

Sustainability

ABOUT SASSEUR REIT

Sasseur Real Estate Investment Trust (“Sasseur REIT”) is the first outlet mall REIT listed in Asia. As of 31 December 2020, Sasseur REIT has a portfolio of four retail outlet malls located in Chongqing, Bishan, Hefei and Kunming. Sasseur REIT is managed by Sasseur Asset Management Pte. Ltd. (the “Manager”), while Sasseur (Shanghai) Holding Company Limited act as the Entrusted Manager (the “Entrusted Manager”). The Manager’s main responsibility is to manage Sasseur REIT’s assets and liabilities for the benefit of Unitholders. Under the Entrusted Management Agreements, the Entrusted Manager manages the end-to-end operations of the properties for and on behalf of the PRC Property Companies. Striving for constant improvement and exceptional performance, the Manager and Entrusted Manager work closely together through regular meetings and share information via various digital platforms to communicate on a real time basis on leasing activities, business plans and consumer trends.

The Manager is an indirect wholly-owned subsidiary of Sasseur Cayman Holding Limited (the “Sponsor”), a part of the Sasseur group (the “Sponsor Group”) which is one of the leading premium outlet groups in the People’s Republic of China (“PRC”), ranked within the top 500 service companies in the PRC. With about 30 years of experience in art-commerce, the Sponsor Group is recognised in Asia as a leading outlet operator which adopts a strategic approach of integrating aesthetics, emotion, scenario planning and prudent capital management, based on its “A x (1+N) x DT” Super Outlet business model. Through its business model, the Sponsor Group provides multidimensional social ecosystems within its outlet malls by merging art, outlets, shopping, social spaces and the use of data technology.

BOARD STATEMENT

The Board of Directors (the “Board”) is pleased to present Sasseur REIT’s second Sustainability Report, covering the financial year ended 31 December 2020 (“FY2020”). This report discloses the Manager and Entrusted Manager’s joint efforts in managing Sasseur REIT’s environmental, social and governance (“ESG”) impacts throughout the value chain.

Although FY2020 was a challenging year for the retail real estate sector, Sasseur REIT remains committed to its sustainability objectives and aspirations towards becoming the world’s top outlet brand, providing high-quality premium products at attractive prices for consumers. In addition to improving our financial performance, we work towards social goals such as providing safe social spaces, enhancing product and service quality, advancing urbanisation and mitigating environmental impacts.

Working alongside key stakeholders, we are responding to the COVID-19 pandemic by putting people first and reinventing ways of working to emerge stronger in the evolving business landscape. To ensure the viability of our business, we work closely with our brand partners and local authorities to drive sales and support economic recovery. As the health and safety of our employees and customers are of utmost importance, we ensure compliance with governmental regulations and guidelines and have stepped up on the cleaning and disinfection of our outlet malls and offices. We are committed to safeguarding the physical and mental well-being of our employees and supporting local communities in tiding over these difficult times.

To align our business objectives with our sustainability goals, especially as the pandemic has elevated the importance of ESG issues, the Board considers sustainability issues as part of the strategic formulation of Sasseur REIT’s business plans. The Board sets the strategic direction and goals in ensuring strong corporate governance, fair employment practices and efficient consumption of resources, on top of delivering robust financial results. The material ESG factors presented in this report have been revalidated to be relevant for the current year by the Board, which is responsible for overseeing the management and monitoring of these ESG issues.

We remain vigilant in upholding our commitments towards sustainability while creating long-term value for our stakeholders.

ABOUT THIS REPORT

REPORTING FRAMEWORK

This report has been prepared in accordance with the sustainability reporting requirements of the SGX-ST Listing Rules 711A and 711B and the Global Reporting Initiative (“GRI”) Standards: Core option. The GRI Standards were selected as it is an internationally recognised reporting framework. It covers a comprehensive range of sustainability disclosures that is suited to Sasseur REIT’s industry and business model.

REPORTING PERIOD AND SCOPE

The reporting period covered in this report is from 1 January to 31 December 2020.

Unless otherwise stated, this report covers the following entities:

- Sasseur REIT
- The Manager
- The Entrusted Manager
- Sasseur REIT’s portfolio of properties in Chongqing, Bishan, Hefei and Kunming.

For performance related to environmental factors (energy and water), the data disclosed covers the abovementioned portfolio of properties. Employee-related performance data disclosed in this report covers the employees of the Manager and the Entrusted Manager.

No external assurance was sought for this report. External assurance by independent professional bodies will be considered as our reporting matures over time.

FEEDBACK

The Manager values and welcome all feedback from stakeholders as they are integral to the continuous improvements of our sustainability practices and reporting. Please send all comments and suggestions to ir@sasseurreit.com.



Sustainability

SUSTAINABILITY OVERVIEW

ESG FACTORS	INDICATOR	FY2020 PERFORMANCE	TARGETS FOR FY2020	TARGETS FOR FY2021
GOVERNANCE – REGULATORY COMPLIANCE	Anti-bribery, corruption and fraud¹			
	Instances of bribery, corruption and fraud reported	Zero instances	Achieved - Zero tolerance towards bribery, corruption and fraud, and compliance with applicable laws and regulations	Zero tolerance towards bribery, corruption and fraud, and compliance with applicable laws and regulations Provide ≥ 1 relevant training to key personnel
	Socioeconomic and environmental compliance			
	Non-compliance with laws and/or regulations in the socioeconomic and environmental areas	Zero non-compliance	Achieved - Zero socioeconomic and environmental non-compliance Achieved - Provide ≥ 1 training related to occupational crime and ERM each Achieved - Add post-training feedback questionnaires	Zero socioeconomic and environmental non-compliance Enhance the Risk Assessment Model
	Responsible business practices¹			
	Instances of counterfeit reports	Zero instances	Achieved - Ensure authentic high-quality products sold at our outlet malls	Ensure authentic high-quality products sold at our outlet malls
ENVIRONMENTAL – ENERGY	Cyber security¹			
	Instances of customer data loss	Zero instances	Achieved - Strengthen our cyber security capabilities to protect data	Strengthen our cyber security capabilities to protect data Provide ≥ 3 relevant trainings to key personnel
	Energy Consumption			
Energy consumption within the organisation	174,770,748 MJ (total)	Achieved - Reduce our energy intensity from FY2019 level of 126.6 kWh/m ²	Reduce our energy intensity by 1% from FY2020	
Energy intensity	105.8 kWh/m ²			
ENVIRONMENTAL – WATER	Water Management			
	Water withdrawal	291.7 ML	Achieved - Reduce our water intensity from FY2019 level of 0.77 m ³ /m ²	Reduce our water intensity by 1% from FY2020
	Water intensity	0.64 m ³ /m ²		

