



SUSTAINABILITY REPORT 2019

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ABOUT THIS REPORT



To create value for stakeholders through continuous sustainability efforts based on the principle that **'A life is worth living through giving'**

About Manulife US REIT

Manulife US REIT (MUST or the REIT) is a Singapore Real Estate Investment Trust (REIT) managed by Manulife US Real Estate Management Pte. Ltd. (the Manager), established with the investment strategy principally to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States (U.S.), as well as real estate-related assets. The Manager is wholly owned by The Manufacturers Life Insurance Company (Sponsor) which is part of the Manulife Group (Group). John Hancock Life Insurance Company (U.S.) (JHUSA) has been appointed as the property manager (Property Manager) for the properties.

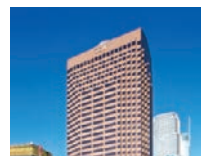
This Sustainability Report covers the REIT's sustainability approach, initiatives and performance from 1 January to 31 December 2019, with comparative data for the same period in 2017 and 2018. This report has been prepared by the Manager in compliance with the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules 711A and 711B, with reference to the Global Reporting Initiative (GRI) Standards (2016), and includes consideration of the GRI Construction and Real Estate Sector Disclosures. The GRI Content Index outlines the material indicators relevant to MUST and can be found on pages 89 to 91 of this Annual Report. A pdf version can be downloaded from <http://www.manulifeusreit.sg>.

Please forward any inquiries, comments or feedback on the REIT's sustainability performance to usreit inquiry@manulifeusreit.sg as the Manager continues its effort to improve its reporting.

Reporting Scope

As at 31 December 2019, the REIT owns a total of nine properties. However, this report focuses on the activities of the Manager, the REIT and its seven properties in the U.S.

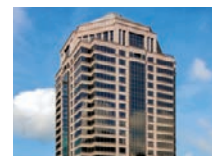
The reporting for Centerpointe in Virginia and Capitol in Sacramento will be included in 2020's sustainability report when their full year data is available.



FIGUEROA
Los Angeles



MICHELSON
Irvine



PEACHTREE
Atlanta



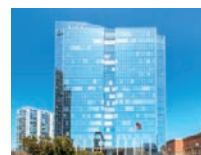
PLAZA
Secaucus



EXCHANGE
Jersey City



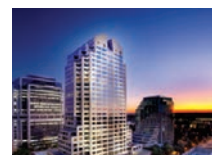
PENN
Washington, D.C.



PHIPPS
Atlanta



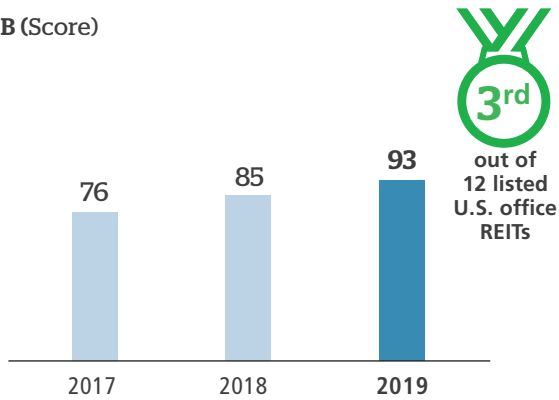
CENTERPOINTE
Virginia



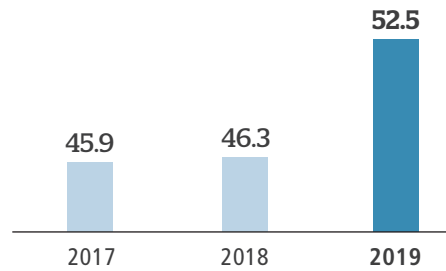
CAPITOL
Sacramento

ESG REPORT CARD

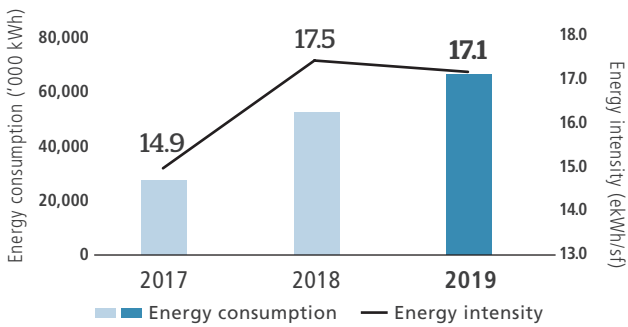
GRESB (Score)



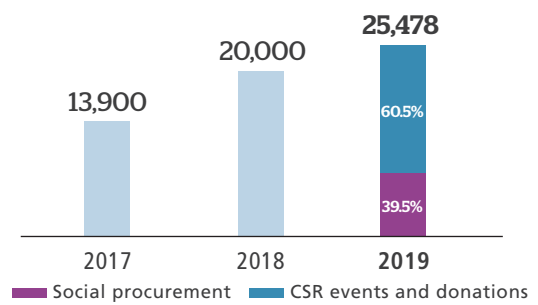
Institutional Investors Holdings (%)



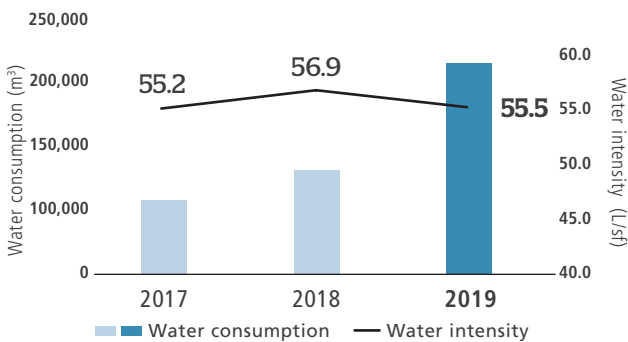
Energy Consumption and Intensity¹



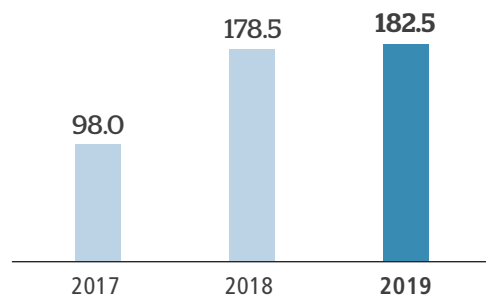
CSR Contribution (\$)



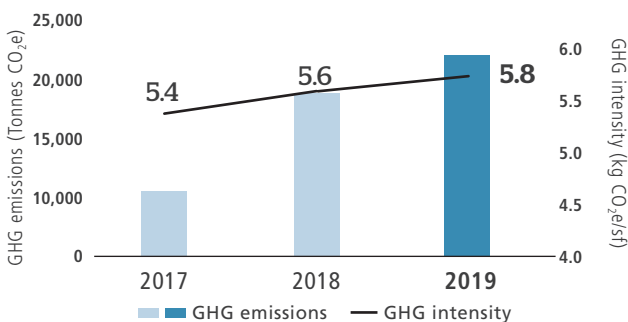
Water Consumption and Intensity



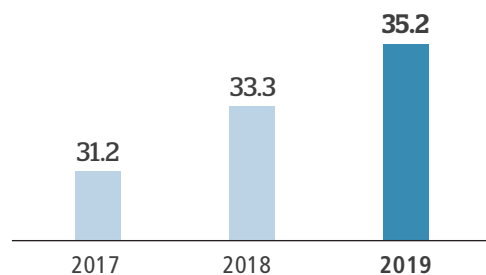
Time Volunteered (Hours)



GHG Emissions and Intensity



Training per Employee (Hours)



¹ Normalised for weather, occupancy and extraordinary usage in 2019.

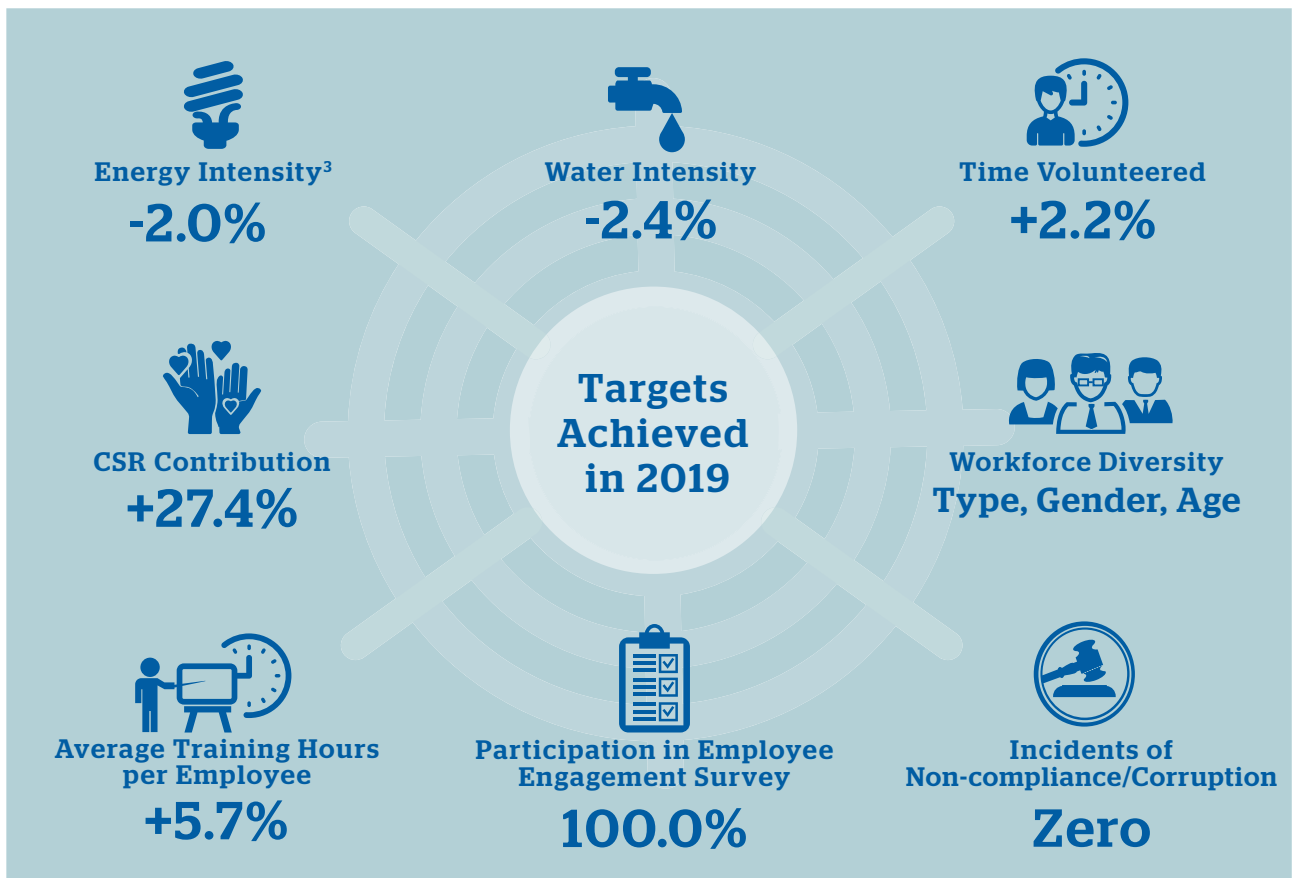
BOARD STATEMENT

The Board recognises that responsible investing is a continuous journey and strives to constantly evaluate and integrate the best Environmental, Social and Governance (ESG) practices in MUST’s business operations and activities. To remain as a sustainability leader in the industry, the Board works closely with the Property Manager and other members of MUST’s Sustainability Steering Committee (SSC) to drive the REIT’s sustainability efforts and work towards its long-term sustainability goals. Through this cohesive working relationship and prioritisation of sustainability, MUST has successfully achieved the following targets set out for 2019 as shown below.

