

SUSTAINABILITY Statement

ABOUT THIS STATEMENT

This Sustainability Statement provides sustainability performance review of Atrium Real Estate Investment Trust (“Atrium REIT”) for the financial year ended 31 December 2021 (“FY2021”).

Beyond improving the Economic, Environmental, Social and Governance (“EESG”) performance across its operations, Atrium REIT’s approach to sustainability also includes developing a sustainability-oriented organisational culture as well as cascading sustainability across its value chain to suppliers and its business partners.

Atrium REIT is looking to further integrate non-financial matters into its business strategies going forward, given the former’s increasing significance to Atrium REIT overall business performance and value creation capabilities in the long-term.

FRAMEWORKS APPLIED

This Statement has been prepared in accordance with the following frameworks:

- Bursa Malaysia Sustainability Reporting Guide Second Edition (and supporting toolkits),
- Bursa Malaysia Main Market Listing Requirements,
- Where relevant, in reference to the Global Reporting Initiative (“GRI”) Standards 2020.

SCOPE, BOUNDARY & REPORT QUALITY

This Statement covers the full financial year of 1 January to 31 December 2021 and is written in accordance with and guided by Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and the Sustainability Reporting Guide and Toolkits.

This Statement is based on Atrium REIT’s ability to collect meaningful data from its property portfolio. Such data is based on the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. It takes into account stakeholder views, internal assessment of material matters and risks factors, as well as emerging trends and opportunities within the operating environment.

Atrium REIT is cognisant that data-gathering challenges still exist with tenants. Nonetheless, Atrium REIT continues to drive for comprehensive and timely data collection systems through continuous engagement with such stakeholders, working toward strengthening disclosures.

FEEDBACK

Atrium REIT is cognisant of the value of stakeholder engagement in driving for continuous improvement and welcomes feedback, comments and suggestions to be sent to: marklee@atriumreit.com.my

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SUSTAINABILITY GOVERNANCE STRUCTURE

Atrium REIT adopts a three-tier reporting structure with regards to sustainability governance. with the Board of Directors (“Board”) at the helm, sustainability strategies and initiatives of Atrium REIT are spearheaded by the Chief Executive Officer (“CEO”) and supported by the Senior Management (“SM”).

The roles and responsibilities of each tier of the governance structure is as follows:

BOARD

- Aligns corporate and division priorities, and strategies with sustainability vision;
- Develops the overarching sustainability strategy;
- Reviews and approves the sustainability matters identified;
- Reviews, deliberates
- Monitors the overall achievement of sustainability strategies adopted by Atrium REIT

CEO

- Implements sustainability directives and policies introduced
- Identifies and recommends any changes in sustainability initiatives, activities and method of implementation;
- Recommends to the Board for its approval of sustainability matters identified;
- Reviews the material matters identified by the SM;
- Identifies and recommends compliance with sustainability guidelines and regulatory requirements to ensure the disclosures of the Sustainability Statement in the Annual Report is in accordance with Bursa Malaysia Securities’ Main Market Listing Requirements;
- Reviews and suggests improvements on the disclosures of sustainability initiatives and activities, which falls under the purview of the SM; and
- Overseeing the preparation of Statement.

SM

- Implements sustainability initiatives and activities to manage the economic, environmental and social risks and opportunities;
- Implements changes in sustainability initiatives, activities and method of implementation as advised by CEO;
- Carries out Materiality Assessment based on the data collected for monitoring and managing of economic, environmental and social risks;
- Reports the results/ status of the action plans to the CEO on a periodical basis;
- Assesses the sustainability material matters and efforts to address the materiality issues; and
- Prepares Sustainability Statement for inclusion in the Annual Report.

An ongoing important sustainability governance highlight has been the implementation of the Anti-Bribery and Anti-Corruption (“ABAC”) policy. Stakeholders involved in the business have been notified of this policy and are aware of the values that this company abides by. It is available for viewing at: www.atriumreit.com.my.

All new or renewal contracts offered by Atrium REIT will be accompanied by a written copy of the ABAC. External parties must acknowledge the receipt of the same and provide their acceptance to abide by the policy as part of their contractual terms. Failing to do so may result in contract termination or other forms of legal remedies. The intention is to establish a Board level Integrity and strengthen the anti-corruption agenda.

STRONG CODE OF ETHICS AND CONDUCT

The Code of Ethics and Conduct outlines the expected ethical corporate behaviour and professionalism required by the company whilst also providing insight on what type of behaviour is deemed unacceptable.

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The code focuses on issues such as:

- Compliance with laws (including those related to anti-money laundering, personal data protection and anticorruption);
- Conflicts of interests;
- Harassment of any kind including sexual, verbal or physical harassment; and
- Expected course of actions in the event of non-compliance including proper reporting of suspected noncompliance.

