

2022

Environmental, Social and Governance (ESG) Report



Forest Logistics Properties

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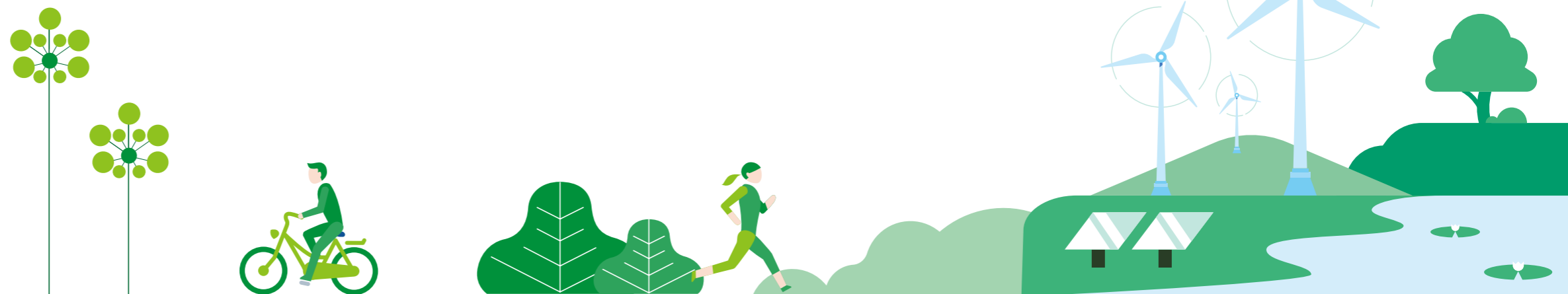
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About this Report

Forest Logistics Properties (hereafter “Forest Logistics”, the “Company”, “We”) is pleased to present its first Environmental, Social and Governance (“ESG”) report (the “Report”). This Report summarizes the Company’s ESG strategic framework, management approaches, initiatives and activities for the calendar year of 2022 (the “Reporting Period”), unless otherwise stated.

The Report has been prepared with reference to the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards. The Report covers the Company’s 17 assets¹ across entire portfolio in Mainland China. For the disclosure of environmental key performance indicator (“KPIs”), it only covers the seven operating assets, including Forest Xi’an ETDZ Logistics Park Forest Chengdu Qingbaijiang Logistics Park, Forest Kunming Airport Logistics Park, Forest Shanghai Fengxian Logistics Park², Forest Wuhan Airport Logistics Park³, Forest Changsha Jinxia Logistics Park, Forest Beijing Capital Airport Logistics Park, that has been operated by the Company.

In order to continuously improve our ESG management and practices, we highly value your insights and viewpoints. For more information, feedback, and suggestions, please contact us by:

Address Forest Logistics Properties
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200021, China

Email info@forest-logistics.com



¹ Include seven logistic industrial distribution warehouses under operation and ten logistic industrial distribution warehouses under construction in progress.

² Has been put into operation from 1 June 2022.

³ Has been put into operation from 1 May 2022.

About Forest Logistics Properties

Forest Logistics Properties is a modern logistics property development and operating platform established in 2018. With the core business strategy of “Invest + Develop + Operate”, the Company aims to provide end-users with fully integrated services, including investing in and holding international-grade properties, developing in core target areas to meet customer needs, and efficiently operating our assets, so as to create and enhance long-term values for our customers and investors.

Currently, the platform has acquired 17 sites in core Tier 1 and Tier 2 gateway cities, Mainland China, seven of which have been successfully developed and put into operation.

Forest Logistics recognizes the critical undersupply of modern logistics facilities, and aims to construct a portfolio of 25-30 modern logistics warehouses over several years by capitalizing on strong underlying demand. Forest Logistic is committed to providing high-end logistics facilities and optimal solutions for end-users in e-commerce, manufacturing, third-party logistics, cold chain and automobile production industries.



Our Service Strategy

Forest Logistics adopts a fully integrated service approach, comprising the following aspects:



Invest in highly strategic plots in key cities supported by population growth and strong consumer spending trends

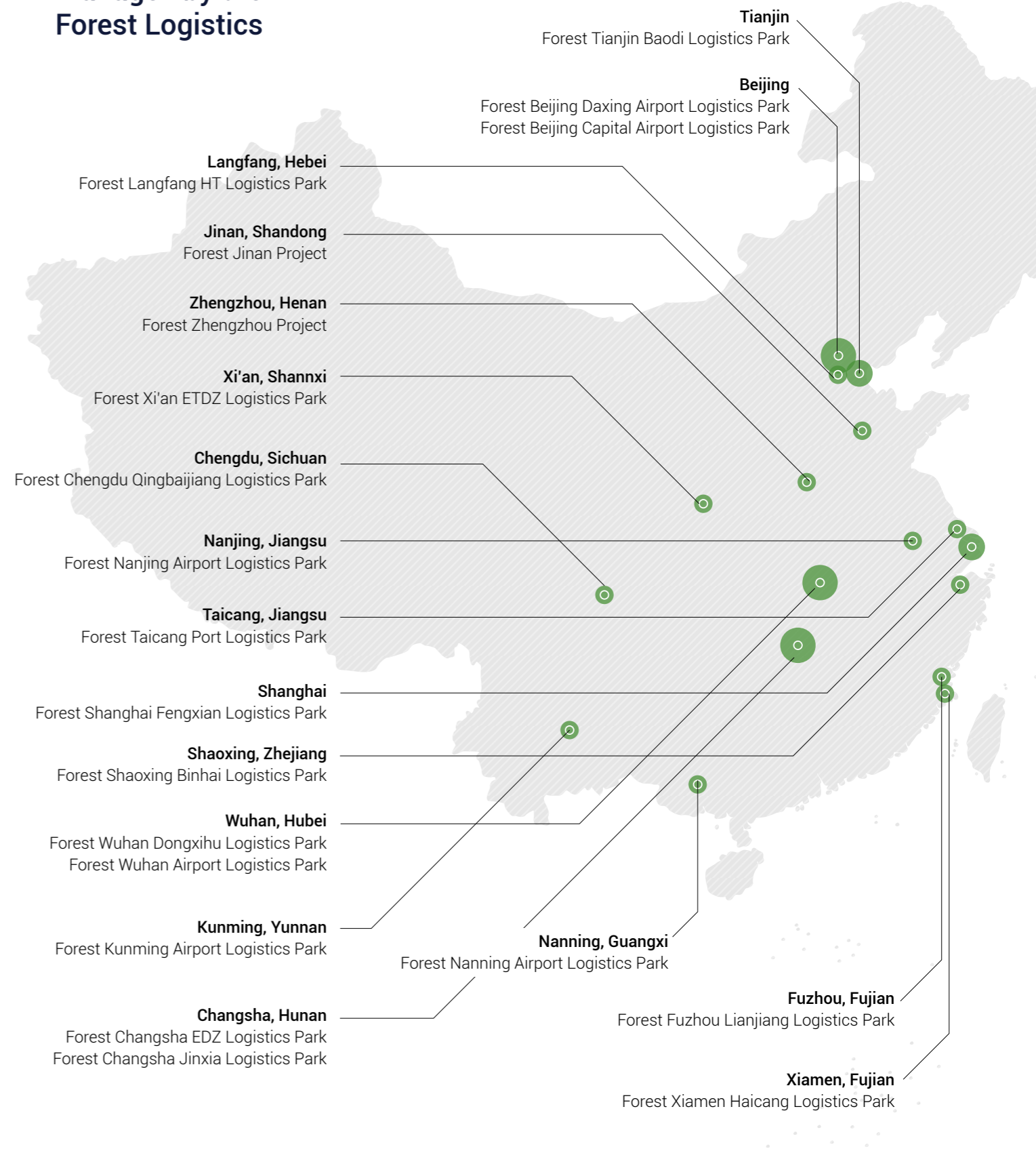


Develop international-grade logistics facilities that meet end-user needs



Operate and manage the completed facilities, overseeing lease administration, capital improvements, as well as cost and risk management

