



# ABOUT ACCORDIA GOLF TRUST

Accordia Golf Trust ("AGT") is the first business trust listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") comprising golf course assets in Japan. AGT is primarily involved in the principal investing strategy, directly or indirectly, of owning a portfolio of stabilised, income-generating golf courses, driving ranges and golf course related assets.

AGT made its debut on the SGX-ST on 1 August 2014 with an initial portfolio comprising 89 golf courses located across Japan. Approximately 70% of its portfolio are in the three key metropolitan areas, namely, the Greater Tokyo region, the Greater Nagoya region and the Greater Osaka region. The Trustee-Manager, Accordia Golf Trust Management Pte. Ltd. ("AGTM"), provides trust management service to AGT. On the ground, the golf courses are managed and operated by an outsourced operator, Accordia Golf Co., Ltd ("AG").

AGT's objective is to generate long-term, stable cash flow through its business investment. It aims to distribute stable dividends to its unitholders and maximise returns through capital value growth.

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## BOARD STATEMENT

We are pleased to present AGT's second Sustainability Report ("Report") for the financial year ended 31 March 2019 ("FY18/19"). This Report reflects our commitment towards sustainability which is integral to AGT's business.

AGT continues to focus on the four material environmental, social and governance ("ESG") factors identified in the previous year, which were approved by the Board. The Board oversees the management and monitoring of the material factors and considers ESG issues as part of our business strategy. Our Trustee-Manager, AGTM, continues to support the Board in the discharge of sustainability-related responsibilities through a Sustainability Steering Committee ("SSC"), which was set up since FY17/18. The SSC measures and reviews the progress towards our sustainability goals and actively engages stakeholders to ensure that AGT's sustainability targets are met.

In FY18/19, we are pleased to report that we have achieved all our targets set out in our previous Report. Going forward, AGT will continue to identify, manage and address ESG factors which support our development in the golf industry. As we move along our sustainability journey, we remain committed to building a responsible business that delivers sustainable value to our stakeholders over the long term.

## ABOUT THE REPORT

The Report is aligned with the requirements of Singapore Exchange SGX-ST Listing Rules 711A and 711B and has been prepared with reference to the GRI Standards (2016). The GRI Standards is selected as the reporting framework as it provides guidance on materiality assessment, suggests specific performance disclosures relevant to our business, and is also internationally recognised. This Report references the following GRI Standards and Topic-Specific Disclosures:

- Disclosure 302-1 (e) and 302-4 (a) from GRI 302: Energy 2016
- Disclosure 405-1 (b) from GRI 405: Diversity and Equal Opportunity 2016
- Disclosure 416-2 from GRI 416: Customer Health and Safety 2016
- Disclosure 418-1 from GRI 418: Customer Privacy 2016

The Report covers the listed entity AGT, its Trustee-Manager AGTM, its operator AG, as well as the 89 golf courses in Japan outsourced under AG's operational management (collectively "Accordia Group"). The reporting period was between 1 April 2018 and 31 March 2019, unless otherwise indicated. We report all information in good faith to the best of our knowledge. No external assurance has been obtained for the Report.

Stakeholders should read the Report in conjunction with our annual report in order to have a holistic view of our business. Additional corporate information is available on our website ([www.agtrust.com.sg](http://www.agtrust.com.sg)).

AGTM welcomes feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to the Report or AGT's sustainability performance directly to [sustainability@agtrust.com.sg](mailto:sustainability@agtrust.com.sg).

## OUR SUSTAINABILITY APPROACH

We recognise the importance of managing ESG risks and opportunities and are cognisant of how it affects our stakeholders. We believe that proper ESG management would support our mission to deliver stable yield and maximise long-term returns to Unitholders via operational efficiency and acquisition-driven growth. Our sustainability programme is supported by ESG policies and standard operating procedures ("SOP") established by AG. AGTM periodically reviews the performance of AG to identify any major ESG risks.

We continue to adopt a balanced approach towards sustainability, encompassing different ESG angles such as environmental stewardship, social considerations and corporate governance in managing our sustainability impacts. We review our material factors regularly to ensure their relevance to our business and stakeholders. This year, we focused our sustainability efforts on four material ESG factors, Energy, Diversity and Equal Opportunity, Customer Health and Safety, and Customer Satisfaction, as elaborated below.



