



# SUSTAINABILITY STATEMENT



## SUSTAINABILITY AT AME REIT

AME Real Estate Investment Trust (“**AME REIT**”) is pleased to present its first Sustainability Statement following the listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad on 20 September 2022. This Sustainability Statement (“**Statement**”) covers the period of assessment from the establishment date of AME REIT on 23 May 2022 in accordance to the deed of trust constituting AME REIT (“**Deed**”), unless otherwise stated.



### Reporting Approach

AME REIT’s Sustainability Statement 2023 focuses on the AME REIT’s management and current performance of its Economic, Environmental, Social and Governance (“**EESG**”) risks and opportunities. This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“**MMLR**”) related to Sustainability Statements in Annual Reports and is guided by the Global Reporting Initiative (“**GRI**”) Standards and the United Nations Sustainable Development Goals. The Statement has been reviewed internally by the management and approved by the Board of Directors (“**Board**”) of I REIT Managers Sdn Bhd, the management company of AME REIT (“**Manager**”), for accuracy and credibility.

As the Manager is part of AME Elite Consortium Berhad (“**AME Elite**”) and its subsidiaries (collectively referred to as “**AME Group**” or “**AME**”), the sustainability practices and strategies of AME REIT are aligned with AME Group.

### Scope and Boundary

The Statement encompasses all business operations of AME REIT and the Manager within the geographic scope of Malaysia, unless otherwise stated.

### Reporting Period

The Statement covers the period of assessment from the establishment date of AME REIT on 23 May 2022 in accordance to the Deed, unless otherwise stated.

### Stakeholder Feedback

The Manager welcomes any feedbacks, comments, and suggestions from AME REIT’s and the Manager’s valued stakeholders on its sustainability practices. Please contact the Manager at [sustainability@amereit.com.my](mailto:sustainability@amereit.com.my).

**STAKEHOLDER ENGAGEMENT**

The Manager aims to maintain AME REIT’s and the Manager’s stakeholder’s interests as its highest priority. Some of the Manager’s approaches to creating value for its businesses and stakeholders are working with local suppliers, contractors and vendors and providing financial aid to support communities.

Engagement with key stakeholders plays a vital role in the Manager’s sustainability journey in managing AME REIT. The Manager believes that stakeholder engagement is crucial in identifying room for improvement and setting its sustainability expectations. The Manager continues to form, strengthen and maintain valuable connections with stakeholders via various engagement channels throughout the years. The Manager’s engagement mechanisms for each stakeholder group are summarised in the table below.

<b>Stakeholder</b>	<b>Engagement</b>	<b>Frequency of Engagement</b>	<b>Key Topics Raised/Areas of Interest/ Expectations in Financial Period Ended 31 March 2023 (“FPE2023”)</b>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Training programmes</li> <li>• Surveys</li> <li>• Code of ethics</li> <li>• Conferences/seminars/workshops</li> <li>• Interviews</li> <li>• Face-to-face meetings</li> <li>• Newsletters</li> </ul>	<p>Annual</p> <p>As needed</p>	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Equal opportunity</li> <li>• Occupational health and safety</li> <li>• Fair and competitive remuneration benefit</li> <li>• Employee wellbeing and conducive work environment</li> <li>• Employee engagement</li> <li>• Knowledge and skill enhancement</li> <li>• Job security</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Face-to-face meetings</li> <li>• Social media</li> </ul>	As needed	<ul style="list-style-type: none"> <li>• Rental rate</li> <li>• Quality products and services</li> <li>• Timely response to enquiries and complaints</li> <li>• Customer service and experience</li> <li>• Defect rectification</li> </ul>
<b>Vendors/Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier assessment</li> <li>• Surveys</li> <li>• Face-to-face meetings</li> <li>• Conferences</li> </ul>	As needed	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Occupational Health, Safety and Environment (“OHSE”) practices</li> <li>• Legal compliance and contractual commitments</li> <li>• Product and service quality and delivery</li> <li>• Cost effectiveness</li> <li>• Payment schedule</li> <li>• Fair and transparent procurement process</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Presentations</li> <li>• Site visit</li> </ul>	<p>Quarterly/As needed</p> <p>As needed</p>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Regulatory compliance</li> <li>• Environmental management and compliance</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Community charity events</li> <li>• Press releases</li> <li>• Social media</li> </ul>	As needed	<ul style="list-style-type: none"> <li>• Community investment and community engagement</li> <li>• Job creation and internship opportunities</li> <li>• Local welfare</li> </ul>
<b>Unitholders</b>	<ul style="list-style-type: none"> <li>• Quarterly financial report</li> <li>• Fund/analyst briefing</li> <li>• Investor relations website</li> <li>• General meetings</li> <li>• Press releases</li> <li>• Face-to-face meetings</li> <li>• Site visits</li> <li>• Surveys</li> </ul>	<p>Quarterly/As needed</p> <p>Quarterly/As needed</p> <p>As needed</p>	<ul style="list-style-type: none"> <li>• Corporate developments</li> <li>• Financial performance</li> <li>• Growth plans</li> <li>• ESG practices</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• Transparent disclosure</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Press releases</li> </ul>	As needed	<ul style="list-style-type: none"> <li>• Brand image</li> <li>• Reputation</li> <li>• Corporate news</li> <li>• Industry outlook</li> </ul>

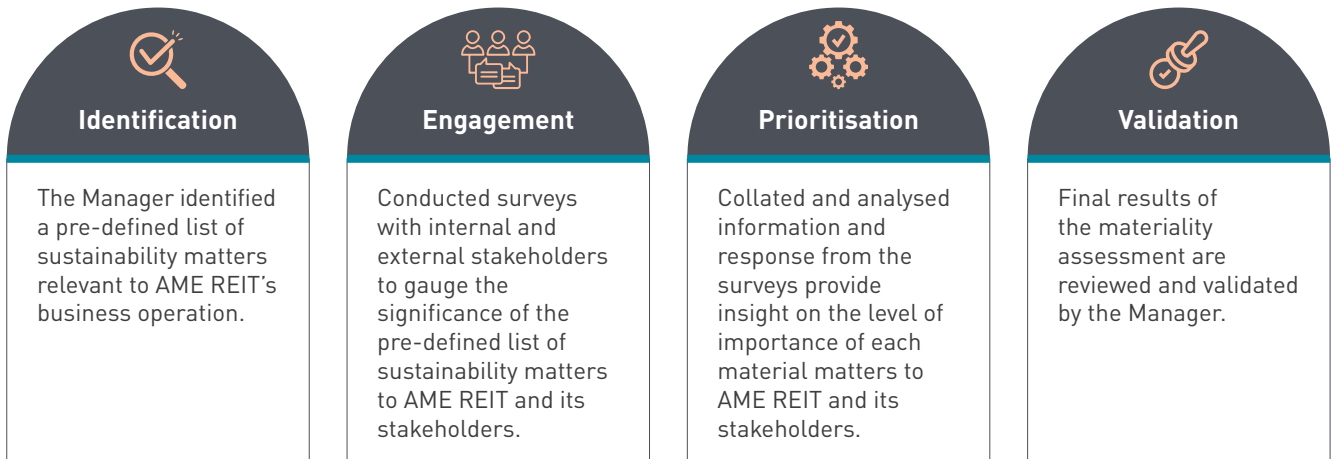
# SUSTAINABILITY STATEMENT

## MATERIALITY

The materiality assessment is utilised as a key component in enhancing sustainability at AME REIT. In FPE2023, the Manager conducted an in-depth materiality assessment based on a four-step process, in order to gain a deeper understanding of the various interests of stakeholders as well as internal and external factors that affect AME REIT’s businesses.

