

SUSTAINABILITY REPORT

ABOUT THE REPORT

A-REIT’s third annual sustainability report has been prepared in accordance with the Global Reporting Initiative (“GRI”) G4 guidelines – core option, and the GRI Construction and Real Estate Sector Supplement (“CRESS”). In this report, the Manager continues to track and develop A-REIT’s social and environmental accountability.

The report focuses on A-REIT’s core activity as a business space and industrial REIT, covering performance from 1 April 2014 to 31 March 2015. This includes the property segments of Business & Science Park Properties, High-Specifications Industrial Properties, Light Industrial Properties & Flatted Factories, and Logistics & Distribution Centres. Except for Aperia, which was acquired in August 2014, the Manager has excluded the two other properties under the Integrated Development, Amenities & Retail (“IDAR”) Properties segment from the scope of the report, as these properties are single-tenant and outside of A-REIT’s operational control. The Manager has also excluded The Kendall from the scope of the report, as it was acquired on 30 March 2015. As at 31 March 2015, A-REIT has 105 properties in Singapore and 2 in China.

The Manager has not sought external assurance for this reporting period. Please refer to page 44–45 of the annual report for a full list of A-REIT’s portfolio.

Significant Changes during the Reporting Period

In FY14/15, the Manager has reclassified its two Warehouse Retail Facilities under a new segment referred to as IDAR Properties. The newly acquired property, Aperia, is also included in this segment. There were several acquisitions and divestments during the year. Please refer to pages 31 to 33 of the Annual Report for details.

The Manager has broadened its expertise with the appointment of Mr. Ang Boon Peng as Head of Development Services and Mr. Sasidharan Nair as Head of Property Services. Their extensive experience will add value to A-REIT’s operational performance.

MATERIALITY ASSESSMENT

Identification of Material Issues

In February 2013, A-REIT conducted its first formal materiality assessment with key representatives from the Manager and the Property Manager. The process to identify and prioritise issues according to their significance to the business and external stakeholders was guided by the AA1000APS (2008) standard for stakeholder engagement. Figure 1 reflects the Materiality Matrix for the issues identified, as being material to A-REIT.

Figure 1: Materiality Matrix in FY12/13



Issues Determined to be Material from First Formal Assessment in FY12/13

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	Greenhouse gas (“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 has reviewed the issues, and together with the results of a customer satisfaction survey conducted in FY13/14, identified a list of top 5 priorities that are most material to A-REIT. Please refer to Table 1.

Table 1: Materiality Review in FY13/14

Top 5 Issues Surfacing from Subsequent Materiality Review in FY13/14
1 Security of properties
2 Security of information
3 Corruption and bribery
4 Compliance to mandatory building regulations
5 Health and safety protection of general public and adjacent communities

Mapping Material Sustainability Issues to GRI Aspects for Reporting

Building on the results of both assessments, the list of material issues are mapped against the GRI G4 aspects in Table 2. There are no significant changes to the business environment and the Manager expects the results of the materiality review to remain valid for FY14/15. Another formal materiality assessment will be conducted in the next reporting period.

Table 2: Materiality Reassessment

Material Sustainability Issues	GRI aspects
Security of properties	Customer health and safety
Security of information	Customer privacy
Corruption and bribery	Anti-corruption
Compliance to mandatory building regulations	Compliance
Health & safety protection of general public and adjacent communities	Customer health and safety, Occupational health and safety
Energy consumption	Energy
Water conservation	Water
Fair competition and Interested Party Transactions	Anti-competitive behavior
Tenant satisfaction	Product and service labeling
Corporate governance compliance	Compliance

STAKEHOLDERS' ENGAGEMENT

The Manager recognises the importance of engaging actively and regularly with its key stakeholders, to ensure they understand and be kept informed of A-REIT's approach in improving building performance, enhancing transparency, and demonstrating legal compliance. Over the past year, the Manager continued to supplement its efforts in stakeholder engagement through an emphasis on sustainability issues material to its business. The Manager's approach toward stakeholder engagement is summarised in Table 3 below.

Table 3: Mode of Engagement with Key Stakeholders

Stakeholder	Purpose and Goal	Means of Engagement	Frequency of Engagement
Tenants	Proactively engage existing and potential tenants through networking events and loyalty and tenant programmes	CEO night	Yearly
		Social networking events – e.g. Musical nights, movie nights, Wine & Cheese event	Ad-hoc
		Loyalty Recognition programmes	Throughout the year
		Healthy Lifestyle Programmes	Throughout the year
		Festive gifts	Throughout the year
Investment community (Including institutional and retail investors, analysts and the media)	Proactively engage the investment community through multiple channels of communication to ensure timely and transparent disclosures	One-on-one meetings and site visits	As and when requested
		Local and overseas investor conferences	Refer to "Investor Relations" on page 93 to 94 for more details
		Post results luncheon	Quarterly
		Results briefing	Twice a year
		Annual General Meeting	Once a year
Employees	Provide equal opportunities for employees to take ownership to develop their fullest potential, invest in enhancing employees' skills and knowledge and create a friendly workplace environment that promotes teamwork	Perception Study	Once a year
		Employee forum	Twice a year
		Team bonding session	Once a year
		Induction and orientation programme	Upon joining the Manager
		Training	Throughout the year
		Staff appraisal	Half yearly
Local communities	Build strong partnerships with the communities to fulfill the role of a good corporate citizen	Surveys	Ad-hoc
		Communications via intranet portal	Throughout the year
		Social and community activities	Ad-hoc
		Healthy lifestyle programmes	Throughout the year

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GOVERNANCE AND ACCOUNTABILITY

The Manager believes that effective corporate governance is critical to its performance as a manager of A-REIT. Its business conduct and practices across all A-REIT’s operations are guided by a robust and comprehensive corporate governance framework. The Manager’s core values of discipline and integrity form an integral part of this framework, as set out in the Ascendas Group’s suite of “Discipline & Conduct” policies. These policies that encompass areas such as conflict of interest, corruption and bribery, are published on the company’s intranet. They are also communicated to all staff at induction and through an annual refresher e-learning course. At least twice a year, training sessions on anti-money laundering are conducted for management and operational staff. Concerns of non-compliance, if any, may be raised through an independently managed whistleblowing hotline or online reporting channels (please refer to www.a-reit.com for further information). There were no conclusive cases of corruption or anti-competitive behaviour, and no reported cases of non-compliance with laws and regulations during the year.

Further details on corporate governance may be found on page 97 to 117.

