



建業實業有限公司  
Chinney Investments, Limited

Stock Code: 216

**2020/21**

Environmental, Social And  
Governance Report

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## About the Company

Chinney Investments, Limited (“Chinney”, which together with its subsidiaries referred to as the “Group” or “We”) (Stock Code: 216) is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group primarily engaged in property development, property investment and property-related businesses. Our business activities are mainly concentrated in Hong Kong, Shenzhen, Guangzhou, Nanhai and Chongqing. The businesses are primarily operated by our 68.09% owned subsidiary Hon Kwok Land Investment Company, Limited (“Hon Kwok”) (Stock Code: 160) and its subsidiaries (collectively referred to as “Hon Kwok Group”).

We strive to integrate sustainability into business operations throughout the years. The Group has adopted management strategies and practices to ensure the sustainability and growth of the Group's financial position while managing environmental and social risks related to our operations. We are committed to collecting, reviewing and disclosing our Environmental, Social and Governance (“ESG”) performance, and at the same time actively communicating with stakeholders to incorporate their expectations and opinions into our projects and operations.

## About this Report

### Reporting Standard

This ESG Report (the “Report”) is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### Reporting Period

The Report covers the Group's sustainability approach and initiatives, ESG performances and achievements for the period from 1 April 2020 to 31 March 2021 (the “Reporting Year”).

### Reporting Scope and Boundary

The scope of this Report covers the Group's business activities and operations in property development, property investment, and property-related businesses of which the Group has financial control. Different from last reporting year, the land in Dongguan, where the garment factory was situated prior to its cessation of operation, was being redeveloped into a commercial or residential project, its construction works have just commenced and therefore it is added to the category of properties under development. Besides, Metropolitan Oasis Phase 3 in Nanhai and the Data Centre at Kin Chuen Street in Hong Kong were newly completed projects in 2020 and therefore they are moved under the category of properties invested/managed.

The following business activities are included in this Report:

Business / Activity	Location	
Administration	<ul style="list-style-type: none"> <li>Hong Kong</li> <li>Shenzhen</li> <li>Guangzhou</li> <li>Nanhai</li> <li>Chongqing</li> </ul>	<ul style="list-style-type: none"> <li>Hong Kong Headquarters</li> <li>Shenzhen Office</li> <li>Guangzhou Office</li> <li>Nanhai Office</li> <li>Chongqing Hon Kwok Centre Office</li> <li>Chongqing Jinshan Shangye Zhongxin Office</li> </ul>
Properties invested/managed	Chongqing	<ul style="list-style-type: none"> <li>Chongqing Hon Kwok Centre</li> <li>Chongqing Jinshan Shangye Zhongxin</li> </ul>
	Guangzhou	<ul style="list-style-type: none"> <li>Ganghui Dasha</li> <li>No. 5 Residence</li> <li>The Botanica</li> </ul>

Business / Activity	Location	
	Hong Kong	<ul style="list-style-type: none"> <li>Hon Kwok Jordan Centre</li> <li>Hilder Centre (whole floor of 8/F &amp; 2 units of 4/F)</li> <li>Data Centre at Kin Chuen Street</li> </ul>
	Nanhai	<ul style="list-style-type: none"> <li>Metropolitan Oasis Phase 1, 2 and 3</li> </ul>
	Shenzhen	<ul style="list-style-type: none"> <li>City Square</li> <li>City Suites</li> <li>Hon Kwok City Commercial Centre (“Shenzhen Hon Kwok Centre”)</li> </ul>
Properties under development	Guangzhou	<ul style="list-style-type: none"> <li>45-107 Beijing Nan Road development project</li> </ul>
	Dongguan	<ul style="list-style-type: none"> <li>Development site in Zhongtang, Dongguan</li> </ul>

Our construction and trading businesses are operated by our 29.1% owned associate Chinney Alliance Group Limited (“Chinney Alliance”) (Stock Code: 385). For the ESG information of our construction and trading businesses, please refer to Chinney Alliance’s ESG Report.

### Access to the Report

The Report is available on the websites of the Stock Exchange and of Chinney in both Traditional Chinese and English.

### Board Approval

This Report has been reviewed and approved by the Board of Directors of Chinney (the “Board”) before publication.

## Sustainability Governance

A robust governance structure is critical to effectively integrate sustainable practices into our business operations. The Board is responsible for overseeing and managing the general direction of ESG approach, including the approval of this Report and identification of material ESG issues and ESG risks.

ESG related matters and daily affairs are managed and monitored by relevant department heads. They will report to the Board on a regular basis to ensure that the Group strictly abides by the laws and regulations related to ESG in the corresponding business locations. To better facilitate the ESG management and monitoring, we are planning to establish an ESG task force to define the roles and responsibilities of the Board and our employees.

Meanwhile, we regularly evaluate the Group’s ESG performance and report to stakeholders through the annual ESG report, thereby demonstrating our efforts to build a sustainable and better future.

## Stakeholder Engagement

We are committed to maintain close communication with stakeholders to establish a trustworthy and mutual value-added relationship. We believe that through continuous and in-depth dialogues, we can learn the opinions and expectations of both internal and external stakeholders, and ultimately achieve the goal of sustainable development.



Our stakeholders include but are not limited to investors, directors, shareholders, employees, tenants, guests, suppliers and owners from properties we manage. Over the years, we have maintained close relationships with stakeholders through different channels. The established communication channels include press releases, announcements, promotional materials, employee meetings, management meetings and other ongoing dialogue. We conduct in-depth stakeholder engagement on a regular basis, including survey and phone interview.

