Climate Resilience Report 2025

An Addendum to SCCP's FY2024 Sustainability Report

19 December 2025

Project Holiday, Japan

About Us

20 Years of Real Estate Investment

SC Capital Partners Pte. Ltd. ("**SCCP**") is an Asia Pacific real estate investment manager headquartered in Singapore, with investments across eight regional locations.

Over the past 20 years, SCCP has developed a diversified investor base comprising over 60 institutional investors globally, executing over 80% transactions off-market through local relationships and market knowledge.

The firm manages investments across the risk-return spectrum through its opportunistic Real Estate Capital Asia Partners ("**RECAP**") series, Asia Pacific Real Estate Core-Plus Fund ("**SCORE+**"), and bespoke investment strategies. SCCP is also the majority owner of Japan Hotel REIT Advisors ("**JHRA**"), the asset manager of Japan Hotel REIT Investment Corporation ("**JHR**"), and a specialist in hotel asset management in Japan.

Licensed by the Monetary Authority of Singapore, SCCP operates as a regulated fund management company for accredited and institutional investors.

SCCP recognises that climate-related risks and opportunities ("**CRROs**") are increasingly relevant to real estate investment and asset management. This report outlines the firm's initial approach to understanding climate considerations within its business.

2004
Year Founded

60+
Institutional Investors

8
Locations

About the Report

REPORTING SCOPE

This inaugural Climate Resilience Report presents our first assessment of climate-related risks and opportunities ("**CRROs**"), applying the International Financial Reporting Standards ("**IFRS**") S2 standard where possible. Based on FY2024 data with analysis through November 2025, the disclosure establishes baseline methodologies and scenario modelling frameworks for physical and transition risk exposure, complemented by qualitative findings since FY2021.

Quantitative scenario analysis and asset-level climate risk assessments have been conducted for the funds. The analytical methodologies applied were developed in consultation with Ernst & Young (**"EY"**). Please note that the detailed methodology for modeling physical and transition risks is proprietary to EY and cannot be disclosed; only a high-level overview is provided for general understanding.

The decision to publish a dedicated Climate Resilience Report reflects our commitment to align with the Monetary Authority of Singapore's ("**MAS**") Environmental Risk Management Guidelines while ensuring robust analysis. This public addendum provides a summary-level overview. Fund-specific analyses are available to the relevant investors upon request and are not intended for general distribution.

This is a cohort-based climate risk analysis, and is intended to be updated periodically, either every few years or in response to material changes, where relevant.

This report was published on 19 December 2025, and should be read as a specialised addendum to our FY2024 Sustainability Report (published in April 2025). You can access these reports on our sustainability page at http://www.sccpasia.com/sustainability.

ASSURANCE AND FEEDBACK

While this report has not been externally assured, it underwent internal review. We remain committed to enhancing transparency and are open to pursuing external assurance in future reporting cycles. We welcome feedback at IR@sccapital.com.

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Sustainability Governance Structure

OUR EVOLVING APPROACH TO CLIMATE RISK GOVERNANCE

SCCP's Board of Directors ("**BOD**"), chaired by the CEO, oversees CRROs as part of its broader risk governance mandate, including determining risk appetite, overseeing major capital decisions, setting climate-related targets, and monitoring progress against climate goals.