HEALTH, SAFETY AND SECURITY

The Property Manager is committed to minimising risks, securing the safety, and protecting the health of all those impacted by A-REIT’s operations. This includes employees as well as A-REIT’s contractors, tenants and visitors. The Property Manager’s health and safety management system is certified to the international OHSAS 18001 Occupational Health and Safety System, the locally recognised BizSAFE Star, and the Bureau of Work Safety in China.

Workplace and Tenant Safety

Table 4: Workplace Safety Key Performance Indicators

Targets	Performance
Zero reportable workplace-related incidents for employees	● 2 incidents, resulting in a total of 70 lost days, for reasons explained on page 81
Zero cases of work-related back injuries and strains in employees caused by lifting operations	● Achieved

The Property Manager promotes a safety culture that has zero tolerance towards workplace injuries. A safety committee assumes responsibility for monitoring and improving the safety performance of A-REIT’s properties. 6 key activities are undertaken to ensure the prevention of ill health and injury, as well as compliance with prevailing laws and regulations:

Figure 2: 6 Key Safety Activities



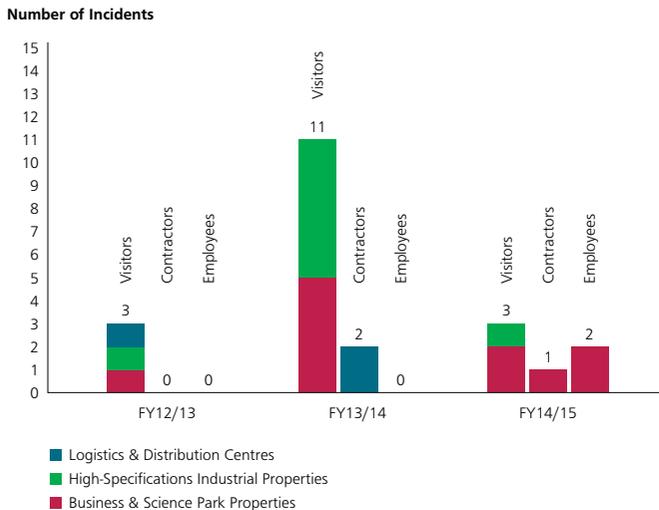
Standard operating procedures are also in place to respond to emergencies such as fire, explosion, and collapse of structure.

All employees, tenants and visitors can report any incidents at the properties to the building’s officers-in-charge. An objective investigation of the incident will be conducted to determine the cause of the accidents, which would be followed up with timely preventive and corrective actions. The Manager takes up public liability insurance to cover any accidents and mishaps to employees or visitors to A-REIT’s properties.

Regular internal audits are conducted at the properties, while external audits are conducted annually by a third party accredited certification body. Safety lapses, progress on performance, and improvement plans are discussed for further action in monthly meetings.

Safety Performance

Figure 3: Number of Incidents in A-REIT's Properties



In FY14/15, there was an overall improvement in the safety performance of A-REIT's properties. The total number of reported incidents across the Manager's employees, Property Manager's contractors, property tenants and visitors had fallen by half from 13 in FY13/14 to 6 in FY14/15. Two incidents concerned the slip and fall of employees. One accident involved a worker from the Property Manager's main contractors falling from height. The remaining three incidents were slip and fall cases of tenants' employees and a member of the public in the common areas. The most common cause of slip and fall was from obstruction and wet surfaces. The Property Manager has implemented measures to address the root cause by working with the contractors to put up proper signage and demarcate work areas through the use of barricades.

Employee and Tenant Health and Well-being

The Property Manager is equipped and prepared to deal with public health situations posed by dengue mosquitoes, the seasonal haze and flu pandemics. Standard operating procedures include, among others, carrying out pest control activities regularly in all premises to prevent mosquito breeding, conducting flu pandemic preparedness exercises, and fitting air handling units with air filters and cleaning them more frequently during escalated haze levels. Should the public situation reach a hazardous level, the Property Manager has to adhere to the instructions and advisory from the local authorities.

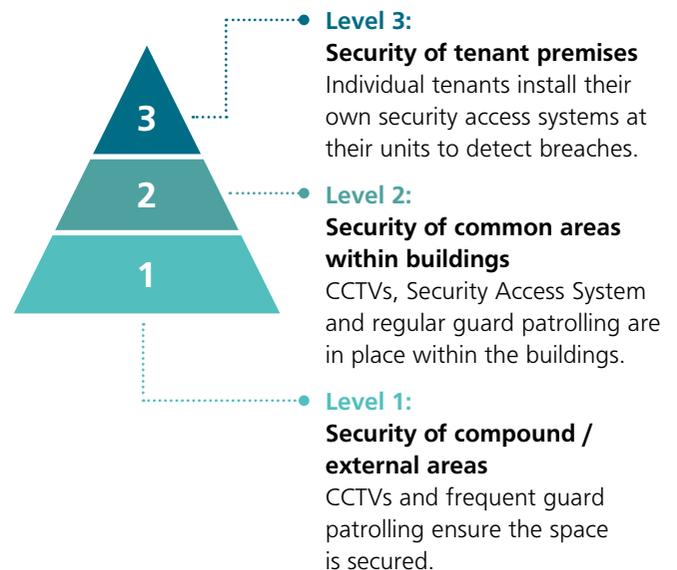
Apart from managing occupational health issues, the Property Manager also promotes healthy lifestyles among its tenants and employees. In collaboration with the Health Promotion Board, the Property Manager has launched the Healthy Workplace Ecosystem in A-REIT's Business & Science Parks, which will integrate fitness amenities and activities within the work environments, while progressively introducing healthier food choices in the parks' food and beverage operators.

A-REIT recently launched the OASIS Club Membership, an exclusive membership programme for tenants. The Oasis, located in Singapore Science Park I, is home to the OASIS Clubhouse and features spaces for business and social interaction including food and beverage destinations, an auditorium, meeting rooms, and a fitness club spanning 12,000 square feet. The fitness club includes a gym facility, swimming pool, dance studios and a spin studio, among other facilities. Oasis Club members can enjoy complimentary use of selected facilities, discounts at selected F&B outlets in Oasis and privileges at events.

Security of Physical Properties

The Property Manager has implemented three levels of security in all of A-REIT's buildings to safeguard both properties and people. This is listed in Figure 4 below:

Figure 4: A-REIT's 3 Levels of Property Security



All security officers at A-REIT's properties are outsourced to certified vendors who conduct training for the guards before they are deployed to the buildings. To-date, there have been no reports of trespassing violations and incidences of theft.

