

SUSTAINABILITY REPORT

“STAKEHOLDERS AND THE WIDER INVESTING COMMUNITY ARE PLACING EMPHASIS ON LONG-TERM SUSTAINABLE PRACTICES TO ENSURE CONTINUED GROWTH AND VALUE CREATION FOR ALL STAKEHOLDERS.”

Board of Directors



BOARD STATEMENT

Sustainability continues to be a key focus of Far East Hospitality Trust (“Far East H-Trust” or the “Trust”) in the year as we present our second Sustainability Report.

Increasingly, stakeholders and the wider investing community are placing emphasis on long-term sustainable practices to ensure continued growth and value creation for all stakeholders. Recognising the responsibility and impact we have in conserving the natural environment, contributing meaningfully to the communities around us and providing a safe, diverse and inclusive work place, we are committed to managing our environmental, social and governance (“ESG”) impacts, risks and opportunities in a diligent manner which aligns with our strategic business objectives and those of our stakeholders.

The Board, together with the REIT Manager, is responsible for identifying and responding to the ESG issues that are relevant to our business, and overseeing the management and monitoring of our ESG performance.

Our efforts at improving our performance across all materiality aspects is an ongoing process and we remain focused on achieving this in the coming years. We would like to take this opportunity to thank our stakeholders in our sustainability endeavours as we progress on this journey.

Board of Directors

**REIT Manager Board
Trustee-Manager Board**



INTRODUCTION

SCOPE OF THE REPORT AND PERIOD

This report covers our ESG activities and performance for all the REIT's hotels¹ and serviced residences² in Singapore (unless otherwise stated), for the financial period from 1 January 2018 to 31 December 2018 ("FY 2018").

SUSTAINABILITY REPORTING FRAMEWORK

This report has been prepared in accordance with the latest Global Reporting Initiative ("GRI") standards 2016 (Core option) and also complies with the SGX-ST Listing Rules (711A and 711B) and the SGX Sustainability Reporting Guide. We have used

the GRI Standards for defining report quality by applying the Reporting Principles of accuracy, balance, clarity, comparability, reliability and timeliness. A GRI Content Index is included at the end of this report which indicates the location of the relevant disclosures.

We had considered the significance of material ESG topics, concerns and expectations of our stakeholders, risks and opportunities and general sustainability trends in our sector in determining the contents of our inaugural report in the financial year ended 31 December 2017 ("FY 2017"). For the FY 2018 report, we have reviewed those materiality issues in light of the existing business landscape, industry trends, prevailing regulations as well as stakeholder views and the materiality issues remain unchanged.

Data provided in this report has been mainly derived from official records and we have relied on internal verification mechanisms. Our ESG performance data is reported in good faith and to the best of our knowledge to ensure reasonable accuracy and consistency. We did not seek

external independent assurance for this reporting period and will review and factor this into consideration when our sustainability reporting matures over time.

ACCESSIBILITY

This report, published as a part of our Annual Report, is available in PDF format for download on our website <http://feht.listedcompany.com/ar.html>

In line with our Environmental Policy to conserve resources, only limited copies of this report have been printed.

FEEDBACK

We welcome stakeholders' feedback and suggestions as we seek to improve our practices and the coverage and completeness of our Sustainability Report. Please write to Ms Charissa Liu, Assistant Manager, Investor Relations and Asset Management at charissaliu@fareast.com.sg

- 1 Village Hotel Albert Court, Village Hotel Changi, The Elizabeth Hotel, Village Hotel Bugis, Oasia Hotel Novena, Orchard Rendezvous Hotel, The Quincy, Rendezvous Hotel Singapore, Oasia Hotel Downtown.
- 2 Village Residence Clarke Quay, Village Residence Hougang, Regency House, Village Residence Robertson Quay.

SUSTAINABILITY REPORT

OUR KEY STAKEHOLDERS STRUCTURE



BOARD OF DIRECTORS



EMPLOYEES



SPONSOR



STAPLED SECURITYHOLDERS
AND INVESTMENT COMMUNITY



HOTEL AND SERVICED
RESIDENCE OPERATOR



MEDIA



GOVERNMENT/REGULATORS
AND INDUSTRY/BUSINESS
ASSOCIATIONS



LOCAL
COMMUNITY

STAKEHOLDER ENGAGEMENT

Stakeholder engagement forms an integral part of our sustainability approach. Our stakeholders have an interest in our business and influence our operations, products and services, business approach and strategies. Our stakeholders have been identified as the REIT's Board of Directors (the "Board"), Employees, Sponsor³, Stapled Securityholders and Investment Community, Hotel and Serviced Residence Operator (the

"Operator"), Media, Government/Regulators and Industry/Business Associations and the Local Community.

