

THE CONTINUING WORK OF SUSTAINABILITY

A dutiful farmer's work doesn't end with the harvest. Rather, it signals the start of another cycle of cultivation and growth - from tilling the paddy to targeting profitability. The crops are threshed, winnowed, and milled to diversify and maximise the value of the produce.

Likewise, our work is a continuing process of enhancing and expanding our portfolio to serve market demands. We are committed to cultivating the right environment for stability and growth. Our portfolio is the land we keep nourishing and strengthening for sustainable yields. Proactively prepared for the changing seasons and climates, and sustained to bring forth steady and reliable returns.





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 pleased to publish our 6th Sustainability Report. The scope of this report covers our environmental, social and governance (“ESG”) performance, management approach and initiatives for the financial period from 1 April 2021 to 31 March 2022 (“FY2022”) for all properties owned by AA REIT at our headquarters in Singapore.

This report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”): Core option and Rule 711B of the Mainboard Rules issued by Singapore Exchange Securities Trading Limited (“SGX-ST”). The GRI Standards were chosen due to their reputation as being an internationally recognised standard for reporting ESG issues. The GRI Content Index can be found on pages 74 to 77.

This report’s content and material ESG topics were defined by applying the four reporting principles established in the GRI Standards:

- **Stakeholder Inclusiveness**
The content and context of this report were determined through internal discussions within management and engagement with our various stakeholders. This ensures a comprehensive coverage of expectations and interests of all stakeholders.
- **Sustainability Context**
Our business operations and performance were presented in the context of ESG landscape requirements at the local, regional and global level.
- **Materiality**
The material issues disclosed in this report were identified through internal discussions within management and stakeholder engagement. These selected topics were determined to have the most significant impact on our business.
- **Completeness**
This report covers various aspects of the material topics, including implications, initiatives and boundaries of datapoints, within the reporting period.

We have not sought external independent assurance for this annual sustainability report. All questions, comments and feedback related to the FY2022 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 annually to Unitholders and is made publicly available on our website as part of the Annual Report for FY2022. To view our previous sustainability reports, please visit our corporate website at:
www.aimsapacreit.com

ABOUT AIMS APAC REIT

GRI 102-4 | 102-5 | 102-6

AIMS APAC REIT (the “Trust”) is a Singapore-domiciled real estate unit trust constituted pursuant to the trust deed dated 5 December 2006 (as amended, varied or supplemented from time to time) (“Trust Deed”), entered into between AIMS APAC REIT Management Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries in trust for the holders (“Unitholders”) of units in the Trust.

The Trust was formally admitted to the Official List of SGX-ST on 19 April 2007 (the “Listing Date”) and was included under the Central Provident Fund (“CPF”) Investment Scheme on 21 February 2007. On 21 March 2007, the Trust was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust’s operations are based in Singapore and Australia (New South Wales and Queensland) with Singapore accounting for almost 61% by valuation. The Trust serves tenants operating in the industrial sector including but not limited to: manufacturing, warehousing and distribution and business park activities.

Memberships and Associations

102-12 | 102-13

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:

- Securities and Futures Act (Chapter 289)
- SGX-ST Listing Manual
- Code on Collective Investment Schemes including Appendix 6 on Property Funds
- Code of Corporate Governance (August 2018)
- Other policies and procedures adopted by AA REIT, which can be found in pages 34 to 54 of the Corporate Governance section of the Annual Report

Accordingly, a range of corporate policies and internal controls have been developed and adopted to 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. The Manager is also a member of the REIT Association of Singapore (“REITAS”).

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. Moving forward from FY2022, the SC will also ensure incorporation of environmental risk considerations in investment research, portfolio construction, risk management and stewardship practices.

In FY2022, we 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 which was delivered to over 80 stakeholders.

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

FY2022 was a year of continued recovery from the impacts of the COVID-19 pandemic, with the main theme in Singapore being the relaxing of restrictions and return towards pre-

pandemic normalcy. The whole saga has shown the pressing need for building resilience and keeping our business focused on sustainability, both from an economical as well as environmental lens. While energy consumption increased compared to FY2021, we are encouraged that water consumption decreased by a large margin. We will continue to reduce our resource usage through implementation of efficiency and optimisation measures to boost our environmental performance. In this regard, we have engaged a sustainability consultant to undertake a carbon emission baseline study and gap analysis with a view to develop our sustainability framework in alignment with Singapore Green Plan 2030. This initiative is currently ongoing and we will make an announcement on its material development.

SOCIAL

The well-being of our employees remains a high priority. During the pandemic in FY2022, we maintained the option for our employees to telecommute and provide flexible work arrangements for all our employees to allow for more time in pursuing activities outside of the workplace that was previously spent travelling. Social distancing practices were updated in line with government regulations for those who chose to commute to work, along with provision of face masks and sanitisers.