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Data Security for Tenant Privacy

The Property Manager strives to be a trustworthy partner committed to A-REIT’s tenants. It ensures the responsible use and protection of tenant data through its comprehensive information security system which complies with prevailing laws and regulations. These policies and procedures undergo regular review to keep pace with evolving threats and vulnerabilities. In FY14/15, the Personal Data Protection Act (“PDPA”) came into effect in Singapore. Under the new legislation, all telephone numbers in Singapore will have to be checked against the Do Not Call (“DNC”) Registry before any marketing communications may be made. With that, the Property Manager appointed a Data Protection Officer to implement the DNC Registry Checking system.

During the same year, the Property Manager adopted the Ascendas Integrated Technology Risk Framework (“ITRF”) and Bring Your Own Device (“BYOD”) Directive. The ITRF facilitates the structured assessments of technology risks in areas such as change management, and network and application security. The BYOD Directive sets out the rules for usage of personally owned smart-phones, tablets and portable storage drives by employees to access corporate resources. This includes registering such devices with the Ascendas Group IT prior to connecting to the corporate network. If sensitive or confidential data is stored in these devices, the devices will have to be encrypted. Figure 5 provides an overview of the current information security system, policies and procedures.

Figure 5: Overview of Information Security System, Policies and Procedures

Policies	
1. Ascendas Information Security Policy 2. Ascendas Integrated Technology Risk Framework 3. Bring Your Own Device Directive	
Systems	Specific Actions
1. Microsoft Active Directory – Provides strong authentication and security functionalities	1. Regular communication to employees on the corporate standard use of encryption and PDPA
2. Websense Data Loss Prevention – Secures personal data and protects intellectual property	2. Annual Information Security Training & Awareness programme for employees in China
3. Citrix Mobile Device Management – Secures and support mobile devices use	3. Regular Information Security reports and meetings to track and raise any security related issues
4. PDPA System of DNC Registry Check	
5. Regular System Maintenance	
6. Incident Response Plan	

As a result of these measures, there have been no cases of security breaches in relation to customer privacy in this reporting year.

1 This link to BCA provides details of the various BCA building certifications: <http://www.greenmark.sg/>
 2 Improved from Green Mark Certified following recertification in 2014.

ENVIRONMENT

Table 5: Targets and Results in Environmental Performance

Targets	Performance
Reduction in energy intensity of 5% in Singapore for FY14/15	● Achieved
Minimum BCA Green Mark Gold ^{Plus} for new properties in Singapore	● Achieved

The Sustainable Singapore Blueprint 2015 sets out the national goal of attaining an improvement of 35% energy intensity in 2030, as compared to 2005 levels. The Manager is committed to support this cause. By setting a target of achieving a reduction in energy intensity by 5% for FY14/15 and 3% for FY15/16, the Manager continuously seeks out opportunities for optimising energy use, while reaping economic benefits.

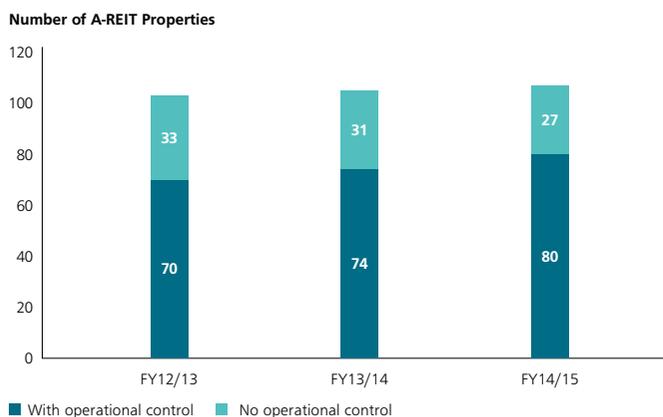
Each A-REIT property, starting from the design to the operating performance stage, undergoes deliberate planning and evaluation to assess environmental impacts. For all new projects in Singapore, A-REIT has set a goal of achieving at least the BCA’s Green Mark¹ Gold^{Plus} Rating, or equivalent. For existing buildings, the Manager will aim to achieve a minimum Green Mark Certification with appropriate asset enhancement works. Green Mark certified buildings add value by maximising both the economic and environmental performance. Table 6 lists out the Green Mark certifications attained by A-REIT’s properties in 2014.

Table 6: BCA Green Mark Awards (2014)

Year	Green Mark Platinum	Green Mark Gold
2014	<ul style="list-style-type: none"> Aperia DBS Asia Hub 	<ul style="list-style-type: none"> 138 Depot Road²

A-REIT’s portfolio comprises 78.1% multi-tenant properties, with the remaining 21.9% being single tenant properties as at 31 March 2015. Environmental performances are reported for properties that are under A-REIT’s operational control. This includes on-site offices and common areas in multi-tenant properties such as corridors, perimeter lighting and centralised building facilities. For single-tenant arrangements, the tenant typically assumes full operational and building management of the property, including its environmental performance. Sub-meters are used to separately account for the energy and water consumed by the landlord and the tenants.

Figure 6: Total Number of A-REIT's Properties with Reported Environmental Performance



Energy Consumption

The operation and maintenance of buildings require a considerable amount of energy and related costs. With any increase in energy consumption, carbon emission also rises in tandem. Therefore, the Manager constantly looks into implementing various initiatives and measures to lower energy consumption, carbon footprint as well as operating costs. A summary of the energy savings, achieved as a result of such initiatives, is detailed below in comparison to total energy consumption.

Table 7: Summary of A-REIT's Energy Efficiency Initiatives

A-REIT's Energy Efficiency Initiatives		Unit of Measure	FY12/13	FY13/14	FY14/15
Number of reported A-REIT properties (with operational control)		number	70	74	80
Gross Floor Area ("GFA") of reported A-REIT properties		m ²	1,793,205	2,022,771	2,421,181
Aggregate consumption		kWh	86,539,882	98,294,162	104,827,865
Energy efficiency initiatives	Air conditioning/chiller plant improvements	kWh	1,200,000	5,500,000	2,300,000
	Lighting systems upgrading and motion sensors installation	kWh	-	3,785	-
Aggregate energy savings		kWh	1,200,000	5,503,785	2,300,000
Aggregate energy intensity		kWh/m ²	48.3	48.6	43.3

Indirect energy arising from grid electricity accounts for most of A-REIT's energy consumption.