Every opinion and feedback that we receive will help us to achieve sustainable development and therefore valuable to us. If you have any comments or suggestions regarding this Report or our overall ESG performance and practices, please contact us via below:

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## Materiality Assessment

Materiality assessment can provide us an overview of the significance of the selected topics for ESG approach and direction. An in-depth stakeholder engagement exercise including online employee survey and phone interviews were conducted during the last reporting year. The Group has engaged a third-party consultant to facilitate a materiality assessment in the Reporting Year. Based on the 2019/20 list of topics, the 2020/21 material ESG topics are reviewed and updated through peer benchmarking and media research to better align with industry practices and the latest market trend. 13 material topics are identified, of which two new topics are newly added and two topics from the 2019/20 list are modified.

"Green Building" and "Business Integrity & Compliance" are newly added as they are considered material to the Group based on the latest assessment. Although "Climate Risk" and "Community Participation" are not considered as highly material topics in this Reporting Year's assessment, we still retain them on the 2020/21 material ESG topic list. The topic "Climate Risk" aims to respond to the global sustainability trend and the latest mandatory disclosure requirement by the Stock Exchange on climate change. Meanwhile, the topic "Community Participation" demonstrates our commitment to giving back to society and thriving together with the public, which is a main component under ESG development.

The following table summarises the assessment results which have been reviewed and confirmed by the management. This Report will place emphasis on the following material issues that are considered material to our business as well as our stakeholders.

Key Aspects	Material ESG topics Identified	Why is it relevant to our operations?
Environment	<ul style="list-style-type: none"><li>• Energy Management and Efficiency*</li><li>• Greenhouse Gas Emission</li></ul>	<ul style="list-style-type: none"><li>• Real estate sector is one of the sectors that contributes highest carbon footprints. Chinney, as a property developer and manager, strives to adopt a low energy operational approach</li><li>• Various measures have been adopted to improve the energy efficiency of our buildings so as to create a low carbon future</li></ul>

Key Aspects	Material ESG topics Identified	Why is it relevant to our operations?
	<ul style="list-style-type: none"> <li>Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>Waste management is a common environmental concern for cities as the capacity of waste landfills is limited. Chinney is pursuing ways to minimize the waste we send to the landfills</li> </ul>
	<ul style="list-style-type: none"> <li>Climate Risk</li> </ul>	<ul style="list-style-type: none"> <li>Climate change has been at the top of global agenda. The physical and transition risks brought by it might affect our business significantly</li> </ul>
	<ul style="list-style-type: none"> <li>Green Building**</li> </ul>	<ul style="list-style-type: none"> <li>Having more green features in property and development projects can reduce environmental risks and help building up the long-run potential for success in the ESG capital market</li> </ul>
Employment and Labour Practices	<ul style="list-style-type: none"> <li>Training and Development</li> </ul>	<ul style="list-style-type: none"> <li>Providing ample training and development opportunities can improve employees' skills and knowledge, thus delivering better quality services to our building users</li> </ul>
	<ul style="list-style-type: none"> <li>Employee Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Promoting employee wellbeing helps attracting and retaining talents. It also facilitates team building and cultivates our employees' sense of belonging</li> </ul>
	<ul style="list-style-type: none"> <li>Equal Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Providing equal opportunities for our employees creates a fair working environment</li> </ul>
	<ul style="list-style-type: none"> <li>Safe Working Environment</li> </ul>	<ul style="list-style-type: none"> <li>Employees are our great assets and any fatalities or injuries can lead to reputation damage and potential legal consequences</li> </ul>
Operating Practices	<ul style="list-style-type: none"> <li>Product and Service Quality*</li> </ul>	<ul style="list-style-type: none"> <li>It is important for providing high quality and safe environments and services for building users so as to enhance their satisfaction</li> </ul>
	<ul style="list-style-type: none"> <li>Business Integrity &amp; Compliance**</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholders are now more aware of the risks of business integrity and business compliance is an essential element of good governance</li> </ul>
	<ul style="list-style-type: none"> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>We strictly comply with relevant regulations and cooperate with inquiries to eliminate corruption risk and ensure integrity</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community Participation</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution is one of the main components of ESG</li> <li>Community involvement provides the Group with opportunities to contribute to the society and establish a good corporate image</li> </ul>
*Modified from 2019/20 list **Newly added to the list		

## Caring for the Environment

The Group is committed to minimizing the potential environmental impacts of our operations during our business development. We have adopted various environmental protection measures and formulated policies to regulate our operations to manage the environmental performance, including energy consumption, greenhouse gas emissions (“GHG emissions”), waste generation and water consumption.

### Reducing energy consumption and greenhouse gas emissions

Our business activities strictly abide by the relevant laws and regulations of the place where we operate, such as the Environmental Protection Law of the People’s Republic of China and the Energy Conservation Law of the People’s Republic of China. During the Reporting Year, there are no reported incidents of non-compliance with relevant environmental laws and regulations.

The newly developed Kwai Chung Data Centre obtained BEAM Plus Certification from Hong Kong Green Building Council Limited. For development projects, we protect the environment by adopting green and sustainable features. We are honored that our efforts in green and sustainable buildings have been recognized by the industry and our Chongqing Hon Kwok Centre and Chongqing Jinshan Shangye Zhongxin have obtained WELL health certification during the Reporting Year. Our Shenzhen Hon Kwok Centre was accredited the Leadership in Energy and Environmental Design (“LEED”) Gold certifications. We are proud to illustrate our determination and efforts in promoting green and sustainable designs in our properties, such as outstanding air and water quality management.



