

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 delighted to publish our fifth annual Sustainability Report. The scope of the report covers our environmental, social and governance (“ESG”) performance, management approach and initiatives for the financial period 1 April 2020 to 31 March 2021 (“FY2021”) for all the properties owned by AA REIT at our headquarter, Singapore.

The report has been developed 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. This report focuses on the key ESG issues material to AA REIT based on their potential to affect our business and our operational impact on them.

We have not sought external independent assurance for this annual sustainability report. All questions, comments and feedback related to the FY2021 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 FY2021. To view our previous sustainability reports, please visit our corporate website at:

www.aimsapacreit.com

ABOUT AIMS APAC REIT

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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) 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 “Units”).

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (“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.

Our operations are based in Singapore and New South Wales & Queensland, Australia, with Singapore accounting for 84% gross rental income. The Trust serves tenants operating in the industrial sector, which includes (but not limited to): manufacturing, warehousing and distribution activities, 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

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. AIMS APAC REIT Management Limited is also a member of REIT Association of Singapore (REITAS).



SUSTAINABILITY BOARD STATEMENT

GRI 102-14

The Board of the Manager understands that conducting business responsibly is crucial to ensuring long-term growth, value creation, and operational longevity. We are committed to serving the best interests of our stakeholders and create long-term sustainable business strategy.

In order to achieve this, we had established a Sustainability Council ("SC") in 2017. It is led by principal executives across different functions and headed by the Board. The Council is responsible for identifying sustainability risks, opportunities and initiatives as well as monitoring our performance against targets and goals.

The Manager ensures effective sustainability management through periodic reviews and performance measures. In FY2021, 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.

AA REIT has been an active participant in the annual Global Real Estate Sustainability Benchmark ("GRESB") assessment since 2014 to maintain our standard of engagement with our stakeholders. We realise that as ESG factors become a key investment criteria for our institutional investors, independent ratings such as GRESB provide a consistent means of communicating our sustainability performance.

ENVIRONMENTAL

FY2021 was an exceptional year as our operations were impacted by the COVID-19 pandemic. The Manager reemphasised the importance of sustainability as part of our business continuity plan. As such, our energy consumption has shown a significant decline while water consumption has increased as compared to last year. However, we do recognise this year is not an accurate representation of our year-on-year performance. We will continue to implement initiatives to optimise resource management and improve our performance.

SOCIAL

The well-being of our employees is our main priority and we took several proactive measures to ensure their safety during the COVID-19 pandemic. We proactively introduced telecommuting and flexible work arrangements for all our employees. Social distancing practices were set up for those commuting to work along with provision of face masks and sanitisers.

Despite the challenging year, we provided them with training and development opportunities so as to not let the pandemic affect their career development. 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 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 FY2021 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 contributing to Singapore's national sustainable development framework and agenda. We believe preserving the environment and natural resources is both our personal and professional responsibility. To fulfil our duty as a responsible corporate citizen, we have set long-term sustainability goals to ensure business continuity through creating a positive economic, environmental and social impact.

Sustainability is an essential part of our strategy to achieve our business objective of delivering long-term value for stakeholders, maintaining business resiliency, and managing risks. Our aim is to reduce any adverse environmental and social impact of our operations while invest in betterment of the communities we operate in.

To achieve our goals 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. 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.

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 preemptively 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. This is reflected and detailed in the summary of the selected UN SDGs on page 61.

SUSTAINABILITY GOVERNANCE

The Manager's Board oversees the Sustainability Council ("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.

The Sustainability Steering Committee ("SSC") and the Operational Health and Safety ("OHS") Committee are the respective subcomponents of the SC which support the functions of the SC. Being purpose-driven, the role of the OHS is to address health and safety concerns in the workplace while the SSC's responsibility is to incorporate, implement and execute sustainable practices at the operational level. With the drive to embed sustainability into the organisation, the SSC is responsible for the implementation and integration of specific sustainable practices at the operational level.

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 280 active suppliers, including a facility manager, 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 considerations 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.

Moving forward, we will 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 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 SDGs in the order of priority from highest to lowest.

