

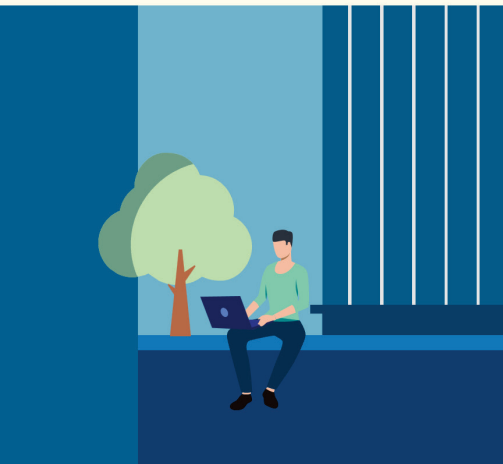
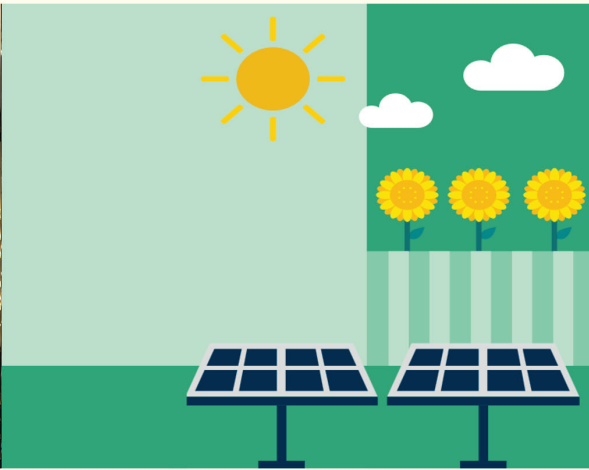


SUNLIGHT REIT

Stock Code : 435

# SUSTAINABILITY REPORT

2023/24





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## Appendix





# About the Sustainability Report

This standalone sustainability report (“**Report**”) is published in electronic format on the corporate website of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”) and HKEXnews, the disclosure platform of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). It has been reviewed by the Environmental, Social and Governance Committee (the “**ESG Committee**”) and was approved by the Board of Directors (the “**Board**”) of Henderson Sunlight Asset Management Limited (the “**Manager**”) on 11 March 2025.

Pursuant to an announcement dated 5 December 2023, Sunlight REIT has changed its financial year end date from 30 June to 31 December. Accordingly, this Report encompasses a period of 18 months from 1 July 2023 to 31 December 2024 (the “**Reporting Period**”) and the reported figures may not be fully comparable to the preceding financial year covering 1 July 2022 to 30 June 2023.

This Report covers the sustainability performance of Sunlight REIT, the Manager and Henderson Sunlight Property Management Limited (the “**Property Manager**”) and focuses on the major Environmental, Social and Governance (“**ESG**”) issues relating to Sunlight REIT’s operations, while providing a progress update in respect of its vision, strategy and targets. The terms “we”, “us” and “our” refer to the Manager and/or the Property Manager within this Report. These terms also apply to Sunlight REIT as the context requires.

## Reporting scope

The reporting boundary is based on the extent of ownership and operational control over Sunlight REIT’s premises, while key performance indicators (“**KPIs**”) on environmental aspect apply to selected properties<sup>1</sup> representing approximately 85% (by appraised value) of the portfolio under management, including West 9 Zone Kids (“**W9Z**”) which was acquired in April 2023. For social KPIs, they reflect the corresponding performance of Sunlight REIT, the Manager and the Property Manager.

## Reporting standards

This Report has been prepared in accordance with Part A to C of the Environmental, Social and Governance Reporting Code (“**ESG Reporting Code**”) under Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange and the Relevant Climate-related Disclosures<sup>2</sup>. Since the mandatory disclosure requirements in Part D of the ESG Reporting Code is effective for financial years commencing on or after 1 January 2025, we will comply with such disclosure requirements in the sustainability reports for the financial year ending 31 December 2025 onwards. In addition, the preparation of this Report has been drawn with reference to the Global Reporting Initiative Sustainability Reporting Standards (“**GRI Standards**”) to ensure a broader alignment with internationally recognized sustainability reporting practices. The ESG Reporting Code Contents Index and the GRI Standards Contents Index are provided on pages 49 to 57.

### Notes:

1. Data of energy consumption, greenhouse gas (“**GHG**”) emissions and waste management cover the wholly-owned properties, including Dah Sing Financial Centre, Sheung Shui Centre Shopping Arcade, Metro City Phase I Property, Strand 50, Righteous Centre, The Harvest, 235 Wing Lok Street Trade Centre, Java Road 108 Commercial Centre, On Loong Commercial Building and W9Z. Water consumption data cover Dah Sing Financial Centre, Sheung Shui Centre Shopping Arcade, Metro City Phase I Property, Strand 50, Righteous Centre, 235 Wing Lok Street Trade Centre, Java Road 108 Commercial Centre, On Loong Commercial Building and W9Z.
2. Aspect A4 and KPI A1.2 relating to climate-related disclosures (“**Relevant Climate-related Disclosures**”) in the ESG Reporting Code were repealed on 1 January 2025 by the Stock Exchange. However, the Manager considers the Relevant Climate-related Disclosures applicable to Sunlight REIT for the Reporting Period.



## Reporting principles

In preparing this Report, the Manager adheres to the reporting principles of materiality, quantitative, balance and consistency as outlined in the ESG Reporting Code:



### Materiality

We identify the sustainability topics that matter most to us through a materiality assessment and focus on these topics for disclosure.



### Quantitative

We disclose the standards, calculation methodologies and source of conversion factors adopted for the reporting of carbon emissions and energy consumption. Please refer to the Performance Summary on pages 38 to 42 for details.



### Balance

We present our environmental and social performances on an objective and unbiased basis.



### Consistency

The methodology adopted for disclosing KPIs on environmental and social aspects is consistent with that of the previous years.

The Manager has established comprehensive internal controls and management procedures to ensure that the information and disclosure contained in this Report are materially accurate and reliable.

## Independent report assurance

The Manager has appointed the British Standards Institution, an independent third party, to verify the contents of this Report and the related environmental disclosures including energy, water, GHG and waste in accordance with the ESG Reporting Code and the Relevant Climate-related Disclosures. The assurance, scope of work and conclusions are detailed in the Independent Assurance Opinion Statement on pages 47 and 48.

## Contact us

We value your feedback on any identified material issues and our sustainability strategies as it is essential for continuous improvement of our practices and reporting. We invite you to share your thoughts with us at [ir@HendersonSunlight.com](mailto:ir@HendersonSunlight.com).

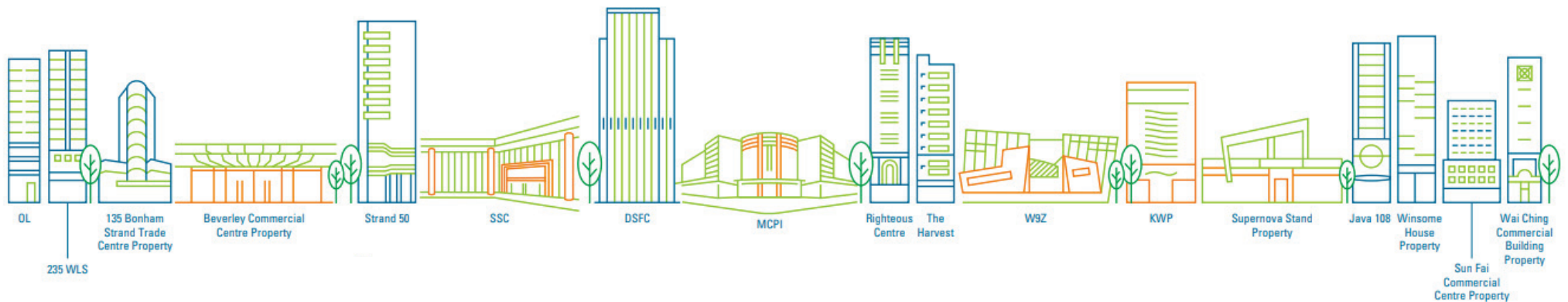




# The Board Statement

The Board is fully committed to embedding and advancing sustainability in the business operations of Sunlight REIT. Being ultimately responsible and accountable for all matters relating to ESG, the Board actively oversees the sustainability performance of Sunlight REIT, recognizing the importance of integrating sustainability principles and values into business decision-making processes. In particular, the green and climate targets, focus on health and safety and proptech implementation are beneficial to the operations of Sunlight REIT.

To facilitate effective implementation of the ESG initiatives, the Board has delegated the Disclosures Committee with the responsibility of evaluating, prioritizing and managing material ESG-related issues, assessing ESG-related risks, reviewing and evaluating disclosures and policies related to sustainability issues, while the Audit Committee is mandated to monitor the overall risk management systems of Sunlight REIT. Further, to ensure that pertinent sustainability goals and targets are established and monitored with appropriate control measures in place, the Board has established an ESG Committee to oversee the implementation directions and processes and to evaluate various strategies and issues relating to sustainability.





# Message from CEO

I am pleased to present the sustainability report of Sunlight REIT for the Reporting Period, which provides key highlights of our strategy, vision and achievements, reflecting our aspirations for fostering a more sustainable business with enhanced accountability to our stakeholders and the community.

Encouraging progress in key sustainability areas was observed during the Reporting Period. In particular, we are gratified to receive a four-star rating in the Global Real Estate Sustainability Benchmark (GRESB) assessment - this recognition bears testament to our steadfast commitment to advancing sustainability through the integration of ESG values into the management and operations of Sunlight REIT.

## Green retrofitting and proptech

Infusing sustainability is a key criteria for Sunlight REIT's acquisition. In the case of W9Z which we acquired in April 2023, we have promptly implemented a series of green enhancements at this retail property, resulting in the attainment of the Very Good grade in Site Aspects of BEAM Plus EB V2.1 Selective Scheme and Good Class in Indoor Air Quality (IAQ) Certification Scheme during the Reporting Period. Elsewhere, guided by the theme of "Care and Conserve", sustainable and inclusive design elements have been incorporated in the renovation of Metro City Phase I Property ("MCPI") completed in 2023, exemplifying our corporate vision of prioritizing care for the environment and the community in the process of revitalization.

Meanwhile, we made an initial foray into Leadership in Energy and Environmental Design (LEED) v4.1 Operations and Maintenance: Existing Buildings by achieving a Gold rating for Strand 50 in December 2024. I promise more to come in respect of green building certification in the foreseeable future.

Making good use of proptech to monitor our sustainability performance is at the forefront of our agenda. We have been utilizing smart energy analyzers in all wholly-owned office properties and will actively look for opportunities to enhance the sustainable impact of our portfolio.

## Sustainability disclosure and data integrity

Incidental to the change of financial year end date from 30 June to 31 December, we revisited our sustainability strategy framework, roadmap and targets, with our framework refined to align with the United Nations Sustainable Development Goals (UNSDGs), and to address the sustainability impacts that are most significant to Sunlight REIT, our people, our partners, our communities and our environment in the short, medium and long term. The selected sustainable development goals encompass a wide array of issues interconnecting with material topics that our stakeholders expect us to address.

We have initiated climate transition planning in response to the new climate-related disclosures mandated by the Stock Exchange which are set to take effect in 2025. The climate transition of Sunlight REIT will span multiple years and is integrated into our second three-year sustainability roadmap, aimed at establishing a climate perspective that can enhance the precision of resource allocation in addressing climate-related impacts.

We have voluntarily sought for independent sustainability report assurance since FY2021/22. With a view to upkeeping our disclosure quality and data integrity, we obtained the AA1000 ESG data verification while referencing to GRI Standards in the preparation of this Report.

I would like to express my sincere gratitude to our employees, tenants, investors and key stakeholders for helping us draw closer to the fulfilment of our important mission. We will endeavour to cultivate a culture of care and innovation to facilitate the transition to a low-carbon economy and to generate shared values for our stakeholders. We are not content with merely responding to trends and changes, but will stay fully dedicated to capitalizing on every opportunity to build a resilient and sustainable future.

WU Shiu Kee, Keith

Chief Executive Officer

11 March 2025





# About Sunlight REIT

## Our business

Listed on the Stock Exchange since 21 December 2006, Sunlight REIT is a real estate investment trust authorized by the Securities and Futures Commission (the “SFC”) and constituted by the trust deed dated 26 May 2006 (as amended and restated). The trustee of Sunlight REIT is HSBC Institutional Trust Services (Asia) Limited.

Sunlight REIT is managed by the Manager and the Property Manager has been delegated the responsibilities of providing property management, lease management and marketing services for the properties of Sunlight REIT.

## Performance highlights

Revenue: HK\$ **1,236.3** million

(for the 18 months ended 31 December 2024)

Occupancy rate: **91.3%**

(at 31 December 2024)

## Our strategy

The primary objectives of the Manager are to provide unitholders of Sunlight REIT with regular and stable cash distributions, and the potential for sustainable growth of such distributions and long-term enhancement in capital value through investing in a diversified portfolio of office and retail properties. The Manager has implemented proactive strategies to achieve the above objectives.

## Business strategies



### Operational management and asset enhancement

- Develop proactive leasing strategies, cost saving solutions and asset enhancement initiatives



### Investment and acquisition growth

- Acquire income-producing investment properties



### Capital and business management

- In place an efficient capital management strategy
- Establish a solid business management framework

## Our culture

The Manager is dedicated to fostering and nurturing a supportive and engaging culture for Sunlight REIT, which can help reinforce the sustainability practices and performance of Sunlight REIT. The Board is responsible for setting the corporate culture of Sunlight REIT and plays a pivotal role in monitoring and evaluating such culture. A corporate culture committee (the “CC Committee”) has been established to conduct culture reviews, ensuring alignment with business strategy and organizational structure of Sunlight REIT. In addition, the CC Committee is responsible for formulating action plans to promote corporate values, provide training and organize employee engagement events.

During the Reporting Period, the CC Committee gathered feedback from an employee survey and obtained approval from the Board to redefine the four core values of Sunlight REIT, namely Integrity, Care, Innovation and Sustainability.

## Core values of corporate culture



Integrity



Care



Innovation



Sustainability

For more information, please refer to the “Corporate Governance Report” in Sunlight REIT’s 2023/24 annual report.



# Property portfolio



Gross Rentable Area ("GRA") : 1.3 million sq. ft.

