

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## ECONOMIC



- Capitals**
  - Financial
  - Human
  - Manufactured
  - Social & Relationship
- Strategic Pillars**
  - Capital Management
- Business Risks**
  - Global
  - Financial
- UN SDGs**
  - 8 DECENT WORK AND ECONOMIC GROWTH
  - 11 SUSTAINABLE CITIES AND COMMUNITIES

Malaysia’s economy grew by 5.1% in 2024, up from 3.6% in 2023. Growth was driven by continued expansion in domestic demand and a rebound in exports. On the domestic front, stronger household spending, sustained investment approvals, and further progress of multi-year projects by the private and public sectors underpinned growth. Meanwhile, exports recovered amid steady global growth and the continued tech upcycle. These conditions, along with higher tourist arrivals and spending, lifted the current account surplus to 1.7% of GDP in 2024 (2023: 1.5%).

Bank Negara Malaysia (BNM) maintained the OPR at 3.0% throughout 2024, creating a supportive monetary stance for economic stability, consistent with moderating inflation, as both headline and core inflation averaged 1.8% in 2024, from 2.5% and 3.0% respectively in 2023.

In tandem with Malaysia’s sustained economic momentum, the country experienced significant growth in the value of property transactions during the first half of 2024, which rose to RM105.65 billion (1H 2023: RM85.37 billion), marking a 23.8% yoy increase which was the highest in five years. Concurrently, transaction volumes increased by 8% yoy to 198,806 units (1H 2023: 184,140). All property sub-sectors recorded growth, with commercial and industrial transactions increasing by 41.5% and 23.4%, respectively.

Amid supportive macroeconomic conditions, we remain committed to deliver long-term sustainable distributions and capital stability through prudent capital management. Our strategic property portfolio optimisation and expansion continued to deliver results, driving an 11.7% yoy increase in the Fund’s revenue to RM322.15 million for the year ended 31 December 2024 (2023: RM288.41 million). Incremental revenue came from the acquisitions and development completed during the year, positive rental reversions secured in 2023 and 2024, as well as a full year’s contribution from Bukit Raja Distribution Centre 2, our development project that was completed in 2023. Concurrently, economic value distributed and economic value retained increased by 12.2% and 21.6% respectively.

Details of the Fund’s financial performance are presented in the Manager’s Discussion and Analysis - Financial Review section on pages 40 to 52 of this Report.

The Fund’s economic performance is monitored by the Finance Team, which issues monthly reports to ensure alignment with our strategic priorities and projections. This includes evaluating the Manager’s capital management and allocation strategy to ensure efficient resource utilisation. The Finance Team is guided by ethical standards, policies, and procedures, including the MFRS and IFRS accounting standards, in upholding their commitment to financial integrity and compliance with the relevant laws and regulations.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The Manager's ERM Framework ensures that internal controls and risk management considerations are incorporated into its decision-making processes, enhancing operational performance and driving the achievement of the Fund's business goals and mission. This includes our risk framework, which addresses financial and non-financial (including ESG) risks and opportunities, and also shapes our strategic priorities and action plans.

Our ESG commitments and initiatives, which include the conversion of existing financing facilities to sustainability-linked financing and continuous efforts in implementing ESG practices across our operations, have resulted in year-on-year improvements in our ESG scores in international benchmarks and indices.

## Key Initiatives

### 1 DISCIPLINED INVESTMENT STRATEGY

The Manager employs a disciplined investment strategy to ensure that the Fund continues to generate consistent and sustainable financial returns for its Unitholders. Our investment strategy adheres to predefined objectives and policies that guide the careful and rigorous selection of acquisition targets, development projects, and AEs. This ensures that all additions and enhancements to the portfolio are strategic, yield-accretive, and value enhancing, which in turn, preserves the value of the portfolio, the interests of our stakeholders, as well as the surrounding environment.

Additionally, we also identify properties that are reaching optimal returns for potential disposal, and consider diversification strategies to reduce the concentration of risks, including ESG risks, in the Fund's property portfolio.

### 2 COST DISCIPLINE AND OPTIMISATION

We are vigilant in managing the Fund's operating costs, closely monitoring expenses against financial projections and approved budgets. Our prudent and effective cost management and optimisation initiatives have minimised the impact of inflationary pressures and economic downturns on the Fund.

### 3 EFFICIENT MANAGEMENT OF WORKING CAPITAL AND LIQUIDITY

A key responsibility in managing the Fund is to ensure that it has sufficient working capital and liquidity to support its business activities and strategic plans. We continuously monitor the Fund's liquidity and financial positions to optimise capital efficiency, aiming for a balanced mix of short-term and long-term financing. As at 31 December 2024, the Fund's liquidity remained robust, at RM686.7 million, with RM120.7 million in cash and deposits, along with a further RM566.0 million in undrawn financing.

We completed our tenth private placement exercise on 18 November 2024. The placement exercise saw the issuance of 263 million new Units at an issue price of RM1.71 per Unit to various institutional investors, raising gross proceeds of RM449.73 million, which were utilised to pare down the Fund's existing financing and to provide headroom for future acquisitions and developments.

### 4 SUSTAINABILITY-LINKED FINANCING

Since embarking on sustainability-linked financing in 2022, the Fund has increased its proportion of sustainable financing, which provides further impetus for us to meet our sustainability commitments. In 2024, we successfully secured an additional RM110.0 million in sustainability-linked financing. Together with the conversion of existing financing facilities to sustainability-linked financing, approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 was structured with a sustainable financing mechanism.

We are pleased to report that in 2024, we had successfully achieved the pre-determined SPTs tied to the Fund's sustainability-linked financing, including our Islamic Profit Rate Swap (IPRS). Consequently, we were granted sustainability rebates in accordance with the SPT terms.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Targets & KPIs

Economic Performance	2024 (RM '000)	2023 (RM '000)	2022 (RM '000)
<b>Economic Value Generated (Revenue) (A)*</b>	<b>321,684</b>	284,208	283,246
<b>Operating Costs (B)</b>	<b>45,537</b>	42,977	39,128
<b>Which include Payments to Government</b>	<b>11,274</b>	10,115	9,266
<b>Payments to Capital Providers (C)</b>	<b>165,333</b>	150,756	160,085
<b>Community Investments (D)</b>	<b>201</b>	181	193
<b>Payments to Financiers (E)</b>	<b>74,433</b>	60,541	52,973
<b>Economic Value Distributed (F) = (B)+(C)+(D)+(E)</b>	<b>285,504</b>	254,455	252,379
<b>Economic Value Retained (G) = (A)-(F)</b>	<b>36,180</b>	29,753	30,867

*Notes:*

\* After deduction of net remeasurement of loss allowance and bad debt.

\*\* Government-related expenses are quit rent, assessment and service tax.

## Outlook

Looking ahead, Malaysia is expected to see sustained economic growth momentum in 2025. GDP growth is projected at between 4.5% and 5.5%, and is expected to be driven by continued expansion in investment activity, resilient household spending, and higher exports.

Higher realisation of approved investments, coupled with the implementation of catalytic initiatives and continued momentum in exports, will bode well for strategically-located, modern industrial properties. The ongoing expansion of the e-commerce sector, along with government initiatives promoting industrial and manufacturing growth, provide favourable market conditions that will drive demand and sustain high occupancy levels and rental rates, while presenting opportunities for further investments and development projects of industrial properties.

Amid the optimistic economic outlook, we have set an ambitious target to increase Axis-REIT's AUM to RM10.0 billion by the end of 2030. Towards this end, we will continue to uphold our investment discipline while optimising our working capital. We will actively pursue sustainability-linked financing options to align our financial strategies with our sustainability initiatives, and to take advantage of rebates on profit rates with the achievement of SPTs. We will also focus on issuing rated/unrated corporate Sukuk, and explore unsecured financing, which will provide more flexibility without the need to pledge collateral, thereby protecting the Fund's properties.

Operationally, we will explore emerging opportunities and new revenue streams, such as the installation of EV charging stations at selected properties in our portfolio and potential investment opportunities in data centre properties. Amid our expansion ambitions, we will actively manage financing risks through strategic capital management, which includes hedging and diversifying our capital sources, and exploring opportunities for capital recycling through divestments and by reallocating funds to higher-performing properties.

Concurrently, we will continue investing in initiatives that will improve the resilience of our property portfolio. We will undertake a climate scenario analysis in 2025 to understand and develop strategic plans to address the potential long-term impact of climate-related risks on Axis-REIT's operations. This assessment will also provide insights into the financial and non-financial implications for the Fund. We are also committed to adhere to the evolving reporting and disclosure requirements for material sustainability and climate-related issues in line with the NSRF and Bursa Securities' enhanced sustainability reporting requirements.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Tenant Satisfaction



Axis-REIT recognises that tenant satisfaction is crucial to achieving long-term growth and sustainability. It is a key non-financial KPI that we monitor to assess the Fund’s core performance. We invest considerable efforts in building and maintaining strong tenant relationships to better understand their needs, serve them effectively, and enhance tenant satisfaction levels.

Our tenant management efforts are led by the Property Management Division. These efforts aim to create mutually beneficial partnerships that raise tenant satisfaction, drive tenant retention levels, and foster high occupancy rates. Broadly, this encompasses:

**a) Building a strong, diversified tenant base through a stringent tenant screening process**

We impose a stringent screening process on potential tenants, assessing their financials, the nature and sustainability of their businesses, as well as governance policies to ensure that we acquire high-quality, creditworthy tenants.

We also conduct annual screenings of our existing tenants to stay updated on their developments and ensure they continue to meet our criteria. The screening process provides a better view of our tenants and their operations and helps us

build diversity in our tenant industry base and reduce industry concentration risks.

**b) Fostering strong tenant relationships through engagement initiatives**

We cultivate close ties with our tenants through regular engagement and outreach programmes, which include monthly property reports, ad-hoc updates and communication, as well as festive greetings. We also proactively promote Axis-REIT’s property portfolio through a variety of strategic marketing initiatives, which are designed to showcase the unique features and advantages of our properties and ensure that Axis-REIT’s portfolio remains “top-of-mind” among agents, tenants, and potential tenants.

Collectively, these efforts create touchpoints for interactive engagements that give us a deeper understanding of our tenants’ unique needs, preferences, and expectations, as well as insights into

their business and ESG strategies. This strengthens our tenant relationships and enables better-informed resource allocation in tailoring real estate services and solutions to meet tenant expectations, while reducing disputes and turnover rates.

**c) Ensuring effective communication and handling of complaints and feedback**

We strive to respond to all tenant matters promptly, whether they relate to ad-hoc maintenance, scheduled service requests or other feedback. The main channel for tenant feedback and requests is our *Hello Axis* portal, which is Axis-REIT’s tenant management platform. It facilitates the escalation of tenant issues to the Manager and enables the seamless exchange of suggestions and areas for improvement. The portal is continually updated and improved to enhance the user experience, our response times, as well as service levels. All tickets (service

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

requests, inquiries, and feedback from tenants) raised via *Hello Axis* are automatically logged, monitored, and assessed as a key tenant satisfaction KPI.

Additionally, we engage with our tenants through in-person meetings, emails, and phone calls, which are also monitored to ensure all communication is aligned with our commitment to providing excellent service and addressing tenant issues effectively.

### d) Ensuring that physical business space solutions meet tenants' expectations

Safe, high-quality business space in good locations are the fundamental building blocks of tenant satisfaction for Axis-REIT. We

also ensure our properties deliver conducive working environments and incorporate sustainability features to support our tenants in meeting their business aspirations.

Towards this end, we implement asset management initiatives, including AEs, to upgrade our properties, taking into consideration the needs and expectations of current and potential tenants, to ensure our portfolio remains relevant.

Our tenant management efforts are largely guided by the Operations Manual, which lays out the policies and procedures in managing the Fund's properties and operations. This includes our compliance with regulatory requirements, internal HSE policies, as well as best practices and standards.

We track the effectiveness of our tenant management initiatives and tenant satisfaction via 2 separate surveys:

The **Hello Axis Service Request Satisfaction Ratings**, which is conducted via Axis-REIT's tenant management portal, *Hello Axis*. The portal enables direct communication between the Manager and tenants, allowing seamless tracking and handling of service requests, feedback, and complaints to improve response times and service quality. The portal also features the *Hello Axis Service Request Satisfaction Ratings* – a feedback tool at the closure of service tickets that prompts tenants to rate the timing, processes, and effectiveness of services rendered. This helps us better understand tenants' experiences and improves our processes in addressing their needs and concerns.



Axis-REIT's **Annual Tenant Satisfaction Survey**, which seeks feedback on the overall experience as a tenant at an Axis-REIT property. The survey compiles tenants' evaluations of the Manager's services and response times, their likelihood of recommending Axis-REIT properties to other potential tenants, along with their overall satisfaction as a tenant at an Axis-REIT property. This includes evaluations of the physical properties, as well as the property management services rendered, such as safety and security, cleanliness, upkeep, as well as communications with the Property Management Team.

### Key Initiatives

#### 1 INCORPORATED ESG EVALUATIONS INTO THE TENANT SCREENING CHECKLIST

Conducted tenant screening on potential and existing tenants. Introduced evaluations on tenants' key ESG pillars, in line with the incorporation of ESG assessments and ratings into the Tenant Checklist in 2023. The evaluations included:

- ◆ Governance: Whether tenants have defined policies related to key ESG matters
- ◆ Social: Whether tenants adhere to the relevant labour standards and human rights practices
- ◆ Environment: Whether tenants have existing environmental practices in their organisation, such as water and energy conservation, as well as waste management policies.

#### 2 RENOVATION MANUAL

Applied ESG considerations in the fit-out and refurbishment guide that must be adhered to by all tenants as well as the Manager when undertaking any renovation or enhancement works.

#### 3 GREEN LEASES

Incorporated ESG elements and requirements into 3 tenancy agreements for a green-certified building in 2024, bringing the total number of green leases in Axis-REIT's portfolio to 4.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## 4 INCLUDED KEY ESG ISSUES DURING TENANT ENGAGEMENTS

Maintained proactive tenant engagements and included discussions on ESG-related issues and strategies to help align Axis-REIT’s real estate solutions and services with tenants’ needs and expectations, as sustainability becomes increasingly material in our tenants’ operations.

Successfully installed AED equipment at all multi-tenanted properties and organised AED and CPR awareness training for all tenants and staff to improve the safety and well-being of our tenants.

Assessed all our properties for water stress risk and engaged with the relevant tenants to evaluate their needs and implement appropriate action plans. For more details, please see the Water Management Sustainability Matter on pages 136 to 139 of this Report.

## 5 AEIs

Successfully upgraded 8 properties, incorporating green features such as energy-efficient lighting and cashless parking systems. The upgrades complied with the guidelines of our ESG-compliant refurbishment standards.

Upgraded fire-fighting systems from ordinary to high hazard levels and increased water tank storage capacities at selected properties to enhance safety and functionality.

More information on AEIs can be found in the Quality Assets & Services – Existing Assets Sustainability Matter on pages 119 to 121 of this Report.

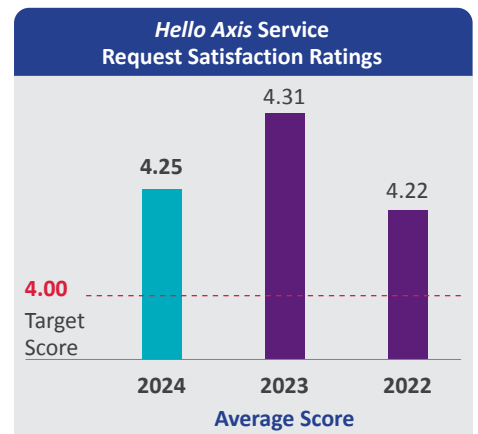
In addition to the above, we also responded to issues and complaints raised by our tenants during the year, the most common of which were as follows:

Common Tenant Issues / Expectations	Corrective Actions Taken in 2024
Smoking in common areas	Increased reminders to tenants and increased enforcement of non-smoking areas. Worked with tenants to raise awareness among their staff.
Lack of cashless payment options for parking	Began implementing cashless parking systems at multi-tenanted properties in the portfolio. Completed the implementation at 2 multi-tenanted properties during 2024, namely Axis Business Centre and Axis Technology Centre, with plans to roll out further cashless parking systems at other properties in 2025.

### Targets & KPIs

We are pleased to report that our overall tenant satisfaction scores for both the *Hello Axis* Service Request Satisfaction Ratings and our Annual Tenant Satisfaction Survey remained well above our targets.

For the *Hello Axis* portal ratings, we garnered an average score of 4.25 in 2024, on a scale of 1 (poor) to 5 (excellent). This was a very slight decrease from the 4.31 score achieved in 2023, but still above our target to secure an average score of 4. The following tables present our average scores, along with an overview of the number of tickets raised, resolved, and outstanding in the last 3 years. There were 26 tickets outstanding at the end of 2024. These remained outstanding due to their timing, having been raised towards the end of the year. Efforts to address these outstanding tickets is in progress.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Property Type	Hello Axis Service Requests (tickets)		
	Raised	Resolved	Outstanding
	<b>2024</b>		
Multi-Tenant	69	67	2
Single-Tenant	158	134	24
	<b>2023</b>		
Multi-Tenant	32	32	0
Single-Tenant	202	174	28*
	<b>2022</b>		
Multi-Tenant	55	55	0
Single-Tenant	98	87	11**

\* resolved in 2024  
 \*\* resolved in 2023

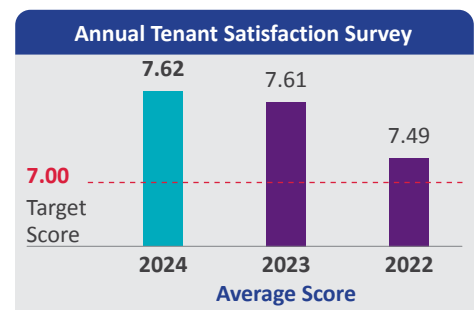
	Hello Axis Service Request Satisfaction Ratings					
	2024		2023		2022	
Multi-Tenant	4.25	4.50	4.44			
Single-Tenant	4.24	4.12	4.00			
Weighted Average	4.25	4.31	4.22			

In 2024, we successfully responded to 97% of tickets at both multi-tenanted and single-tenanted properties within 24 hours of the tickets being raised. For multi-tenanted properties, this marked an improvement from our 2023 performance, where we responded to 91% of tickets within 24 hours. Meanwhile, our performance for single-tenanted properties remained on par with that of 2023.

Property Type	2024		2023		2022	
	Ticket Response Time					
	< 24 hours	> 24 hours	< 24 hours	> 24 hours	< 24 hours	> 24 hours
Multi-Tenant	97%	3%	91%	9%	85%	15%
Single-Tenant	97%	3%	97%	3%	96%	4%

For our 2024 Annual Tenant Satisfaction Survey, we achieved an average score of 7.62 based on a scale of 1 (poor) to 10 (excellent). This exceeded our target score of 7 and was a slight uptick from our average score of 7.61 in 2023.

Our results for 2024 saw improvements in the scores for safety and security, cleanliness and upkeep, satisfaction with property management, and the likelihood of recommendation when compared to those of the previous year.

