

Human Rights Implementation Guidelines

ALLY FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

1. Introduction: The Importance of Human Rights Implementation

The real estate business operations of the company and the ALLY Real Estate Investment Trust (ALLY REIT), which include investment in and management of properties such as shopping centers, office buildings, and other commercial real estate assets, involve a wide range of stakeholders. These include tenants, service users, contract workers, surrounding communities, employees, and suppliers. An understanding and awareness of human rights risks are therefore essential and must be systematically integrated into the business operations.

As a real estate investment trust with core assets located in key economic areas across the country, ALLY REIT holds shopping centers, office buildings, and long-term leasehold properties. All activities of the REIT involve multiple stakeholder groups - from major anchor tenants, small business operators, and property management employees, to contractors and members of the public residing near the Trust's properties.

Given this context, ALLY REIT has the potential to impact human rights both directly and indirectly - such as through unsafe labor practices during renovation projects, the selection of tenants who do not uphold sufficient ethical standards, or a failure to mitigate environmental and health impacts on local communities.

Human Rights Due Diligence (HRDD) thus becomes an essential tool for identifying such risks at an early stage and designing appropriate mitigation measures. HRDD is also a critical component of compliance with the principles of Business and Human Rights (BHR), which are internationally recognized, with the United Nations Guiding Principles on Business and Human Rights (UNGPs) serving as the primary framework. Furthermore, the Stock Exchange of Thailand (SET) encourages all listed companies and REITs to operate under four core dimensions: the rule of law, transparency, accountability, and sustainability. All of these factors underscore that HRDD is not merely voluntary, but a vital element of sustainable business operations for ALLY REIT.

Principles and Rationale for Implementing HRDD (Human Rights Due Diligence)

- Respecting human rights is not only a matter of ethics, but also an expectation from investors, society, and regulatory authorities.
- The United Nations Guiding Principles on Business and Human Rights (UNGPs).
- In Thailand, the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) have promoted the importance of “sustainable business operations” among listed companies.

Objectives of This Guideline

- To establish a preliminary framework for assessing, managing, and monitoring human rights risks in the activities of the company and ALLY REIT.
- To support operational teams and various departments in systematically identifying human rights-related risks.
- To serve as the starting point for establishing the HRDD foundation, which can be further developed into future strategic initiatives.

2. HRDD Conceptual Framework (Human Rights Due Diligence)

Human Rights Due Diligence (HRDD) is a process used by organizations to identify, prevent, mitigate, and track human rights impacts that may arise from business operations.

The Human Rights Due Diligence (HRDD) approach, based on the UNGPs, consists of four main steps.

1. **Identify** – Analyze key business activities that may result in human rights impacts.
2. **Assess** – Evaluate the severity and likelihood of the potential impacts.
3. **Prevent & Mitigate** – Define appropriate measures and policies.
4. **Track & Communicate** – Monitor performance and disclose outcomes to stakeholders and employees.

In the context of applying BHR (Business and Human Rights) principles, organizations may begin by developing an **HRDD Checklist** for high-risk activities such as.

- Tenant selection
- Hiring of external service providers
- Organizing promotional or marketing activities

Emphasis should be placed on ensuring **equality, safety, and fairness** for all involved parties.

3. Context of ALLY REIT and Its Stakeholders

ALLY REIT is a Real Estate Investment Trust (REIT) that invests in leading shopping centers such as Crystal Design Center (CDC), The Crystal Ratchapruek, Plearnary Mall, and malls in major tourist destinations. Its primary source of income comes from leasing commercial spaces and managing those spaces in collaboration with affiliated companies. This means its operations have a direct impact on a wide range of stakeholders. Key stakeholders include:

- **Tenants:** Small to large retail businesses such as restaurants, supermarkets, and fashion stores
- **Customers:** Members of the general public who use the facilities
- **On-site workers:** Including property management staff, security personnel, cleaners, etc.

- **Surrounding communities:** Those affected by activities, traffic, pollution, or noise
- **Unitholders:** Who seek assurance that the REIT operates responsibly

In this context, **HRDD (Human Rights Due Diligence)** plays a vital role in helping the company and ALLY REIT identify human rights risks associated with each stakeholder group and implement appropriate mitigation measures. These may include space planning, creating safe and inclusive environments, selecting partners based on ethical criteria, and transparent communication with stakeholders.