## 11 Office Properties

Dah Sing Financial Centre ("DSFC")



Strand 50



135 Bonham Strand Trade Centre Property



Winsome House Property



235 Wing Lok Street Trade Centre ("235 WLS")



The Harvest



Righteous Centre



Java Road 108 Commercial Centre ("Java 108")



On Loong Commercial Building ("OL")



Sun Fai Commercial Centre Property



Wai Ching Commercial Building Property



## 6 Retail Properties

Sheung Shui Centre Shopping Arcade ("SSC")



Metro City Phase I Property



Kwong Wah Plaza Property ("KWP")



West 9 Zone Kids



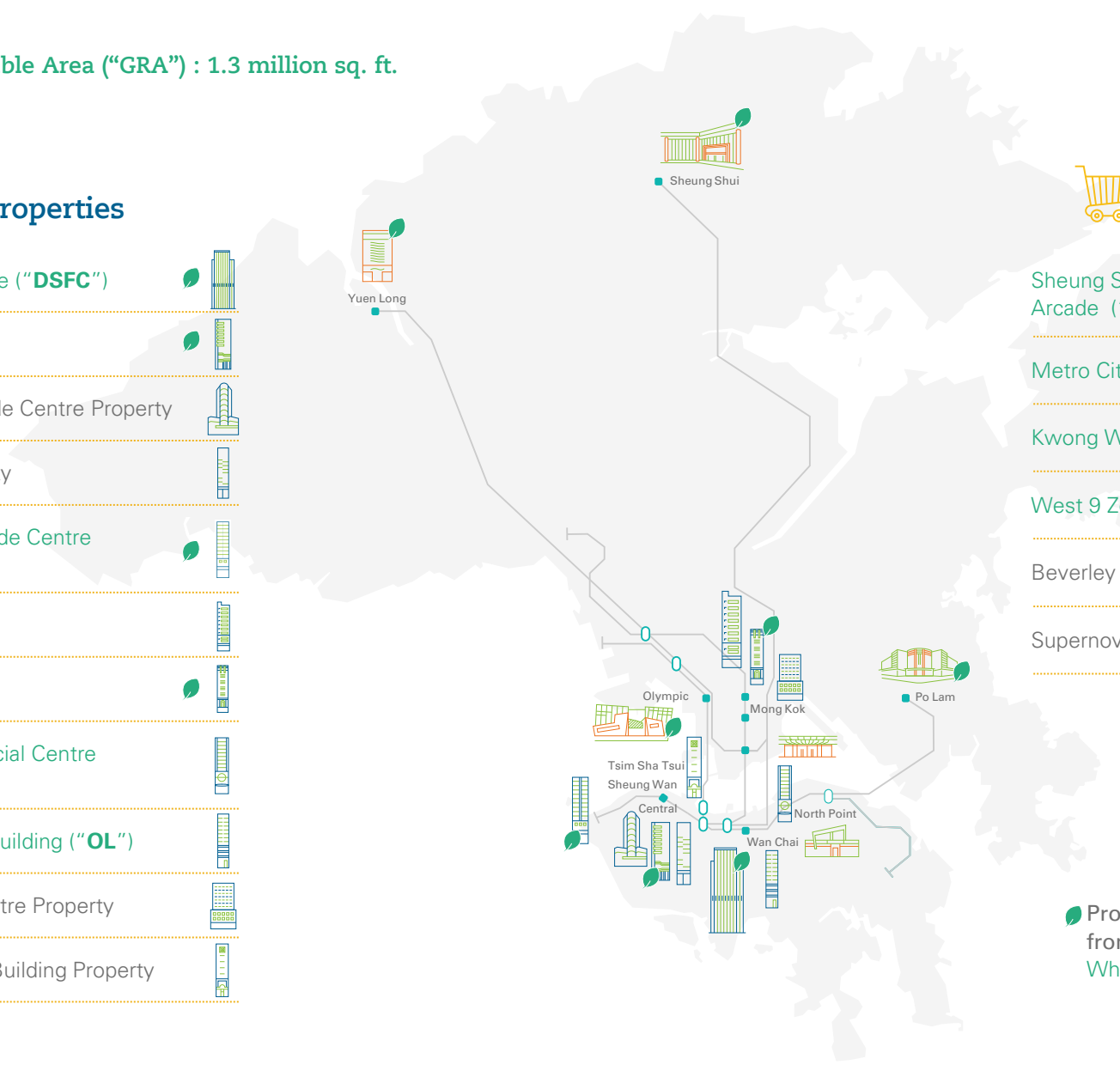
Beverley Commercial Centre Property



Supernova Stand Property



Properties with green certifications from BEAM Plus, LEED or IAQ scheme  
Wholly-owned properties







# Sustainability Governance

## Governance structure

A robust sustainability governance structure, which entails clear segregation and delegation of duties, is crucial as it ensures comprehensive oversight, effective management of sustainability-related matters and integration of sustainability principles into business operations and decision-making processes.



### The Board

The Board has the ultimate responsibility and accountability for Sunlight REIT’s sustainability issues and advancement. It oversees and approves Sunlight REIT’s sustainability framework and strategy, takes a leading role in assessing the impacts of material sustainability-related risks and opportunities and regularly reviews progress made against ESG-related targets as well as their associated business implications for Sunlight REIT in the long run.

Supervised by the Audit Committee, a holistic and effective risk management and internal control system is in place to monitor the risk environment of Sunlight REIT. Meanwhile, the Disclosures Committee reviews all material matters relating to sustainability as reported by the ESG Committee, including management approach and strategy, goals and progress towards targets, disclosure standards and transparency, while reporting and providing recommendations to the Board semi-annually.



### ESG Committee

The ESG Committee plays a central role in aligning Sunlight REIT’s sustainability strategy and directions with its long-term business objectives and stakeholder expectations. Chaired by the Chief Executive Officer (“**CEO**”) of the Manager and comprised senior management from different departments and / or operating units of the Manager and the Property Manager, the ESG Committee is responsible for coordinating and overseeing ESG-related matters of Sunlight REIT. It holds regular meetings to formulate strategies and action plans, reviews sustainability policies as well as identifies, evaluates, prioritizes and manages ESG issues and risks including climate-related risks, while reporting major findings to the Disclosures Committee semi-annually. The ESG Committee also works closely with the Corporate Social Responsibility (“**CSR**”) Committee on community investment and involvement, while fostering connections with key stakeholders.

## Key sustainability policies

To standardize and regulate our actions to achieve Sunlight REIT’s sustainability strategy, performance and disclosure requirements, we have developed various sustainability-related policies, and the key policies are listed below:

### Environmental

- Climate Change Policy
- Energy Management Policy
- Environmental Policy
- IAQ Management Policy
- Waste and Water Management Policy \*

### Social

- Community Investment Policy
- Health and Safety Policy
- Investor Relations Policy #
- Policy on Handling of Client Complaints
- Sustainable Procurement Policy \*

### Governance

- Anti-fraud Policy \*
- Anti-money Laundering Policy \*
- Code of Conduct
- Equal Opportunities Policy \*
- Privacy Policy Statement
- Risk Management Policy \*
- Whistleblowing Policy \*

\* The policy was updated or newly established during the Reporting Period  
# Previously named “Unitholders Communication Policy”



## Other governance matters

### Risk management and climate-related risks

The Manager adopts a blended approach in Sunlight REIT's risk management framework which effectively harnesses the merits of both top-down and bottom-up approaches in identifying risks.

The ESG Committee monitors sustainability risks (including climate-related risks) and makes recommendations to the Risk Taskforce on a semi-annual basis. Further, pursuant to SFC's circular in relation to "Management and disclosure of climate-related risks by fund managers" dated 20 August 2021, the Manager is required to assess climate-related risks of Sunlight REIT at least annually. Based on the recommendation from the ESG Committee, the Risk Taskforce considers that climate-related risks are relevant but not material to Sunlight REIT during the Reporting Period.

For more information on our risk management framework, please refer to the Risk Management section of the "Corporate Governance Report" in Sunlight REIT's 2023/24 annual report.

### Ethics and integrity

The Manager places strong emphasis on business ethics and maintains a high level of integrity. The Anti-money Laundering Policy and the Anti-fraud Policy state the standards and behavioural requirements for all employees, notably regarding money-laundering, bribery and fraud in daily business activities, whereas our Code of Conduct outlines clear principles against corruption, ensuring that all employees uphold a high level of ethical standards. The Anti-money Laundering Policy outlines measures to prevent and detect money laundering and terrorist financing activities, providing guidelines and procedures for client due diligence, risk assessment and ongoing monitoring to ensure compliance with relevant laws and regulations. The Anti-fraud Policy stipulates the definition of fraud, fraud risk assessment as well as the roles and responsibilities of all employees in preventing, detecting and reporting fraud.

For more information on fraud management, please refer to our [Anti-fraud Policy](#).

Note: Including but not limited to Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations and SFC-licensed Virtual Asset Service Providers) issued by the SFC.

During the Reporting Period, an anti-money laundering seminar was provided to senior management and relevant employees, which furnished them with practical insights in identifying money laundering risks as well as detecting and preventing unethical practices in daily operations. Meanwhile, an anti-corruption training was also provided by the Independent Commission Against Corruption to new joiners and relevant employees, reinforcing principles about anti-corruption.

We complied with all local laws and regulations <sup>Note</sup> in relation to corruption, bribery, extortion, fraud and money laundering. During the Reporting Period, there were no suspected or concluded legal cases regarding corrupt practices brought against the Manager or its employees.

### Whistleblowing

The Whistleblowing Policy encourages employees and business partners to report any actual or suspected improprieties, misconducts, malpractices and irregularities without fear of reprisal. The Audit Committee is the ultimate approver of the Whistleblowing Policy, while the day-to-day monitoring responsibility is delegated to the Internal Auditor, who is required to notify the Audit Committee of any reportable conduct as appropriate.

Reporting can be made by telephone, email or post to our Internal Audit Department. However, if the complaint is lodged against the Internal Auditor, such reporting should be made by post to the CEO who will report to the Chairman of the Audit Committee.

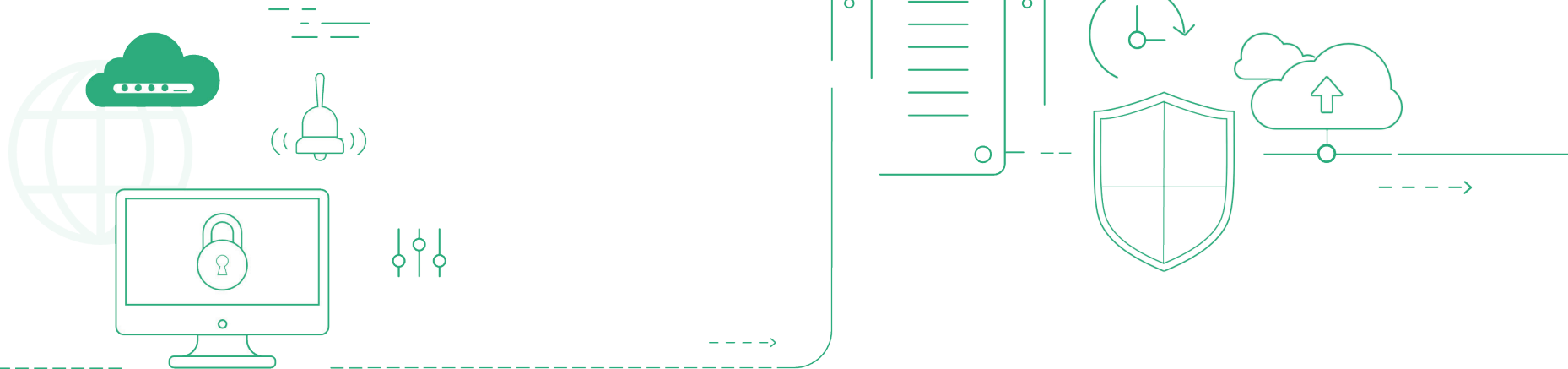


## Personal data privacy

We recognize the importance of protecting personal data privacy in our operations. To safeguard personal data privacy, we collect solely essential personal information required and no personal data is used for marketing purposes without obtaining prior proper authorization or consent from tenants and customers. All personal data collected are securely protected and procedures are in place to ensure that data is only accessible to authorized personnel.

We fully complied with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) during the Reporting Period and recorded no substantiated complaints related to data privacy matters.

For more information, please refer to our [Privacy Policy Statement](#).





# Sustainability Strategy Framework, Roadmap and Progress

## Our sustainability strategy framework



As the Manager of Sunlight REIT, we provide property management services to our tenants, our operational practices, including energy consumption, waste and water management as well as climate change management which may create adverse impacts to our environment and natural resources. In this regard, the Manager has established a sustainability strategy framework to ensure responsible operations across all facets of our business. Aligned with our 2030 Sustainability Vision, the sustainability strategy framework is built upon these core elements:

### Strategic pillars

Indispensable building blocks for business continuity where sustainability risks and opportunities are considered and addressed.

### Focus areas

ESG priorities upon which our sustainability goals and targets are established.

### Sustainability benchmarks

Align sustainability focus areas with UNSDGs.

### Business foundations

Good corporate governance is fundamental to long-term business viability while "capital" and "relationship" represent the two facets reflecting our core business foundations.



During the Reporting Period, the ESG Committee reviewed the sustainability strategy framework and refined the definition and grouping of certain focus areas as well as amended several targets in light of the latest sustainability developments of Sunlight REIT.

UNSDGs are considered and included in our sustainability strategy framework. Based on the recommendations from our ESG consultant, we have adjusted our benchmarking from eight to nine UNSDGs. This adjustment underscores our dedication to aligning with global sustainability standards. According to “The 2030 Agenda for Sustainable Development”, nine of which are in line with our strategic pillars and focus areas, namely Good Health and Well-being (SDG3), Affordable and Clean Energy (SDG7), Decent Work and Economic Growth (SDG8), Industry, Innovation and Infrastructure (SDG9), Reduced Inequalities (SDG10), Sustainable Cities and Communities (SDG11), Responsible Consumption and Production (SDG12), Climate Action (SDG13) and Partnerships for the Goals (SDG17).

## 4 strategic pillars and 11 focus areas





# Our roadmap

| Focus Areas                                  | FY2019/20 - FY2021/22<br>The First Three-Year Plan   | FY2022/23 - FY2025<br>The Second Three-Year Plan   | FY2026 - FY2030<br>The Third Five-Year Plan                                    |
|--|--|--|--|
| <b>Green buildings and energy efficiency</b> | ▲ Green building certifications for four properties (DSFC, SSC, MCPI and Strand 50) by FY2025/26                                     | ● Regularly assess, review and introduce ESG-driven building technology in our portfolio   | Reduce 25% energy consumption by FY2030  |
|  | ▲ Obtain good class or above IAQ certificates for 50% of properties (in terms of total GRA by FY2025/26)                             |  |  |
| <b>Waste and water</b>                       | ▲ Develop policy and system to record quantity of certain recyclables <sup>1</sup> for selected wholly-owned properties by FY2021/22 |  | ● Divert 15% <sup>2</sup> waste from landfill by FY2030                        |
|  | ▲ Conduct water risk assessment by FY2021/22   |  | Reduce 25% water consumption by FY2030   |
| <b>Climate change and carbon emissions</b>   | ▲ Conduct carbon audit by FY2025/26  | ● Complete climate transition plan by FY2025 to comply with the new disclosure requirement | Reduce 25% carbon emissions by FY2030  |
|  |  |  | ● Conduct carbon audit for 80% of properties (in terms of total GRA) by FY2030 |
| <b>Employee engagement and well-being</b>    | ▲ Conduct annual employee well-being survey by FY2022/23   | ● Conduct biennial employee well-being survey  |  |
| <b>Health and safety</b>                     |  | ▲ Evaluate occupational health and safety training needs of employees by FY2025            |  |
| <b>Training and development</b>              |  | Develop employee learning and development plan by FY2025                                   | Increase 30% average training hours per employee by FY2030                     |
| <b>Tenant satisfaction and well-being</b>    |  |  | ● Establish a green lease programme by FY2027                                  |
| <b>Supply chain management</b>               | ▲ Develop and implement green procurement system by FY2025/26  |  | ● Develop supply chain risk assessment system by FY2026                        |
| <b>Sustainable finance</b>                   |  |  | ● Develop a sustainable finance framework by FY2026                            |
| <b>Placemaking and community investment</b>  |  |  | Increase 50% volunteering hours by FY2030                                      |
|  |  |  | ● Increase 100% CSR investments by FY2030                                      |
| <b>Collaborations with NGOs</b>              |  |  | Conduct impact measurement for major CSR initiatives by FY2030                 |

Notes: 1. Recyclables comprise waste paper, plastic bottles, aluminium cans, glass bottles, fluorescent tubes, ink cartridges, rechargeable batteries as well as waste electrical and electronic equipment.

