



GAINING GREATER MOMENTUM

INTEGRATED SUSTAINABILITY REPORT
FY 18 / 19



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Accessibility

Ascendas Reit continues to print limited copies of its Annual and Integrated Sustainability Reports as part of its environmental conservation efforts. PDF versions of its Annual and Integrated Sustainability Reports are available for download from the corporate website: ir.ascendas-reit.com/ar.html

Any discrepancies in the table and charts between the listed figures and total thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

BOARD STATEMENT

In FY17/18, we embarked on our first Integrated Sustainability Report, after issuing five sustainability reports between FY12/13 and FY16/17. This year, we continue to adopt elements under the International Integrated Reporting Council's (IIRC) Integrated Reporting framework as well as the Global Reporting Initiative (GRI) Standards, to report our journey towards more responsible Economic, Environment, Social and Governance (EESG) practices. The GRI Standards have been selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures and is relevant to Ascendas Reit's industry and business.

In our second Integrated Sustainability Report FY18/19, we further elaborate on our value creation business model, describing our outputs and the outcomes achieved.

The key EESG issues identified in the previous year have been reviewed taking into consideration the current and future business environment, our business strategy and the expectations of both our internal and external stakeholders. The Board has considered these issues as part of our strategic formulation and found the nine EESG factors still relevant to Ascendas Reit. These material matters will continue to be managed and monitored closely to help us deliver long-term value to our stakeholders.

We are continuously evaluating and adopting best practices in the areas of EESG to ensure that we grow our business sustainably as we strive to achieve operational excellence. As a testament to our efforts, the Manager is pleased to report that Ascendas Reit continues to be recognised on the iEdge SG ESG Index¹ as an ESG leader with established and leading ESG practices.

This year, one of the key initiatives was the establishment of our Sustainability Committee, chaired by the CEO of the Property Manager of Ascendas Reit (Ascendas Services Pte Ltd), to oversee and promote sustainability activities on a group-wide basis.

As part of our efforts to deliver exceptional customer experience, Acendas-Singbridge became the first real estate company in Singapore to be awarded the Crystal Mark Accreditation for its plain English lease agreements, whilst upholding principles of quality and transparency.

We remain committed to minimising our environmental impact through the responsible consumption of energy and water resources in our operations. In Singapore, we continue to achieve reductions for both energy and water consumption at our operational properties, on a like-for-like basis, from 96.51 million kWh to 95.94 million kWh and 1,200.8 thousand m³ to 1,157.7 thousand m³, respectively. To manage our consumption, we constantly explore higher efficiency systems and green technologies in our buildings as part of our energy and water conservation efforts. As at 31 March 2019, we have 22 properties that are BCA² Green Mark certified.

We are very pleased to collaborate with Grab³ to develop a build-to-suit business park property to house their Singapore headquarters. This development will strengthen Ascendas Reit's market leadership in the Singapore business and science park segment and will be designed to achieve a green and sustainable workplace environment, in line with our sustainability commitments. The building will incorporate lush greenery on the ground and mid-level sky terraces and will be built to encourage sustainable mobility and carbon footprint reduction.

To further support Singapore's climate action plan to reduce carbon emissions, we have collaborated with SP Group (Singapore Power) to launch high-speed charging stations for electric vehicles at six of our properties in January 2019. This partnership is aligned with our corporate sustainability goals and reflects our commitment to create a more sustainable environment.

However, we cannot achieve all these without the strong support of our people. A suite of training programmes tailored for different employee levels have been introduced to encourage employees to enhance their skills and knowledge as well as for personal development. Employees continue to be actively engaged through multiple touch-points. We introduced Wellness Day every Wednesday to promote physical and mental well-being and continue to provide opportunities for flexible work arrangements.

We thank all our stakeholders for their support and reaffirm our commitment to creating and delivering value, towards building a more resilient and sustainable business in the long-term.

¹ The iEdge SG ESG Indices are comprised of SGX-listed companies that are independently researched and analysed across Environmental, Social and Governance factors by Sustainalytics, a global leader in Sustainability analysis.

² Building and Construction Authority of Singapore.

³ Grab is a leading Online to Offline mobile platform in Southeast Asia.

ABOUT THIS REPORT



This is the second year that Ascendas Real Estate Investment Trust (Ascendas Reit) is publishing an Integrated Sustainability Report to share annual updates on its Economic, Environmental, Social and Governance (EESG) performance. Ascendas Reit has published five sustainability reports between 2013 and 2017. This report has been prepared in accordance with the SGX-ST Listing Manual Rule 711(B), Global Reporting Initiative (GRI) Standards: Core option, and GRI's Construction & Real Estate Sector Supplement (CRESS). This report has also incorporated elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council, and Sustainable Development Goals (SDGs) of the United Nations.

The report focuses on the sustainability performance of Ascendas Reit's core activity as a business space and industrial Real Estate Investment Trust (REIT). Its scope covers Ascendas Reit's business operations and properties in Singapore and Australia from 1 April 2018 to 31 March 2019 (FY18/19) and includes the prior year's (FY17/18) performance for comparison, where applicable. The report also includes relevant

information relating to the newly acquired properties in the United Kingdom (UK).

As at 31 March 2019, Ascendas Reit had a significantly expanded portfolio of 171 properties across Singapore, Australia and the UK, up from 131 properties the year before. However, the scope of the report covers 173 properties, including 2 properties that were divested during the year. The multi-segmented⁴ portfolio comprised 71% and 29% of multi-tenant and single-tenant properties respectively. Please refer to pages 56 to 59 of the Annual Report FY18/19 for the full list of Ascendas Reit's properties.

Taking guidance from the operational control approach⁵ as defined by the Greenhouse Gas Protocol Corporate Standard, environmental performance of 72 properties in Singapore and Australia have been covered in this report.

The Manager has not sought external independent assurance for this reporting period. Feedback on the report can be directed to a-reit@ascendas-singbridge.com.

- 4 Ascendas Reit owns properties across the following segments – Business & Science Parks/Suburban Offices, Integrated Development, Amenities & Retail (IDAR) Properties, High-Specifications Industrial Properties and Data Centres, Light Industrial Properties and Flatted Factories, and Logistics & Distribution Centres.
- 5 Ascendas Reit and its property managers did not have operational control of 101 properties in its portfolio during FY18/19; hence emissions associated with fuel combustion and purchased electricity are scope 3. Details can be found on page 4 of the GHG Protocol Corporate Standard (Appendix F: Categorising GHG emissions associated from leased assets): www.ghgprotocol.org/corporate-standard.

DELIVERING SUSTAINABLE VALUE

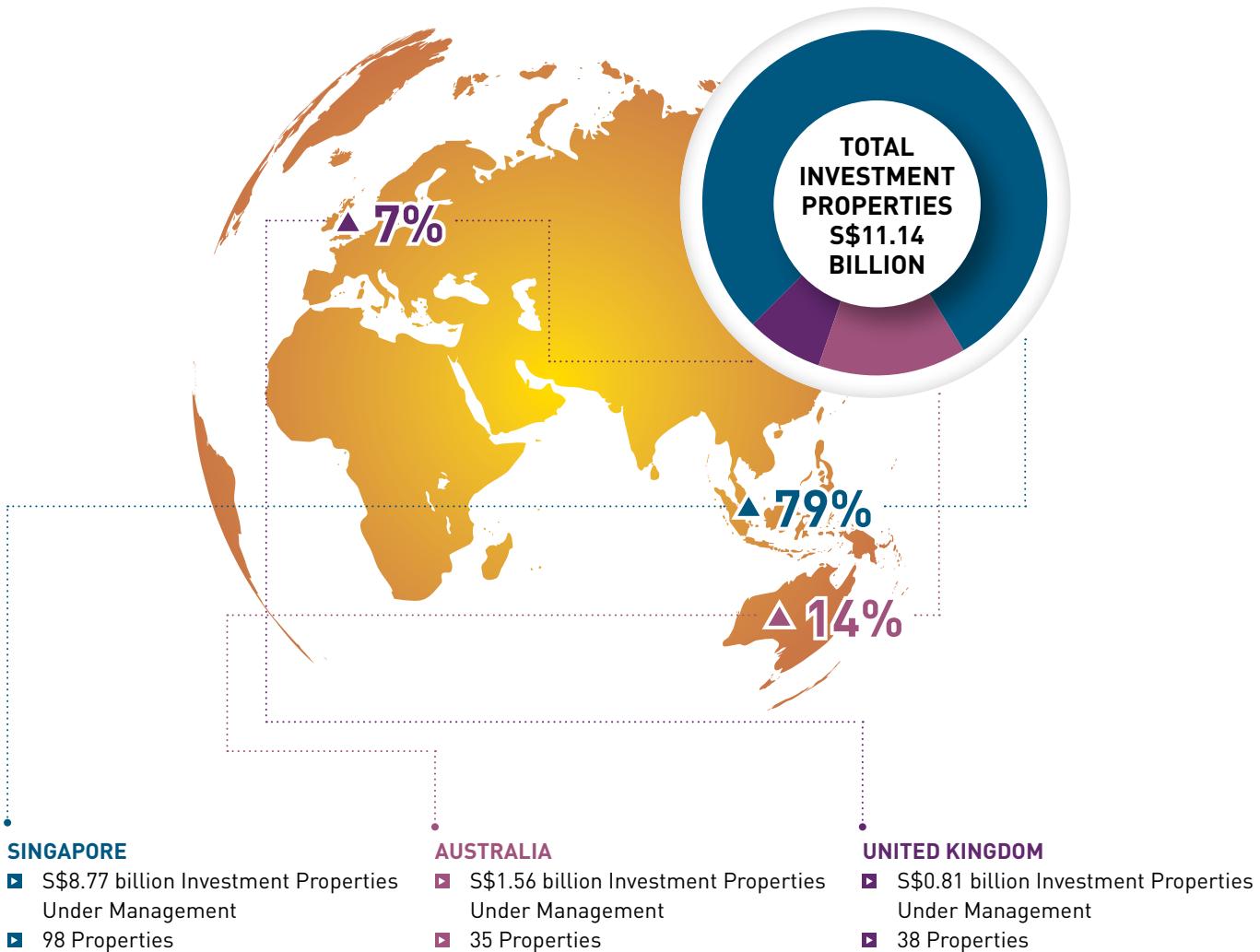
OPERATING CONTEXT

Ascendas Reit is Singapore's first and largest listed business space and industrial REIT, and has presence in Singapore, Australia and most recently the UK. Ascendas Reit is managed by Ascendas Funds Management (S) Limited (the Manager), a wholly-owned subsidiary of the Ascendas-Singbridge Group (Ascendas-Singbridge, or the Group). Please refer to page 11 of the Annual Report FY18/19 for more details on Ascendas Reit's Structure.

In FY18/19, a Sustainability Committee, comprising members from the Group's top management and various department representatives, was established to oversee and manage the Group's sustainability performance.

As at 31 March 2019, Ascendas Reit had a customer base of around 1,360 international and local companies across varying industries.

Figure 1: Ascendas Reit's Portfolio in Singapore, Australia and the UK



DELIVERING SUSTAINABLE VALUE

BUSINESS MODEL

Ascendas Reit leverages on its six input capitals whilst considering its operating context, and enhances these capitals to generate value. Figure 2 illustrates how value is created and delivered at Ascendas Reit.

