



ALSET INTERNATIONAL
LTD

Alset International **SUSTAINABILITY REPORT 2022**

This sustainability report has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

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BOARD STATEMENT

GRI 2-22

Dear Stakeholders,

On behalf of the board of directors (“Board” or “Directors”) of Alset International Limited and its subsidiaries (“Alset” or collectively “the Group”), we are pleased to present to you the Sustainability Report (“Report”) of our Group for the financial year ended 31 December 2022 (“FY2022”). This Report provides an overview of the Group’s commitment to create and deliver long-term and sustainable value to our stakeholders through responsible practices in the countries and industries where we operate.

As a Group, we recognize the importance of environmental, social and governance (“ESG”) considerations in our operations and decision-making. We are committed to integrate ESG principles into our business strategies to create long-term value for our shareholders and society as a whole. The Board has also taken a proactive approach to oversee the management and monitoring of material ESG factors across our organisation.

We are committed to being transparent about our ESG efforts and reporting on our progress on an annual basis. We believe that by taking a responsible and sustainable approach to our business, we can not only benefit our stakeholders but also contribute positively to the communities in which we operate. A robust ESG strategy will be vital in order to create a sustainable future for our company and society

On behalf of the Board, I would like to express my gratitude to our clients, business partners and shareholders for their unwavering support over the years. We look forward to your continuing support as we strive to develop a more sustainable environment for all.

Mr. Chan Heng Fai

Executive Chairman, Executive Director and Group Chief Executive Officer

ABOUT THIS REPORT

Reporting Period

GRI 2-3

Our Sustainability Report is published on an annual basis. This is the fifth issue of our Sustainability Report and it covers the Financial Year 2022 (“FY2022”), for the period of 1 January 2022 to 31 December 2022. The fourth sustainability report published by Alset was the Sustainability Report 2021 which was released on 27 April 2022.

The ESG data and information provided have been derived from internal data monitoring and verification to ensure accuracy. We reported our data in good faith and to the best of our knowledge. We strive to continuously improve our data collection and reporting process and seek to progressively expand our scope as we mature in our journey of sustainability reporting.

Reporting Scope

GRI 2-5

This Report covers sustainability performance across the Group, which includes our businesses in Property Development, Biomedical and Food and Beverage (F&B), which accounts for the revenue generated by the Group.

In FY 2022, the Property Development business derived its revenue from the Ballenger Run Project (located near Washington D.C. in Frederick, Maryland) and rental properties located in the State of Texas, United States of America (“USA”) and the Biomedical business derived revenue from its network marketing distribution of health and personal care products as well as membership sales. The F&B business derived revenue from our outlets located along Penang Road and Cecil Street in Singapore and within the Gangnam district in Republic of Korea.

All entities included in the Group’s consolidated financial statement are included in our FY 2022 Annual Report - please refer to pages for details of these entities.

Reporting Framework

This Report has been prepared in accordance with Rules 711A and 711B of Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”) with references to the guidance set out in the SGX-ST’s sustainability reporting guide under Practice Note 7F of the Catalist Rules. This Report is in line with SGX-ST’s ‘comply or explain’ requirements for sustainability reporting and is prepared with reference to the GRI Sustainability Reporting Standards 2021 (“**GRI**”). The GRI is adopted as it is internationally recognized and widely adopted. For climate-related disclosures, we report based on the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) recommendations. The chosen framework enables us to provide a broad and comparable disclosure of the ESG performance that aids Alset in presenting a balanced view of the Group’s contributions towards sustainable development. The GRI content index and relevant references are provided on pages 33 to 35 of the report.

External Assurance

GRI 2-5

No external assurance has been sought for this reporting period. However, the Group prides ourselves on transparent reporting and endeavors to continuously improve the content and quality of our non-financial disclosures in alignment with the reporting principles of SGX-ST, GRI and TCFD. There are no restatements of information in this Report.

Format of Reporting

In line with our environmental conservation efforts, we will not be printing any hard copies of this Report. An electronic edition of this Report is made available on the SGXNET and Alset’s website.

Feedback

GRI 2-3, 2-26

We welcome and value your feedback on the content of this Report to enable us to improve our policies, processes and performance, as well as to enhance the accuracy, completeness and coverage of our reporting. Please direct your feedback to us at:

- Aileen Ang - Senior Vice President of Corporate Affairs
- aileen@alsetinternational.com

ABOUT ALSET

GRI 2-1

Incorporated on 9 September 2009 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since July 2010, Alset is a diversified conglomerate headquartered in Singapore. The Group has extensive experience and a track record in property development projects and has since diversified into a number of different business portfolios. The diversified nature of the Group’s portfolio allows for effective management of exposure to the fluctuations in demand and/or changes in regulations or demand of its core property development business.

Our head office is located in Singapore, we have other global offices in Hong Kong, South Korea and the USA. We serve in the markets of the following countries: Singapore, South Korea and the USA.