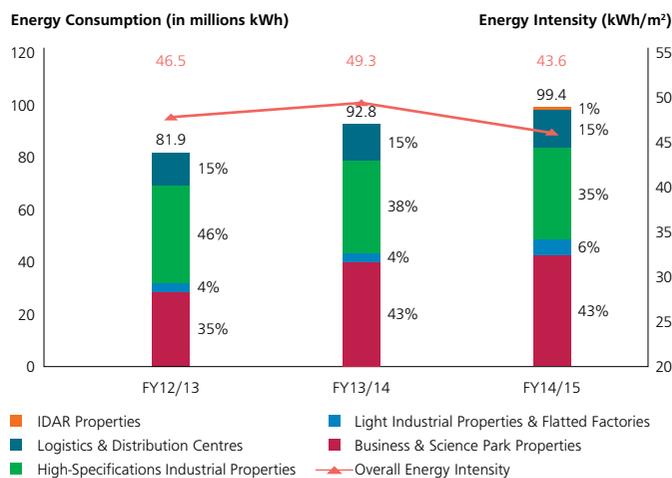
Singapore

In FY14/15, the aggregated energy consumption at A-REIT's properties in Singapore increased by 7.1% to 99.4 million kWh. This was mainly due to the increase in the number of reported properties from 74 to 80. However, energy intensity achieved an

impressive reduction of 11.6% to 43.6 kWh/m². This was well above the reduction target of 5%, and was largely attributed to the upgrading of the chiller plant, which led to improved energy efficiency at Techlink, Techpoint, The Alpha and Cintech III. A remarkable 2.3 million kWh of energy savings, equivalent to the amount of electricity needed to power 501 four-room public housing flats for one year³, was saved directly as a result.

Figure 7 charts the aggregate energy consumption, intensity, as well as relative contribution by the various segments of A-REIT's Singapore portfolio. Consistent with the previous year, Business & Science Park Properties was the most significant user of energy, followed by High-Specifications Industrial Properties.

Figure 7: Aggregated Energy Consumption and Intensity in Singapore



China

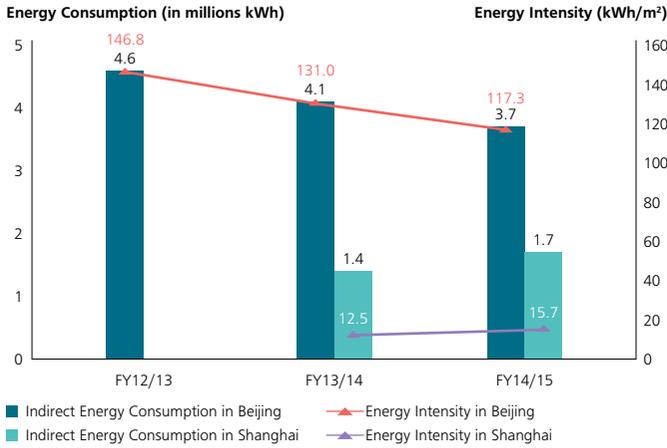
Compared to Singapore, the aggregated energy consumption at A-REIT's properties in China represents a fraction of the entire portfolio at 5.2% (5.4 million kWh) of total energy consumption. Over a three-year period, the operations in Beijing achieved a consistent decline of approximately 10.5% YoY in its energy consumption and intensity of usage, owing largely to the optimisation of operating strategies for air-conditioning. This included close monitoring of room temperatures, adjustments of temperature setting upwards, and reducing the operation hours of the air-conditioning during off-peak hours. There was no change in the occupancy rate for A-REIT's property in Beijing during the three years.

FY14/15 was the second year of operation for the Business & Science Park property in Shanghai. As a result of the increase in average occupancy rate from 19.9% in FY13/14 to 44.3% in FY14/15, the energy consumption and intensity of usage rose by 24.9% to 1.7 million kWh and 15.7 kWh/m² respectively.

³ According to Singapore Power Ltd, the national average consumption was 4,590 kWh per 4-room household yearly consumption in 2014.

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Figure 8: Energy Consumption and Intensity in China



Emissions

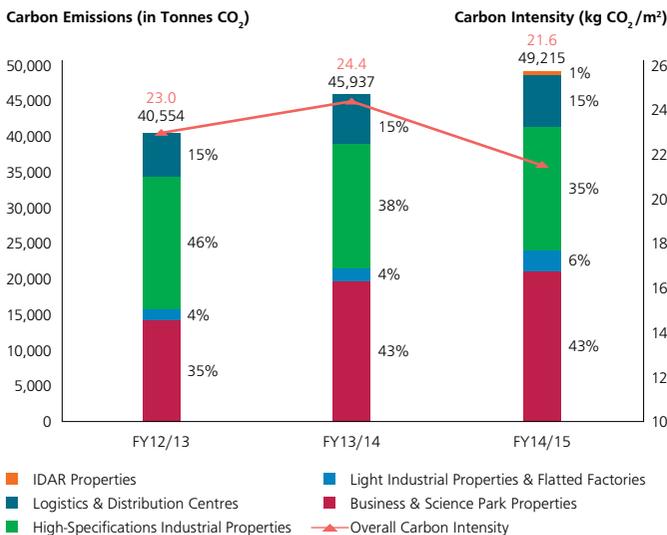
Majority of emissions of greenhouse gas contributions is indirect emissions, being attributable to the generation of purchased electricity used to run the properties. The Manager is committed to limit emissions of greenhouse gases into the atmosphere to combat climate change.

In support of Singapore’s 2020 national carbon target to reduce its greenhouse gas emissions by 16% below Business-As-Usual levels, the Manager has undertaken practical efforts to quantify Scope 2 emissions over the last three reporting years.

Singapore

The fall in the carbon emissions intensity for FY14/15 is consistent with the decrease in energy intensity in Singapore.

Figure 9: Aggregated Carbon Emissions⁴ in Singapore

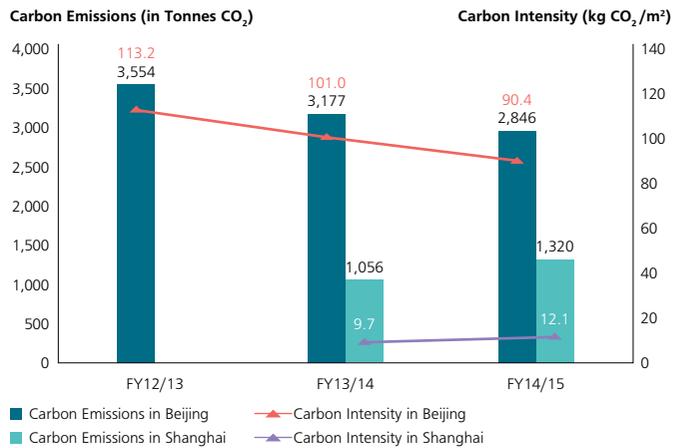


4 Emission factors used are the national averages for CO₂ Emissions per kWh from the “International Energy Agency: CO₂ Emissions from Fuel Combustion Highlights: 2013”.

