

# FORTUNE

置富產業信託 REIT

Stock Code: Hong Kong 778 | Singapore F25U



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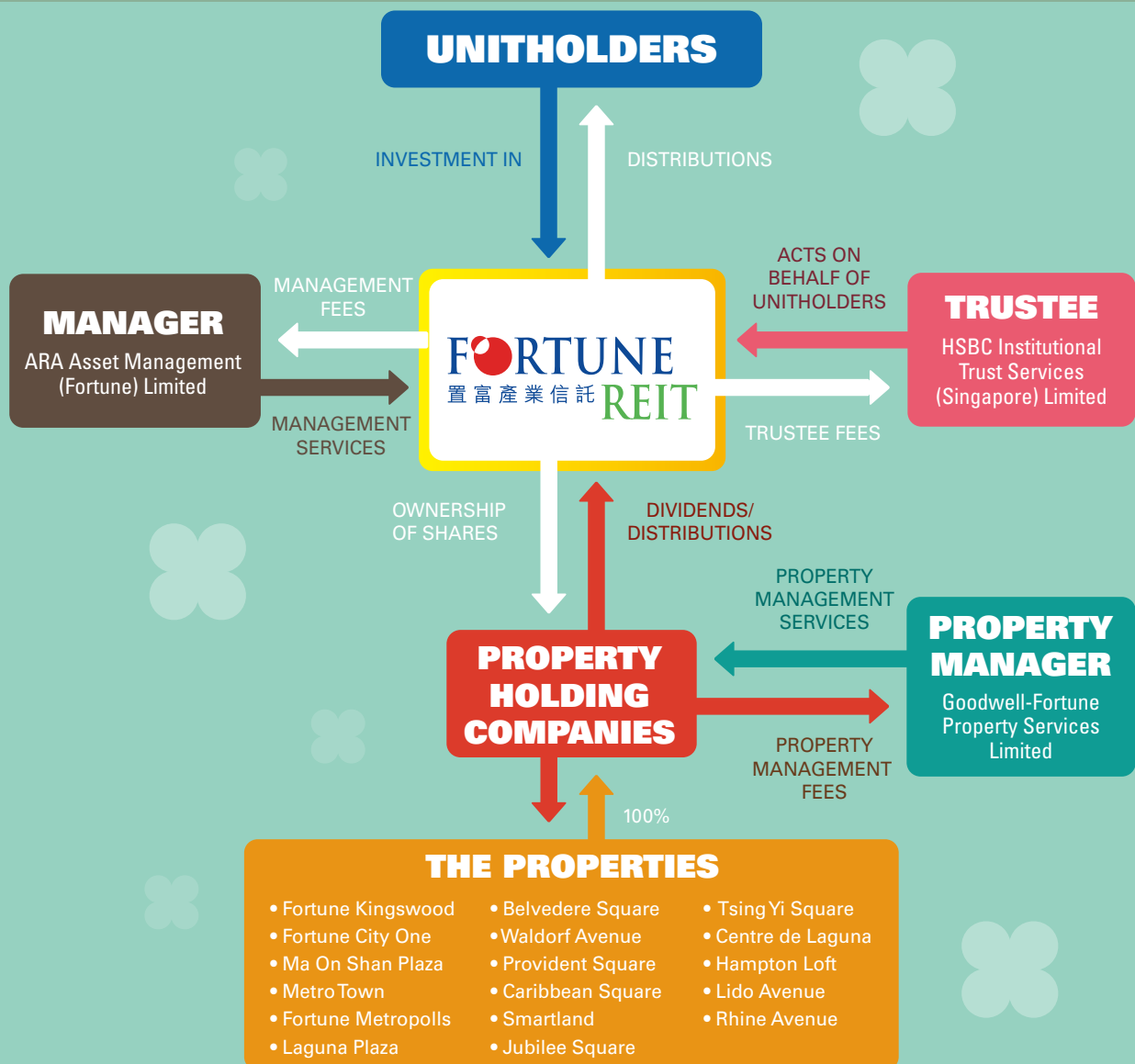
## ABOUT FORTUNE REIT

### Corporate Profile

Fortune Real Estate Investment Trust ("Fortune REIT") is a real estate investment trust constituted by a trust deed (the "Trust Deed") entered into on 4 July 2003 (as amended) between ARA Asset Management (Fortune) Limited, as the manager of Fortune REIT (the "Manager"), and HSBC Institutional Trust Services (Singapore) Limited, as the trustee of Fortune REIT (the "Trustee").

Fortune REIT is primary listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and secondary listed on the Singapore Exchange Securities Trading Limited. Fortune REIT is Asia's first cross-border REIT and also the first REIT to hold assets in Hong Kong. As at 31 December 2017, Fortune REIT held a portfolio of 17 private housing estate retail properties ("Fortune Malls") in Hong Kong comprising of approximately 3.18 million square feet of retail space and 2,713 carparking spaces.