In 2019, MUST attained numerous accolades cementing its status as a leader in driving sustainability practices. In particular, the REIT was awarded 5 Stars by the Global Real Estate Sustainability Benchmark (GRESB) for the 2nd year running, with a high score of 93 and a stellar ranking of 3rd out of a peer group of 12 listed U.S. office REITs. MUST also ranked 6th out of 46 REITs and Business Trusts by the Governance Index for Trust (GIFT) 2019, with an improved score of 78.5 from 75.5 in 2018.

MUST was recognised by Securities Investors Association Singapore (SIAS) 20th Investors’ Choice Awards for both Sustainability and Corporate Governance, and was also one out of the 59 listed companies in Singapore to retain its SGX Fast Track status. Another notable achievement was the REIT’s inclusion in iEdge SG ESG Leaders Index¹ and iEdge SG ESG Transparency Index², recognising its established ESG practices. The inclusion in iEdge SG ESG Leaders Index also further proves MUST’s status as a leader in sustainability practices, as this index includes only the top 25.0% of the index’s global peer group. Such achievements exemplify the Board’s commitment to uphold high standards of corporate governance.

To deliver a positive impact to our stakeholders and the environment, four strategic areas supporting MUST’s sustainability mission had been identified. It is our pleasure to present MUST’s 3rd Sustainability Report encompassing these four focus areas: Sustainable Properties, External Relations, Human Capital and Ethical Corporate Behaviour.



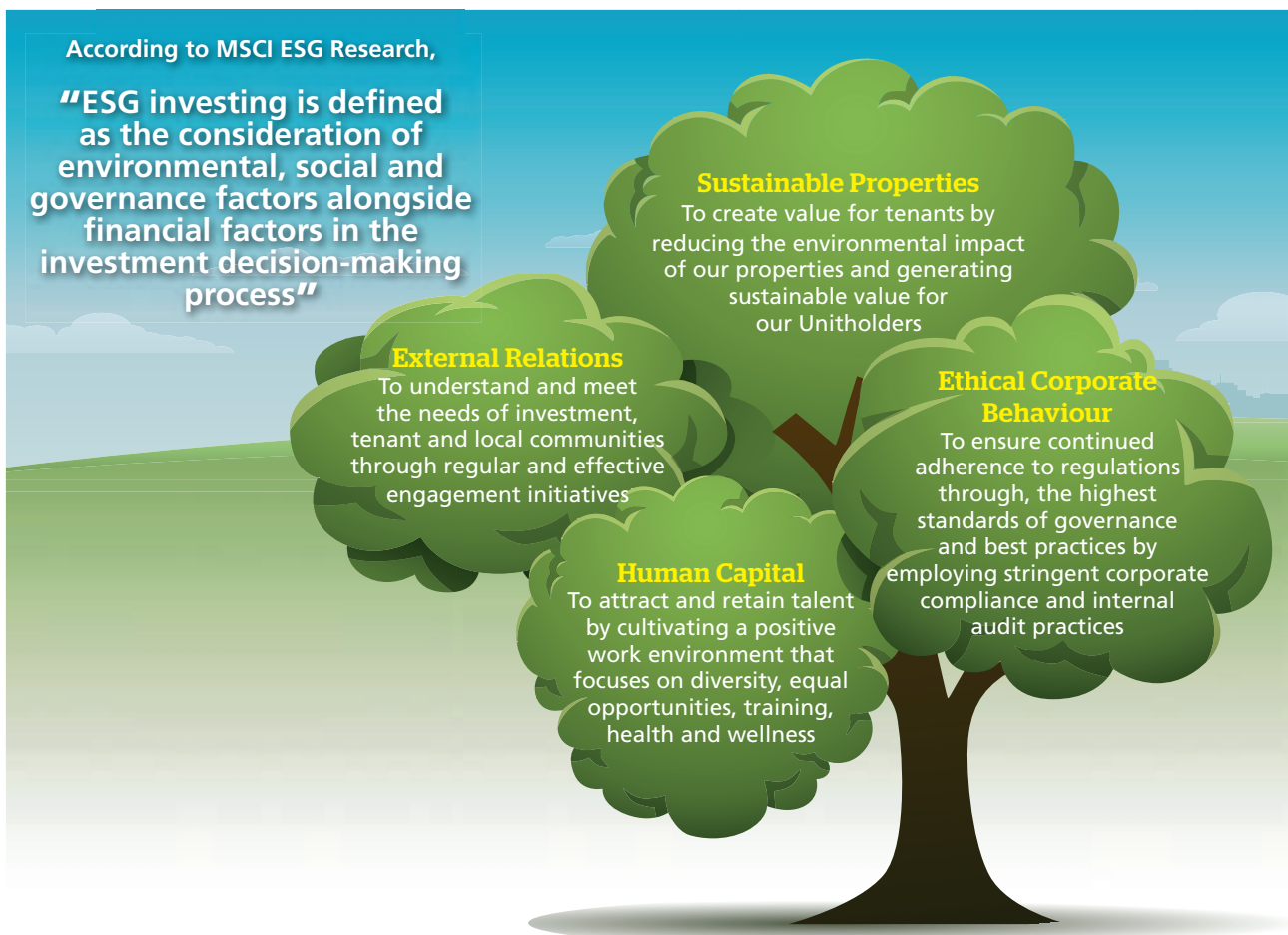
1 The iEdge SG ESG Leaders Index is an ESG-factor index that measures the performance of stocks in the leaders index with a weighting tilted towards the company’s ESG rating as provided by Sustainalytics.
 2 The iEdge SG ESG Transparency Index is an ESG-factor index that measures the performance of stocks in the broad sustainability index with a weighting tilted towards the company’s ESG rating as provided by Sustainalytics.
 3 Normalised for weather, occupancy and extraordinary usage in 2019.

MESSAGE TO STAKEHOLDERS

Dear Stakeholders

At MUST, we believe that to ensure the long-term success of our business, sustainability, as seen through the lens of strong ESG, will continue to be an integral part of MUST's operations. We are pleased to present our 3rd Sustainability Report which showcases the progress in our ESG journey in 2019.

In 2019, we witnessed a surge in demand by investors for sustainable returns. To meet this growing call from investors, and following management's own commitment to sustainability, we enhanced ESG practices across our operations whilst ensuring that the interests of our Unitholders were not compromised. Throughout the year, we reaffirmed MUST's four main sustainability objectives.



Sustainable Properties

MUST's high-quality buildings exhibit eco-efficiencies and cost effectiveness that contributed to its financial and ESG performance. For FY2019, MUST recorded Year-On-Year (YoY) increases for Net Property Income (NPI) and Distribution per Unit (DPU) of 22.2% and 7.0% respectively.

To minimise MUST's environmental footprint, we worked closely with the Property Manager to execute numerous ESG initiatives targeting the reduction of energy and water consumption and Greenhouse Gas (GHG) emissions across the portfolio. We rolled out several programmes such as the Sustainability Building Standards to provide tenants and visitors alike with a consistent sustainability experience and other initiatives that will encourage sustainability as a way of life.

The effectiveness of these initiatives is evident in that five of our properties are Leadership in Energy and Environmental Design (LEED™) certified - four LEED™ Gold and one, the most distinguished, LEED™ Platinum.

In addition, the majority of our properties are ENERGY STAR® certified having met rigorous energy performance standards established by the U.S. Environmental Protection Agency. To be eligible for an ENERGY STAR® certification, properties are required to receive a score of at least 75.0% indicating that ENERGY STAR® certified buildings such as MUST's, are among the top 25th percentile of similar properties for energy efficiency.

MESSAGE TO STAKEHOLDERS

External Relations

In 2019, we increased touchpoints with our external stakeholders in order to create long-term value for the investment, tenant and local communities.

Investment Community

MUST has a well-established stakeholder outreach programme in place, tailored to address the varying needs of the investment community. Apart from regular meetings and conferences with investors, analysts and media, social events such as coffee tasting seminar and movie night were organised to encourage networking with our senior management.

In 2019, we extended the outreach of our thought leadership programme to members of the investment community, to raise the collective understanding and appreciation of the U.S. economy and its office real estate market.

For MUST's 4th Investor Day in March 2019, we invited renowned and distinguished panellists from the investment industry to share their views and insights on the equity market, foreign listings and U.S. tax. This event received an overwhelming response and was attended by close to 450 retail Unitholders. Of this number, 61.8% attended our Investor Day for the 1st time.

As part of our thought leadership initiative, and following a positive response from the investment community, we launched our Green Dot Series showcasing important features of U.S. office real estate to assert our thought leadership commitment and expanded our outreach to the retail investors. Initiatives under the Green Dot Series included a dedicated section in our quarterly results presentations highlighting relevant topics of interest such as an explanation of the difference between Trophy, Class A and lower class buildings in the U.S. Under the Green Dot Series, we also collaborated with financial bloggers to launch a series of U.S. real estate thought leadership articles.

The success of our thought leadership programme has enabled us to reach many more investors of all types and given us greater geographical reach. This has attracted more investors translating into an increase in MUST's Unit price and an overall total shareholder return of 42.1% for 2019. This year, we also achieved further investor relations accolades for excellence from IR Magazine Awards – Southeast Asia 2019 – 'Best in Country: Singapore' and 'Best Investor Relations (IR) Officer (Small to Mid-cap)' for Caroline Fong, Head of IR. Caroline Fong is also the Chief Sustainability Officer (CSO) and Chief Capital Market Strategist.

