

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

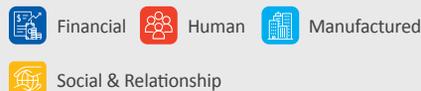
## ECONOMIC



### Economic Performance



### Capitals



### Strategic Pillars



### Business Risks



### UN SDGs



### Description of Risks Related to Economic Performance

Malaysia's economy continued to strengthen in 2025 with growth of 5.2% year-on-year in the third quarter, supported by resilient domestic demand and gradually improving external conditions. This momentum has lifted occupier sentiment and sustained investment appetite within the real estate sector. Trade stability has also been reinforced by the US–Malaysia Agreement on Reciprocal Trade, which further bolsters investor confidence through tariff exemptions on 1,711 Malaysian products. Against this backdrop, Axis-REIT remains focused on disciplined capital management, portfolio optimisation, and proactive tenant engagement to support long-term value creation.

The Manager navigates this evolving environment by evaluating a comprehensive set of economic SROs that may influence performance, operational resilience, and strategic direction. Key considerations include:

- **Revenue underperformance (including ESG-related constraints):** Weaker demand for business space or more stringent ESG-related tenant screening may moderate rental growth and limit near-term income uplift.
- **Pace of portfolio diversification:** A slower-than-planned expansion into new asset classes or growth markets may heighten concentration risk and reduce exposure to emerging opportunities within the industrial sector.
- **Operational continuity and critical incident response:** Events such as fires, floods, cyber incidents, public health emergencies, or other material disruptions could impede property operations, affect tenant productivity, and undermine income stability. Maintaining robust emergency response and business continuity protocols remains a key priority.
- **Prolonged recovery time:** Extended timelines required to restore business-as-usual operations following a major incident may result in additional remediation costs, prolonged downtime, and temporary income shortfalls.
- **Greenwashing risk and unmet stakeholder expectations:** With the evolving NSRF, maintaining credible, accurate, and sufficiently detailed sustainability disclosures is essential. Incomplete, inconsistent, or misaligned reporting may compromise stakeholder trust, reputational standing, and access to capital.
- **Profitability, DPU targets, and property valuation pressure:** Market yield movements, operating cost inflation, and property-specific considerations, particularly amid changing macroeconomic and financing conditions, may exert pressure on property valuations and influence the Manager's ability to meet profit and DPU objectives.

Through continuous monitoring of these SROs and a forward-looking approach to economic conditions, regulatory developments, and stakeholder expectations, Axis-REIT remains committed to strengthening operating fundamentals, managing risks proactively, and positioning the portfolio for long-term sustainable growth.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Business Model and Value Chain

Economic conditions and evolving stakeholder expectations influence how Axis-REIT secures capital, manages its properties, and delivers long-term value. These dynamics effect every stage of the value chain, and hence understanding these impacts enables the Manager to anticipate challenges, allocate resources effectively, and strengthen the Fund’s overall resilience.



**Upstream**  
(Capital, Lenders, Suppliers, Advisors)

➔ Funding costs, refinancing windows, and vendor pricing influence capital deployment, AEs, and acquisition timing. Shifts in macroeconomic trends coupled with evolving disclosure expectations under the NSRF also influence investor and lender requirements.



**Core Operations**  
(Asset Management, Leasing, and Risk Management)

➔ Tenant retention, re-letting velocity, and disciplined cost management are central to sustaining net property income. Strong incident readiness – covering business continuity, cybersecurity, and health and safety – supports uninterrupted operations, safeguards service levels, and protects cash flows across the portfolio.



**Downstream**  
(Tenants, Investors, Ratings, Regulators, Communities)

➔ Tenant requirements, ESG ratings, and the regulatory landscape contribute to demand patterns, pricing power, and access to capital. Transparent and decision-relevant sustainability disclosures enhance confidence among investors, regulators and external stakeholders, supporting capital access and reinforcing Axis-REIT’s market credibility.

## Effects on Strategy and Decision-Making

Axis-REIT’s strategy and decision-making framework is shaped by the need to sustain long-term economic performance while responding proactively to the risks highlighted earlier. The Manager focuses on strengthening the Fund’s financial resilience, optimising capital deployment, and ensuring that its strategic choices support stability, adaptability, and future growth. This is reflected in our disciplined investment practices, cost optimisation efforts, forward-looking liquidity management, and the continued expansion of sustainable financing.

➔ **Disciplined Investment Strategy**  
The Manager adopts a disciplined investment strategy to support the Fund’s long-term economic performance and deliver sustainable returns to Unitholders. The strategy is guided by clear investment objectives and policies that govern acquisitions, development projects, and AEs.

All investment decisions are subject to thorough financial and risk assessments to ensure that capital is deployed prudently into properties and initiatives that are strategic, yield-accretive, and value-enhancing. This helps preserve portfolio value and support long-term stability.

The Manager also regularly reviews the portfolio to identify properties that may have reached optimal value for potential disposal. In addition, diversification strategies are considered to reduce concentration risks, including ESG-related risks, to strengthen the overall resilience of the Fund’s property portfolio.

➔ **Cost Discipline and Optimisation**  
The Manager maintains strict cost discipline to support the Fund’s long-term economic performance. Operating costs are closely monitored against approved budgets and financial projections to ensure effective cost control. Prudent cost

management and continuous optimisation efforts help mitigate inflationary pressures and economic uncertainties, supporting stable performance and preserving value for Unitholders.

➔ **Efficient Management of Working Capital and Liquidity**  
The Manager ensures the Fund maintains sufficient working capital and liquidity to support its operations and strategic objectives. As at 31 December 2025, the Fund’s liquidity remained strong at RM960.9 million, comprising RM77.9 million in cash and short-term Islamic deposits, and RM883.0 million in undrawn financing facilities.

The Fund strategically increased long-term financing in 2025 through Sukuk issuances and sustainability-linked facilities. Following the second Senior Sukuk issuance in January 2026, the average maturity of financing facilities extended from 4.1 years (at year-end 2025) to 5.1 years, long-term financing increased to 68%, refinancing risk was reduced, and cost savings were achieved, while also supporting the Fund’s ESG commitments.

➔ **Sustainability-Linked Financing**  
In line with our initiatives to enhance our ESG practices, the Manager has increased sustainable financing continuously since 2022. An additional RM100.0 million sustainability-linked facility was secured in 2025, bringing approximately 90% of the Fund’s committed financing (excluding Sukuk) under sustainability financing as at 31 December 2025. During the year, the Fund reinforced its ESG commitments and successfully met all SPTs, including those linked to the Islamic Profit Rate Swap, resulting in cost savings through rebates.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Financial Effects

### Current Financial Effects

Axis-REIT delivered another year of resilient financial performance in 2025, supported by ongoing portfolio optimisation efforts and disciplined capital management. Revenue rose 13.3% year-on-year to RM365.0 million (2024: RM322.1 million), reflecting stronger operational momentum across the portfolio and sustained tenant demand. Growth was supported by additional income streams from earlier property acquisitions and completed developments, along with improved rental performance across the portfolio. These initiatives strengthened recurring income and enhanced portfolio quality.



Details of the Fund's financial performance are set out in the Manager's Discussion and Analysis – Financial Review section on pages 36 to 48 of this Report.

Operationally, expenditure remained within expected ranges, with normal fluctuations in utilities, assessments, maintenance, and Takaful costs. The Manager continued implementing targeted AElS to strengthen building competitiveness, reinforce occupancy levels, and support rent resilience, further contributing to the Fund's stable performance.

From a capital management perspective, funds were deployed prudently, with selective investments made in value-enhancing refurbishments and a strategic acquisition. Refinancing activities were aligned with prevailing market conditions to preserve flexibility and optimise financing costs. Throughout the year, income generation remained steady, with no material adverse impacts from macroeconomic conditions. The Fund is supported by stable operating metrics and consistent domestic demand, maintaining healthy net property income and strong cash flow visibility.

### Anticipated Financial Effects

Looking ahead, Axis-REIT's financial outlook is shaped by a combination of market opportunities and emerging compliance requirements. On the revenue front, the Fund may benefit from near-term upside driven by Malaysia's cyclical economic recovery, with the US–Malaysia Reciprocal Trade Agreement reinforcing trade flows and business sentiment. These external tailwinds could translate to improved tenant confidence and a more favourable leasing environment.

Continued AElS, undertaken to uphold building relevance and meet tenant and regulatory expectations, may elevate capital commitments in the short to medium-term. Valuation outcomes and DPU trends could experience sensitivity to market yield movements, broader financing conditions, and individual property performance. Despite this, the Manager's disciplined capital allocation approach, balancing investment, optimisation, and resilience, aims to support sustainable DPU across economic cycles.

### Resilience of Our Strategy and Business Model in Relation to Risks Related to Economic Performance

The Manager's strategy is built on portfolio quality, prudent leverage, disciplined capital allocation, and transparent disclosures aligned with the NSRF. This approach is designed to ensure that the Fund remains resilient through different economic conditions. The Manager strengthens operational continuity in maintaining a diversified industrial and commercial tenant base, and applying proactive asset management, which sustains stable cash flows across the portfolio. The phased adoption of NSRF requirements further enhances the clarity and credibility of disclosures, increasing stakeholder confidence and supporting the Fund's long-term access to capital as well as its competitive position.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to Economic Performance

The Finance Team closely monitors the Fund's economic performance, reporting monthly to ensure alignment with strategic priorities and financial projections. This includes evaluating the Manager's capital management and allocation approach to promote efficient resource utilisation. The Finance Team upholds financial integrity and adherence to applicable laws and regulations by operating in accordance with established ethical standards, internal policies, and procedures, and complying with MFRS and IFRS accounting standards.

The Manager's ERM Framework further integrates internal controls and risk management considerations into decision-making processes. This framework addresses both financial and non-financial risks, including ESG-related risks and opportunities, and serves as key input into the Fund's strategic priorities and action plans. By embedding structured risk oversight, the Manager supports sustainable operational performance and the achievement of the Fund's long-term objectives.

In addition, the Fund's ongoing ESG commitments have contributed to favourable ESG scores across recognised international benchmarks and indices. These commitments include the continued expansion of sustainability-linked financing and the strengthening of ESG practices across its operations.

Combined with stronger operating performance and disciplined management practices, these measures have supported improvements in economic value distributed and economic value retained, reinforcing the Fund's ability to sustain long-term income distributions while preserving capital stability.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Metrics and Targets

Economic Performance	2025 (RM '000)	2024 (RM '000)	2023 (RM '000)
<b>Economic Value Generated (Revenue) (A) *</b>	<b>373,818</b>	321,684	284,208
<b>Operating Costs (B)</b>	<b>48,775</b>	45,537	42,977
Payment to Government **	<b>12,426</b>	11,274	10,115
Payment to Capital Providers (C)	<b>213,305</b>	165,333	150,756
Community Investment (D)	<b>184</b>	201	181
Payment to Financiers (E)	<b>71,398</b>	74,433	60,541
<b>Economic Value Distributed (F) = (B)+(C)+(D)+(E)</b>	<b>333,662</b>	285,504	254,455
<b>Economic Value Retained (G) = (A)-(F)</b>	<b>40,156</b>	36,180	29,753

### Notes:

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

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

## Outlook

Malaysia's economy is expected to maintain steady growth momentum in 2026, supported by resilient domestic demand, continued realisation of approved investments, and stable external conditions. Improvements in global trade activity, along with the government's ongoing focus on industrial development and supply-chain enhancement, are anticipated to reinforce demand for modern industrial and logistics properties. These trends are likely to sustain high occupancy levels and healthy rental performance, providing a supportive environment for the Manager to pursue strategic acquisitions, development opportunities, and further value enhancement across the Fund's portfolio.

Against this backdrop, the Manager remains committed to progressing towards the Fund's ambition of achieving RM10.0 billion in AUM by 2030. To support this objective, the Manager will continue to uphold investment discipline, optimise working capital, and strengthen the Fund's capital position. The Manager plans to organise at least one foreign roadshow in 2026 to expand international investor awareness and encourage greater foreign participation in the Fund. At the same time, the Manager will ensure continued alignment with sustainability-linked financing criteria to qualify for profit rebates tied to the achievement of SPTs. The Manager will also explore establishing a framework for potential green or sustainability-linked Sukuk issuance to broaden future financing avenues, while separately assessing opportunities for unsecured financing to enhance flexibility and preserve the Fund's unencumbered portfolio base.

Operationally, the Manager will focus on emerging opportunities and initiatives that enhance long-term portfolio resilience and operational efficiency. This includes exploring the introduction of suitable efficiency-enhancing technologies across selected properties, where commercially feasible. Alongside these efforts, the Manager will continue to manage financing risks through disciplined capital management, maintaining diversification of funding sources.

The Manager will ensure consistency with evolving regulatory expectations by continuing to strengthen ESG practices across the Fund's operations, and remain committed to meeting the reporting and disclosure requirements under the NSRF and Bursa Securities' enhanced sustainability framework.

Through the execution of these strategic priorities, the Manager aims to position the Fund for continued resilience, competitiveness, and sustainable long-term value creation for Unitholders in 2026 and beyond.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



**Tenant Satisfaction**



**Capitals**

-  Manufactured  Intellectual
-  Social & Relationship

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**Strategic Pillars**

-  Real Estate  Facilities Management

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**Business Risks**

-  Global  Real Estate Management

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**UN SDGs**

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## Description of Risks Related to Tenant Satisfaction

The Manager recognises tenant satisfaction as fundamental to sustaining long-term growth and value creation. As a key sustainability KPI, it reflects the Fund’s operational excellence and service quality. Through ongoing investment in strong tenant relationships, anticipating evolving needs, and delivering resource-efficient properties, we aim to provide environments that support comfort, safety, and sustainability.

Key risks affecting tenant satisfaction include:

- ➔ Rising vacancy rates across the portfolio or specific properties, which may impact revenue stability.
- ➔ Reputational risk arising from associations with unreliable tenants, including those that fail to meet regulatory compliance requirements.
- ➔ Inadequate occupational health and safety (OHS) standards across properties.
- ➔ Credit control challenges associated with high-risk tenants, including exposure to regulatory scrutiny or illegal activities.
- ➔ Inability to meet demand for high-efficiency and sustainable buildings as tenants increasingly prioritise ESG-aligned spaces.

If unmanaged, these risks could lead to financial losses, operational inefficiencies, and reputational harm. Conversely, proactive engagement, enhanced building performance, and sustainability initiatives present opportunities to strengthen tenant loyalty and create long-term value for stakeholders.

## Effects on Business Model and Value Chain

Tenant satisfaction is a key consideration in Axis-REIT’s business model and value chain, with implications across upstream, core operations, and downstream activities:



- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>➔ The ability to provide safe, high-quality business spaces in strategic locations, while integrating ESG features, is critical to meeting tenant expectations and sustaining competitiveness. Shortfalls in delivering these standards may weaken demand and reduce the portfolio’s attractiveness.</li> </ul> | <ul style="list-style-type: none"> <li>➔ Declining tenant satisfaction can lead to higher churn rates, increased vacancies, and reduced rental income. These outcomes negatively affect operational cash flows and undermine the Fund’s capacity to maintain stable returns.</li> </ul> | <ul style="list-style-type: none"> <li>➔ Persistent dissatisfaction among tenants may result in lower tenant retention rates, eroding investor confidence and shaping adverse market perceptions of Axis-REIT’s portfolio quality. This could potentially affect capital access and long-term value creation.</li> </ul> |
|--|---|--|

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

We recognise that poor tenant satisfaction poses significant risks to the business. To address this, we have focused on building mutually beneficial partnerships that enhance tenant satisfaction, strengthen retention, and sustain high occupancy rates. In broad terms, this includes:

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

We apply a rigorous screening process for all potential tenants, assessing their financial strength, business sustainability, and governance practices to ensure the Fund secures high-quality, creditworthy occupants. Tenancy agreements also include provisions requiring tenants to refrain from illegal or criminal activities, thereby safeguarding our portfolio's integrity and reputation.

ESG assessments and ratings have been incorporated into the Tenant Checklist since 2023, strengthening the evaluation framework for new and prospective tenants. These assessments cover key ESG pillars:

- **Governance:** Assessment of tenants' established policies addressing key ESG matters.
- **Social:** Assessment of tenants' adherence to relevant labour standards and alignment with human rights practices.
- **Environment:** Assessment of environmental practices implemented by tenants, including water and energy conservation measures and waste management policies.

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

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



Collectively, these efforts create touchpoints for interactive engagements that give us a deeper understanding of our tenants' unique needs, preferences, and expectations, as well as insights into their business and ESG strategies. This strengthens our tenant relationships and enables better-informed resource allocation in tailoring real estate services and solutions to meet tenant expectations, and at the same time reduces disputes and turnover rates.

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

We strive to respond to all tenant matters promptly, whether they relate to ad-hoc maintenance, scheduled service requests or other feedback. The main channel for tenant feedback and requests is our *Hello Axis* portal, Axis-REIT's tenant management platform. It facilitates the escalation of tenant issues to the Property Management Team and allows for seamless exchange of suggestions and pinpointing areas for improvement. The portal is continuously updated and improved to enhance the user experience, response times, and service levels. All tickets (service requests, inquiries, and feedback from tenants) raised via *Hello Axis* are automatically logged, monitored, and assessed as a key tenant satisfaction KPI.



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

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

Providing safe, high-quality business spaces in strategic locations is fundamental to tenant satisfaction and portfolio competitiveness. We ensure our properties offer conducive working environments, and, where feasible, incorporate sustainability and ESG features that support tenants' business aspirations.

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

To this end, we implement asset management initiatives, including AEs, to ensure continued relevance by upgrading properties in line with the needs and expectations of current and prospective tenants. In addition, ESG considerations have been embedded into our Renovation Manual to ensure fit-outs are carried out responsibly and sustainably. This must be adhered to by all tenants as well as the Property Management Team when undertaking any renovation or enhancement works.

### e) Promoting sustainability through green leases

Where feasible, we seek to offer green leases particularly to tenants of green-certified properties. This ensures that certification standards are upheld during renewal cycles and that both the Fund and tenants remain aligned with sustainability objectives. Green leases embed environmental commitments into tenancy agreements, covering areas such as energy efficiency, water conservation, and waste management. As at 2025, we have four green leases in our portfolio, and we will continue to expand this initiative in order to strengthen tenant collaboration on ESG practices and safeguard long-term certification standards.

Key Tenant Engagement Initiatives for 2025 included:

#### Tenant Safety and Well-Being

- Annual maintenance of AED equipment at all multi-tenanted properties.
- CPR certification training for all facilities management employees.



- Annual fire drills and BOMBA training to strengthen emergency preparedness for tenants in multi-tenanted buildings.

#### Community Engagement

- Collaboration with tenants on community initiatives such as blood donation drives.

#### Green Infrastructure



- Installation of EV charging stations at Menara Axis to provide convenient, affordable, and accessible charging options for tenants and visitors.
- Hosting an EV charging awareness session in July 2025, allowing tenants to test the chargers free of charge.

#### Energy and Water Conservation



- Encouraging stair use through circulars and wall stickers at Crystal Plaza to promote energy conservation and healthier lifestyles.
- Awareness campaigns on water conservation via circulars and informative washroom stickers across ten multi-tenanted properties.
- Assessment of water stress risk across all properties with corresponding tenant engagement to evaluate needs and implement appropriate action plans (see Water Management Sustainability Matter, pages 141 to 144).

#### Air Quality Management

- Periodic testing and treatment of cooling tower water at relevant multi-tenanted properties to maintain good air quality.

#### AEIs

- Successfully incorporated sustainability considerations in enhancing 13 properties.



More information on AEIs can be found in the Quality Assets & Services – Existing Assets Sustainability Matter on pages 119 to 120 of this Report.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Financial Effects

### Current Financial Effects

In FYE2025, we did not incur material financial losses due to tenant dissatisfaction. Recurring costs were incurred to maintain high service standards and tenant engagement, including:

- ➔ **Property upgrades** for energy efficiency and comfort.
- ➔ **Preventive measures** such as OHS compliance audits and tenant communication programmes.
- ➔ **Engagement initiatives** to address feedback and strengthen relationships.

These costs were budgeted operational and capital expenditures and considered essential for sustaining long-term occupancy and revenue.

### Anticipated Financial Effects

Should tenant satisfaction decline significantly, potential financial impacts include:

- ➔ **Revenue loss** from increased vacancy rates and lower renewal rates.
- ➔ **Additional costs** to attract new tenants via marketing, leasing, and property enhancements.
- ➔ **Legal and reputational costs** if associated with non-compliant or high-risk tenants.

While these impacts are difficult to quantify precisely, they could result in reduced cash flows and higher operating expenses. Axis-REIT mitigates these risks through proactive engagement, stringent tenant screening, and continuous improvement of building performance.

## Resilience of the Fund’s Strategy and Business Model Regarding Risks Arising from Tenant Satisfaction

We have demonstrated strong resilience to risks related to tenant satisfaction, supported by consistently positive outcomes across key performance indicators. Tenant satisfaction scores remain above target, reflecting the Fund’s commitment to service quality and operational excellence. The portfolio continues to record a high occupancy rate of 94%, exceeding the 90% target, while also achieving a high retention rate in 2025 with successful renewals for 73% of space, while a further 11% were successfully re-tenanted. In total, 84% of the portfolio was renewed or re-tenanted. These results highlight our ability to foster tenant loyalty and secure long-term occupancy stability.

## Processes, Controls and Policies to Manage Risks and Opportunities Related to Tenant Satisfaction

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

The team is largely guided by our Operations Manual, which lays out policies and procedures in managing the Fund’s properties and operations. This includes our compliance with regulatory requirements, internal HSE policies, as well as best practices and standards.

### Metrics and Targets

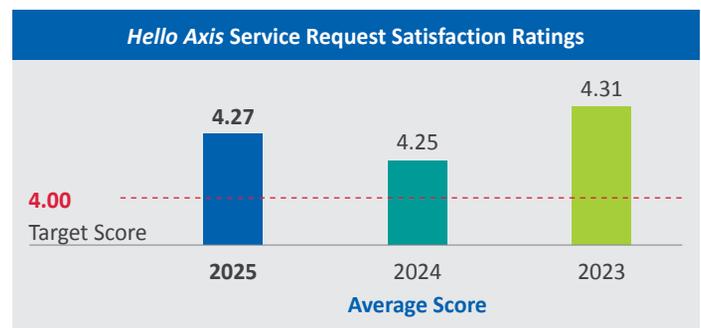
We track the effectiveness of our tenant management initiatives and tenant satisfaction via two separate surveys:

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

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

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

For the *Hello Axis* portal ratings, we garnered an average score of 4.27 in 2025, on a scale of 1 (poor) to 5 (excellent). This was a very slight increase from the 4.25 score achieved in 2024, and remains above our target to secure an average score of 4 and above. The following tables present our average scores, along with an overview of the number of tickets raised, resolved, and unresolved in the last three years. There were nine tickets outstanding at the end of 2025. These remain outstanding due to their timing, having been raised towards the end of the year. Efforts to address these outstanding tickets are in progress.



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Property Type	Hello Axis Service Requests (tickets)		
	Raised	Resolved	Outstanding
	<b>2025</b>		
Multi-Tenant	37	37	0
Single-Tenant	105	96	9
	<b>2024</b>		
Multi-Tenant	69	67	2*
Single-Tenant	158	134	24*
	<b>2023</b>		
Multi-Tenant	32	32	0
Single-Tenant	202	174	28**

\* resolved in 2025.

\*\* resolved in 2024.

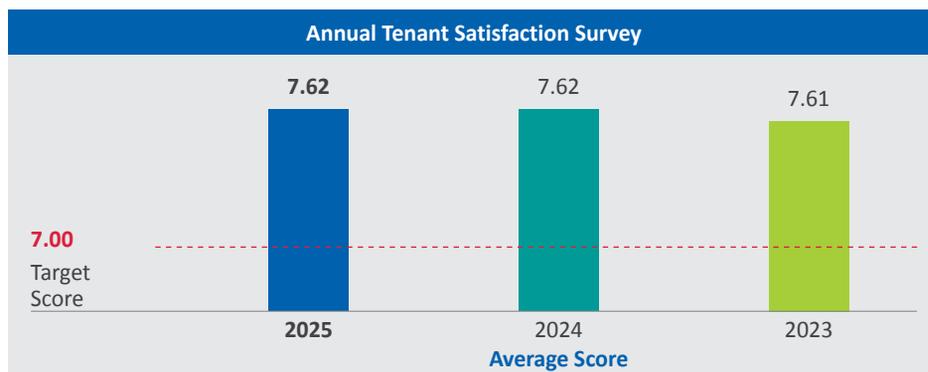
	Hello Axis Service Request Satisfaction Ratings		
	2025	2024	2023
Multi-Tenant	3.67	4.25	4.50
Single-Tenant	4.87	4.24	4.12
Weighted Average	4.27	4.25	4.31

In 2025, we successfully responded to 92% of tickets at multi-tenanted properties and 97% of tickets at single-tenanted properties within 24 hours of the tickets being raised. While the response rate for multi-tenanted properties shows a slight decrease compared to 2024, this was largely due to the nature of the complaints received. Overall, our performance continues to demonstrate a high level of responsiveness across both property types, reflecting our commitment to timely service delivery.