Despite the distractions and disruptions due to the pandemic, we did not neglect providing our employees with training and development opportunities. As our employees are the backbone of AA REIT’s continuity and growth, we are committed to supporting them by providing adequate resources for them to continue growing their knowledge and excelling in their individual areas of expertise. We will strive to progressively nurture and increase 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 license 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 are excited to share our FY2022 performance with you and are thankful for your continued support in our sustainability journey.

SUSTAINABILITY REPORT

SUSTAINABILITY MANAGEMENT AT AA REIT

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

As a leading listed real estate organisation, we are committed to aligning with Singapore's national sustainable development framework and agenda. We understand the importance of sustainably operating within the environment around us and limiting consumption of the natural resources it holds to last for future generations. To fulfil our duty as a responsible corporate citizen, we have set long-term sustainability goals to ensure business continuity while creating a positive economic, environmental and social impact.

Sustainability is an essential part of our strategy in achieving our business objective of delivering long-term value for stakeholders, maintaining business resiliency and managing risk exposure. Our aim is to reduce any adverse environmental and social impact of our operations while playing a role in betterment of the communities we operate in through investment of our capital and human effort.

To achieve our goals and meet our commitments, we have embedded several approaches into 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.

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 pre-emptively avoiding risks 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 identified the top five UN Sustainable Development Goals ("UN SDGs") which are most applicable to our business. We re-examined the top five UN SDGs through consultation with stakeholders in FY2022; there was no change in the top 5 choices and the results are detailed on page 63.

SUSTAINABILITY GOVERNANCE

The Manager's Board oversees the SC and has an overall responsibility over the sustainability policy. This involves ensuring integration and alignment of ESG policies and procedures to the overarching business strategy as well as regular monitoring of the sustainability performance. This allows the SC to integrate sustainability initiatives in the formulation of the Manager's sustainability agenda.

Moving forward from FY2022, the SC will also ensure incorporation of environmental risk considerations in investment research, portfolio construction, risk management and stewardship practices. It will also be responsible for establishing internal escalation processes for identifying and managing environmental risks.

ENVIRONMENTAL RISK MANAGEMENT

The Manager's sustainability strategy consists of risk management and long-term value creation. We have integrated sustainability into our overall business strategy and daily operations by regularly reviewing policies, reporting compliance levels, preventing breaches, identifying and monitoring operational performance such as the energy and water consumption at our properties.

In consideration of environmental risk arising from our operations, we have updated our enterprise risk management framework to include identification and mitigation of environmental risks. This is aligned with the Monetary Authority of Singapore Environmental Risk Management Guidelines ("MAS ENRM Guidelines") for Asset Managers that were released back in December 2020. The MAS ENRM Guidelines were drafted based on the Task Force on Climate-related Financial Disclosures ("TCFD") framework and recommendations, which focus on assessment and pricing of climate-related risks and opportunities. We will seek to further develop our approach to environmental risk management in line with best practices, to be both well prepared in the event that such risks do occur and affect our operations and be sensitive to the opportunities available.

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

Our commitment to promoting sustainability extends across our supply chain, where we identify and manage risks in our outsourcing and procurement practices. AA REIT has a supply chain of approximately 240 active suppliers, including facility managers, maintenance service providers, contractors, professional consultants, and financial institutions based mainly in Singapore.

In line with our sustainability efforts, we endeavour to ensure that appropriate sustainability measures are implemented across our value chain. This includes appropriate risk management procedures for outsourcing and procurement of goods and services. Key criteria include reputation, professional expertise, track record, pricing, financial standing and compliance with legal requirements in the selection process for suppliers. At least three quotes for a procurement are obtained wherever applicable and feasible. In the case for substantial contract sums, a pre-qualification and tender process would be conducted. The supplier that fulfils the necessary criteria would be awarded the tender accordingly.

We strive to continually implement policies that facilitate sustainability throughout the supply chain. With regard to key suppliers, they would also be encouraged to adopt best sustainability practices which includes implementing energy-efficient features in upcoming asset enhancement initiatives going forward.

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 the 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 delivered to over 80 stakeholders, we have identified five SDGs that are most applicable to our business and the impact we create for our stakeholders. The results were the same as when we first conducted this exercise in FY2020, just with a different ranking. The table below documents these SDGs in the order of priority from highest to lowest.

Ranking	SDG	Description	GRI Indicators
1	 3 GOOD HEALTH AND WELL-BEING	Good health and well-being: Ensure healthy lives and promote well-being for all at all ages	403-1 to 403-9 413-1
2	 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable	302-1 303-5 305-1 to 305-3
3	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	302-1 303-5 305-1 to 305-3
4	 7 AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy: Ensure access to affordable, reliable, sustainable and modern energy for all	302-1
5	 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	201-1 404-1

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

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

The Manager's stakeholder engagement process is centred around discovering the interests of stakeholders and keeping them at the forefront of business planning and strategy. We cultivate stakeholder relationships through open and transparent two-way communications. We then integrate their feedback into our sustainability strategy, influencing our choice of material ESG topics and disclosure areas. The stakeholders we engage directly with are identified based on importance, representation, responsibility, dependency and proximity to AA REIT's business.