SDG	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 303-3
	Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	302-1 and 303-3
	Good health and well-being: Ensure healthy lives and promote well-being for all at all ages	403-1 to 403-8
	Affordable and clean energy: Ensure access to affordable, reliable, sustainable and modern energy for all	302-1

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

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

The Manager's stakeholder engagement process is centred around keeping the interests of stakeholders at the forefront of business planning. We cultivate stakeholder relationships through open and transparent two-way communications. This helps us in understanding their perspectives and concerns on the sustainability impacts from and on our business operations. We then integrate their feedbacks into our sustainability strategy and disclosures. The stakeholders we engage directly with are identified based on importance,

representation, responsibility, dependency and proximity to AA REIT's business.

The survey feedbacks and insights help us assess and prioritise material issues, identify gaps in our sustainability performance and areas for improvement in our sustainability disclosures. Our stakeholders' views and opinions are of utmost importance to us and therefore we continuously look for ways to enhance our communication channels.

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.

We conduct a materiality assessment on a biennial basis and update the material topics regularly. In FY2020, the Manager and its external consultant had conducted a comprehensive stakeholder engagement process. In addition to that, a peer benchmarking analysis was conducted against comparable listed industrial REITs. The results were analysed and consolidated by the SC, the Manager, and the external consultant to identify and prioritise the management of ESG issues.

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	303-3 Water withdrawal by source	
Social 	Occupational Health and Safety	403-8 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

SUSTAINABILITY REPORT

ECONOMIC

Anti-corruption

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

The Manager holds itself to high standards of integrity and ethics in the conduct of business. We adopt a zero-tolerance stance towards bribery, fraud, embezzlement and any other forms of corrupt practices. We remain committed to upholding high standards of corporate governance, so as to preserve our reputation and retain stakeholders' trust.

OUR APPROACH

Our Code of Conduct sets out clear rules on anti-corruption, and defines guidelines and procedures for business dealings with customers, suppliers and all employees of the Manager. These include gifts and entertainment, conflicts of interest, compliance with applicable laws, dealing in securities and misuse of confidential information.

We also have in place a whistleblowing policy, with appropriate channels for stakeholders to report unethical practices, conflicts of interest and other improprieties.

The Manager is committed to promoting a strong ethical culture among our employees, underpinned by the core values and

foundational principles that drive our business. To ensure that this culture is cultivated, all new employees would undergo a mandatory anti-corruption training and familiarisation with the Code of Conduct as part of the orientation and onboarding process. In-house anti-corruption awareness exercises are also conducted so that our employees are reminded of the high ethical standards expected of them.

FY2021 PERFORMANCE

As testament to the success of our anti-corruption efforts, we have achieved zero instances of corrupt practices in FY2021.

FY2022 TARGET

Ethical business is one of the core values of The Manager and going forward, we target to maintain our record of zero corruption incidents in FY2022. Through the continued anti-corruption awareness trainings for our employees, we seek to uphold the high standards of integrity, accountability and corporate governance in the conduct of business.



103 Defu Lane 10, Singapore

ENVIRONMENT

As a responsible corporate citizen, we seek to minimise the impact of our operations on the environment. We believe that organisations should take the lead in pursuing sustainable practices. We had obtained approval for electronic communications from our Unitholders, and in meeting their expectations of favouring sustainable practices, we have stopped sending out hardcopies of our Annual Reports to Unitholders unless requested. In addition, the FY2021 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 2021, half of AA REIT's Singapore portfolio by net lettable area is BCA Green Mark compliant and we will continue to strive for formal Green Mark certifications for our relevant existing portfolio assets. 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.

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 responsibility to support the Singapore Government's sustainable development framework and will take a long-term approach in our sustainable development journey by creating economic and social value, while 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 responsible corporate citizenship.

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 while minimising impact on our communities. 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 of our properties. Motion detectors for exit staircases and toilets are potential areas to explore as well. 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 annual GRESB assessments, which help us understand where we stand among our peers and the areas for improvements.



SUSTAINABILITY REPORT

FY2021 PERFORMANCE

The scope of our energy consumption data and performance covers 20 out of 28 properties in our portfolio, over which we have operational control (FY2020: AA REIT had operational control over 19 out of 27 properties in its portfolio).