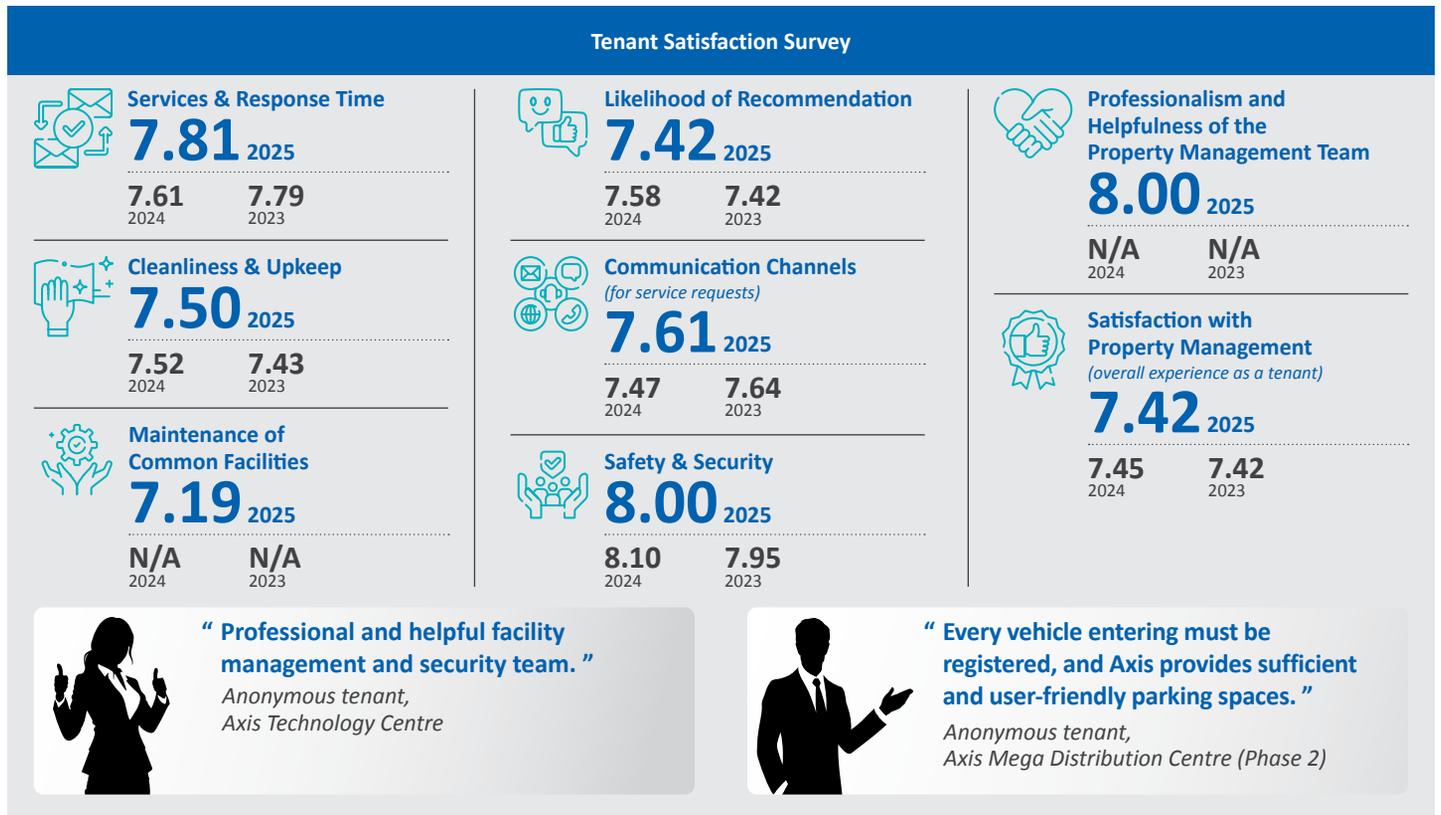
Property Type	2025		2024		2023	
	Ticket Response Time					
	< 24 hours	> 24 hours	< 24 hours	> 24 hours	< 24 hours	> 24 hours
Multi-Tenant	92%	8%	97%	3%	91%	9%
Single-Tenant	97%	3%	97%	3%	97%	3%

Our 2025 Annual Tenant Satisfaction Survey achieved an average score of 7.62 on a scale of 1 (poor) to 10 (excellent). This result exceeded our target score of 7 and remains consistent with our performance in 2024.

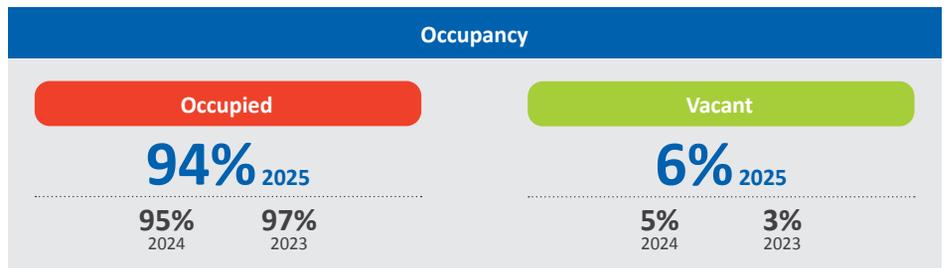
Notably, this year we added two new questions on the professionalism and helpfulness of the Property Management Team and the maintenance of common facilities, ensuring that feedback reflects the most relevant aspects of tenant experience.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Axis-REIT’s property portfolio continued to record a high take-up rate in 2025, with year-end occupancy at 94%. While this is slightly below the take-up rate of 2024, it is well within our target of keeping it above 90%.



## Outlook

Looking ahead, we will continue to enhance Axis-REIT’s property solutions and services to maximise tenant satisfaction. Our priority remains delivering safe, high-quality, and conducive spaces that support tenants’ business needs while reinforcing long-term sustainability. We will continue to refine operational strategies, strengthen maintenance routines, and deepen tenant engagement, ensuring our portfolio remains resilient and competitive.

For 2026, we are optimistic about maintaining portfolio occupancy at above 90%, supported by robust renewal strategies, proactive tenant engagement, and efforts to attract new tenants. We will focus on lifting renewal rates and encouraging existing tenants to expand their space within the portfolio. Ongoing improvements will be guided by continuous feedback collection and dialogue with tenants, ensuring our real estate solutions remain aligned with evolving expectations and our commitment to excellence.

In addition, we will:

- Enhance regular tenant engagement initiatives to cover at least 95% of tenants, ensuring their business and operational needs are addressed.
- Continue implementing measures that promote the health and well-being of tenants at multi-tenanted properties.
- Offer green leases to new and existing tenants during renewal negotiations, reinforcing our commitment to sustainability.
- Engage with all tenants to improve the collection of high-quality environmental data, particularly on energy usage, GHG emissions, water consumption, and waste management.

These initiatives will further strengthen Axis-REIT’s ability to retain tenants, attract new ones, and deliver sustainable long-term growth.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Quality Assets & Services – New Acquisitions



### Capitals

-  Manufactured
-  Financial

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### Strategic Pillars

-  Investment
-  Development

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### Business Risks

-  Development
-  Investment
-  Global
-  Environmental

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### UN SDGs

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## Description of Risks Related to Quality Assets & Services – New Acquisitions

Axis-REIT seeks to expand its portfolio to deliver consistent returns to Unitholders. To achieve this, the Manager adapts to market conditions and strategic priorities while maintaining a strong pipeline of yield-accretive acquisitions and development opportunities. ESG considerations increasingly guide our selection process, with a focus on incorporating green-certified buildings. This approach reflects market trends, stakeholder expectations, and the Fund's sustainability objectives.

Acquiring new properties presents several risks:

- ➔ **Unsustainable investment decisions** made without proper due diligence and not in alignment with the long-term goals of the Fund.
- ➔ **Unsuitable development sites** resulting in project delays, cost overruns, or underutilisation.
- ➔ **Environmental and social risks** such as ground contamination or flood-prone areas, may lead to costly remediation and affect property value.
- ➔ **Inability to lease completed developments** or loss of competitiveness due to inefficient infrastructure or unsustainable design, may impact occupancy and returns.

If unmanaged, these risks could lead to financial losses, operational inefficiencies, and reputational harm. Conversely, disciplined acquisitions and sustainable development practices create significant opportunities for the Fund. By focusing on high-quality properties in strategic locations and investing in resilient infrastructure, we strengthen tenant demand, attract ESG-conscious investors, and enhance long-term portfolio value.

## Effects on Business Model and Value Chain

Acquiring new properties is a core driver of Axis-REIT's growth strategy, directly influencing portfolio quality, income stability, and long-term competitiveness. Sustainability-related risks associated with acquisitions affect multiple stages of the value chain:



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

Axis-REIT's primary focus is to acquire quality properties located within prime areas with mature amenities in order to grow its portfolio and provide consistent distributions to Unitholders. Industrial properties have demonstrated resilience in generating returns, particularly during periods of economic uncertainty such as the COVID-19 pandemic. This resilience has attracted increased interest from property investors, developers, and other funds, creating a more competitive landscape for identifying yield-accretive industrial properties.

To maintain our competitive edge, Axis-REIT prioritises acquisitions of industrial properties strategically located near major highway networks and ports. These locations enable tenants to rationalise operational costs, which is increasingly critical as businesses navigate trade tariffs and the expansion of SST into broader categories. By focusing on such well-connected, prime industrial properties, Axis-REIT strengthens its ability to deliver sustainable returns and long-term value to stakeholders.

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

assesses the risks associated with the vendors and tenants. If such risks are not mitigated, especially during the legal documentation process, such proposals will be flagged and potentially be discontinued by the Fund.

At the beginning of 2025, we included water stress vulnerability assessment into our due diligence checklist. We also implemented a comprehensive scenario analysis in the fourth quarter of 2025 that will strengthen the resilience of our portfolio and enhance our portfolio management strategy. These updated checklists allow us to have a more comprehensive and holistic view of each acquisition from the ESG lens.

In the fourth quarter of 2025, we have also commenced a detailed Environmental Site Assessment (ESA) on a potential acquisition that was announced on 6 November 2025.

The details of our due diligence and ESG scoring systems are described in the sections below.

## Financial Effects

### Current Financial Effects

In FYE2025, Axis-REIT incurred standard due diligence costs for acquisitions, including engineering, legal reviews, environmental assessments, and financial screenings. These costs are considered necessary to mitigate long-term risks and ensure portfolio quality.

### Anticipated Financial Effects

If acquisition risks materialise, potential impacts may include:

- **Significant capital outlays** for remediation or redesign of unsuitable properties
- **Revenue loss** from delayed leasing or inability to attract tenants
- **Legal and compliance costs** arising from association with high-risk vendors or tenants
- **Reputational damage** indirectly affecting investor confidence and access to capital

Such impacts could reduce returns and compromise growth objectives.

## Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Quality Assets & Services – New Acquisitions

Our acquisition strategy demonstrates strong resilience through a foundation of robust governance and risk management. Each acquisition undergoes comprehensive due diligence encompassing technical, financial, legal, environmental, and social factors, alongside strict vendor and tenant screening, including credit checks and compliance verification. Sustainability considerations are increasingly integrated into decision-making, with priority given to properties that feature green certifications and resource-efficient designs. Additionally, scenario planning and risk assessments help anticipate regulatory and environmental challenges. Collectively, these measures ensure that every acquisition enhances portfolio quality, safeguards long-term competitiveness, and aligns with our sustainability commitments.

## Processes, Controls and Policies to Manage Risks and Opportunities Related to Quality Assets & Services – New Acquisitions

### New Property Acquisitions – Initial Due Diligence Assessment Checklist

For all potential acquisitions, we conduct a comprehensive due diligence assessment that includes a robust scoring system. This process was enhanced to include climate risk vulnerability assessments. Each target is assessed and rated against a detailed scoring checklist to ensure alignment with our strategic priorities and risk management framework. Key criteria covered in the checklist include:

- Proximity and access to public transportation networks
- Risk of flooding
- Proximity to natural water sources
- Assessment of past soil settlement issues

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

- Assessment of potential hazards from adjacent properties/land
- Evaluation of green building features such as rainwater harvesting tanks, energy-efficient lighting, and solar panels
- Assessment of proper storage of scheduled waste
- Assessment of vulnerability to climate risks in the real estate life cycle
- Observation on use of asbestos
- Water stress vulnerability assessments

An ESA may be conducted where necessary as part of our due diligence process to evaluate potential environmental risks. This includes reviewing a site's historical information, conducting soil and groundwater sampling to identify contamination, and determining compliance with applicable local and federal regulations. The findings of the ESA guide our next steps, including the implementation of remedial actions to address identified issues or liabilities. In 2025, we conducted one ESA on a property to be acquired, following the findings of our due diligence process.

### New Developments/Major AEs – Initial Due Diligence Assessment Checklist

The Manager strategically expands the portfolio by proactively identifying and evaluating new development opportunities. Guided by comprehensive guidelines, we ensure all projects are commercially viable, compliant with regulatory criteria, and value-enhancing for the Fund and its Unitholders. The assessment process includes:

- Conducting feasibility studies to assess the suitability of all projects
- Sourcing of potential land/properties that fulfil the project's requirements
- Calculating the development project costs and revenue projections
- Coordinating due diligence processes with consultants on shortlisted properties
- Conducting vulnerability assessments on climate risks

- Conducting ESAs (if necessary), in line with regulatory requirements
- Conducting Traffic Impact Assessments and a review of public transportation access during the design and development stages for all new developments
- Conducting water stress vulnerability assessments

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

### Metrics and Targets

In 2025, Axis-REIT successfully obtained vacant possession for one property, with three additional acquisitions currently in progress. Each transaction has undergone rigorous initial due diligence and was approved upon achieving satisfactory outcomes. While no new development projects were initiated during the year, plans are in place to commence new developments in 2026.



\* This property was acquired for development, with vacant possession obtained in 2025.

# This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.



More information on our acquisitions and development projects is presented in the Investment Review section on pages 55 to 58 of this Report.

### Target for Green Building Certification

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

In 2025, the Fund achieved notable progress in green certifications, securing one new certification. These achievements demonstrate and reaffirm our commitment to sustainable building practices. With these certifications, the Fund has seven green building certifications for six properties which account for 21% of total space under management as at 31 December 2025. This reflects our conscious efforts to include green building certification considerations (including building management standards) when evaluating potential acquisitions and development projects, as well as to pursue such accreditations for existing properties, where feasible.



#### Target:

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

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Properties with Green Building Certification (Building Management Standards)		
Properties	Type of Certification	Date of Certification
Axis Facility 2 @ Bukit Raja	GreenRE Silver	September 2023
DW1 Logistics Warehouse	GBI Certified	June 2024*
Bukit Raja Distribution Centre 2	GreenRE Gold	August 2024
Axis Mega Distribution Centre (Phase 1) **	GreenRE Silver	December 2024
Axis Mega Distribution Centre (Phase 2) **	GreenRE Gold	December 2024
Axis Aerotech @ Subang	GreenRE Bronze	December 2024
Axis Facility @ Batu Kawan	GreenRE Bronze	July 2025

Green Building Certification Profile		
Total Number of Properties with Green Building Certification	% of Total Property Portfolio with Green Building Certification	% of Space Under Management with Green Building Certification
6**	8.7%	21%

\* Date of certificate renewal.

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

# This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

### Outlook

We acknowledge the challenging environment faced by the REIT sector, driven by uncertainties in global trade, rising operational costs, and evolving laws and regulations. In the year ahead, the Manager will adopt a balanced approach to navigating these headwinds while reinforcing our commitment to managing both physical and transition climate-related risks in line with the Fund's sustainability objectives.

Building on the foundation established through prior climate risk assessments, we will refine our approach by integrating more effective adaptation and risk-mitigation strategies. At the same time, we will maintain continuous monitoring of emerging risks that could affect our property portfolio, ensuring resilience and agility in our response.

To further reduce our environmental footprint, we will continue conducting feasibility studies across our properties, with the aim of identifying opportunities to incorporate the latest green technologies. In addition, we will deepen our focus on acquiring green-certified buildings where possible, and advancing sustainable development projects, with our target of securing new certifications annually. These initiatives ensure that sustainability remains firmly embedded in the core of our operations and investment strategy, supporting long-term value creation for our stakeholders.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Quality Assets & Services – Existing Assets

### Capitals

- 
Manufactured

Financial
- 
Social & Relationship

### Strategic Pillars

- 
Development

Facilities Management

### Business Risks

- 
Real Estate Management

Environmental

### UN SDGs



9  
INDUSTRIAL INNOVATION AND INFRASTRUCTURE



11  
SUSTAINABLE CITIES AND COMMUNITIES



## Description of Risks Related to Quality Assets & Services – Existing Assets

The Fund’s property portfolio operates in a dynamic environment where risks must be managed to sustain growth and resilience. Disciplined asset management and enhancement initiatives provide a strong foundation, but ongoing challenges require proactive oversight to protect value and stakeholder confidence.

Key risks associated with managing existing assets include:

**Cost Management Risk:**  
Inability to achieve cost-effectiveness in facilities management could lead to escalating operating expenses.

**Regulatory & Compliance Risk:**  
Ignorance or non-compliance with relevant regulations may result in penalties and reputational damage.

**Strategic Risk:**  
Inability to align property management with evolving market demands and innovation could cause a decline in competitiveness and tenant satisfaction.

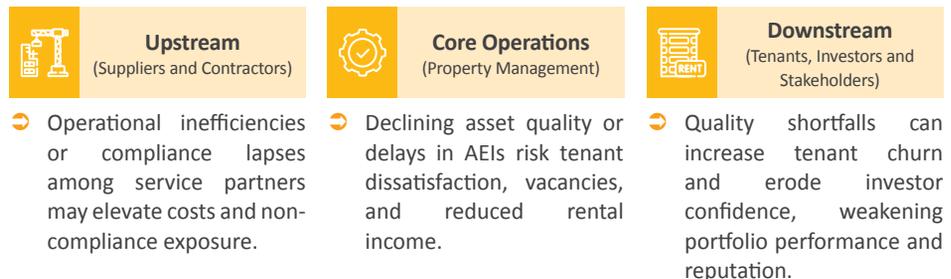
## Climate Change Risk:

Increasing frequency of extreme weather events, rising temperatures, and evolving environmental regulations may damage properties, disrupt operations, and increase costs for adaptation and compliance.

## Effects on Business Model and Value Chain

These key risks may raise costs, disrupt operations, and weaken our reputation for delivering quality. However, these risks also create opportunities to enhance property value through proactive maintenance, compliance assurance, and innovative technologies that improve efficiency and sustainability.

The management of the existing portfolio directly influences Axis-REIT’s business model and value chain, with implications across upstream, core operations, and downstream activities:



## Effects on Strategy and Decision-Making

Operating costs saw a slight increase in 2025 in comparison to 2024, due to the expansion of our portfolio, higher assessment taxes, the increase in minimum wages, and increased water tariffs. Despite these pressures, Axis-REIT has been able to manage operating expenditure risks effectively through its triple-net leases strategy, which apply to our single-tenanted properties that represent 73% of the entire portfolio. Under this structure, operating expenses are contractually managed at the tenant level, providing a natural hedge against rising costs and supporting the Fund’s financial resilience and growth.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

To safeguard the long-term quality and sustainability of our properties, we conduct comprehensive risk assessments across all properties. These cover health and safety, building structures, energy efficiency and supply, greenhouse gas emissions, water supply, flooding risks, and regulatory compliance with authorities such as Bomba, local councils, and the Energy Commission. Preventive maintenance reviews play a crucial role in this process. In 2025, these reviews highlighted opportunities to upgrade air-conditioning systems and improve roof and gutter performance. We incorporated these improvements into our AELs to strengthen efficiency, durability, and overall property standards.

Monthly reports issued to tenants of single-tenanted properties provided further insights into compliance and maintenance practices. These reports guided tenants in aligning with Axis-REIT’s policies, operating manuals, and tenancy terms, while also reinforcing adherence to regulatory requirements. This ongoing initiative ensures that maintenance actions are consistent with both internal standards and external obligations, supporting the long-term integrity of our portfolio.

Maintaining the quality and physical condition of our properties remains a core responsibility. We deliver this through a combination of planned preventive and ad-hoc maintenance services, ensuring that AELs and redevelopment projects are executed in line with our policies and manuals, delivered on schedule and within budget.

Service providers and contractors appointed for preventive maintenance are closely supervised to ensure compliance with agreed service levels and guidelines. Regular communication with suppliers facilitates consultation and continuous improvement, helping us establish efficient maintenance schedules that minimise downtime from system failures such as lift or air-conditioning breakdowns. In addition, we conduct annual HSE audits and Onsite Vendor Assessments, reviewing at least five material vendors to evaluate their health, safety, and human rights practices. These assessments highlight any safety or compliance gaps, ensuring that our supply chain partners uphold the same standards of responsibility and compliance that we require internally.

We engage suppliers and service providers in monthly meetings to discuss improvements and identify necessary actions, thereby strengthening collaboration and performance. Alongside this, we organise monthly training sessions for the Property Management Team, suppliers, and service providers to ensure they remain competent and up to date on technical and regulatory developments. These courses focus on health and safety as well as technical and non-technical skills.

 For more details on these courses, please refer to the Responsible Supply Chain, Occupational Health and Safety and Talent Development sustainability matters.

In addition to these operational measures, 2025 saw the commencement of a cashless and LPR parking systems at Menara Axis and Crystal Plaza, enhancing convenience and efficiency for tenants and visitors.

In 2025, the Investment Team undertook a robust review of leasehold tenures and worked on a lease extension of one property, which is about to complete. The cost of this extension amounted to RM6.6 million. Another six properties were also identified by the team for future leasehold tenure extension.

Key portfolio activities in 2025 are summarised as follows:

- |  | Multi-Tenanted Properties   |
|--|---|
| ➤  | Implementing AELs as needed to ensure that properties remain relevant and competitive in the market.  |
| ➤  | Conducting scheduled checks on mechanical, electrical, and plumbing (MEP) systems and non-MEP systems.  |
| ➤  | Keeping updated records on compliance with the building codes.  |
| ➤  | Inspecting accessibility for disabled persons at all buildings according to the Uniform Building By-Laws (UBBL) 1984, and improving this, where possible, when undertaking AELs.        |
| ➤  | Appointing only competent suppliers and service providers to undertake routine and ad-hoc service and maintenance work, as recommended in the Operations Manual.                        |
| ➤  | Reviewing annual preventive maintenance checks, policies, and procedures to identify any gaps and areas for improvement.  |
| ➤  | Regularly communicating with tenants to obtain feedback on the functionality of facilities and services.  |
| ➤  | Conducting routine in-house and outsourced training on MEP services to ensure relevant employees have the necessary technical skills and knowledge to perform their duties competently. |
| ➤  | Conducting routine building inspections and audits in accordance with the daily inspection checklist.   |
| ➤  | Engaging Takaful operators to conduct annual Risk Management Surveys.   |
| ➤  | Engaging external consultants (energy auditors, civil and structural engineers, firefighting consultants, and indoor air quality specialists) for expert input and recommendations.     |
| ➤  | Ensuring compliance with all relevant building codes (Fire Certificates, Certificate of Completion and Compliance, etc.).   |

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Single-Tenanted Properties

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

## Financial Effects

### Current Financial Effects

In FYE2025, Axis-REIT did not experience material financial losses from asset quality issues. However, recurring costs were incurred for:

- **Preventive maintenance programmes** and compliance audits.
- **Strategic AElS** to improve building efficiency and tenant experience.
- **Technology upgrades** for resource optimisation and sustainability.

These costs are treated as part of operational and capital expenditure, supporting long-term asset resilience and tenant retention.

### Anticipated Financial Effects

If risks materialise, potential financial impacts include:

- **Higher operating costs** due to inefficient facilities management.
- **Regulatory fines or penalties** for non-compliance.
- **Capital outlays** for urgent remedial works or accelerated AElS.
- **Revenue loss** from tenant churn and increased vacancy rates.

Collectively, these factors could negatively impact cash flow and overall profitability. To mitigate these risks, Axis-REIT adopts a proactive approach through structured maintenance planning, robust compliance monitoring, and continuous investment in technology-driven solutions. With this in mind, the Manager has allocated at least RM50 million over the next two years to develop selected properties as green-certified buildings, thereby enhancing asset resilience, improving operational efficiency, and supporting long-term sustainable value creation.

### Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Managing Existing Assets

Axis-REIT's strategy has proven resilient through robust asset management practices and continuous improvement. The Fund consistently demonstrates its ability to withstand market challenges and deliver sustainable value through:

- Robust facilities management systems that keep operating costs efficient and ensure regulatory compliance.
- Regular AElS and sustainability upgrades that enhance building performance, improve tenant satisfaction, and support high occupancy levels.

- Sustainability considerations embedded throughout our operations, including energy efficiency measures, resource conservation, and alignment with ESG standards.
- Strong governance and monitoring frameworks that reinforce investor confidence by ensuring adherence to legal and ESG requirements.

These achievements reflect Axis-REIT's resilience in practice, enabling the Fund to maintain a competitive, future-ready portfolio. Importantly, no regulatory fines or penalties were incurred in 2025, reflecting a rigorous approach to compliance and governance measures.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to Managing Existing Assets

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



## Environmental Policy

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



## HSE Policy

Our HSE Policy establishes standards to ensure a safe working environment for our employees, tenants, contractors, community, and other stakeholders, underscoring our commitment to excellence in health, safety, and environmental practices. In line with this policy, the Property Management Team has implemented various measures to uphold health and safety standards in the maintenance of the Fund's existing properties and services. These measures

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

include conducting periodic HSE audits, as well as establishing and implementing an Onsite Vendor Assessment that incorporates human rights elements, ensuring ongoing compliance with regulatory requirements.