Our stakeholder's views and opinions are of utmost importance to us and therefore we continuously look for ways to enhance our communication channels. The following table details the interactions we currently maintain with our key stakeholders.

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 	<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 ESG-related issues. A comprehensive set of material ESG indicators assessed and disclosed in this report highlights the priorities we have identified concerning specific issues.

We conduct a materiality assessment on a biennial basis and update the material topics regularly. In FY2022, the Manager and its external consultant had conducted a comprehensive stakeholder engagement process involving delivery of a stakeholder engagement survey to over 80 stakeholders. The results were analysed and consolidated by the SC, the Manager and the external consultant to identify and prioritise the management and disclosure of ESG-related issues. We have mapped the selected materiality issues to our top five UN SDGs on page 63 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 and Effluents	303-5 Water consumption	
	Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	
Social 	Occupational Health and Safety	403-1 Occupational health and safety management system	Within organisation and tenants
		403-2 Hazard identification, risk assessment, and incident investigation	
		403-3 Occupational health services	
		403-4 Worker participation, consultation and communication on occupational health and safety	
403-5 Worker training on occupational health and safety			
403-9 Work-related injuries			
Training and Education	404-1 Average hours of training per year per employee	Within organisation	
Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	External stakeholder groups	

SUSTAINABILITY REPORT

ECONOMIC

Economic Performance

GRI 201-1

The Manager purposes to deliver sustainable financial returns for stakeholders alongside pursuing sustainability across business operations. This is essential in addressing the needs of stakeholders and is perceived as a sign of true success. For detailed information regarding our economic performance, please view the Financial Statement section of our Annual Report, found on pages 145 to 232.

Anti-corruption

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

The Manager is committed to upholding integrity and ethical standards in the conduct of business, adopting a zero-tolerance policy against bribery, fraud, embezzlement and other forms of corrupt activities. We endeavour to maintain the highest standards of corporate governance and this commitment will go a long way in upholding our reputation and retaining the trust of stakeholders that we have built over the years.

OUR APPROACH

We have established a Code of Conduct that governs business dealings with customers, suppliers and all employees of the Manager. The Code of Conduct sets out guidelines on gifts and entertainment, conflicts of interest, compliance with applicable laws, dealing in securities and misuse of confidential information.

On top of that, we have a whistleblowing policy that provides a safe channel for stakeholders to report alleged corruption, unethical practices, conflicts of interest and other improprieties.

We remain committed to cultivating a culture of strong ethical behaviour, while embodying the core values and foundational principles that govern management of the business. All new employees undergo anti-corruption awareness training and familiarisation with the Code of Conduct as part of the orientation and onboarding process. In-house anti-corruption awareness training is also conducted on a regular basis so employees understand and are reminded of the ethical standards expected of them.

FY2022 PERFORMANCE

We measure the success of our anti-corruption efforts by the number of corruption incidents, with our target always being zero instances. In FY2022, we achieved our goal of zero instances of corrupt activities.

FY2023 TARGET

Ethical business is one of the core values of the Manager. Going forward, the Manager will continue to uphold the highest ethical standards in business dealings and maintain its corruption-free track record, through continuous anti-corruption awareness trainings for employees. We expect all employees to uphold the highest standards of integrity, accountability and corporate governance in the conduct of business.

ENVIRONMENT

In fulfilling our duty as a responsible corporate citizen, the Manager understands that sustainable management of business operations is essential. We believe that organisations especially should take the lead in pursuing sustainable practices, as their influence on the environment and society is much greater than individuals. One such example is where we had obtained approval for electronic communications from our Unitholders to stop sending out hardcopies of our Annual Reports to Unitholders unless requested. This meets their expectations of favouring sustainable practices which reduce consumption. Furthermore, the FY2022 Annual Report is printed with FSC paper, in support of the practice of sustainable forestry worldwide. We also continue to provide a digital archive of our past Annual Reports on our corporate website, subsequent to our Initial Public Offering in 2007.

Our commitment to environmental sustainability is evident in our property portfolio.

As of 31 March 2022, more than half of AA REIT's Singapore portfolio by net lettable area is Building and Construction Authority ("BCA") Green Mark compliant and we will continue to strive for formal Green Mark certifications for our relevant existing portfolio assets.

