

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement provides an account of the economic, environmental and social risks and opportunities for Atrium Real Estate Investment Trust (“Atrium REIT”) for the financial year ended 31 December 2020 (“FY2020”).

The Statement provides disclosure on how Atrium continues to make progress in the areas of sustainability governance and stakeholder engagement as well as in addressing its material matters.

As the creation of financial values must be balanced with the realisation of non-financial values towards ensuring long-term business and operational sustainability, Atrium REIT is committed to improve its performance as measured across a triple bottom-line of material economic, environmental and social matters.

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

The scope and boundary for this report is based on Atrium REIT’s ability to collect meaningful data from its property portfolio. Data and information that is deemed meaningful is based on the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

In addition, content for this Statement has also been developed based on stakeholder views, internal assessment of material matters and risks factors, as well as emerging trends and opportunities within the operating environment.

At present, there remains challenges in collecting data from tenants. We continue to engage our tenants towards providing more comprehensive data in a timely manner and to improve their data collection systems.

REPORTING PERIOD

The reporting period of this Statement is from 1st January 2020 to 31st December 2020 unless specified otherwise. Where possible, three-year historical data has been provided towards establishing trend lines and to enable readers to better track and understand the comparative performance achieved.

FEEDBACK

As part our continued engagement with stakeholders and to facilitate continuous improvement, we welcome feedback, comments and suggestions to be sent to: marklee@atriumreit.com.my

SUSTAINABILITY GOVERNANCE STRUCTURE

Atrium REIT practises a three-tier reporting structure with regards to sustainability governance. With the Board of Directors (“Board”) at the apex, sustainability strategies and initiatives of Atrium REIT are headed by the Chief Executive Officer (“CEO”) and supported by the Sustainability Working Group (“SWG”). The roles and responsibilities of each tier of the governance structure is as follows:

The Board of Directors

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

CEO

- Implements sustainability directives and policies introduced by the Board;
- 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 SWG;
- 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 SWG; and
- Overseeing the preparation of Statement;

SWG

- 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.

In FY2020, one of the key sustainability governance highlights has been the introduction of the Anti Bribery & Anti-Corruption (“ABAC”) policy. The policy was deliberated and approved by the Board for implementation. The policy has been cascaded to external stakeholders such as vendors, suppliers, business partners and also to our tenants. 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 can result in contract termination or other forms of legal remedies.







The intention is to establish a Board level Integrity Committee in FY2021 to oversee and drive the anti-corruption agenda in Atrium REIT. In FY2020, there were zero incidents of corrupt practices reported.

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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

Atrium REIT continues to actively engage its stakeholders. The views, concerns, aspirations and interests of stakeholders, both internal and external are vital in shaping Atrium REIT's sustainability journey and more specifically its business strategies, policies, practices, and the identification 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 Eighth 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.

The Group 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.

STAKEHOLDER	CONCERNS/ EXPECTATIONS	ENGAGEMENT CHANNEL	SPECIFIC COMMUNICATION ACTIVITIES
Unitholders/ Investors	<ul style="list-style-type: none"> Sustainable and growing income distribution Financial performance Corporate governance Proactive investor relations; Timely and transparent Reporting Prudent risk management 	<ul style="list-style-type: none"> Annual general meeting Unitholders' meeting Annual report Interim financial announcements Corporate announcements Meetings 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 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
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 	
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 and attended to in a timely manner by the Manager Adherence to best practices and the highest standards of business integrity Affirm operational health and safety practices Continuous effort to Improve quality of building for tenant satisfaction

STAKEHOLDER MANAGEMENT & ENGAGEMENT (CONT'D)

STAKEHOLDER	CONCERNS/ EXPECTATIONS	ENGAGEMENT CHANNEL	SPECIFIC COMMUNICATION ACTIVITIES
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 intranet 	<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

Despite Atrium REIT's properties being largely optimised, the Manager has continued to undertake asset enhancements initiatives ("AEI") throughout FY2020. Various initiatives were taken to increase energy efficiency, safety features and the utilisation of the assets.

In doing so, we have worked closely with our tenants, seeking their feedback and recommendations prior to initiating the improvement works. Regular maintenance works were also carried out on all assets.

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

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RESOURCE (ENERGY, WATER, FUEL) CONSUMPTION

We are cognisant that the environmental impact from the energy and water consumption, as well as the emissions and waste produced, are the material sustainability matters to Atrium REIT.

However, provision of such data rests largely with our tenants and this poses several challenges. The lack of systematic data collection in a timely manner from our tenants has deprived the Manager of obtaining meaningful and accurate data for resource consumption, as well as for emissions and waste management.

We will continue to work closely with our tenants, encouraging them to implement proper data collection systems and we look forward to disclose such related information in future Sustainability Statement.

TALENT MANAGEMENT AND DEVELOPMENT

Competent talent with a high level of professionalism is essential to the sustainability of Atrium REIT. As such, strategic efforts have been made towards developing a talent pool to ensure availability of talent management to drive the success of Atrium REIT, amidst a dynamic and fast evolving marketplace.

Beyond just recruitment and retention through competitive compensation, the focus has been on providing ample training opportunities to enable the professional development of staff.

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

We also seek to actively cultivate Board and workforce diversity towards enabling an environment that allows a diversity of ideas and perspectives to flourish. While the Board and Senior Management comprise 100% Malaysians, they bring a rich mix of qualifications, skillsets and experience to ensure sustainable value creation for Atrium REIT and the continued realisation of its vision and mission.

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

As mentioned earlier, we continue to invest in the development and competence of our staff. However, with FY2020 being a pandemic year, training activities were largely curtailed or differed altogether. Several online training initiatives and programmes were held for staff. The Manager will continue to source for suitable professional and technical courses to develop staff skills and expertise going forward.