## Operations Manual

The Operations Manual specifies internally developed procedures and policies that guide our planning, decision-making, and daily activities in managing Axis-REIT. This encompasses property maintenance and enhancement initiatives with the aim of maintaining and improving the quality of Axis-REIT's existing properties. These procedures and policies are designed to provide tenants with safe, secure, clean, and conducive working environments, while also preserving and enhancing the value of the properties in an efficient and sustainable manner. In 2024, we updated the Operations Manual to further define the reporting flow for occupational health and safety management.

## Renovation Manual

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

### Metrics and Targets

In 2025, the Manager implemented key AEIs at 13 properties across Axis-REIT's portfolio. All initiatives integrated sustainability considerations, with notable measures including the installation of EV charging stations, upgrades to health and safety equipment, and enhancements to accessibility for disabled persons.



Number of properties with key AEIs in FYE2025 **13**



Percentage of AEIs incorporating sustainability considerations **100%**

The Property Management Team oversaw the following key AEIs in 2025:



### MENARA AXIS

- ➔ Installed EV charging stations
- ➔ Upgraded parking system to a cashless and LPR system
- ➔ Upgraded the fire alarm panel



### CRYSTAL PLAZA

- ➔ Upgraded the parking system to a cashless and LPR system



### QUATTRO WEST

- ➔ Upgraded the fire alarm panel



### WISMA KEMAJUAN

- ➔ Repainted external building facade



### AXIS TECHNOLOGY CENTRE

- ➔ Upgraded driveway
- ➔ Installed new passenger lift
- ➔ Installed ramp for disabled access



### AXIS SHAH ALAM DISTRIBUTION CENTRE 2

- ➔ Repainted external building facade

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



### AXIS SHAH ALAM DISTRIBUTION CENTRE 4

- ➔ Upgraded the building's sewer line



### AXIS INDUSTRIAL FACILITY 1 @ SHAH ALAM

- ➔ Installed new high tension transformer electrical cables



### AXIS INDUSTRIAL FACILITY @ RAWANG

- ➔ Enhanced roof metal deck and gutter



### AXIS HYPERMARKET @ SUNGAI PETANI

- ➔ Upgraded domestic cold water piping



### SEBERANG PRAI LOGISTICS WAREHOUSE 1

- ➔ Upgraded warehouse roof insulation



### SEBERANG PRAI LOGISTICS WAREHOUSE 3

- ➔ Installed waterproof membrane on the roof and gutter



### BAYAN LEPAS DISTRIBUTION CENTRE

- ➔ Upgraded cooling tower in-fills and related works

### Outlook

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

Building on the successful implementation of cashless parking systems at selected properties in 2025, we plan to extend this initiative by upgrading conventional parking facilities at other multi-tenanted properties in the coming year.

Looking ahead to 2026, our strategy includes retrofitting at least one property each year with green features such as EV charging stations and renewable energy solutions, reinforcing our commitment to sustainable growth and portfolio resilience. In line with this, we plan to install EV charging stations at selected multi-tenanted properties to meet sustainability commitments and rising demand.

We have also identified six properties for future leasehold tenure extension to secure long-term value and sustainability.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Responsible Supply Chain Management



**Capitals**

- Social & Relationship

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**Strategic Pillars**

- Development  Investment
- Facilities Management

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**Business Risks**

- Development  Investment
- Real Estate Management  Global

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**UN SDGs**

-

### Description of Risks Related to Our Supply Chain

The Manager remains committed to embedding long-term ESG principles across its supply chain. We actively engage with suppliers and service providers to ensure alignment with our ethical standards and sustainability expectations. This collaborative approach strengthens our ability to uphold integrity, environmental stewardship, and social responsibility throughout our value chain.

At the same time, supply chain management also presents inherent risks. These risks primarily arise when vendors, suppliers, or contractors fail to comply with regulatory requirements or industry best practices. Key areas of concern include:

- **Regulatory compliance:** Breaches of environmental laws, health and safety standards, or labour laws can result in legal action, fines, or stop-work orders.
- **Operational reliability:** Delays in services or deliverables, poor workmanship, or inadequate quality controls may reduce productivity and undermine property performance.

- **Ethical conduct:** Not adhering to business ethics, anti-corruption measures, or fair labour practices can undermine stakeholder trust and expose the organisation to reputational damage.
- **Sustainability alignment:** Suppliers that do not meet ESG expectations may compromise Axis-REIT's ability to achieve long-term sustainability targets and fulfil investor commitments.

Conversely, by effectively managing these risks, the Fund can unlock opportunities to enhance resilience, strengthen stakeholder trust, and drive long-term sustainable value creation.

### Effects on Business Model and Value Chain

If unmanaged, the risks outlined above can lead to significant consequences, including higher costs, reduced operational efficiency, reputational damage, and adverse media coverage.

<div style="background-color: #FFC107; padding: 10px; margin-bottom: 10px;"> <p><b>Upstream</b> (Suppliers and Contractors)</p> </div> <ul style="list-style-type: none"> <li style="margin-bottom: 10px;"><span style="color: #FFC107;">➤</span> Non-compliance by suppliers or contractors can disrupt procurement timelines and service delivery, increasing operational risk and cost. Strengthening supplier due diligence processes and ESG screening are essential to ensure reliability, compliance, and ethical standards across the supply chain.</li> </ul>	<div style="background-color: #FFC107; padding: 10px; margin-bottom: 10px;"> <p><b>Core Operations</b> (Asset Enhancement, Development, and Building Services)</p> </div> <ul style="list-style-type: none"> <li style="margin-bottom: 10px;"><span style="color: #FFC107;">➤</span> Delays, poor workmanship, or stop-work orders arising from supplier breaches may directly affect project schedules, property upkeep, and building services quality. These disruptions can reduce tenant satisfaction, compromise asset reliability, and ultimately impact revenue streams and long-term competitiveness.</li> </ul>	<div style="background-color: #FFC107; padding: 10px; margin-bottom: 10px;"> <p><b>Downstream</b> (Investors and Stakeholders)</p> </div> <ul style="list-style-type: none"> <li style="margin-bottom: 10px;"><span style="color: #FFC107;">➤</span> Investors and regulators increasingly demand robust supply chain governance. Failure to demonstrate responsible practices may erode investor confidence, restrict access to capital, and jeopardise compliance with ESG-related obligations. These may result in reputational harm and adverse media coverage.</li> </ul>
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# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

Supply chain risks are core to shaping our strategy and decisions. To address these risks, our Property Management Team has established a framework consisting of pre-qualification assessments, annual supplier evaluations, and strict adherence to our Supplier Code of Conduct. This ensures that all goods and services — including those from contractors, cleaners, and security personnel — meet high standards and are sourced from reputable providers. We prioritise local sourcing to support the local economy while reducing exposure to external disruptions. These measures, outlined in detail below, are both operational safeguards and strategic drivers that advance the Fund's sustainability agenda while protecting it from legal, reputational, and financial risks.

### Pre-qualification Assessment

Prior to engaging a new supplier or service provider, we conduct a rigorous pre-qualification assessment. This process evaluates the candidates' financial stability, while identifying ethical and reputational risks through CTOS screenings, thorough background checks, and assessing their ESG commitments and practices. Only companies that achieve satisfactory scores and meet our stringent standards are added to the Fund's list of approved suppliers. This ensures that entities we partner with are aligned with our values and contribute to our goals of sustainability and ethical business practices.

### Annual Supplier Evaluation

To assess the performance of our existing suppliers and service providers and identify opportunities for improvement, we conduct comprehensive annual evaluations. These cover key areas such as responsiveness, pricing, delivery, quality, after-sales service, management effectiveness, and adherence to our Supplier Code of Conduct. As part of this process, we also conduct annual CTOS verifications to confirm our suppliers' continued financial stability.

Suppliers who achieve satisfactory scores in these evaluations are retained for future

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

## Supplier Evaluation Criteria

	<b>Responsiveness</b>
➔	On requests for quotations/proposals
➔	On technical/commercial requests
	<b>Price</b>
➔	Competitiveness of pricing
➔	Terms and conditions
➔	Billing/Invoicing
	<b>Delivery</b>
➔	Timeliness
➔	Flexibility on delivery
➔	Responsiveness to requests
➔	Resolution of delays
	<b>Quality</b>
➔	Consistency of quality
➔	Submission of required documentation
➔	Conformity to drawings and HSE requirements
➔	Job site performance/quality of work
	<b>After Service</b>
➔	Technical support and expertise
➔	Defect rectification
➔	Other support/closure



## Effectiveness of Management

- ➔ Professional conduct and communication
- ➔ Effectiveness of job site supervision
- ➔ Adoption of ESG/sustainability initiatives/process/procedures for business operations
- ➔ Compliance with Axis-REIT's Supplier Code of Conduct



## Financial Standing

- ➔ CTOS verification

Our initiatives in 2025 continued to reinforce the integrity and resilience of our supply chain in creating long-term value for all our stakeholders. These included:

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

- ➔ Maintained stringent supplier pre-qualification processes before admission to our list of approved suppliers, which subjected all potential new suppliers to comprehensive evaluations by the Property Management Team and the Finance Team.
- ➔ Updated the vendor pre-qualification form to formally document and govern exemptions arising from unfavourable CTOS and SSM assessments.
- ➔ Broadened our vendor pre-qualification process to incorporate checks against the Malaysian Anti-Corruption Commission's (MACC) Corruption Offender Database, in addition to CTOS and SSM assessments.
- ➔ Conducted regular assessments through training, ad-hoc site visits, and audits by the HSSE Manager and on-site personnel, ensuring compliance with HSE practices at all ongoing developments, maintenance, and AEI project sites.
- ➔ Conducted regular health and safety training sessions for suppliers and other relevant external parties to ensure compliance with our HSE Policy and Supplier Code of Conduct.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Financial Effects

### Current Financial Effects

In the current financial year, Axis-REIT did not experience any material financial loss arising from supply chain-related incidents. However, the Fund incurred recurring costs in maintaining robust supply chain governance and ESG compliance, including:

- **Supplier due diligence and pre-qualification assessments**, such as CTOS screenings and background checks.
- **Annual supplier evaluations**, covering ESG adoption, quality standards, and compliance with our Supplier Code of Conduct.
- **Preventive measures**, including engagement sessions with suppliers and implementation of sustainability criteria in procurement processes.

These measures are essential to mitigate risks of non-compliance and supply chain disruptions and are accounted for as part of operational expenses.

### Anticipated Financial Effects

If a major supplier breach or regulatory non-compliance occurs, potential impacts include:

- **Cost overruns** due to delays in project timelines, resulting in delayed project delivery to tenants.
- **Additional expenses** for sourcing alternative suppliers or deploying contingency measures.
- **Legal costs** arising from contractual disputes or regulatory penalties.
- **Reputational damage**, which could affect investor confidence and tenant relationships.

While these exposures are difficult to quantify precisely, they could result in increased operational costs and reduced efficiency. Axis-REIT continues to implement proactive measures — such as stringent supplier screening and ESG integration — to minimise these risks.

## Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Our Supply Chain

Axis-REIT's strategy has shown strong resilience to supply chain risks, with no fines or penalties incurred in 2025. This resilience is underpinned by clear governance frameworks and disciplined procurement processes, integrating ESG criteria into supplier assessments and enforce compliance through our Supplier Code of Conduct. Ongoing supplier engagement and monitoring ensure alignment with sustainability objectives and regulatory standards.

In the event of disruption, our diversified supplier base and contingency planning allow for rapid response and recovery, limiting operational impact. These measures jointly safeguard long-term value creation and demonstrate Axis-REIT's commitment to integrity, sustainability, and operational excellence.

## Processes, Controls and Policies to Manage Risks and Opportunities Related to Managing Our Supply Chain

The Property Management Team plays a primary role in ensuring that our supply chain operates responsibly, ethically, and sustainably. Their work is guided by established frameworks and policies that safeguard against risks while fostering opportunities for continuous improvement and collaboration.

### Supplier Code of Conduct

We require all suppliers and service providers to comply with our Supplier Code of Conduct, which sets clear standards on ethics, integrity, labour practices, human rights, health and safety, and environmental sustainability. The Code is publicly available and includes whistle-blowing channels to report non-compliance or unethical practices, reinforcing transparency and accountability. Our Property Management Team, including the HSSE Manager, regularly engage with suppliers to ensure alignment on service quality, operational issues, and sustainability objectives.

## HSE Policy

Our HSE Policy commits us to maintaining safe working practices and environments that protect employees, contractors, tenants, and communities. It mandates preventive measures against work-related incidents, property damage, and environmental harm, while also requiring compliance with all applicable standards and codes. This policy underpins our commitment to operational excellence and sustainable practices.

## Metrics and Targets

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

We are pleased to report that all AEs, development, and maintenance projects were successfully completed on schedule. These accomplishments reflect the success of our ongoing efforts in maintaining an efficient, ethical, and compliant supply chain.

## Supplier Statistics

As part of the supplier evaluation process in 2025, the Property Management Team evaluated 224 suppliers on Axis-REIT's panel, which are 100% local companies. Following this evaluation, five suppliers were removed from the panel due to material changes to their corporate structure. During the year, we also admitted 12 new suppliers to our panel.

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Supplier Statistics	FYE2025	FYE2024	FYE2023
No. of suppliers subjected to annual evaluation	212	207	191
No. of new suppliers subjected to pre-qualification assessment	12	7	20
No. of suspended suppliers	0	0	0
No. of de-listed suppliers	5	2	4

### Annual Procurement: Local Suppliers

The Property Management Team procured RM38.7 million in goods and services (excluding government related expenses) for Axis-REIT in 2025, compared to RM72.7 million in 2024. The decrease was due to higher expenses incurred in 2024 arising from development projects undertaken during that year. In line with our commitment to engage local suppliers where possible, we are pleased to report that all procurements in the last three financial years were transacted with local suppliers.

Total Procurement Spent on Local Suppliers (RM million)	
2025	38.7
2024	72.7
2023	196.2

### Supplier Training

As part of our commitment to facilitate continuous process improvements, we conduct supplier training courses that focus on Axis-REIT's HSE Policy. The number of programmes that we offer every year depends on the number of active AEs, developments, and maintenance projects. In 2025, we held a total of 28 training programmes that drew 695 attendees from our suppliers and service providers, including housekeeping staff.

Supplier Training Courses		
Year	Total number of training programmes offered to suppliers	Total number of attendees
2025	28	695
2024	32	592
2023	48	884

### Screening and Audit of Suppliers against ESG Criteria

In 2025, we continued assessing compliance of suppliers and service providers with our Onsite Vendor Assessment Checklist. The Property Management Team conducted ESG audits on six of our key suppliers and service providers. These audits aimed to identify if there were any potential ESG-related risks within their operations and to develop suitable

mitigation plans, if necessary. The audit covered areas of concern based on our Supplier Code of Conduct, HSE Policy, and Environmental Policy, including labour standards and human rights, health and safety, quality standards, and the environment. We are pleased to report that the audits conducted in 2025 did not identify any instances of non-compliance with our policies and standards.



#### Target:

To ensure zero cases of ESG non-compliance by contractors (including human rights and labour assessments) through ad-hoc site visits and audits.

### Outlook

In 2026, we will continue working closely with our suppliers and service providers to strengthen our supply chain management practices. We will focus on ensuring adherence to our Supplier Code of Conduct through pre-qualification assessments, annual evaluations, and regular site audits. We also plan to engage an independent auditor to review our assessment of material suppliers from 2026 onwards.

We remain committed to safeguarding human rights among key registered vendors and will continue to document and address any instances of non-compliance. These measures will ensure that our ESG values and commitments are consistently upheld across the supply chain.

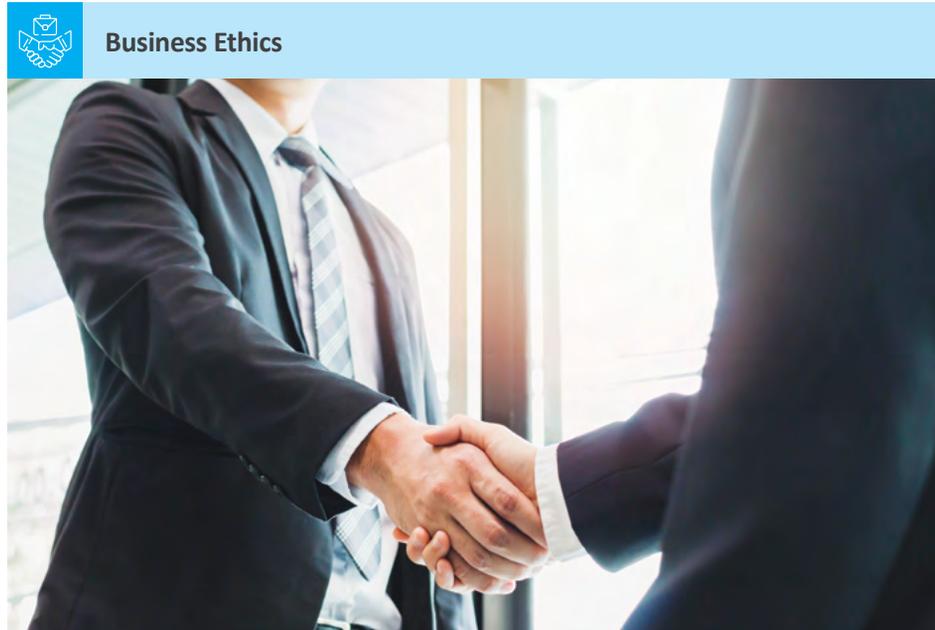
To support this, we will continue to organise training programmes and workshops designed to strengthen understanding and implementation of key ESG principles among suppliers and service providers. This approach will reinforce our sustainability and ethical practices while fostering stronger, more collaborative relationships with our partners.

In 2026, we will also explore the use of the Bursa Malaysia Centralised Sustainability Intelligence (CSI) Platform to estimate supplier emissions using its internationally recognised methodology. This will provide a clearer measure of supplier-related emissions and contribute to more thorough Scope 3 GHG reporting.

Through these efforts, we aim to build a supply chain that is resilient, transparent, and responsible, positioning the Fund to advance its long-term sustainability objectives and deliver value to stakeholders.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## GOVERNANCE



### Capitals

Social & Relationship

### Strategic Pillars

- Investment
- Development
- Facilities Management
- Real Estate
- Capital Management
- Governance

### Business Risks

- Human Resource
- Global
- Investment

### UN SDGs



### Description of Risks Related to Business Ethics

Managing the Fund involves navigating ethical and compliance considerations. Although the regulatory environment is complex, our robust governance framework and commitment to integrity ensure that risks — including anti corruption, statutory compliance, and climate related obligations — are carefully monitored and addressed. Upholding high standards of business ethics across strategic planning, investment decisions, and daily operations is central to protecting the Fund’s reputation, strengthening stakeholder trust, and supporting its long-term sustainability.

Key risks related to business ethics include:

- **Breach of anti-corruption laws:** Violation could result in serious corporate and personal liabilities for the Manager, its directors and employees.
- **Regulatory and policy pressures on climate change:** Not meeting increasing climate-related requirements applicable to existing buildings, property acquisitions, and property development may expose the Fund to compliance risks.

- **Non compliance with statutory and listing obligations:** Failure to adhere to statutory laws, MMLR, accounting standards, taxation rules, Shariah principles, and other REIT-specific regulations could lead to reputational damage.

At the same time, a proactive approach to ethics and compliance creates significant opportunities. By demonstrating integrity and transparency, the Fund attracts ESG-focused investors, strengthens tenant loyalty, and differentiates itself in a competitive market.

### Effects on Business Model and Value Chain

The risks outlined above do not exist in isolation; they have direct implications across the Fund’s entire value chain. Understanding how ethical challenges manifest upstream, within core operations, and downstream is essential to managing their impact on our business model.

**Upstream**  
(Capital Raising and Property Acquisition)

- Unethical fundraising practices such as misrepresentation of information, lack of financial transparency, or non-disclosure of conflicts of interest, can erode investor confidence and damage the REIT’s credibility. Similarly, property acquisition risks like bribery in land deals, ignoring zoning or environmental regulations, or purchasing properties with questionable ownership, can expose the REIT to lawsuits, regulatory scrutiny, and reputational harm.

**Core Operations**  
(Asset Management and Governance)

- Fraud, conflicts of interest, or weak governance practices undermine transparency and investor confidence, while neglect of safety standards compromises ethical management of the portfolio. Supplier corruption, such as bribery or inflated invoicing, further erodes integrity and increases costs.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Downstream (Tenants and Investors)

- Issues in property maintenance, hidden fees, bribery, or improper eviction practices may erode tenant trust and reduce occupancy, while misleading financial reporting or deceptive business practices could undermine investor confidence. Scandals around governance or social impact also damage market reputation, especially as ESG-conscious tenants and investors increasingly demand ethical REITs.

### Effects on Strategy and Decision-Making

Recognising the impact business ethics risks pose across the value chain, we integrate ethical considerations directly into our strategic planning and decision-making processes. To safeguard stakeholder interests, we continuously monitor and regularly assess the business practices and governance frameworks that guide the Fund. We stay informed about developments in political, economic, and business landscapes, paying close attention to emerging factors such as workplace cultural shifts, digital trends, geopolitics, heightened data safety and security requirements, and climate change risks. These efforts protect the Fund's institutional integrity and align with our goal of establishing an agile and resilient organisation.

The Board plays a crucial role in providing exemplary leadership and governance, ensuring transparency, accountability, and responsibility in steering the strategic direction of Axis-REIT. The Board, guided by the Board Charter outlining the Manager's key principles and ethical guidelines, ensures the effective and accountable execution of its duties. Additionally, the Board oversees key policies that guide Axis-REIT, including the Code of Conduct, Whistle-Blowing Policy, and ACF Policy.

At both management and operational levels, the Manager adheres to a comprehensive Code of Conduct. This framework reflects

our commitment to maintaining the highest standards of integrity, extending to all employees representing the Manager and Axis-REIT. It includes guidelines for managing conflicts of interest, maintaining privacy and confidentiality, handling gifts and entertainment, and upholding professional behavioural standards. New employees undergo an induction programme facilitated by the Human Resource Department, which includes a review of the Code of Conduct and other essential policies.

In addition to the Board Charter and the Code of Conduct, the Manager's Whistle-Blowing Policy and ACF Policy provide clear avenues for employees, Directors, suppliers, and tenants to report any misconduct, criminal offences, or malpractices. These policies comply with the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) and commit the Manager to act professionally, fairly, and with integrity in all business dealings, consistently upholding the law across our supply chain. We communicate these policies to our supply chain through our Supplier Code of Conduct and include compliance checks as part of our annual supplier evaluation process.

We conducted several notable initiatives in 2025 to reinforce the implementation of ethical business practices throughout our organisation, as summarised in the table below:

Initiatives	Description
<b>Annual review of the ACF Policy</b>	<ul style="list-style-type: none"> <li>The Board undertook its annual review of the ACF Policy to ensure that it remains relevant and up to date.</li> <li>There was no change made to the ACF Policy in 2025.</li> </ul>
<b>Enhancing anti-bribery awareness and obligations among Directors and employees of the Manager</b>	<ul style="list-style-type: none"> <li>The Board, through its annual review of the ACF Policy, also refreshed their knowledge and understanding of the Policy.</li> <li>Online refresher training courses on anti-bribery awareness were conducted for all existing employees in December 2025.</li> <li>A new requirement obliges new recruits to declare their understanding and compliance with the Code of Conduct on their completion of the induction programme.</li> </ul>
<b>Enhanced screening for managerial candidates</b>	<ul style="list-style-type: none"> <li>Enhanced due diligence/background checks are compulsory for candidates seeking managerial positions in the Manager, by screening them against MACC's Corruption Offender Database. This aims to ensure our managerial hires have clean track records.</li> </ul>
<b>Assessment of corruption risks in the operations of the organisation</b>	<ul style="list-style-type: none"> <li>An internal audit to test the operational controls against corruption risks was conducted on the Investments Department in May 2025.</li> </ul>
<b>Undertaking KYC assessments to prevent money laundering activities</b>	<ul style="list-style-type: none"> <li>KYC assessments from an anti-money laundering perspective were integrated into the property divestment due diligence processes.</li> </ul>
<b>Enhanced due diligence assessments on potential vendors and tenants to identify risks which may include money laundering risks</b>	<ul style="list-style-type: none"> <li>All potential vendors and tenants are subject to enhanced due diligence assessments, including financial and background checks as well as market/industry reviews, to identify risks which may include money laundering risks.</li> </ul>

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Financial Effects

### Current Financial Effects

In FYE2025, Axis-REIT incurred routine compliance-related costs, including governance audits, regulatory reporting, and training programmes on anti-corruption and ethical conduct. These expenses are considered essential for maintaining adherence to MMLR, statutory obligations, accounting standards, taxation rules, Shariah compliance, and applicable REIT regulations. During the year, no financial losses were recorded due to breaches of anti-corruption laws or regulatory non-compliance.

### Anticipated Financial Effects

If risks materialise, potential financial impacts could include:

- **Legal and regulatory penalties** for breaches of anti-corruption laws or non-compliance with statutory obligations.
- **Reputational damage**, which could indirectly affect investor confidence and access to capital.
- **Operational disruptions** and potential delays in property transactions or development approvals due to regulatory scrutiny.

These impacts could result in financial liabilities and undermine Axis-REIT's ability to deliver sustainable returns.

### Resilience of Our Strategy and Business Model Regarding Risks Arising from Business Ethics

The Fund's strategy and business model have demonstrated strong resilience against risks related to business ethics. Through continual reviews and enhancements to our processes and policies, supported by the steadfast commitment of the Board, Senior Management, and employees, we have maintained a culture of integrity and compliance. This resilience was evident throughout 2025, with no incidents of misconduct, compliance breaches, or whistleblowing reports recorded. As a result, no remedial action was required, underscoring the effectiveness of our governance framework

and ethical safeguards in protecting long-term stability and trust.

