribute essential food to their 360-member beneficiaries including family service centres, soup kitchens, selected voluntary welfare organisations, religious establishments and schools with children from low-income families.

The Hotel Managers also embarked on similar initiatives in FY2023. In April 2023, staff from Hyatt House Shelton volunteered at the Bishop Jean Williams Food Pantry providing meals to families in the community facing food insecurity. In December 2023, staff from Hyatt House Boston Burlington volunteered at the Greater Boston Foodbank to pack meal boxes for needy families and seniors across Eastern Massachusetts. They sorted food like bread, produce and meats, selecting food with ingredients that provide balance nutrition for the recipients.



ARA H-Trust management team packing essential food items for distribution at Food Bank Singapore

Spreading Joy During the Holiday Season

ARA H-Trust teamed up with Aimbridge Hospitality to support the Dallas Salvation Army's Angel Tree Program 2023 through toy donations and service hours, making the holidays brighter for 35,000 North Texans. Over 40 Aimbridge Hospitality and 3 ARA H-Trust staff volunteered for a day to sort and package gifts for families.

Staff from Hyatt House Sterling Dulles Airport North participated in the Sheetz for the Kidz programme to pack toys, clothes and other essential items for participating children. Part of the gifts were distributed to children at a party hosted by Sheetz employees, which the hotel team participated as packers and facilitators.



ARA H-Trust and Aimbridge Hospitality team volunteering at the Salvation Army Angel Tree Programme



Hyatt House Sterling Dulles Airport North team volunteering at Sheetz for Kidz (left) and Cassie Pilkington, Director of Sales, dressed up as the Grinch to distribute gifts to participating children at the event (right)

Enhancement and beautification of the community

In FY2023, Avion Hotel Manager volunteered at The Ballard House in Katy, Texas to beautify the space, which included cleaning of communal kitchens, sorting laundry, cleaning guestrooms and planting flowers. The Ballard house is a temporary, no-cost hospitality house for caregivers who travel to Houston, Texas for medical treatment. Contributing to the maintenance and upkeep of this place provides comfort and respite to families as their loved ones seek medical attention.

Separately, David Fortune, Director of Sales at Hyatt Place Tampa Busch Gardens and Hyatt Place Lakeland Centre, volunteered with the team at the Keep America Beautiful and the Keep Tampa Bay Beautiful programme in conjunction with D.G. Yuengling and Son, the oldest brewing company in the U.S. Keep America Beautiful is the leading national non-profit for community programme that empowers people to put conscious effort into beautifying and improving their environment. They collaborate with social service organisations, academia, municipalities, corporate partners and individuals on these environmental and community stewardship programmes. During the programme, the team participated in litter-picking at the local parks in the Tampa area.

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY



Impact of Occupational Health and Safety

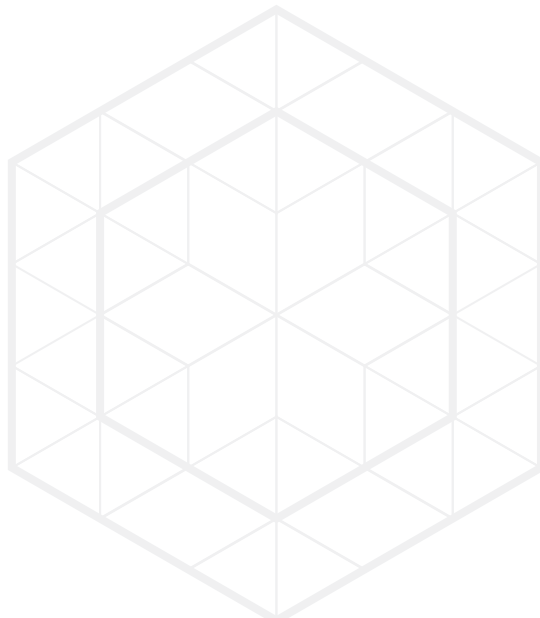
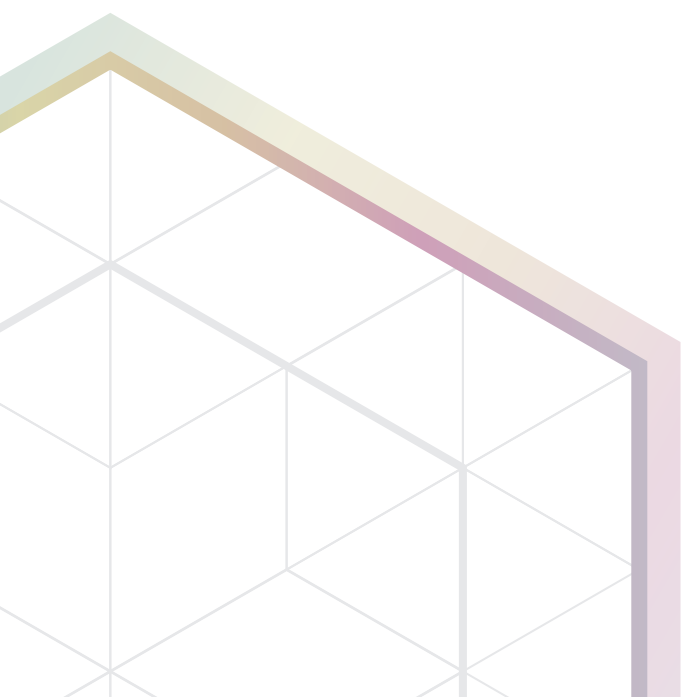
The health, safety and well-being of all employees of the Managers and Hotel Managers’ Associates (collectively known as “**staff**”) is a top priority for the smooth operations of the organisation. As travel returns to pre-pandemic levels, hotel staff would be increasingly exposed to various occupational hazards. ARA H-Trust continues to maintain comprehensive safety management systems and uphold rigorous protocols to minimise hazard risks across operations.

The Management Approach

ARA H-Trust’s Occupational Health and Safety (“**OHS**”) Management Framework ensures the integration of Health, Safety and Well-being Policy into each key business function. The formal and comprehensive safety programme, which addresses safety hazards, mitigates

risks and manages compensation claims. This ensures a robust health and safety culture within the company. The Managers and the ARA Hotel Manager collaborate with other Hotel Managers and Brand Partners as part of the AHLA 5-Star Promise to safeguard the safety and security of the staff and guests. With the adoption of the OHS elements of the ESR Quality of Assets and Services Policy across hotel business functions, ARA H-Trust actively maintains vigilance and compliance. Regular meetings, calls with the Hotel Managers and quarterly portfolio initiatives between the ARA Hotel Managers and individual properties drive accountability through strategy alignment and progress tracking against safety benchmarks.

With multilayered efforts spanning policy, partnerships and performance tracking, resilience is built across the business to deliver safe and memorable hospitality experiences. ARA H-Trust’s focus remains on managing its business responsibly where safety and guest services go hand-in-hand.



Safety and Cleanliness

ARA H-Trust remains committed to global best practices in sanitation and workplace safety. Hotel Managers continue to demonstrate excellence in safeguarding customers' health and safety. All hotels have been certified to health and safety certification such as ISO 45001 and OHSAS 18001 Occupational Health and Safety Management Systems, a reflection of the commitment to uphold the highest standards of safety and hygiene.

The Brand Partners' Global Care & Cleanliness Commitments that build on rigorous safety and cleanliness protocols guide the Hyatt Hotels and Marriott International's safety and cleanliness management. Drawing on trusted medical and industry expertise, the Hyatt Hotels' safety and cleanliness programme has defined cleaning protocols, disinfection techniques and work practices that guard against biohazards and infectious diseases. Each Hyatt Hotel is GBAC STAR-certified. Likewise, Marriott International enacts rigorously researched protocols around food and water safety, infection prevention, and sanitisation with guidance from in-house and external experts. Their "Commitment to Cleanliness" programme assigns trained hygiene and well-being leaders who ensure adherence to operational protocols, with support from onsite teams that provide on the ground support. Furthermore, mandatory management cleaning protocol and safety trainings are put in place during the onboarding process for new hires as part of the Brand Partners' programmes.

Training and Awareness

Trainings on a range of safety and security topics, including the prevention of workplace harassment and violence, watching of an Occupational Safety and Health Administration ("OSHA") video and completion of a written test are mandatory for the Hotel Managers' Associates. A three-tier safety and training curriculum is designed and implemented to ensure full comprehension of the safety processes.

- The first stage focuses on the safety engagement process, where Hotel Managers directly evaluate staff based on a safety related criterion through their completion of tasks. These observations will help identify areas that require further coaching.
- The second stage requires each hotel to complete a monthly inspection assessment to identify hazards for review.
- The third stage entails collection of feedback from the staff on reporting unsafe conditions or hazards through a form driven reporting process. These processes are discussed during the monthly Safety Committee Meetings held at each hotel to address and mitigate the identified hazards.

This integrated cycle of hands-on evaluation, inspections, hazard reporting and resolution ensures efficient and effective response to potential hazards. The examples below show the OSHA programmes and trainings the Hotel Managers have implemented.