In FY2022, the Group’s portfolio comprises:

- Property Development
- Investment Business
- Biomedical Business
- Food & Beverage (“F&B”) Business

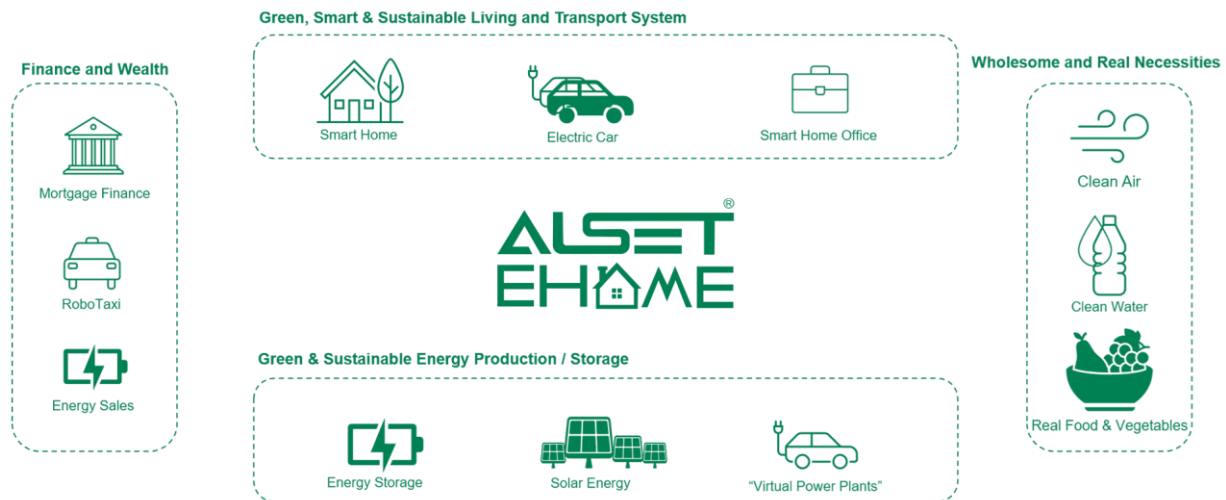
There have been no significant changes to the Group’s size, structure, ownership or supply chain.

Property Development Business

Believing in building a green future by delivering innovative and environmentally sustainable designs, we value sustainability as the core of the Group’s success, and we are committed to being an environmentally sustainable real estate developer. Alset EHome Inc (“EHome”) is the real estate development arm of the Group in USA. EHome is principally engaged in developing, selling, managing, and leasing residential properties, providing quality designer homes with integrated smart technologies at affordable prices. The focus of the company is on building a sustainable healthy living system.

The following diagram describes our sustainability vision under EHome.

SUSTAINABLE HEALTHY LIVING SYSTEM



LIVING THE GREEN AND SUSTAINABLE WAY...

Biomedical Business

Alset also ventured into its Biomedical business through its subsidiary in 2020, HWH World Inc. ("HWH"). HWH was incorporated in South Korea in March 2019 and started to conduct the distribution of health and personal care products through network marketing.

Since the establishment of a footprint in the Seoul region of Korea, we have expanded our membership base to include people from Cheonan, Daegu, Daojeon and Busan regions. With countries gradually and progressively transiting from the Covid-19 pandemic into an endemic situation, HWH is well positioned as a platform to grow its market share by expanding its product offerings and relying on a one-time membership referral fee to expand its membership base rapidly in the year 2023. Through our affiliates' proprietary product line nutraceuticals and industry-exclusive brands, HWH is confident that these differentiators will help drive the company's growth and compete on a worldwide basis with global, national, and regional wholesalers, retailers and related service providers.

We are committed to protecting the health and safety of our consumers by distributing safe health and personal care products that are of good quality and nutritional value.

F&B Business

During FY2022, in addition to the Killiney outlet at Penang Road, we have opened two Hapi Cafés along Cecil Street in Singapore and another within the Gangnam district in the Republic of Korea which promotes healthy living and eating. This is in line with our long-term goal of creating new and recurring income streams for sustained growth as well as creating a sustainable future.

The group will continue to expand its business operations by providing quality products and services to more consumers, generating sustainable economic value for its stakeholders. We will continue to explore strategic partnerships and acquisitions to create long-term value for our shareholders.

SUSTAINABILITY AT ALSET

Our Sustainability Reporting Structure

GRI 2-9, 2-10, 2-11,2-12,2-13,2-14, 2-17

A robust governance structure helps to ensure that Alset is committed to sustainability. The Board formulates the corporate sustainability strategies and guidelines which includes climate-related risk and opportunities and monitors overall performance.

Alset's sustainability drive is spearheaded by the Sustainability Executive Committee ("**Committee**") which identifies, oversees, organizes and co-ordinates the group's sustainability and climate-related strategies, initiatives and actions. The Committee members are Mr. Chan Tung Moe, Mr. Alan Lui and Ms. Aileen Ang.

Alset's business operations executives are tasked to support the Group's sustainability programs and policies, and assist the implementation and execution of the sustainability and climate-related initiatives and the collection of data for monitoring performance.

All of our Directors have completed at least one of the approved sustainability training courses as required under Catalist Rule 720(6) during the reporting period.



Our Approach to Sustainability

As a business that strives towards growth and development, we remain vigilant for emerging trends and developments that may present business opportunities. The changing business environment may offer opportunities for us to improve our sustainability and business performances. Our sustainability approach recognises the need to enhance our sustainability performance in order to increase our competitiveness. We are aware of the increasing importance of ESG factors among our stakeholders and the business landscape, and we aim to align our sustainability initiatives with our business strategy.

Stakeholder Engagement

GRI 2-24, 2-25

To begin our journey towards sustainability, it is crucial for us to recognize and understand our stakeholders and the issues that are important to them in relation to our business. We carefully evaluate who our key stakeholders are by examining the impact we have on them and the impact they have on our business. These stakeholders include our employees, suppliers, customers, regulators, investors and shareholders.

In order to develop effective strategies and sustainability measures, we take into account the expectations and needs of our stakeholders and integrate them into our corporate strategies. This enables us to create mutually beneficial relationships. We use a combination of formal and informal communication methods to stay informed about the priorities of our key stakeholders.

Due to ongoing COVID-19 in FY2022, the frequency of physical engagements with stakeholders have been reduced. Our stakeholders engagement are all conducted virtually. We strive to continually engage our stakeholders in the performance of our business through various channels. Through open communication channels, we align our sustainability approach with their needs and expectation. This engagement is important as we seek opportunities to manage our businesses in a sustainable manner. No material outcomes through stakeholders engagements were noted.

