

SUSTAINABILITY REPORT

BOARD'S STATEMENT

Dear Stakeholders

We are pleased to present our second sustainability report, which outlines our commitment to create a long-term sustainable future. This sustainability report plays an important role in conveying our sustainable efforts to stakeholders. The success of our sustainability journey requires collaboration and continuous support from our stakeholders.

ESG MATERIALITY

As we traverse into a different phase and reposition ourselves, as a company, we will continue to remain diligent in our business conduct, by adopting best practices in the areas of Environment, Social and Governance (“**ESG**”). We strive to maintain the highest standards of Corporate Governance and zero-tolerance approach towards lapses in non-compliance with applicable laws and regulations. For the financial year ended 31 December 2018 (“**FY 2018**”), there were no reported cases of material non-compliance with any laws or regulations.

The Manager believes in upgrading the skills of our employees, providing them with opportunities to attend training workshops and courses, and corporate exposure through overseas work trips. These experiences will value-add to our employees’ character development and corporate experiences.

OUR SUSTAINABILITY EFFORTS

The Manager is exploring innovative sustainable solutions to ensure business continuity. First REIT’s properties in Indonesia are mostly equipped with LED lighting as part of the energy conservation project. This project aims to reduce energy consumption by 10% as LED lighting has proven to be more energy efficient and durable compared to traditional incandescent bulbs. Sustainable practices are essential in building a reliable and resilient business, especially today, where increased accountability is required of every businesses.

We wish to play a part in shaping the region. The Manager has initiated and participated in various activities to give back to the local community.

THE FUTURE

We would like to thank the employees of the Manager for their hard work and commitment. With a strong management team in place, we are confident that First REIT is well positioned for the future and will continue to deliver value to our Unitholders.

Mr Tan Kok Mian Victor

Executive Director and Chief Executive Officer

Bowsprit Capital Corporation Limited

As Manager of First REIT

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ABOUT THIS REPORT

First Real Estate Investment Trust ("**First REIT**"), constituted as a real estate investment trust, is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**"). It is externally managed by Bowsprit Capital Corporation Limited (the "**Manager**").

In line with this annual report, the scope of this report covers the financial year from January to December 2018. Our sustainability report has been prepared in accordance with Global Reporting Initiative ("**GRI**") Core standards. Unless otherwise stated, the report covers the ESG performance of First REIT's properties across its core portfolio of properties in Indonesia, Singapore and South Korea. This report forms part of First REIT's Annual Report 2018 and can be viewed or downloaded from <http://firstreit.listedcompany.com/ar.html>. As part of our continued efforts to improve our reporting, we welcome stakeholders to submit their feedback to ir@first-reit.com.

HIGHLIGHTS OF 2018

SUSTAINABILITY ACHIEVEMENTS MANAGER LEVEL



33.5 Man-days
of training hours clocked by
employees of the Manager



41% of the employees
have been with the Manager
for more than 6 Years



2 community service activities
conducted with more than 30%
of employees involved

SUSTAINABILITY ACHIEVEMENTS PORTFOLIO LEVEL



Siloam Hospitals Makassar
1st hospital within Siloam Hospitals Group to
install solar panel water heater and pressure tank



Siloam Sriwijaya
Introduced the use of Compressed Natural Gas
("**CNG**") in replacement of Liquefied Petroleum
Gas ("**LPG**") for the gas heat pump system



Imperial Aryaduta Hotel & Country Club
220 kg of plastic bottles recycled on a
monthly basis

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STAKEHOLDER ENGAGEMENT

Stakeholders	Engagement Channel	Key Feedback/ Issues	Commitments to Sustainability
Employees	Annually <ul style="list-style-type: none"> • Employment feedback sessions • Dialogue sessions with senior management • Performance appraisals Quarterly <ul style="list-style-type: none"> • Team bonding sessions Ad-hoc basis <ul style="list-style-type: none"> • Employee training 	<ul style="list-style-type: none"> • Remuneration and benefits • Fair and competitive employment practices • Work-life balance • Employee safety, welfare, training and development opportunities 	<ul style="list-style-type: none"> • Create a conducive work environment for all employees • Promote cohesive work culture
Investors, Unitholders, Analysts and Media	Annually <ul style="list-style-type: none"> • Annual general meeting (AGM) • Sustainability reports Quarterly <ul style="list-style-type: none"> • Financial results announcement Ad-hoc/Perpetual <ul style="list-style-type: none"> • Company website • SGX announcement and media release • Events and meetings (Road Shows) • Extraordinary general meeting ("EGM") 	<ul style="list-style-type: none"> • Business strategy and outlook (return on investments, growth rate, risk management) • Corporate governance and regulatory compliance • Performance and reporting standards 	<ul style="list-style-type: none"> • Timely and transparent disclosure of accurate and relevant information to stakeholders • Sustainable long-term return of investment
Operators	Annually <ul style="list-style-type: none"> • Key operators meeting Quarterly <ul style="list-style-type: none"> • Asset management reports Perpetual <ul style="list-style-type: none"> • Property management hotline 	<ul style="list-style-type: none"> • Reliable and efficient infrastructure • Prompt response to feedback 	<ul style="list-style-type: none"> • Maximise resource efficiency of properties • Ensure tenant's safety and security
Trustee	Quarterly <ul style="list-style-type: none"> • Meetings and reports 	<ul style="list-style-type: none"> • Corporate governance • Operational efficiency 	<ul style="list-style-type: none"> • Zero-tolerance for corruption
Third-Party Service Providers	Annually <ul style="list-style-type: none"> • Property audits Project-basis <ul style="list-style-type: none"> • Service provider evaluation 	<ul style="list-style-type: none"> • Environmental compliance • Occupational health and work safety practices 	<ul style="list-style-type: none"> • Compliance to terms in contracts
Government	Annually <ul style="list-style-type: none"> • Tax filing report • Sustainability report • Regulatory report Ad-hoc/Perpetual <ul style="list-style-type: none"> • Associations and bodies (E.g. REITAS, SIAS) 	<ul style="list-style-type: none"> • Advocate greener operator behaviour • Laws and regulations related to trade associations • Eco-friendly green infrastructures 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Fair and ethical business practices
The Community	Annually <ul style="list-style-type: none"> • Sustainability report Ad-hoc <ul style="list-style-type: none"> • Corporate social responsibility ("CSR") activities 	<ul style="list-style-type: none"> • Sustainable business practices • Eco-awareness amongst the community 	<ul style="list-style-type: none"> • Management of impacts on the community • Advocate eco-friendly practices • Support local initiatives