### **Energy:**

For the past two years, Japan was struck with stronger typhoons, heavier rainfall and other extreme weather events. Against this background of intensifying climate change, Accordia Group strives to improve its energy efficiency and reduce its carbon emissions.



### **Diversity and Equal Opportunity:**

At Accordia Group, we are committed to building an inclusive and discrimination-free working environment. We offer equal opportunities for our people to learn and grow.



### **Customer Health and Safety:**

Customers' health and safety are of our paramount concern. We devote considerable efforts in creating a strong safe culture among employees and customers through vigilance and education.



### **Customer Satisfaction:**

We believe that understanding our customers and offering high-quality service are fundamental to ensuring customer satisfaction, and thus the long-term success of our business. We proactively engage customers through various feedback channels and go an extra mile to address their needs. We also stay committed to safeguarding customer privacy.

Going forward, we will continue to keep stakeholders informed on the progress on our sustainability programme on an annual basis while striving to improve our performance and disclosures.

## MATERIALITY REVIEW

In FY18/19, AGTM has reviewed the material factors. The process referenced GRI Principles of Materiality, global and local sustainability hot topics as well as the landscape of the golf industry. Key ESG issues that surfaced from ongoing interactions with stakeholders were also taken into consideration. Since there was no significant change to the nature of business, AGTM has determined that the material factors identified in FY17/18 remained relevant.

The material ESG factors and additional factors listed below show our sustainability commitment towards our business and stakeholders, as well as our continuous efforts in awareness building and contributions to the local communities.

ESG FACTORS	Material Factors
Environment	Energy
Social	Diversity and Equal Opportunity
	Customer Health and Safety
	Customer Satisfaction
	Additional Factors
Social	Local Communities
	Awareness Building Activities





## STAKEHOLDER ENGAGEMENT

We remain committed to building and fostering strong relationships with our stakeholders through various engagement channels. Our ongoing engagement with them allows us to identify, review and prioritise our sustainability efforts. We ensure that our sustainability strategy and programmes are relevant and aligned to our stakeholders' perspectives and expectations. To achieve this, we welcome meaningful dialogue with a wide spectrum of stakeholders.

Our four material factors identified have a significant impact on, or are significantly impacted by, our stakeholders. The following tables summarise our stakeholders' expectations.

Material Factors	Relevant Stakeholders	Expectations from Stakeholders
Energy	<ul style="list-style-type: none"> <li>• Unitholders</li> <li>• Customers</li> <li>• Environmentalists</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt eco-friendly practices to conserve energy</li> <li>• Be an environmentally responsible golf course operator</li> </ul>
Diversity and Equal Opportunity	<ul style="list-style-type: none"> <li>• Unitholders</li> <li>• Employees</li> <li>• Customers</li> <li>• Regulators</li> <li>• Local community</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt good human resource policies and practices that promote fairness and safe working conditions</li> <li>• Maintain a diverse employee portfolio that can understand the varied needs of our customers</li> <li>• Create a more inclusive workplace for people with disabilities</li> <li>• Attract the right talent for the business and retain them in the workforce</li> </ul>
Customer Health and Safety	<ul style="list-style-type: none"> <li>• Unitholders</li> <li>• Customers</li> <li>• Employees</li> <li>• Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Follow safety protocols to ensure safety at the golf courses</li> <li>• Provide proper emergency assistance to customers in need</li> <li>• Reduce the risk of customer injury that can translate into better business performance</li> </ul>
Customer Satisfaction	<ul style="list-style-type: none"> <li>• Unitholders</li> <li>• Customers</li> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure high level of customer satisfaction</li> <li>• Deliver excellent customer experience and be the 'golf course of choice'</li> </ul>

Additional Factors	Relevant Stakeholders	Expectations from Stakeholders
Local Communities	<ul style="list-style-type: none"> <li>• Unitholders</li> <li>• Customers</li> <li>• Local community</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate with the local communities to strengthen visibility of the Accordia brand</li> <li>• Foster good relationship and trust with the local communities and customers</li> <li>• Contribute to local community through Corporate Social Responsibility ("CSR") activities</li> <li>• Ensure sustainable stream of customers by promoting the game of golf</li> </ul>
Awareness Building Activities		

# SUSTAINABILITY MANAGEMENT

## ENERGY

Japan continues to be heavily dependent on fossil fuels such as crude oil and coal, despite the Japanese government's effort to conserve energy and to lower Japan's dependence on crude oil. Accordia Group recognises this challenge and aspires to conserve energy to play a part in mitigating global climate change.