The Manager’s materiality assessment process is set out in four steps below:

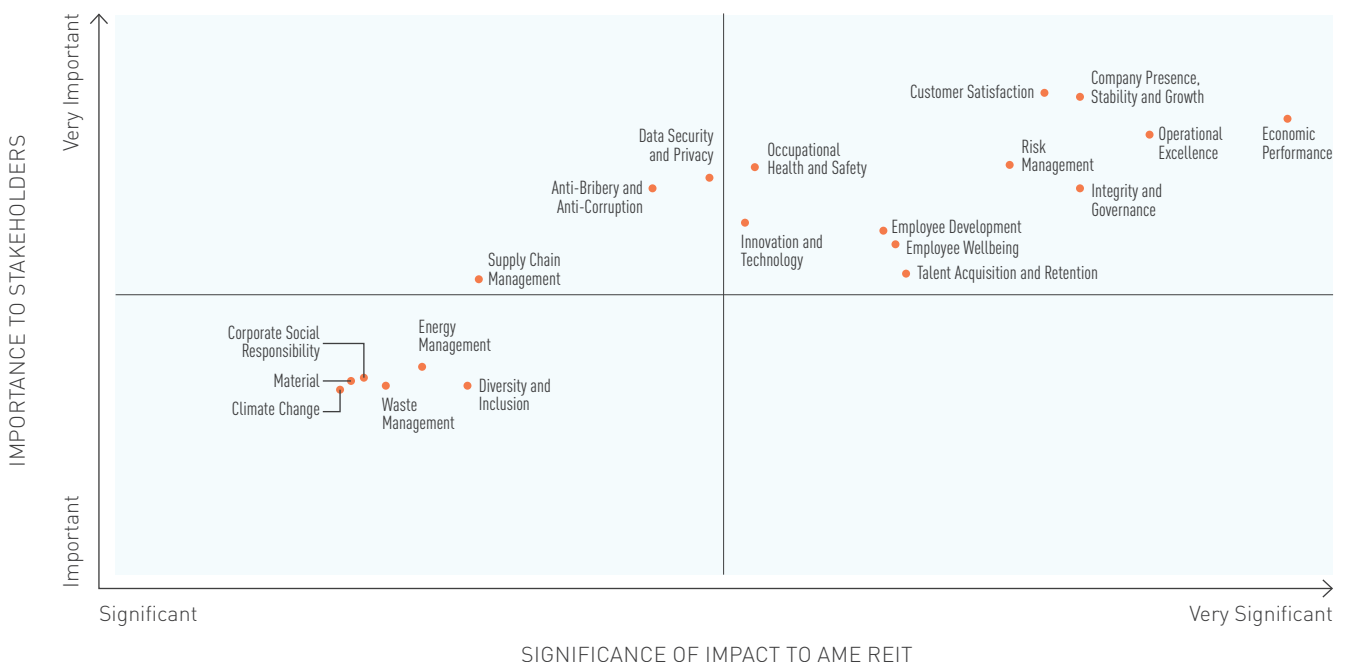
### The Manager’s Materiality Assessment Process



Based on the materiality assessment conducted, the Managers identified 10 key material matters pertinent to AME REIT and its stakeholders in FPE2023. The top right corner of the matrix highlights the most material sustainability matters to AME REIT and its stakeholders. The top 10 material matters to AME REIT are as follows:

- Economic Performance
- Company Presence, Stability and Growth
- Operational Excellence
- Customer Satisfaction
- Integrity and Governance
- Risk Management
- Occupational Health and Safety
- Employee Development
- Employee Wellbeing
- Data Security and Privacy

### Materiality Matrix



**SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

The United Nations’ Sustainable Development Goals (“UN SDGs”) call for action on sustainable development through encouraging businesses to take meaningful actions for positive contributions to the protection of the planet and peace of the people by 2030. Along with world leaders across the globe, Malaysia adopted this global commitment in September 2015.

The Manager has identified 13 out of 17 UN SDGs deemed relevant to the nature of AME REIT’s business and are supporting these goals as outlined below:

Goal	Description
<b>Goal 1</b> 	End poverty in all its forms everywhere
<b>Goal 2</b> 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
<b>Goal 3</b> 	Ensure healthy lives and promote well-being for all at all ages
<b>Goal 4</b> 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
<b>Goal 5</b> 	Achieve gender equality and empower all women and girls
<b>Goal 6</b> 	Ensure availability and sustainable management of water and sanitation for all
<b>Goal 7</b> 	Ensure access to affordable, reliable, sustainable and modern energy for all
<b>Goal 8</b> 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
<b>Goal 9</b> 	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
<b>Goal 10</b> 	Reduce inequality within and among countries
<b>Goal 11</b> 	Make cities and human settlements inclusive, safe, resilient and sustainable
<b>Goal 12</b> 	Ensure sustainable consumption and production patterns
<b>Goal 16</b> 	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



# A CULTURE OF GOOD GOVERNANCE

The Manager strives to ensure that good governance and integrity are at the core of its business practices for AME REIT and the Manager's long-term viability. The Manager focuses on maintaining its credibility and stability by placing "Integrity and Governance" as one of its key material considerations.

## SUSTAINABILITY POLICY

The Manager is committed towards reducing its environmental impact and promoting sustainable practices in its business operations. As part of this commitment, the Board of the Manager formally adopted a Sustainability Policy on 12 April 2022, which serves as the framework for the Manager's sustainability commitments on integrating sustainability into AME REIT's business strategies, processes and decisions. The Sustainability Policy details the Manager's commitments in three focus areas: (1) Environment, (2) Social, and (3) Governance. The Manager believes that the Sustainability Policy reflects its initiative to maintain transparency,

accountability, safety, ethics and integrity as core values of its business practices. This is in an effort to be a responsible and accountable business that contributes towards the global sustainability agenda whilst minimising negative impacts that may arise from the Manager's business operations in managing AME REIT.

The Managers is continuously looking to improve its efforts and the Manager is confident that this policy will provide guidance and create awareness amongst employees on the Manager's strategic direction on sustainability in the years to come.

## SUSTAINABILITY FRAMEWORK

The Manager recently adopted AME Group's Sustainability Framework ("Framework") as part of its commitment towards sustainability. The Framework provides a clear roadmap for action, outlining strategies and initiatives the Manager may undertake to achieve its sustainability goals and targets in managing AME REIT.

The framework development process involved rigorous step-wise approach which ensures alignment to AME's organisational context, industry's best practices and reporting standards (such as Bursa Malaysia Sustainability Reporting Guide, Global Reporting Initiatives Sustainability Reporting Standards and indicators in FTSE Russell's ESG Ratings).

The steps taken to develop the Framework are as follows:

### Step 1 Materiality Mapping

Clustering and prioritising AME's different material sustainability topics that were previously identified into several focus areas. The material topics are sustainability matters that are significant to both AME's internal and external stakeholders and are reflective of AME's business operations.

### Step 2 Alignment to AME's Vision and Mission

Framework was developed with close reference to AME's vision and mission statements to ensure alignment to overarching strategy

### Step 3 Benchmarking and Gap Analysis

Thorough study of relevant reporting standards and regulatory requirements to ensure alignment of the Framework. To validate the relevance of the Framework, targeted industry benchmarking was also conducted.