Tenant Community

As part of MUST's sustainable growth, we are keen to maintain a strong rapport with our tenants. In 2019,

we organised regular tenant appreciation as well as community and health awareness events. In addition to conducting tenant satisfaction surveys every alternate year at all properties, we rolled out tenant satisfaction checks on particular buildings to assess any additional needs, for example - extra amenities to keep up-to-date on the changing trends and concerns of our tenants. The continuous engagement with our tenant community has contributed to a high tenant retention rate of 76.0% and high occupancy of 95.8% as at 31 December 2019.

Local Community

In terms of support for the local community, we reaffirmed our commitment to help the disadvantaged such as the elderly. Beyond community service activities, we integrated the procurement of goods and services from various local social enterprise groups across all possible business functions, including corporate gifts and corporate catering. Through our continuous efforts in 2019, we have channelled more than S\$10,000 to the support of social enterprises. It has been a delight to witness how much pleasure a simple corporate gift such as a set of handcrafted coasters, from a social enterprise, has given to all recipients. This personifies management's philosophy of purposeful prosperity.

Additionally, we have participated in several donation drives throughout the year to encourage the spirit of giving whilst promoting a culture of recycling of various items by staff. This year, we recorded a total of 182.5 volunteer hours and increased our CSR contribution to S\$25,478. We have continued to build a strong community partnership with St. Luke's Hospital, Methodist Welfare Services, Project Dignity and TeddyThotz through repeated engagement, with the objective of supporting and bringing joy to the elderly. These initiatives are aligned with Singapore's Ministry of Health's agenda of supporting the aging population.

Human Capital

MUST's stellar financial and ESG performance in 2019 would not have been possible without the commitment of its energetic and talented workforce. In 2019, apart from subsidising staff health screening, we organised fitness classes and several seminars focusing on mental and physical health. In 2020, we will schedule regular health talks and fitness classes to look after the physical and mental well-being of our employees. During the COVID-19 alert, the health of our staff is a priority and we are providing support in a range of different ways over and above our Business Continuity Plan.

Throughout the year, we identified needs and goals of each employee and encouraged them to attend suitable courses. Each employee is allocated a minimum of S\$2,000 per year to attend relevant training programmes. In 2019, the training hours per employee increased 5.7% from 2018 to

1 Source: CoStar report dated 2 January 2020.

35.2 hours. For 2020, we have asked each staff to nominate their own preferred training courses in order to tailor such education to their career ambitions. By helping employees with their personal development, we are able to attract and retain the best talent helping MUST scale greater heights in terms of sustaining and improving Unitholder returns.

One of the new staff initiatives in 2019 was to appoint a small group of employees every quarter - known as Ambassadors of Change, to gather feedback from staff at all levels and to generate ideas for improving staff engagement. This included outings, 'Breakfast on the House' and other opportunities to exchange ideas in order to cultivate a positive work environment. We have given employees a wellness half-day off every quarter and encouraged more frequent 'Work At Home' and 'Eat with Your Family' days. These initiatives received an overwhelmingly positive response and we witnessed a significant improvement in our annual employee engagement score which was conducted by leading independent provider Gallup, Inc.

Ethical Corporate Behaviour

Ethical and responsible corporate practices remain of paramount importance to MUST and are essential to long-term growth in DPU and Net Asset Value (NAV). MUST has

a robust corporate governance structure and we closely monitor any changes in relevant laws and regulations to ensure that our internal policies and practices remain compliant and of the very highest standard. This year, we published additional information on our IR Policy, Code of Business Conduct and Ethics as well as detailed Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) meeting minutes on our website.

MUST was ranked 6th out of 46 REITs and Business Trusts in GIFT 2019 for its high standard of corporate governance, with an improved score of 78.5 versus 75.5 in 2018. We also received accolades from SIAS 20th Investors' Choice Awards 2019 for both Corporate Governance and Sustainability.

In 2019, there have been no incidents of non-compliance with any laws and regulations pertaining to the following economic, environmental and social areas:

- Zero incidents of non-compliance concerning the health and safety impact of products and services
- Zero incidents of non-compliance with regard to marketing communications
- Zero incidents of non-compliance with laws and regulations in social and economic areas
- Zero incidents of corruption

For the 1st time, MUST clinched a silver award at the 33rd Annual Report Competition Awards in the Traditional Annual Report category for 'Real Estate Investment Trust: Commercial/Industrial/Office'. This highlighted the successful communication and commitment to transparency across MUST's entire operation.

Above all, through all our sustainability practices, we aim to perpetuate the long-term success of MUST's business and to benefit our Unitholders.

We would like to express our deepest thanks to our Board and stakeholders for their strong support. Together, let us pursue sustainability in all its forms and lead the way to a sustainable future for MUST.

Jill Smith
Chief Executive Officer



SUSTAINABILITY APPROACH

As a recognised sustainability leader in the REIT industry, we have analysed our business operations and identified key ESG risks, and opportunities. We aim to create long-term value for our stakeholders by minimising negative impacts of our operations while leveraging on opportunities to maximise environmental and societal benefits.

In 2019, most of our properties received or maintained one LEED™ or ENERGY STAR® certification, a strong testament of our commitment to reduce the use of energy, water and other resources across the operation of our properties.

Sustainability Structure

Collaborating with our Sponsor

We remain aligned to the goals of our Sponsor, Manulife Group, which has contributed to a number of sustainability commitments:

- Signatory to the United Nations-supported Principles for Responsible Investment¹
- Signatory to the Equator Principles and a member of the United Nations Environmental Programme Finance Initiative
- Published sustainability reports for several years (e.g. Manulife Financial Corporation Sustainability Report and Public Accountability Statement)
- Participated in the Carbon Disclosure Project
- Listed in the Dow Jones Sustainability Index
- 1st life insurance company in the world to issue a Green Bond² in 2017

Working with our Property Manager

Our Property Manager seeks to drive leadership in sustainable real estate practices across its global organisation and to provide healthy and efficient workplaces for tenants while enhancing long-term returns. To achieve its vision, our Property Manager has monitored the energy and water consumption and GHG emissions for the properties since 2005. Furthermore, it has participated in the annual GRESB Real Estate Assessment for all its funds since 2016 and achieved GRESB 5 Stars ranking which is awarded to the top 20.0% of selected entities, including MUST.

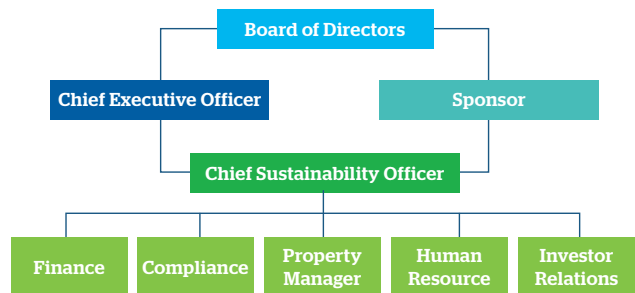
To build a consistent sustainability experience for tenants, employees and visitors, our Property Manager launched its internal Sustainable Building Standards programme in 2017. The programme outlines operational standards in 13 sustainability focus areas. The programme enables target setting and benchmarking across a global portfolio for these 13 standards:

1. Energy management and assessments
2. Energy measurement and analysis
3. Water management and assessments
4. Waste management programme
5. Alternative transportation
6. Indoor environmental quality
7. Health and wellness programming
8. Procurement programme and tracking
9. Tenant engagement
10. Community engagement
11. Employee engagement
12. Certifications and sustainability brand
13. Sustainability management

Properties implement actions to achieve one of five levels for each of the standards in order to adjust for differing applications at buildings of varying use. For example, tenant engagement level one involves communicating with tenants on sustainability and providing tips to reduce their environmental footprint. Higher levels of tenant engagement (levels two through four) involve holding events and campaigns, such as e-waste drives at the property. Achieving level five requires forming a tenant-landlord green team to work collaboratively to implement initiatives at the property. These 13 standards are aligned to the commitments in the Sustainable Real Estate Policy, as well as with industry best practices, including GRESB, LEED™ and BOMA BEST®. The programme is implemented at all Manulife’s properties including those in MUST’s portfolio. In 2019, the Property Manager set a target for all office properties to achieve an average of level three across all 13 standards.

Sustainability Steering Committee (SSC)

MUST’s SSC was established in 2017 to drive sustainability strategies and action plans, set targets, oversee monitoring processes and review sustainability performance at the REIT’s level. It is led by CSO, Caroline Fong, and includes representatives from Finance, Compliance, Property Manager, Human Resource and IR departments. The organisation chart below describes the sustainability governance structure within the organisation:



1 Manulife Investment Management which is part of Manulife Group, is a PRI signatory.
 2 Green Bond is a way for issuers to raise money specifically for environmentally friendly projects.

Sustainability Strategy

In 2017, a three phase materiality assessment was conducted to identify material ESG topics relevant to MUST:



1 Identification of material topics was performed to evaluate the relevance of the selected ESG factors against current business operations.

2 Several rounds of internal discussions were conducted between management and employees that were proxy to the various stakeholder groups.

3 A management review was conducted to evaluate and prioritise the importance of the ESG factors raised by considering the company's significant economic, environmental, and/or social impact in its daily operation. The top ESG factors were consolidated and subsequently endorsed by our management.

In 2019, we reviewed the relevance of these factors in the context of our four sustainability focus areas. Our material ESG factors have remained the same since 2017 and are listed in the table below. In addition, we have aligned our sustainability initiatives and activities to the United Nations Sustainable Development Goals (SDGs). The SDGs are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 goals were adopted by all UN Member

States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals. The SDGs address global challenges, including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice.