### Processes, Controls, and Policies to Manage Risks and Opportunities Related to Business Ethics

The Compliance Team supports the CEO in overseeing all ethics and governance matters, ensuring adherence to relevant policies and procedures. Working in consultation with pertinent experts, the Compliance Team proposes revisions to the Manager's corporate policies and procedures for the Board's consideration and approval. This collaborative approach ensures that our governance framework remains robust, relevant, and effective in fostering an ethical organisational culture.



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

### Whistle-Blowing Policy

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

The Policy is designed to:

- Clearly define the procedures that provide a secure avenue for whistleblowing, including the detailed reporting procedures, documentation, and investigation process.
- Support the Manager's values and maintain a high standard of integrity and accountability.
- Ensure stakeholders can raise concerns without fear of reprisal.
- Provide a clear and confidential process for dealing with concerns raised, including incidents related to human rights and malpractices.

- Facilitate the development of preventative measures to avoid any recurrences of improprieties and malpractices.

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

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

At each of its quarterly meetings, the Board made enquiry with the CEO and Independent Directors on whether any reports/complaints/grievances were received via the designated email address. This enables the Board to closely monitor improprieties, whether within the organisation or externally, such as via the supply chain.

### ACF Policy

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

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

The Policy is designed to:

- Clearly define bribery and corruption, as well as actions that are classified as offences by law.

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

- ➔ Provide guidance on preventing bribery and corruption throughout the organisation, its related parties, and agents/contractors acting on behalf of the Manager.
- ➔ Support the Manager's values and maintain a high standard of integrity and accountability.
- ➔ Communicated extensively through various channels (including our website, training sessions, and induction programmes).

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

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

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

### Metrics and Targets

Key Performance Indicator	2025	2024	2023
Number of compliance breaches or misconduct	0	0	0
Number of whistleblowing reports or complaints received	0	0	0
Percentage of operations assessed for corruption-related risks	60%	40%	20%

Percentage of Employees Who Attended Anti-Corruption-related Training by Employee Category*			
	2025	2024	2023
Senior Management	100%	100%	100%
Middle Management	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	100%	100%	100%

\* Does not include employees who were on sabbatical, hospitalisation, or maternity leave when the training was conducted.

### Outlook

We remain committed to ensuring that our internal operations consistently adhere to ethical business practices, with all processes and policies aligned with the MACC Act 2009. To maintain this standard, we will continue to review and update our Code of Conduct, ACF Policy, and Whistle-Blowing Policy on a regular basis.

In efforts to strengthen our governance framework, the Investments and Leasing Teams have been designated to conduct due diligence during the onboarding of potential tenants and vendors involved in investment activities. These measures are designed to minimise the risk of association with high-risk parties, such as those engaged in illegal, criminal, or money-laundering activities. In addition, we will continue applying established KYC assessments to potential divestment activities, ensuring transparency and accountability across transactions.

Since 2023, corruption risks have been assessed through internal audits of key departments, including Facilities Management, Project Management, and Investments. Building on this foundation, we plan to extend internal audit to the Finance Department in 2026, further strengthening oversight across all critical functions.

We will continue to educate employees and third parties on the importance of business ethics through ongoing training sessions focused on ethical conduct, compliance, and the proper channels for reporting unethical behaviour. In addition, we plan to explore the introduction of integrity training for employees in 2026, with the aim of equipping them with the capabilities to uphold ethical standards in their daily responsibilities.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Cybersecurity & Data Protection



### Capitals

Intellectual

### Strategic Pillars

Governance

### Business Risks

Human Resource Information Technology

### UN SDGs



### Description of Risks Related to Cybersecurity & Data Protection

We continue to leverage technology across our operations to improve efficiency, enhance productivity, and respond to evolving consumer behaviours and expectations. As we advance our digital capabilities by leveraging cloud storage and digitalising our business operations, managing sensitive business information requires careful attention to both data protection and regulatory compliance. In this context, we recognise several key risks. These include potential ignorance or non-compliance with the PDPA, as well as possible threats such as data loss, theft, server failures, virus infections, cyber incidents, exposure to malware, and scams. The Manager addresses these challenges with a commitment to fostering a culture of awareness, accountability, and vigilance, ensuring that information is safeguarded, and stakeholder trust is maintained.

### Effects on Business Model and Value Chain

Cybersecurity risks have implications across our entire business model and value chain, affecting upstream partners, core operations, and downstream stakeholders.



#### Upstream

(Vendors, Service Providers, and Technology Partners)

➔ Any lapses with service providers and technology partners, such as poor data handling practices, inadequate system security, or lack of PDPA awareness, may introduce vulnerabilities into our digital ecosystem. These vulnerabilities could lead to data breaches, operational disruptions or exposure to cyberattacks.



#### Core Operations

(Internal Systems, Property and Tenant Management Platforms)

➔ Within core operations, cybersecurity incidents such as server failures, data theft, malware attacks, or phishing attempts may compromise confidential information or disrupt mission-critical systems. These incidents not only reduce productivity but also carry financial consequences such as recovery costs, fines, and reputational damage. Employee awareness and accountability are essential, as human error or negligence can amplify exposure to cyber threats.



#### Downstream

(Tenants and Investors)

➔ Breaches of tenant or investor data, or disruptions to digital platforms used for leasing and facilities management, can erode confidence and damage trust. Exposure to scams, malware, or service interruptions in tenant-facing systems diminishes user experience and may weaken tenant relationships and investor loyalty. Such incidents also make robust protection measures essential to prevent regulatory scrutiny and reputational harm, safeguarding stakeholder trust and sustaining long-term competitiveness.

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

### Effects on Strategy and Decision-Making

Given the risks identified across our value chain, cybersecurity has become a central consideration in shaping our strategy and decision-making processes. The Manager prioritises protecting the information of tenants, investors, and employees through proactive monitoring of emerging threats to ensure business continuity and safeguard stakeholder trust.

To mitigate risks, we continually strengthen our cybersecurity capabilities, maintaining up-to-date and fit-for-purpose IT infrastructure. We also adopt subscription-based solutions that combine next-generation antivirus, endpoint detection and response (EDR), managed threat hunting, integrated threat intelligence, and IT hygiene practices. The EDR software, monitored by our outsourced IT service provider, provides real-time protection against malicious activities, ensuring resilience against evolving threats.

Strategic resilience is further supported through our annual IT Disaster Recovery Exercises, which test the effectiveness of recovery plans and familiarise employees with technical procedures. The successful completion of the 2025 exercise, documented in the IT Disaster Recovery Test Report presented to the Directors, demonstrated our preparedness to manage disruptions.

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

The Manager ensures our Directors and employees participate in training and awareness programmes to strengthen their knowledge and awareness of cyber risks. We also inform our Directors of the latest cybersecurity news and developments, including timely updates on the "Advisory on Cyber Vigilance and Technology Resilience" issued by the SC from time to time. This year, the Company Secretary circulated the "Cybersecurity Considerations 2025 Report" by KPMG International to all the Directors, providing them with insights on the current state of cybersecurity and offering actionable strategies.

### Initiatives undertaken in 2025:

- Undertook and completed the annual IT Disaster Recovery Exercise in September 2025.



- Conducted the annual IT audit in August 2025 on technology service provider management to review service level agreements with the out-sourced IT service provider and confirm processes are in place to assess the capabilities of the said IT service provider.
- Incorporated multi-factor authentication for Microsoft 365 for employees to access corporate emails. This helped mitigate risks of unauthorised access and data breaches.

- Updates were made to the Technology Risk Management Framework (TRM Framework), IT Guidelines and the Cyber Risk Policy and Procedures to better align these policies with the relevant requirements under the SC's Guidelines on Technology Risk Management (TRM Guidelines). This followed recommendations made by the Internal Auditors via the internal audit conducted in December 2024.

The IT service provider guided the recovery exercise. It involved the simulation of an IT disaster, where information and communication technology facilities in the main office of the Manager were made unavailable, while a recovery exercise was conducted at an off-site disaster recovery location designated by the Manager. The exercise was implemented to test the effectiveness of the Manager's IT recovery plan and to enable employees to familiarise themselves with technical recovery procedures. The exercise was completed successfully with all pre-defined objectives met. The IT Disaster Recovery Test Report 2025, prepared by our outsourced IT service provider, was presented to the Board in October 2025.

### Financial Effects

#### Current Financial Effects

Current financial impacts are limited to routine spending on IT systems, cybersecurity monitoring tools, data protection processes, and employee training. No major financial losses from cybersecurity incidents have been reported.

#### Anticipated Financial Effects

Future financial impacts may arise from strengthening cybersecurity requirements, including enhanced digital infrastructure, regular system testing, penetration assessments, upgraded data protection software, and continued staff training. Non-compliance with PDPA or a major cyber incident may result in fines, remediation costs, or reputational impacts.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Resilience of Our Strategy and Business Model in Relation to Risks Related to Cybersecurity & Data Protection

We have demonstrated resilience in managing cybersecurity and data protection risks through proactive governance, robust controls, and a culture of compliance. As a result, we have successfully maintained zero cybersecurity breaches and incurred no fines or penalties under the PDPA. This track record underscores the effectiveness of our approach in safeguarding sensitive information, protecting stakeholder trust, and ensuring business continuity.

## Processes, Controls and Policies to Manage Risks and Opportunities Related to Cybersecurity & Data Protection

Axis-REIT’s cybersecurity risks are managed in accordance with the Manager’s existing Cyber Risk Policy & Procedures. This Policy was revised in April 2025 to expand the existing backup mechanism employed by the Manager to include Hyper V – Replica, a solution integral to the IT disaster recovery process. This complements the Manager’s IT Guidelines, which prescribe the management and handling of confidential information. It also ensures business continuity through the prevention of unauthorised access, use, and disclosure of highly sensitive information. The IT Guidelines were also updated in April 2025 to incorporate multifactor authentication as an additional security control to access cloud data stored in Microsoft 365.

As a requirement of the TRM Guidelines, the Board formulated and approved our TRM Framework in July 2024. The framework includes technology risk management, technology operations management, technology service provider management, and cybersecurity management. The TRM Framework was also updated in April 2025 based on the Internal Auditors’ recommendation following the audit concluded in December 2024.

The amendments include the clarification made to reflect the specific processes adopted by the Manager in managing technology risks, incorporation of a statement on risk tolerance/appetite pursuant to the Internal Auditor’s recommendation, and an addition of a new section on technology service provider management.

## Metrics and Targets

We endeavour to maintain zero cybersecurity breaches through our efforts in cybersecurity and data protection. This prevents the disruption of business workflows that rely heavily on data, and reduces any downtime and associated costs of data and network restoration.

 **Target:**  
Zero cybersecurity breaches.

Key Performance Indicator	2025	2024	2023
Number of cybersecurity breaches	0	0	0
Incidents of substantiated complaints concerning breaches of privacy and loss of personal data	0	0	0

## Outlook

We actively manage cybersecurity risks by maintaining a comprehensive framework to monitor, assess, and respond to potential cyber-attacks. Periodic reviews are conducted to ensure the framework remains aligned with the latest technologies and industry practices. In addition, we safeguard sensitive information by continuously monitoring compliance with the PDPA across all employees.

Looking ahead, we will continue conducting annual technology audits to ensure that information systems comply with regulatory requirements and industry guidelines. We will also safeguard data and information maintained in our IT systems with appropriate levels of confidentiality and integrity, while ensuring that IT service operations are effectively managed. Annual IT disaster recovery exercises will remain a key component of our preparedness, enabling us to respond effectively to unexpected incidents and recover with minimal downtime.

In 2026, we plan to strengthen our cybersecurity measures with several new initiatives. These include ensuring 100% completion of cybersecurity-related training modules for all relevant employees, reinforcing awareness and accountability across the organisation. We will also begin reporting on the volume of traffic blocked by the firewall, providing greater transparency into the effectiveness of our defensive measures.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

**ENVIRONMENTAL**



## Energy & Carbon Footprint



**Capitals**

- 🌿
Natural

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**Strategic Pillars**

- ⚙️
Facilities Management
- 🏠
Development

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**Business Risks**

- 🌍
Environmental

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**UN SDGs**

7
AFFORDABLE AND CLEAN ENERGY


9
INDUSTRY INNOVATION AND INFRASTRUCTURE


13
CLIMATE ACTION


### Description of Risks Related to Energy and Carbon Footprint

Effective energy and carbon management remain critical priorities in managing Axis-REIT’s property portfolio, particularly in light of the growing impacts of climate change. The Manager acknowledges that climate-related risks — such as rising temperatures, extreme weather events, and regulatory shifts on carbon pricing — can significantly influence operational costs and asset resilience. In response, our holistic approach to energy and carbon management focuses on optimising energy consumption, reducing GHG emissions, and minimising the Fund’s environmental footprint. These efforts are aligned with our sustainability commitments and long-term value creation goals, ensuring that Axis-REIT remains resilient and competitive in a low-carbon economy.

Physical risks such as extreme storms, flooding, rising temperatures, water stress, and sea-level rise may disrupt operations and damage assets. Transition risks include direct and indirect effects of carbon pricing, such as rising costs of carbon-intensive building materials and utilities, as well as increased electricity

consumption in multi-tenanted buildings. These factors contribute to higher GHG emissions, exacerbating global warming and climate change.

### Effects on Business Model and Value Chain

Climate-related risks linked to energy and carbon footprint impact our value chain in the following ways:

<div style="background-color: #92d050; color: white; padding: 10px; margin-bottom: 10px;">  <p><b>Upstream</b> (Property Acquisition or Development)</p> </div> <ul style="list-style-type: none"> <li>➔ Rising costs of carbon-intensive materials such as steel and cement, coupled with potential carbon taxes, may increase acquisition and refurbishment costs.</li> </ul>	<div style="background-color: #92d050; color: white; padding: 10px; margin-bottom: 10px;">  <p><b>Property Operations</b> (Asset Management)</p> </div> <ul style="list-style-type: none"> <li>➔ Multi-tenanted buildings face higher electricity consumption, contributing to Scope 2 emissions and increased operating costs. Extreme weather events, such as storms and flooding, may disrupt maintenance schedules and require additional investment in resilient measures.</li> </ul>	<div style="background-color: #92d050; color: white; padding: 10px; margin-bottom: 10px;">  <p><b>Downstream</b> (Environmental Impact and Stakeholder Expectations)</p> </div> <ul style="list-style-type: none"> <li>➔ Tenants and stakeholders increasingly demand sustainable properties with lower carbon footprints. Failure to meet these expectations could result in reputational risk and reduced competitiveness.</li> </ul>
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Without proactive measures, these risks could lead to higher costs, operational disruptions, and reputational harm. The Manager’s integrated approach — embedding sustainability in acquisitions, operations, and tenant engagement — ensures alignment with global climate objectives and supports long-term portfolio resilience.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

The Manager recognises that climate-related risks have a direct bearing on Axis-REIT’s long-term resilience and performance. In response, we have progressively embedded climate considerations into our strategic planning and operational decision-making processes, including identifying transition and physical risks, assessing their potential impacts, and integrating appropriate mitigation measures across our portfolio.

A key part of this strategic approach is our Carbon Neutrality by 2050 Roadmap, which outlines the pathways through which we aim to lower emissions over time and enhance the sustainability performance of Axis-REIT’s properties.

We prioritise our energy and carbon footprint management initiatives, especially during AEs and developments, to increase the energy efficiency of our properties. We also undertake regular preventive maintenance programmes and ensure responsible energy usage through the implementation of energy reduction targets based on annual consumption patterns. We have introduced quantifiable energy efficiency KPIs and undertaken independent third-party assurance to verify the accuracy of our disclosures. Ongoing efforts also include working with tenants to explore the feasibility of installing solar panels at suitable properties.

In 2025, we strengthened our ESG performance by securing an additional green building certification for Axis Facility @ Batu Kawan, an existing property within our portfolio.

The following table summarises our energy and carbon management strategies for development projects and major AEs:

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

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

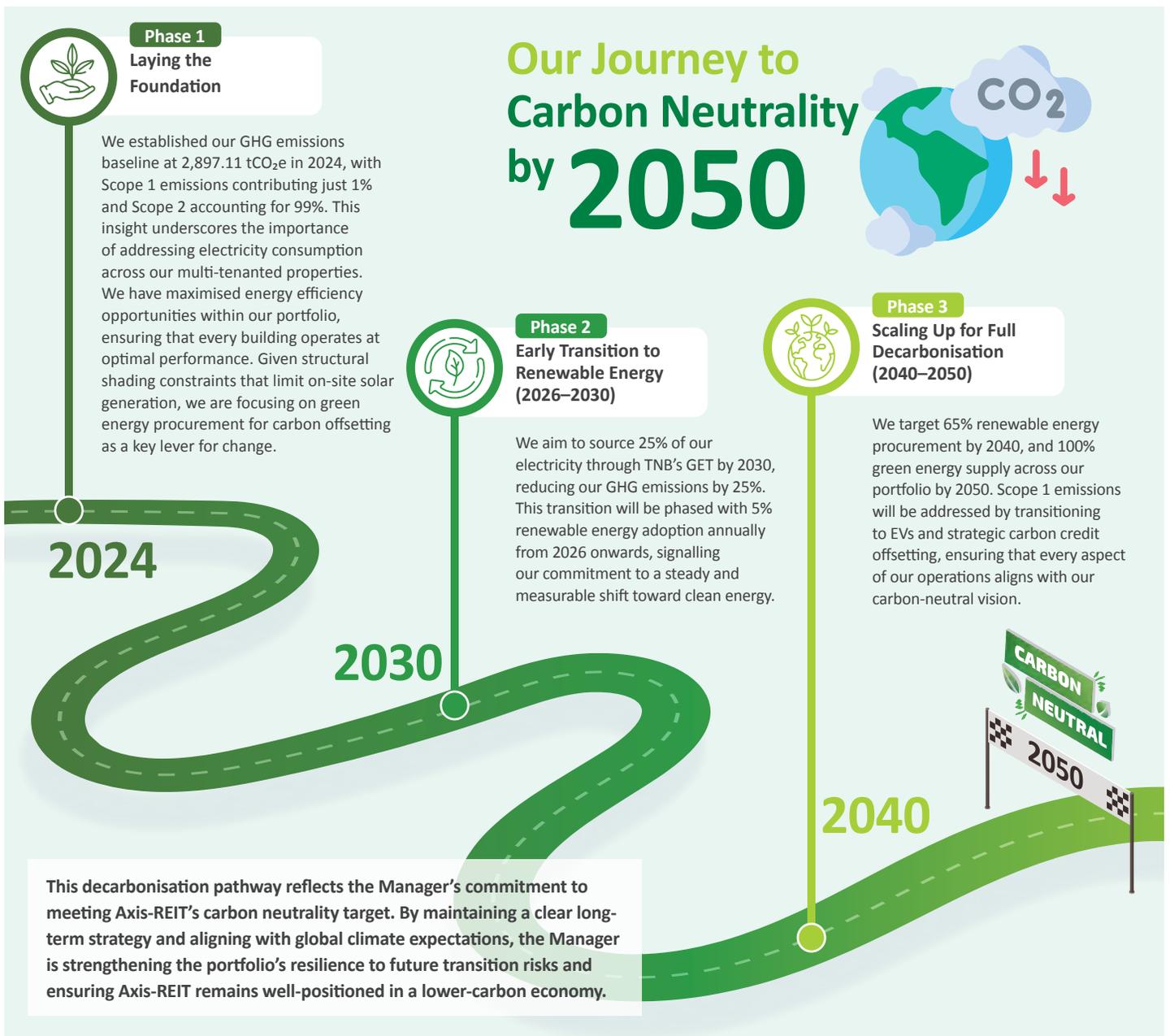
- Replacing conventional lighting in common areas of multi-tenanted properties with energy-efficient lighting fitted with motion sensors. This is an ongoing initiative undertaken as part of regular AEs.
- Replacing conventional lighting with energy-efficient lighting as part of refurbishment projects at selected single-tenanted properties, where possible.
- Checking, testing, and calibrating all MEP systems at regular intervals to ensure equipment and systems are operating efficiently.
- Leasing roof space for PV panel installation. As at 31 December 2025, 529,489 sq. ft. of roof space across the portfolio had been leased to tenants that are involved in harvesting solar energy and selling it back to the national electricity grid. Additionally, our tenants at two single-tenanted properties have also installed PV panels on the buildings’ roofs to offset their electricity consumption.
- Maintaining Tenaga Nasional Berhad (TNB) smart meters at all of our properties, covering 100% of our property portfolio.
- Installation of EV charging stations at Menara Axis, while also facilitating the installation of EV charging stations by tenants at selected multi-tenanted buildings.
- Using low ozone depletion and low global warming potential refrigerant gas for our air-conditioning systems. This complies with the recommendations of the Montreal Protocol on Substances that Deplete the Ozone Layer. Moving forward, we are exploring the procurement of green-certified refrigerant gas for our air-conditioning systems.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

- Obtained energy data from tenants representing 88% of the total NLA to improve our Scope 3 reporting, strengthen our monitoring of energy performance of our portfolio, and potentially identify efficiency opportunities in the future.
- Upskilled the Facilities Management Team through targeted capacity-building initiatives, including a workshop on ESG Awareness for Building Management Operations, to strengthen their understanding of sustainability practices and enhance day-to-day implementation.

## Axis-REIT’s Decarbonisation Roadmap – Our Journey to Carbon Neutrality by 2050

We recognise that climate change is one of the defining challenges of our time, and we are committed to playing our part in shaping a low-carbon future. As a leading REIT, our responsibility extends beyond delivering financial returns; we must also ensure that our portfolio remains resilient, sustainable, and aligned with global climate goals. To achieve this, we have charted a clear and actionable decarbonisation roadmap, targeting carbon neutrality by 2050.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Financial Effects

### Current Financial Effects

Current impacts are moderate, evidenced by incremental utility costs and minor adjustments in maintenance budgets for climate adaptation. These costs are considered essential preventive measures and are accounted for within operational expenditure.

We are pleased to note that the Fund did not incur any fines or penalties for non-compliance with environmental laws or regulations in 2025. We also did not identify any areas or instances of non-compliance with environmental laws or regulations.

### Anticipated Financial Effects

Climate-related risks and the transition to a low-carbon economy are expected to influence Axis-REIT's financial profile over the medium to long-term. Potential impacts may include:

- ➔ **Higher Operating Costs:** Rising electricity tariffs and carbon pricing may increase expenses, particularly for multi-tenanted properties with high energy demand.
- ➔ **Capital Expenditure for Resilience:** Investments in climate adaptation measures, such as flood-proofing and structural reinforcements, may be required to address physical risks like extreme storms and flooding.

### Decarbonisation Roadmap Investments:

Axis-REIT anticipates incremental spending to achieve carbon neutrality by 2050, including:

- **Energy Efficiency Enhancements:** Initial investments have been made to maximise energy efficiency across the portfolio.
- **Green Energy Procurement:** From 2026 onwards, Axis-REIT plans to progressively procure renewable electricity through TNB GET. The renewable energy share is expected to increase gradually, reaching 25% by 2030, 65% by 2040, and 100% by 2050.

Under the current GET structure, green electricity will be procured at a premium of approximately 3-5 sen/kWh on top of prevailing electricity tariffs. Therefore we will be expecting an annual increment of electricity costs by approximately 0.25%\* to 0.5%\* from 2026 to 2030 relative to the current baseline.

\* This annual increment is calculated based on the application of a 3-5 sen/kWh green premium while the underlying electricity tariff remains unchanged.

## Climate Resilience

Following the identification of climate-related risks and opportunities in 2024, the Fund strengthened its climate risk management approach by conducting a structured climate scenario analysis for both medium-term (up until 2030) and long-term (up until 2050) timeframes. This exercise was designed to evaluate both physical risks and transition risks, in line with IFRS S2 disclosure expectations.

The assessment was guided by internationally recognised climate scenarios, a hybrid approach that integrated the Intergovernmental Panel on Climate Change (IPCC) scenarios for physical risk assessment and the Network for Greening the Financial System (NGFS) scenarios for transition risk evaluation. This dual framework approach ensures comprehensive coverage of potential climate pathways and enhances the robustness of our analysis. We incorporated publicly available datasets and sectoral insights to enrich the scenario narratives and provide greater granularity in assessing potential impacts, thereby improving transparency and supporting better decision-making. This approach enables us to better understand the resilience of our strategy under different climate futures and to identify areas requiring adaptation or mitigation measures.

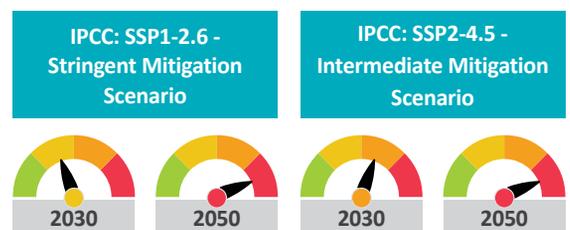
Below, we outline the key findings of the exercise, including the potential financial and operational implications under each scenario.

● Low ● Moderate ● High ● Extremely High

### Physical Risk: Extreme weather events (Acute)

#### Potential Impact

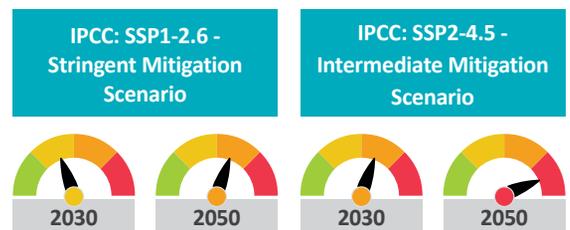
The growing intensity of climate-related events may result in higher repair needs and expenses, causing a decline in property values and increased financial losses. Such damage could also interfere with tenants' business operations, potentially leading to vacancies or a drop in rental income.



