

MANAGING SUSTAINABILITY

ABOUT THIS REPORT

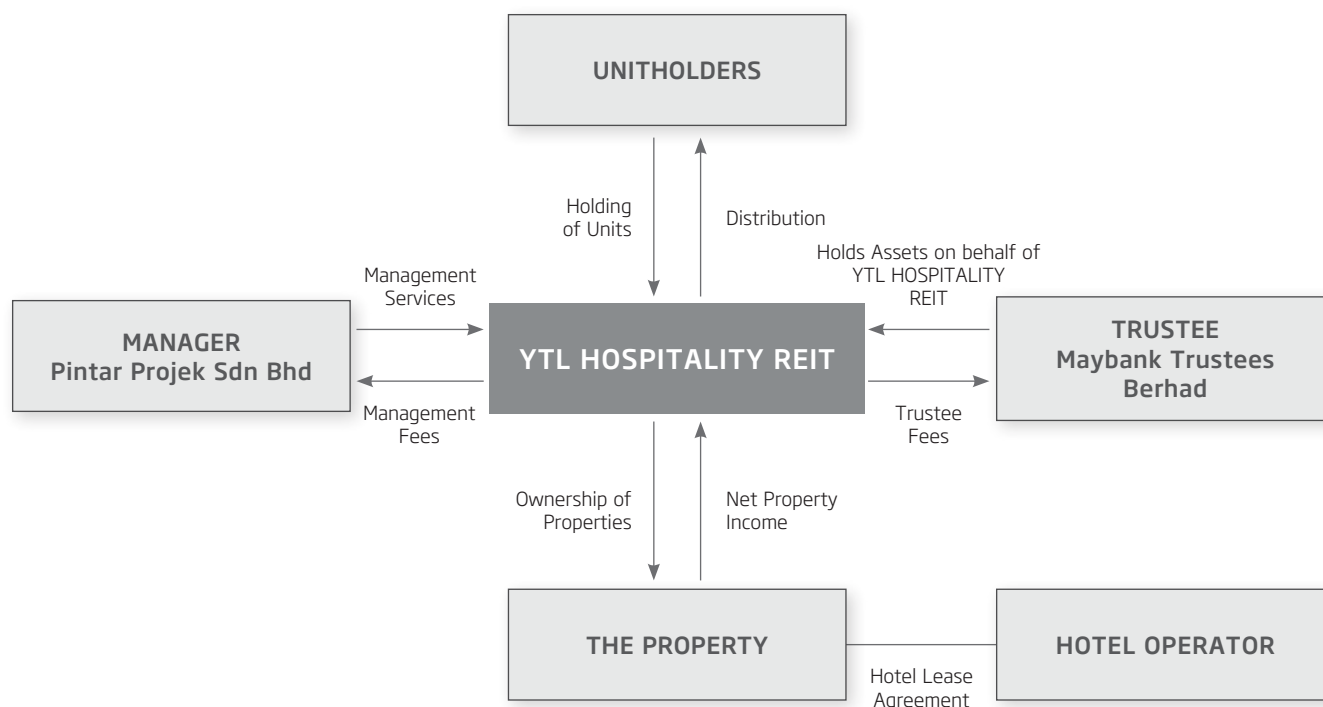
Structure and Management

YTL Hospitality REIT (“YTL REIT” or the “Trust”) was listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 16 December 2005 and is an income and growth type fund. The principal investment objective of YTL REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate.

YTL REIT has a market capitalisation of RM2.07 billion (as of 30 June 2024) and owns a broad portfolio of 18 hospitality assets, spread across Malaysia, Australia and Japan.

The trustee of YTL REIT is Maybank Trustees Berhad and YTL REIT is managed by Pintar Projek Sdn Bhd (“Pintar Projek” or the “Manager”), a 70%-owned subsidiary of YTL Corporation Berhad (“YTL Corp”).

YTL Hospitality REIT Structure



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Reporting Scope and Boundary

This sustainability statement provides an overview of how we operate and manage our strategy and day-to-day business to address our sustainability commitments and performance.