For the 20 out of 28 properties in our portfolio which we have operational control, we monitor our energy consumption. The total consumption for FY2021 was 7,470,488 kWh for the 20 properties based in Singapore. 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 FY2021 by month for the common areas (building services, corridors and perimeter lighting) of these properties:

Total energy consumption for properties under operational control (kWh)

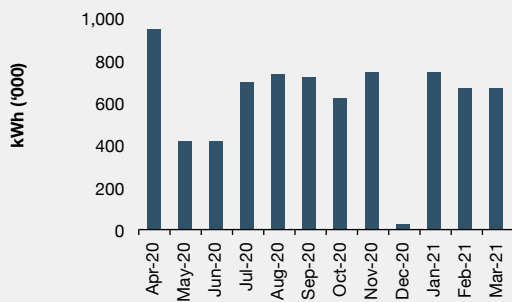


Figure 1: Energy consumption by month.¹

The effectiveness of this approach is assessed through measurable year-on-year progress of our energy-efficient practices. The FY2021 energy consumption was low due to COVID-19 pandemic disruptions.

We are taking action in tackling energy consumptions given our belief in providing our customers with efficient facilities and would 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 for 1A International Business Park and 7 Bulim Street.

Total energy consumption by year (kWh)

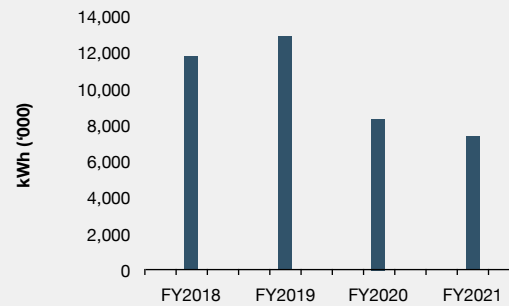


Figure 2: Total energy consumption by year.

FY2022 TARGET

We are committed to investing in our new projects and existing properties to improve their energy efficiency. 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 achieve the goal of the Paris Agreement.

¹ During the Circuit Breaker in 2020, the meter reading was based on estimated consumption for the months of May and June. The two months have the same energy consumption value as we have taken an average of the readings for the two months.

Water

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

The Manager recognises that adopting an integrated approach for managing resources brings about business and environmental gains for our customers. Water consumption is poised to be an increasingly material aspect in the REIT sector due to global and national water resource trends. Therefore, 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 consumption patterns in an effort to identify opportunities to improve water efficiency and yield substantial usage savings.



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 its 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 bills savings for our customers.

FY2021 PERFORMANCE

We measure the total volume of water consumed for our Singapore operations where only municipal water was utilised. For the 20 Singapore-based properties, over which we have operational control, the total volume consumed in FY2021 was 266,385 cubic metres. This data was derived from actual billings. The graph below shows the total water consumption in FY2021 by month:

Total water consumption for properties under operational control

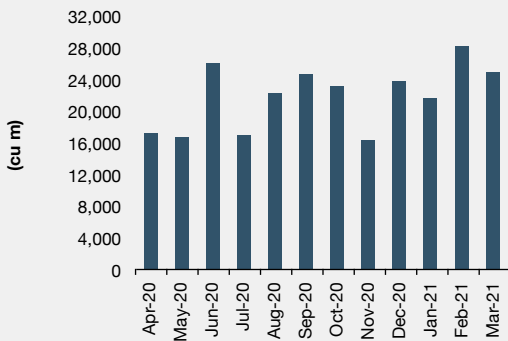


Figure 3: Water consumption by month.

Total water consumption by year

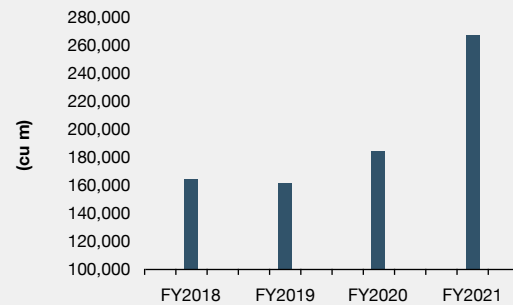


Figure 4: Total water consumption by year.

SUSTAINABILITY REPORT

The efficacy of such efforts is evaluated based on measured improvement in water efficiency data and measurable progress towards our goals. There was approximately 45% increase in water consumption from last year mainly due to conversion of 1A International Business Park and 30 Tuas West Road into multi-tenanted properties under our operational control in second half FY2020. As such, in FY2020 the data corresponded to partial year for these two properties, compared to a full year of recorded data for FY2021.

In addition to tracking and monitoring improvements, we are a Public Utilities Board (“PUB”) Friend of Water Steward. In FY2021, we obtained PUB’s Water Efficient Building (“WEB”) certification for 10 Changi South Lane after its completion of upgrading works in December 2020. The Manager would continue evaluate the portfolio for potential improvement works for an enhanced sustainable impact on our community.