### Fortune REIT's Structure and Properties Portfolio



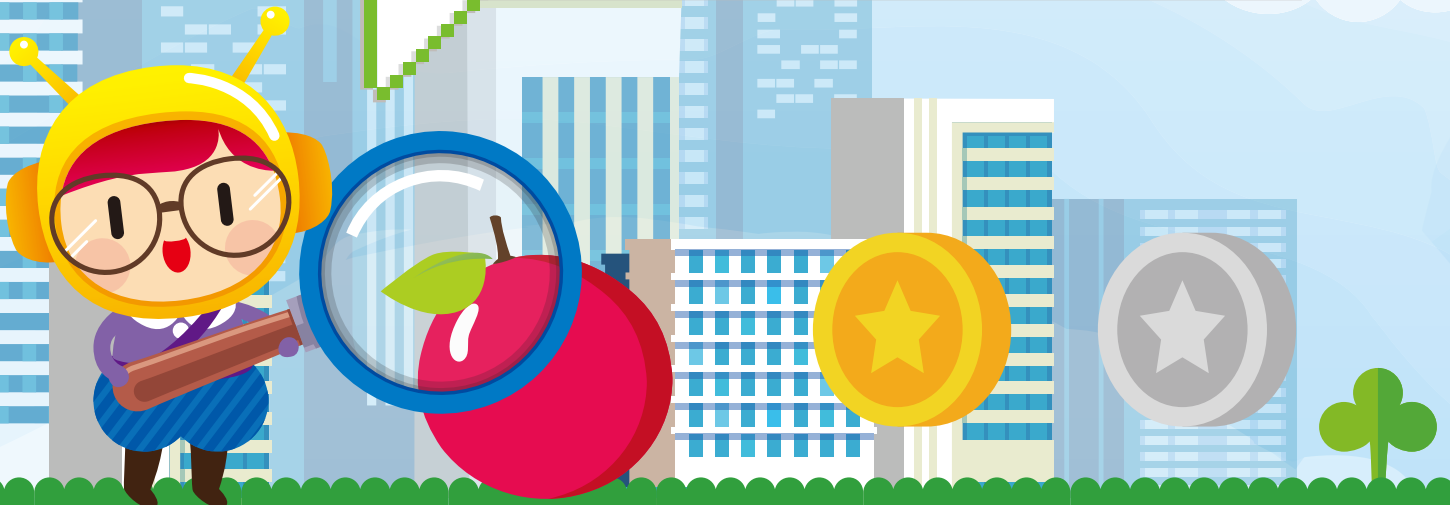
## ABOUT FORTUNE REIT

**About the Manager**

Fortune REIT is managed by ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA"), a premier integrated real estate fund manager driven by a vision to be the best-in-class real estate fund management company focused on the management of real estate investment trusts ("REITs") and private real estate funds. Established in 2002, to date ARA employs approximately 1,300 staff in 21 cities in eight countries, managing total assets of approximately S\$40 billion.

**About the Property Manager**

The property manager of Fortune REIT is Goodwell-Fortune Property Services Limited (the "Property Manager"), which is an indirect wholly-owned subsidiary of CK Asset Holdings Limited. The Manager, the Trustee and the Property Manager entered into a property management agreement whereby the Property Manager was appointed to manage, supervise, maintain and market all properties directly or indirectly owned by Fortune REIT.





## ABOUT THIS REPORT



This is the second Environmental, Social and Governance (“ESG”) Report issued by Fortune REIT (the “Report”). The Report discloses Fortune REIT’s actions and performance on sustainability issues in a transparent and open manner to its stakeholders.



### Reporting Year

Information in this Report reflects the annual performance of Fortune REIT in environmental stewardship and social responsibility from 1 January 2017 to 31 December 2017 (the “Reporting Year”).

### Reporting Boundary

The scope of the Report covers the Manager’s offices in Hong Kong and the Fortune Malls held by Fortune REIT.

### Reporting Guideline

The Report outlines the environmental, social and governance performance of Fortune REIT in a concise manner in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on the SEHK.

Fortune REIT’s compliance with the provisions under the ESG Guide, including the disclosure of information required under the “Environmental” Key Performance Indicators (“KPIs”), are summarised in the ESG Reporting Guide Content Index set out in the Report.

### Access to the Report

The Report is available in both Chinese and English on Fortune REIT’s website at [www.fortunereit.com](http://www.fortunereit.com).

### We Value Your Feedback

Our continuous improvement relies on your valuable feedback on both the content and form of this report. If you have any questions or comments, please send us your views via [enquiries@fortunereit.com](mailto:enquiries@fortunereit.com) to help our continued improvement in environmental, social and governance performance.



## MESSAGE FROM CEO

With its operations rooted in local neighbourhoods, Fortune REIT's business is linked with the sustainability of our community as a whole. Acknowledging the significance of this link, we believe that understanding and integrating the needs of our stakeholders into our operational strategies is the key to the sustainable growth of Fortune REIT.

In the Reporting Year, we have strengthened our engagement with different groups of internal and external stakeholders by reaching out to more stakeholders for their views and expectations on Fortune REIT's priorities and performance in sustainability. Their insights have provided much useful information for Fortune REIT to further develop a more environmentally-friendly and socially-engaging business model.

People are the driving force and the key to sustainable development. Whilst working on energy-efficient facilities upgrades and other initiatives at Fortune Malls and our offices in Hong Kong, we are increasingly aware of the importance of interacting and collaborating with our employees, tenants and shoppers as well as our community, who determine to what extent we can drive significant positive changes to our planet. In line with our sustainability strategy, we will continue to identify and address the views and concerns of stakeholders towards sustainability.

This Reporting Year has also demonstrated our commitment in steering community outreach from within Fortune REIT. Fortune REIT has organised and co-organised a series of community programmes with various non-governmental organisations, serving targets ranging from underprivileged families and children to the elderly. And in nearly every single programme, our employees had participated as volunteers, which set an inspiring example in the industry.

Moving forward, we will continue to take a sophisticated approach to sustainability management. Taking into account the different needs and expectations of our stakeholders, as well as the cost and benefits, we will endeavour to explore more opportunities in environmentally-friendly and socially-inclusive features in Fortune Malls where everyone, including our future generations, can enjoy a quality space.