This year, 1A International Business Park was awarded the BCA Green Mark Gold Award for Existing Non-Residential Buildings. This is our third asset that has been awarded the BCA Green Mark Certification, with our other two assets being NorthTech and 3 Tuas Avenue 2. Another property in Australia – Optus Centre in Macquarie Park, New South Wales – also maintained a NABERS Energy Base Building Rating of 5 stars and NABERS Water Rating of 3.5 stars.

As a leading listed real estate organisation, we recognise the need to respond to climate change and resource scarcity. We are in a position of influence and responsibility to effectively support the Singapore Government's sustainable development framework, and are committed to our own sustainable development journey of creating economic and social value while simultaneously reducing our environmental footprint.

Energy

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

The Manager recognises that conducting business in a sustainable manner goes a long way in enhancing long-term value and ensuring business continuity. Climate change is one of the most pressing global issues impacting corporates and individuals alike, and the Manager believes in being part of the solution through the practice of sustainable resource consumption.

Under the Paris Agreement in December 2015, Singapore has pledged to reduce its emissions by 36% by 2030 compared to 2005 levels. We will continue to do our part in helping Singapore achieve its 2030 targets by incorporating energy-efficient practices in our business operations and consistently enhancing our operational efficiency.

OUR APPROACH

Our approach to improving energy efficiency is guided by our commitment to reduce energy consumption in the most cost-efficient manner possible. We integrate energy reduction technologies into our buildings and continue to monitor the effectiveness of our investments in sustainable building upgrades, such as the use of Light-Emitting Diode (“LED”) lights in the common areas at our properties. We are exploring other energy-saving technologies and practices such as installing solar panels at selected properties. In addition, it is imperative to take an active approach in upgrading existing equipment to achieve greater energy efficiency. To measure our sustainability performance, we also actively participate in the annual GRESB assessment, which serves as an independent benchmark to provide a consistent and effective way of communicating the sustainability performance against our peers.

FY2022 PERFORMANCE

The scope of our energy consumption data and performance covers 19 out of 29 properties in our portfolio, over which we have operational control (FY2021: AA REIT had operational control over 20 out of 28 properties in its portfolio).

The total consumption for FY2022 was 9,198,850 kWh for the 19 properties based in Singapore, which represented a 23% increase in consumption from FY2021. Our electricity supply was from non-renewable power generation sources, with the data derived from actual billings. The following graph below shows the total energy consumption in FY2022 by month for the common areas (building services, corridors and perimeter lighting) :



Total energy consumption for properties under operational control (kWh)

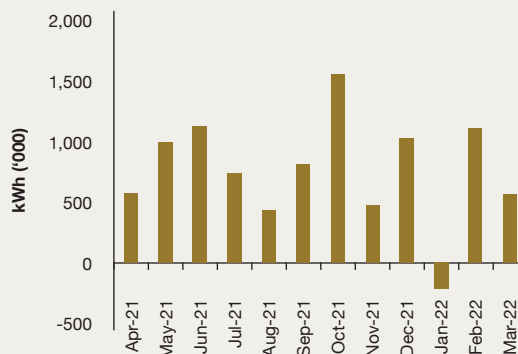


Figure 1: Energy consumption by month.¹

Total energy consumption by year (kWh)

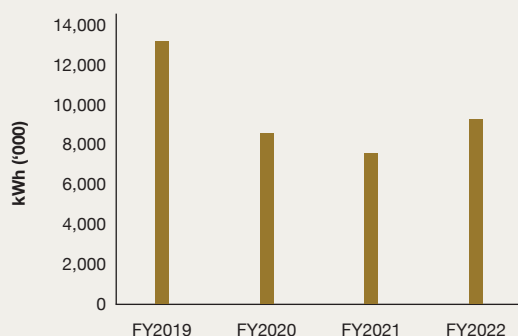


Figure 2: Total energy consumption by year.

The effectiveness of this approach is assessed through measurable year-on-year progress of our energy-efficient practices. The increase in energy consumption compared to the previous year was due to the relaxation of restrictions and resumption of close to pre-pandemic levels of activity during FY2022.

We are committed to reducing energy consumption given our belief in taking less from the environment by providing our customers with efficient facilities; we conscientiously work towards making our new projects and existing properties in our portfolio more energy efficient whenever the opportunity arises. In this regard, we target to recertify BCA Green Mark Gold Plus for 7 Bulim Street, having obtained it for 1A International Business Park in FY2022.

¹ Negative figures represent billing adjustments for over-billings in prior periods

SUSTAINABILITY REPORT

FY2023 TARGET

We are dedicated to investing in our new projects and existing properties to improve their energy efficiency in more sophisticated ways where possible. Going forward, we will explore integrating sustainable design features into our business operations in our bid to play a part and contribute to the global effort of tackling climate change and support Singapore’s sustainability agenda.