### Physical Risk: Changes in climate patterns (Chronic)

#### Potential Impact

Shifts in climate patterns may lead to reduced resource availability, prompting tenants to opt for buildings with stronger sustainability credentials. This could necessitate retrofitting existing assets to enhance operational efficiency and align with evolving tenant expectations. Furthermore, rising sea levels may pose risks to properties located in flood-prone areas, potentially resulting in asset devaluation.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Transition Risk Regulatory requirements

### Potential Impact

Axis-REIT may face higher costs from ESG and regulatory pressures that require retrofitting, development delays, and stricter financing terms. Non-compliant properties face a risk of devaluation and reduced tenant demand, while poor due diligence could lead to underperforming property acquisitions. These factors could collectively impact financial returns and operational resilience.

## Transition Risk Carbon pricing

### Potential Impact

The implementation of carbon tax may drive up material costs and necessitate the sourcing of low-carbon alternatives, potentially affecting project feasibility and leading to higher operating expenses, reduced profit margins, and construction delays. Additionally, cost-push inflation from increased energy prices may be passed down by suppliers to consumers, hence elevating operating costs for both Axis-REIT and its tenants.

## Transition Risk Innovation and other technological advancements

### Potential Impact

Buildings that do not meet evolving standards for resource-efficiency may lead to property obsolescence, requiring substantial capital investment for retrofitting and potentially reducing property value. Operational inefficiencies, such as rising utility costs due to outdated technologies or tariff increases, could elevate expenses and lower productivity. These challenges may also affect tenant retention, resulting in higher vacancy rates and pressure on rental income and DPU.

## Transition Risk Change in tenant behaviour

### Potential Impact

Properties that do not meet evolving tenant expectations for energy efficiency and sustainability may face reduced demand, higher vacancy rates, and potential portfolio devaluation. To remain competitive, Axis-REIT may need to invest significantly in resource-efficient technologies and environmentally responsible practices, which could increase capital expenditure and impact long-term profitability.

## Transition Risk Talent retention and attraction

### Potential Impact

Misalignment with sustainability expectations may increase recruitment costs and weaken the talent pipeline, especially among younger employees. High employee turnover due to poor satisfaction could lead to operational inefficiencies and loss of critical human capital. Together, these risks may undermine long-term performance and increase financial strain on Axis-REIT.

## Transition Risk Behavioural trends and social changes

### Potential Impact

Greenwashing can undermine Axis-REIT's credibility, creating legal exposure and eroding stakeholder trust. Separately, not meeting disclosure expectations or failing to comply with regulatory frameworks could restrict access to financing. Together, these risks could weaken capital-raising ability and hinder long-term growth of the Fund.



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Axis-REIT's strategy remains resilient through robust governance, comprehensive due diligence, and effective scenario planning. Sustainability criteria are embedded in acquisitions, prioritising green-certified properties and resource-efficient designs. These measures mitigate energy and carbon risks, strengthen portfolio quality, and support long-term competitiveness.

Leveraging our strong environmental compliance foundation, the Manager identifies opportunities that enhance sustainability performance, improve tenant appeal, and strengthen the long-term resilience of the portfolio. Key climate-related opportunities include:

- Enhancing climate resilience and property value through green building certifications, resilient design features, and innovative technologies that reduce operating costs while improving tenant attractiveness
- Investing in green energy procurement and energy-efficient technologies to reduce energy dependence, improve operational efficiency, and mitigate future regulatory and investment risks
- Strengthening ESG-aligned procurement and supply chains to reduce exposure to climate-related disruptions and support long-term operational resilience
- Capitalising on market demand for sustainable, green-certified properties to enhance tenant retention, attract quality occupiers, and improve the overall competitiveness of the portfolio
- Leveraging strong sustainability performance and transparent disclosures to access capital markets more effectively, tap into sustainable investment funds, and broaden the investor base
- Supporting strategic portfolio growth by acquiring properties with lower climate risks and mitigating risks within the existing portfolio through targeted upgrades and resilient infrastructure investments

- Attracting and retaining talent by demonstrating a strong organisational commitment to sustainability, innovation, and long-term climate stewardship

### Significant Areas of Uncertainty

Climate-related impacts on Axis-REIT's business model and financial performance inherently involve uncertainties and assumptions. Key areas include:

- **Future carbon pricing and timing of implementation:** Carbon pricing levels and enforcement timelines remain uncertain across jurisdictions, and may increase operating costs for some of our tenants, potentially impacting their rental affordability and, in turn, our overall rental performance.
- **Technological viability and cost of low-carbon solutions:** Delays in adopting low-carbon materials and energy-efficient technologies may potentially lead to prolonged cost premiums and supply constraints.

These uncertainties influence scenario planning and financial projections, underscoring the need for robust risk management and adaptive strategies.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to Energy and Carbon Footprint

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

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

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

This year, we collaborated closely with the EC to understand the new requirements and prepare for compliance with the Energy Efficiency and Conservation Act (EECA), which came into effect in January 2025. Following these discussions, we initiated submissions for BEI ratings across nine multi-tenanted properties. In the coming year, we will continue this process by providing the necessary documentation and data to support the completion of the rating assessments.

We conducted a materiality assessment to understand our impact in relation to Scope 3 GHG emissions and to identify the categories most relevant to our operations. This assessment will guide our efforts to progressively monitor and report on more complete Scope 3 data in the coming years. We identified seven material Scope 3 categories; we disclosed two in 2023 and have disclosed an additional two in this Report, bringing us to four categories disclosed as of 2025. The remaining three categories will be disclosed as part of our 2026 reporting cycle.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

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

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

## Metrics and Targets

In 2025, the Manager actively advanced efforts to achieve the energy reduction targets set in 2022 for the Fund’s multi-tenanted properties.

**Target:**  
To achieve a 1% reduction in energy consumption and GHG emissions in 5 years (2022-2026), compared against the baseline data set in 2019.

**Performance Tracking**

In 2025, we reduced our total energy consumption by 10.21% and achieved a 13.28% reduction in Scope 1 and 2 GHG emissions, compared against the baseline data set in 2019.

Having met the previous energy reduction target ahead of schedule, the Manager has established a Carbon Neutrality by 2050 Roadmap, with future GHG reductions expected to be supported through green energy procurement. In line with this strategy, the Fund has reset its energy and emissions targets for the next five years to ensure alignment with the long-term goal.

**New targets aligned with the Carbon Neutrality by 2050 Roadmap**  
To achieve a 25% reduction in GHG emissions and a 1% reduction in energy consumption in five years (2026-2030), compared against the baseline data set in 2025.

## Annual Energy Consumption

The Manager reports Axis-REIT’s total building energy consumption annually, including electricity purchased and fuel used by generator sets (gensets) under the Manager’s direct operational control, specifically within the common areas of multi-tenanted properties. Energy consumption from company vehicles is also included to provide a more comprehensive view of the Fund’s operational footprint.

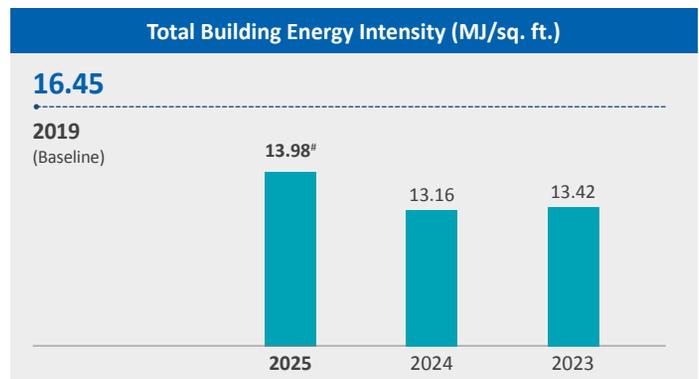
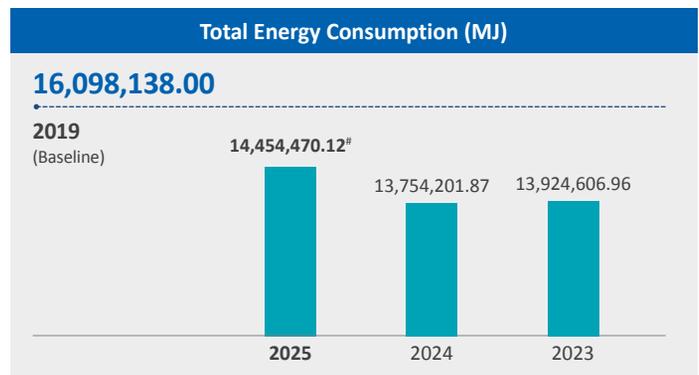
Axis-REIT recorded a 10.21% reduction in total energy consumption in 2025, compared to the 2019 baseline. This reduction is driven by ongoing energy-efficiency measures and equipment upgrades that have reduced operational energy requirements over time. This progress is further reflected by the Fund’s 15.02% reduction in building energy intensity from the 2019 baseline.

While the long-term trend shows improvement, slight year-on-year increases were recorded in both total energy consumption and building energy intensity between 2024 and 2025. This was mainly driven by AEIs, higher tenant occupancy rates at several properties, and utility billing reconciliation by our energy provider.

Axis-REIT continues to implement measures to optimise energy use across its portfolio. These efforts reinforce our commitment to continuous improvement, operational efficiency, and alignment with our broader sustainability and climate-related goals.

## Annual Energy Consumption

Coverage: Entire operations including headquarters (100%)



**Notes:**

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

<sup>#</sup> This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

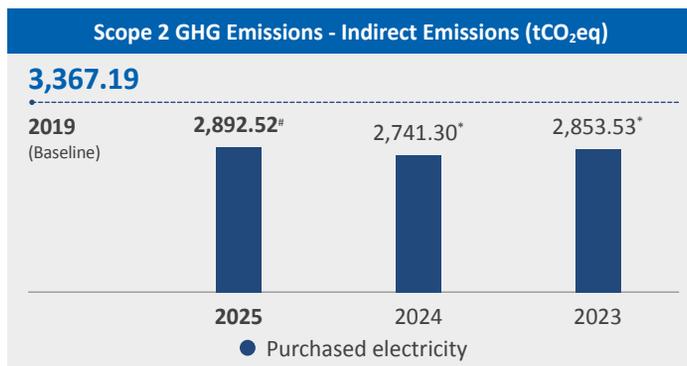
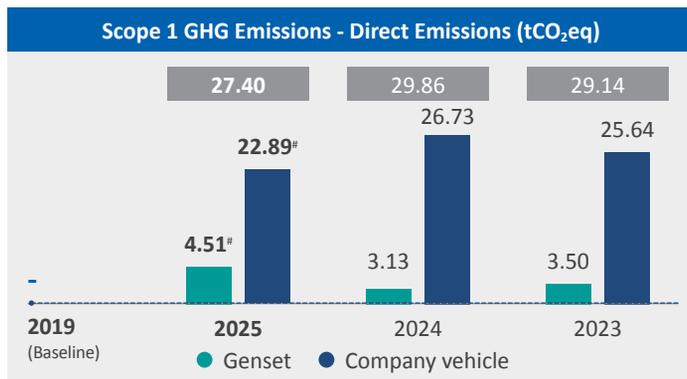
# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Annual Scope 1 and 2 GHG Emissions

We monitor Scope 1 and Scope 2 GHG emissions of the common areas of our multi-tenanted properties, which are under our direct control. In 2025, we achieved a 13.28% reduction in Scope 1 and Scope 2 GHG emissions compared to our 2019 baseline.

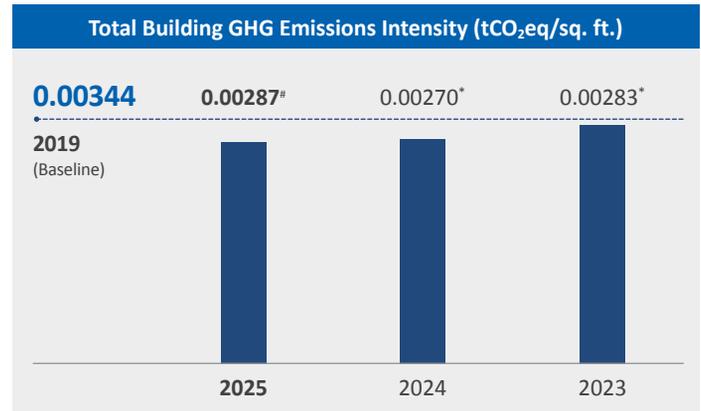
### Annual Scope 1 and 2 GHG Emissions (tCO<sub>2</sub>eq)

Coverage: Entire operations including headquarters (100%)



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

Coverage: Entire operations including headquarters (100%)



### Notes:

- Annual Scope 1 and Scope 2 GHG emissions presented cover the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are under direct control of the Manager, as well as vehicles used for the Fund's operations.
  - GHG emissions track carbon dioxide (CO<sub>2</sub>) emissions and is calculated based on the corresponding Global Warming Potential (GWP) value from IPCC's Sixth Assessment Report (2022).
  - The source of the emission factor for Scope 1 GHG emissions is derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
  - The emission factor for Scope 2 GHG emissions (Purchased Electricity) is derived from the Grid Emission Factor (GEF) in Malaysia published by the EC.
  - Total building GHG emissions intensity is calculated by dividing total Scope 1 and Scope 2 emissions emitted from the common areas of our multi-tenanted properties by the total common areas of these properties.
- \* Data for Scope 2 GHG emissions and total building GHG emissions intensity for 2023 and 2024 were restated according to the latest provisional grid emission factor (GEF) published by the Energy Commission (EC) in February 2026.
- # This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

## Annual Scope 3 GHG Emissions

We began reporting Scope 3 emissions in 2023, initially covering Category 6 (Business Travel) and Category 7 (Employee Commuting) as the first step toward enhancing transparency across the value chain. In 2025, we expanded the reporting boundary to include Category 3 (Fuel & Energy-related Activities) and Category 13 (Downstream Leased Assets). As a REIT with a large portfolio of leased properties, with tenant electricity consumption within leased spaces representing the most significant contributor to our overall climate footprint, Category 13 was identified as the most material emissions source for our Scope 3 emissions.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Annual Scope 3 GHG Emissions

Item	Unit	2025 <sup>#</sup>	2024	2023
<b>Category 3 Fuel &amp; Energy-related Activities</b>	tCO <sub>2</sub> eq	<b>1,236.68</b>	1,172.97	1,188.60
(i) Petrol	tCO <sub>2</sub> eq	<b>5.42</b>	6.32	6.07
(ii) Diesel	tCO <sub>2</sub> eq	<b>0.99</b>	0.69	0.77
(iii) Grid Electricity	tCO <sub>2</sub> eq	<b>1,230.28</b>	1,165.96	1,181.76
<b>Category 6 Business Travel</b>	tCO <sub>2</sub> eq	<b>7.37</b>	14.60	18.66
<b>Category 7 Employee Commuting</b>	tCO <sub>2</sub> eq	<b>179.48</b>	167.08	193.57
<b>Category 13 Downstream Leased Asset</b>	tCO <sub>2</sub> eq	<b>261,554.51</b>	-	-
(i) Office/Industrial	tCO <sub>2</sub> eq	<b>20,669.64</b>	-	-
(ii) Manufacturing Facility	tCO <sub>2</sub> eq	<b>210,948.16</b>	-	-
(iii) Logistics Warehouse	tCO <sub>2</sub> eq	<b>23,979.32</b>	-	-
(iv) Hypermarket	tCO <sub>2</sub> eq	<b>5,957.39</b>	-	-

### Notes:

- Scope 3 GHG emissions data covering Category 13 (Downstream Leased Assets) are only available from when the Manager began tracking the data in 2025.
- The calculation methodology of Scope 3 GHG emissions is derived from GHG Protocols: Technical Guidance for Calculating Scope 3 Emissions and the UK Government GHG Conversion Factors for Company Reporting from DEFRA.
- All Scope 3 emissions for the reported categories were calculated using average data methodologies in accordance with the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions.
- Data for Scope 3 Category 13 (Downstream Leased Assets) reflects 88% NLA coverage.

## Outlook

With previous energy-reduction targets achieved ahead of schedule, the Manager has aligned its forward strategy with the Carbon Neutrality by 2050 Roadmap and has set new energy and emissions targets for the 2026-2030 period.

To support progress toward these targets, the Manager will continue implementing initiatives that enhance efficiency, reduce emissions, and strengthen operational resilience. Key planned measures include:

- Procuring green energy as a primary lever to support long-term GHG reductions
- Installing EV charging stations at selected multi-tenanted properties in 2026
- Enhancing capacity and upskilling the Facilities Management Team in alignment with the EECA, the latest Fire Services Act requirements, and emerging energy-efficiency technologies
- Expanding Scope 3 GHG disclosures in the coming years
- Securing additional green leases during upcoming negotiations, where applicable
- Obtaining one new green building certification per year for the portfolio

These initiatives support Axis-REIT's long-term sustainability ambitions and prepares the Fund for Malaysia's evolving regulatory landscape, including EECA compliance and the anticipated introduction of a national carbon tax. Through this proactive approach, the Manager aims to strengthen environmental stewardship, create long-term stakeholder value, and contribute to the nation's transition toward a low-carbon economy.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Water Management



**Capitals**

- 🌿 Natural

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**Strategic Pillars**

- ⚙️ Facilities Management
- 🏗️ Development

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**Business Risks**

- 🌍 Environmental

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**UN SDGs**

6  
CLEAN WATER AND SANITATION  


13  
CLIMATE ACTION  


### Description of Risks Related to Water Management

Water resources and access to a clean, reliable supply remain essential to the Fund’s property operations. Water supports critical building functions, including cooling systems, washroom facilities, hygiene and cleaning services, fire protection, construction activities, and day-to-day business needs of our tenants. As climate change, environmental degradation, and rising consumption place increasing pressure on water availability and quality, effective water management has become an even greater priority within our sustainability agenda.

Deterioration in water quality can disrupt building systems, impair equipment performance, and interfere with tenants’ business activities. Water shortages or supply interruptions may also hinder essential building functions, reduce tenant comfort, and require contingency measures. Collectively, these risks have the potential to affect operational efficiency, increase costs, and impact overall tenant satisfaction across the Fund’s portfolio.

### Effects on Business Model and Value Chain

Water related risks have implications across the Fund’s entire value chain, shaping how properties are managed, how operational contingencies are planned, and how our tenants’ business needs are supported.



➔ Upstream, the Manager relies on external water utilities and contractors whose practices directly influence water availability, reliability, and efficiency. Poor source quality, supply disruptions, or inefficient water use during construction and AEs can affect property readiness and increase oversight requirements.

➔ Core operations are directly impacted as water is central to building systems such as cooling, sanitation, cleaning, and landscaping. While routine consumption across most properties remains stable, AEs can temporarily elevate usage, requiring closer monitoring. Leak detection, efficient fixtures, and ongoing consumption oversight are essential to maintaining uninterrupted building operations and optimal system performance.

➔ Responsible water use helps reduce pressure on local water resources and supports community expectations for sustainable operations. Effective water management reinforces the Fund’s positioning as a responsible property steward and contributes to overall environmental sustainability across the portfolio.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

Water-related considerations are increasingly integrated into how the Manager plans, manages, and enhances the Fund's properties. The Manager has assessed all properties since 2024 using the World Resources Institute's Aqueduct Water Risk Atlas to identify potential water-stress exposure. The assessment confirmed that the Fund's properties are not located in high water-stress areas, with the exception of one property in Sungai Petani, Kedah. Despite its location, this property has not experienced any water-supply disruptions since its acquisition in 2007. Following the assessment, water-stress evaluations have been incorporated into the Fund's due-diligence checklists for potential investments and developments. Insights from the portfolio's water-stress assessment also informs the Manager's tenant-engagement processes.

Building on these insights, the Manager continues to integrate water-efficiency considerations into operational planning. This included efforts in 2025 to complete the repurposing of old firefighting water tanks into rainwater harvesting systems at Axis Shah Alam Distribution Centre 3, and to install new rainwater harvesting tanks at Wisma Academy, Menara Axis, and Crystal Plaza. As part of ongoing strategic planning, the Manager will explore the feasibility of expanding rainwater harvesting installations to additional multi-tenanted properties in 2026.

Operationally, the Manager maintains a consistent focus on monitoring water consumption across the Fund's portfolio, investigating abnormal trends, and ensuring that each property is managed with water efficiency in mind. These initiatives support both risk mitigation and resource stewardship.

Beyond day-to-day operations, sustainable water management is embedded within the Manager's ESG strategy for development projects and major AEs, contributing to green building certification processes. This includes adopting water-efficient design principles, installing water-saving technologies, and implementing construction-phase water-management practices, as outlined in the accompanying table. Together, these measures ensure that water considerations remain an important factor in strategic planning, operational decision-making, and long-term sustainability outcomes across the Fund's portfolio.

## ESG Strategies for Efficient Water Management in New Developments and Major AEs



### Water Efficient Fittings

- ➔ Reducing potable water usage via Water Efficiency Labelling Scheme rated water fittings



### Water Usage & Leak Detection

- ➔ Use of sub-metering to enhance monitoring and leak detection for major water consumption functions



### Alternate Water Sources

- ➔ Utilising harvested rainwater to minimise potable water consumption by applying it to non-potable uses, such as landscape irrigation and general cleaning



### Irrigation System and Landscaping

- ➔ Minimising potable water consumption by using drought-tolerant plants for landscape purposes



### Water Efficiency Improvement Plans

- ➔ Implementing water efficiency improvement plans and regularly reviewing progress on water saving targets

We continued to implement ongoing initiatives to optimise water use in our own operations and across our portfolio this year, summarised in the table below:

## Ongoing Water Management Initiatives



### Water Recycling Initiatives

- ➔ Facilitating the recycling of rainwater for landscaping, general cleaning, and other applications by installing rainwater harvesting systems at selected multi-tenanted properties
- ➔ Repurposing of old firefighting water tanks as rainwater harvesting tanks at Axis Shah Alam Distribution Centre 3



### Water-stress Evaluation

- ➔ Assessing all properties for water stress via the World Resource Institute's Aqueduct Water Risk Atlas tool
- ➔ Incorporating water-stress assessments in initial due diligence checklists for potential investments and developments



### Water Conservation Awareness Programmes

- ➔ Installing reminder stickers on water conservation in common area washrooms and ablution areas of selected multi-tenanted properties
- ➔ Disseminating circulars to tenants and raised awareness with employees, contractors, and maintenance personnel on the importance of water conservation

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Water Security Assessment

- Ensuring better preparedness for potential water disruptions by reviewing water storage capacities and requirements across the portfolio to identify where additional storage may be needed



## Equipment and Fitting Upgrades

- Regularly reviewing water consumption at multi-tenanted properties and discussed findings with the relevant tenants
- Optimising the use of water during AEs by replacing conventional water fittings with water-efficient fittings



## Preventive Maintenance and Monitoring

- Monitoring monthly water usage at multi-tenanted properties
- Identifying leaks promptly through monitoring of utility meters/bills and preventative maintenance checks
- Conducting regular cleaning of water tanks and installing water filters
- Conducting scheduled building audits that include water management practices



## Water Quality Preservation

- Conducting assessments on water quality at cooling tower systems every two weeks and providing additional assurance on water quality by dispatching water samples to a laboratory for comprehensive testing every six months
- Engaging an independent laboratory to test water samples from sewerage treatment plant (STP) effluents every two months and checking for water quality parameters in compliance with the requirements and standards of the Department of Environment Malaysia (DOE)

## Financial Effects

### Current Financial Effects

Current financial impacts from water-related risks remain limited and largely operational in nature, comprising:

- Routine water charges and maintenance of water-related equipment
- Minor costs associated with repairs, leak rectifications, or installing efficient fixtures
- Temporary cost increases during AEs due to elevated water usage

During the year, there have been no material financial losses arising from water quality issues or supply disruptions.

### Anticipated Financial Effects

Future financial impacts may arise from:

- Increased operational expenditure should water scarcity lead to higher tariffs or require alternative supply arrangements
- Higher capital expenditure for water-efficient upgrades, retrofits, or replacement of water-intensive systems
- Potential downtime-related costs in the event of prolonged supply disruptions affecting building operations or tenant activities

While none of these impacts are currently material, the Manager monitors water-related risks to prepare for potential long-term regulatory and environmental changes.

### Resilience of Our Strategy and Business Model in Relation to Risks Related to Water Management

Axis-REIT's strategy remains resilient as water risks do not fundamentally alter the long-term demand for our properties. Our proactive management approach supports operational continuity and reduces exposure to water-related disruptions by focusing on water-efficiency measures, preventive maintenance, leak management, and tenant engagement.

Ongoing enhancements to building systems, combined with close collaboration with service providers, contractors, and tenants, strengthen the Fund's ability to respond to changing water conditions. These efforts reinforce our commitment to sustainable operations and long-term value creation.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to Water Management

We promote the conservation and optimisation of water use through a structured set of processes and controls designed to minimise wastage and enhance efficiency across our properties. The Manager prevents wastage and ensures proper wastewater treatment by implementing a range of measures, including the use of water-efficient sanitary fittings, sub-metering and oversight. These efforts are complemented by ongoing assessments of rainwater-harvesting feasibility and awareness-building initiatives conducted through tenant engagements. All efforts are guided by the Fund's Environmental Policy, relevant green-building certification guidelines, and internal practices implemented by the Property Management Team.