China

Similarly, the trend of carbon emissions intensity tracks the energy intensity usage in Beijing and Shanghai.

Figure 10: Carbon Emissions⁴ and Intensity in China



Water Consumption

The Manager advocates the conservation of water resources. With limited natural water resources, water availability and conservation are especially important in Singapore. In today’s context the issue has become even more prominent, given the changes in the hydrologic regime brought about by climate change. A-REIT’s initiatives in this regard are even more relevant as Singapore experienced a period of dry spell in FY14/15.

All water consumed is derived from local water utility firms.

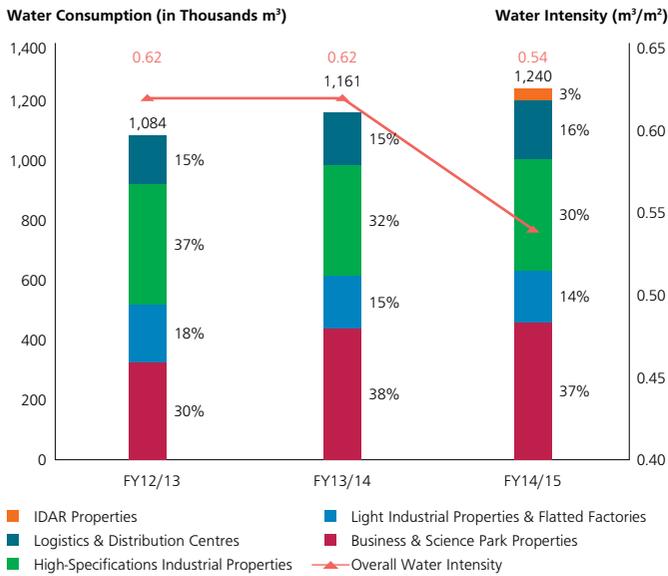
Singapore

In FY14/15, there was an increase in aggregate water consumption to 1,240 thousand m³, attributed to the increase in the number of reported properties.

In spite of the increase in total consumption, intensity of water usage fell by 12.3%, due to the implementation of several water efficiency initiatives during the year. This included the adjustment of water flow rates in certain A-REIT properties.

Figure 11 summarises the total water consumption, intensity as well as relative contribution by the various segments of A-REIT’s Singapore portfolio. The relative contribution by each segment has remained fairly consistent as compared to the previous reporting year.

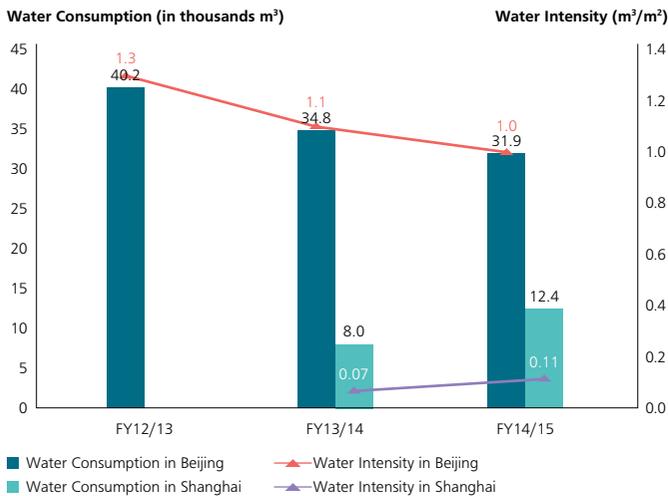
Figure 11: Aggregated Water Consumption and Intensity in Singapore



China

Beijing recorded a steady decrease in the water consumption and intensity of usage over a three-year period from FY12/13 to FY14/15. This was mainly attributed to the installation of motion sensors on water taps. In contrast, the water consumption and intensity of usage increased in Shanghai, which was consistent with the growth in occupancy rate over the same period.

Figure 12: Aggregate Water Consumption and Intensity in China



TENANTS, PEOPLE AND COMMUNITY

Tenant Satisfaction

High quality standards of building management and operations often translate to tenant satisfaction and retention. In FY14/15, the Property Manager and the Customer Relationship management team embarked on the 3-year Ascendas Group-wide Integrated Real Estate Management System (“iREMS”) project. The iREMS is an IT platform incorporating systems and processes supporting lease management, facilities management, asset management, property services and customer relationship management. In addition to back-office integration and improvements to operational efficiency and productivity, several job scopes were redefined, including creating a roving technician team to improve response rate to tenant feedback.

A key driver of building management performance is the delivery of services to fulfil tenant expectations. In one-north and the Science Parks, a pilot project was implemented to understand brand perceptions and challenges in service delivery, through a focus group session with selected tenants from a wide spread of businesses. If successful, the project would be rolled out to other business parks in the following years. Recognising that exceptional service delivery comes from an embedded service culture, the Customer Relationship management team has also launched the Service Culture project, which sets new service standards, creates guides on positive or recommended behaviours, and builds the capabilities of employees to understand and respond to tenant needs through the Service DNA training programme.

To better serve the needs of A-REIT’s tenants, the Property Manager also plans for asset enhancements to the properties from time to time. For example, in FY14/15, the toilet and lift lobbies in several properties underwent a major upgrading and modernisation programme. The Property Manager also embarked on a campaign to improve the facades of several properties by repainting them in corporate colours to strengthen corporate branding. More details are available on page 31.