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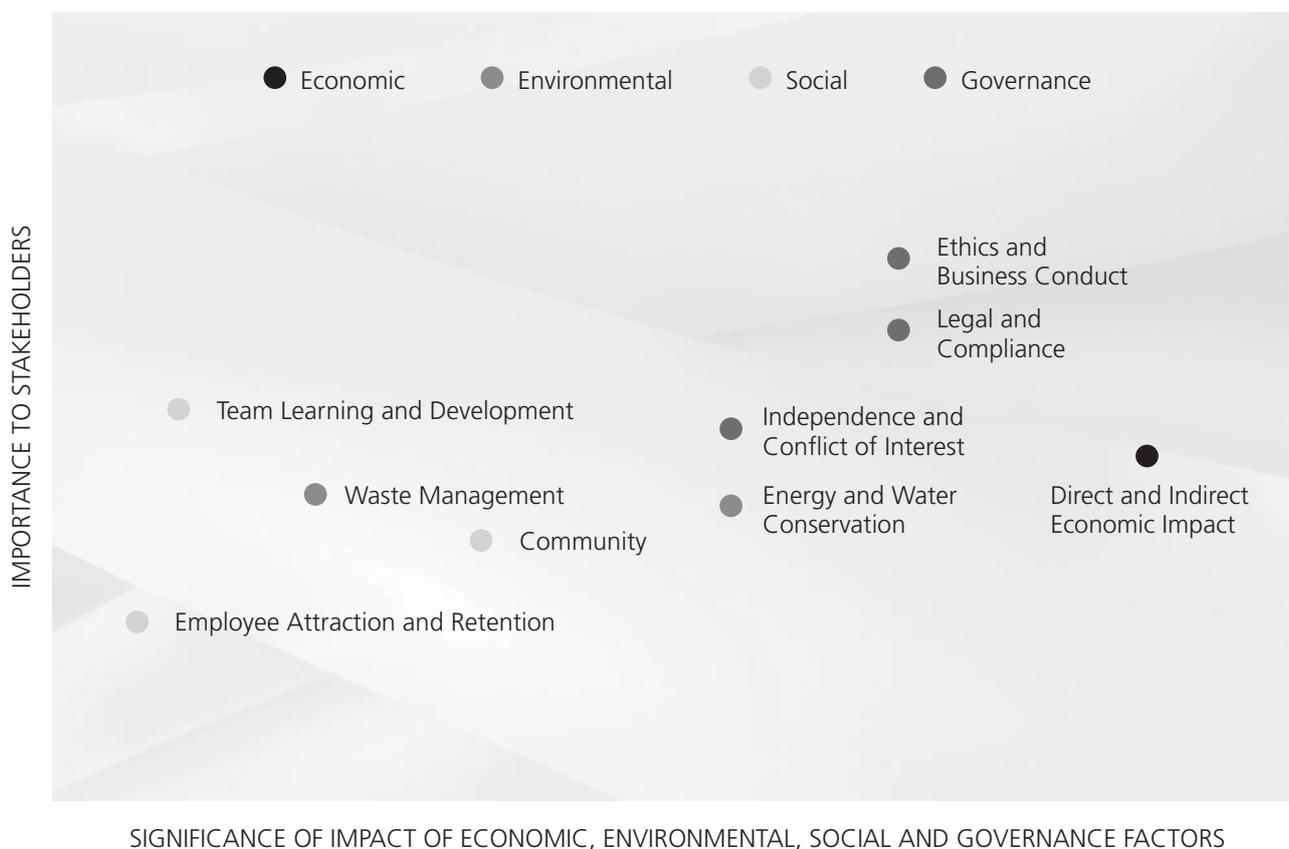
MATERIALITY ASSESSMENT

Through various engagement sessions involving the management and executives, the Manager has considered and assessed the topics that First REIT and its stakeholders are concerned about, as well as those that can potentially impact the long-term sustainability of our business. Our approach to materiality assessment aims to follow the reporting principles of:

1. Stakeholder Inclusiveness
2. Sustainability Context
3. Materiality

First REIT's material topics are derived from a materiality matrix. In accordance to the reporting principles, we take into account the material topic's influence on stakeholders' decisions as well as the significance of the topic's impact to Economic, Environmental, Social and Governance factors. These material topics are ranked in the materiality matrix and are discussed further in the subsequent pages of the report.

MATERIALITY MATRIX



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MATERIALITY TABLE

Material Topics	Relevance to First REIT	How are we addressing the issue
Economic Dimensions		
Direct and Indirect Economic Impact 	<p>We provide income for our employees, revenue for suppliers and contractors, as well as support public well-being and infrastructure through tax payments and fees.</p> <p>Further, through our provision of space for our tenants to operate, our tenants support the local economy through provision of jobs and healthcare services.</p>	<p>We focus on entering into yield-accretive property investments so that investors can receive stable and attractive dividends. In the lease agreements with Indonesian tenants, rentals are based in Singapore Dollars or Singapore Dollar equivalent. As such, foreign currency fluctuations will not adversely affect the distributions attributed from the Indonesia Portfolio.</p> <p>We continue to source for potential acquisitions within and beyond Indonesia.</p>
Asset Quality and Integrity 	<p>We strive to achieve the highest standards of quality and safety in our buildings. We believe that it is through the management of such fundamental requirements that we can build stronger bonds with our stakeholders.</p> <p>In a competitive landscape, we seek to understand our stakeholders and go the extra mile to deliver value to them.</p>	<p>Our long-term sustainable goal is to ensure the safety and comfort of our tenants and their end-customers. Annually, we engage external property auditors to carry out property audits to ensure that the quality standards of our properties will not be compromised. To this end, we spent approximately S\$200,000 in FY 2018 on professional fees.</p> <p>We value the feedback from our stakeholders to offer better service standards for our tenants. Our value-adding asset enhancement projects ensure that our properties remain competitive and are satisfactory to our stakeholders.</p>
Environmental Dimensions		
Waste Management 	<p>As a healthcare REIT providing business opportunities for healthcare or healthcare-related service providers, it is our duty to ensure our tenants assume their responsibility on proper disposal of biohazardous waste.</p> <p>Improper biohazardous waste disposal can have dire consequences to the environment and local biodiversity. In addition, there could be legal liabilities following adverse consequence that will indirectly impact First REIT's reputation as a healthcare REIT.</p>	<p>Other than ensuring that our buildings have proper waste management programmes in place, the Manager and our tenants have initiated several recycling and waste reduction programmes during the reporting period.</p> <p>PT Siloam International Hospitals Tbk</p> <ul style="list-style-type: none"> • Reusing of jerry cans to collect medical disposals such as used syringes, needles and other sharp materials (Siloam Hospitals Manado) • Siloam branded hospitals operate under a paperless system where the prescription letter is sent directly to the pharmacy after the patient's consultation. Radiology departments have also introduced filmless radiology consultations. <p>Imperial Aryaduta Hotel & Country Club</p> <ul style="list-style-type: none"> • Monitoring and reduction of food wastage at food and beverages outlets. • Recycling of plastic bottles. <p>Bowsprit Capital Corporation Limited</p> <ul style="list-style-type: none"> • Electronic copy of annual report for FY 2018.