We also seek to embed our sustainability commitments in our business relationships. We work closely with our employees, customers, and suppliers to ensure that they share our sustainability vision and goals. We communicate our sustainability commitments to them and seek their feedback and support in achieving our sustainability objectives.

	STAKEHOLDERS' EXPECTATIONS/CONCERNS	COVID-19 SPECIFIC CONCERNS	MODE OF ENGAGEMENT PLATFORM
EMPLOYEES	<ul style="list-style-type: none"> • Safe and conducive workplace • Fair labour practices and compensation • Environmental responsibility 	<ul style="list-style-type: none"> • Workplace flexibility • Enhanced safety protocol in COVID-19 responses 	<ul style="list-style-type: none"> • Trainings • Grievance/ feedback channels • Regular reviews and appraisals • Intranet platform for policies, news and benefits • Provide timely updates on COVID-19 specific working arrangements. <p style="text-align: right;"><i>Frequency: When necessary</i></p>
CUSTOMERS	<ul style="list-style-type: none"> • Product compliance with all relevant regulations • Timely follow-up on customer feedback • Ability to offer competitive & cost-efficient solutions which are safe & environmentally responsible • Innovative, quality and safety of products & services • Data Privacy 	<ul style="list-style-type: none"> • Access to product training and knowledge via Zoom • Reliability of supply 	<ul style="list-style-type: none"> • Feedback channels such as email and telephone communications • Client meetings and events. • Corporate website, annual reports, emails, newsletters and brochures. <p style="text-align: right;"><i>Frequency: When necessary</i></p>
SUPPLIERS	<ul style="list-style-type: none"> • Clear two-way communication channels • Product safety and quality • Timely feedback regarding materials/ services provided • Regular and punctual payments. 	<ul style="list-style-type: none"> • Reliability of supply 	<ul style="list-style-type: none"> • Inspections and quality site visits • Quotations and requests for proposal • Material specifications discussion meetings • Updates from contractors on project progress through project meetings. • Products updates by suppliers via seminars, products launch events & presentations. <p style="text-align: right;"><i>Frequency: When necessary</i></p>
SHAREHOLDERS & REGULATORS	<ul style="list-style-type: none"> • Sustainable profitability and shareholder returns. • Business strategy and direction • Sound corporate governance and compliance • Transparent & timely communication of information • Long-term growth of business 	<ul style="list-style-type: none"> • Adherence to workplace safe distancing guidelines from government authorities. 	<ul style="list-style-type: none"> • Results announcements and news releases • Corporate website and email • Annual General Meetings • Period audits & regulatory inspections <p style="text-align: right;"><i>Frequency: When necessary</i></p>

Materiality Review Process

GRI 3-1,3-2

We applied the GRI reporting principles - stakeholder inclusiveness, the sustainability context, materiality and completeness - in defining the Report content by considering the Group's activities, impact and substantive expectations and interests of our stakeholders.

Alset conducted an internal review of its business strategy, model, key stakeholders, and processes to identify relevant material topics for FY2022. This review also included a consideration of new factors based on a peer and industry analysis. After discussions with senior management, the factors were evaluated for their significance and importance in relation to the Group's economic, environmental, and social impacts, which are crucial for Alset's sustainable future. The material factors will be reviewed annually to ensure they remain relevant and important to the business and stakeholders.

We identified the following ten (10) indicators during the review conducted. The materiality assessment was subsequently endorsed by the Sustainability Executive Committee. The following table summarises our key stakeholders, engagement platforms and their key concerns:

MATERIAL INDICATOR

CATEGORY	CLASS	STANDARD	INDICATORS	ASPECT BOUNDARY
ECONOMIC	Economic Performance	201-1	Direct economic value generated and distributed	Within organisation
	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	
	Procurement Practices	204-1	Proportion of spending on local suppliers	
	Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures	
		205-3	Confirmed incidents of corruption and actions taken	

CATEGORY	CLASS	STANDARD	INDICATORS	ASPECT BOUNDARY
ENVIRONMENT	Energy	302-1	Energy Consumption Within the Organization	Within organisation
		302-4	Reduction of Energy Consumption	
	Compliance	307-1	Assessment of compliance with environmental laws and regulations	Within and outside organisation
CATEGORY	CLASS	STANDARD	INDICATORS	ASPECT BOUNDARY
SOCIAL	Employment	401-1	New employee hires and employee turnover	Within organisation
	Compliance	419-1	Assessment of compliance with laws and regulations in the social and economic area	Within and outside organisation

Our Sustainability Strategy

Alset takes a four-Pillars approach to sustainability strategy formalized by the Sustainability Executive Committee. These four material pillars are identified as (1) Corporate Governance, (2) Economic Performance, (3) Environmental Sustainability and (4) Social. These pillars, as part of our sustainability strategy and operations, guide us in creating sustainable value for all our stakeholders.

CORPORATE GOVERNANCE

GRI 2-15, 2-23, 205-2, 205-3

Alset is committed to achieving and maintaining a high standard of corporate governance and business integrity within the Group.

Alset perceives good corporate governance as a strong foundation for the sustainability of our business. As a public-listed company on SGX-ST, we strive to uphold high standards in corporate governance and business ethics.

As we are committed to conducting business following all applicable regulations and the highest ethical standards, this commitment is embodied in our various policies and procedures including but not limited to Code of Conduct stated in the Employee's Handbook, the Conflicts of Interest Policy, Whistleblowing Policy and Data Protection Policy. We have also put stringent monitoring and enforcement mechanisms in place to manage our economic, social, and environmental performance. We have communicated the relevant policies and procedures to all our employees. Any employee who contravenes the policies may be subject to disciplinary action up to and including termination of employment. If the breach is significant, it may also lead to the prosecution of the parties involved.