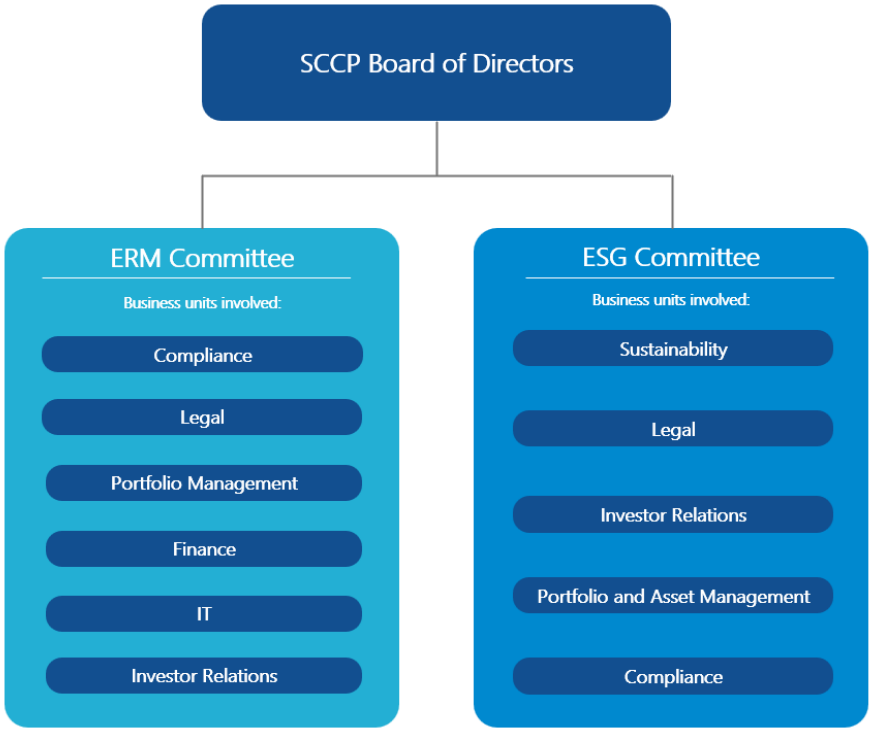
The BOD reviews climate matters quarterly, informed by the ESG and Enterprise Risk Management ("**ERM**") Committees. The BOD approves climate-related disclosures and ensures policies evolve with regulatory expectations, including those from the MAS Environmental Risk Management Guidelines.

The ERM Committee oversees integration of climate risks across market, credit, operational, and compliance domains through a dedicated climate risk register, which is updated biannually. The ESG Committee provides strategic guidance on ESG priorities, supports the development of climate risk tools and metrics (such as scenario analysis), and promotes climate-related competencies across the organisation. Both committees report to the BOD through regular risk and sustainability updates, supported by formal Terms of Reference and ESG policies that are reviewed periodically.

SCCP is building climate-related competencies through training and capacity development. Climate-specific performance metrics and targets remain under consideration as our data collection and methodologies mature, with integration into performance management frameworks evaluated in future cycles.

This governance structure reflects our initial application of IFRS S2, focusing on processes and responsibilities . As our climate risk management capabilities evolve, we aim to enhance disclosures regarding controls, procedures, and performance linkages.

Figure 1: SCCP's Sustainability Governance Structure



Climate Resilience through CRROs Assessment

APPROACH AND PROGRESS

SCCP's processes to identify and assess CRROs are integrated within our investment and ERM frameworks, with oversight from the Board and ESG/ERM Committees. We conduct climate scenario analysis using complementary qualitative and quantitative assessment approaches to inform due diligence, asset management, and capital planning decisions.

We initiated climate scenario analysis in FY2021 with qualitative assessments of historical climate events and regional characteristics. This foundation supported the full integration of climate considerations in new acquisitions by FY2023. In Q4 FY2024, we expanded capabilities to include quantitative scenario analysis to create a robust, multi-layered assessment framework that informs due diligence and capital planning.

METHODOLOGY

Our qualitative analysis prioritises sub-regions based on empirical data (e.g. historical climate events and frequency metrics) and using likelihood scales developed in-house, to identify heightened physical risk exposure.

Our quantitative analysis provides forward-looking insights beyond historical patterns. Applying Intergovernmental Panel on Climate Change ("**IPCC**") scenarios (Representative Concentration Pathway ("**RCP**") 2.6 and RCP 8.5) across short (2030), medium (2040), and long-term (2050) horizons aligned with our investment periods, we estimate asset-level climate impacts across hospitality, industrial/logistics, data centres, and senior living. As for transition risks, the Network for Greening the Financial System ("**NGFS**") scenarios were used across the aforementioned time horizons. This identifies emerging physical and transition risks from policy, regulatory, and market shifts.

The analytical methodologies were developed with EY. The detailed methodology for modelling physical and transition risks is proprietary to EY and cannot be publicly disclosed.

ASSESSMENT SCOPE AND CONSIDERATIONS

This climate risk assessment is based on FY2024 portfolio data, and analysis completed through November 2025. We are committed to enhancing ESG transparency and have taken a significant first step by publishing this report for public disclosure.