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Material Topics	Relevance to First REIT	How are we addressing the issue
Environmental Dimensions		
Energy and Water Conservation 	<p>We recognise that investing in or placing emphasis on energy and water conservation measures not only reduces our carbon footprint but also makes business sense in terms of cost savings. Therefore, we are committed to taking active steps to reduce our overall energy consumption and improve energy and water efficiency to minimise the environmental impact at every level operation.</p>	<p>As Manager of First REIT, we are committed to improving energy efficiency in our daily office operations.</p> <p>All lights are turned off after all staff leave the office. A new initiative to switch off all lights in the office during lunch time will be implemented in 2019, a step towards improving the overall energy consumption.</p> <p>Our concerns with respect to energy and water consumption are aligned with PT Siloam International Hospitals Tbk ("Siloam"), the operator of our healthcare assets located in Indonesia.</p> <p>Siloam completed a pilot project at Siloam Hospitals Makassar ("SHMK"), and installed a solar-powered water heater system in November 2018. This initiative aims to reduce up to 20% of SHMK's annual electricity usage.</p> <p>Other initiatives launched at our properties include:</p> <ul style="list-style-type: none"> • Siloam Hospitals Lippo Village ("SHLV") completed the replacement of refrigerant of water-cooled package units which are more eco-friendly and energy efficient; and • Siloam Sriwijaya ("SS") introduced the use of CNG in replacement of LPG for the gas heat pump system which is more energy efficient.
Social Dimensions		
Employee Attraction & Retention 	<p>The success of our business is attributed to our ability to attract and retain talented and passionate people.</p> <p>As such, we have competitive remunerations and equitable growth opportunities for all our employees. Beyond that, we provide prospects for character development and mentorship by our senior management.</p> <p>We aim to create a conducive environment to nurture our employees to their fullest potential. This will also provide security to investors knowing that employees of the Manager possess excellent capabilities to excel in their respective roles.</p>	<p>We have competitive employee remuneration packages through market benchmarking. On top of that, we focus on providing a learning experience and mentorship in the industry. We highly encourage our employees to upgrade themselves through internal and external training. In 2018, our employees clocked 33.5 average man-days of training, a target achieved compared to the targeted 20 average man-days in 2017.</p> <p>Employees are presented with opportunities to travel abroad to interact with their counterparts and learn from senior management during work trips.</p> <p>We have, through the course of FY 2018, enhanced staff benefits through implementing a weekly "Fruits Day", as well as organised team bonding sessions to build cohesiveness, boost team morale and motivate employees.</p>

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Material Topics	Relevance to First REIT	How are we addressing the issue
Social Dimensions		
Community 	<p>As a socially conscious business, we recognise the need to build long-term relationships with the stakeholders, and to actively engage our community. As we grow our business, a clear focus to guide our community-engagement initiatives will allow the community to thrive alongside us.</p> <p>Besides focusing on the financial aspects of our operations, our stakeholders understand the importance of giving back to the community.</p>	<p>We fostered staff volunteerism by carrying out community involvement projects at our Singapore properties as we believe in creating positivity from within.</p> <p>In FY 2018, the Manager contributed through the following activities:</p> <ul style="list-style-type: none"> • Chinese New Year: Organised fun-filled activities for residents of The Lentor Residence; and • Mid-Autumn Festival: Organised a tea-time celebration for residents in Pacific Healthcare Nursing Home @ Bukit Merah <p>Our corporate objective is to engage stakeholders beyond our office and spread joy during festive seasons. We commit ourselves through community involvement projects to bond with our stakeholders.</p>
Governance Dimensions		
Ethics and Business Conduct 	<p>We are committed to conducting our business activities with integrity and respect for the society at large. This will build up our reputation as the employer of choice, a business partner and as a quality healthcare REIT.</p>	<p>We have zero tolerance for breaches of our Code of Business Conduct. We educate our employees through constant interactions, a strong culture of compliance and the staff handbook.</p> <p>We also instituted the following policies to safeguard stakeholders' interests:</p> <ul style="list-style-type: none"> • Personal Data Protection Policy; and • Whistle-blowing Policy <p>There have been no breaches and zero cases of corruption and fraud during the reporting period.</p>
Independence and Conflicts of Interest 	<p>Given the pipeline of potential investments in the Asia-Pacific region, we are committed to protect the interest of unitholders and maintain the trust that they have in us.</p>	<p>We perform due diligence on all investments to ensure that the intended investment is yield accretive and fundamentally sound. We align our performance fee with the interest of First REIT's unitholders.</p> <p>Employees are required to make periodic declarations to confirm that they are not subjected to conflict of interest situations.</p>
Regulatory Compliance 	<p>First REIT, listed on Mainboard of SGX-ST, is subjected to compliance requirements of the listing manual of SGX-ST, the code of collective investment schemes issue by Monetary Authority of Singapore ("MAS") and other relevant legislations.</p> <p>Further, with properties in multiple countries, First REIT is also subjected to regulatory compliance of the respective host countries.</p>	<p>The Board comprises business leaders and professionals with fund management, legal and finance backgrounds. The Board is briefed on changes to the relevant regulations during Board Meetings or at specially convened sessions involving relevant professionals.</p>

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CORPORATE GOVERNANCE

The Manager adopts the Code of Corporate Governance 2012 issued by MAS as its benchmark for corporate governance policies and practices.