The Manager's responsible water-management practices also extend to maintaining water quality, particularly in managing effluents from STP systems. To ensure compliance with standards set by the DOE, the

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Manager engages external service providers to support monitoring and treatment processes.

In addition, the Facilities Management Team oversees water usage across the Fund’s multi-tenanted properties by monitoring, analysing, and reporting consumption. This integrated oversight framework enables timely detection of anomalies, supports informed decision-making, and strengthens the Fund’s overall water stewardship.

## Metrics and Targets

In 2022, we established a water usage reduction target for all properties under our direct control (i.e. multi-tenanted properties). Our water management initiatives aim to continuously improve our water use efficiency and reduce any wastage of water towards achieving this target.

**Target:**  
To reduce water usage at Axis-REIT’s multi-tenanted properties by at least 1% over five years (2022-2026), compared against the baseline data set in 2019.

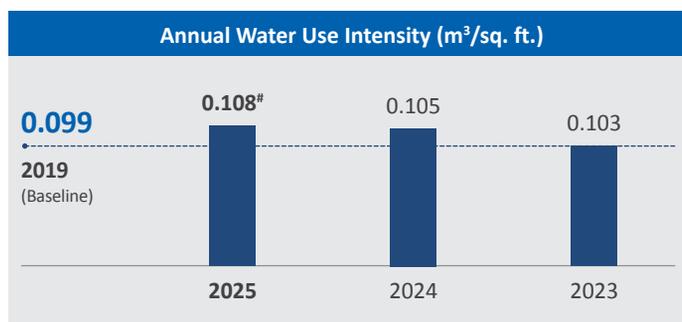
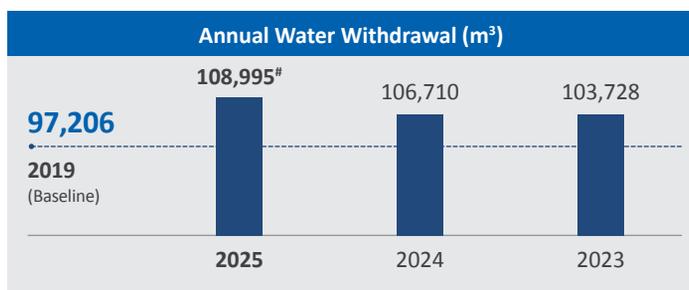
**Performance Tracking**

In 2025, overall water usage increased by 12.1% from the baseline year of 2019 and Water Use Intensity increased by 8.5%.

Total water consumption across the Fund’s multi-tenanted properties in 2025 increased by 12.1% compared to the 2019 baseline and by 2.14% year-on-year. This increase was caused by major AEs undertaken during the year that required higher-than-usual water usage, and a rise in occupancy levels at several multi-tenanted properties since the baseline year. For instance, occupancy at Quattro West increased from 43% in 2019 to full occupancy in 2024 and remained at 100% through 2025, naturally driving higher water consumption at the property. Water use also increased year-on-year as additional multi-tenanted properties came under the Manager’s direct control in 2024, with their first full-year water consumption reflected in the 2025 reporting cycle.

Recognising these shifts, the Manager will review the Fund’s existing water-reduction targets in the coming year and establishing a new baseline that better reflects current operating conditions and utilisation patterns.

Coverage: Entire operations including headquarters (100%)



**Notes:**

1. Total annual water withdrawal is derived from the water bills of the common areas of the Fund’s 13 multi-tenanted properties (which are under direct control of the Manager). The data presented is obtained directly from water meters.
  2. The source of water withdrawal is municipal potable water only.
  3. The total amount of water withdrawn is the same as the total amount of water discharged into third-party municipal sewerage systems (i.e., Indah Water Konsortium (IWK)) with negligible amounts of water consumed.
  4. IWK does not provide the volume of water discharged into the municipal sewerage system.
  5. 2019 has been selected as the baseline year as it is representative of pre-pandemic operating conditions.
  6. Water Use Intensity is calculated by dividing total water consumed by the common area of multi-tenanted properties (which are under direct control of the Manager) by the total common area of these properties.
  7. The calculation method for Water Use Intensity is based on sources from the Leadership in Energy and Environmental Design (LEED) rating system and Energy Star (trademarked ENERGY STAR) – a programme run by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.
  8. The tabulated figures for Annual Water Use Intensity have been rounded to the nearest third decimal place for better data accuracy.
- <sup>#</sup> This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

## Outlook

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

In the coming years, we plan to continue conducting scheduled building audits that include water management practices. We will continue with existing initiatives such as assessing the viability of installing rainwater harvesting tanks at multi-tenanted properties, monitoring properties located in water-stressed areas through the World Resource Institute’s Aqueduct Water Risk Atlas tool, and exploring potential new opportunities to further optimise water consumption.

These initiatives are expected to improve our water management practices, driving us towards achieving our water reduction target. In view of our rapid expansion strategy and the potential addition of multi-tenanted properties to the portfolio, the Manager will review our water reduction targets in the coming year and establish a revised baseline.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Waste Management



**Capitals**

- Natural

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**Strategic Pillars**

- Facilities Management
- Development
- Investment

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**Business Risks**

- Environmental

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**UN SDGs**

### Description of Risks Related to Waste Management

Effective waste management practices remain a strategic priority for the Fund to minimise environmental impact amid rapid portfolio expansion. The Manager’s waste management approach focuses on reducing operational risks, adopting responsible waste-handling practices, and supporting a greener environment.

Non-compliance with waste-related regulations or poor waste-management performance may result in elevated regulatory scrutiny, operational disruptions, and reputational impacts for the Fund.

### Effects on Business Model and Value Chain

Waste management practices influence the Fund’s value chain, particularly in how properties are managed, how tenants interact with the built environment, and how the Manager upholds environmental stewardship across the portfolio.



- ➔ Upstream impacts arise from the operations of waste-collection vendors, Facility Managers, and contractors who support the Fund’s property operations. Proper waste handling, segregation, and disposal depend on their compliance and service quality. For tenants, onboarding processes implemented by the Manager help ensure that they understand and commit to the Fund’s waste-management requirements.
- ➔ The Manager ensures that all waste from the Fund’s managed properties, mainly multi-tenanted office buildings, is properly segregated, collected, and disposed of. Routine waste management poses minimal risk, as hazardous waste is not material to the Fund’s portfolio. Significant waste volumes arise primarily during major AEs, where the Manager’s supervision is required to ensure contractors adhere to proper disposal and recycling practices.
- ➔ The Fund’s waste streams consist largely of domestic waste and recyclables, with e-waste handled responsibly through established recycling programmes. Proper waste management minimises environmental footprint, supports community expectations for responsible operations, and strengthens the Fund’s environmental stewardship across its portfolio.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

The Fund's waste-management strategy builds directly on the risks and value-chain considerations previously outlined above. The Manager incorporates insights on how upstream partners, core operational practices, and downstream impacts influence the Fund's environmental performance, ensuring waste is managed responsibly across the Fund's portfolio.

Recognising that routine property operations primarily generate general waste, the Manager focuses on initiatives that strengthen oversight, reinforce tenant and vendor responsibilities, and support long-term waste-reduction efforts. Guided by the 5R concept — Refuse, Reduce, Reuse, Repurpose, and Recycle — these initiatives are designed to translate upstream expectations and operational requirements into measurable outcomes.

### 1. Promoting Recycling Through The 5R Concept

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

### 2. Ensuring Responsible Handling and Disposal of Waste

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

### 3. Monitoring Waste Disposed for Target Setting and Improvements

- ➔ Keeping records provided by waste collection contractors on the volume of recyclable waste and e-waste generated at our multi-tenanted properties. Monitoring these records (as disclosed in the Targets & KPIs section) allows us to track recycling trends and identify areas for improvement
- ➔ Collecting comprehensive data on recyclable waste and general waste that is not recycled at multi-tenanted properties

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

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



#### Environmental Management Practice

- ➔ Minimising construction waste by implementing effective environmental programmes, including the sourcing and use of sustainable materials
- ➔ Encouraging recycling through the provision of recycling bins for different recyclable waste such as paper, glass, and plastic



#### Green Features and Innovation

- ➔ Providing composting bins to encourage composting and the use of recycled landscape waste
- ➔ Minimising demolition waste by implementing effective environmental programmes
- ➔ Minimising water pollution during construction by implementing effluent quality testing at main outlets

### Financial Effects

#### Current Financial Effects

The financial implications linked to waste management have been operational in nature and remain immaterial to the Fund. These include routine waste collection and disposal costs embedded in property operating expenses and administrative costs associated with tenant communication and compliance monitoring.

In FYE2025, no significant financial penalties were recorded arising from waste management issues.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Anticipated Financial Effects

Potential future financial effects include:

- ➔ Incremental capital investment to upgrade waste facilities and introduce enhanced segregation or hazardous-waste containment measures
- ➔ Higher operating costs associated with expanded monitoring, data tracking, and reporting requirements
- ➔ Potential cost savings from improved waste management efficiency and reduced disposal volumes
- ➔ Possible financial exposure in the event of regulatory non-compliance by tenants of Axis-REIT's properties

## Resilience of Our Strategy and Business Model Regarding Risks Arising from Waste Management

Axis-REIT's business model remains resilient as waste-related SROs do not materially affect the long-term demand for industrial and commercial properties. The Fund's proactive asset-management approach, supported by continuous tenant engagement, planned property improvements, and alignment to NSRF requirements, enables us to effectively manage evolving regulatory expectations.

Ongoing monitoring and capacity building reinforce our ability to withstand future waste-related risks. These efforts support the Fund's overarching commitment to operational excellence, sustainable growth, and long-term value creation.

## Processes, Controls and Policies to Manage Risks and Opportunities Related to Waste Management

The Property Management Team oversees Axis-REIT's waste management practices. This ensures that waste from our multi-tenanted properties, AEs, and development projects is properly handled, minimising the Fund's environmental footprint and avoiding potential health and safety issues for our stakeholders.

Our waste management practices aim to reduce the volume of waste disposed to landfills, and are guided by our Environmental Policy, Renovation Manual, and the 5R concept.

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

The Fund has two broad categories of waste, namely:

### General Waste

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

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

### Construction Waste

Construction waste refers to waste generated from our development projects, as well as major AEs. These may include hoarding, timber, steel bars, scrap metal, debris, and other material waste generated by our construction, renovation, and refurbishment activities.

We work with our contractors and suppliers to reuse and recycle building materials wherever feasible, with practicality determined by the types and condition of waste generated for each specific development or AE. This practice, guided by the 5R concept and the Renovation Manual for the safe disposal of hazardous waste, reduces the disposal of construction waste from our developments and AEs.

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

We measure, monitor, and report waste generated in order to identify waste streams and evaluate the effectiveness of our initiatives in minimising waste disposed to landfills. Waste collection data has been documented since 2022, providing a baseline for setting waste management targets. This ongoing data collection enables monitoring of progress and the effectiveness of our waste management initiatives against the Fund's sustainability goals.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Metrics and Targets

### General Waste

In 2023, the Manager established a target to reduce the volume of waste sent to landfill by 10% over a five-year period from 2023 to 2027, as measured against baseline data established in 2022.



#### Targets:

Reduce the volume of waste sent to landfill by 10% in five years (2023-2027), from the baseline year of 2022.

#### Performance Tracking

In 2025, we recorded a 10.6% increase in the volume of general waste disposed to landfill compared to our baseline set in 2022. However, on a year-on-year basis, this was a decrease of 5.3% from 2024.

The Fund collected approximately 1.06 million tonnes of general waste from its multi-tenanted properties in 2025, representing a 10.6% increase compared to the 2022 baseline. This increase is largely

attributed to the additional space under management and higher occupancy levels at the Fund's multi-tenanted properties from 2023 onwards. Despite the growth in absolute waste volumes, the Manager has continued to reduce general waste intensity year-on-year over the past three years, demonstrating improved operational efficiency.

Although general waste has increased in total volume, the amount of recycled waste has also grown — rising 10.5% year-on-year and improving by 38.8% since the 2022 baseline. This reflects ongoing improvements in recycling activities, despite higher total waste output driven by portfolio expansion and higher utilisation.

The Manager recognises that there remains significant potential to further enhance waste segregation and recycling across the Fund's properties. Moving forward, we will continue to strengthen our efforts and broaden initiatives aimed at encouraging greater recycling participation among employees, tenants, and the community.

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

Total Recyclable Waste Collected (kg)	2025	2024	2023	2022 (Baseline)
Paper	28,730	25,050	24,090	19,768
Glass/Metal/Aluminium cans	9,580	8,990	8,795	7,421
Plastic	7,720	6,710	5,930	4,284
E-waste	3,600	4,170	3,895	4,281
<b>Total</b>	<b>49,630</b>	<b>44,920</b>	<b>42,710</b>	<b>35,754</b>

### Total Waste Disposed to Landfill (kg)

Total General Waste Collected (kg)	2025	2024	2023	2022 (Baseline)
General Waste	1,066,367	1,125,887	1,183,547	964,010

#### Notes:

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

### Composition of Total Waste Generated

Year	Total General Waste	Total Recyclable Waste	Recycling Rate
2025	1,066,367	49,630	4.45%
2024	1,125,887	44,920	3.8%
2022 (baseline)	964,010	35,753	3.58%
% change year-on-year	-5.3%	10.5%	0.6%
% change baseline	10.63%	38.81%	0.87%

#### Note:

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

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Construction Waste

No data on construction waste recycling or reuse was recorded in 2025, as there were no development projects during the year.

Pre-set fixed targets for construction waste management are not applied, as volumes vary depending on the number, type, scale, and stage of development projects and AEs undertaken.

## Outlook

We remain committed to reducing the disposal of general waste to landfill, in line with our Environmental Policy, Renovation Manual, and the 5R concept. To support this commitment, the Manager will continue implementing initiatives to strengthen the management of general waste generated across the Fund's multi-tenanted properties. As the Fund's portfolio of multi-tenanted buildings continues to grow, the Manager will review existing targets in the coming year to ensure they remain both credible and achievable, reflecting actual waste-generation patterns on the ground.

At the same time, we will uphold our commitment to incorporate sustainable materials and promote the recycling and reuse of building materials in development projects and major AEs, wherever feasible. These efforts are aimed at reducing construction-phase waste and enhancing sustainability across the Fund's operations, while minimising environmental impact. In parallel, we will intensify initiatives that encourage waste-reduction practices among employees, tenants, and contractors, further strengthening the Fund's overall environmental performance.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## SOCIAL



### Occupational Health and Safety



#### Capitals

- Human
- Social & Relationship

#### Strategic Pillars

- Development
- Facilities Management

#### Business Risks

- Human Resource
- Real Estate Management

#### UN SDGs



#### Description of Risks Related to Occupational Health and Safety (OHS)

The Manager places the highest priority on safeguarding the health, safety, and well-being of its employees and contractors. A safe working environment is fundamental to operational excellence and sustainability. We are committed to implement robust OHS practices across all site offices and properties to prevent accidents, protect health, and ensure compliance with regulatory standards.

The primary risk relates to challenges in consistently ensuring employee safety and well-being at site offices and during operational activities. This includes:

- ➔ Exposure to workplace hazards leading to injuries or health issues.
- ➔ Non-compliance with statutory health and safety requirements, resulting in legal and reputational consequences.
- ➔ Reduced employee morale and productivity due to inadequate safety measures.

Conversely, strong OHS practices present opportunities to enhance workforce engagement, reduce operational disruptions, and strengthen our reputation as a responsible employer.

#### Effects on Business Model and Value Chain

These risks and opportunities directly influence our business model, which is built on delivering sustainable value through high-quality properties, strong tenant relationships, and responsible operations. SROs affect every stage of our value chain, making OHS performance critical to resilience and long-term competitiveness.



- ➔ Poor safety practices among contractors can lead to accidents, project delays, and increased liability.
- ➔ Workplace incidents may disrupt operations, increase insurance costs, and affect employee productivity.
- ➔ Safety breaches can damage Axis-REIT's reputation, erode tenant confidence, and impact investor trust.

#### Effects on Strategy and Decision-Making

Recognising these impacts, we consistently integrate OHS considerations into our strategy and decision-making. Our initiatives aim to build a safety-first culture and work environment through education, training, and the implementation of our HSE Policy, ensuring compliance across all operations.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Safety Culture & Work Environment

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

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

- Requiring contractors to furnish a Job Safety Analysis with detailed risk assessments before commencing work on a project.
- Requiring contractors to commit to HSE compliance by appointing a competent person to oversee HSE matters.

- Making our Renovation Manual accessible to all relevant parties to ensure compliance with HSE requirements.
- Checking, servicing, and calibrating electrical equipment as required by law to minimise exposure to hazards.
- Reporting the HSE performance of our operations on a monthly basis to monitor continuous compliance with our HSE Policy.
- Including flood-related incidents into HSE performance reporting.
- Performing regular technical audits and assurance to ensure buildings are maintained in good condition.
- Ensuring that monitoring procedures used for compliance checks are accessible at all sites, including vacant sites, for regular monitoring.
- Maintaining compliance records for equipment and activities in our buildings (where applicable) with relevant authorities such as the Department of Occupational Safety and Health (DOSH), Bomba, and the CIDB.
- Maintaining Personal Protective Equipment (PPE) for employees and ensuring that contractors and subcontractors working at our project sites and properties are equipped with the necessary PPE.
- Checking and maintaining medical equipment such as wheelchairs, stretchers, and first aid kits for all multi-tenanted properties.
- Providing Basic Occupational First Aid, CPR & AED training and certification for the Facilities Management Team.
- Providing Emergency Response Training for the Facilities Management Team and other relevant parties.
- Supporting tenants' health-related CSR initiatives by sponsoring the use of common areas at our multi-tenanted properties for programmes such as blood donations, wellness, and other health and safety events.

## Safety Education and Training

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

We also conduct Safety Awareness Programmes for suppliers, contractors, and tenants. In 2025, 41 training sessions were conducted, covering topics such as Safety Induction Training, Basic Occupational First Aid, CPR & AED Training, ESG Awareness for Building Management Operations Training as well as Fire Safety Awareness & Emergency Evacuation Training. A total of 967 participants attended these programmes, including employees, suppliers, contractors, and tenants. The table below summarises the health and safety training programmes conducted/attended during the year.

Course Name	Participants	Topics/Coverage	Total Number of Participants
Safety Induction (2 sessions)	New employees	Work-related hazard awareness, office safety, emergency procedures.	5
Safety Briefing (28 sessions)	Contractors, vendors, and service providers	Safety requirements, HSE Policy, legal requirements, Hazard Risk Assessments.	695
Basic Occupational First Aid, CPR & AED Training (Certificate of Proficiency)	Facilities Management Team	Essential life support techniques, including CPR and choking response, as well as first aid procedures for bleeding and wounds, burns and scalds, fractures, and spinal injuries.	36
BOMBA ERT Training (3 sessions)	Selected employees from ARMB and Facilities Management Team as well as security personnel and tenant representatives	Comprehensive knowledge for handling emergencies, including roles & responsibilities of ERT members, fire detection & alarm systems, fire fighting equipment, and evacuation procedures.	77

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Course Name	Participants	Topics/Coverage	Total Number of Participants
Fire Drill & Safety Coordinator briefing (5 sessions)	ERT members and Safety Coordinators (tenant representatives)	Coordinated briefing between building ERT members and Safety Coordinators appointed by tenants.	88
ESG Awareness for Building Management Operations Training	Facilities Management Team	Empowering Facility Managers and operations personnel to understand ESG fundamentals, recognise their role in driving sustainability, and integrate ESG principles into both daily operations and long-term planning.	38
Working at Height Awareness Training	Facilities Management Team and vendor representatives	Legal & regulatory requirements, hazard identification & risk assessment, hierarchy of control for working at height, and fall prevention & fall protection systems.	28

### Financial Effects

#### Current Financial Effects

In FYE2025, Axis-REIT incurred routine costs for OHS compliance, including:

- Regular safety audits and inspections.
- Training programmes for employees and contractors.
- Investment in safety equipment and health monitoring systems.

These costs are considered essential preventive measures and are accounted for within operational expenditure.

#### Anticipated Financial Effects

If OHS risks materialise, potential financial impacts include:

- **Legal liabilities and penalties** for non-compliance with health and safety regulations.
- **Medical and compensation costs** for workplace injuries.
- **Operational disruptions** leading to project delays and reduced productivity.
- **Reputational damage**, which could indirectly affect tenant retention and investor confidence.

Such impacts could significantly increase operating costs and affect long-term profitability.

### Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from OHS

We seek to strengthen resilience in OHS by maintaining compliance with regulations, conducting regular audits, and providing ongoing training for employees and contractors. Preventive measures such as risk assessments, emergency response planning, and health monitoring systems are in place to help reduce the likelihood of incidents and minimise operational disruptions.

This resilience is strongly reflected in the performance recorded during the year, with zero injury and non-injury cases, full compliance with our HSE Policy, no breaches of applicable laws and regulations, and the absence of any fines for regulatory non-compliance.

By embedding OHS considerations into daily operations and investing in safety improvements, we aim to protect the well-being of all our stakeholders, manage liabilities, and support business continuity over the long-term.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to OHS

Our health and safety measures comply with the laws and recommendations outlined by the Malaysian government and are designed to safeguard the well-being of employees,

tenants, suppliers, contractors, service providers, and visitors across our properties.

OHS matters are addressed through our HSE Policy, which is developed in line with Malaysia's Occupational Safety and Health Act 1994 and ISO 45001: Occupational Health and Safety Management Systems. This Policy provides a strong foundation for protecting people and stakeholders, while ensuring compliance with municipal by-laws and the regulations of authorities such as DOSH, Bomba, and other relevant agencies.

We strive not only to meet but also exceed these requirements in identifying and mitigating risks to health, safety, and well-being by:

- Demonstrating visible HSE leadership and commitment.
- Upholding excellence by adhering to codes of compliance, standards, and procedures.
- Implementing measures to prevent work-related injury, ill-health, property damage, and environmental pollution.
- Maintaining contingency measures that are tested and ready for emergencies.
- Driving continual improvement in HSE systems and enhancing employee competencies.

The Property Management Team oversees enforcement of the HSE Policy, ensuring that employees, contractors, tenants, and visitors

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

comply with stringent protocols and act responsibly when conducting business or accessing our properties.

Supporting this, a qualified HSE Manager conducts regular inspections to ensure adherence to our HSE Policy and industry best practices. The HSE Manager also ensures contractors receive safety induction training before commencing projects or AEs, and performs on-site assessments to monitor compliance with both HSE and human rights practices. Supplier obligations are embedded in our Supplier Code of Conduct, and a stop-work order is enforced whenever unsafe conditions, unsafe acts, or non-compliance are identified.

Through continuous engagement, contractors have become increasingly aligned with our policies. For example, they are now more likely to complete and document risk assessments and method statements, enabling us to monitor and evaluate their work more effectively.

### Metrics and Targets

Injury Cases	2025	2024	2023
Fatalities	0 <sup>#</sup>	0	0
Lost time injuries (LTI)	0 <sup>#</sup>	2	0
Restricted work cases/medical treatment	0 <sup>#</sup>	0	0
First aid	0 <sup>#</sup>	0	0
Lost Time Incident Rate*	0 <sup>#</sup>	2.45	0

Note:

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

Non-injury Cases	2025	2024	2023
Fire/explosion	0 <sup>#</sup>	2	0
Property/equipment damage	0 <sup>#</sup>	0	0
Environmental pollution	0 <sup>#</sup>	0	0
Summons received	0 <sup>#</sup>	0	0

Absentee Rate	2025	2024	2023
Male	1.09 <sup>#</sup>	1.64%	1.12%
Female	1.08 <sup>#</sup>	1.04%	1.20%

Safe Days	2025	2024	2023
During the year	365/365	364/366**	365/365
Since 29 August 2019	397	32***	1,585

\*\* 2024 was a leap year.

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

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

Non-compliance Incidents/Fines	2025	2024	2023
Incidents of non-compliance with HSE Policy	0	0	0
Incidents of non-compliance with applicable laws and regulations	0	0	0
Amount in fines incurred for regulatory non-compliance (RM)	0	0	0

# This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

### Outlook

We remain committed to strengthening our HSE practices to ensure that our properties provide safe, healthy, and conducive work environments for employees, tenants, suppliers, contractors, service providers, and visitors. In the coming year, we will continue to organise HSE-related training and events for employees and tenants of multi-tenanted properties, enhancing our responsiveness in the event of actual emergencies.

Our Facilities Management Team successfully obtained Basic Occupational First Aid, CPR, and AED certification in 2025, and as part of our future plans, we will renew this certification every three years to maintain high standards of preparedness.

