

Sustainability Report

OUR JOURNEY AND VALUES

GOVERNANCE AND ACCOUNTABILITY

As the Manager of A-REIT, AFM recognises the importance of being accountable to its stakeholders.

In FY12/13, the Manager embarked on a strategic approach towards sustainability with a view of building a strong foundation to address social and environmental issues alongside economic performance. These foundations involve identifying and managing risks proactively, having purpose-driven stakeholder engagements and maintaining focus on key material issues.

The business structure of A-REIT is an externally managed one. It is supported by a network of interdependent relationships overseen by the Manager. Subject to the approval of the Trustee, the core strategies of A-REIT are implemented by the Manager as well as its Property Manager. These relationships are formalised through comprehensive agreements to manage and service A-REIT's portfolio of properties and community of customers.

Recognising potential risks with this structure, the Manager established an Operational Risk Management Committee (the "ORMC") in late 2012. The ORMC is led by the Chairman of the Board and Independent Director, Mr Koh Soo Keong along with the Vice Chairman and Non-Executive Director, Ms Chong Siak Ching, Independent Director, Mr Chia Kim Huat, and Executive Director and AFM CEO, Mr Tan Ser Ping serving as committee members.

The ORMC was created to specifically manage operational risk and corporate disclosure risk within A-REIT. Specifically, these risks involve business transactions, technology infrastructure, human capital, and legal and regulatory compliance. The ORMC complements the existing Audit Committee which remains responsible for the entire risk management framework including internal controls. Both committees are overseen by the Board.

An important foundation to all these developments is the Manager's implementation of an Enterprise Risk Management ("ERM") framework. The Manager is guided by Ascendas Group's

ERM Manual to ensure consistent application of the framework across Ascendas Group's business units. The framework was developed in 2008 with reference to international standards such as AS/NZS 4360: 2004 and later validated using ISO31000: 2009.

The ERM framework provides guidance to the Manager on risk policies, risk governance structure, roles and responsibilities as well as the approach undertaken to implement ERM. The ERM process of aligning risk-taking activities to incorporate risk appetite, managing risk to acceptable levels following rigorous assessments and assigning risk responsibilities and accountabilities are fundamentals to building a robust corporate governance framework.

To ensure continued vigilance, the Manager and its supporting business units update and track risk registers, monitor and report on their relevant risks and controls on a quarterly basis. Meetings are conducted to discuss and deliberate on risk related subject-matter such as current and emerging risks issues, effectiveness and efficiency of existing internal controls, status of action plans for addressing risks, amongst others. These reports are submitted to the Audit Committee to inform them of any existing or developing risks that require their attention or action. In addition, as a compliance measure, risks owners are required to certify twice a year that the risk management process has been fully complied with. The risk management process involves identifying, analysing and evaluating new risks, addressing these risks, as well as monitoring and reviewing current risks if they remain applicable to the business.

Supporting the ERM framework is A-REIT's Business Continuity Management ("BCM") framework. Adopted from the Ascendas Group, the BCM builds resilience and capability by providing a systematic response to various threats or impacts to A-REIT's operations. The Manager maintains business continuity plans in areas such as IT disaster recovery, pandemic preparedness, emergency evacuation, and crisis management. The table below is an example of Ascendas Group's Business Continuity Plans. It provides details on the Business Continuity Plans and how they are applied to and managed for A-REIT.

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Figure 1. Example of Ascendas Group's Business Continuity Plans as applied to A-REIT business operations.

Plan	Emergencies/ Diasters	Type of Test	Frequency
Business Continuity Plan	<ul style="list-style-type: none"> Incident Management SARS BCP Pandemic BCP 	Walkthrough Test	Annually
Emergency Response Plan	<ul style="list-style-type: none"> Building Evacuation Power Failure Earthquakes Flood Bomb threat Toxic Leak or explosion 	Fire Drills Call-Test	Comply with Fire Safety Standards or equivalent regulation At least twice a year
IT Disaster Recovery Plan	Inaccessible data centre	IT Disaster recovery plan test with users of key IT applications	Annually
Crisis Communication Plan	<ul style="list-style-type: none"> Building Collapse damage Serious complaints from Government bodies Serious tenant complaints 	Walkthrough Test/Call-Tree Test/Simulation	Annually

Managing risks proactively involves ensuring legal compliance and anti-corruption policies and procedures are in place across A-REIT's operations. These demonstrate a clear "license to operate" to A-REIT's stakeholders.

Legal compliance involves both compliance with mandatory regulations and voluntary standards. These comprise environmental laws, health and safety standards, leasing service transactions and corporate governance regulations (interested party transactions, corruption, fair competition). The Manager noted only one incident of non-compliance in the financial year under review where there was a late notification of cessation of AFM's appointed representative to the Monetary Authority of Singapore by 3 days. This was due to an oversight in the staff exit process and Human Resource Department has since tightened the process. The Manager will continue to improve in its efforts to ensure legal compliance.

The Manager also implements an anti-corruption policy that covers the entire scope of A-REIT's operations. This policy is communicated to all staff through inductions and awareness campaigns and is accessible within Ascendas Group's internal web portal.