Map of the portfolio managed by the Forest Logistics



Stakeholder Engagement

Forest Logistics acknowledges that it is of paramount importance to understand the priorities, needs, and expectations of its stakeholders towards our business through regular engagement. The Company works with a wide range of internal and external stakeholder groups, which may affect and/or be significantly affected by our business operations, through the multiple communication channels in order to obtain their viewpoints on our current practices and performance. Through this exercise, we can better step up our efforts in formulation of sustainability strategy and performance improvement.

Stakeholders	Communication Channels	Needs and Expectations
Investors	<ul style="list-style-type: none"> Email and calls Company announcement and reports Regular meetings Roadshows 	<ul style="list-style-type: none"> Business development Investment returns Transparent and timely information disclosure
Employees	<ul style="list-style-type: none"> Regular meetings Employee satisfactory survey Employee training Team building and other employee activities 	<ul style="list-style-type: none"> Labor rights and interests protection Remuneration and benefits Occupational health and safety Professional development
Government & Regulatory Authorities	<ul style="list-style-type: none"> Inspections and supervision Regular report disclosure Forum, seminar and conference 	<ul style="list-style-type: none"> Regulatory compliance Tax obligations Create job opportunities and promote local development
Tenants	<ul style="list-style-type: none"> Tenant satisfaction survey Tenant health and safety activities Emails and social media Regular meetings and visits 	<ul style="list-style-type: none"> Services of high quality Data privacy protection Health and safety
Business Partners	<ul style="list-style-type: none"> Direct engagement and regular meetings Procurement and tendering Site inspections and evaluation Supplier selection, monitor and assessment Capacity building 	<ul style="list-style-type: none"> Business integrity and fair competition Win-win collaboration Long-term collaborative relationship
Community	<ul style="list-style-type: none"> Charitable activities and community services 	<ul style="list-style-type: none"> Promote local social and economic development Support for community welfare and the livelihood of the people Support social charity

Materiality Assessment

With the support of an independent external consultant, Forest Logistics conducted the benchmark research of industry peers and review of key sustainability trends, as well as initiated a materiality assessment to review multiple sustainability issues that could affect

to our business operations and our stakeholders. This assessment helps the Company to identify and prioritize the material ESG issues and further focus on how to address each of the material ESG topics.

01 / Recognizing potential concerns

- The Company conducted a peer analysis and has taken the ongoing operations and development into consideration to identify the ESG issues of greatest concern to the industry.

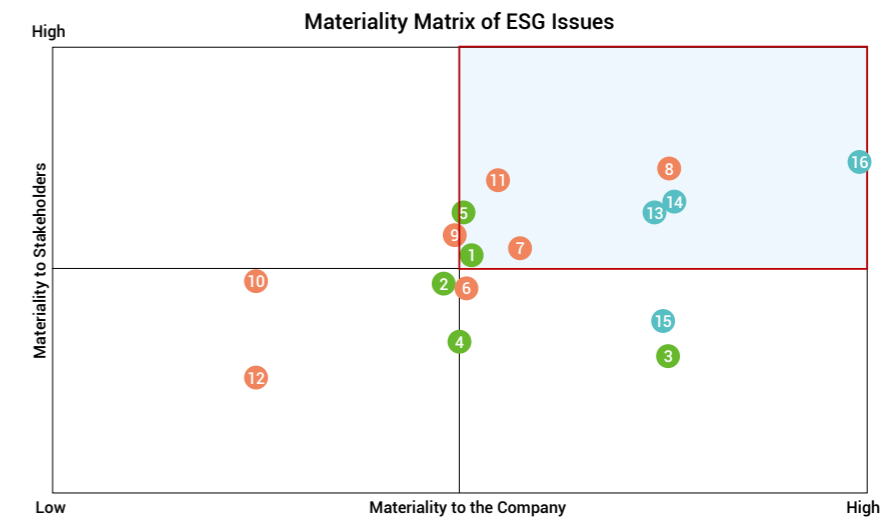
02 / Prioritizing material issues

- The Company carried out an online survey to collect feedback from our stakeholders on the potential ESG concerns.
- Our stakeholders are asked for ranking the short-listed ESG topics based on the degree of relevance and importance of each topic.
- The material issues are assessed and prioritized based on the stakeholders' feedbacks.

03 / Validating the result of material assessment

- The Senior Management validated and approved 16 ESG material issues after reviewing result analysis of the assessment.

As a result, we have identified 9 material ESG issues relevant to our business, which are illustrated in the matrix/table below:



List of ESG Issues

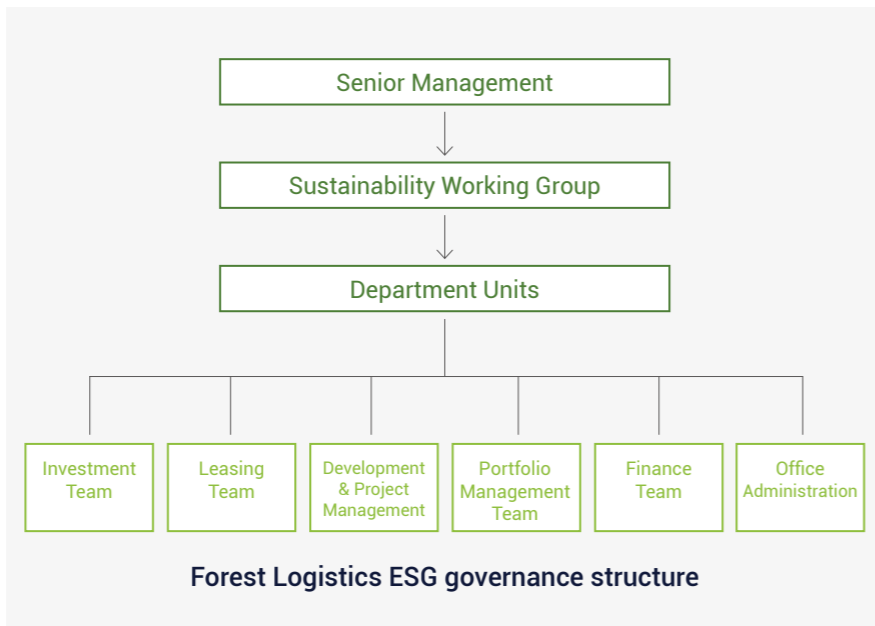
Environmental	Social	Governance
1. Energy Management	6. Employee Wellbeing	13. Corporate Governance
2. Water Management	7. Health and Safety	14. Business Integrity
3. Waste Management	8. Supply Chain Management	15. Stakeholder Engagement
4. Climate Change	9. Tenant Engagement	16. Data privacy & Cyber security
5. Employment Practices	10. Strategic Locations	
	11. Community Engagement	
	12. Sustainable Building and Design	

Our Management Approaches to ESG



ESG Governance Structure

Forest Logistics believes that a robust ESG governance is crucial to sustainable growth, financial stability and long-term value for our stakeholders. The Company has established a three-tier sustainability governance structure to ensure that sustainability issues are incorporated into the corporate agenda, business strategies and daily operations.



