

# SUSTAINABILITY REPORT

## 1. SUSTAINABILITY AT PARAGON REIT

Dear fellow stakeholders,

We are pleased to present PARAGON REIT's Sustainability Report for the financial year 2023, reflecting on our ongoing commitment to environmental stewardship, ethical governance, and community engagement. As we navigate the dynamic real estate landscape, we continue to recognise the importance of communicating our sustainability practices effectively and transparently.

In 2023, the global focus on climate change continues to intensify, driven by extreme weather events and heightened public awareness. Regulatory shifts and market practices also try to keep pace with the evolving global agenda for a more sustainable future.

We have kept abreast of updates from the relevant regulatory bodies, ensuring compliance with evolving standards, including The Accounting and Corporate Regulatory Authority ("ACRA") and Singapore Exchange Regulation ("SGX RegCo") consultations on recommendations by the Sustainability Reporting Advisory Committee ("SRAC") to advance climate reporting in Singapore. In addition, we have actively engaged ESG professionals to learn and explore practicable developments and trends in the real estate sector. Armed with these, we progressively roll out plans to meet Environmental, Social and Governance ("ESG") targets.

We have also continued to report on our material ESG topics, recognising their ongoing relevance to our sustainability strategy. With the dynamic nature of the various sustainability challenges, the ESG topics will be reviewed periodically to ensure our reporting reflects the most current and impactful aspects of our sustainability journey and aligns with emerging global sustainability priorities.

This year's report marks a significant milestone as we further enhanced our alignment with the recently updated Global Reporting Initiative 2021 standards. By doing so, we aim to demonstrate continuous improvement in our sustainability reporting whilst providing stakeholders with a comprehensive overview of our ESG performance year over year.

In this financial year, PARAGON REIT achieved noteworthy sustainability milestones:

- Reduced electricity consumption by 4.62% from 36,137 MWh, exemplifying our commitment to energy efficiency
- Reduced Scope 2 emissions by 9.29% from 14,536 tCO<sub>2</sub>e
- Enhanced waste data quality to align with long-term recycling targets, fostering a circular economy
- Achieved zero incidents of corruption, non-compliance in health and safety measures, and discrimination, demonstrating our ethical business conduct
- Actively participated in various charity and community events, demonstrating our dedication to social responsibility

PARAGON REIT is committed to sustainability and responsible business practices. As we move forward, we will continuously advance our sustainability practices, enhance disclosures, and welcome ongoing collaboration with our stakeholders to create a more sustainable and resilient future for society.

Sincerely,  
**BOARD OF DIRECTORS**  
PARAGON REIT

### 2023 IN REVIEW PARAGON REIT 2023

Published on 4 March 2024, this year's annual sustainability report highlights and outlines the efforts and performance of PARAGON REIT from 1 January 2023 to 31 December 2023 ("2023"), in alignment with our 2023 annual report. This report has been prepared in accordance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard Listing Rules 711(A) and 711(B) and with reference to the Global Reporting Initiative ("GRI") Universal 2021 standards. This report includes all of PARAGON REIT's assets, namely, Paragon, The Clementi Mall, The Rail Mall, Figtree Grove Shopping Centre ("Figtree Grove") and Westfield Marion Shopping Centre ("Westfield Marion"). All five assets are included for financial reporting under the portfolio statement of PARAGON REIT.

In our sustainability report for the previous financial year from 1 January 2022 to 31 December 2022 ("FY2022"), we had included estimates for our electricity consumption in the months of November and December as a result of delay in data availability. As such, in this report, we have restated our total electricity consumption, for a more accurate reflection, and can be found in our Emissions disclosure on Page 75 to 76.

We have not sought third-party assurance for this sustainability report but intend to seek external assurance in future reports to enhance the transparency and accuracy of our reporting information and to keep in pace with the sustainability report requirements. Currently, our Audit and Risk Committee (“**ARC**”) has internally reviewed the information and performance data reported in this report, in accordance with the SGX-ST Mainboard Listing Rules 711(B).

PARAGON REIT welcomes all feedback regarding its sustainability practices and performance as it seeks to sustain and enhance its reporting. Please direct your inquiries and feedback to [ir@paragonreit.com.sg](mailto:ir@paragonreit.com.sg).

#### ABOUT OUR ORGANISATION

PARAGON REIT is a Singapore-based real estate investment trust established principally to invest, directly or indirectly, in a portfolio of income-producing real estate, which is used primarily for retail purposes in Asia Pacific, as well as real estate related assets. There are five retail properties managed by PARAGON REIT. Properties in Singapore consist of Paragon, The Clementi Mall, and The Rail Mall, while those in Australia consist of Westfield Marion and Figtree Grove.

#### AWARDS AND ACHIEVEMENTS

The Clementi Mall and Paragon incorporate best sustainable practices in designing their buildings, shown through their sustainability ratings such as the BCA Green Mark (Gold) and Green Mark certification, respectively. Furthermore, Westfield Marion obtained 4.5 stars for energy and 3.5 stars for water in the National Australian Build Environment Rating System (“**NABERS**”) rating. Similarly, Figtree Grove received NABERS 4.0 stars for energy and 3.5 stars for water. These are testaments to the sustainability initiatives and efforts that PARAGON REIT has implemented and continues to pursue within its buildings and assets.

#### MEMBERSHIPS OF ASSOCIATION (GRI 2-28)

PARAGON REIT is a member of the REIT Association of Singapore (“**REITAS**”) and acts as REITAS SGX Listed co. international advocacy. PARAGON REIT represents and engages with various policy makers regarding key issues affecting Singapore REITs under MAS and SGX guidelines. In this role, PARAGON REIT employees also undergo various trainings covering courses such as ESG, and fundraising.

PARAGON REIT is also a member of the Orchard Road Business Association (“**ORBA**”). ORBA provides a platform for asset owners to share their ESG initiatives and for ORBA to consolidate feedback on how else to improve ORBA members’ ESG efforts.

## 2. APPROACH TO SUSTAINABILITY

At PARAGON REIT, we have a strong focus on integrating and embracing sustainability across our operations. We aim to uphold strong economic, environmental, social and governance responsibility in the management of our assets. We do so by taking a proactive approach in managing ESG issues and embedding sustainable business practices within our organisation.

# SUSTAINABILITY REPORT

Table 1: Our sustainability vision and mission

## PARAGON REIT

VISION		MISSION		
<p>PARAGON REIT aims to be a premier retail real estate investment trust in Singapore and Asia Pacific, with a portfolio of quality income-producing retail properties</p>		<ul style="list-style-type: none"> <li>To be the landlord of choice for our tenants and shoppers, committed in our delivery of quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>To provide Unitholders of PARAGON REIT with regular and stable distributions, sustainable long-term growth in distribution per unit and net asset value per unit, while maintaining an appropriate capital structure</li> </ul>	<ul style="list-style-type: none"> <li>To be a good corporate citizen, committed to our social and environmental responsibilities, contributing to a sustainable world</li> </ul>
ESG PILLARS				
Climate Resilience and Environmental Stewardship	Responsible Investment and Sustainable Value	Good Governance and Ethical Business	Enable Inclusiveness, Safety, Growth and Diversity for Our People	Engage Local Communities and Advocate For Positive Impact
<p><b>ESG Objectives</b></p> <ul style="list-style-type: none"> <li>Understand and manage our climate opportunities and risks</li> <li>Advocate, enable and enhance resource efficiencies in our portfolio</li> </ul>	<p><b>ESG Objectives</b></p> <ul style="list-style-type: none"> <li>Implement responsible investment practices</li> <li>Create economic value for stakeholders</li> </ul>	<p><b>ESG Objectives</b></p> <ul style="list-style-type: none"> <li>Ensure fair, responsible, compliant and transparent business conduct</li> <li>Educate and raise awareness on issues of modern slavery and human trafficking</li> <li>Facilitate supply chain stewardship with vendors, partners, managers and tenants</li> </ul>	<p><b>ESG Objectives</b></p> <ul style="list-style-type: none"> <li>Advocate, enable and enhance fair labour practices and employee wellbeing</li> <li>Promote safe and healthy workplaces for our people and customers</li> <li>Engage with our people and support with their growth and development</li> </ul>	<p><b>ESG Objectives</b></p> <ul style="list-style-type: none"> <li>Advocate strategic partnerships to enhance sustainability</li> <li>Promote positive community engagement</li> </ul>
<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>Energy and carbon</li> <li>Water</li> <li>Effluents and waste</li> </ul>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>Sustainable material</li> <li>Product/service quality and responsibility</li> </ul>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>Compliance with laws &amp; regulations</li> <li>Anti-corruption</li> <li>Cyber-readiness, security and data privacy</li> <li>Human rights and fair labour</li> <li>Responsible supply chain</li> </ul>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>Health, safety and wellbeing (employees and public)</li> <li>Stakeholder impact and partnerships</li> <li>Training and development</li> <li>Non-discrimination and equal opportunity</li> </ul>	<p><b>Material Topics</b></p> <ul style="list-style-type: none"> <li>Local Communities/ community engagement</li> </ul>
<p><b>UN SDGs</b></p> 	<p><b>UN SDGs</b></p> 	<p><b>UN SDGs</b></p>  	<p><b>UN SDGs</b></p>    	<p><b>UN SDGs</b></p>  
PARAGON REIT VALUES				
<p><b>INNOVATION</b> Because this is crucial to our success</p>		<p><b>COLLABORATION</b> Because this is the best way to achieve exponential results</p>		<p><b>INTEGRITY</b> Because this is at the core of everything that we do</p>


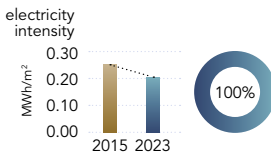
## SUSTAINABILITY FRAMEWORK AND STRATEGY

At PARAGON REIT, we recognise the importance of integrating sustainability for long-term value creation. Therefore, we closely manage and adhere to the ESG and sustainability policies and measures that we have put in place for the management of our property assets. Our sustainability approach is guided by the international reporting standards, Global Reporting Initiatives 2021 Standards and aligned with the international framework, United Nations Sustainability Development Goals (“UN SDGs”). We have mapped out and established the relevant UN SDGs for our respective material topics.

This helps to provide an overarching framework for the continuous measurement and performance tracking of our sustainability journey.

The following table summarises PARAGON REIT’s material ESG topics, 2023 performance and targets moving forward. Additionally, it highlights the corresponding UN SDGs. The UN SDGs, except for the environmental considerations, are applicable to both our Singapore and Australia property assets. Our environmental targets are currently only applicable for Paragon and The Clementi Mall in Singapore.

Table 2. Our sustainability framework and strategy

1. CLIMATE RESILIENCE AND ENVIRONMENTAL STEWARDSHIP		
Material ESG Factors	2023 Performance Highlights	2024 Targets
 <b>Energy and carbon<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Overall, 34,467 MWh of electricity consumed (4.62% decrease from 2022), causing Scope 2 emissions of 13,185 tCO<sub>2</sub>e (9.29% decrease from 2022)</li> <li>Paragon and The Clementi Mall<sup>2</sup> had 24,294 MWh of electricity consumed, causing Scope 2 emissions of 10,126 tCO<sub>2</sub>e (respectively showing a 1.19% decrease from 2022)</li> <li>Scope 2 GHG emissions intensity at 0.047 tCO<sub>2</sub>e/m<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>To maintain at least 18% reduction in like-for-like<sup>3</sup> electricity intensity by 2025, using 2015 performance as the baseline</li> </ul> <p>✓ <b>Achieved in 2023</b></p> 
<b>Effluents and waste</b>	<ul style="list-style-type: none"> <li>Overall, 6,378 tonnes of waste generated (3.94% decrease from 2022)</li> <li>3,766 tonnes of waste generated by Paragon and The Clementi Mall (2.91% increase from 2022)</li> <li>Improvements in the waste data quality to align with long-term recycling targets</li> </ul>	<ul style="list-style-type: none"> <li>To explore commissioning offsite or onsite food waste management for waste generated in Paragon and The Clementi Mall</li> </ul> <p><b>NEW</b></p>

1 Account for landlord consumption only. Performance data shown in table is for the reporting period of 1 January 2023 to 31 December 2023.

2 Disclosed separately as environmental targets are set for like-for-like comparison of Paragon and The Clementi Mall

3 Like-for-like comparison refers to the comparison for a consistent portfolio of assets between two reporting years. In FY2023, the assets that remained consistent from the FY2015 baseline are Paragon and The Clementi Mall.