The table below demonstrates the mapping of our material ESG topics and activities to the SDGs:

Sustainability Focus Area	Material Topics	SDGs Supported	Highlights of Environmental and Social Benefits
Sustainable Properties	<ul style="list-style-type: none"> GRI 201 – Economic Performance GRI 302 – Energy GRI 303 – Water GRI 305 – Emissions 		<ul style="list-style-type: none"> Less pressure on natural resources such as natural gas and water Lower GHG emissions Healthier workspaces and more satisfied tenants
External Relations	<ul style="list-style-type: none"> GRI 413 – Local Communities 		<ul style="list-style-type: none"> More relevant investment options and better financial stability for the investment community Drive social benefits through inclusive tenant and local community investment
Human Capital	<ul style="list-style-type: none"> GRI 401 – Employment GRI 404 – Training and Education GRI 405 – Diversity and Equal Opportunity 		<ul style="list-style-type: none"> Provide career opportunities that elevate the local talent market, which contributes to the local socio-economic setting
Ethical Corporate Behavior	<ul style="list-style-type: none"> GRI 205 – Anti-corruption GRI 307 – Environmental Compliance GRI 416 – Customer Health and Safety GRI 417 – Marketing and Labelling GRI 419 – Socioeconomic Compliance 		<ul style="list-style-type: none"> Engage in advancing public policy discussion that promotes environmental and social improvements

SUSTAINABILITY APPROACH






Stakeholder Engagement

One of MUST’s main sustainability goals is to maximise value for its stakeholders, namely investors, analysts, media, regulators, tenants, local community, Directors and employees. To promote regular engagement with these stakeholders throughout the year, we established a high-touch programme launching a wide variety of engagement initiatives tailored to meet the different needs of each stakeholder group. These regular engagements helped us to recognise the changing needs and concerns of our



stakeholders, and also ensure that their interests are promptly met in our pursuit of good sustainability practices.

Both the Manager and Property Manager obtain regular feedback from various stakeholder groups on their sustainability priorities, and MUST’s Chief Investment Officer (CIO) updates the Board of Directors quarterly on the performance of the portfolio as well as any new investments. From FY2020 onwards, the Board of Directors will meet at regular intervals.

External Stakeholders

Stakeholder	Engagement Method	Frequency of Engagement	Expectations/Interests
 Investors	<ul style="list-style-type: none"> Thought leadership programmes 1-on-1 and group meetings/calls Website with email alerts, general hotline, dedicated IR contact, property videos, AGM meeting notes and audio webcast 	Ongoing	<ul style="list-style-type: none"> Sustainable financial, portfolio and ESG performance Good corporate governance and transparency Access to senior management Investor education on U.S. economy and real estate sector
	<ul style="list-style-type: none"> Local and overseas roadshows/conferences Local and overseas conference calls 	Quarterly	
	<ul style="list-style-type: none"> AGMs Investor days Networking events 	Annually	
	<ul style="list-style-type: none"> EGMs 	When Required	
 Analysts and Media	<ul style="list-style-type: none"> Thought leadership programmes 1-on-1 and group meetings/calls Media interviews Website with email alerts, general hotline, dedicated IR contact, property videos, AGM minutes and audio webcasts Briefings Conference calls 	Ongoing	<ul style="list-style-type: none"> Sustainable financial, portfolio and ESG performance Good corporate governance and transparency Access to senior management Investor education on U.S. economy and real estate sector
	<ul style="list-style-type: none"> Networking events 	Annually	
 Regulators	<ul style="list-style-type: none"> AGMs/EGMs Annual reports Sustainability reports SGX announcements Circulars Website 	Ongoing	<ul style="list-style-type: none"> Good corporate governance and transparency Compliance with policies, rules and regulations
 Tenants	<ul style="list-style-type: none"> Tenant appreciation events Sustainability educational events Donation drives (e.g. stationery, clothes and blood) 	Ongoing	<ul style="list-style-type: none"> Safe, comfortable and productive working environment Energy-efficient space On-site amenities Engagement activities
	<ul style="list-style-type: none"> Tenant satisfaction survey 	Alternate year	
 Local Community	<ul style="list-style-type: none"> Social enterprise procurement Donation drives (e.g. clothes, shoes and books) 	Ongoing	<ul style="list-style-type: none"> Interaction and fulfilling relationships with the wider community Financial independence Support in monetary donation/ donation drives
	<ul style="list-style-type: none"> CSR events 	Semi-annually	
	<ul style="list-style-type: none"> Cash donations 	Annually	

Internal Stakeholders

Stakeholder	Engagement Method	Frequency of Engagement	Expectations/Interests
 Directors	• Meetings/calls	Ongoing	• Regular and timely updates on REIT's operations and performance
	• Board meetings	Quarterly ¹	
 Employees	• Employee coffee chat • Breakfast on the House • Work At Home days	Monthly	• Fair and equal opportunities • Safe and healthy working environment • Effective trainings • Regular engagements
	• Health talks and fitness classes • Company cohesion activities • Eat with Your Family days • Half-days • Celebratory events	Quarterly	
	• Performance reviews	Semi-annually	
	• Employee engagement surveys	Annually	

Material Topics & Boundaries

Material Topics	Material Sub-topics	Aspect Boundary (Where the Impact Occurs)
Sustainable Properties		
Economic Performance	GRI 201 – 1: Direct economic value generated and distributed	MUST
Energy	GRI 302 – 1: Energy consumption within the organisation	MUST, tenants
	GRI 302 – 3: Energy Intensity	MUST, tenants
Water	GRI 303 – 1: Water withdrawal by source	MUST, tenants
Emissions	GRI 305 – 1: Direct (Scope 1) GHG emissions	MUST, tenants
	GRI 305 – 2: Emission Indirect (Scope 2) GHG emissions	MUST, tenants
	GRI 305 – 4: GHG emission intensity	MUST, tenants
External Relations		
Local Communities	GRI 413 – 1: Operations with local community engagement, impact assessments, and development programmes	MUST
Human Capital		
Employment	GRI 401 – 1: New employment hires and employee turnover	MUST
Training and Education	GRI 404 – 1: Average hours of training per year per employee	MUST
	GRI 404 – 2: Programmes for upgrading employee skills and transition assistance programmes	MUST
	GRI 404 – 3: Percentage of employees receiving regular performance and career development reviews	MUST
Diversity and Equal Opportunities	GRI 405 – 1: Diversity of employees	MUST
Ethical Corporate Behaviour		
Anti-corruption	GRI 205 – 3: Confirmed incidents of corruption and action taken	MUST
Environmental Compliance	GRI 307 – 1: Non-compliance with environmental laws and regulations	MUST
Customer Health and Safety	GRI 416 – 2: Incidents of non-compliance concerning the health and safety impacts of products and services	MUST
Market and Labelling	GRI 417 – 3: Incidents of non-compliance concerning marketing communications	MUST
Socioeconomic Compliance	GRI 419 – 3: Incidents of non-compliance with laws and regulations in the social and economic area	MUST

¹ From FY2020, the Board of Directors will meet at regular intervals.

SUSTAINABLE PROPERTIES

OBJECTIVES

To create value for tenants by reducing the environmental impact of our properties and generating sustainable value for our Unitholders



Tenant Community



Unitholders

INITIATIVES AND RATIONALE

- Participated in the GRESB Real Estate Assessment 2019
- Implemented Sustainable Buildings Standards programme to build a consistent sustainability experience for tenants and visitors
- Nominated green champions at all properties to coordinate sustainability efforts and report on the Sustainable Building Standards
- Please refer to page 74 to 75 of this Sustainability Report for full list of initiatives to reduce energy and water consumption and GHG consumption/emissions across all our properties

PERFORMANCE IN 2019



LEED™ Platinum:
Capitol



LEED™ Gold:
Michelson, Exchange, Penn, Phipps



ENERGY STAR®:
Figuroa, Michelson, Peachtree, Plaza, Exchange, Phipps, Capitol



G R E S B®
Rating:
★★★★★

- 3rd out of 12 listed U.S. office REITs
- Score of 93
 - Environmental – 89
 - Social – 98
 - Governance – 97

Runner Up –
Sustainability Award
for REITs and Business Trusts



Energy Intensity
17.1 kWh/sf (-2.0% YoY)



Water Intensity
55.5 L/sf (-2.4% YoY)



GHG Intensity
5.8 kg CO₂e/sf (+2.4% YoY)

TARGETS FOR 2020



Improve or maintain GRESB score



Reduce or maintain energy, water and GHG intensity



Investment Management

Due to the growing importance of sustainability, we have strengthened our sustainable practices by aligning our interests with those of our stakeholders. At the same time, by creating more efficient, environmentally friendly, healthy and attractive spaces for tenants, we are improving the competitiveness of our assets.

With our core business in investment management we enforce responsible and sustainable practices at all levels of MUST's operations.

To maintain relevance and competitiveness in our core business, and to extend our lead as a responsible investment manager, we have implemented many sustainable policies and practices firm-wide. Before we adopt new policies, we carefully evaluate all internal and external impacts, and we pilot the policies. Applying these stringent criteria ensures that MUST makes responsible investment decisions, which ultimately boosts both the standard and the value of the services and assets we provide to our investors.



New Investments

When evaluating a new investment, we are guided by our acquisition mandate. The CIO and U.S. asset manager sources potential acquisition opportunities and together with the Manager who vets the properties and the Board ultimately approves them. During due diligence, we examine environmental and social sustainability risks and opportunities. The Property Manager will complete a Sustainability in Investment and Due Diligence Form, which summarises the property's ESG performance and ensures ESG factors are considered and communicated.

To ensure a seamless due diligence and investment process, we incorporate ESG considerations, such as environmental contamination, energy performance, and tenant engagement programmes into our standard Due Diligence Checklist. Dedicated specialists in our Engineering and Technical Services department support our investment teams by sharing their expertise in building engineering, sustainability and environmental and safety hazards.

SUSTAINABLE PROPERTIES

Asset Management

With the increased focus on environmental protection due to the threat of climate change, MUST is committed to operating sustainably. We have implemented various initiatives and policies to drive a greener future. Increasing the eco-efficiency of buildings also has significant potential environmental benefits and cost-savings that will translate into sustainable income performance for our Unitholders.

Energy and water are vital resources for our buildings' operations. To manage energy and water consumption and the associated costs, we have implemented a comprehensive set of initiatives:

- Electrical vehicle charging points at eight of MUST's properties
- Water saving taps at all properties
- Use 3rd party systems to report on energy, water consumption, GHG emissions, and waste production and diversion
- Conduct an energy audit every five years
- Conduct periodic indoor air quality audits
- Implement an environmental management system
- Adopt an automatic meter reading system
- Obtain green building certification, where appropriate
- Follow our Sponsor's Sustainable Real Estate Policy
- Prepare an Environmental Inspection Report
- Prepare a Building Status Report

To maintain the quality of our sustainable portfolio, the Property Manager's Engineering and Technical Services team regularly monitors the assets' performance. This proactive approach helps us assess the need for on-going capital and operational improvements, provides timely recommendations on capital plans, reduces costs and increases tenant satisfaction.

Equipped with tools such as the Asset Management Sustainability Checklist, the Property Manager incorporates ESG risks and opportunities evaluation into its investment analysis and the ongoing management of the portfolio. The Property Manager also uses its property management, asset management, and portfolio management expertise to maintain high-quality services.