1 Non GRI aspect

ESG FACTORS	INDICATOR	FY2020 PERFORMANCE	TARGETS FOR FY2020	TARGETS FOR FY2021
SOCIAL – TALENT MANAGEMENT AND RETENTION	Diversity and equal opportunity			
	New employee hire rate	12%	Not achieved - Introduce a new e-learning system to improve training accessibility and frequencies ²	Continue practicing fair employment
	Employee turnover rate	26%		Standardise performance reviews
	Competitive Compensation			
	Percentage of employees receiving regular performance and career development reviews	100%	Achieved - Launch a new “2-tiered leadership development programme”	Introduce a new e-learning system to improve training accessibility and frequencies
Training and Career Development				
Average hours of training per year per employee	4.10		Maintain or increase average training hours per employee	
			Launch a new leadership development programme	
SOCIAL – LOCAL COMMUNITIES (ADDITIONAL DISCLOSURE)	Community development initiatives and contributions	<p>Bishan Outlets: Revitalising the Local Economy and Supporting Poverty Alleviation</p> <p>Chongqing Outlets: Revitalising the Regional Industrial Sector</p> <p>Kunming Outlets: Supporting Dreams with Love</p> <p>Hefei Outlets: Supporting Flood Fighting Efforts</p> <p>The Manager: SGX Bull Charge Virtual Charity Run 2020</p>	N/A ³ - Continue to plan and organise more partnerships to drive greater positive changes in the communities, making volunteerism an intrinsic part of Sasseur’s work culture	Continue to plan and organise more partnerships to drive greater positive changes in the communities, making volunteerism an intrinsic part of Sasseur’s work culture
MANAGING THE IMPACTS OF COVID-19 (ADDITIONAL DISCLOSURE)	Continuing stakeholder engagement and communication		N/A ³	N/A ³
	Complying with relevant governmental guidelines and health advisories			
	Putting people first: health and safety, mental well-being			
	Strengthening business resilience and revitalising local economies			

2 Sasseur was not able to achieve this target in FY2020 due to the COVID-19 pandemic. We have set this as a FY2021 target, hoping to achieve this in the upcoming year.

3 Target-setting is not required as this is a non-material additional disclosure.

Sustainability

MANAGING SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The Manager and Entrusted Manager recognise that an effective corporate governance culture is critical to Sasseur REIT’s performance and reputation. The Board oversees the management of Sasseur REIT’s sustainability performance, with support from the Sustainability Steering Committee (“SSC”), which is led by the Chief Executive Officer (“CEO”), with senior representatives from the finance, property management, and compliance functions. The SSC plays a leading role in developing Sasseur REIT’s sustainability objectives and strategies as well as monitoring and driving sustainability performance and responsible business practices. The SSC reports to the Board regularly on sustainability policies and practices.

STAKEHOLDER ENGAGEMENT

To address our stakeholders’ concerns and expectations, we remain committed to open dialogue and frequent stakeholder engagements throughout the year which facilitate the continuous improvement of our operations. The table below details our engagement activities with our key stakeholders.

KEY STAKEHOLDER GROUPS	KEY ENGAGEMENT MODES	KEY INTERESTS OF STAKEHOLDERS
INVESTORS AND UNITHOLDERS	<ul style="list-style-type: none"> - Quarterly financial reporting - Annual General Meeting - Bilateral communications via emails, calls and meetings - Corporate website - Investor conferences - Non-deal roadshows - Webinars 	<ul style="list-style-type: none"> - Financial and operational performance - Business strategy and outlook - Capital and risk management - Corporate governance
TENANTS	<ul style="list-style-type: none"> - Knowledge sharing sessions - Meetings and discussions 	<ul style="list-style-type: none"> - Good property maintenance - Mall publicity - Shopper traffic - Strategic partnership
RETAIL SHOPPERS	<ul style="list-style-type: none"> - Enquiries and feedback through Customer Service Center - Marketing and promotional events - Live streaming platform - Social media - Loyalty programme 	<ul style="list-style-type: none"> - Quality products - Availability of promotion campaigns - Diversity of retail mix - Safety - Family-friendliness - Membership benefits
GOVERNMENT AND AUTHORITIES	<ul style="list-style-type: none"> - Communication and consultations with government and authorities - Co-organised community engagement projects 	<ul style="list-style-type: none"> - Compliance with regulatory requirements - Contributions to industry/community - Good corporate governance - Environmental impact

KEY STAKEHOLDER GROUPS	KEY ENGAGEMENT MODES	KEY INTERESTS OF STAKEHOLDERS
EMPLOYEES	<ul style="list-style-type: none"> - Orientation programmes for new joiners - Employee appraisals - Employee townhall and 360-degree feedback sessions - Training and career development programmes - Team cohesion activities - Internal staff communication and newsletters 	<ul style="list-style-type: none"> - Fair employment practices - Good corporate governance - Skills development and career progression - Employee welfare management
LOCAL COMMUNITIES	<ul style="list-style-type: none"> - Employee voluntarism - Social entrepreneurship 	<ul style="list-style-type: none"> - Contributions to community

DELIVERING EXCEPTIONAL VALUE

In 2020, the REIT has received multiple accolades and awards in recognition of our achievements. Some examples are listed below:

Chongqing Outlets

- 2019 Outlets Leader Summit: Innovative Marketing Award by China Outlet Association
- 2020 Most Influential Commercial Project Award by City Council Marketing Department



Figure 1 Award Ceremony at the Outlets Leader Summit for the year 2019

Bishan Outlets

- 2020 Trusted Consumer Brand Award by Bishan Market Supervision Bureau

Kunming Outlets

- 2019 Influential Commercial Project Award



Figure 2 Award Ceremony at the 2020 Linkshop Conference

Sustainability

MATERIALITY ASSESSMENT

In 2019, a formal materiality assessment was conducted to identify the ESG issues that are of significant relevance to Sasseur REIT and its stakeholders. Guided by the GRI Principles of Materiality and Stakeholder Engagement, the material issues were identified and prioritised based on Sasseur REIT’s existing risk analysis and disclosures, global and local emerging trends, peer benchmarking and internal stakeholder views.

This year, the material factors identified in the prior year were reviewed and deemed to be relevant in the current year by the Manager, approved by the Board. The following table summarises Sasseur REIT’s material factors.

FOCUS AREAS	MATERIAL SUSTAINABILITY MATTERS
Governance	Regulatory Compliance
Environment	Energy Consumption Water Management
Focusing on People	Talent Retention and Training Local Communities (Additional Factor)
COVID-19	Managing the Impacts of COVID-19 (Additional Factor) ⁴

GOVERNANCE

REGULATORY COMPLIANCE

We believe that an ethical business conduct, coupled with compliance with laws and regulations, are fundamental in building and maintaining trust among our stakeholders. Sasseur REIT upholds high standards of corporate governance by actively managing our compliance risks through the Compliance Monitoring Programme. We also conduct our business with integrity, review and update our policies and procedures, and provide timely updates to the Board of Directors on applicable laws and regulations. Regulatory compliance in the Manager and Entrusted Manager is governed by the Compliance Department and Legal Department respectively.

The table below presents a summary of the key governance policies and initiatives the Manager and Entrusted Manager have implemented.

SASSEUR’S POLICIES AND INITIATIVES

Policy on anti-bribery, corruption and fraud

Employees are required to abide by the Employee Code of Conduct, which sets out the expected conduct of all employees and provides guidance on issues including the prohibition of bribery, management of conflicts of interest and anti-corruption.