### Step 4 Value Chain Thinking

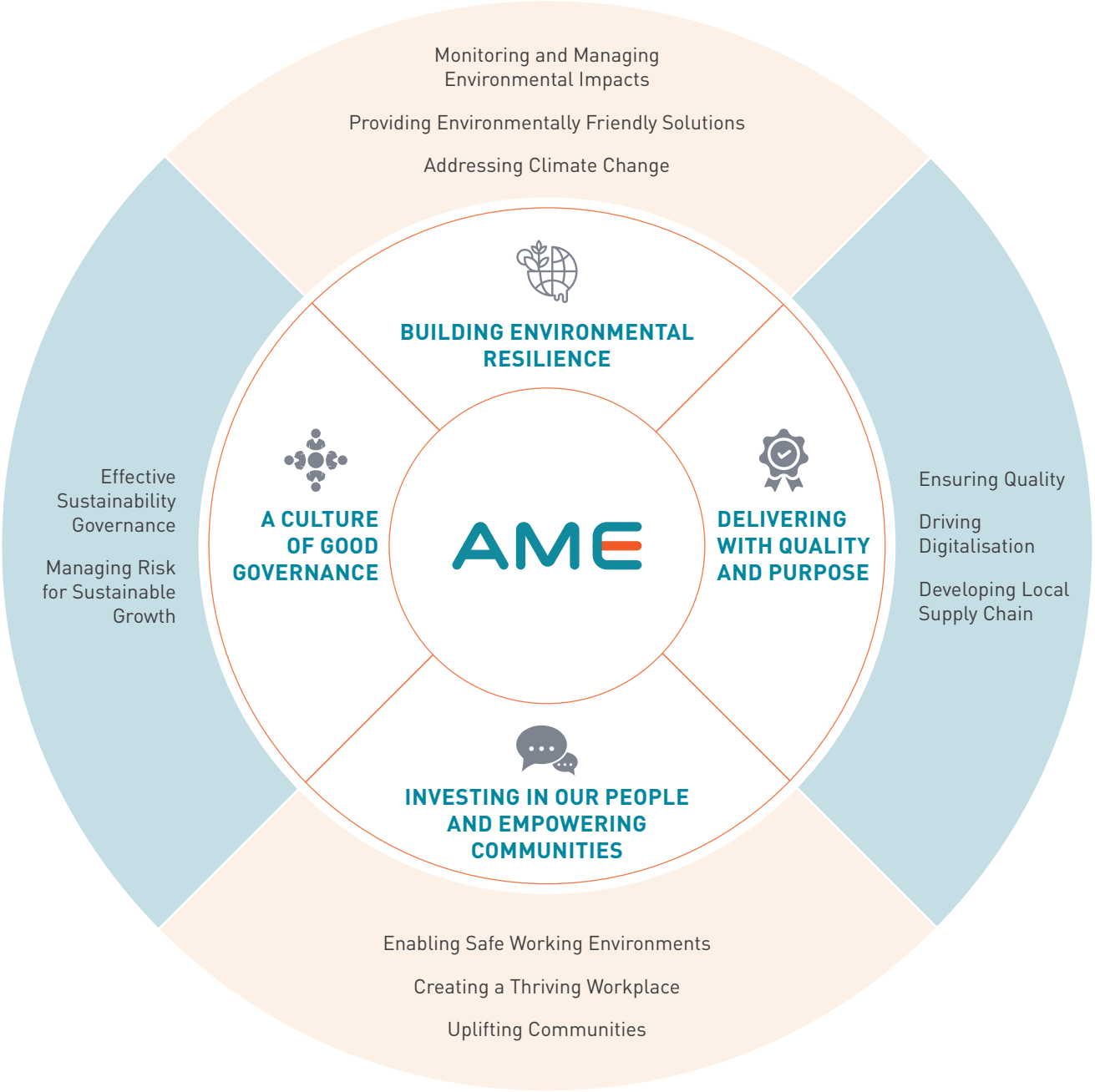
Taking into account the full chain of AME's business activities in the creation of value, so that the Framework can strategically address various sustainability pain points throughout the operations.

### Step 5 Stakeholder Listening

The key personnel from different divisions have taken part in co-developing the Framework ensued through several engagement sessions to provide inputs.

As an outcome of the development processes, the Framework, pillared by environmental, economic, social and governance themes was developed. The Framework shall act as a guide in enhancing AME's sustainability-related disclosure and tie into AME's strategy in embedding sustainability, as it drills down into sustainability topics that are material to AME, highlights pertinent quantitative and qualitative data to track, manage and improve, and provides guiding strategies towards implementing targeted sustainability initiatives.

# Sustainability Framework of AME Group






# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

The importance of foundational and effective sustainability governance, including clear definitions of accountability, roles, and responsibilities, is important to the Manager to ensure that progress is made in line with its sustainability goal and in accordance with its Sustainability Policy.

As the Manager is part of AME Group, the Manager forms part of the sustainability governance structure of AME Group as lay out below:

Role	Responsibilities
<b>Board of Directors</b> 	<ul style="list-style-type: none"> <li>Maintains general oversight of AME Group’s sustainability strategy and performance.</li> <li>Regular review of AME Group’s sustainability progress and sets the aspirations on sustainability matters.</li> </ul>
<b>Sustainability Steering Committee (“SSC”)</b> 	<ul style="list-style-type: none"> <li>Chaired by an Alternate Director of AME Elite, with members consisting of one key sustainability representative from each business division of AME Elite.</li> <li>Manages the planning and integration of sustainability initiatives into AME Group’s business strategies and operations.</li> <li>Reports directly to the Board of AME Elite and meets at least quarterly to ensure key sustainability decisions are made in accordance with AME Group’s business strategies and to ensure the availability of adequate resources for the successful implementation of sustainability strategies and initiatives.</li> </ul>
<b>Sustainability Working Group (“SWG”)</b> 	<ul style="list-style-type: none"> <li>Oversees daily management of sustainability matters for the effective integration of sustainability throughout AME Group.</li> <li>Implements the sustainability strategy and initiatives, performs data gathering, tracks sustainability progress and reports sustainability progress and performance to the SSC.</li> <li>Led by the key sustainability representative from each division and its members are working level-representatives from each department.</li> </ul>



**UPHOLDING INTEGRITY AND BUSINESS ETHICS**

The Manager holds itself to the highest ethical standards and aim to run its business operations in accordance with all applicable laws, rules and regulations. The Manager truly believes that building a culture of accountability among employees and stakeholders that the Manager works with will consolidate its commitment to upholding integrity and business ethics as the core of its business practices. This is communicated in the Manager’s codes and policies:

 <p><b>Code of Conduct and Ethics</b></p>	 <p><b>Anti-Bribery and Anti-Corruption Policy</b></p>	 <p><b>Whistleblowing Policy</b></p>
<p>The Code of Conduct and Ethics (“<b>Code</b>”) establishes the tone and expectations for ethical behaviour, as well as guiding the Manager’s operations to guarantee compliance with all applicable laws, rules, and regulations. The Code is communicated to all of the Manager’s employee through AME REIT’s website and upon employment, and they are expected to follow it. Disciplinary action, including termination of employment, may be taken in response to any violations or non-compliance.</p> <hr/> <p><b>In FPE2023:</b> 100% of the Manager’s employees were informed on the Code with zero cases of breach of the Code.</p>	<p>The Anti-Bribery and Anti-Corruption (“<b>ABAC</b>”) Policy outlines the Manager’s commitment towards zero-tolerance against all forms of bribery and corruption and is in adherence to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The ABAC Policy has been made compulsory to all its employees where existing and new staff are given a briefing on the ABAC Policy upon employment. Employees will be met with disciplinary action, including the potential of termination, if they do not comply with the ABAC Policy.</p> <hr/> <p><b>In FPE2023:</b> 100% of the Manager’s new employees were informed on the ABAC Policy with zero cases of non-compliance.</p>	<p>The Whistleblowing Policy outlines the procedures which enables anyone who have a working relationship with the Manager to anonymously raise their concerns on possible non-compliance or concerns on improper conduct within the Manager in an appropriate manner. It is the responsibility of the Whistleblowing Officer to take necessary actions to deal with the concerns raised, as well as to report to the Audit and Risk Management Committee on a quarterly basis.</p> <hr/> <p>Employees and parties who have dealings with the Manager who suspects incidents of corporate wrongdoing can report through a dedicated form or email address:</p> <p> <a href="mailto:whistleblow@ireit.com.my">whistleblow@ireit.com.my</a></p> <p> <a href="https://amereit.com.my">https://amereit.com.my</a></p> <hr/> <p><b>In FPE2023:</b> Zero cases of non-compliance were reported through the whistleblowing platforms.</p>

Further information on the Manager’s codes and policies can be accessed on the AME REIT’s website at <https://amereit.com.my>.



# SUSTAINABILITY STATEMENT

## RISK MANAGEMENT

The Manager’s resilient risk management framework includes policies and procedures for identifying, evaluating, and managing key risks, as well as safeguarding the interests of AME REIT and its stakeholders. The Manager has adopted a Risk Management Framework that was developed based on principles and guidelines of internationally recognised such as the ISO 31000 Risk Management and the Committee of Sponsoring Organisations Enterprise Risk Management 2017.

The Manager recognises that its ability to operate sustainably and generate long-term value for business success is driven by EESG risks. As the Manager is highly aware of the potential losses that will affect the businesses of AME REIT and the Manager due to failure in appropriately addressing EESG issues, it is actively working towards identifying its EESG risks to effectively manage and mitigate them with adequate systems and actions.

Further information on the Manager’s risk management is detailed in the Statement of Risk Management and Internal Control section of this Annual Report.

## DATA SECURITY AND PRIVACY

In today’s progressively digital and interconnected landscape, advanced IT solutions are instrumental in augmenting business efficiency, facilitating hybrid work models, and safeguarding data security against growing cyber threats. The Manager, recognising the transformative potential of IT, strategically capitalises on these technologies to optimise its operations in managing AME REIT.