The Manager upholds the standards of ethical business conduct, establishing, reviewing, and communicating policies and procedures to new and existing employees. These policies and procedures are documented in the “Code of Conduct”, and are summarised in the table below.

Code of Conduct	Conflict of Interest	Whistle-blowing Policy
Outlines the specific conduct requirement for the following: <ul style="list-style-type: none"> • Professionalism (Job Duties, Appearance and Attendance) • Confidentiality • Workplace Conduct • Compliance of Law 	Provides expectations for employees’ use of corporate opportunities and disclosure of confidential information for personal gains.	Provides a secure channel for employees and external parties to report misconducts of the Manager. Whistle-blower’s identity will be kept confidential.
Personal Trading Policy	Gifts and Entertainment	Misconduct and Disciplinary Actions
Provides guidelines for employees holding shares of the REIT which also includes unit-holding declarations and pre-trade clearances.	Provides guidelines on acceptance and acknowledgement of gifts received by employees from business partners.	Provides guidelines and procedures for managing misconduct to ensure disciplinary processes are fair, objective and equitable.

Regulatory Compliance

As a listed REIT, the Manager adopts a zero-tolerance approach to regulatory breaches. Non-compliance to prevailing laws and regulations, such as the SGX-ST listing requirements, the Code on Collective Investment Schemes issued by the MAS and tax rulings issued by the Inland Revenue Authority of Singapore, leading up to penalties, fines and revocation of the capital market services licences will not be tolerated. Our Board comprises business leaders and professionals with fund management, legal and finance backgrounds who are well-equipped to handle issues pertaining to regulatory compliance. The Manager strives to uphold a good compliance track record. Inclusive of FY 2018, there has been zero reported instances of regulatory breaches.

Enterprise Risk Management

The Manager practises Enterprise Risk Management (ERM) framework to identify and address top-tier risks and events that First REIT is exposed to. The Manager collaborates with First REIT’s internal auditors to assess the Manager’s current market position against the reit industry’s outlook. Key risks and opportunities are primarily identified using the framework. Aligning against our business targets, we integrate risks controls into our business operations or as an integral part of financial planning.



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Process-related controls also include business-driven governance, security, integrated ERM in business processes and active third-party management. The overall risk management methodology focuses on managing the key risks that would prevent the Manager from meeting sustainable objectives.

Personal Data Protection Policy

With the increasing emphasis on data privacy, personal data in Singapore is protected under the Personal Data Protection Act 2012 (“**PDPA**”). The Manager has data protection measures to safeguard our stakeholders’ interest. PDPA recognises and balances both the rights of individuals to protect their personal data, including rights of access and corruption, and the needs of organisation to collect, use or disclose personal data for legitimate and reasonable purposes.

Stakeholders’ data security is reviewed regularly by the Data Protection Officer appointed by the Manager. As at FY 2018, there are no validated data security breaches.

Moving Ahead

The Manager acknowledges the importance of constantly improving First REIT’s risk management framework and internal processes to ensure that risks are properly addressed throughout the organisation. The Manager strives to maintain the highest level of corporate governance through aligning corporate governance framework within the Group.



- Align Corporate Governance Framework and Policies within the group.
- Strive towards zero instances of regulatory breaches in FY 2019

FUTURE ECONOMIC OUTLOOK

The Manager places strong emphasis on sustainable goals. We have a distinct investment mandate of acquiring yield-accretive properties in the healthcare and healthcare-related industry. As at FY 2018, our Asset-Under-Management (“**AUM**”) amounts to S\$1.35 billion, supported by a gross revenue of S\$116.20 million and net property income of S\$114.39 million, as at 31 December 2018. The compounded annual growth rate (“**CAGR**”) of AUM is 15.3% over the years.



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Corporate Road Map

Looking ahead, First REIT will focus on several aspects to ensure a sustainable business. The Manager will be looking towards expansion, regional diversification, and asset rebalancing as strategies towards achieving a long-term sustainable business.

For more information on First REIT's financial performance, please refer to pages 4 to 5 of the Annual Report.

	<p>Expansion & Regional Diversification</p> <ul style="list-style-type: none"> • Business growth with more diversified income stream • Reduce geographical risk and market dependency <ul style="list-style-type: none"> ✓ Plan to rebalance portfolio to diversify across countries 		<p>Asset Rebalancing</p> <ul style="list-style-type: none"> • Unlock development potential <ul style="list-style-type: none"> ✓ Achieve capital gains through divestments • Asset Enhancement <ul style="list-style-type: none"> ✓ Improve existing potential of assets to optimize overall portfolio value
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ENVIRONMENTAL OUTLOOK

Infrastructural Implementation

First REIT's Indonesia portfolio is progressively installing Light Emitting Diodes ("LED") bulbs to replace conventional bulbs in all the key assets for energy saving purposes. LED bulbs have a longer lifespan and consume up to 90% less power than incandescent bulbs. This exercise has an estimated cost-savings of 10% in electricity bills. Furthermore, LED lightings help to reduce the amount of mercury waste and carbon dioxide emission.

Hotel Room Key Management

Aryaduta Hotel Group, which operates two of First REIT's properties, implemented facilities upgrades to improve their energy efficiency. The rooms are powered up by insertion of hotel room key cards, other than the bathrooms. This initiative aims to reduce electrical wastage when hotel guests are not present in their rooms.

Escalators Upgrade

Siloam Hospitals Group is gradually upgrading their escalators with energy saving mechanisms such as motion sensors. During inactive periods, the escalator runs at a very slow speed, just sufficient to overcome the inertia of starting up. Upon detecting incoming passenger by the motion sensor on the escalator platform, the escalator speed increases and runs at full speed until 30 seconds after the last passenger leaves. The upgrade reduces the noise level and energy consumption significantly.

