Illustrative Sustainability Report

Based on the GRI Standards and IFRS Sustainability Disclosure Standards

A publication by:

INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

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In support of: SG GREEN PLAN

About

The Institute of Singapore Chartered Accountants

The Institute of Singapore Chartered Accountants (ISCA) is the national accountancy body of Singapore with over 36,000 ISCA members making their stride in businesses across industries in Singapore and around the world. ISCA members can be found in over 40 countries and members based out of Singapore are supported through 12 overseas chapters in 10 countries.

Established in 1963, ISCA is an advocate of the interests of the profession. Complementing its global mindset with Asian insights, ISCA leverages its regional expertise, knowledge, and networks with diverse stakeholders to contribute towards the advancement of the accountancy profession.

ISCA administers the Singapore Chartered Accountant Qualification programme and is the Designated Entity to confer the Chartered Accountant of Singapore – CA (Singapore) – designation.

ISCA is a member of Chartered Accountants Worldwide, a global family that brings together the members of leading institutes to create a community of over 1.8 million Chartered Accountants and students in more than 190 countries.

For more information, visit www.isca.org.sg.

ISCA's Professional Standards Department

As the national accountancy body, ISCA is committed to supporting our members in their careers. ISCA's Professional Standards Department provides technical support to members in the areas of audit and assurance, financial reporting, sustainability and climate change, ethics, and specialised industries such as capital markets, banking and finance and insurance. The Department also communicates insights and views to our members and the wider accountancy community. Through our technical committees that comprise representatives from various stakeholders in the corporate reporting eco-system, we hear issues from the ground and conceive initiatives to promote best practices and consistency to uphold technical excellence.

ISCA's Sustainability and Climate Change Committee

ISCA's Sustainability and Climate Change Committee (SCCC) comprises individuals with significant experience and subject matter expertise in sustainability-related matters.

The SCCC promotes the relevance of sustainability, climate change and related advances to business strategy and the accountant's role in advancing these agenda. It also furthers the adoption of quality sustainability reporting and advocates Singapore's interests in relation to sustainability reporting standards and requirements. These are executed with the support of four sub-committees – the Sustainability Reporting Standards Sub-Committee; Capacity Building Sub-Committee; Sustainability Excellence Sub-Committee; and Education Sub-Committee.

Important Information

Context and foreword

In June 2023, the International Sustainability Standards Board (ISSB) issued its inaugural standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2) (collectively the 'IFRS Sustainability Disclosure Standards' or IFRS SDS). These Standards would become effective for annual reporting periods beginning on or after 1 January 2024.

IFRS S1 sets out the overall requirements for a reporting entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities, while IFRS S2 requires an entity to disclose information about its climate-related risks and opportunities.

In its standards, ISSB has introduced a package of (permanent) mechanisms to address proportionality challenges, (temporary) transition reliefs and additional mechanisms to facilitate application. Transition reliefs include a relief from reporting information about sustainability-related risks and opportunities beyond climate-related risk and opportunities. These are highlighted in the guidance notes on pages 11 to 15 of this report.

In ASEAN, the ASEAN Capital Markets Forum (ACMF), a grouping of ASEAN capital markets regulators, is working towards assessing the feasibility of adopting ISSB Standards based on each jurisdiction's own legal and regulatory arrangements with respect to international standards, in a way that promotes consistent and comparable sustainability disclosures across jurisdictions.

For example, on 28 February 2024, Singapore announced that mandatory climate-related disclosures will be introduced in a phased approach, in line with the recommendations from the Sustainability Reporting Advisory Committee (SRAC). Some key requirements include prescribing ISSB-aligned climate-related disclosures, adopting a climate-first approach and allowing use of other standards such as the Global Reporting Initiative (GRI) Standards to be concurrently reported, provided that the standards and frameworks applied are prominently disclosed and additional disclosure does not contradict or obscure the information in the prescribed climate-related disclosures. In September 2024, Singapore Exchange Regulation enhanced its sustainability reporting regime and will start incorporating the latest international standards into its sustainability reporting regime following broad support from respondents to a public consultation, which includes incorporating the climate-related requirements in the IFRS SDS into their climate-related disclosures.

The Advisory Committee on Sustainability Reporting (ACSR) in Malaysia published a consultation in February 2024 on the use of the sustainability disclosure standards issued by ISSB. The public consultation strongly encouraged all stakeholders, including preparers, investors, sustainability assurance providers, rating agencies and others to share their views and feedback on critical considerations including implementation approach, timing and assurance of sustainability disclosures in Malaysia. In September 2024, ACSR launched the National Sustainability Reporting Framework (NSRF) which addresses the use of the IFRS SDS as the baseline for companies in Malaysia. Following the launch, Bursa Malaysia has also issued a public consultation on the proposed amendments to align its Listing Requirements.

In Philippines, the Securities and Exchange Commission (SEC) is revising the Sustainability Reporting (SR) Guidelines for publicly listed entities (PLCs), in an effort to reflect the latest developments in global sustainability frameworks. A draft Memorandum Circular on the Revised SR Guidelines has been issued on 4 October 2023 for public comment. The revised guidelines aim to consider the latest global advancements in sustainability reporting frameworks, notably IFRS S1 and IFRS S2, both of which are fully aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Based on a study[1] conducted by the National University of Singapore (NUS) Centre for Governance and Sustainability (CGS) that focuses on the top 50-listed entities by market capitalisation across 14 selected jurisdictions across the Asia Pacific, more than eighty percent (80%) of reporters across the ASEAN countries such as Indonesia, Malaysia, Philippines, Singapore and Thailand have adopted GRI Standards as a common standard for sustainability reporting.

As such, this document has been developed to illustrate how an entity might apply the IFRS S1 and IFRS S2 requirements concurrently with the GRI Standards. As this is an iterative process, we expect the application to evolve over time in practice.

If you have any queries, feedback or suggestions, please contact ISCA's Professional Standards Department via email at professionalstandards@isca.org.sg.

[1] Sustainability Counts II: State of sustainability reporting in Asia Pacific

Scope of this document

This document is based on a hypothetical listed entity operating in the real estate industry in Singapore with a mix of commercial and retail properties. It is prepared based on an entity reporting in accordance with the GRI Standards but is not intended as a comprehensive illustration of the application of the GRI Standards.

For the purposes of this document, the illustrative sustainability report is focused on the application of IFRS S2 along with IFRS S1, in relation to climate-related requirements in ISSB Standards which are expected to be adopted by the Singapore jurisdiction at the date of publication. Other sustainability-related risks and opportunities beyond climate-related risks and opportunities have not been included. Additionally, at the publication date of this document, the ISSB has commenced research[2] on topics such as biodiversity, ecosystems and ecosystem services and human capital as part of its due process. Therefore, only financial disclosures related to climate-related risks and opportunities are reflected in the "Environmental" section of the document.

Disclaimer

This document was prepared by the Institute of Singapore Chartered Accountants. Its content is not an authoritative document of ISSB or the Global Sustainability Standards Board (GSSB). The views expressed in this document are not necessarily the views or the opinions of ISSB or GSSB.

This document seeks to illustrate early adoption of the climate-related requirements in IFRS S1 and IFRS S2 concurrent with GRI Standards reporting in Singapore and does not include details of legislative amendments which will be consulted at a later stage. It portrays hypothetical situations which explain and illustrate how an entity might apply some of the requirements in IFRS S2 and IFRS S1 and in the GRI Standards but is not intended to provide interpretative guidance nor does this modify (i.e., it will neither add, remove, nor change) any requirements of IFRS S2 and IFRS S1 or of the GRI Standards. The examples provided are not intended to represent the only manner in which the requirements could be applied, nor are the examples intended to apply only to the specific industries illustrated.

The examples are illustrative and use fact patterns that are intentionally simple. Although some aspects of the examples may be present in actual fact patterns, an entity would need to evaluate all relevant facts and specific circumstances of a particular fact pattern when applying IFRS S1 and IFRS S2.

This document is not a comprehensive application of the requirements in GRI Standards and IFRS SDS as stated under the Scope. When applying GRI Standards or IFRS SDS, preparers must refer to the GRI Standards and IFRS SDS respectively, including their respective definitions of materiality.

According to IFRS SDS, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence investor decisions. IFRS SDS are focused on meeting the information needs of investors. An entity need not disclose information otherwise required by ISSB Standards if the information is not material, even if an ISSB Standard contains a list of specific requirements or describes them as minimum requirements.

According to the GRI Standards set by the Global Sustainability Standards Board (GSSB), a topic is material when it represents an organisation's most significant impacts on the economy, environment and people, including impacts on their human rights. GRI Standards are focused on meeting the information needs of stakeholders, including investors.

In order to report in accordance with or with reference to the GRI Standards, an organisation must comply with the corresponding requirements outlined in Section 3 of GRI 1: Foundation 2021.

Information contained in this document does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

References

References are made for some of the disclosures to the relevant paragraphs of the GRI Standards or IFRS SDS and their accompanying Basis for Conclusions that require or recommend the disclosures. The Basis for Conclusions summarises the considerations of ISSB in developing IFRS SDS and is not part of IFRS SDS.

[2] Through the research projects, ISSB will assess and define the limitations with current disclosure in these areas, identifying possible solutions and decide whether standard setting is required.

Obscuring of information

Per IFRS S1 (B27), an entity shall identify its sustainability-related financial disclosures clearly and distinguish them from other information provided by the entity (see paragraph 62 of IFRS S1). An entity shall not obscure material information. Information is obscured if it is communicated in a way that would have a similar effect for primary users to omitting or misstating that information. Examples of circumstances that might result in material information being obscured include:

a. material information is not clearly distinguished from additional information that is not material;
b. material information is disclosed in the sustainability-related financial disclosures, but the language used is vague or unclear;
c. material information about a sustainability-related risk or opportunity (SrRO) is scattered throughout the sustainability-related financial disclosures;
d. items of information that are dissimilar are inappropriately aggregated;
e. items of information that are similar are inappropriately disaggregated; and
f. the understandability of the sustainability-related financial disclosures is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

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How to use this illustrative

Guidance notes	"Guidance notes" boxes aim to highlight key considerations for disclosing requirements under the IFRS SDS. Preparers should refer to the GRI Standards and IFRS SDS for completeness of the requirements.
Section context	"Section context" boxes aim to highlight key similarities and differences between IFRS SDS, Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations and the GRI Standards, where applicable, for the respective sections. Preparers should refer to the GRI Standards and IFRS SDS for completeness of the requirements.
Transition reliefs	Transition reliefs are provided to allow entities to familiarise themselves with the concepts and requirements within the ISSB Standards.
Mechanisms to address proportionality challenges and facilitate application	These mechanisms are (permanent) mechanisms available for use to support the application of the requirements of IFRS SDS.

Best Build Properties Ltd

Sustainability Report 2023

Contents

IFRS SDS These sections include substantive IFRS Sustainability Disclosure Standards requirements as per the Scope outlined in Page 4

Board Statement

Reference

GRI 2-22

Dear Stakeholders,

2023 was an important year for Best Build and other global citizens in making progress towards mitigating climate change.

In March 2023, the Intergovernmental Panel on Climate Change ("IPCC") released its sixth report, which reiterated that climate change is a threat to human well-being and planetary health and there is a rapidly closing window of opportunity to secure a liveable and sustainable future for all. It emphasised that clear goals, coordination across multiple policy domains and inclusive governance processes facilitate effective climate action, and effective institutional frameworks are enhanced by partnerships between different groups in society, including businesses.

To add to the challenge to implement effective climate mitigation and adaption measures, the world continues to grapple with the aftermath of the pandemic, geopolitical tensions, inflationary and interest rate pressures and other issues in 2023. Against such uncertainty, the Group has introduced a blueprint to navigate the business through sustainability challenges, not the least climate change.

This year will also mark our first year disclosing information based on the requirements of the new sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB). While the application of the IFRS Sustainability Disclosure Standards (IFRS SDS) is not yet required by prevailing regulations in Singapore, we strive to be at the forefront of sustainability reporting and to better prepare ourselves for the upcoming regulations while we remained committed to continue using the GRI Standards to report our impacts.

Climate and decarbonisation

We recognise that failing to address the impact of climate change on Best Build's business model and strategy will have a profound effect on the viability of our business. Conversely, confronting it head-on presents us with opportunities to gain a competitive advantage in the market. Given polarising outcomes, we have identified climate change as a key focus of our strategy and risk management processes this year.

To better understand the impact of transition and physical risks to its business, the Group conducted its inaugural climate-related scenario analysis to continuously refine and build upon its existing climate disclosures which includes anticipated financial effects. The Group has included the key findings on pages 31 to 36. At the same time, it has started to monitor its Scope 3 data and have reported certain categories of Scope 3 for the first time this year on page 40. This brings the Group closer to its aim of disclosing a comprehensive Scope 1, 2 and 3 inventory for its portfolio within the next two years.

The Group will also play its part to help Singapore reach its national climate target of net-zero by 2050[3]. This involves working with external consultants to develop medium- and long-term greenhouse gas (GHG) reduction targets, which will be part of a larger decarbonisation roadmap to set out the practical steps that it needs to take in the immediate future and beyond.

Greening our portfolio

The Group will incorporate environmental, social and governance (ESG) considerations into our capital expenditure and procurement processes; strive to attain Green Mark certification for all its properties by 2030; and adhere to its commitment to the Singapore Built Environment Embodied Carbon Pledge[4].

[3] Based on a joint press release by NCCS and MSE, Singapore will raise its national climate target to achieve net zero emissions by 2050 as part of our Long-Term Low-Emissions Development Strategy (LEDS) and reduce emissions to around 60 million tonnes of carbon dioxide equivalent (MtCO2e) in 2030 after peaking emissions earlier, as part of its revised 2030 Nationally Determined Contribution (NDC).

[4] Organisations that pledge their commitment to address built environment embodied carbon emissions take broad-based actions anchored on the Pledge's three key principles: opting for building materials with lower embodied carbon; minimising materials usage and wastage through collaborative design and optimisation; and transforming construction site processes to utilise electricity and renewable sources of energy.

As a real estate entity in Singapore, greening the Group's buildings remains a top priority whether it is through refurbishment, asset enhancement initiatives ("AEI") or redevelopment. Keeping pace with Singapore's Green Building Masterplan[5] target to green 80% of existing buildings by gross floor area ("GFA") by 2030, over 85% of the Group's current portfolio of properties by GFA have achieved Green Mark certification. This was made possible via the following improvements such:

- Revamp of air conditioning systems
- Upgrading of basement ventilation infrastructure
- Upgrading of lifts and light fittings

The Group will continue to explore innovation and technology to future-proof the business and create stakeholder value. Attaining net zero for Scope 1 and 2 emissions and progressively reporting our Scope 3 emissions will continue to be the focus of its sustainability strategy over the next ten years.

Strengthening the social compact

The Group also launched initiatives over the past year to leave a positive impact on its social communities. This answers the government's call to strengthen the social compact when the Forward Singapore[6] exercise was launched in June 2022. Businesses have a pivotal role to play in making Singapore a fairer and more inclusive society. The Group's initiatives include the following:

- Corporate philanthropy and volunteering efforts to serve the marginalised and vulnerable segments of the surrounding communities
- Placemaking efforts through design, art and programming aimed towards creating a more inclusive environment for public consumption
- Diversity, equity and inclusion ("DEI") issues for the Group's employees and industry at large

Refreshing our sustainability blueprint

The Group's sustainability blueprint maps out its strategic sustainability goals and targets and is integrated into its business strategy and operations. It tracks and reports its performance periodically, in addition to the continual update of its materiality assessments.

To address the fast-changing landscape and supply chain issues, the execution of the next phase in the Group's sustainability blueprint update will involve more closely the stakeholders in its value chain. The Group strives to achieve meaningful impact on the environment and society by adopting a holistic approach to address ESG issues.

On behalf of the Board of Directors and the management team, we would like to thank all of you for your support as we continue our sustainability journey. The Group remains resolute in its vision and mission to be a responsible corporate citizen who plays its part to improve the environment and society.

On behalf of the Board of Directors

....
John Lim, Chairman

[5] Singapore's Green Building Masterplan lays the foundation to achieve our net zero aspirations by setting three targets: (i) 80% of buildings by Gross Floor Area to be green by 2030; (ii) 80% of new developments to be Super Low Energy (SLE) buildings from 2030; and (iii) 80% improvement in energy efficiency (compared to 2005 baseline levels) for our best-in-class buildings by 2030.

[6] Through Forward Singapore, the 4G leadership will partner Singaporeans to explore how we can ensure greater opportunities for all; provide better assurance and care for Singaporeans in a volatile world; steward our shared resources; and foster a greater sense of shared ownership and responsibility across society.

About this report

Reference

Corporate profile

Best Build Properties Ltd ("Best Build" or the "Entity") and its subsidiaries (the "Group") is a real estate entity listed and headquartered in Singapore. GRI 2-1, GRI 2-6

Operating only in Singapore, the Group owns and manages a diversified portfolio that includes comamercial offices and retail properties:

Property	Property Type
Butterfly Centre	Office building
Ginger Centre	Office building
Hawksbill Plaza	Office building with retail shops
Otter Tower	Office building with retail shops
Pangolin Mall	Retail mall

Our assets currently include 800 m^2 of corporate office space, 251,000 m^2 of commercial office space and 93,000 m^2 of retail space in aggregate.