In response to the ever-changing working environment, evolving work patterns and the emergence of hybrid work models, the Manager has proactively incorporated advanced collaboration tools. These tools have significantly boosted the Manager’s business efficiency and employee productivity. From improved communication to streamlined workflows, they have enabled employees to operate more efficiently and provided the flexibility to work seamlessly from remote locations. This flexibility not only fosters a conducive work environment but also attract top-tier talent.

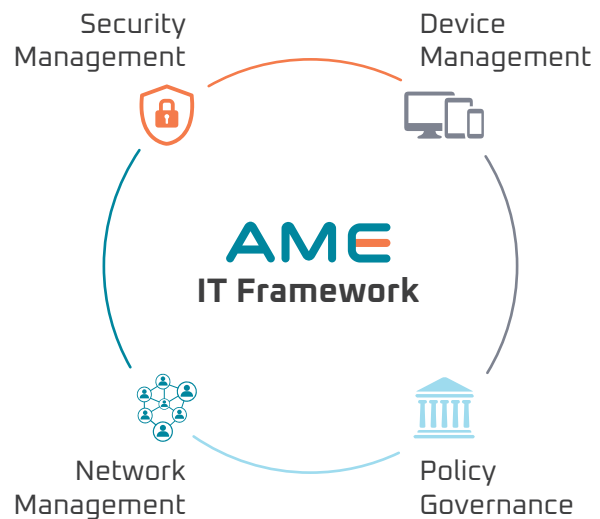
Moreover, the Manager is steadfast in its digital transformation journey, demonstrating this commitment through the adoption of automation solutions. By digitising manual processes and physical documentation, they can swiftly adapt to ever-changing market conditions or novel business requirements. This reduction in reliance on physical documentation aligns with the Manager’s environmental sustainability goals in managing AME REIT by minimising paper usage and wastage.

Beyond operational efficiency and work flexibility, the Manager is acutely cognisant of the escalating cyber threats in today’s digital landscape. The Manager has prioritised the implementation of robust cybersecurity measures to ensure data security and privacy of AME REIT. The centralised management system deployed by the Manager combines various essential IT and cybersecurity functions into a unified platform, allowing the Manager to effectively monitor and optimises its IT infrastructure and services. This system is designed to mitigate potential damage and reduce the risk of data breaches. Recognising the criticality of email communication in daily operations, the Manager has

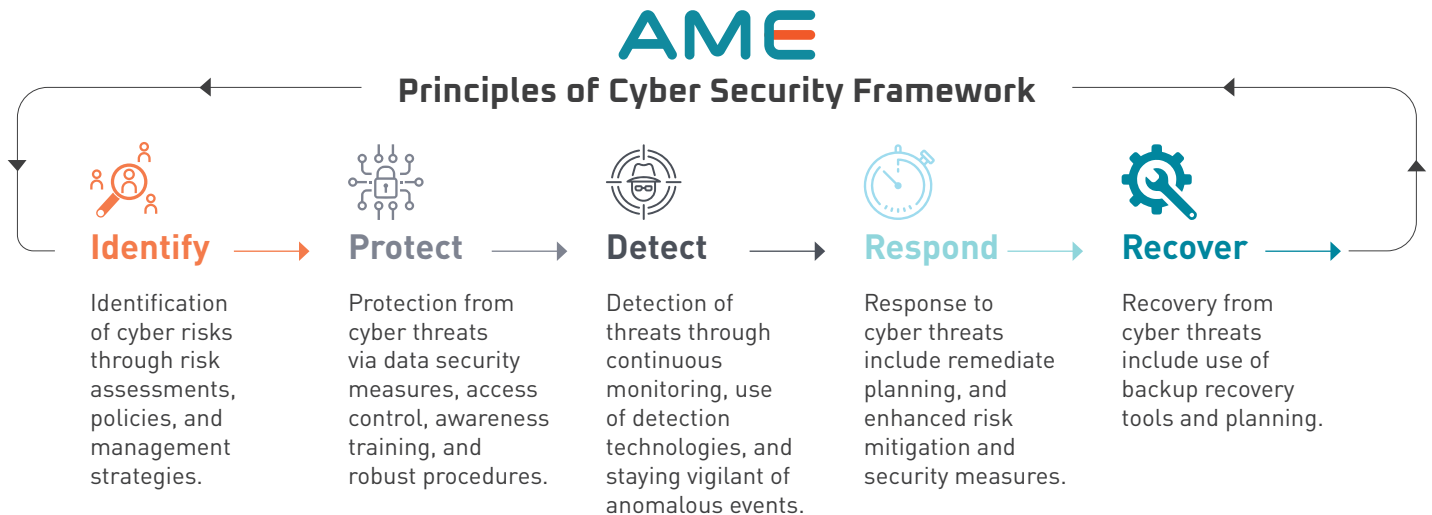
made it a priority to enhance email protocol security by implementing additional layers of protection. These measures aim to safeguard sensitive information and reduce the likelihood of successful phishing attacks, malware infections, and other email-based threats that could compromise the Manager’s system and data in managing AME REIT.

In a continued effort to fortify its cybersecurity posture, the Manager has enhanced its comprehensive set of IT policies and procedures. These guidelines cover a wide array of topics, such as access control, incident response, employee training, data protection, disaster recovery and network security. By strictly adhering to these policies, the Manager can consistently maintain a robust security framework, effectively protecting the Manager and AME REIT from potential business risk.

AME Group’s IT framework encompasses four main digital protection measures to ensure proper handling of information and personal data.



As a guiding framework, the Manager follows five principles to practice robust cybersecurity in the workplace:



## DELIVERING WITH QUALITY AND PURPOSE

### SUPPORTING GROWTH VIA OPERATIONAL EXCELLENCE

The success of a REIT heavily depends on its ability to maintain its operational excellence. The Manager is committed to providing well-maintained, safe and secure properties that meet the tenants’ expectations. Regular maintenance and upgrades are conducted on all properties in collaboration with the property management teams, ensuring consistent service level to AME REIT’s tenants. To further understand tenants’ needs and identify areas for improvement, the team conducts regular tenant engagement and feedback sessions.

#### **1** Effective Complaint Channels

The Manager has established clear channels for complaints to ensure that tenants can easily voice their concerns. The Manager provides a dedicated email address and phone line for its tenants to voice their concerns, and the Manager ensures that these channels are monitored and responded to promptly. This involves working closely with property management teams to identify the root cause of the issue and implementing appropriate corrective action. Transparent communication with tenants is maintained throughout the resolution process, keeping them informed of the progress being made.

#### **2** Robust Tenant Engagement

The Manager places great emphasis on engaging with AME REIT’s tenants to understand their priorities and needs. The team communicates regularly with tenants to gather input from tenants and ensure their voices are heard, provide updates on property improvements, upcoming events and other relevant information. By fostering a sense of community and engaging with the tenants, the Manager aims to enhance the overall tenant experience and build long-term relationships.

#### **3** Thorough Tenant Profile Screening

Tenant profile screening is an important aspect of the Manager’s operational excellence strategy. Potential tenants are carefully screened to ensure that they are a good fit for the property and AME REIT’s existing tenant base. This involves evaluating factors such as credit history, rental history, and business background to minimise risk and maintain a safe and secure environment for AME REIT’s tenants.

By focusing on these key areas, the Manager is able to deliver a high-quality tenant experience that fosters a sense of community, builds trust and ultimately contribute to the success of AME REIT.

Recognising the importance of tenant satisfaction surveys in assessing and enhancing tenant satisfaction, the Manager plans to initiate the process in the upcoming financial year. By establishing a baseline of tenant satisfaction ratings, the Manager will be able to identify areas for improvement and set reasonable targets for the future. This valuable information will enable the management team to make informed decisions on capital investments, leasing strategies, and tenant retention efforts.

## SUSTAINABILITY STATEMENT

### QUALITY ASSET ACQUISITION

When considering new acquisitions of industrial properties, the Manager prioritises properties that meet certain sustainability criteria. These criteria are essential to ensure that the acquired properties are aligned with AME REIT's commitment to sustainability.

#### Energy Efficiency

Properties with energy-efficient technologies, such as solar panels, LED lightings, efficient HVAC systems, and other building features that reduce energy consumption.

#### Water Efficiency

Properties with rainwater harvesting systems, water-efficient fittings, and other water conservation features to reduce water usage and promote sustainable water management.