This statement covers YTL REIT's portfolio, where the Manager, Pintar Projek, has both financial and operational control, aligned with YTL REIT's financial year from 1 July 2023 to 30 June 2024 ("FY2024"), unless otherwise specified, and where there is readily available data. The environmental data in this report covers Brisbane Marriott Hotel, Melbourne Marriott Hotel and Sydney Harbour Marriott Hotel. The social and governance data covers the Manager, Brisbane Marriott Hotel, Melbourne Marriott Hotel and Sydney Harbour Marriott Hotel.

Properties where we do not have financial and operational control are excluded. Where material, newly acquired assets will be included upon the availability of a full year of data corresponding with YTL REIT's financial year, whilst any assets divested during the financial year are excluded from this statement.

Where relevant, the sustainability initiatives, performance and achievements of the lessees and operators of the Trust's properties will be outlined in greater detail in the consolidated YTL Group Sustainability Report 2024, which will be published in October 2024 in conjunction with YTL Corp's Annual Report for the financial year ended 30 June 2024. The report can be accessed from the YTL Group's Sustainability website at www.ytl.com/sustainability.

Reporting framework, References & Guidelines

This statement was prepared with reference to the following requirements, guidance, standards, frameworks, principles and assessments:

- Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Malaysian Code on Corporate Governance ("MCCG")
- Bursa Securities' Sustainability Reporting Guide and Corporate Governance Guide
- FTSE4Good Bursa Malaysia Index assessment methodology
- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol")
- United Nations Global Sustainable Development Goals ("UN SDGs")

Data Validation & Assurance

The information and performance data presented in this statement have been verified using internal sources for their accuracy. We are continuously working on standardising the datasets and improving our data tracking and collection methods. This effort aims to overcome the challenges in gathering data related to our environmental, social and governance ("ESG") metrics and to improve the process of reporting non-financial details.

We have not undertaken third-party verification for non-financial data. Nonetheless, seeking external assurance is being considered for future reports. This report was approved by the Board of Directors of the Manager ("Board") on 5 September 2024. References in this report to our website are to our corporate website at www.ytlhospitalityreit.com.

Forward-Looking Statements

This statement might include statements about future events and how we expect our business to perform. These statements are based on what we currently believe and the situation as it stands, which could shift. We think these statements are sensible, but it's important to note that they do come with risks and unknowns that could mean things turn out very differently than we expect.

Contact

We welcome feedback and suggestions from our stakeholders. For any questions about this report, please contact:

Sustainability Division
YTL Hospitality REIT
Email: sustainability@ytl.com

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OUR APPROACH TO SUSTAINABILITY

As part of the YTL Corp and its subsidiaries (“YTL Group”), YTL REIT’s sustainability focus is aligned with YTL Group’s credo, “*Making A Good Future Happen*”. This approach is embodied in our value chain and business practices, aiming to create long-term positive impacts for our stakeholders. Regular assessment, review and feedback on ESG issues are conducted in line with YTL Group’s practices and policies.

The Manager’s sustainability commitment is rooted in creating lasting value for all stakeholders by strongly emphasising on managing the Trust’s assets responsibly and with integrity. Our commitment to sustainable practices enables us to demonstrate a clear commitment towards achieving our growth objectives, balancing business opportunities and risks in the ESG realms.

We have aligned and adopted YTL Group’s established sustainability structure and framework, policies and guidelines, where relevant and appropriate. The following value-added Sustainability Framework is intrinsically linked to our sustainable business practices, ensuring our business remains relevant and creates value over the long-term.

Where applicable to the Trust, we incorporate sustainability into the day-to-day management of YTL REIT, which is aligned with the United Nations Sustainable Development Goals (“UNSDGs”) and YTL Group’s Corporate Statements (Human Rights and Ethics, Environment, Health and Safety and Commitment to Ethical Purchasing), Code of Conduct and Business Ethics (“the Code”), Anti-Bribery and Corruption Policy (“ABC”) and Global Privacy Policy.