Please refer to corporate profile section in Best Build's Annual Report 2023 (AR 2023) or our Group's corporate website for more details about our business activities. GRI 1 (1.4), IFRS S1 (63)

Report scope

This annual publication of our sustainability report covers Best Build Properties Ltd, our subsidiaries and associates, directly held by the Group as disclosed in our Financial Statements reported in AR 2023 (link here). Unless otherwise stated, the same approach used in our Financial Statements is also used to consolidate sustainability information and is consistently applied across our reporting boundaries and across material topics. All information, statistics and targets presented in this report aligns to the Group's financial reporting period from 1 January 2023 to 31 December 2023 ("FY2023"). GRI 2-2, GRI 2-3, IFRS S1 (22)

Guidance Notes

Reporting entity

The reporting entity for sustainability-related financial disclosures (which include climate-related financial disclosures) shall be the same reporting entity as the related financial statements. As consolidated financial statements are prepared for Best Build's AR 2023, its sustainability report will be prepared on the same entities as well as the same reporting period. IFRS S1 (20), IFRS S1 (64), IFRS S1(B38)

This would allow users of the general purpose financial reports the ability to relate the effects of the SrROs disclosed in the sustainability report to the financial information in the annual report.

The GRI Standards recommend organisations to report information for the same reporting period and for the same group of entities as covered in its financial reporting, and requires the organisation to list all entities included in its sustainability reporting, and to specify any differences between the list of entities included in its financial reporting and the list included in its sustainability. GRI 1 (5.1), GRI 2-2

Location of disclosures

The placement of sustainability-related disclosures depends on regulatory requirements within a specific jurisdiction. These disclosures may be included in sustainability-related financial disclosures within the entity's regulatory filings or in another report, such as a standalone sustainability report.

Both the GRI Standards and IFRS SDS emphasise avoiding the duplication of information. GRI 1 (1.4), IFRS SI (63)

Under IFRS SDS, information required by IFRS SDS may be included in sustainability-related financial disclosures by cross-referencing to another report published by the entity, provided that the cross-referenced information is available on the same terms and at the same time as the sustainability-related financial disclosures and the complete set of sustainability-related financial disclosures is not made less understandable by including information by cross-reference.

Reference IFRS S1 (B45)

Under GRI 1, if the organisation intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organisation can report a required disclosure by providing a reference in the GRI Content Index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

GRI 1

Reporting standards and frameworks

IFRS SDS issued by ISSB: IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2), are a set of comprehensive sustainability disclosures focused on the needs of investors and the financial markets. The Global Reporting Initiative (GRI) Standards are widely recognised globally as a set of standards for sustainability reporting. This report is in compliance with the climate-related requirements in IFRS SDS, and has been prepared in accordance with the GRI Standards, Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules 711A, 711B, Practice Note 7.6 Sustainability Reporting Guide and the SGX Core Environment, Social and Governance (ESG) Metrics. This report also references the Sustainability Accounting Standards Board (SASB) real estate sector-specific standards (Volume 36 – Real Estate).

IFRS Foundation's Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards

IFRS SDS are effective for annual reporting periods beginning on or after 1 January 2024. As announced by the Singapore Government on 28 February 2024, mandatory climate-related disclosures will be introduced in a phased approach. From FY2025, all listed issuers will be required to report and file annual climate-related disclosures, using requirements aligned with the ISSB standards.

Whilst the mandate in Singapore has not come into force, we are adopting IFRS SDS as applicable for climate-related disclosures early, to be prepared for upcoming changes in the Listing Rules for ISSB-aligned climate reporting and future legislative mandate.

This is our first year adopting IFRS SDS as applicable for climate-related disclosures. As such, we do not have comparative information for the previous financial year. However, prior year information previously reported in accordance with the GRI Standards continue to be presented for comparability purposes. The prior year information in this report was not compiled following IFRS SDS but the requirements in GRI 305 and IFRS S2 demonstrate a high degree of alignment when it comes to GHG emissions disclosure as per the Interoperability guide published by GRI and IFRS Foundation.

IFRS S1 (E3), GRI and IFRS Foundation's Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards

Guidance Notes

Transition reliefs

With the IFRS S1 and IFRS S2 disclosure requirements, ISSB has introduced transition reliefs for the first year of reporting, to allow entities to familiarise themselves with the concepts and requirements within IFRS SDS.

There are 5 transition reliefs provided in the first year of reporting, being:

A. Relief from disclosing comparative information *(refer above for illustration)*
B. Relief from reporting sustainability-related financial disclosures at the same time as the related financial statements *(note that in this illustration, this relief is not applied)*
C. Relief from reporting information about SrROs beyond climate-related risk and opportunities (CrROs) *(refer above for illustration)*
D. Relief from disclosing Scope 3 GHG emissions *(note that in this illustration, this relief is not applied)*
E. Measurement method other than the GHG Protocol can be used to measure Scope 1, Scope 2 and Scope 3 GHG emissions *(note that in this illustration, this relief is not applied)*

Reference

A. Relief from disclosing comparative information

IFRS S1 (E3)

IFRS S1 requires an entity to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period. This would include amounts reported in the sustainability-related financial disclosures such as the current and anticipated financial effects of SrROs, or to metrics and targets.

An entity is also required to disclose comparative information for narrative and descriptive sustainability-related financial disclosures if the information would be useful for an understanding of the reporting period's disclosures.

As a transition relief, the reporting entity is not required to disclose comparative information in the first annual reporting period in which an entity applies IFRS SDS.

B. Relief from reporting sustainability-related financial disclosures at the same time as the related financial statements

IFRS S1 (E4)

In the first annual reporting period in which an entity applies IFRS SDS, the entity is permitted to report its sustainability-related financial disclosures after it publishes its related financial statements. This relief will enable entities to focus initial efforts on ensuring they meet investor information needs about its CrROs.

Upon applying the transition relief, the reporting entity shall report its sustainability-related financial disclosures:

a. The same time as its next Q2 or 1H interim general purpose financial report, if the entity is required to provide such an interim report, The same time as its next Q2 or 1H interim general purpose financial report, if the entity is required to provide such an interim report;
b. The same time as its next Q2 or 1H interim general purpose financial report, but within 9 months of the end of the annual reporting period in which the entity first applies IFRS SDS, if the entity voluntarily provides such an interim report; or
c. within 9 months of the end of the annual reporting period in which the entity first applies IFRS S1, if the entity is not required to and does not voluntarily provide an interim general purpose financial report.

This relief is a reasonable balance between providing relief to entities while seeking to maintain the objective of timely reporting and enabling users of general-purpose financial reports to have the information necessary to inform investment decisions.

C. Relief from reporting information about SrROs beyond CrROs

IFRS S1 (E5)

The reporting entity is permitted to disclose information on only CrROs (in accordance with IFRS S2) in its first annual reporting period in which it applies IFRS SDS. It shall only apply the requirements in IFRS SDS only to the extent that it relate to the disclosure of information on CrROs.

By applying this transition relief, the reporting entity is required to disclose that fact.

IFRS S1 (E6(a)-(b))

If an entity uses the transition relief:

a. in the first annual reporting period in which the entity applies IFRS SDS, it is not required to disclose comparative information about its CrROs; and
b. in the second annual reporting period in which the entity applies IFRS SDS. it is not required to disclose comparative information about its SrROs, other than its CrROs.

D. Relief from disclosing Scope 3 GHG emissions

IFRS S2 (C3), IFRS S2 (C4(b)), IFRS S2 (B37)

A reporting entity is not required to disclose its Scope 3 GHG emissions and its comparative information in the first annual reporting period it applies IFRS S2. Scope 3 will allow entities to understand and map their value chain. In determining the scope of the value chain, relief to address proportionality challenges is made available for an entity to use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

E. Measurement method other than the GHG Protocol can be used to measure Scope 1, Scope 2 and Scope 3 GHG emissions

IFRS S2 (C4a), IFRS S2 (BC167)

A temporary relief is available to an entity if it has been using a method for measuring GHG emissions that is different from the GHG Protocol Corporate Standard in the annual reporting period immediately preceding the date of the entity's initial application of IFRS S2

Reference

For example, if an entity's date of initial application is 1 January 2024 and it measures its GHG emissions using a method other than the GHG Protocol Corporate Standard, the entity should disclose its measurement of GHG emissions for the period ending on 31 December 2024 using the method other than the GHG Protocol Corporate Standard (meaning the entity does not need to recalculate its 2024 GHG emissions using the GHG Protocol Corporate Standard).

For the avoidance of doubt, the entity should subsequently disclose its measurement of GHG emissions for the period ending on 31 December 2025 using the GHG Protocol Corporate Standard, and as required in paragraph 29(a)(iii) of IFRS S2, the entity should disclose the approach it uses to measure its GHG emissions (noting the different approaches used in 2024 and 2025

For the avoidance of doubt, this relief is separate from the relief provided for an entity that is required by a jurisdictional authority to use a method that is different from the GHG Protocol Corporate Standard (as per paragraph 29(a)(ii)) of IFRS S2).

There are two types of mechanisms that IFRS SDS provide to entities **to both address 'proportionality' challenges and facilitate application.** These are provided as **(permanent) mechanisms** available for use to support the application of the requirements of IFRS SDS. For a summary in a tabular format of which mechanisms apply to specific disclosure requirement, please refer to IFRS S1 (BC9) and IFRS S2 (BC15).

Mechanisms to address proportionality challenges ⊕

1. Concept of 'reasonable and supportable information that is available at the reporting date without undue cost or effort' in the following areas:

IFRS S1 (BC9), IFRS S2 (BC15)

A. Identification of risks and opportunities
B. Anticipated financial effects (refer to illustration on pages 35 to 36)
C. Determination of the scope of value chain
D. Climate-related scenario analysis
E. Measurement of Scope 3 GHG emissions
F. Calculation of metrics in particular cross-industry metric categories

A. Identification of risks and opportunities

IFRS SDS require an entity to disclose information about all SrROs and CrROs that could reasonably be expected to affect the entity's prospects. This could be challenging for preparers and could require substantial efforts such as the breadth of the assessments that would be required to cover all SrROs and CrROs.

IFRS S1 (BC14), IFRS S2 (BC17)

An entity need not undertake an exhaustive search for information to identify SrROs and CrROs that could reasonably be expected to affect the entity's prospects. The assessment of what constitutes undue cost or effort depends on the entity's specific circumstances and requires a balanced consideration of the costs and efforts for the entity and the benefits of the resulting information for primary users.

IFRS S2 (BC39)

B. Anticipated financial effects

Anticipated financial effects are defined as the effects of the entity's CrROs on its financial position, financial performance and cash flows over the short, medium and long term, including information about how CrROs are included in the entity's financial planning.

IFRS S2 (BC53)

In providing quantitative information, an entity may disclose **a single amount or a range.**

IFRS S1 (36), IFRS S2 (17)

In preparing disclosures about the anticipated financial effects of a SrRO, an entity shall:

IFRS S1 (37), IFRS S2 (18)

a. use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and
b. use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.

An entity need not provide quantitative information about the current or anticipated financial effects of a SrRO if the entity determines that:

IFRS S1 (38), IFRS S2 (19)

a. those effects are **not separately identifiable**; or
b. the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

Reference
IFRS S1 (40), IFRS S2 (21)

If the entity does **NOT** have the skills, capabilities and resources to provide quantitative information about anticipated financial effects, the entity need not provide quantitative information about anticipated financial effects, in which case the entity **shall**:

a. explain why it has not provided quantitative information;
b. provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that SrRO; and
c. provide quantitative information about the combined financial effects of that SrRO with other SrROs and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.

C. Determination of the scope of value chain

IFRS S2 (BC43)

An entity is required to disclose information about SrROs throughout its value chain. When doing so, the entity is required to identify the SrROs that could reasonably be expected to affect the entity's prospects and determine the scope of its value chain, including its breadth and composition, in relation to each of those SrROs.

Due to challenges associated with obtaining the necessary information to determine the scope of an entity's value chain, given the potential complexity of the value chain and the various interconnections that might be involved, entities can use the mechanisms to address proportionality challenges as disclosed above.

D. Climate-scenario analysis

IFRS S2 (B11)

When an entity selects the inputs to use in its climate-related scenario analysis, the entity shall consider all reasonable and supportable information including scenarios, variables and other inputs available to the entity at the reporting date without undue cost or effort. The inputs used in scenario analysis might include information that is qualitative or quantitative, and is obtained from an external source or developed internally. For example, publicly available climate-related scenarios from authoritative sources that describe future trends and a range of pathways to plausible outcomes are considered to be available to the entity without undue cost or effort.

IFRS S2 (B12)

When selecting scenarios, variables and other inputs to use in climate-related scenario analysis, an entity might, for example, use one or more climate-related scenarios including international and regional scenarios that are publicly and freely available from authoritative sources. The entity shall have a reasonable and supportable basis for using a particular scenario or set of scenarios.

IFRS S2 (B14)

An entity's resilience assessment will be informed not only by the individual inputs to its climate-related scenario analysis, but also by the information it develops in combining those inputs to carry out the analysis. The entity shall prioritise the analytical choices (for example, whether to use qualitative analysis or quantitative modelling) that will enable it to consider all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

E. Measurement of Scope 3 GHG emissions

The GHG Protocol Corporate Standard is the most commonly used standard globally for measuring greenhouse gas emissions. However, some jurisdictions require entities to report their emissions in accordance with national measurement schemes.

IFRS S2 (BC95)

To respond to this issue IFRS S2 requires an entity to disclose its measurement approach, inputs and assumptions used to calculate its GHG emissions to the extent it provides sufficient level of detail and aggregation to result in the disclosure of material information, especially if those inputs are not prescribed in IFRS S2. The disclosure of this information is required to enable users to understand the emission factors and activity data, and the measurement uncertainty associated with these inputs.

IFRS S2 (BC97)

The requirement is particularly important for Scope 3 GHG emissions as measurement techniques are rapidly evolving and therefore the approaches an entity uses are likely to change over time. As such, IFRS S2 requires an entity to disclose information about, and the reasons for, any changes the entity makes during the reporting period to the measurement approach, inputs or assumptions it uses to measure its GHG emissions.

F. Calculation of metrics in particular cross-industry metrics categories

IFRS S2 (BC75)

Cross-industry metric categories are intended to provide common information to allow users of general purpose financial reports to assess an entity's exposure to and management of CrROs.

Reference

In disclosing the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks, climate-related physical risks and aligned with climate-related opportunities, entities might face challenges in calculating these metric categories, primarily due to the judgement required and measurement uncertainty involved. As a result, entities can utilise the concept of reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort to meet these requirements.

2. Consideration of skills, capabilities and resources in the following areas:

- Anticipated financial effects (refer to illustration on pages 35 to 36)
- Climate-related scenario analysis

Consideration of the skills, capabilities, and resources of the entity may also be utilised for providing quantitative information about anticipated financial effects and climate-related scenario analysis. This means that smaller entities, which are likely to have less skills or expertise as compared to larger entities may not need to use an approach that is as sophisticated as larger entities. However, quantitative information for anticipated financial effects must still be provided if the entity has the resources available to obtain or develop the skills or capabilities required to do so. Refer to page 13 for requirements relating to the provision of quantitative information about anticipated financial effects.

IFRS S2 (B6-B7), IFRS S2 (BC15)

Additional clarifications/ mechanisms to facilitate application

IFRS S1 (37), IFRS S2 (18)

Information about anticipated financial effects

An entity need not provide quantitative information about the anticipated financial effects (and current financial effects) of a SrRO if the entity determines that:

IFRS S1 (38), IFRS S2 (19)

a. those effects are not separately identifiable; and
b. the level of measurement of uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

Measurement uncertainty

IFRS S1 (77)

An entity shall disclose information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its sustainability-related financial disclosures.

Restatements

No restatements were made from the previous report.

GRI 2-4

Guidance Notes

Restatements

In both the GRI Standards and IFRS SDS, restatements of information from prior periods are essential in ensuring consistency and comparability of information between reporting periods.

The GRI Standards recommend organisations to report the criteria used to determine when a change or error in previously reported information is considered significant enough to provide a restatement. A change or error could be significant when it influences information users' decision-making (e.g. it influences the analysis of the changes in the organisation's impacts over time).

GRI 2-4, IFRS S1 (B58)

Reasons for restatements of information include correction of material prior period errors. Corrections of errors are distinguished from changes in estimates.

GRI 2-4, IFRS S1 (83-86), IFRS S1 (B55-B59)

Under GRI 2-4 if the organisation has not made any restatement in the reporting period, a brief statement of this fact is sufficient to comply with the requirement. However, it is worth noting that if there were no restatements identified, IFRS SDS require no statement of this fact.

Correction of errors

Prior period errors are omissions from and misstatements in the entity's sustainability disclosures, and could arise due to mathematical mistakes, mistakes in applying the definitions for metrics or targets, oversights or misinterpretations of facts, and fraud

IFRS S1 (B51)

Both standards require entities to explain the prior period error, and the effect of the restatement.

Under IFRS SDS, an entity does not need to restate the comparative amount for prior period(s) disclosed if it is impracticable to do so. If so, entities will have to disclose the circumstances that led to the existence of the error, and a description of how and from when the error has been corrected.

If an entity identifies a material error in its prior period(s) sustainability-related financial disclosures, it shall disclose:

a. the nature of the prior period error;
b. the correction, to the extent practicable, for each prior period disclosed; and
c. if correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Changes in estimates

This relates to approximations that an entity might need to revise as additional information becomes known, such as the entity adopting a new, more accurate method for measuring Scope 3 GHG emissions.

Both standards require entities to explain the reason for revising the comparative amount, and the effect of the revision.

The requirement to revise comparative information for estimates differs from the approach in the IFRS Accounting Standards, where changes in estimates are recognised prospectively, as a revision in an estimate does not relate to prior periods and is not the correction of an error.

Under IFRS SDS, entities **need not disclose revised comparative amounts if it is impracticable to do so, or if the metric is forward looking.**

Reference

IFRS S1 (B58)

GRI 2-4

IFRS S1 (B51), IFRS S1 (B58)

Internal review and external assurance

In compliance with the SGX-ST Listing Rule 711B on Sustainability Reporting, our Internal Audit team has conducted a review over our sustainability reporting processes to ensure adequacy and effectiveness. To the extent applicable, the review process further strengthened our risk and governance processes, internal controls, and systems.