### What We Do

We continue to identify areas of improvement and adopt energy-efficient practices. For example, we identified air conditioning as a significant consumer of energy in our clubhouses. In response, window films were installed at all clubhouses to reduce heat gain from sunlight during summer and heat loss during winter. We are also progressively replacing existing air conditioners with those of higher energy-efficiency ratings. At the golf courses, our employees adopt energy-efficient practices at work as we continue to engage them in environmentally friendly initiatives and trainings. For example, we educate and remind our employees to turn off the lights when not in use.

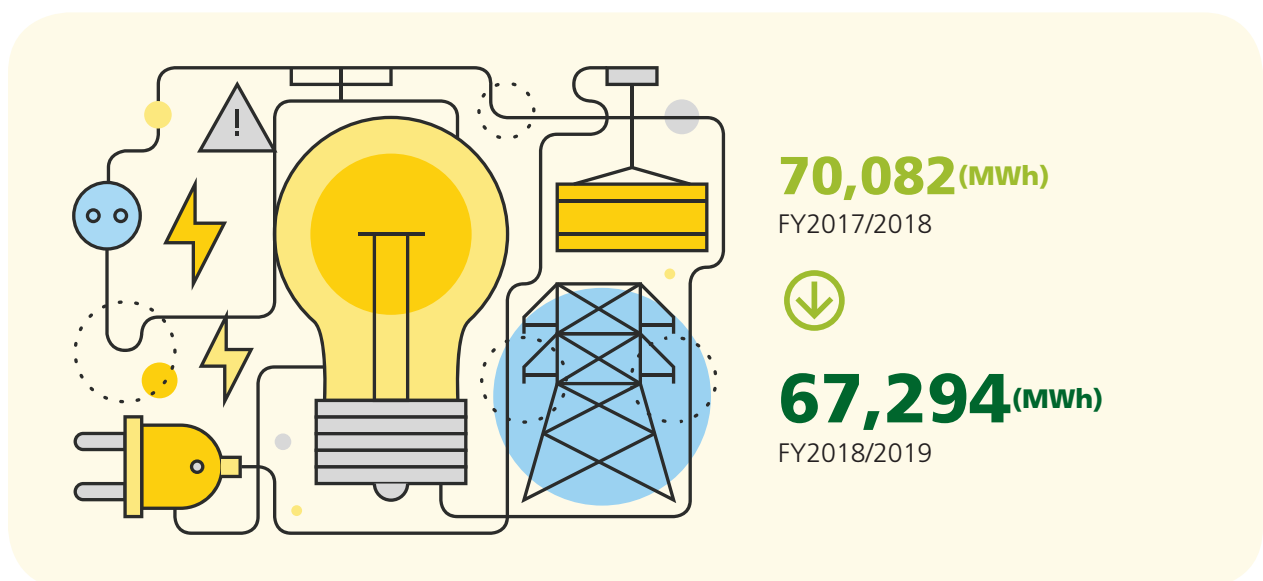
In addition, as part of AG's aspiration to become a more environmentally responsible golf course operator, we continue to explore innovative environmentally sustainable solutions. For example, currently, approximately 30% of our golf carts have been switched from petrol-powered to electricity-powered. These golf carts reduced the demand for petrol and potential air pollution in our golf courses.

### How We Fared

In FY18/19, we have completed the installation of LED lights in common areas such as reception area, locker rooms and rest rooms in all our clubhouses. We also continue to benefit from the Falcon system, installed in FY17/18, which helps to monitor electricity usage and control electrical appliances remotely at some of our clubhouses.

Electrical energy is the primary source of energy used at our golf courses. As a testament to our energy conservation efforts, we are pleased to report that in FY18/19, the total electricity consumption for our 89 golf courses was 67,294 megawatt hours (MWh), representing a 4% decrease the previous year<sup>1</sup>.

Electricity Consumption (MWh)



<sup>1</sup> Energy consumption for FY17/18 is restated from 70,082 kWh to 70,082 MWh due to unit errors.



## SUSTAINABILITY MANAGEMENT

### The Way Forward

Moving forward, we will remain committed to conserving energy. We aim to maintain or reduce our electrical energy consumption.