Water

GRI 103-1 | 103-2 | 103-3 | 303-5

Water consumption is poised to be an increasingly material aspect in the property sector due to global and national water resource trends. We are committed to optimising water consumption for our properties, ensuring that AA REIT remains competitive as water becomes an increasingly scarce resource. In line with our strategy, we track our water consumption and analyse usage patterns in an effort to identify opportunities to improve water efficiency.



OUR APPROACH

We track water consumption of the properties in AA REIT’s portfolio over which we have operational control. Based on findings, the Manager actively identifies and implements water conservation opportunities such as water-saving features in newly developed properties. This is further complemented with increasing awareness amongst employees with regard to their daily habitual best practices. This potentially translates into utility bill savings for our customers.

FY2022 PERFORMANCE

For the 19 Singapore-based properties over which we have operational control, the total volume consumed in FY2022 was 193,678 cubic metres, which represented a 27% decrease in consumption from FY2021. We measured the total volume of water consumed for our Singapore operations where only municipal water was utilised, and the data was derived from actual billings. The graph below shows the total water consumption in FY2022 by month:

Total water consumption for properties under operational control (m³)

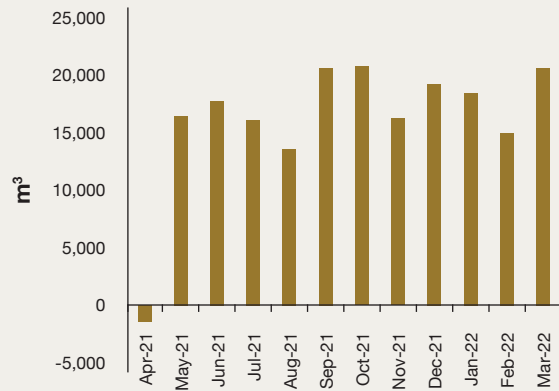


Figure 3: Water consumption by month²

Total water consumption by year (m³)

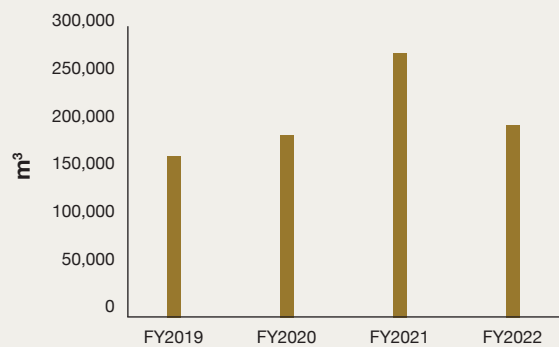


Figure 4: Total water consumption by year

In addition to tracking and monitoring improvements, we are a Public Utilities Board (“PUB”) Friends of Water steward. In the near term, we will continue to build on our long-term ambition with a commitment to progressively achieve PUB’s Water Efficient Building (“WEB”) certification for all eligible buildings in our portfolio.

FY2023 TARGET

We strive to remain an active advocator of water conservation in the Singapore REIT sector. As part of our strategy, we continue to measure and evaluate the long-term sustainability of our water performance data and identify new water-efficiency opportunities within our portfolio and new developments. We will continue to evaluate our property portfolio for potential improvement works that will lead to enhanced water-savings and reduced consumption, for the good of our environment.

² Negative figures represent billing adjustments for over-billings in prior periods

Emissions

GRI 103-1 | 103-2 | 103-3 | 305-1 | 305-2 | 305-3

Carbon emissions is a pressing topic in the media and on the minds of corporates in this day and age. The focus on reducing emissions to curb the speed and magnitude of climate change spurs us to be more conscious about cutting such emissions where we can, which must first begin with accurate measurement of emissions present in our value chain.

While we have not measured our emissions in the past, we have recently engaged a sustainability consultant to undertake a carbon emission baseline study and gap analysis with a view to develop our sustainability framework in alignment with Singapore Green Plan 2030. This initiative is currently ongoing and we will make an announcement on its material development.

Subsequently, we target to accurately measure and disclose our Scope 1 and 2 emissions in the medium-term with a view to include Scope 3 emissions once we have the capabilities in place. This will allow us to effectively identify, analyse and curb emissions in our value chain for a healthier environment.

SOCIAL

Our greatest asset is our people, key to our long-term growth and advancement of the business. We have come a long way since the Initial Public Offering in 2007, having undergone expansion made possible by the invaluable contributions of our staff. We are committed to building and maintaining a workplace that is safe, fair and engaging for all our employees.

Despite the diverse background and experiences of our employees, we share a common pride of being part of an organisation that can make a positive difference in society. We believe in treating employees as critical stakeholders and recognising their contributions by continuously investing in their overall growth. This will boost employee morale and productivity, and inculcate an inclusive and productive environment that remains a key driver of the business.