We have engaged Assurest Auditor LLP, an independent external assurance provider to provide limited assurance over selected key sustainability information. The assurance plan was approved and the process was overseen by the Board of Directors and the Sustainability and Risk Committee. The assurance covers the reporting period of 1 January to 31 December 2023 and was conducted in accordance with the Singapore Standard on Assurance Engagements 3000 (Revised) and Singapore Standard on Assurance Engagements 3410. This practice of obtaining independent assurance enhances the credibility of our selected sustainability information. The independent limited assurance statement is included on page 62.

GRI 2-5, IFRS S1 (50(c))

Feedback

We are fully committed to listening to our stakeholders as it is vital for us to continually improve our reporting practices. We appreciate your valuable comments and feedback to help us progress further in our sustainability journey. Please contact us at: sustainability@bbproperties.com

GRI 2-3

Comparison IFRS S2 *Climate-related Disclosures* with the TCFD Recommendations

All listed issuers in Singapore have complied with the phased approach to mandatory climate reporting based on the TCFD Recommendations since financial year commencing 1 January 2022.[7]

Entities who are preparing their climate-related disclosures in accordance with the IFRS S2 should refer to the comparison between the two standards to identify any gaps in their previous reporting. The following summarises some differences between the core content requirements in IFRS S2, including associated application guidance, and the TCFD's core recommendations, recommended disclosures and guidance. Similar overlaps are also seen in IFRS S1.

Comparison document - IFRS S2 Climate related Disclosures with the TCFD Recommendations

Governance

The governance disclosures under both IFRS S2 *Climate-related Disclosures* and the TCFD Recommendations are broadly aligned. The additional information required under IFRS S2 covers the disclosure of more detailed information, for example, how the governance body(s)' or individual(s)' responsibilities for CrROs are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).

[7] For more information, refer to the study undertaken by ACRA and the Sustainable and Green Finance Institute at the National University of Singapore for an examination of the climate-related disclosures of 51 larger listed issuers for the financial year 2022 based on the TCFD framework, which also provides four strategies for companies to consider when improving their climate reporting and communicating the financial effects.

Strategy

IFRS S2 requires an entity to refer to and consider the applicability of **industry-based disclosure topics in the industry-based guidance** in identifying CrROs covering **more detailed information** around where in the entity's business model and value chain risks and opportunities are concentrated.

In describing the effects of CrROs, IFRS S2 requires **more detailed information**. For example, in disclosing how an entity has responded to, and plans to respond to, the identified risks and opportunities, the entity is required to **disclose any transition plans** it has and how the entity plans to achieve its climate-related targets.

In providing disclosures about the current and anticipated effects of the risks and opportunities on an entity's financial position, financial performance and cash flows, IFRS S2 sets **out criteria for when quantitative and qualitative information is required.** Disclosure of only qualitative information is permitted under some circumstances, for example, when a entity **cannot separately identify the effects of the risk or opportunity or when the level of measurement uncertainty involved is too high.**

When preparing disclosures on the anticipated financial effects and in using climate-related scenario analysis, IFRS S2 requires an entity to use **all reasonable and supportable information that is available at the reporting date without undue cost or effort and requires the use of an approach that is commensurate with the entity's circumstances.**

Risk Management

IFRS S2 explicitly requires additional disclosures on the processes used to identify, assess, prioritise and monitor opportunities; and how these processes are integrated into and inform the entity's overall risk management process.

Metrics and Targets

On the organisation's processes for identifying and assessing climate-related risks, **more detailed information is required under IFRS S2, for example:**

- the inputs parameters it uses to identify risks;
- whether and how the entity uses climate-related scenario analysis to inform its identification of risks; and
- whether it has changed the processes used the identify, assess and prioritise and monitor risk compared to the prior reporting period.

This includes explicitly required additional disclosures on the processes used to identify, assess and prioritise and monitor opportunities.

In relation to an entity's GHG emissions, more detailed information includes:

- a separate disclosure of Scope 1 and Scope 2 GHG emissions for (1) the consolidated accounting group, and (2) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in the consolidated accounting group;
- Scope 2 GHG emissions using a location-based approach and information about any contractual instruments that is necessary to inform users' understanding;
- Scope 3 GHG emissions disclosures, including additional information about the entity's **financed emissions** if the entity has activities in asset management, commercial banking or insurance; and
- information about measurement approach, inputs and assumptions used in measuring Scope 3 GHG emissions.

In addition, IFRS S2 **sets out a Scope 3 measurement framework** to provide guidance for preparing Scope 3 GHG emissions disclosures.

IFRS S2 differs from the TCFD guidance in, for example, requiring disclosures about **how the latest international agreement on climate change has informed the target** and whether the target has been **validated by a third party.**

IFRS S2 requires disclosure of more detailed information on GHG emissions targets, including additional information about the **planned use of carbon credits** to achieve an entity's net GHG emissions targets.

IFRS S2 also includes additional requirements to disclose information about the approach to setting and reviewing each target, and how it monitors progress against each target, including whether the target was derived using a **sectoral decarbonisation approach.**

Sustainability governance IFRS SDS

Reference

Section context

This section highlights selected governance disclosures based on IFRS SDS and the GRI Standards.

Impacts, risks and opportunities

While the GRI Standards focus on the oversight of the management of the organisation's impacts on the economy, environment, and people; IFRS S1 and IFRS S2 relate to providing information as to understand processes and controls that a reporting entity uses to monitor, manage and oversee SrROs and CrROs, respectively. GRI 2-9, GRI 2-12, GRI 2-13, IFRS S1 (26), IFRS S2 (5)

In the GRI Standards, impact refers to the effect an organisation **has or could have on the economy, environment, and people**, including effects on their human rights, as a result of the organisation's activities or business relationships. Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible. GRI 1 (Key Concept 2.1)

In IFRS SDS, an entity's SrROs arise out of the interactions between the entity and its stakeholders, society, the economy and the natural environment throughout the entity's value chain. The **dependencies on resources and relationships throughout its value chain and impacts on those resources and relationships through its activities and outputs** might give rise to SrROs. IFRS S1 (B2)

Skills and competencies

IFRS SDS require the disclosure of how governance body(s) or individual(s) responsible for oversight of SrROs determine whether appropriate skills and competencies are available or will be developed to oversee SrROs and CrROs, while the GRI Standards require reporting on the competencies relevant to the impact of the organisation (which include competencies relevant to impacts commonly associated with the organisation's sectors, products, and geographic locations), as well as measures taken to advance the collective knowledge, skills and experience of the highest governance body on sustainable development. GRI 2-9, GRI 2-10, GRI 2-17, IFRS S1 (27 (a))

Board's role

In IFRS S1 27(a), the governance body can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of SrROs. In addition to the requirements above relating to risks and opportunities and skills and competencies, the entity shall identify that body(s) or individual(s) and disclose information about: IFRS S1 (27(a) (i)-(v))

i. how and how often the body(s) or individual(s) is informed about SrROs;
ii. how the body(s) or individual(s) takes into account SrROs when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and
iii. how the body(s) or individual(s) oversees the setting of targets related to SrROs, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies (see 'Remuneration policies' below for GRI Standards requirements on remuneration policies).

A similar definition can be found in GRI Standards where the highest governance body is defined as the highest authority in the organisation.

Management's role

The IFRS SDS requirement is to disclose information management's role in the governance processes, controls and procedures they use to monitor, manage and oversee SrROs. The GRI Standards require reporting the role of the highest governance body in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people, as well as how the responsibility for managing the impacts is delegated to senior executives. In jurisdictions where governance systems consist of two tiers, both supervision and management are included under the definition of highest governance body. GRI 2-12, GRI 2-13, IFRS S1 (27(b))

Reference
GRI 2-12

The organisation shall:

a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;
b. describe the role of the highest governance body in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people, including:
    i. whether and how the highest governance body engages with stakeholders to support these processes;
    ii. how the highest governance body considers the outcomes of these processes;
c. describe the role of the highest governance body in reviewing the effectiveness of the organisation's processes as described in 2-12-b, and report the frequency of this review.

GRI 2-14

An entity is also required under GRI Standards to disclose the role of the highest governance body in sustainability reporting in the following areas:

a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organisation's material topics, and if so, describe the process for reviewing and approving the information;
b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organisation's material topics, explain the reason for this.

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GRI 2-10, GRI 2-11

Note: Preparers of the sustainability report can refer to the GRI Standards for further disclosure requirements on the Nomination and selection of the highest governance body in GRI 2-10 and the Chair of the highest governance body in GRI 2-11.

Evaluation of the performance of the highest governance body

GRI 2-18

Under GRI 2-18, reporting entities are required to:

a. describe processes for evaluating the performance of the highest governance body in overseeing the management of the organisation's impacts on the economy, environment, and people;
b. report whether the evaluations are independent or not, and the frequency of the evaluations;
c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organisational practices.

Remuneration policies

GRI 2-19, IFRS S1 (27(a)(v)), IFRS S2 (6(a)(v)), IFRS S2 (29(g))

Under GRI 2-19, reporting entities are required to:

a. describe the remuneration policies for members of the highest governance body and senior executives, including:
    i. fixed pay and variable pay;
    ii. sign-on bonuses or recruitment incentive payments;
    iii. termination payments;
    iv. clawbacks;
    v. retirement benefits;

b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people.

Highlights on Sustainability and Risk Committee

While Boards are responsible for entity oversight, how they discharge sustainability responsibilities varies widely depending on the entity, the industry, and the jurisdiction. Entities are increasingly evolving their committee structures within the Board and setting mandates to ensure effective oversight of sustainability matters. Further support is provided to the committees through the working level committees consisting the entity's operational functions.

As ESG is so broad, oversight responsibilities may be split across committees, for example:

- The audit and/or risk committee overseeing risk management.
- The audit committee overseeing disclosure against standards and regulations and related assurance.
- The remuneration committee incorporating ESG priorities into compensation and incentives.
- The investment committee considering ESG-related financing and investment decisions.

Reference
GRI 2-9

Board of Directors

Sustainability and Risk Committee (SRC)

Refer to our Corporate Governance report on page 40 in AR 2023 as published on our website for more information on the composition of the Board of Directors and the Board Committees.

Refer to guidance notes below

Risk Management Committee (RMC)

The RMC is chaired by Best Build's CEO. The RMC comprises all heads of departments, which include corporate, business and operational functions. Since 2023, the role and responsibilities of the RMC have been extended to climate and other sustainability matters. Refer to Risk Management section in AR 2023 for more information on the Best Build's ERM processes.

GRI 2-13, IFRS S1 (27(b)(i)), IFRS S2 (6(b)(i))

Sustainability Working Committee (SWC)

The SWC is composed of representatives from various corporate, business and operational functions. It is chaired by the Group Financial Controller and comprises twelve members of the staff.

GRI 2-13, IFRS S1 (27(b)(i)), IFRS S2 (6(b)(i))

Board of Directors

Best Build's Board of Directors has overall responsibility for the Group's sustainability issues and their impacts, including ensuring that climate-related risks and opportunities are integrated into the organisation's risk management framework, overseeing the implementation of strategies to manage climate-related risks and opportunities; and approving necessary resources for effective management of climate-related initiatives. Their responsibilities are set out in the Board's terms of reference.

To ensure that the Board are appropriately skilled to oversee sustainability-related matters, the Board composition policy includes a requirement for at least one board member with competence on industry-specific environmental issues, including climate-related ones. For 2023, the Board has assessed Mr Damien Wong to have sufficient expertise and experience to provide specialised insight on environmental and climate-related issues faced by Best Build. Other Board members may be able to contribute their perspectives on environmental issues from legal, financial or business viewpoints as well. Refer to the Corporate Governance report in AR 2023 for detailed information on the directors' background and corporate governance approach.

GRI 2-10, GRI 2-12, GRI 2-17, GRI 13, IFRS S1 (27(a)(i)-(ii)), IFRS S2 (6(a)(i)-(ii)), IFRS S2 (7)

Every Director has attended training on sustainability matters in 2022, as prescribed by SGX-ST, except for a recently appointed Director who will complete training in this coming year. As part of the ongoing capacity building efforts, our Board, management, and employees attend training on climate risks, impacts and opportunities identification, assessment, and reporting, as well as other ESG topics provided by sustainability consultants and SGX-ST. Sustainability issues are discussed with the Board at least once a year during a board session to enable the Board to effectively oversee strategies designed to respond to sustainability-related risks and opportunities.

The Board works with management to:

1. Develop the Group's sustainability strategy to manage climate-related risks and opportunities which is integrated into decision-making including evaluation of potential major transactions
2. Identify the Group's material sustainability issues, including its impacts on the economy, environment and people and associated risks and opportunities
3. Oversee the setting of appropriate sustainability goals and targets, taking into consideration the relevance of material sustainability issues and prioritisation of its impact to the business and the nature and magnitude of risks and opportunities, including available financial capabilities for climate-related investment purposes
4. Monitor the Group's progress and performance in meeting sustainability goals and targets through quarterly periodic updates

GRI 2-12, GRI 2-13, IFRS S1 (27(a)(iv)-(v)), IFRS S1 (27(b)(i)), IFRS S2 (6(a)(iv)-(v)), IFRS S2 (6(b)(i))

Reference
GRI 2-12, IFRS S1 (27(a)(iv)), IFRS S2 (6(a)(iv)), IFRS S2 (7)

The Board considers sustainability issues arising from Best Build's enterprise risk management assessment including climate change and other financial reputational, operational, and cyber risks in directing the Group's business strategies.

In making major business decisions, the Board applies sustainability considerations which includes an internal carbon price of $50/tCO$_2$e to embed the cost of carbon in our investments and operating decisions. In particular, the internal carbon price is incorporated in cost-benefit analyses to assess investments, for example those in energy efficient technologies, green building certifications, retrofitting projects, etc.

Sustainability-related topics and considerations are incorporated into the Group's existing risk management processes and the related policies.

Two Board sessions were convened with the Board in April and September 2023 to discuss the following sustainability-related matters: GRI 2-12, GRI 2-13, IFRS S1 (27(a)(iii))

- Refresh of the Group's sustainability blueprint, updated initiatives to address sustainability goals and targets set by the Group including its performance
- Sustainability governance structure, including updates to the composition of the various committees or working groups
- Climate-related impacts, risks, opportunities arising from internal climate risk assessment conducted during the year and initiatives that drive climate mitigation and adaptation strategies. As a result, the Board has approved the asset enhancement initiatives such as the revamp of air conditioning systems during the year GRI 2-14, IFRS S2 (6(a)(iii))
- An update on Best Build's upcoming decarbonisation roadmap and strategy
- Plans to meet updated reporting requirements by international standard-setters like ISSB and GRI's Global Sustainability Standards Board (GSSB)
- Reassessment of materiality and material topics for 2023 to comply with reporting standards GRI 2-14, IFRS S1 (B28)

Sustainability and Risk Committee

The Sustainability and Risk Committee (SRC) oversees the Group's sustainability-related risk management and performance at the Board level. This will include: GRI 2-9

- Monitoring and overseeing measures to mitigate the Group's key sustainability-related risks and opportunities and manage the impacts associated with the identified material topics. Specifically for climate-related risks and opportunities, the Board administers its responsibility to assess and manage climate-related risks and opportunities through the SRC. IFRS S1 (27(a))
- Overseeing the identification and management of the Group's sustainability metrics and performance against targets. IFRS S2 (6(a))

Risk Management Committee

Assisting the SRC, the RMC, led by Best Build's CEO, consists of a mix of senior executives and specialists who bring diverse expertise to manage and mitigate risks covering the following responsibilities: IFRS S1 (27(a)(iii))

- Identifying and assessing climate-related risks and opportunities that could impact the Group
- Developing strategies to manage and mitigate sustainability risks while also capitalising on related opportunities
- Creating and enforcing policies and practices to promote sustainability and ensure compliance with relevant regulations
- Monitoring and reviewing the effectiveness of risk management strategies

The RMC is also responsible for managing Best Build's decarbonisation effort, and in doing so, reducing Best Build's exposure to transition risks while minimising our impact to the environment. The RMC also oversees Best Build's efforts to realise climate opportunities including increasing market demand for green buildings. In capturing the opportunities, we have improved energy efficiency to reduce the energy consumption and environmental footprint of our buildings. The RMC also drives the development of the decarbonisation strategy that is currently in process.

RMC meets quarterly to review risk registers of Best Build's business and operational units. The completed risk registers and risk reports are reviewed and approved by the CEO during RMC meetings. The results of the risk management reviews are submitted to the SRC on a semi-annual basis, who in turn, updates the Board on any significant changes in the Group's risk profile.

Reference

To ensure that the SRC is kept abreast of relevant sustainability matters, the RMC meets once every quarter and provides quarterly updates to the SRC. This includes recommendation of strategies and initiatives for the RMC to undertake with regards climate risks.

Sustainability Working Committee

The Sustainability Working Committee (SWC) supports the RMC by collecting and collating sustainability performance data, including climate-related performance data, for reporting. It also provides feedback from external stakeholders such as tenants, shoppers and the public to help management evaluate material topics and sustainability initiatives. In particular, the information collected in 2023 also contributed to the formulation of the decarbonisation strategy that is overseen by the RMC.

We recognise the role that management has to ensure the success of our sustainability-related initiatives and targets. Hence, we have linked those to KPIs of our senior management. 15% of our Executive Committee's (ExCo) long-term incentive plan remuneration policies are tied to specific, time-bound KPIs including climate-related targets. With Heads of Departments (HODs) reporting to the respective ExCo members, the ESG KPIs will cascade down to every level in our organisation. HODs are held accountable for their ESG performances, which are captured in their annual performance appraisal that is linked to their remuneration and promotion.