Figure 2: Ascendas Reit's Value-Creating Business Model



➤ ▶ OUTCOMES

- | | |
|---|--|
|  <ul style="list-style-type: none"> ► Total amount available for distribution of S\$485.7 million; Distribution Per Unit (DPU) of 16.035 Singapore cents ► Well-spread debt maturity profile; healthy aggregate leverage ratio of 36.3% ► 83% of borrowings on fixed rate; high level of natural hedge for overseas investments |  <ul style="list-style-type: none"> ► Delivering predictable distributions ► Achieving long term capital stability ► Sound financial metrics allow good access to various sources of funds at competitive rates ► Well-mitigated against interest rate/foreign exchange risks |
|  <ul style="list-style-type: none"> ► Steady growth in occupancy at flexible workspace, "The Workshop" at Techplace II, Singapore ► New platforms/apps/Business Intelligence System ► Fully compliant with regulatory requirements in all its markets ► Improvement in Singapore Governance & Transparency Index (SGTI) (up 2 places to 5th) and Governance Index for Trusts (GIFT) scores (up 11 places to 8th) |  <ul style="list-style-type: none"> ► Wider business and industrial space options for customers ► Automation through technology ► Effective controls and processes ► Adaptable to opportunities and uncertainties |
|  <ul style="list-style-type: none"> ► Stable portfolio occupancy (91.9%) and positive rental reversions (+3.7%) ► Capital recycling (divested 2 Singapore properties) ► Maintained weighted average lease to expiry (4.2 years) ► More freehold land (Australia and the UK) ► 42 properties acquired in the UK and Australia, and secured one build-to-suit project in Singapore ► Seven asset enhancement initiatives and one redevelopment project completed ► >90% of suppliers/contractors attained level 3 BizSafe |  <ul style="list-style-type: none"> ► Resilient portfolio ► More geographically diversified ► More reputable customers from diverse industries ► All suppliers comply with applicable laws and regulations including environmental and safety requirements |
|  <ul style="list-style-type: none"> ► Transactional survey score of 91% and call centre satisfaction score of 4.1 out of 5 ► 36 health & safety related incidents in Singapore (only two reportable incidents) ► Zero incidents of loss of data ► Regular customer and supplier engagement activities |  <ul style="list-style-type: none"> ► Collaborative stakeholder (suppliers, employees, customers) relationships ► Enhancing customer experiences e.g. Achieved Crystal Mark Accreditation for its simplified lease agreements ► Continue to promote workplace safety and implement necessary measures to minimise accidents ► Ascendas Reit has been ranked Singapore Top 100 Brands since 2012 |
|  <ul style="list-style-type: none"> ► 47 average hours of training per employee during FY18/19 ► Zero cases of validated discrimination ► Multiple employee wellness activities ► 100% of employees received regular performance and career development review |  <ul style="list-style-type: none"> ► Gender Diversity (Board and the Manager team) ► Ongoing career development ► "Power of One" culture |
|  <ul style="list-style-type: none"> ► Energy intensity of 53.80 kWh/sq m ► Water intensity of 0.65m³/sq m ► 22 BCA Green Mark buildings ► Rolled out electric vehicle charging points at six properties |  <ul style="list-style-type: none"> ► Lower energy consumption & intensity (like-for-like) ► Lower water consumption & intensity (like-for-like) ► Inclusion in sustainability indices e.g. iEdge SG ESG Leaders Index, iEdge SG ESG Transparency Index |

DELIVERING SUSTAINABLE VALUE

STAKEHOLDER ENGAGEMENT

Ascendas Reit frequently engages its stakeholders throughout the year to understand and respond to their expectations. Details of the engagements are summarised in Table 1. These stakeholders were selected for deeper engagement due to the long-term nature of their relationships with, and high level of influence and interest that they have in Ascendas Reit.

Table 1. Quality Relationships with Key Stakeholder Groups

Key Stakeholder Groups	Relevant Capitals	Objectives	Stakeholder's Key Concerns	Ascendas Reit's Strategy and Response	Engagement Modes and Frequency
 Investment Community (Institutional and retail investors, analysts and the media)	<ul style="list-style-type: none"> ■ Financial Capital ■ Intellectual Capital ■ Social and Relationship Capital 	<ul style="list-style-type: none"> ■ To deliver sustainable distributions and achieve capital stability for Unitholders ■ To proactively engage the investment community through multiple channels of communication to ensure timely and transparent disclosures 	<ul style="list-style-type: none"> ■ Growth strategy in Singapore and overseas markets ■ Outlook for occupancy and rental rates ■ Risk management: operational, financial, investment, etc. 	<ul style="list-style-type: none"> ■ Proactive communication with the investment community through multiple channels to keep them updated on operational performance and outlook, investment and capital management strategies <p>Response to key concerns can be found in "Interview with CEO" on pages 9 to 10 in the Annual Report FY18/19</p>	<ul style="list-style-type: none"> ■ One-on-one meetings on request ■ Local and overseas investor conference, roadshows and site visits ■ Quarterly post results luncheons ■ Media & analyst results briefings twice a year ■ Annual General Meeting (AGM) once a year ■ Investor perception survey once a year ■ Email alerts throughout the year ■ Media releases & announcements throughout the year
 Government (Regulators and Lawmakers)	<ul style="list-style-type: none"> ■ Financial Capital ■ Manufactured Capital ■ Human Capital ■ Social and Relationship Capital ■ Natural Capital 	<ul style="list-style-type: none"> ■ To establish strong relationships with regulators via constructive engagements to collectively build a sustainable business environment for all stakeholders 	<ul style="list-style-type: none"> ■ Compliance with regulatory requirements and recommended policies ■ Adoption of best practices 	<ul style="list-style-type: none"> ■ Monitor compliance via internal tracking mechanisms ■ Reviews policies and practices continuously ■ Amendment of Ascendas Reit's Trust Deed to provide for e-communications for relevant notices and documents ■ Established Board Diversity Policy ■ Published Ascendas Reit's AGM minutes on corporate website 	<ul style="list-style-type: none"> ■ Proactively share feedback and data with the regulators through direct dialogues or through REITAS⁶ when necessary ■ Participate in policy briefings, consultation sessions and conferences throughout the year ■ Provide feedback on consultation papers when necessary ■ Respond to surveys from Monetary Authority of Singapore, Department of Statistics etc, when necessary

6 REIT Association of Singapore (REITAS)

Key Stakeholder Groups	Relevant Capitals	Objectives	Stakeholder's Key Concerns	Ascendas Reit's Strategy and Response	Engagement Modes and Frequency
 Existing and Potential Customers	<ul style="list-style-type: none"> ► Manufactured Capital ► Social and Relationship Capital 	<ul style="list-style-type: none"> ► To deepen relationship through engagement and networking with key decision makers ► To engage customers through networking events and programmes 	<ul style="list-style-type: none"> ► Property Management issues pertaining to lift wait times and cleanliness ► Service related gaps pertaining to understanding needs of customers 	<ul style="list-style-type: none"> ► Lift analytics and rectification works have been carried out on buildings ► Issue resolution and Account Management Skills workshops were conducted for relevant employees ► Mystery review of outsource partners to identify gaps and promote performance ► Recognition of good service delivered ► Collaboration with outsource partners to integrate H.O.S.T⁷ content / materials into their training curriculum to deliver better customer services 	<ul style="list-style-type: none"> ► Customer engagement events: Post fire drill fruits party, Oktoberfest, Science Park National Day Celebration, bazaars, workshops, La Kopi Mondays (complimentary breakfast for customers at Singapore Science Park) throughout the year ► Annual decision makers' engagement events: Chinese New Year 'Lohei', CEO Networking Evening ► Healthy Workplace and Healthy Lifestyle Programme throughout the year
 Employees (Board of Directors, Management Team and Employees)	<ul style="list-style-type: none"> ► Human Capital 	<ul style="list-style-type: none"> ► To create a great work environment based on the "POWER of ONE" Core Values (please refer to Figure 4 on page 11 for more details) 	<ul style="list-style-type: none"> ► Career development and progression opportunities ► Regular communication on business and organisational updates 	<ul style="list-style-type: none"> ► An internal communication framework was introduced to create and enhance communication platforms and new ideas ► Offer employees a variety of learning and development programmes ► A talent council regularly reviews the development of employees with potential to be leaders 	<ul style="list-style-type: none"> ► Chairman Tea Sessions are held fortnightly to better engage employees. Through the sessions, participants gain a better appreciation about the company's plans and may take the opportunity to provide suggestions for improvement. ► Creative Blender, an ongoing initiative in FY18/19, allows all employees to submit good ideas on improving processes and/or services and be rewarded with cash incentives. These could also be put up for the annual Innovation Awards recognition. ► Career Development Planning is held every year to ensure that employees have a fulfilling career
 Suppliers and Contractors⁸	<ul style="list-style-type: none"> ► Social and Relationship Capital 	<ul style="list-style-type: none"> ► To develop good relationships with suppliers and contractors ► To have clear and timely communications 	<ul style="list-style-type: none"> ► Fair competition and compliance to procurement policy ► Potential business opportunities ► Compliance to specification and service level agreement ► Customer service requirements ► Adherence to safety regulations 	<ul style="list-style-type: none"> ► Price Quality Method evaluation criteria is carried out for tenders ► Ensure risk diversification and non-concentration risk ► Performance feedback and review mechanism ► Integrate H.O.S.T training curriculum to deliver better customer service ► Regular safety briefing conducted to highlight lapses and all contractors minimally have a BizSafe Level 3 certification 	<ul style="list-style-type: none"> ► Regular Review Meetings with key suppliers and contractors to review performance ► Safety briefing and workshops annually and by contract ► Chinese New Year 'Lo Hei' annually with key term contractors ► Partners Appreciation and Star HOST Awards annually to celebrate and recognise the efforts of suppliers and contractors

7 More details on H.O.S.T. can be found on page 11.

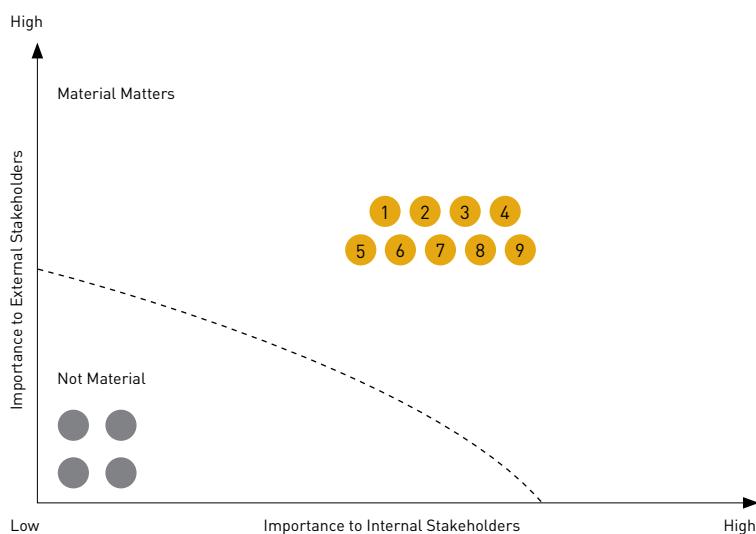
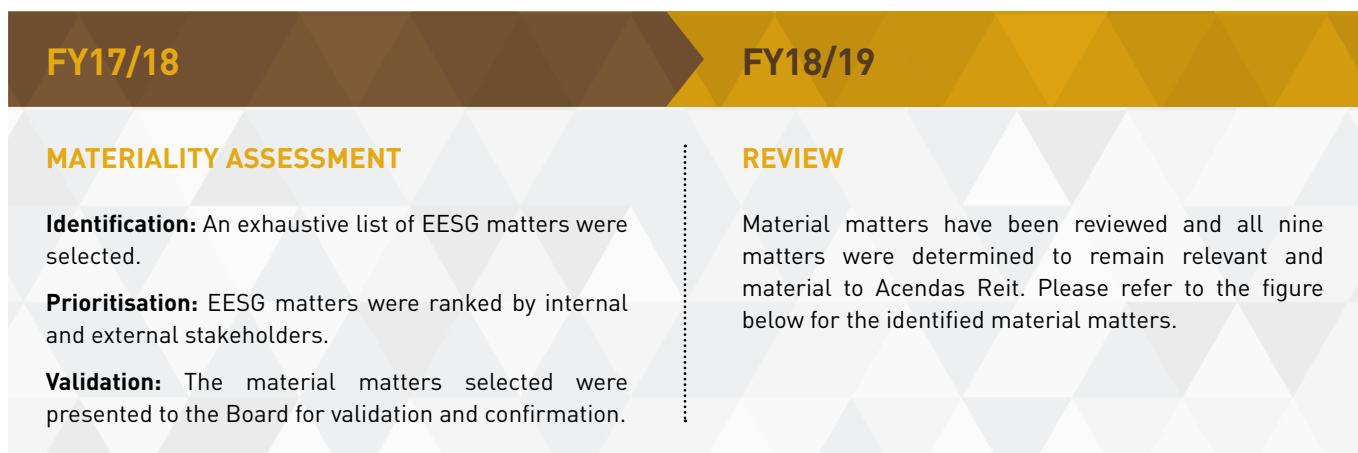
8 These refer to Singapore suppliers relating to property management services only.