#### Beyond energy-saving: Experimenting with the use of brewery waste to replace synthetic fertilisers

AG has partnered with a leading beverage company in Japan to experiment the use of brewery waste. The project aims to produce fertilisers from beer yeast as a replacement for the synthetic fertilisers. While this experiment is still in the nascent stage, if successful, it will reduce our reliance on synthetic fertilisers for maintaining the turf grass on greens and fairways. The yeast-based fertiliser transforms waste into useful resources and prevents potential water and soil pollution that often associated with traditional synthetic fertilisers. This demonstrates how we carefully consider the potential environmental impact of our activities and develop innovative sustainable solutions.



# SUSTAINABILITY MANAGEMENT

## DIVERSITY AND EQUAL OPPORTUNITY

Employees are the main asset of Accordia Group and their performance is key to sustainable business success. We are committed to delivering a working environment based on respect, employee engagement and safety. At AG, we have employees from different generations, gender, nationalities and cultures. Having a diverse workforce provides multiple perspectives to better understand the varied needs of our customers. Therefore, it is important for Accordia Group to put in place policies and practices to build an inclusive and harmonious workplace – one that appreciates differences amongst workers and works towards maximising their potential.



### What We Do

We seek to create a fair and rewarding compensation framework for our employees. We regularly review employee welfare entitlements such as medical benefits, insurance and leave to ensure that we remain competitive against market standards. All employees are granted complimentary medical check-up every year to ensure that their health and wellness is taken care of.

We also continue to support employees to achieve better work-life balance and to fulfil their family commitments through flexible working arrangements. Employees can choose to either start or end their working hours earlier or later according to their needs.

An open communication policy is adopted where employees can raise issues or concerns. These channels are well publicised to all new and existing employees, to ensure that they are aware of their rights and the recourse should they encounter issues such as discrimination or unfair treatment.

Learning and development opportunities are provided to employees in which they are given equal opportunity to learn and grow, thus allowing fair upward mobility for all. For example, employees are encouraged to sign up for enrichment courses and, if necessary, be granted examination leave. Through enrichment courses, employees can improve their job performance and expand their career opportunities. To assess employee performance, we perform quarterly performance review, which allows us to promote employees based on merits.

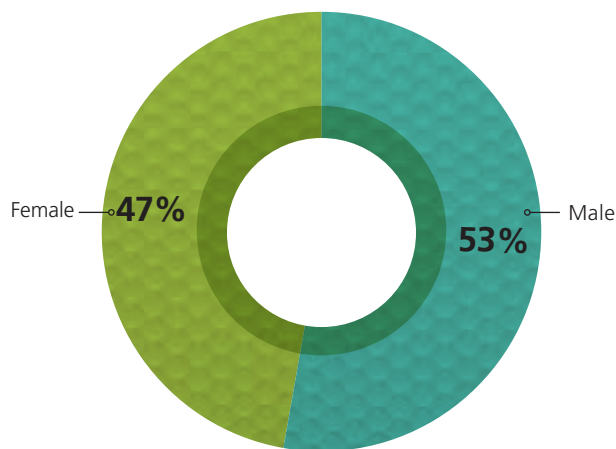
## SUSTAINABILITY MANAGEMENT

### How We Fared

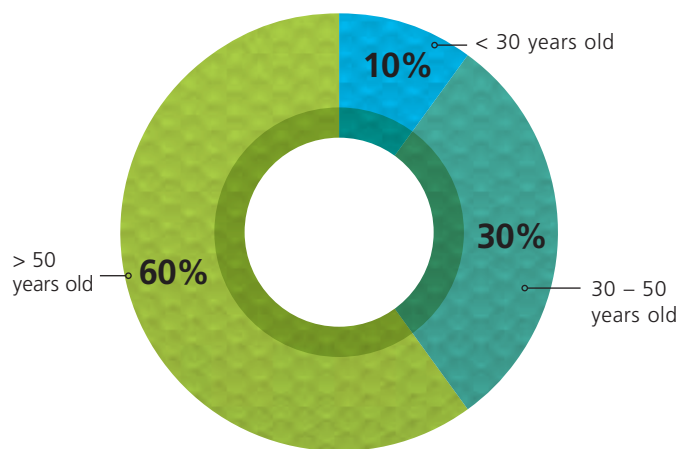
In our commitment to discourage workplace discrimination and comply with Labour Laws, we are pleased to report that there was no case of workplace discrimination during FY18/19.