### Chiu Yu, Justina

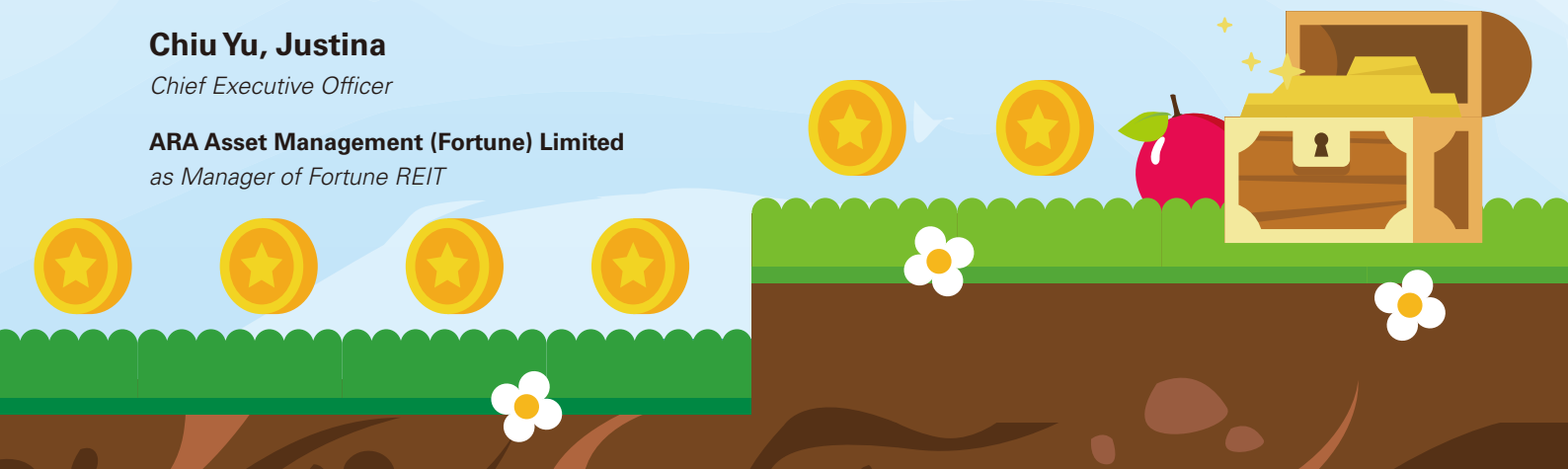
*Chief Executive Officer*

**ARA Asset Management (Fortune) Limited**

*as Manager of Fortune REIT*



**“Understanding and integrating the needs of our stakeholders into our operational strategies is key to the sustainable growth of Fortune REIT”**



## STAKEHOLDER ENGAGEMENT

The SEHK has set forth four principles for reporting in the ESG Guide: Materiality, Quantitative, Balance and Consistency which should form the basis for preparing ESG reports. The SEHK emphasises that stakeholder engagement should be the key method by which materiality is assessed. Through stakeholder engagement, companies can understand wide-ranging views and identify material environmental and social issues.



### Stakeholder Groups and Engagement Channels

Fortune REIT’s business activities involve a diverse range of stakeholders. Stakeholders refer to groups and individuals materially influencing or affected by Fortune REIT’s business operations. The table below presents key stakeholders of Fortune REIT and explains the engagement channels through which Fortune REIT has communicated with them during the Reporting Year.

Internal Stakeholders	External Stakeholders
<ul style="list-style-type: none"> <li>◆ <b>The Board of Directors (the “Board”)</b></li> <li>◆ <b>Employees<sup>1</sup></b></li> </ul>	<ul style="list-style-type: none"> <li>◆ Unitholders</li> <li>◆ Trustee</li> <li>◆ Property Manager</li> <li>◆ Investors/ Analysts</li> <li>◆ Suppliers/ Contractors/ Service Consultants</li> <li>◆ Customers (Tenants, Visitors, Consumers)</li> <li>◆ Non-governmental Organisations (“NGOs”)</li> </ul>
<p><b>Engagement methods: Meetings, E-mail, Phone, Interviews, Questionnaire and Focus Groups</b></p>	

### Materiality Assessment

While preparing the Report, Fortune REIT has commissioned an independent consultancy to conduct the materiality assessment. Through management interviews, questionnaire and focus groups, both qualitative and quantitative information concerning stakeholders’ views to determine the relative materiality on various ESG issues were collected.