Aimbridge AIMSafE Safety Programme (“AIMSafE”)

In Aimbridge Hospitality, AIMSafE identifies and tackles workplace hazards. Under this programme, the Aimbridge’s Corporate Risk Management and Corporate Engineering departments provide guidance governing third-party vendors’ work within or around hotel premises. These requirements encompass safety specifications outlined in contracts, mandatory certifications and forbidding the use of specific hazardous equipment. Weekly training on safety tasks accompanies routine inspection of facilities and monthly safety committee meetings. This ensures hazard elimination and mitigation and the effectiveness of preventive and proactive measures. All new hires are mandated to complete the “New Hire Associate Safety Training” via the Learning Management System. The Aimbridge Hospitality Corporate Human Resources monitors and audits the completion of the training, with any incomplete training addressed promptly. Additionally, all new hires are enrolled in weekly training courses in the following 12 months upon onboarding that cover essential topics. Task-specific training modules are also available for new hires or retraining as needed, based on findings from the Associate Safety Engagement observations or Injury Investigation.

Aimbridge Hospitality prides itself on providing a safe work environment, in accordance with U.S federal and state OSHA programme requirements. Upholding this commitment, all Aimbridge hotels have mandated the establishment of a comprehensive safety programme that addresses “leading” indicators prior to potential injuries.

Concord Hospitality Safety Committee

At Concord Hospitality, the safety committee convenes monthly to ensure the ongoing effectiveness of preventive and proactive measures in eliminating or minimising identified hazards. New joiners must watch an OSHA video and subsequently complete a written test covering various topics, including Bloodborne Pathogens, Personal Protective Equipment (“PPE”), Prevention of Slips, Falls and Back Injury, Fire Safety and Lockout Tagout and Globally Harmonised System of Classification and Labelling of Chemicals.

Prevention and Mitigation

To safeguard the health and safety of the guests and staff alike, the Hotel Managers play an active role in identifying, monitoring and mitigating potential hazards. Upon joining, the Hotel Managers’ Associates must acknowledge and sign the “Check-in, Before You Check-out” Policy and a “PPE Hazard Awareness Form”. During their shifts, strict adherence to safety protocols is mandatory, including the use of appropriate safety gear, and slip resistant safety shoes to minimise accidents.

Quarterly, the Hotel General Managers of Aimbridge Hospitality and Concord Hospitality managed hotels

conduct thorough risk review calls and complete hotel safety scorecards to assess safety standards. Additionally, the Hotel Managers have introduced a fully integrated business intelligence (“BI”) tool — Energy Portal BI — to optimise hospitality processes and sanitation efforts. This tool effectively monitors and maintains health and safety standards across various aspects of hotel operations, including preventative maintenance of mechanical systems, daily meter readings and boiler set-points, swimming pool chemical levels, door key management, and hotel guest room deep clean schedules. Furthermore, it serves as a centralised platform for recording and tracking guest requests, contributing to an enhanced guest experience.

The total number and rate of incidents by key health and safety indicators for FY2023 are as follows:

Indicator	Definition	Employees		Hotel Managers' Associates	
		Number of injuries	Rate of injuries	Number of injuries	Rate of injuries
Fatalities	Accidents which lead to death or cause permanent disability	0	0	0	0
High-Consequence Injuries	Work-related injuries which include incidences that resulted in insurance pay-outs to the personnel involved	0	0	0	0
Recordable Injuries	Recordable work-related injuries which include occupational health & safety incidences where compensation was provided to the personnel involved	0	0	0	0

For FY2023, there were zero recordable injuries, fatalities and zero high-consequence injuries for all employees and Hotel Managers' Associates. This is an improvement from the 20 recordable injuries for Hotel Managers' Associates reported in FY2022, attributed to the enhanced safety programmes and procedures implemented via relevant WSH policies, onboarding trainings and annual refresher trainings on safety.

For instance, to prevent slip and fall incidents, staff are required to adhere to the approved workplace footwear policy. Aimbridge Hospitality facilitates this through its Shoes for Crews Programme, offering an annual subsidy for staff to purchase appropriate non-slip footwear. Additionally, during the onboarding of new staff, General Managers and department heads are to ensure all staff are wearing appropriate footwear.

Staff Well-Being and Benefits

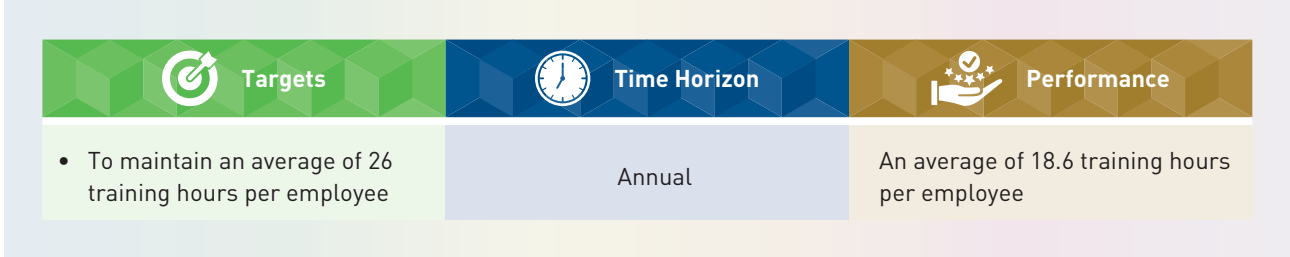
Promotion of employee well-being hinges on fostering a healthy working environment. At ARA H-Trust, the holistic approach to employee welfare includes employee access to an extensive range of physical and mental health benefits, including comprehensive healthcare, medical and insurance coverage, and various leave entitlements. Benefits such as staggered working hours, subsidised gym memberships, corporate membership to select local attractions, season parking and mobile phone allowances are also offered for employees to strike a healthy balance between work and life.

The Hotel Managers are committed to cultivating a supportive working environment by collaborating with the Brand Partners to enhance employee platforms and benefits. Both Hotel Managers offer medical, pharmacy, dental, and vision health insurance options, coupled with life insurance, Flexible Spending Account plans, short-term and long-term disability benefits and company managed 401(k) Retirement Savings Plans to all full-time U.S staff.

Concord Hospitality's employee wellness initiatives

Concord Hospitality offers non-occupational medical and healthcare services to all its hotel associates. These medical and healthcare services are communicated during orientation sessions, where new hires receive staff benefit booklets. Additionally, information on medical healthcare services is readily accessible through the online SharePoint platform for all staff. By nurturing the well-being of employees, this not only safeguards the workforce but also fosters a culture of resilience within the organisation.

MATERIAL TOPIC: TRAINING AND EDUCATION



Impact of Training and Education

The Managers sees talent development and succession planning as crucial to business resilience and continuity amid rapid technological and industry changes as well as global regulatory shifts. Regular training of employees ensures ARA H-Trust’s competitiveness and operational efficiency.

The Management Approach

The Managers ensure a well-structured employment and grading system that encompasses career progression, job rotation and training opportunities for the holistic growth of employees. Through an open-door policy, this facilitates open dialogue around employee engagement during bi-annual performance review sessions, helping the Managers to better align employees’ individual performance with organisational goals and better identification of employees’ learning needs. In FY2023, all employees underwent performance reviews.



2023 Training Initiatives

The company’s training initiatives consist of both internal and external sessions, to provide employees with a holistic perspective encompassing inside-out and outside-in insights. Trainings included governance-related topics such as anti-bribery, fraud prevention, anti-money laundering, conflicts of interest and cybersecurity, helping to bolster company-wide awareness on responsible business conduct. This also allows employees to keep abreast of industry trends, which are directly relevant to their roles and responsibilities.

In FY2023, employees received an average of 18.6 training hours, which was below the target of 26 training hours. This was attributed to the timing of staff hires as new employees that joined the company in the second half of the year could only attend the remaining planned training sessions. In FY2024, ARA H-Trust will continue to provide relevant courses to the employees to meet the target. The training profile in FY2023 is as follows:



MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY

 Targets	 Time Horizon	 Performance
<ul style="list-style-type: none"> To maintain zero serious incidents concerning customer health and safety 	Annual	No known serious incidents concerning customer health and safety

Impact of Customer Health and Safety

Safeguarding the health, safety and security of hotel guests is part of ARA H-Trust's social responsibility to the community it operates in. Guests prioritise safety and security when choosing a hotel. Negative incidents can damage the hotel's reputation, leading to a loss of business and negative reviews. This may have a ripple effect on the surrounding community such as negative publicity of the area and increased scrutiny of the local businesses. Ensuring customer health and safety fosters brand loyalty, enhances brand image and allows integration into the wider community.

The Management Approach

This commitment is driven through strict adherence to health and safety standards and the established standard operating procedures ("SOPs") which govern

the maintenance and upkeep of properties and premises. The ARA Hotel Manager and the Hotel Managers conduct regular on site property inspections to monitor hotel cleanliness and sanitisation levels, as well as track guest satisfaction levels. These efforts provide a useful gauge of the various policies' effectiveness alongside opportunities to improve. The SOPs are reviewed on a regular basis to ensure relevance and efficacy. Following the SOPs, the Hotel Managers are well-equipped to respond swiftly to potential disruptions, emergencies and operational challenges.

ARA H-Trust also collaborates with suppliers and actively communicates any short-term and long-term ESG goals and initiatives to suppliers to improve ESG performance across the supply chain. This proactive stance culminated in zero known serious incidents concerning customer health and safety across the properties in ARA H-Trust hotel portfolio in FY2023.

Initiatives on hotel operational safety

Since FY2023, automated preventive maintenance systems are in place at all hotels to track equipment safety alongside preventive maintenance system checklists. Property maintenance SOPs help to ensure guest wellness, with formalised guidance on buildings and premises maintenance such as periodic checks of electrical wiring systems, escalator service and performance of safety tests.




Upgrades to safety measures continue to target a spectrum of hotel operations covering fire safety systems, emergency drills, fire safety equipment inspections, escalators, exit points and safety certification, with inspection by authorities. Hotel Managers actively guard against security breaches by servicing the surveillance system annually and implementing and reviewing security breach responses and plans regularly.