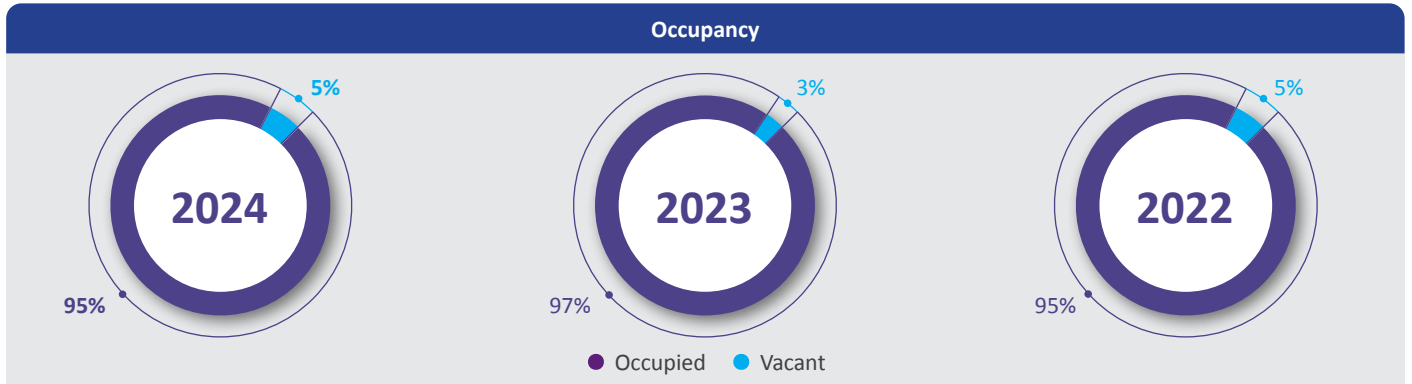


## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Tenant Satisfaction Survey	2024	2023	2022
Services & Response Time	7.61	7.79	7.36
Likelihood of Recommendation	7.58	7.42	7.61
Satisfaction with Property Management (Overall experience as a tenant)	7.45	7.42	7.52
Safety & Security	8.10	7.95	7.89
Cleanliness & Upkeep	7.52	7.43	N/A
Communication Channels	7.47	7.64	7.06



Axis-REIT’s property portfolio continued to record a high take-up rate in 2024, with year-end occupancy at 95% - slightly below that of 2023 but within our target of keeping it above 90%.



### Outlook

Looking ahead, the Manager aims to enhance Axis-REIT’s property solutions and services to maximise tenant satisfaction. Our focus remains on delivering safe and conducive properties that meet tenants’ business needs. Concurrently, we also remain committed to sustainable long-term growth and will enforce operational strategies, refine maintenance routines, and deepen tenant engagement towards achieving these goals.

We are optimistic in our outlook for 2025, aiming to maintain the portfolio occupancy rate at above 90% through our focus on tenant satisfaction and robust renewal strategies, in addition to attracting new tenants. We will continue to strengthen our tenant engagement initiatives to lift renewal rates and drive existing tenants’ space expansion within our portfolio. This will include collecting feedback and suggestions for continuous improvements to align our real estate solutions and services with tenant needs and expectations, while reinforcing our commitment to excellence.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



**Quality Assets & Services – New Acquisitions**

Axis Industrial Facility @ Sendayan



Axis-REIT’s mission is to grow its portfolio to provide consistent distributions to Unitholders. Towards this end, the Manager ensures that the Fund has a robust pipeline of yield-accretive acquisition targets and potential development opportunities under consideration. While our selection of acquisition and development targets remains dynamic — adapting to market conditions, the Manager’s strategic plans, and emerging opportunities — a clear trend has been the growing emphasis on ESG considerations in the selection process and the drive to include more green-certified buildings into the property portfolio. This is in line with market demand, stakeholder and tenant expectations, as well as the Fund’s own sustainability targets.

We adopt a disciplined approach to property acquisitions and developments, guided by internal policies that shape our investment decisions. These policies are designed to identify, assess, and manage economic, financial, and ESG-related risks and opportunities, ensuring that each addition to our portfolio is strategic, yield-accretive, and value-enhancing. This approach safeguards the value of the Fund’s property portfolio, the interests of stakeholders, and the surrounding environment. These policies are integrated into our feasibility studies and due diligence processes in evaluating potential property acquisitions and development opportunities. Only properties and projects that meet our assessment criteria are presented to the Board for approval and subsequently recommended to the Trustee for execution.

In 4Q 2023, we enhanced our due diligence checklist to incorporate climate-risk

vulnerability assessments and in 2024, began evaluating all potential acquisitions and development projects against the additional criteria. These updated criteria enable us to identify and address flooding risks, adopt resource-efficient design practices, and evaluate properties more holistically from an ESG perspective.

In 2024, we undertook an assessment to identify and assess our climate-related risks and opportunities for the Fund’s portfolio and operations. To build on this, our next step is to conduct a comprehensive scenario analysis in 2025 that will strengthen the resilience of our portfolio and enhance our portfolio management strategy.

Over the past year, we also included ESG clauses into new lease agreements for 3 new tenants. Moving forward, we will explore facilitating our tenants’ use of renewable

energy, the installation of EV charging stations at selected properties, and adding ESG clauses in lease agreements to further support sustainability across our portfolio. Details of our ESG strategy are available in the Environmental section of this Report, while details of our due diligence and ESG scoring systems are described below.

### Key Initiatives

#### NEW PROPERTY ACQUISITIONS - INITIAL DUE DILIGENCE ASSESSMENT CHECKLIST

We conduct a comprehensive due diligence assessment that includes a robust scoring system for all potential acquisitions. This process was enhanced to include climate risk vulnerability assessments. Each target is assessed and rated against

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

a detailed scoring checklist covering key criteria to ensure alignment with our strategic priorities and risk management framework, including:

1. Proximity and access to public transportation networks
2. Risk of flooding in current location
3. Proximity of location to natural water sources
4. Assessment of past soil settlement issues
5. Assessment of potential hazards from adjacent properties/land
6. Evaluation of green building features such as rainwater harvesting tanks, LED lighting, and solar panels
7. Assessment of proper storage of scheduled waste
8. Assessment of vulnerability to climate risks in the real estate life cycle
9. Observation on use of asbestos

As part of our due diligence process, an Environmental Site Assessment (ESA) may be conducted where necessary to evaluate potential environmental risks. This includes reviewing a site’s historical information, conducting soil and groundwater sampling to identify contamination, and determining compliance with applicable local and federal regulations. The findings of the ESA guide our next steps, including the development of remedial actions to address identified issues or liabilities. In 2024, we conducted 1 ESA on a property we acquired pursuant to the findings of our due diligence process.

### NEW DEVELOPMENTS/MAJOR AEIs - INITIAL DUE DILIGENCE ASSESSMENT CHECKLIST

The Manager proactively identifies and evaluates new development

opportunities to strategically expand the portfolio. Guided by comprehensive guidelines, we ensure all projects are commercially viable, compliant with regulatory criteria, and value-enhancing for the Fund and its stakeholders. The assessment process includes:

1. Conducting feasibility studies to assess the suitability of all projects
2. Sourcing of potential land/properties that fulfill the project’s requirements
3. Calculating the development project costs and revenue projections
4. Coordinating due diligence site inspections on shortlisted properties
5. Conducting vulnerability assessments on climate risks
6. Conducting ESAs (if necessary), in line with regulatory requirements
7. Conducting Traffic Impact Assessments and review of public transportation access during the design and development stages for all new developments

Our experienced Project Management Team oversees each development from inception to completion, ensuring projects are delivered to specification, on schedule, and within budget.

### TARGET FOR GREEN BUILDING CERTIFICATION

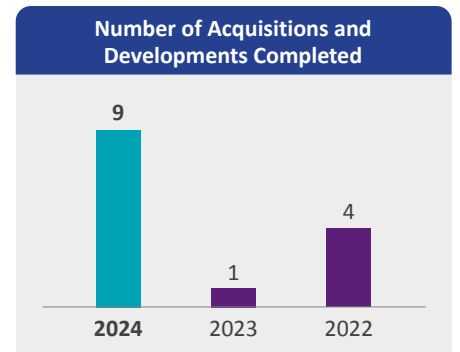
Our Environmental Policy underpins our commitment towards environmental sustainability. Guided by this policy, we seek to increase the number of green-certified buildings in the Fund’s portfolio, targeting to obtain at least 1 green building certification for its portfolio every year.

Towards this end, we include considerations for green building certifications (building management standards) in evaluating potential acquisitions and development projects. We also seek such accreditations for our existing properties through major refurbishments, where possible.

### Targets & KPIs

2024 was a robust year for acquisitions. Axis-REIT completed the acquisitions of 8 properties, with one more acquisition currently in progress. All acquisitions underwent rigorous initial due diligence assessments and were approved upon achieving satisfactory results.

On the development front, we successfully completed a logistics warehouse, Axis Mega Distribution Centre (Phase 2), on schedule. Built to cater to strong demand for Grade A purpose-built facilities, this warehouse is currently 100% occupied at the point of reporting. These achievements underscore our commitment to delivering high-quality, purpose-built assets that meet the evolving needs of our tenants and stakeholders.



More information on our acquisitions and development projects is presented in the Investment Review section on pages 59 to 66 of this Report.

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

In 2024, the Fund achieved notable progress in green certifications, securing 1 new certification and confirming final certifications for 3 properties (that previously held provisional certifications). These achievements demonstrate and reaffirm our commitment to sustainable building practices. With these certifications, the Fund has 6 green building certifications for 5 properties which account for 20.61% of total space under management as at 31 December 2024. This reflects our conscious efforts to include considerations for green building certifications (building management standards) in evaluating potential acquisitions and development projects, and pursuing such accreditations for our existing properties through major refurbishments and AEs, where feasible.

Properties with Green Building Certification (Building Management Standards)		
Properties	Type of Certification	Date of Final Certification
DW1 Logistics Warehouse	GBI Certified	June 2024*
Axis Facility 2 @ Bukit Raja	GreenRE Silver	September 2023
Bukit Raja Distribution Centre 2	GreenRE Gold	August 2024
Axis Mega Distribution Centre (Phase 1)**	GreenRE Silver	December 2024
Axis Mega Distribution Centre (Phase 2)**	GreenRE Gold	December 2024
Axis Aerotech Centre @ Subang	GreenRE Bronze	December 2024

Green Building Certification Profile		
Total Number of Properties with Green Building Certification	% of Total Property Portfolio with Green Building Certification	% of Space Under Management with Green Building Certification
5**	7.25%	20.61%

\* Date of certificate renewal.

\*\* Axis Mega Distribution Centre comprises 2 phases (Phase 1 and Phase 2), and is considered to be 1 large property with 2 separate buildings. Phase 1 was completed in 2018 and Phase 2 was completed in 2024, with each having separate green building certifications.



### Target

To obtain at least 1 green building certification for the portfolio every year

### Outlook

In the coming year, we will further strengthen our commitment to managing both physical and transition climate-related risks in alignment with the Fund's sustainability objectives. Building on our prior work in climate risk assessments, we will enhance our approach by integrating more advanced climate adaptation and risk mitigation strategies, while focusing on continuous monitoring of emerging risks that could impact our property portfolio. In line with this, in 2025, we are planning to incorporate a water stress vulnerability assessment in the Initial Due Diligence Assessment for all new investments and developments.

To reduce our environmental footprint, we will continue to conduct feasibility studies on our properties to incorporate the latest green technologies across the Fund's portfolio. Additionally, we will deepen our focus on acquiring green building-certified properties where possible and advance sustainable development projects, with an enhanced goal of securing green certifications annually. This will ensure that sustainability remains at the core of our operations and investments.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Quality Assets & Services – Existing Assets



Maintaining the quality of Axis-REIT’s property portfolio and services is essential to deliver long-term sustainability, profitability, and growth. To create long-term value for stakeholders and investors, we take a disciplined approach in managing the Fund’s existing properties, prioritising regular maintenance and strategic AEIs to ensure the portfolio remains resilient and relevant.

Our efforts in maintaining the quality of the Fund’s existing properties and services are guided by 4 key policies and guidelines, which are periodically reviewed and enhanced to ensure their relevance and effectiveness:

### 1. Environmental Policy

Our Environmental Policy demonstrates our dedication to sustainability. It details the methods we use to reach our sustainability objectives. In managing existing properties, this means improving and incorporating sustainability features, such as using eco-friendly materials and resource-efficient fixtures and fittings during maintenance, upgrades, and refurbishment projects. These investments not only reduce operational costs and support our sustainability goals, but also assist our tenants in reaching their own sustainability targets.

### 2. HSE Policy

Our HSE Policy outlines our dedication to achieving excellence in health, safety, and environmental practices, with the aim

of providing a safe working environment for our employees, tenants, contractors, community, and other stakeholders. In line with this policy, the Property Management Team has implemented various measures to uphold health and safety standards in the maintenance of the Fund’s existing properties and services. These measures include conducting periodic HSE audits, as well as establishing and implementing an Onsite Vendor Assessment that incorporates human rights elements to ensure ongoing compliance with regulatory requirements.

### 3. Operations Manual

The Operations Manual for Axis-REIT includes internally developed procedures and policies that guide our planning, decision-making, and daily activities in managing Axis-REIT. This encompasses property maintenance and enhancement initiatives with the aim of maintaining and improving the quality of Axis-REIT’s existing properties. The procedures and policies are designed to provide tenants with safe, secure, clean, and conducive working

environments, while also preserving and enhancing the value of the properties in an efficient and sustainable manner. In 2024, we updated the Operations Manual to further define the reporting flow for occupational health and safety management.

### 4. Renovation Manual

Our Renovation Manual outlines the guidelines and practices for renovating properties in our portfolio. It incorporates ESG considerations and addresses waste management practices, such as the 5R concept, as well as the safe disposal of scheduled waste. Additionally, it covers topics related to water and electricity conservation through responsible usage and the installation of water and energy-saving fixtures. Its inclusion of clauses on the use of low volatile organic compound materials aligns with international standards and labour regulations. In 2024, we updated our existing renovation guidelines to align with recent changes in the Occupational Safety and Health Act 1994 that was amended in 2022.



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

We are responsible for maintaining the quality and physical condition of all properties in Axis-REIT's portfolio through planned preventive and ad-hoc maintenance services. We work to ensure that all upgrades, refurbishments, AElS, and redevelopment projects involving existing properties are carried out in accordance with the Operations Manual and the Renovation Manual, and that the work is completed on schedule and within budget.

We also closely supervise service providers and contractors who are appointed to undertake planned preventive maintenance work to ensure that the services rendered meet the agreed specifications and comply with the applicable guidelines. We keep regular communication with our suppliers and service providers to facilitate consultation and address required improvements. This establishes an efficient planned preventive maintenance schedule to reduce downtime arising from systems and services failures, such as lift and air-conditioning systems breakdowns.

### Key Initiatives

We have established an ESG strategy for major AElS and development projects. The strategy covers aspects such as energy consumption, green building certifications, indoor environmental quality, material sourcing, as well as water management and waste management. For further details, please see the Environmental section on pages 131 to 143 of this Report. Additionally, we are considering procuring renewable energy and installing EV chargers at selected properties.

The Manager ensures that all properties are adequately and effectively maintained throughout their service life, and that maintenance efforts are planned and executed efficiently through our preventive maintenance programmes. This ensures that appropriate decisions are made in selecting maintenance strategies based on the allocated budget. We also strive to preserve the value of the Fund's portfolio by maintaining

and enhancing the aesthetic appeal and functionality of our properties.

### Key initiatives include:

#### MULTI-TENANTED PROPERTIES

- Implementing AElS as needed to ensure that properties remain relevant and competitive in the market
- Conducting scheduled checks on mechanical, electrical, and plumbing (MEP) systems and non-MEP systems
- Keeping updated records on compliance with the building codes
- Inspecting accessibility for disabled persons at all buildings according to the Uniform Building By-Laws (UBBL) 1984 and improving this, where possible, when undertaking AElS
- Appointing only competent suppliers and service providers to undertake routine and ad-hoc service and maintenance work, as recommended in the Operations Manual
- Reviewing annual preventive maintenance checks, policies, and procedures to identify any gaps and areas for improvement
- Regularly communicating and engaging with tenants to obtain feedback on the functionality of facilities and services
- Conducting routine in-house and outsourced training on MEP services to ensure the relevant employees have the necessary technical skills and knowledge to perform their duties competently
- Conducting routine building inspections and audits according to the daily inspection checklist
- Engaging Takaful operators to conduct annual Risk Management Surveys

- Engaging external consultants (energy auditors, civil and structural engineers, firefighting consultants, and indoor air quality specialists) for expert input and recommendations
- Ensuring compliance with all relevant building codes (Fire Certificates, Certificate of Completion and Compliance, Business Licenses, etc.)

#### SINGLE-TENANTED PROPERTIES

- Implementing AElS as needed to ensure that properties remain relevant and competitive in the market
- Regularly visiting the Fund's single-tenanted properties to inspect the buildings' structures, overall condition, and MEP systems
- Keeping updated records on compliance with the building codes
- Inspecting accessibility for disabled persons at all buildings according to the UBBL 1984 and improving this, where possible, when undertaking AElS
- Issuing monthly reports to tenants that include the general property condition, compliance to the building codes, and any corrective actions required by the landlord and/or tenant
- Engaging Takaful operators to conduct annual Risk Management Surveys
- Engaging external consultants, as well as federal and state government agencies, on flood mitigation plans in areas with moderate to high flooding risk
- Maintenance and upgrading (where necessary) of drainage systems within our property boundaries

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

We conduct monthly meetings with suppliers and service providers to facilitate regular engagement, discuss areas of improvement, and identify the necessary actions to enhance the quality and efficiency of their services. We also organise monthly training sessions for the Property Management Team, suppliers and service providers to ensure they are competent and up-to-date on technical and regulatory developments. The courses typically focus on health and safety, as well as technical and non-technical skills.

In 2024, we organised 48 training sessions, covering topics such as Safety Induction Training, Management of Psychosocial Risks at the Workplace, Lessons from Court Cases, CPR & AED Awareness Training, and Fire Safety Awareness & Emergency Evacuation Training. A total of 931 participants, comprising the Property Management Team, suppliers and service providers, and tenants attended these programmes.

### Targets & KPIs

In 2024, the Manager implemented key AEs at 8 properties across Axis-REIT's portfolio. All 8 AEs incorporated sustainability considerations such as installing energy-efficient and water-saving fittings to optimise operating costs and reduce the Fund's environmental footprint.



The Property Management Team oversaw the following AEs in 2024:

Property	Description of AEI
Axis Shah Alam Distribution Centre 3	<ul style="list-style-type: none"> <li>Constructed a new TNB substation (Low Voltage) to supply an additional 1,000 amps to the property</li> <li>Constructed a flood mitigation wall with flood shutters and installed water discharge pumps</li> <li>Enhanced fire-fighting systems from Ordinary Hazard to High Hazard, which supports tenants' in-rack sprinkler systems</li> <li>Installed an additional water tank, increasing the water storage capacity from 10,000 to 40,000 litres</li> <li>Repurposed an old firefighting water tank as a rainwater harvesting tank</li> </ul>
Axis Shah Alam Distribution Centre 4	<ul style="list-style-type: none"> <li>Upgraded the domestic cold water pipe reticulation system, leading to a significant reduction in water consumption</li> </ul>
D21 Industrial Facility (formerly known as D21 Logistics Warehouse)	<ul style="list-style-type: none"> <li>Upgraded the existing sprinkler system to Early Suppression Fast Response sprinklers that conform to FM Global standards</li> </ul>
Axis Business Campus	<ul style="list-style-type: none"> <li>Upgraded the existing conventional carpark system to a cashless parking system</li> </ul>
Axis Technology Centre	<ul style="list-style-type: none"> <li>Upgraded the existing conventional carpark system to a cashless parking system</li> <li>Installed a ramp to enhance accessibility for individuals with disabilities</li> <li>Installed a new lift to improve access to rooftop parking</li> </ul>
Axis Mega Distribution Centre (Phase 1) and (Phase 2)	<ul style="list-style-type: none"> <li>Installed a new permanent safety lifeline on the warehouse roof to enhance fall protection at Axis Mega Distribution Centre (Phase 1)</li> <li>Installed a new cashless carpark system</li> </ul>
Axis Shah Alam Distribution Centre 1	<ul style="list-style-type: none"> <li>Strengthened the roof's steel structure to support solar panels</li> </ul>
Axis Hypermarket @ Sungai Petani	<ul style="list-style-type: none"> <li>Upgraded the smoke spill system to comply with BOMBA requirements</li> </ul>

### Outlook

The Manager will continue to maintain and enhance the Fund's existing properties while incorporating the relevant sustainability considerations, including flood mitigation plans for properties in flood-prone areas.