YTL REIT Sustainability Framework



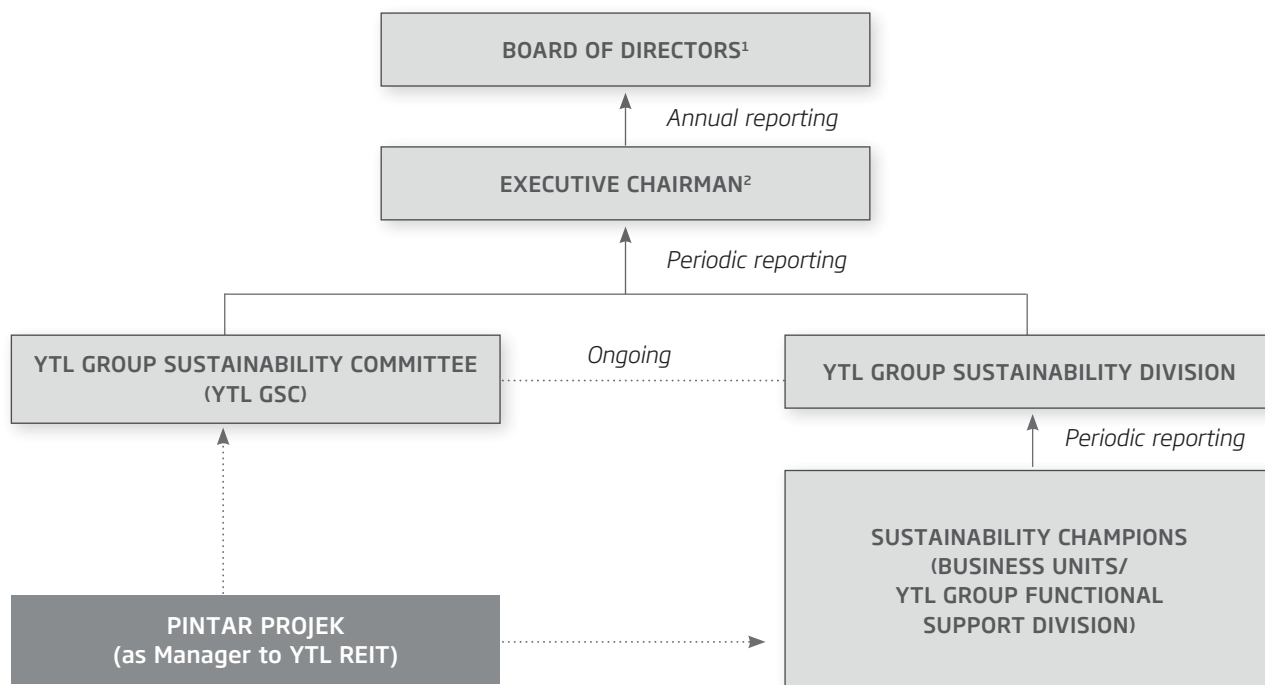
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Sustainability Governance

YTL Group operates with a clear and well-communicated governance structure and robust governance systems, which YTL REIT has similarly adopted. The Manager’s Board of Directors (the “Board”) is responsible for implementing and ensuring good governance.

More information on the Trust’s governance and internal control systems can be found in the *Corporate Governance Overview Statement*, and the *Statement on Risk Management and Internal Control* set out separately in this Annual Report.

YTL REIT Sustainability Governance Structure



Note:

¹ Refers to YTL Corp’s Board of Directors

² Executive Chairman of Pintang Projek is also the Executive Chairman of YTL Corp and Chairman of YTL GSC

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Roles and Responsibilities

**Board of Directors**

- Responsible for the governance of ESG, including setting YTL REIT's ESG strategy, priorities and targets, and reviewing material ESG risks and opportunities.
- Oversees the progress of the sustainability strategy and performance across material ESG matters, including approving materiality results and the sustainability statement.

**YTL Group Sustainability Committee**

- Led and chaired by the Executive Chairman of YTL Corp, who is also the Executive Chairman of Pintar Projek.
- Comprises representatives from YTL Group's Sustainability Division and Senior Management from the entire YTL Group's Business Units, who support the Board in setting high-level sustainability direction and strategic focus.
- Oversees the implementation of sustainability strategy and ESG-related matters.
- Reviews, monitors and provides YTL Group's sustainability strategic plans and initiatives across our value chain.
- Reports to the Board on an annual basis or more frequently, as and when needed.


**Group Sustainability Division**

- Spearheaded by the Head of Group Sustainability.
- Formulates sustainability framework.
- Leads and oversees the implementation of YTL Group's sustainability strategy.
- Coordinates and implements YTL Group's sustainability activities.
- Monitors and tracks YTL Group's sustainability performance.


