



SUSTAINABILITY REPORT 2021/22



Sun Hung Kai Properties Limited

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Our Reporting Approach

Scope of the Report

Sun Hung Kai Properties Limited (SHKP) is pleased to present our annual Sustainability Report for 2021/22, which covers the period 1 July 2021 to 30 June 2022. Driven by our sustainability strategy, this report discloses and highlights our commitment and achievements in creating value for the environment, our people, our customers, our supply chain and the community as a whole. This report covers the sustainability performance and initiatives of our head office and wholly-owned subsidiaries of our property-related business in Hong Kong (collectively: the Group), including our property management subsidiaries: Kai Shing Management Services Limited (Kai Shing) and Hong Yip Service Company Limited (Hong Yip); construction company Sanfield (Management) Limited (Sanfield); and the five Royal brands – Royal Park Hotel, Royal Plaza Hotel, Royal View Hotel, The Royal Garden and ALVA Hotel by Royal. The Group continuously enhances sustainability performance disclosure of our operations on the mainland to improve reporting transparency. SHKP continued to operate on the mainland and Singapore throughout the reporting year, which together constitute an approximate 20% of our portfolio by total assets. Please refer to our **Annual Report 2021/22** for further details about our portfolio.

Other SHKP-listed subsidiaries in Hong Kong also issue independent reports in compliance with the Environmental, Social and Governance Reporting Guide (ESG Guide) set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Their respective reports can be found on their websites.

Reporting Standards

The Report is prepared in accordance with the ESG Guide and the Global Reporting Initiative (GRI) Sustainability Reporting Standards, and with reference to the 10 principles of the United Nations Global Compact (UNGC) to align our strategies with international sustainability principles.

When disclosing our sustainability performance, the report adheres to the four Reporting Principles stipulated in the ESG Guide: materiality, quantitative, balance and consistency. We defined the topics of this report by continuing to engage with our stakeholders and through regular reviews of the 'materiality' of sustainability topics. SHKP's Sustainability Steering Committee is involved throughout the process to review and validate stakeholders' comments. Please refer to **Our Approach to Sustainability** and **Appendix II** for further details of our stakeholder engagement approach and materiality analysis. Quantitative data are presented throughout the report and in the Performance Tables in **Appendix III** for 'quantitative' and 'consistency'. This report also includes detailed and consistent methodologies for public review and comparison. To present a fair and 'balanced' view of SHKP's sustainability performance, this report discloses both positive and negative aspects of our performance. Any changes in the reporting scope will be revealed to maintain the report's consistency.

Report Assurance

This report has been independently assured by the British Standards Institution with respect to the extent of its coverage and information provided in accordance with the standards mentioned above. The independent assurance opinion statement is presented in **Appendix VI** of this report.

Your feedback and suggestions on SHKP's sustainability performance and reporting are appreciated. Please share your comments at sustainability@shkp.com.



Message from the Sustainability Steering Committee

We are pleased to present Sun Hung Kai Properties' Sustainability Report 2021/22, showcasing our progress in sustainability during the reporting year.

2021/22 was a challenging yet remarkable year as we fought the fifth wave of COVID-19 with great resilience and perseverance. This year also marked the second year of our new sustainability journey during which we continued to refine our sustainability strategies and performance with stakeholder feedback and incorporate more new practices into our business operations.

The Group pledges full support for Hong Kong's and the mainland's goal of carbon neutrality by 2050 and 2060, respectively. Combating climate change remains the top priority of our sustainability drive. To support HKSAR Government's Climate Action Plan 2050, we participated in the Carbon Neutrality Partnership to pursue a green economy. We are enhancing our climate change management through progressive disclosure with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) starting this reporting year.

We accelerate our transition to a sustainable and low-carbon operation through a multi-pronged approach. Progress was on track with our new 10-year targets against key environmental goals established last year. Through installing solar panels among managed properties and construction sites, the Group is set to become one of the largest solar-panel operators in the city. Smart digital technology is deployed to optimize our energy management at managed properties wherever possible. We actively promote green transportation through providing more charging facilities for electric vehicles at our managed properties and carparks.

We remain committed to developing green properties which are beneficial to users and the environment. All new core commercial projects developed by the Group aim to achieve the Leadership in Energy and Environmental Design (LEED) Gold or Platinum certification. As of June 2022, we have earned 108 green-building-related certificates in Hong Kong.