We strive to maintain open and fair communication with our stakeholders, to understand their views, concerns and expectations and to use these learnings to make informed management decisions in shaping our policies and strategies so as to create sustainable business growth and value for all stakeholders.

Our approach is to proactively engage with our primary stakeholders on an ongoing basis as we believe building trusted relationships with them is key to achieving our sustainability goals. The following are the various modes of engagement which we adopt for the respective stakeholder groups.

³ Sponsor refers to Far East Organization group of companies

Stakeholder Group	Engagement Mode
Board of Directors (the "Board")	<ul style="list-style-type: none"> • Monthly updates on Far East H-Trust's financial and operating performance • Quarterly communication and reporting to review portfolio and financial performance, business outlook, movement in Stapled Securityholdings, and to deliberate growth opportunities and sustainability factors • Annual general meetings • Induction and orientation programmes for new Board members
Employees	<ul style="list-style-type: none"> • Training and induction programmes • Annual Colleague Engagement Survey • Performance and career development appraisals • Company dialogues and lunch talks • Staff bonding/recreational activities and company retreats
Sponsor	<ul style="list-style-type: none"> • Monthly updates on Far East H-Trust's financial and operating performance • Quarterly financial reporting • One-on-one management briefings/meetings • Annual general meetings
Stapled Securityholders and Investment Community	<ul style="list-style-type: none"> • Quarterly financial reporting • Annual reports • Annual general meetings • Corporate website • One-on-one management briefings/meetings • Analyst briefings and investor roadshows • Site visits to properties
Hotel and Serviced Residence Operator (the "Operator")	<ul style="list-style-type: none"> • Monthly performance reviews and meetings with property general managers/residence managers • Site visits to properties • Quarterly updates to the Board
Media	<ul style="list-style-type: none"> • Quarterly financial reporting • Announcements/press releases on corporate actions and developments e.g. acquisitions
Government/Regulators and Industry/Business associations	<ul style="list-style-type: none"> • Regulatory filings • Regulatory, corporate governance, industry briefings and dialogues
Local Community	<ul style="list-style-type: none"> • Social outreach programmes

For more details on our engagement with Stapled Securityholders and Investment Community and the Media, please refer to page 44 on Investor Relations.

SUSTAINABILITY REPORT



SUSTAINABILITY STRATEGY

WHAT SUSTAINABILITY MEANS TO FAR EAST H-TRUST

Our approach to sustainability centres on the management of the ESG impacts of our business operations and their potential effect on our stakeholders. Our strategy is to manage our most significant sustainability impacts, risks and opportunities with the aim of effecting positive change on the REIT's performance, people and operating environment and creating long-term value for all stakeholders.

Our policies, procedures and reports as well as contracts with third parties encompass key areas of sustainability such as environmental, employment, occupational health and safety, supply chain management, community development, corporate governance and regulatory compliance. These sustainability management practices are extended to the hotels and serviced residences. We work closely with the Operator to integrate sustainability across the REIT's properties portfolio.

SUSTAINABILITY GOVERNANCE

We have established a robust sustainability governance structure to ensure continued development and execution of our sustainability journey, initiatives and practices. The Board reviews Far East H-Trust's strategic plans, provides guidance on sustainability considerations, and ensures conformance with applicable regulations related to sustainability such as the SGX Listing Rules 711A and 711B.

Far East H-Trust's sustainability management is overseen by Mr Gerald Lee, Chief Executive Officer ("CEO") who provides the overall sustainability direction and approves key sustainability practices. He is supported by the Sustainability Working Committee ("SWC"), comprising of representatives from Finance, Asset Enhancement Management and Investor Relations, which drives, monitors, improves and communicates our REIT's sustainability initiatives.

AWARDS & RECOGNITION

We have achieved the Building and Construction Authority ("BCA") Green Mark certification, a benchmarking scheme which incorporates internationally recognised best practices in environmental design and performance, for several of our properties including Village Hotel Albert Court (Green Mark Platinum), Rendezvous Hotel Singapore (Green Mark Gold) and Oasia Hotel Downtown (Green Mark Certified).

Oasia Hotel Downtown, was also named 2018 Best Tall Building Worldwide by the Council on Tall Buildings and Urban Habitat ("CTBUH"), a global authority on tall buildings and future cities, for its eco-friendly design and green footprint.





DEFINING MATERIAL FACTORS

We completed a materiality assessment in line with GRI Standards (2016) and SGX sustainability reporting requirements with the support of an external consultant for our inaugural Sustainability

Report in FY 2017. We identified the material ESG factors which were then prioritised using a materiality matrix.

The material factors and their respective performance data and targets are reviewed by Far East H-Trust annually. For

this year's report, we have reviewed and prioritised the key material factors using the same methodology. A total of six ESG factors that we believed to be the most material to Far East H-Trust in FY 2018, were validated by our Board for sustainability reporting.