Following the implementation of cashless parking systems at selected properties in 2024, we plan to upgrade the existing conventional parking systems for at least two more multi-tenanted properties with cashless systems in the coming year. Additionally, we also plan to install EV charging stations at selected multi-tenanted properties in line with our commitment to sustainability and to cater to rising demand for such facilities.

In 2023, we submitted an application to the land office to renew the lease period of 1 property, which is currently underway. We will continue to evaluate the land tenure profiles of our leasehold properties to determine renewal requirements in the coming year.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Responsible Supply Chain Management



We are committed to entrenching long-term ESG values throughout our supply chain. We work closely with our suppliers and service providers to ensure they understand and are aligned with our values and expectations. This cooperation helps ensure that our supply chain upholds the same ethical values and sustainable practices, which reinforces our commitment to integrity, environmental stewardship, and social responsibility.

The Property Management Team has implemented a comprehensive system of checks and measures to ensure that all goods and services procured meet our stringent quality standards, and are sourced exclusively from reputable suppliers and service providers (including for security personnel, cleaners, and contractors). This system consists of a pre-qualification assessment, an annual supplier evaluation, and adherence to a Supplier Code of Conduct, which are outlined below. We also prioritise sourcing from local companies to support the local economy and community. These measures not only minimise the risk of supply chain disruptions, but also incorporate ESG criteria to advance the Fund’s sustainability agenda and reduce its exposure to legal, reputational, and financial risks.

### Pre-qualification Assessment

Prior to engaging new suppliers and service providers, we conduct a rigorous pre-qualification assessment. This process evaluates the candidates’ financial stability, while identifying possible ethical

and reputational risks through methods such as CTOS screenings and thorough background checks. It also assesses their ESG commitments and practices. Only companies that achieve satisfactory scores and meet our stringent standards are added to the Fund’s list of approved suppliers. This ensures that we partner with entities that align with our values and contribute to our goals of sustainability and ethical business practices.

### Annual Supplier Evaluation

We perform comprehensive annual evaluations on our existing suppliers and service providers to assess their performance and identify opportunities for improvement. These evaluations cover key areas such as responsiveness, pricing, delivery, quality, after-sales service, management effectiveness, and adherence to our Supplier Code of Conduct. As part of this process, we also conduct annual

CTOS verifications to confirm our suppliers’ continued financial stability.

Suppliers who achieve satisfactory scores in these evaluations are retained for future engagements, while those who do not meet our standards may face temporary suspension or be removed from our list of approved suppliers. Through regular engagements with our suppliers and service providers, we strengthen relationships, drive positive performance, and minimise supply chain risks. This helps us consistently deliver best-in-class services to our tenants and other stakeholders, supporting our overarching goals of excellence and sustainability.

### Supplier Evaluation Criteria

#### Responsiveness

- On requests for quotations/proposals
- On technical/commercial requests

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Price

- Competitiveness of pricing
- Terms and conditions
- Billing/Invoicing

## Delivery

- Timeliness
- Flexibility on delivery
- Responsiveness to requests
- Resolution of delays

## Quality

- Consistency of quality
- Submission of required documentation
- Conformity to drawings and HSE requirements
- Job site performance/quality of work

## After Service

- Technical support and expertise
- Defect rectification
- Other support/closure

## Effectiveness of Management

- Professional conduct and communication
- Effectiveness of job-site supervision
- Adoption of ESG/sustainability initiatives, processes, and procedures

## Compliance with Supplier Code of Conduct

- Quality standards
- Business ethics
- Compliance with human rights standards and labour laws
- Compliance with environmental laws, PDPA, and HSE Policy

## Financial Standing

- CTOS checks

### Supplier Code of Conduct

Our Supplier Code of Conduct comprehensively evaluates suppliers' ethics, business integrity, labour standards, and their practices regarding human rights, health and safety, and

environmental sustainability. We mandate that all our suppliers and service providers comply with this code, which is publicly accessible on our website. This ensures they adhere to the high standards of business practices we uphold.

Our Supplier Code of Conduct also empowers suppliers to report any unlawful or unethical practices, or instances of non-compliance or impropriety through Axis-REIT's established whistle-blowing channels. This mechanism ensures transparency and accountability within our supply chain. In addition, our Facilities Managers and Health, Safety, Security, and Environment (HSSE) Manager regularly engage with suppliers and service providers. These meetings are conducted to discuss products and services, address operational issues, and overcome challenges together. This ongoing dialogue helps us maintain strong, transparent relationships and ensures our supply chain is aligned with our commitment to excellence, safety, and sustainability.

### Key Initiatives

Our initiatives in 2024 continued to reinforce the integrity and resilience of our supply chain in creating long-term value to all our stakeholders. These included:

#### 4 initiatives to reinforce the integrity and resilience of our supply chain

- ◆ Maintained stringent supplier pre-qualification processes, which subjected all potential new suppliers to comprehensive evaluations by the Property Management Team and the Finance Team, before admission to our list of approved suppliers
- ◆ Updated the vendor pre-qualification form to record exemptions to approve vendors with unfavourable CTOS and SSM assessments

- ◆ Broadened our vendor pre-qualification process to incorporate checks against the Malaysian Anti-Corruption Commission's (MACC) Corruption Offender Database, in addition to CTOS and SSM checks
- ◆ Conducted regular assessments through training, ad-hoc site visits, and audits by the HSSE Manager and onsite personnel to ensure compliance with HSE practices at all ongoing developments, maintenance, and AEI project sites
- ◆ Conducted regular health and safety training sessions for suppliers and other relevant external parties to ensure compliance with our HSE Policy and Supplier Code of Conduct

### Targets & KPIs

Since incorporating our Supplier Code of Conduct into the supplier evaluation process in 2021, we have regularly reviewed and enhanced our vendor pre-qualification and evaluation processes to ensure we engage and retain reputable and reliable suppliers. This has significantly improved the efficiency and resilience of our supply chain by setting clear expectations for our suppliers.

We are pleased to report that we did not incur any fines or penalties related to our supply chain during 2024. Additionally, all AEIs, development and maintenance projects were successfully completed on schedule. These accomplishments reflect the success of our ongoing efforts in maintaining an efficient, ethical, and compliant supply chain.

### Supplier Statistics

As part of the supplier evaluation process in 2024, the Property Management Team evaluated 207 suppliers on Axis-REIT's panel, which are all 100% local companies. Following this evaluation, 2 suppliers were removed from the panel due to changes in their company registrations. During the year, we also admitted 7 new suppliers to our panel.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Supplier Statistics	2024	2023	2022
No. of suppliers subjected to annual evaluation	207	191	128
No. of new suppliers subjected to pre-qualification assessment	7	20	66
No. of suspended suppliers	0	0	0
No. of de-listed suppliers	2	4	3

## Annual Procurement: Local Suppliers

The Property Management Division procured RM72.7 million in goods and services (excluding government-related expenses) for Axis-REIT during 2024, a decrease from RM196.2 million in 2023. The reduction reflects the higher expenses in 2023, which were attributed to development and major AEI projects undertaken then. In line with our commitment to engaging local suppliers where possible, we are pleased to note that all procurements in the last 3 financial years were transacted with local suppliers.

Total Procurement Spent on Local Suppliers (RM million)	
2024	72.7
2023	196.2*
2022	77.7*

\* This data has been restated due to an update in the calculation methodology.

## Supplier Training

As part of our commitment to facilitate continuous process improvements, we conduct supplier training courses that focus on Axis-REIT's HSE Policy, safety requirements, regulatory requirements, and hazard risk assessments. The number of programmes that we offer every year depends on the number of active AEIs, developments, and maintenance projects. In 2024, we held a total of 32 training programmes that drew 592 attendees from our suppliers and service providers, including housekeeping staff.

Supplier Training Courses		
Year	Total number of training programmes offered to suppliers	Total number of attendees
2024	32	592
2023	48	884
2022	34	450

## Screening and Audit of Suppliers against ESG Criteria

During 2024, we continued assessing our suppliers' and service providers' compliance with our On-site Vendor Assessment Checklist. We conducted ESG audits on health, safety, environment, and human rights practices. The Property Management Team conducted the ESG audits on 6 of our key suppliers and service providers. These audits aimed to identify if there were any potential ESG-related risks within their operations and to develop suitable mitigation plans if necessary. The audit covered areas of concern from our Supplier Code of Conduct, HSE Policy, and Environmental Policy, including labour standards and human rights, health and safety, quality standards, and the environment. We are pleased to report that the audits conducted in 2024 did not identify any instances of non-compliance with our policies and standards.

## Outlook

In 2025, we will continue collaborating with our suppliers and service providers to further refine our supply chain management practices. We will focus on ensuring strict adherence to our Supplier Code of Conduct through rigorous pre-qualification assessments, comprehensive annual evaluations, and regular site audits.

We remain committed to preserving and upholding human rights among key registered vendors, and will document and take appropriate corrective actions for any instances of non-compliance. These initiatives will ensure that our ESG values, practices, and commitments are consistently maintained throughout our supply chain.

In addition to these measures, we will initiate targeted training programmes and workshops to enhance the understanding and implementation of ESG principles among our key suppliers and service providers. This proactive approach will not only reinforce our commitment to sustainability and ethical practices, but also foster deeper, more productive relationships with our supply chain partners.

By prioritising these efforts, we aim to build a more resilient, transparent, and responsible supply chain, positioning the Fund to meet its long-term sustainability goals and deliver exceptional value to all stakeholders.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## GOVERNANCE



### Business Ethics



### Capitals



Social & Relationship

### Strategic Pillars



Investment



Development



Facilities Management



Real Estate



Capital Management



Governance

### Business Risks



Human Resource



Global Investment



### UN SDGs



We uphold the highest standards of business ethics in managing the Fund, always ensuring full compliance with all legal and regulatory requirements. This commitment to business ethics guides every aspect of our operations, from strategic planning and investment decision-making, to our daily activities in property management, finance, and human resources. We believe that maintaining these principles is essential for establishing an impeccable reputation, building stakeholder trust, and ensuring the long-term success and sustainability of the Fund.

To safeguard stakeholder interests, we continuously monitor and regularly assess the business practices and governance frameworks that guide the Fund. We stay informed about developments in the political, economic, and business landscapes, paying close attention to emerging factors such as workplace cultural shifts, digital trends, geopolitics, heightened data safety and security requirements, as well as climate change risks. These efforts protect the Fund’s institutional integrity and are aligned with our goal of establishing an agile and resilient organisation.

The Board plays a crucial role in providing exemplary leadership and governance, ensuring transparency, accountability, and responsibility in steering the strategic direction of Axis-REIT. Guided by the Board Charter, which outlines the Manager’s key principles and ethical guidelines, the Board ensures the effective and accountable execution of its duties. Additionally, the Board oversees key policies that guide Axis-REIT, including the

Code of Conduct, Whistle-Blowing Policy, and ACF Policy.

At both management and operational levels, the Manager adheres to a comprehensive Code of Conduct. This framework reflects our commitment to maintaining the highest standards of integrity, extending to all employees representing the Manager and Axis-REIT. It includes guidelines for managing conflicts of interest, maintaining privacy and confidentiality, handling gifts and entertainment, and upholding professional behaviour standards. New employees undergo an induction programme facilitated by the Human Resource department, which includes a presentation of the Code of Conduct and other essential policies.

In addition to the Board Charter and the Code of Conduct, the Manager’s Whistle-Blowing Policy and ACF Policy provide clear avenues for employees, directors, suppliers, and tenants to report any misconduct, criminal

offenses, or malpractices. These policies, which are compliant with the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009), commit the Manager to acting professionally, fairly, and with integrity in all business dealings, consistently upholding the law across our supply chain. We communicate these policies to our supply chain through our Supplier Code of Conduct and include compliance checks as part of our annual supplier evaluation process.

The Compliance Team supports the CEO in overseeing all ethics and governance matters, ensuring adherence to related policies and procedures. In consultation with relevant experts, the Compliance Team is responsible for proposing necessary revisions to the Manager’s corporate policies and procedures for the Board’s consideration, comments, and approval. This collaborative approach ensures that our governance framework remains robust, relevant, and effective in fostering an ethical organisational culture.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



The Code of Conduct, Whistle-Blowing Policy and the ACF Policy are publicly available and can be accessed at [www.axis-reit.com.my/investor/corporate\\_governance.php](http://www.axis-reit.com.my/investor/corporate_governance.php).

## Whistle-Blowing Policy

Purpose: Pertains to the handling of all reports of improprieties involving the business, operations, or employees. Defines how all concerns raised are to be treated fairly, and for the anonymity of the whistleblower to be protected. Where the issue warrants further investigation, the Manager will carry out the necessary inquiries and corrective measures.

### Application: The Policy is designed to:

- 1 Clearly define the procedures that provide a secure avenue for whistleblowing, including the detailed reporting procedures, documentations, and investigation process.
- 2 Support the Manager's values and maintain a high standard of integrity and accountability.
- 3 Ensure stakeholders can raise concerns without fear of reprisal.
- 4 Provide a clear and confidential process for dealing with concerns raised, including incidents relating to human rights and malpractices.
- 5 Facilitate the development of preventative measures to avoid any recurrences of improprieties and malpractices.

The Manager will protect whistleblowers against retaliation, even if the matter raised proves to be a mistake, as long as the report was made in good faith. However, this protection does not extend to individuals who knowingly make false claims.

Axis-REIT has a designated email address for whistleblowing, i.e., [integrity@axis-reit.com.my](mailto:integrity@axis-reit.com.my). Messages to this email address are directed to the Independent Non-Executive Directors of the Manager as recipients, providing a secure whistleblowing channel for genuine reports to be lodged. The Manager will enhance and promote the accessibility of the whistle-blowing channels to ensure employees and third parties can report any suspected corruption or bribery incidents anonymously and without fear of retaliation.

## ACF Policy

Axis-REIT has adopted a zero tolerance policy against all forms of bribery and corruption.

Purpose: Serves as a guideline in recognising and managing any incidents of bribery or corruption in the daily business and operations of the Manager. Defines bribery, corruption, conflict of interest, and the acceptable limits in relation to gifts, corporate hospitality, and entertainment.

### Application: The Policy is designed to:

- 1 Clearly define bribery and corruption, as well as actions that are classified as offences by law.
- 2 Provide guidance on preventing bribery and corruption throughout the organisation, its related parties, and agents/contractors acting on behalf of the Manager.
- 3 Support the Manager's values and maintain a high standard of integrity and accountability.
- 4 Be communicated extensively through various channels (including our website, training sessions, and induction programmes).

Employees and third parties are encouraged to actively detect and prevent bribery and corruption. It is their responsibility, when acting for or on behalf of Axis-REIT, to report any incidents of bribery or corruption that they become aware of. Any charitable contribution, sponsorships, and CSR activities are reviewed by the CEO and approved by the Executive Committee of the Manager before being recommended to the Board and Trustee for final approval.

The Head of Compliance is the focal point for enquiries relating to the ACF Policy, and where necessary, professional legal advice will be sought.

The Whistle-Blowing and ACF Policies are continually reviewed and updated to ensure they are relevant, current, and aligned with the applicable laws, as well as the prevailing political, economic, and business landscape.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Key Initiatives

We conducted several notable initiatives in 2024 to reinforce the implementation of ethical business practices throughout our organisation. These are summarised in the table below:

Initiatives	Description
<b>Review and revision of the ACF Policy (formerly known as the Anti-Bribery and Anti-Corruption Policy)</b>	<ul style="list-style-type: none"> <li>Revised the ACF Policy on 23 July 2024 to incorporate provisions on fraud and the requirement for all personnel to declare and record receipts of gifts with an estimated value of RM1,000 and above.</li> <li>Renamed as the ACF Policy to reflect the inclusion of fraud into the scope of the policy.</li> </ul>
<b>Enhancing anti-bribery awareness and obligations among Directors and employees of the Manager</b>	<ul style="list-style-type: none"> <li>An in-house training was organised in July 2024 to update the Directors on the revision to the ACF Policy, and at the same time, refresh their knowledge and understanding of the Policy.</li> <li>Conducted online refresher training courses on anti-bribery awareness for all existing employees in December 2024.</li> <li>Requiring new recruits to declare their understanding and compliance with the Code of Conduct on their completion of the induction programme.</li> </ul>
<b>Enhanced screening for managerial candidates</b>	<ul style="list-style-type: none"> <li>Enhanced due diligence/background checks for managerial positions, screening candidates against the MACC’s Corruption Offender Database. This is aimed at ensuring our managerial hires have clean track records.</li> </ul>
<b>Assessment of corruption risks in the operations of the organisation</b>	<ul style="list-style-type: none"> <li>Conducted an internal audit on the Project Management Department in June 2024.</li> </ul>
<b>Undertaking KYC assessments to prevent money laundering activities</b>	<ul style="list-style-type: none"> <li>Integrated KYC assessments from an anti-money laundering perspective as a consideration in property divestments.</li> <li>Conducted our first KYC assessment on the purchaser in the disposal of Axis Steel Centre @ SiLC.</li> </ul>
<b>Testing internal controls within the organisation to identify deficiencies and potential money laundering risks</b>	<ul style="list-style-type: none"> <li>Conducted an internal audit to test existing internal controls and determined that the investments and leasing departments would be departments to conduct enhanced due diligence assessments on potential vendors and tenants to identify risks which may include money laundering risks.</li> </ul>



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Targets & KPIs

KPI			
	2024	2023	2022
No. of compliance breaches or misconduct	0	0	0
No. of whistleblowing reports or complaints received	0	0	0
Percentage of operations assessed for corruption-related risks	40%	20%	N/A

Percentage of Employees Who Attended Anti-bribery and Corruption-related Training by Employee Category				
	Senior Management	Middle Management	Executive	Non-Executive
2024	100%	100%	100%	100%
2023	100%	100%	100%	100%
2022	100%	100%	100%*	100%*

\* Does not include an employee who was on hospitalisation leave when the training was conducted

We are pleased to report that with the continual reviews and enhancements to our processes and policies, as well as the continued commitment and compliance of the Board, Senior Management, and employees, we have not had any incidents related to breaches in business ethics. This has continued through 2024, where there were no incidents of compliance breaches or misconduct, and no whistleblowing reports or complaints lodged. Consequently, there was no action necessary.