The Manager adopts a targeted training approach by providing anti-corruption training to staff members who hold critical roles, as identified in A-REIT's risk register.

For this financial year, a total of 44 management and 12 non-management positions were identified for the anti-corruption training, and all these 56 staff attended the training. The Manager is pleased to report that there have been no incidents of anti-corruption. Should there be any incidents that are brought to the Manager's attention, the Audit Committee shall oversee investigations and recommend disciplinary actions where necessary.

STAKEHOLDER ENGAGEMENT

The Manager recognises the importance of purposeful stakeholder engagements on sustainability issues. Starting end-2012, the Manager sought the assistance of an independent sustainability consultant to develop A-REIT's stakeholder engagement and materiality assessment process. Reference was made to AA1000 Stakeholder Engagement Standard (SES) (2011) with focus placed on adherence to AA1000 AccountAbility Principles (APS) (2008) and strategic planning.

The first step was to map stakeholder groups and take stock of existing stakeholder engagement activities. Rather than establishing new forms of stakeholder engagement specifically on sustainability issues, A-REIT seeks to integrate these discussions within existing engagements, wherever applicable.

Guided by the principle of inclusivity, the Manager defined its stakeholder groups into categories and subgroups to provide a granular picture of A-REIT's various relationships with stakeholders (See Figure 2).

Figure 2. A-REIT Stakeholder Map.

Stakeholder Category	Target audience
Employees	AFM Chairman and Board Members
	AFM Management Team
	AFM and Ascendas Group Employees
	New Recruits
	Potential Recruits
Investors	Past Employees
	Equity Shareholders
	Existing
	Former
	Potential
Customers	Debt Securities holders
	Existing
	Former
	Potential
	Trustee (i.e. HSBC Institutional Trust Services (Singapore) Ltd)
Suppliers	Existing Tenants
	Potential Tenants
	Past Tenants
Competitors	Property Management
	Property Development & Enhancement
	Potential Suppliers
	Professional Services Providers (i.e. Lawyers, Accountants, Tax Specialists)
	Banks and Lending Institutions
Regulators	Existing Competitors
	Potential Competitors
Local Communities	Government agencies
	Voluntary Standards Institutions (i.e. OHSAS 18001, LEED, etc)
Media	Communities near or adjacent to A-REIT properties
	Visitors and customers of A-REIT tenants
Non-Government Organisations	Country media agencies
	International media agencies
	Country-based groups (i.e. Singapore Green Building Council, etc)
	International Groups (i.e. WWF, etc)
	Industry Associations (i.e. FIABCI, APREA, SIAS, etc)

Figure 2.1. Means of Engagement with A-REIT Stakeholders.

Stakeholder Category	Example on Means of Engagement	Frequency
Employees	Enterprise risk and performance reviews	Quarterly
	Ascendas Group employee survey	Once every 2 years
	New staff inductions	Upon joining
Investors	Investor and media relations activities	Quarterly and upon request
Customers	Tenant satisfaction monitoring	Monthly, after each contact and annual survey
Suppliers	Supplier screening and review	Ad-Hoc (Project basis)
Competitors	Indirectly through customer service benchmarking	Annual review and on-going monitoring throughout the year
Regulators	Industry regulatory briefings and consultations	Ad-hoc
Local Communities	A-REIT website, public announcements	Ad-hoc
Media	Press conferences, press releases	Ad-hoc
Non-Government Organisations	Focus groups, consultation, benchmarking	At least once a year

Depending on the desired returns from the meetings, engagements with the various stakeholders vary in frequency and depth. For example, engagements with suppliers are typically ad-hoc and based on time-bound projects. Regular quarterly and annually face-to-face meetings are conducted for employee-management as well as investors-management interactions.

The Manager's interactions with stakeholders are focused around consistent themes in improving building performance, enhancing transparency, and demonstration of legal compliance. These drivers are strongly associated with the expectation of investors, employees, and customers of a sustainable business.

Moving forward, the Manager intends to enhance its current stakeholder engagement activities by increasing its focus on sustainability issues that are identified as material to the business operations.