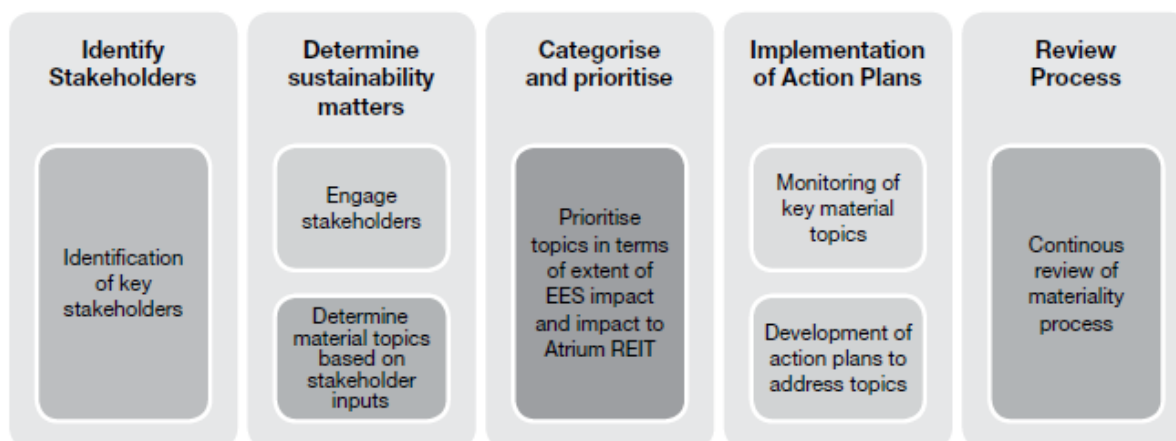
The codes are constantly reviewed by the Board of Directors in order to be kept up to date.

Other governing policies also include:

ABAC Policy	Fraud Policy	IT Policy	Whistleblowing Policy
Please refer to previous page for information of the Policy.	Facilitates the development of controls, which aid in the detection and prevention of fraud.	Facilitates and supports the authorised access to Company information.	Facilitates reports to be made anonymously on allegations of corruption, fraud, misconduct and other forms of malpractice and enables the investigation of the same. whistleblowers' identities are not divulged and remain free from reprisal, or intimidation in any form.

MATERIALITY ASSESSMENT

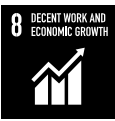





Stakeholder relations is a top priority for Atrium REIT to ensure sustainability which is why engagement with stakeholders is so heavily focused on. Therefore, Atrium REIT has a four-step materiality identification and prioritisation approach in place that ensures confirmed selected materiality matters truly capture the broader issues and impacts faced or caused by our business presence and operations.



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RELEVANCE OF MATERIALITY MATTERS TO OUR STAKEHOLDERS

MATERIAL TOPICS/ IMPACTED STAKEHOLDERS	Board of Directors/ Employees	Unitholders/ Investors	Regulatory Authorities	Trustee	Tenants	Suppliers/ Vendors
Anti-Corruption and Corporate Governance	√	√	√	√	√	√
Quality Certifications for Assets			√		√	
Asset Enhancement Initiatives	√	√	√	√	√	√
Resource (Energy, water, Fuel) Consumption			√		√	√
Talent Management And Development	√		√	√	√	
Training & Development	√		√	√	√	

MATERIALITY TOPICS	BOUNDARY	UN SDGS
Anti-Corruption and Corporate Governance	Organisation wide	
Quality Certifications for Assets	Organisation wide	
Asset Enhancement Initiatives	Organisation wide and External	
Resource (Energy, water, Fuel) Consumption	External	
Talent Management And Development	Organisation wide	
Training & Development	Organisation wide	

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STAKEHOLDER MANAGEMENT & ENGAGEMENT

The Manager of Atrium REIT understands the value that stakeholders possess in paving the way for the future. This would include sustainability developments, future business strategies/policies and prioritisation of material sustainability matters.

One of the stakeholder engagement highlights was the leverage of technology to facilitate remote unitholders' participation and remote online voting (i.e., voting in absentia) in conducting the Ninth Annual General Meeting ("AGM") due to the Covid-19 pandemic. The virtual AGM was a success and further consideration is being given on the feasibility of retaining this approach for future AGMs.

Atrium REIT defines stakeholders as individuals, entities or organisations that are impacted by the business operations, strategies and processes of Atrium REIT and conversely, individuals, entities or organisations that have the capability to impact Atrium REIT in a similar manner.

