



SF REAL ESTATE INVESTMENT TRUST
順豐房地產投資信託基金

(a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

Stock Code : 2191



**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

2021

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About SF REIT

SF REIT is the first REIT focused on logistics properties and was authorised by the SFC and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2191) on 17 May 2021. SF REIT offers an opportunity to Unitholders and other potential investors to invest in modern logistics properties.

We, SF REIT Asset Management Limited, as the REIT Manager, manage SF REIT in accordance with the Trust Deed. We manage the assets of SF REIT professionally in the sole interest of the Unitholders. We aim to enhance income stability, financing capabilities, and asset appreciation potential through proactively managing SF REIT's business and operational performance, and expand SF REIT's portfolio through acquisition opportunities. The REIT Manager is also referred to as "we" or "us" in this Report.

As of 31 December 2021, SF REIT's portfolio of properties comprised the Tsing Yi Property (which is known as Asia Logistics Hub – SF Centre), the Foshan Property (which is known as Foshan Guicheng Fengtai Industrial Park) and the Wuhu Property (which is known as Wuhu Fengtai Industrial Park). All these three modern logistics properties are close to public transportation networks which provide high quality and stable tenant base, and therefore these properties are capable of benefiting from the expanding logistics sectors in Hong Kong and Mainland China.

1. Tsing Yi Property



Asia Logistics Hub – SF Centre

Property Type

A 15-storey (plus one basement level) ramp-access modern logistics property with a distribution centre, warehouses, ancillary offices and car park spaces

Location

No. 36 Tsing Yi Hong Wan Road, Tsing Yi, New Territories, Hong Kong

Property Particulars

GLA (sq.m.)	Appraised Value (HK\$' million)
160,322	5,660.0
(as at 31 December 2021)	

2. Foshan Property



Foshan Guicheng Fengtai Industrial Park

Property Type

A modern logistics property with a three-storey ramp-access distribution centre and an ancillary building

Location

The northern side of Guanli Road and the western side of Guihe Road, Nanhai District, Foshan City, Guangdong Province, PRC

Property Particulars

GLA (sq.m.)	Appraised Value (RMB million)
84,951	486.4
(as at 31 December 2021)	

3. Wuhu Property



Wuhu Fengtai Industrial Park

Property Type

A modern logistics property comprising two one-storey warehouses, a two-storey distribution centre, a research and development building and two ancillary buildings

Location

No. 61 Longteng Road, Jiujiang District, Wuhu City, Anhui Province, PRC

Property Particulars

GLA (sq.m.)	Appraised Value (RMB million)
62,382	234.1
(as at 31 December 2021)	

About this Report

Reporting Standard and Scope

We are pleased to present this Report which summarises the ESG management approaches and initiatives as well as environmental and social performance of SF REIT. The reporting scope covers the operations of SF REIT's entire portfolio (comprising the Tsing Yi Property, the Foshan Property and the Wuhu Property) during the Reporting Period (i.e. from 29 April 2021 (date of establishment of SF REIT) to 31 December 2021).

This Report has been prepared in accordance with the ESG Reporting Guide. In order to understand the corporate governance policy and practices which we adopted for SF REIT, you are invited to read this Report in conjunction with the corporate governance report contained in the Annual Report 2021 of SF REIT.

This Report was approved by the Board on 17 March 2022.

Reporting Principles

This Report has been prepared in accordance with the following reporting principles:

Materiality

The REIT Manager identified material ESG topics through stakeholder engagement and materiality assessment.

Quantitative

This Report disclosed standards, methodologies and source of conversion factors used for the reporting of emissions and energy consumption.

Balance

This Report presented ESG performance in an unbiased basis. We provided objective reporting disclosure for readers.

Consistency

This Report adopted consistent methodologies for disclosing key ESG indicators to allow a fair comparison of performance.

Language of this Report

This Report is available in Traditional Chinese and English. In case of discrepancy, the English version shall prevail.

Contact and Feedback

We value stakeholders' views and suggestions with respect to our ESG initiatives, which will enable us to make continuous improvement in our ESG performance. Please feel free to share your feedback and recommendations with us through the following channels:

Mail : Room 2002, 20/F, Lee Garden Six, 111 Leighton Road, Causeway Bay, Hong Kong
Phone : (852) 3690 8134
Fax : (852) 3690 8132
Email : irsfreit@sfmail.sf-express.com



Stakeholder Engagement

We understand that stakeholders' opinions can help us improve the business operations, future development and ESG management of SF REIT with a view to achieving operational efficiency and long-term sustainable success. As such, we always maintain open and constructive dialogues with our identified key stakeholder groups to better understand their needs, concerns and expectations.

We communicate continuously with different groups of stakeholders through various channels.

External Stakeholders

Unitholders, Investors and Analysts	<ul style="list-style-type: none"> • Company website • Annual general meetings of Unitholders • Other general meetings of Unitholders • Announcements, circulars and other form of corporate communications • Annual, interim and ESG reports • Investor meetings and analyst briefings • Press releases
Business Partners (including Service Providers and Contractors)	<ul style="list-style-type: none"> • Ongoing meetings and on-site inspections • Supplier selection, procurement and tendering • Performance review and assessment
Tenants	<ul style="list-style-type: none"> • Company website • Regular tenant meetings • Tenant satisfaction surveys • Tenant visits • Customer hotline
Government and Regulators	<ul style="list-style-type: none"> • General liaison • Document submission • Compliance inspection and assessment
Community	<ul style="list-style-type: none"> • Company website • Community engagement programmes

Internal Stakeholders

Employees	<ul style="list-style-type: none"> • Face-to-face and online meetings • Emails • Internally developed "chat" app • Staff performance appraisals • Corporate events and gatherings
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Materiality Assessment

Facilitated by an independent external consultant, we had conducted a materiality assessment in the Reporting Period to identify those relevant ESG topics that may affect our stakeholders and business operations respectively. Through such assessment, we can adjust our ESG strategies and approach to focus on the material topics.

Process of Materiality Assessment

1

Identify relevant ESG topics

We identified relevant ESG issues for materiality assessment by taking into consideration the reporting standards set out in ESG Reporting Guide and the business strategies and operations of SF REIT. 20 ESG topics relevant to SF REIT and our stakeholders were identified.



2

Prioritise material ESG topics

We collected viewpoints from internal stakeholders via online survey and prioritised the materiality of identified ESG topics in accordance with the survey result, together with benchmarking the material topics with reference to industry best practices.