2. Upon further review of internal governance policy.

▲ : Achieved ; ● : Amended



# Our progress

Regular performance assessments are systematically conducted to evaluate the progress towards set targets. This process culminates in the development of action plans designed to ensure alignment with Sunlight REIT's 2030 Sustainability Vision.








For environmental KPIs such as energy consumption, water consumption and carbon emissions, the baseline year is FY2015/16, while the corresponding baseline year for social KPIs such as average training hours per employee, volunteering hours and CSR investments is FY2017/18. Pursuant to the change of financial year end date of Sunlight REIT, which has been changed from 30 June to 31 December, the Manager has adjusted the completion date of sustainability targets.



|  | LAND   | Target <sup>1</sup>  | Progress for the Reporting Period <sup>2</sup>  |
|--|--|--|---|
|  | <b>Green buildings and energy efficiency</b> | Regularly assess, review and introduce ESG-driven building technology in our portfolio   | Installed solar-lights, IAQ sensors and smart energy analyzers in selected properties   |
|  |  | Reduce 25% energy consumption by FY2030  | Reduced <b>10%</b> energy consumption   |
|  | <b>Waste and water</b>                       | Divert 15% waste from landfill by FY2030   | Diverted <b>6%</b> waste from landfill  |
|  |  | Reduce 25% water consumption by FY2030   | Reduced <b>27%</b> water consumption  |
|  | <b>Climate change and carbon emissions</b>   | Complete climate transition plan by FY2025 to comply with the new disclosure requirement | <ul style="list-style-type: none"> <li>Reviewed ESG governance and corporate risk management structure to integrate climate-related issues into business and risk management approaches</li> <li>Organized the Task Force on Climate-related Financial Disclosures (TCFD)-focused training sessions for specific employees to pave the way for a clear roadmap about tackling climate change</li> </ul> |
|  |  | Reduce 25% carbon emissions by FY2030  | Reduced <b>44%</b> carbon emissions   |

Notes: 1. The sustainability targets cover all Sunlight REIT's wholly-owned properties (except for W9Z) and operations of the Manager and the Property Manager.  
 2. The data for the Reporting Period represents the 18-month data in environmental and social aspects and the progress of the targets is calculated based on the annualized figures as compared with the corresponding figures in the baseline year.



|   | HUMAN                                       | Target   | Progress for the Reporting Period   |
|---|---|--|---|
|    | <b>Employee engagement and well-being</b>   | Conduct biennial employee well-being survey                    | Conducted an employee well-being survey in December 2023  |
|    | <b>Training and development</b>             | Develop employee learning and development plan by FY2025       | Collected preferred training topics and learning and development feedback from employees through training needs survey  |
|   |   | Increase 30% average training hours per employee by FY2030     | Increased <b>15%</b> average training hours per employee  |
|   | PARTNERSHIP                                 | Target   | Progress for the Reporting Period   |
|    | <b>Tenant satisfaction and well-being</b>   | Establish a green lease programme by FY2027                    | <ul style="list-style-type: none"> <li>Distributed green tips and fitting-out guidelines to tenants to foster collaboration in environmental protection</li> <li>Finalizing the first green lease with a bank tenant</li> </ul> |
|    | <b>Supply chain management</b>              | Develop supply chain risk assessment system by FY2026          | Created a self-assessment form for suppliers to evaluate their ESG performance  |
|   | <b>Sustainable finance</b>                  | Develop a sustainable finance framework by FY2026              | Engaged in discussions with selected banks regarding the key environmental and social performance indicators of the sustainable finance framework   |
|   | NEIGHBOURHOOD                               | Target   | Progress for the Reporting Period   |
|  | <b>Placemaking and community investment</b> | Increase 50% volunteering hours by FY2030                      | Increased <b>92%</b> volunteering hours   |
|   |   | Increase 100% CSR investments by FY2030                        | Increased <b>148%</b> CSR investments   |
|  | <b>Collaborations with NGOs</b>             | Conduct impact measurement for major CSR initiatives by FY2030 | Prepared the impact measurement for selected CSR initiatives  |





# Sustainability Commitments and Aspirations



## Our GRESB Achievements

GRESB is an industry-driven organization that evaluates the ESG performance of real estate and infrastructure portfolios worldwide. By assessing key components such as management, policy and disclosure, GRESB provides a comprehensive overview of our ESG performance. This helps us benchmark our sustainability effort against industry peers, identify areas for improvement and demonstrate our commitment to ESG principles.

The continued improvement in the GRESB rating reflects our effort to enhance sustainability initiatives and incorporate ESG values into our daily practices. We will continue to enhance our portfolio's sustainability features and strive to maintain our GRESB performance.



# 2022

**Improvement works**

**Management module:**

- Established ESG-related policies and guidelines
- Formulated ESG risk management framework

**Performance module:**

- Replaced chiller plant at Strand 50 for energy efficiency
- Obtained building certifications for selected properties



# 2023

**Grade A in Public Disclosure**

**Improvement works**

**Management module:**

- Set up ESG performance targets for employees and assess their performance through appraisal with monetary incentives
- Obtained the independent assurance opinion statement for FY2022/23 Sustainability Report

**Performance module:**

- Obtained ISO14046 (Environmental management – water footprint) and ISO14064 (Greenhouse gases)



# 2024

**Grade A in Public Disclosure**

**Improvement works**

**Management module:**

- Obtained ISO14001 Environmental Management System
- Improvement in risk assessment (including technical building assessments, energy and water efficiency measures)
- Published a standalone sustainability report

**Performance module:**

- Improvement in waste management
- Obtained AA1000 v3 ESG data verification
- Attained building certifications for W9Z
- Conducted Arc energy rating



# Sustainability Commitments and Aspirations



## Land

We are committed to fostering sustainable real estate practices that contribute to building resilient communities and mitigating climate-related risks.

We complied with all applicable laws and regulations <sup>Note</sup> and we have policies and guidelines in place to maintain good air quality, reducing GHG emissions, responsibly handling waste and managing effluent discharge as well as use different approaches of handling hazardous and non-hazardous waste materials in our operations.



Note:  
Including but not limited to Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) and Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).



## Key achievements during the Reporting Period



### Green buildings and energy efficiency

- Attained Gold rating in LEED v4.1 certification for Strand 50
- Installed electric vehicle (“EV”) charging facilities at car parking spaces of DSFC, SSC and MCPI
- Installed solar-lights, IAQ sensors and smart energy analyzers in selected properties



### Waste and water

- Enrolment of *Food Wise Hong Kong Campaign* to collect food waste



### Climate change and carbon emissions

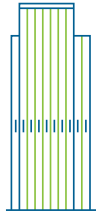







- Reviewed ESG governance and corporate risk management structure to integrate climate-related issues into business and risk management approaches
- Organized TCFD-focused training sessions for specific employees



# Green Buildings and Energy Efficiency

## Green buildings

A summary of our green building achievements is shown below:

|  |  |  |  |  |  |  |  |  |
|--|---|---|---|---|---|---|---|---|
|  | DSFC  | Strand 50   | Righteous Centre  | 235 WLS   | SSC   | MCPI  | KWP   | W9Z   |
| <b>BEAM Plus EB V2.0 Comprehensive Scheme</b>                    | Final Platinum rating   |   |   |   |   |   |   |   |
| <b>BEAM Plus EB V2.0/V2.1 Selective Scheme :</b>                 |   |   |   |   |   |   |   |   |
| <b>a. Materials and Waste Aspects</b>                            |   | Excellent Grade   |   |   |   |   |   |   |
| <b>b. Indoor Environmental Quality Aspect</b>                    |   | Excellent Grade   |   |   |   |   |   |   |
| <b>c. Site Aspects</b>   |   |   | Excellent Grade   | Excellent Grade   | Excellent Grade   | Excellent Grade   | Excellent Grade   | Very Good Grade   |
| <b>LEED v4.1 Operations and Maintenance : Existing Buildings</b> |   | Gold rating   |   |   |   |   |   |   |
| <b>IAQ Certification Scheme</b>                                  | Excellent Class   | Good Class  | Good Class  |   | Good Class  | Good Class  |   | Good Class  |



# Green buildings

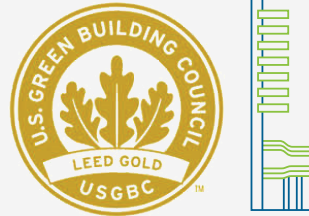
## Case Study

### Strand 50: Attained Gold rating in LEED v4.1 certification

Strand 50 is our first property to apply for LEED v4.1 Operations and Maintenance certification. LEED v4.1 is a reputable sustainability building rating system to enhance the standards that tracks performances in energy, water, waste, transportation, IAQ, toxic free environment and occupant satisfaction.

On top of performances in environmental aspects, it also emphasizes energy efficiency best management practices, fundamental refrigerant management, facility maintenance and renovation policy, green cleaning policy and environmental tobacco smoke control.

During the Reporting Period, we established our Facility Maintenance and Renovation Policy as well as Green Cleaning Policy at Strand 50, while tightening our site management and pest management plan. We are pleased to achieve a Gold rating under LEED v4.1 Operations and Maintenance certification in December 2024, an important showcase of our dedication to enhancing our property management services. Looking ahead, we will leverage the experience at Strand 50 and strive to obtain LEED certifications for other core properties.



Strand 50



## Energy efficiency

Over 90% of Hong Kong’s electricity is consumed in buildings, which accounts for over 60% of the city’s carbon emissions. As a responsible landlord, we strive to reduce energy consumption and GHG emissions by enhancing our energy management measures from time to time. These initiatives not only positively contribute to the environment but also offer benefits to operating cost efficiency. To ensure effective collaboration and communication among various teams and operating units, we established a comprehensive Energy Management Policy to govern management practices and encourage innovation in energy consumption and to provide guidance on implementation and evaluation while serving as a key criteria for potential acquisition.

During the Reporting Period, we achieved an outstanding Arc performance score in the energy category. The Arc performance score evaluates key metrics such as energy consumption, GHG emissions and energy management practices, providing a benchmark for operational excellence. In addition, we developed customized energy management plans for our key properties. These tailored strategies have led to encouraging progress in energy consumption reduction.

Furthermore, obtaining certification in AA1000 ESG data verification demonstrated our efforts in capturing ESG data among the entire property portfolio in a comprehensive and audit-tracking manner, aligning our daily operations with internationally recognized best practices.



## Optimizing the use of renewable energy

Making use of renewable energy is a cost-effective strategy to enhance our sustainability performance. We are committed to prioritizing the integration of renewable energy features into our properties wherever feasible and appropriate. A notable example is the solar photovoltaic systems at SSC and KWP. Excess energy generated has been exported under the Feed-in Tariff Scheme, whereby the local electric company purchases such energy at competitive rates and the progress thus far is encouraging.

## Utilizing energy-efficient solutions

An integral part of our strategy to reduce carbon footprint is the adoption of energy-efficient solutions across the portfolio. A case in point is the air-conditioning enhancement programme, which includes the installation of energy-efficient air-conditioning units at selected Grade B office properties. This initiative is a key step in managing our environmental impact and promoting sustainable operations. Further, we installed LED lighting facilities at most of our wholly-owned properties, with the plan to phase out all non-LED lights once practicable.

### Case Study

### EV charging facilities to promote green transportation

Echoing with the aspiration for transiting Hong Kong into a low-carbon economy, we have extended the availability of EV charging facilities to DSFC and SSC, as well as installed more EV charging facilities at MCPI during the Reporting Period. This initiative not only encourages the use of EVs to our properties but also demonstrates our commitment to sustainability.

With the aim of promoting the utilization of EVs, we organized a series of EV exhibitions at MCPI. Those exhibitions featured interactive displays and demonstrations of the latest EV models, providing meaningful value to the community by raising its awareness about green transportation and fostering community engagement, promoting the joy of sustainable living.

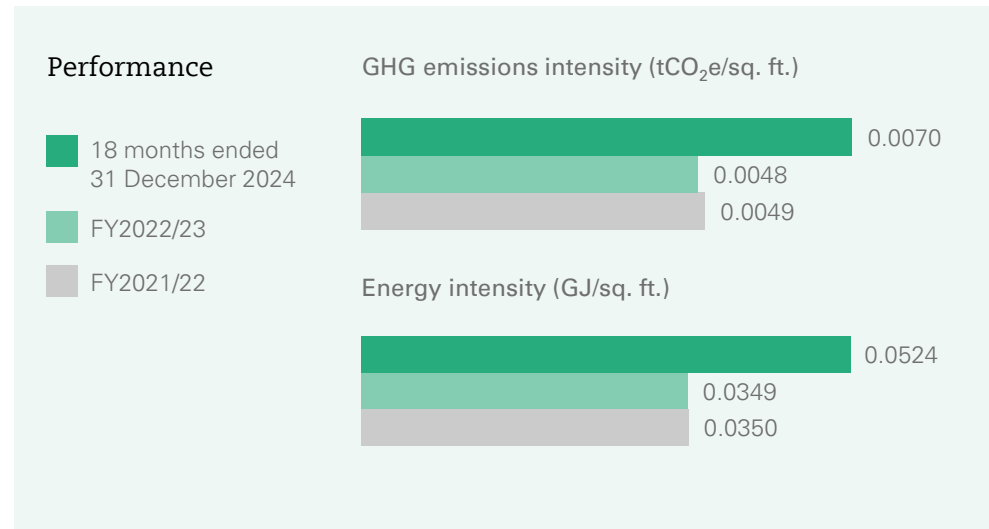


EV charging facilities at MCPI



## Leveraging proptech for data collection and analysis

To increase our energy monitoring and reporting capabilities, we installed advanced Internet of Things (IoT) devices that connect energy meters at DSFC. These devices transmit real-time data to a cloud building operating system for in-depth analysis. We further equipped six office properties with smart energy analyzers, enabling us to conduct detailed energy performance assessments, strengthening our ability to monitor and optimize energy consumption.