#### Indoor Air Quality

Properties with good ventilation and use of low-emission materials to maintain high indoor air quality.

#### Natural Disaster and Potential Hazard

Properties in locations with lower risks of natural disaster such as flooding, and lower risks of potential hazards such as industrial accidents, pollutions and other environmental risks.

#### Location and Transportation

Properties with building location and proximity to workers' dormitories, public transportation, and bike lanes to promote sustainable commuting option for workers and reduce the carbon footprint of transportation.

### SUPPLY CHAIN MANAGEMENT

The Manager is committed to upholding responsible and sustainable supply chain management practices. To achieve this, the Manager actively collaborates with AME REIT's suppliers and contractors that demonstrate compliance with relevant laws, regulations, and standards, while maintaining ethical business practices and providing equal opportunities to all parties involved in the process.

The supply chain management process at AME REIT is structured in three primary stages, designed to ensure the selection of high-quality and responsible suppliers and contractors.

#### Engagement

The Manager initiates dialogue with prospective suppliers and contractors to obtain a thorough understanding of the services they provide, laying the groundwork for a transparent and mutually beneficial partnership.

#### Evaluation

The Manager assesses suppliers and contractors based on various factors, including quality, cost, and company details, taking into account both financial and non-financial aspects as well as competency factors.

#### Selection

Suppliers and contractors that meet the established criteria are added to the approved supplier/contractor list.

The Manager's proactive approach to engaging with potential suppliers and contractors ensure proper sourcing of candidates for new projects. A rigorous evaluation process is employed to ascertain the suitability of candidates, with only those meeting the required standards and expectations to be added to the approved supplier/contractor list. The Manager also conducts a comparative analysis of existing and new suppliers/contractors to determine the most suitable candidates for each project. Once a project is awarded, the Manager and property manager closely monitor its progress to ensure timely and high-quality completion.

In a bid to promote sustainability practices, the Manager encourages suppliers and contractors to incorporate sustainable principles into their business operations, working together to build a greener and more sustainable future. As part of this commitment, the Manager plans to introduce environmental, social, and governance screening for suppliers and contractors in the upcoming financial year.

Demonstrating its dedication to supporting local economies and minimising environmental impact, AME REIT allocated 100% of its procurement budget to local suppliers and contractors in FPE2023.



## **INVESTING IN PEOPLE AND EMPOWERING COMMUNITIES**

The Manager recognises the paramount importance of social sustainability in creating long-term value for all stakeholders. By nurturing strong, enduring relationships with the workforce, communities, business partners and other stakeholders, the Manager aims to promote a culture of trust and mutual growth.

Moreover, the Manager is committed to upholding the rights and preserving the dignity of all individuals involved in its business operations and supply chains. The Manager diligently promotes the protection of human rights by embedding good practices in its daily operations, in alignment with its Sustainability Policy. The Sustainability Policy encompasses several key aspects that contribute to a sustainable and ethical work environment, as outlined below:

- Ensuring a safe, healthy, and conducive work environment for its employees
- Cultivating a diverse and inclusive culture that recognises and values individuality
- Ensuring equal access to opportunities regardless of one’s age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics
- Eliminating improper conducts and practices at workplace, including but not limited to workplace bullying, discrimination against individual differences, discriminatory and sexual harassment, intimidation and victimisation
- Empowering workforce by supporting their personal and professional growth

By adhering to these principles, the Manager aims to create a sustainable future not only for its business operations but also for the broader society in which it operates.

In FPE2023, there were no cases of human right violation being reported through the whistleblowing platform.

### **OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT**

OHSE is a matter of high significance of the Manager. The Manager is committed to ensuring that all its business operations prioritise the wellbeing and safety of its employees and other stakeholders.

The Manager is guided by AME Elite’s OHSE practices, and has implemented various measures to safeguard the health and safety of its employees and stakeholders. Some measures implemented by the Manager are as follow:

- (1) Conduct safety training session to employee on safety measures and emergency procedures.
- (2) Regular maintenance of office equipment to prevent malfunctioning of office equipment.
- (3) Encourage regular breaks to avoid prolonged sitting and prevent eyestrains.
- (4) Encourage employees to report any potential safety hazards in the workplace.
- (5) Encourage employees to practice effective housekeeping to maintain a clean and organised workplace environment.
- (6) Engage with employees, contractors and stakeholders to foster a culture of safety.
- (7) Conduct regular risk assessments and implements controls to minimise hazards and prevent accidents and illness.

## SUSTAINABILITY STATEMENT

The Manager believes that good governance and management of health, safety and welfare will safeguard the health and well-being of its workforce and enhance the Manager’s brand value and reputation. The Manager also provides relevant OHSE training to its employees to establish a safe and healthy environment in the workplace.

On 21 March 2023, the Manager conducted its annual fire drill/evacuation exercise for its corporate office at AME’s headquarter (“HQ”) as part of its safety protocol. This fire drill was conducted by trained instructors from Jabatan Bomba

& Penyelamat Malaysia covering induction, awareness and occupational safety. For the Manager, conducting fire drills is not only a legal requirement but also a way to demonstrate its commitment towards occupational health and safety. Through regular fire drills, the Manager is able to identify areas for improvement in its emergency response plan, making necessary adjustments to minimise the risk of fire-related incidents, its employees are also able to familiarise themselves with the escape routes, safety equipment and better equip themselves to handle emergencies.



### Key OHSE Performance Indicators in the Manager’s offices



0

work-related injuries



0

work-related fatalities



0

0 fines or incidents of non-compliance with OHSE regulations

**WORKFORCE**

Recognising that the talent of its workforce lies at the core of the Manager’s ability to generate value, promoting employee engagement and development is of paramount importance. The Manager is dedicated to driving productivity, enhancing employee satisfaction, and fortifying talent retention through a three-pronged approach that focuses on developing, retaining and attracting top talents.

**Developing Talent**

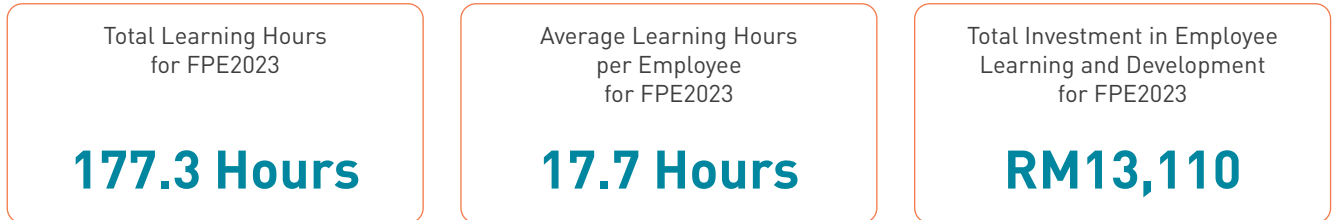
Developing talent is a critical aspect for any organisation. The Manager is committed to fostering a culture of continuous learning and growth. By investing in employee development, the Manager ensures that its workforce remain highly skilled and equipped to tackle the challenges of the real estate market. To this end, the Manager provides comprehensive training programs to its employees, offering in-house training programs and also sponsoring external courses to equip its employees with the latest industry knowledge and skillsets.

In addition, the Manager also employs robust performance evaluation system to identify areas for improvement and guide employee development. The Managers conducts annual performance reviews of its employees in a systematic manner that encourages open communication between its employees and their supervisors. These performance reviews offer

opportunities for employees to engage in self-assessment, while their supervisors can evaluate the employee’s performance based on individual key performance indicators, skills, abilities, interests, and personality traits.

Potential leaders are identified through the performance review process and the identified candidates are provided with necessary resources and opportunities to further develop their leadership skills. Newer employees are also paired with experienced professionals to facilitate knowledge sharing and professional growth.

The simultaneous growth of AME REIT and the improvement of the Manager’s workforce aligns with AME Group’s vision and mission.