The Personal Account Dealing Policy, Conflict of Interest Policy, Interested Party Policy, as well as the Anti-Money Laundering (“AML”) Manual are in place to ensure compliance when conducting its business. Employees are required to declare gifts and entertainment, Fit and Proper⁵, and conflict of interest, which are subjected to yearly internal audit checks for the Manager. Directors and the CEO have further quarterly declaration relating to changes in business interests and shareholdings. On the other hand, the Entrusted Manager’s Compliance Department conducts investigations on related transactions on a quarterly basis.

Sasseur has also established a Whistle Blowing Policy which allows employees and stakeholders such as customers, suppliers and service providers to report possible improprieties regarding financial reporting or other malpractices to the Chairman of the Audit and Risk Committee (“ARC”) in confidence.

Performance achieved for FY2020:

There were zero instances of bribery, corruption and fraud reported during the year.

Targets for FY2021:

We have zero tolerance towards any acts of bribery, corruption and fraud, and will comply with applicable AML, Combating the Financing of Terrorism (“CFT”) and unilateral and domestic laws and regulations.

In addition, the Entrusted Manager aims to conduct at least 1 training for key personnel covering the mentioned fields.

⁴ This is an additional disclosure, not a material factor due to the temporary nature of a disease outbreak.

⁵ The Manager’s employees and directors are required to provide a Fit and Proper Criteria Declaration at their onboarding and on an annual basis.

Policy on compliance with laws and regulations

The management keeps abreast of changing regulatory requirements by actively monitoring government updates and manages our compliance risks through timely disclosure of material information and submissions to regulators. To keep pace with changes to regulations and accounting standards, where these changes have an important bearing on the disclosure obligations of the Manager or its Directors, the Directors are briefed either during Board meetings or at specially convened sessions involving the relevant advisers and professionals, if necessary, or via circulation of Board papers.

Sasseur REIT has a Compliance Manual which documents the requirements under the SGX Mainboard Listing Rules and Code on Collective Investment Schemes that are applicable to Sasseur REIT. Since the Manager is a holder of a Capital Markets Services Licence (“CMSL”) for REIT Management and regulated by the Monetary Authority of Singapore (“MAS”), the Compliance Manual also documents the requirements under the Securities and Futures Act (“SFA”), as well as the accompanying regulations, notices, guidelines and circulars applicable to the Manager.

Regular trainings were conducted for relevant personnel to ensure that they understand and abide by laws and regulations. For example, the CMSL representatives from the Manager attend yearly compliance training to keep abreast on applicable updates.

Within the Entrusted Manager, a Compliance Department is set up to review publicly released information, conduct internal trainings as well as compliance inspections. All 4 outlets are subjected to periodic inspections, where a “Compliance Audit Report” will be produced. Any non-compliance matters raised will be investigated and reported to the Legal Department of the Entrusted Manager and the Compliance Department of the Manager for timely reviews and resolutions, thereafter strengthening our Enterprise Risk Management (“ERM”) framework.

In October 2020, the Compliance Department within the Entrusted Manager created a Risk Assessment Model that quantifies the risks within the mall’s operations and calculates the possible losses when the risk occurs.

Performance achieved for FY2020:

There were zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic and environmental areas during the year.

Sasseur REIT has also strengthened its Annual Report disclosures and was ranked 25th place in the Singapore Governance and Transparency Index 2020 (REIT’s and Business Trust Category), an improvement from the 45th place in 2019.

Moreover, we have provided key management personnel with at least one training relating to occupational crime and ERM each. We have also implemented post-training feedback questionnaires to improve our content and delivery of compliance trainings.

Targets for FY2021:

In the coming year, we aim to maintain our record of zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic and environmental areas.

Additionally, the Entrusted Manager aims to enhance the Risk Assessment Model.

Sustainability

Policy on responsible business practices

Customers are naturally concerned about their experiences and value received when shopping with us.

We are committed to fair dealing outcomes for our customers and have taken the following proactive steps which includes:

- Performing regular inspections on items sold in our outlets with rigorous due diligence processes
- Ensuring our employees are properly trained with high service standards in handling complaints to ensure that customer feedback and concerns are investigated and resolved in a timely, effective and fair manner.
- Setting exceptional return and refund policies that provide assurance and helps build trust in our malls. This includes instituting severe penalties on merchants as safeguards against the sale of fake goods.

Performance achieved for FY2020:

There were zero instances of counterfeit reports during the year, ensuring that authentic high-quality products are sold at our outlet malls.

Targets for FY2021:

We will continue to ensure that authentic high-quality products are sold at our outlet malls, which are fundamental to our reputation and licence to operate.

Policy on cyber security

Sasseur REIT recognises the increased risk of cyber-attacks and hence places high importance on cyber security in the organisation. As a trusted brand name, our IT Department strives to continuously strengthen our IT infrastructure, ensuring that personal data are used or maintained in a responsible manner.

In order to maintain the integrity and availability of the data environment, the Manager has an Information Security Policy which defines the technical controls and security configurations that users and IT administrators are required to implement. It also provides users with policies and guidelines regarding the acceptable use of the Manager's technology equipment and email.

In addition, the Manager has a Handling of Confidential Information Policy, which sets out the procedures on information classification based on the sensitivity of information, providing guidance to employees on handling confidential information.

Performance achieved for FY2020:

There were zero instances of customer data loss during the year.

In FY2020, the Manager organised a Technology Risk Management and Cyber Security Training which was attended by the Board of Directors and employees.

We strengthened our cyber security capabilities to protect our data by adopting measures to heighten our ability to monitor any potential cyber-attacks and threats to breach of data. This includes a cyber hygiene audit conducted for the Manager against the MAS Notice CMG-N03 on Cyber Hygiene, formalising preventive measures before risks become a significant event.

Targets for FY2021:

We will continue to strengthen our cyber security capabilities to protect our data. We will also adopt measures to heighten our ability to monitor any potential cyber-attacks and threats to breach of data, formalising preventive measures before they become a significant event.

The Entrusted Manager aims to hold at least 3 trainings regarding data loss for key personnel in the upcoming year.

ENVIRONMENT

Sasseur REIT is committed to identifying and responding to climate change and other environmental risks. We strive to minimise the environmental footprint of the operations at our portfolio of properties.

To effectively monitor and implement our energy and water management processes, Sasseur developed a Smart Property Management System which was successfully piloted at one of the Sponsor's outlets at Guiyang during the year. The system leverages on the Internet of Things to monitor and analyse property equipment and resource consumption data, enabling timely maintenance and standardisation of improved processes across all our outlets. We are refining the system and working towards its implementation across the Sasseur Group.

ENERGY CONSUMPTION

Energy and its associated greenhouse gas ("GHG") emissions are emerging global concerns. To mitigate climate change, the Entrusted Manager seeks to reduce energy consumption within the outlet malls through continuous monitoring, process optimisation and behavioral change.

To manage our energy consumption, we abide by our Standard Operating Procedure ("SOP") Guidelines for Energy Conservation Management. The SOP, established based on best practices in energy usage such as adjusting air-condition temperature and exterior lighting operation timing in relation to seasonal changes, raises awareness among employees on energy conservation. The SOP is reviewed annually to maintain its relevance, with the Safety and Quality Department conducting quarterly inspections of all the outlet malls to ensure adherence to the SOP.