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Solar Panels and Solar-Powered Water Heater

As a pilot test, Siloam Hospitals Group has installed a solar-powered water heater to replace the existing conventional electric water heater at SHMK. The equipment was installed in November 2018 and will be monitored by the operator. This implementation has an estimated cost savings of up to 20% on electricity in the long run and if proven effective, Siloam Hospitals Group intends to implement this energy and cost saving measure across other hospital entities such as Siloam Hospitals Manado and Siloam Hospitals Bali.



Aerial view of SHMK



Installed Solar Panels on SHMK rooftop

Solar Panel Installations

Solar Panels are strategically installed on the rooftop of SHMK. The panels are coated with two layers of 2.5mm Vitreous Enamel to withstand weathering. The panels absorb sunlight and converts solar energy to electrical energy to power the water heater.

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Solar-Powered Water Heater

The solar-powered heater tank is located within close proximity to the solar panels to reduce energy loss during transmission. The solar-powered heater tank is powered by 20 solar panels and has the capacity to serve SHMK's daily operations and is regularly maintained by Siloam Hospitals Group.



Solar-powered heater tank on SHMK rooftop

Refrigerant Retrofit at Water Cooled Packaged Units

Refrigerants are amongst the top pollutants of the environment, some of which are categorized as high pollutants with Ozone Depleting Potential ("ODP") and high Global Warming Potential ("GWP").

Siloam Hospitals Group initiated the replacement of refrigerant of water-cooled package units at SHLV, from conventional CFC to eco-friendlier refrigerants for their Water-Cooled Packaged Units, or air-conditioners. Hydrofluorocarbons ("HFC") is the third generation of fluorine-based gas used for refrigerant which has zero ODP and medium GWP rating. Besides the greener approach towards the replacement of refrigerants, Siloam Hospitals Group also benefitted from lower electricity bills as the refrigerants function more efficiently.

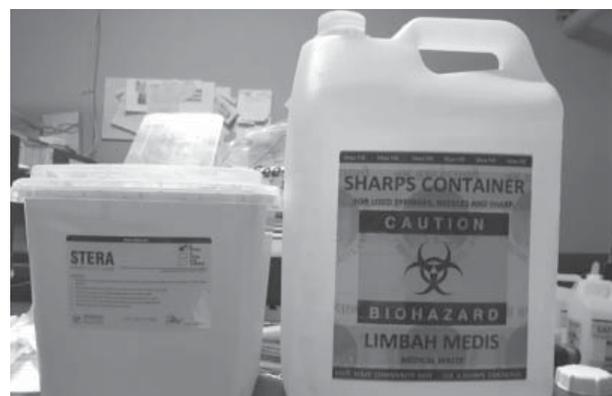
Central Chiller - Heat Pump System

Siloam Sriwijaya introduced the use of CNG in replacement of LPG for the heat pump system. CNG releases lesser greenhouse gas and is lighter than air, hence disperses quickly in the event of spillage. This initiative has an estimated electrical cost-savings of 20% and will be pushing forth in other Siloam Hospitals entities.

Waste Management

Recycled Sharps Container

Currently, Siloam Hospitals Manado started recycling used jerry cans, as one-time-use disposal sharps containers, to dispose of biohazardous waste such as used syringes, needles, and sharp materials. This initiative aims to reuse plastic waste and in so doing, reduce plastic waste. The disposal process of biohazardous waste adheres to strict regulatory procedures and recycled containers are well labelled with Globally Harmonized Symbols to indicate hazardous waste disposal. This waste management initiative will be monitored closely by Siloam Hospitals Group.



Recycled sharp containers to contain medical waste

Digitalised Consultation

Siloam Hospitals Group has moved to paperless systems where prescription letters are sent directly to the pharmacy after a patient's consultation. Patients will no longer be concerned with losing the physical letter which could lead to difficulties in the collection of their medication. Similarly, the radiology departments have introduced filmless radiology consultation. These initiatives aim to reduce paper and radiology-related waste, while at the same time optimize the hospital operations to ensure a smoother experience for patients.

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Reduce, Reuse and Recycling Initiatives

Singapore

For FY 2018, the Manager took a greener approach towards environmental causes by implementing electronic copies of the Annual Report for our unitholders. For unitholders who wish to receive physical copies of the Annual Report, a request form is required to be submitted to the Manager. This initiative targets to save 9,000 kg of paper.

Indonesia

Aryaduta Hotel Group in Indonesia has an Energy Conservation Committee (“**Committee**”) which focuses on energy conservation initiatives. The Committee conducts monthly meetings chaired by the Chief Engineer to identify potential infrastructure improvements for Energy Conservation.

The Committee is formed by representatives from every department to identify potential infrastructure improvements for energy conservation. Individuals from each department brainstorm for ideas and discuss the feasibility of implementation through monthly meetings chaired by the Chief Engineer. With the goal of becoming more energy efficient, the Committee has pushed forth several eco-friendly initiatives across different entities.

At Imperial Aryaduta Hotel & Country Club, we are committed to reducing our carbon footprint through monitoring our waste output regularly. Internally, the hotel operator segregates organic and inorganic waste in the disposal system and is exploring methods of utilising organic waste as compost for landscape purposes. The operator team analyses a spoilage summary report for breakfast and buffet items on a monthly basis to ensure that the unnecessary wastage of food products is managed.



Restaurant at Imperial Aryaduta Hotel & Country Club

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Through the various implemented practices geared towards business sustainability, our achievements are documented as follows:



-  220 kg of Plastic Bottle Recycled Monthly
-  Washing Detergent For Kitchen Tool Certified Environmentally Friendly
-  Minimised Monthly Food Wastage to 50 kg
-  Segregation of Organic and Non-organic Waste for Disposal

Moving Forward

In FY 2018, there were no major changes in vendor appointments, therefore we will incorporate the sustainability criteria into vendor assessment in the upcoming FY 2019. For Indonesia properties, Siloam Hospitals Group will monitor the effects of energy saving after the installation of the solar-powered water heater and continuous recycling efforts in reducing waste disposal on the environment.