GRI 2-19, IFRS S1 (27(a)(v)), IFRS S1 (27(b)(ii)), IFRS S2 (6(a)(v)), IFRS S2 (6(b)(ii)), IFRS S2 (29(g))

Sustainability governance is also integrated into the Group's overall corporate governance framework. Refer to the Corporate Governance report in AR 2023 for more details.

Stakeholder engagement

Reference

Section context

Under IFRS SDS, materiality judgements can be a deductive process based on the interests of the primary users (i.e. existing and potential investors, lenders and other creditors) in the entity's future cash flows and might not necessarily require engagement with those primary users.

Under GRI Standards, given the diverse range of users with varying concerns beyond future cash flows, materiality assessment is an inductive process and requires input from stakeholders. For example, the purpose of stakeholder engagement can be to identify actual and potential impacts or to determine prevention and mitigation responses to potential negative impacts. *(As illustrated in page 26, feedback through stakeholder engagement was obtained as part of the process of identify impacts arising from the business activities of Best Build.)*

The key difference is that there is no requirement or expectation under IFRS SDS to engage with capital providers to make a materiality judgement.

Under the SGX Practice Note 7.6 Sustainability Reporting Guide, the interaction of the issuer with its stakeholders is also of interest to investors for its relevance to sustainability across the value chain of the issuer. The views of stakeholders also contribute to inform the issuer's identification of material ESG factors. On a continuing basis, regular and sustained engagement with stakeholders provides the issuer with an up-to-date picture of its sustainability within both its business and physical environments. The material outcomes of such engagement should be included in the sustainability report.

Similarly, as seen in GRI 2-29, a reporting entity is required to describe its approach to engaging with stakeholders, including:

i. the categories of stakeholders it engages with, and how they are identified;
ii. the purpose of the stakeholder engagement;
iii. how the organisation seeks to ensure meaningful engagement with stakeholders.

While it is not required by IFRS SDS to disclose stakeholder engagement, it might still be meaningful to disclose it in the reporting entity's sustainability report to indicate the entity's commitment to addressing issues that matter to stakeholders and promoting sustainable practices. The entity should consider whether omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of these reports.

Examples where stakeholder engagement may be material information to be disclosed under IFRS SDS are when stakeholder engagement forms part of:

- The entity's process to identify CrROs *(as illustrated in page 26, feedback through stakeholder engagement was obtained as part of the process of identifying CrROs, and therefore it has been identified as a material information to be disclosed),*
- How the entity works with stakeholders to respond to current mitigation and adaptation efforts and how it plans to work with stakeholders to respond to anticipated ones

Best Build strives to engage with our stakeholders within the Group and across our value chain. Stakeholders are identified based on the impact that our business has on them or the interest that they have in our operations. They include our employees, business partners, suppliers, office and retail tenants, shoppers, regulators, investors and the local community we operate in. We recorded and integrated stakeholder feedback received into decision making, and provided timely response to our stakeholders about the way in which their feedback has influenced our decision making. In the process of determining its material topics and sustainability-related risks and opportunities, Best Build approach stakeholder engagement as follows: GRI 2-29

Reference
GRI 3-3

Purpose of engagement	Response
Customers (tenants)	
• Their expectation for environmentally friendly buildings and operations • Our sustainability initiatives • Energy and carbon footprint	• Ongoing programme to achieve 100% Green Mark certification by BCA • Awareness for the use of the composter machine to handle food waste at Pangolin Mall • Contracted with green energy supplier at selected buildings to supply tenants with energy from renewable source
• Retrofitting and asset enhancement works • Service standards for customer satisfaction	• Regular engagement with tenants by relevant personnel to foster business relationships and address landlord-related concerns, including during renovation works
Customers (shoppers)	
• Family-friendly facilities • Disability access • Shopper loyalty • Attractiveness of mall offerings • Facilities safety and cleanliness • Awareness of sustainability-related issues	• Provision of nursing and family rooms • Refurbishment of mall amenities • Shopper app and loyalty programmes • Customer service counters • Email feedback channels for customers to highlight areas for improvement • Atrium events, such as fairs and exhibitions, in collaboration with tenants and external organisations
Employees (office-based and building management staff)	
• Updates on strategic growth and development plans of the Group	• Communication via town halls fronted by CEO and other key management personnel
• Ethical business policies and fair employment practices • Safe, healthy and inclusive workplaces	• Responsible business policies and practices available on the Group's intranet • Periodic reminder of whistleblowing policy and channel to all staff
• Personal growth and career development	• Entity-sponsored trainings and workshops • Promotion of learning culture in the Group • Interest groups and support groups
• Employee remuneration and benefits • Job security	• Performance appraisals, which are also a channel for employees to provide job-related feedback. This includes two-way communication which includes mechanisms for seeking advice and raising concerns on career development, compensation and benefits
• Employee safety and well-being, including mental health • Work-life balance	• External independent counselling services • Organisational and departmental team-bonding activities • Virtual and in-person talks on health, wellness and fitness • Entity events and activities to explore hobbies and community engagement
• More efficient business processes • Product and service quality standards for customers	• Ongoing digital transformation of existing processes and the provision of relevant training • Periodic meetings between relevant departments to review and monitor operational issues
Contract staff (cleaners and security guards working at Best Build's buildings)	
• Safe, healthy and inclusive workplaces • Product and service quality standards for customers	• Periodic meetings between relevant departments to review and monitor operational issues • Timely safety updates
Contractors and suppliers (architects, building contractors, materials and equipment suppliers)	
• Fair dealing • Legal compliance and timely payments • Product and service quality standards	• Robust and transparent tender process • Regular meetings and follow-up with contractors • Clear technical and service specifications stipulated in procurement process • Incorporation of sustainability-related criteria in the assessment of contractors and suppliers
• Workers' safety and health • Human rights	• Periodic site visits • Investigation of reported workplace incidents
Regulators	
• Contribution towards Singapore's sustainability agenda	• Publication of annual report and sustainability report • Support of UN SDGs • Tracking and reporting of environmental metrics and targets, including those relating to emissions, energy and water consumption • Ongoing development of a decarbonisation strategy

GRI 2-25

GRI 2-26

Purpose of engagement	Response
• Compliance with relevant regulations and standards, including reporting standards	• Periodic review of new or revised regulatory requirements as part of the risk management • Briefings and site inspections
Investors	
• Updates on strategic growth and development plans of the Group • Return on investment • Corporate governance and risk management • Sustainability-related risks and opportunities that could reasonably be expected to affect Best Build's prospects	• Annual General Meeting and publication of annual report and sustainability report • Half-yearly release of financial results and additional material updates on SGXNET • Corporate website to highlight the Group's vision and mission • Timely updates via media releases or social media like LinkedIn • Corporate governance practices, risk management policies and internal controls
Community	
• Corporate social responsibility	• Outreach and support for social causes through employee volunteerism, monetary donations and in-kind sponsorships • Collaboration with government agencies to understand areas for potential involvement and contribution • Participation in national and community events that support social or community development causes
• Public safety	• Feedback channels via email and social media • Compliance with environmental, health and workplace safety standards

Reference

GRI 2-28

Membership associations

GRI 2-23

Our Group and certain members of our management participate in the following associations in a significant capacity:

- Real Estate Developers' Association of Singapore (REDAS)
- Urban Land Institute (ULI)
- United Nations Global Compact Network Singapore (UN GCNS)

The Group became a signatory to the United Nations Principles for Responsible Investment[9] (PRI) in 2023 and committed to PRI's six principles of incorporating ESG issues into investment practices. This is in addition to the Group's existing commitments to the United Nations Global Compact's (UNGC) universal principles on human rights, labour, environment and anti-corruption.

[9] Principles for Responsible Investment is a United Nations-supported international network of financial institutions working together to implement its six aspirational principles, often referenced as "the Principles"

Sustainability commitments and approach

Reference

Sustainability framework

The Group's sustainability framework is structured to cover each ESG component across our key areas of operations – Corporate, Development and Assets. From this comprehensive list of components, we identify topics that are material to us, which will allow us to develop our sustainability approach across our business activities. Refer to pages 28 to 29 for the topics that the Group has identified as material.

	Corporate Headquarters and staff	**Development** Building design projects	**Assets** Owned and managed properties
Environment	• Energy consumption • Water consumption • Waste management • Responsible procurement • GHG emissions	• Embodied carbon • Energy consumption • GHG emissions • Water consumption • Waste management • Sustainability certifications • Responsible procurement • Biodiversity impact	• Energy consumption • GHG emissions • Water consumption • Waste management • Portfolio improvement • Biodiversity impact
Social	• Employee health and safety • Employee learning and development • Corporate philanthropy and volunteering • Diversity, equity and inclusion	• Worker health and safety • Worker welfare and well-being • Community engagement • Social value in design, construction and operation	• Tenant engagement and satisfaction • Tenant health and well-being • Community engagement
Governance	• Shareholder rights • Risk management • Policies and processes • Enhanced sustainability reporting obligations	• Health and safety policies • Due diligence • Procurement and construction policies • Sustainability policies	• Sustainability-related requirements • Building certifications

In addition to the above, Best Build's economic performance is critical to our employees and shareholders. Refer to the Financial Statements in AR 2023 for The Group's financial performance and financial risk management to maintain financial sustainability.

Best Build is committed to the sustainable development of our business and contributing to positive change to the environment and communities around us. We achieve these commitments by assessing and managing the impacts associated with the sustainability issues most pertinent to us. Our sustainability approach is guided by our material topics and aligned to the UN SDGs. IFRS S1 (63)

Material topics

Best Build assesses the sustainability topics relevant to it on a yearly basis through the Board of Directors, SRC, RMC and SWC by considering the following:

- Engaging our key stakeholders, as stated above under "Stakeholder engagement" on pages 23 to 25, including internal stakeholders like employees and head of departments and external stakeholders like tenants, suppliers and investors
- Identifying the topics that reflect the most significant impact of our business activities and relationships on the economy, environment and people, including human rights impact in line with the GRI Standards GRI 3-1
- Peer benchmarking and referring to disclosure topics listed in the SASB's Real Estate Sustainability Accounting Standard
- Reviewing ESG developments for the sector in Singapore to assess potential impacts on the Group
- Identifying risks and opportunities associated with each sustainability topic

Reference

Based on the assessment above, Best Build identifies the actual and potential economic, environmental and social impacts of each sustainability topic and further assesses their significance based on their severity and likelihood and identifies related risks and opportunities.

The sustainability topics that are found to rank high either on the significance of the impact, the nature and magnitude of the risks and opportunities, or both, are prioritised by Best Build. Key stakeholders are further consulted to validate the material topics and risks and opportunities identified.

There are no changes to the list of material topics compared to 2022. The Group's material topics for 2023 are as follows. Climate-related risks and opportunities that correspond to these material topics are also presented as follows. GRI 3-2

Guidance Notes

To recap the differences in materiality approaches between IFRS SDS and GRI Standards:

- Per IFRS SDS, **information is material if omitting, misstating or obscuring that information could reasonably be expected to influence investor decisions**, whereas per the GRI Standards, **a topic is material when it represents an organisation's most significant impacts on the economy, environment and people, including impacts on their human rights.**
- **IFRS SDS are focused on meeting the information needs of investors, whereas the GRI Standards are focused on meeting the information needs of stakeholders, including investors.**

An entity's impacts can give rise to SrROs. Therefore, it is important to assess the interconnections between impacts and risks and opportunities.

As noted above, it has been identified that energy and GHG emissions is a material topic for Best Build under the GRI Standards, because the use of its electricity, fuel and refrigerants has a material impact on climate change. The preparer should also consider if this context also informs the identification of risks and opportunities (IFRS SDS).

In this example, the impact on climate change (identified under the GRI Standards as a material topic), is also recognised as a climate-related risk (IFRS SDS) too under "Rising mean temperatures and risk of heatwaves, resulting in increased cooling costs", "Property insurance premiums rising due to increase risks of extreme weather events (including risk of flash floods damaging buildings and disrupting operations)", "Increased business costs due to higher carbon taxes" and "Increase in tenant expectations for green offices, leading to additional green construction and premium retrofit".

The climate-related risks (IFRS SDS) identified of "rising mean temperatures and risks of heatwaves, resulting in cooling costs" can further accentuate Best Build's impact toward climate change as identified under key impacts (GRI Standards).

Reference
GRI 3-2, GRI 3-3

Impact identified under GRI			Risk and opportunity identified under IFRS SDS
Material Topics	**Summary of key impacts**	**Summary of management approach**	**Climate-related risks and opportunities that could reasonably be expected to affect Best Build's prospects**
Environmental			
Energy and GHG emissions	Use of electricity, fuel and refrigerants in Best Build's buildings results in GHG emissions which contributes to climate change.	Reduce energy use and optimise energy efficiency in buildings and development projects	Increased cooling costs as a result higher energy consumption to mitigate rising mean temperatures and heatwaves Property insurance premiums rising due to increased risks of extreme weather events (including risk of flash floods damaging buildings and disrupting operations) Increased business costs due to higher carbon taxes Increase in tenant expectations for green offices, leading to additional green construction and premium retrofit *For further information, please refer to 'Strategy' section for prioritised climate-related risks and opportunities*
Waste	Improper disposal of waste from buildings or development projects releases pollutants into the environment	Facilitate adoption of reducing, reusing and recycling principles	-
Water	Water is a strategic resource and careless consumption of this limited resource reduces its availability for other critical uses	Promote water conservation and optimise water efficiency	Water scarcity disrupting the usual operations of Best Build's buildings
Social			
Product and service quality	High tenant energy/water consumption contributes to environmental footprint	Conduct asset enhancement initiatives and retrofit buildings with fixture and fittings that are eco-friendly	-
Diversity and equal opportunity	A positive culture for diversity and inclusion improves employee well-being and prevents discrimination	Provide an inclusive culture and opportunities for personal development	-
Employment, training and education	Evolving technologies and business environments require skills and competencies of our employees to consistently be kept up to date. Engaging employees is also important to attract and retain the best talent	Provide opportunities for professional development and career advancement and working practices as well as policies to ensure employees' overall well-being	-
Health and safety	Ensuring the health and safety of employees and workers is to uphold their basic human rights	Ensure compliance with health and safety regulations	-

Reference

Governance			
Anti-corruption and ethical business practices	Corruption and dishonest business practices could compromise product and service quality and lead to non-compliance with laws and regulations	Uphold strict standards as set out in the Group's code of conduct for management and employees, including a zero tolerance for fraud and unethical behaviour	-
Cybersecurity and data privacy	Customers' personal data privacy and other sensitive information should be protected to engender trust in Best Build'	Ensure compliance with the Personal Data Protection Act	-
Sustainable supply chain	Inefficient methods to extract raw materials and construct buildings increase the amounts of embodied carbon in buildings	Engage suppliers and contractors to improve our value chain's environmental footprint and make a positive social impact	-

Risk management IFRS SDS

Reference

Section context

This section highlights the disclosures based on IFRS SDS.

Risk management

Risk management covers the key concept of identifying, assessing (nature, likelihood and magnitude), prioritising and monitoring key sustainability-related risks.

IFRS SDS cover information about the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks; including information about: IFRS S2 (25(a)(i)-(vi))

i. the inputs and parameters the entity uses
ii. whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;
iii. how the entity assesses the nature, likelihood and magnitude of the effects of those risks;
iv. whether and how the entity prioritises climate-related risks relative to other types of risk;
v. how the entity monitors climate-related risks; and
vi. whether and how the entity has changed the processes it uses compared with the previous reporting period

The impacts of identified material factors can translate into significant risks and opportunities. Best Build's ERM function aims to identify, assess and document material impacts, including but not limited to climate-related impact, risks, their key controls and mitigating measures. GRI 3-1, IFRS S2 (25(c))

As part of The Group's risk management, our main focus this year is on climate-related risk and opportunities and impacts that has been identified and assessed as part of Best Build's ERM framework[10] and are included together with other organisational risks within the RMC's risk registers. With the continued development of Best Build's capacity to address environmental issues, we aim to progressively expand our assessment to also include the identification of social-related matters that are equally important in tackling climate change. These considerations could potentially cover issues such as the increase in labour costs and changing customer demands to ensure our continued advancement in the real estate industry. GRI 3-1, IFRS S2 (25(a)(ii)-(iii)), IFRS S2 (25(b))

In recent times, there are many emerging climate regulations and market trends affecting our business. To ensure that we remain relevant amid these changes, we have undertaken a climate-related scenario exercise to identify the most relevant climate change risks and opportunities for the Group considering regulations and trends that impacts our business as a whole. This includes physical and transitions risks affecting Singapore, and feedback from our employees and management. The risks and opportunities are prioritised on their financial impact to our asset portfolios across Singapore within two time horizons. In the assessment of the nature, likelihood, and magnitude resulting from those risks and opportunities, Best Build considered both quantitative and qualitative factors. Refer to pages 32 to 36 for more information. IFRS S2 (25(a)(iii), (v)) IFRS S2 (25(a)(iv))

The ERM function maintains the Group's ERM framework and facilitates risk management matters with the RMC and relevant Best Build's stakeholders. Every quarter, the RMC will regularly review the expected business and financial effect of risks and opportunities that have been assessed as material to the organisation, the progress of any mitigation measures implemented, and evaluate the need to further update existing measures.

Best Build has classified climate-related risks as Tier One (most critical) risks, which signifies the organisation's low to zero risk tolerance for the issue. The identified risk level is based on the risk categories disclosed in our Environmental Risk Management Framework (refer to Risk Management section in AR 2023) to facilitate risk identification, assessment, measurement, monitoring and reporting. The RMC monitors all Tier One risks for any changes in the material risk topics' risk ratings, as well as the status of control activities and assurance of those risks.