We have set up an in-house energy saving team within our Property Management Department which regularly monitors and reviews our energy consumption. Our energy budget is included as a part of our annual budget, thus setting KPIs for the operating team on the ground. Within the malls, we keep a close watch on our energy usage for prompt identification of abnormalities by monitoring energy consumption every 2 hours through inspections and recording of equipment operating data to ensure optimal operating conditions. Every 4 hours, inspections are conducted at all the power distribution rooms. At the end of each month, the team runs analytical reviews on the monthly energy consumption, comparing the data with the previous periods and budgets to assess our energy performance.

We work closely with our tenants to manage energy usage responsibly. At our tenants' monthly meetings, employees from our Business Management Department will advocate for energy-saving and emission reduction initiatives. During the tenants' renovation stages, we review their renovation plans and recommend them to use energy-saving lamps to reduce energy consumption. In addition, daily checks are conducted by our Property Management Department to ensure that our tenants' main power switches and gas valves are closed after operating hours.

Through our monitoring efforts during the year, we continue to identify areas for improvement. Across our four malls, we have carried a few key energy-saving initiatives:

- Utilising auto switches to allow adjustment of lighting based on time and natural lighting
- Switching half of the carpark lighting to more energy-efficient induction lamps
- Improving the load factor of transformers to reduce the number of transformers used
- Synchronising escalator usage to the outlet operating hours on a real-time basis

Sustainability

Performance achieved:

In 2020, the 4 outlet malls consumed 174,770,748 mega joules (“MJ”) of energy in total. Electricity usage accounted for more than 89.9% of total energy consumption, together with other energy sources including 10.05% natural gas⁶ and 0.02% diesel. Our energy intensity was 105.8 kWh/m² of net operating area, a 16.4% decrease from 2019, in line with our target to reduce our energy intensity⁷.

Energy consumption	FY2019	FY2020	% Increase / (Decrease)
Fuel consumption (MJ)	23,637,287	17,595,584	(25.6%)
Electricity consumption [megawatt hour (“MWh”)]	51,527	43,660	(15.3%)
(MJ)	185,496,527	157,175,165	
Total energy consumption (MJ)	209,133,814	174,770,748	(16.4%)
Energy intensity (kWh/m ² of net operating area)	126.6	105.8	(16.4%)

Target:

For FY2021, we target to reduce our energy intensity by 1% from FY2020, excluding the periods for which operations at the outlets were suspended due to the COVID-19 pandemic⁸.

WATER MANAGEMENT

As water is a shared and limited resource, we are committed to responsible water management and strive to reduce our water consumption.

The key areas of water usage within our 4 outlet malls are for air conditioning, restrooms and cleaning. Water consumption is monitored daily by the Property Management Department through inspections and recording of meter readings to ensure timely investigation and identification of any abnormalities. Daily checks are also made after stores are closed to ensure that the valves in restrooms and our tenants’ main water valves are closed and function normally.

In addition, we work closely with our tenants to manage water usage responsibly. At our tenants’ monthly meetings, employees from our Business Management Department will advocate for water reduction measures. To reduce pressure on potable water especially in areas of high water stress, we withdraw water from the river near the Kunming Outlets for landscape irrigation, saving about 5,000 cubic meters of potable water annually.

Moreover, each of our malls has its own bio-treatment pond, where sewage will be treated to meet national regulatory requirements before discharge. In addition, rain and sewage are discharged separately and sewage pump pits are cleared on schedule. Every week, inspections are conducted on the outdoor drainage network and water pumps are maintained and lubricated by the Property Management Department. Our efforts made in reducing sewage discharge would reduce the pressure on water treatment facilities.

Our key water management initiatives during the year include the following:

- Installing water meters at the water points of the garbage rooms and air conditioning systems to monitor water consumption
- Monitoring and controlling the quality and quantity of water supply in the air conditioning systems

6 For our Kunming Outlets, natural gas is used for cooking purposes only. For the rest of our three outlets, natural gas is used for cooking and heating purposes.

7 In 2020, our 4 outlet malls suspended operations for almost 2 months due to the COVID-19 pandemic. Therefore, energy consumption should be interpreted with this consideration in mind.

8 Energy consumption may vary subject to the impacts of the COVID-19 pandemic and the ensuing business disruptions. Nevertheless, we intend to continue our efforts in reducing our energy consumption and explore resource efficiency improvements at the properties.

Performance achieved:

In 2020, our 4 outlet malls consumed 291.7 mega litres (ML) of freshwater in total, comprising of surface water and municipal water. Our water intensity was 0.64 m³/m² of net operating area, a 17.2% decrease from 2019, in line with our target to reduce our water intensity⁹.

Among the cities that we operate in, Kunming is categorised under “Areas of High Water Stress” by the World Resource Institute’s “Aqueduct Water Risk Atlas”¹⁰. 19% of our water consumption occurred in Kunming.

Water withdrawal	FY2019	FY2020	% Increase / (Decrease)
Surface water (ML)	–	5.0	100%
Third-party water (ML)	352.2	286.7	(18.6%)
Total water withdrawal (ML)	352.2	291.7	(17.2%)
Water intensity (m ³ /m ² of net operating area)	0.77	0.64	(17.2%)

Target:

For FY2021, we target to reduce our water intensity by 1% from FY2020, excluding the periods for which operations at the outlets were suspended due to the COVID-19 pandemic¹¹.

FOCUS ON PEOPLE

A team of high-performing and committed employees are at the heart of Sasseur’s success. It is imperative that we remain as an employer of choice to continually attract, retain and develop talent. The Employee Handbook is made available to every employee, ensuring that they are aware and informed about the human resource policies as well as the terms of their employment.

We strive to provide an engaging and rewarding environment for our employees through competitive compensation packages and career development programmes, helping them discover and develop their potentials to the fullest. We also contribute back to the society through various Corporate Social Responsibility (“CSR”) activities.

TALENT RETENTION AND TRAINING**Diversity and equal opportunity**

At Sasseur, we believe that diversity is essential to build a dynamic and engaging team. The Manager is a signatory to the Tripartite Alliance for Fair Employment Practices and adopts a fair employment policy that provides everyone with equal opportunities free from discrimination. This includes:

- Recruiting and selecting employees on the basis of merit (such as skills, experience or ability to perform the job), and regardless of age, race, gender, religion, national origin, sexual orientation, family status, disability, medical condition or other characteristics protected by applicable law;

⁹ In 2020, our 4 outlet malls suspended operations for almost 2 months due to the COVID-19 pandemic. Therefore, water withdrawal should be interpreted with this consideration in mind.

¹⁰ Assessible at: <https://www.wri.org/resources/maps/aqueduct-water-risk-atlas>, data was assessed on 1 February 2021.

¹¹ Water withdrawal may vary subject to the impacts of the COVID-19 pandemic and the ensuing business disruptions. Nevertheless, we intend to continue our efforts in reducing our energy consumption and explore resource efficiency improvements at the properties.

Sustainability

- Treating employees fairly with respect;
- Providing employees with equal opportunity to be considered for training and development based on their strengths and needs, and to help them achieve their full potential; and
- Rewarding employees fairly based on their ability, performance, contribution and experience.