Code of Conduct

The Group's Code of Conduct ("Code") serves as a central guide and reference to our employees in ensuring that they understand Alset's expectations and guiding principles for workplace behaviours. Our Code acts as the first line of defense against unethical and corruption acts. Alset does not condone any fraud, corruption and other forms of unethical behaviour or conduct.

Conflicts of Interest Policy

We have established policies and procedures to ensure that our employees understand the procedures when his or her personal interest conflicts with those of the Group. All employees of the Group involved in the i) purchase of goods and services, ii) selection of suppliers of goods or services, iii) selection of third party partners/relationships with the Company, are required to declare and disclose any situation where their private businesses or personal interests conflict with those of the Group, or situations when they (or a close

family member) have a direct or indirect personal relationship, affiliation or association with an existing or prospective supplier of the Group.

Data Protection Policy

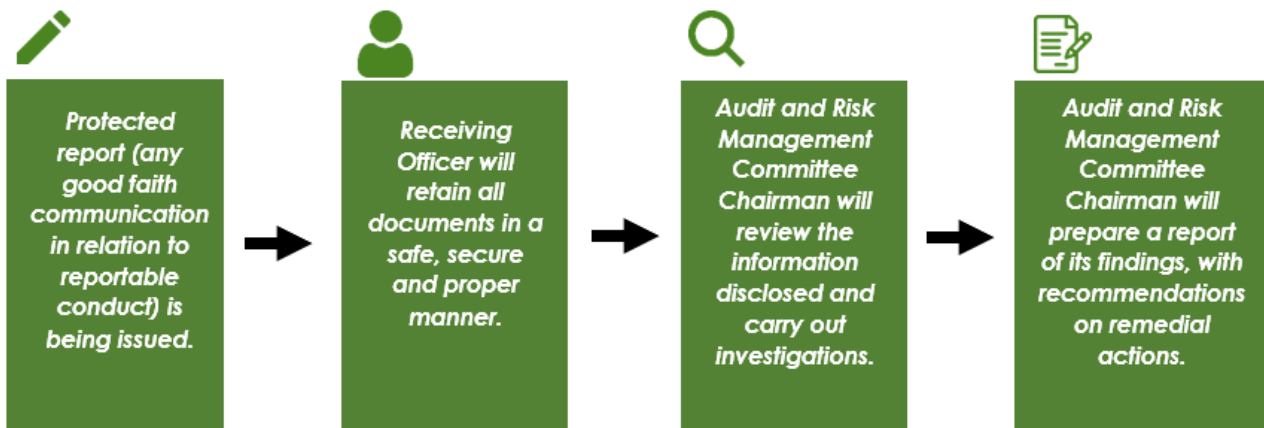
GRI 418-1

As a company which is involved in the network marketing business, Alset collects relevant data and uses them for the distribution of our products and services. We assure customers that all personal data collected, used or disclosed will be protected under the PDPA and other relevant legislation. Our Data Protection Policy ensures that we are accountable to our customers and other stakeholders. We are pleased to report zero complaints concerning breaches of customer privacy and have no identified leaks, thefts or losses of customer data. Our Data Protection Policy is available on our Company's website at: <https://www.asetinternational.com/privacy-policy>

Whistleblowing Policy and Procedures

Our whistleblowing policy was set up with the purpose to encourage the reporting in good faith of suspected reportable conduct by establishing clearly defined processes. It allows the staff of the Group and any external parties such as the Group's business associates, to in confidence, raise any concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report. The public, customers and other stakeholders can also report any improprieties, or provide other feedback through the Company's website at www.asetinternational.com. Alset has designated the company's secretary as the Receiving Officer, who reports directly to the Audit and Risk Management Committee Chairman on all matters arising under this policy. The objective of the Whistleblowing Policy is to ensure independent investigations of such matters are carried out and appropriate follow-up actions are taken.

The summary of the policy process is highlighted below.



Anti-corruption

The Group takes a strong stance against any form of misconduct, corruption and malpractice. All employees should not be involved in offering, paying, requesting or receiving bribes or participate in any fraudulent activities. We continuously communicate the need to uphold integrity and the Group's firm stance against corruption, as well as the importance of maintaining the highest level of conduct and ethical standards, to all our employees.

In FY2022, there were neither any confirmed incidents of corruption or public legal cases regarding corruption brought against the Group, nor any termination of contracts with business partners due to violations related to corruption. Moreover, the Group did not identify any significant risks related to corruption and any material non-compliance with relevant anti-corruption laws and regulations. We will regularly review policies on whistleblowing and anti-corruption. We aim to maintain this trend for the coming years.

More details of the Group's corporate governance practices can be found in the "Corporate Governance Report" section on pages 20 to 57 of the Group's FY2022 Annual Report. We had no cases and no incidents of corruption in FY2022. There have also been no reports received in FY2022. Our goal is to maintain zero incidents of corruption.

Our Performance

FY 2021 PERFORMANCE

No confirmed incidents

FY2022 TARGET

To have no confirmed incidents

FY2022 PERFORMANCE

No confirmed incidents

FY2023 TARGET

To have no confirmed incidents

ECONOMIC PERFORMANCE

By adopting responsible business practices and embedding sustainability in our business, Alset believes it can create long term economic value and contribute to a stable economic performance of the Group.

At Alset, we believe sustainable economic growth benefits not just our shareholders, but all our stakeholders as well. Through sustainable economic values generated by our operations, Alset will be able to distribute the economic benefits directly or indirectly to our stakeholders. As a socially responsible organisation, besides dividends to our shareholders, our economic benefits were distributed to governments through taxes, employees through salary and wages, and the society through the creation of jobs. Please refer to the section “Social” to understand the indirect economic (social) Impacts.