**Sustainability Champions (Business Units/Group Functional Support Division)**

- Play a significant role in aligning the sustainability agenda with business practices on the ground.
- Implement, manage and monitor sustainability activities and performance.

Stakeholder Engagement

Stakeholders	Engagement Methods	Stakeholder Interests and Concerns	Our Response and Initiatives
 LESSEES	<ul style="list-style-type: none"> • Dialogue and engagement sessions 	<ul style="list-style-type: none"> • Create a conducive hotel environment • Property maintenance and enhancement 	<ul style="list-style-type: none"> • Identify potential areas of improvement and implement appropriate follow-up actions
 INVESTORS	<ul style="list-style-type: none"> • Dedicated investor relations section on the company's website • Annual General Meeting • Annual Report • Results briefings with analysts, investors and via press releases to the media 	<ul style="list-style-type: none"> • Access to yield-accretive real estate investments • Business performance and strategy • Risk management • Sustainable returns 	<ul style="list-style-type: none"> • Provide accurate information to the investing public through timely communication channels • Implement effective strategies for investor engagement

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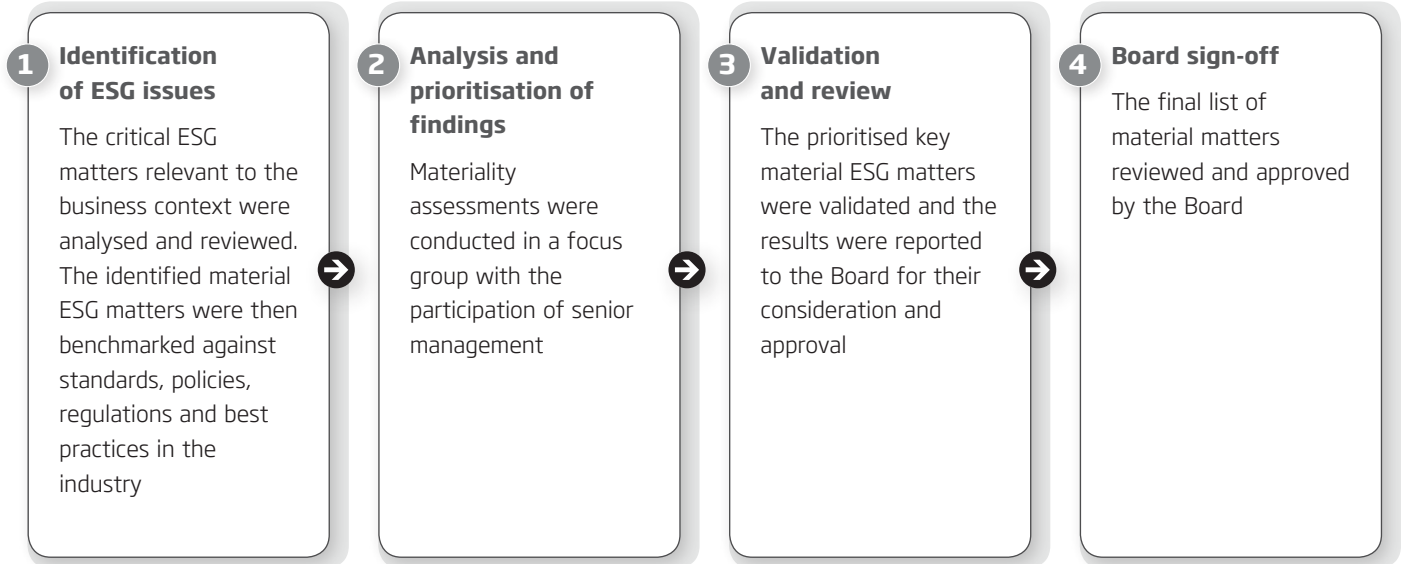
Stakeholders	Engagement Methods	Stakeholder Interests and Concerns	Our Response and Initiatives
 GUESTS	<ul style="list-style-type: none"> • Newsfeed in lounges, guest rooms and public areas • Loyalty programmes for hotel guests • Social media • Websites 	<ul style="list-style-type: none"> • Condition of amenities provided in properties • Promotions and rewards 	<ul style="list-style-type: none"> • Provide a safe and convenient environment • Improve guest experience via digitalisation initiatives
 EMPLOYEES	<ul style="list-style-type: none"> • Weekly department meetings • Annual performance appraisals • Recreational and team-building activities • Training courses and workshops • Employment incentives and benefits 	<ul style="list-style-type: none"> • Communicate business strategy and developments • Career development and progression • Diversity • Training and career development • Healthy, safe and inclusive work environment 	<ul style="list-style-type: none"> • Foster open dialogue with employees to share updates and receive feedback • Ensure compliance with all applicable health and safety and labour laws • Provide opportunities for employees to develop skills and gain knowledge • Promote a positive culture through activities and engagements • Competitive remuneration and benefits
 GOVERNMENTS AND REGULATORS	<ul style="list-style-type: none"> • Meetings, feedback and other correspondence 	<ul style="list-style-type: none"> • Compliance with rules and regulations • Sustainability and risk management 	<ul style="list-style-type: none"> • Implement policies and procedures to ensure regulatory compliance • Regularly monitor and review regulatory issues and performance • Adopt best practices for ongoing improvement in sustainability and risk management
 SUPPLIERS AND CONTRACTORS	<ul style="list-style-type: none"> • Requests for Proposals • Meetings and site visits • Vendor evaluation 	<ul style="list-style-type: none"> • Fair procurement policies and practices • Workplace safety assurance • Strict adherence to timelines • Timely payment for services and goods • Preference for local procurement or nearshoring 	<ul style="list-style-type: none"> • Uphold ethical business practices and integrity • Foster responsible supply chain management
 COMMUNITY	<ul style="list-style-type: none"> • Corporate social responsibility ("CSR") programme 	<ul style="list-style-type: none"> • Community investment • Supporting local communities 	<ul style="list-style-type: none"> • Ongoing CSR activities • Support for environmental and social causes

