

# Sustainability Report

## DRIVING SUSTAINABILITY, ADVANCING IMPACT

As BHG Retail REIT continues to strive for sustainable growth of our business, we remain committed in embedding sustainability in all our daily operations. Moving forward, we wish to cascade our ambitions in achieving greater sustainability performance and reporting.



This portion of the artwork is contributed by Mr. Bency Yap, an artist from the Muscular Dystrophy Association (Singapore).

# Sustainability Report



## BOARD STATEMENT

[2-22]

In response to the increasing environmental challenges, BHG Retail REIT (“the **REIT**” or “we”) remains committed to embedding Environmental, Social, and Governance (“**ESG**”) principles into our core operations. With global initiatives such as the Singapore Green Plan 2030 and China’s dual carbon goals, we recognise the importance of addressing sustainability issues while seizing opportunities to enhance resilience.

We are pleased to present our ninth sustainability report (the “**Sustainability Report**”), marking another milestone in our journey towards sustainability. Over the past year, the REIT has continued to integrate sustainability into daily operations and long-term planning, from energy efficiency initiatives to stakeholder engagement programmes. The Board of Directors of BHG Retail Trust Management Pte. Ltd. (the “**Board**”, and BHG Retail Trust Management Pte. Ltd., the “**Manager**”) continues to oversee sustainability matters, ensuring alignment with our strategic objectives.

In 2025, we monitored energy consumption, water usage, and greenhouse gas (“**GHG**”) emissions, with reference to the Global Reporting Initiative (“**GRI**”) Standards, covering both Scope 1 (direct) and Scope 2 (indirect) emissions. We also engaged our communities through programmes that foster social inclusivity and cultural enrichment, reflecting our commitment to being a responsible corporate citizen.

Aligned with the enhanced climate disclosure requirements under the Singapore Exchange, we have further strengthened our climate-related disclosures with reference to the International Financial Reporting Standards S2, introduced by the International Sustainability Standards Board (“**ISSB**”). These efforts support more robust reporting of climate issues and demonstrate our proactive approach to integrating sustainability considerations into strategic and operational decision-making.

We are also proud to announce that the REIT has received three awards at The Global CSR & ESG Awards 2025™. The REIT was conferred the Gold award for ‘Best CEO’, the Silver award for ‘CSR & ESG Leadership Award’ and ‘Best Corporate Communications & Investor Relations Team Award’ categories. These accolades recognise our commitment to transparent communication, responsible business practices, and leadership in ESG excellence.

Looking ahead, we remain dedicated to strengthening our sustainability efforts, enhancing resilience against environmental challenges, and fostering long-term value creation for all our stakeholders. On behalf of the Board and the Manager team, we extend our sincere gratitude to our stakeholders for their continued trust and support in our sustainability journey.

## BHG RETAIL REIT AT A GLANCE

### About BHG Retail REIT

[2-1]

BHG Retail REIT is Singapore's first dedicated China Retail REIT listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), sponsored by a leading integrated retail group in China. The REIT is managed by the Manager, an indirect wholly-owned subsidiary of Beijing Hualian Department Store Co., Ltd. (the "**Sponsor**"). The Sponsor is part of Beijing Hualian Group Investment Holding Co., Ltd. ("**Beijing Hualian Group**"), which is one of China's largest retail enterprises with over three decades of experience in retail operations.

Since publishing our first sustainability report for the financial year ended 31 December 2017, the REIT has adhered to the concept of sustainable development and consistently embraced a sustainability-focused business model. We are pleased to present our ninth sustainability report for the financial year ended 31 December 2025 ("**FY 2025**"), highlighting our achievements and progress in advancing our ESG commitments.

Over the years, we have strengthened our understanding of our environmental footprint, enhanced our contributions to employees and local communities, and improved governance practices across the organisation. Looking ahead, we remain committed to implementing more ambitious initiatives and strategies, delivering robust returns for our shareholders while making meaningful contributions to sustainable development.

<b>Company Name</b>	BHG Retail REIT
<b>Deed of Trust</b>	18 November 2015
<b>Head Office Address</b>	250 North Bridge Road, Raffles City Tower #32-01 Singapore 179101
<b>Operational Location</b>	Singapore, China

## VISION

Successful and sustainable real estate investment trust with a portfolio of quality, income-producing retail properties that are well-managed.

## MISSION

To deliver regular and stable distributions to our Unitholders; creating value by enhancing our properties through asset management strategies and expanding our portfolio through yield-accretive acquisitions, while working to contribute to the communities we operate in.

# Sustainability Report

## Employee Composition (Demography)

[2-7] [3-3] [202-2]

Since our establishment, we have embraced a people-centric approach, recognising that our employees are our most valuable asset. We strive not only to empower our workforce through training and development but also to strengthen our engagement with the local community, fostering human capital and attracting top talent.

The mission of fostering employee growth is driven by the Human Resources (“HR”) team of the Manager, which oversees all employee-related functions. Through a comprehensive talent management framework, the team identifies individual strengths, evaluates performance, and supports career advancement. By providing structured pathways for internal mobility and professional growth, the REIT empowers every employee to realise their potential and pursue excellence. Complementing this framework, we have established HR policies and a detailed staff handbook, which clearly define employment practices, ethical standards, and expected behaviours. Regular performance assessments and targeted development programmes have been implemented to reinforce transparency and fairness in talent management.

In recognition of these fair employment practices and our supportive workplace environment, the REIT Manager was awarded the NS Mark (Gold) by Singapore’s Ministry of Defence. This national-level accreditation recognises organisations that

implement policies and human resource practices that support employees in balancing their work and National Service commitments.

We are committed to fostering a fair, respectful, and inclusive culture where all employees can thrive. Advancing gender diversity is a core component of this commitment. In FY 2025, our team consisted of 9 members, including 6 males and 3 females, while management achieved gender balance with equal representation of one male and one female. Our dedication to the local community extends to senior leadership. In FY 2025, all senior management of the REIT were recruited locally in Singapore, reflecting our ongoing efforts to deepen local presence and develop a strong pipeline of local talent.

## Operational Area

[2-6]

Headquartered in Singapore, BHG Retail REIT manages a portfolio of six strategically located retail properties in major Chinese cities. Four of these properties—Beijing Wanliu, Chengdu Konggang, Hefei Mengchenglu, and Hefei Changjiangxilu—operate under a multi-tenanted format. The remaining two, Xining Huayuan and Dalian Jinsanjiao, are managed under master-leased model. This operational structure is outlined in this Sustainability Report, reflecting the REIT’s commitment to sustainable and resilient corporate growth.



## SUSTAINABILITY AT BHG REIT

### Sustainability Strategy

[3-3]

At BHG Retail REIT, embedding sustainability into every facet of our operations remains a core priority. We recognise our responsibility to minimise environmental impacts and deliver positive social and economic outcomes across all operations. In line with this commitment, we identified our actual and potential, as well as positive and negative impacts on the economy, environment, and society. Building on these insights, we have formulated targeted

strategies that not only mitigate key risks but also enable us to seize emerging opportunities.

We continually review and refine these strategies to reflect evolving regulatory requirements, industry best practices, and stakeholder expectations. The sections below outline the most material ESG-related risks and opportunities we have identified, as well as the proactive measures we are taking in response.

Risks	Opportunities and Responses
<b>Economic and Governance Risk</b>	
<p>A downturn in economic performance could pressure profitability, limit our ability to maintain competitive employee compensation and make talent retention more challenging. It may also erode investor confidence and place the REIT at a competitive disadvantage.</p>	<p>We aim to deliver stable dividend distributions to our unitholders while reinforcing our financial resilience. A healthy economic environment not only bolsters stakeholder confidence and supports job creation but also enables increased investment in community initiatives, thereby contributing to broader economic, social, and environmental well-being.</p>
<b>Social Risk</b>	
<p>Insufficient community engagement may hinder our understanding of local needs and concerns, preventing us from identifying potential adverse impacts of our operations. Without timely action, such issues could escalate into long-term reputational damage and operational restrictions.</p>	<p>We actively build long-term relationships with local communities through regular dialogue and support programmes. By aligning our business objectives with community expectations, we enhance our brand reputation and create shared value for both the REIT and the residents we serve.</p>
<b>Environmental Risk</b>	
<p>Climate change poses growing challenges to our assets and daily operations. Physical climate risks (extreme weather and rising temperatures) and transitional risks (evolving regulations, stricter disclosure requirements) threaten asset value, operational continuity and regulatory compliance. Inadequate climate-related disclosures could lead to compliance risks and undermine stakeholder trust.</p>	<p>We monitor GHG emissions, energy consumption, and other resource use to identify key emission sources and inform our sustainability priorities. By implementing targeted efficiency measures and low-carbon solutions, we aim to minimise our environmental footprint while achieving operational cost savings.</p>

# Sustainability Report

## Sustainability Governance

[2-9] [2-10] [2-11] [2-12] [2-13] [2-14] [2-16] [2-17]

The Board, as the highest governing body of BHG Retail REIT, holds overall accountability for overseeing and managing all sustainability matters. Transparency remains a core organisational value and underpins how we review, manage, and disclose our sustainability performance. Drawing on their collective experience, the Board ensures that ESG considerations are embedded in the REIT's overarching strategy. Key sustainability matters are regularly reviewed and discussed at Board and Board Committee meetings, enabling informed oversight and meaningful guidance on emerging sustainability issues.

In support of its oversight responsibilities, the new Directors appointed in FY 2024 completed the mandatory sustainability training delivered either by the Singapore Institute of Directors or the Institute of Singapore Chartered Accountants in 2024 and 2025, while the incumbent Directors had also completed the similar training programme delivered by the Institute of Singapore Chartered Accountants in 2022. This training strengthened the Board's understanding of its role in advancing ESG integration within the REIT's strategic direction.