Apart from proactive asset management, we also seek to enhance the value of our properties through Asset Enhancement Initiatives (AEI). In 2018, we launched a US\$8.0 million AEI at Figueroa for lobby renovation, café and exterior landscaping, and a US\$12.0 million AEI at Exchange for lobby renovation and a new glass wall feature. Both projects are scheduled for completion in 2020 and are expected to help

attract and retain tenants. Such asset management aligns with MUST's goal to continuously improve tenant satisfaction while ensuring our properties meet or exceed the sustainable standards set by the industry.

In addition, consistent with U.S. industry practice, MUST's properties are insured against fire accident, property damage, terrorism, quake, business interruption and public liability, including personal injury.

Energy, Water and Emissions

Throughout the year, we worked closely with our Property Manager to reduce the environmental impact of our properties and manage expenses from energy and water consumption. Due to numerous property-level resource management initiatives in 2019, MUST recorded the following reductions in its energy and water intensity.

Consumption/Emissions		
	2019 ¹	2018 ²
Energy ('000kWh)	66,861.3	52,659.8
Water (m ³)	212,555.3	128,967.4
GHG (tonnes CO ₂ e)	22,055.3	16,952.7

Intensity			
	2019 ¹	2018 ²	Change (%)
Energy ³ (ekWh/sf)	17.1	17.5	-2.0
Water ⁴ (L/sf)	55.5	56.9	-2.4
GHG ⁵ (kg CO ₂ e/sf)	5.8	5.6	+2.4

Energy

In the U.S., there are two widely-recognised green building rating bodies – LEED™ and ENERGY STAR®. As the most extensively used green building rating system in the world, LEED™ is a globally recognised symbol of sustainability achievement. LEED™ provides a framework to create healthy, highly efficient and cost-effective green buildings. As at 31 December 2019, five of the nine properties in MUST's portfolio are LEED™ certified. This includes four LEED™ Gold certifications and one LEED™ Platinum certification.

ENERGY STAR® is a U.S. Environmental Protection Agency programme that helps businesses save money and protect the environment through energy efficiency. ENERGY STAR® has become the industry standard to rate a facility's energy performance, and according to studies by the programme, certified buildings are likely to have lower operating costs, more marketable, contribute fewer GHG emissions, command higher rental rates, and have increased asset

1 2019 data is based on seven properties (Figueroa, Michelson, Peachtree, Plaza, Exchange, Penn and Phipps).

2 2018 data is based on five properties (Figueroa, Michelson, Peachtree, Plaza, Exchange).

3 Energy intensity was calculated by total energy consumption (normalised for weather, occupancy and extraordinary usage in 2019)/total gross floor area.

4 Water intensity was calculated by total water consumption/total gross floor area. Water consumption in Exchange was not included in 2018 data due to inaccurate meter readings.

5 GHG intensity was calculated by total GHG emissions/total gross floor area.

value. As at 31 December 2019, seven of nine properties in MUST's portfolio are ENERGY STAR® certified.

Certification	Property
LEED™ Platinum	Capitol
LEED™ Gold	Michelson, Exchange, Penn, Phipps
ENERGY STAR®	Figuroa, Michelson, Peachtree, Plaza, Exchange, Phipps, Capitol

Fixtures in our properties were replaced with energy-efficient Light Emitting Diode (LED) bulbs that save up to 90.0% of energy as opposed to conventional lightbulbs with the same light intensity output. We have also installed waste diversion and recycling facilities in our properties

The following initiatives are also aimed at promoting energy efficiency at our properties:

- System retro-commissioning
- Smart building technologies
- Building automation system upgrades/replacements
- High-efficiency equipment and appliances
- Lighting upgrades
- Earth Hour events

Due to these initiatives, MUST's portfolio recorded an energy intensity of 17.1 kWh/sf for 2019, a 2.0% reduction from the previous year. Out of the five properties with comparable data for 2018, four recorded reduced energy intensity YoY.

Water

Water is a precious commodity that needs to be properly managed to ensure environmental sustainability in our business operations. To manage our water consumption, we have:

- Installed low flow fixtures, which are plumbing fixtures that use significantly less water than conventional fixtures
- Metered our water subsystems, which seeks to monitor and better manage water usage

- Implemented the collection and reuse of greywater
- Carried out improvements to cooling tower water management to allow circulatory water to be more efficiently treated
- Implemented native landscaping, which provides important habitat for wildlife and dramatically reduces the environmental impacts associated with lawn care
- Installed rain sensors for irrigation, which helps conserve water usage while maintaining the lawn

As a result of these initiatives, MUST's portfolio recorded a water intensity of 55.5 L/sf for 2019, a 2.4% reduction from the previous year. Out of the four properties with comparable data for 2018, three recorded reduced water intensity YoY.

Emissions

MUST recognises the significance of climate change and seeks to reduce the amount of emissions from all aspects of its business operations. To minimise our environmental footprint, we have launched/continued the following initiatives:

- Made capital upgrades, piloted innovative technologies, adjusted operating practices and worked with tenants to reduce energy usage, the main driver of GHG emissions at our properties
- Purchased energy from renewable sources
- Installed electric vehicle charging stations, to promote the use of electric vehicles

MUST's portfolio recorded a GHG intensity of 5.8 kg CO₂e/sf for 2019, an increase of 2.4% from the previous year. This is due to the electricity grid emissions intensity in the markets of the two properties acquired in 2018. The Property Manager will continue to monitor the emissions of these properties closely in 2020.

Out of the five properties with comparable data for 2018, four recorded reduced GHG intensity YoY.



Capitol, Sacramento

SUSTAINABLE PROPERTIES

REDUCING OUR ENVIRONMENTAL FOOTPRINT - THE MANAGER

In 2019, we have reduced our environmental footprint through initiatives carried out in our Singapore office at Manulife Tower. This includes the installation of a centralised automated sensor system to prevent unnecessary wastage of energy. The system is linked to the lights and air conditioners, switching these appliances off automatically after 7 pm on weekdays and the entire day on weekends.

Recycling facilities for paper, plastic and cans are located in the lobby of the office to cultivate environmentally friendly practices in the workplace. Our staff have proactively set up a recycling corner in the office to collect all recyclables for weekly drop off at the recycling facilities. Employees are also encouraged to print only when necessary, using the double-sided setting on Forest Stewardship Certified (FSC) paper.



Achieving Tangible Results

For the 3rd year running, in 2019, we participated in GRESB Real Estate Benchmark Assessment to identify the sustainability strengths and weaknesses of MUST's portfolio. GRESB is an investor-led initiative that assesses the ESG performance of real estate companies and funds. We are delighted to record a stellar performance with a GRESB score of 93, a significant increase from the score of 85 for the previous year. This score is also significantly above the peer average of 72, ranking MUST 3rd out of the 12 listed U.S. office REITs. Our key strengths identified in the 2019 GRESB Assessment include:

- Comprehensive policies and disclosures
- High building certification and rating coverage within the portfolio
- 100.0% energy, water and GHG emission data coverage
- Reduction in energy and water consumption and GHG emissions
- Strong stakeholder engagement practices (e.g. tenant engagement, satisfaction survey)





EXTERNAL RELATIONS

OBJECTIVES

To understand and meet the needs of the investment, tenant and local communities through regular and effective engagement initiatives



**Investment
Community**



**Tenant
Community**



**Local
Community**

INITIATIVES AND RATIONALE

Investment Community

- Engaged Unitholders, analysts and media through meetings and social events (see page 78 of this Sustainability Report)
- Launched Green Dot Series to raise collective understanding of U.S. economy and office real estate sector
- Collaborated with financial bloggers to launch a series of educational articles to reach social media savvy investors

Tenant Community

- Regular tenant appreciation, community and health awareness events to create a positive and inclusive working environment (see page 79 of this Sustainability Report)
- Conducted tenant satisfaction surveys every alternate year to understand tenants' satisfaction, needs and concerns - last survey: 2018

Local Community

- Organised indoor activities/ haircut sessions and whipped up Thanksgiving Lunch for the isolated elderly
- Maximised social impact by channeling CSR, corporate gifts and employee engagement budget towards social procurement
- Participated in donation drives for clothes, shoes and books
- Donated more than 100 bottles of hand sanitisers to elderly in view of COVID-19

PERFORMANCE IN 2019



Investment Community

- Met more than 1,100 investors including 200 institutional investors
- Awarded Best in Country, Investor Relations – Singapore and Best Investor Relations Officer (Small to Mid-cap) by IR Magazine Awards, South East Asia



Tenant Community

- Maintained high tenant retention rate of 76.0% and high occupancy of 95.8% as at 31 December 2019



Local Community

- Total volunteer hours of 182.5 hours (+2.2% YoY)
- Total CSR contribution of S\$25,478 (+27.4% YoY)

TARGETS FOR 2020



Maintain continuous engagement with the investment community through different initiatives



Maintain or increase tenant satisfaction rate, retention rate and occupancy rate



Maximise social impact via engagement of elderly community, social procurement and donations

EXTERNAL RELATIONS

One of MUST's sustainability goals is to maximise value for our external stakeholders. We place utmost importance in maintaining an open and regular communication with them. By understanding their needs and interests, we were able to develop effective engagement initiatives specially tailored for each stakeholder group this year.

Investment Community

In 2019, we stepped up our efforts to engage different members of the investment community, including institutional and retail investors, analysts, media and financial bloggers. Our three main modes of engagement are:

- 1 **Regulatory reporting and other communication materials**
Strengthening corporate disclosures to enhance transparency and accessibility of information
- 2 **Engagement events**
Maintaining effective interaction and providing regular access to senior management
- 3 **Green Dot Series – a thought leadership initiative**
Increasing awareness and understanding of U.S. economy and office real estate sector

MUST is guided by SGX-ST regulatory requirements and its IR Policy in its engagement initiatives. We have engaged the investment community regularly via these initiatives in 2019:

Regulatory	Non-Regulatory
<ul style="list-style-type: none"> • AGMs/EGMs • Annual reports • Sustainability reports • SGX announcements • Circulars • Corporate website 	<ul style="list-style-type: none"> • Results briefings with audio webcasts • Results luncheons • Roadshows/conferences/seminars • Conference calls • Media interviews • Retail investor days • Green Dot Series initiatives • Social events • U.S. site visits • Investor presentations/press releases • Quarterly factsheets • Investor packs on tax forms • Newspaper advertisements • Website initiatives: <ul style="list-style-type: none"> ◦ General hotline ◦ Dedicated IR contact ◦ Property videos ◦ Archived audio webcasts ◦ Email alerts ◦ Investor FAQ ◦ IR policy

INVESTOR DAY 2019

Investor Day 2019 was organised to engage retail investors and provide a platform for interaction between Unitholders and the management team. Apart from presenting on MUST's financial performance, panel discussions were organised to raise the local investors' understanding of the equity market, offshore REITs and U.S. tax. Q&A was conducted via pigeonhole for the 1st time to encourage interaction and was well-received with high participation rate from the Unitholders.