Category	No.	Material Factors	Disclosure*
Economic	1	Economic Performance	<ul style="list-style-type: none"> Direct economic value generated and distributed
Environment	2	Energy	<ul style="list-style-type: none"> Reduction of energy consumption
Social	3	Employment	<ul style="list-style-type: none"> Benefits provided to full-time employees that are not provided to temporary or part-time employees
	4	Occupational Health & Safety	<ul style="list-style-type: none"> Types of injury and rates of injury and number of work-related fatalities
	5	Broader Community	<ul style="list-style-type: none"> Suppliers assessed for social and environmental impacts
Governance	6	Governance	<ul style="list-style-type: none"> Sufficient levels of rules, systems, practices and processes by which the Trust is directed and controlled

* Material Factors 1, 2, 3, 4, 5, 6 and their specific disclosures are extracted from GRI Standards (2016)

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ECONOMIC PERFORMANCE

The REIT Manager is committed to delivering long-term sustainable and growing distributions through three key strategies – value adding acquisitions, active asset management and enhancement,

Financial Highlights & Performance	FY 2018
Gross Revenue (S\$ million)	113.7
Net Property Income (S\$ million)	102.8
Income Available for Distribution (S\$ million)	75.4
Distribution per Stapled Security (Singapore cents)	4.00

and prudent capital and risk management.

A summarised version of the economic value generated is presented here in line with the GRI Standards.

For a detailed breakdown of Far East H-Trust's FY 2018 financial

results, please refer to the following sections in the Far East H-Trust Annual Report 2018:

- Financial Highlights, page 4
- Growth Strategies, page 5
- Letter from the Chairman, page 8
- Our Portfolio, page 24



ENERGY

A considerable amount of energy and related costs are required for hotel and serviced residence operations which run round the clock, 24/7. We are committed to minimising the energy consumption across our properties as it has a direct impact on the environment and contributes to cost savings. Each year, we work closely with the Operator to implement our Energy Conservation Policy, conduct

regular maintenance for optimal energy efficiency, monitor the properties' energy consumption and introduce new initiatives to reduce electricity usage and increase cost savings.

ENERGY CONSERVATION POLICY

We have in place an Energy Conservation Policy and adopt a multi-level and holistic approach in reducing energy consumption and achieving energy efficiency. The key principles, strategies and action plans are monitored and evaluated periodically.

STRATEGIC INITIATIVES FOR ENERGY CONSERVATION

Together with the Operator, we review the energy management strategies regularly and map out key initiatives to meet the objectives, taking into account various considerations. These include the feasibility and ease

of implementation, relevance in terms of costs and benefits and their impact on guests and staff. We review our plant and machinery on a regular basis to identify methods and equipment that are instrumental in reducing energy consumption. Additionally, the team endeavours to keep abreast of the newest technologies available in the market or used in the industry to augment our energy conservation efforts.

The key initiatives implemented in FY 2018 include the following:

- At Village Hotel Bugis, the replacement of the chiller system is expected to be completed in April 2019. Besides this, the replacement of the cooling tower in the hotel and the Building Management System would also result in better tracking of energy usage. With this change, the REIT would be

able to obtain an estimated energy savings of 960,000 kWh per year. Other works in progress include the upgrading and modernisation of the passenger and service lifts.

- At Orchard Rendezvous Hotel, the replacement of 305 sets of Fan Coil Units (“FCU”) in the guestrooms, had improved the efficiency of heat exchange and cut down the cooling load.
- At The Elizabeth Hotel, a new Precision Air Handling Unit was installed and an overhaul of the chiller system was completed, which involved changing of the Variable Speed Drives to improve overall efficiency. Older models of Aircon Handling Units (“AHU”) had also been replaced at some of the properties.

OPERATIONAL INITIATIVES FOR OPTIMAL ENERGY EFFICIENCY

We ensure that detailed maintenance checks are conducted regularly by the Operator on the various equipment/facilities within the hotels and serviced residences. These checks enable us to better serve our guests and ensure their safety in all our premises. They are also critical in supporting optimal building energy efficiency. Through this process, we are able to identify energy-saving opportunities and to invest in technologies that can further improve our energy efficiency.