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MATERIALITY ASSESSMENT

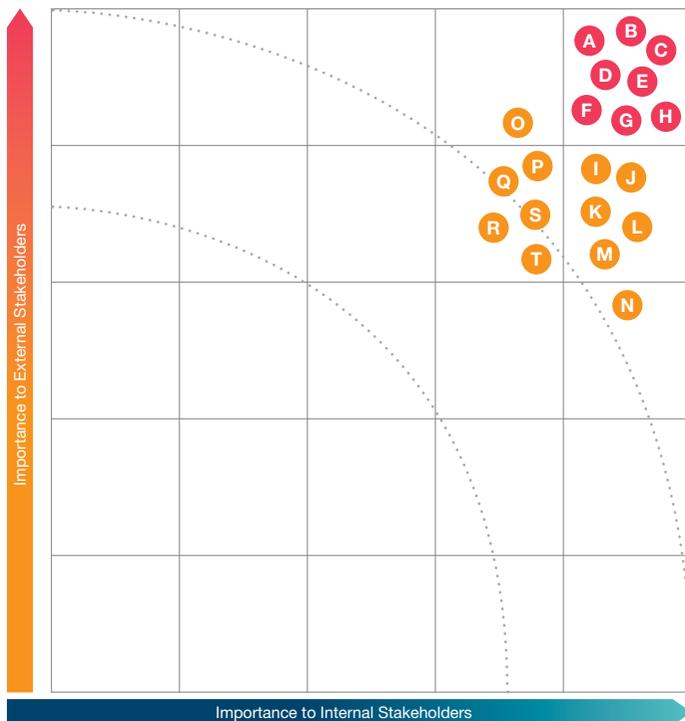


Figure 3. A-REIT Materiality Matrix.

Code	Material Issue
A	Energy conservation
B	Water conservation
C	Corruption and Bribery
D	Fair competition and Interested Party Transactions
E	Tenant satisfaction
F	Health and safety protection of general public and adjacent communities
G	Compliance to mandatory building regulations
H	Corporate governance compliance
I	Non-discrimination against race and gender
J	Contractor Health and Safety Protection
K	Security of properties
L	Business continuity
M	Succession planning
N	Staff well-being
O	GHG emissions
P	Use of refrigerants
Q	New developments in need of remediation before intended use
R	Existing properties that are in need of remediation
S	Inclusion of sustainability-themed criteria in staff performance reviews
T	Compliance to voluntary standards relating to building regulations

The Manager took steps to understand which social and environmental issues matter most to A-REIT and its stakeholders, otherwise known as materiality assessment. A material issue has the potential to affect the performance of A-REIT's business, and consequently, its stakeholders.

Guided by the AA1000APS (2008), a materiality assessment workshop was conducted in February 2013 to identify and prioritise material issues for A-REIT. The workshop was attended by decision-makers and key representatives from the Manager and Property Manager.

A total of 20 material issues were identified of which eight were given the highest priority as they are deemed to be most material to A-REIT's operations (See Figure 3). This sustainability report will be focusing on the performance disclosure of these eight key material issues.

A materiality matrix is a tool that visually represents the significance of an issue to both the Manager and its external stakeholders. Issues that are ranked high by both parties are deemed most critical to A-REIT's business operations.

Moving forward, the Manager will be reviewing these material issues on a periodic basis and stakeholders' feedback on these issues are welcomed. Future reviews will ensure a proactive response to stakeholder-specific matters and emerging issues.

ENVIRONMENTAL STEWARDSHIP

The Manager is committed to continuously improving the environmental performance of its portfolio. This section focuses on disclosure of two key material environment issues for A-REIT: energy efficiency and water conservation.

Environmental performance is reported based on operational control.

Within A-REIT's portfolio, 65% of the asset value are multi-tenanted properties and the remaining 35% being single-tenanted properties. For single-tenanted arrangements, the tenant typically assumes full operational and building management of the property including its environmental performance. As such, A-REIT has limited influence over the environmental performance of such properties.

For multi-tenanted properties, the Property Manager is responsible for daily operational management and building performance reporting. Submeters are installed in multi-tenanted A-REIT properties to separately account for energy and water consumed by the landlord and the tenant/s. A-REIT's environmental performance is measured by the landlord's energy and water consumption. These areas include A-REIT's offices located on site, common areas such as corridors and toilets, perimeter lighting and centralised building facilities. For leased space, the responsibility for energy and water conservation is assumed by the tenants.

The figure below illustrates the number of properties with reported environmental performance by the Property Manager.



Figure 4. Number of A-REIT Properties with reported environmental performance.

Energy Consumption

Energy consumption at A-REIT properties is mainly sourced from indirect energy, specifically electricity from local power producers. Over a three-year period, A-REIT properties saw an increase in electricity consumption. This can be attributed to the increase in the number of reported properties, from 61 in FY10/11 to 70 in FY12/13. There was also an increase in energy intensity from FY11/12 to FY12/13, but over the three year period, energy intensities remain below FY10/11 levels. Building energy intensity was computed based on the landlord's energy consumption over the total gross floor area of reported A-REIT properties. Energy intensity improvements over the three year period are attributed to various energy efficiency initiatives taken by the Manager based on periodic energy audit recommendations.

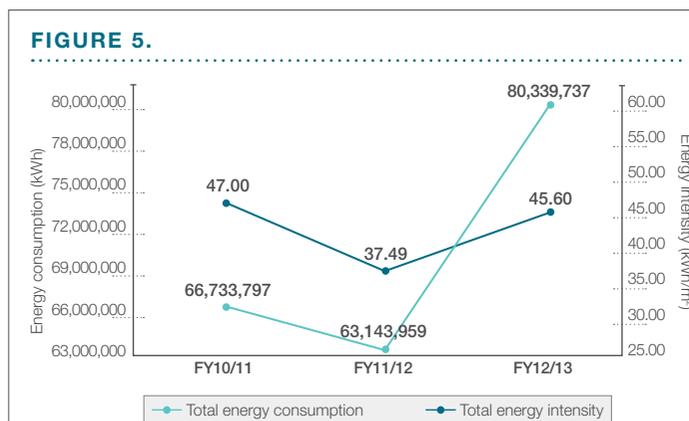


Figure 5. Total energy consumption and intensity figures of reported A-REIT properties.