FY2022 TARGET

We will strive to continue being an active advocator of water conservation in the Singapore REIT sector. As part of our strategy, we will continue to measure and evaluate the long-term sustainability of our water performance data and identify new water-efficient practices within our portfolio and new developments. In this regard, we have embarked on a pilot project with Internet of Things (“IoT”) capabilities to effect pre-emptive toilet maintenance and leak detection. In the near term, we will continue to build on our long-term ambition with a commitment to progressively achieve WEB certification for all eligible buildings in AA REIT’s portfolio; just like we did in FY2021 for our property at 10 Changi South Lane.



10 Changi South Lane, Singapore

SOCIAL

Our employees are vital assets to our organisation and we aim to forge a longstanding positive relationship with them to build a closely-knit workplace culture. Our business has come a long way since the Initial Public Offering in 2007, having undergone expansion made possible by the invaluable contributions of our staff. We believe that this relationship should go both ways and we have rendered support to staff by allocating adequate resources for them to grow holistically.

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 | 403-6 | 403-7 | 403-8



We endeavour to develop an employee-friendly environment that enables employees to fulfil their potential and takes work-life balance into account, as promoting employee health is one of our corporate responsibilities. We support skills development for all levels with training opportunities to better understand their roles and duties. We are committed to facilitating a safe working environment for all our employees, going beyond just employees' physical safety but also encompassing overall well-being. We implement various initiatives that focus on raising awareness, implementing best practices and eliminating hazards to avoid OHS incidents.

OUR APPROACH

We strive to ensure the safety and health of employees in the workplace, and, beyond that, to promote a pleasant workplace environment. The OHS Committee is working to strengthen our occupational health and safety management system, including appropriate education and training. The OHS Committee holds regular meetings to review the OHS initiatives of the previous quarter and planning for the subsequent quarter.

Since FY2017, the OHS Committee has been actively spearheading various initiatives at the organisational level, including the review of occupational health and safety

standards, implementation of appropriate work practice control measures, while also providing regulatory updates to our staff. We evaluate our OHS management effectiveness by measuring the number of avoidable incidents, with the goal of zero incidents. As at 31 March 2021, our OHS Committee comprised five members from various departments and represented approximately 23% of our workforce. Our OHS Committee comprises members from all departments within the organisation to ensure an appropriate representation in formulating OHS processes and policies.

Employees are regularly briefed on workplace safety through the conduct of risk awareness workshops that are based on a risk management framework to identify potential workplace hazards, evaluating the risk levels and implementation of control measures taken to mitigate such risks. All staff have been trained to identify potential hazards to the OHS Committee to continually improve the safety of our operations.

We constantly review the processes and gather feedback to continually improve our workplace safety standards. We have in place a whistleblowing policy, with appropriate channels for employees to report work-related safety breaches. Employees attend safety briefings to be discerning about safety matters and are free to exercise their discretion to remove themselves from situations that compromises their safety. Work-related incidents are investigated by the property or project manager in-charge, identifying operational gaps and putting in place stepped up prevention measures.

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 a goal of reducing risks related to occupational safety and health, and to prevent 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.

SUSTAINABILITY REPORT

FY2021 INITIATIVES

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.

During the COVID-19 pandemic in FY2021, the OHS Committee supported employees in the combat against the global pandemic. In ensuring workplace safety and well-being of our staff, social distancing measures were set up in the workplace, with face masks and sanitisers issued to employees as well. We also established working arrangements that were in accordance with regulatory guidelines. Telecommuting was implemented throughout the year, including during the Circuit Breaker period, with restrictions to the number of staff allowed to work in office per week.

We will continue to monitor the COVID-19 situation and adjust our workplace headcount accordingly in line with the government's regulations.

FY2022 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 invaluable assets and investing in their personal and professional development is essential for the continued success of the business. With the objective of boosting employee engagement, motivation, commitment and affiliation to AA REIT, we are committed to nurturing our employees by providing equal opportunities for growth and development, so as to bring out the best of their abilities.

OUR APPROACH

We strive to create an enriching and engaging work environment that is conducive for career development and spurs employees' conviction towards continuous upgrading. All employees are engaged in learning and development programmes as we believe that their long-term growth is synonymous with our own. Above all, creating an inclusive and cohesive workplace that nurtures and respects all is also important to us.