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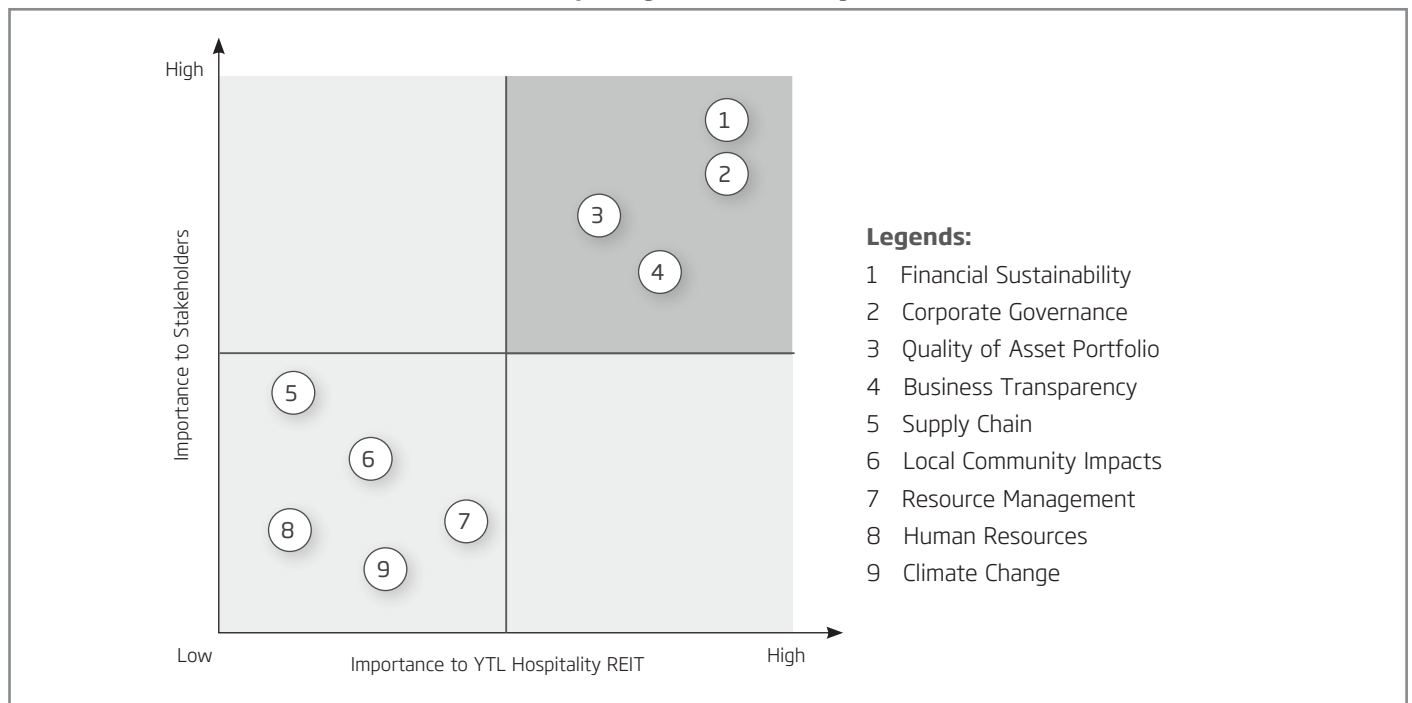
MATERIALITY