The figure below provides detail on the relative contribution of each A-REIT portfolio to the total energy consumption, year on year. Warehouse Retail Facilities have no contribution as the properties under this segment are single-tenanted, and therefore outside of A-REIT's operational control.

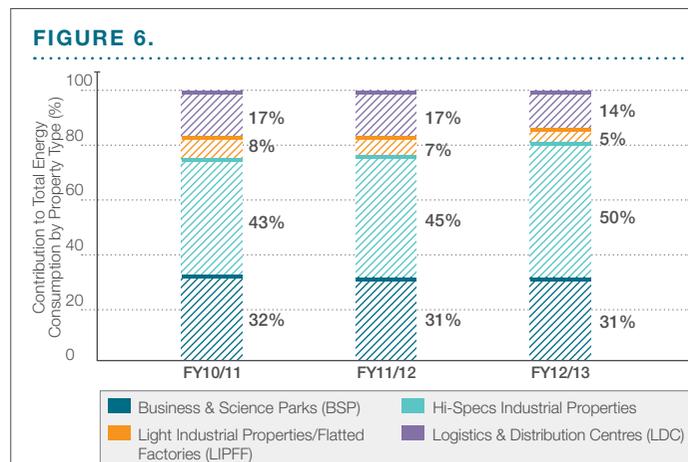


Figure 6. Percent contribution by property type to A-REIT's total energy consumption for each financial year.

Hi-Specs Industrial Properties are consistently the largest energy user across the group. Business and Science Parks has the second largest consumption of energy, while the consumption of the other segments varies over the years. This observation is consistent with the nature of operations under these portfolio types, as data centres and Hi-Specs Industrial Properties tend to be more energy intensive.

The Manager has implemented a number of energy efficiency initiatives over the last two to three years, and hence the decreasing trend in energy consumption. These projects include optimising existing chiller plants and replacing old systems with more advanced and efficient units. These initiatives are targeted mostly at Hi-Specs Industrial Properties as well as Business and Science Parks as these are typically the segments with higher energy consumption due to the space specifications and product offering.

Another initiative that leads to energy savings was the upgrading of lighting systems and installation of motion sensors. These initiatives were carried out across all A-REIT properties. Table 1 on page 84 provides a summary of energy savings contributed by the various initiatives as compared to the total energy consumption of the past three financial years.

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Table 1. Summary of A-REIT's energy efficiency initiatives.

A-REIT Energy Efficiency Initiatives		Unit of Measure	FY10/11	FY11/12	FY12/13
Number of reported A-REIT properties		number	61	66	70
Gross Floor Area (GFA) of reported A-REIT Properties		square meters	1,420,014	1,684,107	1,761,778
Total energy consumption		kWh	66,733,797	63,143,959	80,339,737
Energy Efficiency Initiatives	Air Conditioning/Chiller Plant Improvements	kWh	2,702,000	4,610,000	1,200,000
	Lighting Systems Upgrading and Motion Sensors Installation	kWh	1,116,600	471,700	-
Total Energy Savings		kWh	3,818,600	5,081,700	1,200,000

Water Consumption

All of the water consumed within A-REIT's properties is sourced from local water utility firms. Over a three-year period, there is an increase in building water consumption. The same upward trend is also observed for water intensity.

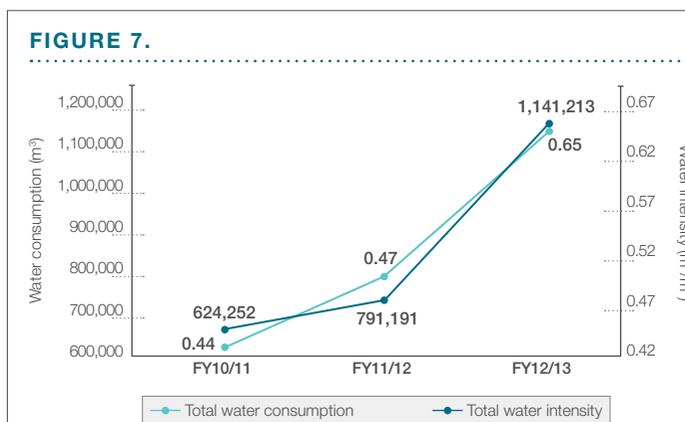


Figure 7. Total water consumption and intensity figures of reported A-REIT properties.

The rise in water consumption is in line with the overall increase in the average area occupied across A-REIT properties, as well as infrastructure improvements, specifically the upgrading from air-cooled to water-cooled chiller plant systems. Water-cooled systems offer higher energy efficiencies but with additional water requirements.

Figure 8 shows a 4% increase in the average area occupied over a three year period alongside the increase in total water consumption.

FIGURE 8.

