

OUE REIT – ENVIRONMENTAL POLICY

Last Updated: 31 December 2024

1. Introduction

OUE Real Estate Investment Trust (“OUE REIT”)’s committed to embedding sustainability into our operation, with a goal to create long-term value and a sustainable future to all our stakeholders.

As the Manager of OUE REIT, OUE REIT Management Pte. Ltd., (“the Manager”) plays a key role in integrating climate, people and community considerations into the REIT’s portfolio strategies, stewardship and the governance structure.

To that end, our objectives are to:

- Contribute towards international and national sustainable development agendas and UN Sustainability Development Goals (“SDGs”);
- Identify and address risks and opportunities arising from climate change and stakeholders needs across our operations and value chain; and
- Commit to environmental protection and responsible resource management across all locations of our operations, in compliance with all relevant environmental laws and regulations

In line with our Sustainability Approach and ESG Vision 2030, this Environmental Policy is endorsed by the Manager’s CEO, and reflects OUE REIT’s ambitions in stewarding the environment and its strategies to minimising its environmental footprint and integrating environmental responsibilities and best practices into all aspects of our operations.

2. Scope

This Environmental Policy covers all properties and operations directly managed by OUE REIT, and extends to all employees, tenants, suppliers, contractors, and other stakeholders involved in our value chain.

In addition to OUE REIT’s environment policy, each asset within OUE REIT’s portfolio develops asset-specific sustainability targets to address unique climate risks, material priorities, and other sustainability requirements at asset level.

3. Stewarding The Environment

As a property owner and manager, OUE REIT is cognisant of the environmental impact of OUE REIT’s operations and has taken an active stance in reducing our energy footprint to address climate change, build climate resilience around OUE REIT’s business and to strengthen the Manager’s approach in order to create sustainable long-term value for all stakeholders.

To do so, OUE REIT is committed to maintaining regular and open communications with a diverse group of key stakeholders through stakeholder engagement. Various channels are



available to understand the interests, concerns, and needs of our stakeholders. The perspectives and feedback collated during the engagement process helps OUE REIT identify potential risks, opportunities, and ESG topics that are material to stakeholders.

The Manager embeds these climate change and environmental considerations into its strategy to mitigate potential physical and transition risks to OUE REIT's assets, operations, as well as their present and future value. The Manager also proactively seeks opportunities to support a transition to a low-carbon economy.

3.1 Governance

OUE REIT has a formal structure in place to support proper management of environmental risks. The Board of Directors (the "Board") assumes overall responsibility and oversight on sustainability, which includes climate-related risks and opportunities.

The Sustainability Steering Committee ("SSC"), chaired by the CEO and comprising the CFO, Asset Management ("AM") Lead, and Investor Relations ("IR") and Sustainability Lead, supports the Board by driving sustainability initiatives and monitoring progress against targets. The Sustainability Task Force ("STF"), comprising representatives from the various departments, corporate functions and business units, such as Finance/Treasury, AM, HR, Legal, Corporate Secretariat, and IR and Sustainability, develops action plans in response to the sustainability targets.

The STF, SSC, and the OUE Group's SSC meet on a regular basis to monitor sustainability progress against climate-related targets and evaluate the effectiveness of these initiatives. The STF reports to the SSC monthly and the SSC in turn reports key updates to the Board, on at least a bi-annual basis. The Manager tables climate-related risks and opportunities as agenda items during their meetings with the Board, SSC and STF, to strengthen their oversight and management of climate-related risks and opportunities.

3.2 Strategy

3.2.1 Identification of Climate-related Risks and Opportunities

OUE REIT identifies and assesses the actual and potential impacts of climate-related risks and opportunities on its business and strategy on a regular basis. This includes conducting climate scenario analysis aligned with Task Force on Climate-related Financial Disclosure ("TCFD"), Environmental Risk Management Guidelines ("EnRM") by the Monetary Authority of Singapore ("MAS), and International Financial Reporting Standards ("IFRS") S2 Climate-related Disclosure Standards, published by the International Sustainability Standards Board ("ISSB"), to identify climate related risks and opportunities that could have a potential financial impact on its business operations, value chain, current and expected financial impacts, and the development of proper resourcing, strategies and transition plans of OUE REIT.

3.2.2 Integration of climate-related risks and opportunities into asset management

OUE REIT is committed to integrating climate-related risks and opportunities into its asset management strategies. The Manager has conducted studies to evaluate and quantify the investment and capital expenditure, energy-efficiencies, water-efficiencies and overall

sustainability performance required into maintaining or improving the green certifications obtained by its buildings.