As at 31 December 2020, our total headcount is at 338 for both the Manager and Entrusted Manager, with zero temporary employees. We celebrate a strong female representation among our senior management, with 67% of them being female. This bears testament to our culture of attracting and grooming talents based on merit. A detailed profile of our employees is illustrated in the charts below.

OVERALL EMPLOYEES

BY LOCATION

China: **324**
Singapore: **14**

BY GENDER

Female: **222**
Male: **116**

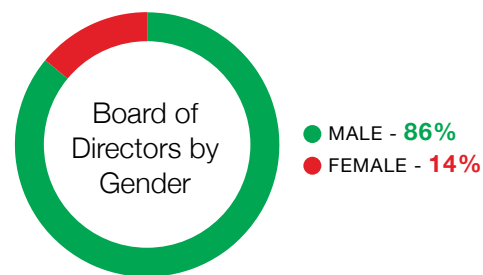
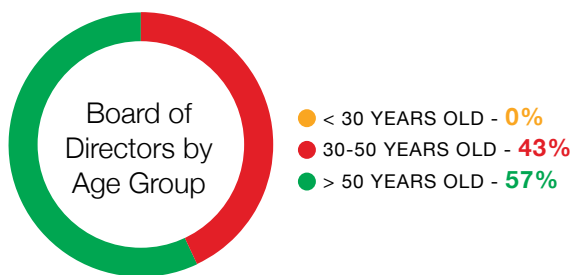
BY EMPLOYEE CATEGORY¹²

Senior Management: **9**
Middle Management: **48**
Associate: **281**

BY AGE GROUP

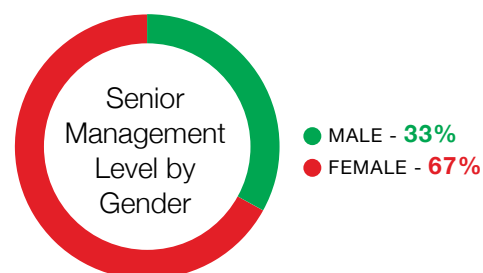
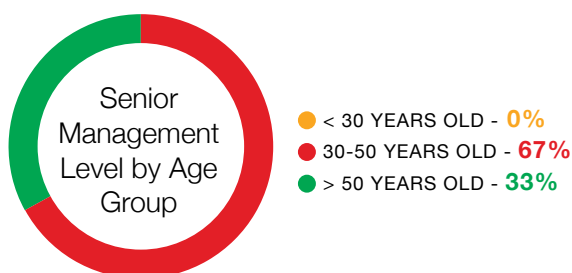
<30 years old: **91**
30-50 years old: **223**
> 50 years old: **24**

DIVERSITY OF BOARD OF DIRECTORS



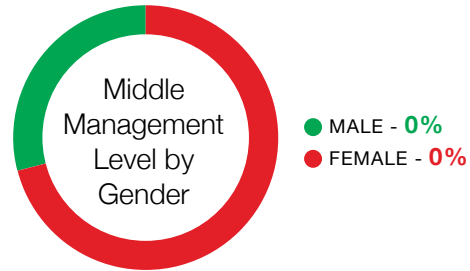
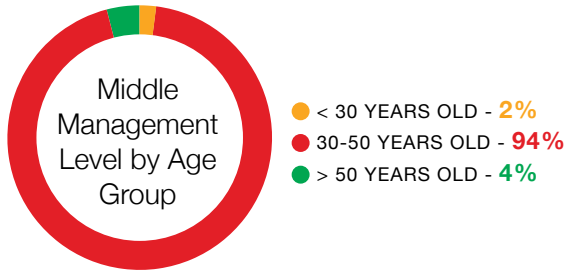
DIVERSITY OF EMPLOYEES

Senior Management

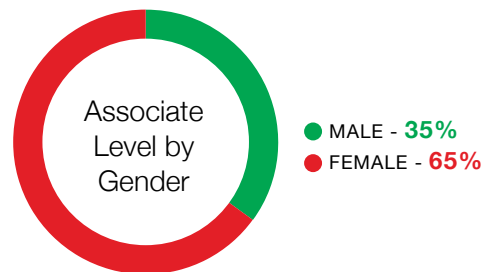
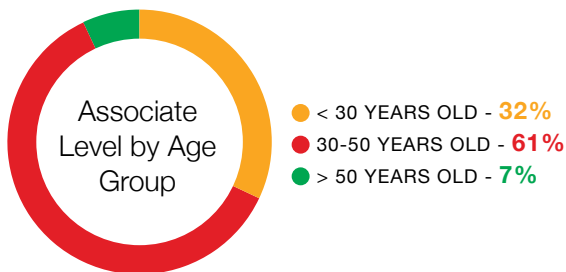


¹² Our definition of each employee category is as follows: senior management includes C-suites level among the Manager and well as General Manager from each Outlet Mall; middle management includes Head of Departments (“HODs”), Senior Managers, Directors, Managers and equivalent among both the Manager and the Entrusted Manager; associate includes the rest of the employees.

MIDDLE MANAGEMENT



ASSOCIATES



New hires and turnovers:

In 2020, we hired 42 new employees and had a turnover of 88 employees. Our annual new hires rate and turnover rate stood at 12% and 26% respectively, both a decrease from 26% and 33% respectively in 2019.

The Manager has a compulsory induction programme conducted by the CEO, in order to better integrate and help new hires understand the history, business, values and mission of the Company. For all resignees, the Human Resources Department will conduct an exit interview to understand the reason(s) behind his/her resignation. The feedback will in turn be reviewed and used confidentially for further improvement of the work environment.