## Waste and Water

Guided by our Waste and Water Management Policy, we are committed to responsibly managing the waste generated and water consumed in our operations to achieve the sustainability targets. By implementing effective waste and water management practices, we aim to optimize operational efficiency, control expenses and enhance environmental protection. Such effort also contributes to promoting public health and well-being in the communities where we operate.

### Waste management

Our waste management practices are guided by the 3R approach — Reduce, Reuse, Recycle. Waste sorting facilities have been provided in all wholly-owned properties, enabling tenants, visitors and employees to participate in recycling easily. We proactively utilized the upcycled materials in our office properties and shopping malls. By incorporating these materials into furniture and other design elements, we not only reduce waste but also encourage innovative and environmentally conscious practices, promoting a circular economy and minimizing our environmental impact. During the Reporting Period, we set up an additional recycling corner at MCPI and introduced a dedicated recycling station at Java 108. To further promote sustainable waste management practices, we are glad to equip recycling corners for all wholly-owned properties.

Moreover, we maintain detailed records of the waste generated and recycled across our wholly-owned properties through a waste monitoring mechanism. As a case in point, we introduced a pilot scheme on food waste collection for food and beverage operators at our major shopping malls aimed at minimizing waste generation.



Recycling corner at MCPI



Recycling station at Java 108



Case Study

## Sustainable food waste management

As a *Food Wise* partner, we are committed to supporting the *Food Wise Hong Kong Campaign* by assisting our food and beverage tenants to reduce food waste generation. Since May 2024, the plan has been rolled out in MCPI to collect food waste from the operators joining the campaign. Together with the participation of SSC since October 2024, total food waste of 26.3 tonnes were recycled during the Reporting Period.

We provided comprehensive support to our participants, including educational materials, workshops and access to recycling bins. Further, we engaged our cleaning contractor to assist in the food waste recycling logistics. This initiative not only helps divert food waste from landfills but also promotes good practices on food waste reduction of commercial establishments. As our guiding principles, we strive to reduce the usage of plastic tableware and excess food packaging.



Collecting food waste at MCPI

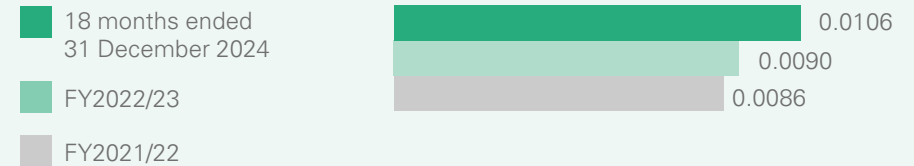
## Water conservation

We are committed to optimizing water efficiency and supporting water conservation initiatives across our operations. Various measures have been adopted, including the installation of water-efficient fixtures and flow regulators as well as the introduction of dual flush systems in lavatories. We also regularly monitor water usage data and analyze consumption trends, to promptly identify anomalies and take swift remedial actions to prevent water wastage.

For more information, please refer to our [Waste and Water Management Policy](#).

### Performance

### Water consumption intensity (m<sup>3</sup>/sq. ft.)





# Climate Change and Carbon Emissions

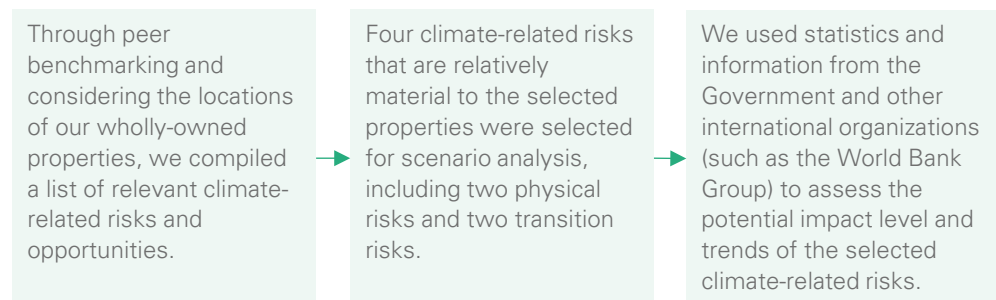
## Climate-related risk assessment and management

Recognizing the pressing need to address climate-related risks, Sunlight REIT has strived to combat climate change by embedding sustainable practices across its operations to minimize undesirable impacts. We comply with applicable regulatory requirements, while making every effort to adhere to industry best practices and global trends in low-carbon technologies. In alignment with the Government of the Hong Kong Special Administrative Region (the “**Government**”) Climate Action Plan 2050, we have established sustainability targets in FY2019/20, focusing on green buildings, energy efficiency, waste and water conservation and carbon reduction.

### Qualitative scenario analysis

#### Our approach

During the Reporting Period, we conducted a qualitative scenario analysis to understand the associated impacts of material physical and transition risks on the wholly-owned properties of Sunlight REIT under different scenarios and across various time horizons. The steps taken are summarized as follows:



In line with the recommendations of TCFD, we present our qualitative scenario analysis below, which covers a range of climate-related scenarios, from the High Emission / Business-as-usual scenario to the Low Emission / Net Zero scenario, with references drawn from the orderly *Net Zero 2050* and *Current Policies* scenarios from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), as well as the SSP1-2.6 and SSP5-8.5 scenarios from the Intergovernmental Panel on Climate Change (IPCC). Using these pathway projections, we consider them appropriate as a reference for Sunlight REIT in terms

of assessment of risks and opportunities, covering time horizons across short, medium and long term.

|                     | High Emission / Business-as-usual scenario  | Low Emission / Net Zero scenario   |
|---------------------|---|--|
| General assumptions | <ul style="list-style-type: none"> <li>This scenario assumes emissions will continue to grow until 2080, leading to 3°C or more of warming by 2100</li> <li>Assume that only currently implemented policies are retained</li> <li>Assume new technology development continues at the current pace</li> </ul>  | <ul style="list-style-type: none"> <li>This scenario assumes strong climate policies and innovation to limit global warming to below 1.5°C by 2100</li> <li>Assume ambitious climate policies are introduced immediately</li> <li>Emphasis on decarbonizing electricity supply, improving energy efficiency and developing new technologies</li> </ul> |
| Scenario references | <ul style="list-style-type: none"> <li>IPCC SSP5-8.5</li> <li>NGFS Current Policies</li> </ul>  | <ul style="list-style-type: none"> <li>IPCC SSP1-2.6</li> <li>NGFS Net Zero 2050</li> </ul>  |
| Time horizons       | <ul style="list-style-type: none"> <li>Baseline year: 2024</li> <li>Short term: 1 to 5 years</li> <li>Medium term: 5 to 10 years</li> <li>Long term: Over 10 years</li> </ul> <p>The short and medium term time frames align with our environmental and GHG reduction targets at large, while the long-term time frame aligns with the goals of the Climate Action Plan 2050 implemented by the Government.</p> |  |
| In-scope properties | Wholly-owned properties of Sunlight REIT  |  |

This qualitative scenario analysis enhances our understanding and ability to evaluate the potential impacts of climate-related risks on our properties and operations under different scenarios and time horizons. Accordingly, we developed mitigation strategies for each of the selected risks, as well as establishing clear metrics and targets to fortify Sunlight REIT's resilience in relation to management of climate-related risks.





## Physical risks

Physical risks refer to threats arising from sudden and extreme weather events (acute risks) or long-term shifts in climate patterns (chronic risks). The frequency, intensity and consequences of these risks differ across time horizons and vary by geographical location.

| Key risks  | Potential impacts   | Our mitigation strategies  |
|--|---|--|
| <p><b>Acute risk:</b></p> <p>Tropical cyclones</p> | <ul style="list-style-type: none"> <li>Potential decline in asset value due to property damage caused by tropical cyclones.</li> <li>Higher capital expenditure (“<b>CAPEX</b>”) required to implement climate mitigation and resilience measures.</li> <li>Increased operating expenses for repairing damaged assets, sourcing alternative suppliers and paying higher insurance premiums.</li> <li>Potential business disruption on properties and tenant operations due to tropical cyclones.</li> </ul> | <ul style="list-style-type: none"> <li>Enhance climate resilience of properties such as enhancing existing building designs through retrofitting and other risk preventive measures.</li> <li>Conduct climate vulnerability assessments for key properties to mitigate and adapt to physical risks and collaborate with third-party professionals to explore applicable climate-resilient property measures.</li> <li>Develop an appropriate crisis management plan for our operations in response to more severe impact brought by extreme weather events.</li> <li>Implement and communicate safety protocols for security officers and vendors to protect their well-being under severe weather conditions, build their capacity and enhance their preparedness for handling emergent situations.</li> <li>Regularly review our business contingency plans and share updates with employees to ensure business continuity during extreme weather events.</li> </ul> |

| Key risks  | Potential impacts  | Our mitigation strategies  |
|--|--|--|
| <p><b>Chronic risk:</b></p> <p>Increase in average temperature</p> | <ul style="list-style-type: none"> <li>Potential increase in operating expenses due to higher electricity costs caused by increased demand for air-conditioning to maintain comfortable indoor temperature.</li> <li>Decrease in workers’ productivity when conducting outdoor activities such as maintenance works on external walls of buildings.</li> </ul> | <ul style="list-style-type: none"> <li>Conduct energy audits across our managed properties to monitor energy consumption performance.</li> <li>Enhance climate resilience of properties such as enhancing existing building design through retrofitting.</li> <li>Guided by our Energy Management Policy, adopt energy efficiency measures in daily operations, such as controlling air-conditioning by zone area and considering proptech to control indoor temperature.</li> <li>Form partnership with employees, tenants, suppliers and other stakeholders to support their decarbonization works and promote environmental-friendly operating measures such as sourcing eco-friendly products.</li> <li>Implement and communicate safety protocols for outdoor workers to protect their well-being when working in high temperatures.</li> </ul> |



## Transition risks

Transition risks are challenges that emerge during the shift towards a low-carbon and sustainable economy. These risks can arise from changes in policies, regulations, legal framework, technologies and market dynamics associated with building a more climate-resilient future.

| Key risks                                     | Potential impacts   | Our mitigation strategies   |
|---|---|---|
| Enhanced and emerging regulatory requirements | <ul style="list-style-type: none"> <li>Elevated risk of non-compliance with evolving building codes and regulatory standards.</li> <li>Higher CAPEX required for the installation and operation of energy-efficient technologies and equipment.</li> <li>Higher operating expenses, fines for non-compliance and reputational damage brought by more stringent building codes and regulations.</li> </ul> | <ul style="list-style-type: none"> <li>Integrate green building designs and renewable energy systems into retrofitting projects so our properties can become more resource-efficient.</li> <li>Conduct energy audits across our managed properties to identify and capitalize on energy-saving opportunities.</li> <li>Operate our properties in accordance with green building principles set out in global and local green building certification schemes such as Hong Kong BEAM Plus.</li> <li>Adopt multiple measures and assessments to ensure effective green property management practices such as implementing green procurement principles.</li> </ul> |
| Adoption of renewable energy                  | <ul style="list-style-type: none"> <li>Higher operating expenses and CAPEX driven by the growing integration of renewable energy sources into the energy mix.</li> </ul>  | <ul style="list-style-type: none"> <li>Explore the feasibility of installing renewable energy infrastructure such as on-site solar panels across our managed properties and make installation where feasible to increase the use of renewable energy.</li> <li>Consider to acquire renewable energy certificates (where applicable) to further support our commitment to clean energy adoption.</li> </ul>  |

## Metrics and targets

We report our energy usage and GHG performance annually, including Scope 1, Scope 2 and Scope 3 GHG emissions. To effectively address climate-related risks and capitalize on associated opportunities, we have set clear energy consumption and GHG reduction targets. Our energy consumption, carbon emission performance and progress are closely monitored and disclosed in this Report. Meanwhile, in light of compliance with Part D of the ESG Reporting Code (with effect from the next sustainability report of Sunlight REIT), we will further strengthen the disclosure on climate-related risks, including but not limited to reviewing our governance, strategy and risk management framework on managing climate-related risks and opportunities and enhancing our disclosure on metrics and targets such as establishing a Scope 3 methodology for disclosing GHG emissions.

Going forward, we will explore the feasibility of conducting quantitative scenario analysis with a view to measurably assessing the potential financial impacts from material climate-related risks and opportunities under different scenarios, while developing a climate transition plan for Sunlight REIT.





# Sustainability Commitments and Aspirations



## Human

The Manager is dedicated to fostering a supportive and inclusive working environment that promotes the personal and professional growth of our employees. The staff handbook and other human resources policies outline the requirements and guidelines relating to recruitment and compensation, professional ethics and integrity, diversity, equal opportunity, anti-discrimination as well as other benefits and welfare.

As an equal opportunity employer, we are dedicated to fostering an inclusive workplace where employees are respected and can reach their full potential regardless of but not limited to age, sex, race, family status or disability. We uphold strict anti-discrimination and anti-harassment policies and promote a merit-based culture through annual performance assessment, recognizing contributions and supporting career growth. To further enhance well-being, we offer competitive remuneration, discretionary bonuses, medical and dental coverage, and various entitlements, including parental, marriage, and birthday leave, ensuring a motivated workforce that drives Sunlight REIT's long-term success.

During the Reporting Period, we complied with the laws and regulations relating to equal opportunities and other employment and labour practices, including but not limited to compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity, anti-discrimination, child labour and forced labour. Please refer to the note in respect of ordinances on page 28.



### Key achievements during the Reporting Period



#### Employee Engagement and Well-Being

- Conducted a corporate culture survey



#### Training and Development

- Collected preferred training topics and learning and development feedback from employees through a training needs survey
- Sponsored selected staff to attend leadership and management training programme



## Employee Engagement and Well-Being

Employee health and well-being is one of our major focuses as we strongly believe that a healthy workforce is essential for business success. We organized various events to support and promote employee well-being, including workshops to alleviate pressure, tailored health and safety talks for site and office staff as well as Chinese medicine consultation on diet management with the aim of fostering a positive working environment, encouraging work-life balance and addressing various aspects of physical and mental wellness.

During the Reporting Period, we conducted an employee satisfaction survey which helped identify areas for further improvement and ensure ongoing employee engagement to help building a positive and supportive work environment.

To promote sustainability engagement and participation in CSR activities, employees are encouraged to participate in ESG training and CSR initiatives through ESG bonus and volunteer leave, helping to integrate ESG values into the workplace culture.

## Health and Safety

As a landlord, one of our goals is to ensure the health and safety of the working environment for our employees, tenants and visitors. We prioritize the identification and management of occupational health and safety risks through clear workplace safety guidelines and standardized operational procedures. Regular safety inspections are conducted to evaluate the effectiveness of precautionary measures, while in-house training sessions about workplace safety and stress management are organized to promote physical and mental well-being. During the Reporting Period, we strictly complied with relevant laws and regulations related to employee safety, as well as relevant health and safety laws and regulations <sup>Note</sup> in the capacity as a landlord.