The conference style event was attended by 450 retail investors, a 24.7% increase from the previous retail investor day in 2017. Unitholders appreciated the sharing of insights from the panel speakers as it provided them with fresh perspectives on relevant issues. Through a post-event survey, more than 93.0% of Unitholders rated MUST's presentation and panel discussions as 'Excellent' or 'Good' and more than 84.6% of the respondents indicated that they would be interested to participate in similar events.

With the encouraging responses from this event, MUST will continue to increase its thought leadership efforts to reach out to different groups of the investment community under its Green Dot Series programme, to enhance the community's understanding and appreciation of the U.S. office real estate market.



Our proactive engagement with the investment community has delivered exceptional results in 2019. Apart from clinching two awards at the IR Magazine Awards – Southeast Asia 2019, we saw a strengthened investor base made up of 52.5% institutional investors as at 31 December 2019. A highly institutionalised investor base could signify a more stable Unit price, higher trading liquidity and stronger support in our future growth plans.

Tenant Community

Regular engagement with the tenant community is essential to maintain a strong relationship with existing

tenants, attract interest from potential tenants, and receive prompt feedback when issues arise to ensure that immediate action is taken. This high-level engagement also allows us to encourage sustainable property practices among tenants and to share new programmes with them with greater ease.

The Property Manager oversees MUST’s tenant engagement programme to ensure alignment with the Sustainable Building Standards and organises various activities throughout the year to create a positive and inclusive working environment. In 2019, we engaged our tenants through the following initiatives:



To gain a better understanding of our tenants’ needs and concerns, the Property Manager engages Kingsley Associates to conduct tenant satisfaction surveys every alternate year at all MUST’s properties. The survey gathered information on tenants’ overall satisfaction, perception of property, satisfaction with management, leasing and maintenance, renewal intentions and likelihood of property recommendations. In 2018, 90.0% of the tenants

who participated in the survey responded with a 4 or 5-star rating on overall satisfaction. The next survey will take place in 2020.

As at 31 December 2019, MUST’s portfolio has a well-diversified tenant base with a high tenant retention rate of 76.0% and an occupancy rate of 95.8%.

EARTHQUAKE TRAINING AT MICHELSON, IRVINE

Readiness in the face of natural disasters is highly sought after by tenants. In our bid to equip our tenants with necessary knowledge and skills to respond to such emergencies, we conducted earthquake training in Michelson, not only for our tenants but also for their key stakeholders. Everyone was educated on the building procedures during an earthquake and were then encouraged to pass this information on to their respective colleagues. Following the success and excellent feedback received from this event, we are looking to implement similar initiatives for the rest of our properties to prepare our tenants for any potential emergencies.



EXTERNAL RELATIONS

Local Community

Beyond generating sustainable income, we are committed to creating positive impact on the local community with the spirit of purposeful prosperity. With the rapidly aging population in Singapore and in-line with the focus of our Sponsor, our CSR programme focuses on contributing to the local elderly community via three main approaches.

Engaging the Isolated Elderly

Since IPO, we have organised many CSR events to engage the elderly community. In 2019, to fulfil our goal of bringing joy to the elderly who are integral building blocks of society, we collaborated with QB House to organise a 'Haircut and Tea-break with the Elderly' at the Methodist Welfare Services (MWS) Senior Activity Centre. Our staff befriended the isolated elderly and spent an afternoon with them by playing games and other activities. At this event, the participants enjoyed several rounds of bingo games, before being treated to a sumptuous tea-break and a free haircut session. While bringing joy to the participants, we believe that volunteerism and friendship should not be a one-off event. Thus, we have decided to work with MWS on a longer-term basis to befriend this particular group of isolated elderly. Such initiatives assist not only the beneficiaries, but our employees as well, as they appreciate the opportunity of giving back to the society.

Social Procurement

Apart from community services, we have integrated the procurement of social enterprises across all possible business functions to encourage the underprivileged elderly to find a purpose in life and be financially independent. Some of these initiatives include the commissioning of artworks, production of corporate gifts, and engagement of dining and catering services for internal and external events.

In 2019, for the 2nd year running, we commissioned an underprivileged artist to design MUST's red packets. The unique design of a Chinatown scene with children holding U.S. flags was created by a talented artist with hearing impairment from 'Friends of the Disabled Society' – Skills & Entrepreneurship programme. Under this programme, physically disabled artists are trained to develop their entrepreneur skills through the creation and sale of their products, allowing them to be self-sufficient and boosting their confidence at the same time. Names of the artist and social enterprise were featured on the back of MUST's red packets to increase awareness and garner support from the community. The design was featured in The Straits Times in February 2019, and also received overwhelming interest from both our internal and external stakeholders. Through this initiative, we aim to provide opportunities for disabled individuals to showcase their talents so that they will not be marginalised in our society.

In 2019, we engaged Project Dignity as a long-term social enterprise partner for the catering of both MUST's internal and external events. To encourage employees to take on a

more active role, we organised a cook out session and split our staff into teams to prepare a hearty Thanksgiving lunch for the elderly in MWS. In 2019, more than S\$10,000 was channelled from the Manager towards social procurement to show our support for the local social enterprises. This was an 11X increment from the S\$900 spent in 2018.

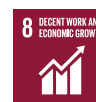


Cash Donation and Donation Drives

In 2019, the Manager donated S\$15,000 to a hospital and a welfare organisation. We hope the donation will contribute to the health and wellness programmes targeted to meet the physical and emotional needs of the ill or isolated elderly. Throughout the year, our employees also came together to donate cash, pre-loved shoes, clothes and books via donation drives organised by Soles4Soul Shoe, Movement for Intellectually Disabled of Singapore and Singapore Council of Women's Organisations. We are also proud to support volunteerism among our staff – all employees are given two days of volunteer leave to participate in the causes they are passionate about outside MUST's CSR programmes.

During the COVID-19 outbreak in early 2020, MUST donated more than 100 bottles of hand sanitisers to the elderly from MWS to keep the community safe and healthy.

HUMAN CAPITAL



OBJECTIVES

To attract and retain talent by cultivating a positive work environment that focuses on diversity, equal opportunities, training, health and wellness



INITIATIVES AND RATIONALE

Diversity and Equal Opportunity

- Practised fair treatment in recruitment and provided equal opportunities regardless of type, gender or age
- Provided training on importance of diversity and inclusion

Health and Wellness

- Subsidised health screening
- Organised health talks and fitness classes
- Encouraged regular movement by providing height adjustable desks
- Provided free professional advice and counselling from external consultants

Training and Development

- Organised writing workshop to strengthen staff's communication skills
- Subsidised relevant training to equip employees with skills needed to deliver high-quality work

Talent Retention

- Undertook half-yearly performance reviews to discuss each employee's performance, achievements and career goals
- Undertook annual employee engagement survey to understand employees' job satisfaction, needs and concerns
- Selected a different group of employees every quarter as Ambassadors of Change (AoC), to gather feedback from the rest of the team
- Organised regular company cohesion activities such as Breakfast on the House (BOTH), employee appreciation luncheons and movie outings to promote interdepartmental communication and work-life balance

PERFORMANCE IN 2019



Average training hours per employee of

35.2 hours

(+5.7% YoY)



100% participation in annual employee engagement survey with **significant increase** in engagement score

TARGETS FOR 2020



Continue to hire employees with diversified age, gender and type



Organise regular health talks or fitness classes for all employees



Maintain or increase average training hours per employee

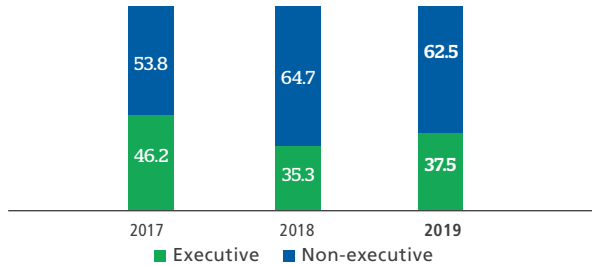
HUMAN CAPITAL

Diversity and Equal Opportunity

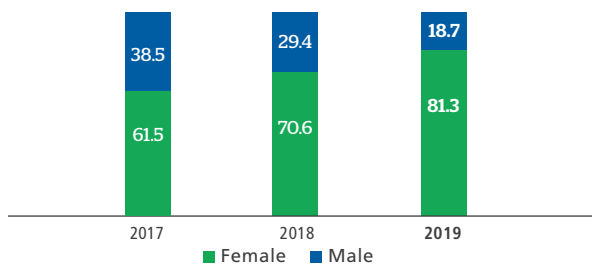
At MUST, we deeply value diversity within our workforce. We believe that a diverse workforce provides access to a talent pool with a wide range of different skills and talents essential for MUST to stay at the forefront of this competitive industry. The Manager has a zero-tolerance policy on any form of discrimination in the workplace. To ensure fair and equal treatment to all employees, equal employment opportunities are offered to individuals regardless of their age, gender or ethnicity. Employee remuneration packages are based solely on employee's individual performance without biasedness and are assessed annually. Furthermore, in compliance to our diversity policies, the Manager reports its diversity data to its Board of Directors bi-annually and has clear policies stated in the employee handbook.

As at 31 December 2019, the Manager had in total 16 full-time staff in a well-balanced mix by type, gender, and age. We are extremely proud that our continuous effort in ensuring diversity, even at the executive level has paid off, as we now have 66.7% of our senior executive positions held by women.

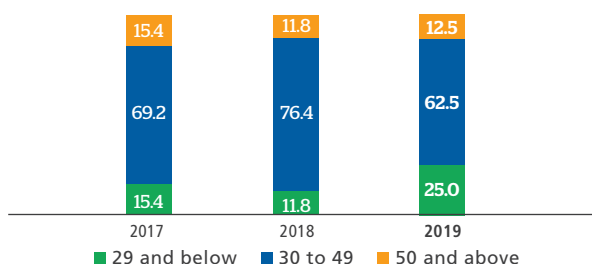
Employee Diversity by Type (%)



Employee Diversity by Gender (%)



Employee Diversity by Age (%)



Health and Wellness

Health Talks and Fitness Classes

In 2019, several programmes were initiated to ensure that our employees remain motivated and healthy. With mental health issues becoming increasingly important in today's society, we organised mental health talks with topics such as depression and dementia to provide our employees with the necessary knowledge to cope with or support those afflicted with such health issues. We hope to dispel the current stigma of mental health by cultivating a corporate culture that is open and supportive of employees' mental well-being. Fitness classes were also organised to ensure that the physical well-being of our employees are not neglected due to work commitments. These classes include 'Release and Stretch', which aim to help employees relax their muscles after a long day of work.