Level	Roles and Responsibilities
Senior Management	<ul style="list-style-type: none"> Monitor the Sustainability Working Group Determine and manage the ESG strategies and management approaches Review the identified material issues and ESG achievements
Sustainability Working Group	<ul style="list-style-type: none"> Coordinate the implementation of ESG strategies Develop ESG objectives, targets and initiatives Monitor and report practices and performance of sustainability to senior management regularly
Department Units	<ul style="list-style-type: none"> Implement the ESG initiatives and action plans and adopt into daily operations Report progresses and achievements of the ESG targets to the Sustainability Working Group

ESG Framework

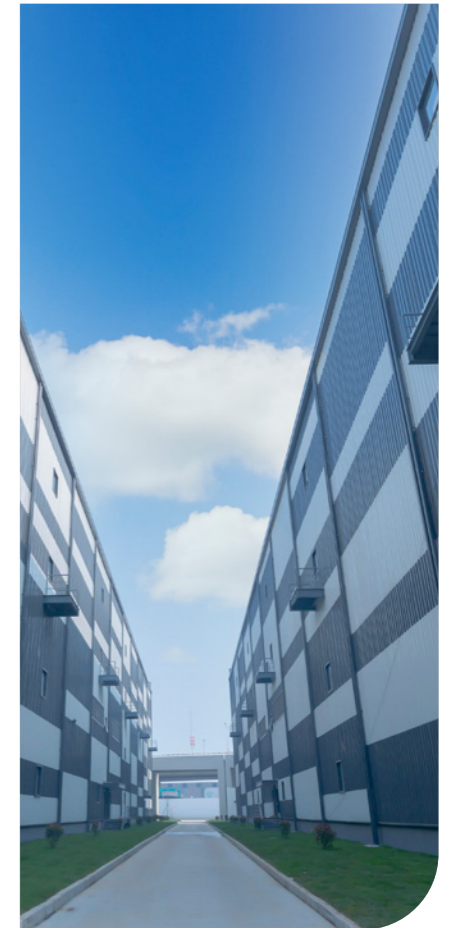
In advancing our efforts to long-term development, Forest Logistics integrates ESG factors into the entire business strategies and puts into practice the ESG framework with relevant policies, striving for fulfilling our mission, core principles and objectives. Four pillars: Planet, People, Partnership and Governance lay the foundations to our ESG management with 12 focused areas, in supporting the achievement of United Nations Sustainable Development Goals (UN SDGs).

Mission





- To be an exemplary logistics property development and operating platform by integrating sustainability into our real estate lifecycle and creating long-term values for our stakeholders.

Core Principles

- Improve our performance by maintaining effective management of our investment and business operations and achieve sustainable development in order to provide benefits to stakeholders.
- Minimize our environmental footprint with innovative and efficient design and operation
- Consistently empower our employees and create a diverse and inclusive work environment that provides challenging opportunities and work-life balance culture for all employees
- Collaborate with our partners to create long-term value
- Enhance governance and provide high-quality services



We have formulated the Sustainability Policy, which provides directions to the management of various ESG issues, including resources management, employment, business integrity, etc. in our daily operations and project development. ESG objectives and targets with corresponding action plans are developed, which is pivot on the four pillars and UN SDGs, to monitor our ESG performance and respond to the changing stringent regulatory and disclosure requirements on ESG in the market. The Sustainability Working Group reviews and monitors the progresses and the efficiency of our action plans regularly, to ensure that we are still heading in the right journey of our ultimate objectives and pursue continuous improvements.

Pillar	Focused Areas	Key ESG Targets (2023-2025)	Aligning with UN SDGs
Planet	<ul style="list-style-type: none"> Resources Management Climate Change Sustainable Building and Design 	<ul style="list-style-type: none"> Adopt smart energy management system in all new projects by 2025 Reduce the intensity of energy consumption, water consumption and Greenhouse gas (GHG) emissions by 2% by 2025 Conduct ESG due diligence (DD) to all projects before site selection by 2025 	
People	<ul style="list-style-type: none"> Employment Practices Health and Safety Employee Development 	<ul style="list-style-type: none"> Employee gender ratio of 50/50 women/men by 2025 Provide ESG training for employees and ensure full participation rate (e.g. health and safety, environment, etc.) from 2023 Maintain zero workforce fatalities and injuries every year starting from 2023 	
Partnership	<ul style="list-style-type: none"> Tenant Engagement Supply Chain Management Community Engagement 	<ul style="list-style-type: none"> Carry out external tenant satisfaction survey for all projects with 100% coverage rate by 2025 Provide ESG training to major suppliers/contractors with 100% participation rate by 2024 Participate in charitable activities (i.e. donation, volunteering) 	
Governance	<ul style="list-style-type: none"> Corporate Governance Business Integrity Data Privacy & Cybersecurity 	<ul style="list-style-type: none"> Perform annual internal risk assessment from 2023 and invite independent third party to conduct risk assessment every two years Zero bribery and corruption litigation cases from 2023 Provide training on cybersecurity and data privacy from 2023 	

Business Integrity

Anti-bribery and Corruption

Forest Logistics is committed to conducting all business activities with integrity and highest ethical standards. Our Anti-Bribery and Corruption Policy, which outlines the key principles and guidelines on the management of anti-bribery and corruption cases, is in place to effectively govern our business practices. All forms of bribery, corruption, fraud and other malpractices, are strictly prohibited, to ensure that the Company is complied with all applicable national and local laws and regulations.

Besides, our employees are required to adhere to the business conducts and standards stipulated in the Employee Handbook in order to perform in professionally and responsibly in all business activities, such as avoiding conflicts of interest, executing fair business practices, and preventing bribery and corruption. To prohibit all forms of malpractices, a continuous monitoring process is in place and regular inspection are performed. Any behaviors deemed to violate the policy will result in disciplinary action, including but is not limited to summary dismissal.

Data Privacy and Cybersecurity

Data privacy and cybersecurity is vital for business accountability as every business is more reliant on the information technology. The growth of cybercrimes and unauthorized access of sensitive data, such as customer data, trade secrets, may deteriorate the corporate reputation and client loyalty, as well as result in significant financial loss. To ensure the compliance with relevant laws and regulations where we operate⁴ and defend cyber threats, the Company has implemented data management procedures and performed regular internal cybersecurity inspections to safeguard the digital data from unwanted access, corruption or theft and threaten the interests of the Company, employees and tenants. Additionally, all employees and business partners require to strictly follow the confidentiality obligations in the Employee

Handbook and the business contract and prevent any unauthorized and/or unnecessary information leakage and misuse. Employee access to sensitive and confidential information is restricted based on "need to know" principles. They are not permitted to disclose or convey such information to any third party during and after their employment, except the disclosure is authorized or legally mandated.