Tenant feedback is crucial to identify areas for improvement. Over 90% of our tenants rated our cleaning services as satisfactory or above. By implementing stringent health and safety measures, we remain steadfast in offering a healthy and safe environment at places where we operate.

Note: Including but not limited to Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong), Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong), Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong), Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong) and Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong).

## Training and Development

We invest in our employees by nurturing, developing and motivating talent through training and development programmes. Our staff handbook and other human resources policies outline the management and requirements relating to recruitment and compensation, benefits and welfare, notably the criteria of qualified training programmes and procedures to apply for training subsidies. In addition, to foster continuous learning and career progression, we provide job-related in-house training programmes. Through professional training programmes, workshops and certifications, we aim to provide employees with appropriate tools to enhance their skills and advance their careers. To further support employees in mobilizing their training incentives and balancing their work-life responsibilities, we provide flexible working arrangements, including options for remote working and flexible hours. We have conducted a training needs survey to gather feedback from employees on the preferred training topics in order to formulate a comprehensive learning and development plan which aligns with Sunlight REIT's sustainability objectives. During the Reporting Period, the average training hours per employee were approximately 27 hours.



Case Study

### Empowering employees through overseas learning opportunities

To foster a culture of continuous improvement, the Board resolved to sponsor selected senior staff to attend leadership and management training programmes, with a view to strengthening their leadership skills and management capabilities. After completing their studies, they shared their insights with the Board and other colleagues. This programme not only enhanced their career development, but also helped to retain experienced talent for Sunlight REIT.



# Sustainability Commitments and Aspirations



## Partnership

We value the cultivation of strong landlord-tenant relationships. With a view of enhancing tenants' well-being, the Manager has launched a pilot scheme to renovate certain shared spaces with sustainable features at DSFC. Meanwhile, indoor environment quality is also a major focus. We strengthened our indoor environment through applying green certifications, tightening green cleaning as well as procurement policies and procedures and providing fitting-out guidelines for sustainable refurbishment.



### Key achievements during the Reporting Period



#### Tenant Satisfaction and Well-being

- Established *The Well* and shared spaces at DSFC
- Finalizing our first green lease with a bank tenant



#### Supply Chain Management

- Revised Sustainable Procurement Policy



## Tenant Satisfaction and Well-Being

We are dedicated to continuously improving our services to meet our tenants' needs. We regularly conduct tenant satisfaction survey to collect valuable feedback across various aspects, including tenant communication, tenant engagement activities as well as health and well-being. The survey results were encouraging with high average satisfaction rate (approximately 98%) for our directly-managed properties <sup>Note</sup>.

Our commitment to service excellence is reinforced by comprehensive customer service training for on-site property management teams, supported by a customer service manual that outlines management standards. Furthermore, we publish semi-annual newsletters to keep tenants and stakeholders informed about Sunlight REIT's latest development and sustainability initiatives, fostering transparency and stronger engagement.

We are finalizing our first green lease with a bank tenant and will continue such pursuit in the foreseeable future.



Average tenant satisfaction rate: **98%**

Note: Directly-managed properties include DSFC, SSC, MCPI, Strand 50, Righteous Centre, 235 WLS and OL.

## Indoor environmental quality

We rank indoor environmental quality at the forefront of our property management agenda and devote ample resources to maintain satisfactory hygiene standards in our property portfolio. Guided by the IAQ Management Policy, which outlines our goal, allocation of responsibilities, assessment of cleaning procedures and green requirements with service providers, the property management team strives to infuse green elements to the workflow of our operations. Further, an IAQ assessment is an essential tool to help evaluating our indoor air performance. During the Reporting Period, we extended the IAQ certifications to smaller properties such as Righteous Centre and W9Z.

To create healthier indoor environments for our tenants, we regularly perform waterproofing works across our properties. This helps maintain IAQ level, minimizing health risks and operational disruptions. During the Reporting Period, we completed roof waterproofing and skylight waterproofing works at The Harvest and SSC respectively, and commenced curtain wall waterproofing projects at DFSC, enhancing safety and well-being for tenants and visitors.

In making our initial foray to LEED certification, we have adopted a new Green Cleaning Policy and an integrated pest management plan, setting out detailed requirements of green cleaning products procurement and toxic chemical usage at Strand 50.

In support of eco-conscious practices, we provide tenants with a detailed fitting-out guidelines for sustainable refurbishment, covering key aspects such as design management, certification and rating tools, post fitting-out maintenance planning, resource-efficient practices as well as sustainable site work and management.





Case Study

## Promoting well-being through shared spaces and resources

We aim to enhance tenant well-being and build a strong sense of community through sustainable initiatives. The podium garden on the 6<sup>th</sup> floor of DSFC offers a tranquil escape from the busy Wan Chai district, providing tenants with the environment to unwind during workday.

Established in 2023, *The Well* is a versatile shared space designed to promote well-being and equipped with facilities for tenants and stakeholders, serving as a venue for social gatherings, meetings and events for tenants and stakeholders. During the Reporting Period, we launched various seminars and workshops such as yoga sessions, tea workshops and wellness days.

We have also introduced a communal pantry on the 37<sup>th</sup> floor of DSFC, featuring communal facilities and a seating area, with the aim to enhancing tenant well-being, promoting placemaking and encouraging efficient use of shared resources for tenants occupying smaller office units.



The Well

## Supply Chain Management

We recognize the critical role of suppliers and contractors collaboration in achieving our sustainability goals while identifying and addressing environmental and social risks along the supply chain. To this end, we have embedded sustainability principles in our supply chain management processes, enhancing our supplier assessment framework and procurement management system. We are committed to managing supply chain risk across our operations guided by global best practices such as with reference to ISO 20400 Sustainable Procurement Guidelines and as part of our corporate risk management process. Our suppliers are managed with reference to the Sustainable Procurement Policy, supported by rigorous procedures for evaluation and selection, including background checks to assess each supplier's qualifications, capabilities, service quality, past business practices and compliance track record.

We prioritize sourcing environmentally responsible products and services that promote stakeholder well-being and wherever possible, are locally sourced to reduce our carbon footprint. To collaborate with suppliers and contractors with ESG endeavours, we use self-assessment questionnaires with ESG elements and conduct regular performance evaluations. Key evaluation criteria include ESG performance, product and service quality, delivery timeliness and after-sales service. Major supply chain partners are required to adhere to environmental and occupational health and safety management procedures as well as comply with all relevant laws and regulations.

For more information, please refer to our [Sustainable Procurement Policy](#).

## Sustainable Finance

As an early adopter of sustainability-linked loans (“SLLs”) among H-REITs, Sunlight REIT has proactively leveraged market opportunities to integrate sustainability principles into its financing activities. We are grateful for the continued support of our banking partners in advancing our sustainability agenda and over 80% of total borrowings of Sunlight REIT were SLLs at 31 December 2024.

Under the framework of SLLs, a pool of predefined performance targets are established, including energy savings, attainment of IAQ certifications and increased average training hours per employee. We entitle to certain interest savings as an incentive when fulfilling ESG performance targets, reflecting our steadfast commitment to embedding sustainability in capital management. Looking forward, we will continue to utilize SLLs as a meaningful tool to accomplish our sustainability goals in the upcoming refinancing activities.



# Sustainability Commitments and Aspirations



## Neighbourhood

Sunlight REIT is committed to building a vibrant and inclusive community by fostering meaningful connections with residents and stakeholders. We believe that our success is closely intertwined with the well-being of the neighbourhoods where we operate. Through our property portfolio, we aim to strengthen community ties, reflecting our dedication to cultivating long-term, positive relationships within the community.

In collaboration with NGOs, Sunlight REIT strives to create shared value through partnership and cooperation. During the Reporting Period, we enhanced our corporate values of "care" and launched various CSR initiatives with a specific emphasis on the needs of elderly and children that aim to contribute meaningful benefits to the community we serve.



### Key achievements during the Reporting Period



#### Placemaking and community investment



#### Collaborations with NGOs

- Total volunteering hours: 522 hours
- Sensory Restaurant on Wheels
- Carers Thanksgiving Event 2.0
- Drawing from the Heart
- Children's Vision Support Programme





## Placemaking and Community Investment

We remain steadfast in our commitment to CSR focusing on creating a positive and sustainable impact on our community. A Community Investment Policy is in place to assess and prioritize initiatives that resonate with our mission and deliver positive impact to the neighbourhoods.

During the Reporting Period, we partnered with The Project Futurus, St. James Settlement, the Christian Family Service Centre and Evangelical Lutheran Church Social Service - Hong Kong to organize CSR programmes focusing on grassroot families and elderly in the neighbourhood we serve.

We leverages showcases and exhibitions at our properties that promote sustainability and environmental awareness. CSR programmes are also designed to align with the community well-being. Our employees play an active role by participating as volunteers, demonstrating a collective commitment to driving positive social and environmental impact. During the Reporting Period, we contributed 522 volunteering hours.

## Collaborations with NGOs

We believe in the power of collaboration to achieve meaningful and lasting social impact. By collaborating with reputable NGOs, we pool resources, share expertise and provide social welfare activities to the community.



Case Study

### Sensory Restaurant on Wheels

流動五感大茶樓

We collaborated with The Project Futurus to host a series of soft meal activities from August to October 2024, offering delightful "yum cha" experiences to elderly with swallowing difficulties. These activities included a soft meal cooking workshop and four sessions of the "Sensory Restaurant on Wheels" held at various elderly centers in the community.

The soft meal cooking workshop equipped our volunteers with the skills needed to prepare soft meals. During the "yum cha" sessions, the elderly centers were decorated as traditional Chinese restaurants. Each session engaged around 15 volunteers to assist with simple venue setup and taking on different operational roles to serve meals to the participants.

The participating elderly received cognitive stimulation through five senses and enjoyed a delightful and interactive event that helped them recalling fond memories of "yum cha". We hope that this initiative can promote social inclusion and raise awareness about well-being of elderly.



A "yum cha" session



Case Study

### Carers Thankgiving Event 2.0 照顧者感恩祭 2.0

Riding on the warm reception to “Carers Thankgiving Event 1.0” in 2023, the Manager partnered with St. James Settlement again and launched “Carers Thankgiving Event 2.0” in the second quarter of 2024. Serving a total of almost 500 beneficiaries, the initiative featured workshops, interactive sessions and a grand finale luncheon, and was aimed to show appreciation and support to the tireless caregivers, while giving our heartfelt respect to the elderly community. We are committed to organizing similar events in the future to promote the importance of caregiving and family harmony.



Luncheon of the Carers Thankgiving Event 2.0



Case Study

### Drawing from the Heart 我手畫我心

With a growing number of elderly living alone in Hong Kong, social support for managing their feelings and emotions is important to mitigate the risk of mental health problems. To help those elderly to express their feelings and emotions in a natural way, we partnered with the Christian Family Service Centre to organize a series of sand painting workshops from November 2023 to February 2024.

Subsequent to the workshops, their sand paintings were exhibited at MCPI from 9 to 17 March 2024 and at DSFC from 18 March to 11 April 2024. This initiative successfully engaged 36 participants, underscoring our intention to organize meaningful activities for the elderly and the community.



A sand painting workshop



Case Study

### Children's Vision Support Programme

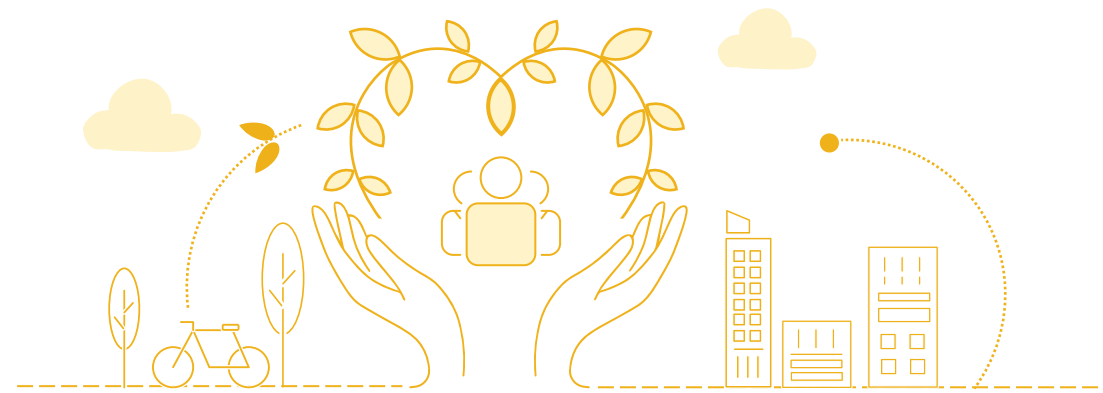
#### 「童」眼看未來

Amid rising childhood myopia and astigmatism due to the increasing prevalence of electronic devices in Hong Kong, we partnered with the Evangelical Lutheran Church Social Service to launch the "Children's Vision Support Programme" between April and August 2024. Targeting underprivileged families, the initiative included home environment assessments, vision check-ups, free myopia-control glasses and health education.

More than 95% of children of the participating families had vision issues requiring glasses or therapy, including hyperopia and retinal concerns. Through the programme, 86% received specialized glasses to slow myopia progression. By combining practical support, screenings and education, we hope that this programme can help improve vision of vulnerable children, addressing a critical gap in community care.



Vision health lecture





# Stakeholder Engagement and Materiality Assessment

## Stakeholder engagement

The Manager places significant importance on fostering transparent and constructive relationships with stakeholders who play a vital role in our operations. Through a variety of engagement channels, including surveys, focus groups and digital platforms, we maintain regular communication with both internal and external stakeholders to gain a thorough understanding of their needs, concerns and expectations about sustainability. We engaged a consultant to administer our employee and tenant satisfaction surveys independently. These surveys provide valuable insights that enable us to take proactive measures in addressing stakeholder concerns and enhancing their satisfaction levels. By maintaining open communication and responding to feedback, we strengthen trust and collaboration, which are critical to advancing our sustainability objectives.

To ensure stakeholder perspectives are effectively integrated into our sustainability strategy, the Manager employed a comprehensive materiality assessment process to identify and prioritize key sustainability issues. This process evaluated economic, environmental and social topics that are most significant to stakeholders and our business. Through stakeholder surveys, we gathered insights and conducted analysis to assess these issues from financial and stakeholder impact perspectives. The findings helped us to finetune our sustainability roadmap and reporting framework, ensuring alignment with stakeholder expectations and emerging priorities.

We maintain regular communications with our key stakeholder groups including the followings:

- Tenants
- Employees
- Investors or unitholders
- Local community and visitors
- Suppliers and business partners
- Government and regulators
- NGOs
- Media

## Materiality assessment

The materiality assessment carried out in FY2022/23 consisted of four steps and identified 32 key sustainability topics. Feedback collected from the assessment has enabled us to focus resources on key ESG issues, enhance business practices and align operations with market trends.