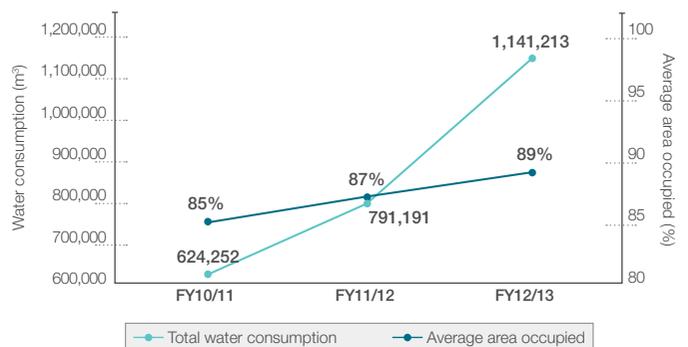


Figure 8. Total water consumption and average area occupied of reported A-REIT properties.

FIGURE 9.

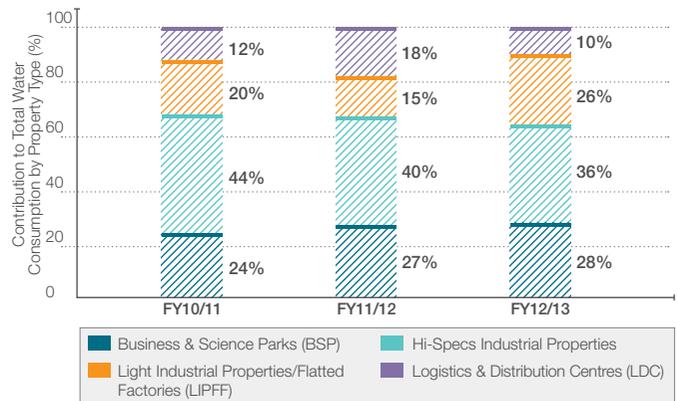


Figure 9. Percent contribution by property type to A-REIT's total water consumption for each financial year.

In terms of contribution of A-REIT portfolio segments towards total water consumption in each financial year, Hi-Specs Industrial Properties have the highest contribution followed by Business and Science Parks, Light Industrial Properties/Flatted Factories, and Logistics and Distribution Centres have lower water usage. Table 1 provides information on the number of reported properties and total gross floor area over the three year period.

Moving forward, the Manager will seek improvements in its operations to reduce water consumption, and explore other manners of reporting water intensity such as comparing consumption against tenant headcount or total headcount including visitors.

BUILDING RELATIONSHIPS

HUMAN CAPITAL

The Manager is committed to the development and well-being of its staff.

Performance and information presented in this section covers AFM staff only as they are recruited specifically for A-REIT operations. Staff of the Property Manager is reported under Ascendas Group's sustainability report, and are excluded from this section to avoid double-counting. Employee wages and benefits payable to the staff of the Manager are paid by the Manager and not by A-REIT.

Staff Numbers and Performance

Over a three-year period, the headcount in AFM increased from 30 to 56. This increase can be attributed to the growing number of properties owned by A-REIT, from 93 properties in FY10/11 to 102 in FY12/13. In addition, the transfer of the asset management and customer relationship management teams from the Property Manager to the Manager due to the streamlining of relationship management operations also contributed to AFM's staff strength.

Recruitment rates also increased in line with the growth in staff strength. AFM experienced the higher turnover rate in FY12/13 as compared to the earlier two financial years. One reason for this can be attributed to buoyant employment market which resulted in increasing competition for well trained and experience personnel. Being the first and largest business space and industrial REIT in Singapore, AFM employees possess industry specific skills sought after in today's tight labor market. However, there is little attrition at the leadership level. The Manager will continue to review its remuneration and benefits to stay competitive, retain and attract top talent.

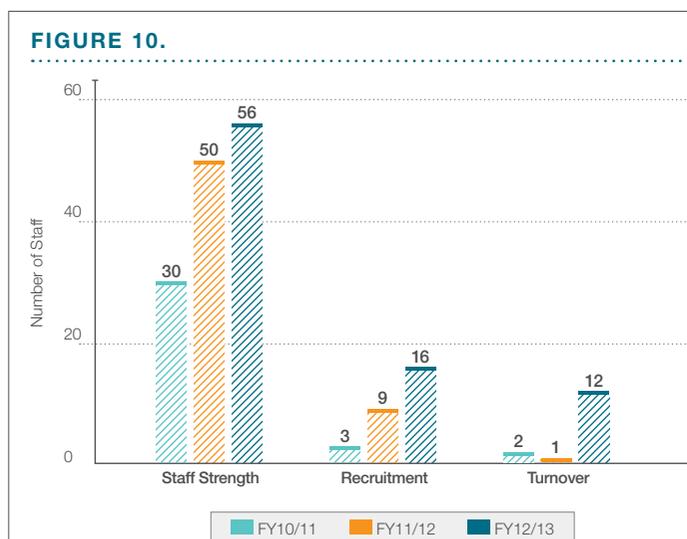


Figure 10. AFM Staff Strength, Recruitment and Turnover numbers.