## Outlook

We will ensure that our internal operations consistently adhere to ethical business practices and that our processes and policies remain aligned with the MACC Act 2009. We will regularly review and update our Code of Conduct, ACF Policy, and Whistle-Blowing Policy. We will also continue to conduct internal audits on anti-corruption and anti-money laundering controls. We have designated the investments and leasing teams to conduct enhanced due diligence assessments during the onboarding of potential tenants, as well as on vendors for investment activities. This aims to minimise our risk of association with tenants or vendors who are of high risks (i.e., being involved in illegal, criminal or money laundering activities). We will also continue to apply the established KYC assessments on potential divestment activities.

We will continue to educate employees and third parties on the importance of business ethics through ongoing training sessions that are focused on ethical conduct, compliance, and the proper channels for reporting unethical behaviour. Additionally, we will review and improve existing due diligence procedures to evaluate potential business partners and third parties, ensuring that they adhere to anti-bribery and anti-corruption standards. This will include regular checks and continuous monitoring of their compliance with ethical business practices.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Cybersecurity & Data Protection

<b>Capitals</b>
Intellectual
<b>Strategic Pillars</b>
Governance
<b>Business Risks</b>
Human Resource, Information Technology
<b>UN SDGs</b>
9 (Industry, Innovation and Infrastructure)

We have embraced and integrated technology into our business operations to enhance efficiency and productivity, and to adjust to evolving consumer behaviours and expectations. In doing so, we are mindful of the increased exposure to various cybersecurity risks, including data privacy and security. As such, the Manager is dedicated to establishing a secure digital environment to protect this information and uphold the trust of our stakeholders.

The security of our tenants’ and employees’ information is our utmost priority. We are vigilant in implementing data safety measures to protect our business and people from cybersecurity-related threats. The Manager proactively monitors cybersecurity risks to avoid data breaches that may have a potential impact on our business. We continually upgrade and enhance our cybersecurity capabilities to address any gaps and mitigate risks that may develop amid the fast-evolving technological landscape.

We manage Axis-REIT’s cybersecurity risks in accordance with the Manager’s existing Cyber Risk Policy & Procedures. This Policy was revised in January 2024 to include a detailed description and process flow of the backup mechanism employed by the Manager. This complements the Manager’s IT Guidelines, which prescribe the management and handling of confidential information, and ensures business continuity through the prevention

of unauthorised access, use, and disclosure of highly sensitive information.

In addition to the IT Guidelines and the Cyber Risk Policy & Procedures, the Manager also maintains a Cyber Hygiene Checklist as a guideline to adopt best practices in detecting and preventing cybersecurity incidents, as well as to formulate suitable strategies and preventive measures prescribed by the SC. The checklist has comprehensive coverage on various matters such as awareness training, as well as IT maintenance and upkeep in terms of system updates, network security management, malware protection, access management, backup and restore, and incident response and handling. The SC had, on 1 August 2023, issued the Guidelines on Technology Risk Management (TRM Guidelines) to promote robust and sound technology risk management practices among capital market entities. These entities were given a year to get acquainted with the risk management practices prescribed by the

TRM Guidelines, and put in place applicable IT controls before the said guidelines came into effect on 19 August 2024. We worked closely with our outsourced IT service provider to comply with the risk management practices prescribed by the TRM Guidelines. This has included assessing our existing processes and IT infrastructure to determine areas for improvement.

As a requirement of the TRM Guidelines, the Board formulated and approved our Technology Risk Management Framework (TRM Framework) in July 2024. The framework includes technology risk management, technology operations management, technology service provider management, and cybersecurity management. In December 2024, an internal audit was conducted to review all established IT policies, including comparing the TRM Framework against the TRM Guidelines. Thereafter, the internal auditor recommended areas for improvement, where necessary.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The Manager takes data protection seriously as any potential non-compliance could have detrimental implications to the Fund. In ensuring compliance with the PDPA, the Manager publishes the Privacy Notice (which encompasses personal data protection principles stipulated under the PDPA) in both English and Malay on Axis-REIT’s corporate website. The Manager also has a designated email address ([pdpa@axis-reit.com.my](mailto:pdpa@axis-reit.com.my)) indicated on the Privacy Notice, where requests for data access, correction, and limitation of use can be sent.

## Key Initiatives

We strive to ensure we have the highest security in place to safeguard important and confidential information against cyber threats. Towards this end, we maintain up-to-date and fit-for-purpose IT infrastructure, as well as subscription-based solutions that combine next generation antivirus, endpoint detection and response (EDR), managed threat hunting, integrated threat intelligence, and IT hygiene. The EDR system, monitored by our outsourced IT service provider, provides real time protection against malicious activities. We also ensure our Directors and employees are sufficiently knowledgeable and aware of cyber risks through training and awareness programmes.

Initiatives undertaken in 2024:

**1 IMPLEMENTATION OF AN IT DISASTER RECOVERY PLAN**  
 Successfully implemented our first IT disaster recovery exercise on 20 November 2024, facilitated by our third-party IT service provider.

**2 CONDUCTED AN INTERNAL AUDIT OF OUR IT PROCESSES AND GOVERNANCE FRAMEWORK**  
 Conducted an internal audit in December 2024 to review all established IT policies, including comparing our TRM Framework against the SC’s TRM Guidelines. Thereafter, the internal auditor recommended areas for improvement, where necessary.

Our inaugural IT disaster recovery exercise was guided by the outsourced IT service provider and was implemented for the following objectives:

- (i) To test the effectiveness of the Manager’s IT recovery plan;
- (ii) To enable employees to familiarise themselves with the technical recovery procedures.

The recovery exercise involved the simulation of an IT disaster, where information and communication technology facilities in the main office of the Manager were made unavailable, while a recovery exercise

was conducted at an off-site disaster recovery location designated by the Manager. The exercise was completed successfully with all pre-defined objectives met. The IT Disaster Recovery Test Report 2024 prepared by our outsourced service provider was presented to the Board in January 2025.

## Targets & KPIs

Through our efforts in cybersecurity and data protection, we endeavour to maintain zero cybersecurity breaches to prevent the disruption of business workflows that rely heavily on data and to reduce any downtime and associated costs of data and network restoration.

	KPI		
	2024	2023	2022
No. of cybersecurity breaches	0	0	0
Incidents of substantiated complaints concerning breaches of privacy and loss of personal data	0	0	0

## Outlook

We actively manage cybersecurity risks by maintaining a comprehensive framework to monitor, assess, and respond to potential cyber-attacks. We conduct periodic reviews of our framework to ensure its alignment with the latest technology in the market. Additionally, we continuously monitor and ensure compliance with the PDPA among all employees.

We will conduct annual technology audits to ensure that information systems comply with regulatory requirements and industry guidelines. We will also safeguard data and information maintained in our IT systems with an appropriate level of confidentiality and integrity, and ensure that IT service operations are effectively managed. This includes improving security measures in accessing corporate emails with the application of multi-factor authentication for Office365. Additionally, we will continue to conduct annual IT disaster recovery exercises to ensure that we can respond effectively to any unexpected IT incidents and recover from such disruptions with minimal downtime.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## ENVIRONMENTAL



### Energy & Carbon Footprint



#### Capitals



Natural

#### Strategic Pillars



Facilities Management



Development

#### Business Risks



Environmental

#### UN SDGs



Effective energy and carbon management are critical priorities in managing Axis-REIT’s property portfolio. The Manager’s holistic approach to energy and carbon management aims to optimise energy consumption and operating costs, lower GHG emissions, and decrease the Fund’s environmental footprint in line with our sustainability and long-term value creation goals.

Our efforts in managing the Fund’s energy and carbon footprint are guided by our Environmental Policy, which addresses GHG emissions, energy, water, and waste management practices, as well as the use of sustainable materials and technologies, where possible. Our Renovation Manual also includes specific guidelines on the adoption of renewable energy and green building standards to drive sustainable practices among our tenants.

We ensure that all systems and installations in the Fund’s property portfolio comply with the Electricity Supply Act 1990 (Act 447), the Electricity Regulations 1994, and have the relevant operating certificates and valid yearly renewable licenses. These systems are managed by an Energy Commission (EC) Malaysia-certified Chargeman, and are regularly audited for assurance on operational efficiency and compliance with environmental regulations.

The Facilities Management Team is responsible for managing the Fund’s energy and carbon footprint. The HSE Manager tracks and reviews monthly electricity consumption at multi-tenanted properties and, where necessary, flags any abnormal consumption patterns for investigation and corrective action by the respective Facility Managers.

In 2022, we engaged an external consultant to conduct an energy audit of the Fund’s multi-tenanted properties. Based on the findings of the audit, we actively implemented initiatives to reduce our building energy intensity and improve the overall energy efficiency of these buildings. More recently, we also met with the EC to understand the new requirements and preparations needed for compliance with the EECA, which came into effect in January 2025.








#### Key Initiatives

Our energy and carbon footprint management initiatives include installing energy-efficient fittings and equipment in development projects and during AEs. We also undertake regular preventive maintenance programmes and ensure responsible energy usage through the implementation of energy reduction targets based on annual consumption patterns. We introduced quantifiable energy efficiency KPIs and have conducted independent third-party audits to verify the accuracy of our disclosures.

In 2024, we enhanced our ESG strategies for developments and AEs by obtaining additional green building certifications, enhancing energy efficiency and indoor environmental quality management programmes, and scaling up sustainability initiatives across the portfolio. This included leveraging advanced technologies, strengthening stakeholder collaboration, and implementing climate-resilient measures.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The following tables summarise the energy and carbon management strategies that were implemented in 2024.

 <b>Artificial Lighting</b>	Use of energy-efficient lighting (such as LED and T8 lights) to minimise energy consumption required for lighting, while maintaining proper lighting levels
 <b>Building Envelope Design</b>	Optimising building orientation and window to wall ratios to reduce heat transmission and reduce energy consumption required for mechanical ventilation
 <b>Daylighting</b>	Optimising the use of natural sunlight by incorporating windows to reduce the need for artificial lighting in warehouses and common areas
 <b>Ventilation in Common Areas</b>	Including window openings in common areas (i.e., staircases and toilets) to reduce the need for mechanical ventilation, thereby reducing energy consumption
 <b>Carbon Emissions</b>	Calculating and monitoring operational carbon footprint and emissions based on the building's energy and water consumption data
 <b>Energy Efficiency Improvement Plans</b>	Implementing energy efficiency improvement plans and regularly reviewing their outcomes to achieve energy reduction targets
 <b>PV-Ready Roof</b>	Installation of roofs that allow physical access and design loads that are suitable for future photovoltaic (PV) panel installations

## Energy and Carbon Management Initiatives in Property Management Operations

Our property management operations have integrated sustainability initiatives to enhance the portfolio's energy efficiency and reduce its energy and carbon footprint. These initiatives aim to lower both Scope 1 and Scope 2 GHG emissions from our property management operations and include:

**1** Replacing conventional lighting in common areas of multi-tenanted properties with LED lighting fitted with motion sensors. This is an ongoing initiative undertaken as part of regular AEIs.

**2** Replacing conventional lighting with LED lighting as part of refurbishment projects at selected single-tenanted properties, where possible.

**3** Checking, testing, and calibrating all MEP systems at regular intervals to ensure equipment and systems are operating efficiently.

**4** Leasing roof space for PV panel installation. As at 31 December 2024, 529,489 sq. ft. of roof space across the portfolio had

been leased to tenants that are involved in harvesting solar energy and selling it back to the national electricity grid. Additionally, our tenants at 2 single-tenanted properties have also installed PV panels on the buildings' roofs to offset their electricity consumption.

**5** Upgrading electricity meters to TNB smart meters at all of our 69 properties, representing 100% of our property portfolio.

**6** Facilitating the installation of EV chargers by our tenants at selected buildings.

**7** Monitoring the energy efficiency of an air conditioning system using a Variable Refrigerant Volume Control System.




# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

**8** Using low ozone depletion and low global warming potential refrigerant gas for our air-conditioning systems. This complies with the recommendations of the Montreal Protocol. Moving forward, we are exploring the procurement of green-certified refrigerant gas for our air-conditioning systems.

We are pleased to note that the Fund did not incur any fines or penalties for non-compliance with environmental laws or regulations in 2024. We also did not identify any areas or instances of non-compliance with environmental laws or regulations.

### Managing Climate-Related Risks and Opportunities

During the year, we undertook a strategic assessment to identify and assess our climate-related risks and opportunities on our operations in the short, medium, and long-term, which ranged from acute and chronic weather events, to changes in the regulatory and operating environment.

 Details of our climate-related risks and opportunities assessment are presented in Our Climate Journey on pages 28 to 31 of this Report.

The identified risks and corresponding opportunities identified in the exercise were then ranked according to their potential impact to the Fund, and integrated into our ERM framework to ensure they remain a central focus in our strategic planning and day-to-day operations.

We also conducted a materiality assessment to assess and understand our impact in relation to Scope 3 GHG emissions. This included identifying the Scope 3 GHG emissions categories that are most material to our operations, which will in turn, guide our efforts in tracking and monitoring more complete Scope 3 GHG emissions data in the coming years.

In championing sustainability in collaboration with our tenants, we successfully negotiated green leases with 4 tenants to date. These green leases require tenants to have sustainability policies in place, and require the use of sustainable fittings and features. They also require tenants to disclose their energy and water consumption, as well as waste generation data. These will feed into our own climate disclosures in line with our intention to expand our Scope 3 GHG reporting initiatives in the coming years.

Separately, we are also looking to work with tenants to incorporate more renewable energy solutions at our properties to enhance the energy efficiency and reduce GHG emissions across our portfolio.

Recognising the importance of a robust framework to oversee the management of sustainability matters, we further strengthened our governance structure by formally naming our Executive Chairman as the person responsible for climate change risk oversight at the Board level, effective January 2025.

### Targets & KPIs

In 2024, the Manager actively advanced efforts to achieve the energy reduction targets set in 2022 for the Fund’s multi-tenanted properties. These targets remain a key focus and will continue to guide our energy initiatives in the year ahead.

Target
To achieve a 1% reduction in energy consumption and GHG emissions in 5 years (2022-2026), compared against baseline data set in 2019.
Performance Tracking
In 2024, we had reduced our total energy consumption by 14.56%, and achieved a 13.96% reduction in Scope 1 and 2 GHG emissions, compared against baseline data set in 2019.

### Annual Energy Consumption

Annually, the Manager reports total building energy consumption, covering electricity purchased and generator sets’ (gensets) fuel consumption that are under the direct control of the Manager (i.e., in the common areas of multi-tenanted properties), as well as the energy consumption from our company vehicles. The Manager also conducts annual building audits to monitor energy and water consumption, as well as recyclable waste generated. Details of the absolute energy consumption and intensity for Axis-REIT’s multi-tenanted properties are stated in the charts overleaf.

This year, we added 1 newly-completed multi-tenanted property to our reporting scope. However, with our energy optimisation efforts, we successfully cut our energy consumption by 14.56% compared to baseline data set in 2019, and achieved a 1.22% reduction on a yoy basis. Our building energy intensity also fell 20% to 13.16 MJ/sq. ft. in 2024, from 16.45 MJ/sq. ft. in 2019.

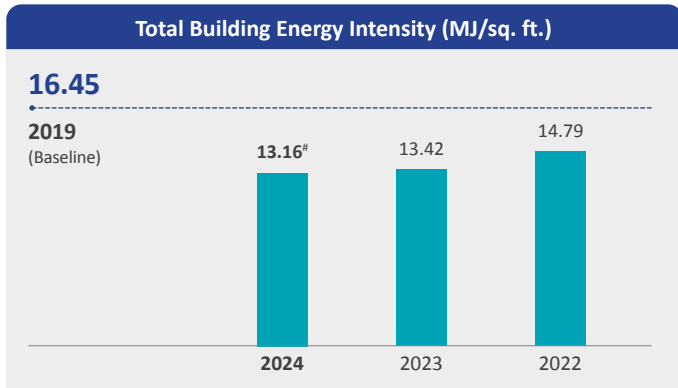
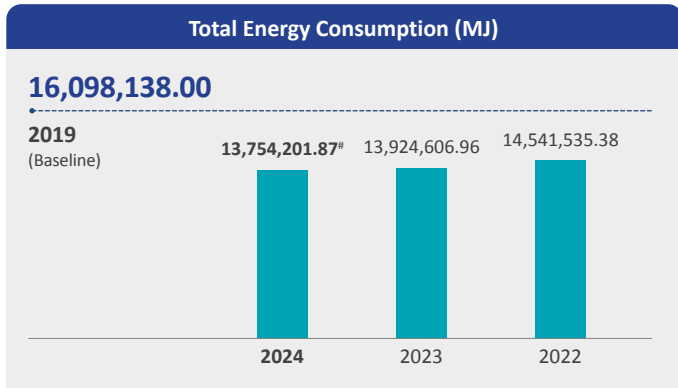
We will build on the progress achieved so far and plan to provide a more detailed analysis of energy consumption trends across Axis-REIT’s portfolio, update long-term reduction targets as needed, and optimise performance monitoring to ensure alignment with our evolving sustainability goals.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Annual Energy Consumption

Coverage: Entire operations including headquarters (100%)



Notes:

- In 2024, the Manager expanded the reporting scope and boundary to include 1 newly-classified multi-tenanted property.
- Total energy consumption presented covers the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager, as well as vehicles used for the Fund's operations.
- Total energy consumption covers non-renewable energy sources (i.e., purchased electricity, petrol, and diesel). Axis-REIT does not consume renewable energy.
- Electricity consumption is derived from the electricity bills of the common areas of multi-tenanted properties.
- Genset fuel consumption data is determined by tabulating fuel gauge readings.
- Consumption data for purchased electricity in kilowatt-hours (kWh) and genset fuel consumption in litres were converted to megajoules (MJ) for standardisation purposes. The conversion factors are derived from the GHG Protocol Scope 2 Guidance, 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, and PETRONAS Dagangan's fuel properties data sheet 2009.
- The calculation method for total energy consumption is based on GRI Standards.
- Total building energy intensity is calculated by dividing total energy consumed at the common areas of multi-tenanted properties by the total common area of these properties.

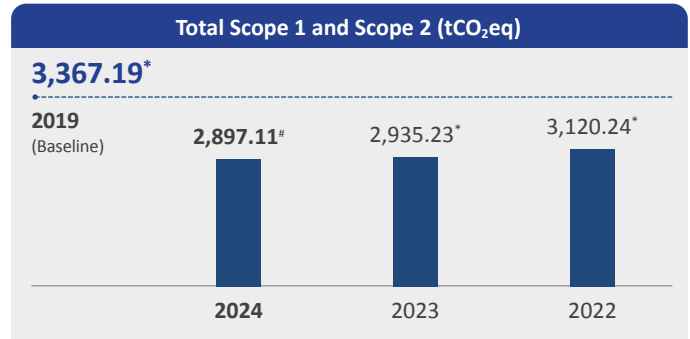
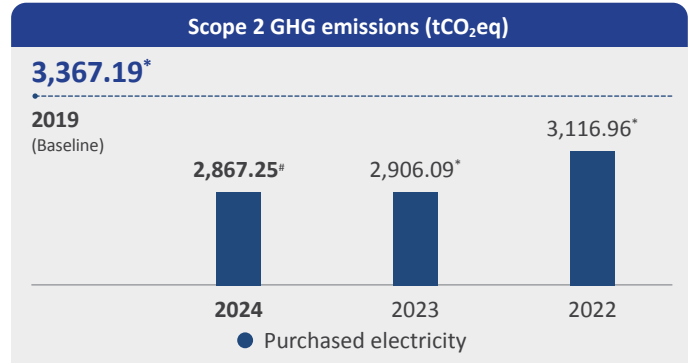
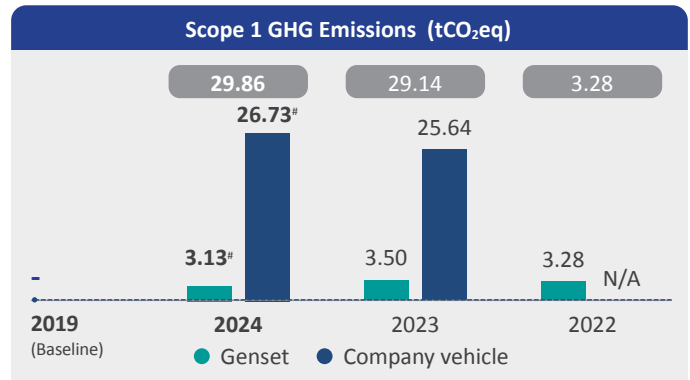
## Total GHG Emissions (Scope 1 and 2 GHG Emissions Combined)

We monitor Scope 1 and Scope 2 GHG emissions from our multi-tenanted properties, which are under our direct control. In 2024, we

achieved a 13.96% reduction in Scope 1 and Scope 2 GHG emissions compared to our 2019 baseline, and a 1.3% yoy reduction from 2023. The consistent reduction in our Scope 1 and 2 GHG emissions is the result of our energy and carbon management initiatives, and is in line with our target of reducing our GHG emissions (Scope 1 and Scope 2 combined) to as close to zero (carbon neutrality), or to achieve net zero by 2050 or earlier.