We recognise the changing environmental and regulatory developments. As such, we will consider the re-assessment of climate risk in our investments when circumstances that arise materially affect the operations or financial performance of the assets. This includes events such as natural disasters or significant regulatory changes, with reference to MAS Environmental Risk Management Guidelines. A reassessment will also be considered in cases of substantial structural changes within the asset or when emissions data show a variance exceeding the 5% significance threshold, with reference to the Science Based Targets initiative ("**SBTi**").

These key considerations ensure that our scenario analysis remains robust, relevant, and aligned with evolving market, regulatory, and environmental conditions, as we support informed and holistic investment decision-making and portfolio resilience.

STRATEGIC INTEGRATION

CRRO assessments directly inform investment underwriting, asset management strategies, and resilience planning. As our methodologies mature, we will enhance financial quantification and granularity to further strengthen strategic resilience under evolving market, regulatory, and environmental conditions.

Climate Scenario Analysis (Parameters)

Physical Risk		
Description	Qualitative Assessment	Quantitative Assessment
Portfolio covered	• Assessed SCCP's portfolio based on geographical regions	• Assessed based on locations of existing property assets
Scenarios used	• RCP 2.6 • RCP 8.5	• RCP 2.6 • RCP 8.5
Time horizons used	• Short (2030) • Medium (2040) • Long (2050)	• Short (2030) • Medium (2040) • Long (2050)
Risks assessed	• Change in precipitation • Frost days • Coastal and riverine flooding • Fire index • Riverine flooding • Natural disasters - earthquakes • Change in average temperature • Extreme weather - increase wind speed • Extreme weather - water stress	• Coastal Floods • Riverine Floods • Pluvial Floods • Tropical Cyclones • Heatwaves

Transition Risk		
Description	Qualitative Assessment	Quantitative Assessment
Portfolio covered	• Assessed SCCP's portfolio based on geographical regions	• Assessed SCCP's portfolio at an asset-level
Scenarios used	• RCP 2.6 • RCP 8.5	NGFS: • Net Zero 2050 • Current Policies
Time horizons used	• Short (2030) • Medium (2040) • Long (2050)	• Short (2030) • Medium (2040) • Long (2050)
Risks assessed	• Increased pricing of GHG emissions • More stringent energy efficiency requirements for buildings • Market signals for green buildings • Enhanced emissions - reporting obligations • Costs to transition to lower emissions technology • Mandates on and regulation of existing products and services • Exposure to litigation	• Increased pricing of GHG emissions *(referred to as "Carbon Price Exposure" in slide deck)*

Rationale for time horizons used	• **Short-Term (by 2030):** Aligned with SCCP's typical asset holding period (5 to 7 years~), focusing on immediate operational, financial and compliance risks that impact asset performance and investment decisions. • **Medium-Term (by 2040):** Covers longer investment cycles (10 to 15 years~), considering market shifts, regulatory changes, and evolving investor expectations that may require portfolio adaptation. • **Long-Term (by 2050):** Captures structural shifts such as climate transition risks, asset obsolescence, and demographic changes, ensuring long-term asset resilience.

Climate Scenario Analysis (Physical Risk)

DELVING INTO PHYSICAL RISK ANALYSIS

SCCP conducted both qualitative and quantitative physical risk analyses to systematically assess climate-related hazards across its diversified real estate portfolio. Through a qualitative scenario analysis, SCCP evaluated the likelihood of climate-related hazards such as flooding, tropical cyclones, heatwaves, and wildfires across short- (2030), medium- (2040), and long-term (2050) horizons, drawing on historical and recent climate events to inform scenario projections. Notable examples in 2024 include surface water flooding in Ho Chi Minh City, record-breaking high temperatures in Singapore, and tropical cyclones in Northern Vietnam and Queensland.

In addition, SCCP's inaugural quantitative physical risk analysis assesses material climate-related risks across its portfolio using five key metrics: coastal floods, riverine floods, pluvial floods, tropical cyclones, and heatwaves. Leveraging data from CLIMADA, FEMA, and Fathom among others, and applying localised geographical characteristics, the analysis quantifies potential business disruption, replacement costs, and the resulting stress on financial metrics. This enables SCCP to prioritise risk hotspots and strengthen the climate resilience of its investments. The table below shows the overall physical risk analysis results derived from the quantitative and qualitative assessments by an external consultant.