Adhering to Building Homes with Heart, we deliver premium services to our customers. Our confidence in products is reflected by a three-year warranty for new residential developments in Hong Kong. We offer attentive services to our customers, tenants and residents, and continuously upgrade our services with innovative technology and 5G applications. Our online and loyalty platforms – including The Point by SHKP and the SHKP Club – bolster effective communication and close relationships with customers. This year, our Royal brand hotels launched Go Royal, a new mobile-based customer loyalty programme fully integrated with The Point to form the largest hotel and shopping loyalty platform in Hong Kong.

Our employees play a huge role in our success story. We nurture a people-oriented culture and strive to create an inclusive workplace, promote employees' well-being and facilitate their all-round development. Quality training programmes with additional focus on ESG-related topics are provided to strengthen employee's understanding and best practices.

Our sustainability efforts extend to our value chain. We are committed to building a transparent and sustainable supply chain while maintaining mutually beneficial relationships with business partners. This year, we refined the Sustainable Supply Chain Management Guideline, enabling our construction arm to strengthen supplier management. We continued to integrate innovation into our construction process, becoming the first property developer in Hong Kong to adopt the rotational bridge launching method, for a pedestrian and vehicular bridge construction project in Yuen Long.

The Group contributed substantially to combat the fifth wave of COVID-19. We lent sites for two major community isolation facilities, including the largest facility at Tam Mi, Yuen Long; provided two commercial spaces for community vaccination centres; offered hotel rooms for isolation facilities and distributed caring kits to people in need. Our initiated transitional housing project, United Court, was officially launched for use in June as Hong Kong's largest project of such in full operation, providing 1,800 units for families awaiting public housing.

We capture opportunities in green and sustainable finance. During the reporting year, we signed two sustainability-linked loan facilities successively as the largest of their kind for the Hong Kong real estate sector at the time. The two loans demonstrated the trust and support from the banking industry for our work on ESG and commitment to sustainability.

Our sustainability efforts and achievements continued to receive due recognition in the business community. We remained a constituent member of the Hang Seng Corporate Sustainability Index Series and the FTSE4Good Index series of London, and continued to receive a rating of 'A' in the latest MSCI ESG Ratings assessment.

The year 2022 marks a key milestone as Hong Kong celebrates its 25th anniversary of returning to the motherland as well as the Group's 50th anniversary of public listing in Hong Kong. We would like to thank our Chairman and the Board of Directors for their leadership, as well as our stakeholders for their continuous support. Looking ahead, we will remain steadfast in our sustainability strategies and contribute to Hong Kong's sustainable future.

Sustainability Steering Committee

Sustainability Steering Committee

October 2022



Our Business

About Sun Hung Kai Properties Limited

SHKP has been a publicly listed company in Hong Kong since 1972 and is currently one of the largest property developers in the territory to offer premium-quality residential properties, offices, shopping malls and industrial buildings.

Our core business, property development for sale and investment, adopts a vertically integrated model from land acquisition, project planning, project management, material sourcing and construction through to sales and marketing and property management. We also have operations in hotels and construction as well as insurance and mortgage services that create synergies with our core business. In addition, we invest in telecommunications, information technology, infrastructure and other businesses to diversify our business risk and maintain the Group's long-term recurrent income streams. More details of our business can be found on our [website](#).

For the economic value distribution and performance results of our property and other businesses, please refer to the **Review of Operations** section of our Annual Report 2021/22.

Core Values

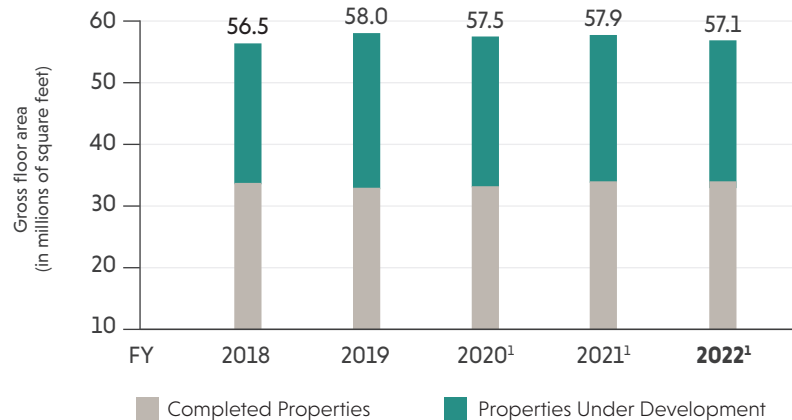
Dedicated to our belief in Building Homes with Heart, SHKP creates sustainable value via developing premium properties, delivering first-class services and catering for the diverse needs of its stakeholders. We put the belief into practice and aim to build a better and sustainable home for everyone. The following core values are the cornerstones that guide our sustainable development and strategy along the way.