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Material ESG Factors	2023 Performance Highlights	2024 Targets
<b>Water</b>	<ul style="list-style-type: none"> <li>Overall, 422 megaliters of water consumed, causing water intensity of 0.0015 megaliters/m<sup>2</sup> (3.05% increase from 2022)</li> <li>277 megaliters of water consumed by Paragon and The Clementi Mall, causing water intensity of 0.0023 megaliters/m<sup>2</sup> (1.54% increase from 2022)</li> </ul>	<ul style="list-style-type: none"> <li>To maintain at least 18% reduction in like-for-like water intensity by 2025, using 2015 performance as the baseline</li> <li>✓ <b>Achieved in 2023</b></li> </ul> 
<b>Sustainable materials</b>	<ul style="list-style-type: none"> <li>Incorporation of sustainably sourced material in operational activities</li> </ul>	<ul style="list-style-type: none"> <li>To enhance the disclosure of sustainable materials used in major procurement</li> </ul> <span style="background-color: orange; color: white; padding: 2px 5px; font-weight: bold;">NEW</span>
<b>Product/service quality and responsibility</b>	<ul style="list-style-type: none"> <li>Stakeholder engagement regarding quality service</li> </ul>	<ul style="list-style-type: none"> <li>Maintain alignment with high standards</li> <li>✓ <b>Achieved in 2023</b></li> </ul>
<b>Compliance with laws &amp; regulations</b>	<ul style="list-style-type: none"> <li>Zero fines and non-monetary sanctions for non-compliance with laws and regulations</li> <li>Continuation of zero fines and non-monetary sanctions for non-compliance achieved in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Zero cases of non-compliance with laws and regulations, which includes those relating to anti-corruption</li> <li>✓ <b>Achieved in 2023</b></li> </ul>
<b>Anti-corruption</b>	<ul style="list-style-type: none"> <li>Zero incidents of corruption</li> </ul>	
<b>Cyber-readiness, security, and data privacy</b>	<ul style="list-style-type: none"> <li>Zero known cases of theft, leak, or loss of customer data</li> </ul>	<ul style="list-style-type: none"> <li>To comply with the Singapore Personal Data Protection Act 2021 (PDPA) and the Privacy Act 1988 of Australia</li> <li>✓ <b>Achieved in 2023</b></li> </ul>
<b>Human rights and fair labour</b>	<ul style="list-style-type: none"> <li>Strict alignment to the Fair Employment practices of Tripartite Alliance for Fair and Progressive Employment Practices' ("TAFEP") Tripartite Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable workforce strictly adhering to current fair labour practices</li> <li>✓ <b>Achieved in 2023</b></li> <li>To strictly align with existing and upcoming fair labour practices</li> <li>✓ <b>Achieved in 2023</b></li> </ul>
<b>Responsible supply chain</b>	<ul style="list-style-type: none"> <li>Appointed property managers continued to comply and maintained minimum service standards required in Singapore and Australia</li> <li>No disruptions to the supply chain and material operations were reported across all properties</li> </ul>	<ul style="list-style-type: none"> <li>Maintain alignment with Supplier Code of Conduct by vendors and suppliers</li> <li>✓ <b>Achieved in 2023</b></li> </ul>
<b>Health, safety and wellbeing (employees and public)</b>	<ul style="list-style-type: none"> <li>Zero incidents resulting in any stakeholder's permanent disability or fatality</li> <li>Zero recordable and high consequence injuries from employees of PARAGON REIT</li> <li>Zero cases of non-compliance in health and safety matters</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of recordable and high consequence injuries from employees and public</li> <li>✓ <b>Achieved in 2023</b></li> <li>Zero cases of non-compliance in health and safety matters</li> <li>✓ <b>Achieved in 2023</b></li> </ul>

Material ESG Factors	2023 Performance Highlights	2024 Targets
<b>Stakeholder impact and partnerships</b>	<ul style="list-style-type: none"> <li>Zero incidents resulting in stakeholders' permanent disability or fatality</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents resulting in stakeholders' permanent disability or fatality</li> <li>✓ Achieved in 2023</li> </ul>
<b>Training and development</b>	<ul style="list-style-type: none"> <li>Annual workplace health and safety training</li> <li>Development courses conducted to improve worker safety, such as CERT, Facilities Management (FM), Real Estate, Marketing, Technology, Sustainability, Internal training and safeguarding related courses</li> </ul>	<ul style="list-style-type: none"> <li>To maintain similar levels of workplace health and safety training to 2023</li> <li>✓ Achieved in 2023</li> </ul>
<b>Non-discrimination and equal opportunity</b>	<ul style="list-style-type: none"> <li>Zero incidents of discrimination on grounds of race, colour, gender, sex, religion, political opinion, national extraction, or social origin</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of discrimination</li> <li>✓ Achieved in 2023</li> </ul>
<b>Local Communities/Community engagement</b>	<p><b>Paragon</b></p> <ul style="list-style-type: none"> <li>Children charity event raised \$3,000, which was donated to Kid Horizon Appeal (KHA) to support children with chronic illnesses</li> <li>Yoga charity event raised \$3,200 for the Singapore Cancer Society in collaboration with Under Armour and Fitness First</li> </ul> <p><b>The Clementi Mall</b></p> <ul style="list-style-type: none"> <li>Raised and donated a sum of \$740 which was used to purchase essential items to help needy seniors living in Clementi</li> </ul> <p><b>Westfield Marion</b></p> <ul style="list-style-type: none"> <li>Provided a grant of \$20,000 to the St Jude's Community Meal which supports weekly meals for over 100 people facing food shortages</li> <li>Collected and donated 4,575kg of food to the Foodbank in South Australia to help support over 135,000 vulnerable persons</li> </ul> <p><b>Figtree Grove</b></p> <ul style="list-style-type: none"> <li>Cancer Cares Fundraiser initiatives raised \$5,880 for the Illawarra Cancer Cares organisation in support of cancer patients and their families</li> <li>Red Shield Appeal event raised for the Salvation Army, in support of Australians facing hardship, homelessness, domestic violence, addiction, poverty, and more</li> </ul>	<ul style="list-style-type: none"> <li>To integrate CSR activities into at least two events held at the malls</li> <li>✓ Achieved in 2023</li> </ul>

# SUSTAINABILITY REPORT

## SUSTAINABILITY GOVERNANCE

A robust governance structure is critical to enabling and creating sustainable long-term value. We are dedicated to establishing and upholding a sturdy governance structure and framework to efficiently manage and oversee our sustainability performance and initiatives. This would result in creating a positive and lasting impact on the economy, environment, and society.

The board and management of PARAGON REIT Management Pte. Ltd., and the manager of PARAGON REIT (the “**Board**”; the “**Management**”; the “**Manager**”), are committed to the highest standards of corporate governance as they believe that it is essential to the sustainability of PARAGON REIT’s business and performance, as well as in protecting the interests of PARAGON REIT’s unitholders (“Unitholders”). Good corporate governance is also critical to the performance and success of the Manager.

PARAGON REIT’s Board is responsible for overseeing, monitoring, and keeping abreast of all sustainability matters. The Audit & Risk Committee (“**ARC**”) is entrusted with the reporting of significant ESG matters and reports to the Board on a quarterly basis. Reporting to the ARC, the Sustainability Steering Committee (“**SSC**”), comprising senior management and property manager, assists the

ARC in formulating and implementing PARAGON REIT’s sustainability goals and strategies while overseeing and monitoring overall sustainability performance. With the quarterly updates from the SSC, the ARC reports all sustainability updates and information to the Board directly, who are then responsible for reviewing and approving reported information pertaining to ESG issues in the Sustainability Report. The Sustainability Working Committee composed of representatives from various business functions, works closely with the SSC to implement the sustainability goals, strategies, initiatives, and measures in PARAGON REIT’s day-to-day operations.

The Board also sets the values and ethical standards of PARAGON REIT, as well as considers sustainability issues relevant to its business, its stakeholders, and its impact on the environment.

The key roles of the Board are to:

1. Guide the corporate strategy and directions of the Manager;
2. Ensure that senior management discharges business leadership and demonstrates the necessary management capability with integrity and enterprise;
3. Oversee the proper conduct of the Manager; and
4. Safeguard the interests of Unitholders and PARAGON REIT’s assets.

Figure 1: PARAGON REIT’s sustainability governance structure

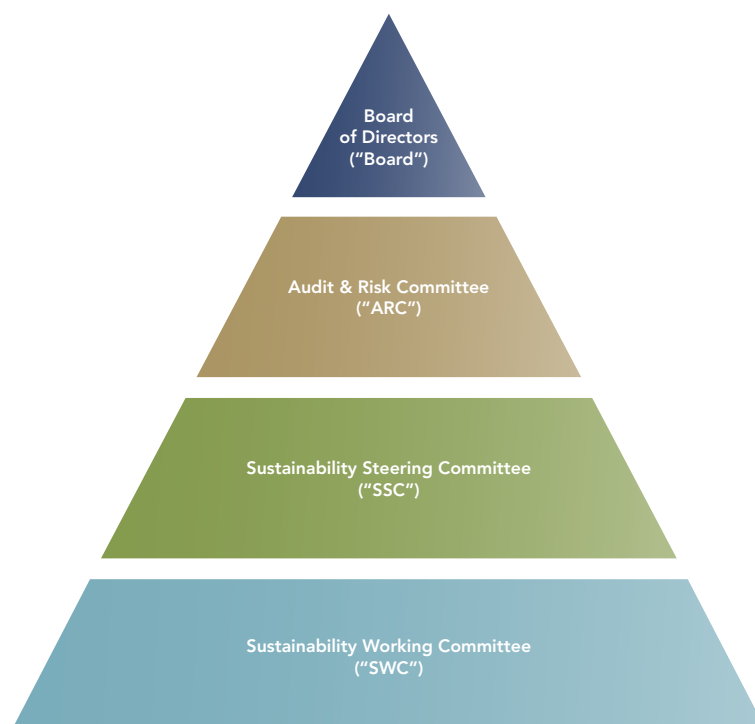


Figure 2: PARAGON REIT's trust structure





# SUSTAINABILITY REPORT

As means of ensuring that PARAGON REIT's governance and Board structure results in effective decision-making with a balanced exchange of views, robust deliberations, and sound oversight of the organisation's management, we have in place a Board Diversity Policy. This policy emphasises the importance of board diversity in encouraging constructive conversations and management execution, and further details can be found in our Annual Report. In identifying qualified and suitable candidates for board-level appointment, the Nominating and Remuneration Committee ("**NRC**") takes into consideration merit against the objective criteria set and with due regard for the benefits of diversity on the Board. The NRC would thus review the relevant objectives for promoting and achieving diversity on the Board and make recommendations for approval by the Board. In ensuring the efficacy of the Board Diversity Policy, the NRC will review this policy from time to time, when appropriate.

The current board composition reflects a diversity of gender, age, skills, and knowledge. The Board is chaired by Dr Leong Horn Kee, a non-executive and non-independent director of the REIT. The independence of each Director is assessed by the Board in accordance with Provision 2.1 of the 2018 Code and the Securities and Futures (Licensing and Conduct of Business) Regulations. Furthermore, all Directors in office during FY2023 have also completed the sustainability training courses mandated by the listing rules of the SGX-ST. In FY2023, directors were provided with training in various areas, including regulatory updates in environmental, social, and corporate governance paradigms. They also attended Directors' conferences and seminars on audit committees that were organised by the Singapore Institute of Directors ("**SID**"). FY2023's conference focused on the manner by which nominating committees can transform their internal governance whilst focusing on the attributes required to become an effective director.

Preventing conflicts of interest, PARAGON REIT ensures that all key executive officers work exclusively for the Manager and do not hold executive positions in other entities.

In respect to matters in which the Sponsor, Cuscaden Peak Investments Private Limited ("**CPI**") and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. For such matters, the quorum must comprise mostly independent directors of the Manager and must exclude nominee directors of the Sponsor and/or its subsidiaries. The Manager and the Singapore property manager, Straits Retail Property Management Services Pte Ltd ("**RPMS**") are indirect wholly owned subsidiaries of the Sponsor.

The NRC is responsible for the annual review of the Manager's remuneration policy, its implementation and ensuring compliance with relevant legislation and regulation. Ms Jennie Chua, non-executive and independent director, chairs the NRC. The NRC supports the Board in the remuneration matters of the Manager in accordance with the NRC's written terms of reference. The various functions that the NRC performs include:

1. Review and recommend to the Board a framework of remuneration for the Board, CEO, and key executives.
2. Review and recommend to the Board the specific remuneration packages for each Director, the CEO, and key executives.
3. Review and administer the share and other incentive scheme(s) adopted by the Manager and decide on the allocations to eligible participants under the said share scheme(s); and
4. Review the Manager's obligations arising in the event of termination of the executive directors' and key executives' contracts of service, so as to ensure that such contracts of service contain fair and reasonable termination clauses.

Regarding the Manager's remuneration policy, the NRC ensures the policy is aligned with the relevant legislation and regulations and should reflect these key objectives:

1. Unitholder alignment: to ensure that performance measures are aligned to unitholders' interest;
2. Alignment with performance: variable compensation considers financial performance and achievement of non-financial goals including ESG; and
3. Competitiveness: Employees receive compensation and benefits packages, which are reviewed annually and benchmarked to the external market.

### MATERIALITY APPROACH AND PROCESS

In 2023, as means of reprioritising our key material topics, we undertook a materiality assessment in alignment with the GRI 2021 Standards. This assessment helped us identify the positive and negative impact of our business operations on the economy, environment, and people. Our materiality assessment assisted in framing our sustainability strategy to align to the three pillars of ESG.

The materiality assessment aided in denoting relevant sustainability issues and the direction to focus our efforts on addressing these matters. The derived material topics since our assessment, continue to remain relevant to our business and are exemplified below.

Table 3. Our materiality topics


Key Material Topics		
<ul style="list-style-type: none"> <li>Energy and carbon</li> </ul>	<ul style="list-style-type: none"> <li>Effluents and waste</li> </ul>	<ul style="list-style-type: none"> <li>Water</li> </ul>
<ul style="list-style-type: none"> <li>Stakeholder impact and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety and wellbeing (employees and public)</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable materials</li> </ul>
<ul style="list-style-type: none"> <li>Responsible supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Product/service quality and responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Local communities/ community engagement</li> </ul>
<ul style="list-style-type: none"> <li>Human rights and fair labour</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Non-discrimination and equal opportunity</li> </ul>
<ul style="list-style-type: none"> <li>Training &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Cyber-readiness, security, and data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> </ul>

### ENGAGING OUR STAKEHOLDERS





At PARAGON REIT, we firmly believe in the importance of fostering robust and ongoing connections with our stakeholders as a fundamental driver of sustained growth and value generation. These stakeholders are recognised through their interactions with our assets, whether through our business operations or contractual agreements.