The REIT's sustainability governance structure is illustrated below:



The Board delegates day-to-day implementation and oversight of sustainability initiatives to the Sustainability Officer and designated committees. As part of the REIT's Internal Audit Plan, the internal audit function conducts regular evaluations of sustainability practices and reporting processes. These assessments facilitate continuous improvement and ensure alignment with established policies, standards, and objectives.

The REIT's internal control framework is further reinforced by its governance structure. The Manager is supported by Board Committees, including the Audit and Risk Committee (the "**ARC**") and the Nominating and Remuneration Committee (the "**NRC**"). In addition, an Enterprise Risk Management Framework and a Business Continuity Plan have also been established to enhance the operational resilience of the REIT. More detailed information about the REIT's governance structure and controls can be found on the Corporate Governance section of our Annual Report.

The preparation of this Sustainability Report involved extensive engagement with stakeholders, ranging from external partners to the REIT's management teams. We value every opinion on our practices, which provides key insights to help us identify and prioritise material topics.

To ensure the integrity and compliance of our disclosures, our Internal Auditor conducted an internal review of our reporting process in accordance with the International Standards for the Professional Practice of Internal Auditing set forth by the Institute of Internal Auditors. Further information on stakeholder engagement can be found in the Disclosure on Material Topics section of this report.

## Nomination and Remuneration Governance

[2-15] [2-18] [2-19] [2-20]

In accordance with the 2018 Code of Corporate Governance, the Board introduced a Board Diversity Policy in 2020. Overseen by the NRC, the policy considers factors such as competencies, experience, and gender equality to promote a balanced and inclusive composition. Through the NRC, the Board periodically sets internal targets for its composition, fostering the broad perspectives and expertise required for effective governance.

The NRC underscores the Board's and CEO's commitment to cultivating an inclusive culture. This commitment is demonstrated by our female

CEO, Ms Iz-Lynn Chan, whose active participation in Board meetings exemplifies the REIT's focus on gender equality as a key component of its inclusivity objectives. Director independence is evaluated rigorously in line with the definitions and criteria set out in the 2018 Code of Corporate Governance and the Securities and Futures (Licensing and Conduct of Business) Regulations.

On remuneration matters, the NRC is responsible for reviewing and recommending the Board's remuneration framework to ensure alignment with governance objectives. The NRC comprises at least

three Directors, including Non-Executive Directors who are also independent. The NRC oversees all aspects of remuneration, including termination terms, to safeguard fairness and equity. No remuneration consultants were engaged in FY 2025.

Comprehensive information regarding the nomination process for the Board and Directors, as well as the remuneration process for the Board, Directors, and Key Management Personnel, can be found in the Corporate Governance section of our Annual Report.

### Policy Embedded

[2-23] [2-24] [2-25] [2-26] [2-27]

The REIT demonstrates its commitment to transparency governance and integrity through a set of key internal policies, including the Board Diversity Policy, Code of Conduct and Ethics, Whistle-Blowing Policy, and Anti-Corruption Policy. These policies, developed through due diligence on identified risks and benchmarked against leading practices, apply

to all employees of the Manager without exception. To reinforce awareness and understanding, the REIT delivers regular training to all employees. The Manager places strong emphasis on adherence to internal policies and maintains a zero-tolerance stance on any form of misconduct within the organisation.

#### Board Diversity Policy

This policy guides the composition of the Board to foster diversity and equality. Through its implementation, the REIT draws on a broad range of perspectives and experiences to strengthen decision-making and governance quality.

#### Code of Conduct and Ethics

Setting the standards for ethical behaviour across all operations, this code applies to all levels of management and employees, promoting consistency and integrity in all business activities.

#### Anti-Corruption Policy

By enforcing zero tolerance for corruption and improper conduct, this policy reinforces accountability and ethical practices across the REIT's operations.

#### Whistle-Blowing Policy

This policy provides a secure grievance mechanism for employees and external stakeholders to report unethical or irresponsible practices. It also protects whistleblowers from unfair dismissal or retaliation by ensuring the confidentiality of their reports.

Beyond these core governance policies, the REIT has also formulated and implemented other internal policies in line with local government regulations. The REIT complied with the applicable laws and regulations issued by the local government and did not commit any misconduct during FY 2025.

In FY 2025, the REIT maintained a record of zero corruption cases and provided anti-corruption training to all employees, achieving our targets on ethical business practices and compliance management.

# Sustainability Report

## Supporting Sustainability Development Goals

In response to the global call for collective action toward a just and sustainable future, the REIT has aligned its sustainability strategy with the United Nations Sustainable Development Goals (“UN SDGs”) and prioritises integrating the following goals into its business operations.

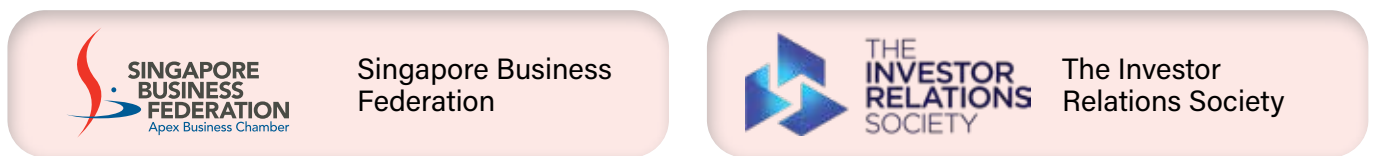
UN SDGs		Our Sustainability Efforts
	<b>Goal 3: Good Health and Well-being</b> Ensure healthy lives and promote well-being for all at all ages	<u>Promoting Employee Well-being</u> <ul style="list-style-type: none"> <li>▪ Prioritise the health and wellness of our employees</li> <li>▪ Collaborate with local community centres and service providers to support well-being initiatives</li> </ul>
	<b>Goal 4: Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<u>Empowering Our Workforce</u> <ul style="list-style-type: none"> <li>▪ Deliver training and educational programmes focused on enhancing employee skills</li> <li>▪ Perform regular performance evaluations to support professional development</li> </ul>
	<b>Goal 5: Gender Equality</b> Achieve gender equality and empower all women and girls	<u>Championing Diversity and Inclusion</u> <ul style="list-style-type: none"> <li>▪ Build a diverse workforce and ensure female representation in management roles</li> <li>▪ Commit to equitable remuneration and uphold employee rights without discrimination</li> </ul>
	<b>Goal 6: Clean Water and Sanitation</b> Ensure availability and sustainable management of water and sanitation for all	<u>Advocating for Water Conservation</u> <ul style="list-style-type: none"> <li>▪ Deploy a variety of water-saving measures across all our properties to promote responsible water usage</li> </ul>
	<b>Goal 7: Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable, and modern energy for all	<u>Enhancing Energy Efficiency</u> <ul style="list-style-type: none"> <li>▪ Implement and promote Energy Saving Plans in our malls across China to improve energy efficiency and reduce GHG emissions</li> </ul>
	<b>Goal 8: Decent Work and Economic Growth</b> Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	<u>Supporting Career Advancement</u> <ul style="list-style-type: none"> <li>▪ Provide employees with continuous professional development and employability opportunities</li> <li>▪ Recruit senior management locally in Singapore to nurture local talent</li> </ul>
	<b>Goal 10: Reduced Inequalities</b> Reduce inequality within and among countries	<u>Ensuring Equitable Development Opportunities</u> <ul style="list-style-type: none"> <li>▪ Guarantee equal access to training and development resources for all employees, regardless of gender or career stage</li> </ul>
	<b>Goal 12: Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	<u>Encouraging Sustainable Practices</u> <ul style="list-style-type: none"> <li>▪ Promote responsible resource management and implement initiatives to reduce carbon footprint</li> <li>▪ Adopt proactive measures to mitigate and adapt to climate change, minimising its adverse impacts on our business operations and assets</li> </ul>
	<b>Goal 13: Climate Action</b> Take urgent action to combat climate change and its impacts	
	<b>Goal 16: Peace, Justice and Strong Institutions</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<u>Upholding Ethical Standards</u> <ul style="list-style-type: none"> <li>▪ Conduct all business operations with integrity and accountability</li> <li>▪ Maintain a strict zero-tolerance policy against any violations of our Code of Conduct and Ethics</li> <li>▪ Ensure all employees receive training on anti-corruption and bribery</li> </ul>

## External Charters and Principles

[2-28]

BHG Retail REIT reaffirms its commitment to sustainability by actively engaging with industry associations, organisations, and other ESG communities. Through these platforms, the REIT strengthens its governance practices and reinforces the credibility of its sustainability efforts. Such external engagement also allows the REIT to benchmark its performance, stay informed of emerging trends, and contribute to collective advancements within the broader ESG community.

### External Association



### ESG-Related Regulations Complied



## ABOUT THE REPORT

BHG Retail REIT has prepared this Sustainability Report with reference to the GRI Standards 2021. As the GRI Standards continue to evolve with global best practices, the REIT remains committed to enhancing its disclosures in line with the latest updates and guidance. This Report also complies with the sustainability reporting requirements set out under Rules 711A and 711B of the SGX-ST Listing Manual.

In light of the enhanced climate-related disclosure requirements being progressively implemented by SGX-ST from FY 2025, which mandate all listed issuers to report Scope 1 and Scope 2 GHG emissions and align with the International Financial Reporting Standards ("IFRS") S2 issued by the ISSB, the REIT has taken proactive steps to adopt these standards. In FY 2025, the REIT has further strengthened its climate-related disclosures, with particular focus on climate scenario analysis and financial impacts.

## Reporting Scope and Period

[2-2] [2-3] [2-4]

This Report presents the sustainability strategy, initiatives, and performance of BHG Retail REIT for FY 2025. It covers ESG matters relevant to our business operations in Singapore and our four multi-tenanted malls in China, which are Beijing Wanliu, Chengdu Konggang, Hefei Mengchenglu, and Hefei Changjiangxilu. Consistent with previous years, our two master-leased properties, Dalian Jinsanjiao and Xining Huayuan, are not included in the reporting scope. We continue to apply the operational control approach in reporting GHG emissions for the four multi-tenanted malls under our operational control, with a focus on the most significant and relevant sources of emissions.