Whistleblowing

The Company strives to create an open environment that allows employees, shareholders and business partners to raise their concerns and report acts of unethical behavior. The reporting and grievance mechanism is in place for all employees and other stakeholders to report actual or suspected illegal activities and improprieties in any situation relating to the Company.

All information of whistle-blowers will be kept confidentially to prevent any retaliation or unfair treatment. The Company will promptly conduct a comprehensive investigation in event of any reported cases received. Depending on different circumstances and applicable laws and regulations, the repercussions of a violation may include disciplinary action, criminal prosecution and monetary penalties.

ALL SUSPECTED CASES CAN BE REPORTED THROUGH THE FOLLOWING CHANNELS:

- By writing to No. 150 Hubin Road, 5 Corporate Avenue, Units 809-810, Huangpu District, Shanghai 200021, China in a sealed envelope clearly marked "Strictly Private and Confidential – To be Opened by Addressee Only"
- By Email to compliance@forest-logistics.com

⁴ Including but not limited to Data Security Law of the People's Republic of China ("PRC")

Our Planet

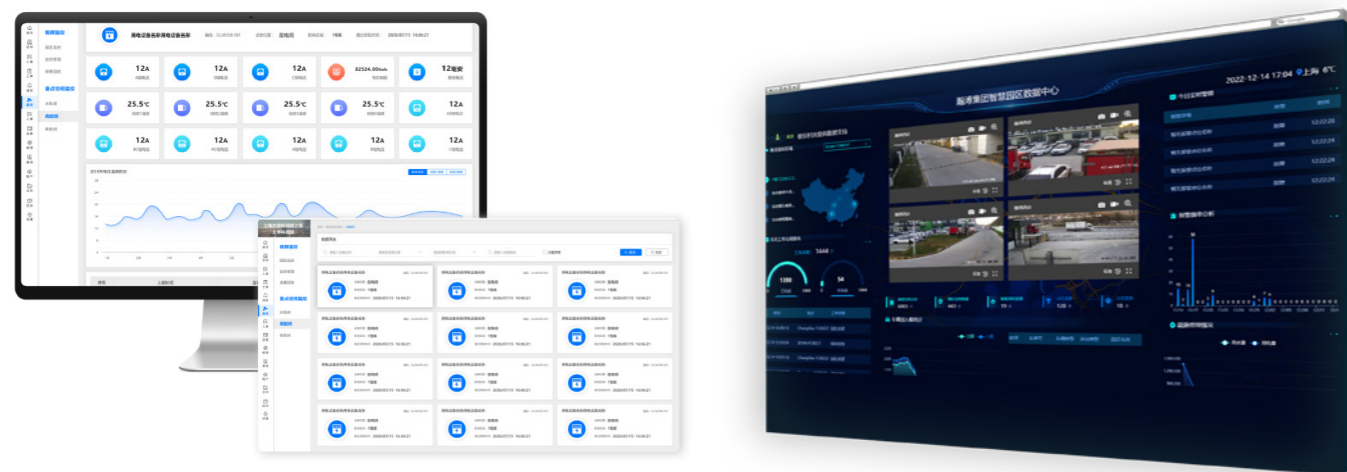


The Company believes that protecting our planet is one of the most critical prerequisites for sustainable development. We are dedicated to making positive impacts on the environment and factoring sustainability into the entire real estate lifecycle. We seek to address environmental concerns, including climate change, energy consumption, water conservation, waste management and sustainable building, that are crucial to the communities in where we operate.

Resources Management

Our Sustainability Policy outlines the commitment and principles to environmental management. The Company, collaborates with the property managers, has implemented various initiatives and operational practices to optimize the resources efficiency and minimize adverse environmental impacts during both construction and operation stages.

To keep tracking of environmental performance, detect anomalies and visualize environmental data in the assets effectively, the Company introduced the smart energy management system in its operating assets and adopted automatic metering reading (AMR) system for monitoring energy and water consumption. It ensures that the Company, local property managers and tenants can understand their energy and water consumption during operations and continue to seek opportunities in making efficient use of finite and valuable resources.



Smart energy management system dashboard

Energy Consumption and GHG Emissions

Forest Logistics strives to optimize energy efficiency across its asset operation. We have implemented internal energy management procedures to advocates green operation and reduce the energy consumption, thereby minimizing the carbon footprint throughout the operation.

Apart from the applications of engineering and administrative controls, the Company puts greater emphasis on capital investments in asset enhancement and equipment replace and/or upgrade to further stepping up its efforts for energy conservation. The following key actions are taken to reduce energy consumption in the managed operating assets:

- Introduce the smart energy management system to collect and monitor energy data automatically;
- Install AMR system to record and monitor electricity use;
- Select and purchase electrical appliances and equipment with energy-saving labels;
- Conduct regular checks and maintenance of the equipment to ensure its optimal function;
- Maximize the use of natural light in the warehouses;
- Adopt audio sensor for lighting control where applicable;
- Under the condition of ensuring air quality, use fewer exhaust blowers in the warehouses to reduce energy consumption;
- Adopt electric vehicle charging stations where applicable;
- Install rooftop insulation to reduce heat transfer;
- Encourage employees and tenants to switch off equipment and lights when they are not in use.

Forest Logistics has installed electric vehicle charging piles in operating assets where applicable to provide downstream users with as much convenience as possible to use new energy, in order to advocate the green transportation.



Maximize the use of natural light in our logistic industrial distribution warehouses



Electric vehicle charging stations



LED lighting system in the logistic industrial distribution warehouses

AMR system and smart meters

Renewable Energy

Forest Logistics aims to increase the use of renewable energy in its new development assets and operating assets, and hence reduce the reliance of the coal-fuel electricity and move towards carbon neutrality. This is to respond to the urgent global call for a transition to a low-carbon economy. The Company keeps exploring opportunities for on-site renewable energy application and technologies as well as off-site renewable energy purchasing where applicable. Currently, we have installed solar photovoltaic system at the rooftop of Forest Xi'an ETDZ Logistics Park, Forest Shanghai Fengxian Logistics Park and Forest Changsha Jinxia Logistics Park for clean energy generation. During the Reporting Period, 509.96 MWh of renewable energy was generated on site.