Our approach revolves around cultivating trust and rapport with our stakeholders through consistent and regular engagement, ensuring that we grasp their concerns and aspirations. This proactive engagement serves to optimise the allocation of our resources in response to their requirements. The following table outlines our interactions with key stakeholders and the methodologies we employ to engage with them, effectively addressing their concerns and needs.

Table 4. Our stakeholder engagements

Stakeholder category	Description	Form of engagement	Purpose of engagement	Corresponding section
<b>Customers and Tenants</b> 	To understand the needs of the tenants and customers and work with tenants to enrich customer experience	<b>Singapore</b> <ul style="list-style-type: none"> <li>Management circulars and notices</li> <li>Tenant Bulletins</li> <li>Tenant engagement activities</li> <li>Informal dialogue and networking sessions including social media and loyalty programme</li> </ul> <b>Australia</b> <ul style="list-style-type: none"> <li>Management circulars and notices</li> <li>Tenant engagement activities</li> <li>Informal dialogue and networking sessions including visual merchandising, social media workshops and loyalty programmes</li> </ul>	<ul style="list-style-type: none"> <li>Shopping experience, that enhances the lifestyle</li> <li>A safe and sustainable space</li> <li>Contribution to local communities</li> <li>Property tax rebates and rental relief to ease tenants' cashflow</li> </ul>	Sustainability Report

# SUSTAINABILITY REPORT

Stakeholder category	Description	Form of engagement	Purpose of engagement	Corresponding section
<b>Unitholders and Investors</b> 	To obtain Unitholders' support to our sustainability efforts, and help them understand our sustainability goals and efforts	<ul style="list-style-type: none"> <li>• Release of financial results, operational updates, announcements, media releases, and other relevant disclosures through SGXNET, Annual Report and PARAGON REIT's website</li> <li>• Annual General Meeting</li> <li>• Extraordinary General Meeting, where required</li> <li>• Updates through one-on-one and group meetings and investor roadshows (held virtually where possible)</li> <li>• Online meetings with Unitholders and investors</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance of PARAGON REIT</li> </ul>	Financial Statements
<b>Regulators</b> 	To communicate with regulators from time to time and ensure compliance with relevant laws and regulations	<ul style="list-style-type: none"> <li>• Industry networking functions</li> <li>• Annual regulatory audits</li> <li>• Adoption of TCFD recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory and Socioeconomic compliance</li> </ul>	Corporate Governance Report
<b>Employees</b> 	To provide a working environment that provides fair remuneration, equal treatment, safe and healthy working conditions, and career development opportunities	<ul style="list-style-type: none"> <li>• Human Resources Policies and Practices</li> <li>• Employee grievance mechanism</li> <li>• Daily communications done virtually, bi-weekly check-ins from supervisors</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration, compensation, and benefits</li> <li>• Fair and equal employment opportunities</li> <li>• Training and career development programmes</li> <li>• Safe and healthy working environment</li> <li>• Job security amidst COVID-19 crisis and economic downturn</li> </ul>	Sustainability Report
<b>Contractors and Suppliers</b> 	To build mutually beneficial and long-lasting business relationships	<ul style="list-style-type: none"> <li>• Regular communications directly with the suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborative partnerships with PARAGON REIT</li> </ul>	Sustainability Report

Stakeholder category	Description	Form of engagement	Purpose of engagement	Corresponding section
<b>Local community</b> 	To be a responsible corporate citizen that contributes to the local community	<ul style="list-style-type: none"> <li>Community outreach programmes and charitable events (held in accordance with latest COVID-19 regulations)</li> </ul> <p><b>Singapore</b></p> <ul style="list-style-type: none"> <li>The National Cancer Centre (Paragon)</li> <li>Blessings of Fortune (The Clementi Mall)</li> <li>Kidz Horizon Appeal (Paragon)</li> <li>The Art Faculty (Paragon)</li> <li>Project 2x2 (The Clementi Mall)</li> <li>OWNDAYS &amp; MINDS (The Clementi Mall)</li> </ul> <p><b>Australia</b></p> <ul style="list-style-type: none"> <li>Illawarra Cancer Centre (Figtree Grove)</li> <li>Figtree Children's Community Sport Sponsorship</li> <li>Hoodies for the Homeless</li> <li>Wollongong Hospital Childrens Ward</li> <li>Schools Art Programme</li> <li>Charity Casual Mall Leasing Sites</li> <li>Earth Hour</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to local communities</li> </ul>	Sustainability Report

### 3. PILLAR 1: CLIMATE RESILIENCE AND ENVIRONMENTAL STEWARDSHIP

PARAGON REIT has a commitment to minimising its environmental impact while delivering long-term business value. We recognise the importance of reducing our greenhouse gas ("GHG") emissions for both our business and our stakeholders. We prioritise reducing our emissions through energy saving initiatives to meet our long-term targets of 30% reduction in like-for-like GHG emissions intensity by 2025 with 2015 as a baseline.

At PARAGON REIT, we continually oversee environmental performance to ensure it aligns with our established environmental goals for 2025. Using 2015 as a performance benchmark, our commitment is to achieve an 18% reduction in both electricity and water intensity by 2025, and at least a 30% reduction in our GHG emissions intensity by 2025. We hope to make a positive impact on environmentalism and resource conservation by actively promoting responsible practices. Moreover, our environmental policy, enforced by the centre management offices ("CMOs") at Paragon and The Clementi Mall, ensures the efficient utilisation of resources.

Across our operations in Singapore, we consistently track electricity and water usage data, which we compile and submit to the relevant regulatory bodies. This is a key component of our commitment to obtaining green certifications for our malls. In 2021, both The Clementi Mall and Paragon successfully renewed their BCA Green

Mark (Gold) and Green Mark (Certified) certifications, respectively, underscoring our ongoing sustainability efforts.

Adopting sustainable practices involves concentrating our efforts on various essential aspects, such as energy and carbon, effluents and waste, water, and sustainable materials. These material topics are encompassed under PARAGON REIT's environmental pillar, and we manage them effectively by implementing performance monitoring, target setting, and efficient management practices, as elaborated in the following sections.

#### EMISSIONS DISCLOSURE

At PARAGON REIT, we consider scope 1 emissions, primarily related to direct fuel consumption, to have negligible impact on our operations. As "Diesel" is rarely used at our malls, primarily only to operate emergency backup generators across malls in rare instances of need, affiliated emissions have been excluded due to their minimal contribution to our overall greenhouse gas emissions. Therefore, Scope 1 emissions have been omitted from this report.

Our emissions consist of Scope 2 absolute emissions, accounting for electricity consumed by our properties in Singapore and Australia (Paragon, The Clementi Mall, Westfield Marion, and Figtree Grove). We omit data from the Rail Mall as it lacks shared common areas, and tenants are responsible for their own utilities' consumptions, and therefore does not fall within our operational

# SUSTAINABILITY REPORT

boundary. We continue to conduct an analysis of the emission intensities for Paragon and The Clementi Mall by comparing trends between the base year and 2023. This approach helps us evaluate and monitor our current performance in relation to the 2025 targets as stated above.

## ENERGY & CARBON

The global shift towards green energy is well underway, marked by pledges to reduce carbon emissions and replace fossil fuels with renewable energy. Singapore is enforcing stricter building energy performance standards and anticipates an uptick in carbon taxation through initiatives like the Singapore Green Plan 2030 and the BCA Green Mark 2021. Given that energy consumption constitutes a substantial part of PARAGON REIT's carbon footprint, we are dedicated to adopting and executing strategies that align with the transition towards a low-carbon economy.

### Our management approach and initiatives

PARAGON REIT is dedicated to reducing emissions and promoting sustainability in our business practices. PARAGON REIT is working towards achieving climate resilience to meet long-term environmental goals. For example, using 2015 as a baseline, we are working towards a 30% reduction in like-for-like greenhouse gas emissions intensity and an 18% reduction in like-for-like electricity intensity by 2025.

In Singapore, where Air Conditioning and Mechanical Ventilation ("ACMV") are the primary source of electricity usage, we continuously monitor and optimise their operation to minimise energy usage. Our Building Management System ("BMS") conducts regular checks and monitors ACMV operations to ensure efficient start-up and shutdown procedures, while also optimising lighting throughout the mall. These efforts help lower landlord electricity consumption levels and reduce Scope 2 emissions. In 2024, we plan to install solar panels to further reduce the emission impacts.

In Australia, we ensure efficient energy usage through an operational system that allows employees to monitor energy efficiency. At Figtree Grove, the Heating, Ventilation and Air Conditioning ("HVAC") settings, as well as the BMS, are regularly monitored to maintain system efficiency. Energy consumption is limited to operational hours and is suspended during periods of non-occupancy. Additionally, our facility management team stays updated with industry developments by reviewing publications and collaborating with the operations team to share insights. At Westfield Marion,

an electricity committee is responsible for advising on electricity procurement and solar power investments. Scentre's in-house technical teams and specialised contractors also work closely with the facility management team to enhance power supply efficiency. For example, at Figtree Grove, we have upgraded conventional car park lights to energy-efficient LED lights, which consume up to 85% less energy, significantly reducing electricity usage. Additionally, solar panels have been installed in Westfield Marion for the reduction of Scope 2 emissions.

In 2023, PARAGON REIT initiated our decarbonisation roadmap planning to better understand emissions mitigation opportunities and lay out a clear pathway towards our decarbonisation targets.

### Our performance

PARAGON REIT is dedicated to a low-carbon future through the adoption of energy efficient building practices. We commit to maximise energy efficiency and reduce greenhouse gas emissions associated with our operational utilities.

Our reported electricity consumption accounts for landlord electricity usage across common areas in our portfolio assets, excluding tenant electricity usage as it falls beyond the purview of our operational control. This approach aims to provide a more precise depiction of the electricity directly consumed by PARAGON REIT. The Rail Mall data was excluded because it lacks shared service areas where landlord electricity consumption of electricity is necessary. Moreover, we have restated our 2022 electricity consumption figures as we had employed estimates as a result of data unavailability prior to reporting. However, upon receiving the final figures, we remain dedicated to accurately reflecting our performance and have restated our total FY2022 electricity consumption for a better capture and comparative analysis.

In 2023, PARAGON REIT achieved its target of at least 18% reduction in like-for-like electricity intensity and 30% reduction in like-for-like GHG emissions intensity using 2015 performance as the baseline. The 2023 combined amount of purchased electricity resulting in Scope 2 emissions for the four assets was 34,467 MWh or 13,185 tCO<sub>2</sub>e<sup>4</sup>. This is a 4.62% decrease in electricity consumption compared to 2022.

Figure 3. Electricity consumption (MWh)

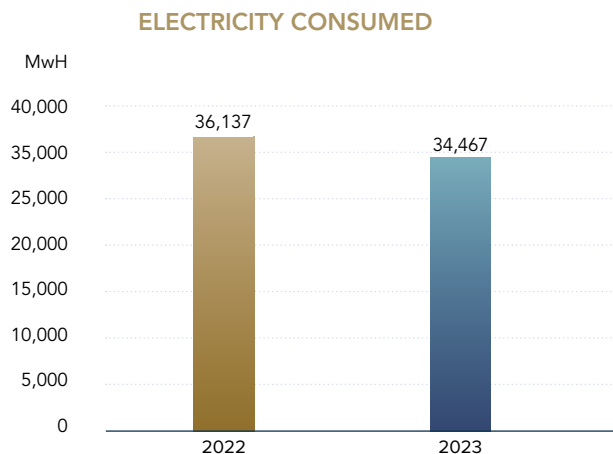
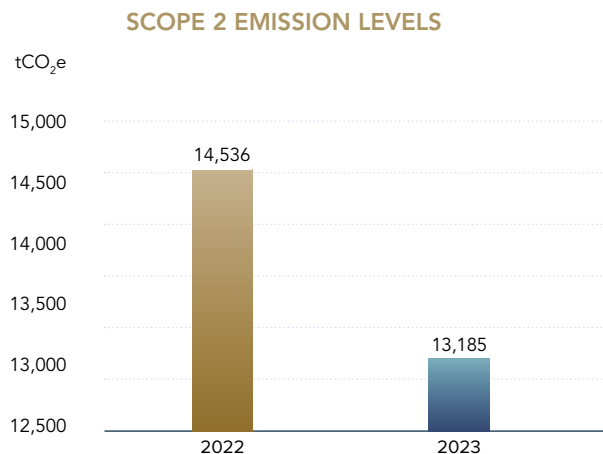


Figure 4. Scope 2 emission levels (tCO<sub>2</sub>e)<sup>4</sup>



The total electricity intensity for our four assets in 2023 was 0.12 MWh/m<sup>2</sup>, a 4.82% decrease from 2022's electricity intensity of 0.12 MWh/m<sup>2</sup>. This was due to electricity consumption decreasing by 4.62% while the floor area of the four assets increased by only 0.2%. An accountable factor for this decrease is the alteration to the emission factors<sup>5</sup> employed in deriving the Scope 2 figures for Westfield Marion and Figtree Grove. The updated emission factors reflect the changes to the global warming potential in Australia.

Westfield Marion has also generated 872 MWh of solar energy through the installation of solar panels, reducing emissions by 218 tCO<sub>2</sub>e.

### Looking forward

PARAGON REIT strives to maintain the progressive reduction of electricity intensity across its portfolio. In 2023, PARAGON REIT achieved its target of at least 18% reduction in like-for-like electricity intensity and 30% reduction in like-for-like GHG emissions intensity using 2015 performance as the baseline.

### EFFLUENTS & WASTE

Waste management is a significant issue for a small country like Singapore, where landfill space is expected to be exhausted by 2035. Consequently, PARAGON REIT is actively engaged in efforts to promote a circular economy.