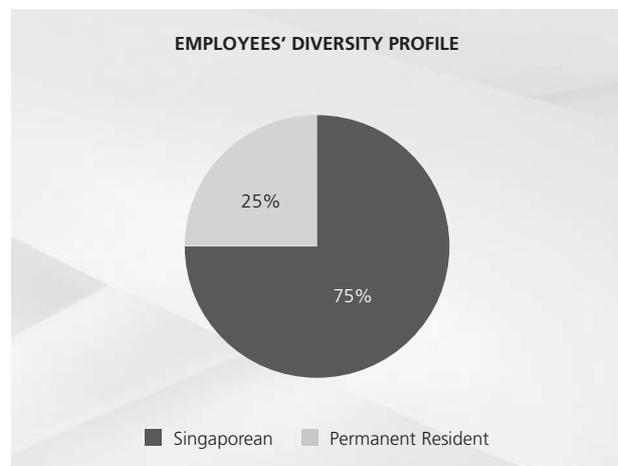
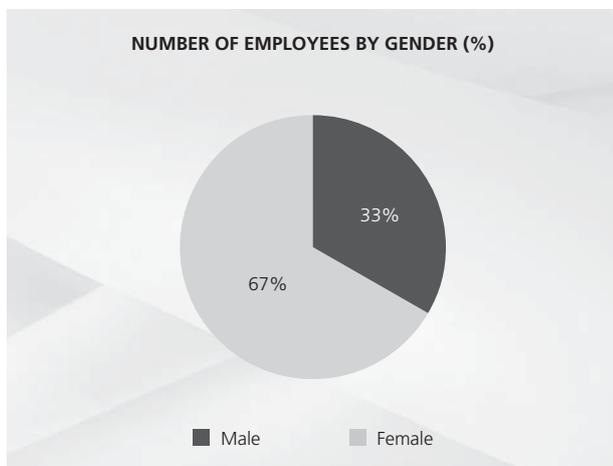
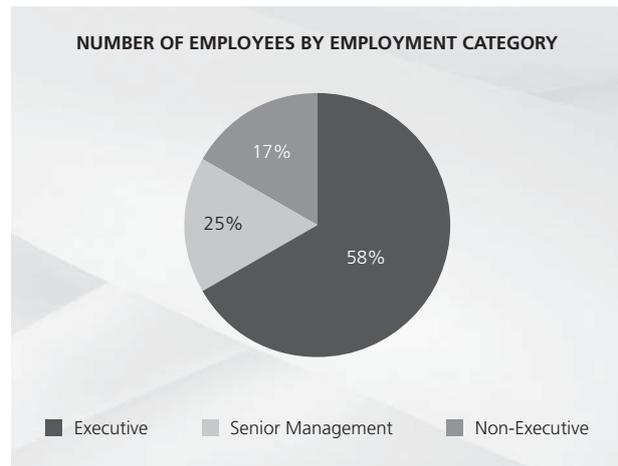
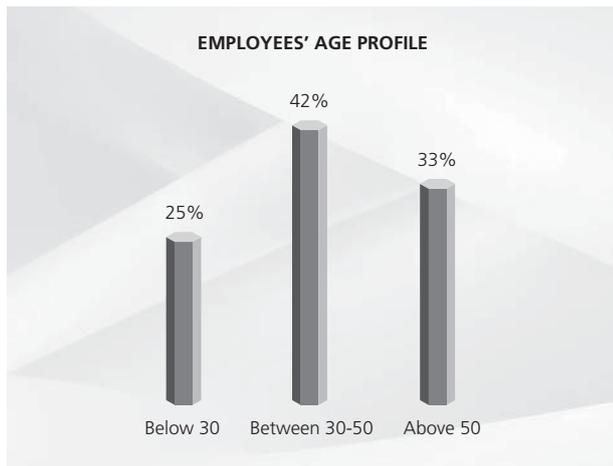
- Incorporate sustainability criteria into vendor assessment FY 2019
- Monitoring energy saving by Solar-Powered Water Heater and continue recycling efforts by Siloam Hospitals

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SOCIAL OUTLOOK

Employee Demographics

In FY 2018, the Manager welcomed one additional employee to the team, and achieved zero employee turnover. Employee demographics are illustrated in the charts below, based on Age Profile, Employment Category, Gender, and Diversity.



Talent Attraction and Retention

The Manager is made up of an agile team with the flexibility to adapt to different situations. We have a diverse team composition consisting of all age groups supported by an open communication platform and culture. The average tenure of an employee is approximately 6.4 years and 41% of the employees have been with the Manager for more than six years.

Our success in retaining talent is attributed to our belief in developing and nurturing employees. Employees are offered sufficient opportunities to participate in learning and developing programmes to continuously upgrade their skills. The Asset Management department makes regular visits to Siloam Hospitals Group for periodic review of their operations. Besides work-related agenda, employees were given opportunities to interact with their local counterparts through sharing sessions.

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Employees receive a fruit every Friday as part of the Manager's effort to advocate healthy diet. Photo taken in November 2018

In the face of a competitive landscape, investing in education is necessary to build a strong and talented workforce that is capable of delivering value to the stakeholders. For FY 2018, the Manager arranged and facilitated a total of 335.75 hours of training for its employees with each employee clocking an average of 33.5 hours of training. The Management also provide on-the-job exposure and mentoring during work trips. We have an annual appraisal to communicate strengths, gaps in employees' performance and identify training needs.

The Manager has adopted "Fruits Day" initiative every Friday to advocate a healthy diet for all employees. We also recognise the importance of creating a proactive work environment for everyone and organise team bonding sessions to build staff rapport and facilitate team bonding.

The Manager wants to create an environment of inclusiveness and spirit of authenticity within the company. Highly-engaged employees are more likely to perform at a consistently high level and deliver greater value to our stakeholders. The Manager is committed to engaging with our employees through team bonding sessions. Recognising the importance of attracting and retaining talents, the Manager will constantly review and provide fair employment benefits to the employees.



Company bonding event held in March 2018

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The Community

The Manager aspires to make the community a better place. We believe in creating a greater sense of belonging for all of our stakeholders. We initiated staff volunteerism at our very own nursing homes as we believe in creating the positivity from within our immediate spheres of influence. Annually, the Manager organises Community Involvement Projects (“CIP”) during festive seasons to engage our stakeholders and establish our involvement at a deeper socially responsible level.