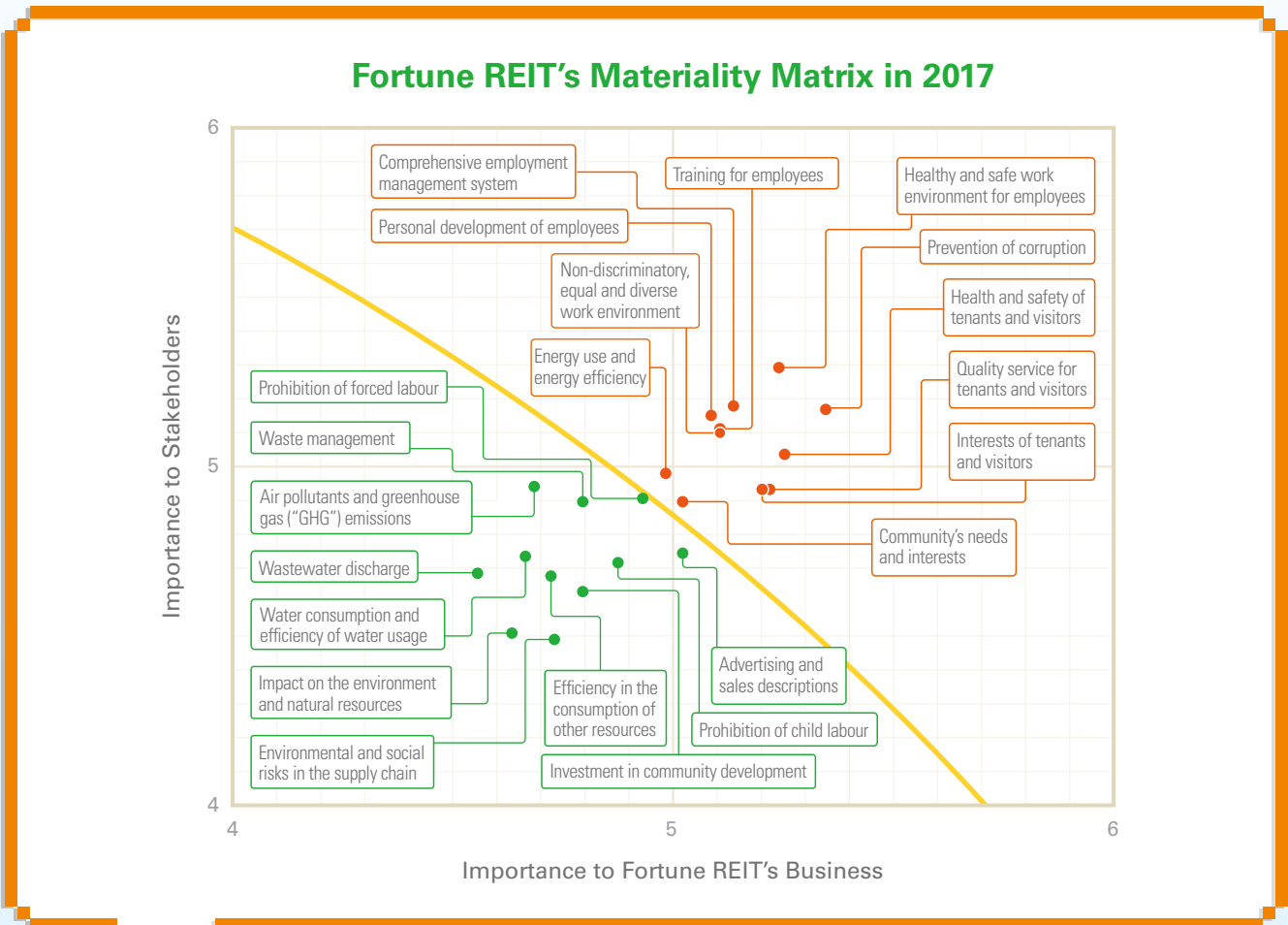
<sup>1</sup> “Employees” in the Report refers to the staff employed by the Manager who are responsible for the management of Fortune REIT. Fortune REIT itself does not employ any staff.





## STAKEHOLDER ENGAGEMENT

To identify the significant aspects for Fortune REIT’s business and for its stakeholders, a rigorous assessment process was adopted. In the questionnaire, stakeholders were asked to rate 22 issues according to their importance to Fortune REIT’s business and to themselves respectively. The ratings were organised and analysed to form the materiality matrix below with a fitted curve drawn based on the average rating by the stakeholders. The curve acted as a threshold so that issues (in orange boxes) lying above the curve were defined as material issues.



As a result, from the materiality matrix, 11 material issues were identified, being the issues that were of higher importance to both Fortune REIT’s business and its stakeholders. This materiality matrix, together with the qualitative information collected, will also guide the focus of the Report, and the formulation of Fortune REIT’s future sustainability roadmap.





## EMPLOYMENT AND LABOUR STANDARDS

**As a responsible employer, the Manager has always recognised the importance of employment and labour standards. The Manager is committed to, and endeavours to procure the Property Manager to maintain a healthy, safe and fulfilling work environment for its employees.**

### Employee Health and Safety

Despite most employees of the Manager are not involved in duties with high safety risks nor high incidence of specific diseases, the Manager endeavours to maintain a healthy and safe workplace through adhering to various standard practices.

A series of programmes have been implemented to safeguard the health and safety of the workplace. These include maintaining good indoor air quality by engaging qualified contractors to conduct frequent periodic cleaning; regular inspections and maintenance on fire safety equipment and emergency first-aid kit. In addition, all employees are provided with insurance coverage that exceeds statutory requirement, covering a wide-ranging medical scheme including hospitalisation, outpatient, specialist, Chinese herbalist and dental consultation.

To the Manager, actions that may impose danger to the health and safety of an individual are defined as an impropriety. Under the Manager's whistle-blowing policy and procedures, all employees are entitled to the right to file complaints concerning such actions.

During the Reporting Year, the Manager did not find any cases of non-compliance regarding employees' health and safety, nor any work-related injuries or fatalities. The Manager had begun and has continued monitoring the absentee rate of employees as a means to review the effectiveness of current measures.

### Employment System

The Manager's policies relating to its employment system, including working hours, rest days and holidays, employee benefits, allowances and cessation of employment, are communicated through the Employee Handbook.

The Manager also seeks to enhance staff cohesion through various compassionate arrangements and employee activities. On special occasions such as marriage and arrival of a newborn, employees will receive gifts of congratulations. Apart from annual activities including annual dinner and Christmas party, a budget under the Cohesion Fund is allocated to organising departmental activities that promote teamwork and camaraderie. During the Reporting Year, 100% of the Cohesion Fund was utilised.



Annual Dinner

The Manager strives to understand and respond to the needs and concerns of its employees. As stated in the Manager's Operation Manual, employees may bring up their concerns directly to the Human Resources Director, who in turn would highlight any such concerns to the independent Board members as part of the Manager's whistle-blowing policy.