### Our management approach and initiatives

PARAGON REIT is dedicated to minimising waste and promoting sustainable business practices through our environmental practices. One of our primary objectives is to minimise adverse waste-related impacts, such as resource depletion and waste generation downstream in our value chain. Waste generated from tenant fit-out activities are disposed by contractors engaged by tenants.

### Our performance

The effluents and non-hazardous waste produced by the four assets in 2023 was 6,378 tonnes, a 3.94% decrease compared to 6,639 tonnes in 2022. This is equivalent to 711 tCO<sub>2</sub>e of Scope 3 emissions emitted in 2023 under Scope 3 Category 5, waste generated in operations.<sup>6</sup> We do not report on our hazardous waste as tenants arrange for its collection, and as per the lease, it does not fall within the purview of our operational boundary. In our sustainability report for the previous financial year of 2022 ("FY 2022"), we had included estimates for our waste consumption in the month of December for our Singapore properties as a result of delay in data availability. As such, in this report, we have restated our like-for-like and total 2022 waste consumption.

The total waste intensity for our four assets in 2023 was 0.023 tonnes/m<sup>2</sup>, a 4.11% decrease from 2022's figure of 0.024 tonnes/m<sup>2</sup>.

4 Emission factor source: EMA (Singapore), EERS (Australia).

5 In 2023, the Scope 2 emission factors for Australia's assets were reduced from 0.35 kgCO<sub>2</sub>e/KWh to 0.25 kgCO<sub>2</sub>e/KWh (Westfield Marion) and 0.79 kgCO<sub>2</sub>e/KWh to 0.73 kgCO<sub>2</sub>e/KWh (Figtree Grove). Source: Emissions and Energy Reporting System (EERS).

6 Emission factor source: DEFRA 2023.

# SUSTAINABILITY REPORT

Figure 5. Effluents and waste levels (tonnes)

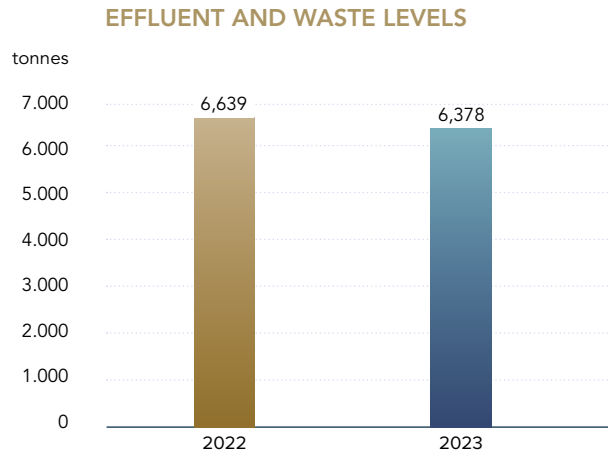


Table 5. Total weight of waste generated by the composition of waste (tonnes)

2023		Breakdown of total weight of non-hazardous waste generated by the composition of waste				
		Paragon	Clementi Mall	Figtree Grove	Westfield Marion	Unit
Type of Waste	General waste	1,859.43	1,438.65	171.2	1,003.51	Metric tons
	Paper	112.60	348.05	59.71	457.67	Metric tons
	Metal	0.55	4.15	–	–	Metric tons
	Plastics	0.64	1.49	0.53	47.56	Metric tons
	Others (if applicable)	0.03	0.57	18.05	853.18	Metric tons
	Total weight of waste generated per asset	1,973.24	1,792.91	249.49	2,361.92	Metric tons
Total weight of waste generated		6,377.56			Metric tons	
Total Scope 3 Category 5 (waste generated in operations) emissions		710.89			tCO <sub>2</sub> e	

### Looking forward

To efficiently manage organic waste, PARAGON REIT is aiming to explore commissioning offsite or onsite food waste management in 2024 for both Paragon and The Clementi Mall.

### WATER

Water is a limited and scarce resource, particularly for countries like Singapore, with a lack of abundant natural resources. Therefore, effective water management is essential for achieving resource efficiency and reducing operational costs for PARAGON REIT, whilst simultaneously upholding resource stewardship and environmentalism.

### Our management approach and initiatives

PARAGON REIT is committed to reducing water consumption. All water taps across our Singapore malls have been calibrated to adhere to suggested flow rates, encouraging more effective water consumption. Paragon and The Clementi Mall have been granted certification as Water Efficient Buildings (“WEBS”) by the Public Utilities Board, Singapore’s National Water Agency, under its WEB Certification Programme.

Our facilities manager conducts inspections to detect any unusual consumption patterns so as to be able to take immediate actions to address anomalies and prevent further losses and leaks.

In Australia, we have implemented water saving measures to reduce and manage our water consumption and also steps to prevent any unnecessary use and leakages. Half-flush toilets and water-saving devices such as flow restrictors have been installed in our facilities. Both Figtree Grove and Westfield Marion have digital meters installed to precisely track water consumptions. An online water monitoring system detect anomalies in real-time and notifies the facilities managers, thereby allowing them to identify and rectify leaks quickly and minimising issues and losses. Both assets adhere to the AS/NZS 3500 Plumbing and Drainage standard, covering aspects like backflow prevention, cross contamination, trade waste management, and metering standards.

### Our performance

In 2023, the total water consumption for all four properties was 422 megaliters, 3.27% increase as compared to water consumption of 409.0 megaliters in 2022. Water consumption data for properties of both countries are calculated by compiling invoices obtained from third-party water providers. Overall, the total water intensity for our four assets in 2023 was 0.00150 megaliters/m<sup>2</sup>, a 3.05% increase from 2022’s figure of 0.00146 tonnes/ m<sup>2</sup>. In our sustainability report for the previous financial year of 2022 (“FY2022”), we had included estimates for our water consumption in the month of December for our Singapore properties as a result of delay in data availability. As such, in this report, we have restated our like-for-like and total 2022 water consumption.

As our water supply is sourced, and consumption is managed by third-party providers, our properties do not track water storage, withdrawal, and discharge levels.

Figure 6. Water consumption levels (megaliters)

### WATER CONSUMPTION LEVELS

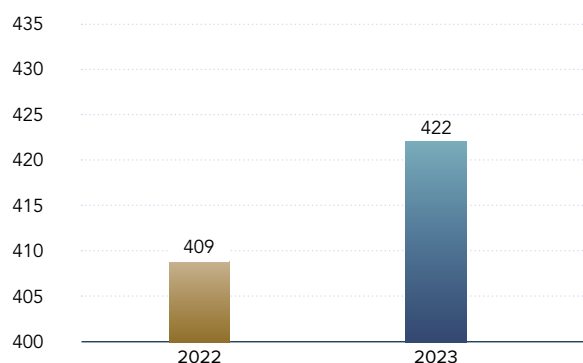


Table 6. Water consumption levels- breakdown by asset (megaliters)

2023	Paragon	Clementi Mall	Figtree Grove	Westfield Marion
Water consumption (megaliters)	192.20	84.72	19.95	125.53

### Looking forward

PARAGON REIT remains committed to achieve its target of at least an 18% reduction in like-for-like water intensity by 2025, using 2015 performance as the baseline. As such, we remain stringent in monitoring and identifying areas to improve our current water practices across our operations.

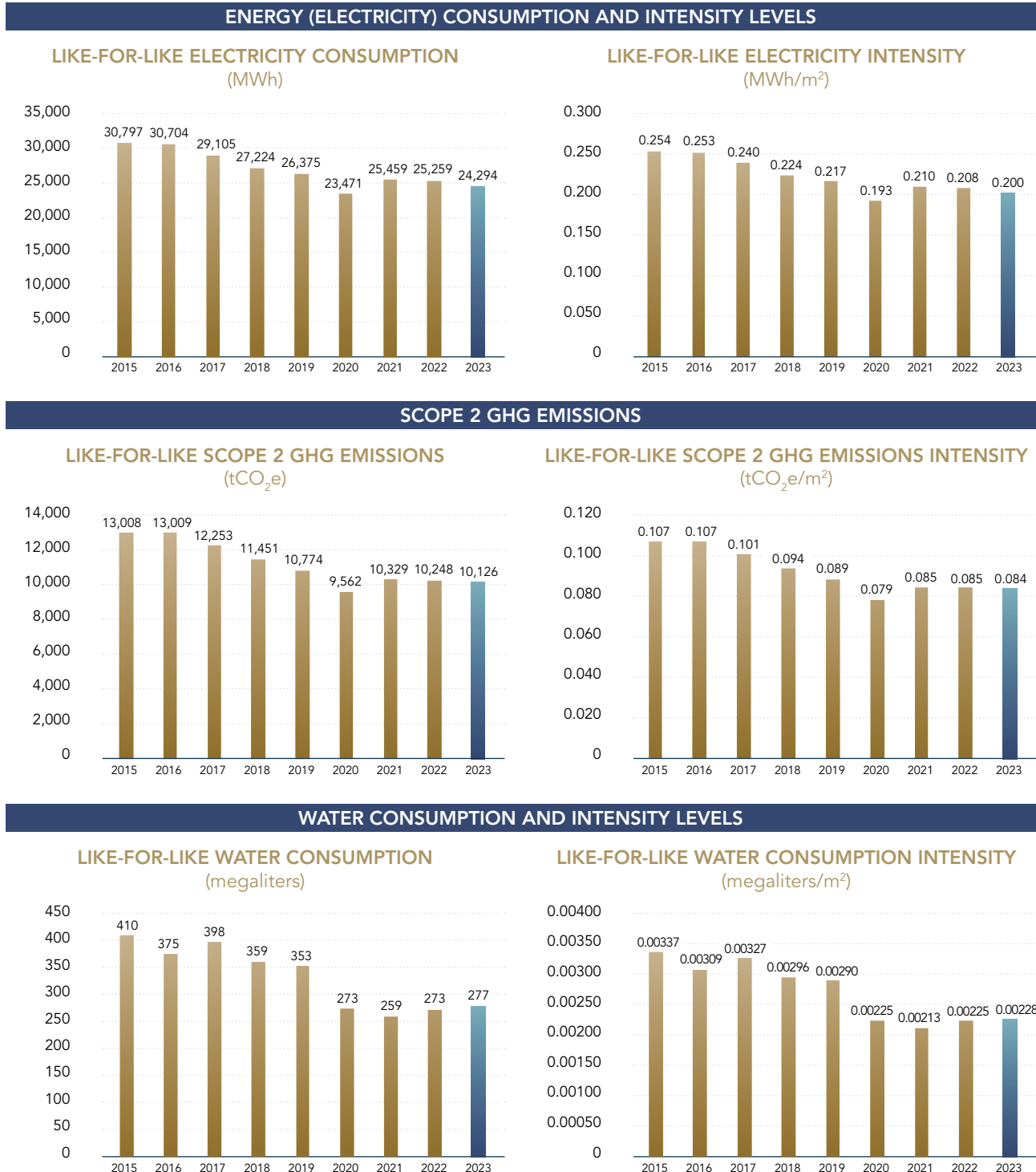


# SUSTAINABILITY REPORT

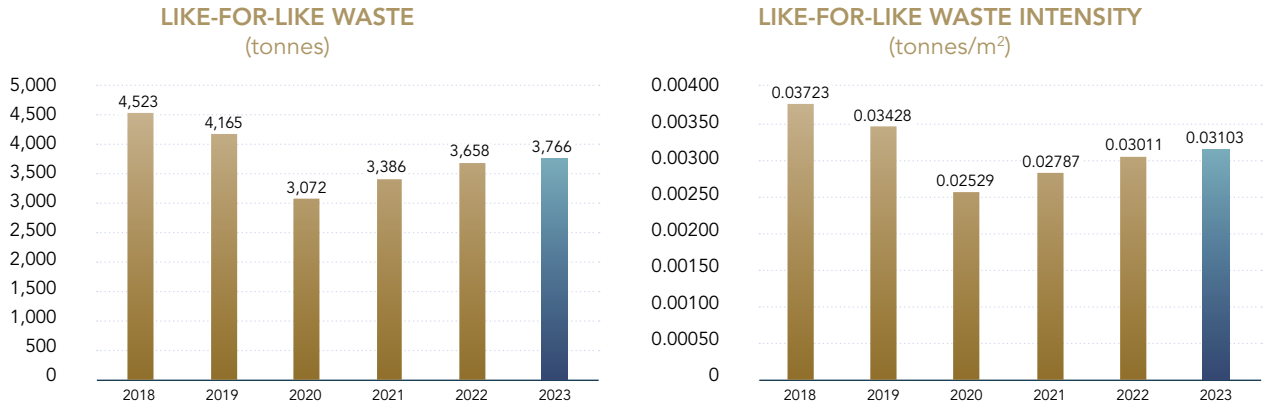
## OVERALL

The like-for-like charts below show electricity, GHG emissions, water and waste performance data for our Singapore assets, Paragon and The Clementi Mall. Our like-for-like targets were initially set before PARAGON REIT acquired our assets in Australia. In 2024, we plan to revise our targets to include both Westfield Marion and Figtree Grove.

Figure 7. like-for-like comparison table (Paragon & The Clementi Mall)



## WASTE PRODUCTION AND INTENSITY LEVELS



### 4. PILLAR 2: RESPONSIBLE INVESTMENT AND SUSTAINABLE VALUE

Responsible investment and sustainable value are pivotal concepts for PARAGON REIT as we recognise the role it plays in fostering a greener and increasingly eco-conscious future for sustainable buildings in Singapore and Australia. These concepts underscore the fundamental shift towards environmentally and socially conscious practices in our industry.

Responsible investments for us entails making decisions that consider not only financial returns but also their impact on the environment, economy, society, and governance, through ethical and sustainable choices when acquiring, developing, or managing real estate assets. This includes selecting sustainable building materials and practices that reduce environmental impacts. As such, we ensure our buildings maintain sustainable building practices beyond resource stewardship, through sourcing sustainable materials. Responsible investment also extends to product and service quality, ensuring that our buildings offer a high standard of living and working conditions, improving tenant satisfaction, and thereby increasing property value and income streams.