Occupational Health and Safety

GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-9



In recognising that our employees are key assets for the continued success of the organisation, we are committed to providing a safe working environment for our employees so that they remain productive and fully engaged. This was especially crucial during the pandemic in FY2022, which had shown us the importance of business continuity and business resilience. Beyond just physical safety, we also look out for overall well-being, implementing various initiatives that focus on enhancing awareness and nurturing well-being. During the pandemic, we also implemented safe workplace arrangements according to the prevailing government COVID-19 regulations.

OUR APPROACH

We strive to ensure the safety and health of employees in the workplace to promote a pleasant workplace environment. The OHS Committee, which was established in FY2017, is responsible for managing and initiating OHS activities including the constant review of occupational health and safety standards, implementing appropriate work practice control measures and keeping staff abreast of regulatory updates.

Our OHS Committee comprises members from all departments within the organisation to ensure an appropriate representation in formulating OHS processes and policies. As of 31 March 2022, our OHS Committee comprised five members and represented approximately 13% of our workforce. It holds regular meetings to review the OHS initiatives of the previous quarter and planning for the subsequent quarter.

We continually instil safety awareness in our employees through education and monitoring to protect employees from potential hazardous situations and promote well-being in the workplace. We also have in place a Business Continuity Plan to maintain and implement business continuity and emergency planning. During the pandemic, such risk assessment initiatives were carried out to implement safe distancing management for our employees.

SUSTAINABILITY REPORT

Our health and safety management practice focuses on identification and elimination of hazards and minimization of risks. In the event of a crisis, we have an emergency plan of action in place as laid out in our Business Continuity Plan. We also form units for emergency tasks and execute emergency drills on a yearly basis, reviewing the results for further improvement. Risk assessments are carried out with the goal of reducing risks related to occupational safety and health, as well as preventing accidents. It is a method of finding potential dangers or harmful elements in the workplace.

AA REIT maintains the confidentiality of every worker's personal health-related information and respects workers' rights to privacy. Their participation in any occupational health services and the data collected from such activities are not used for any favourable or unfavourable treatment.

FY2022 PERFORMANCE

The effectiveness of our OHS management is measured by the instances of avoidable OHS incidents, with our target always being zero instances. In FY2022, we achieved our goal of zero instances of OHS incidents. We take on a proactive approach in identifying and diagnosing work-related hazards through the conduct of routine inspections at our properties and the day-to-day operations of contractors and tenants.

FY2023 TARGET

In keeping a safe, happy and healthy work environment, we will continue to monitor our OHS performance and annually review our employee safety and well-being practices. This is in accordance with the Workplace Safety and Health Act, which requires all workplaces to conduct a risk assessment for each work activity and the processes carried out at workplaces. We will aim to enhance employee engagement for future initiatives and work towards the continual goal of achieving a safe and incident-free workplace.

Training and Education

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



We believe that our employees are key assets and nurturing their personal and professional development is essential for the continued successful partnerships. With our talent management efforts to develop and cultivate employee engagement, innovation, commitment and alignment with AA REIT's corporate objectives, we remain committed to nurturing our employees by providing equal opportunities for growth and development, so as to enable our employees to thrive in an inclusive workplace.

OUR APPROACH

We strive to create an enriching and engaging work environment that is conducive for talent development. During the pandemic in FY2022, we ensured that all employees are still able to continue to acquire new skills and knowledge through relevant learning and training programmes through digital and virtual methods. We believe that our employees' growth is critical for adapting to new opportunities and building business resilience for the organisation. An engaged and cohesive workforce in an inclusive workplace provides for a conducive environment for a growing partnership.

We believe that developing the skills and competencies of our employees is critical to our success and we are committed to investing in the holistic talent development of our employees. Our training programmes comprise of continuing professional development to keep updated on the REIT industry, regulatory framework as well as skills relevant to their respective areas of responsibilities. Our employees' competencies are further supported by the conduct of regular performance evaluations to identify areas for further coaching and to align their developmental needs.

