

# SID

SINGAPORE  
INSTITUTE OF  
DIRECTORS

## THE **SUSTAINABILITY** Imperative

SID DIRECTORS' CONFERENCE 2017



A MULTIFACETED, MINDSHIFTING LOOK AT  
MONEY & MEANING IN THE NEW CAPITALISM

### Conference Book

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## Built to Last

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As a premier integrated real estate fund manager focused on delivering enduring value to its investors, ARA Asset Management Limited (ARA) is committed to achieving sustainable growth and a positive impact on the communities it operates in.

Established in 2002, ARA is today one of the largest REIT managers in Asia ex-Japan. It currently manages six REITs listed in three countries, namely Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages six privately-held REITs in South Korea, as well as some 10 private real estate funds.

ARA drives long-term financial growth for investors through its assets under management. It builds perpetual products with unlimited or long-term fund life and covers various classes of real estate assets in different stages of the lifecycle. Its private funds develop various investment and franchise products where the assets may be developed into new funds or REITS upon maturity.

The company firmly believes that its economic success is closely tied to responsible behaviours towards corporate governance, human capital, the community, and the environment.

### **Strong corporate governance as its foundation**

As a real estate fund manager, ARA holds the fiduciary responsibility of managing funds on behalf of its investors. Strong corporate governance is therefore an integral aspect of its core business.

The company works towards protecting the interests of investors through a robust system of effective policies, sound internal controls, oversight of the board, and the independent involvement of both internal and external auditors. It counts some of the world's largest pension funds, sovereign wealth funds, endowment funds, insurance companies and global financial institutions as its investors and partners.

Over the years, it has built a respectable reputation, winning numerous awards for its good corporate governance practices. In 2016, ARA was ranked in the top four per cent on the Singapore Governance & Transparency Index among over 600 listed companies on SGX, and among the top 50 listed companies on the ASEAN Corporate Governance Scorecard.

### **Human capital is key**

ARA's success is built on the dedication and contributions of close to 1,300 staff in 19 cities across Asia Pacific, comprising individuals of 16 different nationalities.

The company promotes equality, fairness, personal development, mutual trust and teamwork within an inclusive workplace to build a competent and experienced team which is instrumental in contributing to the long-term success of the company. It has a stable employment since its inception, with zero layoff through redundancy. The company also places a strong emphasis on meritocracy and gender equality where women are encouraged to excel in their respective career specialisations. In fact, more than 40 per cent of senior management positions are helmed by female employees.

## Creating communities

In the area of community development, the company also gives back to the community through charitable actions and donations.

To drive the growth of the industry, ARA participates actively in national and industry efforts towards economic growth, environmental conservation, education and community development. Its involvement at the public level enables it to consider issues in a broader industry and economic context. Through senior management representation on various committees of industry bodies, the company leverages its resources and expertise in public policy advocacy.

ARA believes that good corporate citizenship creates shared value for the communities and its business. Through partnerships, donations and staff volunteerism, its corporate giving is directed towards the focus areas of education and promoting bilingualism. One of the cornerstones of its corporate philanthropy programme is an endowment of S\$1 million, made in collaboration with the Lim Hoon Foundation (LHF) in 2009, to fund eight annual scholarships at the Singapore Management University under the ARA-LHF Scholarship programme. Since its inception, 30 scholarships have been awarded. In 2017, ARA and Lim Hoon will contribute another S\$1 million to the programme.

## Reducing its impact on the environment

As ARA is not in the business of greenfield development, it may not, at times, have a direct control over the design of a property and its environmental impact. Nevertheless, as a responsible real estate fund manager, it seeks to protect the environment through various initiatives, including improving energy efficiency in the buildings it manages, raising environmental awareness and committing to green causes on recycling and the reduction of energy and resource consumption.

With some 100 assets under its management in Asia Pacific, ARA believes it can play its part in protecting our fragile environment. For example, in the asset enhancement of Suntec Singapore Convention and Exhibition Centre which reopened in June 2013, ARA made a conscious effort to integrate various environmental features and implement green practices in day-to-day processes of the property, such as the use of LED lightings, PUB WELS-certified water fittings and even recycling nearly 8,000 litres of cooking oil annually into biodiesel fuel.

In China, it has installed ice makers to function as chillers by making use of night time low peak electricity to create ice to cool shopping centres during peak hours. This initiative, when implemented at the recently-acquired Century Link, a commercial development in the Lujiazui Finance and Trade Zone, helps to save energy and reduce carbon dioxide emission equivalent to 2.9 million square metres of forest planting every year.

## Sustaining the journey

These are just the beginnings of ARA's focus on achieving a more balanced triple bottom line in financial, environmental and social performance. As it celebrates its 15th anniversary this year, ARA is committed to building on the experiences in its sustainability journey to continue serving the communities that it is a part of. •