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Tenant Satisfaction Ratings

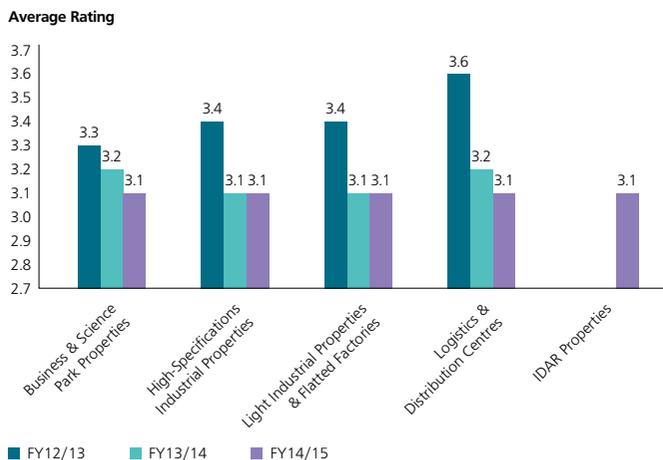
Table 8: Targets and Results for Tenant Satisfaction

Targets	Performance
Call centre tenant satisfaction score of a minimum 3 "Average"	● Achieved
Transaction survey satisfaction score of 75%	● Achieved
Customer eQ™ index at or above the industry norm (75)	● Achieved for Light Industrial Properties & Flatted Factories and Logistics & Distribution Centres sectors, on track for other sectors

Tenant feedback is a valuable way of identifying opportunities for improvement in the quality of A-REIT's properties and services. There are four main channels in which tenants may provide their feedback:

1. A 24-hour call centre, which serves as a convenient and accessible point of contact for any matters.
2. Face to face meetings and networking sessions, for relationship building with tenants.
3. Transactional surveys, to monitor the specific performance of relationship managers upon the renewal or expansion of tenant leases.
4. The annual eQ™ Benchmarking External Customer Delight survey conducted by AC Nielsen, which covers five important pillars: Property Management, Lease, Finance, Corporate Image and Marketing. The third party survey benchmarks A-REIT's performance against its peers.

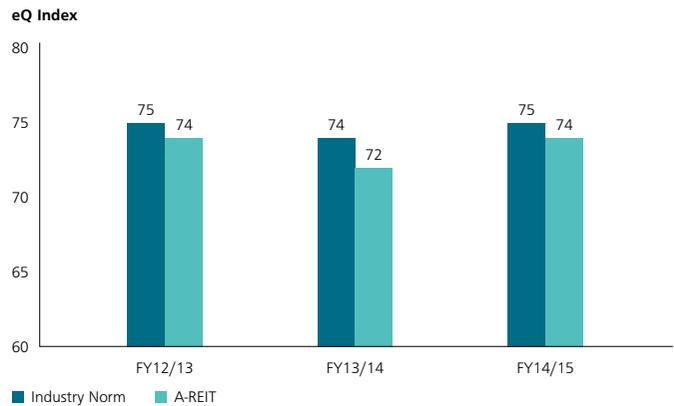
Figure 13: Call Centre Customer Satisfaction Rating by Cluster



In FY14/15, feedback gathered through the call centre from a total of 778 tenants revealed that all four of A-REIT's existing property segments continued to report above average customer satisfaction (3.0). Aperia, the new property under the rebranded Integrated Development & Retail segment, likewise managed to achieve the target satisfaction score of above 3.0.

FY14/15 was the first year in which the response rate from transactional surveys was significant enough to be reported. From a total of 83 surveys completed, tenant satisfaction with their relationship managers rated an average of 88%, well above the target score at 75%.

Figure 14: Customer eQ™ Index Score, Singapore



The FY14/15 eQ™ Benchmarking External Customer Delight survey rated A-REIT's properties at a marginally lower value of 74, as compared to its competitors in Singapore. This was nonetheless a slight improvement in results from the previous year, as the Property Manager and the Customer Relationship management team set its Service Culture project into motion. The response rate for the eQ™ index survey was 30%.

Improvement plans

The Property Manager and the Customer Relationship management team are committed to continuously improve and meet tenants' needs. In the coming years, the iREMS and Service Culture Building Project will be progressively implemented in all of A-REIT properties. The appropriateness of the staff mix would be reviewed as the Property Manager transits from a manual system to a more automated and technology-supported operations.

Supply Chain Responsibility

The Property Manager understands the value of good supply chain management. Conscientious steps are taken towards proper management and improvement of the performance of A-REIT's 115 active suppliers, most of whom (99%) are based in the country of A-REIT's operations, Singapore and China.

These suppliers are maintenance contractors, cleaning crew, security providers, fire protection team and other types of property services.

A stringent procurement system and prequalification process ensures proper supplier selection by thorough evaluation of suppliers’ financial, health and safety records as well as preferred certifications such as Biz Safe Level 3. All engaged suppliers are required to comply with government regulations such as the Employment Act and Workplace Safety and Health Act, the Progressive Wage Model (“PWM”) (for cleaners) and Enhanced Clean Mark Accreditation Scheme (“EAS”) (for cleaners). The supplier performance is closely monitored via site inspections and tracked in the enhanced Ascendas Information Management System (“eAIMS”) to ensure full compliance. In the event of compliance breaches, the Property Manager will issue warning letters to the suppliers and work with them to rectify the problems. During the reporting year, there were no confirmed cases of negative supplier impacts on labour. In FY15/16, the Property Manager will launch a Mobile Inspection System which will allow the operations team to track and record supplier performance on-site, using mobile phones or tablets, for timely action.

The Property Manager supports the WorkRight initiative by the Ministry of Manpower and the Central Provident Fund (“CPF”) Board to raise national compliance with the Employment Act and CPF Act. Beyond the legal compliance, the Property Manager has jointly implemented a performance reward scheme with its cleaning service providers to recognise the efforts of better performing cleaning personnel.

Human Capital⁵

A-REIT’s sustained value growth is dependent on the quality of the Manager’s workforce. To attract and retain its talent pool, the Manager continuously invests in the skills and competencies development of its people.

Profile of the Workforce

In FY14/15, the total staff strength under the Manager had slightly increased from 65 to 67. The two new positions focused on property services in ensuring the Property Manager provides consistent quality services and customer satisfaction. All 67 employees are working full-time and on permanent contract with the Manager, with women making up two-thirds of the workforce. More than 90% of the Manager’s staff is based in Singapore, with the rest based in China. Please refer to Figures 15 – 17 for more details.

During the year, 15 new hires came on-board. While there was zero turnover in the China operations, the Manager experienced a turnover rate of 19.4% for Singapore which is close to the national industry average of 20.4%⁶. Moving forward, the Manager will continue to step up its employee engagement and adopt best practices in talent management.