FY2020 New hires

BY AGE GROUP

<30 years old: **27**
 30-50 years old: **15**
 >50 years old: **0**

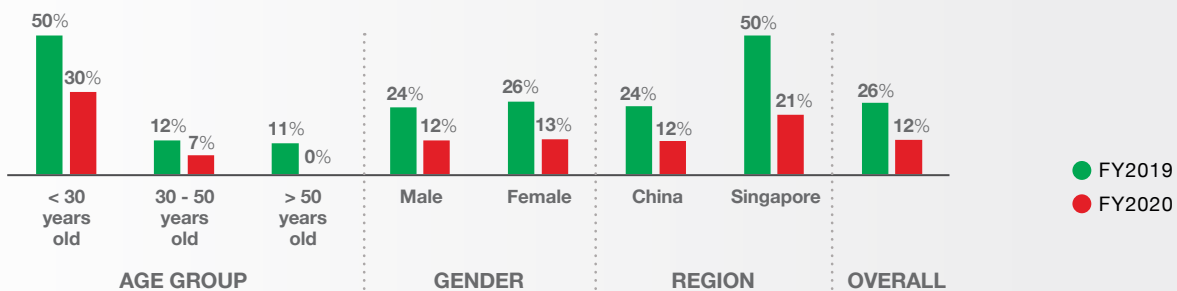
BY GENDER

Female: **28**
 Male: **14**

BY REGION

China: **39**
 Singapore: **3**

FY2020 ANNUAL NEW HIRES RATE AGAINST FY2019



Sustainability

FY2020 Turnover

BY AGE GROUP

<30 years old: **37**
 30-50 years old: **49**
 >50 years old: **2**

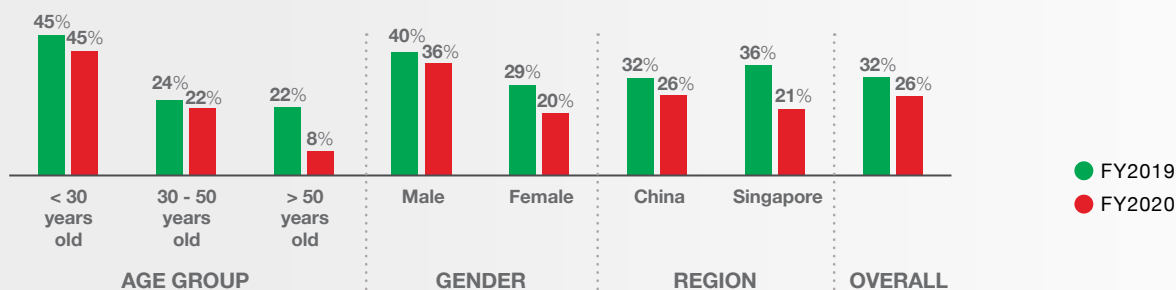
BY GENDER

Female: **45**
 Male: **43**

BY REGION

China: **85**
 Singapore: **3**

FY2020 ANNUAL TURNOVER RATE AGAINST FY2019



Competitive Compensation

To competitively compensate and motivate our employees, Sasseur Group has launched a signature Business Partnership Programme as illustrated below:

BUSINESS PARTNERSHIP PROGRAMME

The Business Partnership Program is Sasseur Group's unique profit-sharing programme which aims to reward and incentivise employees, including those from the Entrusted Manager. The programme offers visible and tangible short-term incentives, and includes prospects for long-term career development and achievements. The aim of this programme is for employees to have a mindset change from being a worker, to a partner. This change, coupled with the prospects of profit sharing and long-term career success, helps to stimulate a sense of ownership, passion and creativity among the management team.

As a result of the programme, increased employee motivation translated to Sasseur REIT's improved financial performance. In FY2020, despite a year-on-year decrease of 23% in sales, rental income increased by 6%. Earnings before interest, tax, depreciation and amortisation ("EBITDA") also experienced a year-on-year increase of 9%.

We conduct annual performance appraisals and salary reviews to reward our employees accordingly. During the annual performance appraisals, the Manager's HODs will meet their subordinate to discuss the work performance, environment, trainings provided, future expectations and potential career advancements.

Within the Entrusted Manager, each department's overall performance will also be evaluated monthly based on the "four-dimensional integration" framework, which includes plan management, budget management, business indicator evaluation, and internal audit. All employees received performance reviews and career development reviews in 2020.

Training and Career Development

Every employee has an equal opportunity to be considered for training and development to help them achieve their full potential, either recommended by their respective HODs or through voluntary application supported by their HOD. Apart from opportunities for company sponsored external trainings or certification programmes, we also have a strong internal training programme in Sasseur.

One of the most prominent programmes is the 3-Tier Leadership Development Programme conducted by the Entrusted Manager.

3-TIER LEADERSHIP DEVELOPMENT PROGRAMME

Tier 1: Under the leadership of the senior management, 21 talents were identified to succeed as potential outlet General Managers. They were provided with training throughout the year to improve their leadership and business skills, as well as better understand the Company's business model and operating philosophy.

Tier 2: Under the leadership of the senior management, 38 potential department heads were identified and cultivated to lead the various departments. Throughout the year, these talents were trained on the requisite skills for specific departments such as property, finance, human resource, audit, etc.

Tier 3:

- (A) We strive to equip our employees from the business management and digital marketing departments with management and professional competence that are aligned with the expectations of the outlets core management team.
- (B) We aim to equip our employees from the Property Management Department with course development and provision skills that enable them to provide training to other employees. To date, we have successfully trained 22 employees to take on the role as internal course lecturers and 39 employees as reserve lecturers, with 24 property courses developed.

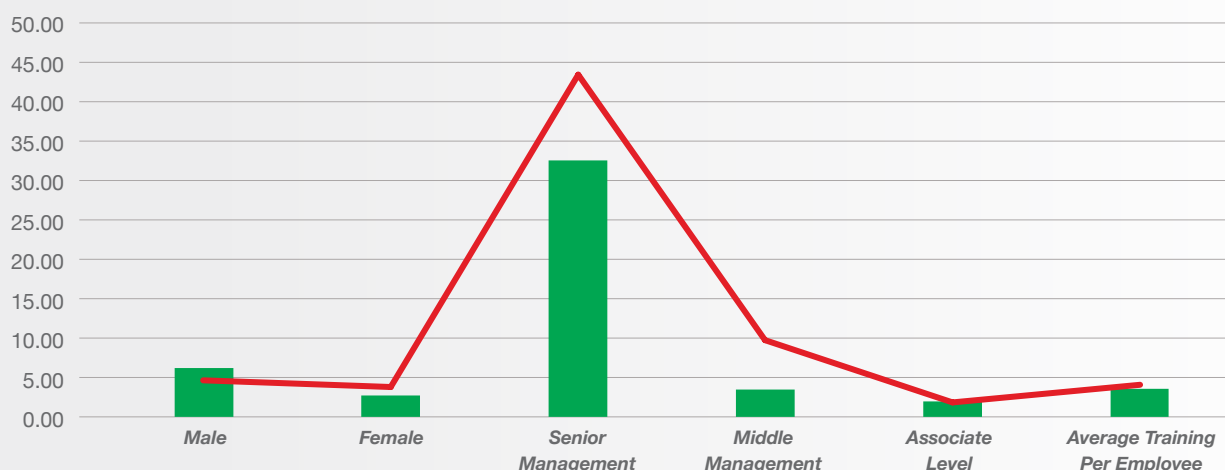


Figure 3 Employees undergoing training as part of the Tier 3 “New Power Plan” Programme

Sustainability

In 2020, each employee received on average 4.10 hours of training per year, an increase from 3.56 hours last year.

FY2020 AVERAGE TRAINING HOURS PER EMPLOYEE AGAINST FY2019



	GENDER		EMPLOYEE CATEGORY			TOTAL
● FY2019	6.20	2.71	32.36	3.43	1.91	3.56
● FY2020	4.64	3.81	43.17	9.72	1.89	4.10

Workplace well-being

Sasseur’s vision, mission and values are not only embodied in its business and customer service, but also in its team spirit of employees. To build a strong team spirit, we have embarked on several initiatives to build and promote an engaging corporate culture. In 2019, we launched our internal newsletter publication “Chuan Di”, which provides employees with a platform to share experiences and stories that promote cultural corporate values. Till date, the platform is still actively in use and has greatly enhanced cohesion and instilled a sense of belonging for employees.

The Manager organised a team bonding event on 28 December 2020, with safe distancing measures in place. The “Sasseur Fun Trail” and team dinner for employees and the Board of Directors was organised to bid farewell to a stressful year 2020 and welcome a better year 2021. This initiative was well received by employees and promoted team bonding across the various departments.