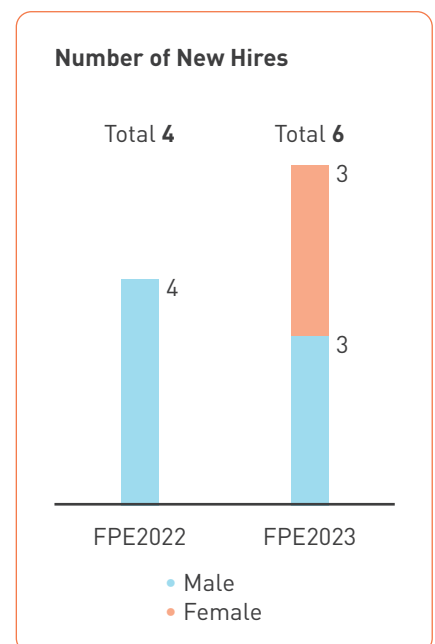


**Retaining Talent & Attracting Talent**

The ability to attract and retain talent is vital for the Manager to achieve success in the competitive real estate market. By retaining its talent, the Manager is able to maintain a stable workforce, minimises recruitment and onboarding expenses and ensure that the valuable knowledge and expertise are preserved within the Manager. As such, the Manager is dedicated to creating a supportive work environment that encourages employee retention and attracts top industry professional through the following strategies:

- (1) Providing competitive employee benefits
- (2) Promoting employee well-being
- (3) Promoting diversity, equity and inclusion in the workplace
- (4) Promoting employee engagement

In FPE2023, the Manager recorded 6 new hires.



## SUSTAINABILITY STATEMENT

### Employee Benefits

The Manager recognises that both the company and the employees play an equal role in building a strong, long-lasting relationship. The Manager aims to create a work environment where its employees feel valued, respected, and supported, with employee benefits being a crucial part of achieving that objective. To this end, the Manager offers a fair and comprehensive benefits to reward loyalty, capability, and unity among its workforces. Furthermore, to remain competitive in the industry while staying true to its corporate vision and values, the Manager continuously evaluates its employee benefits package and makes necessary adjustments to meet the needs of its employees.

Benefits	Details
Leave	Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Maternity Leave, Compassionate Leave, Convocation Leave, Replacement Leave
Flexi-Wellness	Pre-employment Medical Check-up
Allowance and Subsidy	Transport Allowance, Car Allowance, Motor Allowance, Car Maintenance Allowance, Outstation Allowance, Meal Allowance, Handphone Allowance, Medical Reimbursement, Business Travel Expenses Reimbursement, Professional Membership Subsidy
Insurance	Personal Accident Insurance, Surgical and Hospitalisation Insurance
Flexi-Work Arrangement	Time-off Benefit
Retirement	Memento for Long Services Employees
Others	Recreational Park Facility (Fitness Facilities and Clubhouse)

### Employee Well-being

A conducive working environment can significantly increase the productivity of the Manager's employees and improve talent attraction and retention. The Manager's HQ is located in close proximity to i-Privilege Club, i-Park @ Senai Airport City's outdoor recreational facilities and leisure amenities owned by AME. The Manager's employees are encouraged to access and utilise the available facilities.





The facilities and free classes offered at i-Privilege Club play a crucial role in promoting the well-being of the employees. Engaging in physical activities such as swimming, weightlifting, and cardio workouts has been proven to boost mental and physical health, increase energy levels, and reduce stress and anxiety. By providing access to these facilities and classes, employees can improve their fitness levels, maintain healthy weight, and stay active, which ultimately enhances their overall well-being and productivity. Additionally, these facilities provide an opportunity for employees to socialise, connect with others, and build relationships outside of the workplace. Participating in group classes, such as Pilates, Zumba, or Circuit Training, enables employees to interact with their colleagues in a relaxed and fun environment, creating a sense of community and fostering positive workplace relationships. These interactions contribute to a healthy and supportive work culture.

The community recreational park is also an excellent space for employees to engage in physical activities, relax, and rejuvenate during breaks or after work hours. Providing access to the outdoor park and fitness equipment encourages employees to take a break from their busy work schedules and spend time in nature and green spaces, contributing to their mental and physical health. Ultimately, this promotes a healthy and balanced lifestyle, leading to increased productivity and job satisfaction for employees.

**Clubhouse Amenities and Facilities**



Saltwater Swimming Pool



Gym



Studio



Multisport Court

**Classes and Programmes at I-Privilege Club**



Zumba



Pilates



Circuit Training

**Community Recreational Park**



830m walking and jogging track



Outdoor amphitheater



Outdoor fitness equipment



Sitting benches



Cycling lane



# SUSTAINABILITY STATEMENT

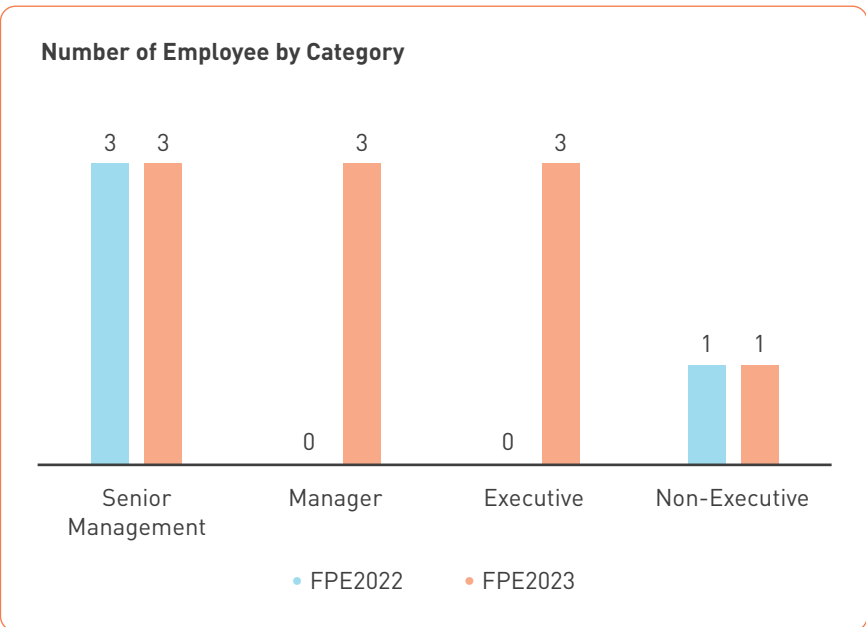
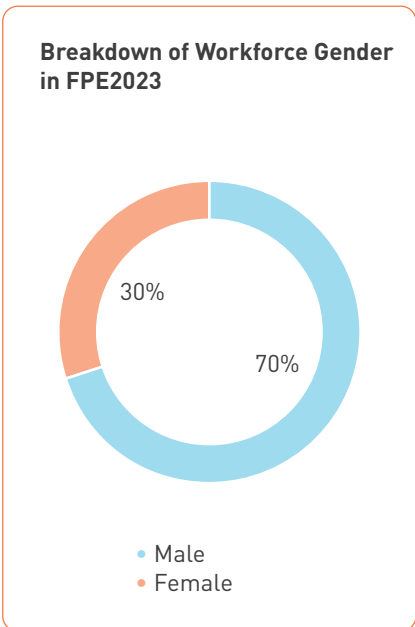
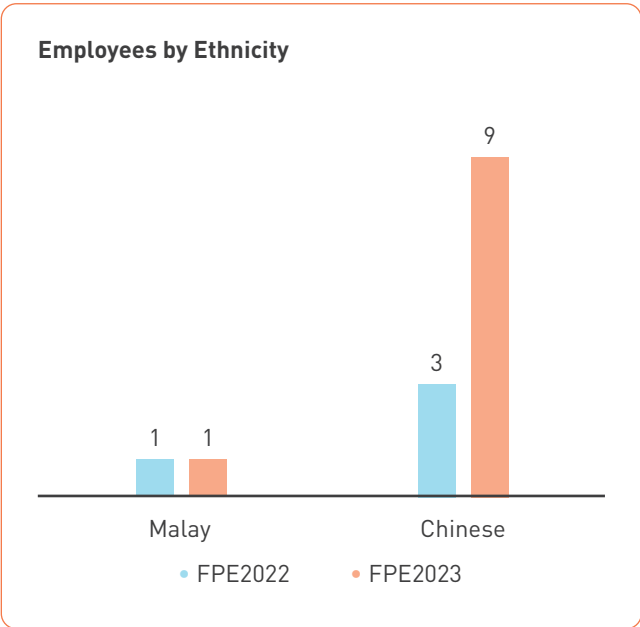
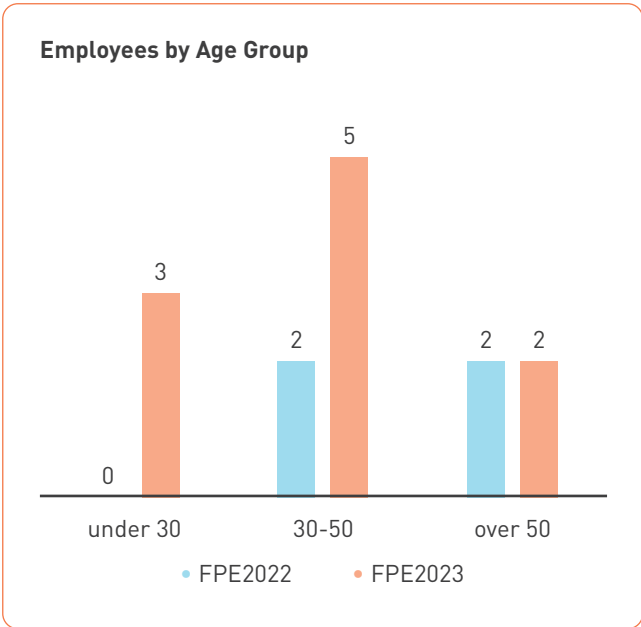
## Diversity and Equality