## Total GHG Emissions (tCO<sub>2</sub>eq)

Coverage: Entire operations including headquarters (100%)

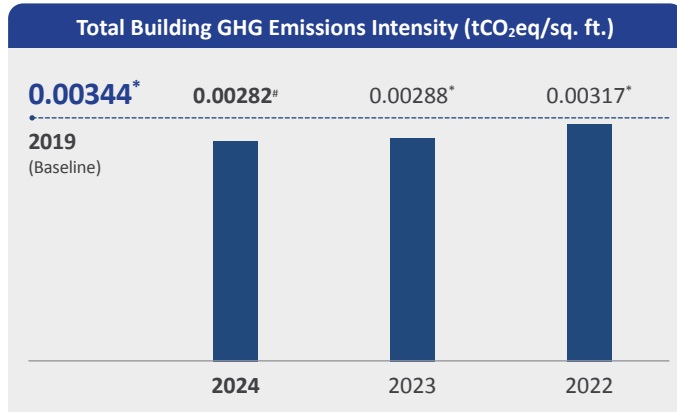


<sup>#</sup>This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Total Building GHG Emissions Intensity (Scope 1 and Scope 2) (tCO<sub>2</sub>eq/sq. ft.)

Coverage: Entire operations including headquarters (100%)



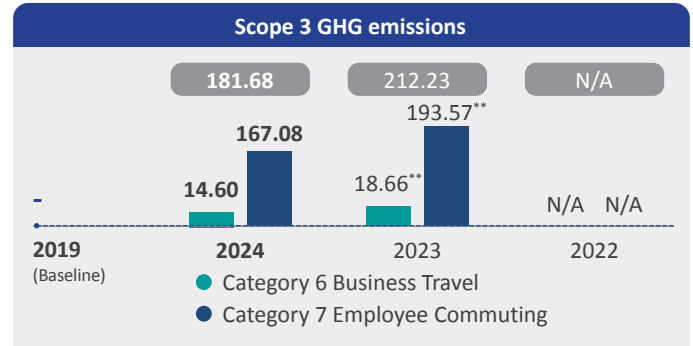
**Notes:**

- \* Data for Scope 2 GHG emissions and total building GHG emissions intensity for 2019 (Baseline), 2022 and 2023 were restated according to the updated grid emission factor (GEF) published by the EC.
- 1. In 2024, the Manager expanded the reporting scope and boundary to include 1 newly-classified multi-tenanted property.
- 2. Total Scope 1 and Scope 2 GHG emissions presented cover the common areas of all 13 multi-tenanted properties (including the Manager’s headquarters) that are under direct control of the Manager, as well as vehicles used for the Fund’s operations.
- 3. Data for Scope 1 GHG emissions from company vehicles are only available for 2023 onwards, which is when the Manager began tracking the data.
- 4. GHG emissions track carbon dioxide (CO<sub>2</sub>) emissions. It is calculated based on the corresponding Global Warming Potential (GWP) value from IPCC’s Sixth Assessment Report (2022).
- 5. The source of the emission factor for Scope 1 GHG emissions is derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- 6. The emission factor for Scope 2 GHG emissions (Purchased Electricity) is derived from the Grid Emission Factor (GEF) in Malaysia published by the EC.
- 7. Total building GHG emissions intensity is calculated by dividing total Scope 1 and Scope 2 emissions emitted from the common areas of our multi-tenanted properties by the total common areas of these properties.

## Total Scope 3 GHG Emissions

2024 marks our second year of reporting Scope 3 GHG emissions, having begun monitoring and disclosing Scope 3 data in 2023. We are continuously improving our tracking and monitoring mechanism to ensure data accuracy and transparency. This year, the Manager conducted a materiality assessment to prioritise the material Scope 3 GHG emissions categories, and has plans to further expand the monitoring of Scope 3 GHG emissions to these material categories.

## Annual Scope 3 GHG Emissions (Category 6 and Category 7)



**Notes:**

- \*\* Data for Scope 3 GHG emissions for 2023 has been restated according to the updated emission factors published by the Department for Environment, Food and Rural Affairs (DEFRA).
- 1. Scope 3 GHG emissions data only covers Category 6 Business Travel and Category 7 Employee Commuting, and is only available for 2023 onwards, which is when the Manager began tracking the data.
- 2. The calculation methodology of Scope 3 GHG emissions is derived from GHG Protocols – Technical Guidance for Calculating Scope 3 Emissions and the UK Government GHG Conversion Factors for Company Reporting from DEFRA.

## Outlook

We will continue to enhance energy efficiency and reduce our carbon footprint towards our goals of cutting both energy consumption and GHG emissions by 1% within the 5-year target term (2022-2026), from baseline data set in 2019. Towards this end, we will accelerate the application of advanced energy management systems and low-carbon technologies and undertake further energy and carbon management initiatives including:

- installing EV charging stations at selected properties in 2025;
- appointing an external energy consultant to assess the energy efficiency of multi-tenanted properties in compliance with the EECA;
- exploring capacity building and upskilling of our Facilities Management Team in compliance with the EECA, the latest Fire Services Act, and the latest energy efficiency technologies;
- expanding our Scope 3 GHG reporting disclosures in the coming years;
- undertaking a climate scenario analysis in 2025, based on the risks and opportunities identified in 2024, to understand the potential impact of climate change on our portfolio, allocate resources more efficiently, and take proactive measures to mitigate risks and capitalise on opportunities;
- securing additional green leases during upcoming lease negotiations; and
- obtaining 1 additional green building certification for the portfolio every year.

In addition to driving us towards our sustainability goals, these initiatives will facilitate our compliance with Malaysia’s energy regulations such as the EECA, and prepare us for the planned introduction of a carbon tax in the near future. We believe our proactive approach strengthens our environmental stewardship, creates long-term value for stakeholders and contributes to the country’s transition towards a low-carbon economy.

# This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



**Water resources and access to clean water are critical assets that continue to face extensive strain due to climate change, environmental degradation, rising consumption, and inefficient usage. As a property owner and developer, water management is a critical component in our sustainability journey. Our operations depend on an adequate supply of high-quality water, which is vital to our air-conditioning systems, washroom facilities, cleaning, construction, fire protection, and many other essential property functions. It is also a critical resource needed by our tenants for their respective business operations.**

We champion and enforce the conservation and optimisation of water usage through various efforts such as the use of water-efficient sanitary fittings, application of smart water management technologies, water recycling programmes, minimisation of wastage, and proper wastewater treatment. These efforts are guided by our Environmental Policy, the various green building certification guidelines, as well as our internal practices of monitoring and managing water usage at properties under the Property Management Team’s purview.

Our responsible water management practices extend to maintaining water quality. We engage external service providers to support these efforts, and ensure adherence to the requirements and standards set by the Department of Environment Malaysia (DOE).

The Facilities Management Team oversees water management matters across the Fund’s operations by monitoring, analysing, and reporting water consumption at common

areas in multi-tenanted properties (which are under the direct control of the Manager).

### Key Initiatives

In 2024, we embarked on a new initiative to assess all our properties for water stress via the World Resource Institute’s Aqueduct Water Risk Atlas tool. The assessment concluded that our properties are not located in high-water stress areas, except for one property that is located in Sungai Petani, Kedah. That said, we note that we have never encountered any disruptions to water supply at the property since acquiring it in 2007. We have incorporated water stress as an aspect of our tenant engagement process, and will continue to work with our tenants in monitoring and mitigating such risks.

During the year, we also commenced a rainwater harvesting initiative. We repurposed old firefighting water tanks as rainwater harvesting tanks at Axis Shah Alam Distribution Centre 3. The project, which aims

to help our tenant conserve water, started in 4Q 2024, and is slated for completion in 1Q 2025.

In 2024, we upgraded the domestic cold water pipe reticulation system at Axis Shah Alam Distribution Centre 4, leading to a 79% reduction in the water utility bill at the property. We also continued to implement our other water management initiatives, including monitoring water consumption across our portfolio and investigating abnormal consumption patterns. To enhance such monitoring efforts, we installed sub-metering equipment at selected multi-tenanted properties to accurately assess water consumption and discuss any unusual findings with the relevant tenants.

In addition to ongoing operational initiatives, we continued to enforce sustainable water management practices at our development projects and major AEs. These sustainable water management practices were adopted as part of the Manager’s ESG strategy for










# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

development projects and major AEs and contribute to the green building certification process. Part of this process includes water management initiatives that are detailed in the table below:







ESG Strategies for Efficient Water Management in New Developments and Major AEs	
Water Efficient Fittings	Use of Water Efficiency Labelling Scheme (WELS) rated water fittings to reduce potable water usage.
Water Usage & Leak Detection	Use of sub-metering to enhance monitoring and leak detection for major water consumption functions (i.e., for landscape irrigation, in washrooms, etc.).
Alternate Water Sources	Utilising harvested rainwater for non-potable applications, such as landscape irrigation and general cleaning, to minimise potable water consumption.
Irrigation System and Landscaping	Use of drought-tolerant plants for landscape purposes to minimise potable water consumption.
Water Efficiency Improvement Plans	Implementing water efficiency improvement plans and regularly reviewing the progress on water saving targets.

In addition to the water management strategies for new developments and major AEs, we continued to implement ongoing initiatives to optimise water use in our own operations and across our portfolio, which are summarised in the table below:

## Ongoing Water Management Initiatives

Initiatives	Updates in 2024	Initiatives	Updates in 2024
Water recycling initiatives	 Installing rainwater harvesting systems at selected single-tenanted properties to facilitate the recycling of rainwater for use in washrooms, landscaping, general cleaning, and other applications.	Water security assessment	 Reviewed water storage capacities and requirements and installed additional tanks/increased water storage capacities where needed across the portfolio to be better-prepared for water disruptions.
	 Repurposed old firefighting water tanks as rainwater harvesting tanks at Axis Shah Alam Distribution Centre 3. The project, which aims to help our tenant conserve water, started in 4Q 2024, and is slated for completion in 1Q 2025.		 Installed an additional water tank that increased the water storage capacity at Shah Alam Distribution Centre 3 from 10,000 litres to 40,000 litres.
Water-stress evaluation	 Assessed all properties for water stress via the World Resource Institute’s Aqueduct Water Risk Atlas tool. The assessment showed that none of Axis-REIT’s properties are situated in high-water stress areas, except one, located in Sungai Petani, Kedah. That said, we note that the property has not experienced any water supply disruptions since we acquired it in 2007.	Equipment and fitting upgrades	 Installed sub-metering equipment to accurately assess water consumption at selected multi-tenanted properties and discussed findings with the relevant tenants.
Water conservation awareness programmes	 Continued to install signage and disseminate circulars to raise awareness and remind tenants, employees, contractors, and maintenance personnel on the importance of water conservation.		 Upgraded the domestic cold water pipe reticulation system at Axis Shah Alam Distribution Centre 4, leading to a 79% reduction in the water utility bill at the property.
			 Replacing conventional water fittings to water-efficient fittings to optimise the use of water.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Initiatives	Updates in 2024	Initiatives	Updates in 2024
<b>Preventive maintenance and monitoring</b>	 Monitored monthly water usage at multi-tenanted properties.	<b>Water quality preservation</b>	 Conducted weekly assessments on the water quality at cooling tower systems. Sought additional assurance on water quality by dispatching water samples to a laboratory for comprehensive testing every 6 months.
	 Identified leaks promptly through monitoring of utility meters/bills and preventative maintenance checks.		 Engaged an independent laboratory to test water samples from sewage treatment plants every 2 months to check for bio-chemical oxygen demand and suspended solids, in compliance with the DOE's requirements and standards.
	 Conducted annual cleaning of water tanks and installation of water filters.		
	 Conducted scheduled building audits that include water management practices.		

## Targets & KPIs

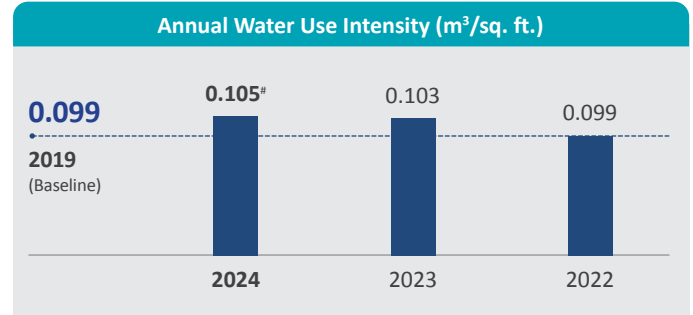
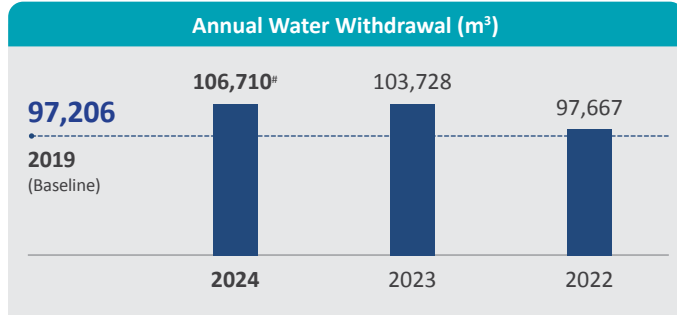
In 2022, the Manager established a target to reduce the water usage at Axis-REIT's multi-tenanted properties. Our water management initiatives aim to continuously improve our water use efficiency and reduce any wastage of water towards achieving this target.

Target
To reduce water usage at Axis-REIT's multi-tenanted properties by at least 1% over 5-years (2022-2026), compared against baseline data set in 2019.
Performance Tracking
In 2024, overall water usage increased by 9.8% from the baseline year of 2019 and Water Use Intensity (WUI) increased by 5.7%.

In 2024, total water use across Axis-REIT's multi-tenanted properties increased by 9.8% from baseline data established in 2019. This was attributed to an increase in the number of multi-tenanted properties under the direct control of the Manager, from 10 properties in 2019 to 13 properties in 2024. In 2024, the Manager also undertook a flood mitigation project at Axis Shah Alam Distribution Centre 3 that required high water usage for the duration of the project. Additionally, the occupancy rate at selected multi-tenanted properties increased significantly from the time the baseline data was established. As an example, the occupancy rate at Quattro West has risen from 43% in 2019 to 100% in 2024, and this has naturally led to increased water consumption at the property.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Coverage: Entire operations including headquarters (100%)



**Notes:**

1. Total annual water withdrawal is derived from the water bills of the common areas of the Fund’s 13 multi-tenanted properties. The data presented is obtained directly from water meters.
  2. The source of water withdrawal is municipal potable water only.
  3. The total amount of water withdrawn is the same as the total amount of water discharged into third-party municipal sewerage systems (i.e., Indah Water Konsortium (IWK)) with negligible amounts of water consumed.
  4. IWK does not provide the volume of water discharged into the municipal sewerage system.
  5. 2019 has been selected as the baseline year as it is representative of pre-pandemic operating conditions.
  6. WUI is calculated by dividing total water consumed at the common area of multi-tenanted properties (which are under direct control of the Manager) by the total common area of these properties.
  7. The calculation method for WUI is based on sources from the Leadership in Energy and Environmental Design (LEED) rating system and Energy Star (trademarked ENERGY STAR) - a programme run by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.
  8. The tabulated figures for Annual Water Use Intensity have been rounded to the nearest 3<sup>rd</sup> decimal place for better data accuracy.
- <sup>#</sup> This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

**Outlook**

Moving forward, our water management efforts will continue to focus on water conservation and optimisation. We remain committed to implementing water saving practices for multi-tenanted properties while also raising awareness of the importance of water conservation among tenants, employees, vendors, and contractors.

In the coming years, we plan to continue conducting scheduled building audits that include water management practices. These comprehensive audits will be extended to cover water usage data from tenants with large warehouses and manufacturing facilities. We will continue with existing initiatives such as assessing the viability of installing rainwater harvesting tanks at other single-tenanted properties, monitoring properties located in water-stressed areas through the World Resource Institute’s Aqueduct Water Risk Atlas tool, and exploring potential new opportunities to further optimise water consumption.

These initiatives are expected to improve our water management practices, driving us towards achieving our water reduction target. However, given our rapid expansion strategy and the potential addition of multi-tenanted properties in our portfolio, we may consider revising our water reduction targets in the next 2 years, with a new baseline.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Waste Management



Effective waste management practices are a strategic priority for Axis-REIT, as we seek to mitigate the Fund’s impact on the environment, particularly amid its rapid expansion. Our waste management practices aim to contribute to a greener future while alleviating operational challenges and limiting our exposure to potential legal and reputational risks.

The Property Management Team oversees Axis-REIT’s waste management practices, ensuring that waste from our multi-tenanted properties, AEs, and development projects is properly handled to minimise the Fund’s environmental footprint and to avoid potential health and safety issues for our stakeholders.

Our waste management practices aim to reduce the volume of waste disposed to landfills, and are guided by our Environmental Policy, Renovation Manual and the 5R concept, i.e., to Refuse, Reduce, Reuse, Repurpose, and Recycle.

To reinforce these efforts, our material, supplier, and tenant selection processes incorporate ESG-related requirements and criteria. We have also included clauses on recycling in our Renovation Manual to encourage recycling practices among our tenants and vendors.

In general, the Fund has 2 broad categories of waste, namely:

**GENERAL WASTE**

General waste broadly refers to waste collected from the multi-tenanted properties in our portfolio. We appoint third-party service providers to collect general waste, recyclables, and e-waste from our multi-tenanted properties. General waste is collected on alternate days, while both recyclable waste and e-waste are collected twice a month.

At the point of collection, the volume of waste is weighed, documented, and acknowledged by the respective Facilities Manager and verified by the HSSE Manager.

**CONSTRUCTION WASTE**

Construction waste refers to waste generated from our development projects, as well as major AEs. These comprise hoarding, timber, steel bars, scrap metal, debris, and other construction material waste generated as

a result of our construction, renovation, and refurbishment activities.