*LEED Gold Certification – Shenzhen Hon Kwok Centre*

The Group has taken a wide spectrum of measures to conserve energy and reduce GHG emissions in our offices. From the management perspective, we have formulated guidelines and policies on energy management, in particular reducing electricity consumption as it is the main energy we consumed to maintain property operations in terms of lighting and air conditioning. For example, the guidelines in our Chongqing operation specifically list out the air conditioning requirements such as setting temperature restriction for offices and staff dormitories. The energy-related guidelines are therefore to promote a culture of energy conversation and thereby reduce GHG emissions. In addition, we designate dedicated personnel to closely monitor the implementation of the guidelines and electricity meters, aiming to respond to any abnormal situation in a timely manner.

Moreover, we continue to upgrade and enhance our facilities and assets. For example, we have installed LED lightings in all offices to reduce electricity and energy usage. By doing so, the Chongqing Hon Kwok Centre Office and Chongqing Jinshan Shangye Zhongxin Office have saved up to 24,000 kWh of electricity annually. In addition, we use blackout curtains to regulate the sunlight entering the room and help maintain a pleasant room temperature and light, and actively increase greenery in office areas. Moreover, we post energy-saving labels to remind our employees of our office energy-saving measures, such as switching off unnecessary office equipment. We also give priority to purchasing energy-saving lightings, photocopiers and printers with energy efficiency labels.

In addition to offices, the Group also promotes energy conservation in the properties we manage and invest in. We are actively installing LED lights in various management properties. Through this initiative, our Chongqing property has successfully saved up to 525,000 kWh of electricity annually. At the same time, our Shenzhen Hon Kwok Centre has installed LED lights for all lighting equipment. To further reduce the energy consumption of lighting, we have installed sensors for lighting control in public areas of properties. For example, in Shenzhen City Square, lights in the public area will only turn on when there is a sound or movement. In addition, the lights are also equipped with a timer, so they will automatically turn off within a specified time. The Group embraces innovation and has already started to adopt the use of Building Automation System (BAS) for lighting control in our Shenzhen Hon Kwok Centre. It improves the heat transfer rate of air conditioners by optimizing their boot-up process and providing timely maintenance for the condensers.

### Reducing waste

Our business activities strictly abide by the relevant laws and regulations of the place where we operate, such as the Waste Disposal Ordinance (Cap. 354) in Hong Kong and the Prevention and Control of Solid Waste Pollution Law of the People's Republic of China. During the Reporting Year, there are no reported incidents of non-compliance with relevant environmental laws and regulations.

Our waste sources are mainly generated by tenants, guests and residents of our properties during operations. We strive to protect the environment by properly disposing of waste. To this end, we have formulated policies and procedures on waste management. For example, our business in Chongqing formulates a waste management policy, which details the guidelines and standard procedures for waste sorting and recycling. According to the policy, domestic waste is classified into four main categories: recyclables, food leftovers, hazardous waste and other waste. We appoint responsible personnel to supervise the daily waste disposal and management work. We will communicate with anyone who does not meet our waste management standards and penalty might be imposed.

We have adopted a series of waste management measures to minimize the environmental impact of waste generated in daily operations. For example, in Shenzhen operations, we adopt a waste management approach following the “producer-pay” principle that tenants are required to pay for their fair share of renovation waste disposal and their food leftovers, thereby promoting an incentive for waste reduction.

Apart from our management and investment properties, we also actively advocate proper waste management in our offices. Our Guangzhou office continues to engage a third-party waste management company for providing centralized waste recycling and handling service, collecting ink cartridges and damaged parts of copiers and printers. We also actively participate in any waste management plan provided by our office building management company, such as disposing of waste in recycling bins and specific bins.



## Saving water resources

Due to the business nature, we do not consume a lot of water resources and the water are sourced from municipal pipeline. Our water is mainly used to clean the common areas of our properties and irrigate landscape plants. To better manage water consumption, we have formulated policies that track water consumption and prevent abnormal use of water.

Although we cannot directly control the water consumption of tenants and residents, we have conducted various water-saving initiatives to raise the awareness of the users and engage with them. Labels and notices were displayed to remind all users to avoid unnecessary water consumption. We also encourage tenants and residents to contact the maintenance department for water leakage to arrange repairs.

Besides raising users' awareness, we have improved the water facilities and assets of our properties. For example, in our Chongqing and Guangzhou operations, we have installed high-efficiency toilet flushes and toilet tanks. Sensors for taps are also in place to save water. By upgrading the facilities, we have saved more than 11,500 m<sup>3</sup> of water annually.

The Group has adopted diversified measures to promote water recycling and reuse. Our Chongqing Jinshan Shangye Zhongxin and Shenzhen Hon Kwok Centre have collected the condensed water from the air-conditioning system for the fire-fighting system. While, Botanica in Guangzhou collects rainwater and uses it to irrigate surrounding plants.

## Managing climate risk

Climate change has exacerbated extreme weather events such as typhoons and heavy rains, posing potential risks to our buildings. Therefore, we actively explore ways and feasibility to respond to climate risks.

The Group has been developing its robust climate risk management system. For example, our Guangzhou operation has formulated an "Emergency Plan for Typhoon and Flood". The plan outlines our overall approach and guidelines on ensuring normal production and safety of life and property under extreme weather events. It covers topics such as, raising awareness of colleagues, establishing an emergency command team, preparation of flood and typhoon control supplies. Meanwhile, the plan provides guidance on corresponding control and rescue measures under various scenarios. We also provide related training for employees and require attendance checks to ensure they meet our standards.