Figure 15: Staff Strength, Recruitment and Turnover



Figure 16: Percent Composition of Total Employees By Gender

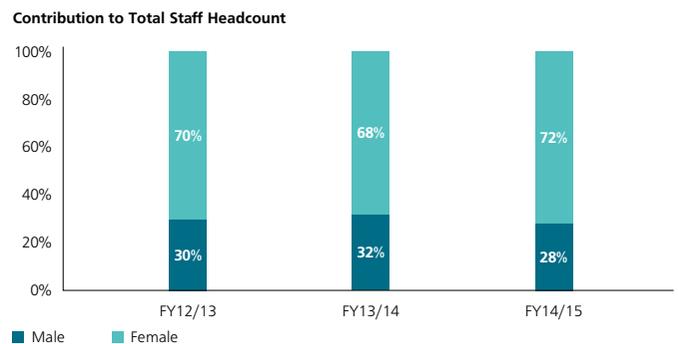
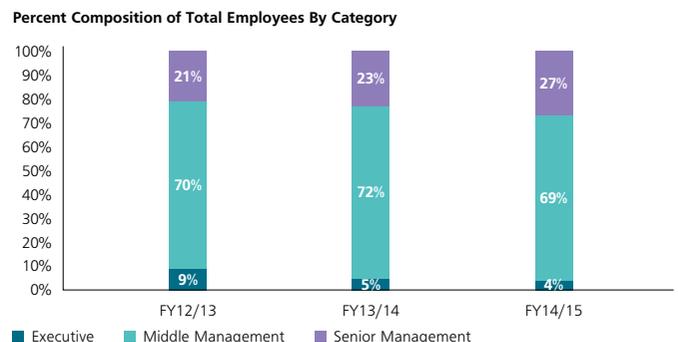


Figure 17: Percent Composition of Total Employees By Category

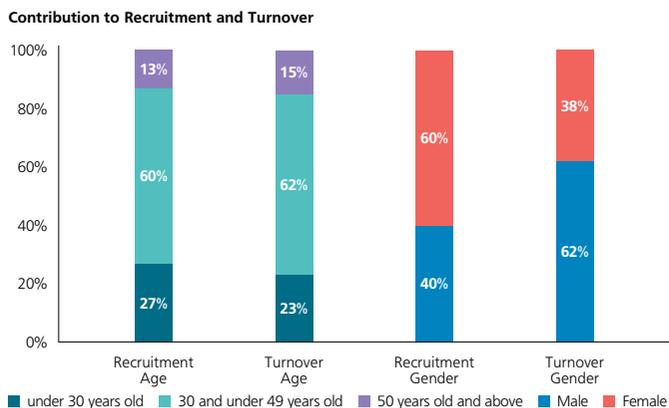


5 The scope of this section is limited to information relating to the Manager’s staff as they are recruited specifically for A-REIT’s operations. Employees under the Property Manager are not included as they are separately reported under Ascendas Group.

6 The 2014 national industry turnover rate is obtained from the Ministry of Manpower and annualised for a like-for-like comparison.

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Figure 18: Percent Composition of the Recruitment and Turnover By Age Band and Gender in FY14/15



Staff Training

The Manager is required to regularly train and upkeep the competencies of its staff as a holder of the Capital Market Services (“CMS”) License. Beyond the legal compliance, the Manager understands it is vital to invest in staff learning, for a strong and talented workforce in the face of a competitive landscape.

Every year, as part of the career development plan, supervisors are tasked to identify learning interventions to address staff development needs. The learning focus for the year is then defined in a learning and development plan. In FY14/15, training programmes centred on improving customer service and compliance. This included the Service DNA programme, a rigorous exercise to refine and enhance employees’ service orientation and capacities for providing positive tenant experiences.

Where employees decide to pursue higher education qualifications, the Manager also has an annual Education Assistance budget, which grants sponsorships to deserving employees for this purpose.

In FY14/15, the average training hours per employee stood at 27 hours, which was above the Singapore national average of 21 hours⁷. As compared to FY13/14, there was a significant rise in the average hours of training attended by senior and middle management, mainly due to intensive workshops from the Service DNA programme, as well as selling skills training for those involved in relationship management and business development work. Conversely, FY14/15 saw a reduction in the average hours of training attended by executives. This was largely due to an unusually high level of training activity in FY13/14, arising from a considerable recruitment of numerous executives from other industry backgrounds in that year. To quicken their familiarisation with the industry, the executives had completed multiple internal training programmes. Figures 19 and 20 reflect the average training hours clocked per employee by category and gender.

Figure 19: Average Training Hours Per Employee By Employee Category

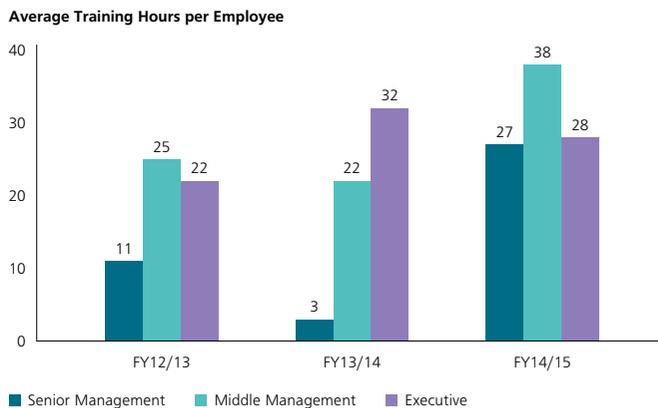
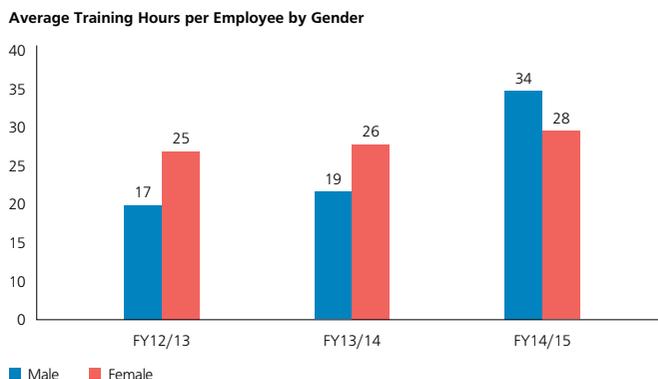


Figure 20: Average Training Hours Per Employee By Gender



Community Connectivity and Involvement

The Property Manager believes in creating a liveable community for its tenants. Apart from introducing the Healthy Workplace Ecosystem in its Business & Science Parks, ongoing asset enhancements include providing more covered link ways and public amenities space for increased community connectivity (please refer to page 34 to 36 for further details).

The Manager has also taken an initiative to drive community development through its support of various industry programmes and social causes. This included the continual provision of the A-REIT study award to needy students at Singapore Management University. During the year, the Manager was also the Gold Sponsor of the Future China Global Forum, organised by Business China. By establishing a better understanding of the Chinese social, economic and political culture, the Manager believes the event will nurture deeper links between Singapore and China, thereby creating more opportunities for future collaboration to the benefit of the Singapore community. In FY14/15, charitable contributions made by the Manager totalled \$303,000.