Our HSSE Manager will continue to conduct periodic HSE and human rights audits to assess not only our own practices but also those of our contractors, ensuring compliance and identifying areas for improvement. In addition, we will strengthen our Emergency Response Plan for 2026 by incorporating a flood-related evacuation plan, enhancing evacuation procedures and reporting SOPs for flood events and other natural disasters. This will include close collaboration with NADMA and Bomba to study and refine flood evacuation strategies. Through these initiatives, we aim to steadily improve resilience and provide safer environments for all stakeholders.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Talent Development

**Capitals**

 Human

 Financial

 Intellectual

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**Strategic Pillars**

 Governance

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**Business Risks**

 Human Resource

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**UN SDGs**





### Description of Risks Related to Talent Development

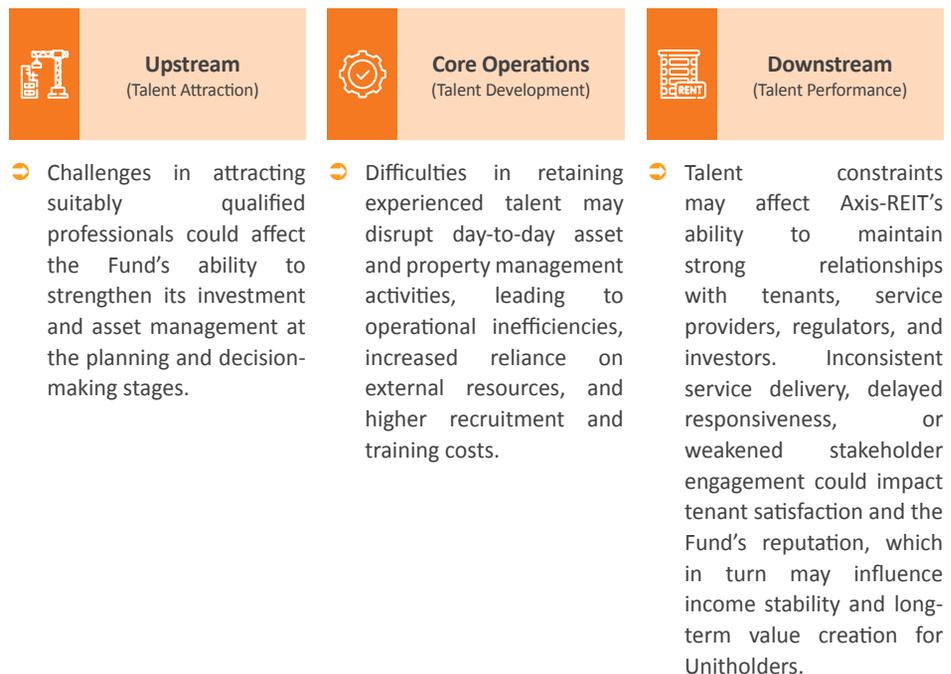
We are exposed to talent development-related risks that may affect our operational continuity, organisational capability, and long-term value creation. A key risk arises from the challenge of attracting new talent with the requisite skills, experience, and expertise to support our growing business and regulatory requirements. Heightened competition for qualified professionals within the real estate and property management sectors, coupled with changing workforce expectations, drives the Fund to build and sustain a robust talent pipeline.

In parallel, retaining existing talent is critical to maintaining business resilience and performance. The loss of experienced personnel may result in disruptions to day-to-day operations and increased recruitment and training costs. Reducing employee turnover is essential to maintain operational capabilities across the asset and property management value chain, ensuring productivity, decision-making quality, and the consistent delivery of strategic and sustainability initiatives.

These risks require careful management to safeguard the Fund’s ability to execute its strategy and deliver sustainable long-term value to Unitholders.

### Effects on Business Model and Value Chain

Our talent development risks affects the Fund’s overall business model and value chain:



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

### Effects on Strategy and Decision-Making

The talent development risks outlined above have direct implications on the Manager's strategic execution and decision-making quality.

To address these risks, we invest in capacity-building initiatives that strengthen our employees' industry knowledge, technological proficiency, and management expertise. By equipping our workforce with the right capabilities, the Manager aims to enhance the quality of decisions, reinforce strategic resilience, and sustain its competitive advantage in a continually evolving real estate market.

Our talent development initiatives in 2025 included:

- Conducting annual performance appraisals for all employees, assessing their achievements, career needs, and plans. The appraisal process allowed us to track employee strengths and weaknesses, identify the best candidates for career progression, and offer feedback for areas of improvement. Performance evaluations of the Board, Senior Management and the Manager, Corporate Communications & Sustainability included assessments against sustainability KPIs with financial and non-financial consequences. This demonstrates our commitment and emphasis on implementing sustainability initiatives throughout the organisation. In 2025, we conducted annual performance appraisals for 100% of our employees.
- Providing both general learning opportunities for all employees as well as targeted learning programmes. This initiative aimed to address any competency gaps and to align our employees' skillsets and capabilities with their personal ambitions and professional needs.
- Assigning a 'buddy' for all new employees, creating a support system to help newcomers acclimatise to their new roles.
- Providing training opportunities for employees, including:
  - **Compliance training:** Continuous training on PDPA, HSE Policy, ACF Policy, and other pertinent policies and guidelines.
  - **Sexual harassment awareness:** Launched a customised e-learning module in October 2025 to provide employees with accessible, interactive training to recognise, prevent, and appropriately address incidents of harassment, reinforcing the Fund's ethical standards and promoting a culture of inclusivity and respect throughout the organisation.
  - **Cybersecurity training:** Launched new training modules in April 2025 to enhance organisational resilience against cyber threats. These online interactive modules were delivered continuously throughout the year, enabling employees to build awareness of emerging cyber risks, adopt best practices, and strengthen the Fund's overall information security capabilities. Additionally, phishing simulations were sent out to gauge employee alertness in identifying suspicious emails.
  - **Emergency response:** Conducted ERT BOMBA training and first aid competency training in April 2025 to equip the Facilities Management Team with the necessary skills and

knowledge to effectively respond to emergencies, leveraging technology to enhance safety protocols and regulatory compliance across the Fund's properties. We also organised CPR and AED awareness as well as emergency response courses to equip employees with lifesaving knowledge.

### Employee Training Programmes

In 2025, we engaged external parties comprising subject matter experts, qualified technical trainers, and relevant regulatory authorities to deliver courses across a broad range of topics for our employees. These courses aimed to facilitate the development of a well-rounded workforce that will strengthen our operations.

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



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Types of Training Programmes	Type of Programme (Internal/ External)	Platform (Physical/ Virtual)	Frequency	Target Group	Number of Participants
ERT Training	External	Physical	Yearly	Facilities Management and Project Management Team	45
IFRS S1 & S2 Training	External	Physical	Yearly	HODs and the Managers	14
Basic Occupational First Aid, CPR & AED Training	External	Physical	Ad-hoc	Facilities Management and Project Management Team	35
Cybersecurity Awareness Training	External	Virtual	Quarterly	All corporate email users	61
ESG Awareness for Building Management Operations Training	External	Physical	Ad-hoc	Facilities Management Team	38
PDPA and ACF Policy Online Refresher Training	External	Virtual	Annual	All employees	81
Sexual Harassment Awareness Training	External	Virtual	Annual	All employees	81

### Financial Effects

#### Current Financial Effects

Current financial impacts related to talent development are primarily associated with ongoing training, skills enhancement programmes, professional certifications, and performance management initiatives. These expenditures support employee capability building, compliance-related learning, and leadership development. As the Manager operates with a lean workforce, talent-related costs remain proportionate and manageable, and no material financial losses or disruptions were incurred as a result of talent development activities.

#### Anticipated Financial Effects

Future financial effects may arise from expanded training requirements, upskilling for emerging competencies, and succession planning investments as regulatory, technological, and sustainability expectations evolve. Additional resources may have to be allocated to attract and retain specialised talent in leasing, investment, finance and facilities management, alongside areas such as sustainability reporting, digitalisation, and risk management. These functions are critical to maintaining income stability, optimising portfolio performance, ensuring operational efficiency, and strengthening governance, all of which directly support the Fund's strategy and long-term value creation. While these costs may increase over time, they are projected to enhance workforce capability, strengthen

operational resilience, and support long-term organisational performance.

#### Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Talent Development

We strengthen the resilience of our business model by embedding talent development into strategic workforce planning and daily operations. Through structured training programmes, mentoring, and succession planning, the Manager ensures continuity of skills and knowledge that are critical to asset management, property operations, and stakeholder engagement. Proactive measures, including regular performance assessments, career development pathways, and targeted upskilling initiatives help mitigate the risks of talent shortages and high turnover. By investing in employee growth and retention, we maintain operational stability, safeguard institutional knowledge, and reinforce our capacity to execute strategic and sustainability objectives, thereby supporting long-term value creation for Unitholders.

#### Processes, Controls and Policies to Manage Risks and Opportunities Related to Talent Development

We continue to uphold a talent development approach that takes a proactive stance in identifying, nurturing, and rewarding talent across all employee levels and categories. This involves recognising talent, building

competencies via training programmes, rewarding accomplishments, and providing feedback for further improvement and growth.

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

The Human Resource Department and Heads of Departments (HODs) are responsible for identifying, developing, and implementing training programmes for their respective team members. We conduct internal mentoring and coaching programmes, and organise external training by industry experts, to deliver courses across a broad range of topics.

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

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

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

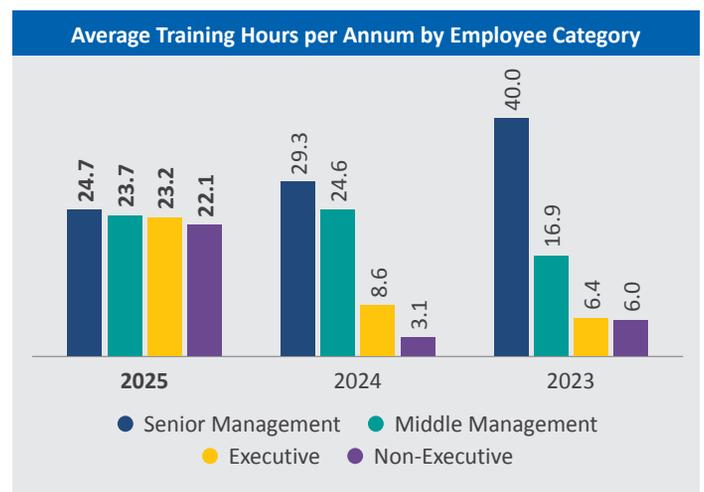
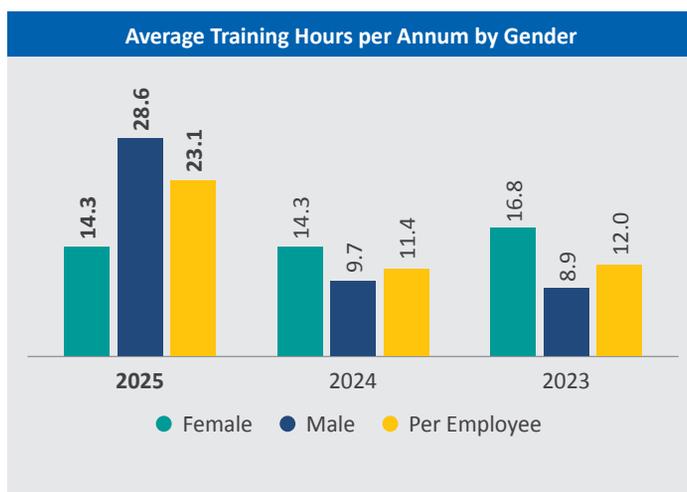
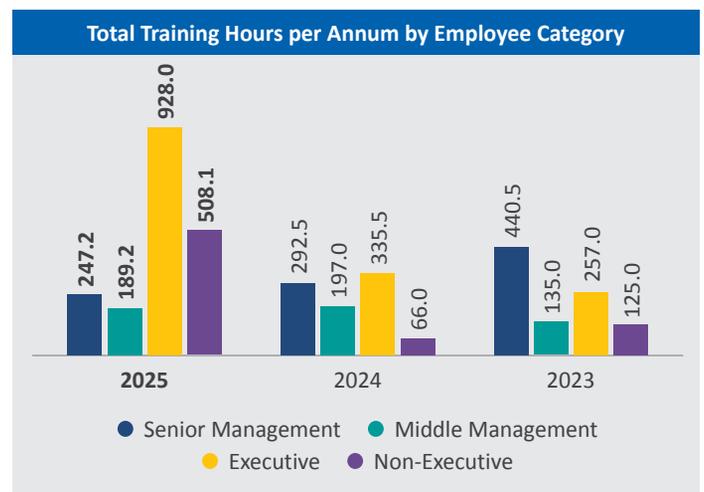
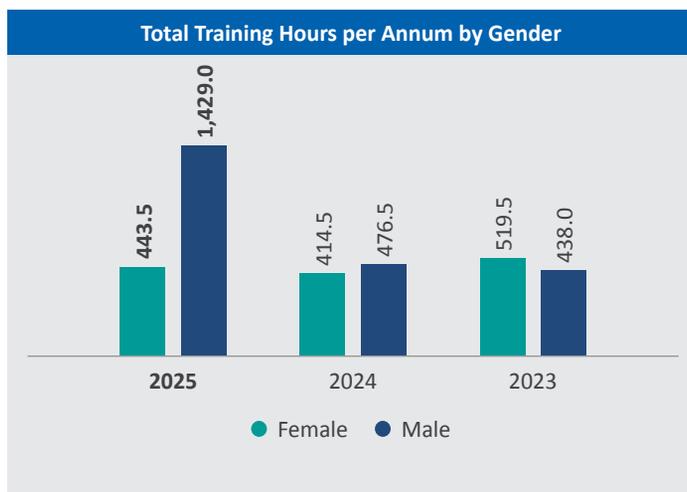
## Metrics and Targets

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



In 2025, 81 employees completed a total of 1,872.5 training hours, equivalent to an average of 23.1 training hours per person. This was around a 110% increase from the average of 11.4 hours of training per employee recorded in 2024. The significant rise in training hours was largely due to two extensive multi-day training programmes conducted for the Facilities Management Team in 2025. The team typically records higher training hours because these programmes are more technical and operational in nature. The team also has a predominantly male workforce, which is reflective of job requirements.

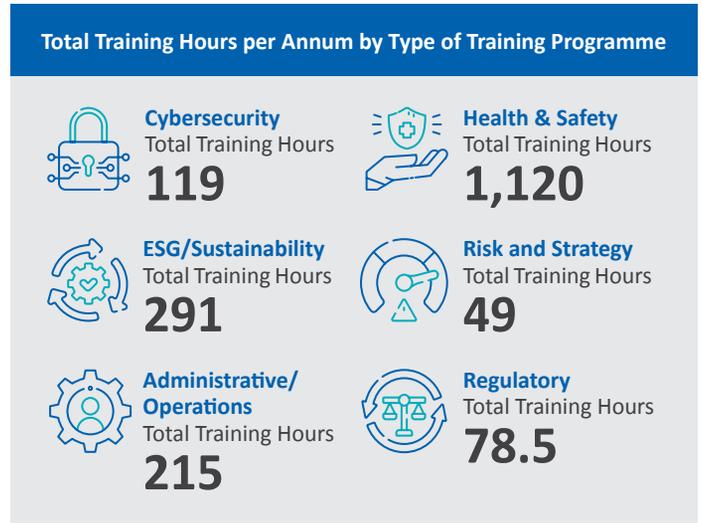
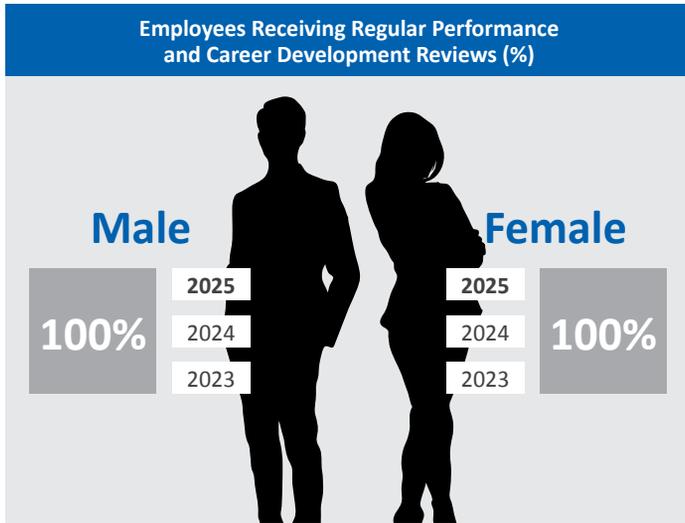
The breakdown of average training hours by gender and employment category are as shown in the following tables:



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

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

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

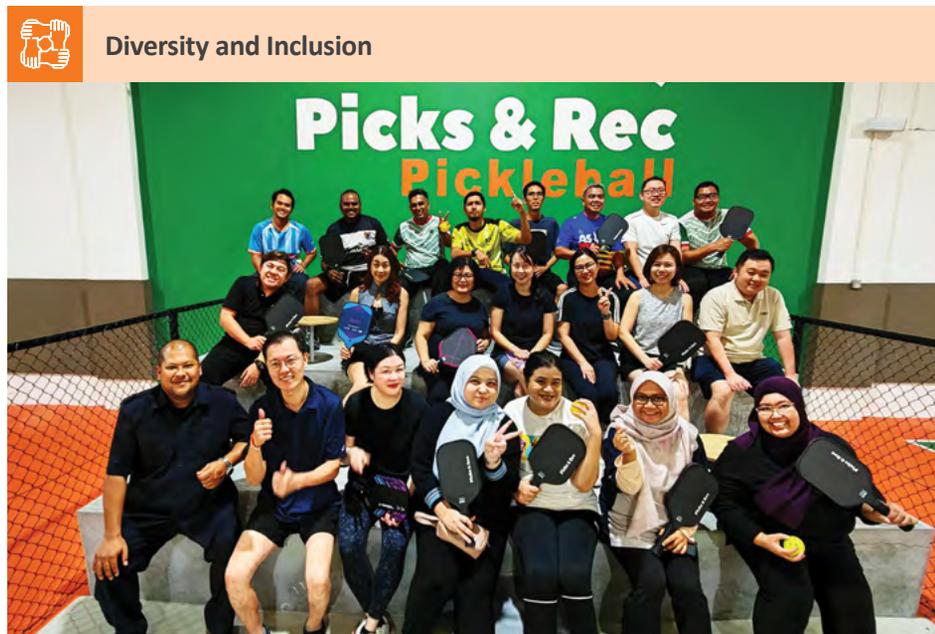


## Outlook

Moving forward, the Manager will continue to strengthen human capital capabilities through targeted talent development initiatives aligned with the Fund’s strategic and sustainability objectives. A key priority in the coming year is to enhance the competencies of both Board members and employees via upskilling sessions on sustainability reporting, regulatory requirements, and governance standards. Annual mandatory training will also be conducted on the ACF Policy and PDPA, while integrity training and assessments will be explored to further reinforce ethical awareness and accountability across the organisation.

The Manager remains committed to developing future-ready talent by identifying high-potential employees and supporting their career growth through specialised training, professional certifications, and structured learning pathways. Efforts will also focus on attracting younger talent to strengthen succession planning and ensure leadership continuity. In parallel, the Manager will continue to prioritise employee well-being through at least two health and wellness training sessions annually and by maintaining its subscription to an interactive cybersecurity awareness programme. Collectively, these initiatives aim to build a capable, resilient, and engaged workforce that will underpin Axis-REIT’s long-term performance and value creation.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Diversity and Inclusion

### Capitals

- Human
- Financial

### Strategic Pillars

- Governance

### Business Risks

- Human Resource

### UN SDGs



### Description of Risks Related to Diversity and Inclusion

The Manager is exposed to several risks related to diversity and inclusion that may affect its ability to support Axis-REIT’s long-term performance. Limited diversity or lack of inclusive practices could affect our capacity to attract, develop, and retain a broad range of skills, experiences, and perspectives. Fostering diversity and inclusion is therefore essential to maintaining creativity, innovation, and high-quality decision-making, as well as the Manager’s agility in responding to evolving business needs and stakeholder expectations.

In addition, strong diversity and inclusion practices are vital to creating a conducive and engaging working environment. When employees feel undervalued, excluded, or disconnected this may affect morale, collaboration, and overall well-being, potentially leading to reduced productivity, lower organisational cohesion, and higher turnover within the Manager.

Collectively, these risks may lead to a workforce that is less innovative, less adaptable, and ultimately less competitive. Sustaining commitment to inclusive practices allows the Manager to maintain operational

excellence, support Axis-REIT’s performance, and compete effectively for high-quality talent in an increasingly diverse and dynamic market landscape.

At the same time, strengthening diversity and inclusion presents opportunities for the Manager to enhance workforce engagement, broaden talent pipelines, and improve decision-making through a richer mix of perspectives.

### Effects on Business Model and Value Chain

These risks may affect various components of Axis-REIT’s business model and value chain:



- ➔ How the Manager attracts and evaluates prospective talent has a bearing on diversity and inclusion in the workforce. Limited access to diverse candidate pools or non-inclusive hiring practices may restrict our ability to build a workforce with varied perspectives, skills, and experiences. Such gaps may hinder long-term organisational capability, slow innovation, and weaken our capacity to support overall operational and strategic priorities.
- ➔ Within the Manager, a non-inclusive working environment may impact employee engagement, hinder collaboration, and weaken overall productivity. This could compromise the Manager’s ability to maintain strong tenant relationships and ensure consistent execution of operational, compliance, and sustainability initiatives on behalf of Axis-REIT.
- ➔ Reduced workforce engagement within the Manager may limit innovation, service responsiveness, and the ability to meet tenant, investor, and regulatory expectations. This may affect portfolio performance, income stability, and the broader reputation of Axis-REIT within the market.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Effects on Strategy and Decision-Making

Building on the diversity and inclusion risks outlined above, the Manager continues to embed diversity and inclusion principles into our strategic and operational decision-making processes. This strengthens organisational resilience, supports Axis-REIT's long-term performance, and fosters a workplace culture that attracts, develops, and retains diverse talent.

## Embedding Diversity and Inclusion into Organisational Practices

In upholding our commitment to diversity and inclusion, the Manager ensures that employee benefits and entitlements are equitable for all employees, regardless of gender, race, or employment type. This includes comprehensive coverage such as group personal accident insurance, disability and invalidity protection, as well as medical and hospitalisation benefits.

We strive to maintain a workforce that encompasses a variety of genders, ethnicities, backgrounds, age groups, and leadership styles. We recognise that different perspectives and experiences can contribute positively to how we work and make decisions. Our aim is to provide a supportive and respectful employee experience, with attention to well-being, fair opportunities, and an inclusive environment where employees feel encouraged to contribute to our operational, environmental, and social responsibilities.

## Strengthening Diversity and Inclusion in Governance

At the governance level, the Manager has achieved 50% female representation on the Board since 2023, surpassing the 30% target recommended by the MCCG. This outcome reflects the Manager's proactive approach in promoting gender diversity at the leadership level. A more diverse Board enhances decision-making quality, broadens perspectives, and supports stronger oversight of strategic matters.

## Employee Engagement, Development, and Well-being

In both 2024 and 2025, the Manager advanced employee engagement and well-being through a series of activities designed to promote

teamwork, trust, and a healthy work culture. These included pickleball events, ERT BOMBA training, Basic Occupational First Aid, CPR & AED certification, and customised ESG awareness training for building management operations. Programmes were selected based on employee feedback to ensure relevance and stronger participation.

In 2025, engagement efforts were further strengthened through our 20<sup>th</sup> anniversary dinner and a company trip, which reinforced camaraderie, cross-team cohesion, and a sense of belonging. These initiatives provided meaningful opportunities for employees to connect, collaborate, and celebrate shared achievements outside the workplace.

The Manager also maintains an open-door policy, encouraging employees to voice suggestions and concerns directly to their supervisors without fear of discrimination. This approach supports transparent communication and ensures that employee feedback is incorporated into workplace improvements.

## Employee Engagement and Satisfaction

To support informed, employee-centred decision-making, the Manager conducts an Annual Employee Satisfaction Survey with a target of achieving a score above 80%. The survey provides valuable insights into engagement levels, workplace satisfaction, and developmental aspirations. These insights are integrated into strategic planning and operational initiatives, including enhancements to employee engagement programmes, training and development efforts, and workplace policies. This ongoing feedback loop ensures that our human capital strategies remain aligned with organisational objectives and evolving employee expectations.

## Financial Effects

### Current Financial Effects

Current financial impacts related to diversity and inclusion are modest and primarily linked to ongoing initiatives such as training on inclusive workplace practices, updates to relevant policies, and the implementation of fair and transparent hiring processes. Expenditures also cover engagement activities that promote an equitable work environment.

These costs are proportionate to the Manager's lean workforce, and no material financial losses associated with diversity and inclusion matters have been recorded.

### Anticipated Financial Effects

Future financial effects may arise from strengthened diversity and inclusion commitments, including expanded capability-building programmes and investments in governance processes that support an inclusive culture. Additional spending may be required to adopt evolving best practices, maintain regulatory alignment, and ensure equitable opportunities across the organisation. While such costs may increase gradually, they are projected to support long-term organisational resilience, improve employee engagement, and reduce potential risks associated with talent retention and workplace equity.

## Resilience of the Fund's Strategy and Business Model in Relation to Risk Related to Diversity and Inclusion

The Fund's strategy remains resilient to diversity and inclusion risks through the Manager's ongoing efforts to uphold sound governance practices, fair employment standards, and initiatives that support an inclusive work environment. The Manager maintains clear expectations on non-discrimination, transparent recruitment processes, and accessible channels for raising concerns, reducing workplace-related disruptions and maintaining stakeholder confidence.

These measures contribute to a stable and engaged workforce within the Manager, supporting the Fund's long-term operational continuity and strategic objectives while ensuring that day-to-day operations are carried out in a responsible and considerate manner.

## Processes, Controls and Policies to Manage Risks and Opportunities Related to Diversity and Inclusion

The Manager's approach to managing risks and opportunities related to diversity and inclusion is supported by key internal policies, including the Code of Conduct, Personnel Policy Handbook, and the Board Charter. These documents guide how we maintain a fair,

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

respectful, and inclusive workplace in support of Axis-REIT’s operations.

The Code of Conduct sets clear expectations on respect, equality, and non-discrimination. It emphasises treating all employees with dignity and making employment decisions based on merit, without discrimination relating to race, religion, gender, age, nationality, or disability. The Code also highlights the importance of fostering a sense of belonging and encourages equal opportunities in training, development, and career progression.