Under extreme weather events, the Group always puts the health and safety of our employees first. As such, we actively improve communication and information transparency in emergencies. For example, a designated department in the Metropolitan Oasis is responsible for posting relevant notices in the office, and publishing messages in the WeChat group, informing colleagues of typhoon prevention and safety precautions in advance.

Physical protection from flooding is also critical. Therefore, we have detailed guidelines on how to set up flood gates and flood control panels to prevent floods from entering our properties, thereby avoiding damages to our valuable assets. We also require personnel to dredge the sewers and pipes to ensure smooth water flow. We will continue to strengthen the pruning of trees and reinforce windows on each floor to eliminate the danger of any throwing objects. As a responsible company in the community, we strive to coordinate our colleagues to cope with the aftermath and recovery of extreme weather events, such as clearing fallen trees on roads.

## Caring for Our Employees

Talents are our important assets that essentially underlie the sustainable business success of the Group. As such, we recruit and retain excelling employees to build high-performing teams by emphasizing their career development, cultivating a safe and healthy workplace and fostering a corruption-free business environment.

### Attracting talents

We strive to create an ideal working environment by upholding the principles of fairness, diversity and anti-discrimination to attract promising employees from the pool of talent. We ensure strict compliance of relevant laws and regulations in Hong Kong, including the Employment Ordinance (Cap. 57), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602), as well as those in the People's Republic of China, namely the Labour Law and Labour Contract Law.

Although the child and forced labour issue is not at the most materiality in our operations, the Group still have zero tolerance on the issue. We strictly prohibit child and forced labour and related employment procedure is stipulated in the Employee's Handbook. There were no related non-compliance incidents during the Reporting Year.

The provision of competitive remuneration package, comprising compensation and employee benefits, supports our attraction of highly potential talents. Our Employee's Handbook stipulates the labour standards from recruitment and benefits to pertaining policies held by the Group. In alignment with the labour practices in Hong Kong, we adopt the five-day working system and provide flexible MPF options. In addition, employees who have been working for the Group in Hong Kong and in Mainland China for more than three years and one year respectively are offered extra days of annual leave.

Medical insurance for Hong Kong employees includes both ordinary and accident medical expenses, as well as additional services such as partial reimbursement of basic dental services, whereas that for employees in Mainland China, insurance packages provided include endowment insurance, employment injury insurance, unemployment insurance, maternity insurance and housing provident fund. Additional insurance is provided for employees in exposure of higher safety risks, for instance, drivers and those who frequently visit construction sites.

### Retaining talents

Sustaining our long-term business success, the Group retains employees by rewarding their contribution, emphasising their career development and nurturing a cohesive team.

Remuneration and development opportunities are designed to reflect employee performance, thereby acting as incentives to encourage their dedication. Performance appraisal review is conducted for the purposes of promotion, training, salary increment and internal transfer. Salary was reviewed at year end based on the performance of individual employees to ensure appropriate commensuration of their effort, accomplishment and working attitudes. Expanding their scope of occupational opportunities and leveraging on their experience with the Group, we favour internal promotion over external hires and recommend outstanding employees for internal transfer or promotions on a case-by-case basis.

Continuous training and development are essential to upskill employees and keep them abreast of the latest industry trends. Expanding employees' capabilities and developing their professional qualifications, the Group provides financial support to employees for the membership applications of recognized technical and professional institutes. We also arrange internal on-the-job trainings for employees of different working levels, ranging from induction programmes for new hires, training on property delivery, software and management for property front-line staff, legal training for office staff, administrative comprehensive capability training for managerial staff and maintenance training for the engineering department. During the Reporting Year, the Shenzhen and Chongqing internal exchange conference was held to facilitate knowledge exchange and upgrade service quality.



*During the Reporting Year, the Shenzhen and Chongqing internal exchange conference was held to enable better communication and to elevate the quality of services delivered to our customers.*



*Mental wellbeing programmes for employees were conducted in Shenzhen office to support their mental health and cope with their stress, which also bring positive impact on their work efficiency and productivity.*

A people-oriented workplace culture nurtures a cohesive team working towards a common goal and develops a sense of belonging as well as team spirit. Festival celebration activities, such as Christmas and Chinese New Year Luncheon, birthday parties, team buildings activities and other recreational events were organized during the Reporting Year. Compositing a part of our initiative on workplace equality as emphasised in our Equal Opportunities Policy stipulated in the Employee's Handbook, we also celebrated the International Women's Day to recognize the hard work of our female employees. During the Reporting Year, the male-to-female employee ratio was 3:2.





*Our celebration events of the International Women's Day 2021 included giving flowers to our female employees and a series of interactive activities to express our gratitude.*



*Health activities were organized to increase employees' bonding as well as promote physical and mental wellbeing.*



*To establish a closer relationship with our employees, we have organized festive gatherings for employees and their families in Chongqing office.*

### Safeguarding occupational health and safety

Placing the health and safety of our employees at the top priority, we strive to foster a safe working environment and minimize the risk of occupational hazards within our operations. As such, the Group strictly complies with relevant laws and regulations at our operating locations, such as the Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong, and the Work Safety Law and the Prevention and Control of Occupational Diseases Law of the People's Republic of China.

Incorporated in the Employee's Handbook, our Office Health and Safety guidelines uphold a healthy and safe workplace and avoid occupational accidents and diseases. Employees are encouraged to voice their concerns for their health and safety at work to the Administrative Department. Employees should report any injuries, strains or illnesses resulting from their work. In cases of experiencing any health-related issues, for instance being pregnant, taking prescribed medication or suffering from any injury, that may impact their performance, the Group may appropriately adjust their working arrangement to cater the employee's needs.