This marks the REIT's ninth annual sustainability report, with no restatements of information from the previous report in the financial year ended 31 December 2024 ("FY 2024"), and no significant changes in business operations from that period. The REIT remains committed to advancing its sustainability efforts, and this Report will be publicly available on the REIT's website.

# Sustainability Report



## External Assurance

[2-5]

For the current reporting period, BHG Retail REIT has not obtained external assurance for this Sustainability Report. However, recognising the increasing expectations from regulators and stakeholders regarding independent verification, the REIT has taken steps to standardise its ESG data collection processes. These measures include implementing an additional layer of data review and systematically gathering supporting documentation, laying the foundation for potential external assurance in the future. The REIT remains committed to continuously enhancing the quality, and transparency of its sustainability reporting.

## Report Queries and Feedback

[2-3]

At BHG Retail REIT, we remain committed to continuous improvement and aim to improve our sustainability performance through comprehensive disclosures in next year's Sustainability Report. We welcome feedback on this Report and invite any inquiries or suggestions to be directed to:

### Philip Tan

*Sustainability Officer*

BHG Retail Trust Management Pte. Ltd.  
250 North Bridge Road, Raffles City Tower  
#32-01 Singapore 179101  
Email address: philip.tan@bhgreit.com

## Disclosure on Material Topics

[3-1] [3-2] [3-3]

We apply GRI 3: Material Topics as our guiding framework to determine the material topics for the REIT, ensuring a structured approach to identifying the issues that have the most significant impact on our operations, stakeholders, and the wider community. Each topic is carefully assessed for its relevance to the business strategy, financial planning, business model, and key stakeholders.

We remain attentive to evolving ESG challenges and sector trends. Our material topics encompass a wide range of areas, including human rights, economic factors, environmental concerns, social issues, and governance practices. This approach ensures that our sustainability strategy covers the critical aspects of the REIT's operations while remaining responsive to evolving market trends.

## Process to Determine Material Topics

[2-29]

In FY 2025, the REIT conducted a comprehensive review of material topics, reviewing the risks and priorities initially identified during our ESG prioritisation workshop in 2017. At that workshop, stakeholder insights on economic, environmental, and social impacts were collected to better understand their expectations and concerns regarding sustainability. The process of determining material topics is summarised as follows:

### 1. Identifying relevant ESG topics

Through benchmarking against industry peers and competitors, we identified ESG issues that could have meaningful environmental and social implications for the REIT sector.

### 2. Assessing and prioritising ESG topics







Stakeholder opinion is sought to evaluate the significance of each ESG topic. Topics are then prioritised based on the likelihood of occurrence and the severity of potential impacts, ensuring that the most critical issues receive attention.

### 3. Validation and Endorsement

The material topics were reviewed and formally endorsed by the Board, confirming their alignment with the REIT's strategic objectives.

To ensure that stakeholder perspectives are adequately considered, the Investor Relations team proactively maintains dialogue with stakeholders to gather their views and concerns regarding sustainability reports and operational activities that may have an impact.

By embedding this ongoing engagement into our materiality process, we are able to keep our ESG priorities relevant and responsive, ensuring that the REIT's sustainability focus aligns with both sector developments and stakeholder expectations. The table below summarises the key communication channels through which we interact with our stakeholders and foster constructive exchange.








Stakeholder Group	Engagement Channels	Frequency of Engagement	Top Sustainability Concerns/ Issues
<b>Internal Stakeholders</b>			
<b>Management</b> 	Board meeting	Periodically	<ul style="list-style-type: none"> <li>▪ Economic performance and market presence</li> <li>▪ Employment</li> <li>▪ Training and education</li> <li>▪ Compliance</li> <li>▪ Anti-corruption and business ethics</li> </ul>
	Management meeting	Periodically	
<b>Employees</b> 	Staff meetings	Monthly	
	Performance appraisal	At least once per year	
	Training programmes	Periodically	
	Company intranet and email announcements	Periodically	
	One-to-one engagements	At least once per year	
<b>External Stakeholders</b>			
<b>Investors</b> 	Annual general meeting	At least once per year	<ul style="list-style-type: none"> <li>▪ Economic performance and market presence</li> <li>▪ Compliance</li> <li>▪ Anti-corruption and business ethics</li> </ul>
	Annual Report	Annually	
	Sustainability Report	Annually	
	Analyst meeting	At least once per year	
<b>Suppliers</b> 	Supplier performance feedback	Periodically	<ul style="list-style-type: none"> <li>▪ Economic performance</li> <li>▪ Procurement practices</li> <li>▪ Compliance</li> <li>▪ Customer privacy</li> </ul>
<b>Regulators</b> 	Electronic communications	Periodically	<ul style="list-style-type: none"> <li>▪ Economic performance and market presence</li> <li>▪ Training and education</li> <li>▪ Compliance</li> <li>▪ Anti-corruption and business ethics</li> </ul>
	Training programmes	At least once per year	
<b>Local Communities</b> 	Community outreach programmes	Periodically	<ul style="list-style-type: none"> <li>▪ Impact on environment, people and economy</li> <li>▪ Compliance</li> </ul>
	Feedback channels	Periodically	

# Sustainability Report

## List of Material Topics

[3-2]

In FY 2025, we conducted a review of the material topics identified in the prior year. Considering the current business environment, evolving regulatory requirements and stakeholder expectations, we confirmed that the material topics identified in FY 2024 remain relevant to the REIT. These material topics are not ranked in order of importance.

Topic	Disclosure Sub-topic	Impacts
<b>Economic Performance</b> 	<b>GRI 201-1:</b> Direct economic value generated and distributed  <b>GRI 202-2:</b> Proportion of senior management hired from the local community	Within the organisation
<b>Emissions and Energy</b> 	<b>GRI 302-1:</b> Energy consumption within the organisation <b>GRI 302-3:</b> Energy intensity <b>GRI 305-1:</b> Direct (Scope 1) GHG Emissions <b>GRI 305-2:</b> Energy indirect (Scope 2) GHG emissions <b>GRI 305-4:</b> GHG emissions intensity	Within and outside the organisation
<b>Water Use</b> 	<b>GRI 303-1:</b> Water withdrawal by source  <b>GRI 303-5:</b> Water consumption	Within and outside the organisation
<b>Waste Management</b> 	<b>GRI-306-3:</b> Waste Generated  <b>GRI-306-5:</b> Waste directed to disposal	Within the organisation
<b>Skilled Workforce</b> 	<b>GRI 404-1:</b> Average hours of training per year per employee <b>GRI 404-2:</b> Programs for upgrading employee skills and transition assistance programs <b>GRI 404-3:</b> Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Within the organisation
<b>Local Communities</b> 	<b>GRI 413-1:</b> Operations with local community engagement, impact assessments, and development programmes	Outside the organisation
<b>Responsible Business</b> 	<b>GRI 205-1:</b> Operations assessed for risks related to corruption <b>GRI 205-2:</b> Communication and training about anti-corruption policies and procedures <b>GRI 205-3:</b> Confirmed incidents of corruption and actions taken	Outside the organisation

## VALUE CREATION

### Overview

The REIT aims to build a resilient and sustainable enterprise that generates long-term value for all stakeholders. We pursue steady growth while continuously seeking opportunities to expand our operations. Integrity and fairness form the foundation of our business practices, guided by robust corporate governance that informs every decision we make. We maintain a zero-tolerance stance toward any violations of our Code of Conduct and Ethics. To instil these values throughout the organisation, employees receive regular training on responsible and ethical business conduct.

### Economic Performance

#### Management Approach

[3-3]

The Manager firmly believes that robust economic performance is the cornerstone of delivering stable value for Unitholders while energising the communities in which we operate. Beyond creating jobs and business opportunities, we actively contribute to initiatives that promote social development and public welfare, reinforcing our role as a responsible corporate citizen.

Working closely with the Management, the Board guides the REIT's strategy direction and safeguards the REIT's long-term sustainability. Both the Board and the Management monitor the effectiveness of key business strategies and financial performance, with well-defined protocols governing matters requiring Board approval, including strategic initiatives, investment choices, financial arrangements, budgets, project developments, and expenditures.

To keep stakeholders well-informed, the Board regularly reviews operational and financial performance through dedicated meetings. Transparency is further supported by timely updates via the Annual Report and public disclosures on the BHG Retail REIT website, reinforcing accountability and confidence among our Unitholders.

### FY 2025 Performance

[201-1]

	Economic Performance in FY 2025 (S\$ Million)	Economic Performance in FY 2024 (S\$ Million)
Direct Economic Value Generated: Revenues	55.1	61.0
Economic Value Distributed	26.1	28.1
Economic Value Retained	1.5	5.0

Clear disclosure of our economic performance is essential to building trust and strengthening accountability. In FY 2025, the REIT recorded revenues of S\$55.1 million, a 9.6% decrease from S\$61.0 million in FY 2024. The economic value distributed, which includes operational costs and community investments, fell by 7.2% from S\$28.1 million in FY 2024 to S\$26.1 million in FY 2025. The economic value retained (net profits) amounted to S\$1.5 million in FY 2025, marking approximately 70% decline compared with S\$5.0 million in FY 2024.

Creating sustained value for our stakeholders continues to guide our decision-making. We remain committed to nurturing a motivated workforce, supporting community development, and striving for enduring profitability. These efforts position the REIT to navigate market uncertainties while upholding the principles that underpin our mission.

FY 2025 saw the REIT maintained stable returns to our unitholders, reaffirming our focus on creating enduring economic value while ensuring consistent distributions that support stakeholder confidence and long-term growth.