Targeted seasonal protections also allow the hotels to maintain vigilance year-round. During winter season, a Winterising Preparedness Checklist equips the Hotel Managers with precautionary measures to implement to protect hotel guests from weather risks. Measures include contingency staff scheduling and review of properties. As the recovery of travel and tourism continues, employing Guest Satisfaction Surveys help to collate feedback for benchmarking to recalibrate better customer experiences that meet guests' expectations for care, comfort, and security.

ENVIRONMENTAL STEWARDSHIP



MATERIAL TOPIC: ENERGY

 Targets	 Time Horizon	 Performance
<ul style="list-style-type: none"> To achieve 3% reduction in energy intensity per occupied room values over 5 years from 2022 baseline 	Annual	Average energy intensity per occupied room: 48.55 kWh This is an 10.0% reduction from FY2022
<ul style="list-style-type: none"> To implement energy saving initiatives across all hotels 	Annual	Implemented 6 energy saving initiatives across the portfolio
<ul style="list-style-type: none"> To continue monitoring and tracking electricity and natural gas consumption across all hotels 	Annual	Total energy consumption (electricity and natural gas): 58,431,876 kWh

Impact of Energy

The global hotel industry accounts for approximately 1% of global carbon emissions and is set to increase in the coming years⁵. By 2030, the industry must reduce its carbon emissions per room by 66%, and by 2050, reduce it by 90% relative to 2010 levels.⁶ In the U.S, a single guest room can incur nearly twice the annual energy cost compared to an entire residential household.⁷ This highlights the need for sustainable hotel management to prioritise energy efficiency and reduction. The Managers acknowledge the impact the company’s operations have on the environment and local communities and is committed to playing an active role in reducing overall energy consumption and improve energy efficiency of the portfolio properties.

The Management Approach

ARA H-Trust is committed to a long-term vision of minimising the company’s carbon footprint and using resources in a responsible and sustainable manner. Across the portfolio, ARA H-Trust works with the Hotel Managers to pilot numerous energy, water and waste initiatives to evaluate the viability for expansion to other properties and constantly benchmark environmental performances against historical and industry data. The Hotel Managers have the industry-specific expertise and considered diverse perspectives of sustainable hotel management. Past pilot programmes include implementing electric vehicle charging stations at Hyatt House Fishkill and replacement of Energy STAR certified appliances, while key initiatives for FY2023 are highlighted in the following page. ARA H-Trust also utilises data-driven insights to illuminate areas for improvement in its daily operations, such as identifying hotspots of water consumption to focus reduction initiatives and optimising energy use across the property.

⁵ Sustainable Hospitality Alliance, Area of Action: Climate Action, Climate change and the hospitality industry, retrieved from: <https://sustainablehospitalityalliance.org/our-work/climate-action/>

⁶ Sustainable Hospitality Alliance, Hotel Global Decarbonisation Report, November 2017, retrieved from: <https://sustainablehospitalityalliance.org/resource/global-hotel-decarbonisation-report/>

⁷ Better Buildings, U.S. Department of Energy, Hospitality, retrieved from: <https://betterbuildingsolutioncenter.energy.gov/sectors/hospitality>

ARA H-Trust is committed to maintaining strict standards across all properties and strive towards certifications like Energy Star to motivate the continued sustainable management of resources.

Energy Stewardship Certifications

As the portfolio hotels are based in the U.S, the Managers look towards certifying the properties to Energy Star, a national energy efficiency programme by the U.S Environment Protection Agency. Certification for buildings is renewed and verified on an annual basis. In FY2023, ARA H-Trust renewed 19 Energy Star certifications and attained 3 new certifications. Compared to FY2022, some of the previously certified hotels did not meet the analytical conditions for them to be eligible for the certification. Moving forward, the Managers are looking to maintain the certification status and increase the number of certified properties across the portfolio.



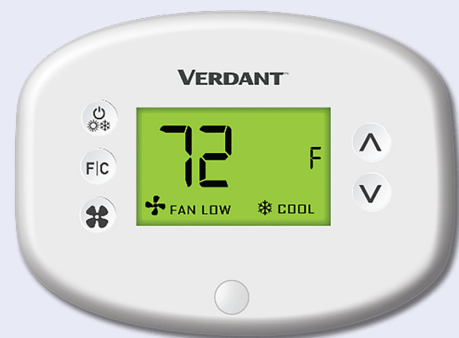
Energy Star certified properties in ARA H-Trust's Portfolio in 2023

- | | |
|---|---|
| • Hyatt House Boston Burlington | • AC Hotel Raleigh North Hills |
| • Hyatt House Morristown | • Hyatt House Fishkill |
| • Hyatt House Plymouth Meeting | • Hyatt House Branchburg |
| • Hyatt House Raleigh Durham Airport | • Hyatt House Parsippany - East |
| • Hyatt House Shelton | • Hyatt House Parsippany, Whippany |
| • Hyatt House Sterling Dulles Airport North | • Hyatt House Richmond - Short Pump |
| • Hyatt Place Boise Towne Square | • Hyatt Place Secaucus Meadowlands |
| • Hyatt Place Charlotte Airport | • Hyatt Place Nashville Opryland |
| • Hyatt Place Denver Airport | • Hyatt Place Louisville East |
| • Hyatt Place Mystic | • Hyatt Place Lakeland Center |
| • Hyatt Place Richmond Arboretum | • Hyatt Place Sacramento Rancho Cordova |

Below are some energy initiatives implemented in FY2023:

Reducing energy consumption through Verdant smart thermostats

As the properties in the portfolio are exposed to varied topographies and hence experience differing degrees of seasonal variation, the Managers at ARA H-Trust have implemented a diverse range of measures to reduce energy consumption without compromising the comfort of the hotel guests. In properties located in areas of greater seasonal variation in temperature, Hotel Managers have continued the roll-out of Verdant Smart Thermostats which adjust their temperature and hence energy consumption to real-time occupancy patterns. This reduces energy consumption by the heating, ventilation, and air conditioning (“HVAC”) system in unoccupied rooms while ensuring optimal temperature in occupied rooms. This is projected to reduce annual energy consumption by 602,000 kWh and generate \$61,000 in annual energy savings. For example, in Hyatt Place Tampa, the Verdant energy management solution saved around 148,400 kWh of energy, translating to around \$16,800 in annual savings.



Verdant Smart Thermostat¹⁰ implemented across various properties to manage energy use from HVAC systems

In 2023, verdant thermostats were installed in four more hotels, bringing portfolio coverage of this initiative to 61%. Moving forward, in 2024, the Managers plan to further install such thermostats in four additional hotels.

⁹ Energy Star, picture source: <https://www.energystar.gov/>
¹⁰ VX Series Smart Thermostat, picture source: <https://verdant.copeland.com/products/thermostats/>

Reducing energy consumption through upgrading to LED lights

In 2023, seven hotels had LED conversion upgrades. This change is expected to further reduce annual energy consumption by 1,290,000 kWh and generate an additional \$178,000 in annual energy savings. In 2024, there are plans to fully convert lighting in two hotels to LED and continue upgrading LED lighting across the portfolio, especially for properties that are undergoing renovations.



Upgraded LED lights at Hyatt House Plymouth Meeting

Reducing energy consumption through improved building insulation

Maintaining the internal temperature of hotels is essential for balancing guest comfort with optimised energy consumption in heating and cooling. Following from the successful implementation for 15 hotels in 2022, ARA H-Trust has improved the installation of window, roof, and exterior building sealants to better regulate air leakage and energy loss in an additional 10 hotels in 2023. The Hotel Managers are looking to implement this in five more hotels in 2024.



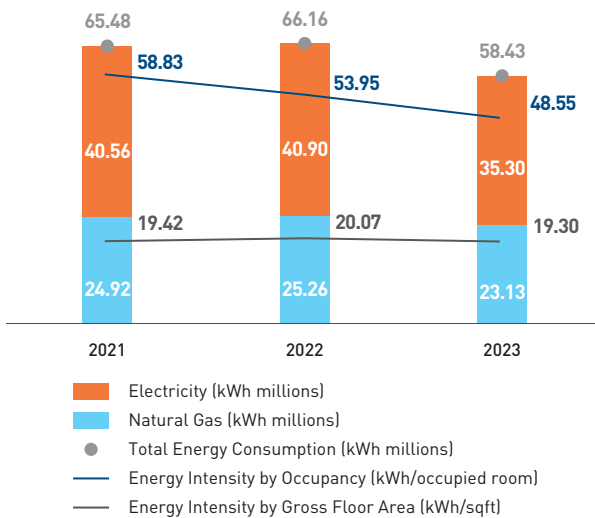
Hyatt Place Secaucus Meadowlands before (left) and after (right) improved building insulation upgrades.

2023 Performance: Energy Consumption and Intensity

In FY2023, the portfolio hotels consumed a total of 58,431,876 kWh of energy, translating to an average energy intensity of 48.55 kWh per occupied room¹¹ or 19.30 kWh/sq ft¹².