Far East H-Trust’s Energy Conservation Key Objectives/ Principles and Action Plans

Objective/Principle	Action Plans
Improve energy savings	<ul style="list-style-type: none"> • Frequent checks of equipment to be done to maintain efficiency • To set target to reduce building energy consumption year on year through improvement works and addition of new energy saving technologies
Improve green features of buildings	<ul style="list-style-type: none"> • Partner with staff and public on green education initiatives
New builds with environmentally-preferred designs	<ul style="list-style-type: none"> • All new Far East Hospitality buildings in Singapore to be designed at least to Singapore Green Mark gold status

In FY 2018, the initiatives implemented at the properties include:

- Conversion of lighting to Light Emitting Diodes (“LED”) for higher energy efficiency
- Adjustment of equipment operating hours to ensure equipment is used optimally
- Adjustment of temperature set point of air-con units and heaters for optimal comfort

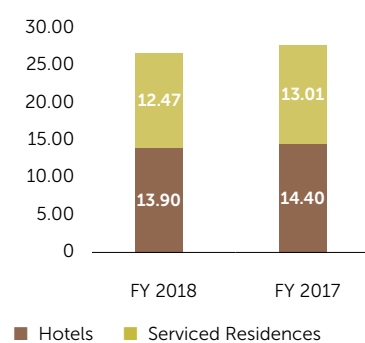
ENERGY CONSUMPTION

We work closely with the Operator to track our properties’ energy consumption and actively explore and implement ways to reduce usage. Each month, energy consumption data for individual properties were reported so that we can evaluate and set energy consumption targets.

We have made restatements to our Energy Consumption Data tabulation for the period under review with comparison to the preceding year using energy consumption per occupied hotel room and energy consumption per occupied serviced residence

unit. This is in place of using total energy consumption so as to exclude energy consumption for retail and office spaces (REIT commercial premises) to provide a more relevant and accurate overview of this ESG materiality metric which covers the REIT’s hotels and serviced residences only. Additionally, tabulating the energy consumption on a per room basis would be more accurate in tracking year-on-year improvements as occupancies fluctuate from year to year.

FEHT’s Energy Consumption Data (’000 kWh)



SUSTAINABILITY REPORT

In FY 2018, we set the target to reduce the energy consumption of Far East H-Trust properties by 2% and to ensure that all new Far East H-Trust buildings in Singapore are designed to minimally qualify for the Singapore Green Mark Gold status.

To this end, we reduced our energy consumption per occupied hotel room by 3.42% to 13.9 thousand kWh and energy consumption per occupied serviced residence unit by 4.13% to 12.47 thousand kWh due to implementation of energy

efficiency initiatives and good practices inculcated amongst staff.

For FY 2019, we will continue to work towards achieving our target of a reduction in average energy consumption for our properties of 2% per year. We

are also aiming to achieve the Singapore Green Mark Gold certification for our new hotel properties in Sentosa, namely Village Hotel at Sentosa, The Outpost Hotel, and The Barracks Hotel, which will be opening progressively in the year.

Far East H-Trust's Energy Indicators

Energy Indicator	FY 2019 (Target)
Energy consumption across Far East H-Trust Properties	Target to reduce the average energy consumption of Far East H-Trust properties by 2% per year and ensure that all new Far East H-Trust buildings in Singapore are designed to minimally qualify for the Singapore Green Mark Gold



EMPLOYMENT

As a REIT, Far East H-Trust does not have any employees. The data on employees in this report is in relation to the REIT Manager. Our focus is on attracting and retaining the best talent with the relevant competencies, experience and qualifications to contribute to our business objectives. We also aim to deliver a working environment which promotes workplace inclusivity,



employee development and engagement, and improving the well-being of our people. We regularly monitor our performance in these areas and periodically review our policies.

EMPLOYEE PROFILE

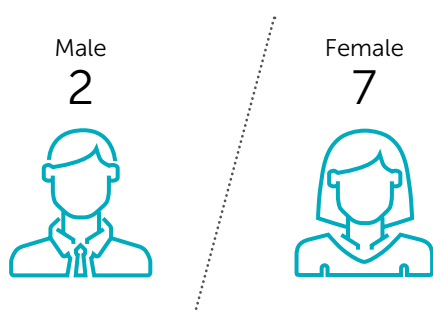
Far East H-Trust promotes a culture of diversity in terms of age, gender and skill sets. We believe that this diversity in human resource fosters a culture

of innovation and inclusiveness that will enable us to build a productive and high-performing team.

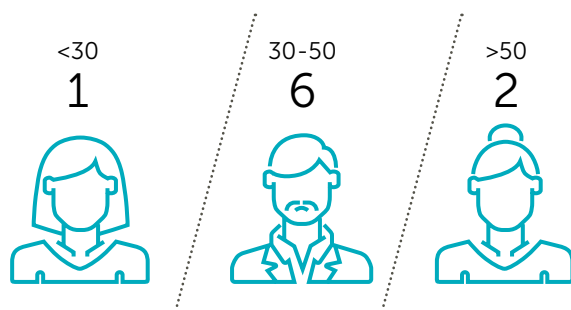
As at 31 December 2018, the REIT Manager had nine

permanent, full-time employees, eight of whom were Singapore citizens and one of whom was a Singapore permanent resident. There was one temporary employee. The average age of our employees was 42 years.