CHALLENGES IN THE ANALYSIS

SCCP's qualitative and quantitative physical climate risk analyses face inherent challenges that affect precision and reliability. Data limitations across APAC, particularly in emerging markets, partially constrain sub-regional and asset-specific assessments. The analyses also do not fully capture non-linear impacts or correlations between hazards, which potentially underestimates the true extent of climate-related risks. Limited availability of localised climate models in some regions necessitates reliance on third-party data, which may introduce inconsistencies. SCCP is actively refining its methods to improve the accuracy and utility of its physical risk assessments.

OVERALL PHYSICAL RISK ANALYSIS RESULTS

Overall Risk Rating

NONE | LOW | MEDIUM | HIGH

How the overall risk rating was obtained:

The overall physical climate risk rating was determined by assessing both impact (quantitative) and likelihood (qualitative) across the portfolio. Impact was calculated using the total Value at Risk ("**VaR**"). relative to the portfolio's appraisal value, while likelihood reflected the probability of simultaneous climate events across countries. These were categorised and combined using a risk matrix to derive the overall rating.

RCP 2.6	Coastal Floods	Riverine Floods	Coastal Floods	Tropical Cyclones	Heatwaves
2030	LOW	LOW	LOW	LOW	LOW
2040	LOW	LOW	LOW	LOW	LOW
2050	LOW	LOW	LOW	LOW	LOW

RCP 8.5	Coastal Floods	Riverine Floods	Pluvial Floods	Tropical Cyclones	Heatwaves
2030	LOW	LOW	LOW	LOW	LOW
2040	LOW	LOW	LOW	LOW	LOW
2050	LOW	LOW	LOW	LOW	LOW

Strategic Implications and Resilience (Physical Risk)

SCCP addresses climate-related risks through a multi-layered strategy that considers operational resilience and strategic investments in adaptation solutions. The firm also integrates physical risk mitigation with financial mechanisms, informed by our materiality assessments and climate scenario analyses.

Since FY2021, we have progressively improved data collection and performance assessment across our portfolio. A decarbonisation gap analysis was conducted to evaluate passive and active building strategies, energy systems, and renewable energy potential. This was followed by an asset prioritisation exercise in FY2022, which continues to inform asset management strategies to support environmental efficiency.

The following table lays out the physical climate risks for SCCP, and our risk management measures.

CRROSs				
Risk	**Type**	**Description and Impact**	**Financial Impact***	**Risk Management Measures**
Acute Risk	Coastal Floods	Coastal floods are flood events caused by sea level changes arising from an overflow of shoreline boundaries. This poses significant risks to waterfront properties through saltwater intrusion and storm surge damage, which can lead to increased capital expenditures for repairs and upgrades, as well as higher ongoing operating costs to maintain resilience and functionality in the face of these environmental challenges.	1.35%	SCCP adopts a dual-pronged approach, at a group and asset level, to effectively mitigate and manage acute and physical risks: **Group Level (Proactive & Strategic):** • Environmental and climate risks are integrated into the investment decision-making process. • Regular assessments identify physical risk exposure across all assets. • Ongoing analysis anticipates potential threats for proactive mitigation. • Climate resilience is incorporated into new developments, guided by expert reports. **Asset Level (Reactive & Tactical):** • Regular inspections and maintenance procedures are performed. • Property insurance coverage is enhanced for financial risk mitigation. • Periodic risk assessments and updates ensure readiness. • Open channels with tenants encourage prompt reporting of safety concerns.
	Riverine Floods	Riverine floods are flood events caused by spillage from established rivers or streams, which can threaten properties in floodplain areas with structural damage and related costs, as well as supply chain interruptions to property operations.	0.001%	
	Pluvial Floods	Pluvial floods are flood events caused by spillage from extreme rainfall onto surrounding land. They can result in urban property damage from surface water flooding and drainage system overload. Increased costs from repairs and upgrades, as well as elevated operational capital is will be needed.	0.61%	
	Tropical Cyclones	Tropical cyclones are circular storms carrying strong winds and heavy rainfall that form over warm tropical oceans. Impacts include roof or window damage, prolonged power outages, and business continuity challenges, which can lead to higher operating costs, along with repair costs.	0.34%	
Chronic Risk	Heatwaves	Heatwaves are periods with excessive heat that remains unusually high over several days and nights, and can negatively affect indoor environments and occupant well-being. This leads to higher building energy and water consumption and hence increased operating costs.	2.64%	