DELIVERING SUSTAINABLE VALUE

MATERIALITY ASSESSMENT: MANAGING RISKS AND OPPORTUNITIES

Ascendas Reit has determined and prioritised the most important matters to address through a materiality assessment. These matters are deemed to have the most significant impact on its ability to deliver short, medium and long-term value to its stakeholders. Ascendas Reit last conducted its materiality assessment in FY17/18. These material matters were reviewed in FY18/19 and all nine matters were determined to remain relevant to Ascendas Reit. The assessment process and materiality matrix are as follows:

Figure 3. Materiality Assessment Process and Matrix



No.	Material Matters
1	High Standards of Corporate Governance
2	Security of Information
3	Health, Safety and Security Protection
4	Adaptability to Market Changes in the Countries that Ascendas Reit Operates in
5	Providing End-to-End Real Estate Solutions to Meet the Needs of Customers
6	Management of Human Capital
7	Embracing Innovation and Technology
8	Responsible Supply Chain Management
9	Responsible Energy Consumption and Carbon Emissions

GOVERNANCE AND CULTURE

Ascendas Reit is committed to upholding high standards of corporate governance that underpins the management and operational protocols of Ascendas Reit. Good governance is key to building trust and confidence with its stakeholders.

In addition, a strong corporate culture unites the employees and corporate values guide them in making the right business decisions.



Business Ethics and Employee Conduct

Expectations relating to business ethics and employee conduct are set from the top through a comprehensive suite of policies and guidelines, as summarised in Table 2. These policies apply to all Ascendas Reit's operations in Singapore and overseas, and are communicated to all new and existing employees. Where applicable, trainings are organised for employees to familiarise themselves with the relevant policies. The Group operates on a strict principle of zero-tolerance towards bribery and corruption, and has implemented various measures and

systems to facilitate and ensure compliance with this principle. In FY18/19, the Group undertook a review of its Anti-Bribery and Anti-Corruption as well as Anti-Money Laundering (AML) policies to tighten governance controls and ensure the organisation is accountable and transparent at all levels. All staff (local and overseas) have been briefed on the major updates in the policy and have completed computer-based e-learning courses to reinforce the message.

DELIVERING SUSTAINABLE VALUE

Table 2. Policies and Practices Relating to Governance at Ascendas Reit

Anti-Bribery and Anti-Corruption Policy	Anti-Money Laundering and Countering Financing of Terrorism Policy
Provides anti-bribery and anti-corruption compliance requirements and guidance for directors, employees and officers	Provides the principles and procedures by which Ascendas-Singbridge and its entities, affiliates and related companies detect, deter and deal with incidents of money laundering, financing of terrorism and other suspicious activities
Code of Ethics and Conduct	Conflict of Interest
A standard that every employee must abide by with regards to general employee conduct, workplace harassment, conflict of interest, fraud, and gratification, corruption and bribery	Outlines specific conduct requirements of the employees in the exercise of any power in the performance of any duty or function – employees shall not engage in activities that directly or indirectly abuse one's official position to achieve personal interests
Whistleblowing	Outside Directorship
Allows employees and external parties to highlight any misdeeds or improprieties committed by employees to the Audit and Risk Committee (More details can be found on the Ascendas Reit's website: www.ascendas-reit.com/en/the-manager/corporate-governance/whistleblowing-policy)	Guides employees who aims to hold external directorship appointments in their personal capacity in any company in which Ascendas-Singbridge has no direct interest in
Misconduct and Disciplinary action	Gifts, Entertainment and Donations
Provides guidelines and procedures for handling misconduct and to ensure that the inquiry and disciplinary processes are fair, objective and equitable	Provides guidelines on solicitation, acceptance and acknowledgement of gifts by employees, and gifts given to and/or received from business partners
Outside Employment	Employment of relatives
Provides guidelines for employees who aim to hold external employment in a company outside of Ascendas-Singbridge	Provides guidelines on the hiring, placement and transfer of relatives of current employees
Perpetual target	Performance for FY18/19
To achieve zero lapses in corporate governance, corruption/employee misconduct	✓ Achieved
Train all employees in Singapore and overseas on compliance with relevant governance policies	✓ Achieved
Achieve full compliance with Personal Data Protection Act (PDPA) requirements	✓ Achieved; No incidents of PDPA breaches detected

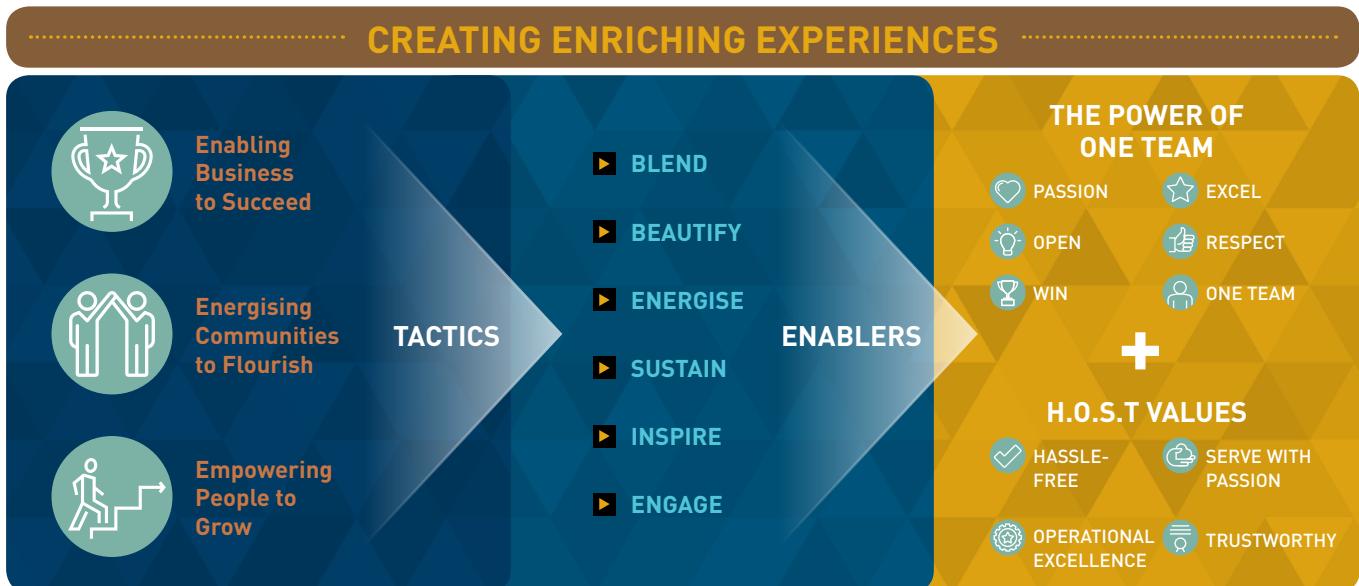
More details on Ascendas Reit's practices can be found on pages 129 to 162 of the Corporate Governance Report in the Annual Report FY18/19, which takes reference from the Code of Corporate Governance 2012.

Culture and Enablers: "Power of One"

Good governance can only be built with a strong corporate culture that promotes behaviours consistent with the Group's corporate values. Its "Power of One": Passion, Open, Win, Excel, Respect, One Team core values are an integral part to its identity. This culture emphasizes working together as one

team to carry out the H.O.S.T service values – Hassle-free, Operational Excellence, Serve with Passion, Trustworthy. The shared culture and value system enables the business to succeed, energises communities to flourish and empowers its people to grow.

Figure 4: Ascendas-Singbridge's Culture and Values



Risk Management and Controls

The Board, supported by the Audit and Risk Committee (ARC), is responsible for the overall management and corporate governance of the Manager and Ascendas Reit. The Manager maintains a structured Enterprise Risk Management (ERM) framework, and reports to the ARC and Board on a quarterly basis and when necessary. Material EESG findings are reported and recommendations are made to manage or mitigate such risks. Since FY12/13, the Manager has taken active steps in disclosing EESG factors and performance by publishing its Sustainability Report annually.

The risk management process consists of the following steps:

- Establishing corporate goals and context
- Identifying risks
- Analysing risks
- Evaluating risks
- Treating risks
- Monitoring and reviewing risks

For further details on the risk management process, please refer to pages 144 to 147 of the Corporate Governance Report in the Annual Report FY18/19. During the financial year, there were no incidences of non-compliance identified.



The Manager regularly assesses its operations, such as procurement of goods and services and engagement with managing agents for risks related to corruption in all the countries where it operates in. In upholding effective governance, Ascendas Reit aligns itself to SDG 16 (Peace, Justice and Strong Institutions).

The Manager is pleased to disclose that Ascendas Reit has improved its 2018 ranking in both the Singapore Governance and Transparency Index (SGTI) and Governance Index for Trust (GIFT), moving up the ranks from 7th to 5th place and from 19th to 8th place respectively.

ENHANCING VALUE CAPITALS

FINANCIAL CAPITAL

Ascendas Reit draws on its available pool of funds to invest in properties, asset enhancements and development/redevelopment projects to optimise value for its Unitholders. In FY18/19, it delivered a stable Distribution per Unit of 16.035 Singapore cents. For more details on Ascendas Reit's financial performance and management of financial capital, please refer to pages 32 to 45 of the Annual Report FY18/19.

MANUFACTURED CAPITAL

Ascendas Reit's manufactured capital is its ability to attain value-adding investments through the acquisition, development, as well as maintenance of high-quality properties.

Further details on acquisitions and developments can be found on pages 37 to 42 of Ascendas Reit's Annual Report FY18/19.

Providing End-to-End Real Estate Solutions to Meet the Needs of Customers

One of the key ways Ascendas Reit provides value to its customers is by offering premium end-to-end quality solutions. Together with the Property Manager, Ascendas Reit continues to adopt a multi-faceted approach (detailed in Figure 5) to achieve this.

Figure 5. Ascendas Reit's Strategy Towards End-to-End Premium Quality Solutions



The Manager is guided by the Group's Maintainability & Sustainability Guidelines to provide technical guidance on both the development and retrofitting of its properties. The Guidelines also factors in sustainability considerations such as the requirements of green building ratings standards. This provides project managers and design consultants with a green

design guide that considers operations and maintenance design for a holistic green outcome and maximum green benefits.

During the year, the Manager undertook several initiatives to improve the quality of its assets. Table 3 highlights some of the key initiatives.

Table 3. Ascendas Reit's Key Initiatives Towards End-to-End Premium Quality Solutions

Key Initiatives	
 Water Efficiency Management	<ul style="list-style-type: none"> ■ Completed roll out of Water Efficiency Management Plan for two properties in FY18/19 (six in FY17/18) and pending approval from Singapore's National Water Agency, PUB, for three more properties. ■ Smart analysis of water usage through transmission of water meter readings, web portal to access consumption data and SMS alert for unusual surge.
 Asset Enhancements and Redevelopments	<ul style="list-style-type: none"> ■ Completed the redevelopment of 20 Tuas Avenue 1 into a modern ramp-up logistics property with a concrete rooftop carpark for container trucks and lorries. ■ Completed seven asset enhancement initiatives to upgrade specifications and rejuvenate the assets. These properties include: 21 Changi South Avenue 2, KA Centre, KA Place, 1 Jalan Kilang, Nordic European Centre, Aperia and 138 Depot Road. More details can be found on pages 39 to 40 of the Annual Report FY18/19.
 Smart Buildings	<ul style="list-style-type: none"> ■ Ascendas-Singbridge Operations Centre provides an integrated platform to detect faults within the building systems and analyse building performance for energy management. ■ Use of drones for building façade inspections. ■ Data analytics to provide an early fault warning for lifts and escalators. ■ Technologies to enhance building management have been trialed at Ascendas Reit's properties. These include toilet feedback system, early fire detection system, intelligent key lock system and robotic cleaning.



More information about the on-going redevelopment and asset enhancement projects undertaken by the Manager can be found on pages 41 to 42 of Ascendas Reit's Annual Report FY18/19.

As a commitment to its stakeholders, 22 properties within Ascendas Reit's portfolio have achieved Green Mark certifications (6 Platinum, 8 Gold^{Plus}, 5 Gold, 3 certifications). The Manager is working towards obtaining Green Mark certifications for its other Singapore properties.