Guidance Notes

Application guidance

In preparing disclosures to fulfil the requirements in paragraph 25, an entity shall avoid unnecessary duplication in accordance with IFRS S1 (see paragraph B42(b) of IFRS S1). For example, although an entity shall provide the information required by paragraph 25, if oversight of SrROs is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each SrRO. IFRS SI (B42(b)), IFRS S2 (26)

[10] The process used to identify, assess, prioritise and monitor climate-related risks as disclosed in our ERM Framework applies to all our operations. Refer to Risk Management section in AR 2023.

Environmental

Reference

Via its interactions with tenants, shoppers, vendors and the public, Best Build has the opportunity to foster an environmentally conscious culture in its area of operations. Our strategy may be summarised as follows:

Energy and GHG emissions:	Water:	Waste:
Reducing energy use and optimising energy efficiency	Promoting water conservation and optimising water efficiency	Facilitating adoption of reducing, reusing and recycling principles

Energy and emissions IFRS SDS

Best Build faces both the physical risks caused by a more unpredictable and extreme climate and the transition risks arising from societal and economic shifts towards a low-carbon future. Its operations could also have an impact on the environment. For example, its energy consumption arising from its cooling needs results in GHG emissions which in turn lead to climate change. This could increase further with rising mean temperatures and risks of heatwaves. By managing the use of electricity, fuel and refrigerants in its buildings, Best Build manages its carbon footprint and contributes to collective action to slow down climate change.

Strategy IFRS SDS

Section context

This section highlights the disclosures based on IFRS SDS and the GRI Standards.

Transition plan disclosures

As part of an entity's strategy, IFRS S2(9)(c) requires an entity to disclose effects of those CrROs on the entity's strategy and decision-making, including information in its climate-related transition plan. A transition plan is an aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its GHG emissions. This includes information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies.

IFRS S2 (9(c))

IFRS S2 (14(a)(iv))

With reference to TCFD's Guidance on Metrics, Targets, and Transition Plans, key information from transition plans as part of climate-related financial information disclosures includes the following:

- current GHG emissions performance,
- impact on businesses, strategy, and financial planning from a low-carbon transition; and
- actions and activities to support transition, including GHG emissions reduction targets and planned changes to businesses and strategy.

For more information, refer to TCFD on transition plan disclosure guidance: https://www.ifrs.org/news-and-events/news/2024/06/issb-delivers-further-harmonisation-of-the-sustainability-disclosure-landscape-new-work-plan/

Business model and value chain

IFRS S2 (13(a)-(b))

IFRS SDS require reporting entities to assess both current and anticipated effects on the entity's business model and value chain arising from SrROs. Additionally, reporters are also required to disclose where in the entity's business model and value chain SrROs are concentrated (for example, geographical areas, facilities and types of assets).

Under the GRI Standards, for each material topic, a reporter is required to describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, and to report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships.

GRI 3-3, IFRS S1 (13(a)-(b))

Strategy and decision-making

IFRS S1 (33), IFRS S2 (14)

In enabling the users of general purpose financial reports to understand the effects of SrROs and CrROs on its strategy and decision-making, an entity shall disclose information about:

a. how the entity has responded to, and plans to respond to, SrROs and CrROs in its strategy and decision-making;

Reference

b. the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information; and
c. trade-offs between SrROs or CrROs that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).

Under the GRI Standards, a reporter is required to describe, for each material topic, the actions taken to manage the topic and related impacts, including actions to prevent, mitigate and remediate negative impacts, as well as information about tracking the effectiveness of the actions taken, including information on progress made. GRI 3-3

Effects on financial position, financial performance and cash flows

IFRS S2 (15)

Under IFRS SDS, reporting entities are required to disclose the current effects and anticipated effects of SrROs and CrROs on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects) and how the CrROs are included in the entity's financial planning (anticipated financial effects over the short, medium and long term). Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:

- How financial effects relate to the entity's strategy to respond and manage identified CrROs.
  As an example, after regular reviews of operating costs and expected carbon tax liabilities arising from energy consumption, an entity might consider investing in energy efficient technologies and opening opportunities to increase brand value and/or obtain green finance.
- In providing connected information, an entity might need to explain the effect or likely effect of its strategy on its financial statements and financial planning, or explain how that strategy relates to the metrics the entity uses to measure progress against targets avoid unnecessary duplication.
  For example, an entity might face decreasing demand for its products because of consumer preferences for lower-carbon alternatives. The entity might need to explain how its strategic response, such as closing a major factory, could affect its workforce and local communities, and the effect of such a closure on the useful lives of its assets and on impairment assessments.
- Considering effects to financial planning, investment plans, disposal plans, sources of funding to implement their strategy. The entity might need to link the information about its use of natural resources or changes within its supply chain to information about current or anticipated financial effects on the entity's production costs, its strategic response to mitigate those risks and its related investment in new assets.

In preparing the disclosures of the financial performance (quantitative information), an entity can apply both mechanisms to address proportionality and mechanisms to facilitate adoption. Refer to pages 13 to 15 for guidance on both mechanisms.

The GRI Standards require the entity to report information on the risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure. GRI 201-2

Our main strategy to reduce energy consumption is as follows: GRI 3-3, IFRS S2 (14(a)(i))

- Incorporating passive and low-energy features in the design of our buildings
- Upgrading amenities like lights and air conditioners to be more energy-efficient
- Reducing the operating of facilities like elevators and lighting during non-peak hours and/or at areas with low human traffic

Moreover, we strive to create spaces which incorporate more environmental sustainability considerations for our tenants each year. Best Build accomplishes this by upgrading our properties to attain Building and Construction Authority's (BCA) Green Mark-certification and improving our properties' energy efficiency. This will also mitigate the increase in energy usage as the scale of our operations increases.

We have engaged an independent third-party consultant to facilitate a refresh of our climate strategy this year. Best Build has assessed its exposure to physical and transition risks, as well as shortlisted potential climate opportunities as part of our first climate change scenario analysis this year. Best Build uses climate-related scenario analysis to assess its climate resilience the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. IFRS S2 (9a), IFRS S2 (22(b))

For the financial year ended 31 December 2023, the identified physical and transition risks are assessed between two timeframes – Year 2030 for the medium-term and Year 2050 for the long-term. The selected timeframes are aligned with Singapore's national decarbonisation goals, which is consistent with TCFD (2020) recommendations.[11] IFRS S2 (22(b)(i)-(iii)), IFRS S2 (10(c))

[11] TCFD (2020) recommends consideration of "time horizons that are compatible with the company's (1) capital planning and investment horizons and (2) the useful life of major company assets and time horizons that are harmonised or anchored with those of national and international climate policy communities (e.g., 2030 and 2050). This is also consistent with the requirements in IFRS S2 *Climate-related Disclosures* issued by the ISSB

Reference
IFRS S2 (22(a)(ii)),
IFRS S2 (22(b)(i))

Macroeconomic effects of climate change such as changes to consumers demand pattern or distribution of income and industry costs affecting consumer demand are not quantified in this study, given the high uncertainty of the magnitude and timing of these effects.

IFRS S2 (22(b)(i))

Based on our climate scenario analysis results, the dominant risks to Best Build are rising mean temperatures and risk of heatwaves and increase in business costs due to carbon price and increase in cooling consumption for both 2030 and 2050. As part of our climate scenario analysis, we have chosen two temperature alignments covering our operations in Singapore[12]:

- A lower temperature rise (1.5°C) scenario to cover transition risks; and
- A higher temperature rise (>3°C) scenario to test our current business resiliency.

IFRS S2 (22(b)(i)(3))

The 1.5°C warming scenario is used to align with global goals to limit temperature rise (i.e., Paris agreement), and corresponds to a more stringent low-carbon transition scenario.

The climate scenario analysis considers variables such as regulatory outlook, energy mix, technological advancement and consumer trends, to understand the strategic implications of climate-related issues.

To enable investment flexibility in building a resilient portfolio to deliver sustainable returns to our stakeholders, the entity conducts regular review and management of financial liquidity and balance sheet.

The following physical and transition risks are applicable to all of our properties and business operations in Singapore. For more information on potential amounts that may be vulnerable to those risks, refer to AR 2023.

GRI 201-2, IFRS S2 (22(a)(iii)(1)), IFRS S2 (10(a)-(b))

Prioritised physical risks	Time horizons
◊ Rising mean temperatures and risk of heatwaves, resulting in increased cooling costs	Long-term
• Risk of flash floods damaging buildings and disrupting operations	Short-term
• Property insurance premiums rising due to increased risks of extreme weather events	Medium-term

Legend:
- ◊ Prioritised risks with relatively higher business and/or financial effects to Best Build in the specified timeframe
- • Prioritised risks with relatively lower business and/or financial effects to Best Build in the specified timeframe

IFRS S2 (10(d))

Time horizons used in the assessment of when the effects of each climate-related risks and opportunity could reasonably be expected to occur are aligned to the time horizons used by the Group in our strategic planning. Short-term is defined as within 5 years (i.e. until 2028), medium-term as between 5 and 20 years (i.e. between 2028 and 2043), and long-term as above 20 years (i.e. 2043 onwards).

IFRS S2 (14)

Expectedly, physical risks impacts will be more significant under the higher temperature rise (>3°C) scenario in the long term.

◊ Rising mean temperatures and risk of heatwaves, resulting in increased cooling cost

Based on current assessments, the Group's dominant physical risk will be the rising mean temperatures and risk of heatwaves. The term 'dominant' is defined as the risk with significant current and anticipated effect on Best Build. To mitigate this risk, we have undertaken Green Mark[13] upgrading works for our portfolio and progressively upgraded our buildings' chiller plant systems over the past five years. This has enabled us to reduce the impact of cooling cost increases due to rising temperatures. All chillers for our five properties under the scope of this report have completed or will be completing upgrades to higher efficiency models by 2030. Capital expenditure into the upgrading of these chillers amounted to $0.6 million in 2023, and contractual commitments for the remaining upgrading works amount to $0.5 million. These amounts are funded out of Best Build's budget to enhance and retrofit its buildings.

• Risk of flash floods damaging buildings and disrupting operations

IFRS S2 (13)

Two of our properties are located in low-lying parts of Singapore with history of flash floods and are therefore more prone to risk. To address the risk of flash floods damaging our properties, we will regularly monitor our portfolio's locations against available flood-prone area information from PUB and evaluate the feasibility of incorporating

[12] Includes key assumptions based on Singapore's Third National Climate Change Study by the National Environment Agency's (NEA) Centre for Climate Research Singapore (CCRS): https://www.mss-int.sg/docs/default-source/v3_reports/v3-stakeholder-report.pdf
[13] The Green Mark certification scheme is administered by BCA. It is a green building rating system designed to evaluate a building's environmental impact and performance.

flood adaptation measures as part of regular building retrofits. In the current year, Best Build implemented low-disruption measures to floodproof its buildings, such as the installation of downspout extensions and applying water-repellent coatings for all its buildings, which amounted to a capital expenditure of $1.2 million. While we are unable to estimate the anticipated financial effect due to measurement uncertainty due to the current limitations in forecasting the extent and severity of future flash floods, we expect that there will be a higher investment in climate mitigation measures as a result of physical risks anticipated to affect our properties.

Reference

- Property insurance premiums rising due to increased risks of extreme weather events

The increased risks of extreme weather events as stated above could lead to a rise in property insurance premiums. To manage its insurance costs, Best Build communicates to its insurers its efforts to reduce its exposure to underlying risks and mitigate losses, such as those described above. This includes reaching out to its insurers 180 days before the renewal of its property insurance is due, as opposed to the industry practice of 90 to 120 days, in order to allow sufficient time for negotiations. The insurance costs addressing climate-related risks are currently not separately identifiable from Best Build's overall insurance premiums as the policies covering property and business interruption are bundled together and not itemised separately.

GRI 201-2, IFRS S2 (10(a)-(c))

Prioritised transition risks	Time horizons
◊ Increased business costs due to higher carbon taxes	Short-term
• Building sustainability requirements growing in tandem with increased tenant expectations for green offices, leading to additional green construction and retrofit premium	Short-term
• Enhanced sustainability reporting obligations	Short-term

Legend:

◊ Prioritised risks with relatively higher business and/or financial effects to Best Build in the specified timeframe

• Prioritised risks with relatively lower business and/or financial effects to Best Build in the specified timeframe

◊ Increased business costs due to higher carbon taxes

IFRS S2 (14)

Singapore's upcoming carbon tax increases, which could reach \$50-\$80/tCO_2e by 2030, are set to have a more substantial impact on the Group in a 1.5°C global warming trajectory. As such, our ongoing efforts to obtain Green Mark certifications for our properties will prove crucial in alleviating the financial repercussions of this impending tax increase. The upgrades will also place Best Build in a better position to meet future enhanced building sustainability requirements as Singapore strives to green 80% of its building stock (by gross floor area) by 2030 and reach net zero by 2050.

- Building sustainability requirements growing in tandem with increased tenant expectations for green offices, leading to additional green construction and retrofit premium

As half our portfolio under the scope of analysis has been certified under the Green Mark Non-Residential Building 2017 standard, there is a risk of not being able to meet the same certification level under the current more stringent Green Mark 2021 requirements. We are evaluating our existing buildings' re-certification risks against the new Green Mark 2021 In-Operation standard and will consider the impact of any additional near-term investments required.

- Enhanced sustainability reporting obligations

As announced on 28 February 2024, Singapore will introduce mandatory climate-related disclosures in a phased approach, in line with the recommendations from the Sustainability Reporting Advisory Committee. Specifically for listed issuers, we have to disclose scope 3 GHG emissions by FY2026 and obtain external limited assurance for scope 1 and 2 GHG emissions by FY2027. This is in line with the global rise in demand for climate-related information by markets, customers and financial institutions. There is a mounting pressure to meet these enhanced sustainability reporting obligations to maintain competitiveness. We are committed to develop inhouse expertise and knowledge to meet the evolving requirements of sustainability reporting standards and regulations as part of our established organisational capability building and upskilling efforts.

Beyond the Green Mark certifications, Best Build is committed to further reducing our carbon footprint by continually improving the energy performance of our buildings over the long term. We recognise that for our business to thrive and continue to be successful, it is our responsibility to contribute to a more sustainable future.

- **Opportunity – investment in energy efficient technologies to realise energy savings**

We recognise that investment in energy efficient technologies is a significant climate opportunity and also an essential pillar of our decarbonisation strategy. By engaging our contractors and suppliers to incorporate green features in our retrofitting and asset enhancement works, we might be able to realise energy savings and reduce significantly the carbon footprint of our daily operational and maintenance activities.

This is in alignment with the shift in customer preferences for more sustainable buildings which would likely allow the Group to generate green rental premium resulting in a potential increase in revenue for Best Build. Through the adoption of energy efficient technologies, we would be able to also lower our future operating costs over the long-term. It is currently challenging to assess the current and anticipated effects of climate-related opportunities identified as it is difficult to separately identify the anticipated effect of climate in isolation from other opportunities. In addition, Best Build is in the process of gathering the required information about the anticipated financial effects arising from the ability to generate green rental premium and adoption of energy efficient technologies that would not be available without undue cost or effort at this juncture. They will be subsequently assessed as we develop our decarbonisation strategy. Accordingly, the quantification of current and anticipated effects of climate-related opportunities is not available.

We have performed an initial assessment on current and anticipated financial effects of climate-related risks as disclosed in the table below.

Estimated financial effects (S$'m)	Current effects	Anticipated financial effects by time horizon (S$'m)		
	2023	Short Note 1	Medium Note 1	Long
Investment in climate adaptation and resilience measures (increase in assets and cash outflows from investing activities)	1.8	1.0 - 1.5	3.0 - 4.5	Note 2
Includes effects from: • Rising mean temperatures and risk of heatwaves, resulting in increased cooling costs • Risk of flash floods damaging buildings and disrupting operations	0.6 1.2	Note 3 Note 3	Note 3 Note 3	Note 2 Note 2
Investment in climate mitigation measures (increase in assets and cash outflows from investing activities)	0.5	0.8 - 1.2	4.0 - 6.5	Note 2
Includes effects from: • Additional green construction and retrofit premium	0.5	0.8 - 1.2	4.0 - 6.5	Note 2
Impact on financial performance (decrease in profit before tax and increase in cash outflows from operating activities)	0.3	2.5 - 3.5	9.0 - 11.0	Note 2
Includes effects from: • Increased business costs due to higher carbon taxes • Enhanced sustainability reporting obligations	- 0.3	1.0 - 1.5 1.5 - 2.0	6.0 - 7.0 3.0 - 4.0	Note 2 Note 1

Where relevant, we have considered the implication arising from the anticipated financial effects on the Group's Financial Statements. Refer to the Group's Financial Statements in AR 2023 for more details.

Note 1 – The disclosed amounts are subject to high estimation uncertainty. The ranges were obtained from the results of our climate scenario analysis exercise which used inputs certain variables as inputs and is subject to certain limitations as disclosed on page 33. Estimation uncertainty will be reduced as advances in the science surrounding the macroeconomic effects of climate change provide further clarity in finetuning the inputs and model of our climate scenario analysis.

Note 2 – We are unable to estimate the anticipated financial effect due to long-term measurement uncertainty in the inputs and assumptions as a result of the lack of data available at present, including data about climate outcomes and the effect of those outcomes on Best Build. However, this is not applicable to current effects, and therefore we have disclosed estimated current financial effects. We will continue to monitor credible information to

Reference
GRI 3-3, IFRS S2 (10(a)-(c)), IFRS S2 (15(a)-(b)), IFRS S2 (19(a))

IFRS S2 (29(d))

GRI 201-2, IFRS S2 (15), IFRS S2 (16), IFRS S2 (19), IFRS S2 (21), IFRS S2 (29(e))

IFRS S1 (77-82)

support the disclosure in this area. We expect that there will be a higher investment in climate mitigation measures as a result of physical risks anticipated to affect our properties, especially those in low-lying areas of Singapore.