**The percentages represent the percentage of losses in comparison with the total portfolio exposure.*

Climate Scenario Analysis (Transition Risk)

DELVING INTO TRANSITION RISK ANALYSIS

SCCP conducted a quantitative transition risk assessment to evaluate the financial impact of rising greenhouse gas ("**GHG**") emission costs across the portfolio. It focused on carbon price exposure, leveraging market data and financial models to calculate projected costs under two different NGFS scenarios (Net Zero 2050 and Current Policies) across short- (2030), medium- (2040), and long-term (2050) horizons. Electricity consumption, rental income, and appraisal values were collected, with proxy estimates used where data were unavailable. Qualitative analysis focused on the likelihood of impact.

Country-specific electricity growth rates and emission factors were derived from NGFS forecasts, and projected carbon prices were applied to estimate each asset's carbon exposure. Where country-level carbon pricing data were unavailable, regional proxies were used. The likelihood of simultaneous carbon price exposure across jurisdictions was calculated using multiplication rather than averaging, enabling a more realistic assessment of risk. The resulting financial impacts were expressed as VaR.

Assets in Australia, Japan, South Korea, China, and Vietnam are expected to be more impacted due to stronger carbon pricing frameworks and energy-intensive operations. In contrast, assets in geographical regions, such as Thailand, New Zealand, and Singapore, are projected to experience minimal to moderate impact, depending on regulatory developments and renewable energy adoption.

CHALLENGES IN THE ANALYSIS

There are methodological limitations in this analysis that should be taken into account when interpreting the results. These include the hypothetical nature of scenario modeling, limitations in parameter granularity, and the exclusion of second-order effects and non-linear impacts. Additionally, inconsistencies and gaps in data availability, such as missing renewable energy targets and emission factors, combined with the absence of detailed company- and country-level transition plans, introduced uncertainty and constrained the comprehensiveness of the climate risk assessment. SCCP is nonetheless seeking to enhance our methodologies to strengthen the accuracy and usefulness of the transition risk assessment.

OVERALL TRANSITION RISK ANALYSIS RESULTS

Overall Risk Rating

NONE | LOW | MEDIUM | HIGH

How the overall risk rating was obtained:

The overall risk rating is determined by combining impact and likelihood ratings using a predefined matrix. Impact is assessed by aggregating carbon exposure across all assets, calculating the ratio of total exposure to total appraisal value, and categorising the result using the risk rating matrix. Likelihood is calculated by multiplying probabilities across countries rather than averaging, to reflect the simultaneous occurrence of carbon price exposure risks across jurisdictions. This method provides a more realistic and comprehensive assessment of potential risk.

NGFS Net Zero 2050 scenario	Carbon price exposure
2030	LOW
2040	LOW
2050	LOW

Current Policies scenario	Carbon price exposure
2030	LOW
2040	LOW
2050	LOW

Strategic Implications and Resilience (Transition Risk) (1/2)

As markets transition to a low-carbon economy, managing transition risk is essential for SCCP to protect asset value, maintain investor confidence, and meet regulatory obligations and expectations. Beyond carbon-price exposure, our framework evaluates seven transition-risk drivers as listed below. We actively identify, monitor, and mitigate these risks to unlock opportunities in sustainable real estate.

The following table lays out the transition climate risks for SCCP, and our risk management measures.