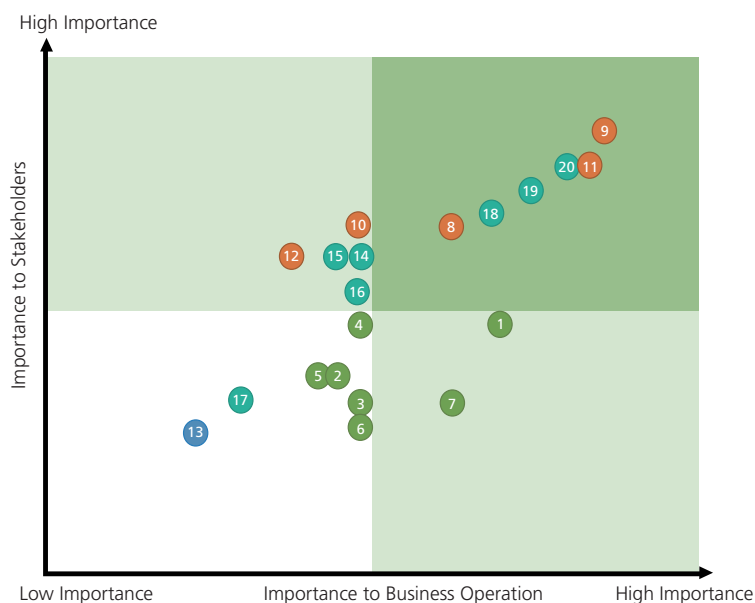
3

Validate the result

Upon review and discussion by the management, we validated and concluded the materiality of the 20 identified ESG topics. The degree of materiality of each of the 20 identified ESG topics is illustrated in the materiality matrix (see chart below).

Materiality Assessment

Materiality Matrix



ESG Aspect – Environmental

1. Energy efficiency
2. GHG emission
3. Climate change and response
4. Waste management
5. Water Consumption
6. Material consumption
7. Green building

ESG Aspect – Employment and Labour Practices

8. Employment practices and labour standards
9. Employee well-being
10. Employee engagement
11. Occupational health and safety
12. Training and career development

ESG Aspect – Community Investment

13. Community investment

ESG Aspect – Operational Practices

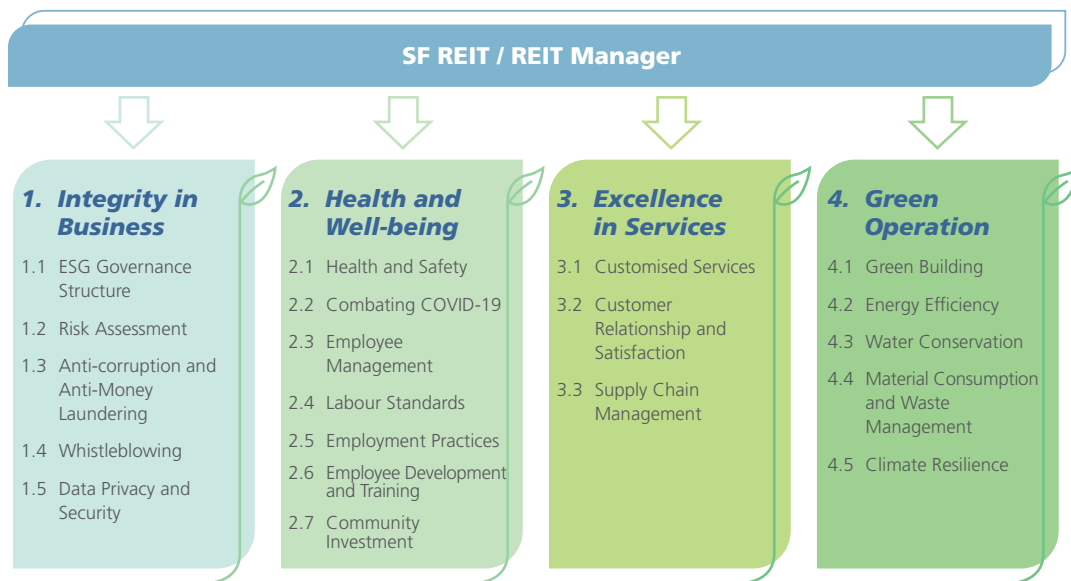
14. Tenant satisfaction
15. Tenant health and safety
16. Tenant data privacy protection
17. Supply chain management
18. Anti-corruption
19. Risk and internal control management
20. Legal compliance

Based on the materiality principle for reporting disclosure and the result of the materiality assessment, this Report focuses mainly on the disclosure of ESG topics categorised as most important. For those ESG topics with moderate or low importance, we have disclosed the general management approaches in order to provide our stakeholders with information about the overall ESG management during the Reporting Period.

ESG Management

SF REIT is devoted to embedding the concept of sustainable development across the business value chain for long-term value creation. We focus on four key pillars – *Integrity in Business*, *Health and Well-being*, *Excellence in Services* and *Green Operation* to develop our ESG strategies and measure our ESG performance.

Key Pillars for Development of ESG Strategies



1. Integrity in Business

SF REIT is committed to establishing a sound governance structure and fostering a culture of integrity based on a strong set of moral values, in order to uphold high standards of business ethics and enhance anti-corruption capabilities and awareness of all staff.

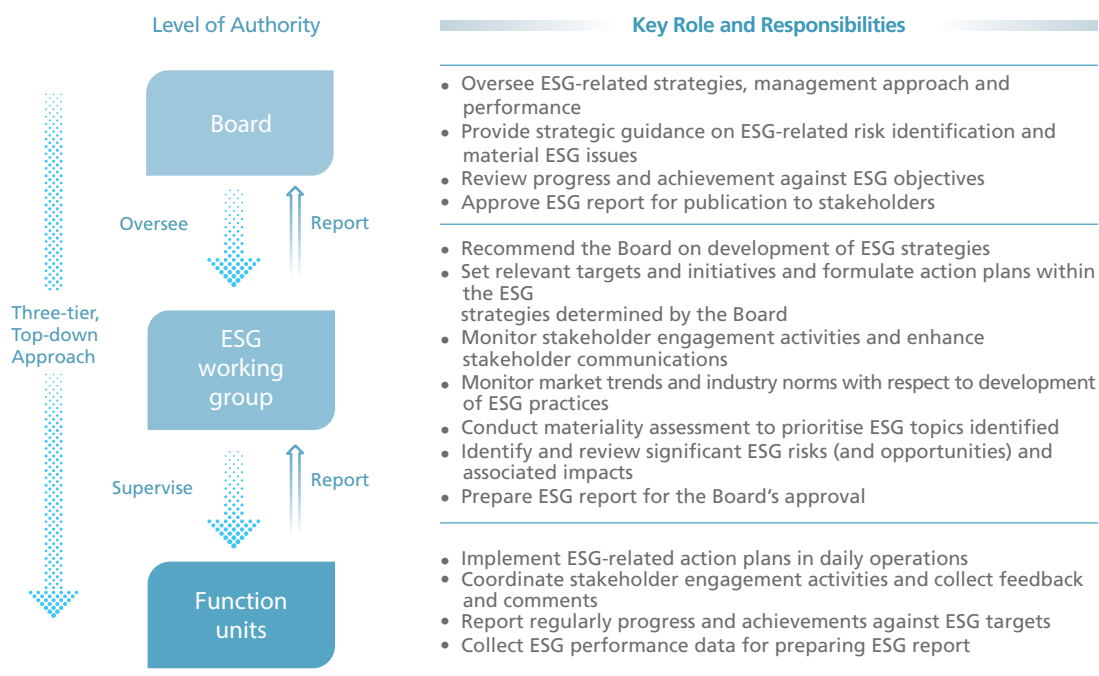
1.1 ESG Governance Structure

In managing SF REIT, we recognise the importance of integrating ESG principles and values into the business decision-making processes to create long-lasting value for our stakeholders and society at large.