Energy Consumption and Energy Intensity

	2021	2022	2023
Natural Gas (kWh)	24,923,899	25,257,626	23,128,555
Electricity (kWh)	40,556,791	40,903,668	35,303,320
Total (kWh)	65,480,690	66,161,294	58,431,876
Energy Intensity by Occupancy (kWh/occupied room)	58.83	53.95	48.55
Energy Intensity by Gross Floor Area ("GFA") (kWh/sq ft)	19.42	20.07	19.30



Comparing year-on-year, the total energy consumption across the hotel portfolio decreased by 11.7% from 66,161,294 kWh in FY2022 to 58,431,876 kWh in FY2023. In terms of energy intensity, energy consumption per occupied room decreased 10.0% from 53.95 kWh in FY2022 to 48.55 kWh in FY2023. Energy consumption per square foot also decreased 3.8% from 20.07 kWh/sq ft in FY2022 to 19.30 kWh/sq ft in FY2023.

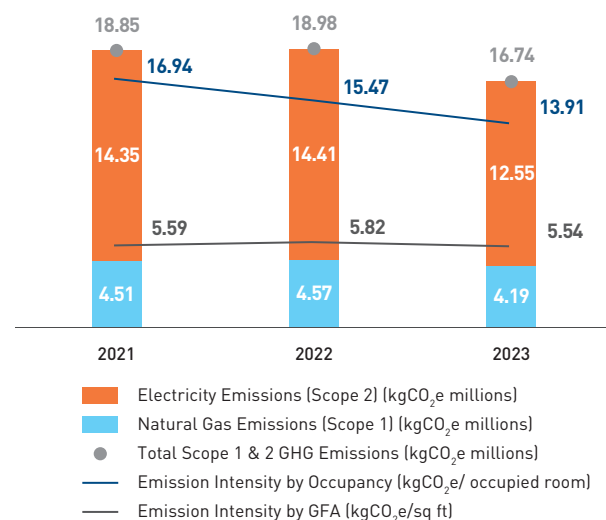
Despite the higher average occupancy rate in FY2023 of 69.3%, compared to 65.3% in FY2022, absolute energy consumption reduced due to the slight reduction in occupied rooms in FY2023, as well as the reduced property square footage after accounting for the five divested hotels in FY2022. Energy intensity by occupied rooms and by GFA also reduced, reflecting the effectiveness of the energy efficient initiatives in reducing the energy consumed across hotel operations.

2023 Performance: GHG Emissions and Intensity

In FY2023, the portfolio hotels' activities generated a total of 16,738,075 kgCO₂e of Scope 1 and Scope 2 emissions, translating to an emission intensity of 13.91 kgCO₂e per occupied room or 5.54 kgCO₂e/sq ft.

Scope 1 & 2 GHG Emissions & Intensity

	2021	2022	2023
Natural Gas (Scope 1) (kgCO ₂ e)	4,508,359	4,568,725	4,191,739
Electricity (Scope 2) (kgCO ₂ e)	14,345,895	14,406,449	12,546,335
Total (kgCO ₂ e)	18,854,254	18,975,174	16,738,075
Emission Intensity by Occupancy (kgCO ₂ e/occupied room)	16.94	15.47	13.91
Emission Intensity by GFA (kgCO ₂ e/sq ft)	5.59	5.82	5.54



¹¹ Average energy intensity per occupied room is calculated based on total energy consumption over the total of 1,203,526 occupied rooms during the reporting period
¹² Average energy intensity per square foot is calculated based on total energy consumption over the total of 3,076,658 square foot during the reporting period

TOPIC OF INTEREST: WATER

Impact of Water

As the effects of climate change increase the frequency and intensity of extreme weather events, safeguarding water reserves has become a top priority for responsible hotel management. Specifically in the U.S, drought severity and duration has increased in recent years.¹³ With the daily average water consumption of hotel guests far exceeding that of local populations,¹⁴ it is imperative that measures are implemented to reduce water consumption to manage the impact that hotels have on the water supply of local communities, particularly in water-scarce regions.

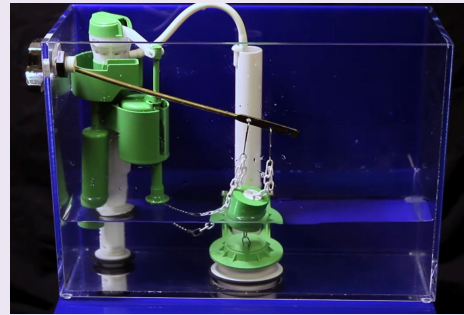
The Management Approach

The Managers recognise the importance of water for the hospitality industry and have implemented measures to reduce ARA H-Trust's water usage and improve the efficiency of its water distribution network. The initiatives are targeted at locations and operations that consume the most amount of water, such as guest toilets, kitchen and laundry operations and landscaping. Initiatives are piloted at selected hotels to ensure their efficacy before expanding its implementation to other hotels in the portfolio.

Reducing water use from guest facilities

Shower and restroom use account for majority of hotels' water usage. The Managers are in the process of implementing additional water reduction strategies such as the installation of low-flow faucets, shower heads and toilets to improve its water distribution system. Following the positive results from two hotels in 2022, Aqua Miser[®] low-flow toilets were installed in Hyatt House Fishkill in 2023.

In 2024, the Managers are looking to implement these strategies in two additional hotels. This is projected to reduce water usage by 1,116 gallons of water or yield \$12,000 in annual water utility savings.



Implemented in Hyatt House Fishkill in 2023, the Aqua Miser[®] Flush System¹⁵ prevents toilet tank leaks and floods while using less water to flush toilets compared to conventional flush systems

¹³ World Economic Forum, Climate Crisis: What the Western US megadrought tells us about climate change, March 9, 2022, retrieved from: <https://www.weforum.org/agenda/2022/03/western-us-megadrought-climate-change/>

¹⁴ Sustainable Hospitality Alliance, Area of action: Water Stewardship, Water scarcity and the hospitality industry, retrieved from: <https://sustainablehospitalityalliance.org/our-work/water-stewardship/>

¹⁵ Aqua Miser, Inc. December 16, 2016, Aqua Miser Solution, Picture from youtube: <https://www.youtube.com/watch?v=nmJp75XSK1I>

Reducing water use from hotel operations

Kitchen, dishwashing, and laundry operations account for approximately 30% of water use in hotels and lodging facilities in the U.S.¹⁶. Acknowledging the potential for reducing consumption, the properties implemented a range of measures to improve the water efficiency of the appliances. This includes installing high efficiency washing machines and dishwashers in place of older, less efficient models. The Aquanomic 2.0 Low-Temp Laundry Program was also implemented at 80% of the portfolio properties, which could reduce 0.6–0.8 gallons of water per pound of laundry and reduce overall water usage by up to 40%. Specifically for Aimbridge Hospitality, it was able to save 6 million gallons of water, which translated to around \$37,000 savings. To further reduce laundry loads, the Managers have reduced the frequency of room cleaning to every other day, and the changing of bed linen to every fifth night of consecutive stay since FY2022.

Another area of large water use is irrigation of landscape. To reduce water use, a smart irrigation management system was piloted in 2022, which has reduced the overall water usage by 25% since the point of implementation. This translates to a reduction of 180,000 gallons of water use and \$4,000 saved annually. In 2023, we conducted a test by installing an irrigation water monitoring system in Hyatt Place Sacramento.

2023 Performance: Water Consumption and Intensity

To bolster the disclosure of the portfolio hotels' impact on the environment, the Managers have been refining data collection methods and coverage and are disclosing water withdrawal data of the portfolio for 2023. In 2023, properties within the ARA H-Trust portfolio withdrew a total of 553,233 m³ of water and has a water intensity of 0.18 m³/sq ft. Going forward, the Managers are considering setting targets for water consumption to better monitor and manage the hotels' use.

2023 Performance

Water withdrawal (m ³)	553,233
Water intensity (m ³ /sq ft)	0.18

¹⁶

U.S Environmental Protection Agency, Saving Water in Hotels, March 2016, retrieved from: https://19january2017snapshot.epa.gov/www3/watersense/docs/saving-water-in-hotels_fact%20sheet_508_Mar2016.pdf

TOPIC OF INTEREST: WASTE

Impact of Waste

Most waste generated from a hotel’s operations and infrastructure upgrade is disposed of in landfills, which continues to burden the surrounding ecosystem and local communities as it decomposes and pollutes the air¹⁷. Hence, apart from managing the consumption of resources, ARA H-Trust regards “Waste” as a topic of interest and is committed to managing its production of waste to minimise the impact on the local environment.

The Management Approach

ARA H-Trust endeavours to implement measures that can be replicated across hotels. To understand the amount of waste generated across the hotels for targeted management, ARA H-Trust is enhancing and standardising its waste calculation methodology. ARA H-Trust currently utilises the Hotel Waste Measurement Methodology¹⁸ as part of its data collection process when it is unable to receive any data from the waste vendors. Moving forward, ARA H-Trust will also be refining its data collection processes by referencing industry guidance such as the Cornell Hotel Sustainability Benchmarking Index¹⁹ and strive to report the portfolio’s waste data in the coming years.

Extending the lifespan of hotel furniture and decorations

In 2023, to extend the life of good-condition furniture and reduce waste output, four hotels diverted approximately 50% of their furniture, fixtures, and equipment waste through donations to local charities or through continued use at other hotels within the portfolio. To reduce waste, decorative millwork and other wooden case goods were reconditioned instead of replaced. In 2024, there are plans to expand this practice of reusing furniture to an additional four hotels for which renovation is scheduled.



Reconditioned guest room vanities using original woodwork with refreshed vinyl

Minimising the use of plastics

In 2022, the Managers eliminated the use of single-use toiletries such as small, bottled soaps and shampoos and converted to refillable, bulk dispensers. In 2024, the Managers plan to begin installation of hydration stations in some of their hotels. The Managers will continue to work with brands and third-party operators to reduce and eliminate the use of single-use paper and plastic products.