## EMPLOYMENT AND LABOUR STANDARDS

### Training and Development

The Manager plans for employees’ training and development in a systematic manner, with the related policies, procedures and schemes in place communicated through the Employee Handbook.

Besides soft skills training organised by the Human Resources Department, employees are also encouraged to participate in external training opportunities including part-time courses, conferences and seminars through recommendation by the respective Head of Department or voluntary application approved under the Manager’s procedures and sponsorship scheme.



Staff training

As for employee evaluation, the Manager has adopted an Open Appraisal System. Employees have mid-year and year-end appraisal in the form of an open discussion each year to discuss with their supervisors not only ways to improve job performance, but also career expectations, training needs and the work environment. Apart from the mid-year and year-end appraisal, supervisors are encouraged to conduct periodic review sessions to provide continuous feedback and guidance to employees.

### Equal and Balanced Work Environment

Having people in the workplace from different cultures, backgrounds and experiences can add valuable diversity and new ideas to improve performance. Guidelines related to non-discrimination are established and stipulated in the Manager’s Employee Handbook, to which the Manager strictly adheres in order to ensure fair employment.

#### Guidelines on Fair Employment

Recruit and select	employees on the basis of merit, such as skills, experience or ability to perform the job regardless of age, race, gender, religion, nationality, sexual orientation, family status, disability, medical condition or other characteristics protected by applicable law
Treat	employees fairly and with respect and implement progressive human resources management systems
Provide	employees with equal opportunity to be considered for training and development based on their strengths and needs, to help them achieve their full potential
Reward	employees fairly based on their ability, performance, contribution and experience

The Manager has the Sweat Free Code of Conduct in place to prevent child labour and forced labour in its operations. The Human Resources Department places special emphasis on verifying the age and background of applicants during the recruitment process, where the employment of anyone below the minimum statutory age and forced labour of any kind, including slave labour, prison labour, bonded labour, indentured labour and forced overtime labour, are strictly prohibited.

Employees can report any suspected unlawful actions under the Manager’s whistle-blowing policy. During the Reporting Year, the Manager did not find any cases of non-compliance regarding employment and labour practices.

## OPERATIONAL PRACTICES

“ Fortune REIT values the operational performance on specific practices associated with the product responsibility and supply chain management. ”

### Prevention of Corruption

The Manager strives to develop, promote and maintain high standards of corporate governance. Guidelines on the required behaviour and conduct, concerning due diligence, information confidentiality, prohibition of accepting gratuities and declaration of conflict of interest, are stipulated in the Manager’s Code of Conduct for all employees to observe.

The Manager’s whistle-blowing policy ensures every employee has unfettered right of filing complaints to report possible improprieties, including actions that are unlawful, fraudulent, corrupt, dishonest, or that involve ethical malpractice and conflict of interests. During the Reporting Year, there were no concluded legal cases nor non-compliance regarding corrupt practices brought against the Manager or its employees.



### Health and Safety Management at Fortune Malls

The Manager works closely with the Property Manager to ensure sound safety management at Fortune Malls. The Property Manager has established its own health and safety management systems or policies, including established integrated management systems, which involve periodic reviews on risks, opportunities and indicators related to safety and environmental management. The Property Manager has also set up committees to carry out preventive measures at Fortune Malls, including safety audits and training. In the Reporting Year, all Fortune Malls operations were OHSAS 18001-certified. More than half of Fortune Malls have also earned the Indoor Air Quality Certificate (Good Class).

To monitor its operational and social performance, the Property Manager is required to have regular meetings with the Manager to report a range of KPIs to the Manager. To ensure identified issues have properly been followed up, the Manager’s asset management representatives communicate with the Property Manager in their regular meetings and conduct site visits to all Fortune Malls on a regular basis.



Indoor Air Quality Certificate at Fortune Metropolis



## OPERATIONAL PRACTICES



The Manager works closely with the Property Manager to maintain an excellent customer service at Fortune Malls.

### Protecting the Interests of Tenants and Visitors

To ensure the provision of quality services to tenants, visitors and customers, the Property Manager is required to conduct management service surveys and visit tenants at Fortune Malls regularly. The results, which reflect tenant satisfaction, together with records such as the written complaints received, updates of tenants' licenses and public liability insurance, are some of the Property Manager's KPIs which are reviewed by the Manager to evaluate their performance.

For written complaints and enquiries from tenants, visitors or customers, the Property Manager is required to follow up and reply promptly. Complaints are also discussed in the aforementioned regular meetings for subsequent follow-up or remedial actions.

The Manager's Code of Conduct outlines the respect for data privacy of tenants, customers and visitors by employees related to the handling of confidential business-related information. Approval will be obtained from customers before using the data for promotion purposes and an "unsubscribe" option will be provided when they receive promotional messages. For any non-compliance, the Head of Department and the Human Resources Department jointly determine consequent disciplinary actions.

During the Reporting Year, no incidents of leaks, thefts or loss of tenants, customers and visitors' information, violations of privacy, nor any non-compliance related to product and service responsibility, were found.





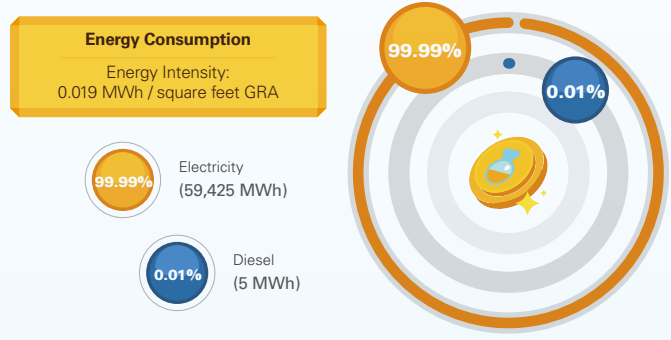
# ENVIRONMENTAL MANAGEMENT

Fortune REIT recognises its responsibility to conduct business in a way that protects and improves the state of the environment for future generations. The Manager had been internally recording and monitoring various environmental KPIs, and requiring the Property Manager to do so for each Fortune Mall.