Since 2021, the Manager has started rolling out green lease clauses in tenant lease agreements which provide for the management and improvement of the environmental performance of OUE REIT's properties. Tenants are committed to provide relevant environmental data to OUE REIT, as well as to work in partnership with the Manager to reduce the environmental impact of the buildings we own and occupy.

3.2.3 Integration of climate-related risks and opportunities into investment strategies

In line with the MAS EnRM guidelines, the Manager has identified the following environmental issues to be included as part of the due diligence process for new acquisitions:

- Energy efficiency
- GHG emissions
- Transportation
- Water efficiency
- Energy supply
- Indoor environmental quality
- Waste management
- Water supply

The Manager has formalised its ESG Investment Due Diligence Checklist to conduct environmental and social risk assessments in addition to the standard due diligence process for new acquisitions. Besides checking on past and potential breaches of environmental, as well as health & safety laws and regulations, the checklist also includes questions on the target property's key environmental performance metrics and existing green building certifications.

3.3 Metrics & Targets

The key metrics OUE REIT uses to assess and monitor climate-related risks are GHG emissions, energy consumption, water consumption and waste generation.

We are committed to continuous monitoring and improvement of our environmental performance. Therefore, environmental data from these key metrics is reviewed and reported to the Board bi-annually to enable the Manager to review the performance against OUE REIT's long-term targets to ascertain the effectiveness of existing policies and initiatives in mitigating climate-related risks. These metrics are also reported annually in OUE REIT's sustainability report for transparency.

4. Environmental Commitments

Aligned with OUE REIT's Sustainability Approach and ESG Vision 2030, OUE REIT has developed various targets and policies on climate change, energy, water, and waste, and proactively implements and monitors the execution of multiple ESG initiatives and measures.

4.1 Climate Change and Energy

4.1.1 Targets

- Reduce absolute Scope 1 and 2 GHG emissions for commercial properties by 40% by FY2030 from FY2023 baseline
- Actively pursue opportunities in renewable energy use for commercial properties
- Achieve 90% of green financing by FY2030

4.1.2 Key Areas of Focus

We aim to improve energy efficiency by:

- Accelerating the adoption of energy-efficient heating, ventilation & air conditioning equipment
- Enhancing control, metering and monitoring electricity consumption according to energy management policy, energy conservation policy as well as environmental, health and safety policy
- Exploring the use of renewable energy
- Improving the green credentials of our properties by attaining Singapore's BCA Green Market Certification or LEED Certification
- Raising stakeholder awareness through:
 - Employee Training
 - Adoption of Green Leases
 - Tenant Engagement Activities
 - Pledge including Orchard Road Business Association

4.2 Water Efficiency

4.2.1 Target

Reduce water intensity for commercial properties by 25% by FY2030 from FY2017 baseline

4.2.2 Key Areas of Focus

We aim to improve water efficiency by:

- Accelerating the installation of water-saving fittings
- Installing water-efficient fittings and adopted recommended flow and flush rates for toilet upgrading projects
- Capitalising on opportunities where potable water consumption can be reduced
- Monitoring and analysing potable and recycled water consumption
- Enhancing suppliers' & tenants' engagement through
 - Collaboration with suppliers who invest in water efficiency improvements
 - Tenant Engagement Activities

4.3 Waste Efficiency

4.3.1 Targets

- Reduce non-hazardous waste intensity for commercial properties by 15% by FY2030 from FY2017 baseline
- Increase annual recycling rate to 12.5% for commercial properties by FY2030

4.3.2 Areas of Focus

We aim to minimise waste by:

- Minimising plastic usage at our properties
- Collaborating with third-party vendors to support electronic waste collection and recycling
- Installing food waste recycling collection requirements and system
- Tenant engagement to raise awareness on responsible waste management

5. Reporting and Disclosure

OUE REIT is committed to maintaining regular, timely, accurate and fair communication with our stakeholders about OUE REIT's ESG progress. Our Sustainability Report, which is published annually and aligned to international standards of reporting, details our sustainability efforts and achievements. We also provide ESG updates on our corporate website's sustainability section <https://www.ouereit.com/sustainability.html>.

6. Process of Environmental Policy Review

OUE REIT's Environmental Policy reflects the objectives, approach, core values, and serve as future guidelines for our employees and other stakeholders that we collaborate with. This Environmental Policy was last updated in December 2024. The SSC periodically reviews and refines the policy as needed to ensure its relevance and effectiveness, in alignment with market best practices.