

SUSTAINABILITY REPORT

ABOUT THIS REPORT

GRI 102-1 | 102-46 | 102-50 | 102-52 | 102-53 | 102-54 | 102-56

AIMS APAC REIT Management Limited (hereafter referred to as the “Manager”), manager of AIMS APAC REIT (“AA REIT”), is proud to present our fourth annual Sustainability Report. This report outlines our environmental, social, and governance (“ESG”) management approach, initiatives and performance for the financial period from 1 April 2019 to 31 March 2020 (“FY2020”).

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core Option and Rule 711B of the Listing Manual issued by the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”). The GRI Sustainability Reporting Standards are the first, most trusted, and widely used global standards framework for sustainability reporting on ESG impacts. GRI Content Index can be found on pages 74 to 77.

The report content is aligned to the four GRI Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context, and Completeness, and the scope covers all properties owned by AA REIT in Singapore, where the Manager and AA REIT are headquartered. This report focuses on the key ESG factors that are material to AA REIT’s business based on them being affected by our business or their potential to affect our operations.

We have not sought external independent assurance for this annual sustainability report. All questions, comments and feedback related to the FY2020 Sustainability Report are highly valued for our continuous improvement. We encourage you to please reach out to us at:

investorrelations@aimsapac.com

This report is issued yearly to Unitholders and is made publicly available on our website as part of the Annual Report for FY2020. To view our previous sustainability reports, please visit our corporate website at:

www.aimsapacreit.com



SUSTAINABILITY BOARD STATEMENT

GRI 102-14

The Board of the Manager recognises the importance of incorporating sustainable business practices into our business strategy to achieve long-term growth, value creation, and business objectives such as maintaining resiliency, increasing resource efficiency and serving stakeholders' best interests.

In 2017, we established a Sustainability Council ("SC") to oversee and manage our efforts to incorporate sustainable practices into our business operations and activities. The SC is led by principal executives across various business functions and operates under the guidance of the Board. The SC implements and monitors our sustainability efforts and performs assessments to evaluate the outcomes against our set goals and targets.

The SC is responsible for the ongoing review and assessment of relevant and material ESG topics related to daily operations, as well as the selection of key performance indicators and targets. The Manager ensures effective sustainability management through periodic reviews and performance measures. In FY2020, the Manager conducted a materiality review in which the Board re-validated existing ESG topics that are of significant importance to AA REIT's business and are of concern to stakeholders. This was done through a stakeholder engagement survey and a peer benchmarking exercise.

We have been a participant in the annual Global Real Estate Sustainability Benchmark ("GRESB") assessment since 2014 to maintain our standard of engagement with our stakeholders, particularly with the important group of institutional global investment funds. We hold the view that participating in GRESB benchmarking will add value in measuring sustainability performance. Increasingly, we also note that ESG factors have become one of the key investment criteria by institutional investors, and an independent GRESB scoring benchmark provides a consistent and effective way of communicating our sustainability track record and performance.

ENVIRONMENTAL

In FY2020, we continued to optimise resource management and reduce environmental impacts. This included exploring energy-efficient practices in all our

asset enhancement initiatives and new developments to optimise energy consumption. We are continually looking to identify opportunities to further improve and minimise our environmental impact while yielding significant cost-savings, creating long-term value and serving stakeholders' best interests.

SOCIAL

Our employees are our most valuable assets as their commitment and hard work are what drives our business forward. We believe that investing in their growth is imperative for the continued success of our business over the long term, as it helps build strong employee morale and improves productivity, and in turn, has seen us become an employer of choice that attracts and retains talent. As our employees are the backbone of AA REIT's expansion and continuity, we are committed to supporting them by providing adequate resources for them to continue to grow their knowledge and excel in their areas of expertise. We will strive to continue nurturing and maximising engagement with our employees to further improve their productivity, well-being and satisfaction.

GOVERNANCE

Corporate governance principles and best practices form solid foundations for the business to continue to operate ethically and transparently. To safeguard our assets and Unitholders' interests as well as maintain our licence to operate, internal frameworks and policies have been implemented to assure our compliance with relevant laws and regulations. AA REIT's long-term success is underpinned by our business values of integrity, transparency, accountability, and discipline which are upheld by our robust governance and risk management framework.

We strive to expand our future Reporting Boundaries and stakeholder engagement efforts beyond the scope of these official initiatives disclosed in this Sustainability Report. With the continued support we have fostered from our stakeholders, we will continue to work jointly towards addressing our impact on the material issues identified in this report.

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SUSTAINABILITY MANAGEMENT AT AA REIT

GRI 102-9 | 102-11 | 102-18 | 103-2

As a leading listed real estate organisation, we have the responsibility to contribute and support Singapore's national sustainable development framework through our management approach. We recognise the importance of safeguarding the environment and its natural resources for future generations. To fulfil our duty as a responsible corporate citizen and ensure business continuity, we have set long-term goals in our sustainability journey to create a positive economic and social impact.

Sustainability is an essential part of our strategy to achieve our business objective of delivering long-term value for stakeholders, while it also helps to maintain business resiliency and continuity, and manage risks. We are committed to having a positive social and environmental impact on the communities we operate in through investments and philanthropic engagements that aim to give back and reduce the adverse environmental effects of our operations. To achieve our goal and meet our commitments, we have embedded several approaches in our sustainability policy:

- observe and comply with all relevant legislation, regulations, and codes of practice;
- consider sustainability issues in key impact areas and integrate these considerations into business decisions;
- ensure all the Manager's employees are aware of its sustainability initiatives and are committed to implementing, supporting, and measuring these activities; and
- review, report and continuously strive to improve sustainability performance.