Reference

Note 3 – The financial effects of individual risks are not provided as these effects are currently not separately identifiable.

Looking ahead, we are on track to finalising our decarbonisation strategy which will include a complete assessment of the financial impact arising from the effects of climate-related opportunities. Subsequently, the Group will consider it as part of our future resilience measures and scenario analyses. In FY2024, we will also be commencing a study to analyse potential and feasibility of climate-related opportunities, including other risks and opportunities not related to climate.

Metrics and targets IFRS SDS

Investors have increasingly required entities to disclose non-financial key performance indicators around environmental, social, and governance information. These metrics are subsequently used to assess risks and screen investments across certain impact categories. It also enables the users of our sustainability report to understand the Group's performance in relation to our emission footprint.

IFRS S2 (27-28)

We measure our GHG emissions in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). We have adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We have consistently used the same measurement approach since we started measuring our GHG emissions in 2013. We have assessed that we have operational control over all of our subsidiaries. The specific emission factors used in the various GHG emissions measurements are disclosed in the notes to Sustainability Performance Data on page 47.

GRI 305-1-f to g, GRI 305-2-f to g, IFRS S2 (29 (a) (i)-(v))

While we face challenges in developing Scope 3 inventory, we continue to strive to develop our Scope 3 emissions. Our intention is to be able to disclose emissions that are not produced by the Group itself, does not result from activities of assets owned or controlled by the Group, but by those that the Group is indirectly responsible for in its value chain.

GRI 1 (Requirement 6)

We have an existing energy intensity target for our properties seen on page 38. We regularly monitor our progress towards reaching the targets that we have set for ourselves and on a quarterly basis, we will update the RMC.

GRI 3-3, IFRS S2 (29(a)(vi))

Our targets have yet to be validated by a third party. We are currently in the process of developing a decarbonisation strategy and assessing our available capital for it. The exercise will also inform the setting of medium and long-term GHG emissions reduction targets for the entirety of Best Build, the methodology used to set the target, including our process for reviewing and monitoring the progress towards reaching the target and the use of carbon credits, if planned, to offset emissions.

GRI 3-3, IFRS S2 (33-36), IFRS S2 (29(f))

The targets will be aligned to the goals of the Paris Agreement to keep global temperature rise to 1.5 °C in this century and strive to help Best Build achieve Net Zero for Scope 1 and 2 emissions by 2050 by conforming to science-based initiatives. The exercise is expected to conclude by 2025.

GRI 3-3, IFRS S2 (33)

Targets stated in this section represent the unvalidated targets that were set in 2015 for the period from 2015 to 2025. They were set with the objective to mitigate climate change by reducing energy consumption of all our buildings significantly, from the base year of 2015.

IFRS S2 (33-34), IFRS S1 (51), IFRS S2 (36)

Section context

Industry-based metrics

An entity is required to disclose industry-based metrics relevant to the entity considering its business model, activities or other common features that characterise participation in the industry that it is in.

In determining the industry-based metrics and metrics used to set and monitor progress towards targets, an entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the *Industry-based Guidance on Implementing IFRS S2*.

IFRS S2 (32), IFRS S2 (37)

Climate-related metrics

Under IFRS SDS, a reporting entity is required to disclose absolute GHG emissions generated during the reporting period, expressed as metric tonnes of CO2, measured in accordance with the Greenhouse Gas Protocol for the following categories:

1. Scope 1 GHG emissions
2. Scope 2 GHG emissions (location-based)
3. Scope 3 GHG emissions

Reference

Under the GRI Standards, GRI 302: Energy 2016 and GRI 305: Emissions 2026 include metrics for reporting on energy and GHG emissions, including, for example, energy consumption within and outside of the organisation, Scope 1, 2, and 3 GHG emissions, energy and GHG emissions intensity, reduction of energy consumption and GHG emissions, and reductions in energy requirements of products and services.

GRI 302, GRI 305-1 to 5

Industry-based Guidance on implementing Climate-related Disclosures Volume 36—Real Estate

The industry-based guidance (IBG) has been derived from Sustainability Accounting Standards Board (SASB) Standards, which are maintained by ISSB. Topics such as Energy Management, Water Management, Management of Tenant Sustainability Impacts and Climate Change Adaptation are covered under the Sustainability Disclosure Topics & Metrics.

Each of the above-mentioned topics covers a list of metrices such as energy consumption data coverage as a percentage of total floor area, by property sector; percentage of eligible portfolio that has an energy rating and is certified to ENERGY STAR; percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements. Further detail of each metric can be found under the Industry-based Guidance on implementing Climate-related Disclosure (Volume 36 – Real Estate) on pages 48 to 50 of this report.

IFRS S2 (IBG – Vol 36)

The GRI Construction and Real Estate Sector Disclosures developed for the GRI G4 Guidelines can provide additional sector-specific disclosures to report on the topic of Energy and GHG emissions. This includes, for example, disclosures on building energy intensity, GHG emissions intensity from buildings, or breakdowns of Scope 1, 2, and 3 GHG emissions by meaningful segmentation, for example, portfolio, fund, location, asset type. Refer to link for further guidance: https://www.globalreporting.org/search/?query=construction

In general, the number of metrics related to SrROs derived from SASB Standards is more than the number of metrics required to be disclosed based on the GRI Standards.

Guidance Notes

Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards

Entities that already disclose Scope 1, Scope 2 and Scope 3 GHG emissions using GRI 305 are well positioned to disclose these GHG emissions in accordance with IFRS S2 as many of the requirements of GRI 305 and IFRS S2 demonstrate a high degree of alignment. In addition to this, other GHG emissions disclosures can be aligned, depending on the choices an entity makes in applying GRI 305 and IFRS S2.

GRI and IFRS Foundation's Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards

Both Standards also include disclosure requirements for an entity to provide transparency about how it measures GHG emissions, and these requirements are largely aligned. For example, both Standards require an entity to disclose information about the approach, methodologies, inputs, and assumptions it has used to measure GHG emissions.

However, there are situations where GRI 305 contains requirements about GHG emissions that are not included in IFRS S2, and vice versa. For an entity reporting in accordance with GRI 305 and in compliance with IFRS S2, the reporting entity would need to disclose information according to these requirements in order to assert in accordance with GRI Standards and in compliance with IFRS SDS.

As a result, GRI and the IFRS Foundation have jointly published *Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards.* The material covers both GRI and IFRS Foundation's analysis and mapping resource to assist entities on its GHG emissions reporting.

Reference
GRI 3-3

Best Build prioritises energy efficiency as a key strategy to minimise carbon emissions. This strategy also contributes to Singapore's climate targets, which aim to reduce emissions to around 60 $MtCO_2e$ in 2030 after peaking emissions earlier and to achieve net zero emissions by 2050.

GRI 302-1

Electricity comprises the largest component of energy consumption in our properties. In 2022 and 2023, it accounted for 99.9% of total energy consumption. The remainder is provided by diesel fuel for powering back-up generators. With the limited renewable energy available for generation in Singapore, all of our fuel consumption in 2023 is derived from non-renewable sources.

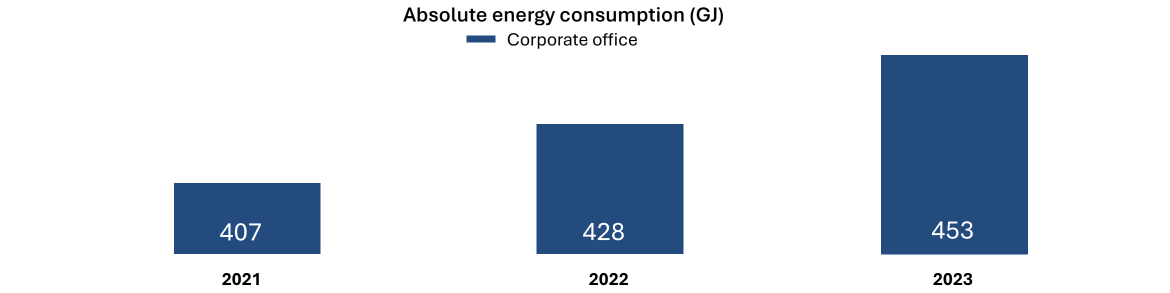
GRI 3-3, GRI 302-4, IFRS S1 (51(f))

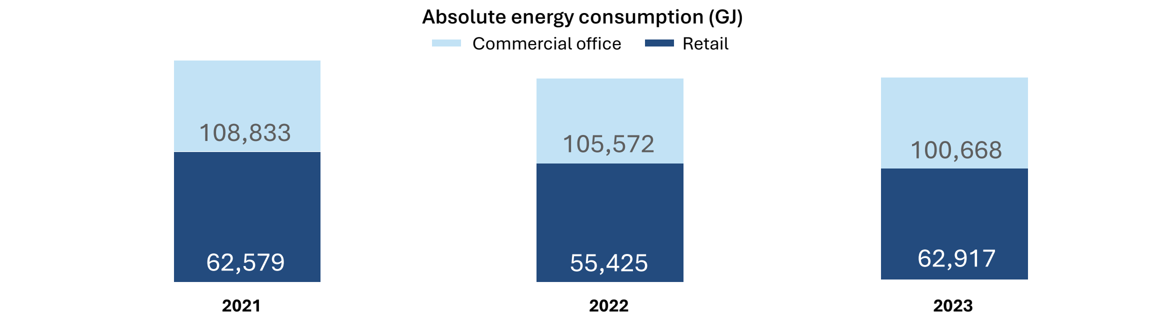
There was a decrease in total energy consumption in 2022 due to the pandemic, before a slight increase of 1.6% in 2023 as office and shopper activities gradually resumed normalcy. Notwithstanding this, arising from our energy conservation efforts, our energy consumption has reduced by 4,962 GJ or 2.9% from 2015 levels. We are on track to meet our target to reduce energy intensity[14] by 10% by 2025, using 2015 as the base year.

GRI 3-3, GRI 302-3, IFRS S1 (51(a)-(b)), IFRS S2 (33(a))

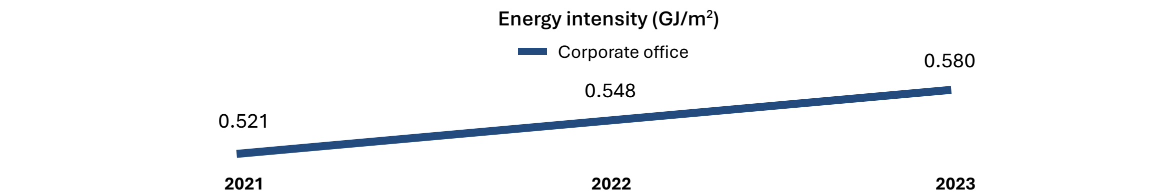
Energy intensity (GJ/m²)			
2023		2024	2025
Target	Performance	Target	Target
0.486	0.477	0.480	0.470

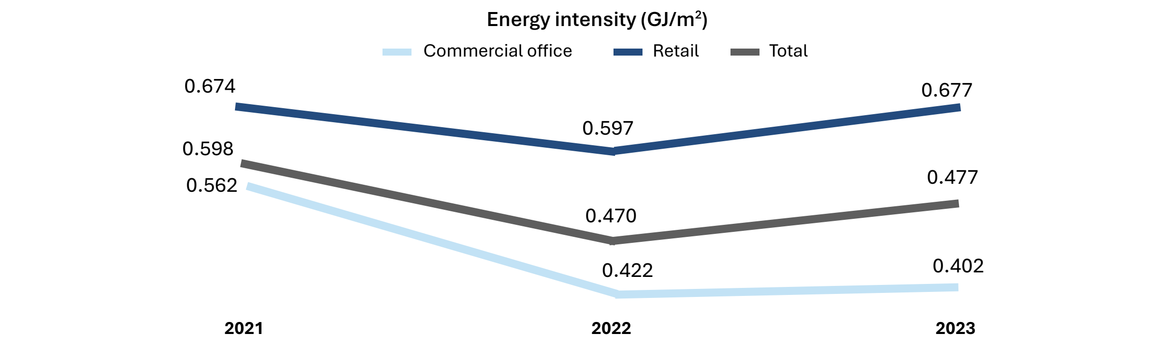
GRI 302-1





GRI 302-3





GRI 305-5, IFRS S2 (14(a), (v))

Despite the increase in energy use, our properties' total Scope 1 and Scope 2 GHG emissions have decreased in 2023 from 2022 due to reduced refrigerant top-ups in Best Build's buildings in 2023.

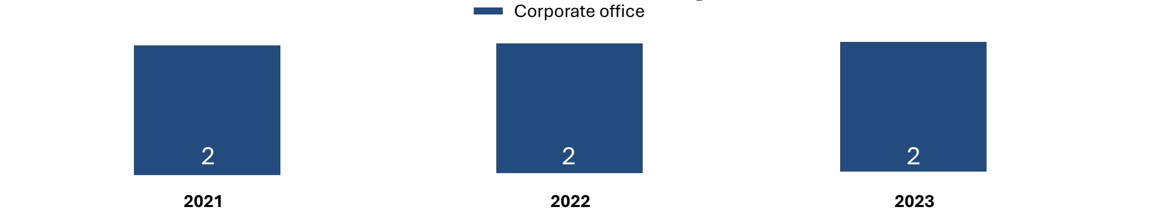
[14] Intensity is computed using gross floor area, as defined by BCA, as the denominator. Energy intensity includes both fuel and electricity consumptions within the organisation. This target applies to Best Build and its subsidiaries.

Reference
GRI 303, GRI 305-4, IFRS S1 (51(a)-(b)), IFRS S2 (33(g))

Scope 1 and 2 GHG emissions intensity (tCO_2e/m^2)			
2023		**2024**	**2025**
Target	**Performance**	**Target**	**Target**
In progress	0.0542	In progress	In progress

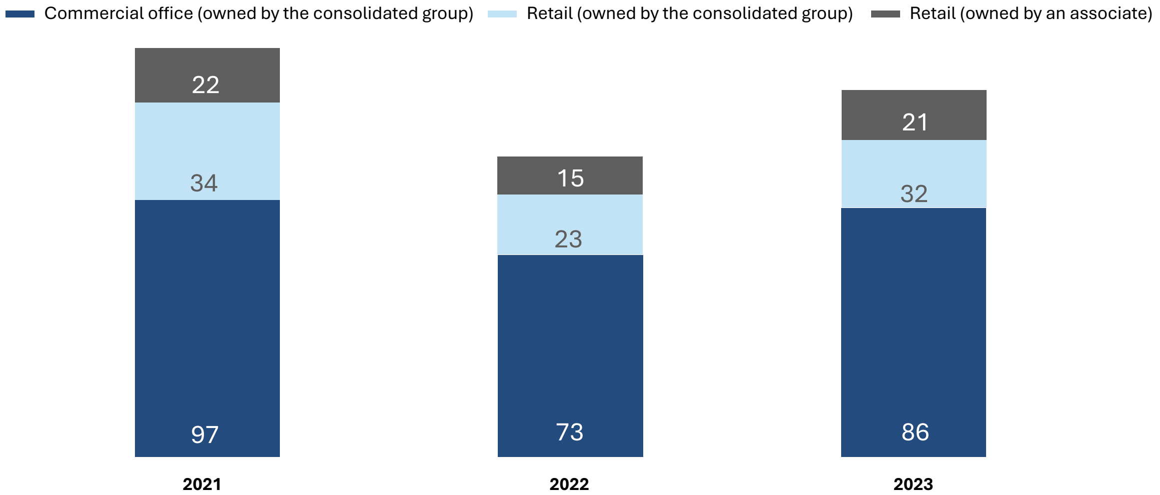
GRI 305-1-a, GRI 305-5-d, IFRS S2 (29(a)(i)(1))

Scope 1 GHG emissions (tCO_2e)



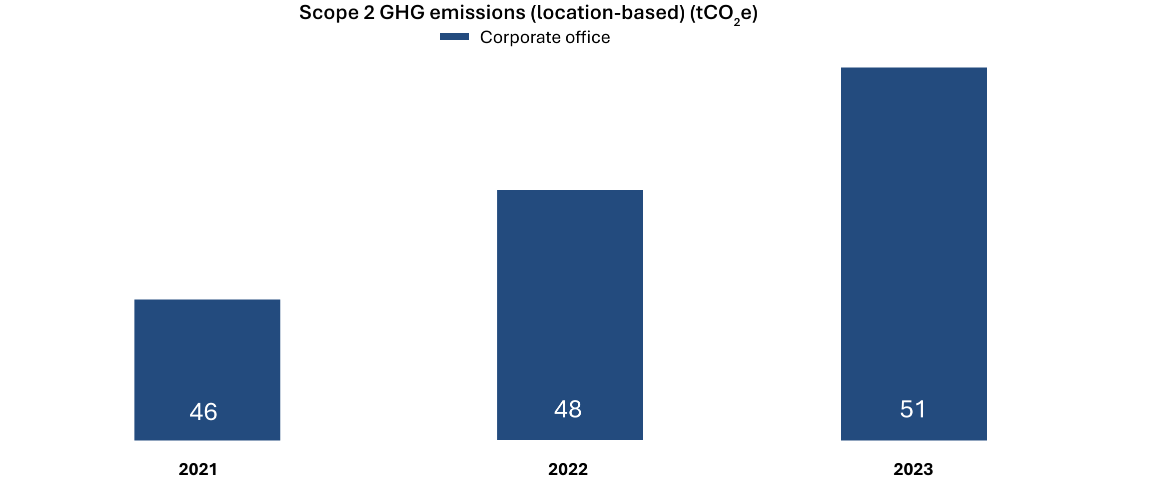
GRI 305-1-a, IFRS S2 (29(a)(i)(1)), IFRS S2 (29(a)(iv))

Scope 1 GHG emissions (tCO_2e)



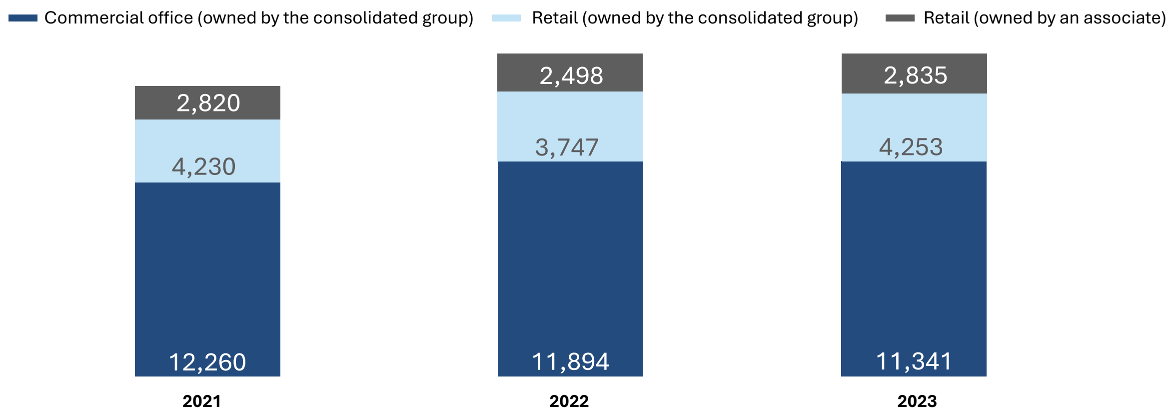
GRI 305-2-a, IFRS S2 (29(a)(i)(2)), IFRS S2 (29(a)(iv)), IFRS S2 (29(a)(v))

Scope 2 GHG emissions (location-based) (tCO_2e)



GRI 305-2-a, IFRS S2 (29(a)(i)(2)), IFRS S2 (29(a)(iv)), IFRS S2 (29(a)(v))

Scope 2 GHG emissions (location-based) (tCO_2e)



Refer to pages 48 to 50 for relevant metrics identified by applying the IFRS SDS Industry-based Guidance on implementing Climate-related Disclosure (Volume 36 – Real Estate).