Staff Diversity

The Manager recruits its staff based on merit and does not discriminate against gender, ethnicity, or age.

More than 90% of the Manager's staff is based in Singapore. The remaining staff is based in China and supported by locally hired staff. These figures are consistent with the distribution of A-REIT properties across Singapore and China.

In terms of staff age and gender, AFM employees mainly fall under the 30 to 49 year old range. The headcount is mainly made up of females with male numbers increasing steadily over the years.

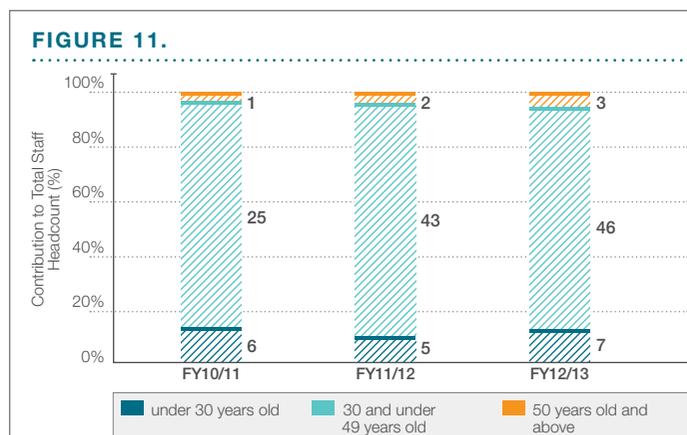


Figure 11. Percent composition of AFM employees by age group.

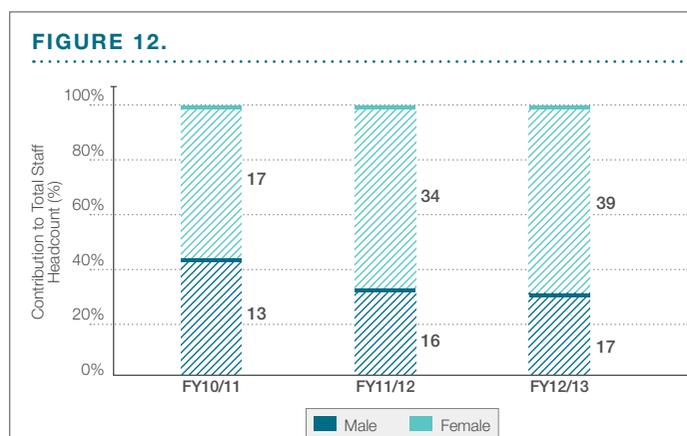


Figure 12. Percent composition of AFM employees by gender.

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Staff Training

The Manager supports training and development of its staff by way of formal training through courses and seminars as well as training through coaching and on the job exposure. In relation to formal training, the Manager, AFM holds a Capital Markets Service (“CMS”) License as governed by the Monetary Authority of Singapore. As a CMS License holder, AFM needs to maintain high levels of professional expertise and provide adequate training for its staff. Thus, AFM staff are required to undergo further training on REIT¹ management which includes Investment Management, Asset Management, Financing, and Investor Relations and Marketing.

The graphs below illustrate the training hours per employee by employee category and by gender. Training hours across employee category and gender varied over the three year period as training and development programs were dependent on the individual’s needs at any point in time. The Manager notes this observation and maintains its commitment towards staff development moving forward.

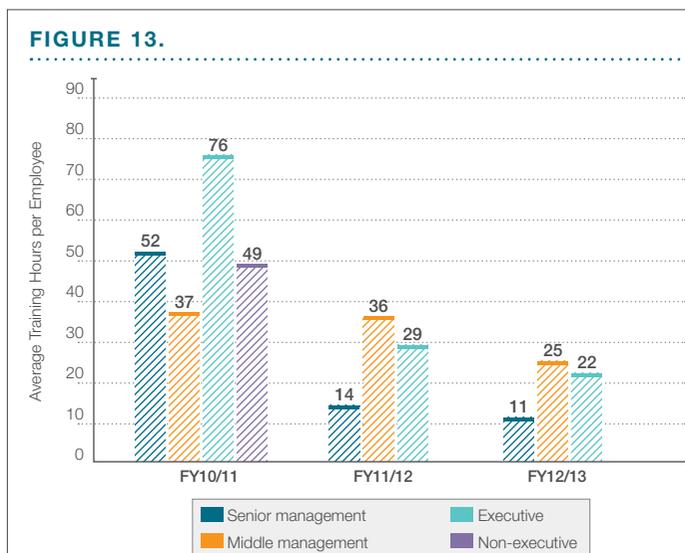


Figure 13. Average training hours per employee by employee category.