The Manager's sustainability strategy consists of risk management and ambitious long-term value creation. It involves regularly reviewing policies, reporting compliance levels, preventing breaches, and identifying opportunities for continual improvement. The integration of sustainability best practices into our overall business strategy and daily operations is required to achieve sustainability goals. Our progress and success are measured using performance indicators such as measuring the energy and water consumption at our properties, and from the identification of future opportunities and initiatives.

Our sustainability risk management approach considers the Precautionary Principle introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'. This strategy is founded on taking preemptive actions when the impacts are uncertain, as preventative measures are often more effective and less costly than reparative efforts.

We have developed and implemented relevant policies, programmes, and procedures to manage sustainability issues efficiently across different facets of our business operations. To demonstrate our commitment, in FY2020 we have identified the top five UN Sustainable Development Goals ("UN SDGs") which are most applicable to our business. This can be seen in the summary of the selected UN SDGs on page 61.

SUSTAINABILITY GOVERNANCE

In consultation with the Board, the SC leads the organisation's ESG agenda and drives sustainability initiatives by establishing a sustainability policy that encompasses strategies aligned to specific goals, and by reviewing performance against these periodically.

The Sustainability Steering Committee ("SSC") and the Occupational Health and Safety ("OHS") Committee are the subcomponents that support functions of the SC. The role of the OHS Committee is to address and support health and safety concerns in the workplace while the SSC's responsibility is to incorporate, implement and execute sustainable practices at the operational level. This cohesive working relationship among the committees has continued to provide us with a consistent sustainability approach and execution of our initiatives.

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

Our commitment to promoting sustainability extends across our supply chain, which includes managing risks in outsourcing, procurement of goods and services, and ensuring that appropriate measures are implemented.






AA REIT has a supply chain of approximately 290 active suppliers, including facility managers, maintenance service providers, contractors, professional consultants, and financial institutions based mainly in Singapore. Our suppliers are strictly reviewed and selected based on criteria such as reputation, professional expertise, track record, pricing, financial standing, and compliance with legal requirements. Our procurement process involves obtaining a minimum of three quotes from approved suppliers, where feasible and applicable. When the contract sum is of a substantial amount, a pre-qualification and tender process is conducted to award the tender to the best suitable supplier that has met all the necessary criteria.

We are committed to sustainability and will continue to explore opportunities to incorporate green features and energy-conservation initiatives in our properties.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet. At the heart of the agenda are 17 SDGs, which are an urgent call for action by all countries in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality,

and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. AA REIT supports and promotes the principles of the UN SDGs. Through a stakeholder engagement survey and peer benchmarking exercise, we have identified five SDGs that are most applicable to our business and the impact we create for our stakeholders. The table below documents these UN SDGs in the order of priority from highest to lowest.

	Description	GRI Indicators
	Decent work and economic growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	201-1 and 419-1
	Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable	302-1 and 303-1
	Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	302-1 and 303-1
	Good health and well-being: Ensure healthy lives and promote well-being for all at all ages	403-1
	Affordable and clean energy: Ensure access to affordable, reliable, sustainable and modern energy for all	302-1

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STAKEHOLDER ENGAGEMENT

GRI 102-40 | 102-42 | 102-43 | 102-44

The Manager's stakeholder engagement process proves valuable in identifying issues and keeping the best interests of stakeholders front-of-mind during business planning. Through regular two-way communications, we are able to cultivate relationships and understand their perspectives on the impacts and value that arise from our business operations and initiatives, and integrate their concerns into our sustainability strategy and this report. The stakeholders we engage directly with are identified based on importance, representation, responsibility, dependency and proximity to AA REIT's business.

The insights gained from the survey help us assess material issues, identify gaps in our sustainability performance and areas for improvement in our sustainability disclosures. To meet our stakeholders' expectations, we have decided to align our performance targets to the UN SDGs in FY2020 onwards.

We are committed to continuously improving our communication channels to strengthen and improve relations with stakeholders. Their feedback is immensely valuable to help advance our sustainability agenda.