Ascendas Reit seeks to satisfy the evolving needs of its customers by leveraging on technology to continuously improve the quality of its assets. The success of the Manager's ability to meet the needs of its customers is measured through its customer satisfaction. The Manager's targets as well as performance in this aspect can be found in the Customer Satisfaction section on pages 22 to 23 of this report.

ENHANCING VALUE CAPITALS

Responsible Supply Chain Management

On top of being a responsible corporate citizen, there is an increasing expectation for organisations to extend this responsibility to their supply chains as well. The Group expects all its suppliers to adhere to its standards of good governance and business integrity.

Responsible Supply Chain Management



Definition

Encourage sustainable procurement, and manage contractors and service providers for responsible business conduct in areas of human rights, labour, anti-corruption, health and safety, and environment.



Key Risks Most Relevant to the Issue

Operational risks



Capitals Mapped

Manufactured capital
Human capital



SDGs Supported

SDG 3: Good health and well-being
SDG 16: Peace, justice and strong institutions

Perpetual target

To ensure that more than 90% of vendors under the Singapore property management services' major trades' operations attain a Level 3 in bizSAFE

Performance for FY18/19

Achieved 100% compliance

In Singapore, the Group has adopted a phased approach to setting guidelines on purchasing only from vendors who are committed to environmental protection and providing decent work conditions for their staff. The guidelines form part of the Integrated Management System (IMS) (refer to page 18 for more details) and are planned to be extended to other countries of operations progressively.

The guidelines stipulate that the Group conducts anti-money laundering compliance checks on vendors for all its property management operations based on a set of criteria. During the evaluation of new suppliers, the Group assesses the potential suppliers under contracts and procurement on their quality management, financial standing, sustainability policies and certifications. Depending on the nature of their services, suppliers under the contracts and procurement in Singapore are required to meet sustainability standards which include ISO 9001 and ISO 14001, bizSAFE Level 3 or the National Environment Agency Clean Mark Silver (for cleaning providers); attaining a minimum of B grade licence issued by

the Police Licensing and Regulatory Department (for security services); and adopting Progressive Wage Model (for cleaning, security and landscape services). Their performance is also closely monitored via site assessments which include surprise site inspections as well as the Group's IMS, and reflected in the suppliers' performance rating.

In FY18/19, all new suppliers⁸ were screened using social and environmental criteria.

Annually, the Group will conduct a controlled self-assessment (CSA) to monitor the effectiveness of its procurement process and identify improvement areas. Warning letters will be issued to suppliers who have breached the required protocols and termination of contracts will occur if no improvements are made.



Ascendas Reit ensures that its business operations are in full compliance to all applicable laws and regulatory requirements, in alignment with SDG 16 (Peace, Justice and Strong Institutions).

⁸ These refer to Singapore suppliers relating to property management services only.





CASE STUDY

Launch of new global supplier management platform, Zycus

The Group has launched Zycus, a new global supplier management platform which provides employees with access to information on past, present and new suppliers. This includes the suppliers' service track record and Environmental, Social and Governance (ESG) performance, summarised by an overall score that is assigned to each supplier. Suppliers are also required to answer a questionnaire on their financial standing, environmental and social commitments (e.g. if they are ISO 14001, ISO 9001, OHSAS 18001 and bizSAFE certified). This one-stop online platform for supplier screening allows suppliers to assess how they could improve on their services.



To express the Group's appreciation and celebrate the efforts of its partners (suppliers, contractors and vendors providing security, technical and cleaning services), Ascendas-Singbridge held its inaugural ASB Partners Appreciation and Star HOST Awards Evening on 27 October 2018. Senior management were present to engage with the partners over a fun evening filled with food, songs and games. A total of 88 awards were also presented to individuals and companies who have demonstrated H.O.S.T values.



ENHANCING VALUE CAPITALS

SOCIAL & RELATIONSHIP CAPITAL

Fostering positive, trusting and enduring relationships with its stakeholders is a key priority for the Manager. To strengthen its brand and reputation, Ascendas Reit actively strives to enhance individual and collective well-being of its employees, contractors, customers and visitors.

Health, Safety and Security Protection



Definition

Minimise safety risks, and secure properties from threats of criminal activity and terrorism for customers, visitors, employees and contractors.



Key Risks Most Relevant to the Issue

Operational risks



Capitals Mapped

Social and relationship capital
Human capital



SDG Supported

SDG 3: Good health and well-being

Physical Security

- 1 Security of external areas and building perimeter
- 2 CCTV system, guard patrol and security officers
- 3 Security Access System installed by individual customers
- 4 Company Emergency Response Team to handle emergency situations
- 5 Fire and evacuation drills

Information Security

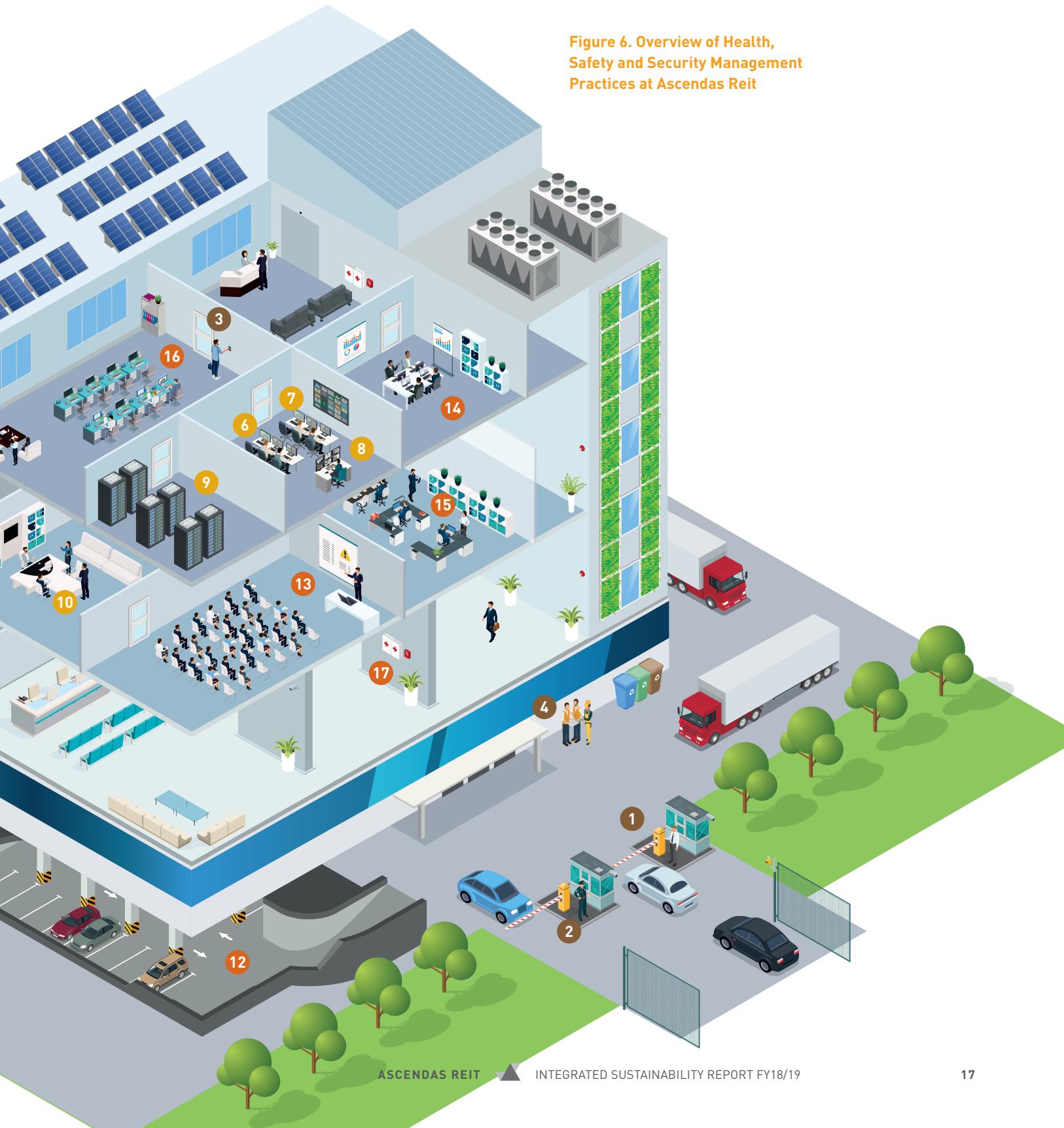
- 6 Vulnerability Assessment and Penetration Testing (VAPT)
- 7 Data Loss Prevention (DLP) software
- 8 Information Technology (IT) audits
- 9 Next Generation End-Point Protection
- 10 Privilege Account Management System

Health, Hygiene and Safety

- 11 Emergency preparedness
- 12 Public health management (Common Areas)
- 13 Safety training and awareness campaigns
- 14 Safety risk assessments
- 15 Incident reporting and investigation
- 16 Safety performance monitoring
- 17 First aid and personal protective equipment



Figure 6. Overview of Health, Safety and Security Management Practices at Ascendas Reit



ENHANCING VALUE CAPITALS

In FY18/19, Ascendas-Singbridge implemented its new Integrated Management System (IMS) that consolidates the scope of other relevant policies to provide overall guidance in the areas of workplace health and safety, responsible supply chain and the environment. Certifications obtained under the IMS include ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health & Safety Management System). Through this policy, the Manager strives to:



Achieve customer satisfaction through prompt and friendly service, innovative solutions and high standard of maintenance;



Protect the health and safety of its employees, interested parties, the environment and the community from security threats;



Comply with all applicable legislation and regulations and will commit the resources to achieve this end;



Value and recognise contractors or vendors who are committed to environmental protection and encourage the use of eco-friendly and recycled materials and products, and



Preserve the value of its properties through continual improvement on the effectiveness of its IMS.

The committees and representatives such as Workplace Safety and Health (WSH) Committee, IMS Steering Committee, Aspect Hazards Identification Risk Assessment (AHIRA) Team, lead auditor and internal auditors were institutionalised to ensure essential resources to establish, implement, maintain and improve the IMS System. In addition, the Manager will continue to be a member of the WSH Council Facilities Management (FM) Committee, which is responsible for WSH issues and concerns of the FM industry. Figure 7 below shows the implementation of the IMS with respect to its safety management framework.

Figure 7. Plan, Do, Check, Act Model Relating to the Safety Management Framework in Singapore

Improvement

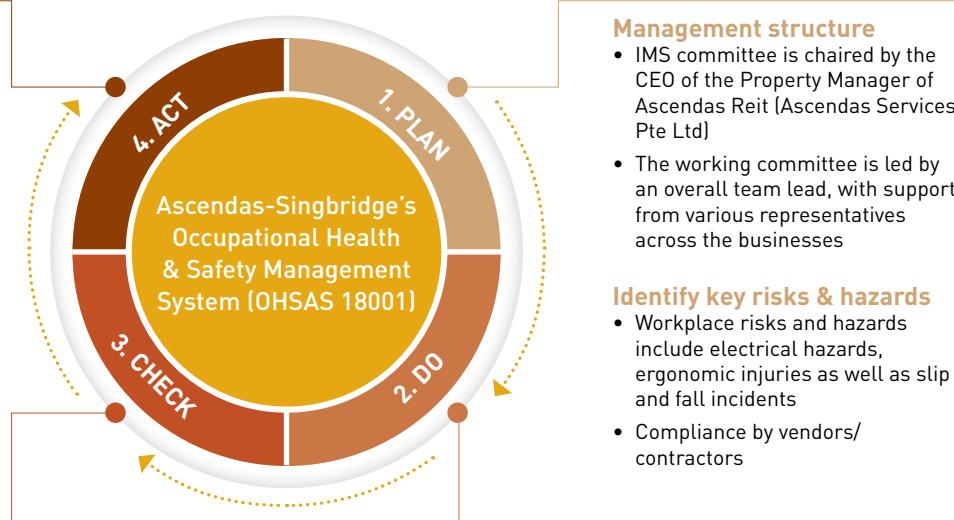
- Areas for improvement will be identified after the first review in April 2019

Management review

- The IMS is reviewed annually by the IMS committee, where areas for improvement will be identified. The IMS is newly implemented and its first review was conducted in March 2019