Employees are entitled to the regular health checkup whereas special duty employees are provided with protective tools, such as safety insulating shoes.

Keeping the safety risks to the minimum, our safety guidance in the Employee's Handbook outlines the precautionary and response measures in emergency situations, such as fire hazards and electricity overloading. In cases of noticing any potential fire risks, including the blockage of escape routes, damage or dilapidation of firefighting equipment, improper use of office equipment or electrical appliances, and inappropriate working practice resulting in fire risks or electric shocks, employees should report to the Administrative Department.

Equipping employees with the awareness of emergencies, we arranged regular safety meetings in Mainland China and incorporated fire safety and protection trainings into our induction programmes for new hires. Fire drills, emergency drills riot, flood gates installment drills and safety management practices were in place to refresh employees' understanding of emergency response measures. Instructions of equipment use and exit routes are displayed around the office to increase employees' awareness on workplace safety.

A hygienic working environment within our offices is imperative in protecting employees' health. Water filters and air purifiers are installed to promote employees' wellbeing by improving water quality and indoor air quality respectively. Employees are also required to maintain the cleanliness and tidiness of the office premises at all times.



*Shenzhen Hon Kwok Centre, Chongqing Hon Kwok Centre and Chongqing Jinshan Shangye Zhongxin attained the WELL Health-Safety Rating awarded by the International WELL Building Institute (IWBI) in this Reporting Year for our exemplary health and safety practices in face of the global pandemic.*

Amid the COVID-19 pandemic, we implemented responsive measures to avoid the spread of disease within our office. Employees are required to wear masks at all times and follow the alternate working arrangement, such as shortened working hours due to worsening of situation, when in place. Those who had direct or indirect contact with or living in the same building with confirmed cases must undergo clinical lab testing before resuming their work. In our Guangzhou office, COVID-19 testing was arranged for all employees in both April 2020 and January 2021.

### Business compliance and anti-corruption

Business integrity is imperative to maintain our reputation and build trusting relationships with our business partners and customers. As such, the Group ensures strict compliance with the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong, and the Anti-Money Laundering Law and the Criminal Law of the People's Republic of China.



We adopt a zero-tolerance approach to any business misconducts and malpractices, including bribery, extortion, fraud and money laundering. Our Prevention of Bribery Ordinance stipulated in the Employee's Handbook specifies the prohibited unethical business practices, including offering or accepting any gifts. Employees who have committed fraud or other misconducts are subject to the termination of employment or disciplinary action.

Upholding openness, probity and accountability, our Whistleblowing Policy provides anonymous reporting channels for employees to voice any concerns or suspected cases of misconduct with assured protection for whistleblowers from any unfair treatment and retaliation, including dismissal, victimization and disciplinary action, even for unsubstantiated cases. To ensure transparency, the Policy outlines the overall responsibility of the Audit Committee for handling the cases and delineates the investigation procedures in detail. Extending ethical business beyond our own operations, the Policy is communicated not only to employees at all levels, but also to our suppliers and contractors.

During the Reporting Year, there was no reported legal cases regarding the corrupt practices of our employees relating to bribery, extortion, fraud and/or money laundering.

## Caring for Our Customers

The Group remains anchored with our prime objectives of crafting harmonious and joyful living circles for our residents and bringing unparalleled partnering experience for our tenants. We endeavor to make continuous improvement on product and service quality to build trusting, sustainable relationships with our residents and tenants within our business scope of property development and investment, property management, serviced apartment management and office leasing.

### Providing high-quality services

High-quality services are fundamental to satisfactory customer experience and thereby our long-term business success. We value the customers' needs and aim to enhance their satisfaction by adopting a people-oriented approach in cultivating suitable living environment through the utilization of our expertise in the real estate industry.

To ensure our products and services meeting the highest standards, our internal quality assurance policies require the monitoring and reviewing of service quality on a regular basis. We prioritize engaging experienced contractors to deliver promising property management services and ensure the maintenance procedures are aligned with our internal engineering department work handbook.

We are committed not only to delivering high-quality services to our customers, but also to bringing positive value throughout their entire experience with us. During the Reporting Year, a series of customer events themed "Creating Values for Customers" were introduced to build sustainable customer relationship. To further understanding customers' needs, our customer service personnel pay visits to customers every quarter, analyze findings and follow up on areas of improvement. We also conduct customer satisfaction survey annually and report the results to management. The management will timely respond to the customers' feedback in a written form.

Customer communication and feedback mechanisms are in place with standardized complaint handling procedures. In Shenzhen, tenants' and residents' complaints are classified into 3 levels, namely ordinary, important and material, and are handled differently based on their level of severity. Ordinary complaints are required to be handled within 2 working days while important and material complaints should be handled within 5 working days. During the Reporting Year, figures showed that no substantial customer complaints have been received.

### Safeguarding customer health and safety

Health and safety have topped among customer concerns in the year of the COVID-19 pandemic. Responsive measures are taken to avoid spreading of the disease within our operation. Our buildings underwent daily thorough disinfection while public restrooms and lobbies are equipped with hand sanitizers. To maintain stringent hygiene standards, group vaccination and COVID-19 prevention training were arranged and employees were reminded to observe good personal hygiene. Both employees and visitors are required to measure their temperature and sign the health declaration form at the reception area of our premises before entry.