In FY 2018, the Manager contributed positively through the following activities:

- Chinese New Year celebration: visiting and celebrations with the residents of The Lentor Residence
- Mid-Autumn Festival celebration: decorate the premises and celebrate with the residents of Pacific Healthcare Nursing Home @ Bukit Merah

Chinese New Year CIP

Employees of the Manager took initiative to organise visiting at The Lentor Residence and celebrated the festive season with the elderly.



The Lentor Residence CNY volunteer event 2018

Mid-Autumn Festival

Employees organised a tea-time celebration for elderly at Pacific Healthcare Nursing Home @ Bukit Merah. The employees decorated the premises and shared mooncake and tea with the elderly.



Mid-Autumn festival celebration 2018 at Pacific Healthcare Nursing Home @ Bukit Merah

Moving Ahead

Looking into FY 2019, we pledge to maintain our average of 20-man-days of training hours per employee and continue our community involvement projects with our stakeholders.



- Maintain 20-man days training hours for our employees
- Organise at least 2 Community Involvement Projects with at least 30% employee participation for FY 2019

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
ORGANIZATIONAL PROFILE		
Disclosure 102-1	Name of the Organization	Annual Report – Corporate Profile
Disclosure 102-2	Activities, brands, products, and services	Annual Report – Corporate Profile
Disclosure 102-3	Location of headquarters	Annual Report – Corporate Profile
Disclosure 102-4	Location of operations	Annual Report – Portfolio Overview
Disclosure 102-5	Ownership and legal form	Annual Report – Corporate Profile
Disclosure 102-6	Markets served	Annual Report – About First REIT, Portfolio Overview
Disclosure 102-7	Scale of the Organization	Sustainability Report – Our Employees Demographics
Disclosure 102-8	Information on employees and other workers	Sustainability Report – Our Employees Demographics
Disclosure 102-9	Supply chain	Annual Report – Corporate Profile
Disclosure 102-10	Significant changes to the organization and its supply chain	Annual Report – Milestones, Significant events in 2018, Investor Newsroom
Disclosure 102-11	Precautionary principle or approach	Annual Report – Risk Management Sustainability Report – Enterprise Risk Management
Disclosure 102-12	External initiatives	Annual Report – Governance
Disclosure 102-13	Membership of associations	Sustainability Report – Stakeholders' Engagement
STRATEGY		
Disclosure 102-14	Statement from senior decision maker	Sustainability Report – Board's Statement
Disclosure 102-15	Key impacts, risks, and opportunities	Sustainability Report – Board's statement and Enterprise Risk Assessment framework
ETHICS AND INTEGRITY		
Disclosure 102-16	Values, principles, standards, and norms of behavior	Annual Report – Corporate Governance report Sustainability Report – Corporate Governance
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Annual Report – Corporate Governance report – Whistle Blowing Policy Sustainability Report – Code of Conduct
GOVERNANCE		
Disclosure 102-18	Governance structure	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-19	Delegating authority	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-21	Consulting stakeholders on economic, environmental and social topics	Sustainability Report – Stakeholder Engagement
Disclosure 102-22	Composition of the highest governance body and its committee	Annual Report – Corporate Governance report
Disclosure 102-23	Chair of the highest governance body	Annual Report – Corporate Governance report
Disclosure 102-24	Nominating and selecting the highest governance body	Annual Report – Corporate Governance report
Disclosure 102-25	Conflicts of interest	Annual Report – Corporate Governance report Sustainability Report – Governance (Code of Conduct)
Disclosure 102-26	Role of highest governance body in setting purposes, values, and strategy	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-27	Collective knowledge of highest governance body	Sustainability Report – Managing Sustainability at First REIT

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
GOVERNANCE		
Disclosure 102-28	Evaluating the highest governance body's performance	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-30	Effectiveness of risk management process	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-31	Review of economic, environmental, and social topics	Sustainability Report – Economic, environment and Social
Disclosure 102-32	Highest governance body's role in Sustainability Report	Sustainability Report – Managing Sustainability at First REIT
Disclosure 102-33	Communicating critical concerns	Sustainability Report – Stakeholder Engagement
Disclosure 102-34	Nature and total number of critical concerns	Sustainability Report – Materiality Assessment
Disclosure 102-35	Remuneration policies	Sustainability Report – Social, Talent Management
Disclosure 102-36	Process for determining remuneration	Sustainability Report – Social, Talent Management
Disclosure 102-37	Stakeholders' involvement in remuneration	Sustainability Report – Social, Talent Management
Disclosure 102-38	Annual total compensation ratio	We choose not to disclose as we reward based on meritocracy.
Disclosure 102-39	Percentage increase in annual total compensation ratio	We choose not to disclose as we reward based on meritocracy.
STAKEHOLDER ENGAGEMENT		
Disclosure 102-40	List of stakeholder groups	Sustainability Report – Stakeholder Engagement,
Disclosure 102-41	Collective bargaining agreements	None of our employees have joined trade union.
Disclosure 102-42	Identifying and selecting stakeholders	Sustainability Report – Stakeholder Engagement
Disclosure 102-43	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement
Disclosure 102-44	Key topics and concerns raised	Sustainability Report – Stakeholder Engagement
REPORTING PRACTICE		
Disclosure 102-45	Entities included in the consolidated financial statements	Annual Report – Financial Highlights
Disclosure 102-46	Defining report content and topic boundaries	Sustainability Report – About This Report
Disclosure 102-47	List of material topics	Sustainability Report – Material Topics
Disclosure 102-48	Restatements of information	None
Disclosure 102-49	Changes in reporting	None
Disclosure 102-50	Reporting period	Sustainability Report – About This Report
Disclosure 102-51	Date of most recent report	Sustainability Report 2017
Disclosure 102-52	Reporting cycle	Annual
Disclosure 102-53	Contact point for questions regarding the report	Sustainability Report – About This Report
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report – About This Report
Disclosure 102-55	GRI content index	Sustainability Report – GRI Content Index
Disclosure 102-56	External assurance	Not sought