Monitoring & measurement

- Implemented WSH performance indicator dashboard, a data analytics platform used to consolidate and track WSH incidents
- Conduct monthly reviews on safety statistics and incidents



Set objectives

- Commit to the protection of the health and safety of staff, interested parties, the environment and the community from security threats

Awareness building

- Display safety posters at all prominent locations
- Institute periodic briefings and lectures to contractors' staff
- Introduce safety videos and online trainings
- Conduct risk and safety workshops

Programmes & operations

- Install closed circuit cameras in vulnerable areas
- Increase lighting and lux levels in basements and utility areas
- Implement a system for shift handover covering security aspects
- Establish a recognition system to reward compliers and penalise defaulters
- Implement a system to periodically review the availability of personal protective equipment and first aid supplies
- Incorporate clause on safety adherence in third party contractors and vendors service agreements

Perpetual target	Performance for FY18/19
To achieve below the national average for Accident Fatality Rate, Accident Frequency Rate and Accident Severity Rate ⁹	✓ Achieved
To achieve zero validated cases of physical security breaches at properties	✓ Achieved

The Manager is committed to implementing all necessary measures to minimise risks, secure the safety and protect the health of all those affected by its operations and business activities. This includes its employees, contractors, tenants and visitors. The Manager promotes a safety culture that has zero tolerance towards workplace injuries by adopting the following activities, among others:

1. Certified for OHSAS 18001, local standard SS506 Part-1 and adopted other management systems including bizSafe Star and SafeWork Australia National Standards and Model Codes of Practice in Australia
2. Conduct risk assessment and check all control measures are implemented prior to initiation of any work activity
3. Awareness training regarding working at heights and through promotional poster/visual aids/campaign programs
4. Conducted safety briefing on the requirement of Workplace Safety and Health under IMS. To enhance learning, an online quiz was conducted to gauge the participants knowledge and understanding
5. Conduct safety induction course for new joiners

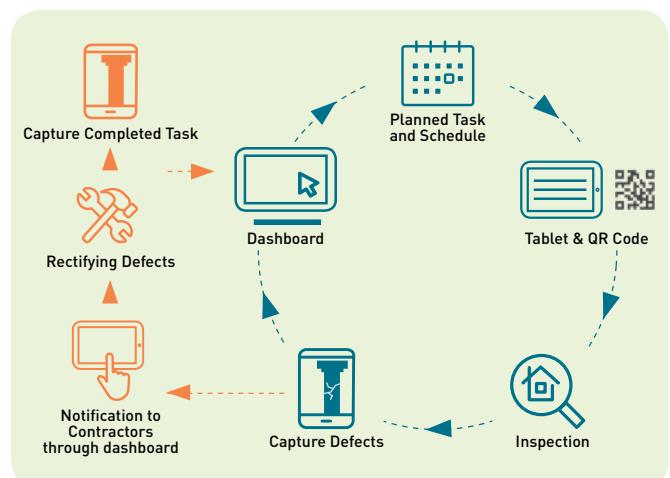
In September 2018, the Group launched an online tool, which dramatically improved its WSH performance tracking. This was achieved through the implementation of data analytics to track WSH indicators, incidents and incident summaries. The monitoring and measurement enabled by the WSH Performance Indicator Dashboard provides insights for continual improvement.

To further improve the inspection process, the Portable Ladder Inspection Checklist was launched in October 2018, via a mobile inspection application. The mobile inspection application is a digital platform that allows safety inspectors to conduct their checks against checklists built into their mobile tablets (Figure 8).

6. Promotional posters/visual aids /campaign programs for workplace safety
7. Safety related & awareness training to employees
8. Ensure contractors have at least bizSAFE Level 3
9. Conduct tool box meetings (safety meetings that focus on job-specific safety topics)
10. Ascendas Contractor Management Programme (one-on-one engagement with new and existing contractors to set expectations and commitment to requirements of Workplace Safety and Health)



Figure 8. Mobile Inspection Process



⁹ This target is only applicable to Singapore properties. The rates are defined by the Ministry of Manpower, calculated per million man-hours worked. The targets were benchmarked against the latest available national statistics at the start of the financial year.

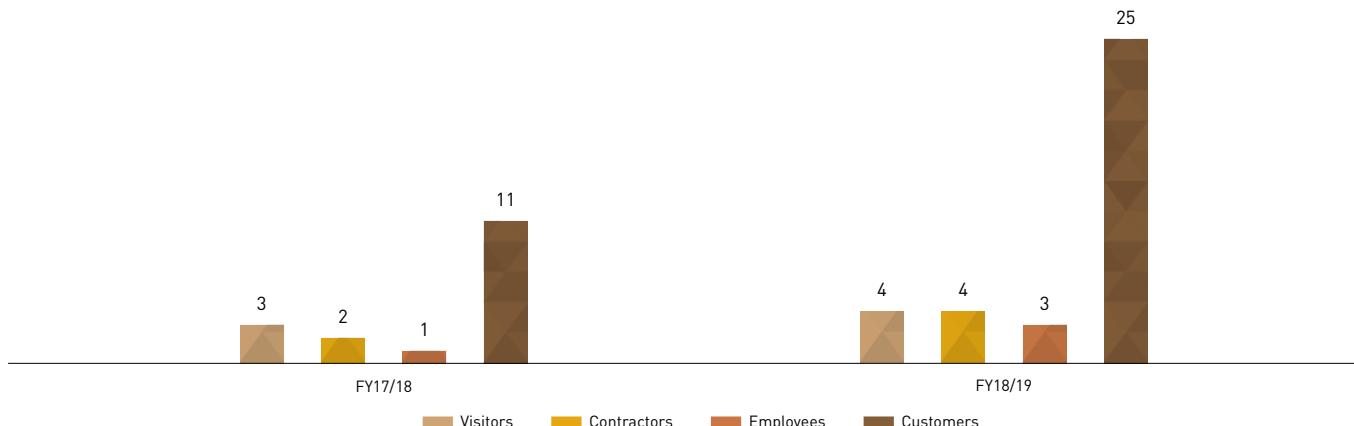
ENHANCING VALUE CAPITALS

Performance Figures:

In FY18/19 there were zero work-related fatalities and occupational diseases recorded. However, 36 accidents were recorded in Singapore, out of which only two are reportable. Of this, 26 accidents resulted in injuries (13 males and 13 females). This increase in recordable incidents from FY17/18 was mainly due to an increase in slips and falls.

Thorough investigations were conducted and the Property Manager took corrective actions immediately to mitigate the risks of future injuries such as installing signages, handrails and barricades, reviewing risk assessment practices and procedures, conducting additional safety briefings and actively engaging with customers on the importance of proper maintenance as well as fire safety awareness.

Figure 9. Number of Accidents*



In FY18/19, the accident severity rate was 11.7 and accident frequency rate was 1.56, both below the respective national industry averages¹⁰.

A healthy and productive workforce is reflected through an organisation's absentee rates. The Manager recorded an increase of absentee rates over FY17/18 for both Singapore and Australia. The Manager will continue to seek improvements in its employees' health and well-being to improve these rates. For example, Wellness Day (every Wednesday) was introduced to encourage employees to improve their physical and mental well-being.

Table 4. Absentee Rate for the Manager's Employees, by Gender and Region

Absentee Rate	FY17/18			FY18/19		
	Male	Female	Total	Male	Female	Total
Singapore	0.54%	2.30%	1.56%	1.10%	2.42%	1.91%
Australia	0.19%	1.15%	0.30%	0.25%	1.43%	0.32%



Ascendas Reit continues to work towards the goals of SDG 3 (Good Health and Well-being) by providing a healthy, safe and secure environment for its employees, customers, visitors and contractors, as well as to SDG 16 (Peace, Justice and Strong Institutions) by actively taking measures to prevent unlawful behaviour at its properties.

¹⁰ According to Ministry of Manpower Workplace Safety and Health Report 2018, accident severity rate in 2018 was 66, while accident frequency rate was 1.6. These statistics only refer to employee injuries.

* Accidents refer to all incidents, including those resulting in injuries and non-injury cases.

Security of Information

Apart from maintaining the physical security of its properties, the Manager remains vigilant to the data privacy of its investors and customers. Ascendas Reit respects the various laws and regulations in place to promote the responsible use of data through strict compliance to the Personal Data Protection Act

(PDPA) and MAS Technology Risk Management Guidelines (MAS TRMG) where applicable. The loss of critical company information could result in financial and reputational damages to Ascendas Reit.

Security of Information



Definition

Protect the information and data privacy of investors and customers



Key Risks Most Relevant to the Issue

Information technology (IT) risks



Capitals Mapped

Social and relationship capital



SDG Supported

SDG16: Peace, justice and strong institutions

Ascendas Reit takes reference from Ascendas-Singbridge's Information Technology (IT) policy, namely Enterprise Mobility Policy, Personal Data Protection Policy and Cyber Security Incident Reporting Policy, among others to ensure the security of information it handles. The Cyber Security Incident Reporting Policy, which was implemented in FY18/19, outlines staff procedures for the reporting of suspected or confirmed cybersecurity incidents, effectively extending the role of spotting cyber threats to all employees.

These policies are developed based on ISO information security standards and regulatory practices and undergo annual review by the IT Steering Committee.

Some key IT sub-policies

- Enterprise Mobility Policy
- Email Policy
- Electronic Messaging, Internal and Networking and Computing Resources Acceptable Use Policy
- Personal Data Protection Directive
- Password Policy
- Websites Policy
- Anti-Virus Policy

Perpetual target	Plans for FY18/19 previously disclosed	Performance for FY18/19
To achieve zero incidents of hacking, website defacement or loss of data that resulted in significant negative impact on the corporation in terms of financial loss or reputational loss	To actively monitor the security landscape and execution of initiatives to enhance the security defences, and continue to explore new technologies to strengthen the Group's security defences and readiness	✓ Achieved target; Active monitoring of security threats and continuous exploration of new technologies to enhance security defences and readiness
To achieve target times on data recovery test result: <ul style="list-style-type: none"> ■ Recovery Time Objectives (RTO): Actual vs Target times ■ Recovery Point Objectives (RPO): Actual vs Target times 	To improve both the planning and execution of the Disaster Recovery Plan (DRP)	✓ Both RTO (24 hours) and RPO (12 hours) met; Developed a DRP and conducted a comprehensive DRP exercise

ENHANCING VALUE CAPITALS

Ascendas-Singbridge manages all IT matters through its Information Security Council, which is responsible for planning, managing, supporting and ensuring management commitment in all information security activities.

To obtain the necessary support to manage security of information, Ascendas-Singbridge engages premier support services from Information Security vendors and subscribes to research services and regular threat intelligence from multiple sources (e.g. Government, product principals, cyber-security vendors and open-source threat intelligence).

While Ascendas-Singbridge can put in place the best measures against possible data breaches, all users must be equally responsible for the proper distribution and sharing of business information, as well as keeping their passwords safe and secure. A monthly information security newsletter is disseminated to all employees of Ascendas-Singbridge to educate them on information security threats and ways to identify and protect against such threats. To further increase their level of alertness and responsiveness to cyber threats, unannounced simulated phishing campaigns are conducted, with online cybersecurity training made mandatory for those who fail the simulations. Employees of Ascendas-Singbridge's IT department also undergo regular training and skills upgrading to become trained and certified incident responders.

To meet changing security needs, Ascendas-Singbridge also makes continuous improvements to Security Information and Event Management (SIEM) based on internal audits conducted against MAS-TRMG guidelines.

Additionally, assessments of the overall security alert level of Ascendas-Singbridge are conducted every month. To date,



Participation in two Government to Citizen collaborations to develop the local cybersecurity industry

1. Participated in Cyber Security Agency of Singapore and TNB Ventures - Cybersecurity Industry Call for Innovation

Ascendas-Singbridge participated as a demand-driver, providing challenge statements for the industry to develop innovative cybersecurity solutions to address business needs.

2. Participated in Infocomm Media Development Authority – Call for Innovative Solutions (CFIS) for Smart Estates

Ascendas-Singbridge provided challenge statements to the industry specifically for Smart Estates, which includes considerations for cybersecurity.

the overall security alert level has been low, as any potential areas of weaknesses are continually identified and improved.