Full-time employees are entitled to discounted insurance policies, and other products and services. Staff and their family members with personal issues are able to receive professional advice from external consultants through phones, emails or face-to-face sessions.

In 2020, we target to organise regular health talks or fitness classes to ensure that the health and wellness of employees are well-managed.

Comfortable and Productive Working Environment

In addition, ergonomic furniture are incorporated in the office to create a comfortable and productive work environment. Height-adjustable desks are provided to encourage employees to alternate between standing and sitting, which will help to increase brain activity and promote blood circulation and prevent muscle, back and heart problems. Employees also benefit from an improved indoor air quality with air purifiers and indoor plants to remove harmful pollutants, stabilise humidity and reduce noise levels.

Protecting our Employees during COVID-19 Outbreak

The health and safety of our employees are a top priority at MUST. During the COVID-19 outbreak in 2020, the Manager responded quickly to provide employees with masks, hand sanitisers and contactless infrared thermometers. Staff were split into two groups to alternate between working from home and the office every two weeks. Large-scale meetings were converted into conference calls and temperature screenings were conducted upon entry into Manulife Tower to ensure the safety of employees.

Training and Development

All staff are given equal opportunities for their professional and personal development, with a comprehensive series of programmes made available.

Management Development Training

To cope with the changing regulatory landscape, managerial development training was organised in 2019 to improve our leaders' capabilities. In particular, one of our senior executive officers attended a Senior Leadership Development Programme by Ivey Business School with coaching sessions to gain deeper insights on strategy, leadership and culture in a dynamic work environment. Other members of the senior management also attended a Transformation Ready Leadership Workshop to reaffirm Manulife's core values and create an environment to help other employees apply these values. After attending these courses, our senior executive officers will drive further progress within MUST by passing on relevant knowledge to the rest of our employees. This mechanism is important as the core of our human resource policy focuses on the development and growth of all employees.

Our senior management team is also dedicated in its participation for industry roundtables and conferences. For the 2nd year running, our Head of IR provided training on the Investor and Media Relations module at the REIT Association of Singapore (REITAS) 2-Day Professional Development Series: REIT Management.

Relevant and Useful Training for All Other Employees

MUST ensures that all employees attend various relevant courses throughout the year to enhance their work performance. For instance, members of the SSC were encouraged to attend an online course conducted by SGX – Preparing a Sustainability Report. An employee also attended a GRI Standards Certified Training Course conducted by CSRWorks, and received a GRI Certified Training Program Certificate upon the completion of the course. Apart from focusing on sustainability training, other relevant courses on compliance, human resource and written communication were also provided to all employees in 2019.

Funding CMFAS Module 10 Examinations for Employees

To ensure that our employees remain highly skilled in the execution of their roles, we have also established a funded programme to support our employees in attaining the Capital Markets and Financial Advisory Services (CMFAS) Module 10 certification conducted by The Institute of Banking & Finance (IBF) Singapore. The module covers a comprehensive set of topics such as REIT Management, Financing in REITs, Legal Framework of S-REITs, Market Conduct and many others, allowing our employees to stay relevant and be well-equipped on REIT management knowledge. In 2019, two more of our employees obtained the IBF Module 10 certification with MUST's full support.

In 2019, 100.0% of our employees received training, and the average training hours per employee was 35.2 hours. In terms

of training hours per employee category, executives clocked an average of 38.6 training hours while non-executives clocked an average of 33.2 training hours. The hours received by both executives and non-executives are balanced and showcases MUST's commitment towards driving employee growth and development regardless of hierarchy.

Monitoring Employee's Performance

A performance review is conducted semi-annually to monitor the progress of all employees and measure the effectiveness of MUST's training programmes. In the 1st phase of the performance review, employees are required to perform a self-assessment on their accomplishments and how these results were achieved. Following this phase, Senior managers will engage in a review with their employees to discuss their work performance, challenges faced and applicable training programmes that would aid in their professional growth.

Talent Retention

Employee Engagement

In 2019, the Manager implemented many new initiatives in its journey to cultivate a motivated and engaged workforce. In particular, a group of employees was selected every quarter to be MUST's AoC. The AoC is responsible for gathering feedback and ideas from the rest of the team on cohesion activities as well as changes they would like to see in the workplace.

This brought along many new initiatives including BOTH, where employees were encouraged to share and discuss their feedback and concerns over a regular team breakfast. This has also proved to be an excellent platform for senior executive officers to share the REIT's vision, goals, and updates. The latest BOTH was organised at Singapore Zoo, where employees enjoyed breakfast while dining with the orangutans.

The AoC also implemented many new initiatives including more frequent 'Work At Home' and 'Eat with Your Family' days. Every quarter, employees are also given a half-day off to enjoy some 'me-time'. These initiatives promoted interdepartmental communication and work-life balance, and were well received by all employees, as reflected by a significant increase in this year's employee engagement survey score.



Breakfast at the Zoo

HUMAN CAPITAL

Stock Ownership Plans for All Employees

Starting from July 2019, all Manulife's employees in Singapore, including MUST's employees were eligible for Manulife's Global Share Ownership Plan (GSOP). Under this plan, all employees may apply up to 5.0% of their annual base earnings towards the purchase of common shares of Manulife Financial Corporation (MFC). MFC matches a percentage of the employee's eligible contributions capped at a certain amount. All contributions are used to purchase common shares in the open market and can be vested immediately.

This new initiative received positive response from our staff and some 37.5% of MUST's employees have participated in this programme this year. By providing an opportunity for our employees to share tangibly in Manulife's success, we were able to increase employee engagement and cultivate an ownership mentality within our workforce. Including staff who were granted Restricted Share Units under the Long Term Incentive Scheme, 68.8% of MUST employees benefitted from employee stock plans under MFC/MUST in 2019.

Monitoring Employee Satisfaction

An employee engagement survey is conducted annually to obtain feedback from our employees and to assess the engagement level of our workforce. In 2019, our employee engagement survey was conducted by an independent survey firm – Gallup, Inc. and reflected a significant increase in MUST's engagement score.

By engaging an independent survey firm for our annual employee engagement review, we were also able to benchmark our results against industry-specific data for more meaningful comparison.

For 2019, MUST has an average monthly resignation rate of 2.0%, below the Singapore real estate services industry of 2.5%¹. The average monthly recruitment rate stands at 2.0%, also lower from Singapore's real estate services industry average of 3.2%¹.

RECOGNISING OUR STAR EMPLOYEES



John Cassaday, Manulife's Chairman and Hsieh Tsun-Yan, Manulife's Director and MUST's Chairman

In 2019, our Head of IR and CSO, Caroline Fong received a prestigious accolade from Manulife's annual global Stars of Excellence Awards. The award recognises individuals and teams who have excelled in their roles based on Manulife's core values.

Out of the 34,000 staff worldwide, only 100 employees were selected to receive the award in Toronto, Canada, which was presented by Manulife's President and CEO. The gala dinner was attended by Manulife's Board of Directors and senior executive officers. Caroline was recognised for driving the successful initial public offering of Manulife US REIT, doubling its AUM in two years and institutionalising the REIT's investor base with greater geographical reach. By honouring MUST's top achievers through Manulife's recognition programme, we were able to drive employee satisfaction and create a greater workplace experience for our employees.

¹ Source: Ministry of Manpower. Average Monthly Recruitment/Resignation Rate during a quarter is defined as the average number of persons recruited/resigned in a month during the quarter divided by the average number of employees in the establishment. The annual figures are the simple averages of the quarterly figures.



ETHICAL CORPORATE BEHAVIOUR

OBJECTIVES

To ensure continued adherence to rules and regulations through the highest standards of governance and best practices by employing stringent corporate compliance and internal audit practices



INITIATIVES AND RATIONALE

- Strengthened governance disclosures in 2018 and 2019 annual reports
- Published additional information on website:
 - Code of Business Conduct and Ethics
 - IR Policy
 - AGM/EGM minutes
- Encouraged Unitholders to email questions prior to AGM

PERFORMANCE IN 2019



- No incidents of non-compliance with laws and regulations resulting in fines or sanctions
- No incidents of corruption



Remained on **SGX Fast Track**, as recognition of high standards of corporate governance and maintenance of good compliance record

Runner Up –
Singapore Corporate Governance Award
for REITs and Business Trusts



Ranked **6th** out of
46 REITs and Business Trusts
with a total score of **78.5**
(2018: ranked 8th with score of 75.5)

TARGETS FOR 2020



Maintain zero incidents of non-compliance with relevant laws and regulations resulting in fines or sanctions



Maintain zero incidents of corruption



Strengthen disclosures through annual reports, sustainability reports and website

ETHICAL CORPORATE BEHAVIOUR

Corporate governance is the system by which companies are directed and controlled. It is intended to increase MUST's accountability to various stakeholders. Good corporate governance within MUST will thus allow us to avoid any potential detrimental breaches before they occur.

Regulatory Compliance

Due to REITs operating in a highly regulated sector, the Board of Directors and management have to work together to safeguard the interests of Unitholders by ensuring compliance with local and foreign laws and regulations. Any form of non-compliance, breaches in regulations or corruption linked back to MUST will result in financial penalties and severely damage our reputation and stakeholder trust.

Being listed on SGX-ST and regulated by the Monetary Authority of Singapore, MUST and its Manager are required to comply with a range of rules and regulations. Specific policies and procedures are also instituted (as shown on page 87 to 88) to ensure that MUST complies with the various regulatory and operational requirements. The Manager, as a subsidiary of Manulife Group, is also subjected to certain Group-wide policies and procedures.

MUST's Sponsor is a Securities and Exchange Commission registered company and the Manager aligns its corporate governance to the high standards expected of MUST's Sponsor. The Manager's compliance team works closely with the Sponsor's legal and compliance teams plus appointed external legal counsel in Singapore and the U.S., to ensure that MUST and the Manager operate within their regulatory ambit. Details on corporate governance can be found on page 92 of MUST's 2019 Annual Report.

As of 31 December 2019, nine out of 16 full-time employees of the Manager are holders of the Capital Markets Services (CMS) licence under the Securities and Futures Act (SFA) of Singapore, out of which seven have at least five years of experience relating to trust management. The CMS licence holders are responsible for functions ranging from management, investment, finance to investor relations. The CMS licence holders attended regular training to ensure that they stay up-to-date with the market regulations.