Stakeholder	Concerns raised	Modes of engagement	Frequency of engagement
Unitholders/ Investors	<ul style="list-style-type: none"> Economic performance Anti-corruption Occupational health and safety 	<ul style="list-style-type: none"> Engagement through a formal survey Dedicated investor relations team Dedicated investor relations section on AA REIT website Quarterly announcement of financial results Quarterly results briefing for analysts Regular financial and non-financial performance updates on the SGX Annual General Meeting Regular investor meetings via investor conferences, face-to-face meetings and non-deal roadshows 	<ul style="list-style-type: none"> Biennially Periodically Periodically Quarterly Quarterly Periodically Annually Periodically
Banks	<ul style="list-style-type: none"> Economic performance Energy Environmental compliance 	<ul style="list-style-type: none"> Engagement through a formal survey Email updates and regular informal communication through phone or face-to-face meetings 	<ul style="list-style-type: none"> Biennially Periodically
Tenants	<ul style="list-style-type: none"> Economic performance Environmental compliance Market presence 	<ul style="list-style-type: none"> Engagement through a formal survey Regular site visits, face-to-face meetings, and phone calls Routine notices/email updates Targeted sponsorship to support tenants' corporate events 	<ul style="list-style-type: none"> Biennially Periodically Periodically Periodically
Property Managers	<ul style="list-style-type: none"> Energy Training and education Anti-corruption 	<ul style="list-style-type: none"> Engagement through a formal survey Regular meetings Email updates and phone calls 	<ul style="list-style-type: none"> Biennially Bi-monthly Periodically
Bond Holders	<ul style="list-style-type: none"> Occupational health and safety Energy Anti-corruption 	<ul style="list-style-type: none"> Engagement through a formal survey Face-to-face meetings 	<ul style="list-style-type: none"> Biennially Periodically
Board of Directors	<ul style="list-style-type: none"> Economic performance Anti-corruption Environmental compliance 	<ul style="list-style-type: none"> Engagement through a formal survey Board meetings Email updates and regular informal phone communication New Directors' orientation and training 	<ul style="list-style-type: none"> Biennially Quarterly Periodically Periodically
Senior Management and Team Members	<ul style="list-style-type: none"> Economic performance Employment Training and education 	<ul style="list-style-type: none"> Engagement through a formal survey Training and team building activities Department meetings Performance review 	<ul style="list-style-type: none"> Biennially Periodically Monthly Annually

MATERIALITY ASSESSMENT

GRI 102-46 | 102-47 | 103-1

The scope and content of this Sustainability Report and the materiality assessment process have been conducted in alignment with the four GRI Reporting Principles, namely Materiality, Stakeholder Inclusiveness, Sustainability Context, and Completeness. The Manager incorporates the principle of stakeholder inclusiveness during the process of identifying material aspects. The outcomes of the stakeholder engagement process and business sustainability performance assessment have allowed us to analyse relevant data to identify and manage the most important issues. A comprehensive set of material ESG indicators assessed and disclosed in this report highlights the priorities identified in specific issues.



In FY2020, the Manager and its external consultant have engaged directly with key stakeholders in a comprehensive materiality assessment process. The feedback from stakeholders was consolidated and analysed by the SC, the Manager, and the external consultant to identify and prioritise the management of ESG issues.

We build on previous assessments by continually updating our materiality assessment on a biennial basis. We have performed a peer benchmarking analysis with selected comparable listed industrial REITs and supplemented it with a stakeholder engagement survey to refresh top materiality trends and issues. In addition, we have mapped the selected materiality issues to our top five UN SDGs on page 61 of this report.

Material Aspects and Indicators Identified

Categories	Material Aspects	List of GRI Indicators	Aspect Boundary
Economic 	Economic Performance	201-1 Direct economic value generated and distributed	Within organisation
	Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	
Environment 	Energy	302-1 Energy consumption within the organisation	Common areas of properties with operational control
	Water	303-1 Water withdrawal by source	
Social 	Occupational Health and Safety	403-1 Workers' representation in formal joint management – worker health and safety committees	Within organisation and tenants
	Training and Education	404-1 Average hours of training per year per employee	Within organisation
	Socio-economic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Within organisation

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ECONOMIC

Anti-corruption

GRI 103-1 | 103-2 | 103-3 | 205-3

The Manager upholds ethical values in conducting business practices by adopting a zero-tolerance policy against bribery, corruption, fraud, embezzlement, and other forms of unethical corporate actions. We are committed to upholding sound corporate governance as it is critical to AA REIT's ongoing journey towards attaining business excellence. This commitment helps ensure that our reputation is upheld, and stakeholders' trust in us is maintained.

OUR APPROACH

Our Code of Conduct defines the anti-corruption policies and guidelines applicable to all our employees, including procedures relating to business dealings with tenants, suppliers, and employees. This includes guidelines on gifts and entertainment, conflicts of interest, compliance with applicable laws, dealing in securities, and misuse of confidential information. Additionally, we have in place a whistleblowing policy to facilitate reporting of unethical workplace practices, such as alleged corruption, unethical behaviour, conflicts of interest and other improprieties, by providing a safe channel for our stakeholders.

We are committed to promoting a strong ethical and transparent culture that informs and motivates all employees to uphold AA REIT's foundational principles and core corporate values which underpin the management of the business. To ensure the effectiveness of preventing and detecting corruption, all new employees have to familiarise themselves with the Code of Conduct, and complete anti-corruption compliance and awareness training during orientation. In-house anti-corruption awareness training is also conducted to ensure all employees understand and are reminded of the ethical standards expected of them.

FY2020 PERFORMANCE

The success of our anti-corruption efforts is reflected in AA REIT achieving its target of zero instances of corrupt activities in FY2020.

FY2021 TARGET

Managing and operating the business ethically is one of our core values and we have a target of zero instances of corruption. Going forward, the Manager will continue to work to maintain its track record of zero corruption incidences, in accordance with the highest standards of ethics and integrity in our business dealings, through ongoing anti-corruption awareness training for employees.



29 Woodlands Industrial Park E1, Singapore

ENVIRONMENT

In fulfilling our duty as a responsible corporate citizen, the Manager understands that sustainable management of the business operations is essential for creating long-term value, promoting resource efficiency, and ensuring business continuity. Our sustainability policy integrates the material ESG issues of our business activities to ensure the maximisation of resources and minimisation of negative environmental impact.