*COVID-19 pandemic prevention training was held in Chongqing office.*

In our daily operation, security guards are responsible for ensuring residents' safety onsite. Fire drills are arranged on a regular basis to ensure employees' capability of offering assistance and facilitating emergency evacuation efficiently in case of fire or other emergencies.

### Protecting customer data privacy

Customer data privacy underlies trusting customer relationships especially in the era of prevalent cybersecurity risks. As such, we strictly comply with the Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong as a guidance framework for safe custody of documents section developed in our Employee's Handbook to require the safe and separate storage of customer data. Personal information of individual visitors at the Hon Kwok Jordan Centre is kept for a maximum of one month whereas all tenant information in our operations in Mainland China is collected in paper form which is stored and secured with restricted access. Personal information collected from the health declaration forms are handled safely and is only used for anti-epidemic purpose.

### Supply chain management

The delivery of quality service and crafting of thriving living circles build on our joint effort with contractors and suppliers. As such, internal policies are in place to maintain stringent standards on their environmental and social practices and performance. The Management Measures of Project Suppliers articulates the procedures of service quality control, service inspection and supplier assessment to ensure their services delivered meet our standards. Our Supply Chain Risk Prevention Measures are also established to categorize relevant risks into classes, including natural environmental risks, social risks and economic risks, and their corresponding prevention measures are in place to build a resilient supply chain that can withstand potential threats.

The major contractor of our construction activities in Hong Kong incorporates ISO 45001:2018 Occupational Health and Safety Management System into its construction work with onsite safety trainings offered to its employees on a regular basis to cultivate a safety-first culture. Their environmental policies are also developed in compliance with ISO 14001:2015 Environmental Management System and ISO 50001:2011 Energy Management System. At our construction sites, measures are in place to minimize environmental impact, including dust and emissions prevention, noise control and wastewater management. To ensure service quality coupled with environmental responsibility, the quality and performance of the landscaping and cleaning services provided by experienced contractors in our property management and serviced apartment are monitored and reviewed continuously.

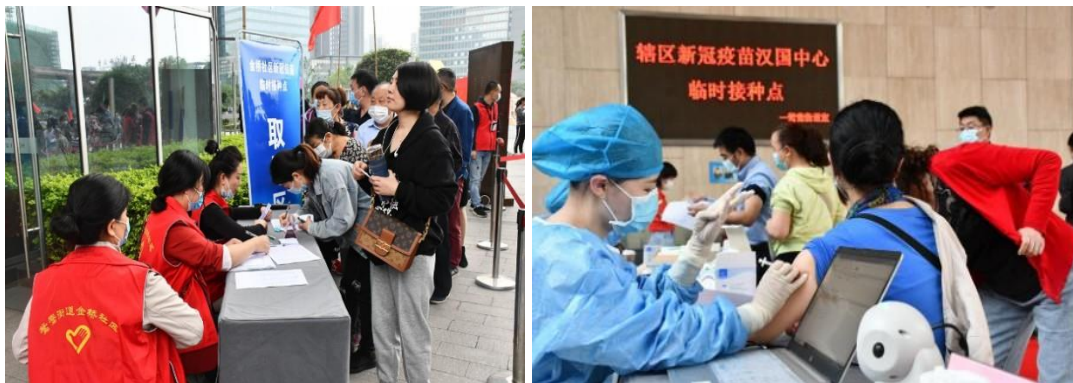
## Caring for the Community

Our quest for realizing sustainable development embodies the responsibility as a corporate citizen to give back to the society. As such, the Group creates positive value for various stakeholders in the community in which we operate by focusing on public health and community inclusiveness.

### Community investment

#### Fighting COVID-19 with the Community

The COVID-19 pandemic has undoubtedly been the dominant concern in the community throughout the Reporting Year. As the pandemic has persisted for more than a year, we continued to amplify the mitigation effort through donation to the Liangjiang New Area Charity Association to support the epidemic prevention and control measures. In echo with the country's call for enhancing people's immunity, a team of 30 employees in Chongqing volunteered at a community anti-epidemic center that provided COVID-19 vaccination services, offering human resources, material support and onsite services. In Hong Kong, we collaborated with the Hong Chi Association and the Oasis Nursing Home to distribute Anti-epidemic Kits, that included disinfectant, medical masks and sanitized wipes, to the intellectually disabled and elderly.



*Our volunteer team volunteered at community center to facilitate the provision of systematic vaccination services.*

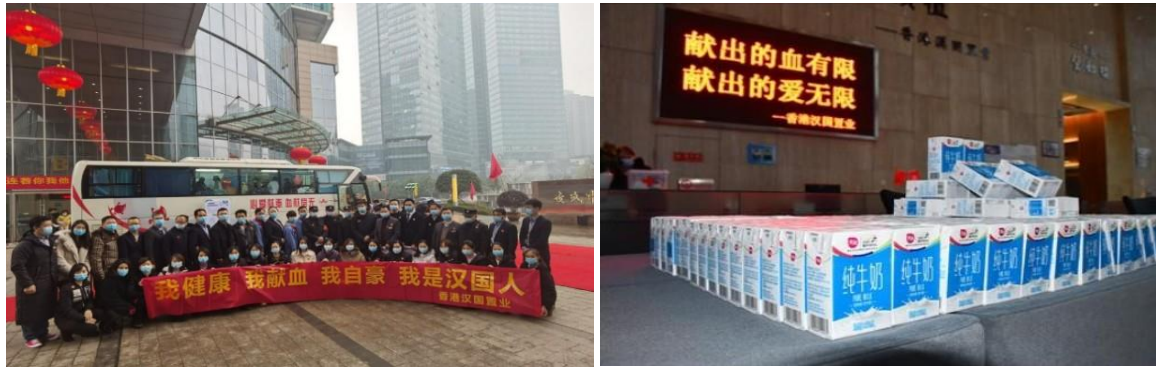


*Our volunteer team distributed the Anti-epidemic Kits in the Hong Chi Association and the Oasis Nursing Home.*