Refillable bulk dispensers

¹⁷ Juvan et al., Annals of Tourism Research Empirical Insights, Volume 4, Issue 1, May 2023, 100090, Waste production patterns in hotels and restaurants: An intra-sectoral segmentation approach, retrieved from: <https://doi.org/10.1016/j.annale.2023.100090>
¹⁸ Sustainable Hospitality Alliance, Hotel Waste Measurement Methodology, retrieved from: <https://sustainablehospitalityalliance.org/resource/hwmm/>
¹⁹ GreenView, Cornell Hotel Sustainability Benchmarking Index, retrieved from: <https://greenview.sg/services/chsb-index/>

TOPIC OF INTEREST: CLIMATE CHANGE RESILIENCE

Impact of Climate Change Resilience

As financial implications of climate change become an increasingly real threat, both global and local financial authorities have recognised the importance of preparing economies for a spectrum of climate scenarios. In Singapore, given the uncertainty surrounding the impact of climate change on businesses, the MAS established the EnRM Guidelines to guide all fund management companies and real estate investment trust managers to factor climate risks and opportunities into their portfolio planning.

The Management Approach

Recognising the importance of establishing a comprehensive framework to identify, assess and manage climate-related risks, since FY2022, the Managers have adopted the TCFD Recommendations as aligned with the MAS EnRM Guidelines, seen in the following table.

By integrating climate risks and ESG performance at the onset of decision-making processes regarding the existing hotel portfolio and new hotel acquisitions, ARA H-Trust can better assess and mitigate the climate risks the company is exposed to.

Task Force on Climate-related Financial Disclosures

TCFD Recommended Disclosures	MAS EnRM Guidelines	ARA H-Trust's Response
Governance		
The Board's oversight of climate-related risks and opportunities	The Board to be involved in identifying environmental risks and opportunities and evaluating their impact on the Manager's strategies, business plans and products	<ul style="list-style-type: none"> The Board oversees sustainability and climate-related strategies and initiatives. They monitor progress against goals and targets for addressing climate-related issues. They are also responsible for reviewing and approving climate-scenario analysis and the relevant risks and opportunities identified across the ARA H-Trust portfolio. The Board also ensures that the Managers establish robust risk management policies and procedures to safeguard the assets and address the strategic enterprise, financial, operational, environmental and compliance risks of ARA H-Trust.
Management's role in assessing and managing climate-related risks and opportunities	Senior management responsible for development, implementation, and reviewing the effectiveness of the environmental risk management framework and policies	<ul style="list-style-type: none"> The RMC reviews and reports to the ARC and the Board on overall risk management matters (including environmental risk) and is responsible for identifying, managing, evaluating and reporting of risks relating to ARA H-Trust. The ARA H-Trust Risk Management Framework is guided by the ERM Framework, which is adapted from the COSO Model and best practices from the Asia Risk Management Institute. The RMC applies the ERM Framework as a structured process in identifying the material risks that ARA H-Trust faces, including strategic, operational, financial, compliance, information technology, and environmental risks, and sets out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes in the external business environment.

TCFD Recommended Disclosures	MAS EnRM Guidelines	ARA H-Trust's Response
Strategy		
<p>The climate-related risks and opportunities ARA H-Trust has identified over the short, medium, and long-term</p> <p>The resilience of ARA H-Trust's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>In assessing environmental risk, to consider both transition and physical risks on an individual asset and/or portfolio level</p>	<ul style="list-style-type: none"> Conducted a climate scenario assessment covering both physical and transition risks for 41 hotels (including five divested hotels in the third quarter of FY2022) in the ARA H-Trust portfolio in FY2022. Considered the likely impact across short, medium, and long-term timeframes for both a 1.5°C Net Zero and business-as-usual warming scenario. The climate scenario analysis yielded meaningful results on the identified climate risks and its associated qualitative potential impacts to the business, as well as potential opportunities to reduce the climate risks identified. Refer to pages 48 to 50 for the short, medium and long-term physical and transition risks and opportunities identified for ARA H-Trust portfolio.
<p>The impact of climate-related risks and opportunities on ARA H-Trust's businesses, strategy, and financial planning</p>	<p>To embed relevant environmental risk considerations in this process and evaluate the potential impact of relevant environmental risk on return potential</p>	<ul style="list-style-type: none"> The ESG and investment policies were reviewed and environmental risks including climate-related risks have been integrated into the investment process governing ARA H-Trust.

TCFD Recommended Disclosures	MAS EnRM Guidelines	ARA H-Trust's Response
Risk Management		
<p>The processes for identifying and assessing climate-related risks</p> <p>The processes for managing climate-related risks</p>	<p>Put in place policies and processes to assess, monitor, and manage environmental risk</p>	<ul style="list-style-type: none"> According to ESR's Group ESG Policy, ESR is committed to climate change adoption through identifying and managing climate-related risks and opportunities. ESR and its individual business units (the Managers of ARA H-Trust being one of them) have adopted the common principles in the assessment and have developed appropriate strategies to address these risks and opportunities. For example, ARA H-Trust has included sustainability risk management into the company's ERM framework, looking at relevant risks to their assets such as physical environmental risks. ESR has a comprehensive set of Group ESG Policies covering areas such as Climate Change Adaptation, Mitigation & Resilience, Net Zero Carbon, Energy & Emissions Management, Environmental Resource Management, and Environmental Management System. These policies serve to guide and inform the Group, including its subsidiaries, on environmental aspects relating to the business and the management of environmental impacts. On climate-related risks, opportunities, and impacts, ARA H-Trust implements the Group's Climate Change Adaptation, Mitigation & Resilience Policy to assess, identify, manage, and mitigate these impacts in accordance with the TCFD Framework, which are subsequently monitored on a regular basis. Implementation of other policies can be found in the respective Material Topics' Management Actions sections. The risk profile highlights the residual risk levels and the effectiveness of mitigating controls supporting the residual risks within the risk appetite approved by the Board.
	<p>Collaborate with other asset managers to build knowledge and skills</p>	<ul style="list-style-type: none"> Collaboration occurs through hospitality related associations with the hotel owners, advisors, asset managers and Stapled Trust constituents.
	<p>Consider implementing AElS to improve the efficiency of resource use, or attain green building certification</p>	<ul style="list-style-type: none"> Specific templates for key environmental metrics such as energy consumption, GHG emissions, water consumption, and waste generation are used by the third-party hotel operators to record monthly data for each asset. Refer to the "Environmental Stewardship" section for green initiatives applied to the ARA H-Trust hotel portfolio.

TCFD Recommended Disclosures	MAS EnRM Guidelines	ARA H-Trust's Response
<p>How the processes for identifying, assessing, and managing climate-related risks are integrated into risk management</p>	<p>Integrate environment risk into the Manager's overall investment risk management framework to identify, address and monitor the risks</p>	<ul style="list-style-type: none"> As part of the climate scenario analysis, climate-related risks were identified and assessed, with risk mitigants in place to reduce the potential impact on the hotel operations. An Investment Management ESG Checklist is applied to potential acquisitions as part of the due diligence process.
	<p>Where environmental risk is material, develop capabilities in scenario analysis to evaluate impact on portfolio and portfolio resilience to financial losses</p>	<ul style="list-style-type: none"> Climate risk assessment (covering both physical and transition risks) for 41 hotels in the ARA H-Trust portfolio (including five divested hotels in the third quarter of FY2022) were conducted in FY2022. Refer to pages 48 to 50 for the impacts of physical and transition risks and ARA H-Trust's mitigation actions.
<p>Metrics and Targets</p>		
<p>The metrics used to assess climate-related risks and opportunities is in line with the company's strategy and risk management process</p>	<p>Make regular and meaningful disclosure of environmental risks and exposure, with clear metrics and targets</p>	<ul style="list-style-type: none"> ARA H-Trust provides annual reporting of energy consumption (kWh), energy intensity (kWh per occupied room; kWh/sq ft); water consumption (m³), water intensity (m³/sq ft); carbon emission (Scope 1 & 2) (kgCO₂e), carbon emission intensity (Scope 1 & 2), in line with the guidance from the GHG Protocol Corporate Accounting and Reporting Standard. Refer to "Summary of Material Topics" on the associated targets set by ARA H-Trust.
<p>Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p>	<p>NIL</p>	<p>FY2023 Scope 1: 4,191,739 kgCO₂e (25.0%) Scope 2: 12,546,335 kgCO₂e (75.0%)</p>
<p>The targets used to manage climate-related risks and opportunities and the performance against targets.</p>	<p>NIL</p>	<p>Refer to page 9 on "Performance of Sustainability Targets"</p>
<p>NIL</p>	<p>Disclosure should be in accordance with international reporting frameworks, such as TCFD</p>	<ul style="list-style-type: none"> This table was prepared in accordance with the TCFD recommendations and MAS EnRM Guidelines stipulated as of December 2020.

Climate scenario analysis

The world is increasingly aware of the tangible impacts caused by climate change, from increased frequency of natural disasters and extreme weather events to mitigatory measures by economies to meet global targets like Net Zero 2050. Recognising the urgent need to address climate change in ARA H-Trust's risk management strategy, the company conducted a qualitative climate scenario analysis in FY2022 to uncover potential risks and opportunities of climate change to the portfolio and make informed decisions to ensure long-term resilience. The scenario analysis conducted is still relevant in FY2023 as the current portfolio of properties are located in similar geographies.