With these measures in place, there were zero cases of substantiated complaints from outside parties or regulatory bodies as well as zero cases of identified leaks, thefts and losses of customer data.

Customer Satisfaction

Ensuring customer satisfaction and retention is key to the success of Ascendas Reit. In providing end-to-end premium quality solutions, the Manager seeks to foster strong relationships with all its customers and deliver a unique and differentiated Ascendas Reit experience.

Providing End-to-End Real Estate Solutions to Meet the Needs of Customers



Definition

Provide end-to-end real estate solutions such as space solutions, planning & development, property management, integrating business, lifestyle, and retail spaces to create conducive human-centric work-live-play-learn environments to meet the needs of customers and increase customer satisfaction.



Capitals Mapped

Manufactured capital
Social and relationship capital



Key Risks Most Relevant to the Issue

Operational risks, Sustainability risks



SDGs Supported

SDG 8: Decent work and economic growth
SDG 16: Peace, justice and strong institutions

Policies that cater to meeting the needs of customers have been put in place such as, customer care programme, customer service empowerment, customer delight and customer recovery.

Targets for FY18/19 previously disclosed and perpetual target	Performance for FY18/19
Transactional surveys: to achieve satisfaction score by 80% of respondents	 Achieved 91%
To achieve call centre customer satisfaction score of a minimum of 3 on a scale of 1 (Poor) to 5 (Excellent)	 Achieved 4.1

 MOBILE INSPECTION APPLICATION	<p>This year, the Manager continued its efforts to digitise its processes and customer experience reviews at its buildings. Back office staff visited buildings within the Singapore portfolio and conducted building reviews for gaps based on a pre-defined checklist via a mobile inspection application. Issues identified will be logged as a ticket with the call centre and must be resolved.</p>
 FEEDBACK FROM CUSTOMERS	<p>Feedback is collected directly from customers through customer satisfaction and transactional surveys, a call centre for customers to report property-related issues and concerns, and the “Fix-it” function within the Ascendas-Singbridge mobile application (asap) for fault reporting.</p> <p>Follow-ups with stakeholders are conducted and the process is tracked to ensure that all feedback is addressed to the satisfaction of the customers.</p> <p>Based on the results of a transactional survey in 2018, 91% of the 108 respondents scored Ascendas-Singbridge in the top 3 box for overall satisfaction. In seeking continual improvement, the need to upskill the project management department and Account Managers was identified.</p>
 H.O.S.T TRAINING	<p>Frontline staff are equipped with the key skills required for issues resolution and handling of difficult customers as well as presentation and negotiation skills. New staff and service providers such as cleaners and security guards receive H.O.S.T induction training to drive greater consistency in service delivery.</p>

ENHANCING VALUE CAPITALS

Customer Events and Activities Across Ascendas Reit's Properties

Chinese New Year "Lo Hei":

Private dining at Ascendas Reit's properties to provide an exclusive experience to key customers.



Fire Drill Fruits Galore:

Providing fruits after the fire drill to promote participation and interaction.



Large scale activities at Business and Science Parks to drive vibrancy:

National Day and Oktoberfest celebrations to inject vibrancy to the Parks.



Ascendas-Singbridge becomes first in Singapore's real estate industry to be awarded Crystal Mark accreditation

Ascendas-Singbridge has been awarded the Crystal Mark accreditation by the Plain English Campaign (PEC) firm in the UK. PEC is the world leader in plain-language advocacy. The accreditation is a testament to the Group's efforts in simplifying lease agreements as part of its commitment to deliver exceptional customer experience.



INTELLECTUAL CAPITAL

Intellectual capital refers to the value of knowledge created, acquired and repositioned for application by the organisation. This capital is core to the Manager's strategy formulation and knowledge management, contributing to the sustainable growth of Ascendas Reit.

Adaptability to Market Changes in the Countries that Ascendas Reit Operates In

With a mission to deliver predictable distributions and achieve long-term capital stability for Unitholders, Ascendas Reit must keep abreast of global market trends and be able to adapt its business operations to the changes in its operating environment to remain competitive.

Perpetual Target	Performance for FY18/19
To be in compliance with all regulatory requirements in the countries that Ascendas Reit operates in	 Achieved

Adaptability to Market Changes in the Countries that Ascendas Reit Operates in



Definition
 Demonstrate resilience and adaptability to uncertainties or opportunities that may arise in Singapore, Australia and the UK, which may be related to geopolitics, regional and global developments.

Key Risks Most Relevant to the Issue
 Strategic risks, External risks, Operational risks, Financial risks, IT risks, Sustainability risks, Investment and development risks, Regulatory compliance risks

Capitals Mapped
 Financial capital
Intellectual capital

SDG Supported
 SDG 9: Industry, innovation and infrastructure

Figure 10. Relevant Risks for Adaptability to Market Changes in the Countries that Ascendas Reit Operates In



ENHANCING VALUE CAPITALS

The Manager adopts a proactive approach in managing its risks. Overseen by the Board (specifically the Audit and Risk Committee), the Management designs and formulates its risk management policies and processes to ensure that all key risks to Ascendas Reit are identified and evaluated, and that the necessary controls are in place to mitigate those risks. Controls include periodic macro market studies, monitoring of industrial and office vacancy, capital value movement, leading economic indicators (such as gross domestic product, consumer price indices, non-oil domestic exports), monitoring of political and social development and conducting independent studies on the property markets that it operates in (refer to pages 92 to 126 in the independent market study section of the Annual Report FY18/19). More information on the Risk Management process and key risks identified can be found in pages 144 to 148 in the Corporate Governance section of the Annual Report FY18/19.

One of the key risks identified is regulatory compliance. The Manager is expected to comply with all applicable laws and regulations in the countries it operates in, as well as to keep abreast with regulatory updates. There were no breaches identified during Ascendas Reit's periodic internal and external compliance audits.

Embracing Innovation and Technology

In today's business environment, it is crucial for organisations to innovate to differentiate their offerings from its competitors and to better meet the needs of its stakeholders. The Manager has integrated innovation into its business strategy, seeking to leverage on technology to deliver holistic real estate solutions and to build a future-ready organisation.

Embracing Innovation and Technology



Definition

Embrace and leverage technology (including digital) to enhance performance and competitive advantage, and safeguard against potential disruption to the business



Key Risks Most Relevant to the Issue

IT risks



Capitals Mapped

Intellectual capital



SDGs Supported

SDG 9: Industry, innovation and infrastructure

SDG 16: Peace, justice and strong institutions

Target for FY19/20

To identify five innovation initiatives that would enable effective asset management, reduce cost of operations, or create delightful customer experiences

Target for FY18/19

To pilot five innovation initiatives that would enable effective asset management, reduce cost of operations, or create delightful customer experiences

Performance



Achieved
(refer to Project Highlights)



The five innovative initiatives that were piloted in FY18/19 are:



Project Highlight 1: Intelligent Key Lock System

This intelligent security solution tracks the movement of keys with wireless technology. It provides security monitoring and comprehensive audit trail information, improving security and operational efficiency at Ascendas Reit's properties.



Project Highlight 2: Digital Twin

A cloud-based data management platform helps design and construction partners to create data-rich digital buildings, allowing for holistic management of a project's time, cost and quality from beginning to end.



Project Highlight 3: Digital Space Management

The Manager has explored the use of Virtual Reality (VR) visualisation technology to provide prospective tenants a 360° virtual reality tour of properties and 3D digitised models and floor plans for potential space options to be leased. This enhances brand experience for prospective customers and has been deployed at The Rutherford & Oasis and Corporation Place.

Project Highlight 4: Indoor Environmental Quality

To promote occupant wellness, the Manager has established Indoor Air Quality (IAQ) standards and guidelines for existing and future developments. This improves the buildings' indoor environment, which may translate to fewer sick days, better performance and lower turnover.

ENHANCING VALUE CAPITALS



PROJECT HIGHLIGHTS

Project Highlight 5: Electric Vehicle (EV) charging

Staying true to its commitment to develop smart buildings and enable its users to minimise their impact on the environment, Ascendas-Singbridge is the first major location partner in Singapore to participate in the public EV charging network by SP Group. 24 high-speed EV charging stations have been installed in six of its buildings in Singapore - Hyflux Innovation Centre, Corporation Place, Techlink, Techplace I, The Capricorn and The Kendall.



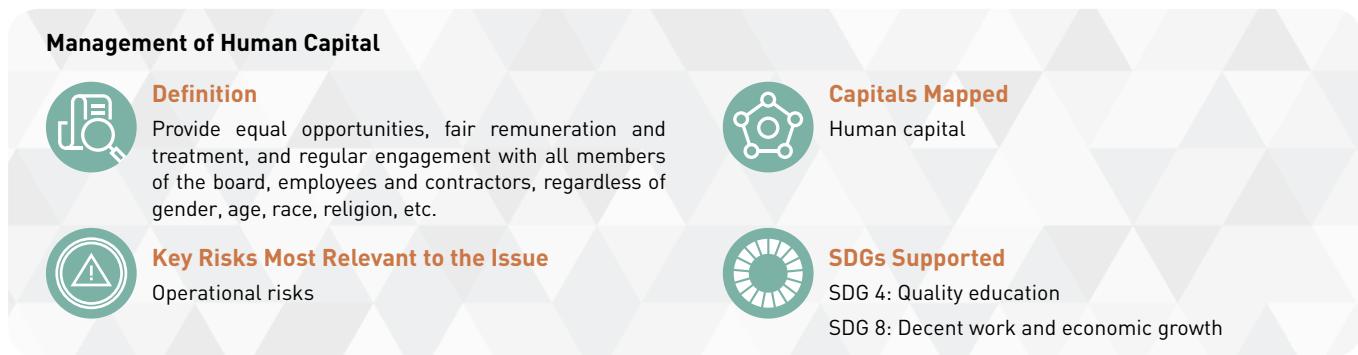
To be in line with the Group's push towards building a culture of innovation, Ascendas Reit continues to be guided by its Innovation Framework, which comprises five phases, and its complementary Innovation Capability Metrics as shown below in Figure 11.

Figure 11. Ascendas Reit's Innovation Framework and Innovation Capability Metrics



HUMAN CAPITAL

The Manager recognises that commitment and drive from employees are important to sustain business growth. Through the “Power of One” culture, Ascendas-Singbridge continuously promotes the core values of passion, openness, winning, excellence, respect and teamwork, and nurtures and enables all employees to develop to their full potential.

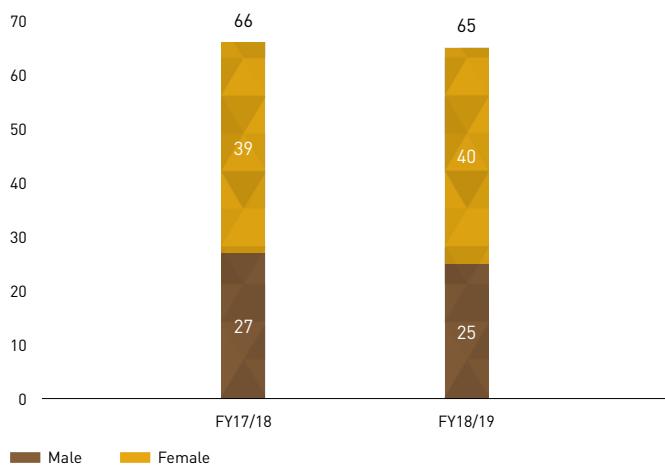


Perpetual Target	Performance for FY18/19
To achieve zero cases of validated discrimination	Achieved
Fair Employment Practices The Manager is committed to ensure a fair and inclusive working environment to build a vibrant and motivated high-quality workforce. The Manager abides by the 5 Principles of Fair Employment Practices under the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP), to which the Ascendas-Singbridge Group is a signatory to. The Manager strives to ensure that all employees are treated with respect and without discrimination. This is fundamental to its “Power of One” Culture. To encourage employees to live out the Power of ONE values, the Group has also put in place a Power of ONE award. The ASB Power of One Ambassador Award celebrates employees whose exemplary demonstration of its core values have enhanced company culture, working relationships and business results.	Profile of Employees As at 31 March 2019, the Manager had a total staff strength of 77 full-time permanent employees – 65 in Singapore and 12 in Australia – and a handful of interns. The Manager believes that investing and developing its people is one of the keys to success. This also means identifying and supporting young talent, creating opportunities at Ascendas Reit for them to develop their skills and knowledge. The Manager’s workforce across both countries comprises 56% females, a testament to its efforts in ensuring a diverse and fair workplace. The Manager also has two female directors in its Board of Directors. In FY18/19, the Manager had an employee turnover rate of 22%.