### Responsible Business

#### Management Approach

[3-3]

The REIT believes that responsible business conduct is not merely a compliance requirement but a driver of reliable value creation for all stakeholders. We recognise that strong ethical foundations strengthen investor confidence,

# Sustainability Report

attract reputable tenants, and support a workplace culture built on trust and accountability. As a REIT under the regulatory oversight of the Monetary Authority of Singapore (“MAS”), with its units approved and recognised as investment products under the Securities and Futures Act 2001 (“SFA”), we uphold the highest standards of integrity to safeguard the interests of our Unitholders and the local communities.

Oversight of risk management and internal controls is entrusted to the ARC, which ensures alignment with the Code of Corporate Governance 2018. Our operations are guided by a robust governance structure comprising the Code of Conduct and Ethics and the Individual Accountability and Conduct Framework, both of which are detailed in our Employee Handbook. We conduct regular training and maintain open communication channels to equip employees with the knowledge and resources they need to uphold our standards.

We maintain close oversight of all reported cases of misconduct and complaints to ensure that concerns are addressed promptly and appropriately. Heads of Departments conduct routine Controls Self Assessments to identify gaps or emerging risks. Our Whistleblowing Policy provides a secure and confidential mechanism for reporting concerns relating to unethical behaviour or potential corruption.

Our commitment to ethical business conduct spans our entire value chain. From employees to vendors, suppliers, and third-party service providers, we work closely with our partners to promote responsible practices throughout our operations. Due diligence and risk assessments are integral to our approach, enabling us to mitigate potential risks and promote fairness in all business activities.

## FY 2025 Performance

[2-27] [205-1] [205-2] [205-3]

In FY 2025, the REIT continued to strengthen its culture of integrity by placing greater emphasis on clear and consistent communication of our anti-corruption expectations. We made our internal anti-corruption policy readily accessible to all employees so that they remain fully aware of their responsibilities.

All Board members have received anti-corruption training, ensuring that leadership remains well-equipped to champion ethical conduct across the REIT. To stay ahead of emerging risks, Heads of Departments continued to conduct Controls Self Assessments, enabling us to identify trends early and address any areas requiring strengthened oversight.

In FY 2025, there were no instances of non-compliance with laws and regulations, and no cases of corruption or violations of our Code of Conduct and Ethics were reported.

---

## COMMITMENT TO THE ENVIRONMENT

### Overview

The REIT’s environmental strategy continues to evolve in response to the accelerating global and regional focus on climate responsibility. As both Singapore and Mainland China advance more stringent environmental requirements, including Singapore’s progressive carbon tax increases and China’s reaffirmation of its “Dual-Carbon” goals, we have reinforced our commitment to environmental stewardship by embedding sustainability considerations more deeply into our operations and long-term planning.

To advance our environmental initiatives, we have implemented an Environmental Management System Policy that outlines our environmental

management procedures. This framework supports continuous improvement, encourages the responsible use of natural resources, and ensures compliance with environmental regulations across all jurisdictions in which we operate.

In response to rising expectations for transparent climate reporting, the REIT is enhancing its disclosures to meet evolving regulatory requirements and international standards. The climate risk assessments and scenario analyses conducted in 2022 for our China properties remain relevant, as the Group’s major assets have not undergone significant changes. Ongoing monitoring ensures that emerging risks are identified early and that climate considerations are integrated into

our strategy. In FY 2025, we further improved the disclosure of our climate scenario analysis and strengthened our assessment of climate-related financial impacts, giving stakeholders clearer insights into our exposure and resilience. For more detailed information on climate-related disclosure, please refer to pages 103 to 107 of this Report.

The following sections set out our key priorities on environmental management, including reducing GHG emissions, conserving water, and improving waste management.

**Emission and Energy**

**Management Approach**

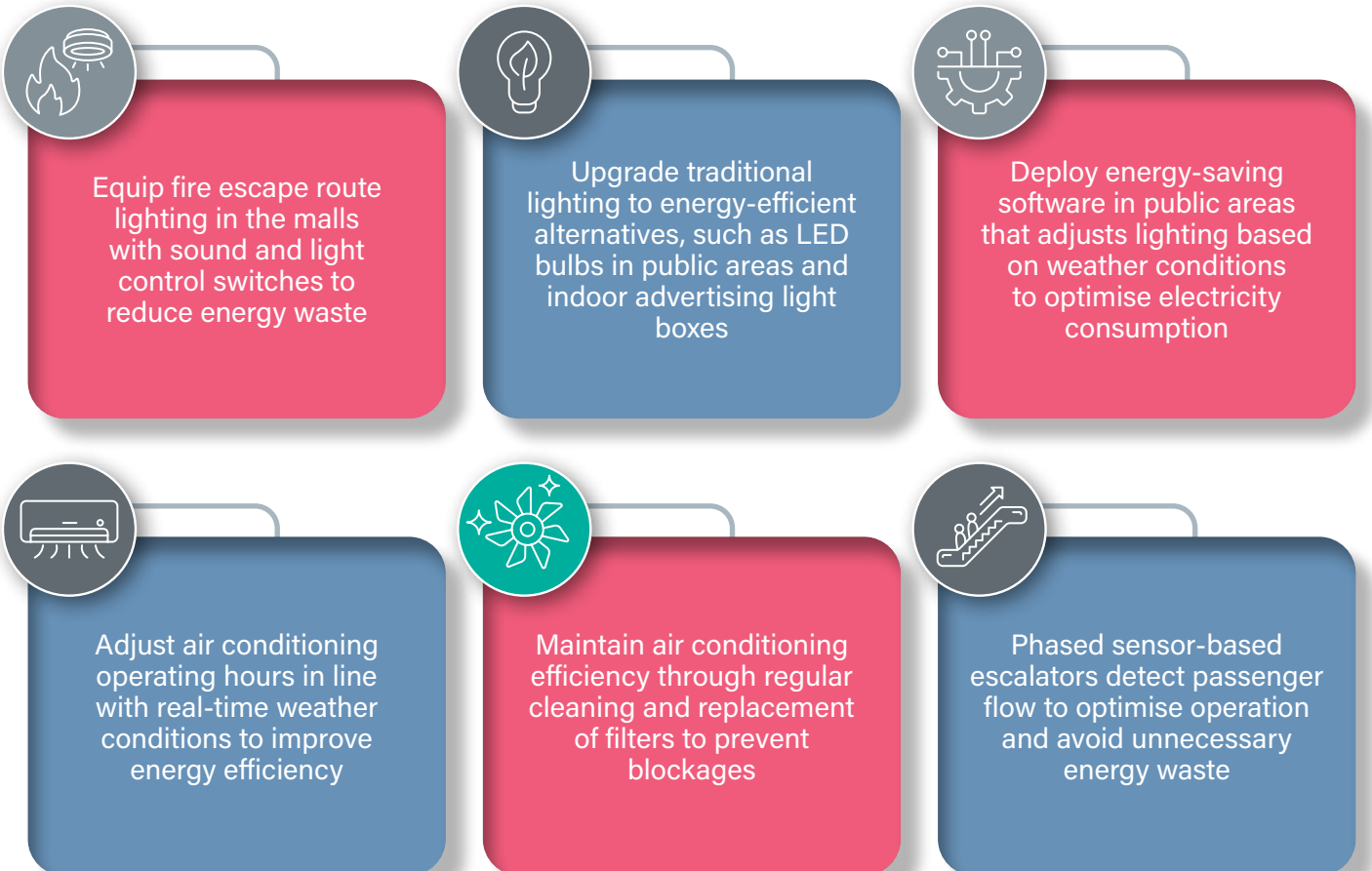
[3-3]

Electricity consumption across our properties, particularly for air conditioning and lighting, remains the main source of our carbon emissions.

Recognising this, efforts are underway to explore economically viable opportunities for transitioning to renewable energy sources. Complementing this transition, the Energy Saving Plan has been implemented to improve energy efficiency and optimise costs through better management practices and equipment upgrades.

To ensure consistent and effective energy conservation, patrol teams at each mall perform daily inspections, while the Engineering Management Team conducts regular spot checks to promptly identify any gaps. Staff are provided with relevant training to raise awareness and encourage responsible energy use. Management teams also conduct periodic reviews of electricity consumption at the malls, enabling continuous evaluation and optimisation of our energy-saving initiatives.

The Energy Saving Plan incorporates the following key measures:



# Sustainability Report

## FY 2025 Performance

[302-1, 302-3] [305-1, 305-2, 305-4]

The REIT's commercial malls are designed with modern infrastructure and primarily rely on electricity supplied by utility providers, which constitutes the main source of our Scope 2 emissions. Scope 1 emissions mainly arise from the combustion of natural gas supplied to our facilities via pipelines.

In FY 2025, Scope 1 emissions, primarily from natural gas used for heating, amounted to around 980 tCO<sub>2</sub>e, reflecting a 13% decrease compared to FY 2024. Scope 2 emissions generated from purchased electricity also recorded a 3% year-on-year reduction. These reductions reflect the effectiveness of the Group's energy management

measures and ongoing efforts to enhance operational efficiency. By systematically monitoring our GHG emissions and energy consumption, we remain committed to minimising our environmental impact and promoting sustainable business practices.

Beyond our ongoing energy-saving and emissions-reduction efforts, we have enhanced environmental data management across our malls. By introducing an additional layer of data review and requiring the submission of supporting documentation, we enhance the accuracy and reliability of our environmental data, while also strengthening our ability to track performance and identify improvement opportunities.

## Emissions and Energy-related Performance

Our Performance <sup>1</sup>	Unit	Performance Data in FY 2025	Performance Data in FY 2024
Floor Space	m <sup>2</sup>	275,539	275,539
Energy Consumption <sup>2, 3</sup>	MWh	23,119	24,254
	GJ	83,227	87,313
Energy Intensity <sup>4</sup>	MWh/m <sup>2</sup>	0.084	0.088
Direct GHG Emission (Scope 1) <sup>5</sup>	tCO <sub>2</sub> e	980	1,132
Indirect GHG Emission (Scope 2) <sup>6, 7</sup>	tCO <sub>2</sub> e	10,107	10,369
Direct GHG Emission Intensity	tCO <sub>2</sub> e/m <sup>2</sup>	0.0036	0.0041
Indirect GHG Emission Intensity	tCO <sub>2</sub> e/m <sup>2</sup>	0.037	0.038

As we move forward, the REIT remains dedicated to responsible environmental management. We actively pursue innovative approaches and adopt leading industry practices to reduce our carbon footprint and enhance energy efficiency across our properties.