Scenario analysis helps companies formulate strategic and risk management decisions under complex and uncertain circumstances such as those posed by climate change. It enables companies to contextualise projected climatic futures to their individual performance, allowing them to understand potential risks and uncertainties which accompany these hypothetical scenarios.

Risk Types

Climate risk is typically divided into two categories:

- Physical risks encompass potential impacts of changing weather patterns, such as increased frequency and intensity of extreme weather events, rising mean temperatures and sea levels.
- Transition risks arise from the transition towards a low-carbon economy and may encompass regulatory changes, technological advancements, and evolving market dynamics.

Portfolio Coverage

The qualitative scenario analysis looked at all hotels in the ARA H-Trust portfolio in FY2022 and examined their exposure to physical and transition risks under the various climate scenarios. While the geographical scope of the scenario analysis is limited to the operating region of the portfolio in the U.S, topographic diversity across the country is likely to lead to different degrees of risk exposure across the portfolio.

Climate Scenarios

To analyse the potential impacts of climate change on the business, ARA H-Trust selected two climate scenarios from the group of Representative Concentration Pathways ("RCP") derived by the Intergovernmental Panel on Climate Change.



- RCP 2.6 (< 2°C) — the stringent scenario that stress-tests assets under conditions with high transition risks
- RCP 8.5 (4°C) — the worst-case/business-as-usual scenario that stress-tests assets under conditions with high physical risk



Time Horizons

The scenario analysis acknowledges that the impacts of climate change manifest in different degrees over a range of time scales. Short term is defined as the next 1–3 years, medium term to be by 2030 and long term to be by 2050.


Following the climate scenario analysis, ARA H-Trust has developed a response plan comprising of various mitigation measures which pertain to the company's strategy, portfolio construction as well as risk management policies and processes. The following tables detail the risk types, potential impacts, time frame and key mitigation measures to be undertaken by ARA H-Trust in the event of risk exposure.

TRANSITION RISKS

Risk Type	Description and Impact	Time Horizon	Existing/Planned Mitigation Measures
 <p>Regulatory Mandatory climate risk and environmental reporting</p>	<p>Mandatory climate-related disclosures are gaining traction in both Singapore and the U.S. Starting FY2023 in Singapore, selected industries are required under the SGX-ST to disclose their climate-related data as consistent with TCFD recommendations.</p> <p>Such mandatory disclosures could lead to increased costs as investments in infrastructure is needed for effective monitoring processes, and reporting and verification may require additional resources. Disclosures which fail to meet stakeholder expectations could also impact investor confidence and company valuations.</p>	<p>Short term</p>	<ul style="list-style-type: none"> • Participated in the 2023 GRESB Assessment • Review and revise existing reporting framework to align with best practices and voluntary frameworks such as TCFD and GRI
 <p>Regulatory More stringent energy efficiency requirements for buildings</p>	<p>Globally, building standards regarding environmental management and energy efficiency have increased, and a range of incentives for energy efficient retrofits have been introduced. In the U.S, the Department of Energy regulates the design of energy-efficient non-residential buildings, while implementation and compliance to energy standards remain under the jurisdiction of the city or state.</p> <p>Failure to prepare for policy changes could lead to loss of competitiveness due to increased construction and/or retrofitting necessary for integration of more energy-efficient technologies and sustainable materials.</p> <p>While ARA H-Trust identified no immediate risk to hotel operations in the event of penalties for non-compliance, the company is working to implement more energy efficiency initiatives.</p>	<p>Short/Medium term</p>	<ul style="list-style-type: none"> • Develop roadmap for completion of existing and implementation of new energy efficiency initiatives (e.g. LED installations, verdant thermostats) • Considering useful life, replace kitchen, laundry and water distribution equipment with more energy efficient models

Risk Type	Description and Impact	Time Horizon	Existing/Planned Mitigation Measures
 <p>Market Market signals for green buildings</p>	<p>Hotel guests increasingly favour green hotels, resulting in more hotel owners obtaining green building certifications to attract more guests.</p> <p>Obtaining certifications may incur greater construction and/or maintenance costs.</p>	Short term	<ul style="list-style-type: none"> Continue acquiring green building certifications for portfolio assets (e.g. Energy Star)
 <p>Technology Costs to transition to low carbon technologies</p>	<p>Green technologies will be increasingly important in accelerating efforts to reduce GHG emissions and improve business efficiency amidst uncertain climatic futures.</p> <p>This might lead to increased construction and maintenance cost of properties, which may be potentially passed down to hotel guests.</p>	Medium term	<ul style="list-style-type: none"> Boost equipment efficiency and lifespan through cloud-based maintenance software, to enable real-time monitoring of meter readings to proactively detect leaks and optimise energy use

PHYSICAL RISKS

Risk Type	Description and Impact	Time Horizon	Existing/Planned Mitigation Measures
 <p>Acute Increased intensity and frequency of precipitation and storms</p>	<p>Various climate change projections predict increasing frequency and intensity of precipitation and hence flood events. This could result in damage to public infrastructure such as port and roads, and buildings like homes, hotels, and offices. Financial costs may be incurred from repair of infrastructure and disruption of daily business operations due to such extreme weather events.</p>	Medium/Long term	<ul style="list-style-type: none"> Ensure scope of insurance coverage minimally encompasses property insurance, business interruption and environmental impairment Assess, renew and/or supplement insurance coverage on a regular basis in line with emerging information on climatic projections

Risk Type	Description and Impact	Time Horizon	Existing/Planned Mitigation Measures
 <p>Chronic Increase in global temperature</p>	<p>Increase in global temperatures are expected to be exacerbated in urban environments where the urban heat island effect aggravates discomfort especially over summer months. This is likely to be more pronounced in properties within the Central U.S. This could lead to overheating in buildings, as well as bodily stress and increased risk of heat exhaustion or heat stroke, reducing employee productivity and comfort of guests in hotels.</p> <p>While increasing temperatures may be alleviated by air conditioning, this is likely to increase energy consumption and carbon emissions.</p>	<p>Medium/Long term</p>	<ul style="list-style-type: none"> • Continue installation of energy management thermostat (smart controls) in the coming years • Progressive conversion of existing lighting to LED • Replacement of HVAC units with more energy efficient models in select hotels • Replacing R-22 refrigerants with R-410A in select hotels • Continue use of Aquanomic Low Temperature Laundry Program across entire hotel portfolio • Improve insulation of windows, roofs and building exterior to prevent energy loss
 <p>Chronic Water stress</p>	<p>Drought conditions are increasingly common in the U.S, and poor management of water consumption will adversely impact the freshwater supply. This will result in disruptions to daily business operations, consequently reducing revenue.</p>	<p>Long term</p>	<ul style="list-style-type: none"> • Progressive installation of low-flow regulators and aerators in guest rooms • Replacement of guest laundry washers with more energy efficient models • Beta testing for early detection toilet leaks and replacement • Alternate-day room cleaning and every fifth day linen change

TOPIC OF INTEREST: SUPPLY CHAIN MANAGEMENT

Impact of Supply Chain Management

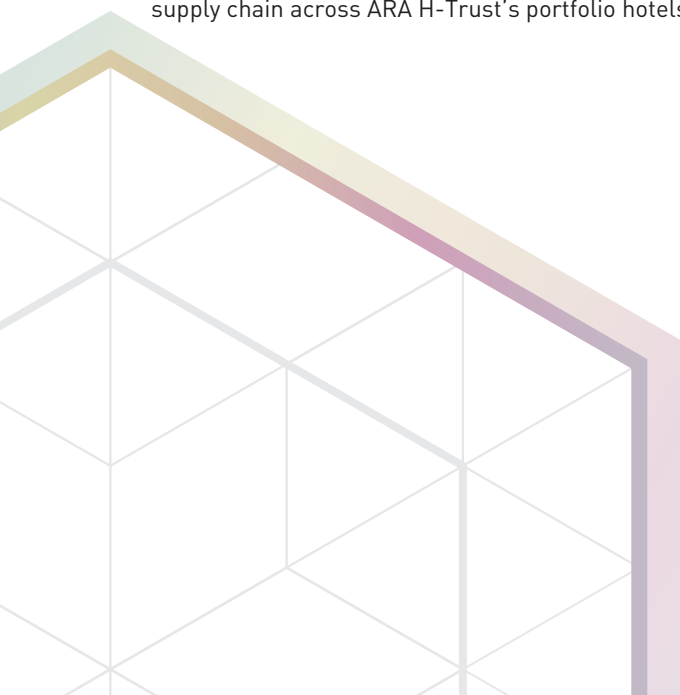
Approximately 80% of ARA H-Trust's portfolio's procurement comes from the U.S national approved suppliers via the company's Franchise and Operating Partner National Procurement Program. Having a responsible supply chain is beneficial for economic, environmental and social aspects in the value chain. By sourcing responsibly, hotels can significantly reduce their consumption and carbon emissions. Additionally, ethical sourcing practices ensure respect for human rights and fair labour standards which align with consumer values and benefit the surrounding community. Financially, sustainable supply chain management may translate to cost savings, diversify suppliers and enhanced brand reputation.

The Management Approach

ARA H-Trust collaborates with its Brand Partners and third-party Hotel Managers to promote sustainable procurement practices across its value chain. This involves responsible sourcing that helps to combat climate change, prevent deforestation, conserve natural resources, and protect human rights and animal welfare. Furthermore, the ARA Hotel Managers partner with the respective Hotel Managers and Brand Partners to ensure adherence to the supplier standards outlined in the Supplier Code of Conduct ("**Code**"). The approved vendors in the U.S. are required to provide sufficient evidence to demonstrate adherence to environmental and social guidelines in their business operations. For instance, Foodbuy, the largest foodservice procurement solution organisation in North America, sources and supplies products produced sustainably. This promotes sustainability within the food supply chain across ARA H-Trust's portfolio hotels.