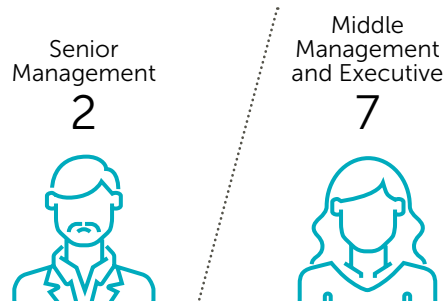
FOR PERMANENT EMPLOYEES By Gender



By Age Group



By Employee Category



EMPLOYEE ENGAGEMENT

Keeping our employees engaged and motivated is a key priority. We conduct an annual Colleague Engagement Survey which seeks to assess our employees' level of engagement and to identify their strengths and areas for improvement.

In 2018, we garnered a participation rate of 100% for the survey and achieved an engagement score of 100%⁴ which is better than the average for real estate management and development companies in the Asia Pacific region.

CAREER DEVELOPMENT & EMPLOYEE TRAINING

Career development and employee training is a crucial part of human resource management. In particular, we actively focus on:

- Inclusion of individual development and career goals in the performance appraisal forms;
- Career development workshops;
- Learning and training opportunities; and
- Employee transfers – internal mobility

⁴ Based on survey conducted by Aon Hewitt

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We take proactive steps to help our employees plan and work towards their career goals. New employees attend an orientation programme to understand Far East H-Trust's operations. Yearly performance appraisals are conducted to encourage self-improvement and there are also regular communication and feedback sessions with supervisors.

In terms of learning and skills upgrading, we develop our people according to their abilities and job specifications. Our employees are encouraged to pursue development opportunities and to acquire new skills through industry

seminars and conferences, skills certification training and professional qualifications courses.

EMPLOYEE WELFARE

The REIT Manager recognises that human resource is the most valuable asset, being the driving force behind our sustained growth and performance. All of our employees are covered by the Employment Act which outlines the employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement. We offer competitive remuneration and financial rewards, and each year,

we engage external consultants to conduct salary benchmarking to better understand, motivate and reward our employees in line with industry peers.

In addition, we believe in investing in the well-being of our people by providing a safe, healthy and fulfilling working environment that will incentivise them to develop progressive, long-term careers with us. All our full-time employees enjoy welfare and benefits which promote employee health, wellness and development. Some examples of the REIT Manager's employment benefits include:

Stakeholder Group	Engagement Mode
Life Insurance/ Disability and Invalidity Coverage	<ul style="list-style-type: none"> Group Term Life Insurance Group Personal Accident Insurance
Healthcare	<ul style="list-style-type: none"> Group Hospitalisation & Surgical Insurance
Parental Leave	<ul style="list-style-type: none"> Maternity Leave Paternity Leave Childcare Leave Infant Care Leave (Unpaid) Government Paid Adoption Leave (GPAL)
Retirement Provision	<ul style="list-style-type: none"> Conditional Re-employment (Beyond 62 years)
Employee Health and Wellness	<ul style="list-style-type: none"> Dental Care, Optical & Vision Care Expenses Preventive Care (e.g. Health Screenings) Maternity/Fertility treatments Personal Insurance Premiums Childcare costs
Wellness and Self-Development	<ul style="list-style-type: none"> Musculo-skeletal treatments (e.g. Chiropractor) Social & Health Club Membership (e.g. Gym) Fitness Courses (e.g. Personal fitness training) Sports & Physical Fitness Courses (e.g. Tennis, dance) Weight Management Programmes Fees for personal development courses including training offerings from the Skills Future Credit Course Directory and purchase of books/periodicals for self-development



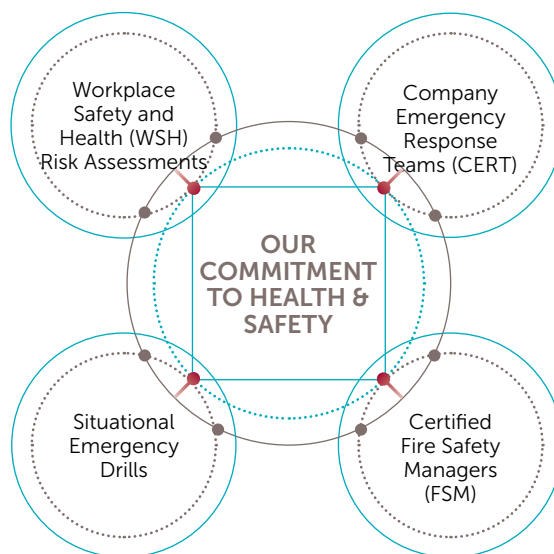
OCCUPATIONAL HEALTH & SAFETY

At Far East H-Trust, health and safety of our employees is a top priority and the REIT Manager and Operator are committed to ensuring the safety and well-being of our employees. Providing a healthy and safe working environment not only enhances employees' comfort and boosts their morale and work performance, it also minimises the incidences of health and safety breaches to safeguard us against reputational risks and costly fines.