### 01 Identification



We reviewed key sustainability topics in accordance with our 2030 Sustainability Vision and identified new emerging topics based on global megatrends, industry practices and reporting standards.

### 02 Engagement



We gathered feedback from key stakeholders through an online survey. Using a double materiality approach, stakeholders assessed the importance of sustainability issues from stakeholder and business perspectives through qualitative and quantitative methods.

### 03 Prioritization



Survey results were used to prioritize sustainability topics in a materiality matrix, aligning feedback with operations, industry trends and guidelines to identify key issues to address.

### 04 Validation



We worked with an external consultant to validate the material sustainability issues to ensure accuracy and relevance before presenting to senior management and the Disclosures Committee or the Board.



A materiality matrix illustrating the relative importance of the 32 sustainability topics is summarized below:



- Environmental**
- 1 Energy management
  - 2 Green buildings
  - 3 Material use
  - 4 Waste management
  - 5 Greenhouse gas emissions
  - 6 Water management
  - 7 Climate change

- Governance**
- 25 Corporate governance
  - 26 Legal compliance
  - 27 Anti-corruption
  - 28 Ethics and integrity
  - 29 Risk management
  - 30 Stakeholder engagement
  - 31 Economic and financial performance
  - 32 Brand awareness and reputation

- Social**
- 8 Customer privacy protection
  - 9 Quality assurance and customer satisfaction
  - 10 Customer health and safety
  - 11 Occupational health and safety
  - 12 Employee well-being
  - 13 Talent attraction and retention
  - 14 Staff training and development
  - 15 Employment practices
  - 16 Diversity and inclusion
  - 17 Tenant satisfaction
  - 18 Tenant health and well-being
  - 19 Supply chain management
  - 20 Strategic partnership
  - 21 Community investment
  - 22 Technology and innovation
  - 23 Sustainable finance
  - 24 Responsible investment



# Performance Summary

|  | Unit                       | 18 months ended<br>31 December 2024 | FY2022/23 | FY2021/22 |
|--|----------------------------|-------------------------------------|-----------|-----------|
| <b>Environmental Aspects</b>                                 |                            |                                     |           |           |
| <b>(1) Energy consumption and GHG emissions <sup>1</sup></b> |                            |                                     |           |           |
| <b>(a) Direct energy consumption</b>                         |                            |                                     |           |           |
| (i) Diesel by emergency generation                           | L                          | 578                                 | 329       | 389       |
| <b>(b) Indirect energy consumption</b>                       |                            |                                     |           |           |
| (i) Purchased electricity                                    | MWh                        | 15,552                              | 9,772     | 9,801     |
| <b>(c) Energy consumption <sup>2</sup></b>                   |                            |                                     |           |           |
| (i) Total energy consumption                                 | GJ                         | 56,009                              | 35,193    | 35,299    |
| (ii) Energy intensity  | GJ/sq. ft.                 | 0.0524                              | 0.0349    | 0.0350    |
| (iii) Total energy consumption                               | MWh                        | 15,558                              | 9,776     | 9,805     |
| (iv) Energy intensity  | MWh/sq. ft.                | 0.0146                              | 0.0097    | 0.0097    |
| <b>(d) GHG emissions <sup>3</sup></b>                        |                            |                                     |           |           |
| (i) Direct emissions (Scope 1)                               | tCO <sub>2</sub> e         | 1.51                                | 0.86      | 1.02      |
| (ii) Energy indirect emissions (Scope 2)                     | tCO <sub>2</sub> e         | 7,508                               | 4,826     | 4,958     |
| (iii) Other indirect emissions (Scope 3) <sup>4</sup>        | tCO <sub>2</sub> e         | 4.77                                | 3.81      | 3.74      |
| (iv) Total GHG emissions                                     | tCO <sub>2</sub> e         | 7,514                               | 4,831     | 4,963     |
| (v) GHG emissions intensity                                  | tCO <sub>2</sub> e/sq. ft. | 0.0070                              | 0.0048    | 0.0049    |

## Notes:

- The coverage of energy consumption and GHG emissions includes Sunlight REIT's wholly-owned properties.
- Total energy consumption refers to both direct energy consumption (i.e. the use of diesel for emergency generators) and indirect electricity consumption (i.e. purchased electricity) at properties.
- References for the calculation of our Scope 1, Scope 2 and Scope 3 emissions include the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition), emission intensity published by CLP in 2023, Hong Kong Electric in 2023 and Water Supplies Department in FY2022/23 and the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- Other indirect emissions (Scope 3) data for FY2022/23 was adjusted to reflect the actual emission in accordance with the corresponding adjustment of water consumption data, while the corresponding data for FY2023/24 was projected based on actual water consumption billings received during the Reporting Period.



# Performance Summary

|   | Unit                          | 18 months ended<br>31 December 2024 | FY2022/23 | FY2021/22 |        |
|---|-------------------------------|-------------------------------------|-----------|-----------|--------|
| <b>Environmental Aspects</b>                |                               |                                     |           |           |        |
| <b>(2) Waste management</b>                 |                               |                                     |           |           |        |
| <b>(a) Waste generation <sup>5, 6</sup></b> |                               |                                     |           |           |        |
| (i)   | Non-hazardous waste           | '000 kg                             | 1,699     | 1,126     | 1,084  |
| (ii)  | Non-hazardous waste intensity | kg/sq. ft.                          | 1.6       | 1.1       | 1.1    |
| <b>(b) Waste recycling</b>                  |                               |                                     |           |           |        |
| (i)   | Paper                         | '000 kg                             | 74        | 53        | 62     |
| (ii)  | Plastic                       | kg                                  | 887       | 350       | 388    |
| (iii)                                       | Metal                         | kg                                  | 744       | 338       | 387    |
| (iv)  | Glass                         | kg                                  | 71        | 14        | N/A    |
| (v)   | Food waste                    | kg                                  | 26,348    | N/A       | N/A    |
| (vi)  | Used clothes                  | kg                                  | 403       | 277       | N/A    |
| (vii)                                       | Fluorescent lamps and tubes   | kg                                  | 1,302     | 2,011     | 3,010  |
| <b>(3) Water consumption <sup>7</sup></b>   |                               |                                     |           |           |        |
| (a)   | Total water consumption       | m <sup>3</sup>                      | 10,919    | 8,751     | 8,730  |
| (b)   | Water consumption intensity   | m <sup>3</sup> /sq. ft.             | 0.0106    | 0.0090    | 0.0086 |

## Notes:

- Non-hazardous waste includes paper, plastic, metal, glass, food waste and used clothes while hazardous waste includes fluorescent lamps and tubes. Hazardous waste data is not disclosed as the amount is considered not significant. The assumption for the weight of a 660-litre waste bin is 60kg. The hazardous waste generated in our properties (including DSFC, SSC, MCPI and Strand 50) is consigned to licensed service providers for collecting, handling, proper disposal and recycling.
- The data covers relevant categories of waste generated across Sunlight REIT's ten wholly-owned properties for FY2023/24, while the corresponding data for previous reporting years covered Sunlight REIT's nine wholly-owned properties.
- The coverage of water consumption included nine wholly-owned properties, excluding The Harvest, in which all water points are located within tenants' area and under tenants' control. The water consumption data for FY2022/23 was adjusted to reflect the actual consumption, while the corresponding data for FY2023/24 was projected based on actual water consumption billings received during the Reporting Period.



# Performance Summary

|                       | Unit                              | 18 months ended<br>31 December 2024 | FY2022/23  | FY2021/22  |            |
|-----------------------|-----------------------------------|-------------------------------------|------------|------------|------------|
| <b>Social Aspects</b> |                                   |                                     |            |            |            |
| (1)                   | Profile of workforce <sup>8</sup> |                                     |            |            |            |
| (a)                   | Total workforce                   | Number                              | 142        | 136        | 137        |
| (i)                   | <b>By gender</b>                  |                                     |            |            |            |
|                       | Male                              | Number (%)                          | 71 (50%)   | 77 (57%)   | 78 (57%)   |
|                       | Female                            | Number (%)                          | 71 (50%)   | 59 (43%)   | 59 (43%)   |
| (ii)                  | <b>By employment type</b>         |                                     |            |            |            |
|                       | Full-time                         | Number (%)                          | 142 (100%) | 136 (100%) | 136 (99%)  |
|                       | Part-time                         | Number (%)                          | 0 (0%)     | 0 (0%)     | 1 (1%)     |
| (iii)                 | <b>By age group</b>               |                                     |            |            |            |
|                       | Below 30                          | Number (%)                          | 8 (6%)     | 8 (6%)     | 9 (7%)     |
|                       | 30-50                             | Number (%)                          | 77 (54%)   | 77 (57%)   | 77 (56%)   |
|                       | Over 50                           | Number (%)                          | 57 (40%)   | 51 (38%)   | 51 (37%)   |
| (iv)                  | <b>By employee category</b>       |                                     |            |            |            |
|                       | General                           | Number (%)                          | 63 (44%)   | 59 (43%)   | 57 (42%)   |
|                       | Supervisory                       | Number (%)                          | 46 (33%)   | 45 (33%)   | 47 (34%)   |
|                       | Managerial                        | Number (%)                          | 33 (23%)   | 32 (24%)   | 33 (24%)   |
| (v)                   | <b>By geographical region</b>     |                                     |            |            |            |
|                       | Hong Kong                         | Number (%)                          | 142 (100%) | 136 (100%) | 137 (100%) |

## Notes:

8. The profile of workforce data was compiled based on the number of employees at the end of each reporting period or year.





# Performance Summary

|                                     | Unit  | 18 months ended<br>31 December 2024 | FY2022/23 | FY2021/22 |          |
|-------------------------------------|---|-------------------------------------|-----------|-----------|----------|
| <b>Social Aspects</b>               |   |                                     |           |           |          |
| <b>(2) Employee turnover</b>        |   |                                     |           |           |          |
| (a)                                 | Turnover rate <sup>9</sup>                  | %                                   | 22        | 25        | 16       |
| (b)                                 | Total number of turnover                    | Number                              | 31        | 34        | 22       |
| <b>(i) By gender</b>                |   |                                     |           |           |          |
|                                     | Male  | Number (%)                          | 19 (27%)  | 20 (26%)  | 11 (14%) |
|                                     | Female                                      | Number (%)                          | 12 (17%)  | 14 (24%)  | 11 (19%) |
| <b>(ii) By age group</b>            |   |                                     |           |           |          |
|                                     | Below 30                                    | Number (%)                          | 4 (50%)   | 6 (75%)   | 6 (67%)  |
|                                     | 30-50                                       | Number (%)                          | 19 (25%)  | 20 (26%)  | 14 (18%) |
|                                     | Over 50                                     | Number (%)                          | 8 (14%)   | 8 (16%)   | 2 (4%)   |
| <b>(3) Health and safety</b>        |   |                                     |           |           |          |
| (a)                                 | Number of work-related fatalities           | Number                              | 0         | 0         | 0        |
| (b)                                 | Rate of work-related fatalities             | %                                   | N/A       | N/A       | N/A      |
| (c)                                 | Lost days due to work injury                | Days                                | 6.5       | 5.0       | 15.0     |
| <b>(4) Development and training</b> |   |                                     |           |           |          |
| (a)                                 | Percentage of employees trained             | %                                   | 114       | 100       | 100      |
| (b)                                 | Total training hours completed by employees | Hours                               | 3,811     | 3,662     | 2,473    |
| <b>(i) By gender</b>                |   |                                     |           |           |          |
|                                     | Male  | %                                   | 117       | 100       | 97       |
|                                     | Female                                      | %                                   | 111       | 100       | 100      |
| <b>(ii) By employee category</b>    |   |                                     |           |           |          |
|                                     | General                                     | %                                   | 113       | 100       | 89       |
|                                     | Supervisory                                 | %                                   | 117       | 100       | 100      |
|                                     | Managerial                                  | %                                   | 112       | 100       | 100      |

Notes:

9. The turnover rates cover voluntary resignations, retirements and dismissals during the corresponding reporting period or year.



# Performance Summary

|  | Unit   | 18 months ended<br>31 December 2024 | FY2022/23 | FY2021/22 |
|--|--------|-------------------------------------|-----------|-----------|
| <b>Social Aspects</b>  |        |                                     |           |           |
| (c) Average training hours completed per employee  | Hours  | 27                                  | 27        | 18        |
| (i) By gender  |        |                                     |           |           |
| Male   | Hours  | 27                                  | 25        | 17        |
| Female   | Hours  | 26                                  | 29        | 20        |
| (ii) By employee category  |        |                                     |           |           |
| General  | Hours  | 19                                  | 17        | 4         |
| Supervisory  | Hours  | 23                                  | 29        | 25        |
| Managerial   | Hours  | 47                                  | 41        | 34        |
| (5) Supply chain management  |        |                                     |           |           |
| (a) Total number of suppliers  | Number | 317                                 | 274       | 274       |
| (i) By geographical region   |        |                                     |           |           |
| Hong Kong  | Number | 314                                 | 272       | 272       |
| Overseas   | Number | 3                                   | 2         | 2         |
| (6) Complaints received  |        |                                     |           |           |
| (a) Number of service-related complaints received  | Number | 7                                   | 10        | 12        |
| (7) Anti-corruption and integrity  |        |                                     |           |           |
| (a) Number of concluded legal cases regarding corrupt practices brought against the Manager or its employees | Number | 0                                   | 0         | 0         |
| (8) Community investment   |        |                                     |           |           |
| (a) Total volunteering hours   | Hours  | 522                                 | 258       | 93        |



# Awards And Certificates

| Awards/Certificates  | Participating entities/Properties   | Awarding bodies   |
|--|---|---|
| <b>Overall</b>   |   |   |
| 2024 GRESB Real Estate Assessment – Four-Star Rating   | Sunlight REIT   | GRESB   |
| 2023 GRESB Real Estate Assessment – Two-Star Rating  | Sunlight REIT   | GRESB   |
| HKQAA Green and Sustainable Finance Awards 2023 – Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Investment Trust Industry) – Visionary Sustainability-linked Loan Performance Metrics | Sunlight REIT   | Hong Kong Quality Assurance Agency  |
| HKIRA 10th Investor Relations Awards 2024 - Certificate of Excellence  | Sunlight REIT   | Hong Kong Investor Relations Association  |
| <b>Environment</b>   |   |   |
| BEAM Plus EB V2.0 Comprehensive Scheme (Final Platinum Rating)   | The Property Manager:<br>Dah Sing Financial Centre  | The Hong Kong Green Building Council  |
| BEAM Plus EB V2.0 Selective Scheme (Materials and Waste Aspects, and Indoor Environmental Quality Aspect) (Excellent Grade)  | The Property Manager:<br>Strand 50  | The Hong Kong Green Building Council  |
| BEAM Plus EB V2.0 Selective Scheme (Site Aspects) (Excellent Grade)  | The Property Manager:<br>1. Sheung Shui Centre Shopping Arcade<br>2. Metro City Phase I Property<br>3. Kwong Wah Plaza Property<br>4. Righteous Centre<br>5. 235 Wing Lok Street Trade Centre | The Hong Kong Green Building Council  |
| BEAM Plus EB V2.1 Selective Scheme (Site Aspects) (Very Good Grade)  | The Property Manager:<br>West 9 Zone Kids   | The Hong Kong Green Building Council  |
| LEED v4.1 Operations and Maintenance: Existing Buildings (Gold Rating)   | The Manager:<br>Strand 50   | U.S. Green Building Council   |
| IAQ Certification (Excellent Class)  | The Property Manager:<br>Dah Sing Financial Centre  | Indoor Air Quality Information Centre, Environmental Protection Department, The Government of the HKSAR |
| IAQ Certification (Good Class)   | The Property Manager:<br>1. Sheung Shui Centre Shopping Arcade<br>2. Metro City Phase I Property<br>3. Strand 50<br>4. Righteous Centre<br>5. West 9 Zone Kids                                | Indoor Air Quality Information Centre, Environmental Protection Department, The Government of the HKSAR |
| ISO 14046 – Environmental Management – Water Footprint   | The Manager   | British Standards Institution   |
| ISO 14064 – Greenhouse Gases   | The Manager   | British Standards Institution   |