Leveraging the procurement, logistics and supply chain programmes established by Marriott International and Hyatt Hotels suppliers are actively screened on their environmental and social performance in the sourcing of materials for hotel supplies and renovations. Suppliers also undergo periodic assessments on the effectiveness of their management systems, existing safeguards and whether improvements were made to comply with the Code, including maintaining transparency regarding hiring practices and employee development. In addition to the Code, suppliers must comply with all applicable national and local laws and regulations, covering areas such as labour rights, health and safety, and environmental protection. This includes adherence to laws such as the U.S Fair Labour Standards Act, the Occupational Safety and Health Act, the Equal Pay Act, and the Family and Medical Leave Act.

Furthermore, suppliers are expected to uphold human rights and treat their workers with dignity and respect, aligning with standards such as Universal Declaration of Human Rights and Social Accountability International. The Code also reflects the guiding principles outlined in the ILO Standards. Ongoing performance tracking allows suppliers that need improvements to take remedial actions. Material violations by any suppliers would be penalised or terminated and may potentially face long-term disqualification. Moving forward, the Hotel Managers will continue to deepen their commitment to driving sustainable procurement for their hotels through partnerships and engagements with various suppliers. ARA H-Trust ensures that both its own and its suppliers' practices comply with global best practices on environmental, social, ethical and governance standards.



Sustainable food procurement

Given the importance of sustainable food sources in managing the environmental and social impact of food and the increased attention of hotel guests to the food they consume, Aimbridge Hospitality work with their suppliers to actively procure more sustainable food products. This includes cage free eggs, fair trade coffee, reduced antibiotic poultry, dairy products without artificial growth hormones and sustainable seafood. These food sources are often produced with less environmental impact and more ethical treatment of animals and workers, which aligns with the Hotel Manager's efforts for a sustainable impact journey.

Reducing environmental impact from laundry

The Hotel Managers partnered with Ecolab, a water and hygiene service provider, on their Aquanomic™ Low Temp Laundry Program to provide consistent fresh white linens for guests while reducing energy and water consumption and waste generation from laundry. Ecolab's laundry products allowed for annual energy and water savings up to 50% and 40% respectively due to the lower temperature and less water required in the wash. The laundry products also come in lightweight capsules that incur 74% less packaging waste compared to conventional liquid detergent laundry programmes, while the chemicals extend the life of the linens, reducing linen replacement by 20%. Specifically for Aimbridge Hospitality, this programme managed to reduce energy use by around 1,046,300 kWh, water use by 6 million gallons, GHG emissions by 237 tCO₂e and waste by 14,610 pounds.



METHODOLOGICAL REVIEW

This section explains the key definitions and methodologies applied to the ARA H-Trust FY2023 Sustainability Report. These are adapted in the context of the GRI Standards Glossary, and the Reporting Requirements, Recommendations and Guidance set out in the respective disclosures and various authoritative intergovernmental instruments.

GOVERNANCE

Corruption

Corruption is an abuse of entrusted power for private gain, which can be instigated by individuals or organisations. Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of business.

Socioeconomic Compliance

Socioeconomic compliance covers the overall compliance record of an organisation, as well as compliance with specific laws or regulations in the social and economic aspects. Compliance can relate to accounting and tax fraud, corruption, bribery, competition, the provision of products and services, or labour issues, such as workplace discrimination, among others.

SOCIAL

Employees

Employees are defined as full-time staff who are employed by the Managers. This does not include Hotel Managers' Associates employed for the day-to-day operation of the hotels.

New Hires and Turnover

Employee movement within each financial year is recorded and presented as at year-end headcount. New hires are defined as new employees that have joined the Managers during the year. Turnover is defined as all employees that have left the Managers voluntarily, or due to dismissal, retirement, or death in service during the year. The new hire rate is defined as the ratio of total number of new hires in 2023 compared to the total number of employees as of December 31, 2023. The attrition rate is defined as the ratio of total number of resignations during FY2023 to total number of employees as of December 31, 2023.

Training Hours

Average training hours per employee is the total number of training hours provided to employees, relative to the total number of employees, during the year. Average training hours per female/male employee is the total number of training hours provided to female/male employees, relative to the total number of female/male employees, during the year. Average training hours per employee category is the total number of training hours provided to each category of employees, relative to the total number of employees in the category, during the year.

ENVIRONMENT







Consolidation Approach

The operational control approach, as outlined in the GHG Protocol Corporate Standard, is used to determine organisational boundaries for ARA H-Trust’s environmental reporting. Operational control reflects the full authority to introduce and implement operating policies at the operation of its properties and is accountable for 100% of its emissions. ARA H-Trust has

100% ownership of 36 hotels. During the reporting year, one hotel, namely Hyatt Place Oklahoma City Airport, was divested in the third quarter of FY2023. ARA H-Trust also acquired one hotel, namely Home2 Suites by Hilton Colorado Springs South, in the second quarter of FY2023. The data for the hotels up to the point of divestment and the acquired hotel from the point of acquisition have been included in the environmental data.

The 36 hotels in ARA H-Trust’s portfolio and one divested hotel as at 31 December 2023 are listed below in alphabetical order by brand:

HOTELS IN ARA H-TRUST’S PORTFOLIO

 Hyatt House	 Hyatt Place	 AC Hotel by Marriott	 Courtyard by Marriott	 Residence Inn by Marriott	 Home2 Suites by Hilton
<ul style="list-style-type: none"> ▶ Hyatt House Boston Burlington ▶ Hyatt House Branchbury ▶ Hyatt House Fishkill ▶ Hyatt House Morristown ▶ Hyatt House Parsippany-East ▶ Hyatt House Parsippany Whippany ▶ Hyatt House Philadelphia Plymouth Meeting ▶ Hyatt House Raleigh Durham Airport ▶ Hyatt House Richmond Short Pump ▶ Hyatt House Shelton ▶ Hyatt House Sterling Dulles Airport North ▶ Hyatt Place Albuquerque Airport ▶ Hyatt Place Atlanta Alpharetta Windward Parkway ▶ Hyatt Place Atlanta Norcross Peachtree 	<ul style="list-style-type: none"> ▶ Hyatt Place Boise Towne Square ▶ Hyatt Place Charlotte Airport Tyvola Road ▶ Hyatt Place Cincinnati Airport Florence ▶ Hyatt Place Denver Airport ▶ Hyatt Place Detroit Auburn Hills ▶ Hyatt Place Detroit Livonia ▶ Hyatt Place Lakeland Centre ▶ Hyatt Place Louisville East ▶ Hyatt Place Memphis Primacy Parkway ▶ Hyatt Place Mystic ▶ Hyatt Place Nashville Brentwood ▶ Hyatt Place Nashville Opryland ▶ Hyatt Place Omaha Downtown Old Market ▶ Hyatt Place Pittsburgh Airport 	<ul style="list-style-type: none"> ▶ Hyatt Place Richmond Arboretum ▶ Hyatt Place Sacramento Rancho Cordova ▶ Hyatt Place Secaucus Meadowlands ▶ Hyatt Place Tampa Busch Garden ▶ AC by Marriott Raleigh North Hills ▶ Courtyard San Antonio Six Flags® at The Rim ▶ Residence Inn San Antonio Six Flags® at The Rim ▶ Home2 Suites @ Colardo Springs South 	<p>Divested Hotel Hyatt Place Oklahoma City Airport</p>		

Energy Consumption

Purchased electricity and natural gas are the two sources of energy consumed in respect of the ARA H-Trust hotel portfolio. The total energy consumption is expressed in kilowatt hours (symbol: kWh).

Energy Intensity

The metrics to calculate the respective energy intensity ratios are per occupied room and per square foot.

Average energy intensity per occupied room is calculated by the energy consumed of all assets within FY2023. This includes energy consumption of acquired assets from the period of ownership and energy consumption of disposed assets up to the period of ownership, relative to the total number of occupied rooms in the properties held under the ARA H-Trust hotel portfolio, which is inclusive of rooms of acquired assets from the period of ownership and disposed assets up to the period of ownership.

Average energy intensity per square foot is calculated by the energy consumed for the full year, relative to the total GFA of properties held under the ARA H-Trust hotel portfolio. Should there be any acquisition or divestment of hotels within the year, the partial year data would be extrapolated for a full year when computing intensity per square foot for annualisation purposes.

Greenhouse Gas Emissions

This report includes the Scope 1 and Scope 2 GHG emissions for the ARA H-Trust hotel portfolio and is reported in line with the guidance from the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 GHG emissions are emissions from sources that are owned or controlled by the organisation. In the scope of reporting, this relates to natural gas consumed for cooking and water heating and it is expressed in kilograms of carbon dioxide equivalent ("kgCO₂e"). The Scope 1 GHG emissions are calculated using emission factors from the February 2024 U.S Environmental Protection Agency GHG Emission Factors Hub and Global Warming Potential values for 100-year time horizon from the IPCC Sixth Assessment Report ("IPCC AR6").