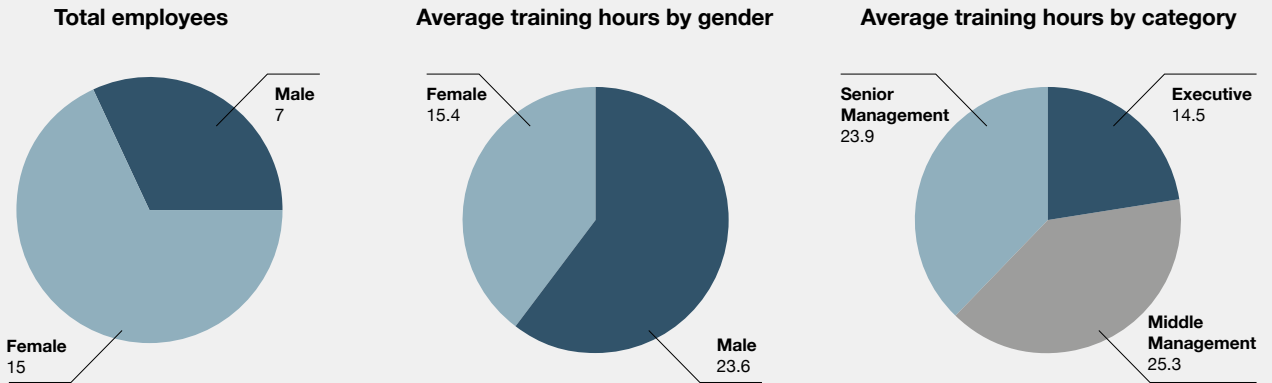
We believe that building the competencies of our employees is critical to our success and we are committed to investing in the holistic development of our people. Our training programmes comprise of internal and external talks, seminars, webinars, and courses, covering topics such as finance, governance, regulatory updates, leadership, safety, ethics, and skills development. Employees are provided the tools to take control of their professional development, through the conduct of regular performance evaluations to identify strengths to leverage upon, as well as continuous areas for improvement. Alongside on-the-job training.

Employees are also consistently educated on the importance of ESG and corporate citizenship, promoting a culture where sustainability is an important consideration in the conduct of work.

FY2021 PERFORMANCE

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

During the reporting period of FY2021, we have provided a total of around 400 training hours for all our employees which consisted of the topics stated above, with each employee receiving at least 18 training hours per annum. 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.



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

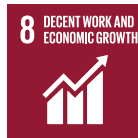
FY2022 TARGET

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 interest of the organisation.

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 applicable legal and regulatory requirements such as the 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.

OUR APPROACH

The Manager recognises that non-compliance to regulatory requirements would erode stakeholders’ confidence and as such, we adopt a zero-tolerance stance on any wilful breaches of applicable laws and regulations. To safeguard stakeholders’ interests, we have implemented robust internal frameworks to ensure compliance with relevant laws and regulations. We take an active role in monitoring our compliance policies and procedures to ensure that they are aligned with prevailing regulatory requirements and that our operations abide to these requirements.

We have an Enterprise Risk Management (“ERM”) framework in place, comprising of regular compliance updates through checklists and reports that enable the identification of

compliance issues for mitigation steps to be taken. The ERM framework establishes the process of identifying compliance issues, assessing, and potentially mitigate the threat of material risks.

Additionally, all employees are required to strictly adhere to guidelines outlined in the Code of Conduct to ensure compliance organisation-wide.

FY2021 PERFORMANCE

In FY2021, AA REIT was recognised for its high corporate governance standards. It was ranked third in the fourth edition of Governance Index For Trusts (“GIFT”) 2020 out of 45 real estate investment trusts and business trusts listed on SGX, and remains in the SGX Fast Track programme by the SGX RegCo, affirming our high corporate governance standards and good compliance track record.

We did not incur any significant fines or non-monetary sanctions for non-compliance with relevant operational laws and regulations during FY2021.

FY2022 TARGET

The Manager will continue to comply with all applicable laws and regulations, uphold high standards of governance in our business operations and seek to maintain zero incidents of non-compliance in the next reporting period. This will be achieved through regular updates to respective operational teams on the applicable regulatory requirements.

SUSTAINABILITY REPORT

COMMUNITY ENGAGEMENT

OUR COMMUNITY

As responsible corporate citizens, we aim to leave a positive impression in our community by committing time and resources towards its betterment. Corporate Social Responsibility (“CSR”) is instilled within our foundational principles and core values. We encourage the spirit of volunteerism and actively encourage our employees to take part in our regular community and volunteering events.