We review our material ESG matters annually to ensure their continued relevance to our business operations and stakeholder interests. Our materiality matrix is generated using guidelines presented in the GRI standards, as recommended in the Bursa Malaysia Sustainability Reporting Guide (3rd edition). We plan to conduct a further materiality assessment, engage with key stakeholders and publish the results in our next report.

Materiality Assessment Process



YTL Hospitality REIT Materiality Matrix



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A summary of material ESG matters, management approach, risks and opportunities are provided in the following table.

	Material ESG Matters	Management Approach	Risks	Opportunities
ENVIRONMENT	<ul style="list-style-type: none"> Climate Change Resources Management 	<ul style="list-style-type: none"> Promote initiatives to mitigate pollution/impacts and achieve reductions in energy consumption, water use and improved waste management Reduce portfolio carbon emissions and assess/mitigate climate-related risks 	<ul style="list-style-type: none"> Negative impacts on the environment resulting from our operations Threats to human health – physical and psychological well-being Rising temperature and extreme weather events (i.e. rising utility bills, flooding, etc.) 	<ul style="list-style-type: none"> Ability to operate and grow in an environmentally responsible manner and promote sustainable development Reduction of insurance premiums Reduction in energy use by adopting responsible practices, including other mitigation and adaptation measures
SOCIAL	<ul style="list-style-type: none"> Local Community Impacts Human Resources 	<ul style="list-style-type: none"> Promote an inclusive and safe workplace to nurture a high performing workforce and maintain zero incidents and accidents Focus on building societal resilience to improve the lives and livelihoods of local communities 	<ul style="list-style-type: none"> Negative image and/or brand reputation for the company High employee turnover cost Employee preference shifts in work arrangements 	<ul style="list-style-type: none"> Enhance brand image to a broader and more diverse community Increase employee awareness and involvement in sustainable programmes and initiatives Create a safe environment for all Contribute to local communities and create lasting positive impacts
GOVERNANCE	<ul style="list-style-type: none"> Corporate Governance Business Transparency 	<ul style="list-style-type: none"> Implement policies and procedures to ensure sound corporate governance, risk management and compliance with applicable laws and regulations Maintain zero tolerance for corruption, bribery, fraud and money laundering 	<ul style="list-style-type: none"> Heightened legal, regulatory and reputational risks Inconsistency and lack of strategic alignment leading to corruption, negligence, fraud and lack of accountability Potential conflict of interest, corruption and unethical practices 	<ul style="list-style-type: none"> Promote good governance practices that contribute to growth and management stability Improve organisational efficiency and effectiveness in entrepreneurial risk management
ECONOMIC	<ul style="list-style-type: none"> Financial Sustainability Supply Chain Quality of Asset Portfolio 	<ul style="list-style-type: none"> Deliver sustainable growth and long-term value Strengthen the asset portfolio Embed sustainable considerations in investments Provide job opportunities for a local multiplier to uplift the nation's economy by prioritising local suppliers or nearshoring 	<ul style="list-style-type: none"> Market uncertainties from economic conditions, political instability and regulations Underperforming assets impact income distribution, stability and profitability 	<ul style="list-style-type: none"> Unlock value through the optimisation of the asset portfolio Leverage core competencies to promote economic and industry growth Better collaboration with suppliers in managing procurement processes