CRROs			
Risk	**Type**	**Description and Impact**	**Risk Management Measures**
Regulatory (Policy and Legal)	Enhanced climate risk and environmental reporting obligations	Increased regulatory and investor demands for transparency will likely raise compliance costs, and failure to meet these expectations could harm investor confidence and reduce real asset valuations.	• Regularly monitor climate-related regulatory developments (e.g. carbon pricing, building standards). • Ensure SCCP disclosures comply with all applicable regulations.
	Mandates on and regulation of building energy requirements	Mandates and stricter energy standards increase costs and necessitate green investments. In addition, proactive planning is crucial for maintaining competitiveness. For example, changes to Singapore's Building Control Act mandate energy-intensive buildings to reduce energy consumption from Q3 2025 onwards.	• Improve energy efficiency through operational optimisations and the adoption of energy-saving measures such as LED lighting and smart thermostats. • Lower energy costs by negotiating more competitive rates with utility providers and leveraging energy management software to enable smarter, real-time consumption monitoring.
	Increased pricing of GHG emissions	Rising carbon prices in the electricity sector will pose financial risks for companies that have not decarbonised their power generation assets. While SCCP is classified as a small emitter and its own assets are not directly subject to the carbon tax, the broader increase in carbon pricing will indirectly impact operations. We anticipate higher energy costs for building operations, as well as increased design and construction expenses due to the rising price of carbon-intensive building materials.	• Conduct audits of applicable assets to identify opportunities for improving energy, water, and resource efficiency. • Enhance environmental data collection to support the development of a comprehensive carbon inventory. This will enable the establishment of a reliable baseline and the setting of meaningful, achievable emissions reduction targets where feasible.
	Increased exposure to litigation	Increased exposure to litigation can result in significant financial and reputational consequences, including legal costs, settlements, and operational disruptions. It may also lead to heightened scrutiny from investors and regulators, hinder access to capital, and negatively impact asset valuations.	• Perform thorough due diligence and implement robust risk management strategies to mitigate potential liabilities. • Ensure comprehensive insurance coverage and maintain strong partnerships with legal advisors. • Actively monitor legal and regulatory developments to stay ahead of emerging risks and compliance requirements.

(Table continues to the next page.)

Strategic Implications and Resilience (Transition Risk) (2/2)

(Continued)

CRROs			
Risk	**Type**	**Description and Impact**	**Risk Management Measures**
Market	Market signals for green buildings	Stricter green building regulations and market pressures globally increase construction costs. SCCP addresses this by factoring these costs into asset enhancement initiatives and new developments, ensuring projects align with evolving standards and maintain long-term value.	• Identify and implement targeted asset enhancements for existing properties based on their current green building performance.
Technology	Higher operating costs from high-emission technologies	High-emission technologies increase operating costs, which negatively affects building performance and financial management.	• Apply energy-efficient upgrades and maintenance across relevant assets, where applicable.
Regulation	Increased stakeholder concern or negative stakeholder feedback	Negative stakeholder feedback presents a significant reputational risk for a private equity real estate firm, particularly when linked to climate-related issues within its investments or operations. Such feedback can erode stakeholder trust, diminish brand credibility, and limit future opportunities, potentially affecting capital availability and investor confidence.	• Prioritise transparent communication and the implementation of strong ESG practices. • Proactively address stakeholder concerns and engage collaboratively to develop effective solutions. • Commit to continuous improvement in transparency, accountability, and stakeholder engagement.

Risk Management Process

INTEGRATION OF CLIMATE RISK

SCCP is committed to strengthening the climate resilience of its portfolio through an integrated risk management framework. Since FY2021, following our inaugural scenario analysis, climate risk has been formally incorporated into SCCP's ERM process. Each year, the ERM Committee conducts a comprehensive risk assessment to identify the firm's most significant risks, with climate considerations now embedded at both the policy and operational levels. The scenario analysis acts as a foundational element that led to the integration of climate risk into the ERM framework. The list of risk management measures for SCCP's identified CRROs can be found in slides 8, 10 and 11.

OUR APPROACH TO INVESTMENT

Climate-related risks are identified through a tailored pre-acquisition ESG due diligence process that evaluates exposure to physical climate risks, regulatory compliance, and broader ESG factors, all contextualised to the asset's type and geography. Third-party consultants are engaged for specialised assessments where needed. Minimum screening ensures that assets do not have significant environmental disputes, comply with all environmental regulations, and are not linked to prohibited practices.

During the holding period, SCCP works closely with property managers to support sustainability improvements in energy, water, waste, and construction practices, while also complying with environmental regulations. Material ESG risks are assessed for their potential impact on asset valuation and long-term performance; those with unacceptable risk levels may be excluded from the portfolio unless a viable path to mitigation exists. Identified risks are flagged to the Investment Committees and escalated to the BOD if negative impacts arise post-investment.

Climate-related opportunities are identified and pursued across the investment lifecycle, including green certifications, energy efficiency upgrades, and sustainable development practices.

These efforts are designed to enhance operational performance, drive long-term asset value, and increase market competitiveness, especially at the point of exit.

Ongoing monitoring also supports ongoing risk assessment and informs a growing carbon inventory initiative, which will establish baselines and set reduction targets portfolio-wide, where feasible. SCCP's ESG processes, including climate-related risk considerations, are integrated with its overall risk management approach and are embedded within our Responsible Investment Policy, which can be found on our website (https://www.sccpasia.com/sustainability/). These measures influence due diligence, asset management, and exit planning, as seen in the figure below.