In taking the lead on pursuing sustainable practices we obtained approval from our Unitholders for electronic communications which has seen the hard copies of the Annual Reports for FY2019 and FY2020 not distributed to Unitholders, unless otherwise requested. In line with the expectations of our Unitholders, the FY2020 Annual Report was again printed with FSC paper, in support of the practice of sustainable forestry worldwide. On our corporate website we also continue to provide a digital archive of our past Annual Reports published since AA REIT's Initial Public Offering in 2007.

In addition, our commitment to sustainability is clearly demonstrated in our property portfolio. Nearly half of AA REIT's Singapore portfolio by net lettable area is BCA Green Mark compliant as of 31 March 2020. AA REIT's Optus Centre, Macquarie Park, New South Wales, Australia has also achieved a **NABERS Energy Base Building Rating of 5 stars** and **NABERS Water Rating of 3.5 stars** this year.

In May 2019, as part of our ESG engagement activity, our team took time off from work to clean up the staggering amount of offshore debris that was washed ashore on the beach of East Coast Park. Our aim was to encourage every employee to be environmentally responsible – something the Manager firmly believes in fostering. During the clean-up, we collected more than 20 bags of debris. The Manager is proud to have been able to do our part and help keep the environment clean for everyone.

Energy

GRI 103-1 | 103-2 | 103-3 | 302-1

Climate change is one of the most significant and urgent issues faced globally and corporates and individuals alike have a role to play in reducing their impact. In December 2015, Singapore made a pledge under the Paris Agreement to become a greener economy and reduce emissions by 36% from 2005 levels by 2030. The Manager supports Singapore's journey in fulfilling its commitment by incorporating energy-efficient practices in our business operations.

OUR APPROACH

Our energy conservation strategy involves monitoring energy consumption regularly and minimising greenhouse gas emissions by leveraging cost-effective technologies that improve energy efficiency.

To optimise the use of limited energy resources, we continuously assess the effectiveness of our building upgrades, such as Light-Emitting Diode ("LED") lights in the common areas of our properties. We also invest in regular maintenance, the application of energy-efficient equipment and light fittings, as well as motion detectors for lights and sensors at exit staircases and toilets. An assessment is performed on this approach to measure the year-to-year progress of our energy efficiency practices. To measure our sustainability performance, we also actively participate in annual GRESB assessments which help us understand where we stand among our peers and the areas for improvements.



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FY2020 PERFORMANCE

The scope of our energy consumption data and performance covers 19 out of 27 properties in our portfolio, over which we have operational control (FY2019: AA REIT had operational control over 17 out of 26 properties in its portfolio). The source of the energy consumption data is metered electricity billing.

Our energy consumption was entirely from non-renewable power generation (electricity) sources. The total energy consumption for FY2020 was 8,474,360 kWh for the 19¹ properties based in Singapore. Figure 1 illustrates the total energy consumption in FY2020 by month for the common areas (building services, corridors, and perimeter lighting) of these properties, and Figure 2 shows year-on-year comparison of total energy consumption over the last three years.

Figure 1: Total Energy Consumption for Properties Under Operational Control (kWh)

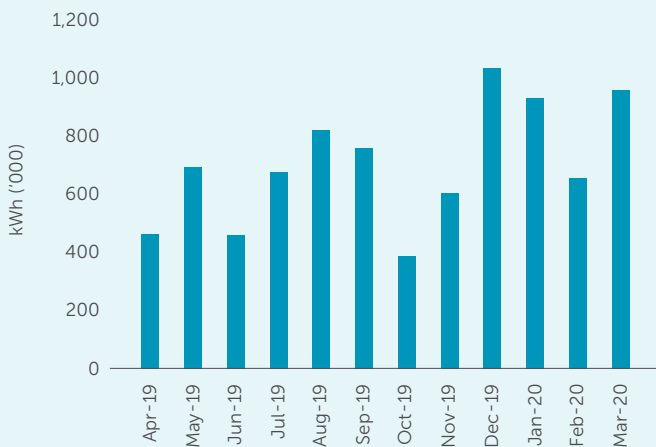
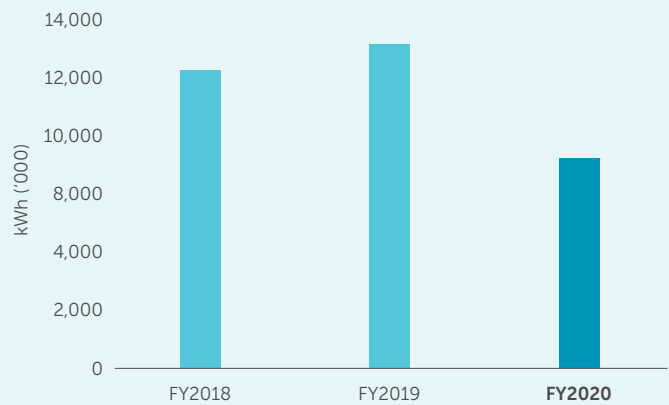


Figure 2: Total Energy Consumption by Year (kWh)



As observed in Figure 2, our energy efficiency efforts have helped decrease total energy consumption by approximately 34.9% from FY2019.