At PARAGON REIT, we aim to generate long-term value for our investors and the community, ensuring sustainable value. The use of sustainable materials not only minimises operational costs through energy efficiency but also enhances the durability and longevity of our assets, thus increasing their value over time. Moreover, product and service quality contribute to tenant satisfaction and retention, which directly impacts our financial performance. As we strive to provide a safe and healthy

environment through responsible building materials and a commitment to quality, we aim to foster stronger tenant relationships, community ties and positive environmental outcomes.

#### SUSTAINABLE MATERIALS

##### Our management approach and initiatives

With the prevailing issue of resource scarcity, utilising sustainable materials is key to PARAGON REIT. This includes ensuring that the waste produced from our operations is minimised and properly managed. Without efficient waste management, it can lead to various environmental consequences. As such, we are aware of our waste footprint and strive to adopt more sustainable materials across our operations. This would not only result in the adoption of greater sustainable practices but also lead to financial savings. In 2023, assessments of all our major capital expenditures include contribution to sustainability. For example, the replacement of AHUs led to an improvement in operating efficiency.

Our efforts around sustainable materials revolve around prioritising the use of safe, healthy, and renewable materials that will also aid in lowering our carbon footprint alongside preserving PARAGON REIT's long-term investment value. Sustainable materials will be utilised for our Asset Enhancement Initiatives ("AEI") where we aim to integrate more renewable materials in our operational activities.

##### Our performance

In 2023, all our assets have achieved green certification including the BCA and NABERS in line with country standards, where applicable. By incorporating

# SUSTAINABILITY REPORT

materials that are sustainably sourced, we have decreased the overall carbon emissions associated with our operational activities. This reduction not only aligns with PARAGON REIT's environmental goals but also enhances the energy efficiency and overall performance of our buildings.

## Looking forward

As we look to the future, our commitment to sustainable materials remains unwavering and we are dedicated to advancing the integration of sustainable materials in other business aspects (i.e. major procurement) as well. We recognise the importance of transparency and accountability in our material selection processes and will further enhance our material tracking and reporting mechanisms.

## PRODUCT/SERVICE QUALITY AND RESPONSIBILITY

### Our management approach and initiatives

Delivering high-quality products and services for our customers and tenants is key to PARAGON REIT. This is encapsulated by our central focus of "promoting product quality and customer satisfaction". Providing high-quality products and services helps to avoid any risks to our reputation and ensures customer satisfaction and experience.

As such, in our provision of leasing services for tenant operations and spaces for community facilities, quality checks of customer satisfaction regarding these services are necessary to ensure the quality standards of PARAGON REIT in its product and service offerings. PARAGON REIT has an established process to manage product and service quality.

### Our performance

In providing high-quality retail and office spaces, we contribute to the local economy and deliver excellent shopping and working experiences. We will continue to uphold the highest standards of products and services in alignment with industry best practices and regulations.

## 5. PILLAR 3: GOOD GOVERNANCE AND ETHICAL BUSINESS

As a Real Estate Investment Trust operation in Singapore and Australia, embracing good governance and ethical business practices across various ESG aspects is essential for long-term success and sustainability. We ensure this through compliance with laws and regulations, promoting anti-corrupt behaviours, cyber security and readiness, human rights and fair labour, and a responsible supply chain.

Incorporating these material topics into our governance and business strategy not only bolsters our ethical standing but also enhances stakeholder trust and financial stability in our competitive industry.

## COMPLIANCE WITH LAW & REGULATIONS

Adhering to local and international laws and regulations is fundamental to PARAGON REIT. This means ensuring that property management, tenant relations, financial and sustainability reporting are conducted with the utmost transparency and integrity.

### Our management approach and initiatives

With one of our key focus areas being "ensuring good governance and ethical business", PARAGON REIT targets to fully comply with all applicable statutory and regulatory requirements such as the Monetary Authority of Singapore regulations (CIS Code and Provisions in the Trust Deed), Singapore Exchange Listing Manual requirements, Personal Data Protection Act 2021, Privacy Act 1988, Building Control Act and Fire Safety Act and Technology Risk Management guidelines in Singapore and Australia. We closely monitor regulatory developments throughout the year and make policy and procedural changes as needed.

### Our performance

In 2023, there were no notable fines or non-monetary sanctions for non-compliance.

Table 7. Non-compliance with laws and regulations in the social and economic area

Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:	
a. Total monetary value of significant fines	Zero
b. Total number of non-monetary sanctions	Zero
c. Cases brought through dispute resolution mechanisms	Zero
If the organisation has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.	PARAGON REIT has not identified any non-compliance with laws and/or regulations. There were no fines for instances of non-compliance with laws and regulations.
The context against which significant fines and non-monetary sanctions were incurred	Not applicable

### Looking forward

We aim to maintain our track record of zero non-compliance cases. We will ensure that our employees are well educated on compliance matters and maintain strict transparency and integrity.

### ANTI-CORRUPTION

Upholding our commitment to anti-corruption measures is crucial to allow us to build trust with our investors and partners whilst reducing legal and financial risks associated with corrupt practices.

Our management approach and initiatives  
PARAGON REIT expects all employees to fully adhere to the Code of Business Ethics and Employee Conduct ("Code of Conduct") established by the manager. The Code of Conduct addresses various matters related to fraud, business conduct, and workplace behavior to protect assets, proprietary rights, and intellectual property. As we continue to monitor our performance, we are pleased to report that there were no incidents of corruption in FY2023.

The Manager discharges its responsibility for the benefit of Unitholders, in accordance with applicable laws and regulations, as well as the trust deed constituting PARAGON REIT dated 9 July 2013, as amended and supplemented from time to time ("Trust Deed"). The Manager sets the strategic direction of PARAGON REIT, and gives recommendations to DBS Trustee Limited, as trustee of PARAGON REIT (the "Trustee") on the acquisition, divestment, development and/or enhancement of its assets in accordance with its stated

investment strategy. As a REIT manager, the Manager is granted a Capital Markets Services Licence ("CMS Licence") by the MAS.

The Manager uses its best endeavours to ensure that PARAGON REIT conducts its business in a proper and efficient manner; and conducts all transactions with or for PARAGON REIT on an arm's length basis and on normal commercial terms. The Manager's other functions and responsibilities include:

1. preparing business plans on a regular basis, which may contain proposals and forecasts on gross revenue, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions;
2. ensuring compliance with the applicable provisions of the Securities and Futures Act and all other relevant legislation such as the SGX-ST Listing Manual, the Code on Collective Investment Schemes (including Appendix 6) issued by the MAS (the "CIS Code"), the Trust Deed, the CMS Licence and any tax ruling and all relevant contracts;
3. attending to all regular communications with Unitholders; and
4. supervising RPMS, the property manager that manages the day-to-day property management functions (including leasing, accounting, budgeting, marketing, promotion, property management, maintenance and administration) for PARAGON REIT's properties in Singapore, pursuant to the property management agreements signed for the respective properties.

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We have implemented a Whistleblowing Policy and procedure to allow employees and external parties to confidentially report potential concerns or observations of suspected improper conduct to a designated person or the manager. These concerns may include dishonesty, fraudulent acts, corruption, regulatory breaches, unsafe work practices, or any other improper conduct that could result in significant financial or non-financial loss or damage to the manager's reputation. The manager may conduct independent investigations based on the reports and take appropriate follow-up actions.

Newly appointed directors will undergo compulsory training on anti-corruption as part of their responsibilities.

In Australia, external property managers are engaged to oversee the operations of Figtree Grove and Westfield Marion in accordance with local laws and regulations. These property managers have established relevant policies governing anti-corruption and compliance-related matters, which apply to their employees. Specifically, Scentre Group Limited ("Scentre"), the property manager

of Westfield Marion and MA Financial Group Limited ("MAF"), the property manager of Figtree Grove, are listed on the Australian Securities Exchange ("ASX") and adhere to ASX Corporate Governance Council's principles and recommendations to uphold high standards of governance, ethical business practices, and personal conduct.

## Our performance

In 2023, there were no reported cases of corruption. Given that our primary focus regarding corruption relates to procurement operations, we communicate anti-corruption policies clearly to external property managers, such as Scentre Group Limited and MA Financial Group, who are listed and compliant with ASX regulations, to ensure compliance.

## Looking forward

We aim to maintain zero reported cases of corruption or assessments relating to corruption in the following financial year.

Table 8. Operations assessed for risks related corruption

Total number and percentage of operations assessed for risks related to corruption	100% of Operations - All five PARAGON REIT assets: Paragon, The Clementi Mall, The Rail Mall, Figtree Grove and Westfield Marion were assessed for risks related to corruption.
Significant risks related to corruption identified through the risk assessment	Zero

Table 9. Confirmed incidents of corruption and actions taken

Total number and nature of confirmed incidents of corruption	Zero
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Zero
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Zero
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	Zero

## CYBER-READINESS, SECURITY & DATA PRIVACY

Cyber readiness, security and data privacy are paramount for PARAGON REIT, for several compelling reasons. As we operate in both Singapore and Australia, these nations have robust financial and real-estate sectors, making them prime targets for cyber threats. Effective cybersecurity safeguards not only financial data but also sensitive tenant and investor information, upholding trust, and financial stability.

Both Singapore and Australia have stringent data protection laws. PARAGON REIT is regulated under the Cybersecurity Act and the Personal Data Protection Act 2021 in Singapore and the Privacy Act 1988 in Australia. and non-compliance can result in significant penalties, reputational damage, and legal consequences. As such, PARAGON REIT recognises the importance of enhancing its cybersecurity readiness to withstand cyberattacks, data breaches, and related disruptions to operations. In response to growing global concerns about data security and privacy, PARAGON REIT complies with both international and local data privacy protection laws and regulations.

### Our management approach and initiatives

In response to growing global concerns about data security and privacy, PARAGON REIT recognises the importance of enhancing its cybersecurity readiness to withstand cyberattacks, data breaches, and related

disruptions to operations. PARAGON REIT complies with both international and local data privacy protection laws and regulations.

PARAGON REIT has a designated data privacy officer in Singapore who is responsible for educating employees about data compliance, as well as conducting regular security assessments.

Protection has been put in place across all hardware and systems to minimise the risks of cyberattacks and data breaches and is regularly updated to maintain its effectiveness. Our sponsor's information technology ("IT") team has in place a technology risk management framework includes various IT policies and procedures designed to guide employees in managing critical technology risks and safeguarding information system assets. In addition, vulnerability assessments and network penetration tests are conducted to detect threats and enhance system security.

### Our performance

During the current financial year, there were no reported cases of theft, leaks, or losses of customer data.

### Looking forward

PARAGON REIT aims to uphold this level of performance in the upcoming financial year.

Table 10. Substantiated complaints concerning breaches of customer privacy and losses of customer data

Total number of substantiated complaints received concerning breaches of customer privacy, categorised by:	Zero
Complaints received from outside parties and substantiated by the organisation	Zero
Complaints from regulatory bodies	Zero
Total number of identified leaks, thefts, or losses of customer data	Zero
If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient	Zero

# SUSTAINABILITY REPORT

## HUMAN RIGHTS AND FAIR LABOUR

Respecting and upholding the rights and dignity of employees, workers, and the broader community is a crucial aspect of establishing a responsible business and fosters a fair work environment.

### Our management approach and initiatives

PARAGON REIT is aligned with the Fair Employment practices outlined in Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) Tripartite Guidelines and have implemented human resource policies to ensure fair labour practices. We also embrace policies that protect against ill-treatment and harassment and ensure this through sustained communication from our Human Resources department. This includes the creation and prioritisation of safe working conditions and adherence to labour laws. Our human-rights related policies, such as grievance mechanisms, apply to all employees and serve as a guiding framework for promoting a respectful environment.

### Our performance

Ensuring that our workforce strictly adheres to current fair labour practices, we conduct training for our employee representatives. In 2023, Singapore property manager conducted a webinar on Fair Employment Practices for all our employees. There were zero cases of human rights or fair labour infringements over this financial year.

### Looking forward

PARAGON REIT aims to continue providing a sustainable workforce by establishing fair working conditions and strictly adhering to existing and forthcoming fair labour practices.

## RESPONSIBLE SUPPLY CHAIN

Ensuring a responsible value chain is paramount for PARAGON REIT due to its multifaceted significance. Primarily, this aligns with our sustainability goals and societal expectations, enhances our brand reputation whilst also reducing negative environmental impacts. This is particularly crucial in the regions where we operate, where environmental regulations are stringent.

We remain cognisant that responsible supply chain management can mitigate risks. Ensuring that our suppliers adhere to ethical, environmental, and legal standards reduces the likelihood of costly legal

repercussions, damages to our brand’s integrity and environmental degradation. Moreover, it promotes fair labour practices, safeguarding against labour-related controversies in countries with diverse labour laws.

As a responsible supply chain positively influences investor sentiment, ethical business practices and sustainability considerations resonate with our modern investors, increasing our shareholder and capital value.

### Our management approach and initiatives

PARAGON REIT acknowledges that its commitment to sustainability is strengthened through collaboration with external partners, such as suppliers, who can positively impact society and the environment. Conversely, procuring unsustainable materials can harm PARAGON REIT’s reputation and ESG performance. Therefore, we strive to engage with suppliers who are transparent, ethical, and socially and environmentally responsible for all our projects.

PARAGON REIT updated its Supplier Code of Conduct in 2023, which aligns with ethical business practices. We conduct our business with integrity, transparency, and honesty, and this commitment extends to all our suppliers. We also ensure fair treatment of all employees and compliance with national labour laws regarding wages and working hours. We review and assess economic impact, energy efficiency, and green initiatives where applicable to ensure that our suppliers meet our high standards.