Guided by AME Elite’s Diversity and Inclusion Policy, the Manager strives to ensure equal access to opportunities regardless of age, gender, ethnicity, religion, nation origin, disability, sexual orientation or any other relevant characteristics.

In FPE2023, there were no reports on workplace discrimination at the Manager.

In FPE2023, the Manager has a total workforce of 10 employees, of which 30% are female and 70% are male. Permanent full-time employees make up 100% of the total workforce. 10% of the Manager’s workforces are Malay and 90% are Chinese. Breaking down the workforce by age, 30% of the Manager’s employees are under 30 years old and 50% of the Manager’s employees are between 30 – 50 years old and 20% of the Manager’s employees are over 50 years old.

With regards to Board diversity, the Manager’s Sustainability Policy outlines its commitments to cultivate a diverse and inclusive culture within the workplace. This also extends to the Board level where there is currently 17% of women representation at Board level. It is important to the Manager that its leadership team consists of directors who can provide a wide range of perspectives that can help AME REIT in its decision-making process and achieve its strategic objectives. In an effort to increase diversity at the top, the Manager strives to achieve a representation of at least 30% women directors.



**Employee Engagement**

Employee engagement remains a critical aspect of any successful organisation, and the Manager acknowledges the importance of cultivating a positive work environment that bolsters employee morale and heightens job satisfaction. Through various employee engagement initiatives, the Manager provides opportunities for staff members to unwind and socialise while also emphasising the Manager’s appreciation and concern for its workforce. When employees feel valued and connected to their organisation, they are more likely to display commitment, engagement, and productivity. This sense of engagement often leads employees to assume responsibility for their roles and the Manager’s mission.

The Christmas party at AME Group’s HQ was a much-awaited event, serving not only as a festive celebration but also as an exceptional opportunity for engaging both employees and clients. The gathering allows employees to interact and establish personal connections with tenants, fostering robust relationships. Additionally, the event enables tenants to network with one another, potentially leading to collaborations and business partnerships. The Christmas party illustrates the Manager’s dedication to fostering a positive and engaging workplace culture that encourages meaningful relationships among employees and clients.



AME Group’s recent annual dinner featured a retro theme, functioning as a platform for employee engagement. This lively event included a buffet, live performances by local bands and dance crews, and a staff performance competition with prizes to be won. These activities promoted collaboration, communication, and creativity, contributing to a positive work culture and emphasising teamwork among employees. The retro theme introduced an element of fun and excitement, ensuring an engaging and enjoyable experience for all attendees.



## SUSTAINABILITY STATEMENT

During the Chinese New Year celebration, the Manager actively engaged with both clients and employees. A dragon and lion dance crew were hired to perform traditional lion dances at each tenant's factory, creating a festive and exhilarating atmosphere. Accompanied by the lion dance crew, the Manager's employees personally visited each tenant's factory to extend New Year greetings and wishes for the upcoming year. This approach not only fortified the Manager's relationship with its clients but also cultivated camaraderie and teamwork among its employees.

The same dragon and lion dance crew performed at AME Group's HQ as part of the Chinese New Year celebration. The performance served as the centerpiece of the festivities, with firecrackers and traditional music enhancing the jubilant atmosphere. Employees gathered to witness the spectacle, exchanging greetings and well-wishes for the new year. In a display of goodwill, management distributed angpau or red envelopes containing monetary gifts to its employees, in accordance with festival tradition. By integrating cultural traditions into workplace celebrations, the Manager seeks to foster a sense of belonging and inclusivity within its diverse team.



## EMPOWERING COMMUNITIES

In line with AME REIT's commitment towards sustainable progress and establishing long-term relationship with local communities, AME REIT has taken the initiatives to contribute to the well-being and development of surrounding communities through a range of initiatives, including corporate social responsibility programs, job creation, and charitable donation.

As part of the AME REIT's commitment to give back to the society, AME REIT has in FPE2023 made a donation of RM5,000 each to Yayasan Food Bank Malaysia and Mercy Malaysia.

Yayasan Food Bank Malaysia is a non-profit organisation that aims to reduce food waste while providing assistance to the underprivileged with access to food supplies to reduce cost of living. Through this donation, AME REIT hopes to help Yayasan Food Bank Malaysia in their mission to reduce food waste and fight hunger in Malaysia. With the pandemic and recent natural disaster affecting many people's livelihood, the food aid provided by Yayasan Food Bank Malaysia has been crucial in ensuring that people have access to basic necessities.

Mercy Malaysia on the other hand, is a disaster relief organisation that provides humanitarian aid to those affected by floods and other natural disasters. AME REIT is proud to have made a donation to Mercy Malaysia's Malaysia Flood Relief Fund in response to the recent devastating floods that have affected the region. The floods have caused significant damage to homes and infrastructure, and many people have been displaced from their homes. The donation is just one way that AME REIT can demonstrate its commitment to supporting the communities in which AME REIT operate and help those affected by natural disasters. AME REIT believes that it is essential to contribute to relief efforts during time of crisis, and AME REIT is proud to support Mercy Malaysia's efforts to provide critical supplies, medical aid, and shelter to those in need. The donation is a small part of a larger effort to help rebuild and restore the effected communities, and AME REIT hopes that its contribution will make a meaningful impact on those who have been impacted by the floods. As part of AME REIT's ongoing commitment to sustainability and corporate social responsibility, the Manager will continue to seek out opportunities to support the communities in times of need.



## MANAGING ENVIRONMENTAL FOOTPRINT

The Manager in managing AME REIT, has taken a responsible and proactive approach towards managing its environmental impact, while continuing to sustain its growth. In FPE2023 the Manager has made a concerted effort to disclose more comprehensive data on AME REIT's environmental performance. This shall enable the stakeholders to gain a deeper understanding of the Manager's and AME REIT's sustainability efforts.

### WASTE AND MATERIAL MANAGEMENT

The Manager is committed to sustainable practices that promote environmental responsibility. One area where the Manager strives to make a difference is in waste management.

The Manager promotes the 5R initiative, which prioritises refuse, reduce, reuse, repurpose, and recycle actions. The Manager has adopted a holistic approach that focuses on each of these elements to ensure that the Manager operates in an environmentally conscious manner. To begin with, the Manager refuses to use unnecessary resources in its operations to minimise waste generation from the start. The Manager also reduces its waste output by implementing efficient operational processes and uses renewable energy sources. This approach not only helps to reduce the environmental impact but also cuts down operational costs. The Manager also aims to reuse and repurpose materials whenever possible to reduce the need for new materials and extend the lifespan of existing resources. Finally, the Manager promotes recycling to ensure that the materials used are diverted from landfills and can be transformed into new products.

For example, the Manager has placed recycling bins throughout its offices, AME REIT's industrial properties and workers' dormitories to promote recycling awareness. The Manager also encourages its employees to reduce paper wastage by using E-copy function and cutting down non-crucial printouts.