In addition, as part of our active approach to improve energy efficiency in our properties, we achieved last year's targets to successfully obtain **BCA Green Mark Award (Gold)** for the redevelopment at 3 Tuas Avenue 2, and **BCA Green Mark Award (Certified)** for the asset enhancement initiative at 29 Woodlands Industrial Park E1, NorthTech upon their respective project completions.

FY2021 TARGET

We are committed to investing in our new projects and existing properties to improve their energy efficiency. In this regard, AA REIT will continue to assess the feasibility of pursuing BCA Green Mark Gold or higher for all new developments undertaken. Going forward, we will also continue to explore more energy-friendly practices and consider them in our business operations.

¹ Includes properties converted from master leases to multi-tenancy leases during FY2020.

Water

GRI 103-1 | 103-2 | 103-3 | 303-1

Water scarcity is an emerging global and national concern. As we foresee facility water consumption as an important environmental issue in the REIT sector, we are committed to optimising water efficiency throughout our portfolio. This is necessary to stay resilient to future climate change effects and remain competitive in a potentially water-scarce future.

Since FY2018, we have implemented several initiatives to track and analyse water consumption across our operations to identify and devise cost-effective plans to improve water efficiency.

OUR APPROACH

We monitor the water consumption of the properties in AA REIT’s portfolio over which we have operational control. The Manager actively identifies the gaps and



implements water conservation measures such as water-efficient fittings in its asset enhancement initiatives as well as in its newly developed properties. This is further complemented by raising employees’ awareness with regard to their daily habitual water usage best practices. The effectiveness of this approach is measured based on quantitative and comparable data which tracks performance against our goals.

FY2020 PERFORMANCE

We currently record the total volume of water consumption across our Singapore operations to assess performance. In FY2020, our water source was from the municipal supply and the data was obtained from monthly billings.

We consumed a total of 185,313 cubic metres for the 19¹ Singapore-based properties over which we have operational control. Figure 3 below illustrates the total water consumption in FY2020 by month, and Figure 4 shows year-on-year comparison of total water consumption over the last three years.

Figure 3: Total Water Consumption for Properties Under Operational Control (cu m)

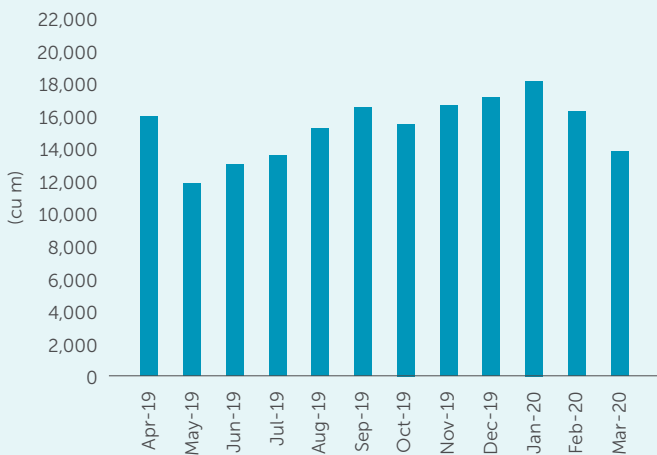
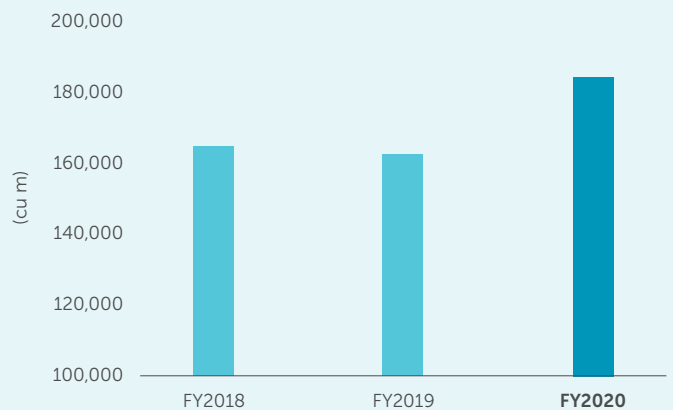


Figure 4: Total Water Consumption by Year (cu m)



1 Includes properties converted from master leases to multi-tenancy leases during FY2020.

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3 Tuas Avenue 2, Singapore

There was approximately 13.4% increase in water consumption from last year mainly due to AA REIT taking over operational control of additional properties, including 30 Tuas West Road and 1A International Business Park which reverted from master leases to multi-tenancy leases in September 2019 and December 2019, respectively.

In the past our sustainable values and practices have earned recognition from the Public Utilities Board (“PUB”) Friends of Water Steward. However, in FY2020, we did not qualify for any of the PUB’s Water Efficiency Building (“WEB”) certifications as some of the water improvement works undertaken, such as toilet upgrades, were for selected levels only and not for entire properties. The Manager will continue to evaluate the portfolio for potential improvement works in order to achieve a sustainable impact on our community.

The completed redevelopment at 3 Tuas Avenue 2 and the asset enhancement initiative at 29 Woodlands Industrial Park E1, NorthTech, both of which were awarded the BCA Green Mark, included the installation of water-efficient fittings.

FY2021 TARGET

We will continue to be an active advocate of water conservation in the Singapore REIT sector. We will continue to measure and assess our water performance data and evaluate the long-term sustainability of our water-efficient practices within our portfolio and for new developments. In addition, we aim to progressively achieve WEB certification for all eligible buildings in AA REIT’s portfolio and we aim to apply for WEB assessment for our property at 10 Changi South Lane.