### Our performance

In 2023, all tender specifications in Singapore require safety records at the proposal submission stage to be eligible for further consideration. RPMS appointed vendors also continue to adhere to the minimum service standards required, resulting in no disruptions to the supply chain and material operations across all our properties.

### Looking forward

Going forward, PARAGON REIT aims to maintain alignment with the Supplier Code of Conduct among vendors and suppliers. We target to continue establishing collaborative efforts with various stakeholders and operate responsibly in terms of environmental management.

## 6. PILLAR 4: ENABLE INCLUSIVENESS, SAFETY, GROWTH AND DIVERSITY FOR OUR PEOPLE

This ESG pillar presents fundamental commitments for PARAGON REIT as we focus on several critical material topics including, employee and public health, safety and wellbeing, stakeholder impact and partnerships, training and development, and non-discrimination and equal opportunity. As we embrace these material topics, we can further strengthen our reputation as an ethical, responsible, and people-centric organisation whilst fostering a positive and sustainable impact on our community, economy, and overall industry.

### HEALTH, SAFETY & WELLBEING (EMPLOYEES & PUBLIC)

At PARAGON REIT, we prioritise the health, safety, and wellbeing of both our employees and the surrounding community. This involves maintaining safe property conditions, disaster preparedness, and the promotion of employee health and well-being.

#### Our management approach and initiatives

PARAGON REIT is committed to providing a healthy and hazard-free environment for shoppers, tenants, employees, contractors, and suppliers. We ensure that we abide closely with health and safety requirements such as the Singapore Workplace Safety and Health Guidelines, including its latest guideline, to strengthen the management of our health, safety, and wellbeing.

Our sponsor's Workplace Safety and Health committee, including representative from PARAGON REIT, manages and maintains oversight over issues of health, safety, and wellbeing. This committee meets quarterly to discuss matters pertaining to health and safety and identify any potential risks that needs to be further addressed. PARAGON REIT takes an active approach to preventing and mitigating occupational health and safety impacts within our operations where any stakeholders or employees can submit a report internally. Our property managers would also regularly conduct on the ground checks in our assets to ensure any health and safety risks are highlighted and mitigated appropriately. These checks are reported to the ARC and the Board.

In Singapore, we adhere to the Group's Total Workplace Safety and Health Policy to manage interactions between work, safety, and health for employees of PARAGON REIT. In Australia, we have in place a similar Workplace Safety and Health policies and procedures are implemented by the respective property managers. These policies are broadcasted to our employees as and when there are webinars, trainings or events that relate to health, safety, and wellbeing.

#### *Enhancing safety within our public spaces*

Fire hazards is a significant safety concern amongst our workers and visitors. Therefore, we take an active approach to mitigate and ensure we have measures in place in an event of a fire. PARAGON REIT conducts regular fire risk assessments to identify and manage these potential risks and hazards.

In addition to the risk assessments, we have implemented policies such as the Emergency Response Plan in our Singapore malls, to obtain a swift response and evacuation in the event of a fire. This plan outlines the responsibilities and actions of all parties involved during a fire emergency. Additionally, tabletop fire drills were conducted for RPMS employees to comply with local fire safety requirements.

Similarly, in our Australian operations, we conduct annual and monthly workplace health and safety training for property managers and employees for Figtree Grove and Westfield Marion properties. At Figtree Grove, various safety measures, including Fire Safety Equipment compliance tests and evacuation drills, are in place yearly to manage hazard risks. Emergency Management Manuals are also in place to address other emergency situations including natural disasters, building damages and acts of terrorism, which are continually being reviewed through desktop simulations.

In the management of similar risks and hazards in public spaces at Westfield Marion, safety manuals, emergency evacuation plans, and a tenant safety certification process are implemented. We also restrict the use of flammable materials within retail premises to minimise fire risks.



# SUSTAINABILITY REPORT

Our on-site teams regularly inspect and maintain the premises while adhering to safe operating standards to maintain a high level of safety and smooth running of operations. Under the Tenancy Safety Certification process, tenants are required to renew any relevant safety certifications to ensure system reliability.

In the event of a major incident, we have established guidelines for all relevant stakeholders to facilitate swift and organised incident reporting. The results of investigations inform follow-up actions to minimise future incidents, and post-incident reviews are retained for future reference and guideline reviews. Reporting guidelines are reviewed annually.

### *Employee mental health and well-being*

The mental health and well-being of our employees and workers is equally as important to PARAGON REIT as their physical health and safety. As such, PARAGON REIT participates in the Workplace Outreach Wellness ("WOW") programme administered by the Health Promotion Board ("HPB"). This programme offers health programmes and workshops to enhance employee well-being and engagement. Examples of workshops that have been organised to support employee mental health.

### *Across our employees*

Training and development of PARAGON REIT's managers and property management staff will lead to high levels of competency to carry out quality service and delivery for our stakeholders. As such, trainings to upgrade employees' knowledge on a range of topics is embedded in PARAGON REIT's business practices. All PARAGON REIT managers and relevant property management staff attended our ESG training courses in 2023.

### **Our performance**

In 2023, zero cases of non-compliance in health and safety matters occurred. There were zero incidents resulting in permanent disability or fatalities among stakeholders and employees of PARAGON REIT.

### **Looking forward**

PARAGON REIT aims to uphold our safety standards through continuous review and improvements to our policies and procedures. We target to maintain zero cases of high-consequence injuries among stakeholders, such as the public and our employees.

Table 11. Work-related injuries

	REIT managers (Singapore)	Property managers (Singapore)	Property managers (Australia)
Number of hours worked	26,520	268,398	20,798
Rates have been calculated based on 200,000 hours worked	0	0	0

### STAKEHOLDER IMPACT AND PARTNERSHIPS

At PARAGON REIT, we aim to build strong relationships with our stakeholders, including tenants, local communities, suppliers, and industry partners, to foster collaboration and shared growth. This ensures that PARAGON REIT positively impacts the broader ecosystem.

#### Our management approach and initiatives

As means of enhancing our stakeholder impact and partnerships, PARAGON REIT engages all our

tenants directly to understand the sustainability of their businesses and how to assist them. We hold engagement sessions to communicate with our tenants and address any key areas of concerns.

We collaborated with Singapore Polytechnic and Singapore Environmental Council to provide sustainability training to tenants as well. Through such initiatives, we strengthen our relationship with our tenants and build long-term relationships that strengthen our business.

Figure 8. PARAGON REIT sustainability training initiatives



#### Our performance

In July 2023, PARAGON REIT established a sustainability-linked term loan facility of S\$995 million, with “green” targets tied to its achievements in utilities savings and initiatives with tenants. This demonstrated PARAGON REIT’s commitment to consider its environmental and social impact of its business comprehensively and foster collaboration with various stakeholders to integrate sustainability considerations into its operations.

#### Looking forward

PARAGON REIT will continually engage with all our tenants to assess their sustainability efforts and support their success, thereby enhancing the partnership and relationships with stakeholders.

### TRAINING & DEVELOPMENT

Investing in our workforce entails offering training and development programs to our employees, empowering them to reach their full potential. Through these programs, we can cultivate a skilled and motivated workforce, enhancing the REIT’s overall performance and competitiveness.

#### Our management approach and initiatives

Training and development are integral in ensuring a motivated workforce and maintaining high competency levels amongst our employees. Safety training, as well as various other training programs, are integrated into our operations to upgrade and refresh employee knowledge across diverse topics. As our team is relatively small, we personally encourage our staff to attend all relevant training programs that we conduct. They ensure that PARAGON REIT’s training programmes are up to date and regularly reviewed for efficacy.

#### Safety training

In Singapore, we conduct regular safety training, including Company Emergency Response Team (“CERT”) and first aid training for employees at all CMO. These programs cover basic first aid, Automated External Defibrillator (“AED”) training, fire emergency responses, and Workforce Skills Qualifications (“WSQ”) Implement Incident Management Processes.

# SUSTAINABILITY REPORT

In Australia, annual workplace health and safety training is provided for all Centre Management personnel at Figtree Grove, along with monthly safety training sessions for all employees at Westfield Marion. Various safety topics, including emergency management, safe handling of hazardous materials, working at heights, and confined space work, are covered.

PARAGON REIT distributes A Work-Health Safety (“WHS”) handbook on an annual basis to all retailers as a reminder of their responsibility to raise safety concerns with Centre Management. Any concerns raised are assessed as part of the group’s monthly WHS Forum.

Prior to the commencement of fit-out works for our new contractors, inductions are implemented, and kick-off meetings are held to review their safety policies and procedures. Contractors also receive regular training covering emergency management, safe working procedures on handling hazardous materials or chemicals, and working at height or within confined spaces.

## Other training

In 2023, directors received training on several topics, including regulatory updates and business sustainability. Additionally, they attended Directors’ conferences and seminars on audit committees that were organised by the Singapore Institute of Directors (“SID”). PARAGON REIT property managers also underwent Facility Management (“FM”) related, Real Estate related, and other related training programmes.

## Our performance

Overall, in 2023, 12 employees in Singapore underwent 50 total training hours and participated in an ESG training<sup>7</sup>. PARAGON REIT CMS license holders also met the training hours requirement.

Over the course of this financial year, we had 133 property managers, with 120 in Singapore and 13 in Australia. Our property managers in Singapore underwent 1,552 hours of training (an average of 12.9 hours per property manager) while property managers in Australia underwent 376.5 hours of training (average 29.0 hours per property manager) in 2023.

## Looking forward

In 2024, we target to maintain high participation rates for ESG-related training sessions for both our employees and property managers. For instance, we will continue to encourage all our employees to take value-adding training and at least one ESG-training annually.

## NON-DISCRIMINATION AND EQUAL OPPORTUNITY

Upholding principles of non-discrimination and equal opportunity reinforces a diverse and inclusive working environment and workforce. As such, we can ensure that every individual is treated fairly and are provided the opportunity to contribute their best to the REIT.

## Our management approach and initiatives

PARAGON REIT is committed to fostering a diverse workplace. We believe that a workplace that embraces diversity will attract and retain talent. Our diversity, equity, and inclusion policies ensure the representation of employees of different ages and genders within the organisation.

Through our parent company, PARAGON REIT is a signatory to the TAFEP. All PARAGON REIT employees are executives that form a part of management and PARAGON REIT employees are not represented by unions to avoid any conflict of interest.

Each of our two operations in Australia has a dedicated Australian property manager overseeing the management of the malls, respectively. Each of the property managers has an established centre management team, comprising various functions including retail, property, and administration to manage the mall operations.

## Our performance

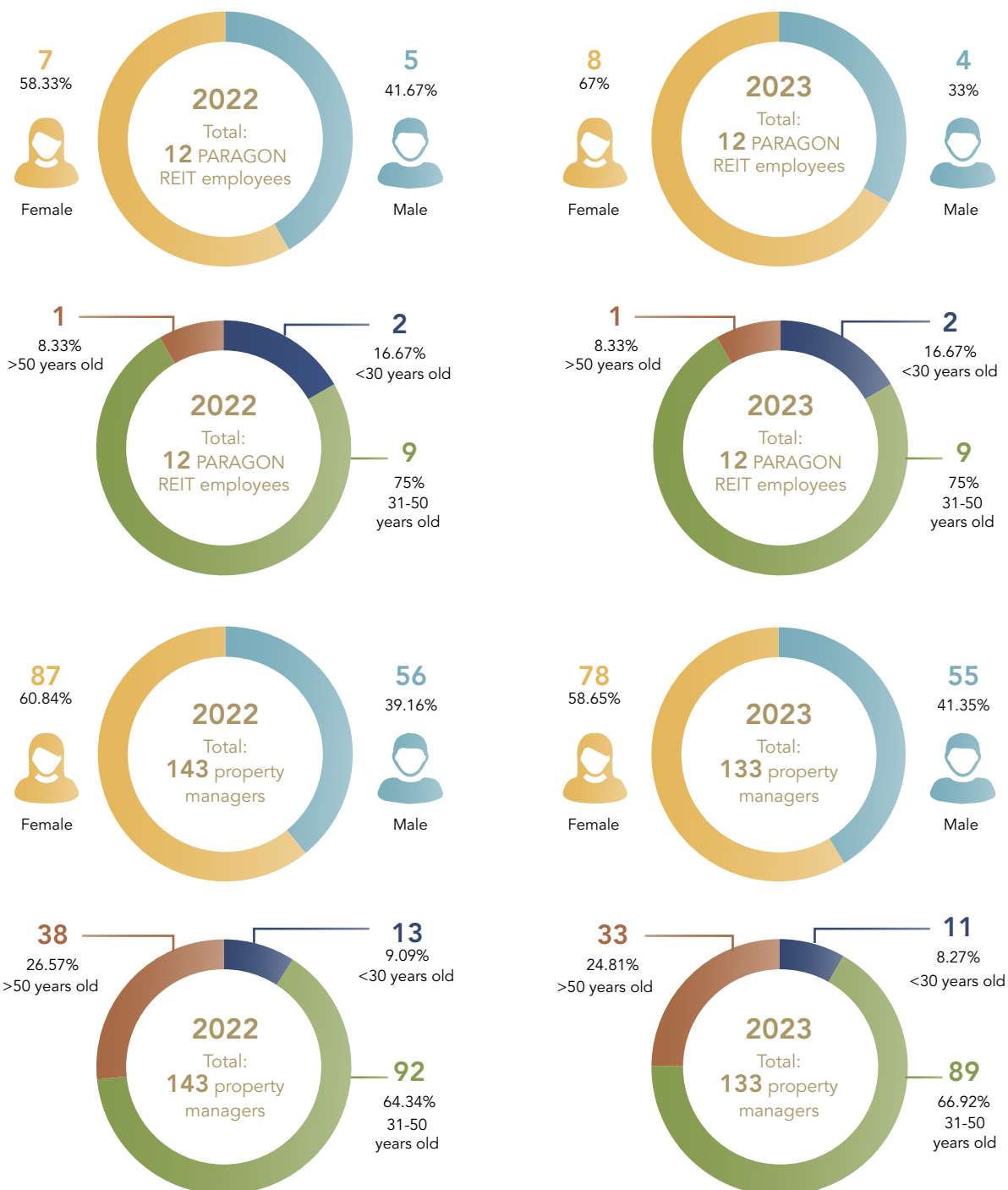
Overall, there were zero incidents of discrimination on grounds of colour, gender, sex, religion, political opinion, or social origin reported during this financial year.