Stakeholders	Concerns/ Expectations	Engagement channel	Specific activities
Unitholders/ Investors	<ul style="list-style-type: none"> • Sustainable and growing income distribution • Financial performance • Corporate governance • Proactive investor relation; • Timely and transparent reporting • Prudent risk management 	<ul style="list-style-type: none"> • Annual general meeting • Unitholders meeting • Annual report • Interim financial announcement • Corporate announcement • Meeting with analysts, fund managers and investors • Website 	<ul style="list-style-type: none"> • Voluntary disclosures on earnings outlook, business strategies • Segmental outlook on a quarterly basis to enable the investment community to more informed investment decisions
Trustee	<ul style="list-style-type: none"> • Annual return • Financial performance • Sustainable growth and fund stability 	<ul style="list-style-type: none"> • Annual general meeting • Extraordinary general meeting • Website 	<ul style="list-style-type: none"> • Immediate communication on material developments via meetings, announcements, media and website releases • Robust risk management framework with periodic evaluations to encompass the latest potential risks identified with corresponding mitigation action plans
Tenants	<ul style="list-style-type: none"> • Tenant engagement and support • Business activity and ethics • Conducive operating environment 	<ul style="list-style-type: none"> • Contract agreements • One-on-one meetings • Direct and immediate communication via email and electronic channels • Joint inspection with property managers 	<ul style="list-style-type: none"> • All requests and feedbacks are reviewed to in a timely manner by the manager • Adherence to best practices and the highest standard of business integrity • Affirm operational health and safety practices

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Stakeholders	Concerns/ Expectations	Engagement channel	Specific activities
			<ul style="list-style-type: none"> Continuous effort to improve quality of building for tenant satisfaction
Suppliers, Contractors & Service Providers	<ul style="list-style-type: none"> Fair and transparent procurement process 	<ul style="list-style-type: none"> Contract agreements One-on-one meetings Direct and immediate communication via email and electronic channels 	<ul style="list-style-type: none"> Professional and transparent procurement policies and procedures
Board of Directors & Employees	<ul style="list-style-type: none"> Fair remuneration Equal opportunity workplace Career development Work-life balance Employee benefits 	<ul style="list-style-type: none"> Training and development opportunities Job appraisal Benefits package Company interest 	<ul style="list-style-type: none"> Benchmarking against market remuneration packages and practices Constant engagement with employees to understand their professional needs and requirements Organising training and development initiatives for employees for their career development Organising social events
Regulatory Authorities	<ul style="list-style-type: none"> Regulatory Compliance Close communication and engagement Staying abreast with policy and regulatory changes 	<ul style="list-style-type: none"> Attending talks and conferences organised by regulators Implementing policies instituted by the regulators 	<ul style="list-style-type: none"> Adherence and compliance to all legislation and guidelines

ASSET ENHANCEMENT INITIATIVES

At Atrium REIT, we are always looking to improve in any way possible and this includes initiatives to increase energy efficiency and safety features which fall under the asset enhancements initiatives (AEI) that the Manager focuses on.

Necessary improvements can be made accordingly as our strong relationship with tenants allows for positive two-way communication to be initiated. This along with our regular maintenance of assets, displays the level of optimisation Atrium REIT operates at.

The Manager will continue to undertake AEIs as and when required to maintain or enhance the market value and attractiveness of the properties.

2021 RESOURCE (ENERGY, WATER, FUEL) CONSUMPTION

The Manager is aware of the impact that energy/water consumption along with emissions and waste products have on the environment, the lack of systematic data collection in a timely manner from our tenants has been an issue.

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This lack of accurate data acts as an obstacle for the Manager to make the appropriate changes to manage resource consumption and monitor wastes/emissions. Despite this, the Manager will continue to work closely with the tenants, encouraging them to implement proper data collection systems and look forward to disclosing such related information in future Sustainability Statement.

The following are the extrapolated figures for water and electricity consumption in each property for FY2021:

Property	Water (RM)	Electricity (RM)
Atrium Shah Alam 1	44,726.18	617,996.50
Atrium Shah Alam 2	28,216.84	383,669.43
Atrium Shah Alam 3	3,784.22	422,845.47
Atrium USJ	13,758.60	133,613.14
Atrium Puchong	53,537.94	223,441.72
Atrium Bayan Lepas 1	230,935.18	6,557,892.59
Atrium Bayan Lepas 2	571,393.54	14,331,325.35
TOTAL	946,352.50	22,670,784.20

Note: Figures for November and December 2021 were extrapolated due to ongoing bill collection.

The above table represents a progressing benchmark, as Atrium REIT is instituting a monitoring system for effective management. With such records, we will explore and execute methods to optimise consumption of water and electricity and enable increased savings.

TALENT MANAGEMENT AND DEVELOPMENT

The Manager of Atrium REIT has achieved the business objectives and reached greater heights over the years. The Manager believes in motivating and encouraging staff to improve themselves through training programmes and professional development.

The combination of various types of skillsets, qualifications and experience possessed by the respective talents allow the workforce and Board to adapt and thrive in a fast-evolving marketplace.

Atrium REIT complies with the Employment Act 1995 and other legal statutory provisions. All staff earn salaries that at least meet or are above the Malaysian Minimum Wage Order 2018.

For specific details on the Board and senior management composition, please refer to the Board of Directors profile section of this annual report.

TRAINING & DEVELOPMENT

The Manager is cognizant of its key assets – the workforce. Hence, it is its priority to ensure the staffs are well trained and kept abreast of current industrial development. However, owing to the restrictions in light of pandemic during FY2021, such activities were scaled down and held online in the interest of health and safety. The Manager will continue to source for suitable professional and technical courses to develop staff competency and expertise moving forward.