The Manager launched its CSR initiative in FY2017 where we adopted Voluntary Welfare Organisations (“VWOs”) in Singapore. We believe that all seniors can lead their lives with dignity and remain integrated within the community. We continued to support XiSer CareServe 喜舍苑 (“XiSer”) as our adopted VWO in FY2021. XiSer is a step-down care facility caring

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 of time. Due to the COVID-19 safety restriction on visits and interactions with residents, instead of direct interaction we have instead purchased various medical care equipment for the benefit of residents during FY2021.

The Manager also donated used laptops to Engineering Good, a non-profit organisation that refurbishes used laptops to be given to Family Service Centres and Ministry of Education beneficiaries during the period of Home-Based Learning when laptops were in high demand by disadvantaged communities. Until COVID-19 curtailment measures are lifted, the Manager will commit to our CSR initiatives where we can continue to make an effective impact to the community in other ways that remain compliant with the guidelines set out, such as making in-kind donations.



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”) 2020 October 2020

AA REIT was **ranked third in the fourth edition of GIFT 2020** where the governance and business risk of 45 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 2020 December 2020

For the fourth consecutive year, AA REIT was awarded the **Gold Awards in Corporate Governance, Social Responsibility and Investor Relations at The Asset ESG Corporate Awards 2020**, in recognition of the Manager’s continued commitment to upholding high standards of Corporate Governance, Social Responsibility, and Investor Relations.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standard	Disclosures	Chapter/ Page Number(s)	Omission
GRI 102: General Disclosures 2016	ORGANISATIONAL PROFILE		
	102-1	Name of the organisation	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 New South Wales & Queensland, Australia
	102-5	Ownership and legal form	29, 58, 149
	102-6	Markets served	116-121
	102-7	Scale of the organisation	14-16, 70-71, 116-129
	102-8	Information on employees and other workers	70-71
	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	58
	102-13	Membership of associations	58
	STRATEGY		
	102-14	Statement from senior decision-maker	59
	ETHICS AND INTEGRITY		
	102-16	Values, principles, standards, and norms of behaviour	34-57
	GOVERNANCE		
	102-18	Governance structure	60
	STAKEHOLDER ENGAGEMENT		
	102-40	List of stakeholder groups	62
	102-41	Collective bargaining agreements	Not Applicable as we don't 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	

GRI Standard	Disclosures		Chapter/ Page Number(s)	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. AIMS APAC REIT (Australia) Trust AA REIT Macquarie Park Investment Trust AA REIT Australia Trust (QLD) Burleigh Heads Trust AA REIT Alexandra Trust AA REIT (Alexandra) Pte Ltd Joint Venture: Macquarie Park Trust	
	102-46	Defining report content and topic Boundaries	58 and 63	
	102-47	List of material topics	63	
	102-48	Restatements of information	There are no restatements of information.	
	102-49	Changes in reporting	There are no reportable changes in FY2021 sustainability report.	
	102-50	Reporting period	58	
	102-51	Date of the most recent report	July 2020	
	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	
	MATERIAL TOPICS			
CATEGORY: ECONOMIC				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	6-13, 63	
	103-2	The management approach and its components	6-13, 63	
	103-3	Evaluation of the management approach	6-13, 63	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	137-208	

SUSTAINABILITY REPORT

GRI Standard	Disclosures		Chapter/ Page Number(s)	Omission
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, 65-68	
	103-2	The management approach and its components	65-68	
	103-3	Evaluation of the management approach	65-68	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	65-66	
SUB-CATEGORY: WATER				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	67-68	
	303-2	Management of water discharge related impacts	67-68	
	303-3	Water withdrawal	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, 69-71	
	102-2	The management approach and its components	69-71	
	103-3	Evaluation of the management approach	69-71	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	69-70	
	403-2	Hazard identification, risk assessment, and incident investigation	69-70	
	403-3	Occupational health services	69-70	
	403-4	Worker participation, consultation, and communication on occupational health and safety	69-70	

GRI Standard	Disclosures		Chapter/ Page Number(s)	Omission
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	69-70	
	403-6	Promotion of worker health	69-70	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69-70	
	403-8	Workers covered by an occupational health and safety management system	69-70	
SUB-CATEGORY: TRAINING AND EDUCATION				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	70-71	
SUB-CATEGORY: SOCIO-ECONOMIC COMPLIANCE				
GRI 419: Socio Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	71	