We work with our contractors and suppliers to recycle and reuse building materials, where possible, to reduce the disposal of construction waste from our developments and AEs. However, the ability to reuse or recycle construction waste is highly dependent on the types of waste involved. Our management of construction waste also includes the 5R concept, along with guidelines for the safe disposal of hazardous waste, which is prescribed in our Renovation Manual.

We appoint an outsourced green building consultant and on-site contractors to monitor and document the volume of construction materials that are reused and recycled, along with the volume of construction waste generated at development projects and AEs.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

We measure, monitor, and report waste generated to identify waste streams and evaluate the effectiveness of our initiatives in minimising waste disposed to landfills. We began documenting our waste collection data in 2022, establishing a baseline for target setting in our waste management initiatives. Data from subsequent years allows us to assess our progress in managing waste effectively, towards achieving the Fund's overall sustainability goals.

## Key Initiatives

For our property management activities, our waste management initiatives focus on general waste. Guided by the 5R concept, we have implemented various waste management initiatives to better monitor, track, and subsequently reduce the volume of waste generated at our multi-tenanted properties, as well as from our own operations. These initiatives include:

### 1 PROMOTING RECYCLING THROUGH THE 5R CONCEPT

- Providing recycling bins for tenants at multi-tenanted properties for the disposal of recyclable materials such as paper, plastic, metal, and glass.
- Setting up repositories for the collection of e-waste and other materials such as warehouse timber storage pallets. We encourage the use of these facilities through prominent signage and by distributing circulars to tenants.
- Distributing electronic circulars to tenants, instead of printed hardcopies, as an initiative to reduce the use of paper. We have also switched our internal operational checklists and communications materials to electronic formats. This includes providing annual reports in soft copy to our Unitholders since 2021.
- Encouraging our office employees to adopt recycling habits in their day-to-day activities by providing recycling bins in our offices.
- Actively reusing and/or recycling construction materials for all developments and major renovation projects and collecting data on these efforts.
- Conducting training and briefing sessions for our vendors, Facilities Managers, and housekeeping staff on recycling initiatives and proper disposal of waste.

### 2 ENSURING RESPONSIBLE HANDLING AND DISPOSAL OF WASTE

- Ensuring that general waste is collected by licensed waste contractors and disposed of responsibly, at authorised sites, and in accordance with regulatory requirements.

### 3 MONITORING WASTE DISPOSED FOR TARGET SETTING AND IMPROVEMENTS

- Monitoring and recording recyclable waste and e-waste generated at our multi-tenanted properties based on records provided by our waste collection contractors. The volume of recyclable waste and e-waste collected from 2021 onwards, as disclosed in the Targets & KPIs section, helps us track recycling trends and identifies areas for improvement.
- Collecting data on general waste that is not recycled at multi-tenanted properties, in addition to collecting data on recyclable waste.

For our development projects and major AEs, our waste management practices focus on sourcing and using sustainable materials in our projects and implementing targeted waste management initiatives. Introduced in 2022, these initiatives include actively reusing or recycling construction materials, where practicable. We also collect data on the volume of materials used, recycled, and disposed to landfill to evaluate the effectiveness of our efforts and ensure they are aligned with our goal of minimising the disposal of waste to landfills while contributing towards green building certification requirements.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## ESG Strategies for Efficient Waste Management at Development Projects and Major AEIs

### ENVIRONMENTAL MANAGEMENT PRACTICE

- To implement effective environmental programmes, including the sourcing and use of sustainable materials, to minimise construction waste.
- To encourage recycling through the provision of recycling bins for the collection and storage of different recyclable waste such as paper, glass, and plastic.

### GREEN FEATURES AND INNOVATION

- To encourage composting and the use of recycled landscape waste by providing composting bins.
- To implement effective environmental programmes to minimise demolition waste.
- To implement effluent quality testing at main outlets to minimise water pollution during construction.

### Targets & KPIs

#### General Waste

In 2023, the Manager established a target to divert 10% of general waste disposed to landfill over a 5-year period, i.e., from 2023 to 2027, as measured against baseline data established in 2022.

#### Total Waste Diverted from Disposal to Landfill (kg)

Total Recyclable Waste Collected (kg)	2024	2023	2022 (Baseline)
Paper	25,050	24,090	19,768
Glass/Metal/Aluminium cans	8,990	8,795	7,421
Plastic	6,710	5,930	4,284
E-waste	4,170	3,895	4,281
<b>Total</b>	<b>44,920</b>	<b>42,710</b>	<b>35,754</b>

#### Total Waste Disposed to Landfill (kg)

Total General Waste Collected (kg)	2024	2023	2022 (Baseline)
General Waste	1,125,887	1,183,547	964,010

Notes:

1. Data for recyclable waste is derived from documentation provided by waste contractors for multi-tenanted properties (under the direct control of the Manager).
2. Types of e-waste include light bulbs, transmitters, used computers, light fittings, electrical cables, photocopier toner/cartridges, electrical switchgears and relays, and printed circuit boards (PCB).
3. Data for general waste is derived from documentation provided by waste contractors for multi-tenanted properties (under the direct control of the Manager).

### Target

To achieve 10% waste diversion from disposal to landfill over a 5-year period (2023-2027), from baseline data set in 2022.

### Performance Tracking

In 2024, we recorded a 16.8% increase in the volume of general waste collected compared to baseline data set in 2022. However, on a year-on-year basis, this was a 4.9% decrease from the volume of general waste collected in 2023.

We collected almost 1.13 million tonnes of general waste from our multi-tenanted properties in 2024 – a 16.8% increase from the volume of general waste collected in 2022 (our baseline year). We attribute the increase to our additional space under management, as well as higher occupancy in the Fund’s multi-tenanted properties.

On a positive note, a year-on-year comparison shows that the volume of general waste collected in 2024 was 4.9% lower compared to that of 2023. This is a notable achievement given that we have added 3 multi-tenanted properties to the portfolio since 2022. We also successfully raised our recycling rate from 3.6% in 2022 to 3.8% in 2024.

Although we are still at the early stages in implementing waste management initiatives, having not reached the mid-point of our 5-year target period, we are committed to catching up on our target of diverting 10% of waste disposed to landfill by 2027.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Composition of Total Waste Generated

Year	Total General Waste	Total Recyclable Waste	Recycling Rate
2024	1,125,887	44,920	3.8%
2023	1,183,547	42,710	3.5%
% change	-4.9%	5.2%	0.3 percentage points

*Note:*

1. The recycling rate is the total volume of recycled waste divided by the total volume of waste generated from our multi-tenanted properties.

## Construction Waste

In managing construction waste, reuse/recycle initiatives typically peak during the early stages of a development project. In 2024, we did not have any further data on construction waste recycled and reused, having finalised the development of Axis Mega Distribution Centre (Phase 2) early in the year.

We do not have pre-set targets in managing construction waste due to the nature of construction waste, which depends on the number, type, and scale of the development projects and AElS undertaken, as well as the stage of progress the projects are at.

## Outlook

We remain steadfast in our target of diverting 10% of waste disposed to landfill over the 2023-2027 timeframe, from our 2022 baseline. Guided by our Environmental Policy, Renovation Manual, and the 5R concept, we will continue to roll out initiatives to manage general waste from multi-tenanted properties in our portfolio.

Concurrently, we also remain committed to sourcing and using sustainable materials, as well as recycling and reusing building materials in our developments and major AEl projects, where possible. We aim to achieve a reduction in the volume of waste produced during the construction phase, thereby achieving greater sustainability across our operations and minimising our environmental footprint. Towards this end, we will ramp up our initiatives to promote waste reduction practices among employees, tenants and contractors.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## SOCIAL



### Occupational Health and Safety



#### Capitals



Human

Social & Relationship

#### Strategic Pillars



Development

Facilities Management

#### Business Risks



Human Resource

Information Technology

Real Estate Management

#### UN SDGs



The health, safety, and well-being of our employees, tenants, suppliers, contractors, service providers, and visitors are always paramount to Axis-REIT. We uphold high standards of occupational health and safety (OHS) practices to ensure that we provide safe and conducive spaces for all our stakeholders.

Our health and safety measures are in compliance with the laws and recommendations outlined by the Malaysian government, and aim to ensure the safety and well-being of all employees, tenants, suppliers, contractors, service providers, and visitors at our properties.

The Manager addresses OHS matters through its HSE Policy. Developed in accordance with Malaysia’s Occupational Health and Safety Act 1994 and ISO 45001: Occupational Health and Safety Management Systems, the HSE Policy sets out a strong foundation for all our HSE measures in ensuring the health, safety, and well-being of our people and stakeholders. We strive to meet and exceed these requirements and aim to identify and mitigate any risks related to the health, safety, and well-being of our stakeholders. This is mainly done through:

- 1 Demonstrating visible HSE leadership and commitment to HSE-related matters.
- 2 Committing to HSE excellence in our activities by following the relevant codes of compliance and adhering to applicable standards and procedures.
- 3 Implementing measures that are relevant to our activities to prevent work-related death, injury, ill-health, and property damage, as well as ensuring the conservation of the environment and prevention of pollution.
- 4 Upholding appropriate contingency measures and ensuring they are tested and ready for deployment in emergencies.
- 5 Facilitating continual improvements in our HSE management systems and performance, and enhancing the HSE competencies of our employees.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

The Property Management Team oversees the enforcement of our HSE Policy, ensuring that all employees, workers (including contractors), tenants, and visitors comply with stringent health and safety protocols and standards, and act responsibly in conducting the business and operations of the Fund, and in accessing our properties.

We also have a qualified HSSE Manager who conducts regular workspace inspections to ensure employees, service providers, and contractors engaged by the Manager abide by our HSE Policy and industry best practices on health and safety. The HSSE Manager ensures safety induction training is provided for all contractors before the commencement of all projects and AEs, and conducts onsite assessments to ensure adherence to HSE and human rights practices. The requirement for our suppliers to adhere to our policies is also embedded in our Supplier Code of Conduct.

## Key Initiatives

Our OHS initiatives seek to build a safety-first culture and work environment via education and training initiatives, as well as through the implementation of our HSE Policy and ensuring compliance with OHS practices.

## Safety Culture & Work Environment

We stipulate our HSE requirements and expectations in our tender documents and require our contractors and service providers to adhere to these requirements as a prerequisite for accepting such projects. These conditions are reiterated prior to the commencement of work (pre-mobilisation), as well as throughout the duration of the project. They include highlighting elements of HSE planning, risk assessment and controls, operational controls, as well as verification and recommendation of continual improvements to our policies and practices.

Other initiatives to promote a safe culture and work environment include:

- 1 Requiring contractors to furnish a Job Safety Analysis (JSA) with detailed risk assessments before commencing work on a project.
- 2 Requiring contractors to commit to HSE compliance by appointing a competent person to oversee HSE matters.
- 3 Making our Renovation Manual accessible to all relevant parties to ensure compliance with HSE requirements.
- 4 Checking, servicing, and calibrating electrical equipment as required by law to minimise exposure to hazards.
- 5 Reporting the HSE performance of our operations on a monthly basis to monitor continuous compliance with our HSE Policy.

- 6 Performing regular technical audits and assurance to ensure buildings are maintained in good condition.
- 7 Ensuring that monitoring procedures used for compliance checks are accessible at all sites, including vacant sites, for regular monitoring.
- 8 Maintaining compliance records for equipment and activities (where applicable) in our buildings with the relevant authorities such as the Department of Occupational Safety and Health (DOSH), BOMBA, and the Construction Industry Development Board (CIDB).
- 9 Providing Personal Protective Equipment (PPE) to employees and ensuring that contractors and subcontractors working at our project sites and properties are equipped with the necessary PPE.
- 10 Procuring medical equipment such as wheelchairs, stretchers, and first aid kits for the Emergency Response Teams (ERT) at Axis Shah Alam Distribution Centre 3 and Axis Mega Distribution Centre (Phase 2).
- 11 Completed a new ramp and started work on a new lift to the rooftop carpark at Axis Technology Centre to facilitate disabled persons' access.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Safety Education and Training

We conduct compulsory fundamental HSE induction training for all new employees, as well as external service providers and contractors. We require training to be completed before commencing work on-site for building maintenance, servicing, and refurbishment works.

We also conduct Safety Awareness Programmes for suppliers, contractors, and tenants. In 2024, 48 training sessions were conducted, covering topics such as Safety Induction Training, Management of Psychosocial Risks at the Workplace, Lessons from Court Cases, CPR & AED Awareness Training, as well as Fire Safety Awareness & Emergency Evacuation Training. A total of 931 participants attended these programmes, including Property Management Team members, our suppliers, contractors, and tenants. These programmes included:

- 1 “Lessons learned” training on case studies of past incidents and detailing the improvements required by the relevant parties, including employees and contractors. These sessions are conducted during the pre-mobilisation induction training before the issuance of work permits. A total of 32 lessons were conducted for 592 participants in 2024.
- 2 CPR and AED awareness training for employees and tenants following the installation of new AED devices at 9 multi-tenanted properties in 2024.
- 3 Supporting tenants’ health-related CSR initiatives by sponsoring the use of common areas at our multi-tenanted properties for programmes such as blood donations, wellness, and other health and safety events.
- 4 Annual fire drill exercises with tenants’ participation to improve occupants’ readiness during actual emergency situations.

In addition to internal programmes, the Manager also sent employee representatives to attend courses for specialised skills and knowledge that were organised by external training providers.

The table below summarises the health and safety training programmes conducted/attended during the year.

Course Name	Participants	Topics/Coverage	Total Number of Participants
Safety Induction Training (32 sessions)	Contractors, vendors and service providers	Safety requirements, HSE Policy, legal requirements, Hazard Risk Assessments	592
Seminar on the Guidelines for the Assessment and Management of Psychosocial Risks at the Workplace 2024	HSSE Manager	Guidelines for assessing and managing psychosocial risks in the workplace	1
Lessons from Court Case No. 1/2024	HSSE Manager	Accident prevention through examples from past court cases that involved serious bodily injury and fatalities	1
National SOHELP Convention 2024	HSSE Manager	Best practices that demonstrate outstanding achievements in the implementation of SOHELP DIY 2022, specifically for the elements of noise exposure management, chemical management, and ergonomics	1
CPR & AED Awareness Training (2 sessions)	Selected ARMB and AFM employees as well as tenant representatives	Basic CPR and use of AED devices	120
Fire Safety Awareness & Emergency Evacuation Training	AFM employees	Comprehensive knowledge during emergencies	40
Fire Drill & Safety Coordinator briefing (10 sessions)	ERT members and Safety Coordinators (tenant representatives)	Coordination briefing between building ERT members and Safety Coordinators appointed by tenants	176

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Targets & KPIs

In 2024, we recorded 2 LTI incidents which were duly reported to DOSH. While no fines or summonses were imposed, we have redoubled our efforts, improving our safety measures to prevent such incidents from recurring. We have taken follow-up action in consultation with our employees and tenants to improve health and safety practices, with lessons learned from these incidents to be used in future training programmes.

Injury Cases			
	2024	2023	2022
Fatalities	0 <sup>#</sup>	0	0
Lost time injuries	2 <sup>#</sup>	0	0
Restricted work cases/medical treatment	0 <sup>#</sup>	0	0
First aid	0 <sup>#</sup>	0	0
Lost Time Incident Rate*	2.45 <sup>#</sup>	0	0

\* The Lost Time Incident Rate is calculated by dividing the number of lost time injuries by the total hours worked and multiplied by 200,000, as defined by GRI 403: Occupational Health and Safety 2018.

Non-injury Cases			
	2024	2023	2022
Fire/explosion	2 <sup>#</sup>	0	0
Property/equipment damage	0 <sup>#</sup>	0	0
Environmental pollution	0 <sup>#</sup>	0	0
Summons received	0 <sup>#</sup>	0	0

Absentee Rate			
	2024	2023	2022
Male	1.64% <sup>#</sup>	1.12%	2.50%
Female	1.04% <sup>#</sup>	1.20%	1.04%

Safe Days			
	2024	2023	2022
During the year	364/366 <sup>***</sup>	365/365	365/365
Since 29 August 2019	32 <sup>***</sup>	1,585	1,220

\*\* 2024 was a leap year.

\*\*\* Incidents were reported on 12 March 2024 and 29 November 2024; as such, the consecutive safe day counter was reset then.

Note: Safe days are defined as days with no LTIs (where LTIs are defined as incidents where a worker is injured and incapacitated for more than 4 consecutive days).

Non-compliance Incidents/Fines			
	2024	2023	2022
Incidents of non-compliance with HSE Policy	0 <sup>#</sup>	0	0
Incidents of non-compliance with applicable laws and regulations	0 <sup>#</sup>	0	0
Amount in fines incurred for regulatory non-compliance (RM)	0 <sup>#</sup>	0	0

## Outlook

We endeavour to improve our HSE practices to ensure our properties provide safe and conducive work environments for our employees, tenants, suppliers, contractors, service providers, and visitors. In the coming year, we will continue to organise HSE-related training and events for our employees and tenants of multi-tenanted properties, including annual fire drills and first aid courses to improve our responsiveness in the event of actual emergencies.

We also plan to train our Facilities Management Team as certified first aiders to further strengthen the health and safety practices within our properties. Our HSSE Manager will continue to conduct periodic HSE and human rights audits to assess not just our own practices, but also those of our contractors, to identify areas of improvement.

<sup>#</sup> This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Talent Development

**Capitals**

  
 Human

  
 Financial

  
 Intellectual

**Strategic Pillars**

  
 Governance

**Business Risks**

  
 Human Resource

**UN SDGs**



**We are proud to invest in our employees and consistently offer opportunities to nurture talent and motivation, and facilitate the development of their skills and competencies. We firmly believe that an empowered, knowledgeable, and competent workforce is a key enabler of a company's accomplishments and is imperative to building an organisational culture that drives value creation.**

In the past year, we have upheld a talent development approach that takes a proactive stance in identifying, nurturing, and rewarding talent across all employee levels and categories. This involves recognising talent, building competencies via training programmes, rewarding accomplishments, and providing feedback for further improvement and growth.

Our training programmes aim to enhance and update the skills of our employees to ensure they can adapt to the evolving business environment in which the Fund operates. We believe this will facilitate the development of diversity and depth in our talent pool and build a robust pipeline for internal hiring and succession planning, while minimising the risks associated with talent departure.

The Human Resource department and Heads of Departments (HoDs) are responsible for identifying, developing, and implementing

training programmes for their respective team members. We conduct internal mentoring and coaching programmes, and organise external training by industry experts, to deliver courses across a broad range of topics.

We ensure all our employees participate in annual performance reviews, which provide a structured opportunity to evaluate employees' individual performance, recognise achievements, set goals, offer constructive feedback, and ascertain training needs for further talent development. This facilitates open communication between employees and management, and helps our employees understand and align their individual contributions and career progression towards the Fund's targets.

In addition to the enduring benefits of an upskilled workforce to the Fund's operational performance, we believe this approach delivers intrinsic value to our employees by providing a pathway for personal development and career advancement opportunities, which in turn, fosters employee engagement, motivation, productivity, and loyalty.

### Key Initiatives

Our talent development initiatives aim to equip our employees with the latest industry knowledge, technological advancements, and management techniques. We believe such capacity building initiatives will uplift our workforce and extend the Fund's competitive advantage in the continually evolving real estate market.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Our talent development initiatives in 2024 included:

**1** Conducting annual performance appraisals for all employees, assessing their achievements, career needs, and plans. The appraisal process allows us to track employee strengths and weaknesses, identify the best candidates for career progression, and offer feedback for areas of improvement. This included assessments against sustainability KPIs in the performance evaluations of the Board, Senior Management and the Manager, Corporate Communications & Sustainability, with financial and non-financial consequences, to reflect our commitment and emphasis on implementing sustainability initiatives throughout the organisation. In 2024, we conducted annual performance appraisals for 100% of our employees.