INTEGRATING HEALTH & SAFETY IN ALL OPERATIONS

In addition to compliance with statutory regulations such as the Workplace Safety and Health ("WHS") Act and Fire Safety Act, Far East H-Trust proactively seeks to minimise health and safety risks and to create a secure environment with several key initiatives implemented.

Far East H Trust's Key Initiatives to Outline its Commitment to Health & Safety



We ensure that WSH risk assessments are carried out by the Operator in all its properties and operational activities. These include identifying hazardous activities and/or workspaces, putting in place mitigation measures where necessary to prevent harm, injuries or accidents, conducting periodic equipment test and maintenance, and regularly monitoring safety performance.

Across the REIT's properties, an Employee Handbook documents the annual pledge to acknowledge and comply with our commitment to safety. The REIT Manager also established Company

Emergency Response Teams ("CERT") where employees undergo the necessary health and safety training to perform emergency response roles (e.g. the operation of Automated External Defibrillator drills) and are equipped with safety equipment to prepare for potentially hazardous situations such as power failures, medical emergencies, fires and lift entrapments.

To strengthen Far East H-Trust's health and safety efforts, certified Fire Safety Managers ("FSM") are engaged to evaluate the fire safety measures at the properties. Periodic emergency drills are also conducted by the Operator and by the FSM, to assess our level of preparedness in response to emergencies.

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Far East H-Trust's Safety Pledge



FOSTERING A HEALTH & SAFETY CULTURE

To foster a strong health and safety culture, the Operator tracks the health and safety indicators listed in the following table. In the pursuit of high standards of WSH, the REIT Manager also monitors "near-misses" incidents in addition to reportable ones as required under the WSH (Incident Reporting) Regulations. "Near-misses" and reportable incidents

are evaluated, and lessons learnt are shared with employees to prevent recurrences.

In FY 2018, we maintained zero workplace fatalities and zero cases of occupational disease across Far East H-Trust's properties. The number of workplace injuries recorded was 283, which includes "near-misses" and minor incidents involving employees and/or third parties which occur at the properties.

Far East H-Trust's Health & Safety Indicators

Health & Safety Indicators	FY 2018
1 Number of Workplace Fatalities	0
2 Number of Occupational Disease Cases	0
3 Number of Workplace Injuries (including "near-misses")	283
4 Accident Frequency Rate (per million work-hours)	6.4
5 Accident Severity Rate (per million work-hours)	69.6

For the continuous improvement and enhanced accuracy of our reporting, we have adopted the assumption of 48 work-weeks per year in our calculations for the Accident Frequency Rate ("AFR") and the Accident Severity Rate ("ASR") for FY 2018, instead of the previously adopted assumption of 52 work-weeks for FY 2017. The new assumption takes into consideration the two weeks of public holidays and two weeks of annual leave that each employee is entitled to per year, on average. The AFR was 6.4 per million work-hours in FY 2018 as compared to 5.3 in FY 2017, and the ASR was 69.6 per million work-hours in FY 2018 as compared to 66.3 in FY 2017, due to the change in assumption of the number of work-weeks per year.

We will continue to work with the Operator to review the nature of past accidents and evaluate safety performance to prevent future recurrences. For FY 2019, we target to achieve zero workplace fatality across all its properties.

WORK INJURY COMPENSATION INSURANCE

All employees across the REIT's properties are covered under the Workmen's Compensation Insurance Scheme which provides monetary compensation for injuries suffered or sustained during the course of work. The amount of compensation depends on the extent of the injury, in accordance with the Work Injury Compensation Act.



BROADER COMMUNITY

SUSTAINABILITY ACROSS THE VALUE CHAIN

We are committed to the responsible management of our supply chain across our operations. We ensure that all supplies purchased are recognised under the Singapore Green Label Scheme ("SGLS") which endorses industrial and consumer products that have fewer undesirable effects on the environment. Administered by the Singapore Environment Council ("SEC"), the SGLS is the region's most established eco-labelling scheme with over 3,000 unique products certified across 28 countries. We communicate this initiative to our REIT's suppliers which further strengthens and enhances our commitment to the environment.

Additionally, the Operator has put in place the following principles to monitor the safety and environmental performance of its suppliers, contractors and landscapers:

- Giving preference to suppliers, contractors and landscapers who are ISO 14001 and OHSAS 18001 certified;
- Requiring all suppliers, contractors and landscapers to comply with local government and other legal requirements;
- Reviewing, monitoring and appraising new and re-contracting suppliers, contractors and landscapers on their level of compliance with prevailing laws and regulations; and
- Considering appropriate and adequate risk management controls and action plans put forth to ensure health and safety.