Meanwhile, we continue to ensure fair hiring practices based on the principle of meritocracy. As of 31 March 2019, we have a total of 5,526 employees in AG and AGTM. We have a well-balanced male to female ratio and a significant number of our employees are above the age of 50 years old, as part of our strategy to tap the experiences from elderly workers. The details of gender and age diversity of our employee profile are shown in the charts below.

**GENDER DIVERSITY**



**AGE DIVERSITY**



### The Way Forward

Japan's tight labour market and rapid aging population have prompted the government to change its immigration policy to welcome foreign workers. In the coming year, in anticipation of the new policy, Accordia Group could potentially gain access to a pool of prospective skilled foreign talents at the golf courses. While we continue to attract foreign talents, we will also provide fair hiring opportunities for local workers. We will continue our merit-based and discrimination-free human resource practices to create an inclusive and fair working environment for all.

# SUSTAINABILITY MANAGEMENT

## CUSTOMER HEALTH AND SAFETY

The protection of health and safety of our customers is instrumental in building trusting relationships. We place great emphasis on customer health and safety to look after their wellbeing and ensuring a pleasant golfing experience.

### What We Do

To ensure the safety of our customers, our employees are trained to stay vigilant and be able to respond proactively to emergencies. Our field staff conducts regular checks on the golf equipment to ensure that safety signages are in place and maintains the conditions of the greens for safe golfing. The director of the golf courses performs spot checks to ensure adherence to safety SOPs. Moreover, we have also conducted evacuation training and fire drills for our employees so that they can facilitate a safe evacuation for our customers during emergencies.

At our restaurants, we are obliged to ensure that the food and beverages we serve are safe for consumption. Our employees are required to strictly follow the SOPs on food safety and hygiene, which outline proper procedures and methods of handling raw ingredients, cooking, serving dishes and washing kitchenware to prevent foodborne diseases. We also enrol our employees to food safety training courses to keep them up-to-date with the regulations. For quality surveillance, the Ministry of Health, Labour and Welfare conducts periodic inspections at our restaurants to ensure that we comply with food safety and hygiene standards.

In addition to promoting safety awareness among our employees, we also strive to strengthen safety culture among our customers. We encourage all customers to abide by the safety rules and guidelines through education. For example, we set up bulletin boards in our clubhouses to remind golfers of safety etiquette and rules.

Furthermore, we seek to improve safety performance by enhancing our supporting infrastructure. For example, auto-piloting system is installed on electrical carts at certain hilly golf courses. Replacing the need for a steering wheel, the system is much easier to operate and reduces the risks of accidents.

To improve our safety performance over time, we have a robust incident reporting and investigation system. Based on our internal Accident Management Framework, the severity of each accident was graded on a scale of 1 to 5. All accidents with a severity grade equal to or higher than 3 are investigated and reported. We aim to learn from the accidents and share findings to improve safety performance across our golf courses. Accident cases and findings are reported to the General Affairs Department promptly. On a case-by-case basis, a notice is disseminated to all employees at the golf courses as a constant reminder for proper safe practices.



## SUSTAINABILITY MANAGEMENT

### How We Fared

In FY18/19, there was zero incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services. All our restaurants have passed the inspection carried out by the Ministry of Health, Labour and Welfare.

During the reporting period, we continued to adhere to our incident reporting SOP, whereby all accidents were reported to the General Affairs Department within 24 hours. We are pleased to report that we have achieved our targets set in the previous year. As targeted, we have reported and investigated 100% of accidents with a severity grade equal to or higher than 3. We have also reduced the number of these accidents from 176 in FY17/18 to 149 in FY18/19 across our 89 golf courses.

Number of accidents  
(severity grade  $\geq 3$ )



### The Way Forward

In the coming year, we will stay committed to protect the health and safety of our customers and aim to maintain zero non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services. At our restaurants, we aim to continue to pass the inspection on food and hygiene by the Ministry of Health, Labour and Welfare. We also aim to reduce the number of accidents with a severity grade equal to or higher than 3.



# SUSTAINABILITY MANAGEMENT

## CUSTOMER SATISFACTION

Providing excellent customer service is the foundation for our success. We strive to be the “golf course of choice” by enhancing customer experience and promoting customer loyalty.

