

## **1. CLIMATE AND CLIMATE CHANGE ADAPTATION**

- 1.1 ARA is committed to identifying and responding towards climate change risks and to act on opportunities to enhance its properties for long term positive impacts.
- 1.2 The main source of energy and water arises from the use of grid electricity and municipal water in our managed properties. Based on the consumption of grid electricity, fossil fuel is burnt at the power plants, resulting in carbon emissions.  
  
Hence, managing the efficient use of electricity and water represents a dual opportunity to reduce carbon and water footprint while saving on utility costs to improve returns.
- 1.3 ARA will strive to prevent harmful releases into the atmosphere, land or water. The company will also minimize the quantity and toxicity of waste generated and ensure safe treatment and disposal of waste. In addition, ARA will conserve natural resources and energy by minimizing consumption and wastage.
- 1.4 The company shall comply with all legal requirements related to the environment. Where existing laws and regulations are inadequate to assure the protection of the environment, ARA shall establish relevant internal policies to uphold its environmental quality standards.
- 1.5 ARA is committed in ensuring that the essence of environmental protection is embedded in the company culture and will endeavor to influence its tenants, suppliers and employees in a strategic environmental manner, where possible.
- 1.6 As part of the continuous professional development objective, employees shall be educated, trained and motivated to carry out tasks in an environmentally responsible manner. In addition, the company also encourages environmental practices among tenants and suppliers by including environmental issues in business discussions and initiatives. Environmental awareness will also be raised to encourage tenants to do their part in energy, water and resource conservation.

## **2. ARA'S ENVIRONMENTAL MANAGEMENT SYSTEM FRAMEWORK**

- 2.1 ARA manages the environment based on the environmental management system framework which encompasses legal requirement, objectives, targets and programs, sustainability commitment program, implementation and operations, competency, training and awareness, communication, documentation and monitoring and sustainability reporting.
- 2.2 The company seeks to comply with applicable laws and regulations and be accountable for any environmental issues that occur at its properties.
- 2.3 ARA seeks opportunities to effect positive changes and minimize negative impacts to the environment, while maintaining a good balance between environmental conservation and sustainable returns to investors.
- 2.4 In recognizing the importance of reducing emissions, the company has embarked on a sustainability commitment program that focuses on efforts in alignment with the national goals to reduce carbon emission.

- 2.5 Working towards the environmental objectives and targets, ARA has implemented various initiatives within its operations. These initiatives are undertaken by the respective Property Managers responsible for the properties, based on the directives set by ARA.
- 2.6 The company is committed to the professional development of its employees and sends them for relevant training on sustainability practices and raising awareness.
- 2.7 ARA's environmental management system framework and environmental policy are communicated internally to its employees (i.e. through induction, training and annual declarations) and externally to relevant third parties (e.g. contractors and suppliers).

The communication involves circulations and discussions of the documented policy and framework in paper or electronic forms, including subsequent revisions (i.e. document control).
- 2.8 The ARA Group Sustainability Report shall be published periodically, where the company continuously reviews its sustainability strategies and policies in response to the stakeholder requests and changing trends. This report is prepared in-line with the GRI Standards "Core" level, ARA environmental policy and framework.

### **3. ENVIRONMENTAL ATTRIBUTES OF BUILDING MATERIALS**

- 3.1 ARA believes in valuing and protecting the environment through its procurement of building materials. Besides price and quality, ARA considers potential environmental and ecological impacts when sourcing for suppliers and contractors.

Such criteria are integrated into the purchasing process, and both green and socially-responsible supplier selection criteria are considered where applicable. This will contribute to the movement of the supply chain towards sustainability.

Examples of sustainable and non-toxic building materials include materials derived from recycled content or those with low carbon sources.
- 3.2 On an annual basis, the company evaluates its suppliers' performance and provide them with feedback for improvement. In addition, ARA will not hesitate to terminate contracts without recourse for suppliers which violate environmental regulations. Such supplier will also be blacklisted and barred from participating in future tender exercises.