Reference
IFRS S2 (29(a)(iv))

As tenants are the primary users of Best Build's properties, their activities have a significant impact on the environmental footprint of our portfolio. As a landlord, we are conscious of the opportunity to engage our tenants to minimise the impact of their operations on energy and water consumption, as well as waste generation. By working together, we will reduce our collective environmental footprint.

GRI 3-3

Tenant electricity consumption relating to the usage of air-conditioning within tenant spaces is accounted for under Best Build's energy use. We are in the process of collecting the electricity consumption data for other usages from our tenants. We will also be assessing the contribution of tenant electricity use towards our Scope 3 emissions to inform our Scope 3 target setting exercise progressively in the coming years.

GRI 1
(Requirement 6)

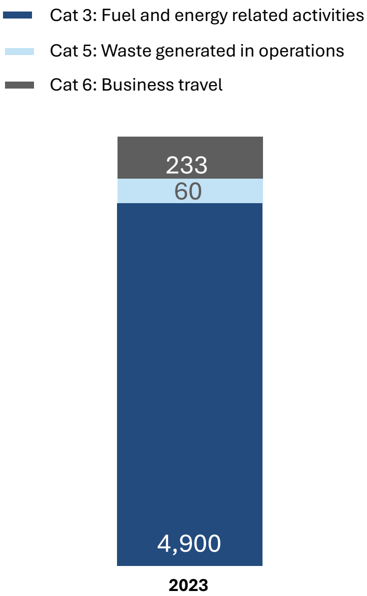
We recognise the importance in addressing Scope 3 emissions arising from our supply chain. As of 31 December 2023, we have started to monitor our Scope 3 data, and we are pleased to report certain categories of Scope 3 for the first time this year as presented in the table below in accordance with the GHG Protocol. Scope 3 includes emissions arising from property development fuel and energy related activities not included in Scope 1 and Scope 2 such as upstream emissions from purchased fuels used in power generators, upstream emissions from purchased electricity (including transmission and distribution losses), business air travel (excluding the influence of radiative forcing) and hotel accommodations, and waste treatment at the corporate office and managed buildings.

GRI 305-3-d and g

GRI 305-3-a, IFRS S2 (29(a)(i)(3))

GRI 305-3-d, IFRS S2 (29(a)(i)(3))

Scope 3 GHG emissions (location-based) (tCO_2e)



Scope 3 category	Calculation methodology
Category 3 Fuel and energy related emissions	Activity based method was used. Emissions computed based on fuel consumed and associated country well-to-tank (WTT) emission factors and purchased electricity and associated transmission and distribution (T&D) loss using upstream fugitive methane emission factor from Singapore EMA and other WTT emission factors from UK DEFRA.
Category 5 Waste generated in operation	Activity-based method was used. Emissions computed based on type, amount and disposal methods of waste generated, and emission factors from UK DEFRA.
Category 6 Business travel	For air travel and hotel accommodation, activity-based emissions are computed based on distance travelled and hotel nights and emission factors from UK DEFRA.

Waste

Disclosures about this material topic have not been illustrated.

Water

While it has not been illustrated here, the water consumption of Best Build's commercial and retail buildings is significant mainly due to its high tenant density. Singapore is amongst the most water-stressed countries in the world due to the lack of natural water resources such as large rivers, natural springs or glaciers, as well as limited land to collect and store rainwater. As the risk of water scarcity is expected to become worse over the long term, therefore, disclosures related to water has been identified as a material information to be disclosed.

Social

Reference

Section context

This section of the report has been prepared in accordance with the disclosure requirements of the GRI Standards. Unless otherwise stated, all information, data, and sections within this report comply with the disclosure requirements of the GRI Standards and the **climate-related only disclosures of IFRS SDS.**

At Best Build, we understand the importance of building inclusive urban spaces. We seek to accomplish this by creating safe and healthy workplaces for the communities we serve, including our customers and the wider community. This also extends to our workforce as we believe a more vibrant and engaged community creates better business outcomes.

The protection of the human rights of our employees is embedded in our operations. In 2023, we have implemented a Human Rights Policy and shared our policy with our employees, customers and suppliers. As reflected in the policy, we do not tolerate child labour, forced labour or discrimination in the workplace, and we strive to safeguard our employees' rights to privacy, fair compensation and a healthy and safe working environment. We expect our employees to extend the same principles to our external stakeholders. GRI 2-23

Best Build is a signatory to Tripartite Alliance for Fair Employment Practices (TAFEP) and has pledged to apply fair, merit-based and non-discriminatory employment practices.

We respect our employees' rights to join a lawful labour union. 32% of our employees were represented by Collective Bargaining Agreements by Singapore Industrial and Services Employees' Union (SISEU) and Union of Security Employees (USE) as at 31 December 2023. GRI 2-30

Product and service quality

Disclosures about this material topic have not been illustrated.

Diversity and equal opportunity

Best Build is committed to building a culture that promotes employee growth, development and work-life balance and rewards employees' contributions to the Group. GRI 3-3

Therefore, we strive to create an environment that advocates care, inclusiveness and empowerment and boost employee motivation. We emphasise open communication, mutual respect, teamwork and collaboration to align our people with our organisational values.

The Group employed 236 employees as of 31 December 2023. All of our employees are in Singapore. GRI 2-7

Employees (headcount)		
2023	**Male**	**Female**
Full-time employees	143	90
Part-time employees	2	1
Total	**145**	**91**
Full-time employees	127	76
Part-time employees	18	15
Total	**145**	**91**

Reference

A diverse and inclusive workforce is key to build resilience and innovation within the Group to overcome business, environmental, and social challenges and capitalise on related opportunities as they surface. We value the varied skills and experience that employees from different age groups and diverse backgrounds bring with them.

It is important to us to provide fair and equal opportunities to every employee. Our policies prohibit discrimination in hiring, pay, promotion and growth opportunities. We reward employees based on merit and performance to ensure that everyone has an equal chance to succeed. To help our employees grow and develop professionally and holistically, we offer training, mentorship and career advancement opportunities. GRI 2-23, GRI 3-3

We hope to nurture diversity and inclusion in our workforce at all levels. In 2023, women accounted for 38.6% of our full-time employees and 40% of senior management. Best Build has also adopted a policy to promote board diversity since 2021, which was reported in our last year's report and is available on our corporate website.

We seek to protect our employees, as well as all our contractor workers, from discrimination. Best Build's grievance mechanism is made available to them to report any incident of discrimination at our managed buildings. They may also choose to report directly to Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP). GRI 2-25

No incidents of discrimination were reported to the Group through these two channels in 2023. We target to maintain a zero-incident rate in the years to come. GRI 3-3, GRI 406-1

GRI 405-1

Diversity (gender)		
2023	**Male**	**Female**
Board of Directors	70%	30%
Senior management	60%	40%
Executives	60%	40%
Non-executives	63%	37%

Diversity (age group)			
2023	**< 30 years**	**30 - 50 years**	**> 50 years**
Board of Directors	0%	20%	80%
Senior management	0%	40%	60%
Executives	15%	47%	38%
Non-executives	18%	32%	50%

Employment, training and education

Disclosures about this material topic have not been illustrated.

Health and safety

Disclosures about this material topic have not been illustrated.

Governance practices

Reference

Section context

This section of the report has been prepared in accordance with the disclosure requirements of the GRI Standards. Unless otherwise stated, all information, data, and sections within this report comply with the disclosure requirements of the GRI Standards and the **climate-related only disclosures of IFRS SDS.**

Best Build pursues credible governance and business practices across our value chain. By upholding strict ethical standards in business practices, cybersecurity and data privacy and investment strategies in the Group, as well as demanding the same from our value chain, we build a strong foundation to advance our other sustainability priorities.

Anti-corruption and ethical business practices

Ethical business practices on a bedrock of good governance are crucial to prevent corruption, ensure compliance with prevailing laws and regulations and deliver quality products and services. These also contribute to the financial stability of our entity and maintain shareholder trust. All our risk management policies and procedures also adhere to the precautionary principle, and they are reviewed and approved by our management and/or Board of Directors. Refer to Risk Management section in AR 2023. GRI 3-3 GRI 2-23

Our policies and commitments for enforcing anti-corruption and ethical business practices are as follows: GRI 2-23, GRI 2-24, GRI 2-26, GRI 3-3

- Code of conduct: All governance body members and employees are expected to meet the highest ethical standards in their conduct at work and with stakeholders. They are required to declare any conflict of interest during their employment and in their dealings with external stakeholders. GRI 2-15
- Whistleblowing policy and procedure: Employees and other stakeholders have access to whistleblowing channels, which is also available on our corporate website, to raise concerns without fear of reprisal. Employees found guilty of impropriety in violation of regulations and our policies will be reported to the relevant authorities. GRI 2-26
- Anti-bribery and corruption policy: We employ a zero-tolerance position against all forms of corruption and expect our employees, suppliers, contractors and other business partners to adhere to the same standards.
- Anti-competition policy: We promote fair competition in accordance with Singapore's Competition Act 2004.
- Investor relations policy: We make full and accurate disclosure to existing and potential shareholders on a timely basis in accordance with SGX-ST's Listing Rules.
- Personal data protection policy: We implement measures to protect personal data collected from our stakeholders in accordance with Singapore's Personal Data Protection Act 2012 (PDPA).
- Ethical marketing practices: We provide legal, decent, honest and truthful advertisements in accordance with the Singapore Code of Advertising Practice and our employees are expected to adhere to ethical marketing practices when engaging potential customers.

These policies and procedures, including the Group's code of conduct, are included in the orientation programme for all our new directors and new employees. Employees are trained based on their job responsibilities to ensure compliance with laws and regulations. The Group includes an anti-bribery and anti-corruption clause in all contracts with suppliers, contractors and all business partners. GRI 2-24, GRI 205-2

At the Board level, the SRC oversees the implementation of The Group's policies to manage risks on compliance, fraud and corruption, among others, as part of its responsibilities. It also supervises the whistleblowing channel by reviewing every case raised.

The RMC supports the SRC by managing the practices and processes associated with those policies. It monitors the Group's compliance with the policies and procedures to mitigate the identified risks via annual assessments and quarterly risk register and controls reviews, which are also updated to incorporate regulatory developments and employee feedback as necessary.

Reference
GRI 2-27, GRI 3-3, GRI 205-1

The RMC has reviewed all the Group's operations and assessed that there are no significant risks related to corruption. In addition, there were no significant instances of non-compliance with laws and regulations (defined as those resulting in a monetary fine or warning letter from relevant authorities) in 2022. In 2023, we target to maintain zero significant incidences of non-compliance.

GRI 3-3, GRI 205-3, GRI 206-1, GRI 417-3, GRI 418-1

Anti-corruption and ethical business practices		
2023		**2024**
Target	Performance	Target
Zero incidents of: • corruption • anti-competitive behaviour, anti-trust and monopoly practices • non-compliance concerning marketing communications • breaches of customer privacy and losses of customer data	Zero incidents	Zero incidents

Cybersecurity and data privacy

Disclosures about this material topic have not been illustrated.

Sustainable supply chain

Disclosures about this material topic have not been illustrated.

Sustainability performance data IFRS SDS

Reference

ESG Indicators	Measurement Unit	2021	2022	2023	Reference
Environmental					
Purchased electricity					
Electricity consumption	**GJ**	**171,650**	**161,301**	**163,884**	GRI 302-1
Corporate office	GJ	405	426	451	
As landlord of buildings	GJ	171,245	160,875	163,433	
Fuel consumption (as landlord of buildings)	**GJ**	**169**	**124**	**154**	
Total energy consumption	**GJ**	**171,819**	**161,425**	**164,038**	
Corporate office	GJ	405	426	451	
As landlord of buildings	GJ	171,414	160,999	163,587	
GHG emissions					
Total Scope 1 emissions	**tCO_2e**	**155**	**365**	**110**	GRI 305-1, IFRS S2 (29(a)(i)(1))
Total Scope 2 emissions (location-based)	**tCO_2e**	**18,174**	**19,848**	**19,756**	GRI 305-2, IFRS S2 (29(a)(i)(2)), IFRS S2 (29(a)(v))
Corporate office	tCO_2e	47	51	56	
As landlord of buildings	tCO_2e	18,127	19,797	19,700	
Total Scope 1 emissions and Scope 2 emissions	**tCO_2e**	**18,329**	**20,213**	**19,866**	
Corporate office	tCO_2e	47	51	56	
As landlord of buildings	tCO_2e	18,282	20,162	19,810	
Scope 3 emissions	**tCO_2e**	**Not available**	**Not available**	**5,194**	GRI 305-3, IFRS S2 (29(a)(i)(3))
Water consumption					
Total water consumption	**ML**	*Not illustrated*			

ESG Indicators	Measurement Unit	2021	2022	2023	Reference
Waste generated					
Total waste generated	t	*Not illustrated*			
Waste directed to disposal by incineration	t				
Waste collected for recycling (excluding e-waste)	t				
E-waste collected for recycling	t				
Food waste collected	t				
Intensity					
Energy intensity	**GJ/m²**	**0.598**	**0.470**	**0.477**	GRI 302-3
Electricity intensity	**GJ/m²**	**0.598**	**0.469**	**0.477**	
Scope 1 emissions and Scope 2 GHG emissions intensity	**tCO_2e/m^2**	**0.0679**	**0.0532**	**0.0542**	GRI 305-4
Scope 2 GHG emissions intensity	**tCO_2e/m^2**	**0.0674**	**0.0529**	**0.0538**	GRI 305-4
Water intensity	**ML/m²**	*Not illustrated*			
Social					
Workplace health and safety					
Number of man hours worked	**Number**	*Not illustrated*			
Employees	Number				
Contractors	Number				
Incidents involving public, tenants and visitors' safety	**Number**				
Employees	**Headcount**	**223**	**235**	**236**	GRI 2-7
Full-time employees	Headcount	220	233	233	
Part-time employees	Headcount	3	2	3	

ESG Indicators	Measurement Unit	2021	2022	2023
Permanent employees	Headcount	193	202	200
Temporary employees	Headcount	-	-	-
Fixed-term contract employees	Headcount	30	33	36
New hires	Headcount	*Not illustrated*		
Average training hours per employee	Hours			
Average training hours per female employee	Hours			
Annual employee turnover rate	%			
Workers who are not employees	**Number**			

Reference

Data and Calculation Methodology Notes

Environmental

1. Energy in corporate office and buildings refers to purchased electricity and fuel data and represents energy consumption within Best Build. Lower heating value (LHV) from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories were used to compute the energy values for fuels. Fuel consumption for the corporate office is accounted for under Buildings. Fuel consumption for tenants is currently not available. GRI 302-1
2. Landlord electricity data for Buildings comprises electricity consumption at common areas and centralised air-conditioning (including tenant areas). Tenant energy use reported refers to purchased electricity for other uses other than air-conditioning. Tenant energy use data is currently not available.
3. GHG emissions calculations are based on the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), with operational control as the basis. Scope 1 (direct) GHG emissions include emissions from fuels and refrigerants. Scope 2 (indirect) GHG emissions refer to purchased electricity. Gases included in calculation include CO_2, CH_4, N_2O and HFCs. Emission factors from the GHG Protocol 2022 and GWP values from 2014 IPCC Fifth Assessment Report were used to compute Scope 1 emissions. The latest available grid electricity emission factors from the Singapore Energy Market Authority (EMA) were used to compute Scope 2 emissions, based on the location-based method. Scope 3 emissions are based on emission factors from 2023 DEFRA. GRI 305-1-b, e, f, g, GRI 305-2-c, e, f, g, GRI 305-3-f, g, IFRS S2 (29(a)(ii))
4. Intensity is computed using Gross Floor Area (GFA) as the denominator. We adopt BCA's definition for GFA. All covered floor areas of a building, except otherwise exempted, and uncovered areas for commercial uses, are deemed the GFA of the building. Generally, car parks are excluded from GFA computation. GRI 305-4