Alset’s business activities involve property development, investment, biomedical and F&B business. To better understand the Group’s business model, please refer to the section ‘Company Profile’.

Management Approach

To strengthen our position and our sustainable performance, the Group plans to continue expanding our business operations by acquiring or setting up new businesses to broaden our range of services.

During FY2022, we acquired a F&B space at Cecil Court in Singapore and transformed it into Hapi Café as well as set up a similar Hapi Café within the Gangnam district in the Republic of Korea as part of our objective to diversify our revenue. This is in line with our long-term goal of creating new and recurring income streams for sustained growth.

The Group also contributes to economic development by supporting local businesses as we work with local vendors within the countries we operate. This will indirectly help the community as more jobs are created when we work with local vendors.

Our Performance

GRI 201-1

Revenue	FY2021 \$'thousands	FY2022 \$'thousands	Increase / (Decrease) (%)
Property Development Business	18,275	1,828	(90)
Food & Beverage Business	57	395	593%
Biomedical Business	7,410	773	(90)
Total Revenue	25,742	2,996	(88)

The Group's revenue has decreased by S\$22.7 million or 88% from S\$25.7 million for the year ended 31 December 2021 ("FY2021") to S\$3.0 million on 31 December 2022 ("FY2022") mainly due to the decrease in revenue generated from the property development project located in Frederick County, Maryland USA ("Ballenger Run") of S\$16.4 million.

The decrease in the revenue generated from the Biomedical Business of S\$6.6 million was mainly due to the slow down in membership sales in FY2022 as a result of an internal reorganisation as well as a revised membership model to incorporate a wider range of products and services for our members.

The increase in the revenue generated from the food and beverage business of S\$0.3 million was mainly due to the opening of one café in Singapore and one café in Korea in FY2022.

For detailed financial results, please refer to the following sections in our FY2022 Annual Report:

- Executive Chairman's and CEO's Message & Operations Review, pages 2 to 5
- Financial Highlights, pages 12 and 13
- Financial Statements, pages 58 to 162

ENVIRONMENT

With the growing awareness and importance of sustainability, Alset is committed to accelerate the advent of sustainability healthy living systems around our work and minimising our environmental impact by focusing on reducing our energy footprint.

Sustainability Healthy Living

Alset EHome Inc is principally engaged in developing, selling, managing, and leasing residential properties and providing quality designer homes with integrated smart technologies at affordable prices. The focus of the company is on building a sustainable healthy living ecosystem. We envision building sustainable healthy living communities integrated with a clean energy ecosystem encompassing housing, transport, and electricity including an amenity center featuring organic modular/vertical vegetable farming, a café, visitor residences, infant/childcare clubs, and social event venues. Specializing in the development of smart and sustainable homes built with energy efficient platforms supporting solar energy, power walls, clean, sterilized airflow and advanced communication systems for state-of-the-art smart home and office platforms, we continue to imagine and create homes of quality, creativity and sustainability integrated with the latest cutting-edge technology.

As part of our sustainability strategy of incorporating sustainable construction such as preservation efforts in our development operations, we have also earmarked a portion of undeveloped lots at Lakes at Black Oak for the development of Alset EHomes (“EHomes”). These EHomes comprise of eco-friendly gated build-to-rent (“BTR”) homes fully fitted with, amongst others, sustainable transport, living and energy systems including solar systems and energy storage as well as electric cars utilising a vehicle-to-grid concept.

We acquired 112 homes located in the Northeastern quadrant of Houston, Texas amongst multiple, strategic communities in 2022. As of 31 December 2022, 51 homes have been outfitted with Tesla PV solar panels and Power Walls with another 35 under contract and slated for installations by end of Q2 2023.

We have kicked off infrastructure works for this sustainable, healthy living community project and intend to develop proof-of-concept Alset EHomes in due course. Apart from the Lakes at Black Oak development, the Group intends to bring this concept to other parts of the US as well as markets abroad. Alset EHomes’ sustainable, healthy living systems will also be applied to these newly built BTR homes as an initial proof-of-concept. The following are some of the environmental benefits from our Lakes at Black Oak and Ballenger Run Project Development:

- Construction of various storm water management ponds. These ponds help to retain pollutants and provide flood control, while beautifying the environment.

- On-site reforestation efforts to offset the usage of impervious areas and create environmentally friendly drainage.
- Avoid and minimize impacts to wetlands using stream and wetland crossings, working in close conjunction with the Army Corps of Engineers to make sure all codes/laws are abided by and impact is limited to protect these wetland areas and the wildlife that uses them.
- At Ballenger Run, conservation of a Historic Farmhouse that once served the property. Great efforts were made to work with the Maryland Historical Trust in order to preserve a portion of the house that is now being retrofitted by a local home contractor and will be sold to a potential buyer. Archaeological digs were also performed in and around the property to make certain that items of historical significance were not present.

Energy Consumption

GRI 302-1

Alset's operational energy consumption has been in its various offices and our F&B outlets. Primary environmental aspects are related to energy use. The majority of utilities such as energy and water used in property construction are outsourced to third party contractors and cannot be directly changed or influenced by Alset.

The consumption of electricity is being monitored on a monthly basis to measure the success of the initiatives that are implemented. In FY2022, we wish to share that the overall electricity consumption of Alset for FY2022 as compared to FY2021 has increased significantly mainly due to the our F&B business and employees returning back to offices full time.