**2** Providing both general learning opportunities for all employees, as well as targeted learning programmes. This initiative aimed to address any competency gaps and to align our employees' skillsets and capabilities with their personal ambitions and professional needs.

**3** Assigning a 'buddy' for all new employees, creating a support system to help newcomers acclimatise to their new roles.

**4** Providing training opportunities for employees to ensure continuous compliance with the PDPA, as well as our Cyber Risk Policies & Procedures, HSE Policy, Code of Conduct and other pertinent policies and guidelines. We engaged a legal firm to conduct an ACF Policy course in November 2024 for all employees. Ongoing training and assessment exercises on the risk of cyber threats were conducted for our staff to improve cybersecurity skills. We also organised CPR and AED awareness courses to equip our employees with lifesaving knowledge.

## Employee Training Programmes

During 2024, we engaged external parties who are subject matter experts, qualified technical trainers, as well as the relevant regulatory authorities, to deliver courses across a broad range of topics for our employees. These courses aimed to facilitate the development of a well-rounded workforce that will strengthen our operations.

At a time where sustainability has been a focus across all industries, ensuring the resilience of the Fund has been our top priority. ESG-related workshops and courses were conducted to improve our internal ESG capabilities to meet the demands of the market. Cybersecurity Awareness Training has also been vital in ensuring our employees have the technical proficiency to safeguard our data from potential breaches. The courses conducted covered a broad range of topics, including essential security, email security, introduction to phishing, malware attacks, and mobile device security.

Types of Training Programmes	Type of Programme (Internal/ External)	Platform (Physical/ Virtual)	Frequency	Target Group	Number of Participants
Climate Risk Prioritisation Workshop	External	Physical	Ad-Hoc	HoDs and the Manager, Corporate Communications & Sustainability	12
Strategy & Risk Workshop	External	Physical	Yearly	HoDs and the Manager, Corporate Communications & Sustainability	11
Fire Protection System Training	External	Physical	Ad-Hoc	Selected Facilities Management Team members	41
Cybersecurity Awareness Training	External	Virtual	Quarterly	All corporate email users	59
ACF Policy Training	External	Virtual	Annual	All employees	78
Climate Risk Prioritisation Workshop	External	Physical	Ad-Hoc	HoDs and the Manager, Corporate Communications & Sustainability	12



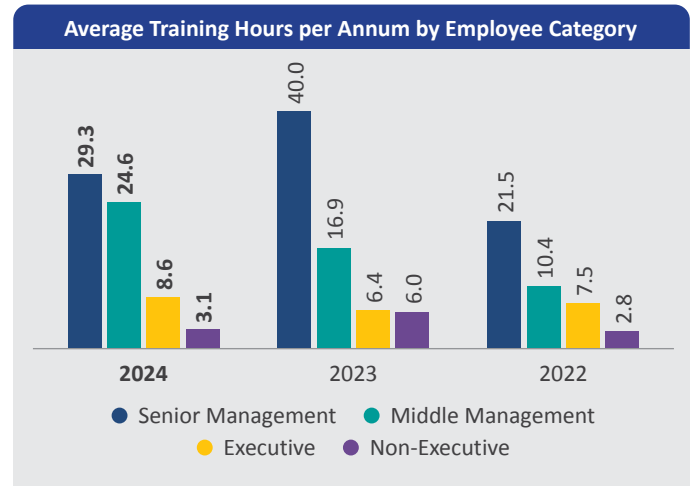
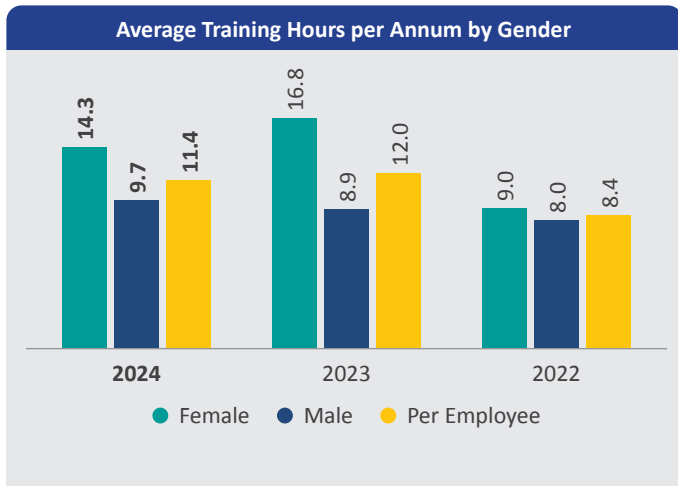
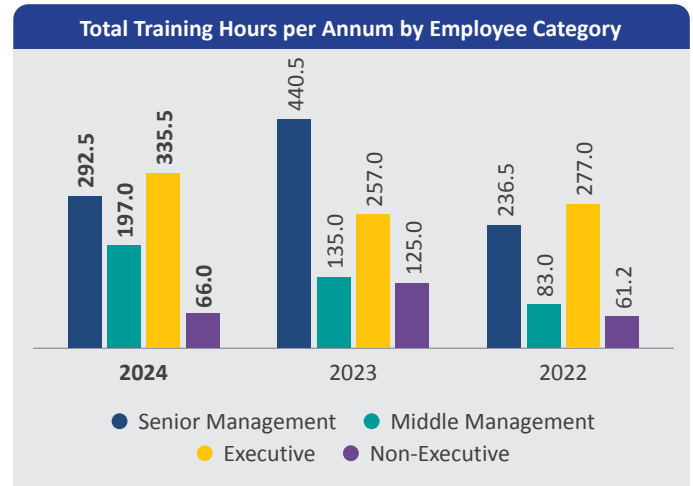
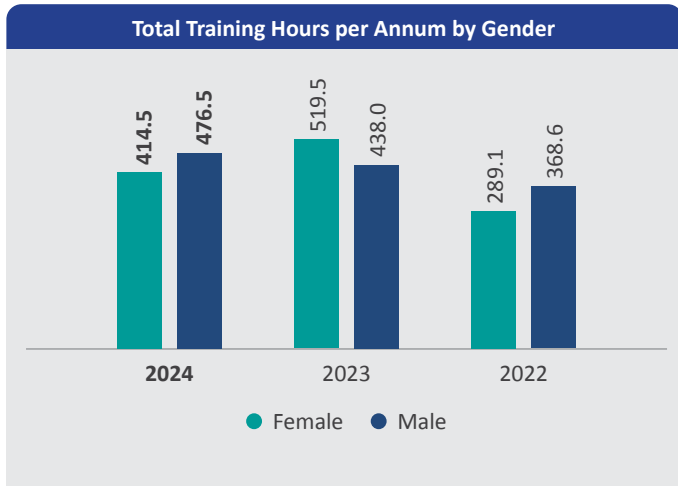
# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Targets & KPIs

**EMPLOYEE TRAINING**  
**Target:**  
 To ensure all employees attend at least  
**1 training programme a year**

In 2024, 78 employees completed a total of 891 training hours, which is equivalent to an average of 11.4 training hours per person. This was a 4.8% decrease from the average of 12.0 hours of training per employee recorded in 2023. The decline in training hours in 2024 reflects the lower training needs during the year, in line with the progress and completion stages of our projects.

The breakdown of average training hours by gender and employment category are as shown in the following tables:

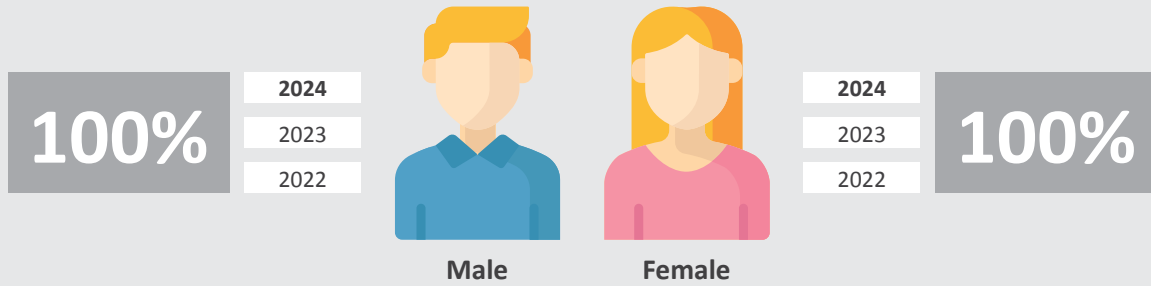


Note:  
 1. Average training hours per employee by gender is calculated based on the methodology prescribed by the GRI Standards.

Note:  
 1. Average training hours per employee by employment category is calculated based on the methodology prescribed by the GRI Standards.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Employees Receiving Regular Performance and Career Development Reviews (%)



## Total Training Hours per Annum by Type of Training Programme



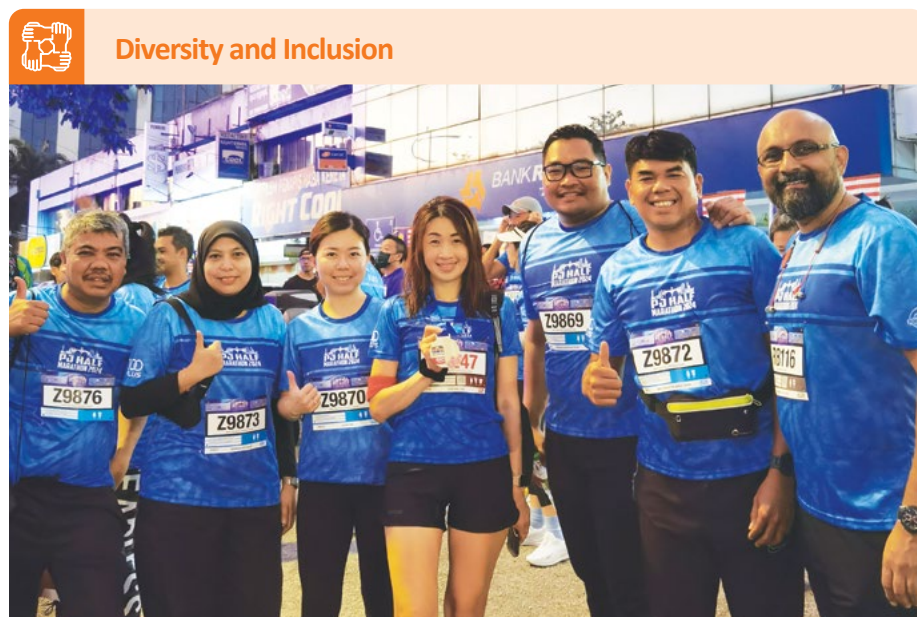
### Outlook

We will continue implementing the relevant talent development and training programmes to provide our employees with comprehensive learning and upskilling opportunities. These programmes, which will be offered as both physical and virtual courses, will focus on essential technical competencies and compliance matters, as well as complementary skills and competencies, to facilitate the development of a well-rounded workforce.

A key focus of our talent development plans in 2025 will be to identify employees with high potential for career growth. We will ascertain the training needs that would accelerate their progress towards fulfilling their professional growth potential. This will include enrolling such candidates in specialised training, certification courses, or even academic programmes that will equip them with the necessary skills and qualifications.

Our commitment to upskilling our employees remains unwavering, ensuring that they have avenues for career and professional development, while also ensuring that their qualifications, capabilities and skillsets continue to align with the evolving needs of the Fund. Additionally, we will ensure that our employees are supported through appropriate wellness training programmes to enhance both employee satisfaction and well-being.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



**Capitals**

  
Human

  
Financial

**Strategic Pillars**

  
Governance

**Business Risks**

  
Human Resource

  
Information Technology

**UN SDGs**











**We champion a diverse workforce that encompasses different genders, ethnicities, and cultural backgrounds across our operations. We believe that our strength as an organisation lies in our ability to harness the diverse thinking, skills, backgrounds, experience, and leadership styles of our people. As such, we aim to cultivate an inclusive and meaningful employee experience with a strong emphasis on employee welfare and equal opportunities at work, where our workforce actively contributes to creating significant operational, environmental and social impacts through their daily efforts.**

The Manager’s commitment to advancing diversity and inclusion is enshrined in our Code of Conduct, Personnel Policy Handbook, and the Board Charter. Our efforts in diversity and inclusion are overseen by the Human Resource department, which manages employee benefits and welfare, and handles all employee relations matters within the organisation.

Our Code of Conduct ensures that we provide equal opportunities to all employees regarding training, support, career advancement, compensation, and benefits. It eradicates discrimination based on gender, race, disabilities, nationality, and cultural backgrounds. This is reinforced by our Personnel Policy Handbook, which defines the benefits and entitlements applicable to all employees and directs the Manager to cultivate an inclusive workspace that appreciates diversity and ensures equal development opportunities for all employees.

These policies and guidelines for equal opportunities and non-discrimination also apply to our talent development approach, where we take a proactive stance in consistently identifying and nurturing a pool of employees across various levels, to ensure our workforce is able to adapt to the evolving business environment in which the Fund operates.

At the Board level, the Board Charter formalises our commitment to ensuring that at least 30% of the Board is composed of female directors, and to prevent the domination of a single race on the Board.

### Key Initiatives

In upholding our commitment to advancing diversity and inclusion, we ensure our employee benefits and entitlements are equitable for all employees irrespective of gender, race, or employment type (i.e., whether they are permanent employees or contract staff). This includes providing Group Personal Accident Insurance, disability and invalidity coverage, as well as comprehensive hospitalisation benefits for all employees.

At the Board level, ARMB achieved 50% female representation on its Board since 2023, exceeding the minimum target of 30% female representation prescribed by the MCCG. This accomplishment reflects the Manager’s proactive steps to ensure diversity and gender equality at the Board level.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

In 2024, the Manager also organised group activities and social events for our employees to improve peer-to-peer engagement and trust, bolster the spirit of cooperation and camaraderie, and promote the well-being of employees through active pursuits. These included sponsoring our employees’ participation in a half marathon and futsal events, in addition to fire safety awareness and emergency evacuation training, as well as CPR and AED awareness training. The selection of activities and events was based on feedback received from past employee engagement programmes, as well as our ongoing programmes in 2024. These employee engagement activities were well received, recording strong participation rates.

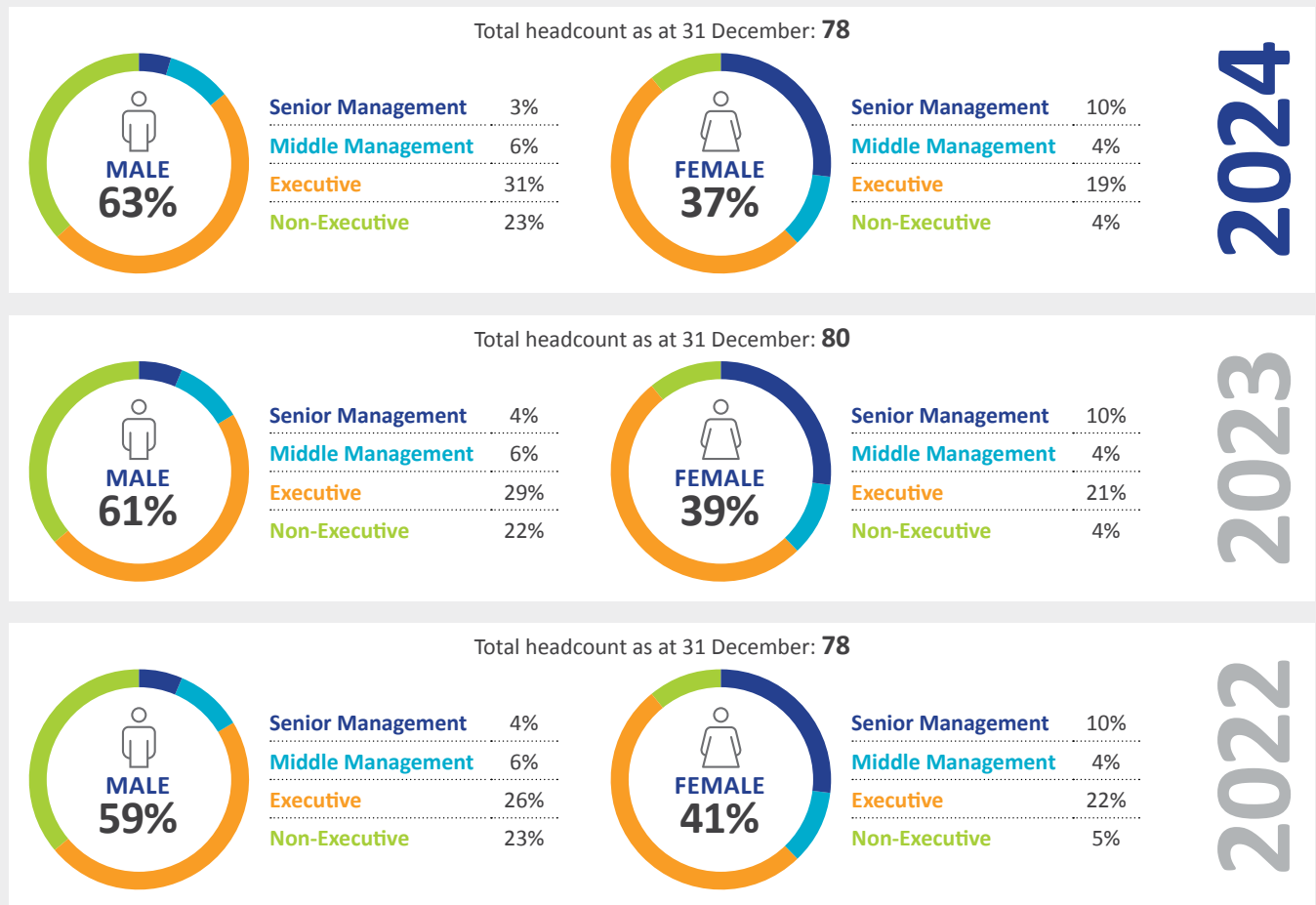
The Manager also maintained its open-door policy to encourage employees to convey their suggestions and feedback to their

immediate supervisors without concerns of discrimination or hierarchy, in order for their input to be heard and considered.

### Targets & KPIs

Our efforts to promote diversity and inclusion are reflected in our reasonably balanced ratio of female to male employees. While the proportion of male employees outnumbered that of female employees at 63% to 37% respectively, women are better represented at Senior Management level, where 10% of our female employees are appointed in senior management roles vs. 4% of men. The bulk of our workforce is between 30 to 50 years of age, bringing with them a wealth of knowledge and experience gained from years of industry experience.