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ENVIRONMENT

Climate Change

Aligned with YTL Group's aspiration of achieving carbon neutrality in operations by 2050, YTL REIT recognises the importance of supporting the transition towards a low-carbon economy by managing climate risks, reducing our carbon footprint, remaining resilient and driving sustainable investments for long-term value creation. In FY2024, our Scope 1 emissions were reported at 1,549 tonnes of carbon dioxide equivalent (tCO₂e) and Scope 2 emissions were 8,016 tCO₂e. Our climate change strategy remains focused on reducing emissions, improving energy efficiency and adopting renewable energy technologies, whilst also enhancing the resilience and value of our portfolio where possible.

During the transition period to cope with rising demands for shifting to more climate-friendly and responsible practices and the realisation of YTL Group's 2050 carbon neutral vision, several transitional risks were identified which may potentially have short, medium, to long-term financial impacts as listed in the table below:

Climate Related Risks	Potential Impacts
<p>Transition Risks</p> <ul style="list-style-type: none"> • Policy and Legal (Short to Medium): Introduction of carbon pricing, enhanced policy and regulations • Technology (Short to Long): Transition to lower emissions technology • Market and reputations (Short to Long): Increased cost of raw materials, shift in stakeholders' expectations; <p>Physical Risks</p> <ul style="list-style-type: none"> • Acute (Short to Long): Increased severity of extreme weather events (e.g., heatwaves, heavy rainfall, floods, droughts) • Chronic (Long): Changes in precipitation patterns and extreme variability in weather patterns (e.g., sea level rise, high temperature) 	<ul style="list-style-type: none"> • Increased operating costs (e.g., higher compliance costs and penalties, higher repair costs, increased insurance premiums) • Reduced demand for services due to shift in consumer preferences • Financial loss and damage due to service disruption • Increased capital investment required for climate adaptation and energy efficiency measures • Write-offs and early retirement of existing equipment <hr/> <p style="text-align: center;">Potential Opportunities</p> <ul style="list-style-type: none"> • Reduced operating costs (e.g., through efficiency gains and cost reductions) • Increased value of fixed assets (e.g., highly rated energy-efficient buildings, sustainable design buildings) • Better competitive position to reflect shifting stakeholders' preferences, resulting in increased revenues • Increased reliability of supply chains and ability to operate under challenging and variable conditions • Leverage new and cleaner technologies with the use of supportive policy incentives, subsidies and tax benefits

The risks and potential impact findings are qualitatively based on our practical and unique hospitality experience. We will continue to be transparent about how our businesses are rising to the generational challenge of climate change.

Resource Management

YTL REIT practises responsible environmental resource management by monitoring our environmental performance, thereby reducing energy consumption, water use and waste generation. We also work with industry professionals to determine where the quality and performance of our assets might be improved and execute pertinent projects or technologies that can help in meeting our objectives. As the performance of our assets improves through the enhanced operations and capital investments, our baseline will also improve, leading to an overall enhancement of assets' sustainability performance.

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Effective energy management is important for YTL REIT, reflecting our commitment to sustainability and operational excellence across our portfolio. Implementing efficient energy practices, such as energy action plans, retro-commissioning, lighting retrofits and building automation, not only reduces operational expenses but also enhances the overall guest experience by ensuring uninterrupted service and comfort.

Our Australia properties have implemented various routine maintenance and optimisation initiatives for critical hotel equipment, including chillers, boilers and ventilation systems. By proactively managing these assets, the properties effectively reduce energy use and carbon emissions.

Water stands as a vital resource in tourism, essential for hotel operations amongst others, which contribute to providing comprehensive services to tourists. The World Resources Institute (WRI) Aqueduct tool identifies Australia as a high water stress region. Consequently, mitigating water shortage risks through effective water management has become imperative for businesses striving for sustainable growth.

In FY2024, YTL REIT withdrew 107 megalitres of water from third-party municipal sources and discharged 90 megalitres into the municipal sewage system. To address these challenges, our Australian properties have been fitted with low-flow rate fixtures, designed to significantly reduce water consumption whilst maintaining the quality of the guest experience.