### What We Do

We provide training programmes to our employees to improve service quality. For example, we provided in-house trainings on how to identify customers’ needs, how to interact with customers and how to stay hospitable even in difficult situations. All employees are encouraged to participate in relevant workshops, seminars and courses to improve their skills and capabilities. After each training session, we collect feedback from participants to continuously tailor our training to suit our employees’ learning needs.

We have made a concerted effort to stay in touch with customers through surveys and feedback. We commit ourselves to reply to every compliment or complaint received and a SOP on handling customer feedback was established. Questionnaires are sent out weekly to selected customers via email and results are compiled at the end of each month. The results are shared with the management who will look into ways to improve services at our golf courses. Other channels for customers to feedback include suggestion boxes at receptions, AG’s website as well as other third-party online booking platforms such as Rakuten GORA and Golf Digest Online.

In our transition to more automated systems, we continue to focus on the service elements in customer experience. For example, although we set up self-service machines at our golf courses, we also make sure that customer service is available at the reception to provide further guidance for our customers when needed. The availability of service staff adds a human touch which would enable us to connect and empathise with our customers on a greater emotional level.

Furthermore, we place great importance on customer privacy. We regard every customer’s personal data and information as confidential and handle it carefully. Given the increasing threats to data security, we adapt our approach to protect customer information against both physical and cyber threats.

For example, feedback forms received through the suggestion box are kept under lock. Online information collected from our customers are password protected and only accessible to authorised personnel.





## SUSTAINABILITY MANAGEMENT

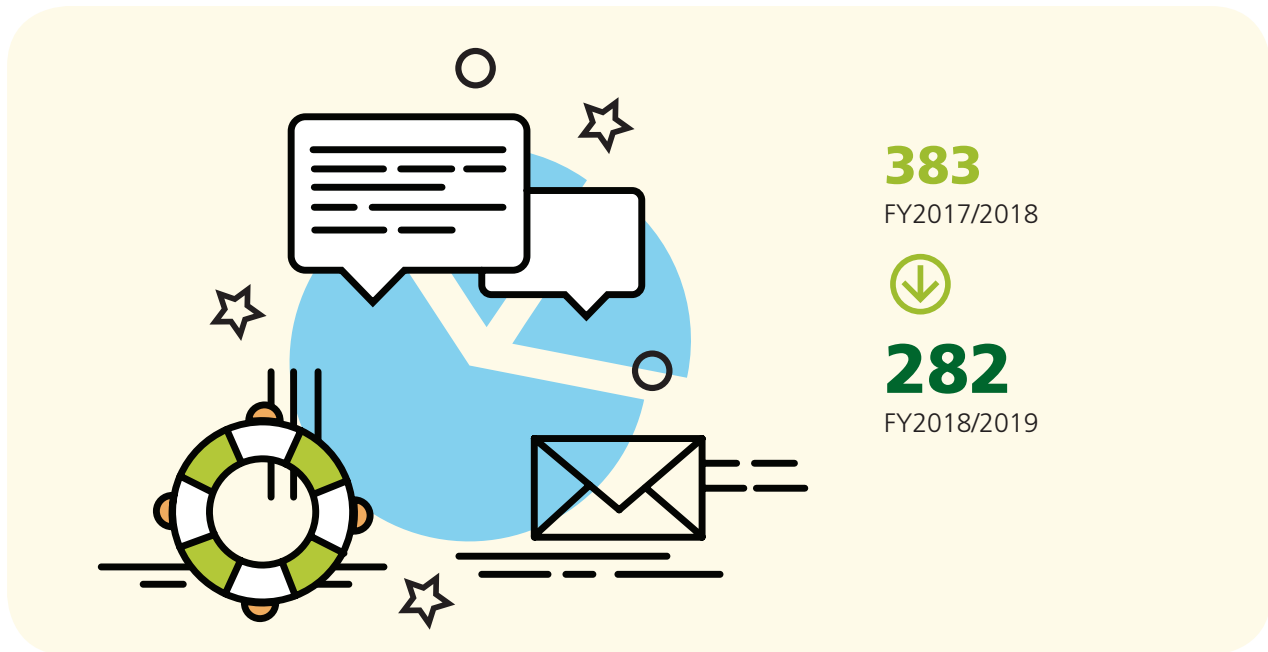
### How We Fared

During the reporting period, we continue to engage our customers through questionnaires and surveys, and address concerns that our customers have in a timely manner. All customer feedback was handled in accordance with our SOP. The number of customer complaints has declined significantly, from 383 in FY17/18 to 282 cases in FY18/19, thus achieving our target of minimising customer complaints. During the year, there were zero substantiated complaints received concerning breaches of customer privacy and losses of customer data.