SOCIAL

Our employees are our most valuable asset and we strive to build long-term relationships with them to build a positive and thriving workplace culture. After the Initial Public Offering in 2007, our business had undergone expansion with the support of our staff. In turn, we have given our support by providing adequate resources for them to excel in their areas of expertise.

Although our employees come from a diverse array of backgrounds and cultures, we are all proud to work for an organisation that makes a positive difference in society. We treat our employees as essential stakeholders in our business, recognising that their hard work is what drives the business forward. This, combined with our investment in their personal and professional growth, we are able to boost morale and confidence in the team, and build an inclusive and high performing culture.



Occupational Health and Safety

GRI 103-1 | 103-2 | 103-3 | 403-1



Our people are indispensable to the continued success of AA REIT. We are committed to facilitating a safe working environment for all our employees. This commitment goes beyond employees' physical safety and encompasses their overall well-being, recognising that they are our most valued asset to sustain business performance in the long run. We have implemented various initiatives to improve workplace health and safety, focusing on raising awareness, applying best practices, nurturing well-being, and eliminating all hazards to prevent OHS incidences from occurring.

OUR APPROACH

Since FY2017, the OHS Committee has taken on an active role in spearheading various OHS initiatives at the organisational level. Its responsibilities include managing OHS risks and initiating activities such as reviewing and communicating OHS issues, implementing appropriate work practices control measures, and issuing ongoing reminders and regulatory updates to our staff. As of 31 March 2020, our OHS Committee comprises five members from various departments, representing approximately 22.0% of our workforce.

Our employees have undergone training to proactively identify and raise both existing and potential hazards to the OHS Committee to contribute to improving safety conditions in the workplace. The effectiveness of the OHS management systems is evaluated by measuring their performance and the number of preventable incidents. We carry a zero-accident vision and foster a strong safety attitude in our personnel.

FY2020 INITIATIVES

In addition to a safe workplace, a supportive environment will also enable employees to lead healthy and balanced lifestyles. During FY2020, as part of a range of well-being and health benefits provided to employees, we organised activities and initiatives such as team building sessions, talks and workshops, weekly Fruits Day and Eat-With-Your-Family Days. These initiatives are part of our cohesive approach to supporting our employees' emotional and social well-being.

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At the start of the COVID-19 pandemic in late FY2020, the OHS Committee implemented several arrangements for employees to work comfortably and safely. This included enabling employees to work from home, while those providing essential services were given staggered working hours, in line with the Singapore Government's guidelines on implementing telecommuting and social distancing at the workplace. The constantly evolving COVID-19 pandemic requires the OHS Committee to closely monitor the situation and to respond accordingly in order to maintain a safe working environment for employees.

FY2021 TARGET

To ensure that our workforce remains safe, happy and healthy, we will continue to review employee safety and well-being practices and performance annually. This is in accordance with the Workplace Safety and Health Act, which requires all workplaces to conduct a risk assessment for every activity and process carried out at the workplace. We have a continual goal of facilitating a culture of safety and operating an incident-free workplace. We will also strive to enhance existing employee engagement initiatives to further improve the overall well-being of our employees.

Training and Education

GRI 102-7 | 102-8 | 103-1 | 103-2 | 103-3 | 404-1

As our most valuable asset, the continued training and education of our employees is essential to the future growth and success of AA REIT. Our employees trust and rely on us for career progression and guidance, and the Manager is devoted to fostering employee engagement by nurturing employees and providing equal opportunities and resources to achieve their respective career development goals. Helping employees improve their competencies and perform to the best of their abilities in turn boosts employee engagement, motivation, commitment and affiliation to AA REIT.

OUR APPROACH

We make strategic investments in the development of our employees to support their personal growth and professional advancement, while creating sustainable value for AA REIT. We believe in building a long-term career path for our employees, as well as creating an inclusive and cohesive workplace that nurtures and respects all. Given that having the right expertise is the cornerstone to our success, we are committed to investing in the growth of our people. We keep our employees updated with the latest industry trends and developments by providing professional courses and on-the-job training. We offer training programs made up of internal and external talks, courses, seminars, and webinars, covering topics within finance, governance, regulatory updates, leadership, safety, ethics, and skills development.

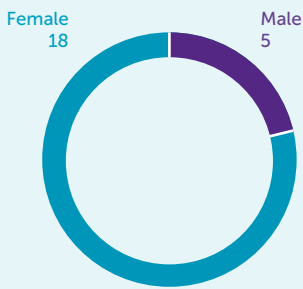
Regular performance reviews and evaluations allow employees to take ownership of their career trajectory by helping them to identify their strengths and weakness as well as areas for continuous improvement. This allows us to organise customised training and guidance which meets the unique requirements of individual employees.

We also create a culture where our employees can integrate sustainability into their day-to-day practices. They are made aware of our sustainability strategy and commitments and of their social and environmental responsibilities.