	Electricity Consumption (kWh)	
	FY2021	FY2022
	<u>OFFICES</u>	
Singapore	4,816.80	4,684.70
USA	4,806.00	5,845.00
Hong Kong	13,873.32	17,151.92
<u>TOTAL OFFICES</u>	23,496.12	27,681.62
	<u>CAFES</u>	
Singapore	-	81,666.04
Republic of Korea	-	21,481.00
<u>TOTAL CAFES</u>	-	103,147.04
WORLDWIDE	23,496.12	130,828.66

Reduction of Energy Consumption

GRI 302-4

The Group's energy consumption is limited to the electricity used in our offices and cafes. We have implemented an energy control policy and adopted various energy-saving measures, such as using energy-saving equipment and setting all printers, copiers, and computers to energy-saving mode where possible.

To raise the awareness of energy conservation, the Group encourages employees to establish energy-saving habits at the office, such as switching off lights and electronic appliances before leaving the office or switching off the lights in each room when they are not in use.

While the Group is not able to promise a specific level of energy reduction, we will monitor our energy consumption and make plans to reduce our energy consumption levels through the implementation of other energy-saving measures.

Our Performance

FY 2021 PERFORMANCE

Reduced our overall energy consumption levels by 20%

FY2022 TARGET

To monitor and reduce our energy consumption levels by 5%

FY2022 PERFORMANCE

Increased our overall energy consumption levels by 557%

FY2023 TARGET

To monitor and reduce our energy consumption levels by 5%

Non-compliance with Environmental laws and regulations

GRI 2-27, 307-1

During FY2022, no incidents of non-compliance with relevant environmental laws and regulations were identified. We conduct ongoing monitoring and checks on our sub-contractors' work to ensure industry's best practices and compliance with existing environmental laws and regulations or highlight issues which we find unsatisfactory.

For FY2023, we targeted achieving zero incidents of environmental (including health and personal care product safety requirements) non-compliance for our Property Development business, Biomedical business and F&B business.

Our Performance

FY 2021 PERFORMANCE

Zero incidents of Environmental Non-Compliance

FY2022 TARGET

Zero incidents of Environmental Non-Compliance

FY2022 PERFORMANCE

Zero incidents of Environmental Non-Compliance

FY2023 TARGET

Zero incidents of Environmental Non-Compliance

Climate-Related Risk and Opportunities

As climate change is becoming more prevalent and its effects are becoming more visible, we understand the risks and opportunities associated with climate change. We are acutely aware of the potential impacts of climate change on our business and the communities we serve. In our sustainability reporting, we aim to provide an overview of our exposure to climate-related risks and opportunities, as well as the actions we are taking to manage these impacts.

Climate-related risks for our business include the potential physical impacts of extreme weather events on our construction sites and buildings, as well as the potential financial impacts of increased insurance premiums and decreased property values. Additionally, there is the risk of declining demand for properties located in areas prone to sea level rise and flooding. To mitigate these risks, we aim to prioritize the use of resilient building materials and design practices, as well as regular assessments of our properties to identify and address potential vulnerabilities.

On the other hand, we also see opportunities in the transition to a low-carbon economy, including the growing demand for green and energy-efficient buildings. By incorporating sustainable design and construction practices, we are able to differentiate ourselves from competitors and provide added value to our tenants and communities. In addition, we have made significant investments in renewable energy and are exploring new technologies and business models to further reduce our carbon footprint.

Overall, our focus on sustainability is not just a matter of corporate responsibility, but a key aspect of our long-term strategy for success. By proactively managing our exposure to climate-related risks and opportunities, we are positioning ourselves as a leader in the real estate industry and helping to create a more sustainable and resilient future.

In FY2022, our scope 1 and 2 carbon emissions was 6.22¹ and 58.30² tonnes CO₂e, respectively.

¹ Greenhouse Gas (GHG) Emissions Measurement guidelines and vehicle emission details

² based on the respective countries electrical grid emissions factors

SOCIAL

Alset believes that success is not measured solely by its business achievements, but also the active role it plays in upholding good corporate practices and its ability to make positive impact on the society, economy and environment that it operates in.

Coexisting with the community and devising ways of expanding our contribution beyond business activities are important parts of being a good corporate citizen. Over the years, we have developed programs that deliver our aspirations of supporting fair employment, creating opportunities for people.

Indirect Socioeconomic Impacts

GRI 203-1

Besides the direct economic value being generated, Alset also recognize that we have significant indirect socioeconomic impacts and have implemented various practices to ensure that we benefit the local community, economy and businesses.

Property Development Business

As a real estate developer, our mission is to build sustainable healthy living communities integrated with a clean energy ecosystem encompassing housing, transport, and electricity including specialising in the development of smart and sustainable home built technologies and state of the art systems for homes.

The Group aspires to meet the current and upcoming expectations posed by sustainable development in the property industry. The evolution of the industry has brought about a strong emphasis on environmental and social considerations in property valuation, thereby requiring new ways of assessing property worth and value. Some features of a sustainable property business are as follows:

- Develop, design and construct green and eco-friendly sustainable properties
- Minimise negative environmental impacts and maximise sustainable use of resources in properties developed.
- Provide property related services that are environmentally friendly and which benefit the social community
- Provide long-term sustainable value for property owners as well as tenants.

In addition, we have added technologies at many of the BTR homes such as (i) smart solar, thermostat, and energy usage controls; (ii) smart lighting controls; (iii) smart locks and security; and (iv) smart home automation devices. We believe these and other technologies will be attractive to tenants and we continue to build and pursue strategic, technological partnerships that will assist us as we expand our real estate business to include BTR homes and building homes for sale in the future.