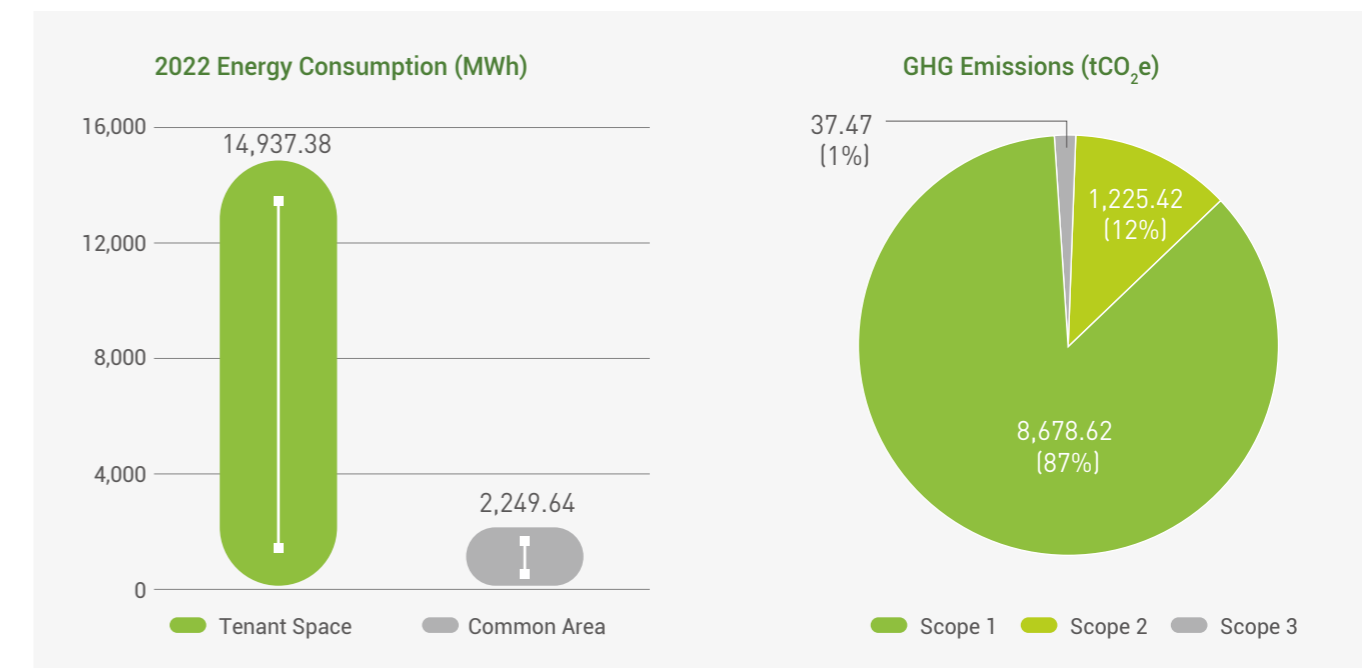


Solar photovoltaic system in Forest Xi'an ETDZ Logistics Park



Solar photovoltaic system in Forest Changsha Jinxia Logistics Park

The energy consumption is mainly come from the diesel consumption of the emergency generators and purchased electricity used by the operating assets. During the Reporting Period, the total energy consumption of the operating assets across the portfolio was 17,187.02 MWh, including 140.47MWh consumption of diesel and 17,046.55 MWh consumption of electricity. 86.91% of total energy consumption is consumed by our tenants, and the total GHG emissions were 9,941.51 tons of carbon equivalent ("tCO₂e"). The breakdown of energy consumption and GHG emissions is shown as below:



CASE

FOREST SHANGHAI FENGXIAN LOGISTICS PARK

The solar photovoltaic system has been installed at the rooftop of Forest Shanghai Fengxian Logistics Park, which generated around 7,300 kWh per month during the Reporting Period. This promotes the use of clean energy and reduces conventional energy consumption and carbon footprint in the long run.



Rooftop solar photovoltaic system under inspection

Notes:

1. The GHG emission is calculated with reference to GHG protocol: A Corporate Accounting and Reporting Standard.
2. Scope 1 emissions covers the direct GHG emissions generated by the diesel consumption of the emergency generators in common areas of our seven operating assets during the Reporting Period.
3. Scope 2 emissions covers the purchased electricity for the provision of services in common areas of our seven operating assets during the Reporting Period.
4. Scope 3 emissions covers the purchased electricity for the provision of services in tenant space of our seven operating assets during the Reporting Period.

Water Usage

Water scarcity continues to be exacerbated due to climate change on global level. Therefore, we have initiated various water-saving measures to reduce water usage at asset level, whenever possible, including:

- Adopt AMR system;
- Regularly record the reading of water meters and monitor the water use patterns in each asset to analyze water consumption trends;
- Maintain regular inspections and assessments of the utility facilities and drainage to prevent water dripping, running, or leakage;
- Install water-saving fixtures such as faucets and dual-flush cisterns toilets;
- Place water-saving signage and posters in public areas and washrooms to encourage water conservation;
- Adopt rainwater collection system for plant irrigation.

In our Forest Shanghai Fengxian Logistics Park, we have installed a rainwater collection system with the capacity approximate 200 m³. The collected rainwater is used for the irrigation of landscape in the asset to increase the water recycling and thereby reduce the consumption of the fresh water.

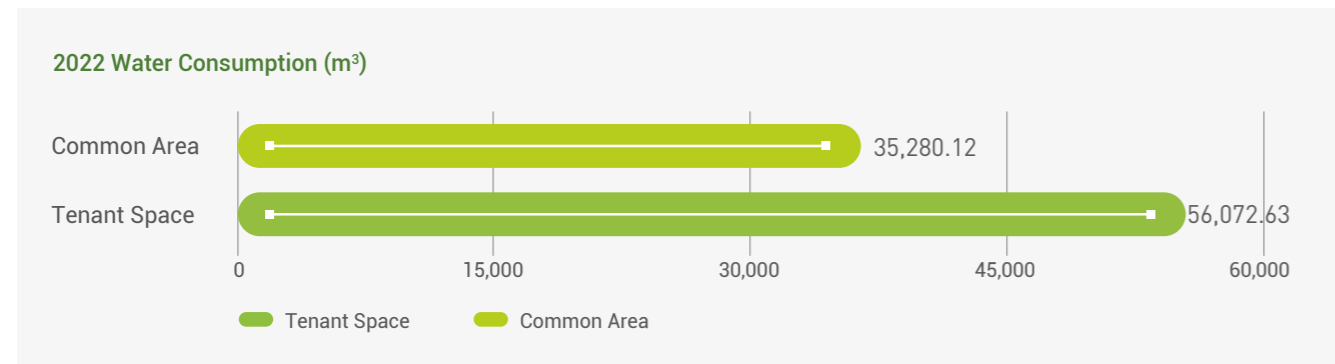


AMR system and smart meters in our logistics industrial distribution warehouses



Water-saving signage in washroom

During the Reporting Period, the total water consumption of the assets across the portfolio is 91,352.75 m³. The breakdown of water consumption is shown as below:



Waste Management

The Company ensures that the local property managers have implemented relevant waste management procedures and operational guidelines in each asset to monitor the waste sorting, storage, transportation and treatments under the requirements of local regulations.

We have implemented waste classification and classify garbage into dry waste, wet waste and recyclable trash. Waste sorting facilities are in place at operating assets to assist tenants for clean waste sorting. The waste classification signs have been affixed to guide our tenant to carry out waste classification and to enhance tenant's awareness for garbage classification and related information. All the domestic waste is handed over to the sanitation department for disposal. In some cases, the leftover woods in the assets are collected and sent to the local communities for recycling use.

During the process of construction and tenant renovation, we advocate the adoption of prefabricated buildings and strengthen the reuse of construction materials as far as possible. We require our contractors to segregate the recyclable waste from the construction waste for reuse or recycling as much as possible and transfer all waste to designated area for temporary storages and disposal. We ensure that the construction waste and hazardous substance is managed by qualified waste collectors in accordance with local laws and regulations. All the wastewater generated from the construction sites is collected and treated with oil separation and sedimentation before discharge to make sure the effluent has no adverse impact on the surroundings.