Social

1. Best Build does not have any employees with non-guaranteed hours. There are no significant fluctuations in the number of employees during 2023 and 2022. This is the first year that Best Build is reporting data on the number of workers who are not employees and whose work is controlled by the organisation. For 2023, workers who are not employees and whose work is controlled by the organisation comprise our security and cleaning contractors and despatch staff. Numbers reported correspond to headcount as of 31 December 2023. GRI 2-7, GRI 2-8

IFRS SDS Industry-based Guidance on implementing Climate-related Disclosure (Volume 36 – Real Estate) metrics

The sustainability disclosure metrics based on the IFRS SDS Industry-based Guidance on implementing Climate-related Disclosure (Volume 36 – Real Estate) are presented below for the 5 buildings in the Group's corporate office, commercial office and retail portfolio under this report's scope.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Property Subsector	2023 (See Note #1)
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector (%)	Corporate office	Landlord energy data is reported for 100% office space and retail space
			Commercial office	
			Retail space	
	IF-RE-130a.2	1. Total energy consumed by portfolio area with data coverage, 2. Percentage grid electricity (%), and 3. Percentage renewable, by property subsector	Corporate office	1. 453 GJ 2. 100% 3. 0%
			Commercial office	1. 100,668 GJ 2. 100% 3. 0%
			Retail space	1. 62,917 GJ 2. 100% 3. 0%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage (%), by property subsector	Corporate office	87% (See Note #2)
			Commercial office	95% (See Note #2)
			Retail space	89% (See Note #2)
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector (See Note #3)	Corporate office	1. 77% 2. Not applicable to Singapore
			Commercial office	1. 100% 2. Not applicable to Singapore
			Retail space	1. 100% 2. Not applicable to Singapore
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Corporate office	Refer to pages 32 to 36
			Commercial office	
			Retail space	

Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Corporate office	*Not illustrated*
			Commercial office	
			Retail space	
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Corporate office	
			Commercial office	
			Retail space	
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Corporate office	
			Commercial office	
			Retail space	
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Corporate office	
			Commercial office	
			Retail space	
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Corporate office	
			Commercial office	
			Retail space	
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Corporate office	
			Commercial office	
			Retail space	
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Corporate office	
			Commercial office	
			Retail space	
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Corporate office	
			Commercial office	
			Retail space	
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Corporate office	
			Commercial office	
			Retail space	

Reference

Note #1: We have applied the transition relief under IFRS S2 (E3) to not disclose comparative information as this is the first annual reporting period in which we apply IFRS SDS.

Note #2: Like-for-like calculation is only performed for landlord energy consumption. Like-for-like calculation for total building energy consumption (including tenant data) will only be carried out from next year onwards since this is the first year that Best Build is reporting tenant energy consumption.

Note #3: Energy rating scheme reported is BCA's Green Mark certification.

Table 2. Activity Metrics

Code	Accounting Metric	Property Subsector	2023 (See Note #1)
IF-RE-000.A	Number of assets, by property subsector	Corporate office	2
		Commercial office	2
		Retail space	1
IF-RE-000.B	Leasable floor area, by property subsector	Corporate office	-
		Commercial office	178,669 m^2 *
		Retail space	72,000 m^2 *
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Corporate office	N/A
		Commercial office	
		Retail space	
IF-RE-000.D	Average occupancy rate, by property subsector	Corporate office	Occupancy rates can be found in our Annual Report.
		Commercial office	
		Retail space	

* Refers to Approximate Net Floor Area as reported in the Property Summary of The Group's AR 2021, AR 2022, and AR 2022

GRI Content Index

Statement of use	Best Build has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023
GRI 1 used	*GRI 1: Foundation 2021*
Applicable GRI Sector Standard	Not applicable

*Proxy page numbers were indicated for the purposes of this report

GRI Standard	Disclosure	Reference	Omission
General disclosures		***GRI 2: General Disclosures 2021***	
2-1	Organisational details	Page 10	
2-2	Entities included in the organisation's sustainabiity reporting	Page 10	
2-3	Reporting period, frequency and contact point	Page 10 Publication date: 30 April 2024	
2-4	Restatements of information	Page 15	
2-5	External assurance	Pages 16, 62	
2-6	Activities, value chain and other business relationships	Page 10 There were no significant changes in activities, value chain and other relevant buisness relationships during the reporting period.	
2-7	Employees	Pages 41, 46 to 47	
2-8	Workers who are not employees	Pages 46 to 47	
2-9	Governance structure and composition	Corporate Governance report - page 88 of AR 2023	
2-10	Nomination and selection of the highest gover-nance body	Corporate Governance report - page 88 of AR 2023	
2-11	Chair of the highest governance body	Corporate Governance report - page 88 of AR 2023 The Chairman of the Board is not a senior executive in the organisation	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance report - page 88 of AR 2023	

GRI Standard	Disclosure	Reference	Omission
General disclosures		***GRI 2: General Disclosures 2021***	
2-13	Delegation of responsibility for managing impacts	Pages 20 to 21	
2-14	Role of the highest governance body in sustainability reporting	Page 21	
2-15	Conflicts of interest	Corporate Governance report - page 88 of AR 2023	
2-16	Communication of critical concerns	Corporate Governance report - page 88 of AR 2023	
2-17	Collective knowledge of highest governance body	Corporate Governance report - page 88 of AR 2023	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance report - page 88 of AR 2023	
2-19	Remuneration policies	Page 22, Corporate Governance report - page 88 of AR 2023	
2-20	Process to determine remuneration	Corporate Governance report - page 88 of AR 2023 Results of shareholder's vote on Directors' fees during AGMs are available as part of the AGM minutes available on the Group's corporate website.	
2-21	Annual total compensation ratio	-	This metric is not disclosed due to confidentiality constraints as the organisation considers the information about the annual total compensation for the organisation's highest paid individual proprietary.
2-22	Statement of sustainable development strategy	Pages 8 to 9	
2-23	Policy commitments	Pages 25, 41 to 44 Policy commitments are approved by the Board of Directors.	
2-24	Embedding policy commitments	Page 43	
2-25	Processes to remediate negative impacts	Pages 24, 42	
2-26	Mechanisms for seeking advice and raising concerns	Pages 24, 43	
2-27	Compliance with laws and regulations	Page 43	

Disclosure	Reference	Omission	Omission
General disclosures		***GRI 2: General Disclosures 2021***	
2-28	Membership associations	Page 25	
2-29	Approach to stakeholder engagement	Page 23	
2-30	Collective bargaining agreements	Page 41	
Material topics		***GRI 3: Material Topics 2021***	
3-1	Process to determine material topics	Pages 26 to 27	
3-2	List of material topics	Pages 27 to 29	
Energy		***GRI 3: Material Topics 2021, GRI 302: Energy 2016***	
3-3	Management of material topics	Pages 24 to 25, 28 to 29, 32 to 40	
302-1	Energy consumption within the organisations	Pages 38, 45 to 47	
302-3	Energy intensity	Pages 38, 45 to 47	
302-4	Reduction of energy consumption	Page 38	
Emissions 2016		***GRI 3: Material Topics 2021, GRI 305: Emissions***	
3-3	Management of material topics	Pages 24 to 25, 28 to 29, 32 to 40	
305-1	Direct (Scope 1) GHG emissions	Pages 36, 45 to 47	Disclosure for the amount of biogenic CO_2 emissions has been omitted as it is not material to Best Build.
305-2	Energy indirect (Scope 2) GHG emissions	Pages 36, 45 to 47	
305-3	Other indirect (Scope 3) GHG emissions	Pages 40, 45 to 47	Disclosure for the amount of biogenic CO_2 emissions has been omitted as it is not material to Best Build.
305-4	GHG emissions intensity	Pages 39, 45 to 47	
305-5	Reduction of GHG emissions	Page 38	

GRI Standard	Disclosure	Reference	Omission
Water and effluents		***GRI 3: Material Topics 2021, GRI 303: Water and Eeffluents 2018***	
3-3	Management of material topics	*Not illustrated*	
303-1	Interaction with water as a shared resource		
303-3	Water withdrawal		
303-5	Water consumption		
Waste		***GRI 3: Material Topics 2021, GRI 306: Waste 2020***	
3-3	Management of material topics	*Not illustrated*	
306-1	Waste generation and significant waste-related impacts		
306-2	Management of significant waste- related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
Supplier environmental assessment		***GRI 3: Material Topics 2021, GRI 308: Supplier Environmental Assessment 2016***	
3-3	Management of material topics	*Not illustrated*	
308-1	New suppliers that were screened using environ-mental criteria		
308-2	Negative environmental impacts in the supply chain and actions taken		
Product and service quality		***GRI 3: Material Topics 2021***	
3-3	Management of material topics	*Not illustrated*	
Employment		***GRI 3: Material Topics 2021, GRI 401: Employment 2016***	
3-3	Management of material topics	*Not illustrated*	
401-1	New employee hires and employee turnover		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee		

GRI Standard	Disclosure	Reference	Omission
Health and safety		*GRI 3: Material Topics 2021, GRI 403: Occupational Health and Safety 2018*	
3-3	Management of material topics	*Not illustrated*	
403-1	Occupational health and safety management system		
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupation health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety management system		
403-8	Workers covered by an occupational health and safety management system		
403-9	Work-related injuries		
403-10	Work-related ill health		
Training and education		*GRI 3: Material Topics 2021, GRI 404: Training and Education 2016*	
3-3	Management of material topics	*Not illustrated*	
404-1	Average hours of training per year per employee		
404-3	Percentage of employees receiving regular performance and career development reviews		
Diversity and equal opportunity		*GRI 3: Material Topics 2021, GRI 405: Diversity and Equal Opportunity 2016*	
3-3	Management of material topics	Pages 24 to 25, 28 to 29, 41 to 42	
405-1	Diversity of governance bodies and employees	Page 42	

GRI Standard	Disclosure	Reference	Omission
Non-discrimination		*GRI 3: Material Topics 2021, GRI 406: Non-discrimination 2016*	
3-3	Management of material topics	Pages 24 to 25, 28 to 29, 41 to 42	
406-1	Incidents of discrimination and corrective actions	Page 42	
Anti- corruption		*GRI 3: Material Topics 2021, GRI 205: Anti-corruption 2016*	
3-3	Management of material topics	Pages 24 to 25, 28 to 29, 43 to 44	
205-1	Operations assessed for risks related to corruption	Pages 43 to 44	
205-2	Communication and training about anti-corruption policies and procedures	Pages 43 to 44	Information is unavailable as we currently do not track the total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to or have received training on anti-corruption. However, we will collect and maintain records of it in 2025 for future reporting.
205-3	Confirmed incidents of corruption and actions taken	Pages 43 to 44	
Anti-competitive behaviour		*GRI 3: Material Topics 2021, GRI 206: Anti-competitive Behaviour 2016*	
3-3	Management of material topics	Pages 24 to 25, 28 to 29, 43 to 44	
206-1	Legal actions for anti-competitive behavious, anti-trust, and monopoly practices	Pages 43 to 44	
Supplier social assessment		*GRI 3: Material Topics 2021, GRI 414: Supplier Social Assessment 2016*	
3-3	Management of material topics	*Not illustrated*	
414-1	New suppliers that were screened using social criteria		
414-2	Negative social impacts in the supply chain and actions taken		
Marketing and labeling		*GRI 3: Material Topics 2021, GRI 417: Marketing and Labeling 2016*	
3-3	Management of material topics	*Not illustrated*	
417-3	Incidents of non-compliance concerning market-ing communications		
Customer privacy		*GRI 3: Material Topics 2021, GRI 418: Customer Privacy 2016*	
3-3	Management of material topics	*Not illustrated*	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		

SGX Core ESG Metrics

Topic	Metric	Unit	Framework alignment	Reference
Environmental				
GHG emissions	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO_2e	GRI 305-1, GRI 305-2, GRI 305- 3, TCFD	Pages 36, 40, 45 to 47
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO_2e/organisation-specific metric	GRI 305-4, TCFD	Pages 39, 45 to 47
Energy consumption	Total energy consumption	MWh/GJ	GRI 302-1, TCFD	Pages 38, 45 to 47
	Energy consumption intensity	MWh/GJ/organisation-specific metric	GRI 302-3, TCFD	Pages 38, 45 to 47
Water consumption	Total water consumption	ML/m^3	GRI 303-5, TCFD	*Not illustrated*
	Water consumption intensity	ML/m^3/organisation-specific metrics	TCFD	
Waste generation	Total waste generated	t	GRI 306-3, TCFD	
Social				
Gender diversity	Current employees by gender	Percentage (%)	GRI 405-1	Page 42
	New hires and turnover by gender	Percentage (%)	GRI 401-1	*Not illustrated*
Age-based diversity	Current employees by age	Percentage (%)	GRI 405-1	Page 42
	New hires and turnover by age groups	Percentage (%)	GRI 401-1	*Not illustrated*
Employment	Total turnover	Number and percentage (%)	GRI 401-1	
	Total number of employees	Number	GRI 2-7	Page 41
Development and training	Average training hours per employee	Hours/number of employees	GRI 404-1	*Not illustrated*
	Average training hours per employee by gender	Hours/number of employees	GRI 404-1	
Occupational health and safety	Fatalities	Number of cases	GRI 403-9, MOM (Singapore)	
	High-consequence injuries	Number of cases	GRI 403-9, MOM (Singapore)	
	Recordable injuries	Number of cases	GRI 403-9, MOM (Singapore)	
	Recordable work-related ill health cases	Number of cases	GRI 403-10, MOM (Singapore)	

Topic	Metric	Unit	Framework alignment	Reference
Governance				
Board composition	Board independance	Percentage (%)	GRI 2-9	Corporate Governance report - page 88 of AR 2023
	Women on the board	Percentage (%)	GRI 2-9, GRI 405-1	Page 42
Management diversity	Women in the management team	Percentage (%)	GRI 2-9, GRI 405-1	Page 42
Ethical behaviour	Anti-corruption disclosures	Discussion and number of standards	GRI 205-1, GRI 205-2 and GRI 205-3	Pages 43 to 44
	Anti-corruption training for employees	Number and percentage (%)	GRI 205-2	*Not illustrated*
Certifications	List of relevant certifications	List	Commonly reported metric by SGX issuers	
Alignment with frame-works	Alignment with frameworks and disclosure practices	GRI/TCFD/SASB/SDGs/others	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	Page 11
Assurance	Assurance of sustainability report	Internal/external/none	GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Prac-tice Note 7F	Page 62

Glossary of terms, abbreviations and acronyms

AEI	Asset Enhancement Initiatives
AGM	Annual general meeting
AR	Annual report
BCA	Building and Construction Authority
CEO	Chief Executive Officer
CH4	Methane
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CPF	Central Provident Fund
DDPMs	Departmental Data Protection Managers
DPO	Data Protection Officers
EMA	Energy Market Authority
ERM	Enterprise Risk Management
ESG	Environmental, social, and governance
ExCo	Executive Committee
FY	Financial year
GFA	Gross floor area
GHG	Greenhouse Gas
GJ	Gigajoules
GRI	Global Reporting Initiative
GWP	Global Reporting Potential
HFCs	Hydrofluorocarbons
HOD	Head of Department
HR	Human resource
HVAC	Heating, ventilation and air conditioning
IFRS	International Financial Reporting Standards
IFRS SDS	IFRS Sustainability Disclosure Standards
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardization
ISSB	International Sustainability Standards Board
IT	Information technology
KPIs	Key performance indicators
LHV	Lower heating value
MOM	Ministry of Manpower
ML	Megalitres
MRT	Mass Rapid Transit
MtCO2e	Metric tonne carbon dioxide equivalent
MWh	Megawatt hour
M^2	Meter square
M^3	Meter cube
NEA	National Environment Agency
N_20	Nitrous Oxide
OHS	Occupational Health and Safety
PDPA	Personal Data Protection Act
PDPC	Personal Data Protection Commission
PUB	Public Utilities Board
RMC	Risk Management Committee
SASB	Sustainability Accounting Standards Board

SDGs	Sustainable Development Goals
SGX	Singapore Exchange
SGX-ST	Singapore Exchange Securities Trading Limitied
SISEU	Singapore Industrial and Services Employee' Union
SRC	Sustainability and Risk Committee
SWC	Sustainability Working Committee
t	Tonnes
TAFEP	Tripartite Alliance for Fair & Progressive Employment Practices
TCFD	Task Force on Climate-Related Financial Disclosures
tCO_2e	Tonne carbon dioxide equivalent
USE	Union of Security Employees
WELS	Water Efficiency Labelling Scheme
WSH	Workplace Safety and Health

Bibliography

Additional References

EMA	https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2
GRI	https://www.globalreporting.org/ https://www.globalreporting.org/media/xlyj120t/interoperability-considerations-for-ghg-emissions-when-applying-gri-standards-and-issb-standards.pdf
GWP	https://ghgprotocol.org/sites/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
IFRS	https://www.ifrs.org/groups/international-sustainability-standards-board/
IPCC	https://www.ipcc.ch/
ISSB	https://www.ifrs.org/groups/international-sustainability-standards-board/
SASB	https://sasb.org/standards/
UN SDGs	https://sdgs.un.org/goals
TCFD	https://www.fsb-tcfd.org/

Limited Assurance Report

Limited assurance report will not be illustrated.