ENVIRONMENTAL POLICY: A SAFE AND GREEN CULTURE

We seek to minimise the impact of our operations on the environment. Working with the Operator, Far East H-Trust's management advocates an environmentally-friendly approach in carrying out activities at the REIT's properties. The REIT's environmental policy provides guidance on various areas, including the procurement of supplies and consumption of energy. Far East H-Trust aims to:

- Fully comply with the law, current legislations and regulations, and to take a proactive approach towards future legal requirements or obligations;
- Ensure that everybody has a duty to care for the environment, its habitats and biodiversity;
- Seek to conserve natural resources by ensuring the responsible use of energy, water and materials and still provide the quality of service expected by the REIT's hotel and serviced residence guests and tenants;
- Source for products that have minimal environmental impact; and
- Gain support from customers and suppliers and ensure that they are made aware of the REIT Manager's Environmental Policy.

COMMUNITY INVOLVEMENT

As a responsible corporate citizen, Far East H-Trust aims to leave a positive footprint in our local community through volunteerism as well as giving back to those in need through financial contributions and in-kind donations. Over the years, we have been supporting charities and not-for-profit organisations for various causes and is also a participant in some of our Sponsor's community activities. In FY 2018, we supported two social service organisations, AWWA and PERTAPIS.

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Bingo sessions with seniors at the AWWA Senior Activity Centre



Build-a-Hamper Shopping Challenge with PERTAPIS



Lively interactions with seniors at the AWWA Senior Activity Centre

BINGO SESSION AT AWWA SENIOR ACTIVITY CENTRE

The REIT Manager's employees participated in Bingo sessions with seniors at the AWWA Senior Activity Centre, a drop-in centre for low-income seniors to gather and engage through recreational and social activities. Managed by AWWA which supports vulnerable seniors, low-income families and children with special needs, the Senior Activity Centre seeks to enable seniors to integrate and participate in society and to lead dignified and independent lives.

The team conducted the Bingo sessions with the seniors and assisted some of them with the game. The centre was bustling with lively interactions as the team bonded with the seniors and the event brought much fun and cheer to everyone involved.

BUILD-A-HAMPER SHOPPING CHALLENGE WITH PERTAPIS

The employees of the REIT Manager, together with volunteers from our Sponsor, partnered with PERTAPIS, which runs welfare homes and provides education and social support for needy families, for the Build-a-Hamper Shopping Challenge.

The event was organised under PERTAPIS Tabung Amal Jariah or Welfare Trust Fund that provides beneficiaries with skills and opportunities to improve their quality of life. The Build-a-Hamper Shopping Challenge helps beneficiaries learn financial management in a fun and exciting way. Volunteers and the beneficiaries formed teams to play table games with financial management as a theme and to win hamper decoration materials.

Each team was then given NTUC and Harvey Norman vouchers to shop for their hampers and to evaluate and track the average spending at these outlets in line with their budget. The teams then assembled their hampers with their purchases and prizes were awarded for the top three best decorated hampers. The beneficiaries were also treated to a dinner before heading home with their hampers and the knowledge to plan and manage their finances and budget.



CORPORATE GOVERNANCE

The REIT Manager and the Trustee-Manager are fully committed to upholding the highest standards of corporate governance, business integrity and professionalism in all its activities. The Managers believe that sound and effective corporate governance policies and practices are essential in achieving sustainable growth, and consequently a trusted, successful and respected Far East H-Trust.

Far East H-Trust complied with all applicable laws, rules and regulations, and in all material aspects with the principles laid out in the Code of Corporate Governance 2018, save as stated in the Corporate Governance Report, and the REIT Manager regularly reviews the relevant policies and guidelines.

CORPORATE POLICIES AND GUIDELINES

Far East H-Trust has put in place corporate policies to ensure high standards of corporate governance, including:

- Investment Management Policy
- Personal Data Protection Policy
- Enterprise Risk Management Framework
- Roles and Responsibilities of Board of Directors
- Remuneration Policy
- Employee Code of Conduct

Our Investment Management Policy provides a set of guidelines on making investment and divestment decisions. Beyond financial parameters, the scope of the policy encompasses risks and opportunities related to ESG drivers. The policy is disseminated to all employees, which enables a common understanding, and reduces

the likelihood of subjectivity or non-compliance when making investment or divestment decisions.

Far East H-Trust's Personal Data Protection Policy outlines how Far East H-Trust and the REIT Manager manage all personal data held, in compliance with the Personal Data Protection Act ("PDPA") in Singapore. We also comply with local data protection and privacy laws in all operations out of Singapore. Please refer to www.fehtrust.com for more information.