## Energy Consumption

Purchased electricity constituted the majority of Fortune REIT’s energy consumption. To reduce electricity consumption and its GHG emissions, Fortune REIT has continuously evaluated and deployed cost-effective technologies or retrofits that promote higher energy efficiency, as well as the incorporation of renewable energy. In the Reporting Year, energy-saving measures were introduced in some Fortune Malls, including the following:

- ◆ Installing solar panel to generate electricity for powering outdoor lighting at night
- ◆ Replacing traditional lighting with LED lighting with higher energy efficiency
- ◆ Installing passenger sensors that reduce operating speed of escalators when they are not in use

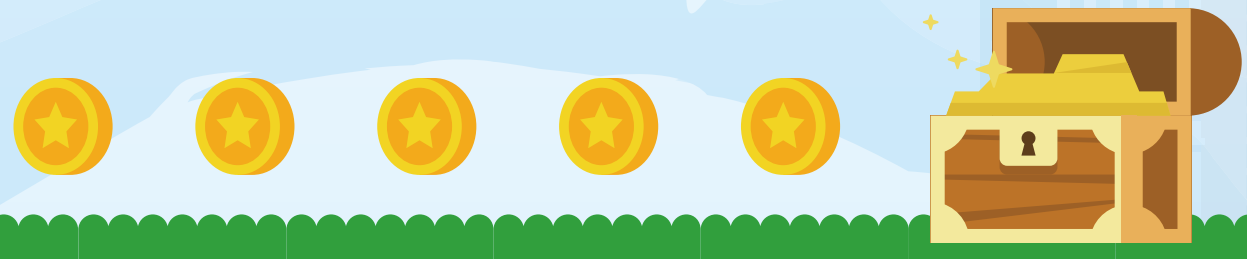


Fortune Malls realised the importance of energy saving and participated in the world’s largest collective campaign for the planet, WWF–HK “Earth Hour” in 2017.

Fortune REIT has maintained an internal monitoring system to keep track of the results achieved in electricity saving. Compared with the year 2016, 17 Fortune Malls achieved a 6% decrease in electricity consumption in the Reporting Year. The KPIs in relation to energy consumption for the Reporting Year are set out in the ESG Reporting Guide Content Index included at the end of the Report.



Solar Panel at Fortune Metropolis



## ENVIRONMENTAL MANAGEMENT

## Waste Management



Encouraging recycling has been the key waste reduction plan of Fortune REIT. Waste sorting, recycling points and seasonal collection programmes have been set up at Fortune Malls.

In the Reporting Year, a total of 10,475 tonnes of non-hazardous waste was produced in Fortune Malls with the waste intensity of 0.00329 tonnes per square feet. Meanwhile, 448 tonnes of paper, plastics and metal were collected and recycled. Apart from that, more than 10 other types of recyclables were collected, including fluorescent lamps, glass bottles, rechargeable batteries, ink or toner cartridges, old clothing, old books and home appliances, as well as seasonal items such as mooncake boxes, Christmas trees and branches of peach blossoms.

## Water Usage

Fortune REIT is currently sourcing sufficient water from municipal supplies and sees water conservation as an important part in environmental management. Due to the large pedestrian flow plus the need for large-area cleaning and plant-watering, some water-saving measures were adopted in Fortune Malls during the Reporting Year:

- ◆ Adopting a Rainwater Harvesting System to collect rainwater for greening and housekeeping
- ◆ Adopting water-saving faucets and toilets with sensors that control water flow
- ◆ Carrying out regular inspection and maintenance of water pipes and facilities to prevent dripping or leakage

During the Reporting Year, the water consumed at Fortune Malls was 99,099m<sup>3</sup>. The intensity of water consumption was 0.031m<sup>3</sup> per square feet.



Rainwater harvesting system at Fortune City One



## ENVIRONMENTAL MANAGEMENT

### Carbon Management

In the Reporting Year, the Manager engaged an external independent consultancy to quantify the GHG emissions from its operations through carbon assessment. The carbon assessment is based on the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” prepared by the Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong and international standards such as ISO-14064-1 and GHG Protocol. The assessment process has enabled Fortune REIT to better understand the use of resources and develop specific action plans to enhance efficiency and develop its carbon reduction targets.



To show our initiatives in minimizing the carbon emission, Fortune REIT staff participated in the tree planting activities jointly organised by the AFCD and Friends of the Country Parks in 2017.