# SUSTAINABILITY STATEMENT

## Mobile Recycling Spot

The Mobile Recycling Spot event was a resounding success and a true celebration of sustainability, made possible by the joint efforts by AME Group, United Park and the Yellow Bin's Go Green movement Project, aligning perfectly with the Lunar New Year festivities. The Chinese tradition of cleaning their houses and disposing of old items before the new year presented a prime opportunity to promote the importance of recycling. The event was hosted at i-Privilege Club, with the primary goal of encouraging the recycling of pre-loved items, including textile, accessories, homeware, empty bottles, books, cardboard and other recyclables. The response was overwhelming, with more than 225kg of items recycled during

the event, demonstrating a genuine desire to make a positive difference. This initiative was not only a reflection of the Manager's commitment to the environment and community but also a chance to raise awareness about the critical role everyone plays in reducing waste and recycling. The Manager is immensely proud of the event's success, and it is committed to continuing to host similar initiatives that promote the message of sustainability and encourage individuals to be more mindful of their actions. The Mobile Recycling Spot is a shining example of how small changes can have a significant impact on the environment when everyone come together as a community.



**ENERGY MANAGEMENT**

At the core of the Manager’s sustainability strategy lies a strong focus on energy management. The Manager constantly monitors and evaluates its monthly energy consumption and is in the planning stage of implementing further strategies to reduce its carbon footprint.

Total Purchased Electricity Consumption in FPE2023<sup>(1)</sup>  
**27,028.76 KWh**

Note:

<sup>(1)</sup> Electricity consumption is derived from the electricity bills of the Manager’s offices and common areas managed by the Manager in the multi-tenanted property of AME REIT, namely FZW SAC located near i-Park @ Senai Airport City.

**Energy Saving Initiatives**

The properties in AME REIT’s portfolio are designed with environmental responsibility and resource efficiency in mind, mitigating the negative impact on human health and the environment throughout the building’s life cycle.

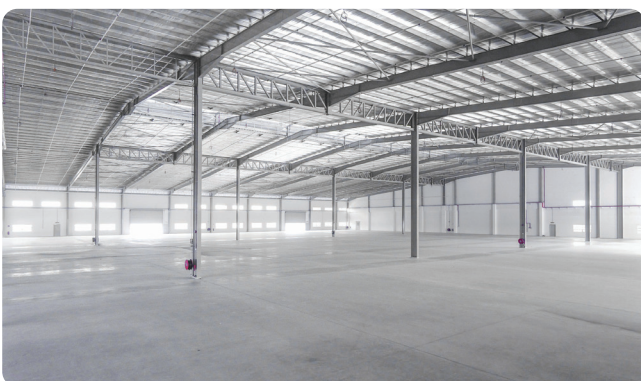
To ensure ongoing progress towards sustainability, the Manager is open to collaboration to support AME REIT’s tenants on their sustainability targets and initiatives. This can be achieved through facilitating future improvements and installing additional green features on the buildings. Key features that already contribute to the energy efficiency of AME REIT’s industrial properties include:

1. Incorporating translucent sheets allow for increased natural lighting;
2. Thick fiberglass insulation at zincalume metal roof to reduce heat radiation and keep the interior cool;
3. High ceiling and up-lift jack roof system for natural ventilation;
4. Low window height design to minimize overall thermal transfer into the building and maximise daylight harvesting;
5. Reflective glaze and high solar reflectance roofing to minimise thermal transfer into the building;
6. Sun shading fixtures and building orientation that reduce direct sunlight and glare; and
7. Optional solar power systems to advocate the adoption of sustainable green energy solutions.

Beyond the properties in AME REIT’s portfolio, the HQ of the Managers is also equipped with various energy saving features to minimise electricity usage and enhance energy efficiency. A prime example is the installation of solar panels, which generate electricity by harnessing the sun’s power. This reduces the reliance on grid-supplied electricity, lowering carbon emissions and minimising environmental impact.

Another energy saving feature is the implementation of individual zone lighting. This means that all zones and enclosed spaces in the HQ are fitted with separate lighting systems that can be individually switched and lit as needed. By using lighting only where necessary, the company minimises energy consumption and reduces energy wastage.

Additionally, the HQ is equipped with a variable refrigerant flow air conditioning and mechanical ventilation system, offering better energy efficiency, zoned cooling and reduced downtime. A centralised air conditioning system is also in place, which regulates the building’s temperature and is set to switch off during off-peak hours when the building is unoccupied, further decreasing energy wastage.



## SUSTAINABILITY STATEMENT

### WATER MANAGEMENT

The Manager has implemented various water management initiatives in its effort to minimise water consumption and reduce water wastage. One of the most notable features in AME REIT's industrial properties and workers' dormitories is the rainwater harvesting system. This system filters and stores rainwater for reuse in landscape watering and general cleaning purposes. Additionally, low water consumption fixtures are also installed to reduce water usage.

In order to encourage effective water management practices, the Manager encourages its employees to practice various water-saving practices in its HQ such as turning off the water tap when not in use, avoiding unnecessary repeated toilet flushing, conducting regular checks for water leakages, and reporting of any leaks to the facilities management team.



Total Water Consumption in FPE2023<sup>(1)</sup>

**1181.07 m<sup>3</sup>**

Note:

<sup>(1)</sup> Water consumption is derived from the water bills of the Manager's offices and common areas managed by the Manager in the multi-tenanted property of AME REIT, namely FZW SAC located near i-Park @ Senai Airport City.

### ADDRESSING CLIMATE CHANGE

#### Climate Related Disclosure

The topic of climate change has been extensively discussed and addressed, with the impacts being imminent and irreversible. Not only does climate change affect the ecological system and disrupt biodiversity, but it also has significant consequences for various industries. Consequently, the Manager strives to minimise its carbon footprints and adopt the best management practices to prevent unfavourable environmental pollution.

Reporting of greenhouse gas ("GHG") emission has become an essential component which help to quantify a company's impact on environment and provides a baseline for future emission reduction efforts. The Manager has started to monitor energy consumption in order to identify strategies to help mitigate climate change and enhance contribution to a sustainable environment. The carbon emissions are calculated in accordance with United States Environmental Protection Agency (US EPA).

Scope 1 = **8.11 tCO<sub>2</sub>eq**

Scope 2 = **15.81 tCO<sub>2</sub>eq**

Scope 3 = **0.62 tCO<sub>2</sub>eq**

Total GHG emission in FPE2023 = **24.54 tCO<sub>2</sub>eq**

**Green Initiatives**

The portfolio of industrial properties owned by AME REIT is planned and designed with a strong emphasis on environmental sustainability, incorporating the principles and criteria of green building. In response to the growing interest in sustainable building practices among tenants seeking to reduce their carbon footprint, AME REIT is open to collaborating with its tenants on asset enhancement initiatives aimed at further reducing the carbon footprint of the properties. Environment, Social and Governance (“ESG”) criteria are also included in AME REIT’s due diligence process for its future acquisitions/developments.

To further support its commitment to sustainability, some of AME REIT’s properties have obtained the Green Building Index certification, commonly referred to as “GBI.” This accreditation is an important marker of sustainability and indicates that the buildings have met rigorous environmental standards and criteria. By obtaining GBI certification, AME REIT is able to fulfil its tenant’s needs for a GBI accredited building and provide them with the assurance that their work environment is designed with sustainability in mind. There are 13 GBI Design Assessment certified properties in AME REIT’s portfolio.

In addition, majority of AME REIT’s existing properties are located within industrial parks which incorporates ESG aspects in its planning, development and management. These industrial parks feature large green areas and recreational park which create a comfortable and healthy work environment.



**Carbon Reduction via Green Transportation**

Transportation plays a significant role in the increasing level of carbon emissions, which contribute to the degradation of our environment. The adverse effects of these emissions have prompted the adoption of green mobility solutions, which have proven to be effective in reducing carbon footprints. Industrial properties in AME REIT’s portfolio features green parking to promote the use of electric vehicles to reduce carbon emissions.

In addition, the properties in AME REIT’s portfolio are strategically located in close proximity to workers’ dormitories. This proximity helps to reduce the distance that workers have to travel and also encourages walking to work, thus reducing carbon emissions.

**CONCLUSION**

AME REIT’s unwavering commitment to sustainability is evident through its comprehensive sustainability initiatives that cover economic, environmental, social and governance aspects. The Manager strives to continuously improve AME REIT’s sustainability performance, sustainability practices and sustainability reporting, with the aim of achieving a greater milestones.