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
MANAGEMENT APPROACH		
Disclosure 103-1	Explanation of the material topic and its Boundary	Direct and Indirect economic impact Asset Quality & Integrity
Disclosure 103-2	The management approach and its components	Waste Management Employee attraction and retention Community
Disclosure 103-3	Evaluation of the management approach	Ethics and business conduct Independence and conflict of interest Regulatory compliance
ECONOMIC PERFORMANCE		
Disclosure 201-1	Direct economic value generated and distributed	Annual Report – Financial highlights
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	We have assessed that climate change has no significant impact on our business
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	There is no pension scheme and employees under retirement plan.
Disclosure 201-4	Financial assistance received from government	None
MARKET PRESENCE		
Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	We choose not to disclose as we reward based on meritocracy.
Disclosure 202-2	Proportion of senior management hired from the local community	We choose not to disclose as we reward based on meritocracy.
INDIRECT ECONOMIC IMPACTS		
Disclosure 203-1	Infrastructure investments and services supported	Our properties are premises used by local healthcare operators to provide medical services for local communities
Disclosure 203-2	Significant indirect economic impacts	This is not applicable to the trust.
PROCUREMENT PRACTICES		
Disclosure 204-1	Proportion of spending on local suppliers	This is not applicable to the trust due to the nature of our business.
ANTI-CORRUPTION		
Disclosure 205-1	Operations assessed for risks related to corruption	Annual Report – Anti-Corruption and Anti-Bribery
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	
Disclosure 205-3	Confirmed incidents of corruption and actions taken	
ANTI-COMPETITIVE BEHAVIOR		
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No occurrence during our period of review.
ENERGY		
Disclosure 302-1	Energy consumption within the organization	Sustainability Report – Energy Usage
Disclosure 302-2	Energy consumption outside of the organization	Energy usage outside the organization is not significant hence we did not track.
Disclosure 302-3	Energy intensity	Sustainability Report – Energy Usage
Disclosure 302-4	Reduction of energy consumption	Sustainability Report – Energy Usage
Disclosure 302-5	Reductions in energy requirements of products and services	Sustainability Report – Energy Usage

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
WATER		
Disclosure 303-1	Water withdrawal by source	All water from our properties are obtained from public pipes managed by the local authorities which we have no control over.
Disclosure 303-2	Water sources significantly affected by withdrawal of water	All water from our properties are discharged to public drainage systems managed by the local authorities which we have no control over.
Disclosure 303-3	Water recycled and reused	There is no recycling water programme.
Disclosure 303-4	Water discharge	We do not track water discharge.
Disclosure 303-5	Water consumption	Sustainability Report – Water Usage
EMPLOYMENT		
Disclosure 401-1	New employee hires and employee turnover	Sustainability Report – Social
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report – Social
Disclosure 401-3	Parental leave	Sustainability Report – Social
LABOUR /MANAGEMENT RELATIONS		
Disclosure 402-1	Minimum notice periods regarding operational changes	No occurrence during our period of review.
OCCUPATIONAL HEALTH AND SAFETY		
Disclosure 403-1	Workers representation in formal joint management–worker health and safety committees	This is not applicable to the trust due to the nature of our business.
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	No occurrence during our period of review.
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	This is not applicable to the trust due to the nature of our business.
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	This is not applicable to the trust due to the nature of our business.
Disclosure 403-5	Worker training on occupational health and safety	This is not applicable to the trust due to the nature of our business.
Disclosure 403-6	Promotion of worker health	Sustainability Report – Social
Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	This is not applicable to the trust due to the nature of our business.
Disclosure 403-8	Workers covered by an occupational health and safety management system	This is not applicable to the trust due to the nature of our business.
Disclosure 403-9	Work-related injuries	No occurrence during our period of review.
Disclosure 403-10	Work-related ill health	This is not applicable to the trust due to the nature of our business.
TRAINING AND EDUCATION		
Disclosure 404-1	Average hours of training per year per employee	Sustainability Report – Social
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report – Social
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Social

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
DIVERSITY AND EQUAL OPPORTUNITY		
Disclosure 405-1	Diversity of governance bodies and employees	Sustainability Report – Social
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	We choose not to disclose as we reward based on meritocracy.
NON-DISCRIMINATION		
Disclosure 406-1	Incidents of discrimination and corrective actions taken	No occurrence during our period of review.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We have not identified this risk in our course of normal operations.
CHILD LABOR		
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	We have not identified this risk in our course of normal operations.
FORCED OR COMPULSORY LABOR		
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We have not identified this risk in our course of normal operations.
SECURITY PRACTICES		
Disclosure 410-1	Security personnel trained in human rights policies or procedures	The security services at our properties are outsourced by property managers.
RIGHTS OF INDIGENOUS PEOPLES		
Disclosure 411-1	Incidents of violations involving rights of indigenous peoples	No occurrence during our period of review.
HUMAN RIGHTS ASSESSMENT		
Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	No occurrence during our period of review.
Disclosure 412-2	Employee training on human rights policies or procedures	We have not identified this risk in our course of normal operations.
Disclosure 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We have not identified this risk in our course of normal operations.
LOCAL COMMUNITIES		
Disclosure 413-1	Operations with local community engagement, impact assessments and development programs	This is not applicable to the trust due to the nature of our business.
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	This is not applicable to the trust due to the nature of our business.
SUPPLIER SOCIAL ASSESSMENT		
Disclosure 414-1	New suppliers that were screened using social criteria	No occurrence during our period of review.
Disclosure 414-2	Negative social impacts in the supply chain and actions taken	This is not applicable to the trust due to the nature of our business.
PUBLIC POLICY		
Disclosure 415-1	Political contributions	No occurrence during our period of review.

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Page Reference & Remarks
GENERAL DISCLOSURE		
CUSTOMER HEALTH AND SAFETY		
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	This is not applicable to the trust due to the nature of our business.
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No occurrence during our period of review.
MARKETING AND LABELING		
Disclosure 417-1	Requirements for product and service information and labeling	This is not applicable to the trust due to the nature of our business.
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling	This is not applicable to the trust due to the nature of our business.
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	This is not applicable to the trust due to the nature of our business.
CUSTOMER PRIVACY		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Corporate Governance Code of conduct
SOCIOECONOMIC COMPLIANCE		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	No occurrence during our period of review.