Our past, current, and future development projects all expressively portray our commitment to not only build structures but to serve people's need for space, security, serenity, and comfort. Following are some of the benefits from our Ballenger development efforts:

- Ballenger Creek Pike Nature Trail and Sidewalk improvements. This helps provide for a pedestrian friendly neighborhood that promotes the interconnection of multiple phases as well as outdoor exercise.
- Completion of the Clubhouse/pool construction. The Clubhouse and Pool provide a best-in-class amenity center that homeowners will use for social clubs, barbecues, birthdays, meetings, indoor exercise and used for the Home Owners Association to conduct monthly meetings.
- Conservation of a Historic Farmhouse that once served the property. Great efforts were made to work with the Maryland Historical Trust in order to preserve a portion of the house that is now being retrofitted by a local home contractor and will be sold to a potential buyer. Archaeological digs were also performed in and around the property to make certain that items of historical significance were not present.
- Designing highways, streets, roads, or common driveways to enhance interconnection, safety, efficiency and convenience to all users.
- Development of parking areas that maximizes connections with surrounding land uses and accommodates public transit facilities.
- Development of a public school and a multi-family continuing care retirement community facility.

We continue to imagine and create homes of quality, creativity and sustainability integrated with the latest cutting-edge technology that exceed expectations.

Biomedical Business

Our biomedical business is driven by a passion for helping people from all walks of life to achieve a balanced and fulfilling life of health, wealth and happiness. HWH is also well positioned as a platform to help the many financially impacted individuals to earn a supplemental income by sharing and referring premier health and personal care products in our HWH Marketplace to friends, family and other prospective customers through social media and other online platforms. The HWH Marketplace community supports people on their health and wellness journey and offers them access to the highest-quality products

available today. We teach people the fundamental skills of building wealth – the practice of living on less than you earn and creating a plan for the difference. And for those who are interested in engaging in a gig business to increase their income as an influencer, we teach selling skills and provide a unique business platform that includes access to world-class logistics and high-quality, science-backed products. We champion happiness as a mindset and personal philosophy, and we guide people as they strive to build a life that brings them joy.

F&B Business

Under our F&B business, we understand that our impact extends beyond just serving delicious meals and drinks to our customers. We are committed to make a positive impact on the local community, economy, and businesses through our operations and activities. We believe that by adopting sustainable and responsible practices, we can not only benefit our own business, but also contribute to the well-being of the community we are a part of. Our goal is to become a responsible corporate citizen and to be recognized as a leader in creating indirect economic and social impacts. In FY2022, the Company opened two new cafés which resulted in job creation in the local communities and a gathering place for people to socialize and connect to build a sense of community.

Health and Safety

Health and safety are important to us. We are committed to safeguarding our customers' and employees' health and safety. By implementing safety guidelines, we are committed to ensure the wellbeing of our customers, employees and the environment.

Property Development Business

The selection of the contractors and suppliers ("Suppliers") is reviewed by the general manager and approved by our CEO to ensure accountability and quality assurance. These Suppliers are required to have adequate environmental and occupational health and safety policies to ensure that their works and services have minimal environmental impact and workplace safety risk. These Suppliers are also required to provide ongoing evidence of commercial general liability insurance and workman's compensation via valid, current certificates of insurance. The amounts shall be consistent with our contractual agreements as well as all state and federal compliance. All Alset Ehome subsidiaries which hold real estate properties are insured by the commercial general liability insurance. We also maintain

commercial general liability insurance for all the development properties and BTR homes under strict guidelines and compliance by the insurance carriers.

After selection of the Suppliers, we hold regular site meetings and track their environmental and workplace health and safety records to ensure that contractors are performing within the standards expected by the Group.

Biomedical Business

The Group aspires to benefit the environment and society through our commitment towards a sustainable health and personal care supply chain. We are committed to protect the health and safety of our consumers by distributing safe health and personal care products that are of good quality and nutritional value.

The Group is committed to make the quality and safety of our health and personal care products our topmost priority. From the procurement to distribution of our products, we exercise extreme caution in evaluating the quality of our suppliers' products to ensure consumer safety along our supply chain.

F&B Business

Our Group implements strict food safety protocols and procedures which include training employees on proper food handling and preparation techniques, regularly cleaning and sanitising all kitchen equipment and surfaces, and conducting regular inspections of the kitchen and dining areas to ensure compliance with local health codes. The Group is in compliance with all the relevant regulations of Singapore Food Act and Workplace Safety and Health Act.

Our Supply Chain

GRI 204-1

The Group highly values our relationship with contractors, consultants and business associates and regard them as important business partners. We also see the importance of recognising the environmental and social risks embedded in the supply chain as we believe that a sustainable business operation is a strong driver of value and success for the business. We seek to continually improve and better manage each category to ensure the sustainability of our business.

Property Development Business

All our contractors and consultants under Alset's Property Development business, who we have a long-term relationship with, are companies based in the USA. Our property development project requires the expertise of direct/indirect suppliers and specialists - concrete, reinforcement, tiles/stone and furniture which generates business opportunities within and among the supply chains. All the contractors we engage for the Ballenger Run and Black Oak Project are based in the USA. These contractors hire locals for the construction work and generally source their material locally.

The general services we procure are construction, engineering and architectural services. Our commitment to workplace health and safety is reflected in the selection of contractors and suppliers who are competent and committed to manage environmental, health and safety risks and our strong advocacy to contractors and suppliers on the importance of maintaining safe work practices.

Biomedical Business

For the Biomedical business, Alset is committed to procure all its products and services - where possible - locally in South Korea. Most of our suppliers are companies based in the Canada, United States and South Korea. The general products and services we procured are health and personal care products as well as security authentication services. We strictly comply with safety regulations by the local regulatory bodies and we only engage with suppliers who possess the relevant certifications.