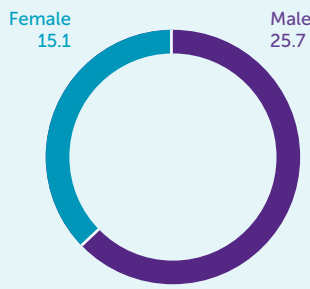
FY2020 PERFORMANCE

The effectiveness of our training and education programmes is monitored and measured by reviewing the training hours received by each employee. During the reporting period of FY2020, we have provided a total of 400 training hours to all employees, with each employee receiving an average of 17.4 training hours per annum. The decreased training hours per employee recorded in FY2020 compared to the prior period was in part due to the festive seasons, as well as the COVID-19 situation which resulted in the inability to schedule training programmes during the second half of FY2020. The charts on page 71 illustrate our employee data for the reporting period.

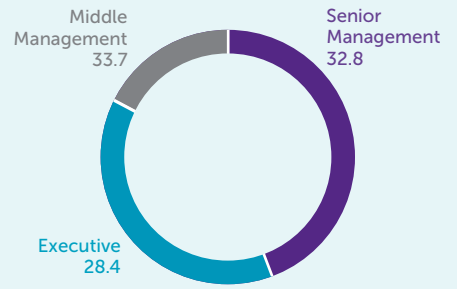
Total Employees



Average Training Hours by Gender



Average Training Hours by Employee Category



Note: All our employees are permanent employees based in Singapore.

FY2021 TARGET

We will continue to aim for an average of at least 26 training hours per employee per annum in the next financial year, with the training programmes and learning resources available online in light of the COVID-19 environment. Going forward, we remain committed to nurturing the talented and hard-working employees within our business to help their personal and professional development, which will in turn support the long-term success of our organisation.

adherence with relevant laws and regulations. AA REIT’s enterprise risk management (“ERM”) framework establishes the process of identifying compliance issues, assessing, and potentially mitigate the threat of material risks. Regular compliance updates, checklists and reports form an integral part of our framework in ensuring organisation-wide compliance. In addition, all our employees play a part in adhering to the standards set out in the Code of Conduct to ensure regulatory compliance.

Socio-economic Performance

103-1 | 103-2 | 103-3 | 419-1



As a listed real estate investment trust on the Singapore Exchange, we comply with all applicable regulatory requirements, including SGX listing rules, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”), tax rulings issued by the Inland Revenue Authority of Singapore (“IRAS”) and our Trust Deed.

FY2020 PERFORMANCE

In FY2020, AA REIT was recognised for its high corporate governance standards. It was ranked joint fourth in the third edition of Governance Index For Trusts (“GIFT”) 2019 out of 46 real estate investment trusts and business trusts listed on SGX, and was retained in the SGX Fast Track programme by the SGX RegCo. During the year, we did not have any significant fines or non-monetary sanctions for non-compliance with relevant operational laws and regulations.

OUR APPROACH

The Manager recognises that any cases of non-compliance would erode stakeholders’ confidence. As such, we adopt a zero-tolerance stance on any willful breaches of applicable laws and regulations. To protect our stakeholders’ interests, we have implemented a robust operational risk and control framework to ensure

FY2021 TARGET

The Manager will continue to comply with all applicable laws and regulations. We will strive to uphold high standards of governance in our business operations and seek to maintain zero incidents of non-compliance in the next reporting period. To achieve this on an ongoing basis, all applicable regulatory requirements will be regularly reviewed and procedures relevant to the respective operational teams will be updated as necessary.

SUSTAINABILITY REPORT

COMMUNITY ENGAGEMENT

AA REIT practises good corporate citizenship through making a positive impact in the community we operate in by giving back and investing in society. Our commitment to Corporate Social Responsibility ("CSR") is rooted in our foundational principles and core values. We promote philanthropic efforts and community involvement across the organisation to increase employee engagement and encourage their participation in voluntary activities targeted toward benefiting society.

The Manager launched its CSR initiative in FY2017 when we began working with Voluntary Welfare Organisations ("VWOs") in Singapore that focused on supporting seniors requiring special care and needs. We believe that all seniors can lead their lives with dignity and remain integrated within the community.

We continued to support XiSer CareServe 喜捨苑 (formerly known as Tai Pei Social Services) ("XiSer") as our adopted VWO in FY2020. XiSer is a step-down care facility for long-staying patients from the Institute of Mental Health ("IMH"). The residents under XiSer's care are mostly destitutes who have been staying in IMH for a long period. We made two visits to XiSer during FY2020 where we organised fun-filled activities to interact with the residents to brighten up their day and treated them to a buffet after the event.

For FY2021, with the onset of the COVID-19 outbreak in late January 2020, in accordance with the guidelines set by the Ministry of Culture, Community and Youth for VWOs, the Manager has adjourned its CSR activities to minimise social interactions. Until such curtailment measures are lifted, the Manager will resume our CSR initiatives where we can continue to make an effective impact on the community.



AWARDS AND RECOGNITION

We are proud to have received several awards from various external organisations for our ESG achievements. These awards validate our commitment to upholding the highest standards and best practices in our industry.



Governance Index for Trusts ("GIFT") 2019 August 2019

AA REIT was ranked joint **fourth in the third edition of GIFT 2019 where the governance and business risk of 46 out of the 50** real estate investment trusts and business trusts listed on SGX were assessed. Areas of governance such as board matters, remuneration of directors and key management, alignment of incentives and interests, internal and external audit, and communication with unitholders were taken into account.