To ensure that our practices remain relevant and effective, we keep up with changes in policies and current trends through industry news and events and regularly monitor and evaluate our compliance level. For more information on Far East H-Trust's corporate governance practices, please refer to pages 67 to 98.



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GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards Core option:

GRI Standards 2016		Notes/Page Number(s)
General Disclosures		
Organisational Profile		
102 – 1	Name of the organisation	Far East Hospitality Trust
102 – 2	Activities, brands, products, and services	FY 2018 Annual Report, page 2
102 – 3	Location of headquarters	Scope of The Report and Period, page 49
102 – 4	Location of operations	Scope of The Report and Period, page 49
102 – 5	Ownership and legal form	FY 2018 Annual Report, page 3
102 – 6	Markets served	FY 2018 Annual Report, page 2
102 – 7	Scale of the organisation	FY 2018 Annual Report, page 2
102 – 8	Information on employees and other workers	Employment, page 56-58
102 – 9	Supply chain	Sustainability Across the Value Chain, page 61
102 – 10	Significant changes to the organisation and its supply chain	Sustainability Reporting Framework, page 49 Sustainability Across the Value Chain, page 61
102 – 11	Precautionary principle or approach	Far East H-Trust does not specifically refer to the precautionary approach when managing risk; however, Far East H-Trust applies a risk-based consideration in all Risk Management practices (Risk Management and Internal Controls, page 103)
102 – 12	External initiatives	Sustainability Reporting Framework, page 49
102 – 13	Membership of associations	Far East H-Trust is not a member of any associations.
Strategy		
102 – 14	Statement from senior decision-maker	Board Statement, page 48
Ethics and Integrity		
102 – 16	Values, principles, standards, and norms of behaviour	Website: Mission & Vision

GRI Standards 2016		Notes/Page Number(s)
General Disclosures		
Governance		
102 – 18	Governance structure	Sustainability Governance, page 52
Stakeholder Engagement		
102 – 40	List of stakeholder groups	Stakeholder Engagement, page 50-51
102 – 41	Collective bargaining agreements	None of the REIT Manager's employees are covered under collective bargaining agreements
102 – 42	Identifying and selecting stakeholders	Stakeholder Engagement, page 50-51
102 – 43	Approach to stakeholder engagement	Stakeholder Engagement, page 50-51
102 – 44	Key topics and concerns raised	Stakeholder Engagement, page 50-51
Reporting Practice		
102 – 45	Entities included in the consolidated financial statements	FY 2018 Annual Report, page 129
102 – 46	Defining report content and topic boundaries	Sustainability Reporting Framework, page 49
102 – 47	List of material topics	Defining Material Factors, page 53
102 – 48	Restatements of information	Energy Consumption, page 55-56
102 – 49	Changes in reporting	Sustainability Reporting Framework, page 49
102 – 50	Reporting period	Scope of The Report and Period, page 49
102 – 51	Date of most recent report	Scope of The Report and Period, page 49
102 – 52	Reporting cycle	Annual
102 – 53	Contact point for questions regarding the report	Accessibility, page 49
102 – 54	Claims of reporting in accordance with the GRI Standards	Sustainability Reporting Framework, page 49
102 – 55	GRI content index	GRI Content Index, page 64-66
102 – 56	External assurance	Sustainability Reporting Framework, page 49

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GRI Standards 2016		Notes/Page Number(s)
Management Approach		
103 – 1	Explanation of the material topic and its boundary	Economic Performance, page 54
103 – 2	The management approach and its components	Energy, page 54-56 Employment, page 56-58 Occupational Health & Safety, page 59-60 Broader Community, page 61-62
103 – 3	Evaluation of the management approach	Corporate Governance ⁵ , page 67
Material Topics		
Economic Performance		
201 – 1	Direct economic value generated and distributed	FY 2018 Annual Report, page 4, 119-122
Energy		
302 – 4	Reduction of energy consumption	Strategic Initiatives for Energy Conservation, page 54-55 Operational Initiatives for Optimal Energy Efficiency, page 55 Energy Consumption, page 55-56
Employment		
401 – 2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Welfare, page 58
405 – 1	Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	Employee Profile, page 56-57
Occupational Health & Safety		
403 – 9	Number and rate of work-related injuries	Fostering a Health and Safety Culture, page 60
Corporate Governance		
102 – 18	Governance Structure	Sustainability Governance, page 52
	Sufficient Levels of Rules, systems, practices and processes by which company is directed and controlled	Corporate Governance, page 67 Statement of Policies and Practices, page 99-105

⁵ Far East H-Trust has identified Corporate Governance as a material factor. This factor is not covered by the GRI topic-specific standards but reported under Corporate Governance page 67 and What Sustainability Means to Far East H-Trust page 52.