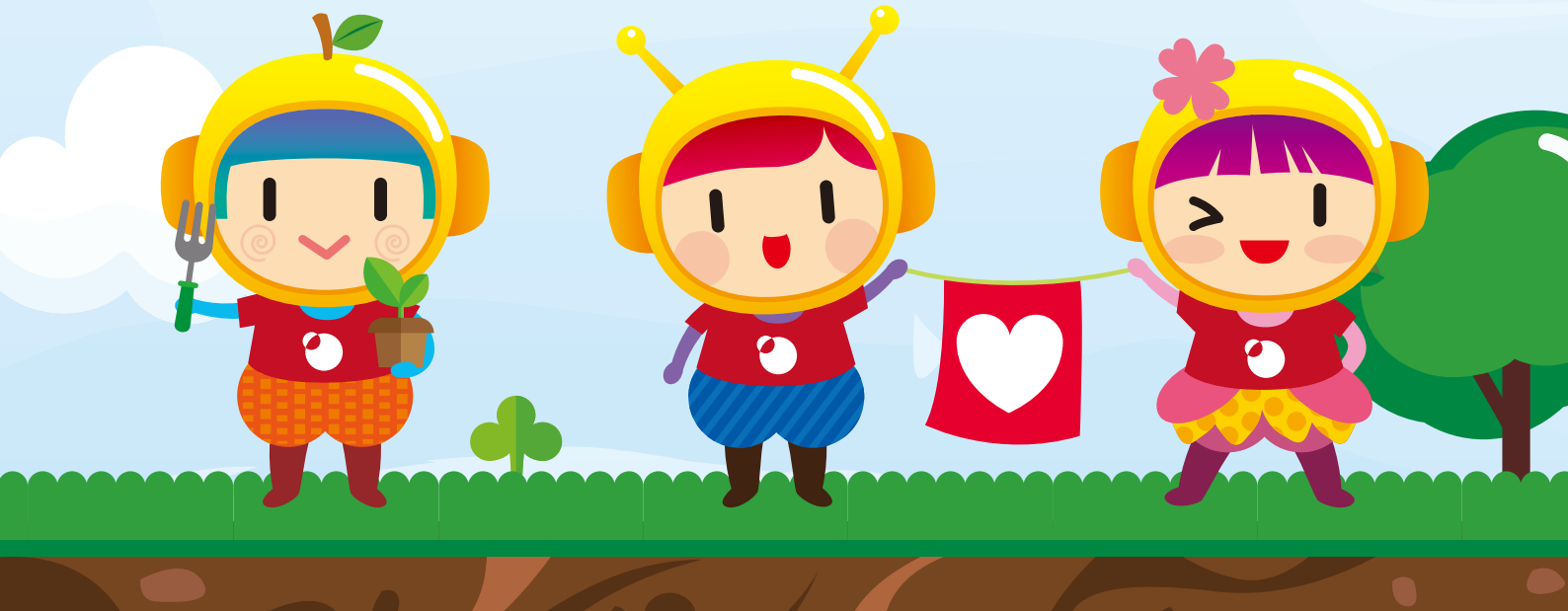
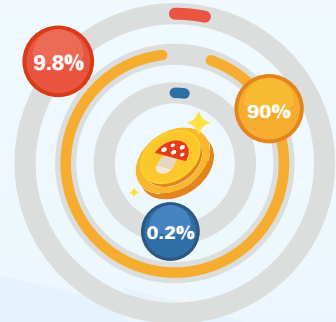
During the Reporting Year, the Manager did not find any cases of non-compliance regarding environmental emissions standards and regulations.

**Carbon Emission**  
 GHG Emissions Intensity:  
 0.011 tonnes CO<sub>2</sub>-e / square feet GRA

**90%** Scope2: Energy Indirect GHGs Emission  
 (30,879 tonnes CO<sub>2</sub>-e)

**9.8%** Scope1: Direct GHGs Emission  
 (3,380 tonnes CO<sub>2</sub>-e)

**0.2%** Scope3: Other Indirect GHGs Emission  
 (64 tonnes CO<sub>2</sub>-e)





## COMMUNITY INVESTMENT

### Understanding the Community's Needs

Fortune REIT has a long-standing commitment to fulfill the needs of the communities where Fortune Malls operate. In the community, different target groups have their special needs for support and resources. Every year the Manager adopts a corporate social responsibility plan with a view to achieve Fortune REIT's objectives.

### Fortune REIT's Objectives

To promote the development of children and the youth.

To bring love and care to the elderly.

To promote a healthy and harmonious, family, community and society

### Promoting Community Development

During the Reporting Year, the Manager implemented eight community engagement programmes targeted at students, the elderly and low-income families, some of which were co-organised with local NGOs. For every programme, volunteers were recruited from internal staff, who dedicated their time and efforts for the betterment of society.

381 service hours  
contributed by  
Fortune volunteers



Visit the factory of Coca-Cola, co-organised with Caritas Jockey Club Integrated Service for Young People – Wong Tai Sin



Monchhichi Summer Water Park Party at Fortune City One, co-organized with Hong Kong Federation of Youth Groups



Lunch and performances at one of the restaurants in Fortune City One, co-organised with Sha Tin Rhenish Neighbourhood Elderly Centre

COMMUNITY INVESTMENT



In coordination with Food Angel, volunteers prepared meals, which were distributed to needy people in different districts



Chinese New Year performances at Ma On Shan Plaza, co-organised with Hong Kong Children and Youth Services – Heng On Estate



Supported 228 community programmes through various sponsorship for NGOs

The Manager has continuously supported NGOs by providing free venues with basic facilities at Fortune Malls. With a set of guidelines and criteria in place, the Manager welcomes application for such sponsorship from charitable organisations and schools, who plan to organise non-commercial programmes with educational purposes, contribution to sustainability or advancement for the communities that match with Fortune REIT's objectives.



Fortune Malls x B.Duck x Mentos performances, games and Fun Fair with kids and families at Fortune Metropolis, co-organised with Holy Carpenter Church Community Centre



Movie Day for families from Tin Shui Wai district at Fortune Kingswood, co-organised with Pok Oi Hospital Mr. Ng Hung Mow Memorial Family Multiple Intelligences Centre

# ACHIEVEMENTS



## Hang Seng Sustainability Index

With effect from 4 September 2017, Fortune REIT has been selected as a constituent member of the Hang Seng Corporate Sustainability Index ("HSSUS"), a respected reference benchmark for listed companies which perform well with respect to corporate sustainability. Fortune REIT endeavours to create economic value for its stakeholders, and it believes equally in the importance of being responsible stewards for the environment and creating social value for the communities it serves. To that end, Fortune REIT has incorporated sustainability practices in every aspect of its daily operations.