The Asset Corporate Awards 2019 November 2019

For the third consecutive year, AA REIT was awarded **the Gold Awards in Corporate Governance, Social Responsibility and Investor Relations** at The Asset Corporate Awards 2019, in recognition of the Manager's continued commitment to upholding high standards of Corporate Governance, Social Responsibility, and Investor Relations.

In addition, AA REIT was included in the inaugural SGX Fast Track programme by the SGX RegCo in April 2018, which allows it to enjoy prioritised response from SGX on selected corporate action submissions including circulars, requests for waiver and applications for share issuance. SGX Fast Track aims to recognise companies that have high corporate governance standards, have maintained a good compliance track record and high quality of submissions.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standard	Disclosures	Chapter/Page Number(s), performance	Omission
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	1, 58
	102-2	Activities, brands, products, and services	Industrial real estate management
	102-3	Location of headquarters	Corporate Directory
	102-4	Location of operations	Singapore and Australia
	102-5	Ownership and legal form	31, 135
	102-6	Markets served	116-121
	102-7	Scale of the organisation	16-18, 70-71, 116-128
	102-8	Information on employees and other workers	70
	102-9	Supply chain	60
	102-10	Significant changes to organisation and its supply chain	No changes.
	102-11	Precautionary Principle or approach	60
	102-12	External initiatives	<p>Our policies and business activities are aligned with the prevailing regulatory requirements and are supported by a variety of external charters and principles. These include (but are not limited to):</p> <ul style="list-style-type: none"> • Securities and Futures Act (Chapter 289) • Listing Manual issued by SGX-ST • Code on Collective Investment Schemes including Appendix 6 on Property Funds • Code of Corporate Governance 2018 • Other policies and procedures adopted by AA REIT, which can be found in pages 36 to 55 of the Corporate Governance section <p>Accordingly, we have developed and adopted a range of corporate policies and internal controls that support the Board and Management. These policies and controls cover matters such as personal data protection, anti-money laundering and countering terrorism financing, conflicts of interest, business continuity, insider dealing, enterprise risk management, and outsourcing.</p>
	102-13	Membership of associations	AIMS APAC REIT Management Limited is a member of REIT Association of Singapore ("REITAS").
	STRATEGY		
102-14	Statement from senior decision-maker	58	

GRI Standard	Disclosures	Chapter/Page Number(s), performance	Omission
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	1, 36-57	
GOVERNANCE			
102-18	Governance structure	36-57, 60	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	62	
102-41	Collective bargaining agreements	Not Applicable as we do not have trade unions.	
102-42	Identifying and selecting stakeholders	62	
102-43	Approach to stakeholder engagement	62	
102-44	Key topics and concerns raised	62	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Wholly-owned Subsidiaries: AACI REIT MTN Pte. Ltd. AACI REIT Opera Pte. Ltd. AIMS APAC REIT (Australia) Trust AA REIT Macquarie Park Investment Trust AA REIT Australia Trust (QLD) Burleigh Heads Trust 49% JV: Macquarie Park Trust	
102-46	Defining report content and topic Boundaries	58, 63	
102-47	List of material topics	63	
102-48	Restatements of information	Not Applicable.	
102-49	Changes in reporting	Addition and alignment to UN Sustainable Development Goals. These include: SDG 8: Decent work and economic growth SDG 11: Sustainable cities and communities SDG 9: Industry, innovation and infrastructure SDG 3: Good health and well-being SDG 7: Affordable and clean energy	
102-50	Reporting period	58	
102-51	Date of the most recent report	May 2019	
102-52	Reporting cycle	58	
102-53	Contact point for questions regarding the report	58	
102-54	Claims of reporting in accordance with GRI Standards	58	
102-55	GRI content index	74-77	
102-56	External assurance	58	

GRI 102:
General
Disclosures
2016

SUSTAINABILITY REPORT

GRI CONTENT INDEX (cont'd)

GRI Standard	Disclosures		Chapter/Page Number(s), performance	Omission
MATERIAL TOPICS				
CATEGORY: ECONOMIC				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	8-15, 63	
	103-2	The management approach and its components	8-15	
	103-3	Evaluation of the management approach	8-15	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	123-194	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	63, 64	
	103-2	The management approach and its components	64	
	103-3	Evaluation of the management approach	64	
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	64	
CATEGORY: ENVIRONMENT				
SUB-CATEGORY: ENERGY				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	63, 65-66	
	103-2	The management approach and its components	65-66	
	103-3	Evaluation of the management approach	65-66	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	65-66	
SUB-CATEGORY: WATER				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	63, 67-68	
	103-2	The management approach and its components	65, 67-68	
	103-3	Evaluation of the management approach	67-68	
GRI 303: Water 2016	303-1	Water withdrawal by source	67-68	
CATEGORY: SOCIAL				
SUB-CATEGORY: OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	63, 69-70	
	103-2	The management approach and its components	69-70	
	103-3	Evaluation of the management approach	69-70	
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management – worker health and safety committees	69-70	

GRI Standard	Disclosures		Chapter/Page Number(s), performance	Omission
SUB-CATEGORY: TRAINING AND EDUCATION				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	63, 69, 70	
	103-2	The management approach and its components	70-71	
	103-3	Evaluation of the management approach	70	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	70-71	
SUB-CATEGORY: SOCIO-ECONOMIC COMPLIANCE				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	63, 71	
	103-2	The management approach and its components	71	
	103-3	Evaluation of the management approach	71	
GRI 419: Socio Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	71	