#### Caring for Patients Requiring Blood Transfusion

The Group continues to fulfill our social responsibility and organized the blood donation programmes to alleviate the growing pressure on blood storage inadequacy. During the Reporting Year, the winter blood donation programme was held at the Chongqing Hon Kwok Centre for the ninth consecutive years with extensive support of our employees, showcasing their social awareness and proactive engagement.





*Our volunteers participated in the mobile blood donation programme.*



*Blood donors donating their blood inside a mobile vehicle.*

### **Giving Love and Care to Seniors and Underprivileged Groups in the Community**

The Group catalyzes community inclusiveness by demonstrating our respect to elderly for their contribution to the society and extending our care for the vulnerable groups in the society.

In Guangzhou, we organized house visits to seniors during Mid-Autumn Festival and gave away necessities such as rice and cooking oil to share the festive joy. We also made donation to the Foshan City of Nanhai District Charity Association. Our Hong Kong team also distributed moon cakes to the children and youth staying at the S.K.H. St. Christopher's Home during Mid-Autumn Festival.

Our volunteer team in Hong Kong was dedicated to the betterment of the local communities. We distributed "Love Meal Box" to the underprivileged through the Gingko House, a social enterprise restaurant promoting elderly employment. We sent volunteer teams to their branch to help with the meal box distribution for three days. We also donated to Manna Café, a social enterprise advocate in providing free meals for the elderly and the homeless.



*Our volunteer team distributed "Love Meal Box" to the underprivileged in the society in the Gingko House.*



## Key Performance Table<sup>i</sup>

A table showing data of environmental and social key performance indicators ("KPIs") listed on the HKEx ESG Reporting Guide.

Environmental Performance			
	Unit	2020/21 <sup>ii</sup>	2019/20
<b>Emission</b>			
Greenhouse gas (GHG) emissions			
Direct GHG emissions (scope 1)	tonnes of CO <sub>2</sub> equivalent (tonnes CO <sub>2</sub> e)	83	28
Indirect GHG emissions (scope 2)	tonnes CO <sub>2</sub> e	16,745	12,200
GHG emission intensity			
Offices	tonnes CO <sub>2</sub> e/m <sup>2</sup> GFA	0.0494	0.0446
Property management	tonnes CO <sub>2</sub> e/m <sup>2</sup> GFA	0.0166	0.0111
Serviced apartment	tonnes CO <sub>2</sub> e/room night	0.0007	0.0006
<b>Waste generation</b>			
Hazardous waste	tonnes	1.01	0.44
Non-hazardous waste	tonnes	3,627	2,624
<b>Energy consumption</b>			
Petrol consumption			
Offices	L	27,731 <sup>iii</sup>	10,215
	kWh	258,355	95,167
Electricity consumption			
Total	kWh	27,794,259	23,112,319
Offices	kWh	398,579	420,023
Property management	kWh	27,370,385 <sup>iv</sup>	22,668,207
Serviced apartment	kWh	25,295	24,089
Energy consumption intensity			
Offices	kWh/m <sup>2</sup> GFA	101	87
Property management	kWh/m <sup>2</sup> GFA	28	21
Serviced apartment	kWh/room night	1	1
<b>Water consumption</b>			
Total water consumption	m <sup>3</sup>	148,194	236,376
Offices <sup>v</sup>	m <sup>3</sup>	1,106	2,423
Property management	m <sup>3</sup>	142,548	230,272
Serviced apartment	m <sup>3</sup>	4,540	3,681

<sup>i</sup> The reporting scope does not include properties under development.

<sup>ii</sup> The reporting scope expands to cover the completed Data Centre at Kin Chuen Street in 2020/21, accounting for increase in waste generation, electricity consumption and GHG emissions compared to 2019/20. Meanwhile, Hilder Centre is excluded in the scope of 2020/21 due to the change of operation and lack of data availability.

<sup>iii</sup> The reporting scope expands to cover the petrol consumption of the office in Chongqing, Guangzhou and Nanhai in 2020/21, accounting for the increase compared to 2019/20.

<sup>iv</sup> The increase in electricity consumption is mainly because of the increase of the number of tenants in Shenzhen Hon Kwok Centre.

<sup>v</sup> The reporting scope covers Chongqing and Shenzhen Offices only.

Environmental Performance			
	Unit	2020/21 <sup>ii</sup>	2019/20
Water consumption intensity			
Offices <sup>vi</sup>	m <sup>3</sup> /m <sup>2</sup> GFA	0.1700	0.8770
Property management	m <sup>3</sup> /m <sup>2</sup> GFA	0.1434	0.2142
Serviced apartment	m <sup>3</sup> /room night	0.2347	0.1647

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<sup>vi</sup> The reporting scope covers Chongqing and Shenzhen Offices only.