Sasseur believes that the management needs to stay in touch with voices of the employees, and that feedback needs to be used to improve the Company. The Entrusted Manager uses the yearly Gallup Q12 Employee Engagement Survey and monthly townhall meetings to gain insights from employees on leadership, team culture, development and other issues. Breaking away from the traditional system where superiors provide feedback to subordinates, the Entrusted Manager also adopted a 360-degree feedback system where subordinates can also provide feedback to their superiors, implemented and supervised by the HR department.

Targets for FY2021:

Diversity and equal opportunity

In the upcoming year, we aim to continue practicing fair employment.

Competitive Compensation

The Entrusted Manager aims to gradually improve the standardisation of employee performance reviews to ensure fairness.

Training and Career Development

In the coming year, HR plans to work on introducing a new e-learning system to improve training accessibility and frequencies to all employees.

Sasseur also aims to either maintain or increase the average training hours per employee. On a more strategic level, the Manager plans to launch a new development programme, aimed at grooming a pipeline of future leaders.

LOCAL COMMUNITIES

As a socially responsible corporation, Sasseur REIT is committed to serving the local communities and benefiting society. Our employees are given opportunities to contribute their time and skills to the local communities.

Performance achieved:

BISHAN OUTLETS: REVITALISING THE LOCAL ECONOMY AND SUPPORTING POVERTY ALLEVIATION

In response to the government’s call to revitalise the post-pandemic economy and drive industry recovery, our Bishan Outlets launched an 18-day spring shopping carnival with the theme of "LOHAS (Lifestyles of Health and Sustainability) Spring, Light Shopping Outlets" in April 2020. The theme of the spring shopping event promotes sustainable and healthy living. Under the guidance of the district government, Sasseur REIT will play a key role in enhancing consumers’ one-touch shopping experience and contributing to Bishan's multi-dimensional approach to economic recovery and development.

Sasseur REIT recognises the importance of poverty alleviation through consumption in overcoming the impact of the COVID-19 pandemic and supporting poverty

13 Poverty alleviation products are products produced in poverty-stricken areas.

alleviation. In October 2020, the Bishan Outlets contributed to the nationwide campaign to facilitate poverty alleviation through consumption by supporting the purchase and sale of poverty alleviation products¹³ in the Bishan District.

CHONGQING OUTLETS: REVITALISING THE REGIONAL INDUSTRIAL SECTOR

Our Chongqing Outlets collaborated with the local government on post-pandemic economic recovery efforts, with a focus on the manufacturing industry which is vital to the region. The Outlet engaged in cross-industry cooperation with automobile manufacturing brands such as Changan Ford and conducted promotional activities including a carnival, VIP membership discounts, and use of government-supported consumer vouchers. These efforts were made to drive sales for the regional industrial brands and facilitate the resumption of business activities.

KUNMING OUTLETS: SUPPORTING DREAMS WITH LOVE

On 16 December 2020, the Kunming Outlets launched a community service activity with the theme of "Supporting Dreams with Love" and partnered with Kunming School for the Blind and Dumb in Yunnan Province, sending love and warmth to the students.

To support the blind and dumb students who were mostly from poor families and lacking necessities, the Kunming Outlets initiated a fundraiser which raised RMB6,600 for the students. Through our charity work, we aim to help the blind and dumb students improve their learning and living conditions and encourage them to actively participate in social activities.

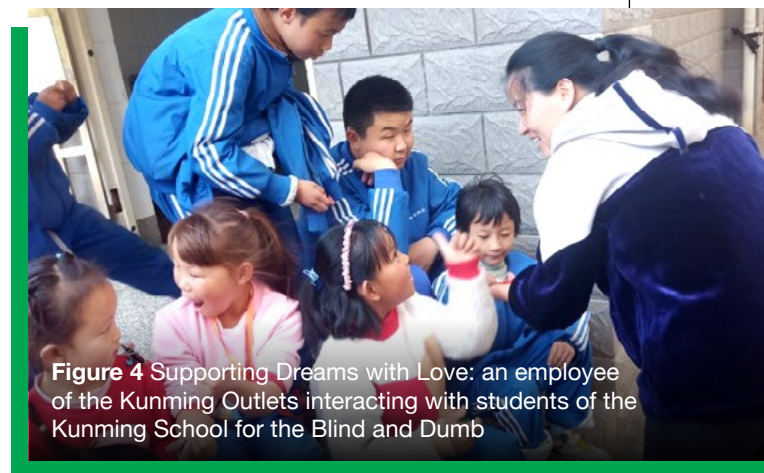


Figure 4 Supporting Dreams with Love: an employee of the Kunming Outlets interacting with students of the Kunming School for the Blind and Dumb

Sustainability

HEFEI OUTLETS: SUPPORTING FLOOD FIGHTING EFFORTS

In the autumn of 2020, Anhui Province experienced serious floods which affected residential houses and tracts of farmland. The Hefei Outlets promptly purchased and distributed instant noodles and mineral water to the frontline officers and soldiers fighting against the floods, as a form of support and encouragement.

THE MANAGER: SGX BULL CHARGE VIRTUAL CHARITY RUN 2020

As a bronze bull sponsor, the Manager donated S\$10,000 to the SGX Bull Charge Virtual Charity Run 2020. Sasseur REIT registered a contingent of 100 participants who contributed a total of 1,969 kilometres of running distance from 30 October to 13 November 2020. This is the second year running that Sasseur REIT took part as one of the sponsors of SGX Bull Charge in support of charitable causes in Singapore.

The beneficiaries of SGX Bull Charge include AWWA Ltd, Autism Association (Singapore), Fei Yue Community Services, HSCA Community Services and Shared Services for Charities. The programmes conducted by the beneficiaries cater to children and youth, families and the elderly.

Target:

We will continue to plan and organise more partnerships to drive greater positive changes in the communities. In the long term, we hope to make volunteerism an intrinsic part of our work culture and aligned to our businesses in a deeper way.

MANAGING THE IMPACTS OF COVID-19¹⁴

The COVID-19 pandemic and the ensuing business disruptions have presented the retail sector with a major and evolving challenge. Sasseur REIT has taken immediate action in ensuring our Business Continuity Plans (“BCP”) are prioritised to minimise business disruptions and support recovery efforts.

The Manager’s BCP provides a framework to identify, respond to and recover from an event which interrupts normal business operations. It sets out clear guidelines and procedures to be adhered to by employees to restore

the orderly and expeditious operations of the Manager in the event of a disruption, major incident and/or crisis. For enhanced oversight on compliance and risk management, a COVID-19 Update Report is sent to the ARC on a monthly basis.

While some of the measures taken including suspension of malls or shorter operating hours have impacted short-term profits, as a responsible corporate citizen, we stand firm on taking strong precautionary measures in order to protect the health and safety of our employees and customers. To remain accountable to our stakeholders, we have focused our efforts on developing business recovery plans and long-term strategies to remain resilient and adapt to the new norm of doing business.

(a) *Continuing stakeholder engagement and communication*

We communicate to stakeholders such as employees and customers on their roles and responsibilities as heightened coordination of all stakeholders can contribute to the effectiveness of our business continuity programmes. Experienced employees are trained to handle queries from customers where required.