Effective waste management is a key component of our sustainability commitment in our operations. We strive to minimise environmental impact by implementing responsible waste disposal practices and promoting recycling initiatives, whilst maintaining the high standards of service our guests expect. In FY2024, YTL REIT has generated 680 tonnes of waste, of which 78 tonnes were diverted from disposal and 602 tonnes were directed to disposal.

SOCIAL

Local Community Impacts

YTL REIT embraces social responsibility and maintains a solid commitment to uplift the well-being of communities that directly or indirectly impact our business. As part of YTL Group, we believe that fostering positive relationships and social connections is a fundamental aspect of creating tangible long-term value through community engagement and impact programmes. Our hotels in

Australia participate in Marriott International's "Check Out for Children" programme, where guests may donate AUD2 per night of their stay to UNICEF, helping children in need worldwide. Employees also actively volunteered and participated in local community service initiatives, contributing their time and skills to various local projects and charitable activities.

Human Resources

YTL REIT is committed to embracing diversity and equal opportunity and promoting a fair, inclusive and safe working environment to help employees grow and thrive. Our employees have access to opportunities that support their personal and career development, ensuring that everyone can reach their full potential without barriers. We also recognise that employee engagement, development and appreciation are fundamental pillars in creating a supportive and productive work environment for our employees, who are our most valuable assets and the backbone of our operations. We foster a sense of connection and commitment amongst employees through clear communication, meaningful work and opportunities for involvement in decision-making. We adopt local employment strategies that can help create jobs and support the local economy, with 68% of our workforce being local.

GOVERNANCE

Corporate Governance & Business Transparency

The Manager is committed to the highest level of corporate governance and transparency in its policies and processes. We see governance as an essential component in creating sustainable value and ensuring the continued financial and non-financial success of YTL REIT. Importantly, it is in the best interest of our unitholders. The Board sets the tone for the company and is responsible for ensuring an appropriate company culture to act as a backdrop to how the company interacts with and treats all stakeholders. For details on YTL REIT's corporate governance, risk management and internal control processes and procedures, please refer to the *Corporate Governance Overview Statement* and the *Statement on Risk Management and Internal Control* in this Annual Report.

We are committed to the highest legal and ethical standards of conduct throughout every aspect of our business. We have zero tolerance against bribery and corruption and adopted the Code to ensure our employees and others who work with us, including suppliers, understand their responsibilities.

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ECONOMIC

Financial Sustainability & Quality of Asset Portfolio

YTL REIT is committed to delivering sustainable growth and long-term value to our stakeholders through various strategic recovery efforts within our portfolio during the year. A detailed analysis of the Trust's financial results and performance for the financial year under review can be found in the *Management Discussion and Analysis* and the full financial results can be found in the *Financial Statements*. A complete overview of the Trust's assets can be found in the *Property Portfolio* in this Annual Report.

Supply Chain

Sustainable supply chains play a significant role in our sustainability practices. Our supply chain includes our property managers and suppliers for various goods and services. We require our suppliers to comply with local government and legal requirements as a condition for being appointed as contractors and service providers. This is further reflected through guidelines on supply chain management provisions (ABC, the Code, Data Privacy, Environment, Health and Safety, Human Rights and Ethics) in YTL Group's Corporate Statement. We are committed to doing business with other companies that share our values and beliefs.



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BURSA MALAYSIA'S PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive	Percentage	80.00
Non-executive	Percentage	79.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	38.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	96,842.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	31
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive Under 30	Percentage	14.00
Executive Between 30-50	Percentage	64.00
Executive Above 50	Percentage	22.00
Non-executive Under 30	Percentage	63.00
Non-executive Between 30-50	Percentage	27.00
Non-executive Above 50	Percentage	10.00
Gender Group by Employee Category		
Executive Male	Percentage	46.00
Executive Female	Percentage	54.00
Non-executive Male	Percentage	44.00
Non-executive Female	Percentage	56.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 50	Percentage	0.00
Between 50-60	Percentage	38.00
Above 60	Percentage	62.00

Internal assurance

External assurance

No assurance

(*)Restated

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Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	17,166.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	356
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Executive	Hours	4,323
Non-executive	Hours	12,115
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.00
Bursa C6(c) Total number of employee turnover by employee category		
Executive	Number	11
Non-executive	Number	158
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	89.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	16.000000

Internal assurance External assurance No assurance

(*)Restated