<sup>1</sup> The scope of environmental data in FY 2025 included 4 multi-tenanted malls located in China, namely Beijing Wanliu, Chengdu Konggang, Hefei Changjiangxilu and Hefei Mengchenglu. The scope excluded the Manager's office in Singapore.

<sup>2</sup> In line with GRI 302: Energy 2016, energy consumption is reported in both MWh and GJ. The conversion unit was referenced from the International System of Units (SI)- Conversion Factors for General Use (2006).

<sup>3</sup> Energy consumption in FY 2025 included electricity consumption of public area and air conditioning systems as well as natural gas heating in shopping malls.

<sup>4</sup> Energy intensity is calculated by taking the ratio of energy consumption measured in MWh against a specific metric – floor space measured in m<sup>2</sup>.

<sup>5</sup> Scope 1 emissions cover emission from the combustion of natural gas sourced from the local government to provide heating on our four properties and GHG removals from planted trees included all trees planted since the Group's establishment.

<sup>6</sup> The indirect GHG emissions (Scope 2) are calculated based on World Resources Institute's reporting principles outlined in the "GHG Protocol Scope 2 Guidance (the GHG Protocol)". Indirect GHG emissions (Scope 2) are reported using a location-based method in accordance with the GHG Protocol.

<sup>7</sup> The equivalent CO<sub>2</sub> emissions for electricity use is calculated by multiplying the quantity of purchased electricity by China's national grid average emission factor – 0.5777 tCO<sub>2</sub> /MWh.

## Water

### Management Approach

[3-3]

In an era where the global water crisis is intensifying, we deeply recognise the vital importance of responsible water stewardship in operating our malls. All potable water used across our properties is supplied by municipal third-party water supplies. To address the significant environmental and social impacts of water consumption, we actively implement measures to conserve water and prevent wastage.

During FY 2025, we continued with our targeted initiatives to enhance water efficiency across our portfolio:

- Upgrade taps with water-efficient models
- Eliminate unnecessary water wastage in daily operations
- Actively explore the use of treated or recycled water where feasible

In addition, our management team regularly reviews water consumption at each mall to pinpoint high-usage areas and explore more opportunities for water conservation.

### FY 2025 Performance

[303-3, 303-5]

Effective water management remains a priority in supporting the smooth and sustainable operation of the Group's malls. In FY 2025, overall water consumption recorded a 16% decrease compared with FY 2024, demonstrating the effectiveness of the Group's responsible water use initiatives implemented across its mall operations. Looking ahead, we will continue to refine our approach to reduce water consumption and strengthen our water stewardship practices.

## Water Performance

Our Performance	Unit	Performance Data in FY 2025	Performance Data in FY 2024
Water Withdrawal/ Consumption	m <sup>3</sup>	158,713	188,545
	Megalitres	159	189
Water Consumption Intensity	m <sup>3</sup> /m <sup>2</sup>	0.576	0.684

## Waste

### Management Approach

[3-3]

BHG Retail REIT regards responsible waste management as an essential pillar of sustainable operations. As most waste of our malls originates from food and beverage tenants, we work closely with licensed waste contractors to ensure proper daily collection and compliant disposal. Embracing the principles of circular economy, we also promote recycling and the reuse of resources across our operations. Through these efforts, we strive to reduce environmental burden and improve overall operational sustainability.

### FY 2025 Performance

[306-3, 306-5]

Entering FY 2025, we made a significant leap in standardising waste management practices across all four malls. A unified procedure was introduced for waste collection and documentation. Under this new workflow, authorised staff collect the waste and hand it over to appointed waste contractors. The total volume is estimated based on the number of bins transferred, with responsible staff recording the estimated quantity and signing off to ensure clear accountability. This strengthened process significantly improves the consistency, transparency and reliability of our waste data.

# Sustainability Report

During the reporting year, total waste generation amounted to around 4,438 tonnes, comprising non-recyclable waste, kitchen waste and food waste. Looking ahead, we will further explore opportunities to minimise waste generation and strengthen circular waste management practices, reaffirming our ongoing commitment to resource conservation and circularity.

## Waste Performance

Our Performance	Unit	Performance Data in FY 2025 <sup>8</sup>	Performance Data in FY 2024 <sup>9</sup>
Waste	tonnes	4,438	2,884
Waste Intensity	tonnes/m <sup>2</sup>	0.016	0.010

Alongside energy and water monitoring, we also track paper usage, with total consumption recorded at approximately 713 kilograms during the reporting period, supporting our ongoing efforts to enhance resource efficiency.

## CREATING SHARED VALUE

### Overview

We view our employees as the driving force behind our success and are dedicated to nurturing a supportive environment where everyone can grow, develop their skills, and realise their full potential. By actively promoting equality and inclusivity, we ensure that all employees have access to fair opportunities and are free from discrimination. This commitment shapes our approach to talent development, fostering a culture that values diverse perspectives and enables meaningful contributions from all.

Beyond professional growth, we also prioritise initiatives that enrich employees' social and personal experiences. Regular team-building activities, community engagement programs, and wellness initiatives are organised to foster collaboration, enhance interpersonal connections, and promote a healthy work-life balance. These initiatives encourage employees to engage with one another, contribute to social causes, and participate actively in community development, reinforcing a sense of purpose and belonging.

Beyond our workforce, we are committed to making a positive difference in the communities where we operate. Our outreach initiatives focus on addressing local social and environmental needs while respecting the unique cultures and traditions of each community.

### Skilled Workforce

#### Management Approach

[3-3]

Training and development are central to our employee growth strategy. We offer a wide range of continuous learning opportunities to our employees, designed to enhance professional competencies, strengthen motivation, and build resilience in navigating an ever-changing business landscape. Our internal talent management system identifies each employee's strengths and development areas, allowing us to provide tailored training programmes that meet individual needs while supporting career advancement.

We place great importance on measuring the effectiveness of our learning and development initiatives. Through regular performance reviews, we assess how training contributes to skill enhancement and professional growth. We also encourage open dialogue between staff and management, fostering a culture where learning is continuous, and growth opportunities are accessible to everyone.

<sup>8</sup> The data collection methodology has been further enhanced in FY 2025 to include Chengdu Konggang and Hefei Mengchenglu in our waste reporting scope. Please note that year-on-year comparisons may be affected by changes in the scope of data collection.

<sup>9</sup> The waste data for FY 2024 included only waste generated from Beijing Wanliu and Hefei Changjiangxilu.

**FY 2025 Performance**

[404-1, 404-2, 404-3]

During FY 2025, we provided a total of 467 hours of internal and external training for our employees, averaging 52 training hours per employee. These training programmes equipped employees with the knowledge and skills required to respond to emerging challenges and support operational excellence.

Key training sessions conducted during the reporting year included:

1. eTail Asia 2025 organised by Worldwide Business Research
2. REITs Symposium 2025 hosted by AlphaInvest Holdings Pte. Ltd.
3. IFRS S1 & S2 Reporting: From Standards to Assurance provided by CPA Australia

We held quarterly update meetings with the Mall operations teams to review periodic performance and share notable achievements with the Manager. This mechanism enables the timely identification of emerging issues while fostering cross-team collaboration and continuous improvement across our properties. In FY 2025, our employees also participated in fire drill training to enhance emergency preparedness and workplace safety awareness.

In FY 2025, BHG Retail REIT continued to place strong emphasis on training and education to enhance sustainability knowledge across the organisation. All the directors serving on the Board have completed the mandatory sustainability training required by SGX.

Employees also actively participated in external conferences and update sessions focused on sustainability and evolving business trends, enhancing their understanding and capacity to integrate sustainable practices into their roles.

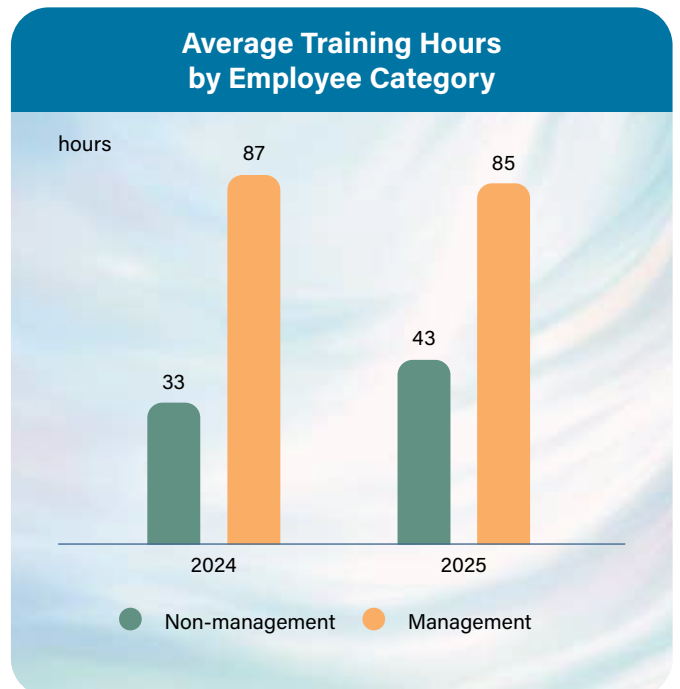
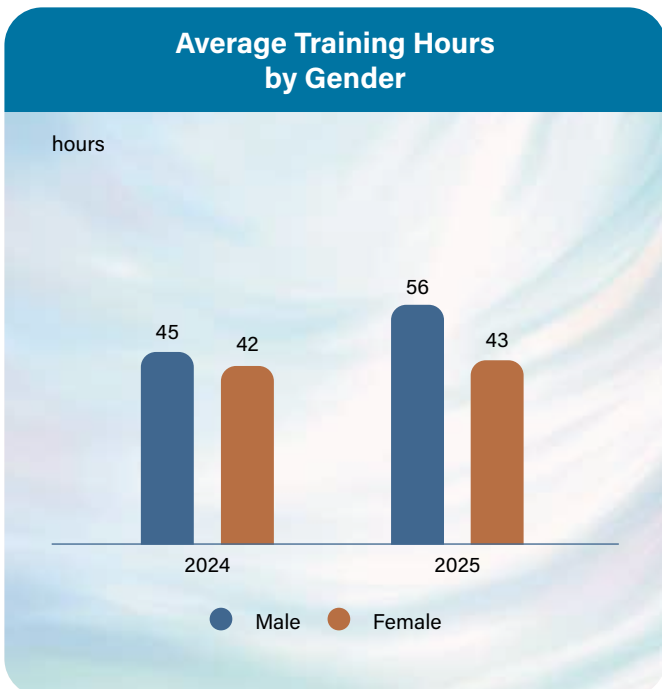
During the reporting period, 100% of our employees received performance and career development reviews, ensuring that each individual's contributions are acknowledged and valued.