(b) *Complying with relevant guidelines and health advisories on the COVID-19 from government agencies*

An emergency committee is designated to keep abreast of regulatory requirements and guidelines for epidemic prevention and control to ensure adherence. Accordingly, we review and update our BCPs regularly and communicate them to employees to ensure alignment.

(c) *Putting people first*

To safeguard the health and well-being of our employees and customers, we comply with governmental guidelines and health advisories, such as by increasing the disinfection of high touch points in the outlets and office, conducting temperature taking for employees and visitors and observing safe distancing measures. In addition, we ensure the availability of sufficient protective supplies such as surgical masks, disinfectants, hand sanitizers, thermometers and health supplements for our employees and customers.

In the Kunming Outlets, the HR Department conducted a survey in February 2020 to understand the mental health of our employees amidst the COVID-19 outbreak. The employees with signs of poor mental health were provided with peer-to-peer counselling and a programme on "Mental Health Prevention Measures during Epidemic Prevention and Control Period" to help them tide over their difficulties.

The Manager has also stepped up its BCP by reviewing work processes and implementing flexible working arrangements to minimise interaction and potential disruption to business. Employees of the Manager have been working remotely from home since February 2020. The HR Department rolled out a survey in July 2020 to seek feedback from employees to make improvements to the work from home experience as it has become the new norm.

(d) ***Strengthening business resilience and revitalising local economies***

To bounce back stronger from the business disruptions and economic downturn following the pandemic outbreak, we seek to ensure that our business stays relevant by adapting to the new normal and working with local authorities to support economic recovery. As detailed under the "Local Communities" section, our Bishan and Chongqing Outlets have actively engaged consumers in the region.

Sasseur REIT is committed to continuously develop, implement, maintain and endorse measures that connect well-being, productivity and security for our stakeholders to stay resilient and to lead our industry's wider economic and social recovery.

CHONGQING OUTLETS: BOUNCING BACK STRONGER

While stores were closed in Chongqing to control the spread of COVID-19, brand employees drove online sales including WeChat communities which generated more than RMB2 million in sales during the closure period. During the closure, the Outlet persisted with promotional efforts online and maintained business communications with brand merchants to optimise brand channels and ensure supply chain resilience. As such, the first day of business reopening ushered in sales exceeding RMB10 million.

Amidst the challenges posed by the pandemic, we had made a concerted effort to adjust our brands profile and carried out asset enhancement initiatives to the outlet. As a result of these efforts, we see a marked improvement in sales during the anniversary promotion activities held in September 2020.

Sasseur REIT is committed to continuously develop, implement, maintain and endorse measures that connect well-being, productivity and security for our stakeholders to stay resilient and to lead our industry's wider economic and social recovery.

14 This is an additional disclosure, not a material factor due to the temporary nature of a disease outbreak.

Sustainability

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure Title	Section/Page Reference
GRI 101: FOUNDATION 2016 (GRI 101 DOES NOT CONTAIN ANY DISCLOSURES)		
GRI 102: GENERAL DISCLOSURES 2016		
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	Sasseur Real Estate Investment Trust ("Sasseur REIT")
102-2	Activities, brands, products, and services	Annual Report, Corporate Profile, page 2
102-3	Location of headquarters	7 Temasek Boulevard, #06-05, Suntec Tower One, Singapore 038987
102-4	Location of operations	Sustainability Report, About This Report, page 75
102-5	Ownership and legal form	Annual Report, Trust Structure, page 4
102-6	Markets served	Annual Report, Corporate Profile, page 2
102-7	Scale of the organisation	Sustainability Report, About This Report, page 75 Sustainability Report, Focus on People, page 86
102-8	Information on employees and other workers	Sustainability Report, About This Report, Focus on People, page 86
102-9	Supply chain	Our suppliers are mainly contractors and vendors providing electricity and water. Compliance with local government and legal requirements is required for appointed contractors and service providers.
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain in FY2020
102-11	Precautionary Principle or approach	Annual Report, Enterprise Risk Management, pages 97 to 99
102-12	External initiatives	The Manager is a signatory to the Tripartite Alliance for Fair Employment Practices
102-13	Membership of associations	REIT Association of Singapore ("REITAS")
STRATEGY		
102-14	Statement from senior decision-maker	Annual Report, Joint Statement of Chairman & CEO, pages 6 to 9 Sustainability Report, Board Statement, page 74
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report, Governance – Regulatory Compliance, pages 80 to 82 Annual Report, Corporate Governance Report, pages 102 to 134
GOVERNANCE		
102-18	Governance structure	Sustainability Report, Sustainability Governance, page 78
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Sustainability Report, Stakeholder Engagement, pages 78 to 79
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Sustainability Report, Stakeholder Engagement, pages 78 to 79
102-43	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement, pages 78 to 79
102-44	Key topics and concerns raised	Sustainability Report, Stakeholder Engagement, pages 78 to 79

GRI Standard	Disclosure Title	Section/Page Reference
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Annual Report, Trust Structure, page 4 Sustainability Report, About This Report, page 75
102-46	Defining report content and topic Boundaries	Sustainability Report, About This Report, Materiality Assessment, page 80
102-47	List of material topics	Sustainability Report, Materiality Assessment, page 80
102-48	Restatements of information	There has been no restatement of figures or information disclosed in our previous report
102-49	Changes in reporting	Sustainability Report, About This Report, page 75
102-50	Reporting period	1 st January 2020 to 31 st December 2020
102-51	Date of most recent report	The Annual Report/ Sustainability Report 2019 was published on 2 June 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	ir@sasseurreit.com
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report, About This Report, page 75
102-55	GRI content index	GRI Standards Content Index, pages 94 to 96
102-56	External assurance	We have not sought external assurance for this reporting period and will consider it in the future
MATERIAL FACTORS		
REGULATORY COMPLIANCE		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	Sustainability Report, Governance
307-1	Non-compliance with environmental laws and regulations	– Regulatory Compliance, pages 80 to 82
419-1	Non-compliance with laws and regulations in the social and economic area	
Non-GRI	Anti-bribery, corruption and fraud	Sustainability Report, Governance – Regulatory Compliance, pages 80 to 81
	Responsible business practices	Sustainability Report, Governance – Regulatory Compliance, page 82
	Cyber security	Sustainability Report, Governance – Regulatory Compliance, page 82

Sustainability

GRI Standard	Disclosure Title	Section/Page Reference
ENERGY CONSUMPTION		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	Sustainability Report, Environment – Energy Consumption, pages 83 to 84
302-1	Energy consumption within the organisation	
302-3	Energy intensity	
WATER MANAGEMENT		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	Sustainability Report, Environment – Water Management, pages 84 to 85
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
TALENT RETENTION AND TRAINING		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	Sustainability Report, Focus on People – Talent Retention and Training, pages 85 to 91
404-2 (a)	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
405-1	Diversity of governance bodies and employees	
ADDITIONAL FACTORS		
LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report, Focus on People – Local Communities, pages 91 to 92
MANAGING THE IMPACTS OF COVID-19		
Non-GRI	Managing the impacts of COVID-19	Sustainability Report, Managing the Impacts of COVID-19, pages 92 to 93