### **4. ENERGY CONSUMPTION AND MANAGEMENT**

- 4.1 ARA is committed to improving energy efficiency and reducing energy consumption at its properties. Although the tenants account for the bulk of energy consumption in the properties which the company does not have direct control over their consumption, the Property Managers endeavor to make concerted efforts towards educating tenants and making improvements to the energy efficiency of building operations, where possible.
- 4.2 At the property level, initiatives to directly improve energy efficiency or reduce energy consumption include performing analytics, installing occupancy sensors (lights and escalators), optimizing building systems and enhancing the fixtures with technology.

- 4.3 Concerted efforts made towards educating the tenants include regular communication, sharing new technologies and adopting energy efficient design and certifications.

## **5. GHG EMISSION AND MANAGEMENT**

- 5.1 Majority of GHG emission from buildings is due to energy consumption, where carbon emission is produced from burning fuel at electricity power plants. By enhancing the energy efficiency of the facilities in the buildings, ARA seeks to reduce its carbon emission and minimize the impact on the environment.
- 5.2 To minimize the emission of greenhouse gases and the release of toxic or harmful materials from the properties, ARA is committed to comply with the relevant environmental standards in countries where the Group operates.
- 5.3 The company monitors its buildings' emission intensity in line with expectations in the industry. Comprehensive carbon footprint assessments will be conducted for the relevant properties to set meaningful targets in reducing GHG emissions.

## **6. WATER CONSUMPTION AND MANAGEMENT**

- 6.1 ARA is committed towards reducing water footprints and raising tenants' awareness in water conservation.
- 6.2 Water consumption is an important area for conservation of natural resources within the properties. Although the tenants account for the bulk of water consumption in our properties which the company does not have direct control over their consumption, the Property Managers endeavor to make concerted efforts towards educating tenants and making improvements to the building operations, where possible.
- 6.3 At the property level, initiatives to improve efficiency or reduction in water consumption include performing analytics, installing auto-sensors, setting up leak detection and rainwater collection systems and adopting water efficient design and certifications.
- 6.4 Concerted efforts made towards educating the tenants include regular communication, raise awareness and encourage shoppers regarding sustainable water usage.

## **7. WASTE MANAGEMENT**

- 7.1 ARA recognizes the impacts of improper waste treatment and harm to the environment, which can be reduced through good waste management practices. Tenants and shoppers account for the bulk of waste generated at the properties, which the company does not have direct control over.
- 7.2 The Property Managers endeavor to make concerted efforts towards reducing waste, minimizing non-recyclable materials and educating tenants and shoppers on appropriate practices such as the responsible usage of papers and plastics.

- 7.3 Examples of property level initiatives include increasing placement of recycling bins at strategic locations and purchasing of environmentally friendly products such as eco-friendly stationery and toiletries.

## **8. ENVIRONMENTAL COMPLIANCE**

- 8.1 ARA is committed to ensuring the health, safety and security of its stakeholders, and in maintaining its tenants' satisfaction.
- 8.2 The Property Managers ensure that all works are carried out in a safe and socially responsible manner which complies with regulations and fitting out guidelines. Regular on-site meetings are held to discuss progress and related issues on safety with tenants and contractors.
- 8.3 At the property level, initiatives to ensure health, safety and security of its stakeholders include inculcating a "safety first mindset" throughout the operations, which enhance business resilience and responsiveness to potential disruptions and challenges that may occur.

Regular inspections shall be carried out to ensure a safe environment, where bi-annual simulated drills are conducted as part of the emergency response plans for fire, terrorism and floods.

- 8.4 Initiatives are put in place to maintain tenants' satisfaction through gathering of feedbacks from a variety of channel, such as regular face-to-face meetings, site visits, telephone conversations, conducting of annual tenant satisfaction surveys to identify specific areas of improvements to the environment and addressing tenants' concerns.