**Local Community**

**Management Approach**

[3-3] [413-1]

BHG Retail REIT is resolutely focused on creating lasting, positive impacts in local communities. Recognising the importance of community engagement, we actively reach out to residents, local groups, and other stakeholders to understand their needs and gather feedback on our operations.



# Sustainability Report

## FY 2025 Performance

Across the portfolio, BHG Retail REIT's malls serve as community platforms that bring together residents, families and local organisations through programmes tailored to the needs and interests of their surrounding neighbourhoods. Through partnerships with community groups, educational institutions and public organisations, the REIT seeks to contribute positively to the well-being of the communities where it operates. Each mall curates community programmes reflecting the priorities and needs of its neighbourhood.

In addition to initiatives carried out by the malls across Beijing, Chengdu and Hefei, the REIT Manager also contributes to community development efforts in Singapore through partnerships that support social well-being, education and talent development.

Looking ahead, BHG Retail REIT will continue to strengthen partnerships with community organisations and explore initiatives that support social well-being, education and community resilience. Through these efforts, we aim to create shared value for both the communities we serve and our broader stakeholder ecosystem.



## THE MANAGER

Beyond our mall-based initiatives, the Manager continued to contribute to broader community development efforts. During the year, the Manager partnered with Dorcas Home Care to support the "Love Our Seniors" initiative, providing door-to-door meal deliveries to vulnerable seniors across Singapore. This effort complements the national Meals-on-Wheels programme, which supports frail and homebound seniors who may face challenges in purchasing or preparing meals. Through this initiative, the team contributed practical support while fostering care and connection with elderly residents in the community.

The Manager also contributed to education and talent development through mentoring students from Nanyang Technological University ("NTU") under the veNTure mentorship programme. Through this initiative, the Manager provided guidance to students on business strategy, communications, and career development, supporting the development of future professionals. This engagement contributes to the broader professional pipeline by helping students bridge academic learning with industry insights and real-world experience.

In addition, the Manager contributes to nurturing future-ready global leaders through the Singapore Global Leaders Network (SGLN), an initiative that connects emerging leaders with industry practitioners and mentors.



# Sustainability Report

## THE MANAGER

During the reporting year, the Manager continued its collaboration with a designer from the Muscular Dystrophy Association (Singapore) ("MDAS"), who contributed to the graphic design design for page 79 of the Annual Report FY 2025.

### About MDAS

Established in 2000, MDAS is a voluntary welfare organisation that supports individuals with neuromuscular conditions and their families through education, community programmes and advocacy initiatives. MDAS is a member of the National Council of Social Service and holds Institution of Public Character ("IPC") status. Website: <https://www.mdas.org.sg/>

### About Muscular Dystrophy

Muscular Dystrophy refers to a group of genetic conditions that progressively weaken skeletal muscles over time, affecting mobility and physical strength. While symptoms and severity vary, the condition often leads to increasing physical challenges, highlighting the importance of community awareness and support.

### About the Designer

Averion Francis Benedict Yap (Bency) is a member of Muscular Dystrophy Association (Singapore) (MDAS). Turning 28 this year, Bency is music lover and car enthusiast, and has a strong interest in visual arts, particularly graphic design. His creative journey began in his younger years, watching his brother experiment with graphic art on Adobe Photoshop – an experience that sparked his own curiosity and passion for design. During the COVID-19 pandemic, Bency actively participated in

online programmes organised by MDAS, which eventually led him to join MDAS BRIDGE+ Media Class. Since then, he has developed his skills and grown in confidence, supported by a dedicated teacher and an encouraging community of fellow members. As a BRIDGE+ member, Bency has contributed his graphic design skills through designing digital greeting cards and other projects through the MDAS social enterprise, The Creative Chair, and he continues his journey to grow as a graphic designer.



## BEIJING WANLIU

In FY2025, Beijing Wanliu placed strong emphasis on youth engagement and community participation through a series of public welfare programmes. The mall hosted pet adoption events that promoted responsible pet ownership while strengthening connections with young families. Community outreach activities were also organised to mark Lei Feng Day and other public welfare campaigns, encouraging volunteerism and acts of kindness among residents, including elderly members of the community.

Youth-focused initiatives included creative workshops, an AI chess challenge, and a charity cycling event supporting left-behind children, where tenants and cycling enthusiasts participated in fundraising activities. Cultural programmes also featured the Youth Intangible Cultural Heritage Festival, celebrating traditional arts and creativity among young people. In recognition of these efforts, Beijing Wanliu received the Caring Business Award



from the China Children and Teenagers' Fund for co-organising the festival. These initiatives reinforce Beijing Wanliu's role as a community-centric retail destination supporting youth engagement and neighbourhood participation.

## CHENGDU KONGGANG

Community health and charitable outreach formed a key focus of Chengdu Konggang's engagement initiatives during the year. The mall organised monthly pet adoption events in partnership with a local animal welfare organisation. It also collaborated with

Shuangliu District Maternal and Child Health Hospital to host free medical consultations on International Women's Day. In addition, Chengdu Konggang supported mall tenant Juzi Dental Clinic in providing dental check-ups and oral health education for community residents.

Later in the year, fundraising activities with student volunteers from Southwest Minzu University supported rural education through the "Kindness 100" charity initiative. The mall also organised a Laba Festival congee distribution event in collaboration with Chengdu Wenshu Monastery, bringing festive goodwill to surrounding communities. Through these initiatives, Chengdu Konggang continues to strengthen its role as a community-centric retail destination serving surrounding neighbourhoods.



# Sustainability Report

## HEFEI MENGCHENGLU

Hefei Mengchenglu organised a series of community initiatives focusing on public health, social support and community engagement. Public health efforts included hosting a mobile blood donation campaign with the local blood bank and collaborating with the Tobacco Bureau to raise awareness of the health risks associated with smoking. The mall also provided complimentary Traditional Chinese Medicine consultations for nearby residents, offering pulse diagnosis and basic health guidance.

Women empowerment initiatives included legal education sessions with the Women's Federation on women's rights protection and a community film screening to mark International Women's Day. To support the broader community, the mall hosted a trade union job fair connecting residents and graduates with local employers, and organised a summer relief



water distribution for nearby police officers. Additional community programmes included festive activities for residents of the nearby Jinyu Lanwan community during the National Day and Mid-Autumn celebrations. These programmes reinforce Hefei Mengchenglu's position as a community-centric retail destination supporting health awareness, civic engagement and neighbourhood well-being.

## HEFEI CHANGJIANGXILU

In FY 2025, Hefei Changjiangxilu organised community-focused initiatives supporting elderly residents and the wider community. The mall partnered with community organisations to conduct hearing test activities, providing complimentary screenings for middle-aged and elderly residents. During the Double Ninth Festival (Chongyang Festival) in September 2025, the mall hosted a community event honouring senior residents through cultural performances celebrating the tradition of respecting the elderly.

The mall also partnered with local schools to host graduation performances, providing a platform for children to showcase their talents while fostering confidence and family bonding. A community job fair connected early-career job seekers and mid-career professionals with employment opportunities. In addition, a summer relief campaign for local fire brigades provided refreshments to frontline firefighters



while strengthening community ties. These initiatives reinforce Hefei Changjiangxilu's role as a community-centric retail destination supporting intergenerational community engagement.

## CLIMATE-RELATED DISCLOSURES

### INTRODUCTION

Although global markets continued to face uncertainty and volatility over the past year, the REIT remained steadfast in mitigating and adapting to the impacts of climate change across its operations.

In line with the SGX's progressive implementation of more stringent climate disclosure requirements, the REIT has further aligned its climate reporting with the ISSB IFRS Standards. Consistent with previous years, our climate-related disclosures are structured under the four core pillars of governance, strategy, risk management, and metrics and targets.

During the reporting year, in addition to upholding our established climate management approach, we enhanced our disclosures relating to financial impact analysis. Building on the climate scenario analysis conducted in 2022, we have refined our disclosures to provide stakeholders with clearer insights into the potential financial implications of climate change on our operations in China. Looking ahead, we remain committed to strengthening the REIT's resilience and ensuring business continuity in the face of evolving climate-related risks.

### GOVERNANCE

The Board holds ultimate responsibility for the REIT's sustainability matters, including climate-related issues. As stewards of the REIT's strategic direction, the Board ensures that climate and broader sustainability considerations are embedded into business strategies and risk management processes. To support this, the Manager adopts a structured and integrated approach to applying key ESG principles across operations.