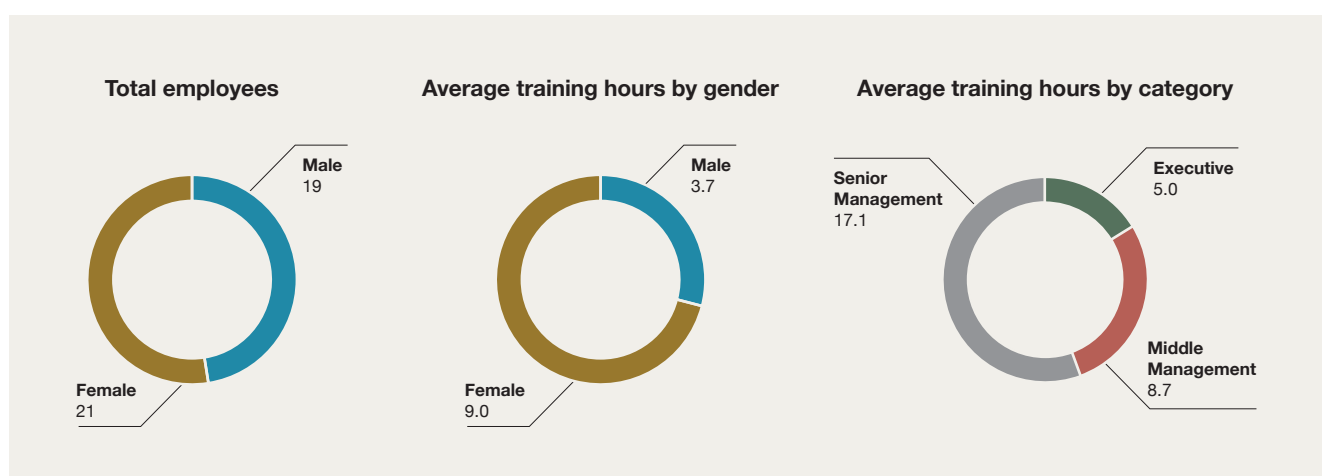
Onboarding of new employees are also conducted to ensure governance and risk management. Employees are also educated on the importance of ESG and corporate citizenship, promoting a culture where sustainability is an important consideration in the conduct of our business operations.

We ensure the principles of decent work and fair employment practices and have a zero tolerance of any workplace discrimination. We have in place a Whistle Blowing Policy to provide a channel through which employees may report in good faith and in confidence any concerns in financial and other matters and arrangements are in place for independent investigation with appropriate follow-up action.

FY2022 PERFORMANCE

The effectiveness of our training and education programmes is measured in hours of training received by each employee.

During the reporting period of FY2022, we have provided a total of around 259 training hours for all our employees which consisted of the topics stated above, with each employee receiving an average of about 6.5 training hours. The decrease in the average training hours was mainly due to a significant increase in the number of staff in the middle of FY2022. Despite the ongoing COVID-19 situation and restrictions on in-person trainings, we provided online webinars and courses to ensure that employees continue to have access to training programmes. The effectiveness of our training and education programmes is monitored and measured by reviewing the training hours received by each employee.



FY2023 TARGET

We continue to target pre-COVID-19 average training hours of at least 26 hours per employee per annum in the next financial year. Going forward, we remain committed in facilitating employee development that aligns with the long-term interests of the organisation and each individual.

SUSTAINABILITY REPORT

COMMUNITY ENGAGEMENT

GRI 103-1 | 103-2 | 103-3 | 413-1



OUR COMMUNITY

As a socially responsible corporate organisation, we aim to make positive impacts on our local community by committing time and resources towards its prosperity and development. Corporate Social Responsibility (“CSR”) is infused in our foundational principles and core values. We encourage our employees to actively take part in our organisation’s regular community and volunteering events to nurture the spirit of volunteerism.

In FY2022, The Manager continued its partnership with Engineering Good, a non-profit organisation that empowers inclusivity for disadvantaged and vulnerable communities through sustainable engineering and technology solutions. We donated used laptops which would be refurbished by Engineering Good and distributed to known disadvantaged communities such as Family Service Centres beneficiaries.

Furthermore, we also proudly partnered with The Food Bank Singapore and Thye Hua Kwan Moral Charities (THK Family Service Centre @ Jurong) in FY2022. We donated and packed daily essential bundles which groups of our employees directly delivered to underprivileged households in the vicinity of Jurong. We aim to continue our outreach efforts by partnering with The Food Bank Singapore in FY2023.

With the Singapore government easing island-wide safe management measures, we will continue to encourage all our employees to actively participate in targeted CSR activities for FY2023.



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") 2021

November 2021

AA REIT was ranked joint-16th in the fifth edition of Governance Index for Trusts 2021 for its good governance and low business risk. GIFT assesses governance and business risk of 45 real estate investment trusts and business trusts listed on SGX. 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.