## Awards

Working hand-in-hand with the Property Manager, in the Reporting Year Fortune Malls participated in a range of programmes related to environmental and social sustainability organised by various governmental and non-governmental bodies. Some highlights of these programmes are as follow:





ACHIEVEMENTS



## ACHIEVEMENTS



Area	Programmes Participated and/or Recognition Acknowledged	Organiser
<b>Environmental Protection</b>	1 Charter on External Lighting	The Environment Bureau
	2 Energy Saving Charter & 4Ts Charter Schemes	The Environment Bureau
	3 Energy Saving Championship Scheme	The Environment Bureau
	4 Commendation Scheme on Source Separation of Commercial and Industrial Waste Awards for 2016/17 — COM	Environmental Protection Department
	5 Food Wise Charter	Environmental Protection Department
	6 Rechargeable Battery Recycling Programme	Environmental Protection Department
	7 Hong Kong Green Organisation Certification 2017 ◆ Wastewi\$e Certificate ◆ Energywi\$e Certificate	The Environmental Campaign Committee
	8 Hong Kong Awards for Environmental Excellence	Business Environment Council
	9 Wood Recycling, Book Recycling and Tree Conservation Scheme	Hong Kong Environmental Protection Association
	10 FoodEver WasteNever Programme: ◆ Gold Award (Fortune Metropolis) ◆ Silver Award (Belvedere Square)	Hong Kong Women Professionals & Entrepreneurs Association
	11 Hong Kong Green Awards 2017 ◆ Green Management Award — Service Provider: Bronze Award	Green Council 
	12 BOCHK Corporate Environmental Leadership Awards 2016 — EcoChallenger	Federation of Hong Kong Industries
<b>Quality and Customer Service</b>	13 Indoor Air Quality Certificate	Environmental Protection Department and the Indoor Air Quality Information Centre
	14 Quality Water Supply Scheme for Buildings — Fresh Water	Water Supplies Department
	15 Best Security Service Awards — Kowloon West Region; New Territories South Region; Hong Kong Island Region	Hong Kong Police Force
	16 Best Property Safety Management Award — Safety Culture Award (Merit)	Occupational Safety & Health Council
	17 Good Housekeeping Promotion Campaign 2016-17 — Merit	Occupational Safety & Health Council
	18 Hong Kong Smoke Free Leading Company Award 2016 — Triple Gold Award (Fortune Metropolis)	Hong Kong Council on Smoking and Health
	19 Excellence of Facility Management Award (EFMA) 2017 ESG Reporting Merit Award	The Hong Kong Institute of Facility Management
<b>Employee and Community Well-being</b>	20 Social Capital Builder (SCB) Awards	Labour and Welfare Bureau
	21 5 Years Plus Caring Company logo	Hong Kong Council of Social Service
<b>ESG Reporting</b>	22 CarbonCare® ESG Label	CarbonCare InnoLab

## ESG REPORTING GUIDE CONTENT INDEX

Material Aspect	Content	KPI Figures	Page Number
<b>A1 Emissions</b>			
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, discharge into water and land, and generation of hazardous and non-hazardous waste.	-	14
A1.1	The types of emissions and respective emissions data.	Air emissions are not material to Fortune REIT's operations	
A1.2	Greenhouse gas emissions in total (in tonnes)	34,323	14
	Intensity of greenhouse gas emissions (tonnes CO <sub>2</sub> -e / square feet GRA)	0.011	14
A1.3	Total hazardous waste produced (in tonnes) and intensity	No hazardous waste was generated from the reported operations	
A1.4	Total non-hazardous waste produced (from Fortune Malls only; in tonnes)	10,475	13
	Intensity of non-hazardous waste produced (tonnes / square feet GRA)	0.00329	13
A1.5	Description of measures to mitigate emissions and results achieved.	-	14
A1.6	Description of how hazardous and non-hazardous wastes are handled, waste reduction initiatives and results achieved.	-	13
<b>A2 Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	-	12-14
A2.1	Direct and/or indirect energy consumption by type	-	12
	Diesel (in GJ)/(in MWh)	20GJ/5MWh	
	Electricity (in MWh)	59,425	
	Direct and/or indirect energy consumption in total (in MWh)	59,430	12
	Energy intensity (MWh / square feet GRA)	0.019	12
A2.2	Water consumption in total (in m <sup>3</sup> )	99,099	13
	Water intensity (m <sup>3</sup> / square feet GRA)	0.031	13
A2.3	Description of energy use efficiency initiatives and results achieved.	-	12
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	-	13
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The use of packing material for finished products is not applicable to Fortune REIT's business	
<b>A3 The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	-	12-14
A3.1	Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them.	-	12-14

ESG REPORTING GUIDE CONTENT INDEX

<b>B1 Employment</b>			
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.	-	8-9
<b>B2 Health and Safety</b>			
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.	-	8
<b>B3 Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	-	9
<b>B4 Labour Standards</b>			
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.	-	8-9
<b>B5 Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	-	11
<b>B6 Product Responsibility</b>			
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.	-	10-11 Given the business nature, advertising and labelling do not conform a significant aspect of Fortune REIT
<b>B7 Anticorruption</b>			
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.	-	10
<b>B8 Community Investment</b>			
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.	-	15





Manager



ARA Asset Management (Fortune) Limited



[www.fortunemalls.com.hk](http://www.fortunemalls.com.hk)

[www.fortunereit.com](http://www.fortunereit.com)