<sup>7</sup> Reported training hours account for the 2023-year end and is lower than the actual number of hours, given that two new employees are yet to undergo training as of the reporting date.

PARAGON REIT's workforce comprises 12 full-time employees based in Singapore. The number of full-time employees PARAGON REIT employed remains unchanged from 2022 to 2023. A detailed comparison of the gender and age demographic of PARAGON REIT's employees is illustrated below.

As of 2023, there were a total of 133 property management staff across the Singaporean and Australian properties. A detailed comparison of the gender and age demographic of PARAGON REIT's property managers is illustrated below.

Figure 9. Our employee breakdown



# SUSTAINABILITY REPORT

Table 12. Property managers breakdown

Gender diversity in governance bodies		
Board	Female	Male
Number	4	5
(%)	44.4%	55.6%
Management	Female	Male
Number	3	1
(%)	75.0%	25.0%

Table 13. Diversity of governing bodies & SGX Governance

Board composition		
	Independent	Non-independent
Number	6	3
(%)	66.7%	33.3%
	Executive	Non-executive
Number	0	9
(%)	0.0%	100.0%

Table 14. New hires and turnover breakdown by gender (SGX)

New hires	Number	(%)
Under 30 years old	0	0.0%
30 -50 years old	3	100.0%
Over 50 years old	0	0.0%
Turnover	Number	(%)
Under 30 years old	0	0.0%
30 -50 years old	3	100.0%
Over 50 years old	0	0.0%

Table 15. Total number of employees by employment by gender, region, and contract

New hires	Absolute number	(%)
Female	2	66.7%
Male	1	33.3%
Turnover	Absolute number	(%)
Female	1	33.3%
Male	2	66.7%
Total change	0	100.0%

Table 16. Total number of REIT employees by gender and contract

Total number of REIT employees by gender and contract		
	Female	Male
Permanent	8	4
(%)	66.7%	33.3%
Temporary	0	0
(%)	0.0%	0.0%

Table 17. Total number of employees by employment type by gender, region, and contract

Total number of employees by employment type by gender, region, and contract				Total
		Female	Male	
Australia	Permanent	8	5	13
	(%)	62.0%	38.0%	100.0%
	Temporary	0	0	0
	(%)	0.0%	0.0%	0.0%
Singapore	Permanent	70	50	120
	(%)	58%	42%	100.0%
	Temporary	0	0	0
	(%)	0.0%	0.0%	0.0%
Total		78	55	133

### Looking forward

Moving forward, PARAGON REIT aims to maintain zero incidents of discrimination in our workplace to ensure that it remains a safe environment for all.

## 7. PILLAR 5: ENGAGE LOCAL COMMUNITIES AND ADVOCATE FOR POSITIVE IMPACT

Under this pillar, PARAGON REIT primarily focuses on local communities and community engagement. As we strive to effectively address this material topic, we can not only enhance our social responsibility but also contribute to the long-term sustainability of our real estate investments in Singapore and Australia.

### LOCAL COMMUNITIES / COMMUNITY ENGAGEMENT

Local community and community engagement are vital considerations for PARAGON REIT as we remain aware of our operational impacts on local communities, beyond financial gains. We recognise the role we should play in

fostering positive relationships, social responsibility, and sustainable growth.

Engaging with local communities extends beyond being a REIT, and towards being a conscientious partner. This entails understanding the unique needs, cultures and values of the communities that reside around our assets. We focus on active participation in community development initiatives to enhance infrastructure, educational and healthcare projects, and promoting social wellbeing.

We aim to advocate for positive impact by not only engaging but also actively promoting policies and practices that align with the broader societal and environmental good. As we address these aspects, PARAGON REIT hopes to build strong relationships, add social value, and secure a sustainable and ethical position in the industry, ultimately benefitting both the REIT and the communities in which we serve.

# SUSTAINABILITY REPORT

## Our management approach and initiatives

PARAGON REIT places great importance on engaging with and “caring for our community” as part of our Corporate Social Responsibility (CSR) programme. We actively collaborate with our tenants to implement various campaigns that promote the spirit of giving back. These initiatives are organised across five main categories – Charity & Community, Nature & Conservation, Education, Arts & Culture and Sports.

## Our performance

We have accomplished our 2023 target of integrating CSR activities into at least two events held at our malls. Through our key community engagement programmes highlighted below, we aim to create positive impacts to enrich and uplift lives of our participants and communities.

Table 18. Our social Initiatives

**Paragon Junior Charity Event (Paragon)**  
Paragon successfully sold event passes to Paragon Junior Charity event worth \$3,000. These event passes granted attendees access to a range of interesting social activities, including bouldering, candle making, and manicure sessions. All of the proceeds generated were donated to Kid Horizon Appeal, Paragon’s beneficiary dedicated to supporting children with chronic illnesses.



**Yoga Charity Event (Paragon)**  
Paragon collaborated with Under Armour and Fitness First to organise a meaningful Yoga Charity Event, held at the Level 1 outdoor foyer. Through this event, Paragon successfully raised \$3,200 for the Singapore Cancer Society. In addition, Paragon matched dollar-for-dollar and donated a further \$3,200 to the Singapore Cancer Society. Singapore Cancer Society is a beneficiary committed to minimising the impact of cancer and maximising lives through effective programs.

**Fund Raising for Singapore Cancer Society via Jolly Winter Kids Parties (Paragon)**

Continuing our CSR efforts with Singapore Cancer Society, Paragon's Jolly Winter Kids Parties in Nov/Dec 2023 managed to raise a further \$8,650 in donations to the beneficiary. The funds were raised via purchase of event passes to a captivating array of kids' activities, from scavenger hunts to clay sculpturing, bouldering, and chocolate painting sessions organised by Paragon and tenants during the Festive season.



**Blessings of Fortune (The Clementi Mall)**

To support needy seniors living in Clementi, The Clementi Mall partnered with Lion Befrienders Services Association Singapore in January and February 2023 to raise funds. PARAGON REIT donated \$1 for every fortune cookie made by seniors and also collected donations from the public. The campaign raised \$740.



**Better future for our children (The Clementi Mall)**

To foster growth and meaningful connections with our community, The Clementi Mall partnered with Children's Wishing Well, an organisation dedicated to supporting disadvantaged children. The Clementi Mall hosted fifteen children for lunch and brought them through a short learning journey to the library and supermarket.



# SUSTAINABILITY REPORT

## Fund Raising for Singapore Cancer Society (The Clementi Mall)

Partnering Singapore Cancer Society (SCS) in the collective fight against cancer, The Clementi Mall organised a fund raising initiative for the whole month of December 2023. For every \$20 donated, the donor will get to receive a reversible design bag specially designed by cancer patients. This collaboration with SCS raised a total of \$1,695.



## Westfield Local Heroes (Westfield Marion)

The Westfield Local Heroes program provides grants to support those who make an impact to their local communities. 3 nominated local heroes and their families were hosted to breakfast by Westfield Marion at one of its café.

The winner to the Local Hero 2023 award won a grant of A\$20,000 for the St Jude's Brighton Community Meal, which provides food and company to more than 100 locals every Friday. The grant will go towards industrial refrigeration and an outdoor dining area to accommodate more people.

One of the finalists received A\$5,000 for Friends of Sturt River Landcare Group, a volunteer group that maintains and re-establish native plant communities for biodiversity and climate resilience. The other finalist received A\$5,000 for Grandparents for Grandchildren SA, an organisation that supports grandparents who have concerns about the safety and welfare of their grandchildren and those who are experiencing alienation.





### Vulnerable Community Support (Westfield Marion)

Westfield Marion supported the neighboring SA Leisure and Aquatic Centre when they opened their doors to South Australia's homeless community with a pop-up shelter to temporarily provide a warm and inviting refuge for rough sleepers. We donated dinner and breakfast items purchased from our retailers and made up 100 individual care packs with snacks and food items.

Additionally, Westfield Marion's Foodbank currently support 135,000 South Australians to put food on the table. Westfield Marion hosted 3 collection bins and a collection and collected 4,575kg of food in 2023, which will assist to put thousands of meals on the table to feed vulnerable persons in the community.

### Community Engagement Initiatives (Westfield Marion)

Westfield Marion hosted a variety of community engagement initiatives including hosting local musicians, interactive painting events, interactive wildlife education events, indigenous artwork experiences, and holiday events.



### Interactive Storytime sessions (Figtree Grove)

Each month Wollongong City Library provides free, interactive Storytime sessions in Figtree Grove for local children and families. This community outreach event supports local families to help children build a lifelong love of reading, learning and literacy and provide parents with tools to further develop toddler early literacy.

# SUSTAINABILITY REPORT

## Cancer Cares Fundraiser (Figtree Grove)

As part of Figtree Grove's fundraising initiatives, Gift Wrapping and Gift Stalls are held three times annually for Mother's and Father's Day and in the lead up to Christmas. All gift-wrapping supplies are supplied by the Centre and the gifts are made by the volunteers and their families. Full proceeds are donated to the Illawarra Cancer Carers, an organisation that provides trained volunteers who work in conjunction with the medical staff of the Illawarra Area Health Service to offer practical, emotional and physical assistance to cancer patients and their families. In 2023, a total of A\$5,881 was raised.



## Red Shield Appeal (Figtree Grove)

Figtree Grove partnered with The Salvation Army to raise money in support of Australians with hardship, homelessness, domestic violence, addiction, mental illness, poverty, isolation and much more. The common area is provided to the Salvation Army Charity to raise funds free of charge.

## Looking forward

We strive to maintain our efforts in engaging the community and stakeholders around us to maximise our positive social impact, and we look forward to organising more initiatives in the following financial year.

## 8. APPENDIX MEMBERSHIP OF ASSOCIATIONS

PARAGON REIT is a member of the REITAS and acts as a REITAS SGX Listed co. international advocacy. As an active member of REITAS, PARAGON REIT represents and engages with policy makers regarding key matters affecting Singapore REITs under MAS and SGX guidelines.

PARAGON REIT is also a member of the Orchard Road Business Association (“ORBA”), an association that aims to enhance Orchard Road’s position as one of the world’s premier shopping and lifestyle destinations.

### GRI MATERIALITY INDEX (DISCLOSURE INDEX)

GRI DISCLOSURE	LOCATION	OMISSION		
		Reason for omission	Required explanation	
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	73	-	-
	2-2 Entities included in the organisation’s sustainability reporting	73	-	-
	2-3 Reporting period, frequency, and contact point	72	-	-
	2-4 Restatements of information	72, 85, 87	-	-
	2-5 External assurance	72	-	-
	2-6 Activities, value chain and other business relationships	90	-	-
	2-7 Employees	99	-	-
	2-8 Workers who are not employees	99	-	-
	2-9 Governance structure and composition	78	-	-
	2-10 Nomination and selection of the highest governance body	AR p.125	-	-
	2-11 Chair of the highest governance body	AR p.122	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	78	-	-
	2-13 Delegation of responsibility for managing impacts	78	-	-
	2-14 Role of the highest governance body in sustainability reporting	78	-	-
	2-15 Conflicts of interest	90	-	-
	2-16 Communication of critical concerns	91	-	-
	2-17 Collective knowledge of the highest governance body	91	-	-
	2-18 Evaluation of the performance of the highest governance body	Annual Report	-	-
	2-19 Remuneration policies	Annual Report	-	-
	2-20 Process to determine remuneration	Annual Report	-	-

# SUSTAINABILITY REPORT

GRI DISCLOSURE	LOCATION	OMISSION		
		Reason for omission	Required explanation	
2-21 Annual total compensation ratio	-	Information unavailable	Compensation value for individuals/highest paid individual unavailable	
2-22 Statement on sustainable development strategy	73	-	-	
2-23 Policy commitments	Disclosed throughout Sustainability report 2023 across all pillars	-	-	
2-24 Embedding policy commitments	Disclosed throughout Sustainability report 2023 across all pillars	-	-	
2-25 Processes to remediate negative impacts	Disclosed throughout Sustainability report 2023 across all pillars	-	-	
2-26 Mechanisms for seeking advice and raising concerns	91	-	-	
2-27 Compliance with laws and regulations	90	-	-	
2-28 Membership associations	107	-	-	
2-29 Approach to stakeholder engagement	81	-	-	
2-30 Collective bargaining agreements		Not applicable	No collective bargaining agreements	
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	81	-	-
	3-2 List of material topics	81	-	-
Sustainable materials	3-3 Management of material topics	89	-	-
	301-1 Materials used by weight or volume		Information unavailable	New material topic
	301-2 Recycled input materials used		Information unavailable	New material topic
Energy	3-3 Management of material topics	84	-	-
	302-1 Energy consumption within the organisation	84	-	-
	302-3 Energy intensity	85	-	-
	302-4 Reduction of energy consumption	84-85	-	-