To promote good ESG management, we have adopted a three-tier, top-down ESG governance structure. The top tier is our Board who is responsible for overseeing all ESG-related issues of SF REIT. With a support mandate from the Board, the ESG working group, headed by the Chief Executive Officer and comprising various function heads, sets ESG-related targets and action plans within the strategies determined by the Board and supervises relevant function units to implement such action plans. The ESG working group reviews feedback and data collected by function units, and reports to the Board on the ESG progress.

ESG Management

The respective role and responsibilities of the Board, the ESG working group and various function units in our ESG governance structure are illustrated in the diagram below:



1.2 Risk Assessment

We recognise the importance of maintaining sound internal control and risk management systems to safeguard Unitholders' interests and investments, SF REIT's assets, as well as managing business risks.

The REIT Manager has implemented a 3-level risk monitoring system for risk control. At the front are the function heads who are responsible to identify, monitor and report risks (including ESG and climate-related risks) in day-to-day operations. The Audit Committee is responsible to review risk assessment report from the management on a half-year basis. The Audit Committee reports to the Board on its review, advises on the effectiveness of the risk assessment system, and, if applicable, recommends on any risk mitigating measures. In between the function heads and the Audit Committee is the risk taskforce led by the Chief Executive Officer with the assistance of the manager-in-charge of Risk Management. The risk taskforce conducts risk assessment regularly and roughly in a quarterly interval. During the Reporting Period, the risk taskforce performed comprehensive risk assessment exercises and identified key risks relevant to SF REIT's business and operations. The key risks were recorded in a register to facilitate ongoing monitoring. The effectiveness of our risk management system for the Reporting Period was discussed in the Corporate Governance Report set out in the Annual Report 2021. Since SF REIT is operating in a dynamic and changing environment, the REIT Manager will continue to identify changes to SF REIT's risk profile including staying alert to any emerging risk.

1.3 Anti-corruption and Anti-Money Laundering

From Directors to all level of staff, we emphasise high ethical standards and fair play in our business operations. We enact “zero-tolerance” for bribery, corruption, fraud, money laundering in any form at any level. The gifts and entertainment policy set out in our Compliance Manual stipulates the basic standard of conduct for employees’ business dealings in addition to compliance with applicable laws and regulations¹. All our employees are strictly prohibited from soliciting and/or receiving bribes and/or any form of advantages from/to our customers, business partners and public body directly or indirectly. On receipt of any gift or advantage, the relevant employee must promptly submit relevant declaration form to the Chief Executive Officer for approval before disposal of such gift or advantage. To raise the awareness on anti-corruption, online seminar for Directors and anti-corruption materials for employees were arranged during the Reporting Period. Apart from anti-corruption, we also comply with the anti-money laundering requirements as set out in our Compliance Manual and carry out due diligence on the trustee and tenants of SF REIT.

1.4 Whistleblowing

We have adopted a whistleblowing policy to ensure that proper channels are open for employees to report any concerns, including financial misconduct, bribery, forgery or fraud, and misappropriation or misuse of assets etc., in confidence and without fear of victimisation, discrimination or disadvantage. Employees may report their concerns confidentially to the Chief Executive Officer or, if any employee feels the need to report outside the organisation, report directly to the Audit Committee chairman (who is an Independent Non-executive Director) through his personal email. All information received, including (without limitation) the identity of the whistle-blower, will be treated as sensitive information and where possible in the strictest confidence.

During the Reporting Period, we were not aware of any breaches of relevant laws and regulations relating to bribery, extortion, fraud and money laundering.

¹ Including (without limitation) the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), the Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong), the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong), 《中華人民共和國刑法》(the Criminal Law of PRC), 《中華人民共和國反不正當競爭法》(the Anti-unfair Competition Law of PRC) and 《中華人民共和國反洗錢法》(the Law of PRC on Anti-Money Laundering)

ESG Management

1.5 Data Privacy and Security

In order to safeguard data privacy, all our employees are required to strictly observe the confidentiality obligations set forth in their employment contracts. Employees are at all times prohibited from divulging sensitive and confidential information of SF REIT, such as business plans, financial budgets and unpublished inside information etc., to third parties or make use of such information for personal benefit without authorisation. All confidential information is protected by password and restricted access right and is only distributed in alignment with a “need-to-know” basis. Any employee in breach of the confidentiality obligations is subject to disciplinary action.

Aside from our employees, the property managers appointed for managing SF REIT’s properties are required to comply with stringent policy and procedures to preserve confidentiality and security of customer data, including protecting customer information in the data management system with passwords and restricted access rights to prevent unauthorised use or disposal of information. Staff of the property managers are trained to handle customer information with due care. Regular testing of the effectiveness of the property managers’ data system security is arranged to minimise the risk of data leakage.

During the Reporting Period, we did not identify any non-compliance of the laws and regulations relating to data privacy.

2. Health and Well-being

2.1. Health and Safety

Employees’ well-being and safety are pivotal in our daily operations. We have strictly complied with applicable health and safety laws and regulations² and endeavour to provide a healthy and secure environment for all our employees as well as our tenants and other visitors of our premises, preventing the occurrence of work-related injury and illness.

We follow at all times the OHS practices and standardise our operational procedures to comply with relevant regulatory and other requirements. We continually monitor and improve our health and safety performance through implementing various OHS measures to create a safe working environment for our employees.

During the Reporting Period, there was no incident of any breach of relevant OHS laws and regulations.

² The law that has a significant impact on SF REIT is the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

Key OHS Measures

- Provide adjustable seat and computer equipment and sufficient storage space on working table
- Provide instructions for proper working posture and stretching workout to prevent back pain
- Provide guidance on manual handling operations to avoid injuries such as sprains and strains
- Maintain good lighting condition to reduce visual strain and discomfort
- Conduct daily cleaning and keep good house-keeping in office to prevent accident

During the Reporting Period, OHS training relating to computer work was arranged for employees to increase their awareness of proper working posture against occupational health risks under repetitive computer operations.

Apart from our employees, we attach great importance to our tenants' health and safety and require proper attention to be given to property facilities by our property managers. Our property managers are required to examine regularly the building services systems of our properties, such as building control systems and lifts, to ensure their functionality and safety and compliance with the standardised building management requirements. Also, with the assistance of our property managers, there are in place regular inspection of fire escape routes and regular examination of fire fighting equipment. We also require our property managers to form emergency response teams and set out contingency plans in order to respond to any emergency situation in a timely manner. There are regular safety training sessions to increase workers' awareness of potential occupational accidents and risks in the workplace. Fire drills were organised in all our properties to help employees and tenants familiarise with effective evacuation and emergency procedures, thereby raising their safety awareness and capability in handling emergency situations. All our efforts are to reinforce the overall safety of our properties.

ESG Management

Charter on Preferential Appointment of OSH Star Enterprise

Adhering to the shared philosophy of upholding high health and safety standard in workplace, we pledged to engage the OSH Star Enterprise with our priority in implementing effective safety management system in "Repair, Maintenance, Alteration and Addition Works" to promote occupational health and safety in our workplace.



Joyful@Healthy Workplace Charter

Participating in Joyful@Healthy Workplace Charter has alerted us the importance of offering holistic well-being programmes covering healthy eating, physical activity, and mental well-being for our employees.



Safety Performance Award (SMEs Outstanding)

Our Tsing Yi Property was awarded with the Safety Performance Award (SMEs Outstanding) in the 20th Hong Kong Occupational Safety & Health Award organised by the Occupational Safety & Health Council in recognition of our achievements in the field of OHS.



2.2. Combating COVID-19

The outbreak of COVID-19 pandemic across the globe has brought health and safety under the spotlight. We have closely monitored the pandemic situation throughout the regions in which we operate and have strictly followed the policies, regulations and prevention measures imposed by local governments to jointly fight against the pandemic. In response to the increasing consciousness on wellness and personal hygiene, we have implemented various prevention procedures and precautionary measures to safeguard the well-being of our employees, tenants and visitors of our premises.

Measures against COVID-19 Pandemic

- Circulate the health advice and updated news regarding COVID-19 pandemic to employees and tenants
- Maintain adequate epidemic prevention materials and personal protective equipment in our property operations such as surgical masks, goggles, gloves, disinfectant, alcohol and hand sanitisers, etc.
- Perform body temperature check at the main entrance of the building
- Provide hand sanitisers at the entrances of the premises for employees, tenants and other visitors to perform hand hygiene
- Remind employees, tenants and other visitors to wear surgical masks when entering the premises
- Conduct frequent environment cleaning including regular sanitising public areas, washrooms, lifts, parking lots and frequently touched surfaces such as door handles, furniture and commonly shared items
- Arrange special seating to maintain social distance and reduce face-to-face meetings
- Restrict the entry of those persons and vehicles who stayed in medium/high-risk areas by 14 days for entry
- Require employees, tenants and other visitors to show their health code for verification purpose before entering our properties in Mainland China

Disinfection Control Measures in our Tsing Yi Property

To combat the COVID-19 pandemic, with the assistance of our appointed property manager, we have put in place advanced disinfection devices and certain hygienic arrangements in our Tsing Yi Property to strengthen the disinfection efficiency for our employees, tenants and other visitors to mitigate the risk of infection.

Such devices and arrangements include:

- Dynamic temperature measurement in corridors and staff canteen
- 360° ultrasonic dry atomisation
- Intelligent disinfection gateway
- Installation of vehicle disinfection system at driveway
- Special seating and utensils delivery arrangement in staff canteen



To further fortify the confidence of tenants in our Tsing Yi Property, the building is certified with the Anti-Epidemic Hygiene Measures Certification Scheme, co-organised by the Hong Kong Quality Assurance Agency and the Hong Kong Tourism Board. Moreover, complete disinfection is taken at common areas, offices and hub with the sanitation and disinfection certification obtained from TNT group.

At the time of writing this Report, different variants of COVID-19 are attacking the community causing serious disruptions to Hong Kong with number of infected cases and even death rate increased at alarming speed. In response to the Government's advocacy of "**Together, We Fight the Virus**", we have stepped up our efforts to combat the spreading of COVID-19 in our Tsing Yi Property.

Employees' well-being

To reduce social contact, we have "work-from-home" arrangement for our employees except only a few who must attend the Tsing Yi Property in alternate shifts to maintain our services.

Crisis management team and contingency procedures

To cope with the critical situation, a crisis management team was quickly set up and detailed contingency procedures with working protocols to encounter confirmed cases of COVID-19 were formulated for execution by the management office. To provide a safe working environment for our tenants to maintain their operations despite of severe environmental conditions, we keep tenants well informed of the latest development of the pandemic and remind them of a good practice of personal and environmental hygiene. Tenants are required to report to the management office any infected case for handling. Whenever there is a reported infection, thorough disinfection and deep cleaning of the building's common areas and the staff canteen will be completed on the same day.

Management of staff canteen

All customers entering the staff canteen are required to scan and confirm their attendance with the "LeaveHomeSafe" venue QR code and further recognised by the "vaccination pass" according to the latest regulatory requirements.

Leasing activities

Videos of vacant units are offered in substitution of on-site viewing and online conference meetings are arranged to discuss leasing issues with potential tenants.

Communications with existing tenants

We communicate with tenants through online meetings in lieu of face-to-face meetings in order to understand their business or other special needs and offer assistances as required.

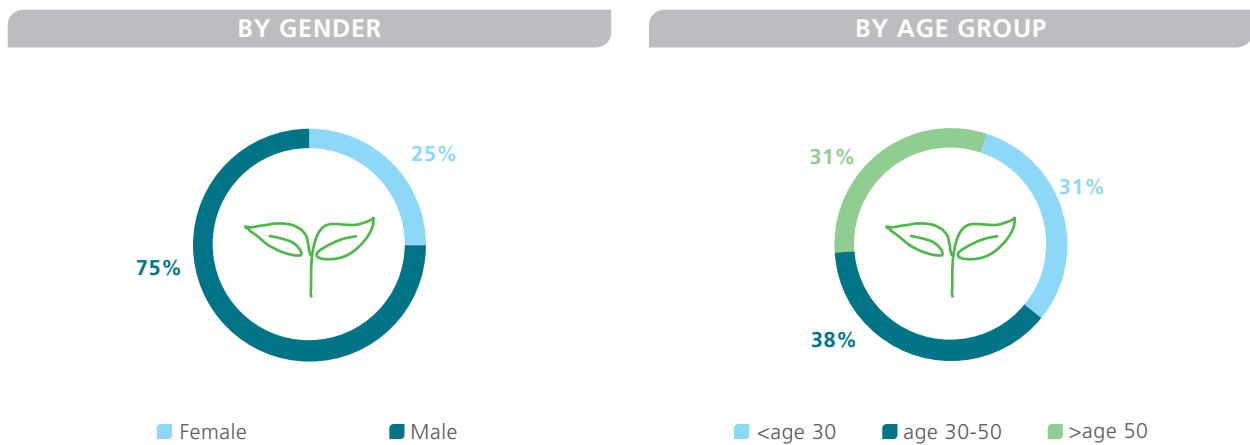


ESG Management

2.3. Employee Management

Taking it to heart that employees are the greatest assets to bring SF REIT’s long-term success, we endeavour to offer a diverse, equal and respectful working environment to our employees. In order to attract and retain the right talents, we uphold a reward system that recognises individual ability and performance. We regularly review our remuneration packages to ensure that they remain competitive in the market. We also enable personal career development within the organisation by offering different work exposures and job rotation of duties as well as encouraging employees to participate in continuous development including internal training programmes and external training courses under employer’s subsidies.

As of 31 December 2021, the REIT Manager had 16 full-time employees, all of whom are situated in Hong Kong. The workforce profile divided by gender and age group is illustrated as follows:



2.4. Labour Standards

We have strictly complied with applicable labour laws and regulations³. To ensure our working environment is free from any form of discrimination, we uphold the principle of equal opportunities regardless of gender, age, family status, disability, race or religion etc. and apply such principle during staff recruitment. The assessment of capability and suitability of candidates is based on their individual performance, qualifications,

³ The laws and regulations that have significant impact on SF REIT includes the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong) and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

working experience, attitude and ethics and we match these attributes with our job requirements. We respect and safeguard human rights and totally prohibit any form of child or forced labour in our workplace. We also conduct pre-employment identity verification in order to eliminate employment of child and forced labour. Requirements relating to job title, compensation, working hours, professional ethics and integrity, leaves and other benefits and welfare are highlighted in the employment contract.

During the Reporting Period, we were not aware of any non-compliance cases relating to employment and the use of child and forced labour.

2.5. Employment Practices

We offer competitive remuneration packages to attract high-calibre candidates. Apart from basic salary, we offer discretionary performance bonus, medical insurance and pension, which safeguard employees' basic benefits. We also offer employees with training subsidies and reimbursement of professional membership fees. Apart from statutory leaves and annual leaves, we provide employees with sick leaves, birthday leaves, marriage leaves, bereavement leaves, paternity/maternity leaves, examination leaves and jury service leaves. We aim to keep our employment benefits in line with market practices and will examine and review our remuneration packages and benefits regularly by reference to the market trends.

To motivate our employees, we uphold a reward and penalty system. New entry employees are subject to probationary review and all employees are subject to annual performance review. Employees will receive salary increment or promotion opportunities commensurate with performance and contributions in order to recognise their achievements and allow them to prepare for the next step in their career path. Employees violating company rules and regulations will be subject to disciplinary action which may include dismissal.

Apart from physical health and safety, we also look after employees' mental well-being. We are a signatory to the Joyful@Healthy Workplace Charter launched by the Department of Health and the Occupational Safety and Health Council to cultivate a healthy working environment. We aim to create a home-feeling atmosphere at work and emphasise work-life balance of our employees. In this regard, we organise staff get-together parties such as lunch and dinner gatherings, festive celebration such as Christmas party and other corporate events to promote harmony and strengthen bonding among employees as well as demonstrating corporate spirit.

2.6. Employee Development and Training

We highly value continuous personal development of employees. By consistently investing in talent cultivation programmes, we believe that corporate competitiveness will be enhanced along with the increasing capability and work efficiency of our employees. As such, we arrange internal training programmes and offer continual learning subsidies for employees to participate in external training courses.



ESG Management

During the Reporting Period, a total of 116 job-related training hours, covering different professional areas, were undertaken by our employees at the expenses of the REIT Manager. The average training hours and the percentage of employees trained by gender and employee category is illustrated as follows:



2.7 Community Investment

SF REIT recognises its corporate social responsibility in serving and contributing to our communities. As such, we are committed to establishing stronger tenant relationships and promoting the spirit of community mutual support, with an objective to create positive societal impacts.

Looking into the new year, we intend to spend more time and efforts to build up our community engagement programmes. We will leverage on the brand name and experience of the SFH Group and also look for collaboration opportunities with NGOs to invest in community projects. We also plan to encourage employees to participate in volunteer work. All these will be put on the agenda for the new year.

Tenant Visit in Mid-Autumn Festival

Our staff, together with staff of the property manager of our Tsing Yi Property, organised mooncake delivery event in 2021 to fortify the relationships with our tenants. Apart from boosting the festive atmosphere and demonstrating our gratitude towards our tenants, we can maintain two-way communications during the visit to understand our tenants' needs and concerns.



3. Excellence in Services

We uphold the business philosophy of “customer-first” and hence emphasise the excellence in services to our customers (tenants and visitors) to foster customer satisfaction and loyalty. In order to serve our tenants the best, we appointed experienced property managers who are capable of providing property management services at our required standards for SF REIT’s properties in Hong Kong and Mainland China.

3.1. Customised Services

By selecting capable and qualified property managers, we can ensure the quality of property management services provided to our tenants. For our two properties in Mainland China, we employed two experienced property managers which are subsidiaries of SFH. These two Mainland property managers had been involved in managing the Foshan Property and the Wuhu Property since their construction stages. Given their in-depth knowledge and understanding of the properties, they command a comparative advantage over other third party property managers when the SFH Group is a major tenant of these two properties. On the other hand, for our Tsing Yi Property, we selected an independent third party property manager based on its track records, financial and human resources, industry experience and competency in property management.

ESG Management

In managing our properties, one of the key duties of our appointed property managers is to address tenant's enquiry in a proper and suitable manner. In this regard, all our property managers are required to develop their customer service management procedures in which the duties and responsibilities of their front-line property management staff are clearly defined. Such front-line staff are provided with on-the-job training and guidance in order to master the skills necessary for handling tenant's enquiry, including the upholding of service image, etiquette and expression. The property manager of our Tsing Yi Property has further attained ISO 9001 certification for Quality Management System which is a guarantee of its service quality.

There are also times where tenants may wish to renovate their premises. We have specified the requirements of layout design and instructions for renovation activities in the tenant fit-out guide prepared by the property managers, which all our tenants are required to follow, in order to minimise the disturbance and nuisance to other tenants caused by the renovation and refurbishment works. During the renovation of the premises by tenants, we will also require the property managers to carry out regular supervision of the works to ensure all tenants are strictly abided by the requirements during the furnishing progress and all the works are carried out in a safe manner.

During the Reporting Period, we were not aware of any material breaches of relevant laws and regulations regarding our services provided due to quality, health or safety reason.

3.2. Customer Relationship and Satisfaction

We rate highly customer relationship and satisfaction and therefore we collected feedbacks through regular tenant meetings, tenant visits and tenant satisfaction surveys. We listen to our tenants' voices regarding the quality and efficiency of our services as well as their needs and concerns. Through constant self performance evaluation, we realise our strength and areas of improvement as well as understanding the reasons behind the changing needs of customers with a view to continually enhancing our services.

On the other hand, our property management team, working together with our property managers, has ensured an effective system in place to handle customer complaints. When a complaint is raised by a tenant, whether verbally or in written form, we will take prompt action to investigate in the subject matter of the complaint and will communicate continually with the complainant on the progress of our investigations, responses and remedial actions until the complainant is fully satisfied with the outcome. Based on complaint records, we will further formulate preventive measures or enhance our internal procedures to avoid recurrence of similar nature of complaint in future.

During the Reporting Period, we received two complaint cases regarding the building environment and shuttle bus service at our Tsing Yi Property. Both cases had been promptly addressed and followed up in accordance with the established procedures and satisfaction of complainant to the outcome was obtained in each case.

3.3 Supply Chain Management

Our ESG commitments are not limited to our business operations but are extended throughout our supply chain. We believe that a sound supply chain management can help us guarantee the quality of our services. To this end, we have carried out stringent suppliers' selection, assessment and performance review to ensure our selected suppliers are capable of providing high-quality services and products, which in turn support the quality of our services.

We collaborate with our property manager in Hong Kong for the selection and assessment of suppliers. In this respect, our property manager will take into account suppliers' qualifications, experience and certification as well as integrating our environmental and social considerations to evaluate their capability and service expertise. Priority will be given to those suppliers who have certification of ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Safety Management System and/or have demonstrated the quality of their services or products. For our Tsing Yi Property, our property manager maintains a list of approved suppliers and only on-list suppliers can offer products and services to us to uphold quality standards. Our property manager will carry out monthly and quarterly evaluation of suppliers' ongoing performance and prevent collaboration with unqualified suppliers. For those suppliers consecutively failing to meet the expected requirements, such as quality specifications, environmental/health and safety guidelines or legal compliance, such suppliers will not be invited in future tendering requests and may even subject to termination of business relationships.

In Mainland China, we select suppliers through the two Mainland property managers. Since these two Mainland property managers are subsidiaries of SFH, the purchases are made through a centralised procurement system operated by the SFH Group to uphold quality of services and products. Through the centralised procurement system, suppliers are selected and referred to us for approval.

In both Hong Kong and Mainland China, our property managers have to follow well established tendering procedures which help secure pricing and quality as well as promoting open and fair market competition. As far as possible, we will integrate environmental considerations in our procurements and select suppliers pursuing the same green principle. For instance, FSC certified papers are used for printed materials to reduce the demand for virgin materials and the staff canteen at our Tsing Yi Property offers biodegradable tablewares for takeaways.



4. Green Operation

We are mindful of the importance of environmental protection and have factored this consideration into our daily operations and business decisions. We conduct our businesses in accordance with applicable environmental laws and regulations⁴ and proactively optimise our environmental performance through pollution controls, energy conservation and resource recycling. We also cultivate our employees, tenants and business partners on environmental awareness, hoping all of us can march hand-in-hand down the path towards a better environment and a more successful green operation.

4.1. Green Building

Our Tsing Yi Property was awarded by the U.S. Green Building Council the Gold rating of LEED BD+C: Core and Shell.



Our Tsing Yi Property is certified by the U.S. Green Building Council as meeting the Leadership in Energy and Environmental Design (LEED) Gold rating standards. This certification is a recognition of our commitment in adopting sustainable building performance in different aspects – water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality. For our Foshan Property and Wuhu Property, we are also working towards optimising resources consumption and mitigating environment impacts by increasing energy and water efficiency and using innovative low-carbon technology.

4.2. Energy Efficiency

The energy consumption of our properties is the principal source of GHG emissions. Therefore, we have formulated relevant energy management guidelines across our properties. We adopted various energy saving measures to lower energy usage on one hand and enhance energy efficiency on the other hand with an ultimate goal to reduce GHG emissions. We also invite our tenants to participate in energy saving programmes and activities.

⁴ The laws and regulations that have significant impact on SF REIT includes Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358) and Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), 《中華人民共和國環境保護法》(Environmental Protection Law of PRC), 《中華人民共和國節約能源法》(the Energy Conservation Law of PRC), 《中華人民共和國水污染防治法》(Prevention and Control of Water Pollution of PRC), 《中華人民共和國固體廢物防治法》(Prevention and Control of Environmental Pollution by Solid Waste).

In supporting the appeal of energy conservation and combating climate change by the Hong Kong Government, we have become a signatory of the Energy Saving Charter and the 4Ts Charter under the Hong Kong Climate Action Plan 2030+. Looking ahead, we will consider to set quantitative reduction target in energy consumption and carbon emission to support the promotion of low-carbon transition. We will continue to evaluate the effectiveness of the existing energy saving measures and initiatives, as well as partnering with our tenants to increase energy efficiency at our properties.

Our Energy Saving Measures

- Set electrical appliances at low electricity mode
- Switch off all lightings and air conditioners when they are not in use
- Turn off or turn to “Power Save” mode when office devices, such as computers and screens, are not in use
- Purchase energy efficient electrical appliances, such as LED luminaries or products with Grade 1 energy labels
- Maintain indoor temperature between 24°C and 26°C
- Post up energy saving tips beside switches to remind employees to turn off devices before they leave
- Develop renewable energy system (solar energy) and apply for the Feed-in Tariff Scheme launched by CLP Power Hong Kong Limited

Solar Panel at Rooftop of Tsing Yi Property

We have installed a solar photovoltaic system with 200 solar panels at the rooftop of our Tsing Yi Property. The solar photovoltaic system generates 5,800 kWh per month on average. This initiative can reduce overall carbon emission and support the use of renewable energy.



Energywi\$e Certificate

We attained the Energywi\$e Certificate for our Tsing Yi Property which was issued by the Environmental Campaign Committee in 2021 to demonstrate our efforts in energy conservation and management.



4.3. Water Conservation

Water is a precious resource that is indispensable to our operations and the society. To share the responsibility to conserve water, we have adopted various measures to reduce water consumption in our properties, as well as promoting the concept of water conservation among our employees, tenants and other visitors of our properties. We will continue to evaluate opportunities to improve water efficiency throughout our operations.

Measures to Minimise Water Consumption

- Display water saving tips at suitable places, such as washrooms and pantries
- Tighten the faucet to prevent water dripping
- Conduct regular inspection of water facilities to prevent leakage
- Adopt dry brushing where possible
- Minimise amount of cleaning substances used
- Monitor water consumption level actively to detect abnormal usage pattern

Quality Water Supply Scheme for Buildings – Fresh Water (Management System)

Our Tsing Yi Property received the Gold certificate in Quality Water Supply Scheme for Buildings – Fresh Water (Management System) issued by the Water Supplies Department which endorsed our efforts in safeguarding the quality of drinking water at our property.



Quality Water Supply Scheme for Buildings – Flushing Water

Our Tsing Yi Property received the Blue certificate in Quality Water Supply Scheme for Buildings – Flushing Water issued by the Water Supplies Department which endorsed our efforts in proper maintenance of water plumbing systems in our property.



Rain Collection System

We have installed rainwater collection system in our Tsing Yi Property for recycling and reuse of rainwater. The rainwater collected is prioritised for irrigation use, so as to reduce portable water usage.



ESG Management

During the Reporting Period, we did not face any problem in sourcing water that is fit for purpose as all water consumed in our properties is directly supplied by the local water supplies departments.

4.4. Material Consumption and Waste Management

Proper use of materials and waste management are both crucial to alleviate environmental burden to the society. For the purposes of due compliance with applicable laws and regulations of local environmental protection departments and minimising environmental pollution, we have implemented various waste management measures at our properties and practised green management (see below) at our office premises to reduce material consumption and waste generated during operations.

Our Waste Management Measures

- Adopt 4R principles (i.e. “Reduce”, “Reuse”, “Replace” and “Recycle”) for waste management
- Cut down waste at source by reducing material consumption and recover reusable materials over direct disposal in daily operations
- Put up reminders and instructions above recycling bins to raise the awareness of employees and tenants on recycling
- Sort recyclable non-hazardous waste, such as plastic, metal, and paper, properly for collection by licensed waste management service providers
- Encourage contractors to improve arrangements for waste separation and recovery
- Ensure wastewater generated from catering is treated by grease trap before discharge to avoid pipe blockage and odour nuisance

Green Management at our Office Premises

- Advocate computer application for internal communication and circulation of documents to reduce paper consumption
- Adopt double-sided printing and reuse single-sided paper for printing or drafting
- Place recycling bins/boxes next to printers
- Avoid the use of disposable items to prevent unnecessary waste of materials
- Replace plastic tablewares with biodegradable tablewares at staff canteen of our Tsing Yi Property and offer discount on meal when staff bring their own containers for takeaways

We also attempt to minimise hazardous waste pollution by participating in rechargeable battery programme and fluorescent lamp recycling programme to reduce the environmental risk from improper disposal of such types of waste and to recover reuseable resources. The total amount of recycled batteries and fluorescent tubes was 0.03 tonnes during the Reporting Period. In addition, toner cartridges are collected by contractors periodically and sent for recycling. We will continue to evaluate the effectiveness of our current waste management measures and partner with our tenants to reduce material consumption and increase waste reuse and recycling rate as well as reducing waste diverted to landfill.

Gold Award of Commendation Scheme on Source Separation of Commercial and Industrial Waste

Our Tsing Yi Property was honoured the Gold Award of Commendation Scheme on Source Separation of Commercial and Industrial Waste organised by the Environmental Protection Department.



Wastewi\$e Certificate – Good Level


Our Tsing Yi Property received the Wastewi\$e Certificate - Good Level issued under the Hong Kong Green Organisation Certification.



4.5. Climate Resilience

The emerging challenge of climate change, associated with more severe natural hazard occurrences, have caused more disruptions to our properties and the community. With the global urgent call and actions towards decarbonisation and the transition of low-carbon economy, we realise the urgency of taking into consideration climate-related risks that may influence our business operations and stakeholders and evaluating their immediate and long-term impacts on our properties and operations.

We have identified the following climate-related risks that may potentially impact our operations:

Risks	Potential Consequences 
Increased intensity of extreme weather occurrences such as typhoons and rainstorms may cause damage to structural features of our buildings	<ul style="list-style-type: none"> • Higher operating and maintenance costs (e.g. building maintenance expenses) • Loss of revenue due to business interruptions caused to us and our tenants • Increased health and safety hazards to our employees, tenants and other visitors of our properties
More and longer-lasting extreme climatic patterns (e.g. heat waves) may impact our operations	<ul style="list-style-type: none"> • Higher operating costs (e.g. energy use for air-conditioning to maintain indoor thermal comfort) • Reduced service stability such as fewer leasing deals may result in loss of revenue and even long-term business disturbance
More ambitious and stringent climate government policies and regulations in Hong Kong and Mainland China to combat climate change may give rise to compliance issues	<ul style="list-style-type: none"> • Litigation or fine for non-compliance with the latest climate policies and regulations (e.g. carbon emissions obligation) • Increased capital investment in clean energy • Higher operating and maintenance costs (e.g. carbon tax and costs relating to use of renewable energy)

As climate change is a long-term yet pressing issue, we will accelerate the formulation of our strategic plans and actions against climate-related risks. For example, typhoon emergency plan is in place for our properties. We will also stay alert to any change in government policies and regulations in Hong Kong and Mainland China and implement timely actions to comply with any new requirements. We will also keep track of any potential climate-related issues which may cause financial and operational disruptions to our business and operations and include climate-related risks in our regular risk assessment.

Performance Data Summary

Environmental Performance

	Unit	2021 Data ¹
GHG emissions²		
Direct emissions (Scope 1)³	tCO ₂ e	19.78
Energy indirect emissions (Scope 2)⁴	tCO ₂ e	10,406.36
Total GHG emissions	tCO ₂ e	10,426.14
Intensity⁵	tCO ₂ e/m ²	0.034
Use of resources		
Energy		
Electricity	MWh	21,033.66
Fuel⁶		
Diesel	MWh	0.38
Natural gas	MWh	47.01
Total energy consumption	MWh	21,081.06
Intensity	MWh/m ²	0.07
Water		
Intensity	m ³	75,949.91
Intensity	m ³ /m ²	0.25
Air emissions⁷		
NOx	kg	1.92
SOx	kg	0.01
PM	kg	0.18
Hazardous waste⁸		
Intensity	tonnes	0.03
Intensity	tonnes/m ³	0.000001
Non-hazardous waste⁹		
Intensity	tonnes	503.18
Intensity	tonnes/m ³	0.0016
Total non-hazardous waste recycled	tonnes	28.27



Performance Data Summary

Social Performance

	Unit	2021 Data ¹
Employee Data		
Total Workforce¹⁰	Number of people	16
Number of employees by gender		
Male	Number of people	12
Female	Number of people	4
Number of employees by age group		
Age <30	Number of people	5
Aged 30-50	Number of people	6
Age >50	Number of people	5
Number of employees by employment type		
Full-time	Number of people	16
Part-time	Number of people	0
Number of employees by geographical region		
Hong Kong	Number of people	16
Employee Turnover Rate¹¹		
By gender¹²		
Male	%	8
Female	%	25
By age group¹³		
Age <30	%	20
Age 30-50	%	17
Age >50	%	0
By geographical region		
Hong Kong	%	13

Performance Data Summary

	Unit	2021 Data ¹
Employee Training		
Percentage of employees trained by gender		
Male	%	92
Female	%	100
Percentage of employees trained by employee category		
Senior management	%	100
Managerial staff	%	83
General staff	%	100
Average training hours completed per employee by gender		
Male	Hours	6.2
Female	Hours	10.4
Average training hours completed per employee by employee category		
Senior management	Hours	9.5
Managerial staff	Hours	5.3
General staff	Hours	8.3
Occupational Health and Safety		
Number of work-related fatalities ¹⁴	Number of people	0
Rate of work-related fatalities	%	0
Number of work injuries	Number of people	0
Lost days due to work injury	Days	0
Number of Suppliers¹⁵		
Hong Kong	Number	94
Mainland China	Number	40
Anti-corruption		
Number of concluded legal cases regarding corrupt practices brought against the Group or the employees of the REIT Manager	Number of cases	0



Performance Data Summary

Notes:

1. The performance data covers the Reporting Period (i.e. the period from 29 April 2021 (date of establishment of SF REIT) to 31 December 2021)). As at 31 December 2021, total GLA of SF REIT's portfolio was 307,655m². This relevant data is used in the calculation of intensity. The REIT Manager provides the services of asset management and is not engaged in the manufacturing industry. Thus, the use of packaging materials is not applicable to SF REIT.
2. The data are calculated by reference to the GHG Protocol Corporate Accounting and Reporting Standard issued by the World Business Council for Sustainable Development and How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by Hong Kong Stock Exchange.
3. Scope 1 Emissions refer to direct GHG emissions from fuel combustion of stationary sources and mobile of the Group.
4. Scope 2 Emissions refer to indirect GHG emissions from energy generated by the use of electricity purchased from local power companies. The calculation is based on the emission factors from the 2011–2012 Regional Power Grid Average CO₂ Emission Factors in China guideline published by the National Development and Reform Commission of PRC and the 2020 sustainability report of CLP Power Hong Kong Limited.
5. The intensity of GHG emissions equals to the sum of Scope 1 emissions and Scope 2 emissions divided by the intensity unit.
6. The conversion factors for converting volumetric units of fuel consumption to energy units are making reference to CDP Technical note: Conversion of fuel data to MWh in 2020.
7. Air emissions refer to the emissions data from a light goods vehicle for transportation in Hong Kong only.
8. The types of hazardous wastes generated in the Reporting Period included toner cartridge and computer accessories.
9. The types of non-hazardous wastes generated in the Reporting Period included domestic waste, wastepaper and waste plastic.
10. Total workforce refers to the total number of employees of the REIT Manager as at the end of the Reporting Period.
11. Employee turnover refers to voluntary resignations of employees of the REIT Manager during the Reporting Period.
12. Employee turnover rate equals to the total number of employee turnover in the corresponding gender group divided by the total number of employees in the gender group.
13. Employee turnover rate equals to the total number of employee turnover in the corresponding age group divided by the total number of employees in the age group.
14. SF REIT was established on 29 April 2021 and this is the first ESG report since the listing of SF REIT on the Main Board of the Hong Kong Stock Exchange on 17 May 2021. Therefore, there is no relevant data for past two years.
15. Suppliers in Hong Kong and Mainland China provided mainly security and cleansing, supply of building materials and facility maintenance services. The supplier in Hong Kong also provided shuttle bus service.

ESG Reporting Guide Index

ESG Reporting Guide		Section/Explanation
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	ESG Management – Integrity in Business – ESG Governance Structure & Risk Assessment
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About this Report
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	About this Report



ESG Reporting Guide Index

ESG Reporting Guide		Section/Explanation
A. Environmental		
Aspect A1: Emissions		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		ESG Management – Green Operation – Energy Efficiency & Material Consumption and Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	As this is the first year for the REIT Manager to track, monitor and disclose the emissions data, the REIT Manager will continue to assess and review the emission patterns and set quantitative reduction target(s) in future.

ESG Reporting Guide		Section/Explanation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ESG Management – Green Operation – Material Consumption and Waste Management As this is the first year for the REIT Manager to track, monitor and disclose the emissions data, the REIT Manager will continue to assess and review the waste generation patterns and set quantitative reduction target(s) in future.
Aspect A2: Use of Resources		
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	ESG Management – Green Operation – Green Building, Energy Efficiency & Water Conservation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	As this is the first year for the REIT Manager to track, monitor and disclose the consumption data, the REIT Manager will continue to assess and review the consumption patterns and set quantitative reduction target(s) in future.



ESG Reporting Guide Index

ESG Reporting Guide		Section/Explanation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ESG Management – Green Operation – Water Conservation As this is the first year for the REIT Manager to track, monitor and disclose the consumption data, the REIT Manager will continue to assess and review the consumption patterns and set quantitative reduction target(s) in future.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This KPI is not applicable as both SF REIT and the REIT Manager are not engaged in the manufacturing industry.
Aspect A3: The Environment and Natural Resources		
	General Disclosure Policies on minimising the issuer’s significant impacts on the environment and natural resources.	ESG Management – Green Operation – Energy Efficiency, Water Conservation & Material Consumption and Waste Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ESG Management – Green Operation – Energy Efficiency, Water Conservation & Material Consumption and Waste Management

ESG Reporting Guide		Section/Explanation
Aspect A4: Climate Change		
General Disclosure		ESG Management – Green Operation – Climate Resilience
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ESG Management – Green Operation – Climate Resilience
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure		ESG Management – Health and Well-being
Information on:		– Employee Management, Labour Standards & Employment Practices
(a) the policies; and		
(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary



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ESG Reporting Guide		Section/Explanation
Aspect B2: Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		ESG Management – Health and Well-being – Health and Safety & Combating COVID-19
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	ESG Management – Health and Well-being – Health and Safety
Aspect B3: Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		ESG Management – Health and Well-being – Employee Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary

ESG Reporting Guide		Section/Explanation
Aspect B4: Labour Standards		
<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>		ESG Management – Health and Well-being – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	ESG Management – Health and Well-being – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	ESG Management – Health and Well-being – Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>		ESG Management – Excellence in Services – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	ESG Management – Excellence in Services – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	ESG Management – Excellence in Services – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	ESG Management – Excellence in Services – Supply Chain Management



ESG Reporting Guide Index

ESG Reporting Guide		Section/Explanation
Aspect B6: Product Responsibility		
<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>		<p>ESG Management – Excellence in Services – Customised Services & Customer Relationship and Satisfaction; Integrity in Business – Data Privacy and Security</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This KPI is not applicable as both SF REIT and the REIT Manager are not engaged in the manufacturing industry.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	ESG Management – Excellence in Services – Customer Relationship and Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property right is not considered as a material ESG issue to SF REIT due to its business nature.
KPI B6.4	Description of quality assurance process and recall procedures.	ESG Management – Excellence in Services – Customised Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	ESG Management – Integrity in Business – Data Privacy and Security

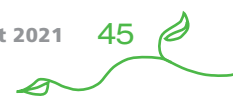
ESG Reporting Guide		Section/Explanation
Aspect B7: Anti-corruption		
<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>		<p>ESG Management – Integrity in Business – Anti-corruption and Anti-Money Laundering & Whistleblowing</p>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Performance Data Summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	ESG Management – Integrity in Business – Anti-corruption and Anti-Money Laundering & Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff.	ESG Management – Integrity in Business – Anti-corruption and Anti-Money Laundering
Community		
Aspect B8: Community Investment		
<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.</p>		<p>ESG Management – Health and Well-being – Community Investment</p>
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	ESG Management – Health and Well-being – Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Management – Health and Well-being – Community Investment



Glossary

Annual Report 2021	the annual report of SF REIT for the Reporting Period
Audit Committee	the audit committee established by the Board
Board	board of directors of the REIT Manager
Chief Executive Officer	chief executive officer of the REIT Manager
Compliance Manual	the compliance manual adopted by the REIT Manager for the management and operation of SF REIT
Corporate Governance Report	the corporate governance report of SF REIT for the period from 17 May 2021 (date of listing of SF REIT) to 31 December 2021 as contained in the Annual Report 2021
COVID-19	coronavirus disease 2019
Directors	directors of the REIT Manager
ESG	Environmental, Social and Governance
ESG Reporting Guide	Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Foshan Property	Foshan Guicheng Fengtai Industrial Park, which is a modern logistics property owned by SF REIT and located in Foshan, Mainland China
FSC	Forest Stewardship Council
GHG	greenhouse gas
GLA	gross lettable area
Group	SF REIT and its subsidiaries
HK\$	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited

KPI	key performance indicator
LEED	the Leadership in Energy and Environmental Design which is a global green building certification system developed and issued by the U.S. Green Building Council that provides third party verification of the features, design, construction, maintenance, operation and effectiveness of green building
Mainland China	for the purpose of this Report only, PRC (excluding Hong Kong, Macao Special Administration Region and Taiwan)
NGOs	non-governmental organisations
OHS	occupational health and safety
PRC	The People's Republic of China
REIT	real estate investment trust
REIT Manager	SF REIT Asset Management Limited, as the manager of SF REIT
Reporting Period	the period from 29 April 2021 (date of establishment of SF REIT) to 31 December 2021
RMB	Renminbi, the lawful currency of PRC
SF REIT	SF Real Estate Investment Trust, a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and constituted by the Trust Deed
SFC	Securities and Futures Commission of Hong Kong
SFH	S.F. Holding Co. Ltd. (順豐控股股份有限公司), a company established in PRC and whose shares are listed on the Shenzhen Stock Exchange, and is a controlling unitholder (as defined in the Code on Real Estate Investment Trusts issued by the SFC) of SF REIT
SFH Group	SFH and its subsidiaries
sq.m.	square metre



Glossary

this Report	the ESG report issued by SF REIT for the Reporting Period
Trust Deed	trust deed dated 29 April 2021 entered into between the trustee of SF REIT and the REIT Manager constituting SF REIT
Tsing Yi Property	Asia Logistics Hub – SF Centre, a modern logistics property owned by SF REIT and located in Tsing Yi, Hong Kong
Unitholders	holders of unit(s) of SF REIT
Wuhu Property	Wuhu Fengtai Industrial Park, a modern logistics property owned by SF REIT and located in Wuhu, Mainland China
%	per cent.