During the Reporting Period, the total non-hazardous waste generated by the operating assets across the portfolio is around 474 tonnes.



Waste recycling facilities in the logistic industrial distribution warehouses



Waste sorting posters

Climate Resilience

Forest Logistics is aware of the significant concerns that climate change poses to its operations. Hence, we are dedicated to strengthening climate resilience to effectively prepare for and respond to adverse events associated with climate change throughout our operations.

The Company strategically integrates climate-related risks into ESG due diligence and risk management processes to identify the potential impacts of these physical and transitional risks, such as extreme weather, flood, relevant

policies and regulations, especially in the locations where the Company operates.

Meanwhile, to mitigate the major physical climate risks, such as super typhoons and rainstorms, Forest Logistics ensures that the local property managers have corresponding emergency contingency plans in place to promptly respond to emergencies, thereby safeguarding the health and safety of employees and tenants and minimizing the potential damage of the assets.



Sustainable Building and Design

Principles of Green Building Design

Forest Logistics takes environmental considerations into account and complies to international and national green building standards in new construction where feasible. The Company outlines these green principles in the development policies and collaborates with all teams to incorporate in areas ranging from building design to construction and operation.

Design

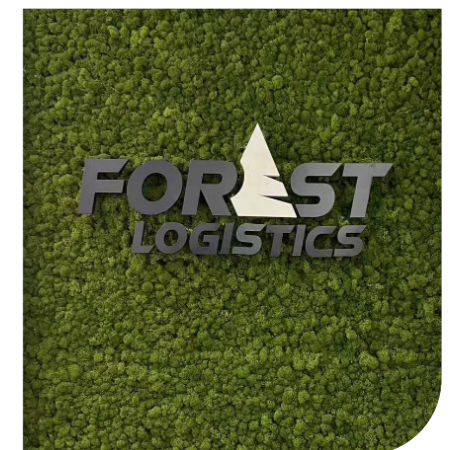
- Factor ESG issues during site selection and design planning to avoid land parcel with environmental sensitive attributes, such as the conservation of farmland, redevelopment of brownfield sites and land degradation.
- Comply with all the planning parameters prescribed by the Planning Authority when planning of proposed development.
- Apply the energy, water and waste management requirements of internationally recognized building standards and rating schemes such as Leadership in Energy & Environmental Design (LEED), with efficiency measures.

Construction

- Integrate the sustainable design approach and employ Building Information Modelling (BIM) technology in all developments where applicable.
- Advocate green construction to promote waste management, energy and water conservation and air quality control under development project.
- Promote onsite monitoring on energy and water consumption and manage the construction waste by reusing and recycling materials, to minimize nuisance to the surroundings and environmental footprints.

Procurement and Operation

- Give preference to the environmental-friendly and healthy products, such as low-emitting VOC materials, low-embodied carbon materials, LED lightbulbs and appliances with energy-saving labels.



The greenery wall in the office

Green Building Certification

Buildings are responsible for more than 40% of global energy consumption⁵. The Company endeavors to adopt best practices in building designing and construction by following the recognized building certification standards and encourages all new projects and existing operating assets to obtain higher level of green building certifications.

As of 31 December 2022, four of our operating assets have been attained the Grade 1 China Green Warehouses. In addition, Forest Shanghai Fengxian Logistics Park and Forest Beijing Capital Airport Logistics Park we have attained the Gold rating of US LEED certification for building design and construction, which demonstrate our commitment to advocating sustainable building design and building up the climate resilience under our managed assets. Looking forward, we will continue to seek opportunities to obtain green building certifications for new projects where practical.

⁵ United Nations Environment Programme (UNEP), Energy Efficiency For Buildings.



LEED Building Design and Construction (BD+C) (Gold)
Forest Beijing Capital Airport Logistics Park



China Green Warehouses Certificate (Grade 1)
Forest Tianjin Baodi Logistics Park



Our People



Forest Logistics regards our people as the cornerstone for the continuous business growth. We strive to create an collaborative, motivating and vibrant working environment that can provide learning opportunities for career growth to all employees.

Employment Practices

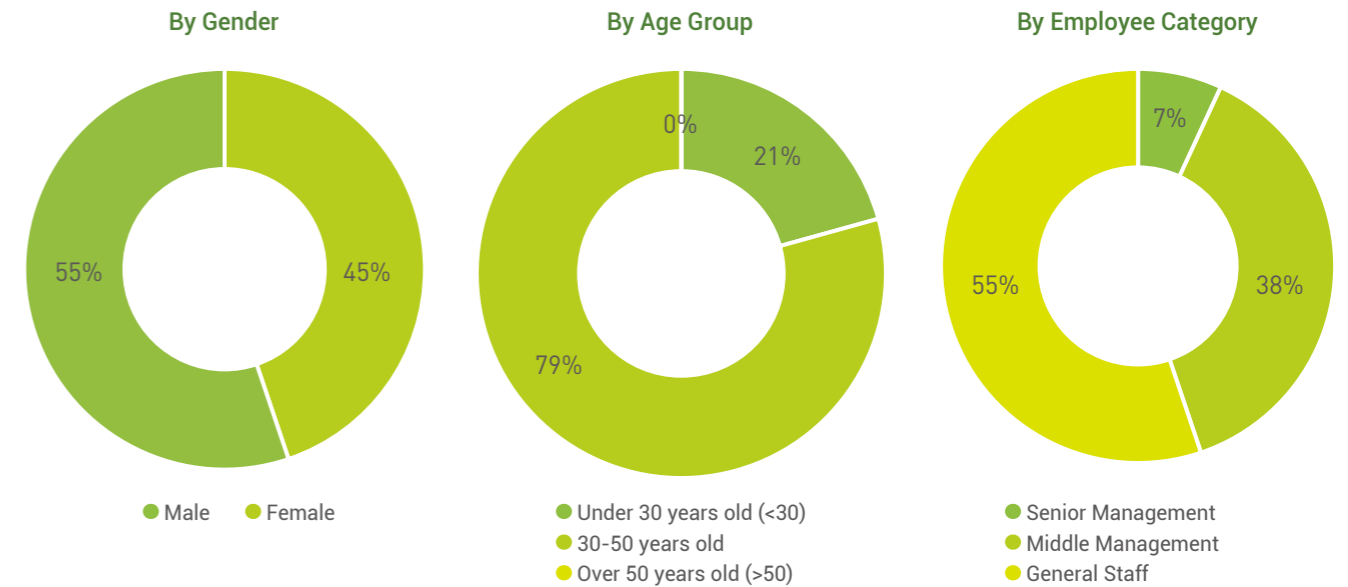
Labor Standards

Forest Logistics respects human rights and employees' interests. We strictly comply with relevant laws and regulations, including but not limited to the Labor Law of the PRC, the Labor Contract Law of PRC, Provisions on Prohibition of Using Child Labor and the Law of the PRC on the Protection of Minors. We resolutely eradicate instances of child labor and forced labor from the workplace. The basic working hours, holidays, remuneration, compensation and benefits according to statutory requirements are also guaranteed.