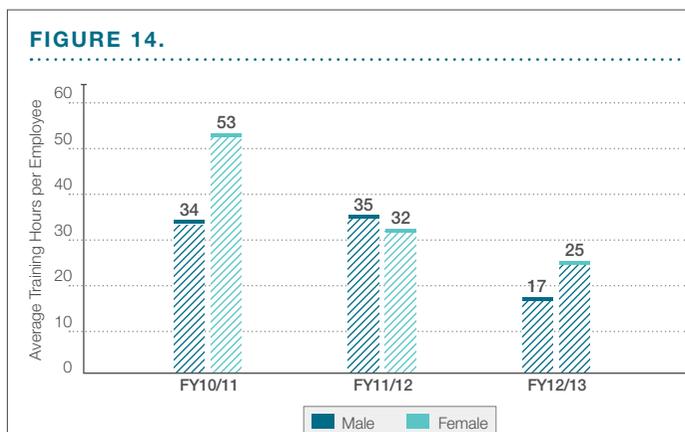


Figure 14. Average training hours per employee by gender.

Promoting Feedback and Engagement

The Manager supports employee feedback. Employee surveys are conducted every two years at the Ascendas Group level and are participated by all business units including AFM. Survey results are reported to management teams through service functions across business units to facilitate action plans on improvement points. Furthermore, performance appraisals are conducted annually between line manager and staff members to help employees plan their career and identify areas for mutual improvement.

The last employee survey was conducted in January 2012 by The Nielsen Company. Survey results for AFM revealed both areas of strength and weakness. The Manager was found to perform well in terms of company leadership, reputation and performance. On the other hand, matters involving the conduct of staff performance appraisals, career development and overall benefits were relatively weaker compared to other attributes. On a positive note, the survey revealed employee commitment as positive and above Asia Pacific Norms². It also revealed that 8 in 10 staff would recommend the Manager as an employer. The survey findings have been communicated to the management of AFM. Performance appraisals, career development and overall benefits have been acknowledged as focus areas for improvement.

In addition to employee surveys, the Manager is committed to promoting the holistic development and well-being of its staff. In FY12/13, AFM’s representative held the chairmanship of the Ascendas Group’s WOW Club. Catering to all staff of the Ascendas Group, the WOW Club aims to promote employee cohesiveness and teamwork, and enhance their health and well-being.

CUSTOMER FOCUS

As the Manager, AFM places great importance on addressing the needs of its customers – the Tenants. Tenants are looked after through the services of the Property Manager and the Customer Relationship management team that is directly employed by AFM.

The Property Manager and the Customer Relationship management team operate a number of initiatives to maintain close interaction with tenants and gather essential feedback for improvement. These include:

1. A call centre,
2. Face to face meetings and networking sessions,
3. An internal survey for newly joined tenants, and
4. An external survey conducted by a third party service provider, The Nielsen Company,

The call centre serves as a convenient and accessible point of contact for the Property Manager to receive feedback and take action on concerns raised by tenants. Face to face meetings serve the purpose of building relationships with existing and potential tenants. The internal survey aims to monitor performance of the

1. Real Estate Investment Trust

2. Asia Pacific Norms is a term used by The Nielsen Company to compare AFM’s performance with a defined population of Asia Pacific-based organisations.

Property Manager's frontline staff and the Customer Relationship management team in terms of product knowledge and customer service. Survey results are used as valuable inputs to staff performance reviews. Lastly, the external survey was commissioned to benchmark A-REIT's performance against its competitors.

The call centre's performance is tracked monthly and reported in terms of overall service levels and customer service ratings across A-REIT portfolio segments and A-REIT individual building. The Property Manager maintains a monthly target of at least 90% across three service indicators: response time, feedback acknowledgement, and case completion. Performance monitoring reveals that the target for response time was successfully achieved in FY12/13, with the exception of four months where it stayed above 80% but dipped slightly below the 90% target. The 90% target for all other aspects, i.e. feedback acknowledgement and case completion was achieved consistently throughout the year.

The Manager is pleased to report that in terms of customer service ratings, all four A-REIT asset portfolio segments reported above average customer satisfaction. A-REIT's fifth portfolio segment, Warehouse Retail Facilities, is not included in the customer service ratings as these facilities are single-tenant arrangements where full operation and building management responsibility is assumed by the tenants.



In terms of customer service ratings by individual building, results revealed above average ratings across all A-REIT buildings except for a handful of buildings with ratings reported as poor. The Property Manager maintains its commitment to customer service and has taken action on these cases. The Manager expects improvement in the next financial year.

On the external survey, the Property Manager follows the Customer eQ™ Model developed by The Nielsen Company. The model covers five important pillars: Property Management, Lease, Finance, Corporate Image and Marketing. To benchmark performance against competition in Singapore, an eQ™ Index is used. The norm was identified at 75 while Best In Class was defined at 92 out of 100. A-REIT's properties demonstrated a stable 74 as compared to its competitors in Singapore. A-REIT's

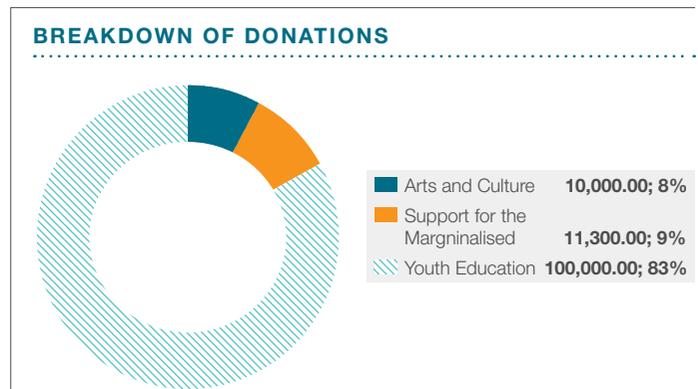
results showed that Finance contributed positively to the score while the Property Management pillar revealed areas for improvement.