ENHANCING VALUE CAPITALS

Figure 12. Number of Full-time Employees

Singapore



Australia

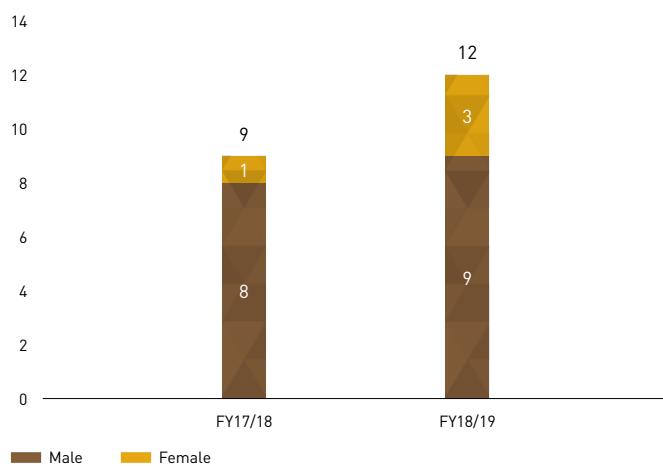
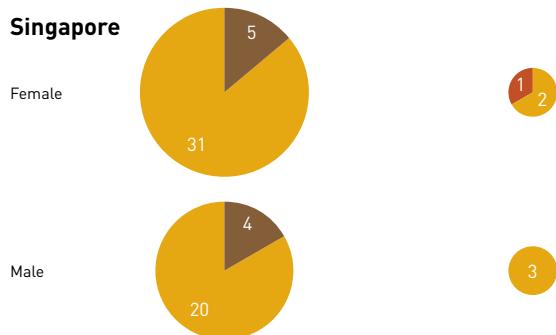


Figure 13. Number of Employees by Gender and Employment Category

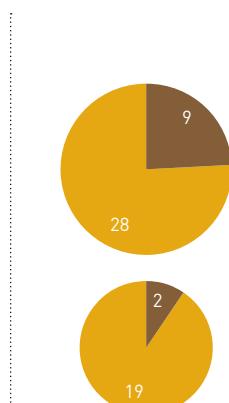
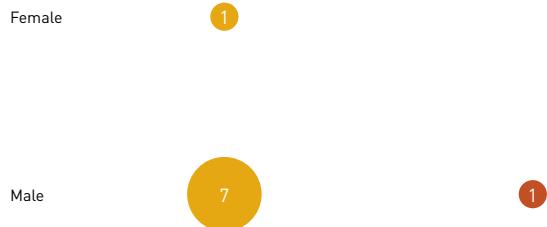
Singapore



FY17/18

FY18/19

Australia



Non-Management

Management

Non-Management

Management

Employee Well-Being

In providing high-quality business spaces to customers, the Manager believes that occupant well-being is a major value proposition and seeks to emulate that in its own corporate offices. Physical health, mental, and emotional health are important components of overall well-being. Focusing primarily on four areas – Active Living, Mental Well-being, Chronic Disease Management, and Healthy Eating, Ascendas-Singbridge employs a host of initiatives to encourage employees to work and live healthily.

Figure 14. Ascendas Reit's Approach to a Healthier Workplace



Employee Engagement and Development

A highly engaged workforce contributes to positive business outcomes and organisational excellence for Ascendas Reit while a highly capable workforce builds competencies and delivers value to stakeholders in a competitive landscape. The Manager taps on a variety of programmes from the Group to engage its employees and help them develop their skills and competencies to stay ahead in an increasingly competitive landscape. Some of these are as depicted in Table 5 below.

Table 5. Employee Engagement Programmes

Communication and Collaboration	Recognition and Performance	Training and Education
Town Hall Meetings Platform for Management to communicate company updates and gather feedback	Power of One Ambassador Award Celebrate teams or employees who strongly exhibit Power of One core values	Talent Potential Framework Development programmes for Stars & Shining Stars include job rotation, cross-functional projects, accelerated centres and Caliper Assessment ¹¹
Ascendas-Singbridge Employee Forum Annual platform at Group level to share company updates and key learnings	Ascendas-Singbridge Innovation Award Recognise employees for their ideas that transformed customer experience, enhanced work efficiency, effectively eradicated persistent problems and/or brought in new business opportunities	Leadership Development ASB Emerging Leaders Programme and ASB Developing Leaders Programme to equip newly promoted managers and Assistant Vice Presidents with the necessary skills

¹¹ Caliper Assessment is a personality tool administered to gather information about an individual's natural strengths, motivators and potential to succeed in a particular role.

ENHANCING VALUE CAPITALS

Communication and Collaboration	Recognition and Performance	Training and Education
Teambonding Employee bonding activities to improve team communication, boost morale and performance	Long Service Awards Recognise employees for their dedicated service to the company	Ascendas-Singbridge Acceleration Centre Programme that applies simulated business challenges to identify opportunities for business development
Induction Programme All newly hired employees and existing employees who are given new job assignments due to job rotation are given briefings by various business units to assist them in integrating to the new workplace culture	People's Choice Award Prize money awarded for idea implementation in Green and Sustainable Excellence, Customer Excellence, and Operational Excellence	Ascendas-Singbridge Mentoring Programme Senior management team members provide mentoring and coaching to support career development of young leaders
Luncheon Meet with Ascendas-Singbridge's Leaders Monthly sharing sessions to provide updates on business/projects across the Group; senior leaders also share knowledge and best practices	Performance Management Employees are able to obtain formal feedback on their job performance from their supervisors on a regular and scheduled basis. In FY18/19, 100% of employees received regular performance and career development reviews. The Group also practices 360-degree feedback for leaders which contributes towards building a collaborative feedback culture based on the Power of One values	Job Rotation & Attachment Opportunities for identified employees to get exposure in different business areas
Power of One Learning Carnival A Group wide experiential learning programme for all employees to have a better understanding of the core ASB values and apply a work approach that reflects its behavioural expectations		Training/Education Funds Sponsorship for certification, diploma, bachelor's and master's degree courses



▲ Power of One Learning Carnival



▲ Luncheon Meet with Ascendas-Singbridge's Leaders

Programmes are also in place to facilitate the continued employability of employees such as pre-retirement planning for intended retirees, re-training for those intending to continue working after retiring, severance pay and job placement services.

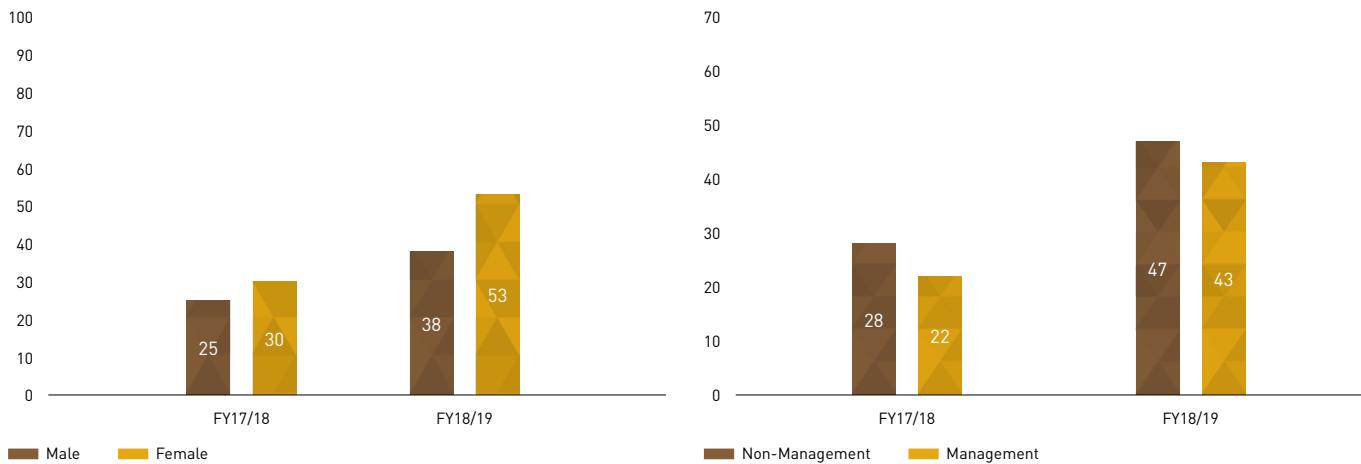
In FY18/19, employees received significantly more training, as seen in Figure 15. Employees attended an average of 47 hours of training during FY18/19 compared to 28 hours in FY17/18. The courses attended by employees include Rules and

Ethics and REIT Management courses organised by REITAS and H.O.S.T. Alive! (an Ascendas-Singbridge programme to inculcate H.O.S.T. service values and behavioural attributes).



Ascendas Reit seeks to always uphold labour rights and provide learning and development opportunities to all employees while contributing to their health and well-being, aligning with SDG 4 (Quality Education) and 8 (Decent Work and Economic Growth).

Figure 15. Average Training Hours by Gender and by Employee Category



ENHANCING VALUE CAPITALS

NATURAL CAPITAL

Natural Capital refers to Ascendas Reit's access to natural resources such as energy and water, which are required for its business operations.

The Group remains committed to minimising its environmental impact. It has in place a Green Policy that specifies environmental targets as well as guidelines on seven key focus areas for implementation across its business operations. To promote 'Green Literacy', all employees have access to the Group's Green Policy to understand its objectives and the key performance criteria.

The Manager also conducts extensive and appropriate due diligence checks on its properties prior to its acquisitions.

For example, newly acquired properties in the UK were assessed for a set of holistic sustainability criteria such as environmental labelling and management, climate change, energy performance, land use and contamination, biodiversity, landscaping and visual aspects etc.

Responsible Energy Consumption and Carbon Emissions

With the growing demand for climate action by its various stakeholder groups, Ascendas Reit is conscious of the impact its energy consumption and carbon footprint have on the environment it operates in. The Manager will continue to align its goal of optimising energy usage and reducing greenhouse gas emissions with both the national and international agenda.

Responsible Energy Consumption and Carbon Emissions



Definition

Efficient use and management of energy to minimise carbon emissions, through the design, construction and operation of the properties.



Key Risks Most Relevant to the Issue

Regulatory compliance risks, Sustainability risks



Capitals Mapped

Natural capital



SDGs Supported

SDG 7: Affordable and clean energy

SDG12: Responsible consumption and production

SDG13: Climate action

Target for FY19/20	Forthcoming plans	Performance for FY18/19
3% reduction of energy intensity for buildings managed by the Property Manager over 5 years from FY16/17	Continuous monitoring of consumption pattern and investigate those buildings with high energy consumption	In progress

As at 31 March 2019, about 51.8% of Ascendas Reit's portfolio was directly under the operational control of the Property Managers, in terms of Gross Floor Area.

The total electricity consumption in the Singapore operations fell from 96.75 million kWh¹² in FY17/18 to 96.25 million kWh in FY18/19, and energy intensity also fell from 53.54 kWh/sq m¹² in FY17/18 to 52.87 kWh/sq m in FY18/19. Correspondingly, carbon emissions decreased by 1.53% and carbon emissions intensity decreased by 2.27%.

When comparing like-for-like energy performance of its portfolio by using comparable data (i.e. using the same set of properties), there was a slight decrease in both electricity consumption in the Singapore operations, from 96.51 million kWh in FY17/18 to 95.94 million kWh in FY18/19, and energy intensity, from 53.85 kWh/sq m in FY17/18 to 53.80 kWh/sq m in FY18/19. Correspondingly, carbon emissions and carbon emissions intensity decreased by 0.59% and 0.10% respectively.

¹² Energy consumption and energy intensity amounts for FY17/18 have been adjusted to actual full year figures as the amounts reported in Ascendas Reit's Integrated Sustainability Report FY17/18 were based on estimates.