Scope 2 GHG emissions are emissions that result from the generation of purchased or acquired electricity, ventilation and cooling consumed by the organisation. In the scope of reporting, this relates to purchased electricity and is expressed in kgCO₂e. A location-based method is adopted, which reflects the average emissions intensity of grids from which energy consumption occurs. The Scope 2 GHG emissions are calculated using emission factors from the February 2024 U.S Environmental Protection Agency GHG Emission Factors Hub and Global Warming Potential values for 100-year time horizon from the IPCC AR6.

Greenhouse Gas Emissions Intensity

The metrics to calculate the respective GHG intensity ratios are per occupied room and per square foot.

Average GHG intensity per occupied room is calculated by the GHG emissions emitted by all assets. This includes total emissions of acquired assets from the period of ownership and total emissions of disposed assets up to the period of ownership, relative to the total number of occupied rooms of properties held under the ARA H-Trust hotel portfolio, which is inclusive of rooms of acquired assets from the period of ownership and disposed assets up to the period of ownership.

Average GHG intensity per square foot is calculated by the GHG emissions for the full year, relative to the total GFA of properties held under the ARA H-Trust hotel portfolio. Should there be any acquisition or divestment of hotels within the year, the partial year data would be extrapolated for a full year when computing intensity per square foot for annualisation purposes.

Water Consumption

Water is withdrawn from municipal water source in respect of the ARA H-Trust hotel portfolio. The total water consumption is expressed in cubic metres (symbol: m³).

Water Intensity

The metric to calculate the respective water intensity ratio is per square foot.

Average water intensity per square foot is calculated by the water withdrawn, relative to the total GFA of properties held under the ARA H-Trust hotel portfolio. Should there be any acquisition or divestment of hotels within the year, the partial year data would be extrapolated for a full year when computing intensity per square foot for annualisation purposes.

GRI CONTENT INDEX

This Content Index includes disclosures from the GRI Universal Standards (2021), unless otherwise stated.

Disclosure Number	Disclosure Title	Report Section and Page Number	Omissions
The organisation and its reporting practices			
2-1	Organisational details	Sustainability Report: Corporate Profile, page 2 Address of the Managers (headquartered in Singapore): ARA Trust Management (USH) Pte. Ltd. (the Manager of ARA H-REIT) ARA Business Trust Management (USH) Pte. Ltd. (the Trustee-Manager of ARA H-BT) 5 Temasek Boulevard, #12-01, Suntec Tower Five, Singapore 038985	—
2-2	Entities included in the organisation's sustainability reporting	Sustainability Report: Corporate Profile, page 2	—
2-3	Reporting period, frequency and contact point	Sustainability Report: Reporting Scope and Period, pages 4-5 Sustainability Report: Assurance and Feedback, page 5	—
2-4	Restatements of information	There has been no restatement of figures or information disclosed in previous reports	—
2-5	External assurance	Sustainability Report: Assurance and Feedback, page 5	—
Activities and Workers			
2-6	Activities, value chain and other business relationships	Sustainability Report: Corporate Profile, page 2	—
2-7	Employees	Sustainability Report: Material topic: Employment, 2023 Human Capital Data, pages 27-28	—
2-8	Workers who are not employees	Sustainability Report: Material topic: Employment, 2023 Human Capital Data, page 27	—
Governance			
2-9	Governance structure and composition	Sustainability Report: Board Statement, pages 6-7 Sustainability Report: Sustainability Leadership in ARA H-Trust, page 11	—
2-10	Nomination and selection of the highest governance body	Annual Report: Corporate Governance Report, pages 64-66	—
2-11	Chair of the highest governance body	Sustainability Report: Sustainability Leadership in ARA H-Trust, page 11	—
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report: Board Statement, pages 6-7 Sustainability Report: Material topic: Corporate Governance, Risk Management, pages 19-20	—

Disclosure Number	Disclosure Title	Report Section and Page Number	Omissions
2-13	Delegation of responsibility for managing impacts	Sustainability Report: Board Statement, pages 6-7 Sustainability Report: Material topic: Corporate Governance, Risk Management, pages 19-20	—
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report: Board Statement, pages 6-7	—
2-15	Conflicts of interest	Annual Report: Corporate Governance Report, pages 58-83	—
2-16	Communication of critical concerns	Sustainability Report: Material topic: Corporate Governance, Risk Management, pages 19-20	—
2-17	Collective knowledge of the highest governance body	Sustainability Report: Material Topic: Corporate Governance, page 18	—
2-18	Evaluation of the performance of the highest governance body	Annual Report: Board Performance, Page 66	—
2-19	Remuneration policies	Annual Report: Corporate Governance Report, Remuneration Matters, pages 67-70	—
2-20	Process to determine remuneration	Annual Report: Corporate Governance Report, Remuneration Matters, pages 67-70	—
2-21	Annual total compensation ratio	NIL	Not disclosed due to confidentiality constraints.
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Sustainability Report: Board Statement, pages 6-7	—
2-23	Policy commitments	Sustainability Report: Material topic: Corporate Governance, Sustainability-related Policies, page 21 Sustainability Report: Respective sections in the material topics	—
2-24	Embedding policy commitments	Sustainability Report: Material topic: Corporate Governance, page 18 Sustainability Report: Material topic: Corporate Governance, Sustainability-related Policies, page 21 Sustainability Report: Respective sections in the material topics	—
2-25	Processes to remediate negative impacts	Sustainability Report: Respective sections in the material topics	—
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report: Material topic: Corporate Governance, Whistle-Blowing Policy, page 20	—
2-27	Compliance with laws and regulations	Sustainability Report: Material topic: Socioeconomic Compliance, Regulatory Compliance, page 23	—
2-28	Membership associations	Sustainability Report: Stakeholder Engagement, page 13	—

Disclosure Number	Disclosure Title	Report Section and Page Number	Omissions
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement, pages 12-14	—
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 to be professionals.
Topic Specific Disclosures			
Disclosures on Material Topics			
3-1	Process to determine material topics	Sustainability Report: Materiality Assessment, pages 15-16	—
3-2	List of material topics	Sustainability Report: Materiality Assessment, page 17	—
Corporate Governance			
3-3	Management of material topics	Sustainability Report: Material topic: Corporate Governance, page 18	—
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report: Material topic: Socioeconomic Compliance, page 22	—
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report: Material topic: Socioeconomic Compliance, Regulatory Compliance, page 23	—
Economic Performance			
3-3	Management of material topics	Sustainability Report: Material topic: Economic Performance, page 24	—
201-1	Direct economic value generated and distributed	Sustainability Report: Material topic: Economic Performance, 2023 Performance: Economic Value Generation, page 25	—
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report: Topic of interest: Climate Change Resilience, pages 43-46	—

Disclosure Number	Disclosure Title	Report Section and Page Number	Omissions
Energy			
3-3	Management of material topics	Sustainability Report: Material topic: Energy, page 36	—
302-1	Energy consumption within the organisation	Sustainability Report: Material topic: Energy, 2023 Performance: Energy Consumption and Intensity, page 39	—
302-3	Energy intensity	Sustainability Report: Material topic: Energy, 2023 Performance: Energy Consumption and Intensity, page 39	—
305-1	Direct (Scope 1) GHG emissions	Sustainability Report: Material topic: Energy, 2023 Performance: GHG Emissions and Intensity, page 39	—
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report: Material topic: Energy, 2023 Performance: GHG Emissions and Intensity, page 39	—
305-4	GHG emissions intensity	Sustainability Report: Material topic: Energy, 2023 Performance: GHG Emissions and Intensity, page 39	—
Employment			
3-3	Management of material topics	Sustainability Report: Material topic: Employment, pages 26-27	—
401-1	New employee hires and employee turnover	Sustainability Report: Material topic: Employment, 2023 Human Capital Data, page 28	—
405-1	Diversity of governance bodies and employees	Sustainability Report: Material topic: Employment, 2023 human capital data, page 27	—
Occupational Health and Safety			
3-3	Management of material topics	Sustainability Report: Material topic: Occupational Health and Safety, page 30	—
403-1	Occupational health and safety management system	Sustainability Report: Material topic: Occupational Health and Safety, Safety and Cleanliness, page 31	—
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report: Material topic: Occupational Health and Safety, Prevention and Mitigation, pages 32-33	—
403-3	Occupational health services	Sustainability Report: Material topic: Occupational Health and Safety, Staff Well-Being and Benefits, page 33	—
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report: Material topic: Occupational Health and Safety, Training and Awareness, pages 31-32	—
403-5	Worker training on occupational health and safety	Sustainability Report: Material topic: Occupational Health and Safety, Training and Awareness, pages 31-32	—

Disclosure Number	Disclosure Title	Report Section and Page Number	Omissions
403-6	Promotion of worker health	Sustainability Report: Material topic: Occupational Health and Safety, Staff Well-Being and Benefits, page 33	—
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report: Material topic: Occupational Health and Safety, Prevention and Mitigation, pages 32-33	—
403-9	Work-related injuries	Sustainability Report: Material topic: Occupational Health and Safety, Prevention and Mitigation, page 33	—
Training and Education			
3-3	Management of material topics	Sustainability Report: Material topic: Training and Education, page 34	—
404-1	Average hours of training per year per employee	Sustainability Report: Material topic: Training and Education, 2023 Training Initiatives, page 34	—
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report: Material topic: Training and Education, page 34	—
Customer Health and Safety			
3-3	Management of material topics	Sustainability Report: Material topic: Customer Health and Safety, page 35	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report: Material topic: Customer Health and Safety, page 35	—
Socioeconomic Compliance			
3-3	Management of material topics	Sustainability Report: Socioeconomic Compliance, page 22	—
2-27	Compliance with laws and regulations	As described in GRI 2-27 above	—



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