GRI DISCLOSURE	LOCATION	OMISSION		
		Reason for omission	Required explanation	
Emissions	3-3 Management of material topics	84		
	305-1 Direct (Scope 1) GHG emissions		Not applicable	Negligible amount
	305-2 Energy indirect (Scope 2) GHG emissions	85	-	-
	305-3 Other indirect (Scope 3) GHG emissions		Information incomplete	Information for Scope 3 GHG emissions incomplete
	305-4 GHG emissions intensity	85	-	-
	305-5 Reduction of GHG emissions	85	-	-
Water	3-3 Management of material topics	87	-	-
	303-2 Management of water discharge-related impacts	87	-	-
	303-5 Water consumption	87	-	-
Waste	3-3 Management of material topics	85	-	-
	306-1 Waste generation and significant waste-related impacts	85-86	-	-
	306-2 Management of significant waste-related impacts	86	-	-
	306-3 Waste generated	85-86	-	-
Occupational Health and Safety	3-3 Management of material topics	95	-	-
	403-1 Occupational health and safety management system	95-96	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	95-96	-	-
	403-3 Occupational health services	95-96	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	95-96	-	-
	403-5 Worker training on occupational health and safety	95-96	-	-
	403-6 Promotion of worker health	95-96	-	-
	403-8 Workers covered by an occupational health and safety management system	95-96	-	-
	403-9 Work-related injuries	95-96	-	-
	403-10 Work-related ill health	95-96	-	-
Training and Education	3-3 Management of material topics	97	-	-
	404-1 Average hours of training per year per employee	98	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	97-98	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews		Information unavailable/incomplete	Information unavailable

# SUSTAINABILITY REPORT

GRI DISCLOSURE	LOCATION	OMISSION		
		Reason for omission	Required explanation	
Non-discrimination	3-3 Management of material topics	98	-	-
	406-1 Incidents of discrimination and corrective actions taken	98	-	-
Human rights and fair labour	3-3 Management of material topics	94	-	-
Local Communities	3-3 Management of material topics	101	-	-
	413-1 Operations with local community engagement, impact assessments, and development programs	101-106	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	101-106	-	-
Customer Privacy	3-3 Management of material topics	93	-	-
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	93	-	-
Anti-corruption	3-3 Management of material topics	91-92	-	-
	205-1 Operations assessed for risks related to corruption	91-92	-	-
	205-2 Communication and training about anti-corruption policies and procedures	91-92	-	-
	205-3 Confirmed incidents of corruption and actions taken	91-92	-	-

## TCFD INDEX

TCFD Recommended Disclosure	Description
<b>GOVERNANCE</b>	
a. Describe the organisation's governance around climate-related risks and opportunities	<p>The Board of Directors has delegated the responsibility to approve, manage and monitor, as well as report sustainability issues and ESG factors to the Audit &amp; Risk Committee (ARC). The ARC provides updates to the Board on the material ESG factors, including climate-related issues. The Board still maintains effective oversight of the ESG factors. The Board would still be responsible to approve the environmental risk management framework prepared by the Steering Committee.</p> <p>PARAGON REIT has an appointed Sustainability Steering Committee ("SSC") with oversight of environmental risk. This committee develops sustainability objectives and strategies and monitors overall sustainability performance and then reports back to the Board. The Sustainability Working Committee drives the sustainability programme across the organisation.</p> <p>PARAGON REIT holds trainings and sharing sessions with the Board and the Senior management on ESG awareness and general landscape updates, as well as provides quarterly sustainability reporting updates in the ARC meetings.</p>
b. Describe management's role in assessing and managing climate-related risks and opportunities	<p>Progress against the climate-related targets is monitored by the Board on an annual basis through KPIs. PARAGON REIT management regularly monitors environmental KPIs and collects data for submission to the statutory board for green certification.</p> <p>PARAGON REIT also has an established reporting and internal escalation process for managing environmental risk. As a start, the property manager would inform PARAGON REIT's asset manager &amp; senior management about any climate-related risks, prevention and/or remediation. Thereafter, it will be escalated to ARC for their information, consideration, and guidance. Following which, the ARC will report to the Board accordingly.</p>
<b>STRATEGY</b>	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>PARAGON REIT performed its first scenario analysis in 2022, and identified and prioritised the key risks and opportunities for PARAGON REIT's assets in Singapore and Australia, covering 100% of PARAGON REIT's portfolio.</p> <p>Through the scenario analysis, we have identified several key physical and transitional risks in the short, medium, and long-term (2030, 2050, 2070) that have the potential to affect our operations. The scenario analysis considers two scenarios, the 1.5°C Scenario (RCP 2.6) and &gt;3°C Scenario (RCP 8.5). The considered timeframe is over the short term (2030), medium term (2050), and long term (2070), with a baseline year of 2019. Three retail properties in Singapore and two retail properties in Australia were considered for the scope of the scenario analysis.</p> <p>A non-exhaustive list of key physical and transition risks is listed as follows:</p> <p>Physical risks:</p> <ul style="list-style-type: none"> <li>• More frequent or intense floods (river and flash floods)</li> <li>• Higher mean temperature and more frequent/intense heatwaves</li> <li>• Windstorms (tropical cyclones)</li> <li>• Water stress</li> </ul> <p>Transition risks:</p> <ul style="list-style-type: none"> <li>• Carbon pricing</li> <li>• Changing customer expectations</li> <li>• Low carbon economy transition policies and regulations</li> <li>• Technology shifts</li> </ul>



# SUSTAINABILITY REPORT

TCFD Recommended Disclosure	Description
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<p>Climate-related risks and opportunities are deeply embedded in the organisation's decision-making at all levels. For example, any major investment or possible expansion is evaluated for climate risks as part of the due diligence process.</p> <p>We have made progress on some of the recommendations arising from the scenario analysis findings, including embarking on our decarbonisation journey by establishing a decarbonisation roadmap. To this end, we have started tracking our Scope 3 emissions, and aim to expand the coverage in future years. Developing sustainability features in our buildings, such as retrofitting the buildings to increase energy and water efficiency, is a key climate-related opportunity we are considering as well. Solar panel installation is also expected to be completed on PARAGON REIT properties in 2024. In 2023, we also reduced our electricity consumption by 5.39%, exemplifying our commitment to energy efficiency.</p> <p>We are also looking into green building evaluation for our properties to prepare for the low-carbon transition in the future. Given Singapore and Australia's net zero carbon goals, the authorities will implement policies to lower emissions and transit to lower carbon economy. There is also an increased risk where policies will require buildings to incorporate green features and operate in accordance to green building standards.</p>
<p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>The findings from our scenario analysis have helped shape our strategy to ensure our organisation remains resilient in the face of change.</p> <p>To leverage changing consumer preferences, we will consider the possibility of developing an enhanced green lease with an additional focus on energy efficient or carbon-reducing technologies. This will help reduce tenant's power consumption and increase greater visibility to energy use during the lease.</p> <p>Furthermore, PARAGON REIT aims to continue working towards growing the green finance market, through the adoption of sustainability-linked loans. In July 2023, we have established a sustainability-linked term loan with our existing lending banks, demonstrating comprehensive consideration of the environmental and social impact of our business.</p>
<h2>RISK MANAGEMENT</h2>	
<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<p>Our Sustainability taskforce continuously monitors all current events and regulatory updates in the geographic regions where our operations are active to safeguard against transition risk, such as emissions reduction policies that are implemented on a regional level.</p> <p>For asset related reporting and monitoring of risks, PARAGON REIT currently adopts a risk assessment in which risks driven by climate change or environmental influences such as flood and fire risks will be covered. Informed by the results of this risk assessment, PARAGON REIT would be able to estimate the necessary capital costs needed for risk mitigation, such as flood protection or alternatively the operational costs for insurance premium.</p>

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<p>b) Describe the organisation's processes for managing climate-related risks.</p>	<p>Short-term risks are addressed by management, who take immediate steps to mitigate potential damage. Medium and long-term risks are discussed with the Board when shaping the direction of the REIT's strategies.</p> <p>The 2022 scenario analysis also lead to the following:</p> <p><b>Assessment of results</b>  PARAGON REIT aims to draw conclusions on the financially material physical and transition risks and validate or update its current strategy.</p> <p><b>Considerations on the need to take actions</b>  PARAGON REIT has adopted some recommendations, and is reviewing other possible mitigation and adaptation plans, as well as identifying climate-related opportunities. The ultimate aim is to help PARAGON REIT's portfolio build resilience against climate-related risks and capture climate-related opportunities.</p> <p>Such resilience will future-proof PARAGON REIT's real estate portfolio to guard against the risk of climate change, to avoid premature obsolescence, and maximise its ability to capitalise on available opportunities.</p> <p><b>Actions taken to address the risk</b>  PARAGON REIT has embarked on a number of asset enhancement initiatives (AEIs), including:</p> <ul style="list-style-type: none"> <li>• Replacement of AHUs</li> <li>• Solar panels</li> <li>• Cold/Hot Air balancing</li> <li>• Upgrade of BMS to better track usage</li> <li>• Phased installation of flood barriers</li> <li>• Installation of electric vehicle car parks</li> </ul> <p>Actions have also been taken to mitigate other physical risks. To mitigate intense floods, we update and ensure drainage systems are designed to handle floods. A key action which arises from the scenario analysis is the possibility of installing necessary infrastructure and building features to increase the resilience.</p> <p>Heat threats lead to health and mortality risks which require a heat vulnerability assessment to be identified. To address this limitation, heat mitigation solutions including artificial shading and cool roofs can be installed.</p> <p>PARAGON REIT is also currently developing a decarbonisation roadmap and setting up ambitious decarbonisation targets. Additional physical risk strategies, which were investigated during the scenario analysis are also being assessed.</p>
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>We integrate climate risk into our organisation's risk management framework across all business units and geographies, including the enterprise risk management framework. ESG-related risks and opportunities are considered in all major decisions, from creating new product lines to expanding to new geographies.</p> <p>Certain initiatives PARAGON REIT has currently undertaken include an ESG awareness training, with a focus on climate-related risks, and Board and Senior Management as the target audience. Furthermore, on a quarterly basis, PARAGON REIT's sustainability consultants provide sustainability reporting updates to the ARC.</p>

# SUSTAINABILITY REPORT

TCFD Recommended Disclosure	Description
<b>METRICS &amp; TARGETS</b>	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>The key metrics and targets we have set relate to our GHG emissions.</p> <p>PARAGON REIT discloses its Scope 2 emissions of four of its properties. In this past financial year, PARAGON REIT has reduced its Scope 2 emissions by 9.29%. The emissions targets (energy usage, GHG emissions, water usage in intensity &amp; absolute terms) set are currently only for two properties in Singapore, namely Paragon and The Clementi Mall. The Rail Mall data has been excluded as it lacks shared common areas, and tenants are responsible for their own utilities consumptions. Our like-for-like targets were initially set before PARAGON REIT acquired our assets in Australia. In 2024, we plan to revise our targets to include both Westfield Marion and Figtree Grove.</p> <p>In general, climate related targets are intensity based and applied to a 10-year timeframe (short to mid-term), with the base year utilised being 2015. Short term climate targets on electricity consumption and GHG emissions are set only for the two Singapore properties, Paragon and The Clementi Mall.</p> <p>Emissions intensity is used as a KPI to track target performance for the two Singapore properties. Other relevant climate-related metrics may also be considered in the future.</p>
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	We target to continue improvement in disclosures of emissions, where relevant, in 2024. Scope 1 emissions are not deemed material and are thus excluded.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	By creating a decarbonisation roadmap with viable Scope 1, 2 and 3 strategies to support the journey, we will be able to reduce emissions and develop a feasible but ambitious target accordingly next year. In addition, we will be improving our GHG data coverage by tracking our Scope 3 emissions to provide more informed and targeted decision-making procedures. Other climate-related targets relevant to the business may also be considered in the future.

#### LIST OF POLICIES (I.E., ETHICS POLICY, SUPPLIER CODE OF CONDUCT)

- Singapore operations: Group's Total Workplace Safety and Health Policy
- Australia operations: Figtree- WHS training, Westfield Marion- AS4801-certified safety management team
  - Manage interactions between work, safety and health
- IT User Acceptance Policy: Includes guidance to access, usage and deployment of IT resources
- Whistleblowing Policy: To raise potential concerns or report observations of any suspected improper conduct to the Manager
- Supplier code of Conduct
  - Ensures compliance with (including environmental) laws and regulations, ethical business dealings and operations (workplace quality),
- Code of Business, Ethics and Employee Conduct: Addresses matters relating to fraud, business and workplace behaviour, safeguarding of assets, proprietary rights and intellectual property

PARAGON REIT has a thorough list of policies in place to support the health and safety of our employees. In Singapore, the Group's Total Workplace Safety and Health Policy lays out the relevant criteria to manage interactions between work, safety and health. A similar set of policies exists in our Australian operations, with employees

of Figtree Grove required to attend a Workplace Health and Safety training on first aid, emergency preparedness and safe work practices. Meanwhile Westfield Marion's safety team ensures that its safety management system is ISO45001-certified, facilitating a safety-first working culture.

To ensure ethical business operations, our Code of Business Ethics and Employee Conduct provides guidance in addressing matters relating to fraud, business and workplace behaviour, safeguarding of assets, proprietary rights, and intellectual property. The Group also has an IT User Acceptance Policy which includes guidance to the access, usage and deployment of IT resources. If there is a breach in conduct, PARAGON REIT has a whistleblowing policy which allows employees to raise potential concerns or report observations of any suspected improper conduct to the Manager.

Our Supplier Code of Conduct contains key guidelines in order to promote ethical behaviour and sustainability awareness among our key supplies. Key provisions include compliance with all applicable competition, labour and environmental laws and practices, meeting strict standards on workplace safety and the treatment of employees.