Equity, Diversity and Inclusion

A diverse and inclusive team with different backgrounds and expertise can enrich corporate culture and improve workforce creativity. The Company has formulated standardized management procedures for employee recruitment, performance review, transfer and promotion, performance appraisal, remuneration and dismissal. All employees are treated equally regardless of their age, race, gender, religion, nationality, family status, disability or any other characteristics protected under the relevant laws. Any form of bullying and/or harassment is not tolerated across our business operations. The Company values feedback and suggestions from employees, and all new ideas are welcomed. All employees are obliged to obey the Company's policies in equal employment opportunity, diversity and anti-discrimination and foster cultivates an equitable, inclusive and respectful working environment where is free from discrimination.

As of 31 December 2022, Forest Logistics had 29 full-time employees, all of whom are situated in Mainland China. The workforce profile divided by gender, age group and employee category is illustrated as below:



Employee Wellbeing

Actively listening to the voices and opinions from employees plays a critical role in improving the management approaches. The Company offers open and transparent communication channels, including in-person town hall meetings, WeChat groups, regular newsletters and emails. To resolve any potential conflicts or challenges and maintain effective teamwork, employees are encouraged to communicate with supervisors upon any work-related issues. In addition, the Company strives to maintain family-friendly workplace with harmonious culture for all employees. We offered various cultural and social activities, including team building events, annual dinner, weekly afternoon tea events and monthly birthday parties to build the sense of belonging of our employees. Flexible working arrangement (e.g. flexible working hours and work from home) are available to our employees to fulfil their family responsibilities. We host additional commercial insurance and extra birthday allowance to create a supportive and caring working environment.





Team building event - short trip to Macau



Annual dinner



Monthly employee birthday celebration



Weekly afternoon tea gathering

During the Reporting Period, an employee satisfaction survey has been conducted to better understand the feedbacks and needs from our staff for continuously improving the overall satisfaction.



100%

Employee coverage



9.17

(out of 10)
Overall satisfaction score

Occupational Health and Safety

Health and safety are always prioritized at first throughout our business. We strictly follow all applicable laws and regulations in the jurisdictions where we operate and maintain the pertinent industry best practices in our workplace. Safety risks are identified, mitigated and management with our Health and Safety Policy, management procedures and operational guidelines across our operations.

The Company has set up a health and safety working group to monitor the safety hazards, initiatives, and performance target. Regular safety inspections and checks are carried out to continuously identify and reduce existing and potential risks. All employees encourage to inspect and report potential health and safety hazards to prevent any accidents and injuries. Besides, safety drills and training, such as emergency evacuation, has been organized to raise our employees' safety awareness.

The Company pays great attention to both physical and mental health of the employees. Employees have access to a voluntary annual health checkup program as well as a commercial medical plan, in addition to basic health insurance. The Company also organized emotional health workshops on how to relieve stress and safeguard its employees' mental health and wellness.

Response to COVID-19

As the COVID-19 pandemic continues, Forest Logistics has closely monitored the pandemic situation and strictly adhered to national policies and local regulations to pandemic prevention. Corresponding safety measures, operational procedures and in-house rules has been formulated for limiting the risk of virus infection during the pandemic.

Shanghai City has imposed a two-month city-side lockdown in early March 2022 due to the outbreak of Omicron variant COVID-19. The Company immediately launched the contingency plan to assist all our employees to overcome this critical time. The Company informed and updated all employees of the latest policies and government announcements through emails and mobile communication applications. Employees were split into teams and virtually work from

home to maintain necessary work for business operation. In addition, the Company provided prompt assistance and distributed food and daily necessities in three batches to the employees and anti-epidemic kits (including face masks, disposable gloves, hand sanitizers, antigen kits, disinfectants and thermometers) to our employees during the lockdown period to combat against the pandemic together.



Food and necessities offered to employees during the lockdown of Shanghai



Provision of Medicine, vitamin pills and medical masks to employees during COVID-19 pandemic

Development and Training

Nurturing employee professionals is vital to the growth of the Company and maintaining its competitive edge in the industry. Hence, the Company has formulated employee development plans and encourages all employees to equip their professional knowledge, competence, and management skills via professional training, attending seminar, forum and conference organized by the external organizations and institutions.

The Company arranges orientation training for new employees, covering with the topics of the corporate culture, rules, staff code of conduct, and safety knowledge, to assist them in adapting to the new environments and positions seamlessly.

Meanwhile, the Company provides a broad range of internal and external training to employees, covering the topics of personal development, leadership, eye health, safety and wellness, as well as fire drills. With the assistance of a third-party consultant, the Company offered an ESG training for all employees and local property managers during the Reporting Period, with the aim of increasing the sustainability awareness of the staff.

During the Reporting Period, the Company offers 96 hours of training to its employees, with attendance rate of 100%.



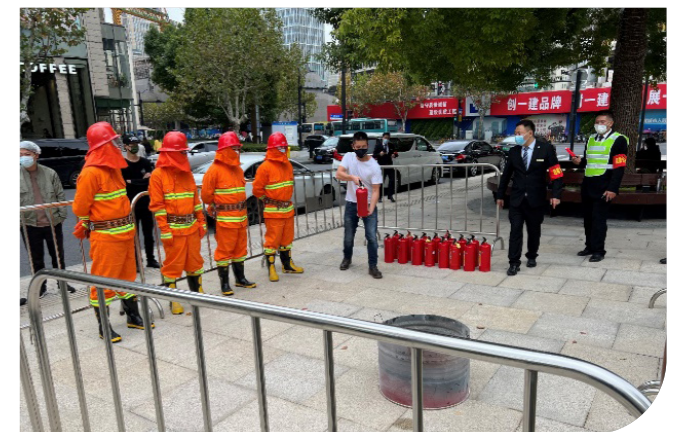
Office safety training



Eye protection knowledge sharing



Online ESG specific training



Fire drill organized by the building manager

Our Operation



Forest Logistics aims to maintain close relationship with its business partners, tenants, and the local community. We continue to put our service philosophy and core principles into actions and maintain robust management systems for quality service provision, strategic supplier collaboration and community engagement, thereby making ongoing improvement.

Service Quality and Tenant Engagement

Forest Logistics strives to provide tenants with a safe, healthy and comfortable environment through customer-oriented and high-quality services.

Service of Excellence

In pursuing service excellence and high level of tenant satisfaction, the local property managers have developed a comprehensive set of service standards, management guidelines, and standard operating procedures (SOP), ranged from garage and parking management, facility management, property administration, fitting-out, to cleaning, to its team for monitoring the quality of property services. In addition, the local property managers carry out regular inspections and checks to identify any deficiency in the daily operation and address timely with the implementation of corresponding corrective actions.

We ensure that the local property managers have established and closely followed customer-service protocols and complaint procedures to handle and address complaints within a reasonable timeframe. All tenants and customers feedbacks are registered in the complaint management logbook by the property manager. Return visit will be arranged to the complainant to understand the satisfaction level of the complaint resolution.

The tenant fit-out guide has been put in place to specify the requirements and instructions for refurbishment. The local property managers collaborate with tenants to carry out sustainable and environmental-friendly fit-out work. Moreover, we assist our tenants in selection of qualified contractors for fit-out work, to ensure they strictly follow the environmental, health and safety guidelines under the tenant fit-out guide (e.g. handling of construction and demolition waste) and minimize nuisance to other occupants during the refurbishment.