The compliance team reviews all marketing materials to ascertain their compliance with relevant rules and regulations and that no information presented is capable of misleading stakeholders. These stringent requirements are necessary as we produce a large number of marketing materials with specific and regulated information. Any breaches of regulation in regards to marketing can lead to costly fines and misplace our stakeholder's trust in MUST.

Both compulsory and voluntary trainings are made available to all employees to ensure that they fully understand what is required of them and their reporting obligations. New

hires are subject to mandatory orientation and induction programmes. In addition, the compliance team frequently delivers regular updates on legal and organisational standards to the Board of Directors and employees. Firm-wide training on anti-bribery and anti-corruption is also rolled out to all employees to create an awareness of the importance of complying with relevant anti-bribery and anti-corruption laws as well as to educate employees on dealing with gifts and entertainment. Such stringent internal practices are required to prevent any breach from happening. Furthermore, issues like health and safety are extremely sensitive and any breaches of such regulations will have consequences beyond just fines. They may draw unwanted negative media attention, leading to loss of reputation, and may even inhibit MUST's ability to continue operations if the breach is severe. Therefore, by equipping our employees with the necessary skills, we are able to avoid any potential breaches altogether.

Being the owner of the properties, we have a responsibility to ensure that our tenants and users of our properties remain safe from injury at any time when they are present in our properties. The Property Manager has a compliance team to manage compliance at the property level. The Property Manager conducts regular training and engagement sessions for the tenants where they are free to raise relevant issues they are facing. Grievance mechanisms such as feedback channels, anonymous hotlines, and whistle-blowing channels are also available for all other stakeholders.

To manage compliance risk, the compliance team is actively involved and consulted on all business activities, from concept to execution. Periodic submission of data to respective regulators and application and review of licences are also tracked. The internal audit team reviews processes and procedures, and the Manager follows an established and comprehensive enterprise risk management framework where regular reports are submitted to the Board.

We take pride in our corporate governance practices and being one of the leading examples in Singapore. This is exemplified by the improvement in 2019's score for GIFT and, being an award recipient in the SIAS 20th Investors' Choice Awards 2019. MUST was also one of the 59 listed companies in Singapore to retain the SGX Fast Track status. As an SGX Fast Track issuer, MUST is recognised for its high corporate governance standards and good compliance track record. Companies in this programme enjoy prioritised clearance for selected corporate action submissions to SGX Reg Co. Furthermore, MUST is also included in iEdge SG ESG Leaders Index, which proves its status as a leader of sustainability practices among our peer groups. Ultimately, MUST recognises the importance of having a robust governance structure that is supported by comprehensive compliance policies and procedures to drive long-term growth.

To increase the REIT's transparency, we have strengthened our disclosures in this year's Annual Report with the inclusion of the following information:

- Board Diversity Policy
- Anti-corruption programmes and procedures
- Enhanced disclosure on Directors' training
- Methodology used to calculate rental reversions

Corporate Policies & Procedures

Policies & Procedures	Objectives	References
Insider Trading Policy	Provides guidance for the Directors, officers, and employees in the context of dealing in the Units of MUST	Internal Policy
Global Privacy Risk Management Policy	Describes the framework within which MUST manages privacy risk when handling personal information	Internal Policy
Information Risk Management Policy	Aids in identifying, assessing, treating, reporting and managing significant information risks in support of and in alignment with operational risk management	Internal Policy
Independent Nominating and Remuneration Committee	Ensure the long-term effectiveness of the Board by making recommendations on the composition of the Board	Internal Policy
Conflict of Interest and Interested Person Transaction Process	Compliance with CMS Licence requirements for Real Estate Investment Trust Management under the SFA of Singapore	Internal Policy
Disclosure of Interest		
Fit and Proper Declaration		
Global Business Continuity Policy	Outlines the process in the event of any disaster	Internal Policy
Global Disaster Recovery Policy		
Enterprise Risk Management Policy	Provides a structured approach to implementing risk-taking and risk management activities at an enterprise level	Internal Policy
Whistle-blowing Policy	Encourage stakeholders and any other persons to raise concerns about possible improprieties in matters of financial reporting and other malpractices (including fraud, corruption, bribery or blackmail, criminal offences, failure to comply with a legal or regulatory obligation, miscarriage of justice, endangering the health and safety of an individual and concealment of any of the aforementioned) in confidence	Available on MUST's website (http://www.manulifeusreit.sg/whistle-blowing-policy.html)
Anti-Fraud Policy	Describes a framework within which MUST strives to: (1) prevent, identify, and detect fraud; and (2) ensure that adequate controls are in place to accomplish those objectives	Internal Policy
Anti-Money Laundering and Anti-Terrorist Financing Policy	Outlines the responsibilities, accountabilities, and processes to ensure that MUST effectively mitigates the risks associated with money laundering and terrorist financing activities	Internal Policy
Global Entertainment & Gift Policy	Ensure that MUST, the Manager and its employees do not engage in shared business entertainment or gift practices that constitute (or appear to constitute) a corrupt business practice, including bribery	Internal Policy

ETHICAL CORPORATE BEHAVIOUR

Policies & Procedures	Objectives	References
Code of Business Conduct and Ethics	The code affirms MUST's commitment to ethical conduct and its practice of complying with all applicable laws and avoiding potential or actual conflicts of interest	The Manulife Code of Business Conduct and Ethics is available on http://www.manulifeusreit.sg/about.html
Personal Data Protection Act (PDPA)	Ensure MUST's compliance with the PDPA	The PDPA is available on https://www.pdpc.gov.sg/legislation-and-guidelines
Social Media Policy	Minimise reputational, business, compliance and legal risks associated with social media usage	Internal Policy
Timely disclosure of information	Minimise reputational and business risk and compliance with marketing and exchange regulations	Internal Policy
Review the accuracy of the information on the corporate website		
Review accuracy of all marketing collaterals before publication		
Tracking periodic submissions to respective regulators		
Health and Safety Policy	Ensure the safety of all users of our properties and ensure compliance with the WSHA	Internal Policy
Workplace Safety and Health Act (WSHA)		Internal Process
		The WSHA is available on https://sso.agc.gov.sg/Act/WSHA2006
Internal Audit	Ensure that all processes and procedures are compliant with regulations and laws and that the Manager follows an established and comprehensive ERM framework where regular reports are submitted to the Board	Internal Policy

GRI CONTENT INDEX

GRI Standards (2016)		Notes/Page number(s)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Manulife US REIT
102-2	Activities, brands, products, and services	About This Report, page 62 Property Summary, page 30
102-3	Location of headquarter	Singapore
102-4	Location of operations	Property Summary, page 30
102-5	Ownership and legal form	Organisation Chart/Trust and Tax Structure, page 13
102-6	Markets served	Property Summary, page 30
102-7	Scale of the organisation	FY2019 Financial and Portfolio Highlights, page 2 Financial Review, page 22 Property Summary, page 30
102-8	Information on employees and other workers	Human Capital – page 81 Manulife US REIT did not have any significant variation in employment numbers in 2019
102-9	Supply chain	External Relations – page 77
102-10	Significant changes to organisation and its supply chain	Manulife US REIT did not have any significant variation in employment numbers in 2019
102-11	Precautionary principle or approach	Ethical Corporate Behaviour – Our Strategy, page 85
102-12	External initiatives	Sustainable Approach, page 68 Sustainable Properties, page 72
102-13	Membership of associations	Real Estate Developers' Association of Singapore/REITAS The Property Manager, JHUSA Sustainable Real Estate Policy, page 68
Strategy		
102-14	Statement from senior decision-maker	Board Statement, page 64 Letter To Stakeholders, page 65
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Approach, page 68
Governance		
102-18	Governance structure	Ethical Corporate Behaviour, page 85
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Approach, page 68
102-41	Collective bargaining agreements	Manulife US REIT does not have any collective bargaining agreements in place
102-42	Identifying and selecting stakeholders	Sustainability Approach, page 68
102-43	Approach to stakeholder engagement	Sustainability Approach, page 68
102-44	Key topics and concerns raised	Sustainability Approach, page 68

GRI CONTENT INDEX

GRI Standards (2016)		Notes/Page number(s)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	FY2019 Financial and Portfolio Highlights, page 2 Financial Review, page 22
102-46	Defining report content and topic boundaries	Sustainability Approach, page 68
102-47	List of material topics	Sustainability Approach, page 68
102-48	Restatements of information	No restatements
102-49	Changes in reporting	No changes in reporting
102-50	Reporting period	1 January 2019 – 31 December 2019
102-51	Date of most recent report	Manulife US REIT Annual Report 2018 – Sustainability Report 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About This Report, page 62
102-54	Claims of reporting in accordance with GRI Standards	About This Report, page 62
102-55	GRI content index	GRI Content Index, page 89
102-56	External assurance	Manulife US REIT has not sought external assurance for this reporting period and may consider it for future periods.
Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to section on each material factor
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
		<ul style="list-style-type: none"> • Economic Performance, page 65 • Anti-corruption, page 85 • Energy, page 74 • Water, page 75 • Emissions, page 75 • Environmental Compliance, page 73 • Employment, page 81 • Training and Education, page 82 • Diversity and Equal Opportunity, page 82 • Customer Health and Safety, page 79 • Market and Labelling, page 88 • Socioeconomic Compliance, page 88
Material Topics		
Economic Performance		
201-1	Direct economic value generated and distributed	FY2019 Financial and Portfolio Highlights, page 2 Message to Unitholders, page 10
Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	Ethical Corporate Behaviour, page 85
Energy		
302-1	Energy consumption within the organisation	ESG Report Card, page 63
302-3	Energy intensity	ESG Report Card, page 63
Water		
303-1	Water withdrawal by source	ESG Report Card, page 63
Emission		
305-2	Energy indirect (scope 2) GHG Emission	ESG Report Card, page 63
305-4	GHG emissions intensity	ESG Report Card, page 63

GRI Standards (2016)		Notes/Page number(s)
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Ethical Corporate Behaviour, page 85
Employment		
401-1	New employee hires and employee turnover	Human Capital, page 81
Training and Education		
404-1	Average hours of training per year per employee	ESG Report Card, page 63
404-2	Programmes for upgrading employee skills and transition assistance programmes	Human Capital, page 81
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital, page 81
Diversity and Equal Opportunity		
405-1	Diversity of employees	Human Capital, page 81
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ethical Corporate Behaviour, page 85
Market and Labelling		
417-3	Incidents of non-compliance concerning marketing communications	Ethical Corporate Behaviour, page 85
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Ethical Corporate Behaviour, page 85