The Board and its committees remain regularly updated on climate-related risks and opportunities through regular meetings and established reporting mechanisms. To further enhance its oversight capabilities, the Board seeks independent advice from professional consultants and participates in ESG seminars organised by leading industry organisations. These engagements enable Board members to acquire the necessary knowledge and insights to address climate matters effectively.

While the Board retains direct oversight of sustainability matters requiring formal approval, it delegates authority to the relevant committees and Management for the execution and monitoring of ongoing ESG initiatives. The Chief Executive Officer ("CEO") and the Sustainability Officer work closely to drive the REIT's sustainability agenda, ensuring that climate-related priorities remain aligned with the REIT's overarching commitments.

In 2022, the REIT undertook a comprehensive climate risk screening and assessment covering both physical and transition risks. Since then, Senior Management has continued to track developments in the climate landscape and evaluate their relevance to the REIT's operations. Any material changes in the operational environment or regulatory requirements are promptly reported to the Board and its Committees.

### STRATEGY

As part of its long-term business strategy, BHG Retail REIT remains committed to proactively addressing the challenges and opportunities posed by climate change. The REIT seeks to implement both strategic and operational measures designed to mitigate climate-related impacts, while maintaining compliance with evolving regulatory and disclosure requirements.

In FY 2025, we reviewed climate risks identified in the previous year and confirmed that these material issues continue to be highly relevant to our operations, serving as a key guide for our climate strategy and informing our ongoing risk management practices.

#### Key Climate Risks and Their Potential Impacts

We recognise that climate change poses both physical and transitional risks that may affect our operations and bring financial impacts. The following table summarises the key climate risks identified and their potential impacts on the REIT:

# Sustainability Report

Risk type	Risks	Potential Impacts
<b>Physical Risks</b>	Rising Temperatures and Frequent Heatwaves	Increased energy demand to maintain comfortable indoor conditions across our malls, resulting in higher utility consumption and energy costs. More frequent heatwaves may also strain facility systems and impact operational efficiency.
	Extreme Weather Events	Exposure to flooding and tropical cyclones may cause physical damage to properties, disrupt operations, and lead to potential revenue losses. Such events may also lead to higher maintenance and insurance costs.
<b>Transition Risks</b>	Regulatory Pressures and Carbon Pricing	Anticipated increases in energy costs and carbon pricing driven by evolving regulatory frameworks may elevate operational expenses. Strengthening obligations for climate reporting and emissions management could require additional resources and investments. Non-compliance with emerging regulations, such as China's carbon trading scheme, may result in financial penalties and reputational impacts. The REIT does not incur carbon tax obligations but continues to closely monitor policy developments for any future applicability.

## Scenario Analysis

To understand potential future climate impacts, scenario analysis was conducted in 2022 across six retail properties in China. The analysis applied internationally recognised climate scenarios,

drawing on Representative Concentration Pathways ("RCPs") and the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS"), supported by scientific and local data.

	Selection Rationale	Scenario Narrative
<b>1.5°C warming (NGFS Net Zero 2050 and RCP 2.6)</b>	This scenario assumes strong global mitigation efforts to limit warming to 1.5°C, providing a best-case pathway to assess the REIT's resilience under stringent climate policies.	Rapid and stringent climate policies drive substantial emission reductions, with a major shift away from fossil fuels toward renewable energy.
<b>2°C warming (NGFS Delayed Transition)</b>	This scenario assumes a delayed but eventual transition to a low-carbon economy, offering a moderate pathway where climate actions occur gradually.	Global emissions remain stable until 2030, after which strong mitigation policies are introduced, including carbon pricing and stricter emission limits.
<b>&gt; 3°C Warming (NGFS Current Policies and RCP 8.5)</b>	This scenario assumes no major policy enhancements beyond those already in place and reflects the pathway with the most severe physical risks.	Emissions rise until around 2080, leading to warming above 3°C. Heavy reliance on fossil fuels persists, and escalating physical impacts result in higher adaptation costs and operational disruptions.

We identified the following parameters for scenario analysis:

Parameter Related to Physical Risks	Parameter Related to Transition Risks
<ul style="list-style-type: none"> <li>Sea level rise</li> <li>Mean temperature increase</li> <li>Water scarcity</li> <li>Extreme weather</li> </ul>	<ul style="list-style-type: none"> <li>Carbon price</li> <li>Renewable energy price</li> <li>Climate policy changes</li> <li>Energy efficiency requirements</li> </ul>

# Sustainability Report

The 2022 climate risk assessment evaluated anticipated financial implications under different scenarios. Key risks, potential financial impacts are summarised below:

Risk Type	Risks	Potential Financial Impacts	Potential Impact Rating											
			1.5°C warming (NGFS Net Zero 2050 and RCP 2.6)			2°C warming (NGFS Delayed Transition)			> 3°C Warming (NGFS Current Policies and RCP 8.5)					
			Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term			
Physical Risks	Rising Temperatures and Frequent Heatwaves	Increased energy-related operating costs due to higher cooling demand.	●	●	●	●	●	●	●	●	●	●	●	●
	Extreme Weather Events	Higher insurance premiums <sup>10</sup> as extreme weather events intensify.	●	●	●	●	●	●	●	●	●	●	●	●
Transition Risks	Regulatory Pressures and Carbon Pricing	Potential future carbon-related expenses for carbon credit purchases arising from changes in regulatory frameworks.	●	●	●	●	●	●	●	●	●	●	●	●

**Legend:**

- Low: Increase in baseline cost <250,000 RMB
- Medium: Increase in baseline cost between 251,000 to 1,000,000 RMB
- High: Increase in baseline cost >1,000,000 RMB

<sup>10</sup> The insurance premium for buildings, including renovation, is disclosed in the REIT's individual malls' insurance policies. This impact aims to calculate the potential future increase in insurance costs based on current payments.

The table above presents the potential annual financial impacts on the REIT's Profit and Loss statement relative to the baseline year, assuming that no mitigation measures are implemented. The results indicate that under the 1.5°C warming scenario (NGFS Net Zero 2050 and RCP 2.6), the REIT may face relatively higher costs from increased cooling demand and potential carbon-related expenses for carbon credit purchases. These insights underscore the critical importance of improving energy efficiency and reducing carbon emissions across our operations, reinforcing our commitment to proactive climate management and sustainable business practices.

These findings provide the REIT with a clearer understanding of the potential financial implications under different climate pathways. By analysing risks across multiple time horizons and scenarios, we are better equipped to assess how our operations and costs may be affected under varying conditions, and to plan appropriate mitigation and adaptation measures. The insights gained from this assessment support more informed decision-making in capital planning, asset enhancement and operational management.

The REIT will continue to closely monitor evolving climate science, policy developments and market trends, and will periodically update scenario analysis to ensure that our climate strategy remains forward-looking and aligned with industry best practices.

## Risk Management

In 2022, the REIT engaged an independent consultant to conduct a detailed environmental risk screening and assessment of its portfolio. This exercise enabled the REIT to identify material physical and transition climate risks relevant to its operations. Locally in Singapore, the REIT complies with SGX-ST requirements by incorporating environmental risk considerations into its Enterprise Risk Management ("**ERM**") Framework and in the due diligence of future property acquisitions.

Climate-related risks are reviewed through established processes. Senior Management continuously monitors regulatory, environmental,

and market developments that may affect the REIT, and assesses whether such changes have implications for the identified risks. Any material developments are reported to the Board and its Committees through regular meetings, ensuring timely oversight and informed decision-making.

Although extreme weather events have not caused any significant disruptions to our properties, physical climate risks remain a key area of ongoing monitoring. The REIT maintains established Business Continuity and Emergency Response Plans to manage potential impacts and regularly reviews its insurance coverage for natural disasters.

With respect to transition risks, the REIT closely tracks policy and regulatory developments in both China and Singapore, particularly those relating to carbon and energy management requirements. This ongoing monitoring allows us to anticipate emerging regulatory trends and assess potential compliance obligations.

## Metrics and Targets

Under our Sustainability Framework, we actively monitor and track water and energy consumption, as well as GHG emissions and their intensity. GHG emissions are reported with guidance from the GHG Protocol. In FY 2025, Scope 1 (direct) emissions amounted to 980 tCO<sub>2</sub>e, while Scope 2 (indirect) emissions totalled 10,107 tCO<sub>2</sub>e. For further details on our environmental performance, please refer to pages 92 to 96 of this Report. As we continue to enhance our data collection and monitoring systems, we remain cautious about setting quantitative climate targets at this stage. We did not purchase carbon credits to offset our emissions during the reporting year and currently have no plans to pursue such measures. Further information on our environmental targets can be found on page 108 of this Report.

With respect to remuneration, the REIT has not incorporated climate-related metrics into executive or employee incentive structures at this stage. The REIT has not applied internal carbon pricing in its operational or investment decision-making.

# Sustainability Report

## FY 2025 SUSTAINABILITY HIGHLIGHTS AND TARGETS<sup>11</sup>



### ECONOMIC PERFORMANCE

**S\$55.1m**

Gross Revenue

We aim to create sustainable economic value and ensure reliable, long-term distributions to our unitholders.



### MARKET PRESENCE

**All**

senior management are hired from the local community in Singapore.



### ANTI-CORRUPTION

**Zero**

cases of non-compliance or corruption cases.

We aim to uphold the highest maintain zero corruption incidents and provide anti-corruption training to all employees.



### ENERGY

**83,227 GJ**

total energy consumption

We strive to minimise our environmental footprint through proactive monitoring, analysis, and management of energy consumption, while continuously exploring efficiency improvements.



### WATER

**159**  
megalitres

total water consumption

We are committed to responsible water management and seek to continuously reduce consumption across our operations.



### EMISSIONS

**980 tCO<sub>2</sub>e**

Scope 1 GHG emissions

**10,107 tCO<sub>2</sub>e**

Scope 2 GHG emissions

We aim to reduce our GHG emissions and actively pursue opportunities to transition to renewable energy sources where feasible.