Product safety and quality will continue to form the basis of our sustainability efforts for our biomedical business. In addition to our focus on health and safety, we endeavour to develop an environmentally responsible supply chain by procuring from suppliers that implement sustainable business practices and comply with environmental regulations.

F&B Business

At our food and beverage business, we are committed to minimize our environmental impact and promote sustainability throughout our supply chain. We believe that by implementing environmentally friendly practices, we can not only benefit our business, but also contribute to the well-being of our planet. We will conduct sustainability assessments of our supply chain to identify areas for improvement and to measure our progress and will prioritise sourcing ingredients and supplies from suppliers that use environmentally friendly practices, such as organic farming and/or sustainable fishing.

We try to source ingredients and supplies from local producers as much as possible. This can help to support the local agricultural economy and provide fresher, higher-quality ingredients for the F&B company's products. Additionally, it can strengthen the relationships between the F&B company and the local community, as well as reducing the environmental impact from transportation.

Lastly, we implemented sustainable practices in our own operations, such as reducing waste, conserving water and energy, and using eco-friendly packaging.

Employees are a crucial asset to Alset as they play a significant role in ensuring a high level of efficiency and achieving greater output.

Employment

GRI 2-7,2-8

At Alset, we recognize the importance of our employees as they play a vital role in the ongoing success of our organization. We make a conscious effort to maintain a strong and resilient workforce that can effectively support our operations.

We understand that diversity brings a wide range of skills and perspectives to our company, which is why we are committed to hiring individuals of different ages, genders, and nationalities. All of our staff members are valued and compensated fairly for their contributions.

As an organization, we prioritize diversity and inclusion and strive for fair and equal employment practices during the recruitment process. We strive to foster a motivated and engaged workforce by attracting, developing, and retaining top talent.

Our employee demographic data is based on our full time employee records generated from our Human Resource system.

Full Time Employee Headcount as at 31 Dec 2022 (Country Breakdown)



Singapore
22 personnel



Hong Kong
6 personnel



United States of America
6 personnel



Republic of Korea
6 personnel

Employee headcount as at 31 December 2022 increased by 13 personnel from 27 in FY2021 to 40 in FY2022. Being a global group, we have employees of different nationalities - Singapore, Hong Kong, South Korea and the USA.

In addition to the Group's employees, Alset also outsources the development and project management activities to third-party contractors, consultants and distributors.

Percentage by Gender by Country

Country	Percentage of female employees (%)			
	FY2021		FY2022	
Singapore	7	44%	11	50%
Hong Kong	3	60%	3	50%
USA	3	60%	3	50%
South Korea	-	0%	1	17%
Worldwide	13	48%	18	45%

The gender distribution of our staff has remained relatively constant in FY2022. The proportion of male staff to their female counterparts is 52% to 48% in FY2021 compared to 55% (Male) to 45% (Female) in FY2022.

Percentage by Age

Age Group	FY2021		FY2022	
Age between 20 to 29	3	11%	5	13%
Age between 30 to 39	6	22%	9	23%
Age between 40 to 49	7	26%	14	35%
Age between 50 to 59	5	19%	7	18%
Age between 60 to 69	4	15%	3	8%
Age between 70 to 79	2	7%	2	5%
Total Staff	27	100%	40	100%

In terms of age distribution, the majority of our employees remain to be between the ages of 40 - 49 (35% of the total headcount).

Employee Hires

GRI 401-1, 406-1

In FY2022, we welcomed 24 new full-time employees into our organisation. Alset will continue to attract new talents by providing fair pay and employee recognition.

Employee Turnover

GRI 401-1

In FY2022, 11 full time staff resigned during the year due to natural attrition and the active turnover within the F&B business.

Turnover rate by Location by Country

Country	Employee Turnover Rate	
	FY2021	FY2022
Singapore	1	9
Hong Kong	1	-
USA	-	2
South Korea	1	0
Total:	3	11

Our Performance

In FY2022, there were no reported incidents relating to workplace discrimination. Our employee turnover rate for FY2022 has increased partly due to the introduction of the F&B business, we will continue to embed fair employment practices in our operations, and we will target to maintain a zero record of reported incidents relating to discrimination.

FY 2021 PERFORMANCE

Our overall employee turnover rate was 3 persons

FY2022 TARGET

To maintain an employee turnover rate of not more than 3 persons

FY2022 PERFORMANCE

Employee turnover rate of 11 persons

FY2023 TARGET

To maintain an employee turnover rate of 7 persons

Non-compliance with Employment laws and regulations

GRI 2-27, 419-1

Whilst the COVID-19 pandemic has resulted in numerous challenges and disruptions across our operations, Alset's focus remains on ensuring the wellbeing and safety of its employees through these difficult times. We continue to adhere to our 'Safe Management Measures' (SMM) plan to ensure employee safety, business continuity and work-from-home arrangements, as per the government guidelines.

Our management team meets regularly to monitor and discuss the latest updates and regulations from relevant government authorities.

Our Performance

In FY2022, there were no reported incidents relating to non-compliance with employment law and regulations.

FY 2021 PERFORMANCE

No Non-compliance
With Employment
Laws & Regulations

FY2022 TARGET

No Non-compliance
With Employment
Laws & Regulations

FY2022 PERFORMANCE

No Non-compliance
With Employment
Laws & Regulations

FY2023 TARGET

No Non-compliance
With Employment
Laws & Regulations

Collective Bargaining Agreement

GRI 2-28, 2-30

Our employees are not covered by collective bargaining agreements. In building a harmonious work environment and implementing fair employment practices, the Group is guided by the principles set out in the Tripartite Guidelines on Fair Employment Practices established by the Tripartite Alliance for Fair and Progressive Employment Practices in Singapore. We are also a member of the Singapore National Employers Federation.

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