Tenant Engagement

Forest Logistics values all our tenants' voice and feedback. It is vital to facilitate continual improvement on our service quality and enrich their experience in our managed assets based on their opinions and recommendations. As such, the local property managers maintain constant communication with tenants to understand their expectations and timely address their needs. For instance, quarterly meetings have been arranged to individual tenant to understand their feedbacks on property services; social media application (e.g. WeChat) has been adopted for posting the latest announcements and useful information for tenants. Knowledge sharing workshops have been launched to share the latest local policies applicable to the industry and best practices. A welcome ceremony and orientation session is offered to new tenants and assist them familiar with the facilities and services in the asset. Free cold drinks are provided to tenants during summer season to support their work under the hot weather.

Tenant satisfaction survey is crucial to capture and evaluate tenants' viewpoints on the quality of property management services, ranged from cleaning services, security services, building maintenance and customer services, health and safety. By analyzing the survey result, we can understand our strengths and weakness for improving the overall performance of operation and services.



Welcome ceremony to new tenant



Complimentary cold drinks and fruit to tenants in summer



100%
Tenant coverage



4.8
(out of 5)
the overall satisfaction score

CASE

11-11 CHEERING UP

Double 11 online shopping festival is the world's biggest online retail event for e-commerce and logistics. It is also the busiest period for our logistics warehouse tenants. We prepared and served free food and drinks to our tenants in Forest Wuhan Airport Logistics Park and Forest Chengdu Qingbaijiang Logistics Park in November 2022, to show our support, cater to their needs and cheer them up amidst the busy work.



Complimentary food and water to tenants for supporting "11-11" season

Tenant Health and Safety

Forest Logistics prioritizes tenant health and safety. The Company requires all local property managers to develop a series of standardized health and safety management procedures and operational manuals to identify the potential safety risks, evaluate the risk level with their impacts and determine corresponding mitigation measures to lower the safety risks posed to the tenants and frontline staff. The local property managers also designate responsible safety personnel to perform routine safety inspections to ensure the effectiveness of safety management measures.



Safety drills

All our assets are equipped with necessary safety and security facilities and equipment such as CCTV with 24-hour surveillance system, accessibility passages, smoke detection systems, fire alarms, fire-fighting apparatus, to prevent fire hazards, crime and suspicious people entering the assets.



Safety drills

Furthermore, we have established an emergency response working team and put in place to relevant emergency response plans tackle different emergencies, such as fire, flooding, violent affray, theft, and power failure. On the other hand, we have organized safety drills and safety promotion events for tenants during the Reporting Period to raise their safety awareness and equip them with the necessary capabilities for emergency rescue.



Onsite safety inspection



Onsite safety inspection



Onsite safety inspection

As the Company keeps track of and strictly follows all government policies, regulations and guidelines as well as the health advice related to COVID-19. A series of preventive procedures have been developed for frontline staff to follow and lower the risks of the exposure and transmission of COVID-19 virus in the daily operation. The local property managers ensure that sufficient provision of the anti-epidemic materials in the assets and provides prompt assistance among tenants and communities under 'closed-loop' management in conjunction with local government efforts. This helps to mitigate the pandemic effectively and safeguard the health and safety of tenants during the pandemic.

Key preventive measures adopted in our assets:

- Measure the body temperature and check the health codes of all personnel before entering the assets;
- Provide personal protective equipment for tenants, such as hand sanitizer stations, face masks and alcohol wipes;
- Maintain strict entry access and traffic flow control by temporarily closing selected entrances and exits of the buildings;
- Conduct nuclear acid tests regularly in the assets of the tenants;
- Provide tenants with special training regarding guidance on cold chain storage to minimize virus spread and infection;
- Strengthen the disinfection of common areas and frequently touched surfaces, such as door handrails and public washrooms.



Body temperature and health code checking station at the main entrance of the assets



Anti-COVID-19 training for tenants in cold chain storage warehouse



Nuclear acid test stations were set up in our Wuhan and Changsha industrial warehouses

Sustainable Supply Chain

Forest Logistics believes that sound supply chain management is fundamental to guarantee its service quality. Therefore, we work closely with our suppliers and contractors to achieve mutual beneficial collaboration and move towards a sustainable business.

Supplier/Contractor Management

The Company has established a supplier management procedure to standardize the selection, performance evaluation of the new and existing suppliers and service contractors. In the process of supplier selection, we conduct a thorough inspection of their experience, qualifications, product and service quality, financial stability and track record of legal compliance to ensure fulfill our standards. To mitigate environmental and social risks, we also take sustainability performance of potential suppliers and contractors into consideration, and preference will be given to those with sound sustainability management. We perform regular assessments and performance reviews from staffing, management and commercial perspectives. To raise ESG awareness of our suppliers and contractors, Forest Logistics provides staff with ESG-related training to share knowledge and expertise in improving their capabilities towards sustainability.

We also attach great importance to the health and safety of our suppliers and contractors. Hence, we require all contractors to develop a comprehensive project safety management plan with manual before the commencement of construction to ensure that all necessary health and safety equipment and mitigation measures are in place during construction process. Regular onsite safety inspections and awareness trainings shall be carried out to enhance the safety responsibility and awareness of the workers and continuously review the effectiveness of safety measures implemented, thereby preventing safety hazards and occupational health accidents.

Sustainable Procurement

The Company strives to promote green procurement in asset management. Our Sustainable Procurement Policy outlines the general principles of the use of sustainable materials and services for procurement decision making. For instance, the Company advocates contractors to select green and environmental-friendly building materials such as low-emitting VOC materials, FSC-certified wood-based materials and low embodied carbon materials during project design and development stages, to minimize potential threats on the environment and tenant health. Besides, we prioritize goods and services from local suppliers to reduce our carbon footprint by shortening the transportation distance.



Onsite safety toolbox training for contractors' workers

Community Investment

As a responsible corporate citizen, Forest Logistics is committed to creating positive societal and economic impacts in the communities in which it operates by leveraging its resources and expertise and giving back to society.

In September 2022, our team of Forest Wuhan Airport Logistics Park, together with the local property managers, visited the local fire station and police station and distributed fruits and refreshment in order to express our gratitude of their dedication for serving the local communities and celebrate the National Day altogether.

Forest Logistics also took part in the public welfare program of ULI Educating Girls of Rural China. This program provides tuition fees for female students from the rural areas, such as Yunnan and Gansu Province, to complete their secondary education. It helps to improve local education level and furthermore advance the rural revitalization. We will continue to invest support in community development and build long-term relationship with local communities.



Fire station visit



Donation certificate of ULI Educating Girls of Rural China

GRI Content Index

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8. Our Operation	8.1 Quality of Service and Tenant Engagement 8.2 Sustainable Supply Chain 8.3 Community Investment	GRI 3-3, 416-1 GRI 3-3, 308-1, 414-1 GRI 3-3, 413-1

⁶ GRI Standards is one of the most widely adopted global standards for sustainability reporting, and it represents global best practice for reporting publicly on a range of economic, environmental and social impacts. For more details about GRI Standards, please refer to: <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language>