Figure 1: Integration of ESG Processes into Investment Management

CHANGES IN RISK PROCESSES

Since FY2021, SCCP's risk management processes have improved to formally include climate risk, mandate ESG screening for new investments, and integrate climate-related assessments into asset management and exit strategies. These changes reflect SCCP's aim to align its practices with global climate-related and ESG expectations and strengthen long-term asset resilience.

Embedding CRROs into Operations

IDENTIFICATION

SCCP identifies CRROs through established processes, embedded within the ERM framework. Identification draws on input from Investment, Asset Management, and other on-the-ground teams, supported by independent climate analyses conducted in-house.

Our ERM Committee consolidates these inputs into a climate risk register, updated bi-annually, focussing on exposures that could reasonably influence operating performance, insurance adequacy, regulatory compliance, asset valuations, or exit outcomes.

MONITORING

Through recurring asset-management cycles, we monitor CRROs focusing on:

- Physical risk signals (e.g. extreme-weather events, updated hazard data, changes in insurance premiums);
- Transition risk signals (e.g. new or revised carbon-pricing, building-performance requirements);
- Operational indicators (e.g. energy use, emissions patterns); and
- Material changes in asset condition that affect resilience or require reassessment.

Findings are consolidated into our climate risk register and used to trigger reassessment, where relevant. Monitoring outcomes informs adjustments, where feasible, to asset management plans and insurance adjustments.

ASSESSMENT AND PRIORITISATION

Using our ERM framework, CRROs are calibrated to the firm's investment strategy and fund-level and asset-level business plans. Assessment focuses on the potential financial relevance during the holding period, including, where relevant, impacts on NOI stability, insurance cost trajectories, and refurbishment requirements.

Quantitative scenario-analysis output is used to understand the scale of exposure, such as the VaR derived from physical hazards or exposure to carbon price. Qualitative assessments capture jurisdictional uncertainties, regulatory tightening, and operational sensitivities.

Where risks are assessed to be potentially significantly material, the Investment Committee reviews the business plan, including conditions for continued holding.

INTEGRATION

CRRO considerations are incorporated into SCCP's investment processes through qualitative review. During acquisitions, identified CRROs are highlighted through ESG due diligence and considered by the Investment Committee for implications on the business plan.

During the holding period, CRRO insights that arise from physical climate events and policy developments support asset management planning. We are exploring building quantitative capabilities, including possible integration of VaR estimates into deal underwriting, and assessing how such processes may support decision-making as assets approach eventual exit.

The ERM and ESG Committees review material climate-related matters, where relevant, and escalate issues with broader implications to the BOD.

Progress Update on Metrics and Targets

SCCP is working on advancing its approach to climate-related metrics and targets in line with the IFRS S2 framework. As we continue to build our capabilities, our focus is on establishing consistent and comparable metrics that help us understand climate-related risk exposure, operational performance, and environmental impact across our portfolios. We are currently collecting and monitoring Scope 1 and Scope 2 GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This provides a standardised measurement basis for future data-driven disclosures and for identifying areas that may require further refinement or mitigation.

At this stage, SCCP does not maintain formal climate-related targets. Instead, we track selected climate-related metrics to support internal ongoing risk assessment, particularly for identifying assets that may be exposed to elevated physical or transition risks.

As our climate-related strategy matures, we intend to expand our disclosures, where relevant and feasible, to include more complex carbon inventory data and explore the adoption of structure, benchmark-informed targets, drawing from global frameworks. These efforts support our long-term objective of integrating climate considerations into investment decisions and risk management processes.

THE ROAD AHEAD

SCCP is committed to building a climate-resilient future. Built on over 20 years of Asia-Pacific real estate experience, we are working systematically to integrate climate-related risk governance, strategy, risk management and targets into our business, all while contextualising regional challenges and progress towards measurable transition plans.

We remain to be a learning organisation. We are developing our climate-related capabilities, aligning our actions and disclosures with global sustainability standards, and communicating our progress to our stakeholders.

ACKNOWLEDGEMENT

SCCP would like to extend our appreciation to the broad network of stakeholders for their input and support throughout the preparation of this report.

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