Social Performance			
	Unit	2020/21	2019/20
<b>Workforce profile</b>			
Total workforce	no. of people	353 <sup>vii</sup>	402
Total workforce by gender			
Male	no. of people	211	224
Female	no. of people	142	178
Total workforce by employment category			
Full time	no. of people	352	400
Part time	no. of people	1	2
Total workforce by age group			
Under 30	no. of people	59	85
30 – 50	no. of people	227	249
51 or above	no. of people	67	68
Total workforce by geographical region			
Mainland China	no. of people	314	362
Hong Kong	no. of people	39	40
<b>Employee turnover</b>			
Employee turnover rate	%	18.41	16.58
Employee turnover rate by gender			
Male	%	20.38	20.13
Female	%	15.49	11.48
Employee turnover rate by age group			
Under 30	%	42.37	26.35
30 – 50	%	13.66	16.18
51 or above	%	13.43	4.92
Employee turnover rate by geographical region			
Mainland China	%	20.06	17.86
Hong Kong	%	5.13	2.90
<b>Occupational health and safety</b>			
Injury rate	per 1,000 full-time-equivalent (FTE) workers	0	0
Lost days due to work injury	days	0	0
Work-related fatalities	number	0	0
Rate of Work-related fatalities	%	0	0
<b>Development and training</b>			
Percentage of employees trained	%	88	75
Percentage of employees trained by gender			
Male	%	88	79
Female	%	87	70

<sup>vii</sup> The significant drop of total workforce in 2020/21 compared to 2019/20 was due to the change of operation and scope in Guangzhou.

<b>Social Performance</b>			
	<b>Unit</b>	<b>2020/21</b>	<b>2019/20</b>
<b>Percentage of employees trained by employee category</b>			
Senior management	%	64	57
Managers	%	71	67
Frontline and general staff	%	94	79
<b>Average training hours completed per employee by gender</b>			
Male	hours	15	12
Female	hours	16	13
<b>Average training hours completed per employee by employee category</b>			
Senior management	hours	6	6
Managers	hours	14	10
Frontline and general staff	hours	17	14
<b>Supply chain management</b>			
<b>Number of suppliers by geographical region</b>			
Mainland China	number	105	99
Hong Kong	number	5	7
<b>Products responsibility</b>			
Products and service-related complaints	number	0	0
<b>Anti-corruption</b>			
Concluded legal cases	number	0	0

## Appendix – HKEx ESG Reporting Guide Content Index

General Disclosures and KPIs		Reference / Remarks
<b>A. Environmental</b>		
<b>Aspect A1 Emissions</b>		
General Disclosure		Caring for the Environment
KPI A1.1	The types of emissions and respective emissions data.	Not disclosed. The Group generated no significant emissions during the Reporting Year.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Key Performance Table – Environmental Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Key Performance Table – Environmental Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Key Performance Table – Environmental Performance
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Caring for the Environment - Reducing energy consumption and greenhouse gas emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Caring for the Environment – Reducing waste
<b>Aspect A2 Use of Resources</b>		
General Disclosure		Caring for the Environment
KPI A2.1	Directed and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Key Performance Table – Environmental Performance
KPI A2.2	Water consumption in total and intensity.	Key Performance Table – Environmental Performance
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Caring for the Environment - Reducing energy consumption and greenhouse gas emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Caring for the Environment – Saving water resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not disclosed. The Group generated no significant packaging material during the Reporting year due to the business nature.
<b>Aspect A3 Environment and Natural Resources</b>		
General Disclosure		Caring for the Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Caring for the Environment



General Disclosures and KPIs		Reference / Remarks
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1 Employment</b>		
General Disclosure		Caring for our Employees – Attracting talents Caring for our Employees – Retaining talents
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Key Performance Table – Social Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Table – Social Performance
<b>Aspect B2 Health and Safety</b>		
General Disclosure		Caring for our Employees – Safeguarding occupational health and safety
KPI B2.1	Number and rate of work-related fatalities.	Key Performance Table – Social Performance
KPI B2.2	Lost days due to work injury.	Key Performance Table – Social Performance
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for our Employees – Safeguarding occupational health and safety
<b>Aspect B3 Development and Training</b>		
General Disclosure		Caring for our Employees - Retaining talents
KPI B3.1	The percentage of employees trained by gender and employee category.	Key Performance Table – Social Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Table – Social Performance
<b>Aspect B4 Labour Standards</b>		
General Disclosure		Caring for our Employees - Attracting talents
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for our Employees - Attracting talents
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for our Employees - Attracting talents
<b>Operating Practices</b>		
<b>Aspect B5 Supply Chain Management</b>		
General Disclosure		Caring for our Customers – Supply chain management
KPI B5.1	Number of suppliers by geographical region.	Key Performance Table – Social Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Caring for our Customers – Supply chain management

General Disclosures and KPIs		Reference / Remarks
<b>Aspect B6 Product Responsibility</b>		
General Disclosure		Caring for our Customers – Providing high-quality services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not disclosed. We do not produce products that can be recalled.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Caring for our Customers – Providing high-quality services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not disclosed. This is not identified as a material topic by the Board of Directors.
KPI B6.4	Description of quality assurance process and recall procedures.	Caring for our Customers – Providing high-quality services We do not have any product recall procedures due to business nature.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Caring for our Customers – Protecting customer data privacy
<b>Aspect B7 Anti-corruption</b>		
General Disclosure		Caring for our Employees – Business compliance and anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Caring for our Employees – Business compliance and anti-corruption Key Performance Table – Social Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Caring for our Employees – Business compliance and anti-corruption
<b>Community</b>		
<b>Aspect B8 Community Investment</b>		
General Disclosure		Caring for the Community
KPI B8.1	Focus areas of contribution.	Caring for the Community
KPI B8.2	Resources contributed to the focus area.	Caring for the Community