4. HRDD Implementation Guidelines for ALLY REIT

The implementation of **Human Rights Due Diligence (HRDD)** for ALLY REIT should align with the nature of the commercial real estate business. It should be integrated into the organization's core operations using a four-step HRDD approach as follows.

1) Identifying Key Business Activities with Human Rights Risks

Begin by identifying core activities that are commonly associated with human rights risks, such as.

- Selection of tenants and contractors (e.g., construction, renovation, maintenance)
- Employment through third-party service providers (e.g., security guards, cleaners)
- Organization of marketing events or trade exhibitions within the premises

These activities may pose risks related to labor rights, non-discrimination, accessibility, or impacts on surrounding communities.

2) Human Rights Risk Assessment

Assess risks by evaluating:

- **Impact** – The severity and scope of potential human rights violations
- **Likelihood** – The probability or frequency of such risks occurring

Outcome: This helps prioritize high-risk activities and design appropriate mitigation measures.

3) Preventive and Mitigating Measures

Develop clear policies and guidelines, such as:

- Embedding human rights standards into Terms of Reference (TOR) and lease agreements
- Creating a Supplier/Partner Code of Conduct
- Conducting training for staff on equality, non-discrimination, and human rights awareness

4) Monitoring and Evaluating Impacts

Implement ongoing monitoring and feedback mechanisms, including:

- On-site inspections
- Tenant and employee feedback surveys
- A grievance mechanism for stakeholders to raise concerns

By fully implementing these steps, HRDD becomes an integral part of ALLY REIT's risk management and good corporate governance practices.