### Gender Composition by Employee Category



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Age Group Composition by Employee Category

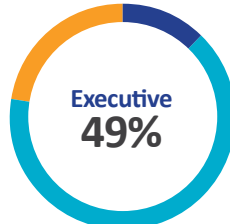
Total headcount as at 31 December: **78**



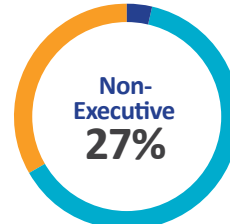
<30 0%  
30-50 8%  
>50 5%



<30 0%  
30-50 8%  
>50 3%



<30 6%  
30-50 32%  
>50 11%



<30 1%  
30-50 17%  
>50 9%

2024

Total headcount as at 31 December: **80**



<30 0%  
30-50 8%  
>50 6%



<30 0%  
30-50 8%  
>50 2%



<30 8%  
30-50 30%  
>50 12%



<30 2%  
30-50 16%  
>50 8%

2023

Total headcount as at 31 December: **78**



<30 0%  
30-50 8%  
>50 6%



<30 0%  
30-50 8%  
>50 3%



<30 5%  
30-50 28%  
>50 14%



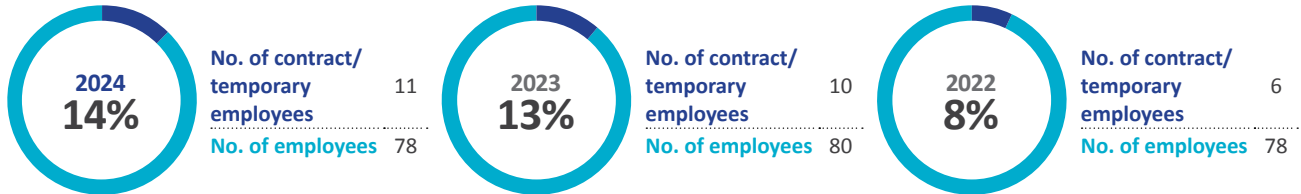
<30 4%  
30-50 15%  
>50 9%

2022



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Percentage of Employees Under Contract/Temporary Employees

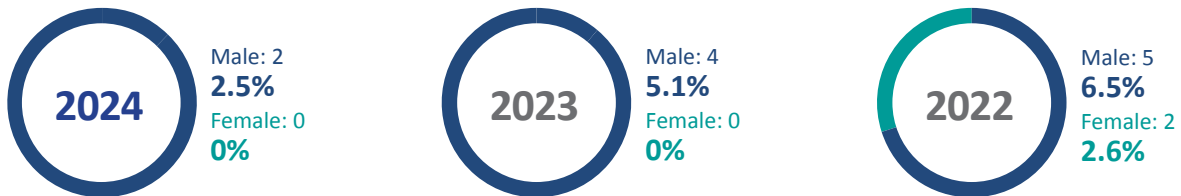


Note: The percentage of contract/temporary employees is the number of contract/temporary employees expressed as a percentage of the total number of employees.

## Total Number of New Hires by Employee Category

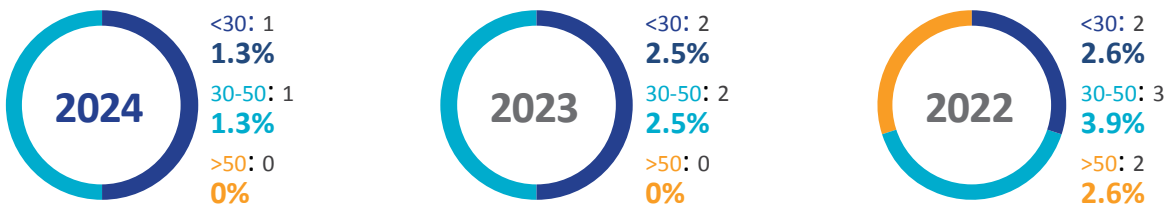


## New Hires by Gender



Notes:  
 1. New Hires Rate is the total number of new employees hired during the year, expressed as a percentage of the average number of employees.  
 2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).  
 3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

## New Hires by Age Group



Notes:  
 1. The New Hires Rate is the total number of new employees hired during the year, expressed as a percentage of the average number of employees.  
 2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).  
 3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

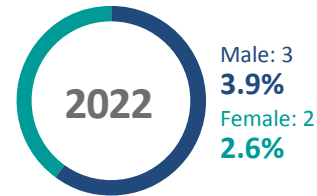
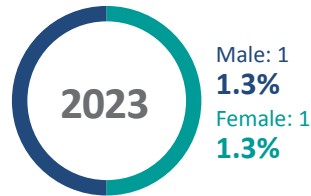
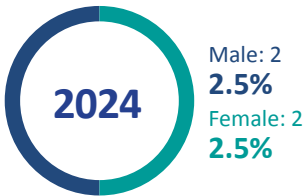
**100%** of our Senior Management are local hires

**100%** of our employees are local hires

## Employee Turnover by Employee Category



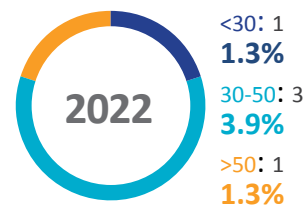
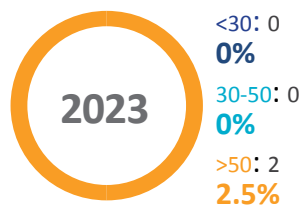
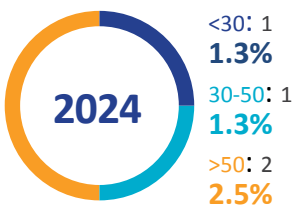
## Employee Turnover Rate by Gender



**Notes:**

1. The Employee Turnover Rate is the number of employees who left the organisation during the year, expressed as a percentage of the average number of employees during the year.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

## Employee Turnover Rate by Age Group



**Notes:**

1. The Employee Turnover Rate is the number of employees who left the organisation during the year, expressed as a percentage of the average number of employees during the year.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Parental Leave Statistics by Gender						
	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
No. of employees entitled to parental leave	49	29	49	31	46	32
No. of employees who took parental leave	2	2	1	0	0	0
No. of employees that returned to work in the reporting period after parental leave ended	2	2	1	N/A	N/A	N/A
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	2	1	1	N/A	N/A	N/A

Ratio of Basic Salary and Remuneration of Male to Female Employees (Gender Pay Gap)						
	2024		2023		2022	
Senior Management	1.0 : 1.3		1.0 : 1.1		1.0 : 1.0	
Middle Management	1.0 : 1.1		1.0 : 1.1		1.0 : 1.1	
Executive	1.0 : 0.9		1.0 : 0.8		1.0 : 0.8	
Non-Executive	1.0 : 0.6		1.0 : 0.6		1.0 : 0.7	

*Notes:*

1. Data is based on basic salaries only as at December of each year.
2. Calculated by indexing the average male employee's basic emoluments to 1 and comparing it to the average female employee's basic emoluments as a proportion of this.
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

## Employee Engagements and Well-Being

We prioritise the well-being of our employees by providing an inclusive environment for our workforce to thrive in. We believe that employee engagement, development, and recognition are important to boost productivity in the workplace. Towards this end, we conduct an Annual Employee Satisfaction Survey to gauge our employees' satisfaction and take into consideration their feedback towards maintaining a high employee retention rate. The survey serves as a platform for our employees to participate in their own career development, by providing a channel for them to share their opinions that will enable us to identify their needs and goals for professional growth.

The Annual Employee Satisfaction Survey covers questions on workplace culture, compensation and benefits packages, as well as employee engagement activities. The data collected from the survey is used in planning future employee engagement programmes and training. Beyond that, we actively track employee satisfaction levels and feedback to shape future employee policies and to maintain a high employee retention rate.

Type of Employee Engagement and Well-Being Programmes		
	Frequency	Target Group
Annual Dinner	Annual	All employees
Company Trip	Annual	All employees
Private Health Insurance	Annual	All employees
Long Service Award	Annual	Eligible employees
Axis Education Fund	Annual	Eligible employees' children
Fitness activities	Ad-Hoc	All employees
Wellness activities	Ad-Hoc	All employees

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Employee Satisfaction



No. of employees who took the Employee Satisfaction Survey  
**66 employees**  
(84.6%)



No. of employees who took the Employee Satisfaction Survey  
**66 employees**  
(82.5%)



No. of employees who took the Employee Satisfaction Survey  
**72 employees**  
(92.3%)



### Outlook

We remain committed to maintaining an inclusive and conducive work environment that boosts employee growth, engagement, and productivity. In order to foster a more inclusive and supportive work environment in 2025, we plan to provide awareness training for employees on topics relating to sexual harassment and discrimination. This will help ensure that all employees are equipped to understand their roles in promoting respect, equity, and a safe workplace for everyone.

Given the high participation rate and positive feedback on the employee engagement programmes held in 2024, we will extend such activities into 2025. We will also maintain a balanced gender representation in our workforce and foster an environment that attracts talent from a variety of backgrounds and cultures.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Human Rights & Labour Practices



We maintain the highest standards in overseeing labour management and human rights-related practices. This applies not just within our operations but throughout our supply chain as well. We prioritise the fair, ethical, and just treatment of our workers and strongly oppose any act of forced or child labour both within our business operations and across our supply chain.

We ensure strict compliance with the working hours, working conditions, freedom of association, and minimum wages stipulated under Malaysia’s Employment Act 1955, the Occupational, Safety and Health Act 1994, and other applicable acts and regulations that address human rights in the workforce. Beyond that, we encourage a healthy work-life balance among employees and ensure that the compensations received by all employees are above the prescribed minimum wage. Additionally, we actively support our employees’ involvement in community activities, provided that such activities do not create any conflict-of-interest situations.

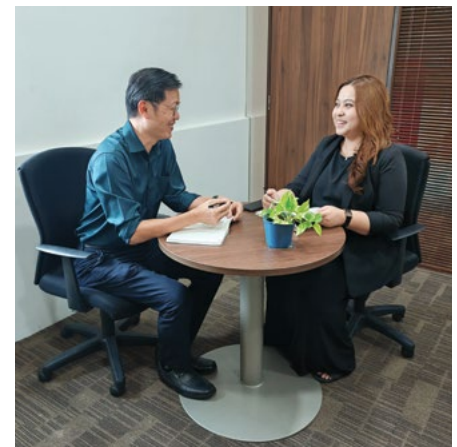
Our commitment to human rights and fair labour practices extends to our entire supply chain. We apply the same framework to our suppliers and service providers (including our contractors) via the Supplier Code of Conduct. We believe this is a critical component in safeguarding the reputation and success of the Fund.

The Supplier Code of Conduct compels our supply chain to uphold high standards of human rights and labour practices. This encompasses various behaviour, policies, and practices that our suppliers and service providers must adhere to. These include fair labour practices, human rights considerations, and health and safety policies. It also references our Whistle-Blowing Policy for the reporting of any incidents of non-compliance, including any unlawful or unethical business practices that contradict the framework.

Our Property Management Team conducts annual compliance assessments on our suppliers and service providers to ensure the alignment and strict compliance with the Manager’s labour practices, as well as with human rights standards and Malaysia’s employment laws. Our labour practices strictly prohibit any form of child or forced labour within our business operations and across our supply chain.

Details on how we communicate and enforce the Supplier Code of Conduct are presented in the “Responsible Supply Chain” sustainability matter.

The Human Resource department is responsible for all employment-related matters. This ensures that all our employment practices strictly conform to local employment laws and labour standards.





# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



The Manager maintains an “open door” policy, enabling employees to raise concerns regarding human rights violations directly with Senior Management. Beyond that, our Whistle-Blowing Policy establishes whistleblowing channels that facilitate the reporting of issues such as sexual harassment, discrimination, and endangerment to health and safety, along with other misconduct and malpractices including violations of human rights and fair labour practices. Employees are encouraged to report genuine cases of such misconduct to their immediate supervisors. Alternatively, employees can also escalate such reports to the CEO or to ARMB’s Independent Non-Executive Directors, if they feel the handling of the matter would be otherwise compromised.



For further details on Axis-REIT’s Code of Conduct, Supplier Code of Conduct, and Whistle-Blowing Policy, please visit our website at [www.axis-reit.com.my/investor/corporate\\_governance.php](http://www.axis-reit.com.my/investor/corporate_governance.php)

## Key Initiatives

We continued to uphold human rights and fair labour practices by conducting onsite human rights assessments on registered key vendors. Registered key vendors assessed in 2024 include contractors providing construction services, fire-fighting services, and the installation of the cashless carpark systems.

## Targets & KPIs

In 2024, there were no incidents or grievances relating to discrimination, child labour, or forced labour from employees or external parties such as suppliers and service providers, our communities, or the general public.

	2024	2023	2022
No. of substantiated complaints concerning human rights violations	0	0	0



## Outlook

The Manager remains committed to protecting and upholding human rights and fair labour practices both internally as well as across our supply chain. We will continue to conduct onsite human rights assessments on registered key vendors to identify any incidents of non-compliance and initiate follow-up actions where required. As and when the Fund embarks on new development projects, we will also continue to engage our outsourced Internal Auditors to audit our contractors’ compliance with ESG requirements.



For more information on our supplier and service provider assessments, please refer to the Responsible Supply Chain sustainability matter on pages 122 to 124 of this Report.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Community Activity & Partnership



Community activities and partnerships are integral to our holistic approach to sustainability. We proactively engage our local communities to understand and address their challenges through our robust CSR initiatives. We are committed to creating enduring positive impacts through our dedicated CSR initiatives by supporting vulnerable communities, especially those in our immediate vicinity, and fostering trust and mutual respect with these communities.

The Manager, Corporate Communications & Sustainability drives the Manager’s Community Activity and Partnership efforts, spearheading initiatives to identify, engage, and assist communities in need of assistance, and proposing suitable potential CSR initiatives for the Fund.

In addition to CSR projects, the Manager recognises that the Fund’s development projects may potentially have material impacts on their surrounding communities, particularly during construction. As such, our appointed contractors regularly engage with local community leaders to understand the community’s concerns and sentiments in order for us to assess and mitigate any negative impacts around our development sites. We also publish our contact details on construction signage to encourage direct feedback from the local community, foster open communication, build trust, and address community concerns directly and more effectively.

Our recent community initiatives have continued to focus on improving access to health services for underprivileged children, the disabled, and the infirm. These initiatives are largely aligned with our geographical presence, where we engage with local NGOs to identify and understand the needs of such vulnerable segments, and explore ways in which the Fund can lend support. Our initiatives aim to deliver long-term benefits to the targeted communities that extend well beyond the initial year of investment. Towards this end, we track the impact of our initiatives over several years to evaluate their effectiveness.





# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## DONATION OF DIALYSIS AND ULTRASOUND MACHINES TO NKF MALAYSIA

NKF Malaysia is a non-profit, charitable organisation established in 1969, dedicated to helping Malaysians suffering from end-stage kidney failure who lack access to or cannot afford dialysis treatment. As part of our 2024 CSR programme, we donated 3 dialysis machines and 1 ultrasound imaging machine to NKF Malaysia for its dialysis centres in Selayang and Petaling Jaya. These machines, which were delivered to NKF in an official

ceremony on 23 September 2024, were fully operational at the centres from October 2024 onwards.

We will work with NKF Malaysia in monitoring the impact of the machines over their lifespan to evaluate the effectiveness of the initiative and develop more effective and impactful programmes in the future.



## PHYSIOTHERAPY AND SPEECH THERAPY FOR CHILDREN WITH DISABILITIES

During 2024, the Fund continued to sponsor physiotherapy and speech therapy programmes for Persatuan Kebajikan Sayap Kasih Malaysia (formerly known as IQ70+). The home for children with disabilities and special needs is registered with the Ministry of Welfare Malaysia and is located close to our headquarters in Petaling Jaya.

directly for its services. This sponsorship aims to ensure the children's right to access essential health and rehabilitation services, helping them achieve a better quality of life in the future.

Axis-REIT initiated this programme in 2022, engaging professionally-trained therapists from Pantai Hospital to provide physiotherapy and speech therapy sessions at the home and reimbursing the hospital

Under the 2024 programme, Axis-REIT sponsored 21 physiotherapy and 22 speech therapy sessions which ran from August 2024 to February 2025. We regularly engaged with the caregivers at the home throughout the duration of the programme to track its utilisation and effectiveness, and to identify areas for improvement.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## BLOOD DONATION CAMPAIGN

On 4 December 2024, we organised a blood donation drive at Menara Axis in collaboration with the National Blood Centre. The Fund waived the daily rental fees for the use of the building’s foyer and electrical plug points needed for the event. We also promoted the campaign to tenants and employees. The campaign successfully drew blood donations from 50 eligible donors, with each donation being able to save up to 3 lives.



## FOLLOW UP MONITORING OF AMBULANCE DONATION TO ST JOHN AMBULANCE OF MALAYSIA (SJAM)

In 2022, we initiated a partnership with SJAM, which led to the Fund’s sponsorship of an ambulance for SJAM’s operations in Sabah. The vehicle was fabricated and fitted out in strict adherence to MOH’s standards, and officially handed over to SJAM in June 2023 at its headquarters in Cheras, Kuala Lumpur. After securing the necessary permits and registrations, the ambulance was shipped to Kota Kinabalu, Sabah, in October 2023, and was fully commissioned in November 2023, supporting the emergency medical services of Queen Elizabeth Hospital.

While the initiative did not incur any further investments in 2024, we continued to engage with SJAM as part of our agreement to monitor the utilisation of the ambulance and evaluate the long-term impact of the initiative.





## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Initiatives	Amount Invested (RM'000)	Outcome	No. of beneficiaries in 2024
Donation of medical equipment to NKF Malaysia	150 <sup>#</sup>	Donated 3 dialysis machines and 1 ultrasound imaging machine to NKF for dialysis centres in Selayang and Petaling Jaya	648 <sup>1#</sup>
Sponsorship of health services for children with disabilities at Persatuan Kebajikan Sayap Kasih Malaysia	51 <sup>#</sup>	Providing children with disabilities access to 21 physiotherapy and 22 speech therapy sessions over 7 months	Children benefiting from physiotherapy: 7 <sup>#</sup> Children benefiting from speech therapy: 5 <sup>#</sup>
Blood donation campaign	N/A <sup>2#</sup>	A total of 50 eligible donors donated blood during the campaign	150 <sup>3#</sup>
Donation of an ambulance to SJAM	N/A <sup>4#</sup>	An emergency ambulance service based in Kota Kinabalu since November 2023	168 <sup>5#</sup>

<sup>1</sup> Beneficiaries are calculated as the number of dialysis sessions for the 3 dialysis machines, from October to November 2024. Note that this does not include the use of the ultrasound machine as it is a supplementary instrument that is only used when there are difficulties in detecting patients' veins.

<sup>2</sup> Axis-REIT sponsored the use of the foyer at Menara Axis for the blood donation campaign, waiving the normal daily charges.

<sup>3</sup> This estimate is based on the volume of blood from 50 donors and information provided by the National Blood Centre of Malaysia that each donation can save up to 3 lives.

<sup>4</sup> The investment in this initiative was incurred and reported in 2022 and is therefore not repeated here.

<sup>5</sup> Number of patient beneficiaries of the ambulance service throughout 2024.

In addition to the initiatives listed above, we continued to work closely with local authorities to improve the infrastructure fronting the Axis Mega Distribution Centre (Phase 2) development in 2024. This involved widening and resurfacing roads, as well as upgrading the adjacent drainage systems - an initiative which benefits the local community as a whole.

### Targets & KPIs

Community Activity & Partnership Statistics	2024	2023	2022
Total amount invested in CSR (RM'000)	201 <sup>#</sup>	181	193
Total Number of Beneficiaries	978 <sup>#</sup>	85	12

### Outlook

We remain committed to our role as a responsible corporate citizen and will continue investing in initiatives that will benefit vulnerable communities in the long-term. We have allocated RM200,000 for community investment programmes in 2025, which will largely focus on providing access to health or services for children and other underprivileged segments, primarily around our key operational areas. We will also continue our regular engagement efforts with surrounding communities for a better understanding of their social and environmental issues, and explore potential new segments and initiatives to support.

<sup>#</sup>This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 165 to 168 of this Report.