### TRAINING AND EDUCATION

**467**

total training hours provided

We aim to create an inclusive workplace, provide equal development opportunities, and support continuous learning for all employees.



### LOCAL COMMUNITIES

**Community engagement**

at all four multi-tenanted properties and REIT manager in Singapore.

We aim to build meaningful connections with local communities and expand outreach initiatives in line with evolving community needs.



### WASTE MANAGEMENT

**4,438**  
metric tonnes

total waste generated at our properties.

We aim to actively track and manage waste generation while implementing strategies to increase recycling rates and enhance resource efficiency.

<sup>11</sup> As we continue to improve our data collection and monitoring systems, we remain cautious about setting quantitative targets at this stage. The targets presented in this section are aligned with the REIT's strategic planning and financial reporting timeframe, which differentiates between current (within the 12-month reporting period) and non-current (beyond the 12-month reporting period) time horizons. Accordingly, these targets apply to the Group's short-, medium- and long-term horizons.

## FY 2025 PERFORMANCE - ENVIRONMENTAL DATA

Metrics	Unit of Measurement	FY 2024	FY 2025
Floor space	m <sup>2</sup>	275,539	275,539
<b>Energy (GRI 302-1, 302-3)</b>			
Total energy consumption			
Total energy consumption	MWh	24,254	23,119
	GJ	87,313	83,227
Energy consumption intensity	MWh/m <sup>2</sup>	0.088	0.084
<b>Water and Effluents (GRI 303-3, 303-5)</b>			
Total water withdrawal			
Total water withdrawal from all areas	megaliters	189	159
	m <sup>3</sup>	188,545	158,713
Third-party water			
Freshwater (≤1,000 mg/L Total Dissolved Solids)	megaliters	189	159
Other water (>1,000 mg/L Total Dissolved Solids)	megaliters	0	0
Total water consumption			
Total water consumption from all areas	megaliters	189	159
	m <sup>3</sup>	188,545	158,713
Third-party water			
Freshwater (≤1,000 mg/L Total Dissolved Solids)	megaliters	189	159
Other water (>1,000 mg/L Total Dissolved Solids)	megaliters	0	0
Water consumption intensity	m <sup>3</sup> /m <sup>2</sup>	0.684	0.576
<b>Emission (GRI 305-2,305-4)</b>			
Scope 1 and Scope 2 GHG emissions			
Total direct (Scope 1) GHG emissions	tCO <sub>2</sub> e	1,132	980
Total location-based energy indirect (Scope 2) GHG emissions	tCO <sub>2</sub> e	10,369	10,107
GHG Emissions intensity	tCO <sub>2</sub> e/m <sup>2</sup>	0.042	0.040

# Sustainability Report

## FY 2025 PERFORMANCE - SOCIAL AND GOVERNANCE DATA

Metrics	Unit of Measurement	FY 2024			FY 2025		
		Male	Female	Total	Male	Female	Total
<b>Workforce (GRI 2-7, 2-8)</b>							
Total employees	Number	7	3	10	6	3	9
Total employees by position							
Management	Number	1	1	2	1	1	2
Non-management	Number	6	2	8	5	2	7
<b>Training and Education (GRI404-1)</b>							
Total training hours		Male	Female	Total	Male	Female	Total
Total training hours	hours	312.5	124.5	437	337	130	467
Total training hours: management	hours	50	123	173	45	124	169
Total training hours: non-management	hours	262.5	1.5	264	292	6	298
Average hours of training by employee category							
Per employee	hours	45	42	44	56	43	52
Management	hours	-	-	87	-	-	85
Non-management	hours	-	-	33	-	-	43
Employees who received performance review and career development							
Management	Percentage	100%			100%		
Non-management	Percentage	100%			100%		
<b>Anti-corruption (GRI 205)</b>							
Total percentage of operations assessed for risks related to corruption	Percentage	100%			100%		
Total percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	Percentage	100%			100%		
Total percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	Percentage	100%			100%		
Total percentage of governance body members that have received training	Percentage	100%			100%		
Total percentage of employees that have received training on anti-corruption	Percentage	100%			100%		
Total number of confirmed incidents of corruption	Number	0			0		

## GRI CONTENT INDEX

**Statement of use** BHG Retail REIT has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

**GRI 1 used** GRI Universal Standards 2021

Index	GRI Disclosure	Page Number(s)	SGX Practice Note 7F SR Guide	Remark(s)
<b>GRI 2: General Disclosures 2021</b>				
2-1	Organisational details	81	1.1	-
2-2	Entities included in the organisation's sustainability reporting	87	1.1	-
2-3	Reporting period, frequency and contact point	87, 88	6.1-6.3	-
2-4	Restatements of information	87	4.41	-
2-5	External assurance	88	5.1-5.7	BHG Retail REIT has not sought external assurance for this reporting period.
2-6	Activities, value chain and other business relationships	82	4.1 (a)	-
2-7	Employees	82	4.46	-
2-8	Workers who are not employees	Not applicable.		
2-9	Governance structure and composition	84	3.1	Further details in the organisation structure section.
2-10	Nomination and selection of the highest governance body	84	3.1	Further details in the corporate governance section.
2-11	Chair of the highest governance body	84	3.1	Further details in the corporate governance section.
2-12	Role of the highest governance body in overseeing the management of impacts	84	3.1	-

# Sustainability Report

Index	GRI Disclosure	Page Number(s)	SGX Practice Note 7F SR Guide	Remark(s)
<b>GRI 2: General Disclosures 2021</b>				
2-13	Delegation of responsibility for managing impacts	84	3.1	-
2-14	Role of the highest governance body in sustainability reporting	84	3.1	-
2-15	Conflicts of interest	84, 85	4.4	Further details in the corporate governance section.
2-16	Communication of critical concerns	84	4.46	Further details in the corporate governance section.
2-17	Collective knowledge of the highest governance body	84	3.1	-
2-18	Evaluation of the performance of the highest governance body	84, 85	3.1	Further details in the corporate governance section.
2-19	Remuneration policies	84, 85	N/A	Further details in the corporate governance section.
2-20	Process to determine remuneration	84, 85	N/A	Further details in the corporate governance section.
2-21	Annual total compensation ratio	No compensation was paid or is to be paid in the form of share options. However, this does not rule out the possibility of the Manager doing so in the future.		
2-22	Statement on sustainable development strategy	80	4.1 (f)	-
2-23	Policy commitments	85	4.37-4.40	-
2-24	Embedding policy commitments	85	4.37-4.40	-
2-25	Processes to remediate negative impacts	85	4.37-4.40	-
2-26	Mechanisms for seeking advice and raising concerns	85	4.37-4.40	-

Index	GRI Disclosure	Page Number(s)	SGX Practice Note 7F SR Guide	Remark(s)
<b>GRI 2: General Disclosures 2021</b>				
2-27	Compliance with laws and regulations	85	2.1-2.3	-
2-28	Membership associations	87	N/A	-
2-29	Approach to stakeholder engagement	88, 89	3.5, 4.46	-
2-30	Collective bargaining agreements	The REIT currently has no collective bargaining agreements in place; however, employee rights are safeguarded through the Manager's internal policies and procedures.		
<b>GRI 3: Material Topics 2021</b>				
3-1	Process to determine material topics	88	3.5, 4.1(a), 4.2-4.6	-
3-2	List of material topics	90	4.1(a), 4.2-4.6	-
<b>CATEGORY: ECONOMIC</b>				
<b>GRI 201: Economic Performance</b>				
3-3	Management of material topics	91	4.2	-
201-1	Direct economic value generated and distributed	91	N/A	-
<b>GRI 202: Market Presence</b>				
3-3	Management of material topics	82	4.2	-
202-2	Proportion of senior management hired from the local community	82	4.5	-
<b>GRI 205: Anti-corruption</b>				
3-3	Management of material topics	91, 92	4.2	-
205-1	Operations assessed for risks related to corruption	92	4.4	-

# Sustainability Report

Index	GRI Disclosure	Page Number(s)	SGX Practice Note 7F SR Guide	Remark(s)
205-2	Communication and training about anti-corruption policies and procedures	92	4.4	-
205-3	Confirmed incidents of corruption and actions taken	92	4.4	-
<b>CATEGORY: ENVIRONMENT</b>				
<b>GRI 302: Energy 2016</b>				
3-3	Management of material topics	93	4.2	-
302-1	Energy consumption within the organization	94	4.3	-
302-3	Energy intensity	94	4.3	-
<b>GRI 303: Water and Effluents 2018</b>				
3-3	Management of material topics	95	4.2	-
303-3	Water withdrawal	95	4.3	-
303-5	Water consumption	95	4.3	-
<b>GRI 305: Emissions 2016</b>				
3-3	Management of material topics	93	4.2	-
305-1	Energy indirect (Scope 1) GHG emissions	94	4.3, 4.12	-
305-2	Energy indirect (Scope 2) GHG emissions	94	4.3, 4.12	-
305-4	GHG Emissions Intensity	94	4.3, 4.12	-
<b>GRI 306: Waste 2020</b>				
3-3	Management of material topics	95	4.2	-
306-3	Wastes generated	96	4.3	-
306-5	Waste directed to disposal	96	4.3	-

Index	GRI Disclosure	Page Number(s)	SGX Practice Note 7F SR Guide	Remark(s)
<b>CATEGORY: SOCIAL</b>				
<b>GRI 404: Training and Education 2016</b>				
3-3	Management of material topics	96	4.2	-
404-1	Average hours of training per year per employee	97	4.3	-
404-2	Programs for upgrading employee skills and transition assistance programs	97	4.3	-
404-3	Percentage of employees receiving regular performance and career development reviews	97	4.3	-
<b>GRI 413: Local Communities 2016</b>				
3-3	Management of material topics	97	4.2	-
413-1	Operations with local community engagement, impact assessments, and development programmes	98-102	4.3	-