The Personnel Policy Handbook reinforces these principles by outlining employee benefits and entitlements, and providing guidance on maintaining an inclusive workplace with fair access to development opportunities. Together, these policies help the Manager apply consistent practices and minimise risks related to discrimination or inequitable treatment.

These commitments also shape our talent development approach, where the Manager

adopts a measured and supportive process for identifying and developing employees across different levels, helping the workforce remain adaptable to the evolving business environment in which the Fund operates.

At the governance level, The Board Charter formalises the Manager’s commitment to maintaining at least 30% female representation on the Board and supporting a balanced mix of perspectives among its members.

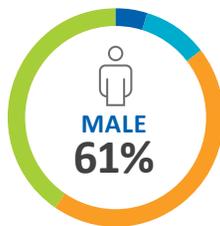
## Targets & KPIs

Our efforts to promote diversity and inclusion are reflected in the reasonably balanced ratio of female to male employees within the organisation. While male employees make up 62% of the workforce and female employees 38%, women are comparatively well represented at the senior management level, where 10% of our female employees hold senior roles, compared with 2% of men. The majority of our workforce falls between the 30-50 age range, bringing a depth of experience and practical knowledge gained over years in the industry. To further strengthen our inclusive culture and encourage greater collaboration, the Manager plans to organise at least two employee group activities each year to enhance engagement and team cohesion.

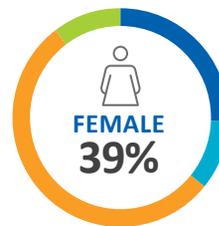
### Gender Composition by Employee Category

2025

Total headcount as at 31 December: **81**



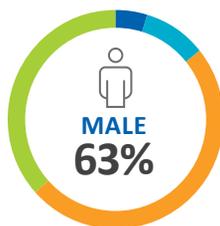
Senior Management	2%
Middle Management	6%
Executive	28%
Non-Executive	25%



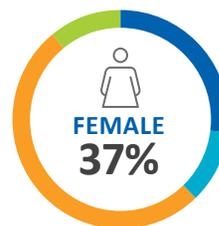
Senior Management	10%
Middle Management	4%
Executive	21%
Non-Executive	4%

2024

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



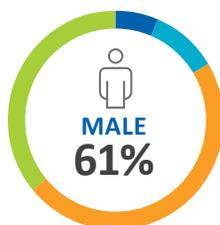
Senior Management	3%
Middle Management	6%
Executive	31%
Non-Executive	23%



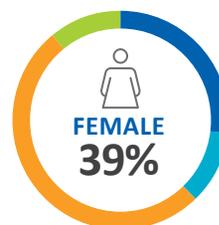
Senior Management	10%
Middle Management	4%
Executive	19%
Non-Executive	4%

2023

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



Senior Management	4%
Middle Management	6%
Executive	29%
Non-Executive	22%



Senior Management	10%
Middle Management	4%
Executive	21%
Non-Executive	4%

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Age Group Composition by Employee Category

2025

Total headcount as at 31 December: **81**



2024

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



2023

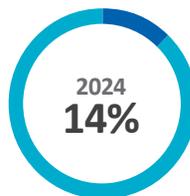
Total headcount as at 31 December: **80**



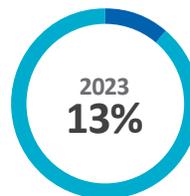
## Percentage of Employees Under Contract/Temporary Employees



No. of contract/  
temporary employees 10  
No. of employees 81



No. of contract/  
temporary employees 11  
No. of employees 78



No. of contract/  
temporary employees 10  
No. of employees 80

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

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Total Number of New Hires by Employee Category

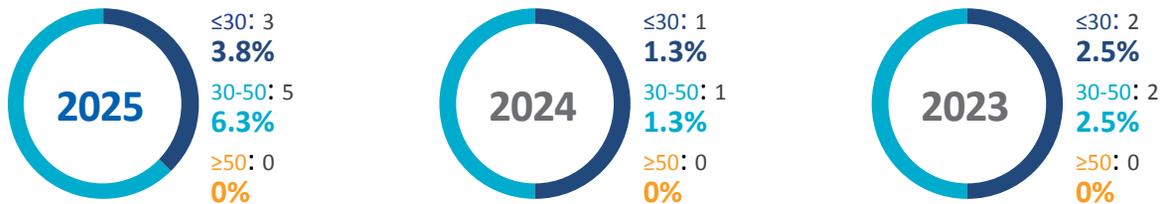


## New Hires by Gender



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

## New Hires by Age Group



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

Percentage of Senior Management that are locally hired

**100%**

Percentage of employees that are locally hired

**100%**

## Employee Turnover by Employee Category



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

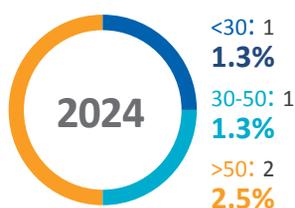
### Employee Turnover Rate by Gender



**Notes:**

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

### Employee Turnover Rate by Age Group



**Notes:**

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

### Parental Leave Statistics by Gender

	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
No. of employees entitled to parental leave	50	31	49	29	49	31
No. of employees who took parental leave	1	1	2	2	1	0
No. of employees that returned to work in the reporting period after parental leave ended	1	1	2	2	1	N/A
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	N/A	2	1	1	N/A

### Ratio of Basic Salary and Remuneration of Male to Female Employees (Gender Pay Gap)

	2025	2024	2023
Senior Management	1.0 : 1.7	1.0 : 1.3	1.0 : 1.1
Middle Management	1.0 : 1.1	1.0 : 1.1	1.0 : 1.1
Executive	1.0 : 0.8	1.0 : 0.9	1.0 : 0.8
Non-Executive	1.0 : 0.7	1.0 : 0.6	1.0 : 0.6

**Notes:**

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

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Type of Employee Engagement and Well-Being Programmes

	Frequency	Target Group
Annual Dinner	Annual	All employees
Company Trip	Annual	All employees
Long Service Award	Annual	Eligible employees
Axis Education Fund	Annual	Eligible employees' children
ERT BOMBA Training	Ad-hoc	Property Management Team
Basic Occupational First Aid, CPR & AED Training	Ad-hoc	Property Management Team
Sports sessions (e.g. Pickleball)	Ad-hoc	All employees



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



### Outlook

Looking ahead, the Manager remains committed to cultivating an inclusive, supportive, and engaging work environment where employees are encouraged to grow, contribute, and perform effectively. In the coming year, we will continue to focus on initiatives aimed at developing employees with high potential and providing them with opportunities for future career progression, helping the workforce adapt to evolving business needs.

The Manager will also continue to prioritise employee well-being by organising wellness programmes and health awareness sessions to bolster a healthy and balanced working environment. In addition, we will maintain efforts to promote a diverse and gender-balanced workforce by attracting talent from a broad range of backgrounds and experiences.

Through these ongoing initiatives, the Manager aims to enhance employee engagement, strengthen workforce capabilities, and support the long-term sustainability and resilience of Axis-REIT's operations.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Human Rights & Labour Practices



### Capitals

Social & Relationship

### Strategic Pillars

Facilities Management Development  
 Governance

### Business Risks

Global Human Resource Real Estate Management

### UN SDGs



### Description of Risks Related to Human Rights and Labour Practices

The Manager upholds strong standards for labour practices and human rights across our operations and supply chain. While the REIT business model does not require a large workforce, we remain committed to ensuring that all employees and contracted personnel are treated fairly, ethically, and with respect. We maintain a zero-tolerance approach to forced labour, child labour, and any form of exploitation, and we expect full compliance with these principles from all service providers, contractors, and suppliers.

We acknowledge the potential for human rights and labour-related risks arising from our reliance on third-party providers within our value chain, including for property management, maintenance, and security services. These include risks of inadequate worker welfare, non-compliance with labour regulations, unsafe working conditions, and excessive working hours. To manage these risks, we conduct due diligence on key vendors, incorporate labour and human rights expectations into procurement and contract terms, and require adherence to applicable laws and ethical standards.

These measures help ensure that individuals supporting our business — whether directly employed or engaged through external partners — operate in a safe, fair, and responsible employment environment.

### Effects on Business Model and Value Chain

These risks from reliance on third-party service providers affect Axis-REIT across the value chain:



- ➔ Labour and human rights risks primarily arise from the involvement of third-party service providers in property management and maintenance. Non-compliance with labour standards or poor worker welfare practices could disrupt service delivery and create reputational or regulatory exposure.
- ➔ Although we have a small internal workforce, gaps in oversight or human rights governance may affect the effectiveness of monitoring and managing labour-related risks across the supply chain.
- ➔ Poor labour conditions among contractors operating at the Fund's properties may influence tenant perceptions and stakeholder trust, as expectations for ethical and responsible practices continue to increase.

### Effects on Strategy and Decision-Making

We continued to uphold human rights and fair labour practices during the year under review by conducting on-site human rights assessments of registered key vendors. Registered key vendors assessed in 2025 included contractors providing AEI work, facility maintenance work, and cleaning

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

services. No human rights-related risks, including child labour, forced, or compulsory labour, were identified across the operations assessed. These assessments inform our vendor management decisions and ensure that our supply chain practices align with our human rights commitments.

In 2025, we also conducted on-site human rights assessments on suppliers that worked on six key AEs.

### Financial Effects

#### Current Financial Effects

Current financial impacts are limited to routine expenditures associated with vendor due diligence, contractual compliance reviews, and workforce-related governance activities. No material financial losses related to labour or human rights non-compliance have been incurred.

#### Anticipated Financial Effects

Future financial effects may arise from enhanced labour and human rights compliance requirements, including the need for strengthened third party oversight, increased procurement scrutiny, and potential remediation measures, should non-compliance be identified. Additional administrative costs may also be incurred to support continuous monitoring and alignment in response to evolving regulatory expectations.

### Resilience of the Fund's Strategy and Business Model in Relation to Risks Related to Human Rights and Labour Practices

Axis-REIT's business model remains resilient due to strong governance practices, clear expectations for ethical labour conduct, and integration of human rights considerations into procurement and vendor management. Ongoing due diligence, contractual safeguards, and monitoring processes help manage labour-related risks within the supply chain. These

measures ensure responsible value-chain practices and support long-term operational continuity as well as stakeholder confidence.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to Human Rights and Labour Practices

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

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

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



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

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

The Human Resource Department is responsible for all employment-related matters, ensuring that all our employment practices strictly conform to local employment laws and labour standards.

The Manager maintains an "open door" policy, enabling employees to raise concerns regarding human rights violations directly with Senior Management. Beyond that, our Whistle-Blowing Policy establishes whistle-blowing channels that facilitate the reporting of issues such as sexual harassment, discrimination, and endangerment to health and safety, along with other misconduct and malpractices including violations of human rights and fair labour practices. Procedures for lodging and addressing grievances are formally documented in our Whistle-Blowing Policy. In instances where employees are concerned that a matter may not be properly addressed, they are encouraged to escalate their concerns to the CEO or to ARMB's Independent Non-Executive Directors, who are responsible for managing the whistle-blowing mechanism. This framework ensures that all reports are managed independently, confidentially, and with integrity, thereby reinforcing Axis-REIT's commitment to a safe, ethical, and responsible workplace.



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

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Metrics and Targets

In 2025, no incidents or grievances relating to discrimination, child labour, or forced labour were reported by employees or external parties such as suppliers and service providers, our communities, or the public. Building on this performance, Axis-REIT has established clear targets to reinforce its commitment to human rights and ESG compliance.

 **Targets:**

-  Achieving zero incidence of ESG non-compliance, including human rights and labour practices, among vendors and contractors.
-  Maintaining zero reported cases of discrimination in the workplace.

These measures demonstrate our ongoing dedication to ethical operations, responsible supply chain management, and a safe, inclusive workplace.

	Unit	2025	2024	2023
No. of substantiated complaints concerning human rights violation	Cases	0	0	0

## Outlook

The Manager remains committed to protecting and upholding human rights and fair labour practices, both within Axis-REIT and across our supply chain. Moving forward, we will continue to conduct on-site human rights assessments and internal audits of registered key vendors to identify any instances of non-compliance. All findings are to be formally documented for further action, including submitted for independent verification where required. In addition, as the Fund undertakes new development projects, we will engage outsourced Internal Auditors to review our contractors’ compliance with ESG requirements. These measures will help ensure ongoing adherence to human rights and labour standards, reinforce responsible supply chain management, and maintain a safe and ethical workplace.

 For more information on our supplier and service provider assessments, please refer to the Responsible Supply Chain sustainability matter on pages 121 to 124 of this Report.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



## Community Activity & Partnership



### Capitals

Social & Relationship

### Strategic Pillars

Capital Management Governance

### Business Risks

Global

### UN SDGs



### Description of Risks Related to Community Activity and Partnership

The Fund is exposed to various community-related risks that could primarily impact its reputation, with some potential effect on performance. A central challenge lies in meeting stakeholder expectations for meaningful CSR initiatives; misalignment may result in the Fund being perceived as performative rather than impact-driven.

At the same time, communities may become dissatisfied with social or environmental impacts arising from property development activities, such as road congestion from industrial hubs or noise and air pollution linked to AEIs or developments. These risks compound broader community-related vulnerabilities, including high CSR expenditure without clear returns, evolving ESG compliance requirements, and challenges in measuring or delivering meaningful outcomes.

In short, while community partnerships and CSR programmes can strengthen our social license to operate, poor alignment or management exposes us to reputational, financial and regulatory risks.

### Effects on Business Model and Value Chain

The identified risks related to community activity and partnerships have implications across the Fund's business model and value chain:



- Stakeholder expectations for meaningful CSR initiatives place pressure on the Fund to deliver impactful programmes that provide tangible benefits for local communities. At the same time, community dissatisfaction with social or environmental impacts can delay or complicate AEI projects and development permits or approvals, slowing project timelines and raising costs.
- CSR programmes and community engagement activities often involve extra expenditures that must be balanced against long-term strategic goals. Also, partnerships with NGOs can enhance credibility, but misalignment or ineffective execution risks reputational damage in cases where initiatives are perceived as performative rather than impactful.
- Failure to deliver authentic CSR outcomes undermines investor confidence, risking exclusion from ESG-focused funds. Negative community sentiment or perceptions of performative responsibility can also erode the Fund's reputation.

### Effects on Strategy and Decision-Making

To mitigate these risks, we proactively engage with local communities to better understand and address their needs through structured and targeted CSR initiatives. Our approach prioritises the creation of lasting positive outcomes, fostering trust and long-term relationships with particular focus on vulnerable groups within the Fund's immediate areas of operation.

# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

CSR initiatives are closely aligned with the Fund’s geographical footprint, implemented in collaboration with local NGOs to ensure relevance and effectiveness. Programmes are monitored over multiple years to assess impact and alignment with evolving community needs, ensuring benefits extend beyond the initial year of investment.

Beyond CSR activities, the Manager recognises that development projects may generate material impacts on surrounding communities. Appointed contractors are therefore required to engage regularly with community leaders to identify concerns and assess local sentiment. Contact details are displayed on construction signage to enhance transparency and accountability, facilitating direct feedback, open communication, and timely issue mitigation.

In 2025, our community initiatives focused on improving access to health services for disabled children and enhancing infrastructure for primary school students. During the year, we completed three new programmes, monitored two former programmes, and sponsored events for two NGOs:

### Key programmes for 2025

#### ROOF REPLACEMENT AT SEKOLAH KEBANGSAAN SENTUL 1 & 2

Established in the 1940s, Sekolah Kebangsaan Sentul 1 and 2 is a mission school in Kuala Lumpur that receives only partial government funding and often relies on private sector support for repairs and facility upgrades. In 2025, the school requested assistance to repair the roof of its design and technology workshop, which was unusable since 2021 due to safety concerns.

In June, our Project Management and Sustainability teams, together with our panel contractor, conducted an assessment and confirmed that the metal roof had severely deteriorated, with leaks causing damage to the wooden structure and ceiling. To restore safe use of the workshop, we appointed a contractor to replace the roof at a cost of RM58,800. The work was successfully completed on 19 September 2025, enabling students to once again access the workshop’s learning facilities.



Before reroofing



Completion of reroofing



Handover ceremony

#### PHYSIOTHERAPY AND SPEECH THERAPY FOR CHILDREN WITH DISABILITIES

Persatuan Kebajikan Sayap Kasih Malaysia (formerly known as IQ70+) is a registered home for special needs children under the Ministry of Welfare Malaysia. We have partnered with the organisation since 2022, sponsoring access to essential health services for children with physical disabilities.

In 2025, we extended our support by sponsoring weekly physiotherapy and speech therapy sessions for a 12-month period from September 2025 to August 2026. This initiative currently benefits seven children receiving physiotherapy and five children receiving speech therapy. The sessions are conducted by professionally trained therapists from Pantai Hospital Kuala Lumpur, who provide house visits for the children’s convenience. Payments amounting to RM113,760 were made directly to the hospital, and we continue to monitor utilisation to ensure effective delivery of care.



## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



### BLOOD DONATION CAMPAIGN

On 12 March 2025, in collaboration with the National Blood Centre, we organised a blood donation drive for tenants, employees and visitors at Menara Axis. The Fund waived the daily rental fees for the use of the building's foyer and electrical plug points needed for the event. The drive drew blood donations from 29 eligible donors, with each donation having the potential to save up to three lives.



### Non-profit event sponsorships in 2025

In 2025, we continued to strengthen partnerships with NGOs by sponsoring key fundraising events. These contributions provided direct financial support to the NGOs and reinforced our commitment to community engagement and philanthropy.



### YAYASAN WWRC ANNUAL CHARITY DINNER

The Fund sponsored one table at the Yayasan WWRC Annual Charity Dinner, contributing to the foundation's fundraising efforts in support of its charitable programmes.



### ORPHANCARE FUNDRAISING CHARITY MOVIE PREMIERE

The Fund sponsored seats at OrphanCare's Fundraising Charity Movie Premiere, helping the organisation raise funds to sustain its initiatives for orphaned or abandoned babies and children.

### Impact monitoring of previous programmes



### DONATION OF DIALYSIS AND ULTRASOUND MACHINES TO NATIONAL KIDNEY FOUNDATION (NKF) MALAYSIA

NKF Malaysia, a non-profit organisation established in 1969, provides dialysis treatment to patients with end-stage kidney failure who cannot afford care. In 2024, we donated three dialysis machines and one ultrasound imaging machine to its centres in Selayang and Petaling Jaya.

In 2025, monitoring and evaluation of the initiative revealed that the donated machines supported a total of 2,592 dialysis sessions. This demonstrates that the initiative had a measurable impact in expanding NKF Malaysia's treatment capacity and improving patient outcomes.

For the next four years, we will continue to work closely with NKF Malaysia to track the performance of the donated equipment, evaluate patient outcomes, and use these findings to design more effective and impactful CSR programmes in the future.



### AMBULANCE DONATION TO ST. JOHN AMBULANCE OF MALAYSIA (SJAM)

In 2022, we partnered with SJAM to sponsor an ambulance for its operations in Sabah. The vehicle was fabricated in compliance with standards set by the Ministry of Health, officially handed over in June 2023 at SJAM's headquarters in Cheras, Kuala Lumpur. The ambulance was shipped to Kota Kinabalu in October 2023 following the completion of permits and registrations, and became fully commissioned in November 2023 to support emergency medical services at Queen Elizabeth Hospital.

While 2025 saw no additional investments, we continued to engage with SJAM to monitor the utilisation of the ambulance and assess its long-term impact. During the year, the ambulance successfully transported 173 patients, underscoring its vital role in strengthening emergency response capacity in Sabah.



# MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

## Financial Effects

### Current Financial Effects

In the current financial year, we incurred modest costs associated with community investment and CSR initiatives. These included contributions to local programmes and engagement activities with local communities. These expenses are accounted for within approved budgets and are considered essential for maintaining positive stakeholder relationships and regulatory goodwill.

### Anticipated Financial Effects

Potential financial impacts if stakeholder expectations for CSR activities increase or community dissatisfaction escalates due to issues such as environmental concerns include:

- **Higher CSR expenditure** to address community needs and enhance social license to operate.
- **Additional costs** for implementing mitigation measures (e.g. environmental safeguards).
- **Reputational risk**, which could indirectly affect investor confidence and tenant attraction, and lead to potential revenue implications.
- **Regulatory or legal costs** if community grievances result in formal complaints or enforcement actions. These impacts could increase operational costs and affect project timelines if not managed proactively.

### Resilience of Our Strategy and Business Model Regarding Risks Arising from Community Activity and Partnership

The initiatives outlined above are grounded in initial needs assessment and ongoing dialogue with NGO partners to identify the most impactful projects, demonstrating the resilience of our strategy. By

aligning programmes with our geographical presence, we ensure that community investments remain connected to the areas in which we operate, thereby reinforcing relevance. Continuous monitoring and evaluation also allow us to track utilisation, assess outcomes, and provide assurance that these initiatives deliver sustained benefits well beyond the initial year of investment.

### Processes, Controls and Policies to Manage Risks and Opportunities Related to Community Activity and Partnership

The Corporate Communications and Sustainability Team drives the Manager's community activity and partnership efforts, spearheading initiatives to identify, engage, and assist communities in need, while proposing suitable CSR programmes for the Fund. The ACF Policy sets out clear processes to ensure integrity and accountability in all sponsorships and donations.

Requests for sponsorships or donations are subject to careful evaluation, where employees are required to exercise good judgment and conduct due diligence on beneficiaries and programme objectives. Contributions should not be made to any organisation found to be controlled or influenced by political parties or officials.

To safeguard transparency and governance, charitable contributions, sponsorships, and CSR activities are reviewed by the CEO and require approval from the Executive Committee, the Board and the Trustee.

To further strengthen credibility, CSR investments and beneficiary numbers undergo independent assurance, confirming the veracity of our disclosures and reinforcing confidence in our reporting.

## Metrics and Targets

Initiatives	Amount Invested in 2025 (RM '000)	Outcome	No. of Beneficiaries in 2025
Roof Replacement at Sekolah Kebangsaan Sentul 1 & 2	59 <sup>#</sup>	Replaced the roof of the design and technology workshop, restoring safe access for students	337 <sup>1#</sup>
Sponsorship of health services for children with disabilities at Persatuan Kebajikan Sayap Kasih Malaysia	114 <sup>#</sup>	Provided children with disabilities access to 48 physiotherapy and 48 speech therapy sessions over 12 months	12 <sup>2#</sup>
Blood donation campaign	N/A <sup>3</sup>	A total of 29 eligible donors gave blood during this campaign	87 <sup>4#</sup>
Sponsorship at Yayasan WWRC Annual Charity Dinner	6 <sup>#</sup>	Contributed to support Yayasan WWRC's charitable programmes	1 <sup>5#</sup>
Sponsorship of OrphanCare's Fundraising Charity Movie Premiere	5 <sup>#</sup>	Contributed to help sustain OrphanCare's initiatives for orphaned or abandoned babies and children	1 <sup>6#</sup>

## MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Initiatives	Amount Invested in 2025 (RM '000)	Outcome	No. of Beneficiaries in 2025
Donation of medical equipment to NKF Malaysia	N/A <sup>7</sup>	3 dialysis machines and 1 ultrasound machine donated to NKF dialysis centres in Selayang and Petaling Jaya since 2024	2,592 <sup>8</sup>
Donation of an ambulance to SJAM	N/A <sup>9</sup>	Provided an emergency ambulance service based in Kota Kinabalu since November 2023	173 <sup>10#</sup>

<sup>1</sup> Beneficiaries are calculated as the number of students that are able to utilise the newly operational design and technology workshop.

<sup>2</sup> Beneficiaries are calculated as 7 children benefitting from physiotherapy and 5 children benefitting from speech therapy.

<sup>3</sup> Axis-REIT sponsored the use of the foyer at Menara Axis for the blood donation campaign, waiving the rental and normal daily charges.

<sup>4</sup> This estimate is based on the volume of blood from 29 eligible donors and information provided by the National Blood Centre of Malaysia that each donation can save up to 3 lives.

<sup>5</sup> The beneficiary count reflects Yayasan WWRC as the direct recipient of the sponsorship, as the number of individuals who may directly benefit cannot be determined.

<sup>6</sup> The beneficiary count reflects OrphanCare as the direct recipient of the sponsorship, as the number of individuals who may directly benefit cannot be determined.

<sup>7</sup> The investment for this initiative was incurred and reported in 2024 and is therefore not repeated here.

<sup>8</sup> Beneficiaries are calculated as the number of dialysis sessions for the 3 dialysis machines, from January to December 2025. This does not include the use of the ultrasound machine as it is a supplementary instrument that is only used when there are difficulties in detecting patients' veins.

<sup>9</sup> The investment for this initiative was incurred and reported in 2022 and is therefore not repeated here.

<sup>10</sup> Number of patient beneficiaries of the ambulance service from January to December 2025.

Community Activity & Partnership Statistics	2025	2024	2023
Total amount invested in CSR (RM'000)	184 <sup>#</sup>	201	181
Total number of beneficiaries	3,203 <sup>#</sup>	978	85

<sup>#</sup> This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

### Outlook

We remain committed to our role as a responsible corporate citizen and will continue investing in initiatives that deliver long-term benefits to vulnerable communities. In 2026, RM200,000 has been allocated to community investment programmes, with a focus on improving access to health services for children and other underprivileged groups within our key operational areas.

We will sustain regular engagement with surrounding communities to deepen our understanding of local social and environmental issues. We will also formalise the community engagement process for property developments, ensuring concerns are addressed promptly and effectively.