# Awards And Certificates

| Awards/Certificates  | Participating entities/Properties   | Awarding bodies                                |
|--|---|--|
| <b>Environment</b>   |   |  |
| ISO 14001 – Environmental Management System                                      | The Manager and the Property Manager:<br>1. Head Office<br>The Property Manager:<br>1. Dah Sing Financial Centre<br>2. Sheung Shui Centre Shopping Arcade<br>3. Metro City Phase I Property<br>4. Strand 50 | Accredited Certification International Limited |
| Hong Kong Green Organisation Certification Energywise Certificate (Good Level)   | The Property Manager:<br>1. Dah Sing Financial Centre<br>2. Sheung Shui Centre Shopping Arcade<br>3. Strand 50  | Environmental Campaign Committee               |
| Hong Kong Green Organisation Certification Energywise Certificate (Basic Level)  | The Property Manager:<br>1. Metro City Phase I Property<br>2. Winsome House Property  | Environmental Campaign Committee               |
| Hong Kong Green Organisation Certification IAQwise Certificate (Excellent Level) | The Property Manager:<br>Dah Sing Financial Centre  | Environmental Campaign Committee               |
| Hong Kong Green Organisation Certification IAQwise Certificate (Good Level)      | The Property Manager:<br>1. Sheung Shui Centre Shopping Arcade<br>2. Strand 50  | Environmental Campaign Committee               |
| Hong Kong Green Organisation Certification Wastewise Certificate (Good Level)    | The Property Manager:<br>Strand 50  | Environmental Campaign Committee               |
| The HKIFM Excellence in Facility Management Award 2023/24 (Excellence Award)     | The Property Manager:<br>1. Dah Sing Financial Centre<br>2. Sheung Shui Centre Shopping Arcade<br>3. Metro City Phase I Property<br>4. Strand 50  | The Hong Kong Institute of Facility Management |
| The HKIFM Excellence in Facility Management Award 2023/24 (Merit Award)          | The Property Manager:<br>West 9 Zone Kids   | The Hong Kong Institute of Facility Management |
| Green Office Award Labelling Scheme (GOALS) 2024                                 | The Property Manager:<br>1. Sheung Shui Centre Shopping Arcade<br>2. Metro City Phase I Property<br>3. Strand 50<br>4. Righteous Centre<br>5. 235 Wing Lok Street Trade Centre<br>6. West 9 Zone Kids       | World Green Organisation                       |



# Awards And Certificates

| Awards/Certificates  | Participating entities/Properties  | Awarding bodies  |
|--|--|--|
| <b>Environment</b>   |  |  |
| BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023  | The Property Manager:<br>1. Sheung Shui Centre Shopping Arcade<br>2. Metro City Phase I Property<br>3. Strand 50<br>4. Righteous Centre<br>5. 235 Wing Lok Street Trade Centre   | Federation of Hong Kong Industries   |
| Charter on External Lighting (Platinum Award)  | The Property Manager:<br>Metro City Phase I Property   | Environment and Ecology Bureau, The Government of the HKSAR  |
| Charter on External Lighting (Diamond Award)   | The Property Manager:<br>1. Dah Sing Financial Centre<br>2. Sheung Shui Centre Shopping Arcade<br>3. Strand 50   | Environment and Ecology Bureau, The Government of the HKSAR  |
| Commendation Scheme on Source Separation of Commercial and Industrial Waste 2023/24 (Certificate of Merit) | The Property Manager:<br>1. Dah Sing Financial Centre<br>2. Sheung Shui Centre Shopping Arcade<br>3. Metro City Phase I Property<br>4. Strand 50   | Environmental Protection Department, The Government of the HKSAR   |
| Energy Saving 2024   | The Property Manager:<br>Dah Sing Financial Centre   | Environment and Ecology Bureau, Electrical and Mechanical Services Department, The Government of the HKSAR |
| Food Wise Charter  | The Property Manager:<br>1. Sheung Shui Centre Shopping Arcade<br>2. Metro City Phase I Property   | Environmental Protection Department, The Government of the HKSAR   |
| Earth Hour 2024  | The Property Manager:<br>1. Dah Sing Financial Centre<br>2. Sheung Shui Centre Shopping Arcade<br>3. Metro City Phase I Property<br>4. Strand 50<br>5. Righteous Centre<br>6. 235 Wing Lok Street Trade Centre<br>7. Java Road 108 Commercial Centre<br>8. On Loong Commercial Building<br>9. West 9 Zone Kids | World Wide Fund – Hong Kong  |



# Awards And Certificates

| Awards/Certificates          | Participating entities/Properties   | Awarding bodies                            |
|------------------------------|---|--|
| <b>Social and Governance</b> |   |  |
| Caring Company               | <ol style="list-style-type: none"> <li>The Manager</li> <li>The Property Manager</li> </ol> | The Hong Kong Council of Social Service    |
| Good MPF Employer            | <ol style="list-style-type: none"> <li>The Manager</li> <li>The Property Manager</li> </ol> | Mandatory Provident Fund Schemes Authority |
| Happy Company                | <ol style="list-style-type: none"> <li>The Manager</li> <li>The Property Manager</li> </ol> | Promoting Happiness Index Foundation       |



# Independent Assurance Opinion Statement



## INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No.: **SRA-HK 820133**

### Sunlight Real Estate Investment Trust ("Sunlight REIT") 2023/24 Sustainability Report

The British Standards Institution is independent of Sunlight REIT and Henderson Sunlight Asset Management Limited (the "Manager"), as manager of Sunlight REIT, and has no financial interest in the operation of Sunlight REIT other than for the assessment and assurance of Sunlight REIT for its Sustainability Report for the reporting period from 1 July 2023 to 31 December 2024 (the "Report").

This independent assurance opinion statement has been prepared for Sunlight 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 statement is intended to be used by stakeholders of Sunlight REIT and management of the Manager of Sunlight 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. 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 only.

#### Scope

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

1. The assurance covers the whole Report and focuses on system and activities of Sunlight REIT in Hong Kong, which include management of its assets, during the period from 1<sup>st</sup> July 2023 to 31<sup>st</sup> December 2024 (the "Reporting Period"). The Report is prepared in accordance with Part A to C of the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") in Appendix C2 of the Rules Governing the listing of Securities issued by the Hong Kong Exchanges and Clearing Limited ("HKEX") and the Relevant Climate-related Disclosures (Note).
2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 evaluates the nature and extent of Sunlight 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.

*Note: Aspect A4 and KPI A1.2 relating to climate-related disclosures ("Relevant Climate-related Disclosures") in the ESG Reporting Code were repealed on 1 January 2025 by the HKEX. However, the Manager considers the Relevant Climate-related Disclosures applicable to Sunlight REIT for the Reporting Period.*

...making excellence a habit.™

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

#### Opinion Statement

We conclude that the Report provides a fair view of Sunlight REIT's sustainability programmes and performance in the Reporting Period. We believe that the social and environmental performance indicators are fairly represented in the Report, in which Sunlight 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. We planned and performed this part of our work to obtain the necessary information and explanations. We consider sufficient evidence provided by Sunlight REIT for their self-declaration of the Report compliance with the requirements under Part A to C of the ESG Reporting Code in Appendix C2 of Listing Rules and the Relevant Climate-related Disclosures was 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 Sunlight REIT's policies to check on the appropriateness of statements made in the Report;
- Discussion with senior executives on Sunlight 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 Sunlight REIT'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 ESG Reporting Guide/the ESG Reporting Code is set out below:

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# Independent Assurance Opinion Statement

## Inclusivity

The Report has reflected the fact that Sunlight REIT and the Manager engage with its significant stakeholders through various channels such as Staff activities; Staff handbook; Employee satisfaction surveys; Education and training; Employee performance appraisals; Bi-annual newsletters; Tenant satisfaction surveys; Tenant visits; Community events; Welcome pack, fit-out guideline; Annual/interim reports, sustainability reports; Announcements, circulars and any forms of corporate communication; Investor presentations; Meetings and conference calls; Post results and non-deal roadshows; Promotional activities and CSR events; Customer service counter and hotline; Corporate and property websites; Property social media channels; Submission of documents; Meetings with regulatory authorities; Site investigations; Forums, seminars/ webinars and conferences; Procurement and tendering; Screening and performance assessments; Site inspections and checks; Media interviews and press conferences; Press releases; Emails and phone calls; CSR event collaborations; and more.

Sunlight 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, Sunlight REIT adheres to the principle of Inclusivity. Areas for enhancement of the Report were adopted by Sunlight REIT and/or the Manager before the issuance of this opinion statement.

## Materiality

Sunlight REIT publishes sustainability information that enables its stakeholders to make informed judgments about Sunlight REIT's management and performance. In our professional opinion, the Report adheres to the principle of Materiality and identifies Sunlight 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 Sunlight REIT and/or the Manager before the issuance of this opinion statement.

## Responsiveness

Sunlight REIT and the 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, Sunlight REIT adheres to the principle of Responsiveness. Areas for enhancement of the Report were adopted by Sunlight REIT and/or the Manager before the issuance of this opinion statement.

## Impact

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

## HKEX's ESG Reporting Guide / ESG Report Code

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 OR the HKEX's ESG Reporting Code.

In our professional opinion, the Report covers Sunlight REIT's social responsibility and sustainability issues. Areas for enhancement of the Report were adopted by Sunlight REIT and/or the Manager before the issuance of this opinion statement.

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## Assurance Level

The Type 1 Moderate Level of AA1000 Assurance Standard provided in our review is defined by the scope and methodology described in this 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. 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 assurors, 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/HKEX's ESG Reporting Code, 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:

Michael Lam – Senior Vice President, APAC Assurance  
25<sup>th</sup> March 2025

Verifier of the Report:

Mr. Aaron Chim  
Lead Assuror



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# ESG Reporting Code Contents Index

## Part B: Mandatory Disclosure Requirements

| Paragraph                  | Description  | Reference and Remarks  |
|----------------------------|--|--|
| 13<br>Governance Structure | <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues;</li> <li>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</li> </ul>  | <p>The Board Statement;<br/>Sustainability Governance – Governance Structure;<br/>Stakeholder Engagement and Materiality Assessment – Materiality Assessment</p>   |
| 14<br>Reporting Principles | <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> The ESG report should disclose:</p> <ul style="list-style-type: none"> <li>(i) the process to identify and the criteria for the selection of material ESG factors;</li> <li>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</li> </ul> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p> | <p>About the Sustainability Report – Reporting standards, Reporting principles;<br/>Stakeholder Engagement and Materiality Assessment;<br/>Performance Summary</p> |
| 15<br>Reporting Boundary   | <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>   | <p>About the Sustainability Report – Reporting scope</p>   |



# ESG Reporting Code Contents Index

## Part C: “Comply or explain” Provisions

| Aspect                  | KPI  | Description   | Reference and Remarks   |
|-------------------------|--|---|---|
| <b>A. Environmental</b> |  |   |   |
| A1 Emissions            |  | <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</i></p> | <p>Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Waste and Water</p> <p>Please refer to our <a href="#">Sustainability Policies</a></p>  |
| A1.1                    | The types of emissions and respective emissions data.  |   | Due to the business nature of Sunlight REIT, air pollutant emissions are not considered to be material issues   |
| A1.3                    | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   |   | Performance Summary   |
| A1.4                    | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                       |   | Performance Summary   |
| A1.5                    | Description of emission target(s) set and steps taken to achieve them.   |   | Sustainability Strategy Framework, Roadmap and Progress – Our roadmap, Our progress; Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Climate Change and Carbon Emissions   |
| 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.                           |   | Sustainability Strategy Framework, Roadmap and Progress – Our roadmap, Our progress; Sustainability Commitments and Aspirations – Land – Waste and Water; Performance Summary   |
| A2 Use of resources     |  | <p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p>   | <p>Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency; Waste and Water</p> <p>Please refer to our <a href="#">Sustainability Policies</a></p> <p>Due to the business nature of Sunlight REIT, raw materials are not considered to be material issues</p> |
| A2.1                    | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). |   | Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Performance Summary  |
| A2.2                    | Water consumption in total and intensity (e.g. per unit of production volume, per facility)  |   | Sustainability Commitments and Aspirations – Land – Waste and Water; Performance Summary  |
| A2.3                    | Description of energy use efficiency target(s) set and steps taken to achieve them.  |   | Sustainability Strategy Framework, Roadmap and Progress – Our roadmap, Our progress; Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency  |
| 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.                       |   | No issue in sourcing water since water is supplied by the Water Supplies Department of The Government of the HKSAR  |
| A2.5                    | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   |   | Due to the business nature of Sunlight REIT, packaging material is not considered to be a material issue  |



# ESG Reporting Code Contents Index

| Aspect                                      | KPI  | Description   | Reference and Remarks  |
|---|------|---|--|
| <b>A. Environmental</b>                     |      |   |  |
| A3<br>The environment and natural resources |      | General Disclosure<br>Policies on minimising the issuer’s significant impacts on the environment and natural resources.             | Sustainability Strategy Framework, Roadmap and Progress;<br>Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Waste and Water, Climate Change and Carbon Emissions<br>Please refer to our <a href="#">Sustainability Policies</a> |
|   | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Waste and Water, Climate Change and Carbon Emissions  |

The Relevant Climate-related Disclosures, i.e. Aspect A4 and KPI A1.2 were repealed on 1 January 2025 by the Stock Exchange. However, the Manager considers that such disclosures are applicable to Sunlight REIT for the Reporting Period.

| Aspect                  | KPI  | Description   | Reference and Remarks  |
|-------------------------|------|---|--|
| <b>A. Environmental</b> |      |   |  |
| A1<br>Emissions         | A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Climate Change and Carbon Emissions;<br>Performance Summary |
| A4<br>Climate change    |      | General Disclosure<br>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.        | Sustainability Commitments and Aspirations – Land – Green Buildings and Energy Efficiency, Climate Change and Carbon Emissions                         |
|                         | 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                   | Sustainability Strategy Framework, Roadmap and Progress;<br>Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions    |