BUILDING AND CONSTRUCTION AUTHORITY ("BCA") GREEN MARK

January 2022

1A International Business Park was awarded the Building and Construction Authority's Green Mark Gold Award for Existing Non-Residential Buildings. This is our third asset that has been awarded the BCA Green Mark Certification, with our other two assets being NorthTech and 3 Tuas Avenue 2.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI STANDARD	Disclosures	Chapter / Remarks	Omission	
GRI 102: General Disclosures 2016	ORGANISATIONAL PROFILE			
	102-1	Name of the organisation	About this Report	
	102-2	Activities, brands, products, and services	Industrial real estate management	
	102-3	Location of headquarters	Corporate Directory	
	102-4	Location of operations	About AIMS APAC REIT	
	102-5	Ownership and legal form	About AIMS APAC REIT	
	102-6	Markets served	About AIMS APAC REIT	
	102-7	Scale of the organisation	Social – Training and Education	
	102-8	Information on employees and other workers	Social – Training and Education	
	102-9	Supply chain	Sustainability Management at AA REIT – Sustainability across the supply chain	
	102-10	Significant changes to organisation and its supply chain	No changes	
	102-11	Precautionary Principle or approach	Sustainability Management at AA REIT	
	102-12	External initiatives	Sustainability Management at AA REIT	
	102-13	Membership of associations	About AIMS APAC REIT – Memberships and Associations	
	STRATEGY			
	102-14	Statement from senior decision-maker	Sustainability Board Statement	
	ETHICS AND INTEGRITY			
	102-16	Values, principles, standards, and norms of behaviour	Economic – Anti-corruption	
	GOVERNANCE			
	102-18	Governance structure	Sustainability Management at AA REIT – Sustainability governance	
	STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups	Stakeholder Engagement	
	102-41	Collective bargaining agreements		Not Applicable as we don't have trade unions.
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	
102-43	Approach to stakeholder engagement	Stakeholder Engagement		
102-44	Key topics and concerns raised	Stakeholder Engagement		

GRI STANDARD	Disclosures		Chapter / Remarks	Omission
REPORTING PRACTICE				
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Wholly Owned Subsidiaries: AACI REIT MTN Pte. Ltd. AACI REIT Opera Pte. Ltd. AA REIT (Alexandra) Pte. Ltd. AA REIT Alexandra Trust AIMS APAC REIT (Australia) Trust AA REIT Macquarie Park Investment Trust AA REIT Australia Trust (QLD) Burleigh Heads Trust AA REIT Australia Trust (NSW) Bella Vista Trust Joint Venture: Macquarie Park Trust	
	102-46	Defining report content and topic Boundaries	About this Report	
	102-47	List of material topics	Materiality Assessment	
	102-48	Restatements of information	There are no restatements of information	
	102-49	Changes in reporting	There are no reportable changes in FY2022 sustainability report	
	102-50	Reporting period	About this Report	
	102-51	Date of the most recent report	July 2021	
	102-52	Reporting cycle	About this Report	
	102-53	Contact point for questions regarding the report	About this Report	
	102-54	Claims of reporting in accordance with GRI Standards	About this Report	
	102-55	GRI content index	GRI Content Index	
	102-56	External assurance	About this Report	
	MATERIAL TOPICS			
CATEGORY: ECONOMIC				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report – Chairman’s Statement	
	103-2	The management approach and its components	Annual Report – Chairman’s Statement	
	103-3	Evaluation of the management approach	Annual Report – Chairman’s Statement	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report – Financial Statements	

SUSTAINABILITY REPORT

GRI STANDARD	Disclosures		Chapter / Remarks	Omission
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic – Anti-corruption	
	103-2	The management approach and its components	Economic – Anti-corruption	
	103-3	Evaluation of the management approach	Economic – Anti-corruption	
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Economic – Anti-corruption	
CATEGORY: ENVIRONMENT				
SUB-CATEGORY: ENERGY				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment – Energy	
	103-2	The management approach and its components	Environment – Energy	
	103-3	Evaluation of the management approach	Environment – Energy	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Environment – Energy	
SUB-CATEGORY: WATER				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment – Water	
	103-2	The management approach and its components	Environment – Water	
	103-3	Evaluation of the management approach	Environment – Water	
GRI 303: Water and Effluents 2018	303-5	Interactions with water as a shared resource	Environment – Water	
SUB-CATEGORY: EMISSIONS				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment – Emissions	
	103-2	The management approach and its components	Environment – Emissions	
	103-3	Evaluation of the management approach	Environment – Emissions	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environment – Emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	Environment – Emissions	
	305-3	Other indirect (Scope 3) GHG emissions	Environment – Emissions	

GRI STANDARD	Disclosures	Chapter / Remarks	Omission
CATEGORY: SOCIAL			
SUB-CATEGORY: OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Social – Occupational Health and Safety
	103-2	The management approach and its components	Social – Occupational Health and Safety
	103-3	Evaluation of the management approach	Social – Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Social – Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Social – Occupational Health and Safety
	403-3	Occupational health services	Social – Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Social – Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Social – Occupational Health and Safety
	403-9	Work-related injuries	Social – Occupational Health and Safety
SUB-CATEGORY: TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Social – Training and Education
	103-2	The management approach and its components	Social – Training and Education
	103-3	Evaluation of the management approach	Social – Training and Education
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social – Training and Education
SUB-CATEGORY: LOCAL COMMUNITIES			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community Engagement
	103-2	The management approach and its components	Community Engagement
	103-3	Evaluation of the management approach	Community Engagement
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement