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A vibrant, stylized illustration of a smiling face. The face has large, expressive eyes and a wide, open-mouthed smile. The skin is a warm orange color. On the forehead, there are two black rectangular shapes, possibly representing hair or sunglasses. The face is surrounded by lush green foliage, including leaves and small white and orange flowers. Above the face, a hot air balloon with a colorful striped pattern and a basket is floating. A bright, multi-colored rainbow arches across the sky above the hot air balloon. The background is a soft, light blue gradient with several yellow starburst shapes scattered throughout.

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MESSAGE FROM THE CEO

From record high temperatures, to intense precipitation, typhoons and flooding, the brute force of climate change was thrust upon Hong Kong in 2023. With sustainability being embedded into our DNA as one of our core values, Fortune REIT has continually adopted best practices and is proud to be the first REIT in Hong Kong have committed to science-based targets during the Reporting Year, spearheading positive change in our industry. With the frequency and severity of extreme weather events becoming more prevalent, urgent concerted action to combat climate change is needed.



In recognition of our environmental footprint, during the Reporting Year, Fortune REIT has set science-based targets for the reduction in GHG emissions and new long-term 2035 environmental performance targets for energy, water and waste generated from our operations. Fortune REIT will continue to decarbonise its operations, foster positive social impact, continue to be an advocate to drive sustainable change and uphold high standards of governance across our business.

Fortune REIT is an ESG pioneer amongst its peers with a proven track record. Our dedication and incessant efforts in sustainability have been recognised by local and international prestigious organisations. We are honoured to be awarded 5-stars in the 2023 GRESB assessment, marking the third consecutive year that Fortune REIT has received the highest rating. In addition, Fortune REIT was recognised as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years. Amongst other recognitions, these two major recognitions are a true testament of our unrelenting pursuance of sustainability excellence.

In 2023, Fortune REIT celebrated its 20th anniversary. A series of events were held to commemorate this momentous occasion, showcasing Fortune Malls' dedication to the community over the years. A record 25 CSR events were held during the year and we hope to serve the community for many years to come.

One of our flagship malls, +WOO, has been undergoing asset enhancement initiatives since 2018 and is the first shopping mall in Hong Kong to be awarded BEAM PLUS Interiors certification for renovation – Gold rating. +WOO epitomises how existing buildings can be retrofitted into green buildings and offers a myriad of offerings for the expanding community to enjoy. These initiatives showcase the value creation of Fortune REIT to provide an enhanced experience for our shoppers and the community.

With the overarching objective of creating shared value for the local community and our stakeholders, our team worked tirelessly to accelerate our decarbonisation journey and to cement our position as a leading ESG company. I would like to thank our stakeholders for their unwavering support and collaborative effort on sustainability which has enabled Fortune REIT to achieve new milestones. We look forward to strengthening our partnerships with our stakeholders to build a more sustainable and brighter future for all.

CHIU YU, JUSTINA

Chief Executive Officer

ARA Asset Management (Fortune) Limited

as Manager of Fortune REIT

SUSTAINABILITY STATEMENT FROM THE BOARD

The Board oversees all sustainability issues, covering environmental, social and governance issues, and a Sustainability Committee was established to assist the Board in the effective execution of Fortune REIT's sustainability strategy, managing its sustainability performance and conveying its expectation to stakeholders.

Fortune REIT's sustainability strategy focuses on five key focus areas, namely Our Footprint, Our Community, Our People, Our Space and Our Conduct. Management have implemented initiatives under each of these key focus areas to drive sustainability initiatives throughout the Reporting Year; details of which have been set out in this Report. This year, we have established new long-term targets for reducing energy intensity, water intensity, and waste recycling rate, building upon the achievements of our previous targets.

Fortune REIT conducted a risk assessment across multiple risk categories which included the topic of climate change, to allow for a more comprehensive understanding of its operating landscape and preparedness. The risk assessment of Fortune REIT is reviewed by the Audit Committee, as delegated by the Board, on a semi-annual basis. Risks are then managed through the Manager setting out adaptive and mitigation measures according to the risk analysis results and reviewing the effectiveness of the measures regularly to ensure the risks identified are managed in an appropriate manner.

To ensure these risks will be properly considered and managed, Fortune REIT has analysed financial impacts of climate-related risks and opportunities this year, following climate scenario analysis conducted in 2022.

The Board will continue to push forward Fortune REIT's sustainability plans to fruition, with the aim of delivering sustainability excellence and maximising shared value for all our stakeholders.



2023 HIGHLIGHTS



1ST REIT IN HONG KONG TO ATTAIN THE HIGHEST 5-STAR RATING FOR GRESB



1ST REIT IN HONG KONG TO SET SCIENCE-BASED TARGETS FOR REDUCTION IN GHG EMISSIONS

OUR FOOTPRINT

To minimise Fortune REIT's environmental footprint

Energy Efficiency
-10%
(2023 Target reduce 5% against a 2018 baseline)

Waste Reduction
-5%
(2023 Target reduce 1% against a 2018 baseline)

Water Saving
-24%
(2023 Target reduce 1% against a 2018 baseline)

Climate change
-33%
(2023 Target reduce 3% against a 2018 baseline)

All 16 Fortune Malls in Hong Kong have green building certification in Management

Installed over 1,000 pieces of solar panels at 5 Fortune Malls

Expanded EV charger coverage to 3 Fortune Malls

Standard tenancy agreements include green lease clauses

Installed building management and building optimisation system which covers 85% of total GFA

62% of loans are sustainability-linked

OUR COMMUNITY

To deliver value to the community and address their needs

Giving Back (Corporate Social Responsibility)

A record 25 CSR events held with approximately 790 CSR hours clocked

Building an Inclusive Community

Offered in-kind venue support for social enterprises and NGOs

Stakeholder Engagement

Engaged with our stakeholders via the annual stakeholder survey, CSR events and various other means, including Farm@Fortune

OUR CONDUCT

To set a solid foundation for our business success

Business integrity and sustainability governance

Contractor Environmental Regulation, Contractor Safety Regulation and the Supplier's Code of Conduct in place

Provided ESG training for internal and external stakeholders

Management of sustainability-related risks

Zero incidence of non-compliance

Improved ESG disclosure with 2023 ESG report prepared in accordance with TCFD reporting principles and ISSB Standards

OUR PEOPLE

To provide our employees a constructive and balanced working environment

Employee Health and Wellbeing

Zero work-related injuries or fatalities for employees of the Manager for the past 3 years and zero lost days

An average of 3.5 hours per employee on health and wellbeing workshops

DEI training was provided, employee satisfaction survey included DEI factors; 100% employee participation for the employee satisfaction survey

Training and Development

Average 20.5 training hours per permanent employee

100% employees trained on sustainability, compliance and cybersecurity topics

OUR SPACE

To enhance our shoppers' experience with advanced technologies and pleasant shopping environment

Customer Health and Safety

Obtained Indoor Air Quality (IAQ) certification for 11 malls

+WOO is the first mall in Hong Kong to attain BEAM PLUS Interiors certification for renovation – Gold rating

HKGBC BEAM Plus 綠建環評

Innovation integration

Fortune Malls App underwent further development

Cleaning and disinfection robots were deployed at 4 Fortune Malls

MAJOR AWARDS AND RECOGNITIONS



GRESB
★★★★★ 2023

Hang Seng Corporate Sustainability Index Series Member 2023-2024

HONG KONG SUSTAINABILITY AWARD 2023
卓越房地產獎 Merit Award

GRESB X HERA
EXCELLENCE IN REAL ESTATE STANDING INVESTMENT BENCHMARK COMMENDATION
HERA 2023 卓越房地產獎

PLATINUM 鉑金級
HKGBC BEAM Plus 綠建環評 V2.0 2023

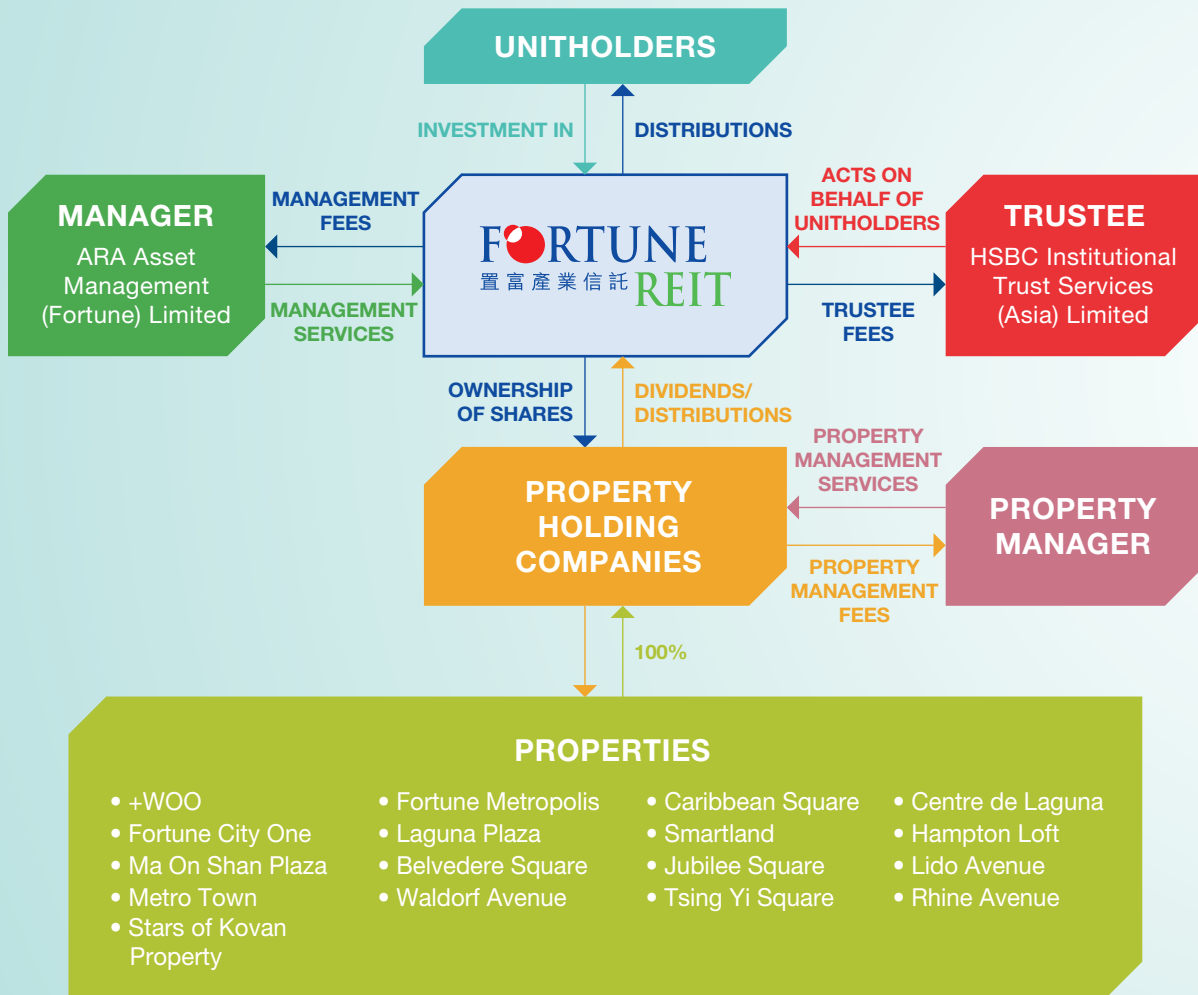
- Fortune Metropolis
- Ma On Shan Plaza

ABOUT FORTUNE REIT

Established in 2003, Fortune Real Estate Investment Trust (“**Fortune REIT**”) is a real estate investment trust constituted by a trust deed (as amended, supplemented or otherwise modified from time to time). It is the first REIT to hold Hong Kong assets and is currently listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**SEHK**”). Fortune REIT holds a portfolio of 16 private housing estate properties in Hong Kong (“**Fortune Malls**”) and 1 neighbourhood mall in Singapore, comprising 3.0 million square feet (“**sq. ft.**”) of retail space and 2,793 car parking spaces.

Fortune REIT is managed by ARA Asset Management (Fortune) Limited (the “**Manager**”) a wholly-owned subsidiary of ARA Asset Management Limited (“**ARA**”). ARA Asset Management Limited is part of the ESR Group (“**ESR**”).

FORTUNE REIT’S STRUCTURE AND PROPERTIES PORTFOLIO

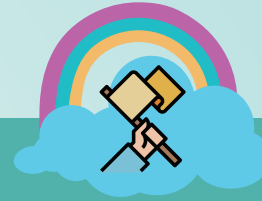


VISION, MISSION AND CORE VALUES



VISION

The Board's vision to be the best-of-class REIT manager, offering bespoke solutions and enduring value to investors and partners of Fortune REIT.



MISSION

Fortune REIT's mission is to deliver regular and stable returns to holders of Fortune REIT units ("**Unitholders**") through proactive management of Fortune REIT's portfolio of assets and acquiring properties that generate long term benefits to Unitholders.



VALUES



EXCELLENCE

We strive for excellence in every aspect of our business. We maintain high standards of performance and accountability, and we seek to learn, explore and improve continuously.



INCLUSION

We embrace diversity, equity and inclusion in the workplace. We believe trust and mutual respect among colleagues, partners and stakeholders are cornerstones of growth and success.



ENTREPRENEURSHIP

Our entrepreneurial spirit reflects our passion, courage and desire to succeed and ultimately drives the creation of opportunities and the delivery of superior outcomes in a competitive marketplace.



SUSTAINABILITY

Sustainability is central to our mission because we aspire to improve the environmental prospects of our planet. Our responsibilities to stakeholders, local communities and the world at large grow in tandem with our business. Accordingly, we commit to lead and embrace the highest standards of governance in forging a path to become a carbon neutral business.

MAJOR AWARDS AND RECOGNITIONS



GRESB
★★★★★ 2023

- Highest **5-star rating** for three consecutive years
- **Ranked 1st** in Eastern-Asia Listed Retail



Hang Seng Corporate Sustainability Index Series Member 2023-2024

- Included for **7 years** consecutively with **A Rating** or above
- Rated **AA-** for 2023-24



HKGBC BEAM Plus 綠建環評

- Comprehensive Scheme **Platinum rating** for Fortune Metropolis and Ma On Shan Plaza
- **Excellent rating** in Management for all **16 Fortune Malls in Hong Kong**
- +WOO – First mall in Hong Kong to attain BEAM PLUS Interiors certification for renovation – **Gold rating**



GRESB X HERA EXCELLENCE IN REAL ESTATE STANDING INVESTMENT BENCHMARK COMMENDATION 2023 卓越房地產獎

- Excellence in Real Estate by GRESB X HERA 2023 Awards



HONG KONG SUSTAINABILITY AWARD 香港可持續發展獎 2023 Merit Award

- Hong Kong Management Association Hong Kong Sustainability Award 2023 Corporate Award – Merit Award (Small and Medium-Sized Organisation Category)



For more information, please refer to the ESG Awards and Certifications section in this report.

ABOUT THIS REPORT

REPORTING YEAR AND SCOPE

The Environmental, Social and Governance Report (the “**Report**”) of Fortune REIT presents its sustainability performance for the financial year from 1 January to 31 December 2023 (“**2023**” or the “**Reporting Year**”). The reporting scope of this Report focuses on Fortune REIT’s full scope of operations for 16 private housing estate retail properties in Hong Kong and 1 private housing estate retail property in Singapore.

Property	Number of Car Parking Lots	Gross Rentable Area (sq. ft.)
Fortune City One	653	414,469
+WOO	622	665,244
Ma On Shan Plaza	290	310,084
Metro Town	74	180,822
Fortune Metropolis	179	332,168
Laguna Plaza	150	163,203
Belvedere Square	329	276,862
Caribbean Square	117	63,018
Jubilee Square	97	170,616
Smartland	67	123,544
Hampton Loft	35	74,734
Waldorf Avenue	73	80,842
Tsing Yi Square	27	78,836
Centre de Laguna	–	43,000
Lido Avenue	–	9,836
Rhine Avenue	–	14,604
Stars of Kovan Property	80	22,638
Total	2,793	3,024,520

About this Report

REPORTING STANDARDS AND PRINCIPLES

The Report is prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix C2 (formerly Appendix 27) of the Rules Governing the Listing of Securities on the SEHK.

In addition, this Report refers to the Global Reporting Initiative (“**GRI**”) Standards on certain material issues. This Report references Disclosures 2-3, 2-5, 2-7 to 2-9, 2-12, 2-22, 2-27, 2-29 from GRI 2: General Disclosures 2021, Disclosure 205-2 to 205-3 from GRI 205: Anti-corruption 2016; Disclosures 302-1 and 302-3 from GRI 302: Energy 2016; Disclosures 305-1 to 305-4 from GRI 305: Emissions 2016; Disclosures 405-1 from GRI 405: Diversity and Equal Opportunity 2016; and Disclosure 416-2 from GRI 416: Customer Health and Safety 2016. The Report also refers to the recommendations from the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) and in accordance with item 19 of Hong Kong’s Securities and Futures Commission’s ‘Circular to Licensed Corporations, Management, and Disclosure of Climate-related Risks by Fund Managers’. The report is also prepared with reference to the International Sustainability Standards Board’s (“**ISSB**”) new IFRS S2 Climate-related Disclosures published in June 2023.

Fortune REIT adheres to the following reporting principles in defining its reporting content:

- **Materiality:** Fortune REIT focuses on issues that have a significant impact on its business and are important to its stakeholders. Material issues are identified through a series of stakeholder engagement activities and are validated.
- **Quantification:** In order to illustrate the performance of Fortune REIT, key performance indicators are presented in quantitative terms with methodology explained whenever feasible.
- **Balance:** The Report provides stakeholders with an unbiased picture of Fortune REIT’s achievements and the risks it faces.
- **Consistency and comparability:** Fortune REIT employs a consistent measurement methodology to allow for meaningful comparison of ESG data over time. There is no significant change in the methodology in the preparation of the Report during the Reporting Year.
- **Completeness:** The Report responds to the material topics identified in the Reporting Year to avoid omission of any aspects that are material to stakeholders.
- **Accuracy:** Fortune REIT is committed to upholding the truthfulness of the information set out in the Report and ensuring its traceability.
- **Timeliness:** To allow timely and informed decisions of stakeholders, the Report discloses its impact on the environment and society with the Reporting Year.
- **Clarity:** The Report is written in a manner that is comprehensible and accessible to relevant stakeholders.

REPORT ASSURANCE

Fortune REIT has established internal controls and a formal review process to ensure that any information presented in the Report is as accurate and reliable as possible. With the assistance of the Sustainability Committee, the Manager’s Board of Directors (the “**Board**”) has reviewed and approved the Report.

In the Reporting Year, Fortune REIT appointed the British Standards Institution (“**BSI**”) to provide independent assurance of the Report and the environmental data (including energy, water, greenhouse gas and waste) in accordance with the ESG Reporting Guide. The assurance, the scope of work and conclusions can be found in the Independent Assurance Statement on pages 75 to 78.

FEEDBACK MECHANISM

Fortune REIT values feedback and comments from stakeholders. Stakeholders are welcome to share their views with Fortune REIT via enquiries@fortunereit.com to help define and strengthen its future sustainability strategy.

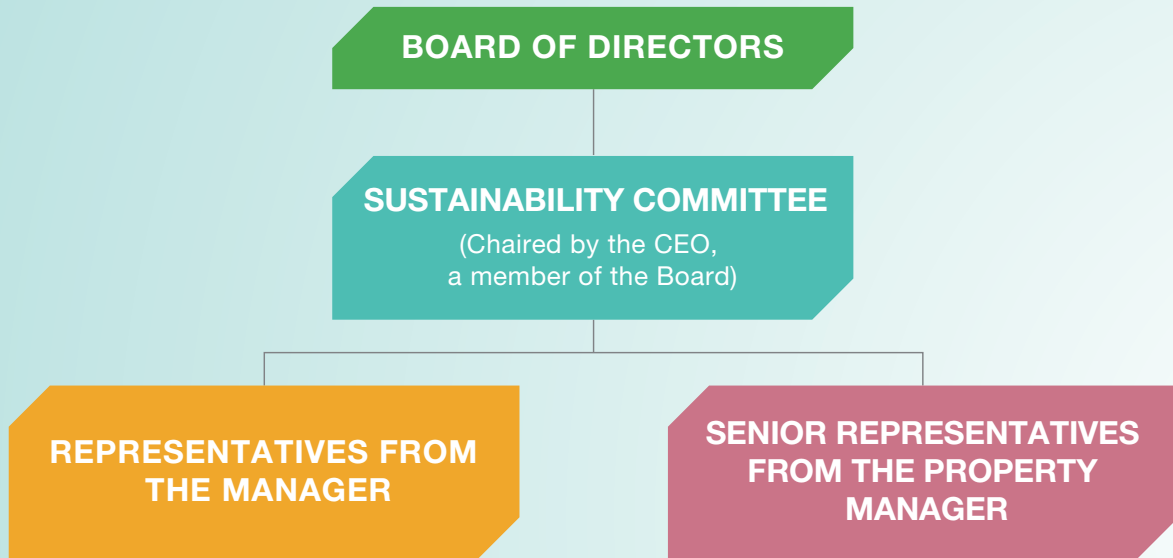
VALUE CREATION



SUSTAINABILITY APPROACH

Fortune REIT’s sustainability strategy sets the foundation of its approach in managing sustainability in pursuance of its sustainability objectives and concentrates its efforts on material issues which have a significant impact on Fortune REIT’s operations and stakeholders. With the collaborative efforts of the Board, the Sustainability Committee and stakeholders, Fortune REIT progressively improves its performance through assessing and managing sustainability risks and opportunities, while addressing stakeholders’ concerns in its decision-making processes.

SUSTAINABILITY GOVERNANCE



BOARD OF DIRECTORS

The Board has the fundamental responsibility for Fortune REIT’s sustainability. The Board oversees all sustainability issues, covering environmental, social and governance topics, such as climate-related issues. Various policies have been put in place to promote the efficient use of resources, adoption of energy efficiency and industry best practices, use of renewable energy, sustainability-anchored procurement and supply chain management processes, and incorporation of climate-related considerations into its risk management framework. These initiatives are embedded within the Manager’s business processes and policies, demonstrating the Manager’s determination to sustainable development and to reduce its carbon footprint.

The Board is informed by management on material ESG issues including Fortune REIT’s sustainability and climate-related risk identification, evaluation and the management of potential impacts from climate risks and opportunities requiring the Board’s deliberation with timely and adequate manner. The Board is kept apprised of sustainability-related matters through scheduled Board meetings and monthly updates. Through the Audit Committee, the Board reviews the risk management framework of Fortune REIT on a semi-annual basis. The risk management framework covers climate-related risks, including high impact physical and transition risks which have been assessed to be relevant and material to Fortune REIT. Board members are experienced and were provided with training on sustainability and climate-related issues during the Reporting Year.



Sustainability Approach

SUSTAINABILITY COMMITTEE

The Sustainability Committee was established to assist the Board in the effective execution of Fortune REIT's sustainability strategy, managing its sustainability performance and conveying its expectation to stakeholders including employees and the Property Manager. The Sustainability Committee conducts bi-monthly meetings to review sustainability issues, progress of implemented measures and considers climate-related risks and the potential impacts it may have on the Manager's operations, which are reported to the Board. It is also responsible for setting long-term reduction targets, monitoring the performance of Fortune REIT against the long-term reduction targets for energy consumption, GHG emissions, water consumption and waste consumption as delegated by the Board, sets key objectives and targets, and implements measures to improve Fortune REIT's sustainability performance.

RESPONSIBILITIES OF THE SUSTAINABILITY COMMITTEE

- Formulate sustainability strategy
- Target setting and review
- Monitor performance
- Review policies and measures
- Identify, prioritise and manage sustainability risks and opportunities
- Coordinate ESG reporting
- Ensure execution of measures by Property Manager
- Engage stakeholders in the decision-making process






SUSTAINABILITY STRATEGY

The sustainability strategy paves the foundation for Fortune REIT in its pursuit of sustainability excellence. Fortune REIT has set focus areas around Environmental (E), Social (S) and Governance (G) aspects, enabling Fortune REIT to prioritise its efforts and resources on issues that have the greatest impact on Fortune REIT’s operations and implement relevant action plans.

SUSTAINABILITY OBJECTIVES






 <p>To conserve the environment</p>	 <p>Be a responsible corporation</p>
 <p>Promote a healthy lifestyle</p>	 <p>Act in the best interests of our stakeholders</p>

SUSTAINABILITY STRATEGY

	Focus areas	Key Topics
<p>Environment</p> 	<p>Our Footprint</p> <p>To minimise Fortune REIT’s environmental footprint</p>	<ul style="list-style-type: none"> • Energy efficiency • Waste reduction • Water saving • Climate change
<p>Social</p> 	<p>Our Community</p> <p>To deliver value to the community and address their needs</p>	<ul style="list-style-type: none"> • Giving back (Corporate Social Responsibility) • Building an inclusive community • Stakeholder engagement
	<p>Our People</p> <p>To provide our employees a constructive and balanced working environment</p>	<ul style="list-style-type: none"> • Employee health and well-being • Training and development
	<p>Our Space</p> <p>To enhance our shoppers’ experience with advanced technologies and pleasant shopping environment</p>	<ul style="list-style-type: none"> • Customer health and safety • Innovation integration
<p>Governance</p> 	<p>Our Conduct</p> <p>To set a solid foundation for our business success</p>	<ul style="list-style-type: none"> • Business integrity and sustainability governance (anti-corruption, prevention of anti-competitive practices, labour practices and human rights) • Management of sustainability-related risks

Sustainability Strategy

KEY SUSTAINABILITY OBJECTIVES/TARGETS AND PROGRESS

Environment		
Key Topics	Key Sustainability Objectives/ Targets (Mid To Long-Term)	2023 Progress
<p>Our Footprint</p> 	<p>Energy Efficiency</p> 	<ul style="list-style-type: none"> • <i>Old target:</i> Reduce energy intensity by 5% against a 2018 baseline • <i>New target:</i> Reduce energy intensity by 30% by 2035 against a 2019 baseline • Improve energy efficiencies of buildings
	<p>Waste Reduction</p> 	<ul style="list-style-type: none"> • <i>Old target:</i> Reduce waste intensity by 1% against a 2018 baseline • <i>New target:</i> 15% waste recycling rate by 2035
	<p>Water Saving</p> 	<ul style="list-style-type: none"> • <i>Old target:</i> Reduce water consumption by 1% against a 2018 baseline • <i>New target:</i> Reduce water intensity by 10% by 2035 against a 2019 baseline
	<p>Climate change</p> 	<ul style="list-style-type: none"> • <i>Old target:</i> Reduce GHG emissions by 3% against a 2018 baseline • <i>New target:</i> Committed to a Science-based target to reduce Scope 1 and 2 GHG emissions by 46% by 2030 from a 2019 baseline year • Committed to measure and reduce Scope 3 GHG emissions • Incorporate green leases clause in standard Tenancy Agreement • Increase in green building certifications • Increase in green financing • Increase in solar energy generation at Jubilee Square, Laguna Plaza, Fortune Metropolis Fortune City One and +WOO • Expand EV charging points

- Exceeded the previously set five-year energy intensity target by 11% against a 2018 baseline year
- Set new long-term energy intensity reduction target
- Installed building management and building optimisation system which covers 85% of total GFA of Fortune Malls, allowing better operational efficiency leading to energy saving

- Exceeded the previously set five-year non-hazardous waste intensity target by 5% against a 2018 baseline year
- Set new long-term waste target
- Tackled food waste at our malls by participating in the Environmental Protection Department’s pilot scheme for food waste collection and recycled 260.5 tonnes of food waste during the Reporting Year
- Collaborated with Food Angel to install Smart Food Donation Machine at Laguna Plaza to further minimise food waste
- Installed the Recycling Fund’s Reverse Vending Machines for plastic bottles in our malls











- Exceeded the previously set five-year water reduction target by 24% against a 2018 baseline year
- Set new long-term water intensity reduction target
- Installed water saving faucets
- Used reclaimed water and harvested rainwater for landscaping irrigation

- Exceeded the previously set five-year Scope 1 and 2 GHG reduction target by 32% against a 2018 baseline year
- Science-based targets have been approved by SBTi in July 2023
- Implemented various measures to help tenants reduce their energy consumption
- Standard tenancy agreements include green lease clauses
- Maintained 100% green building certifications across our HK portfolio
- 62% of loans are sustainability-linked
- Installed solar panels at two more Fortune Malls, together with the existing solar panels installed in the portfolio, a combined total of 154.43 tonnes of GHG emissions avoided annually
- Installed EV chargers at 3 Fortune Malls






Sustainability Strategy

KEY SUSTAINABILITY OBJECTIVES/TARGETS AND PROGRESS

Social			
	Key Topics	Key Objectives/Targets (Mid To Long-Term)	2023 Actions
Our Community 	Giving back (CSR) 	<ul style="list-style-type: none"> To hold at least five CSR events each Reporting Year 	<ul style="list-style-type: none"> A record 25 CSR events held during the year focused on “Nurturing the youth”, “Creating a better community” and “Caring for the elderly” for Fortune REIT’s community investment Farm@Fortune, an integrated social value chain, at Fortune City One continued to raise environmental awareness in the community and reduce food waste with over 209 kgs of produce grown and donated Various events were held to commemorate Fortune REIT’s 20th anniversary celebrations with the focus on giving back to the community
	Building an inclusive community 	<ul style="list-style-type: none"> Provide in-kind support for social enterprises and NGOs 	<ul style="list-style-type: none"> Offered in-kind venue support for social enterprises and NGOs for events which promoted environmental protection and breastfeeding
	Stakeholder Engagement 	<ul style="list-style-type: none"> Seek stakeholder engagement via annual stakeholder survey Maintain 100% employee participation for the employee satisfaction survey 	<ul style="list-style-type: none"> Engaged with our stakeholders via the annual stakeholder survey, CSR events and various other means, including Farm@Fortune Included diversity, equality and inclusion factors into the annual employee satisfaction survey; with 100% employee participation
Our People 	Employee health and well-being 	<ul style="list-style-type: none"> Maintain a zero fatality and work injuries To hold at least one workshop annually to promote employee health and wellbeing To hold at least one workshop to promote diversity, equality and inclusion (“DEI”) in the workplace 	<ul style="list-style-type: none"> Zero work-related injuries or fatalities for employees of the Manager for the past three years and zero lost days Employees participated in seven health and well-being workshops; an average of 3.5 hours per employee DEI training was provided, employee satisfaction survey included DEI factors and all employees participated in the employee satisfaction survey
	Training and development 	<ul style="list-style-type: none"> Maintain 100% of employees trained annually 	<ul style="list-style-type: none"> Average of 20.5 training hours per employee which included sustainability, compliance and cybersecurity topics; with all permanent employees trained
Our Space 	Customer Health and safety 	<ul style="list-style-type: none"> Maintain indoor air quality certification for at least five malls 	<ul style="list-style-type: none"> Obtained Indoor Air Quality (IAQ) certification for 11 malls and regular inspection of mall facilities +WOO is the first mall in Hong Kong to attain BEAM PLUS Interiors certification for renovation – Gold rating and offers a children’s playground, interactive wall, green wall and skylight
	Innovation integration 	<ul style="list-style-type: none"> Adopt innovative practices into our operations Promote awareness of privacy concerns and cybersecurity attacks through training 	<ul style="list-style-type: none"> Fortune Malls App underwent further development Cleaning and disinfection robots were rolled out across 4 Fortune Malls

Sustainability Strategy

KEY SUSTAINABILITY OBJECTIVES/TARGETS AND PROGRESS

Governance			
	Key Topics	Key Objectives/Targets (Mid To Long-Term)	2023 Actions
Our Conduct 	Business integrity and sustainability governance 	<ul style="list-style-type: none"> Require all suppliers to comply with the Suppliers Code of Conduct Promote business integrity and sound corporate governance through training internal and external stakeholders Maintain channels for enquiries, feedback and complaints (including whistleblowing) To provide at least five hours of ESG training to employees of the Manager each year 	<ul style="list-style-type: none"> Contractors complied with the Contractor Environmental Regulation and Contractor Safety Regulation ESG training was provided to internal and external stakeholders (including the Board, employees and staff of the Property Manager) All employees have undertaken sustainability, anti-corruption, compliance and cybersecurity training Multiple avenues of communication were available to stakeholders and potential whistleblowers
	Management of sustainability-related risks 	<ul style="list-style-type: none"> Maintain zero incidence of non-compliance with relevant laws and regulations Review sustainability megatrends affecting our industry 	<ul style="list-style-type: none"> Zero incidence of non-compliance Material risks have been integrated into the existing risk management framework Published our first Climate Disclosures Report for 2021, and strengthened our climate disclosures with our 2023 ESG report prepared with reference to TCFD reporting principles and ISSB Standards





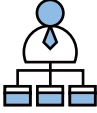
STAKEHOLDER ENGAGEMENT

Fortune REIT believes that active response to the expectations and concerns of stakeholders is integral to its operations and development. As committed in its Stakeholder Engagement Policy, Fortune REIT communicates frequently and effectively with its stakeholders to develop positive relationships with the communities in which it operates.

STAKEHOLDER ENGAGEMENT MECHANISM





During the Reporting Year, Fortune REIT engaged with its significant stakeholders through various channels including questionnaires/surveys, roadshows and community events.

SIGNIFICANT STAKEHOLDERS OF FORTUNE REIT

Stakeholders	Concerned topics	Communication channels
<p>Trustee/investors</p> 	<ul style="list-style-type: none"> • Anti-corruption • Business integrity • Management of sustainability-related risks • Climate change • Building certifications 	<ul style="list-style-type: none"> • Annual general meeting • Annual reporting • Surveys • Website and social media • Emails and hotline • Press releases • Investor meetings and roadshows
<p>Customers and shoppers</p> 	<ul style="list-style-type: none"> • Customer health and safety • Service quality management • Business integrity • Community engagement and investment • Community impact monitoring 	<ul style="list-style-type: none"> • Surveys • Website and social media • Fortune Malls App • Emails and hotline • Customer service counters and management offices • Partnering with NGOs and community events
<p>Property Manager</p> 	<ul style="list-style-type: none"> • Customer health and safety • Service quality management • Procurement practice • A safe and healthy working environment • Greenhouse gases and other air emissions • Waste management • Energy efficiency 	<ul style="list-style-type: none"> • Regular meetings • Sustainability Committee meeting • Surveys • Website • Emails and hotline



Stakeholder Engagement

Stakeholders	Concerned topics	Communication channels
<p>Tenants</p> 	<ul style="list-style-type: none"> • Business integrity • Anti-corruption • Customer health and safety • Greenhouse gases and other air emissions • Waste management • Energy efficiency 	<ul style="list-style-type: none"> • Tenants meeting • Circulars • Eco-taskforce • Tenant satisfaction survey • Website and social media • Fortune Malls App • Emails and hotline
<p>Contractors</p> 	<ul style="list-style-type: none"> • Procurement practice • Business integrity • Anti-corruption 	<ul style="list-style-type: none"> • Supplier Code of Conduct • Surveys • Website • Emails and hotline • Meetings
<p>Employees</p> 	<ul style="list-style-type: none"> • Anti-corruption • Talent attraction and retention • A safe and healthy working environment • Diversity and fairness in workplace • Greenhouse gases and other air emissions • Waste management • Energy efficiency 	<ul style="list-style-type: none"> • Employee satisfaction survey • Internal employee satisfaction survey • Employee communication and engagement programmes
<p>Non-governmental organisations</p> 	<ul style="list-style-type: none"> • Anti-corruption • Customer health and safety • Diversity and fairness in workplace • Climate change • Greenhouse gases and other air emissions • Waste management • Community impact monitoring 	<ul style="list-style-type: none"> • Website • Annual reporting • Emails • Survey • Partnering with NGOs and community events



Stakeholder Engagement

MATERIALITY ASSESSMENT

1



IDENTIFICATION

Fortune REIT reviewed sustainability issues from previous years and focused on 18 issues that respond to global sustainability megatrends in the real estate industry, stakeholder feedback, as well as local and international reporting standards to identify sustainability issues relevant to its operation.

The 18 issues align with the focus areas in Fortune REIT's sustainability strategy.

2



ENGAGEMENT

Feedback and opinions from internal stakeholders (Directors and employees) and external stakeholders (tenants, customers, suppliers, trustee, professional bodies, non-governmental organisations, media etc.) were collected via an online survey. Fortune REIT uses a double materiality approach and stakeholders were invited to express their views on the identified sustainability issues based on their importance to the stakeholders and relevant impact of Fortune REIT's business on the environment and society.

In the Reporting Year, Fortune REIT received 374 valid survey responses (2022: 256).

3



PRIORITISATION

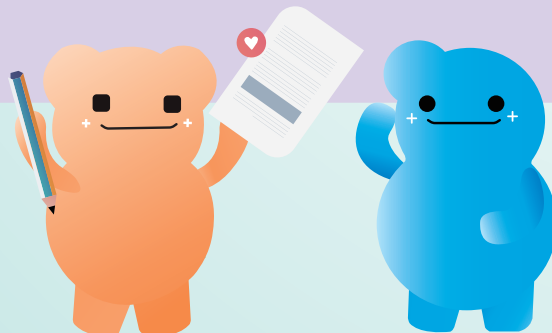
Fortune REIT considered its stakeholders' feedback and prioritised the identified sustainability issues according to their importance to stakeholders and their impact on Fortune REIT's operation. Among the sustainability issues identified, six issues were considered as most material.

4



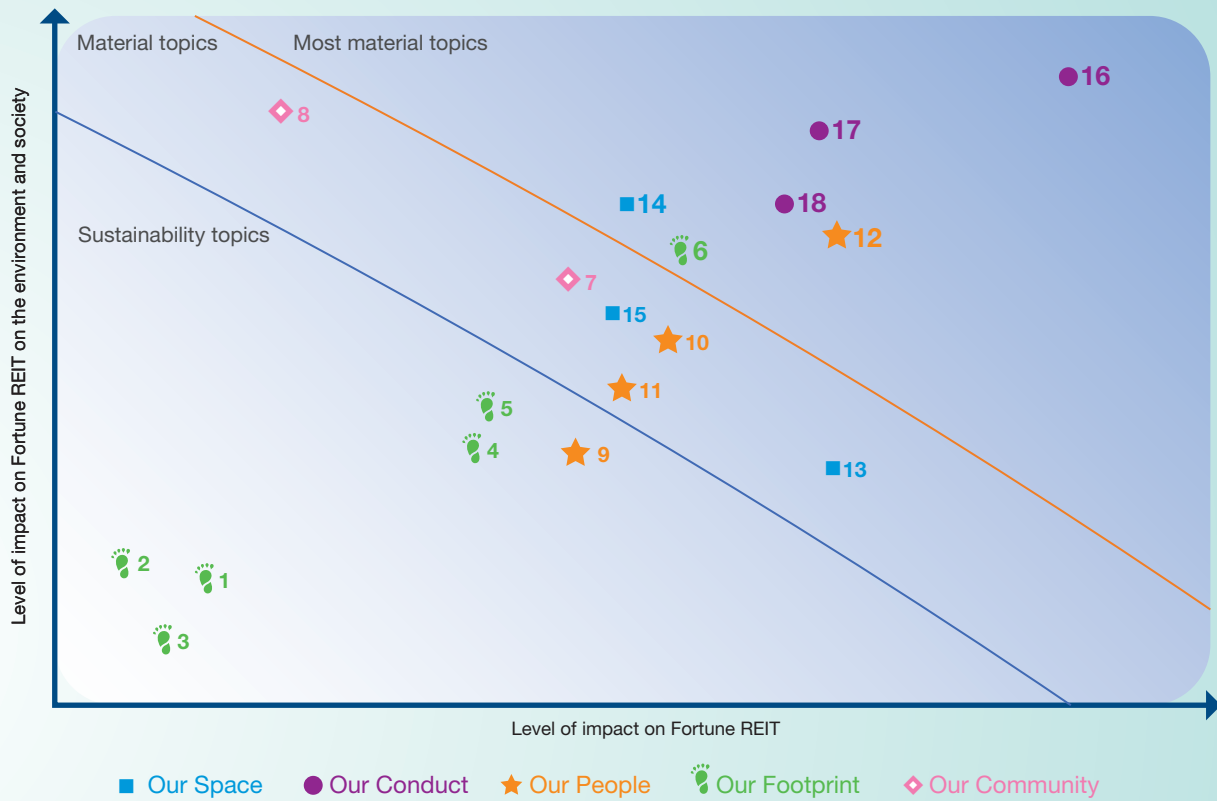
VALIDATION

The results of the materiality assessment were reviewed and approved by the Sustainability Committee and the Board.



Stakeholder Engagement

The materiality assessment results for 2023 are presented in the below materiality matrix with six material issues identified for the Reporting Year. Sustainability risk management was the most material issue identified with the other material issues in the order of decreasing materiality being: management of sustainability-related risks, business integrity, diversity and fairness in the workplace, anti-corruption, customer health and safety and climate change.



OUR FOOTPRINT

- Greenhouse gases and other air emissions
- Waste management
- Water and effluents
- Energy efficiency
- Building certifications
- Climate change**

OUR COMMUNITY

- Community engagement and investment
- Community impact monitoring

OUR PEOPLE

- Talent attraction and retention
- Training and development
- Safe and healthy working environment
- Diversity and fairness in workplace**

OUR SPACE

- Service quality management
- Customer health and safety**
- Procurement practice

OUR CONDUCT

- Management of sustainability-related risks**
- Business integrity**
- Anti-corruption**



Stakeholder Engagement

Feedback and opinions from stakeholders are valuable drivers for Fortune REIT’s continuous improvement, and various measures have been implemented during the Reporting Year. In addition to conducting the materiality assessment annually, Fortune REIT responds to stakeholders’ feedback through the implementation of various measures, the below is shown in the order of decreasing materiality:

Management of sustainability-related risks

Fortune REIT’s response:

Fortune REIT holds itself with the upmost integrity and has implemented various measures including internal controls and policies to meet this objective. The Manager has organised anti-corruption training for its Board, all employees of the Manager and Property Manager and maintains various channels for enquiries, feedback and complaints, please refer to Our Conduct section for further details.

Fortune REIT’s response:

Sustainability-related risks are included in Fortune REIT’s Risk Assessment which are regularly reviewed by the Audit Committee. The mitigating measures to the risks can be found in Sustainability Management section under Our Conduct.

Business integrity

Diversity and fairness in workplace

Fortune REIT’s response:

All employees of the Manager and the Property Manager received anti-corruption training during the Reporting Year. Please refer to the relevant sections under Our People and Our Conduct for further details.

Fortune REIT’s response:

Diversity, equality and inclusion (“DEI”) was one of the focal points for Fortune REIT during the Reporting Year. DEI training was provided to all employees and DEI factors were included in the employee satisfaction survey to listen to employees’ needs. Please refer to Our People section for further details.

Anti-corruption

Customer health and safety

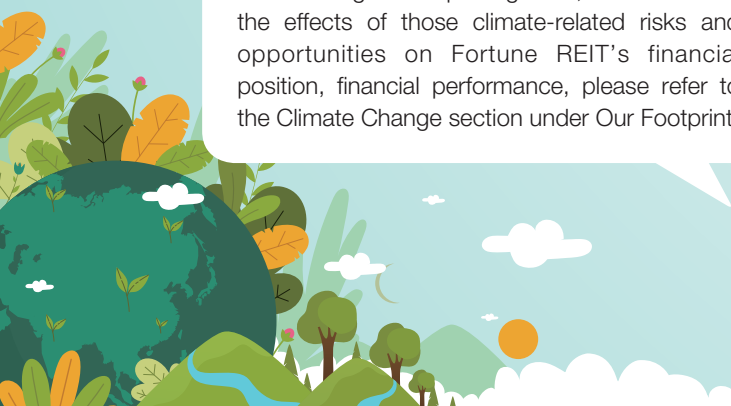
Fortune REIT’s response:

Fortune REIT has adopted various measures to reduce its GHG emissions and has conducted climate financial impact assessment in qualitative basis during the Reporting Year, to understand the effects of those climate-related risks and opportunities on Fortune REIT’s financial position, financial performance, please refer to the Climate Change section under Our Footprint.

Fortune REIT’s response:

Fortune REIT regularly conducts inspection of mall facilities, deploys cleaning/disinfection robots and monitors air quality to ensure customer health and safety. Please refer to Our Space section for further details.

Climate change





Fortune Malls are the destination-of-choice for local residents to fulfil their daily necessities. As part of the Manager's aim to serve the community and to uphold the living quality of the surrounding residents, policies and procedures have been put in place to prioritise high levels of customer health and safety, and service quality.



CASE STUDY

Fortune Malls – Caring and Supporting Communities for Two Decades

Fortune REIT marked its 20th anniversary in 2023. We honoured this milestone year through the theme of “Fortune Malls • Caring and Supporting Communities for Two Decades” to reflect our continuous dedication to our Sustainability Objectives: to conserve the environment, promote a healthy lifestyle, be a responsible corporation and act in the best interests of our stakeholders.

The celebrations featured various ESG elements including charitable donations, encouraging the community to live greener and healthier lifestyles, whilst showcasing local attractions, local artists and performers.

(i) “Fortune Happy Tour Around Hong Kong” (「置」Happy 遊香港) – Supporting local artists, highlighting Hong Kong's culture

Fortune Malls remains committed to supporting local artists and performers, by showcasing artistic and cultural works as highlighted by Fortune Malls' collaboration with Jane Lee, a.k.a Messy Desk, an up-and-coming muralist and illustrator based in Hong Kong, to produce promotional decorations and marketing materials for Fortune REIT's 20th Anniversary. The “Fortune Happy Tour Around Hong Kong” (「置」Happy 遊香港) collaboration showcased notable landmarks near Ma On Shan Plaza, +WOO, Fortune Metropolis and Fortune City One.

The vibrant, colourful artwork attracted a lot of attention for its originality and creativeness whilst staying true to the cause with a large cake as the centrepiece. As typical with Jane's artwork, her collaboration with Fortune Malls contained multiple layers, and mirrored a very densely-populated Hong Kong adorned with the houses and stairs in the city's architecture, in whimsical style whilst featuring her iconic characters, alongside our +WOO mascots, Woolu and Woola!



Our Space

Hong Kong-based girl group, Lolly Talk, made appearances at several Fortune Malls to open the festivities, drawing large crowds. A myriad of events, lucky draws and coupons were also launched to share the joy with our shoppers including redemption of mooncakes and calendars upon spending the stipulated amount. To encourage our shoppers to share the same support for the local arts scene whilst promoting environmentally-friendly practices, Fortune Malls also launched a marketing campaign for shoppers to exchange Point+ accumulated on the Fortune Mobile App for a reuseable shopping tote bag showcasing prints from Fortune Malls' collaboration with Messy Desk. Fortune Malls has also launched the Happy@Fortune Malls Lucky Draw, with the first prize being HK\$200,000 of travel vouchers, and the four-month rewards program also covers "Fortune" Rewards and "Fortune" Birthday Rewards under the Fortune Malls App.

The marketing campaign has been effective with Increased footfall recorded at Fortune Malls, spurred spending at Fortune Malls bringing a boost to our tenants. Tenants also received Fortune Cat piggy banks to grow their fortunes as a gesture for their continued support.



(ii) “Fortune Run • A 20-day relay sending food and warmth” (「置」Run 跑 • 20 天接力送溫飽)

Fortune REIT and social enterprise “FOODSPORT” kicked off the 20-day countdown to Fortune REIT’s 20th Anniversary, promoting physical exercise to transform calories burnt into food for those in need. Various activities were organised to mark this momentous occasion to give back and encourage the community to live healthier lifestyles including more than 160 employees of the Property Manager signing up to walk 10,000 steps a day, availing indoor exercise bikes in Fortune Malls to invite public participation, and offering fitness sessions, to urge the community to live active lifestyles. These exercise bikes will be available for the public to enjoy after the celebrations wound down.



(iii) “Fortune Heart • Fortune Care” (「置」Warm 心 • 獻關懷)

Fortune REIT organised a record 25 CSR events during the Reporting Year. The activities included distributing “Fortune” New Year Puddings, “Fortune” Rice Dumplings for the Elderly, Farm@Fortune organic planting experience, herb workshops, and a series of agricultural product harvest donations, etc., to send care to those in need. More information on the various community engagement and charitable events held can be found in the “Our Community” section of the ESG Report.



Our Space

On the date of the 20th anniversary, 13 August 2023, more than 250 employees and their families participated in a group fitness session led by the instructor of social enterprise “FOODSPORT”. With health and well-being being a priority for Fortune REIT, our employees came together for this session which promoted physical health, as well as mental and emotional well-being, and serves as a reminder to connect with others.

Through the various events, Fortune REIT accrued 2,000,000 calories in total. A “calorie cheque” representing food of an equivalent amount of calories, was presented to “FOODSPORT” and charity “Foodlink Foundation” which converted into 375kgs of rice, 81kgs of oatmeal, 45kgs of rice noodles and 360 cans of soup and ended the “Fortune Malls • Caring and Supporting Communities for Two Decades” project on a perfect note.

Ms. Chiu, CEO of the Manager said, “Fortune REIT has since day one adhered to its overall goal of delivering shared value to local communities and stakeholders. It has incorporated social responsibility into its corporate culture and has given back to society in various ways. That has been an important cornerstone supporting Fortune REIT’s steady development. We look forward to working together with customers, tenants and other stakeholders to take Fortune REIT and the communities where its properties call home to reach new heights and together witness the advent of the next 20 good years.”



Our Space

HEALTH AND SAFETY AT FORTUNE MALLS

Fortune REIT seeks to build an inclusive community and prioritises the accessibility of its malls by implementing accessible designs throughout Fortune Malls when planning its asset enhancement initiatives. These include barrier-free access, disabled ramps, lifts, automatic doors at mall entrances, assistance bell for visitors requiring assistance. In creation of an inclusive place, baby care rooms and family toilets are open for shoppers, to ensure a safe and convenient visit for the elderly, young families and the disabled.

With our ethos of serving the community at the forefront of our thinking, to increase walkability and accessibility of our malls for the vision-impaired, our mall has been included on the Smart City Walk App¹. Moreover, the Fortune Malls App (the “App”) also has an integrated way-finding function.

With the reopening of Hong Kong and the resumption of business operations, Fortune REIT’s priority still remains to provide a healthy and safe environment for shoppers, tenants, employees, and the community. The Manager, acting through the Property Manager, has also engaged independent consultants to carry out periodic safety inspections as well as monitoring and inspections related to the environmental quality and safety of its buildings.

Increased resources have been continuously dedicated to cleaning and disinfection across Fortune Malls, including the use of cleaning robots since the COVID-19 pandemic. The indoor air quality of the malls is vigilantly monitored and 11 of 16 Fortune Malls are certified with Indoor Air Quality Certification Scheme (Good Class).



Baby care room at +WOO



Disabled ramps

¹ The Smart City Walk App is a mobile application for indoor navigation which shows the current location of users and is able to navigate users to their destination. The Smart City Walk App is developed under the Jockey Club Smart City Walk Project initiated by the Hong Kong Blind Union and funded by The Hong Kong Jockey Club Charities Trust.

Our Space

THE PREFERRED SHOPPING EXPERIENCE

Fortune REIT is committed to continuously improving the quality of service offered at its malls, and works hand in hand with its Property Manager to regularly monitor the mall environment with an aim to provide a quality experience for shoppers and tenants alike.

The Fortune Malls App (the “App”) integrates information and offers for shopping, dining and parking for all 16 Fortune Malls in Hong Kong and features the Fortune+ loyalty programme which enables the Manager to promote its marketing campaigns in an effective and timely manner. Since its launch, the App has grown its customer base with more functions built-in the App including eVouchers. In addition to being a useful marketing tool to stimulate spending in Fortune Malls, the App has integrated features such as a directory and way-finding to optimise usability and offers a seamless offline-to-online shopping experience for shoppers. Fortune REIT protects the data privacy of its members and customers as outlined by the Privacy Policy Statement and Personal Information Collection Statement featured on its website and the App.

Fortune REIT constantly improves performance by collecting stakeholders’ feedback. Open and direct communication with tenants and shoppers is vital in achieving and maintaining high standards of customer service. Shoppers can also submit feedback and enquiries through Fortune Malls’ website, customer service counters, dedicated hotlines, emails and satisfaction surveys, which are all designed to collect feedback. All feedback will be followed up in a timely manner. The Property Manager is also required to equip their employees with the adequate knowledge and skills to address shoppers’ concerns professionally. Guidelines and training programs are made available to the employees of the Property Manager. As part of its supply chain management, Fortune REIT will consider the feedback and complaints received to evaluate the performance of property management service providers. During the Reporting Year, Fortune REIT received 37 enquiries/complaints from shoppers regarding customer service. The complaints were resolved and handled in a timely manner through clarification of relevant policies and procedures, with appropriate remedial action and improvements undertaken as necessary.



Our Space



CASE STUDY

+WOO: The First Mall In Hong Kong To Attain Gold Rating For BEAM PLUS Interiors Certification

+WOO Phase 2, one of our flagship malls in Tin Shui Wai, has been awarded a gold rating for BEAM PLUS Interiors certification; the first mall in Hong Kong to attain this certification. The BEAM PLUS Interiors assessment is comprised for seven key performance aspects: materials, management, green building attributes, energy use, indoor environmental quality, innovation and water use.



With an expanding catchment area and situated in the Northern Metropolis, +WOO has been designed to serve the community, by enhancing the functionality, safety and environmental considerations of the mall. To elevate the shopping experience, +WOO Phase 2 has been revitalised with an enhanced layout and inclusive facilities as well as interactive digital touches and sustainable elements, making it a desirable destination for shoppers of all ages.

Incorporating ESG considerations in AEI planning

Fortune REIT strives to operate the Fortune Malls in an environmentally friendly manner, and considers the incorporation of green building designs when carrying out its AEIs. Green building considerations were also integrated into the AEIs planning for +WOO Phase 2, such as the use of paints, adhesives, wall coverings, fabrics, and carpets with low volatile organic compounds.



New upgraded escalator and LED screen



Our Space

As part of the AElS, more than one hundred pieces of solar panels have been installed at +WOO along with a skylight and green wall. Exposure to natural light rather than artificial light has been linked to a wide array of health benefits, including elevated mood and increased creativity. The solar panels and skylight can help reduce energy consumption and GHG emissions associated with the electricity use. In addition to being aesthetically pleasing, the green wall serves to add greenery to the indoors, purifies the indoor air and creates a comfortable ambience for our shoppers.

Shoppers can also enjoy a green shopping experience at +WOO with water dispensers installed to reduce the usage of single-use plastic bottles, and EV charger bays have been installed in the carpark of +WOO Phase 2 to promote green mobility.



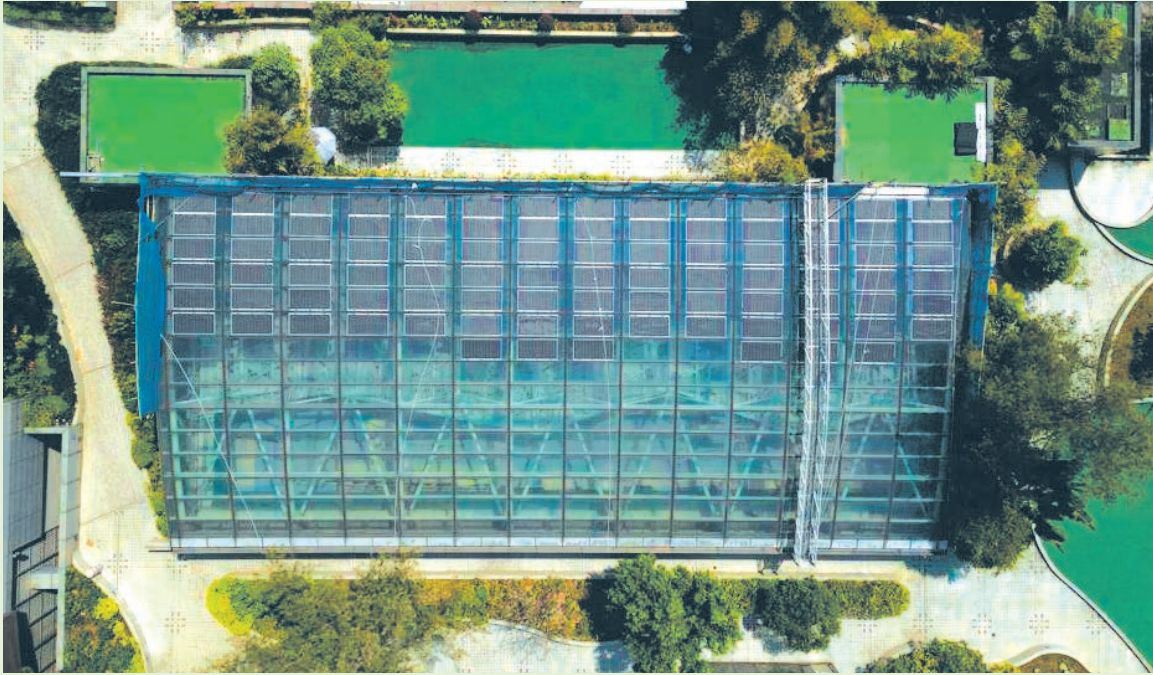
New children playground at +WOO



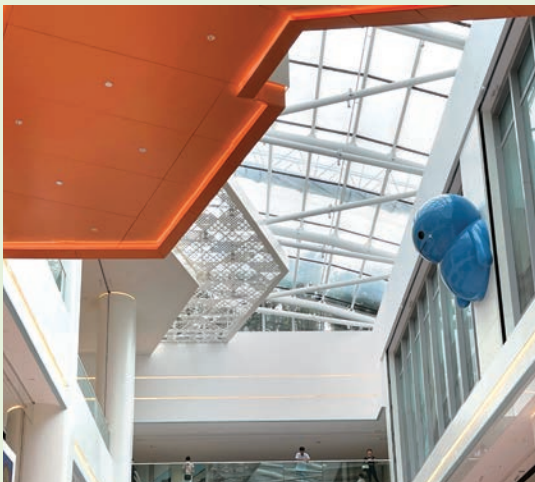
Our Space

The accumulation of these efforts has helped to solidify +WOO's leadership position in Tin Shui Wai, with the hope of capturing new demand from the expanding population fuelled by the Northern Metropolis development plan. So far leasing commitments have been positive and tenants from a myriad of trades have secured tenancies at +WOO, including local shops.

For more information about Fortune REIT's sustainability initiatives at +WOO, please visit our website: https://www.fortunereit.com/en/sustainability/pioneering_innovation_woo.php



Solar panels installed at +WOO



Transparent roof to introduce skylights



EV chargers are provided at +WOO car park





OUR CONDUCT

Fortune REIT sees integrity and ethics as the foundation of its operation. The Manager upholds highest standards in maintaining a corruption-free and free market, and the Board has established a framework for managing internal controls and business risks. The Manager also assesses relevant sustainability risks periodically to ensure risks are managed in a timely manner. For further details of Fortune REIT’s approach to managing sustainability and climate-related risks, please refer to “Sustainability Approach” section.

	<p>ESG and anti-corruption awareness training provided to the Board, all employees of the Manager and employees of the Property Manager</p>
	<p>Zero whistleblowing cases</p>
	<p>Zero incidence of non-compliance of relevant laws and regulations on Fortune REIT</p>

COMPLIANCE MANAGEMENT

Adherence to all applicable laws and regulations sets the foundation for Fortune REIT’s daily operation. Through effective management, policies and measures, risks of repercussions such as enforcement actions, fines, penalties and lawsuits due to non-compliance of relevant laws and regulations are minimised.

Under the Manager’s risk management system, Fortune REIT assesses the regulatory compliance risks and identifies laws and regulations that have significant impact on Fortune REIT’s operations, such as the Employment Ordinance and Minimum Wage Ordinance, Personal Data (Privacy) Ordinance, Occupational Safety and Health Ordinance, Air Pollution Control Ordinance, Water Pollution Control Ordinance and Waste Disposal Ordinance. Fortune REIT stays abreast of the latest regulatory developments and provides appropriate training for relevant employees.

The key ESG policies governing the operations of the Manager and Fortune REIT are listed below:

<p>Environmental</p>		<ul style="list-style-type: none"> ● Climate Change Adaption, Mitigation and Resilience ● Environmental Management System ● Indoor Environmental Quality ● Energy and Emissions Management 	<ul style="list-style-type: none"> ● Net Zero Carbon ● Sustainable Procurement ● Contractor Environmental Regulation ● Environmental Protection ● Environmental Resource Management
<p>Social</p>		<ul style="list-style-type: none"> ● Diversity, Equity and Inclusion ● Quality of Assets and Services ● Group Human Resources ● Employee Handbook 	<ul style="list-style-type: none"> ● Community Development ● Human Rights ● Contractor Safety



Our Conduct

Governance



- Anti-Bribery & Corruption and The Handling of Gifts, Travel & Entertainment
- Anti-Money Laundering & Counter Terrorist Financing & Sanctions
- Code of Conduct & Business Ethics
- Employee Dealing and the Handling of Inside Information
- Enterprise Risk Management Framework
- Corporate Governance Code
- Conflicts of Interest
- Board Diversity
- Whistleblowing
- Unitholders' Communication
- Supplier Code of Conduct
- Responsible Investment
- Information Security
- ESG Data Collection and Review
- Delegation of Authority

Please visit our website for more information in relation to our ESG policies, the Manager also adheres to the policies of its holding company, where relevant ESG policies are published on its websites:

https://www.fortunereit.com/en/sustainability/governance_engagement.php
<https://www.esr.com/environmental-social-governance/>

SUSTAINABILITY MANAGEMENT

An effective risk management mechanism is essential to adapting and mitigating rising sustainability risks such as climate risks. Management assists the Board in managing relevant risks and is responsible for risk identification, evaluation and management of potential sustainability risks. To allow for a more comprehensive understanding of the operating landscape and preparedness, Fortune REIT conducted a risk assessment across multiple risk categories, identifying potential risks, outcomes, and mitigation measures, with continuous monitoring and reporting of risks to ensure that risks are effectively managed.





Having an effective risk management system enables Fortune REIT to strengthen resilience to sustainability risks, the Risk Profile Register also incorporated climate change (including physical and transition risks) and megatrends in the real estate industry, including changes in climate reporting, landlord-tenant engagement to foster net-zero efforts, adoption of proptech, adoption of renewable energy and use of carbon credits to offset emissions.

To allow for a more comprehensive understanding of the operating landscape and preparedness, Fortune REIT conducted a risk assessment across multiple risk categories, identifying potential risks, outcomes, and mitigation measures for each. For more information on Fortune REIT's risk management process, please refer to the Corporate Governance Report contained in Fortune REIT's 2023 Annual Report.



Our Conduct

With management of sustainability-related risks identified as the most material issue as part of the materiality assessment conducted during the Reporting Year, Fortune REIT adopted measures to continuously step up its efforts to mitigate the risks:

Sustainability-related risks	Mitigation measures
<p>Climate change mitigation and adaptation</p> 	<p>As further protection against extreme weather events, the Manager has undertaken insurance policies for all its malls covering damage arising from climate-related extreme weather, including typhoons and floods. To counter the threat of climate change, the Manager has also implemented various mitigation initiatives to reduce the release of GHG emissions into the atmosphere. More details of the Manager's efforts to decarbonise are set out in the Our Footprint section of the ESG Report.</p>
<p>Climate disclosure</p> 	<p>As part of Fortune REIT's net-zero planning, Fortune REIT conducted a climate scenario analysis and financial impact assessment to identify and analyse the potential risks of climate change on its operation and financial position and performance. Physical and transition climate risks were identified and appropriate mitigating controls have been implemented. Disclosures in accordance with TCFD and reference to ISSB S2 are embedded throughout the Report along with an index.</p>
<p>Cybersecurity and data privacy</p> 	<p>The Manager strives to provide a secure and reliable digital system to protect personal data through mandatory cybersecurity training for employees, random simulated phishing security tests, the introduction of multi-factor authentication as well as a digital workshop to enhance digital skills and competencies and adhering to ESR's policies; please refer to the Our Conduct section to learn more about the Manager's actions on this front.</p>
<p>Customer health and safety</p> 	<p>The Manager has implemented initiatives to enhance accessibility of its malls to offer safety and convenience to the elderly, young families and the disabled such as barrier-free access, disabled ramps, lifts, automatic doors at mall entrances and family toilet. The Manager has stepped up cleaning and disinfection at malls in response to increase awareness on public health after the pandemic.</p>



Our Conduct

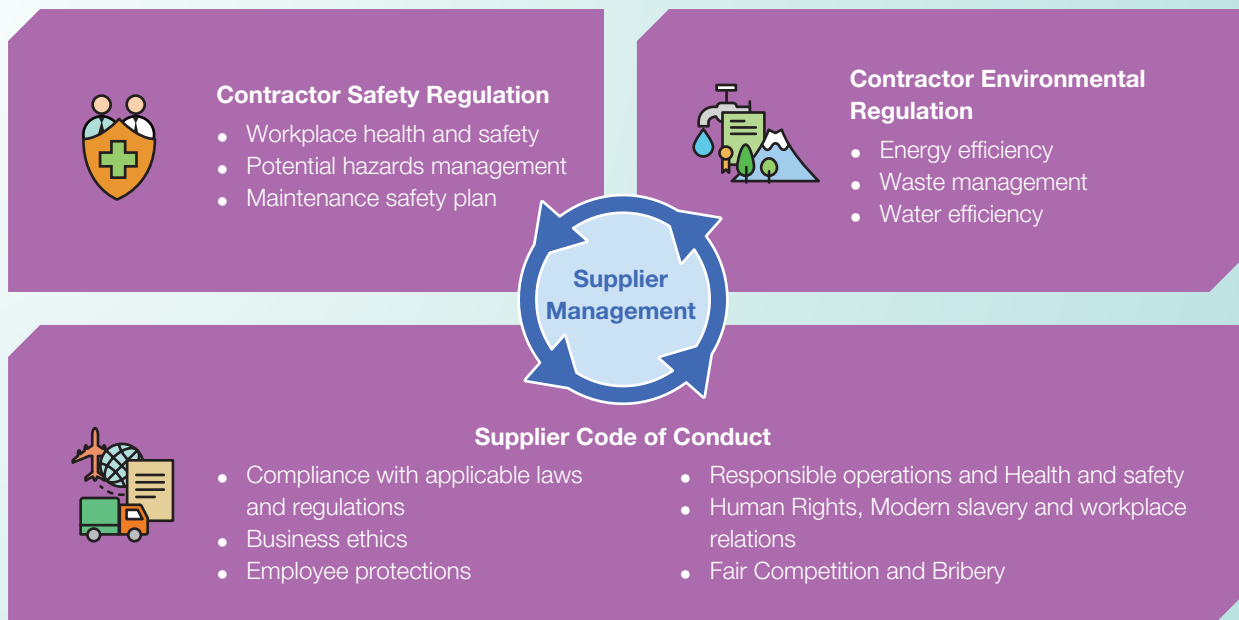
RESPONSIBLE PARTNERSHIPS WITH OUR SUPPLIERS

Due to the business nature of Fortune REIT’s operations, Fortune REIT works hand in hand with a number of suppliers, such as its Property Manager and cleaning contractors.

Number of Suppliers		2023
Office	Asia	281
	% of suppliers with management practices implemented	68%
Fortune Malls	Asia	265
	% of suppliers with management practices implemented	100%

To align suppliers with Fortune REIT’s sustainability strategy, the Manager considers the environmental and social impacts in its selection of suppliers and contractors. Approved contractor lists are reviewed regularly and ESG-specific requirements are included in the contractor declaration form as part of the tender process to manage ESG risks in the supply chain.

In order to cultivate a culture of sustainability with its operations, all suppliers of Fortune Malls are required to adhere to the Supplier Code of Conduct, and to undertake compliance with the code of conduct, applicable laws and regulations, the ethical conduct of business, the protection of the rights of all employees and responsible operations, covering principles including health and safety, human rights, modern slavery, workplace relations, fair competition and bribery. As a result, the Manager manages the environmental and social risks in its supply chain through stipulating its minimum expectations of its suppliers in its Supplier Code of Conduct.



Our Conduct

Furthermore, the Contractor Environmental Regulation and Contractor Safety Regulation policies are provided to contractors when performing work at Fortune Malls, and major contractors are also required to adhere to the Contractor Safety Regulation, which mandates the establishment of a safety plan when performing maintenance work in common areas of Fortune Malls. The Manager actively communicates with suppliers and contractors to ensure outlined expectations are met so that operations are running smoothly and responsibly.

The Property Manager is one of the major suppliers of Fortune REIT and the employees of the Manager communicate with the Property Manager daily. The Property Manager is entrusted with handling the day-to-day operations, leasing and marketing activities of Fortune Malls. Given that effective communication and management of suppliers are key to achieving Fortune REIT's sustainability ambitions, senior representatives from the Property Manager have been invited to sit on the Sustainability Committee to provide their insights and on-the-ground perspectives on the daily operations of the malls.

Fortune REIT aims to leverage its platform to drive sustainable change amongst its stakeholders. To keep the Property Manager abreast of developments, ESG training was also organised to the employees of the Property Manager on the topics of reducing GHG emissions, managing waste and sustainability, diversity, equality and inclusion, employee health and safety, and anti-corruption.

BUSINESS ETHICS AND INTEGRITY

Fortune REIT strives to uphold the highest standards of business integrity across all its operations, including a zero-tolerance policy on acts of corruption, bribery, extortion, fraud, money laundering, anti-competitive practices or violations against human rights. The Manager seeks to promote business integrity and sound corporate governance through a variety of initiatives, such as comprehensive training for both internal and external stakeholders, with the Board, all employees and the Property Manager having received anti-corruption training during the Reporting Year. Fortune REIT maintains clear channels for enquiries, feedback and complaints open to all stakeholders, including a whistle-blowing policy that provides clear procedures for employees and relevant stakeholders to report suspected improprieties and obstructive actions, while maintaining the identity protection of the whistle-blowers. Further details regarding the Manager's anti-corruption and whistle-blowing procedures can be found in Fortune REIT's 2020 Sustainability Report. As a subsidiary of ESR, the Manager will adopt the United Nations-supported Principles for Responsible Investment in its investment and asset management policies and practices.



Our Conduct



CASE STUDY

Compliance Training

The Manager strives to develop, promote and maintain high standards of corporate governance as stipulated in the Code of Conduct and Business Ethics, which is applicable to all employees of the Manager. As part of a wider training initiative driven by ESR, a compliance training program was rolled out during the Reporting Year to educate and refresh our employees’ knowledge on the relevant laws, regulations and internal controls that apply to their day-to-day job responsibilities. The robust compliance training program required employees to complete training on five compliance topics including Business Gifts and Entertainment, Data Privacy, Sanctions, Conflicts of Interest and Fraud Prevention. The training is designed with the purpose of reducing organisational risks and boosting our stakeholders’ confidence in our business and operations and was mandatory for all employees. For more information about the compliance training provided by the Manager, please visit our website at: https://www.fortunereit.com/en/sustainability/compliance_training.php



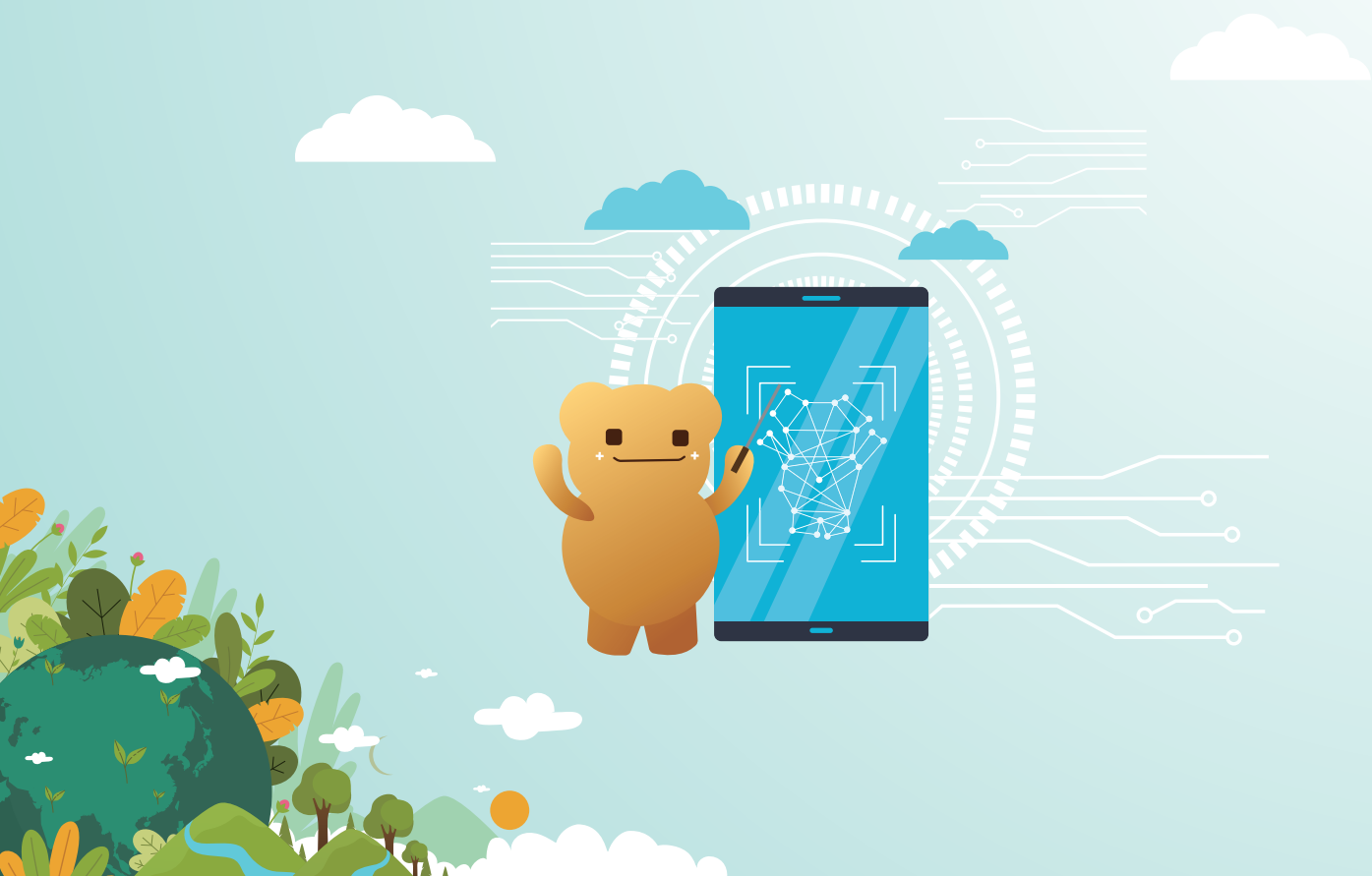
Our Conduct

EMBRACING DATA-DRIVEN CULTURE

The Manager adheres to its Group's policy regarding intellectual property which requires all employees to handle intellectual property with care and respect. As stipulated in the Group Human Resources Policy, all employees must not copy or disseminate any copyright material in a manner which would be in violation of the rights of the copyright owner. To avoid misuse of intellectual property, the consequences of violation are outlined in the policy. In addition, Fortune REIT maintains responsible marketing communication by publishing truthful and honest information. Marketing materials are approved by Management before publication.

As Fortune REIT embraces digitalisation and digital culture, the importance of protecting data against potential breaches, misuse and cyberattacks has been elevated. The Manager respects the data privacy of its tenants and customers, a value shared with the Property Manager. The Property Manager has formulated a general guideline and set out standards for handling personal data related issues. A comprehensive procedure is in place guiding the collection, access, update, security, retention and destruction of data received. It stipulates that if personal data is collected, a privacy policy statement or personal information collection statement must be provided to the customer to clearly explain the purpose for collecting personal information, the types of information being collected, how the information will be used, disclosure of information and access to information when correction is needed. During the Reporting Year, the Manager was not aware of any non-compliance with laws and regulations related to product and service responsibility, including but not limited to the Personal Data (Privacy) Ordinance in Hong Kong.

With increased cybersecurity attacks, cybersecurity was another risk identified in Fortune REIT's Risk Profile Register and in accordance with its Group's Information Security Policy which governs information availability, confidentiality and security, the Manager recognises the importance of a secure and reliable digital system to protect data. There are multiple layers of security incorporated across the Information Technology (IT) landscape with constant monitoring of internet gateways to detect potential security events, network vulnerability assessment and penetration testing are also conducted regularly to identify any potential security gaps. Fortune REIT adheres to its Group's strategy in managing cybersecurity risks, and the preventative measures implemented include mandatory cybersecurity training for employees, random simulated phishing security tests, the introduction of multi-factor authentication for added security and the prevention of stolen passwords and against hacking, as well as a digital workshop to enhance digital skills and competencies.







OUR PEOPLE

Fortune REIT’s employees are the driving force behind its success; they make up the fabric of who we are and what we embody as an organisation, therefore, each employee is highly valued. To continue to build the best team possible, the Manager invests in its employees, and aims to provide an inclusive work environment that prioritises health and safety, and nurtures professional development and growth. Fortune REIT’s current data collection focuses on its direct employees, and all suppliers are required to adhere to its Supplier Code of Conduct which seeks to protect the rights of workers, covering principles including health and safety, human rights, modern slavery and workplace relations.


In the Reporting Year, the Manager complied with laws and regulations related to employment and labour practices, including but not limited to the Employment Ordinance and the Occupational Safety and Health Ordinance in Hong Kong, and the Manager was not aware of any non-compliance in relation to employment, health and safety, child and forced labour.




100% of employees of the Manager participated in the employee satisfaction survey, which included DEI elements



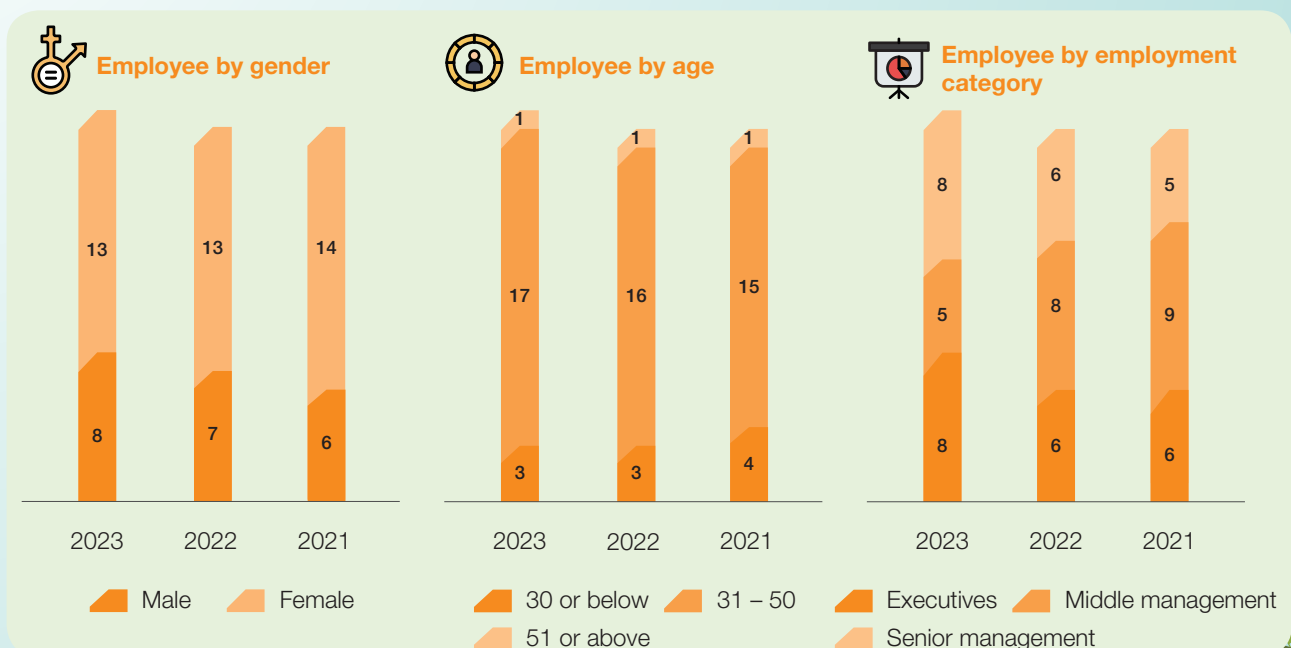
All permanent employees of the Manager undertook training, including 7.3 hours of training on sustainability, compliance and cybersecurity topics



574 workers² and employees, of which 21 are full-time employees of the Manager in Hong Kong



No work-related injuries or fatalities for employees of the Manager for the past three years and zero lost days



Our People

TALENT ATTRACTION AND RETENTION

A set of employment policies in relation to recruitment, promotion, dismissal, working hours, rest days and holidays, compensation and benefits, are included in the Manager's Employee Handbook. They deliver the Manager's expectations of its employees, while supporting fair treatment of employees through transparent practices, reflecting principles such as equal opportunity, non-discrimination and professional conduct.

Diversity of background, experience and thinking amongst Fortune REIT's workforce contributes to the Manager's ability to create value for customers, tenants and unitholders, and is also fundamental to attracting and retaining talent. In the challenging operating environment as of late, Fortune REIT relies on its agile workforce to adapt and innovate to change. Fortune REIT respects and appreciates differences in ethnicity, gender, age, nationality, disability, sexual orientation, education and religion. As detailed in the Group Human Resources Policy, the Manager embraces diversity in the workplace by hiring talent from various backgrounds, cultures and languages based on merit. The Manager respects differences in ethnicity, gender, age, nationality, disability, sexual orientation, education and religion, and is committed to a work environment that provides equal opportunities to all its employees in terms of compensation, recruitment, training, promotion, health and safety and other benefits and rights for its employees.

The promotion of fair, responsible and progressive employment practices among employees and the public is also paramount to Fortune REIT³. The Manager reinforced this commitment by protecting the rights and contributions of each employee with regards to remuneration, recruitment, training and promotion, irrespective of their differences throughout their employment with the Manager. Although the risks of hiring child labour or forced labour are deemed to be low due to the Manager's office-based operation, Fortune REIT does not condone child or forced labour of any kind, which is in line with the Human Rights Policy. The Manager also requires the Property Manager to adhere to the principles of respecting labour rights.

The Manager has performance management and career development tracking process in place for all employees. The annual assessment is designed to evaluate employees' performance, encourage two-way feedback as well as identify training needs and development opportunities. During the Reporting Year, all employees went through a performance management system which ensures that the staff development and performance improvement are in alignment with business priorities and employee needs. Employees are invited to share their opinions and suggestions through an open appraisal system where employees could discuss with their supervisors on job related issues such as job performance, career expectations, training needs or grievances. In cases where employee services are to come to an end due to resignation, termination or retirement, relevant procedures are in place, including notice process, exit interviews, exit clearance and other measures as detailed in the Employee Handbook.

In order to continually improve the workplace and boost employee satisfaction, Fortune REIT conducts an internal and external annual employee satisfaction survey for employees to share their feedback, expectations, and any concerns that they may have regarding the work environment, employment practices or the Manager's conduct, of which 100% of the Manager's employees participated in the Reporting Year. Moreover, all employees also completed ESR Group's external employee satisfaction survey during the Reporting Year. In view of the results collected from the various employee satisfaction surveys, the Manager will seek to engage with its employees and continue to promote initiatives focused on employee well-being and workplace satisfaction in the workplace.

² Workers include workers that are not directly employed by Fortune REIT whose work and/or workplace is controlled by Fortune REIT, including property managers, cleaning contractors and security etc.

³ The Manager has pledged to the Tripartite Alliance for Fair and Progressive Employment Practices is an organisation set up in 2006 by the Ministry of Manpower, National Trades Union Congress, and Singapore National Employers Federation, to promote the adoption of fair, responsible and progressive employment practices.

Our People

TRAINING AND DEVELOPMENT

Fortune REIT seeks to provide its employees with opportunities for growth, and makes consistent efforts to equip its employees with the skills and knowledge they require in order to succeed. During the Reporting Year, all employees received training, regular performance and career development reviews. An average of 20.5 training hours was recorded for each employee of the Manager during the Reporting Year. The Manager has also organised refresher sessions on health insurance and mandatory provident fund talks to employees to keep them informed about their benefits. A series of training sessions were organised during the Reporting Year on the topics of diversity, equality and inclusion, real estate and IT, as well as soft skills including:

Real Estate and IT skills



Technology is constantly evolving and changing, so refreshing IT skills are essential to improve productivity and remain relevant. Refreshing IT skills training can help IT professionals learn new skills, update existing ones, and gain confidence and credibility in their work. It can also help them adapt to changing customer needs, solve problems more efficiently, and innovate more effectively.

- ESR Learning Bite: *Shaping Communities Through Urban Planning in Singapore to learn about its history and its influence on urban environment*
- ESR Learning Bite: *Boosting Productivity on Microsoft Teams*
- ESR Learning Bite: *New AI Assistant Bing Chat Enterprise*

Soft skills



Soft skills are essential for any professional who wants to succeed in the workplace. These skills help professionals to interact effectively with others, adapt to different situations, and cope with challenges. During the Reporting Year, the following soft skills training were rolled out to employees:

- ESR Training programme: *Performance Management for People Managers to help managers understand their role in the performance appraisal process*
- ESR Learning Bite: *Managing Goals and Cultivating Performance Mindset to help employees run how to cultivate a growth mindset for success*
- ESR Learning Bite: *Speaking the Language that Fosters Collaboration in the Workplace*

Our People

INFUSING ESG IN OUR WORKPLACE

The Manager has included ESG-related performance indicators in its employees' performance appraisal, including training hours and corporate social responsibility ("CSR") volunteer participation. With the spotlight on sustainability and compliance, the training provided during the Reporting Year were geared towards these two topics, with 100% employee participation. For sustainability, the topics included were waste management, reducing GHG emissions, sustainability, diversity, equality and inclusion, employee health and safety, anti-corruption and cybersecurity. For compliance, this included the following training: business gifts and entertainment, data privacy, sanctions, conflicts of interest, fraud prevention and fairness, honesty and trust/accurate books and records. Fortune REIT seeks to further develop its total workforce, and plans to continue to extend its sustainability training for workers employed by its Property Manager in the future.

The Manager strives to offer a diverse workplace where a variety of ideas are appreciated and one's background, experience and thinking are respected and valued. With DEI becoming increasingly important, the Manager has also included DEI elements in the internal employee satisfaction survey to gauge employee's opinions about workplace diversity, and the effectiveness of current policies and initiatives.

Diversity, Equality and Inclusion (DEI)



DEI are essential values for any workplace; and inclusion is a core value of ESR. These DEI values foster a culture of respect, innovation and collaboration among employees. By embracing DEI, a workplace can benefit from the diverse skills, experiences and perspectives of its employees, as well as attract and retain talent, enhance customer satisfaction and improve its reputation, as such the Manager has provided training on this topic to encourage positive behaviours in the workplace.

- ESR Learning Bite: *The Future of Work is Gender Equal to foster gender equality in the workplace and society*

To inculcate the spirit of volunteerism with an engaged workforce, ESR implemented volunteering leave during the Reporting Year. Employees of the Manager are entitled to two days of paid volunteer leave each year to dedicate time to volunteer in community related activities.



Our People

A SAFE AND HEALTHY WORKING ENVIRONMENT

The Manager is committed to protecting its workers from injuries, striving to minimise work injuries of employees and workers, and seeks to provide a safe workplace for its employees to perform their work through regular safety inspections. Fortune REIT also requires its Property Manager to operate with a health and safety management system certified with ISO 45001 and is guided by a set of policies and procedures applicable across all operations under Fortune REIT. Furthermore, the Property Manager has a Health, Safety and Environment Committee to ensure the effectiveness of relevant policies and implement corrective measures where appropriate. During the Reporting Year, there were one work-related injury which resulted in four lost days for our workers.

The Manager strives to provide employees with not only a safe workplace, but one that is able to support them in maintaining their holistic wellness, including their mental health. A number of well-being initiatives and team building sessions have been rolled out during the Reporting Year, with employees participating in the mocktail session, team building events as well as regular lunch talks. Bespoke wellness sessions were organised for employees after common concerns were identified in the internal employee satisfaction survey conducted. A series of lunch talks and activity sessions covered various wellbeing topics, including:



Mental health and stress management

Wellness sessions to help employees take care of their mental health, manage their stress levels effectively and wellness activities to relax, and unwind



ESR Learning Bites: *Mental Health — Strategies for the Workplace*



Our People

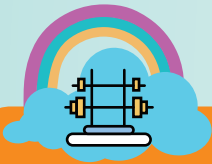


General health and well-being

Wellness sessions to encourage employees to make healthy food choices and adopt correct posture at work



ESR Learning Bite: *Good Ergonomics for Better Workplace Health*



Fitness and flexibility

Wellness sessions to promote physical and mental health to help employees benefit from increased productivity, creativity and satisfaction at work



ESR Learning Bite: *Good Ergonomics for Better Workplace Health*



Health Talk & Massage Session

Team cohesiveness is vital to the Manager. A cohesive team can perform better and employees have a sense of belonging and satisfaction. The Manager has cultivated a cohesive and open work environment which encourages the sharing of ideas, feedback, and knowledge amongst employees. Various initiatives have been implemented to strengthen bonds within the team, including townhalls and team cohesion activities to build rapport, alongside fortnightly afternoon tea and celebrations. To build cohesive relationships in the workplace, the Manager has organised various team cohesion activities during the Reporting Year including Annual Dinner, Tze Shan Monastery tour, LED light signs workshop, ESR Hong Kong Year End Party 2023 and Christmas party.





OUR FOOTPRINT

Recognising the impact of Fortune REIT's operations on the environment and in line with its sustainability objectives, the Manager has undertaken proactive action to minimise its carbon footprint. Various initiatives and measures have been put in place regarding climate change, emissions, energy efficiency, water and waste management to further bolster the Manager's environmental performance pursuant to its Climate Change Adaptation, Mitigation and Resilience Policy, Energy and Emissions Management Policy, Environmental Protection and Environmental Resource Management Policy. As detailed in these policies, the Manager seeks to protect the environment and respond to climate change risks by reducing its carbon emissions through enhancing the energy efficiency of its facilities, monitoring its emissions intensity, reducing its consumption of natural resources, and raising environmental awareness amongst its employees. The Manager also continuously evaluates and deploys upgrades, technologies and retrofits in order to further promote the efficient use of natural resources, thus reducing the use of electricity, water and GHG emissions whilst also driving down operational costs and improving investor returns. Fortune REIT is committed to the compliance of relevant environmental standards, laws and regulations, and seeks to ensure that steady progress towards its goals through regular review of implemented measures and environmental performance by the Sustainability Committee.

CLIMATE CHANGE

Fortune REIT is committed to building resilience to climate change, a critical risk to all businesses and communities around the world. The Manager is conscious of the environmental impact of its operations and has adopted an adaptation and mitigation standpoint to address the climate-related issues that may impact its malls. Alongside its established Climate Change Adaptation, Mitigation and Resilience Policy, regular inspections are carried out to ensure Fortune Malls are resilient to extreme weather events.

Striving to identify and mitigate significant climate-related issues, Fortune REIT identified and assessed the climate-related risks and opportunities to better understand the actual and potential impacts of these risk and opportunities on its operations.

CLIMATE FINANCIAL IMPACT ASSESSMENT

The Manager has commissioned a third-party consultant to assess the impacts of climate change on Fortune REIT's financial performance and financial position, aiming to effectively manage climate-related risks and opportunities. This assessment builds upon the results from climate scenario analysis conducted using two scenarios, a 2°C aligned scenario and a high emission scenario, representing corresponding pathways from Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS). Results and insights from the climate scenario analysis can be found on page 60 of Fortune REIT's 2022 ESG Report.

Impacts of the 17 material climate risks and opportunities to Fortune REIT's financial performance were analysed in a qualitative basis. Certain common indicators of financial performance and position were identified due to climate change, including loss in revenue, increased operating costs, increased insurance costs, and reduced investor interest.







Refreshed +WOO after the completion of AEIs







Our Footprint

A summary of climate-related risks and opportunities with potential financial implications and mitigation measures is set out below:

Physical risks/opportunities	Potential financial implications	Key mitigating measures
<p>Acute</p> 	<p>Tropical cyclone</p>  <ul style="list-style-type: none"> • Reduced revenue from operational disruption (e.g., shutdowns, delayed planning approvals, supply chain shocks) • Change in costs to address the physical risks (e.g., insurance premiums, recovery expenses) • Write-offs or early retirement of existing assets • Increase in capital expenditure for mitigating the damage from physical risks (e.g., changing location or hardening of facilities for stronger resiliency capabilities) 	<ul style="list-style-type: none"> • Undertook insurance policies for all malls covering damage arising from climate-related extreme weather, including typhoons and floods. • Reviewed the Extreme Weather Policy to ensure that the policy remains updated and the mitigation measures are relevant • Preventative measures are in place for extreme weather conditions through building management and building optimisation system which notifies the site management team for any leakages or blockages in plumbing, and detect smoke and fires to limit potential damage
<p>Chronic</p> 	<p>Increase in average temperatures</p>  <ul style="list-style-type: none"> • Increasing costs to purchase energy and water • Increased costs to improve energy or water conservation and efficiency capabilities • Write-offs or early retirement of existing assets 	<ul style="list-style-type: none"> • A smart building management and building optimisation system has been installed which enables the centralised collection and monitoring of building data, serving to optimise energy efficiency and regulate air quality



Our Footprint

Transition risks/opportunities	Potential financial implications	Key mitigating measures
<p>Increased adoption of renewable energy</p> 	<ul style="list-style-type: none"> • Increased costs to improve energy or water conservation and efficiency capabilities • Increased costs due to changing output requirements (e.g., emissions controls) • Change in brand value 	<ul style="list-style-type: none"> • Fortune REIT has installed solar panels at 5 of its malls • Validated Science-based Target, energy efficiency targets and monitored its environmental performance against these targets • Adopted energy efficient goods and services and industry best practices and raised environmental awareness amongst stakeholders • Incorporated climate-related considerations into the risk management framework
<p>Market</p>  <p>Increased market demand for green and climate resilient properties</p> 	<ul style="list-style-type: none"> • Change in revenue from changing operation model • Increased costs to improve energy or water conservation and efficiency capabilities • Increased costs due to changing output requirements (e.g., emissions controls) • Change in brand value 	<ul style="list-style-type: none"> • 100% green building certification has been obtained across the entire Fortune REIT portfolio in Hong Kong
<p>Market demand for green finance</p> 	<ul style="list-style-type: none"> • Change in brand value • Reduction in expenditure due to lower interest margin for KPIs met for sustainability-linked loans • Change in unit price 	<ul style="list-style-type: none"> • Fortune REIT has secured five sustainability-linked loans, representing 62% of the total loans of Fortune REIT • Moreover, Fortune REIT has entered into its first sustainability-linked interest rate swap with DBS Bank



Our Footprint

Despite the Property Manager's efforts to adapt to climate change by implementing its Extreme Weather Policy, typhoons have caused minimal disruption to operations and damage to some Fortune Malls in the past, including broken windows, glass doors and water leakage. As further protection against extreme weather events, the Manager has undertaken insurance policies for all its malls covering damage arising from climate-related extreme weather, including typhoons and floods. In view of the extreme weather events in Hong Kong, the Manager has reviewed its Extreme Weather Policy to ensure that the policy remains updated and the mitigation measures are relevant. Besides reducing energy consumption, the building management and building optimisation system is able to notify the site management team when there are leakages or blockages in plumbing, and detect smoke and fires, enabling preventative measures to be promptly implemented in extreme weather conditions to limit any potential damage to the malls.

To counter the threat of climate change, the Manager has also implemented proactive mitigation initiatives through various channels to reduce the release of GHG emissions into the atmosphere. The Manager's initiatives include setting a Science-based Target, energy efficiency targets and monitoring its environmental performance against its targets, adoption of energy efficient goods and services and industry best practices, use of renewable energy, sustainability-anchored procurement and supply chain management processes, and incorporation of climate-related considerations into its risk management framework. These initiatives are embedded within the Manager's business processes and policies, demonstrating the Manager's determination to sustainable development and to reduce its carbon footprint.

Within Fortune REIT's investment and capital management process, ESG-related risks (including climate change) are taken into consideration in investment, portfolio management and financing activities. Fortune REIT invests in quality properties with good standing, reputation and track records. In assessing potential acquisitions, the Manager considers sustainability-related matters at the due diligence stage, including the consideration of environmental factors such as climate risks, renewable energy generation, sustainable procurement, energy efficiency, water efficiency, waste management and others alongside the financial considerations of the acquisition.



CASE STUDY

FORTUNE REIT'S TRANSITION TO NET-ZERO

ESR is a signatory to the United Nations-supported Principles for Responsible Investment, which underscores the importance and emphasis on responsible investing and sustainable financing. ARA, a wholly-owned subsidiary of ESR, is a signatory to the World Green Building Council's Net-Zero Carbon Buildings Commitment which aims to achieve net-zero operational carbon across its committed portfolio of assets by 2030. The Manager, as a subsidiary of ARA, strives to drive decarbonisation throughout the operations of Fortune REIT. In 2023, Fortune REIT was the first REIT in Hong Kong to commit to the SBTi by setting emissions reduction targets grounded in climate science to support the Paris Agreement to strive to achieve the global goal of limiting global warming to 1.5°C above pre-industrial levels.



Our Footprint

Scope 1 and 2 Emissions

In July 2023, Fortune REIT received approval from the Science-Based Target Initiative for its science-based target (“**SBT**”) and committed to reduce Scope 1 and Scope 2 GHG emissions by 46% by 2030 from a 2019 baseline year.

As part of our on-going decarbonisation and climate change efforts, Fortune REIT has identified several levers as the focus of its decarbonisation journey, including energy reduction and efficiency, smart building management, electrification, renewable energy generation and renewable energy procurement. Among the levers identified, energy reduction and efficiency, as well as smart building management remain the highest priority for Fortune REIT.

During the past years, Fortune REIT has been working on implementing these levers in reducing its emissions. For example, smart building management systems have been installed at major Fortune Malls. The cloud-based automated building solution allows the centralised collection and monitoring of building data, serving to optimise energy efficiency and regulate air quality. As an automated system, it also allows for the accurate data collection for Fortune REIT and its tenants.

By providing real time information, the building management and building optimisation system enables the site management team to control and monitor chiller plants, air-conditioning equipment as well as particular zones, optimising energy consumption for Fortune REIT as the landlord and our tenants.

In addition, Fortune REIT has been actively improving our malls through the replacement of chillers with more efficient models and the installation of solar panels. Fortune Malls has installed solar panels at Fortune City One, Laguna Plaza, Fortune Metropolis, +WOO and Jubilee Square, which are expected to avoid GHG emissions by 154 tonnes annually under the Feed-in Tariff Scheme.

Scope 3 Emissions – Downstream Leased Assets

As part of its SBT, Fortune REIT also committed to measure and reduce its Scope 3 GHG emissions. From the preparatory work done to set SBT, Fortune REIT has identified that its downstream leased assets account for a majority of its Scope 3 GHG emissions, which is consistent with landlords in the real estate industry. The Manager, with the help of the Property Manager, has stepped up its efforts in engaging with its tenants to provide a greener future for all. A green lease clause has been added to our standard tenancy agreement. This clause fosters collaboration with tenants to raise awareness of sustainability through communication information sharing, and support for energy saving and waste management initiatives. The aim is to drive carbon reduction and sustainable practices throughout the value chain.



Our Footprint

At the commencement of their lease, tenants are provided with a copy of the Fitting-out Guide which sets out Fortune REIT’s minimum expectations on the design and use of materials for renovation works. Over the term of the lease, the Property Manager remains in close contact with tenants and supports our tenants on their sustainability journey by offering tenants tailored solutions to reduce their environmental footprint through the eco-tips and eco-taskforce. Adequate waste disposal and recycling facilities are available for tenants to utilise as well. Fortune REIT also extended its ESG training to its tenants, with a focus on waste reduction initiatives, recycling and GHG emissions to aid them to integrate sustainability practices into their operations.



New chiller with more efficient models



A Building Management and Building Optimisation System is installed at Fortune Malls

Fortune REIT also cares about its tenants and invited all tenants to participate in the annual tenant satisfaction survey to collect opinions on various topics including Fortune REIT’s environmental performance, communication, condition of communal facilities health and safety. Based on the results of this survey, Fortune REIT has stepped up its social media presence on LinkedIn, Facebook and will continue to connect with its tenants via publications/notifications; a testament to Fortune REIT’s commitment to addressing its tenants’ feedback.

Summary of greenhouse gas emissions for the Reporting Year is shown below:

GHG Emissions Target	46% absolute reduction by 2030 (2019 baseline)
Scope 1 and 2 emissions	19,342.5 tonnes CO ₂ -e
Scope 1 and 2 emissions intensity	0.006 tonnes CO ₂ -e per sq. ft.
Total GHG emissions	19,633.4 tonnes CO ₂ -e
GHG emissions intensity	0.006 CO ₂ -e per sq. ft.
Scope 1 direct GHG emissions⁴	794.9 tonnes CO ₂ -e
Scope 2 energy indirect GHG emissions⁵	18,547.6 tonnes CO ₂ -e
Scope 3 other indirect GHG emissions⁶	290.8 tonnes CO ₂ -e
Current portfolio value	HK\$38,439 million
Portfolio Carbon Footprint⁷	0.50 tonnes CO ₂ -e per HK\$ million

4 Scope 1 emissions include emissions from diesel combustion of generators and refrigerant consumption.
 5 Scope 2 emissions include emissions from electricity consumption of the manager’s office and directly managed malls.
 6 Scope 3 emissions include electricity consumption of paper waste disposal at landfill, and electricity used for processing freshwater and sewage.
 7 Fortune REIT fully finances the properties within its portfolio and hence accounts for 100% of Scope 1 and 2 emissions of the properties in its portfolio, which is aligned with PCAF recommendation for Commercial Real Estate. Property value (i.e., Gross Asset Value) is adopted for calculation based on the nature of REIT.

Our Footprint

Building Resilience against Climate Change – Green Building Certifications

Fortune REIT has obtained green building certifications across all 16 Fortune Malls in Hong Kong certified by Building Environmental Assessment Method Plus (“**BEAM Plus**”) in terms of management. Fortune Metropolis and Ma On Shan Plaza have attained Platinum rating for the BEAM Plus Comprehensive Scheme, the highest accolade in BEAM Plus. The comprehensive scheme measures the combined performance of a building across multiple aspects, including property management, waste, water use, energy use, indoor air quality, etc. Moreover, +WOO is the first mall in Hong Kong to attain BEAM PLUS Interiors certification for renovation – Gold rating. For more information about Fortune REIT’s green building certifications, please see the “ESG Awards and Certifications” section of this Report.

Working with our banking partners – Sustainable Finance

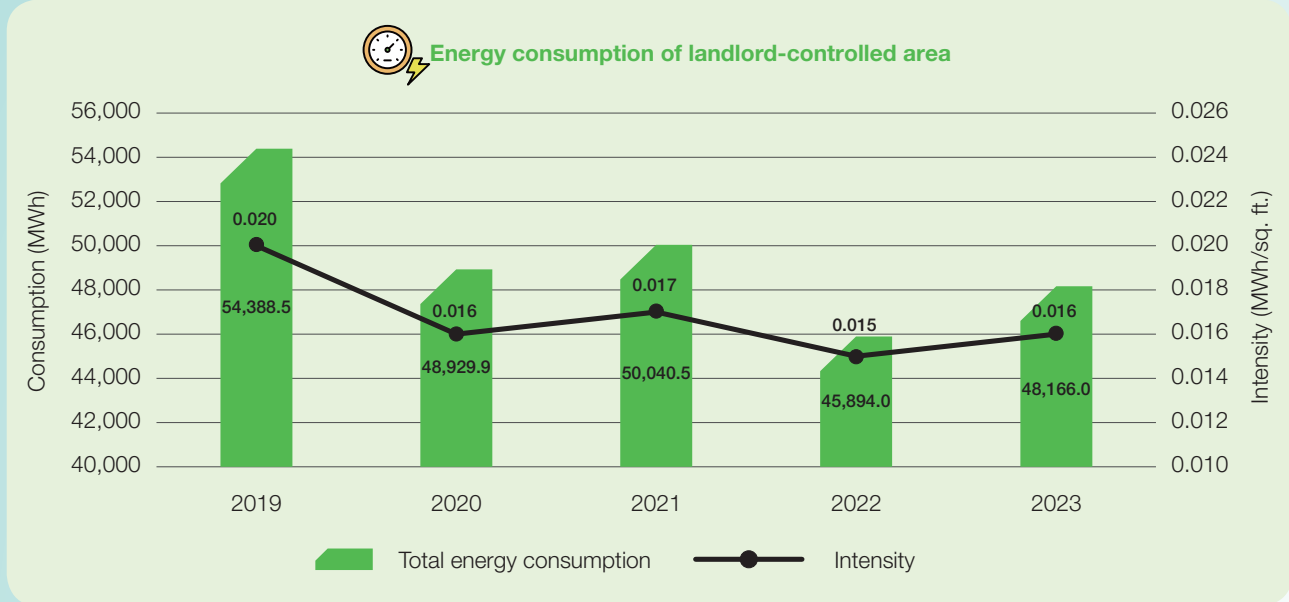
Reinforcing the Manager’s on-going commitment to sustainable development and the advancement of its ESG goals, Fortune REIT has secured five sustainability-linked loans. Fortune REIT entered into its first sustainability-linked loan in 2020 and sustainability-linked loans comprise of approximately 62% of Fortune REIT’s total loans. Under the terms of the sustainability-linked loans, Fortune REIT will be entitled to annual interest rate savings if the agreed ESG benchmarks are satisfied, after being externally verified by an independent assessor.

Moreover, Fortune REIT has entered into a sustainability-linked interest rate swap in 2021, which upon the satisfaction of pre-determined targets concerning community engagement, enabled Fortune REIT to receive sponsorship, giving rise to Farm@Fortune.



Our Footprint

USE OF RESOURCES & EMISSIONS^{8,9}



The Sustainability Committee has set a new long-term energy intensity reduction target of 30% against a 2019 baseline. The Sustainability Committee monitors the Manager’s performance against the long-term reduction target and reviews the effectiveness of energy reduction measures on a bi-monthly basis, continually reviewing the efficiency of existing equipment and conducting maintenance as needed, including the replacement of chiller plants to more efficient models, sewage/clear water pumps and LED lighting. When considering the energy consumption of landlord-controlled area, there was a slight increase in consumption due to the full resumption of business since the pandemic.

Summary of energy consumption for the Reporting Year is shown below:

Energy Target	30% reduction of energy intensity of landlord-controlled area of Fortune Malls by 2030 (2019 baseline)
Energy consumption of landlord-controlled area	48,166.0 MWh
Energy consumption intensity of landlord-controlled area	0.016 MWh/sq. ft

The Manager also strives to use its platform to create positive change. On the tenants’ front, the Manager works closely with its tenants in sustainability efforts, monitoring tenant energy consumption, updating tenants about the latest sustainable ideas through eco-tips notification, personalised focus eco-taskforce as well as ESG training.

Furthermore, Fortune REIT continues to explore the use of emission-free, renewable energy solutions to reduce fossil fuel consumption. Solar panels have been installed at five Fortune Malls and are expected to generate 410 MWh of clean power annually, avoiding GHG emissions by 154 tonnes under the Feed-in Tariff Scheme.

⁸ The quantification was carried out according to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong, and with reference to international standards such as ISO14064-1 and the Greenhouse Gas Protocol.

⁹ Environmental data includes the consumption from office and landlord-controlled areas of Fortune Malls only.

Our Footprint

**ENERGY EFFICIENCY MEASURES**

- Installed solar panels at Jubilee Square, Laguna Plaza, Fortune Metropolis, Fortune City One and +WOO
- Installed Building Management and Building Optimisation System to identify energy reduction opportunities and monitor energy consumption for malls and tenants
- Replacement of chiller plants to more energy efficient models
- Worked with tenants to reduce consumption of resources through eco-tips notification
- Educated stakeholders of Fortune REIT of more energy efficient practices, by participating in Green Sense's "No Air-Con night"
- Set up an eco-taskforce for each property and advised top energy users in reducing their energy usage
- Used energy-efficient lighting such as LED lighting in common areas
- Provided training to tenants on sustainability topics to encourage sustainable behaviour

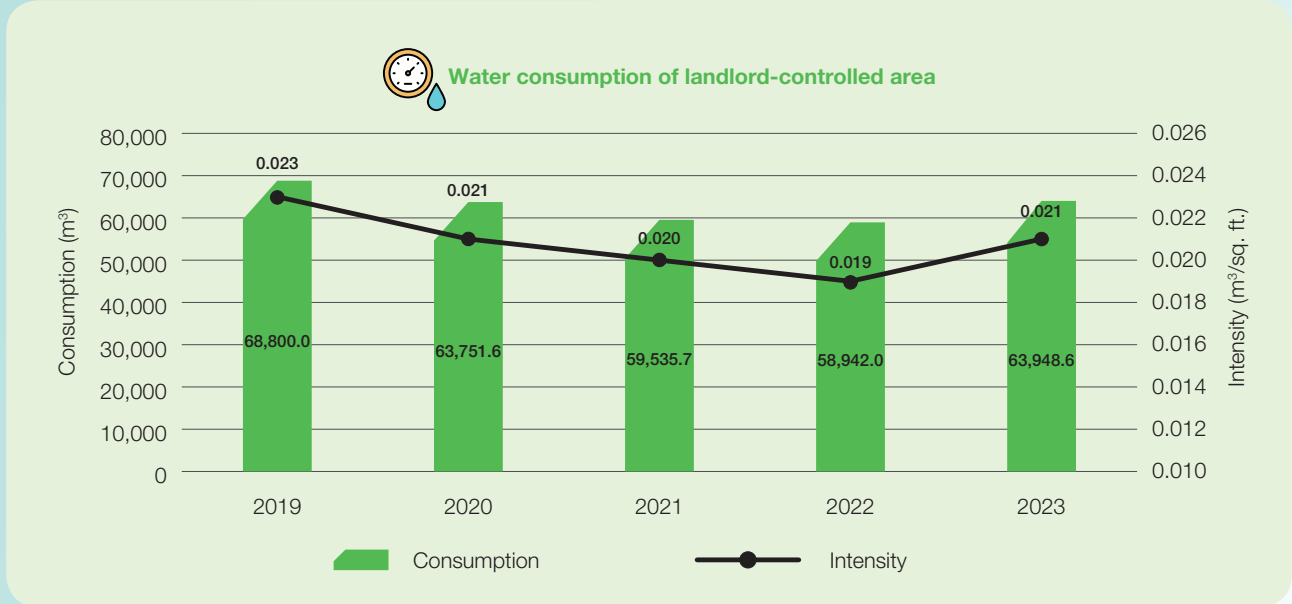


LED lighting are used in common areas



Our Footprint

WATER MANAGEMENT



In addition to energy efficiency and emissions reduction, Fortune REIT is also committed to optimising water usage and minimising wastewater generation within its operations in line with or better than regulatory guidelines. The initiatives implemented to meet these targets include the installation of water-saving taps and regular inspection to prevent water leakage, the utilisation of reclaimed water for landscaping irrigation, rainwater harvesting, as well as the installation of smart irrigation at Farm@Fortune at Fortune City One. The water consumption of landlord-controlled area for the Reporting Year was 63,948.6 m³, which increased by 8.5% compared with the previous Reporting Year. The water consumption intensity was 0.021 m³ per sq. ft., the increase of water consumption was due to resumption of business since the pandemic. The Sustainability Committee has set a new water intensity reduction target of 10% by 2035 against a 2019 baseline.



Our Footprint



WATER MANAGEMENT MEASURES

- Installed water saving faucets
- Used reclaimed water for landscaping irrigation
- Rainwater harvesting implemented where possible
- Routine checks on pipes, taps, urinals and WC flush systems
- Installed Building Management and Building Optimisation System which can help identify leakages or blockages in plumbing



Our Footprint

WASTE MANAGEMENT

Fortune REIT aims to reduce waste in the operations of its malls wherever possible, in order to reduce its environmental footprint as well as to decrease waste handling costs. The Manager has adopted a zero-waste mentality in its attempt to tackle waste, actively communicating with its tenants on waste reduction initiatives, encouraging its tenants to improve their recycling rates and to adopt innovative packaging solutions.



In the Reporting Year, Fortune REIT’s operations produced 0.11 tonnes of hazardous waste (2022: 1.04 tonnes), including fluorescent tubes and batteries, with less hazardous waste collected compared with 2022. The hazardous waste generation intensity was 0.03 tonnes per million sq. ft. In accordance with its waste handling procedures, the Manager engaged a waste collector licensed by the Environmental Protection Department for hazardous waste collection, ensuring that hazardous waste is handled in accordance with relevant laws and regulations. During the Reporting Year, Fortune REIT’s operations generated 10,311.0 tonnes of general waste (2022: 9,675.8 tonnes), with intensity of 3.4 tonnes per thousand sq. ft. In addition, 767.8 tonnes of recyclable items were collected by waste recycler for recycling purposes and the rest were sent to landfill. The increase of general waste was mainly due to the resumption of business since the pandemic and new tenants commencing operations at +WOO after the partial completion of AElS. The Sustainability Committee has set a new waste recycling target of 15% by 2035.

Fortune REIT also embraced the Hong Kong SAR Government’s initiatives to reduce waste. The Reverse Vending Machine from the Recycling Fund was installed at eight Fortune Malls in the second-half of 2023. There was an overwhelming response from our shoppers with over 83.38 tonnes of plastic bottles collected during the Reporting Year. Other waste reduction initiatives rolled out include the installation of food waste compost machines in two of its malls, as well as a program for shoppers to exchange Fortune+ points for reusable cups.



Our Footprint



CASE STUDY

TACKLING FOOD WASTE

At present, Hong Kong faces a food waste catastrophe with food waste from restaurants and wet markets disposed at landfill. Food waste constitutes about 30% of Hong Kong's landfill. Besides unnecessarily filling up our limited landfill, when food waste decomposes, it produces methane, which is more damaging to climate change than carbon dioxide. To tackle this issue, the Environmental Protection Department unveiled its Food Waste Management Strategy. This strategy involves reduction at source, food donation, food waste collection and recycling at facilities.

As part of a pilot scheme, food waste collection was rolled out in Fortune Metropolis to collect food waste from food and beverage tenants since December 2022. Due to the positive response from tenants, Fortune Malls expanded the pilot scheme at eight other Fortune Malls. This year, 260.7 tonnes of food waste was collected.

Dedicated bins were used to separate food waste, and the collected food waste will be transformed into energy at O-PARK1. O-PARK1 is a renewable energy generation plant which turns waste into energy. It is the first organic resources recovery centre in Hong Kong which adopts anaerobic digestion technology to convert food waste into biogas for electricity generation. The residue by-product from this process can be produced as compost for landscaping and agricultural use.

The food waste pilot scheme serves as an example of how Fortune Malls utilises its platform to promote sustainable practices, actively collaborating with tenants to create a greener future.



Collecting food waste for recycling from tenants at Fortune Malls



Our Footprint



WASTE MANAGEMENT MEASURES

- Participated in the Environmental Protection Department's pilot scheme to collect and recycle food waste from food and beverage tenants with 260.7 tonnes of food waste collected during the Reporting Year
- Collected food waste from the Fortune City One wet market and to produce fertiliser at urban farm (Farm@Fortune)
- Partnered with an NGO to collect near-expiration food from the Fortune City One wet market for donation to those in need
- Focused on waste reduction, collection and recycling including rolling out new recycling bins to boost recycling rate
- Implemented recycling programs for light bulbs, batteries and ink cartridges
- Reduced waste in our malls by signing up for the Recycling Fund's Reverse Vending Machines for plastic bottles
- Encouraged good waste behaviour through peach blossom and Christmas tree collection



Farm@Fortune at Fortune City One





OUR COMMUNITY

Fortune REIT is committed to building strong communities in line with its motto, “Our Care, Your Fortune”. To gain a deeper understanding of the community’s needs for effective resource allocation, the Manager commissioned a third-party consultant to conduct a community impact assessment with its shoppers, surveying various aspects such as liveability, and local residents’ well-being and walkability.

The Manager then planned and/or participated in a number of activities promoting the healthy development of the community based on this assessment. Clear guidelines were implemented to encourage Fortune REIT’s employees to participate in community engagement and support charitable events, with participation in CSR as a key performance indicator in employees’ performance appraisal.

CSR THEMES OF FORTUNE REIT



During the Reporting Year, the Fortune Volunteer Team clocked approximately 790 volunteer hours participating in the following activities:



CREATING A BETTER COMMUNITY

1. Food Angel Lunch Box Packing

The Fortune Volunteer Team spent the morning at Food Angel’s Sham Shui Po’s kitchen to spread love and care to the senior residents in the community. Food Angel is a food rescue and food assistance program launched in 2011 by Bo Charity Foundation, it aims to fully utilise the edible surplus food to serve the underprivileged communities in Hong Kong. Under the guidance of the devoted volunteers at Food Angel, the Fortune Volunteer Team helped prep and pack nutritious meals. Approximately 2,000 meal boxes were packed and immediately delivered to community centres around Hong Kong and distributed to people in need for free.



Our Community

2. Fortune Run • A 20-day relay sending food and warmth” (「置」Run 跑 • 20 天接力送溫飽)

On the date of Fortune REIT's anniversary, 13 August 2023, more than 250 employees of the Manager and the Property Manager, together with their families were invited to do aerobic exercise led by the instructor of social enterprise “FoodSport”. With health and well-being being a priority for Fortune REIT, our employees came together for this wellness session for some physical exercise and bonding! This session was aimed at promoting physical health, as well as mental and emotional well-being, and serves as a reminder to connect with others.



3. Cultivating a greener tomorrow – Farm@Fortune

Farm@Fortune, part of Fortune REIT's effort to raise awareness on decarbonisation and generate societal benefits through community and educational programs provides an avenue for Fortune REIT to deliver on its vision for the community. In partnership with Rooftop Republic, the urban farm creates a new and vibrant place for the community to come together to enjoy urban nature, fresh produce, and spend time with their friends and family, whilst offering Fortune REIT with a platform to promote organic farming, food waste reduction and community engagement. For more information about our efforts at Farm@Fortune, please visit our website: https://www.fortunereit.com/en/sustainability/cultivating_greener_tomorrow.php



Approximately 209
kgs of produce
grown



16 community
engagement
events

4. Skip Lunch Day

The Fortune Volunteer team donated to the Skip Lunch Day organised by The Community Chest, where participants were encouraged to donate the cost of their lunch to support the provision of meals to the needy.



5. LOVE Project

To spread Christmas joy to those in need, the Fortune Volunteer team donated to the **LOVE Project** 「聖誕冬至愛心行動」 organised by **Gingkohouse** to provide warm lunch boxes and essential daily necessities free of charge to vulnerable elderly individuals, street sleepers, and low-income families.



Our Community



NURTURING THE YOUTH

1. Spreading Christmas Cheer at Kwun Tong House (Ronald McDonald House Charities)

Ronald McDonald House is a home away from home for seriously ill or injured children who need prolonged treatment at hospital. To ease the burden of these families and to spread Christmas cheer, the Fortune Volunteer Team donated food and games to Kwun Tong House, and spent time playing with the children and attending to some housekeeping chores. Santa also made a special appearance and distributed Fortune goodie bags filled with school essentials. Hearing the children's laughter echo throughout the corridor was a heartwarming and memorable experience for our volunteers.



2. Enjoying the movies with the youth at +WOO

Fortune Volunteer Team lined up with local NGOs: Pok Oi Hospital Rotary Club of Hong Kong Sunrise Family Development Centre, Pok Oi Hospital Wai Yin Association Youth City and Pok Oi Hospital Mr. Ng Hung Mow Memorial Family Multiple Intelligences Centre to recruit about 150 children from Tin Shui Wai and Tuen Mun district to enjoy the movie “Elemental” at +WOO. Our tenant, Broadway Cinema, also provided free popcorn and drinks for all participants. At the end of the event, all participants were given a Fortune bag filled with snacks and drinks. The children thoroughly enjoyed the event!



3. Spreading Christmas joy with local students from Catiline Kindergarten (嘉德麗幼稚園)

To spread Christmas joy at Fortune Malls, our Property Manager organised local students to decorate Christmas trees at one of our flagship malls, Fortune City One. The students included their personal touch by decorating the Christmas tree with their own handicrafts, which included their well wishes.



Our Community



CARING FOR THE ELDERLY

1. Food Donation: Hiking for a Positive Change

The Fortune Volunteer Team gathered to hike to transform calories burnt into food. With the help from FoodSport, the food was donated to the elderly-in-need at the Chai Wan Baptist Church.



2. Rice Cake to Elderly

With Lunar New Year around the corner, the Fortune Volunteer Team played a visit to an elderly centre in Ma On Shan to distribute rice cakes and spread the festive joy. The Fortune Volunteer Team felt so warm to chat with the elderly and shared their festive blessings.



Our Community

3. Food Donation to an Elderly home

The two million calories burnt during the course of the “Fortune Run • A 20-day relay sending food and warmth” (「置」Run 跑 • 20天接力送溫飽) were converted into food and donated to FoodLink Foundation for distribution for those in need. Together with the representatives from FoodSport, over 180 Fortune bags were packed by the Fortune Volunteer Team, and the team distributed these packs to the elderly at the 基督教勵行會安泰服務中心 Christian Action On Tai Service Centre.

**4. Bringing festive cheer to the community for Tuen Ng Festival**

The Fortune Volunteer Team packed gift packs and distributed rice dumplings in Sha Tin District for Tuen Ng Festival (Dragon Boat Festival). The elderly were overjoyed to bring home their gift packs!



Our Community

5. All You Can Draw

The Fortune Volunteer Team raised funds and participated in the Community Care program organised by the Hong Kong Family Welfare Society, which aims to enrich the social connections of the elderly amidst social distancing measures in light of the pandemic. The elderly bonded with our volunteers over a drawing session where vibrant art pieces were created.



6. Food Donation to Elderly home

Farm@Fortune was set up on the rooftop of Fortune City One with the aim to engage and empower communities to lead a more sustainable lifestyle, as well as creating an organic farming ecosystem within the community.

Another season's harvest of approximately 40kg was wrapped up at Farm@Fortune of a myriad of fresh produce, including lettuce, turmeric and other vegetables. All of which were donated to an elderly home in the Sha Tin district.



7. Bringing Festive Cheer to the Elderly for Mid-Autumn Festival

The Fortune Volunteer Team brought festive joy to the community in Kwun Tong. In collaboration with the Christian Family Service Centre (基督教家庭服務中心), the Fortune Volunteer Team visited a community centre and handed out fortune gift bags loaded with mooncakes and other goodies to the elderly who were over the moon.



ESG AWARDS AND CERTIFICATIONS

SUSTAINABILITY BENCHMARKS

Global Real Estate Sustainability Benchmark

- First Hong Kong REIT to attain 5-star rating
- Ranked 1st in Eastern-Asia Listed Retail
- Retained the highest 5-star rating for 3 consecutive years
- Award A rating for public disclosure for 4 consecutive years

Hang Seng Corporate Sustainability Benchmark Index

- Included for 7 years consecutively with a rating of A or above
- Rated AA- for 2023–24

Morningstar Sustainalytics' ESG Risk Ratings

- Rated LOW

MSCI ESG Ratings

- Rated B

ESG Awards	Organiser
Excellence in Real Estate by GRESB X HERA 2022 Awards	GRESB, Hong Kong ESG Reporting Awards
Hong Kong Sustainability Award 2023 Corporate Award – Merit Award (Small and Medium-Sized Organisation Category)	Hong Kong Management Association
CarbonCare® ESG Star Label	CarbonCare®
CarbonCare® ESG Reporting Label Level 4	CarbonCare®
Greater Bay Area Corporate Sustainability Awards	HKQAA and Metro Finance
ESG Leading Enterprise Awards 2023	Bloomberg Businessweek, Chinese Edition and Deloitte
Bloomberg Leading Environmental Initiative Awards	Bloomberg Businessweek
Outstanding Award for Green and Sustainable Loan Issuer HK Green and Sustainable Finance Awards 2023	HKQAA
Outstanding Contribution to Climate Disclosure Award by Hong Kong Green and Sustainability Contribution Awards 2023	HKQAA
Outstanding ESG Disclosure Contribution Award by Hong Kong Green and Sustainability Contribution Awards 2023	HKQAA
10 Year Plus Caring Company Logo	Hong Kong Council of Social Service



ESG AWARDS AND CERTIFICATIONS

Green Building Certification	Mall(s)
BEAM Plus Comprehensive Scheme Platinum rating	Fortune Metropolis Ma On Shan Plaza
BEAM PLUS Interiors certification for renovation — Gold rating	+WOO
BEAM Plus Excellent certifications for Management aspect of the Selective Scheme	Fortune City One Ma On Shan Plaza Fortune Metropolis Metro Town Jubilee Square Laguna Plaza Caribbean Square +WOO Belvedere Square Smartland Hampton Loft Waldorf Avenue Tsing Yi Avenue Centre de Laguna Lido Avenue Rhine Avenue
BEAM Plus Excellent certifications for Energy Use aspect of the Selective Scheme	Ma On Shan Plaza
Outstanding grade in Energy Use and was awarded with the “Highest Advancement” in Energy Saving in 2021 (Selective Scheme)	Ma On Shan Plaza
BEAM Plus Excellent certifications for Water Use aspect of the Selective Scheme	Fortune Metropolis



ESG AWARDS AND CERTIFICATIONS

SUSTAINABILITY AWARDS BY PROPERTIES

Award	Organiser	Mall(s)
Indoor Air Quality Certification Scheme (Hong Kong)	Environmental Protection Department	Fortune City One +WOO Ma On Shan Plaza Metro Town Fortune Metropolis Laguna Plaza Belvedere Square Caribbean Square Jubilee Square Smartland Centre de Laguna
Wastewi\$e Certificate	Environmental Campaign Committee	Fortune City One +WOO Ma On Shan Plaza Metro Town Fortune Metropolis Laguna Plaza Belvedere Square Caribbean Square Jubilee Square Smartland Centre de Laguna
Energywi\$e Certificate	Environmental Campaign Committee	Fortune City One +WOO Ma On Shan Plaza Metro Town Fortune Metropolis Laguna Plaza Belvedere Square Caribbean Square Jubilee Square Smartland Centre de Laguna
Hong Kong Green Organization	Environmental Campaign Committee	+WOO Ma On Shan Plaza Metro Town Laguna Plaza Belvedere Square Caribbean Square Jubilee Square Smartland Centre de Laguna
Energy Saving Charter	EMSD	Fortune City One +WOO Metro Town Fortune Metropolis Laguna Plaza Belvedere Square Caribbean Square Smartland Hampton Loft

ESG AWARDS AND CERTIFICATIONS

Award	Organiser	Mall(s)
Caring Company	Hong Kong Council of Social Service	Fortune City One +WOO Ma On Shan Plaza Metro Town Fortune Metropolis Laguna Plaza Belvedere Square Caribbean Square Jubilee Square Smartland Hampton Loft Centre de Laguna
Charter for Age-friendly Shopping Malls of Jockey Club Age-friendly City Project	The Hong Kong Jockey Club Charities Trust	Fortune City One +WOO Ma On Shan Plaza Laguna Plaza Belvedere Square Caribbean Square Centre de Laguna
Mental Health Workplace Charter	Mental Health Friendly Organisation	Fortune City One Metro Town
Hong Kong Awards for Environmental Excellence	Environmental Campaign Committee	Fortune City One +WOO Fortune Metropolis Laguna Plaza Belvedere Square Jubilee Square Smartland Hampton Loft Tsing Yi Square Lido Avenue Rhine Avenue
Heart caring charter	Occupational Safety & Health Council	Fortune City One Laguna Plaza Belvedere Square Smartland Caribbean Square Hampton Loft Tsing Yi Square Centre de Laguna
Hong Kong Green Awards 2023 — Bronze Award & Sustained Performance 8 yrs+ Certificate	Green Council	Fortune City One

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL KEY PERFORMANCE INDICATORS¹⁰

	2023	2022	2021	Unit
Emissions				
Types of emissions and respective emissions data ^{11,12}				
Nitrogen oxides	42.5	37.5	66.3	kg
Sulphur oxides	2.8	2.5	4.4	kg
Respirable suspended particles	2.99	2.6	4.7	kg
Total GHG emissions and intensity				
GHG emissions in total	19,633.4	18,912.9	20,624.7	tonnes of CO ₂ -e
Scope 1 ¹³	794.9	973.8	2,196.6	tonnes of CO ₂ -e
Scope 2 ¹⁴	18,547.6	17,654.2	18,099.0	tonnes of CO ₂ -e
Scope 1 & 2 emissions	19,342.5	18,628	20,226.0	tonnes of CO ₂ -e
Greenhouse gas intensity (Scope 1 & 2)	0.006	0.006	0.007	tonnes of CO ₂ -e per sq. ft.
Scope 3 ¹⁵	290.8	284.9	358.8	tonnes of CO ₂ -e
Greenhouse gas intensity (Scope 1, 2 & 3)	0.006	0.006	0.007	tonnes of CO ₂ -e per sq. ft.
Total hazardous waste and intensity				
Total hazardous waste	0.11	1.04	0.70	tonnes
Hazardous waste intensity	0.04	0.34	0.23	tonnes per million sq. ft.
Total non-hazardous waste and intensity				
Total non-hazardous waste	10,311.0	9,675.8	9,245.2	tonnes
Non-hazardous waste intensity	3.4	3.2	3.1	tonnes per thousand sq. ft.
Use of resources				
Total direct/indirect energy consumption by type and intensity				
Total energy consumption	48,166.0	45,984.0	50,040.5	MWh
Direct energy consumption	6.2	5.5	299.3	MWh
Diesel	6.2	5.5	9.7	MWh
Indirect energy consumption	48,159.8	45,888.5	49,741.2	MWh
Purchased electricity (landlord-controlled)	48,159.8	45,888.5	49,741.2	MWh
Energy Intensity (landlord-controlled)	0.016	0.015	0.017	MWh per sq. ft.
Total water consumption and intensity				
Total water consumption	63,948.6	58,942.0	59,535.7	m ³
Water consumption intensity (landlord-controlled)	0.021	0.019	0.020	m ³ per sq. ft.

¹⁰ Fortune REIT reports on two types of intensity where applicable, where intensity uses the gross floor area of total directly managed assets as the denominator and intensity (landlord-controlled) uses the gross floor area of landlord-controlled area of directly managed assets.

¹¹ Emissions from vehicles and vessels included, emissions were calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong.

¹² 2020 and 2021 air emissions have been restated to align with calculation methodology.

¹³ Scope 1 emissions include greenhouse gas emissions from diesel combustion of generators and refrigerant consumption.

¹⁴ Scope 2 emissions include greenhouse gas emissions from electricity consumption of the Manager's office and directly managed Fortune Malls.

¹⁵ Scope 3 emissions include electricity consumption of common areas in indirectly managed malls, paper waste disposal at landfill, and electricity used for processing freshwater and sewage.

PERFORMANCE DATA SUMMARY

SOCIAL KEY PERFORMANCE INDICATORS

			2023		2022		2021	
Number of employees and workers ¹⁶			Number	Total	Number	Total	Number	Total
Employees ¹⁷	By gender	Male	8		7		6	
		Female	13		13		14	
	By age group	30 or below	3		3		4	
		31–50	17	21	16	20	15	20
		51 or above	1		1		1	
	By employee category	Executives	8		6		6	
		Middle management	5		8		9	
Senior management		8		6		5		
Other workers ¹⁸	Property management ¹⁹	278		268		266		
	Cleaning workers	296	574	278	546	279	545	

			2023		2022		2021	
Number and percentage of turnover employees			Number	%	Number	%	Number	%
Turnover employees ²⁰	By gender	Male	2	25%	0	0%	5	83%
		Female	3	23%	3	23%	0	0%
	By age group	30 or below	2	67%	1	33%	1	25%
		31–50	3	18%	2	13%	4	27%
		51 or above	0	0%	0	0%	0	0%
Total			5	24%	3	15%	5	25%

Work-related fatality or injury			2023	2022	2021
Employees	Number of work-related fatalities		0	0	0
	Number of work-related injuries		0	0	0
	Lost days due to work injury		0	0	0
Other workers ²¹	Number of work-related fatalities		0	0	0
	Number of work-related injuries		1	2	3
	Lost days due to work injury		4	5	7

			2023		2022		2021	
Number of trained employee ^{22, 23}			Number	Total	Number	Total	Number	Total
By gender ²⁴	Male		8		7		6	
	Female		12		13		14	
By employee category ²⁵	Executives		8	20	6	20	6	20
	Middle management		4		8		9	
	Senior management		8		6		5	

¹⁶ Based on employees as of 31 December 2023.

¹⁷ All employees are full-time employees located in Hong Kong.

¹⁸ Other workers include workers that are not directly employed by Fortune REIT whose work and/or workplace is controlled by Fortune REIT.

¹⁹ Property Management workers include security and employees from property managers, working at Fortune Malls.

²⁰ Employee turnover = number of employees who left employment in the specific category/ number of employees in the specific category.

²¹ Minor injuries occurred during patrol and festival decoration, medical care was provided to the injured workers and training on health and safety has been strengthened.

²² Includes employees who have left the Group during the Reporting Year.

²³ 95% of employees have received training during the Reporting Year.

²⁴ Among the employees trained, the percentage of male and female are 40% and 60% respectively.

²⁵ Among the employees trained, the percentage of executives, middle management and senior management are 40%, 20% and 40% respectively.

PERFORMANCE DATA SUMMARY

Average training hours		2023		2022		2021	
		Number	Overall	Number	Overall	Number	Overall
By gender	Male	12.7		41.0		25.2	
	Female	27.3		46.7		31.9	
By employee category	Executives	13.5	20.5	38.3	44.7	34.0	29.9
	Middle management	14.3		44.6		26.2	
	Senior management	33.1		51.3		31.7	

Number of trained employee on anti-corruption		2023		2022		2021	
		Number	Total	Number	Total	Number	Total
By employee category	Executives	8		6		5	
	Middle management	4	20	8	20	7	16
	Senior management	8		6		4	

Number of suppliers	2023	2022	2021
	Asia	265	289
% of suppliers with management practices implemented ²⁶	100%	100%	48%

INDEPENDENT ASSURANCE OPINION STATEMENT



Statement No.: SRA-HK 798863

Fortune Real Estate Investment Trust Environmental, Social and Governance Report 2023

The British Standards Institution is independent of Fortune Real Estate Investment Trust ("**Fortune REIT**") and ARA Asset Management (Fortune) Limited as manager of Fortune REIT (the "**Manager**"), and has no financial interest in the operation of Fortune REIT other than for the assessment and assurance of Fortune REIT for its Environmental, Social and Governance Report 2023 ("**Report**").

This independent assurance opinion statement has been prepared for Fortune REIT solely for the purposes of assuring its statements relating to the Report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or towards any person by whom the independent assurance opinion statement may be read. This opinion statement is intended to be used by stakeholders of Fortune REIT and management of the Manager of Fortune REIT.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by the Manager of Fortune REIT. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to the Manager of Fortune REIT only.

SCOPE

The scope of engagement agreed upon with the Manager includes the following:

1. The assurance covers the whole Report and focuses on systems and activities of Fortune REIT, which include the operations of 16 private housing estate retail properties in Hong Kong ("**Fortune Malls**") and 1 private housing estate retail property in Singapore (neighbourhood mall), during the period from 1st January 2023 to 31st December 2023 (the "**Reporting Year**"). The Report is prepared in accordance with the Hong Kong Stock Exchange's ("**HKEX**") Environmental, Social and Governance Reporting Guide ("**ESG Reporting Guide**"). It covers the data from Fortune REIT, its tenants and the Manager, and includes energy data, GHG emissions data, water consumption data and waste management data, from the operations of Fortune Malls.
2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 ("**AA1000AS v3**") evaluates the nature and extent of Fortune REIT and/or the Manager's adherence to four reporting principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the Report has been evaluated.



Independent Assurance Opinion Statement

OPINION STATEMENT

We conclude that the Report provides a fair view of Fortune REIT's sustainability programmes and performance in the Reporting Year. We believe that the social and environmental performance indicators are fairly represented in the Report, in which Fortune REIT's efforts to pursue sustainable development are widely recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard v3, AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations. We considered Fortune REIT and its Manager has provided sufficient evidence that Fortune REIT's self-declaration of compliance with the HKEX's ESG Reporting Guide were fairly stated.

METHODOLOGY

Our work was designed to gather evidence on which our conclusion is based. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to Fortune REIT's policies to check on the appropriateness of statements made in the Report;
- Discussion with senior executives on Fortune REIT's approach to stakeholder engagement. We had no direct contact with external stakeholders;
- Interview with staff involved in sustainability management, report preparation and provision of report information;
- Review of key organizational developments;
- Review of supporting evidence for claims made in the Report including raw data and supporting evidence of the sustainability information; and
- An assessment of the company's reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles 2018 Standard ("**AA1000AP (2018)**").

CONCLUSIONS

A detailed review against the AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact, and the HKEX's ESG Reporting Guide is set out below.

INCLUSIVITY

The Report has reflected the fact that Fortune REIT and its Manager engage with its significant stakeholders through various channels such as annual general meeting; annual reporting; surveys; website and social media; email and hotline; press releases; investor meetings and roadshows; Fortune Malls App; customer service counters and management offices; partnering with NGOs and community events; regular meetings, Sustainability Committee meetings; tenants meetings; circulars; eco-taskforce; tenant satisfaction survey; supplier code of conduct; meetings; employee satisfaction survey; internal employee satisfaction survey; employee communication and engagement programmes; and more.





Independent Assurance Opinion Statement

Fortune REIT's operation involves various methods of engaging its stakeholders on an on-going basis. The Report covers economic, social and environmental aspects of concern to its stakeholders with a fair level of disclosure. In our professional opinion, Fortune REIT adheres to the principle of Inclusivity. Areas for enhancement of the Report were adopted by Fortune REIT and/or its Manager before the issuance of this opinion statement.

MATERIALITY

Fortune REIT publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion, the Report adheres to the principle of Materiality and identifies Fortune REIT's material aspects by using appropriate methods of materiality analysis and demonstrating material issues in a matrix form. Areas for enhancement of the Report were adopted by Fortune REIT and/or its Manager before the issuance of this opinion statement.

RESPONSIVENESS

Fortune REIT and its Manager have implemented practices that respond to the expectations and perceptions of its stakeholders. These include various surveys and feedback mechanisms for both internal and external stakeholders. In our professional opinion, Fortune REIT adheres to the principle of Responsiveness. Areas for enhancement of the Report were adopted by Fortune REIT and/or its Manager before the issuance of this opinion statement.

IMPACT

Fortune REIT and its Manager have established processes to understand, measure and evaluate its impacts in qualitative and quantitative way. These processes enable Fortune REIT and/or its Manager to assess its impact and disclose them in the Report. In our professional opinion, Fortune REIT adheres to the principle of Impact. Areas for enhancement of the Report were adopted by Fortune REIT and/or its Manager before the issuance of this opinion statement.

HKEX'S ESG REPORTING GUIDE

We were engaged to review the disclosures in the Report against the HKEX's ESG Reporting Guide.

Based on our verification review, we are able to confirm that social responsibility and sustainable development key performance indicators and disclosures in the two ESG subject areas: Environmental and Social, are reported in accordance with the HKEX's ESG Reporting Guide. Areas for enhancement of the Report were adopted by Fortune REIT and/or its Manager before the issuance of this opinion statement.

ASSURANCE LEVEL

The Type 1 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this opinion statement.



Independent Assurance Opinion Statement

RESPONSIBILITY & LIMITATIONS

It is the responsibility of the Manager's senior management to ensure that the information being presented in the Report is accurate. The assurance is limited by information presented by the Manager of Fortune REIT. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

COMPETENCY AND INDEPENDENCE

The assurance team was composed of Lead Auditors, who are experienced in the industrial sector, and trained in a range of sustainability, environmental and social standards including GRI G3, GRI G3.1, GRI G4, GRI Standards, AA1000, HKEX's ESG Reporting Guide, UNGC's Ten Principles, ISO 20121, ISO 14064, ISO 14001, OHSAS 18001, ISO 45001, ISO 9001, and ISO 10002, etc. British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI

Verifier of the Report



Michael Lam
Managing Director Assurance, APAC

22 March 2024



Aaron Chim
Lead Assuror



AA1000
Licensed Report
000-157/V3-7N7PB

This statement was prepared in English and translated into Chinese for reference only.



HKEX ESG Reporting Guide Content Index

Material Aspect	Content	Page Index/Remarks
Mandatory Disclosure Requirements		
Governance Structure		
Board statement	A disclosure of the board's oversight of ESG issues	2–3, 12
	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)	2–3, 12–14, 33–34
	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	2–3, 12
Reporting Principles		
Description of the application of the Reporting Principles	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.	10, 18–22
	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.	10
	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.	10
Reporting Boundary		
Description	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.	9
Comply or Explain Provisions		
A. Environmental		
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.	32, 45
A1.1	The types of emissions and respective emissions data.	52, 72
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	48–51, 72
A1.3	Total hazardous waste produced and, where appropriate, intensity.	56, 72
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	56–58, 72
A1.5	Description of emissions target(s) set and steps taken to achieve them.	45–49, Fortune REIT has not set an air emissions target as it is relatively insignificant to its operation.

HKEX ESG Reporting Guide Content Index

Material Aspect	Content	Page Index/Remarks
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.	56–58, Fortune REIT has not set an hazardous waste target as it is relatively insignificant to its operation.
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	45
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	52–53, 72
A2.2	Water consumption in total and intensity.	54–55, 72
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	52–53
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.	54–55
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Due to Fortune REIT's business nature, there is no packaging material used during the Reporting Year.
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	32, 45
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	45
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	32, 45
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.	45–47
B. Social		
B1 Employment		
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	32, 39–40, 42
B1.1	Total workforce by gender, employment type, age group and geographical region.	39, 73
B1.2	Employee turnover rate by gender, age group and geographical region.	39, 73

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Material Aspect	Content	Page Index/Remarks
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.	32, 43–44
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	43, 73
B2.2	Lost days due to work injury.	43, 73
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	43–44
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	41
B3.1	The percentage of employees trained by gender and employee category.	41, 73–74
B3.2	The average training hours completed per employee by gender and employee category.	41, 73–74
B4 Labour Standards		
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 preventing child and forced labour.	32, 39–40
B4.1	Description of measures to review employment practices to avoid child and forced labour.	39–40
B4.2	Description of steps taken to eliminate such practices when discovered.	39–40
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	35–36, 74
B5.1	Number of suppliers by geographical region.	36, 74
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.	35–36
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	35–36
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	32–33, 35–36

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Material Aspect	Content	Page Index/Remarks
B6 Product Responsibility		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	28, 32. Due to Fortune REIT's business nature, the Manager has not established policies in relation to advertising and labelling.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to Fortune REIT's business nature, product recall is not applicable to Fortune REIT.
B6.2	Number of products and service-related complaints received and how they are dealt with.	28
B6.3	Description of practices relating to observing and protecting intellectual property rights.	38
B6.4	Description of quality assurance process and recall procedures.	28–31
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	38
B7 Anti-corruption		
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 bribery, extortion, fraud and money laundering.	32, 36
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.	32
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	36
B7.3	Description of anti-corruption training provided to directors and staff.	36, 74
B8 Community Investment		
General Disclosure	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.	59–67
B8.1	Focus areas of contribution.	59–67
B8.2	Resources contributed to the focus area.	59–67



GRI CONTENT INDEX

GRI Standards Disclosure		Page No./Remarks
GRI 2: General Disclosures 2021		
2-3	Reporting period, frequency and contact point	9–10
2-5	External assurance	75–78
2-7	Employees	39, 73
2-8	Workers who are not employees	39, 73
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2-12	Role of the highest governance body in overseeing the management of impacts	2–3, 12
2-22	Statement on sustainable development strategy	12–14
2-27	Compliance with laws and regulations	32
2-29	Approach to stakeholder engagement	18–22
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GRI 200 Series: Economic Topics		
GRI 205: Anti-corruption 2016		
205-3	Communication and training about anti-corruption policies and procedures	32, 36–37
205-3	Confirmed incidents of corruption and actions taken	32
GRI 300 Series: Environmental Topics		
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	52–55, 72
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GRI 305: Emissions 2016		
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305-2	Energy indirect (Scope 2) GHG emissions	48–51, 72
305-3	Other indirect (Scope 3) GHG emissions	48–51, 72
305-4	GHG emissions intensity	48–51, 72



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GRI Standards Disclosure		Page No./Remarks
GRI 400 Series: Social Topics		
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Refer to our annual report for further information
GRI 416: Customer Health and Safety 2016		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	28, There are no confirmed incidents of non-compliance concerning the health and safety impacts of services



TCFD Recommendations Content Index

TCFD Recommendations	Relevance Chapter(s) of This Report
Governance	
Disclose the organisation's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	2–3, 12
b) Describe management's role in assessing and managing climate-related risks and opportunities.	2–3, 12
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	45–47
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	45–47
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	45
Risk Management	
Disclose how the organisation identifies, assesses, and manages climate-related risks.	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	45
b) Describe the organisation's processes for managing climate-related risks.	45–47
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	45–47
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	48–50
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	48–50, 72
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	48–50

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