Figure 16: Ascendas Reit's Like-for-Like Energy Consumption and Intensity in Singapore¹³

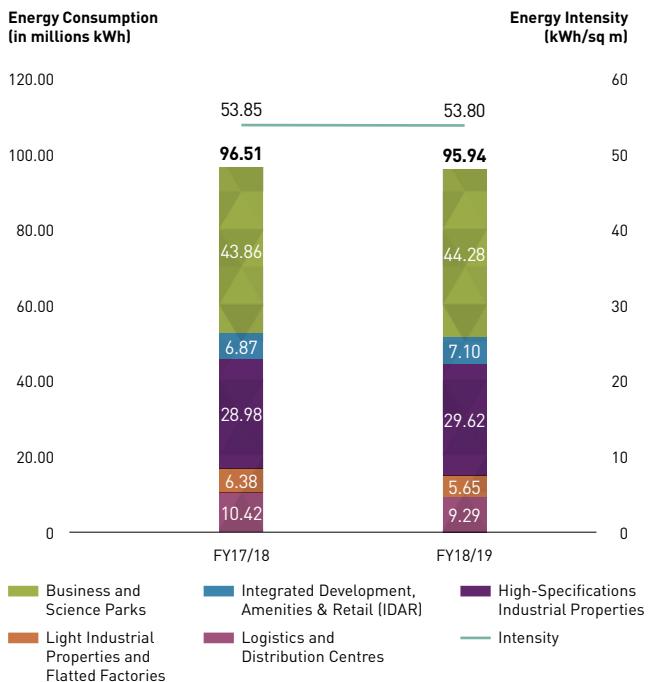
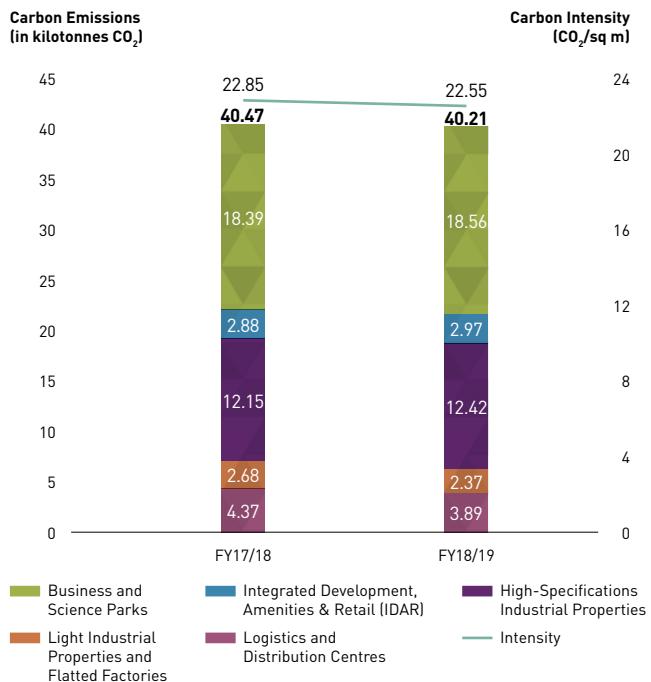


Figure 17: Ascendas Reit's Like-for-Like Carbon Emissions and Intensity in Singapore¹⁴



For the Ascendas Reit properties in Australia, there was an increase in energy consumption and intensity as 100 Wickham Street and 108 Wickham Street, located in Brisbane, were in operations for the full financial year. The properties were acquired in September 2017 and December 2017, respectively.

Energy consumption (which includes electricity, diesel and natural gas) in the Australian operations rose from 7.79 million kWh¹² in FY17/18 to 12.85 million kWh in FY18/19, and likewise the energy intensity from 164.41 kWh/sq m¹² in FY17/18 to 276.90 kWh/sq m in FY18/19. Correspondingly, carbon emissions increased from 6,221 tonnes¹⁵ in FY17/18 to 10,138 tonnes in FY18/19, and carbon emissions intensity went up from 131.31 CO₂/sq m in FY17/18 to 218.44 CO₂/sq m in FY18/19.

¹³ For the purposes of calculating energy and carbon intensities, the energy consumption and carbon emissions for the common areas (chillers, corridors, perimeter lightings and centralised building facilities under Ascendas Reit's direct control) are included in the numerator while the effective Gross Floor Area (GFA) is used as the denominator. Effective GFA is calculated considering total GFA and occupancy rate. Effective GFA is introduced as a large proportion of energy consumed are attributed to shared services such as the building's chiller system.

¹⁴ Emission factors used for FY18/19 numbers are taken from the 2018 Singapore Energy Statistics published by the Energy Market Authority of Singapore. There is negligible Scope 1 emissions for Ascendas Reit's properties in Singapore.

¹⁵ Emission factors used for FY18/19 are taken from the National Greenhouse Accounts Factors published in July 2018 for New South Wales and Australian Capital Territory, and Queensland.

ENHANCING VALUE CAPITALS



CASE STUDY

Technologies to enhance the cool air distribution system

The Group is in the process of implementing several technologies to enhance the distribution of cool air and reduce related energy use. The technologies deployed in some Ascendas Reit properties include:

- **Energy valves:** These valves allow for simultaneous control of the flowmeter, temperature sensor and control valve, optimising indoor air temperature at an energy efficient rate. Its connectivity to the cloud platform also enables real-time monitoring and adjustments.
- **Electronically Commutated Air Handling Units fans:** The fans offer better operational flexibility and increased energy efficiency. Its long lifespan also contributes to a reduced capital expenditure in the long-run.

Responsible Water Consumption

Factors such as population growth, migration and climate change are placing increasing pressures on water-stressed countries such as Singapore and Australia. While water consumption was not identified as a material matter, the Manager continuously monitors its water consumption and seeks to improve its water efficiency.

As a result of the Managers' continuous emphasis on water conservation, total water consumption in Singapore operations fell from 1,204.7 thousand m³¹⁶ to 1,159.6 thousand m³ and water intensity dropped from 0.67 m³/sq m¹⁶ to 0.64 m³/sq m. The Manager has achieved a reduction of 43.1 thousand m³ considering like-for-like water consumption in Ascendas Reit's Singapore properties, from 1,200.8 thousand m³ in FY17/18 to 1,157.7 thousand m³ in FY18/19. Like-for-like water intensity has also declined from 0.67 m³/sq m to 0.65 m³/sq m

Similar to energy and emissions in Australia, there was an increase in total water consumption from 44 thousand m³¹⁶ to 87 thousand m³ and water intensity from 0.94 m³/sq m¹⁶ to 1.87 m³/sq m as 100 Wickham Street and 108 Wickham Street were in operations for the full financial year.

In managing its Natural Capital, Ascendas Reit seeks to contribute to the following SDGs:



SDG 7 (Affordable and Clean Energy): By adopting increased use of renewable energy



SDG 12 (Responsible Consumption and Production): By promoting and encouraging the efficient management and use of natural resources



SDG 13 (Climate Action): By integrating climate change into its policies, strategies and planning

¹⁶ Water consumption and water intensity amounts for FY17/18 have been adjusted to actual full year figures as the amount reported in Ascendas Reit's Integrated Sustainability Report FY17/18 were based on estimates.



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GRI Standards Disclosure (2016) Reference	Description	Section of Report	Page Reference
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	About this report	2
102-2	Activities, brands, products, and services	About this report	2
102-3	Location of headquarters	About this report	2
102-4	Location of operations	About this report	2
102-5	Ownership and legal form	Operating Context	3
102-6	Markets served	About this report	2
102-7	Scale of the organisation	Operating Context Human Capital - Profile of Employees	3 29
102-8	Information on employees and other workers	Human Capital - Profile of Employees	29
102-9	Supply chain	Manufactured Capital – Responsible Supply Chain Management	14
102-10	Significant changes to the organisation and its supply chain	Please refer to Chairman's Message and the Manager's Review of FY18/19 in the Annual Report FY18/19	Annual Report FY18/19 pages 6-8 and 32-51
102-11	Precautionary Principle or approach	Please refer to the Corporate Governance report in the Annual Report FY18/19	Annual Report FY18/19 pages 129-162
102-12	External initiatives	Tripartite Alliance for Fair and Progressive Employment Practices	
102-13	Membership of associations	Institute of Policy Studies, REITAS (REIT Association of Singapore)	
Strategy			
102-14	Statement from senior decision-maker	Board Statement	1
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Governance and Culture- Culture and Enablers: "Power of One" and Business Ethics and Employee Conduct	9-11
Governance			
102-18	Governance structure	Governance and Culture- Culture and Enablers: "Power of One" and Corporate Governance report in Annual Report FY18/19	11, Annual Report FY18/19 pages 129-162
102-20	Executive-level responsibility for economic, environmental, and social topics	Operating Context	3
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	6-7
102-22	Composition of the highest governance body and its committees	Please refer to Ascendas Reit's Corporate Governance report	Annual Report FY18/19 pages 129-162
102-24	Nominating and selecting the highest governance body	Please refer to Ascendas Reit's Corporate Governance report	Annual Report FY18/19 pages 129-162

GRI CONTENT INDEX

GRI Standards Disclosure Reference	Description	Section of Report	Page Reference
102-25	Conflicts of interest	Please refer to Ascendas Reit's Corporate Governance report	Annual Report FY18/19 pages 129-162
102-29	Identifying and managing economic, environmental, and social impacts	Materiality Assessment	8
102-31	Review of economic, environmental, and social topics	Materiality Assessment	8
102-32	Highest governance body's role in sustainability reporting	Materiality Assessment	8
102-35	Remuneration policies	Please refer to Ascendas Reit's Corporate Governance report	Annual Report FY18/19 pages 129-162
102-36	Process for determining remuneration	Please refer to Ascendas Reit's Corporate Governance report	Annual Report FY18/19 pages 129-162
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	6-7
102-41	Collective bargaining agreements	None of the Manager's employees are covered by collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	6-7
102-43	Approach to stakeholder engagement	Stakeholder Engagement	6-7
102-44	Key topics and concerns raised	Stakeholder Engagement	6-7
Reporting practice			
102-45	Entities included in the consolidated financial statements	About this Report	2
102-46	Defining report content and topic Boundaries	About this Report	2
102-47	List of material topics	Materiality Assessment	8
102-48	Restatements of information	Natural Capital (Energy and water consumption and intensity amounts were adjusted to actual full year figures. Reported figures in Ascendas Reit's Integrated Sustainability Report FY17/18 were bases on estimates.)	34, 36
102-49	Changes in reporting	About this Report	2
102-50	Reporting period	About this Report	2
102-51	Date of most recent report	FY17/18	2
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About this Report	2
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	2
102-55	GRI content index	GRI Content Index	37 - 40
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GRI Standards Disclosure Reference	Description	Section of Report	Page Reference
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103-1	Explanation of the material topic and its Boundary	Materiality Assessment	8
103-2	The management approach and its components	Governance and Culture Manufactured Capital Social & Relationship Capital Intellectual Capital Human Capital Natural Capital	9 12 16 25 29 34
103-3	Evaluation of the management approach	Governance and Culture Manufactured Capital Social & Relationship Capital Intellectual Capital Human Capital Natural Capital	9 12 16 25 29 34
Category: Economic			
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	Governance and Culture – Risk Management and Controls	11
205-2	Communication and training about anti-corruption policies and procedures	Governance and Culture – Business Ethics and Employee Conduct	11
205-3	Confirmed incidents of corruption and actions taken	Governance and Culture	9
Category: Environmental			
GRI 307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Governance and Culture – Risk Management and Controls	11
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Manufactured Capital- Responsible Supply Chain Management	14
Category: Social			
GRI 403: Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social & Relationship Capital – Health, Safety and Security Protection	16
403-4	Health and safety topics covered in formal agreements with trade unions	Ascendas Reit does not have formal agreements with trade unions regarding health and safety topics.	

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GRI Standards Disclosure Reference	Description	Section of Report	Page Reference
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404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital	29
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Manufactured Capital- Responsible Supply Chain Management	14
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Social & Relationship Capital	16
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social & Relationship Capital – Security of Information	21
GRI 419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Governance and Culture – Risk Management and Controls	11
GRI G4 Sector Disclosures: Construction and Real Estate			
CRE-8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Manufactured Capital – Providing End-to-End Real Estate Solutions to Meet the Needs of Customers Social & Relationship Capital – Health, Safety, and Security Protection	12 16



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