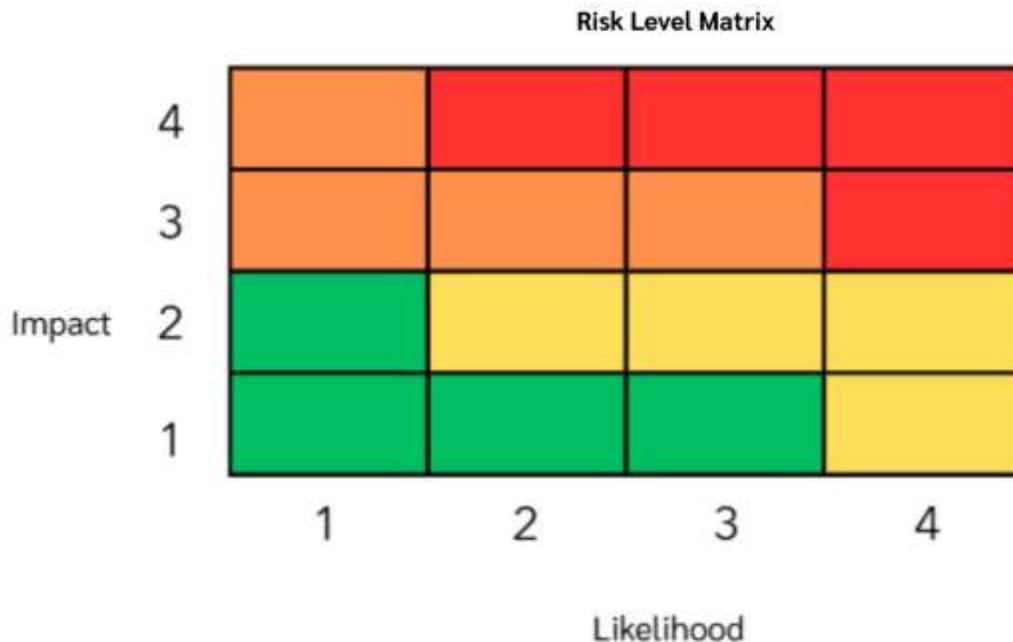
5. Human Rights Risk Assessment Table

Risk Magnitude (Severity and Impact)									
Level	Health and Safety	Reputation	Business Continuity	Customers / Shareholders	Environment	Legal Compliance	Operational System	Scope	
4 Significant	Disability or Fatality	The company has been blacklisted or is considered a prohibited company, resulting in loss of stakeholder confidence or having a poor reputation in corporate governance.	Business operations disrupted for more than 3 days, or unable to deliver/transfer work to relevant departments on time.	Customers or shareholders file lawsuits against the company.	Environmental impact occurs, with an expected recovery period exceeding 5 years to restore the original condition.	The business license may be revoked, or executives may face imprisonment.	Customer touchpoint systems cannot be resolved within the specified timeframe.	Impacts more than 3 stakeholder groups, with each group having over 3% of its members affected.	Requires more than 3 years for recovery.
3 High	Hospitalization (IPD)	Widespread negative media coverage requiring over 48 hours to restore reputation.	Disruption of business operations exceeding 3 days, or failure to deliver or transfer work to relevant departments within the required timeframe.	The company may need to resolve disputes with shareholders or customers before legal action is initiated.	Environmental impact occurs, with an estimated recovery period of approximately 3 to 5 years to restore the original condition.	The company has been investigated by authorities and determined to be in violation and/or subjected to penalties.	The back-office system of the support unit is unable to be repaired or recovered within the designated timeframe.	Impacts more than 3 stakeholder groups, with each group having approximately 2-3% of its members affected.	The recovery period is approximately 3 to 5 years.
2 Medium	Injured and treated at the hospital (OPD).	Widespread negative publicity in domestic and international media, both online and offline, or issues related to corruption, with reputation restoration occurring within 48 hours.	Disruption of business operations for around 24 hours or adverse effects on workflow processes.	The board of directors or company executives provide an official statement to clarify the facts.	Environmental impact occurs, with an estimated recovery period of approximately 1 to 2 years to restore the original condition.	The company may be issued a warning or required to provide documentation to the authorities as evidence.	System outage or malfunction cannot be repaired within the designated timeframe.	Impacts approximately 1–2 stakeholder groups and/or affects less than 1% of individuals within each group.	The recovery period is approximately 1 to 2 years.
1 Low	Administered first aid	The company's reputation remains unaffected, and no stakeholder complaints have been received.	There is a business disruption lasting approximately 12 hours, with no impact on operational processes.	Shareholders and customers raise concerns and formally request information from the company.	Recovery to the original condition takes less than one year.	There are no violations of legal compliance; however, the conduct may be considered unethical.	System failure or malfunction can be resolved within the specified timeframe.	No individuals are affected.	The recovery period is less than 1 year.

Likelihood Criteria

Level	Likelihood	Frequency
4	High – Highly likely to occur or commonly happens during regular business operations (probability > 70%)	More than 10 times/year
3	Medium – Possible to occur during business operations (probability 30%–70%)	6–10 times/year
2	Low – May occur occasionally during business operations (probability 10%–30%)	2–5 times/year
1	Very Low – Unlikely to occur or rarely happens in business operations (probability < 10%)	1 time/year

Human rights risks will be assessed using a two-dimensional approach—considering both impact and likelihood - and plotted in a risk matrix to prioritize the risks that require further action to mitigate them.



Inherent Risk	Control Measures / Corrective Actions	Level		Residual Risk
		Impact	Likelihood	
Has not received training in biosecurity.	Control Measures #1	3	3	
There is no training on labor rights or human rights at any level of employment.	Control Measures #2	3	3	
Collecting personal data without obtaining consent.	Control Measures #3	3	3	

Color	Details
Red	Critical Risk Level Immediate additional management measures must be implemented to reduce the risk level to an acceptable level.
Orange	Unacceptable Risk Level Additional management measures should be considered to reduce the risk level to an acceptable level.
Yellow	Monitoring Risk Level This risk level is still acceptable but requires continuous monitoring and strict compliance with the established action plans.
Green	Acceptable Risk Level Existing measures are sufficient to effectively manage and control the risk.

6. Monitoring and Reporting Mechanism

One of the key components of Human Rights Due Diligence (HRDD) is an effective system for monitoring implementation and transparent disclosure. The mechanisms should include.

1. **Monitoring:** Conduct quarterly impact review meetings using key performance indicators such as the number of human rights complaints and satisfaction surveys from tenants and workers.
2. **Grievance Mechanism:** Establish complaint boxes at physical locations and provide online channels such as email or anonymous submission forms on the website. Ensure a systematic response process is in place.
3. **Reporting:** Disclose information in the Annual Report (Form 56-REIT1) and the SET ESG Portal, including the number of complaints received, actions taken, and outcomes achieved. Communicate progress updates to unitholders and other stakeholders.