⁷ The national median training hours committed for staff in Singapore is extracted from a biennial survey undertaken by the Ministry of Manpower. The most recent survey was conducted in 2012 with the associated report, “Employer Supported Training”, released in October 2013.

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE OPTION

GENERAL STANDARD DISCLOSURES		SECTION
Strategy and analysis		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Manager's report (page 43)
Organisational profile		
G4-3	Report the name of the organisation.	Overview of A-REIT (page 2)
G4-4	Report the primary brands, products, and services.	Overview of A-REIT (page 2)
G4-5	Report the location of the organisation's headquarters.	Overview of A-REIT (page 2)
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About the report (page 78)
G4-7	Report the nature of ownership and legal form.	A-REIT's structure (page 6)
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	What we invest in (page 4), A-REIT's portfolio (page 44 – 63)
G4-9	Report the scale of the organisation, including: <ul style="list-style-type: none"> • Total number of employees • Total number of operations • Net sales (for private sector organisations) or net revenues (for public sector organisations) • Total capitalisation broken down in terms of debt and equity (for private sector organisations) • Quantity of products or services provided 	A-REIT's competitive edge (page 3), What we invest in (page 4), Highlights of FY14/15 (page 30), Profile of the workforce (page 87), Figures 15 – 17
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Profile of the workforce (page 87), Figure 15
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	None of our employees are covered by collective bargaining agreements.
G4-12	Describe the organisation's supply chain.	Supply chain responsibility (pages 86 – 87)
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	Significant changes during the reporting period (page 78)
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Risk management and internal controls (pages 105 – 106)
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Tripartite Alliance for Fair and Progressive Employment Practices

SUSTAINABILITY REPORT

G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation:</p> <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	<p>Agri-Food & Veterinary Authority, ASEAN Infrastructure Fund Limited, Association of Small and Medium Enterprises, Council for Private Education, Pro-Enterprise Panel, SGX Catalist Advisory Panel, Singapore Cooperation Enterprise, The REIT Association of Singapore</p>
Identified material aspects and boundaries		
G4-17	<p>a. List all entities included in the organisation's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.</p>	About the report (page 78)
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.</p>	Materiality assessment (pages 78 – 79)
G4-19	List all the material Aspects identified in the process for defining report content.	Materiality assessment (pages 78 – 79), Figure 1, Tables 1 – 2
G4-20	<p>For each material Aspect, report the Aspect Boundary within the organisation, as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material within the organisation • If the Aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> ◦ The list of entities or groups of entities included in G4-17 for which the Aspect is not material or ◦ The list of entities or groups of entities included in G4-17 for which the Aspect is material • Report any specific limitation regarding the Aspect Boundary within the organisation 	About the report (page 78), Environment (pages 82 – 83), Figure 6, Human Capital (page 87), Footnote 5
G4-21	<p>For each material Aspect, report the Aspect Boundary outside the organisation, as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material outside of the organisation • If the Aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organisation 	We did not identify any Aspect which was material outside of the organisation.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There were no restatements made.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Significant changes during the reporting period (page 78)
Stakeholder engagement		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	Stakeholders' engagement (page 79), Table 3
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholders' engagement (page 79), Table 3
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholders' engagement (page 79), Table 3, Engaging the investment community (page 93)
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Staff Training (page 88)

Report profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About the report (page 78)
G4-29	Date of most recent previous report (if any).	Annual Report FY13/14
G4-30	Reporting cycle (such as annual, biennial).	About the report (page 78)
G4-31	Provide the contact point for questions regarding the report or its contents.	Accessibility of annual report and feedback channel (page 93)
G4-32	<ul style="list-style-type: none"> a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. 	About the report (page 78), GRI content index (page 89 – 92)
G4-33	<ul style="list-style-type: none"> a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report. 	About the report (page 78)
Governance		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Governance and accountability (page 80), Corporate governance (pages 98 – 99)
Ethics and integrity		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Governance and accountability (page 80)

SPECIFIC STANDARD DISCLOSURES

Indicators		Section
Category: Economic		
EC1	Direct economic value generated and distributed	Financial statements (pages 122-125)
EC9	Proportion of spending on local suppliers at significant locations of operation	Community connectivity and involvement (page 88) Supply chain responsibility (page 86)
Category: Environmental		
DMA	Disclosure of management approach	Environmental (pages 82 – 85), Table 5
EN3	Energy consumption within the organisation	Energy consumption (pages 83 – 84), Figures 7 – 8
EN5/ CRE1	Energy intensity	Energy consumption (pages 83 – 84), Figures 7 – 8
EN6	Reduction of energy consumption	Energy consumption (page 83), Table 7
EN7	Reductions in energy requirements of products and services	Environment (page 82), Table 6
EN8/ CRE2	Total water withdrawal by source	Water consumption (pages 84 – 85), Figures 11 – 12
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Emissions (page 84), Figures 9 – 10
EN18/ CRE3	Greenhouse Gas (GHG) emissions intensity	Emissions (page 84), Figures 9 – 10

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EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Governance and accountability (page 80) There were no significant fines during the year.
Category: Social		
Sub-category: Labour practices and decent work		
DMA	Disclosure of management approach	Health, safety and security (pages 80 – 81), Table 4, Figure 2 Human capital (pages 87 – 88)
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Profile of the workforce (pages 87 – 88), Figure 18
LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender	Safety Performance (page 81), Figure 3
LA9	Average hours of training per year per employee by gender and by employee category	Staff training (page 88), Figures 19 – 20
CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	Health, safety and security (page 80)
Sub-category: Society		
DMA	Disclosure of management approach	Governance and accountability (page 80)
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Community connectivity and involvement (page 88)
SO3	Total numbers and percentage of operations assessed for risks related to corruption and the significant risks identified	Governance and accountability (page 80), Dealing with conflicts of interest and interested person transactions (pages 109 - 111)
SO4	Communication and training on anti-corruption policies and procedures	Governance and accountability (page 80)
SO5	Confirmed incidents of corruption and actions taken	Governance and accountability (page 80)
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	Governance and accountability (page 80)
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Governance and accountability (page 80) There were no significant fines during the year.
Sub-category: Product responsibility		
DMA	Disclosure of management approach	Health, safety and security (pages 80 – 83), Figures 2, 4 – 5 Environment (page 82), Tenant satisfaction (pages 85 – 86)
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Health, safety and security (pages 80 – 81)
PR5	Results of surveys measuring customer satisfaction	Tenant satisfaction ratings (page 86), Figures 13 – 14
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Data security for tenant privacy (page 82)
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Governance and accountability (page 80) There were no significant fines during the year.
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Environmental (page 82), Table 6