### The Way Forward

We strive to improve our service quality based on the feedback gathered to address customers' needs and concerns. We will continue to ensure all customer feedback is monitored and handled in accordance with our SOP. In addition, we aim to minimise customer complaints. We will keep abreast of potential cyber security threats and update our policy accordingly. In FY19/20, we aim to maintain zero substantiated complaints received concerning breaches of customer privacy and losses of customer data.

Number of Complaints



# SUSTAINABILITY MANAGEMENT

## LOCAL COMMUNITIES

As a trusted golf course operator to the local communities, we believe it is important to contribute back to the society. We aspire to contribute to a stronger community through providing donations and other forms of community support, such as venue sponsorship, supporting local business and organising charitable events.

### What We Do

Similar to last year, we continue to donate to local events, such as art festivals or cultural ceremonies, and continue to provide venue and asset sponsorship for the local communities. As part of our CSR efforts, AGTM had participated in the SGX Bull Charge Charity Golf 2019 to support the needs of underprivileged children and families, persons with disabilities, and the elderly. At our golf courses, we have granted the municipal government access to use our site as a departure point for medical helicopters in case of emergencies. During dry seasons, we provided water from our reservoirs to local farmers for irrigation.



During challenging times, we offered donations and community services to help local community recover from natural disasters. For example, in July 2018, torrential rains in western Japan had forced more than 2 million people to evacuate. Compassionate to the plight of the affected communities, AG had donated JPY2 million to the Japanese Red Cross Society for disaster relief. We also placed donation boxes at all the golf courses to raise funds for the victims among our customers. In addition, we voluntarily deployed resources to clear debris scattered on the public roads around our golf courses.

At our restaurants, we continue to support local businesses by sourcing food supplies locally. This helps to lower our business' carbon footprint, contribute back to our community as well as foster strong relationship with local suppliers. Furthermore, locally-sourced food are often more organically grown and do not contain preservatives. It also enhances diners' experience with higher quality food.

To support women with breast cancer, AG hosted the Pink Ribbon event at one of AGT's golf courses in October 2018. The event had attracted approximately 140 female golfers and all the proceeds has been donated to the Public Interest Foundation Japan Cancer Society.



## SUSTAINABILITY MANAGEMENT

### AWARENESS BUILDING ACTIVITIES

For the long-term sustainability of our business, we continue to conduct various awareness-building activities to promote the game of golf, especially among women, elders and youths. Meanwhile, we also target to teach proper golf etiquette to the players as it helps to create a more pleasant golfing experience for the golfers and improve our operational efficiency.

#### What We Do

We aim to encourage women presence in the golf industry. In FY18/19, we partnered with women fashion magazine to train and host golf tournaments for their subscribers. In addition, AG has pledged to be an apparel sponsor for professional lady golfer, Mika Miyazato, who plays on the Ladies Professional Golf. Through these initiatives, we hope to not only foster the perception that golf is also a game for women, but also strengthen the presence of the Accordia brand.



For the senior golfers, we organised ground golf tournament during the low season. The game is designed to be simple to play and physically less strenuous for the elderly, thus encouraging a more active lifestyle among the elders.

As for the youths, we sponsored our golf courses as venues to host educational field trips for schools. Through this, we aimed to develop their golf skills at an early age so that they become confident in the sport and potentially become active players in the future. We also collaborated with youth development organisations, such as The First Tee, to offer enrichment activities for youths as illustrated in the case study on the next page.



# SUSTAINABILITY MANAGEMENT

## Teaching values through golf: Collaboration with The First Tee Japan

The First Tee Japan is a non-profit youth development organisation which aims to enrich the experience of youths through golf. It has engaged a network of youth golfers and volunteer coaches. Since 2016, Accordia Group has partnered with The First Tee Japan and has hosted regular events at our golf courses for children age between 7 and 12 years old. We believe that this programme not only helps improve golf skills, but also promotes positive inter-personal skills and healthy sportsmanship amongst the youth. In FY18/19, Accordia Group had hosted 23 golf events and received 344 participants.







**ACCORDIA GOLF TRUST MANAGEMENT PTE.LTD.**

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