# ESG Reporting Code Contents Index

| Aspect                                 | KPI  | Description   | Reference and Remarks   |
|--|------|---|---|
| <b>B. Social</b>                       |      |   |   |
| <b>Employment and Labour Practices</b> |      |   |   |
| B1<br>Employment                       |      | General Disclosure<br>Information on:<br>(a) the policies; and<br>(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. | Sustainability Commitments and Aspirations – Human  |
|  | B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.  | Performance Summary   |
|  | B1.2 | Employee turnover rate by gender, age group and geographical region.  | Performance Summary   |
| B2<br>Health and safety                |      | General Disclosure<br>Information on:<br>(a) the policies; and<br>(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.   | Sustainability Commitments and Aspirations – Human – Health and Safety; Please refer to our <a href="#">Sustainability Policies</a> |
|  | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | Performance Summary   |
|  | B2.2 | Lost days due to work injury.   | Performance Summary   |
|  | B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   | Sustainability Commitments and Aspirations – Human – Employee Engagement and Well-Being, Health and Safety                          |
| B3<br>Development and training         |      | General Disclosure<br>Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.<br><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>  | Sustainability Commitments and Aspirations – Human – Training and Development   |
|  | B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | Performance Summary   |
|  | B3.2 | The average training hours completed per employee by gender and employee category.  | Performance Summary   |



# ESG Reporting Code Contents Index

| Aspect                        | KPI  | Description   | Reference and Remarks   |
|-------------------------------|------|---|---|
| <b>B. Social</b>              |      |   |   |
| B4<br>Labour standards        |      | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.  | Sustainability Commitments and Aspirations – Human<br>We have adequate procedures to monitor and ensure strict prohibition of the employment of child and forced labour in accordance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong). No relevant cases of non-compliance were recorded during the Reporting Period.  |
|                               | B4.1 | Description of measures to review employment practices to avoid child and forced labour.  | Due to the business nature of Sunlight REIT, child and forced labour is not considered to be a material issue.  |
|                               | B4.2 | Description of steps taken to eliminate such practices when discovered.   |   |
| <b>Operating Practices</b>    |      |   |   |
| B5<br>Supply chain management |      | General Disclosure<br>Policies on managing environmental and social risks of the supply chain.  | Sustainability Commitments and Aspirations – Partnership – Supply Chain Management<br>Please refer to our <a href="#">Sustainability Policies</a>   |
|                               | B5.1 | Number of suppliers by geographical region.   | Performance Summary   |
|                               | 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.   | Sustainability Commitments and Aspirations – Partnership – Supply Chain Management  |
|                               | B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.  | Sustainability Commitments and Aspirations – Partnership – Supply Chain Management  |
|                               | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.   | Sustainability Commitments and Aspirations – Partnership – Supply Chain Management  |
| B6<br>Product responsibility  |      | General Disclosure<br>Information on:<br>(a) the policies; and<br>(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. | Sustainability Commitments and Aspirations – Human – Health and Safety;<br>Sustainability Commitments and Aspirations – Partnership – Tenant Satisfaction and Well-Being<br>Due to the business nature of Sunlight REIT, advertising and labelling as well as methods of redress, are not considered to be material issues<br>Please refer to our <a href="#">Sustainability Policies</a> |
|                               | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Due to the business nature of Sunlight REIT, product recall and methods of redress are not applicable to the business   |
|                               | B6.2 | Number of products and service related complaints received and how they are dealt with.   | Sustainability Commitments and Aspirations – Partnership – Tenant Satisfaction and Well-Being;<br>Performance Summary   |
|                               | B6.3 | Description of practices relating to observing and protecting intellectual property rights.   | Due to the business nature of Sunlight REIT, intellectual property rights are not considered to be material issues  |
|                               | B6.4 | Description of quality assurance process and recall procedures.   | Sustainability Commitments and Aspirations – Partnership – Tenant Satisfaction and Well-Being<br>Due to the business nature of Sunlight REIT, recall procedures are not applicable to the business  |
|                               | B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | Sustainability Governance – Other Governance Matters – Personal data privacy  |



# ESG Reporting Code Contents Index

| Aspect                     | KPI  | Description  | Reference and Remarks   |
|----------------------------|------|--|---|
| <b>B. Social</b>           |      |  |   |
| B7<br>Anti-corruption      |      | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Sustainability Governance – Other governance matters – Ethics and integrity, Whistleblowing<br>Please refer to our <a href="#">Sustainability Policies</a>                                |
|                            | B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.   | Performance Summary   |
|                            | B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.   | Sustainability Governance – Other governance matters – Ethics and integrity, Whistleblowing   |
|                            | B7.3 | Description of anti-corruption training provided to directors and staff.   | Sustainability Governance – Other governance matters – Ethics and integrity, Whistleblowing   |
| <b>Community</b>           |      |  |   |
| B8<br>Community investment |      | General Disclosure<br>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.                 | Sustainability Commitments and Aspirations – Neighbourhood – Placemaking and Community Investment, Collaboration with NGOs<br>Please refer to our <a href="#">Sustainability Policies</a> |
|                            | B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Sustainability Commitments and Aspirations – Neighbourhood – Placemaking and Community Investment; Performance Summary  |
|                            | B8.2 | Resources contributed (e.g. money or time) to the focus area.  | Sustainability Commitments and Aspirations – Neighbourhood – Placemaking and Community Investment; Performance Summary  |



# GRI Standards Contents Index

| Indicators  | Description   | Sections and Remarks  |
|---|---|---|
| <b>GRI 1: Foundation 2021</b>   |   |   |
| Statement of use :<br>Sunlight REIT has reported the information cited in this GRI content index for the period 1 July 2023 - 31 December 2024 with reference to the GRI Standards. |   |   |
| <b>GRI 2: General Disclosures 2021</b>  |   |   |
| 2-1   | Organizational details  | About Sunlight REIT   |
| 2-2   | Entities included in the Organization’s sustainability reporting            | About the Sustainability Report   |
| 2-3   | Reporting period, frequency and contact point                               | About the Sustainability Report   |
| 2-4   | Restatements of information   | Other indirect emissions (Scope 3) and water consumption data for FY2022/23 were adjusted to reflect the actual emission and water consumption billing received during the year.  |
| 2-5   | External assurance  | Independent Assurance Opinion Statement   |
| 2-6   | Activities, value chain and other business relationships                    | About Sunlight REIT   |
| 2-7   | Employees   | Sustainability Commitments and Aspirations – Human  |
| 2-8   | Workers who are not employees   | Sustainability Commitments and Aspirations – Partnership – Supply Chain Management<br>Workers who are not employees in the context of Sunlight REIT are subcontracted workers, mainly provide work at our managed properties.                             |
| 2-9   | Governance structure and composition  | Sustainability Governance – Governance structure  |
| 2-10  | Nomination and selection of the highest governance body                     | Sustainability Governance – Governance structure  |
| 2-11  | Chair of the highest governance body  | Sustainability Governance – Governance structure  |
| 2-12  | Role of the highest governance body in overseeing the management of impacts | Sustainability Governance – Governance structure  |
| 2-13  | Delegation of responsibility for managing impacts                           | Sustainability Governance – Governance structure  |
| 2-14  | Role of the highest governance body in sustainability reporting             | The Board Statement; Sustainability Governance – Governance structure   |
| 2-15  | Conflicts of interest   | Sustainability Governance – Other governance matters  |
| 2-16  | Communication of critical concerns  | Sustainability Governance – Governance structure  |
| 2-17  | Collective knowledge of the highest governance body                         | Sustainability Governance – Governance structure  |
| 2-18  | Evaluation of the performance of the highest governance body                | Sustainability Governance – Governance structure  |
| 2-19  | Remuneration policies   | “Corporate Governance Report” in the Annual Report  |
| 2-20  | Process to determine remuneration   | “Corporate Governance Report” in the Annual Report  |
| 2-21  | Annual total compensation ratio   | Not applicable. Our Director and Employee Remuneration Policy aims to provide a fair market level of remuneration for all our employees. The metric is affected by factors such as inflation rate, making it difficult to provide a definitive statement. |
| 2-22  | Statement on sustainable development strategy                               | Sustainability Governance – Governance structure  |
| 2-23  | Policy commitments  | Sustainability Governance – Key sustainability policies   |
| 2-24  | Embedding policy commitments  | Sustainability Governance – Key sustainability policies   |
| 2-25  | Processes to remediate negative impacts                                     | Sustainability Governance – Governance structure  |
| 2-26  | Mechanisms for seeking advice and raising concerns                          | Sustainability Governance – Governance structure  |
| 2-27  | Compliance with laws and regulations  | During the Reporting Period, we have not been subject to any significant fines or non-monetary sanctions due to non-compliance with relevant laws or regulations.   |
| 2-28  | Membership associations   | A complete entity list is not provided in this Report, and we will engage in discussions with the management team in the future regarding the feasibility of disclosure.  |
| 2-29  | Approach to stakeholder engagement  | Stakeholder Engagement and Materiality Assessment   |
| 2-30  | Collective bargaining agreements  | In Hong Kong, all of our employees have the right and freedom to form and join trade unions.  |



# GRI Standards Contents Index

| Indicators                               | Description  | Sections and Remarks  |
|--|--|---|
| <b>GRI 3: Material Topics 2021</b>       |  |   |
| 3-1                                      | Process to determine material topics                                     | Stakeholder Engagement and Materiality Assessment   |
| 3-2                                      | List of material topics  | Stakeholder Engagement and Materiality Assessment   |
| <b>GRI 205: Anti-corruption 2016</b>     |  |   |
| 3-3                                      | Management of material topics  | Sustainability Governance – Other governance matters – Ethics and integrity   |
| 205-2                                    | Communication and training about anti-corruption policies and procedures | Sustainability Governance – Other governance matters – Ethics and integrity   |
| 205-3                                    | Confirmed incidents of corruption and actions taken                      | Sustainability Governance – Other governance matters – Ethics and integrity   |
| <b>GRI 302: Energy 2016</b>              |  |   |
| 3-3                                      | Management of material topics  | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions   |
| 302-1                                    | Energy consumption within the Organization                               | Performance Summary   |
| 302-3                                    | Energy intensity   | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions; Performance Summary  |
| 302-4                                    | Reduction of energy consumption  | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions; Performance Summary  |
| <b>GRI 303: Water and Effluents 2018</b> |  |   |
| 3-3                                      | Management of material topics  | Sustainability Commitments and Aspirations – Land – Waste and Water   |
| 303-1                                    | Interactions with water as a shared resource                             | Sustainability Commitments and Aspirations – Land – Waste and Water<br>All water consumed by our operations comes from municipal water supplies, there were no issues related to sourcing water that was fit for purpose. |
| 303-5                                    | Water consumption  | Sustainability Commitments and Aspirations – Land – Waste and Water; Performance Summary  |
| <b>GRI 305: Emissions 2016</b>           |  |   |
| 3-3                                      | Management of material topics  | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions   |
| 305-1                                    | Direct (Scope 1) GHG emissions   | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions; Performance Summary  |
| 305-2                                    | Energy indirect (Scope 2) GHG emissions                                  | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions; Performance Summary  |
| 305-3                                    | Other indirect (Scope 3) GHG emissions                                   | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions; Performance Summary  |
| 305-4                                    | GHG emissions intensity  | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions; Performance Summary  |
| 305-5                                    | Reduction of GHG emissions   | Sustainability Commitments and Aspirations – Land – Climate Change and Carbon Emissions   |
| <b>GRI 306: Waste 2020</b>               |  |   |
| 3-3                                      | Management of material topics  | Sustainability Commitments and Aspirations – Land – Waste and Water   |
| 306-1                                    | Waste generation and significant waste-related impacts                   | Sustainability Commitments and Aspirations – Land – Waste and Water   |
| 306-2                                    | Management of significant waste-related impacts                          | Sustainability Commitments and Aspirations – Land – Waste and Water   |
| 306-3                                    | Waste generated  | Sustainability Commitments and Aspirations – Land – Waste and Water<br>Sunlight REIT generated no significant hazardous waste during the Reporting Period.  |
| 306-5                                    | Waste directed to disposal   | Sustainability Commitments and Aspirations – Land – Waste and Water; Performance Summary  |





# GRI Standards Contents Index

| Indicators   | Description   | Sections and Remarks   |
|--|---|--|
| <b>GRI 401: Employment 2016</b>                      |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Human   |
| 401-1  | New employee hires and employee turnover  | Performance Summary  |
| 401-2  | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Sustainability Commitments and Aspirations – Human   |
| 401-3  | Parental leave  | Sustainability Commitments and Aspirations – Human   |
| <b>GRI 403: Occupational Health and Safety 2018</b>  |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-1  | Occupational health and safety management system  | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-2  | Hazard identification, risk assessment, and incident investigation  | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-3  | Occupational health services  | Sustainability Commitments and Aspirations – Human – Health and Safety; Performance Summary  |
| 403-4  | Worker participation, consultation, and communication on occupational health and safety                       | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-5  | Worker training on occupational health and safety   | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-6  | Promotion of worker health  | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| 403-9  | Work-related injuries   | Sustainability Commitments and Aspirations – Human – Health and Safety   |
| <b>GRI 404: Training and Education 2016</b>          |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Human – Training and Development  |
| 404-1  | Average hours of training per year per employee   | Sustainability Commitments and Aspirations – Human; Performance Summary  |
| 404-2  | Programs for upgrading employee skills and transition assistance programs                                     | Sustainability Commitments and Aspirations – Human – Training and Development  |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Human   |
| 405-1  | Diversity of governance bodies and employees  | Sustainability Commitments and Aspirations – Human   |
| <b>GRI 406: Non-discrimination 2016</b>              |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Human   |
| 406-1  | Incidents of discrimination and corrective actions taken  | No non-compliance incidents with relevant laws or regulations is recorded during the Reporting Period.   |
| <b>GRI 413: Local Communities 2016</b>               |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Partnership   |
| 413-1  | Operations with local community engagement, impact assessments, and development programmes                    | Sustainability Commitments and Aspirations – Partnership   |
| <b>GRI 416: Customer Health and Safety 2016</b>      |   |  |
| 3-3  | Management of material topics   | Sustainability Commitments and Aspirations – Partnership – Tenant Satisfaction and Well-Being  |
| 416-1  | Assessment of the health and safety impacts of product and service categories                                 | Sustainability Commitments and Aspirations – Partnership – Tenant Satisfaction and Well-Being  |
| <b>GRI 418: Customer Privacy 2016</b>                |   |  |
| 3-3  | Management of material topics   | Sustainability Governance – Other governance matters – Personal data privacy   |
| 418-1  | Substantiated complaints concerning breaches of customer privacy and losses of customer data                  | Sustainability Governance – Other governance matters – Personal data privacy<br>No non-compliance incidents with relevant laws or regulations is recorded during the Reporting Period. |



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