Using these insights and feedback, the Manager maintains its commitment to ensuring high levels of customer service over the long term.

COMMUNITY INVOLVEMENT

Support for Charitable Causes

The Manager recognises its shared responsibility in supporting social causes. On behalf of A-REIT, the Manager contributed a total of S\$121,300 to charitable causes and institutions. The chart below provides a thematic breakdown of donations accorded to youth education, support for the marginalised and support for arts and culture.



The majority of A-REIT's donations were dedicated to youth education, specifically to the Straits Times School Pocket Money Fund. Support for Arts and Culture and Marginalised groups represented close to 20% of total donations. Singapore Chinese Orchestra was a recipient under the Arts and Culture theme. Singapore Children's Society, Methodist Welfare Services and Highpoint Community Services Association were among notable recipients for Marginalised groups such as troubled youth, special needs groups, the poor and ex-offenders.

Public Health and Safety

The Manager takes a proactive approach in safeguarding the health and safety of people using and visiting A-REIT's properties. Health and safety regulations in Singapore require the Property Manager to report work accidents involving members of the public.

Guided by its commitment to workplace safety and health excellence, the Property Manager embarked on OHSAS 18001 certification and was successfully awarded in February 2013. The health and safety management system required the setting of objectives and programs for continuous improvement. One key objective relating to public health and safety is the Property Manager's target of achieving zero reportable workplace-related incidents. To achieve this, a number of workplace programs were

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implemented covering the following areas:

1. Mandatory risk assessments prior to start of any work activity,
2. Periodic safety awareness training for employees,
3. Safety induction courses for new employees,
4. Mandatory undertaking of contractors on health and safety management systems
5. Ensuring contractors have at least BizSAFE Level 1 qualifications
6. Information campaigns through posters and visual aids at A-REIT properties.



ABOUT THIS REPORT

This report presents the steps taken by the Manager of A-REIT's towards establishing the foundations for a robust sustainability strategy across A-REIT's business. It covers events and information from 1 April 2012 to 31 March 2013 across A-REIT's 102 properties in Singapore and 1 property in China.

The Manager reports on A-REIT's performance in areas where it has control over the social and environmental issues. Any change in the scope and boundary is expressed in relevant sections of this report. The Manager strives to portray a comprehensive picture as much as possible on A-REIT's performance, and thus presented trend data wherever available in relevant sections.

The report contents were developed based on the external drivers identified by the Manager as keys to sustainable growth. These drivers involve improving building performance, enhancing transparency and demonstrating robust compliance to regulatory requirements.

Stakeholder engagement activities and material issues were assessed with guidance from AA1000APS and Global Reporting Initiative ("GRI") 3.1 reporting principles and the Construction and Real Estate Sector Supplement ("CRESS"). The Manager identified a number of material issues, and the most critical of these issues are presented in this report. This report endeavors to fulfil GRI 3.1 requirements under Application Level 'C'.

This report was also prepared for all A-REIT's stakeholders to encourage feedback to the Manager. The report contents focus on performance and approach to employees, investors, and customers as these groups significantly interact with A-REIT at legal, financial, and operational levels.

This sustainability report shall be produced annually to continuously engage A-REIT's stakeholders over the long term. The Manager welcomes your comments and please send any comments via email to: a-reit@ascendas-fms.com

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3.4	Contact point for questions regarding the report or its contents.	Fully	88
3.5	Process for defining report content.	Fully	80-81, 88
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	88
3.7	State any specific limitations on the scope or boundary of the report.	Fully	88
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	88
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	*
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	*
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	89-90
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	6-10, 79, 95-109
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	6-10
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	6-10
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	79, 85-86, 91-92
4.14	List of stakeholder groups engaged by the organisation.	Fully	80-81
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	80-81, 88

Note (*): Not Applicable; This is A-REIT's first sustainability report.

Sustainability Report

STANDARD DISCLOSURES PART III: Performance Indicators			
Economic			
Performance Indicator	Description	Reported	Page
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	85, 87, 115
ENVIRONMENTAL			
Energy			
EN4	Indirect energy consumption by primary source.	Fully	83
CRE1	Building energy intensity.	Fully	83
EN5	Energy saved due to conservation and efficiency improvements.	Fully	83-84
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	83-84
Water			
CRE2	Building water intensity.	Fully	84
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	80
Social: Labor Practices and Decent Work			
Employment			
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	85-86
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	86
SOCIAL: SOCIETY			
Corruption			
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	80
SO4	Actions taken in response to incidents of corruption.	Fully	80
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	80
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	80
SOCIAL: PRODUCT RESPONSIBILITY			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	86-87
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	80