Building Homes with Heart	Producing premium premises and offering quality services for an ideal living environment; delivering sustainable value to the communities in which the Group operates
Speed, Quality, Efficiency	Earning the support and trust of all stakeholders through a commitment to speed, quality and efficiency
Customer First	Constantly anticipating what customers want and offering quality products and attentive services that exceed expectations
Continuous Improvement	Keeping up with the market and setting high standards, along with lifelong learning for greater adaptability and constant exploration of new ideas
Teamwork	Nurturing a pool of talented and high-calibre employees capable of achieving objectives through harnessing the power of teamwork, collective experience and professional knowledge



Hong Kong Land Bank Composition

As one of the largest property developers and landlords in Hong Kong, we acknowledge the strong demand for affordable housing and we take up the responsibility to respond to this demand. As such, the Group continues to replenish our land bank through multiple channels whenever opportunities arise. During the reporting year, the Group's attributable land bank in Hong Kong amounted to about 57.1 million square feet. This comprised about 22.4 million square feet of properties under development, which should be adequate to support the Group's development needs over the next five years. The remaining portions included diversified completed properties of around 34.7 million square feet spreading across the territory, an overwhelming majority of which are for rental and long-term investment purposes. Details of the land acquired during the reporting period can be found in the **Land Bank section of the Chairman's Statement** of our Annual Report 2021/22.



Land Bank

During the reporting year, a total of eight projects in Hong Kong with about 2.6 million square feet of attributable gross floor area were completed for handover, of which about 2.5 million square feet were residential developments. The remainder was retail space retained for rental purpose. Please refer to the **Property Development section of the Chairman's Statement** of our Annual Report 2021/22 for our commitment to providing premium products and services.

During the past half-century, the Group has weathered good and bad times alongside the people of Hong Kong. The Group firmly believes that Hong Kong will continue with its success. The Group reaches an important milestone in 2022 as the year marks the 50th anniversary of its public listing in Hong Kong. With our commitment of Building Homes with Heart, the Group will continue its journey in providing residences of premium quality while giving back to the community.

Recognized for Sustainability

The Group has been recognized by various major sustainability benchmarks and indices for its commitment and positive contributions to sustainability.

	Constituent of FTSE4Good Index Series ²
	Obtained a rating of 'A' in the MSCI ESG Ratings assessment as of the date of this report ³
	Rated as 'Low Risk' in the Sustainalytics ESG Risk Rating as of the date of this report ⁴
	Constituent of the Hang Seng Corporate Sustainability Index and Hang Seng (Mainland and Hong Kong) Corporate Sustainability Index with an 'AAA' rating
	Ranked 4th in the Greater China Business Sustainability Index
	Ranked 4th in the Greater Bay Area Business Sustainability Index
	Ranked 4th in the Hong Kong Business Sustainability Index

¹ Completion refers to the stage in which the project is ready for handover since the financial year of 2018/19. Hence, the figures since the financial year 2018/19 cannot be used for direct comparison with historical figures.

² FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SHKP has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

³ Please refer to MSCI disclaimer: <https://www.shkp.com/html/sustainable-development/mscidisclaimer.html>

⁴ Copyright ©2022 Sustainalytics. All rights reserved.



Our Approach to Sustainability

The Group believes in Building Homes with Heart. Striving to fulfil our corporate mission, we integrate Environmental, Social and Governance (ESG) factors into our decision-making process. To support our long-term development, we have established robust corporate governance through relevant strategies and policies. The Group is committed to actively engaging our stakeholders through different channels of communication while the Sustainability Steering Committee closely monitors the progress of our sustainability strategies, thereby creating value for our stakeholders and facilitating sustainable development.

Corporate Governance

Our Board of Directors guides the overall direction of the Group's strategies and development, including our sustainability and climate-related strategies and initiatives. The Board, via the Executive Committee, also monitors and reviews the Group's corporate governance practices across business operations to maintain high standards and ensure compliance.

Chaired by Eric Li and incorporating Dicky Yip, Norman Leung and Richard Wong as Committee members, the Audit and Risk Management Committee assists the Board in overseeing and maintaining the effectiveness of risk-management and internal-control systems of the Group. The Committee carefully evaluates respective risk elements, including ESG-related risks, and takes these factors into consideration during the decision-making process. The Committee's latest terms of reference are available on the Group's website and The Stock Exchange of Hong Kong's website.

SHKP maintains regular and active communication with our stakeholders. We disclose timely and accurate information to facilitate a high level of public transparency. Our efforts in adopting robust corporate governance have been recognized within the industry and we have received a variety of international and regional awards, including Asia's Best Real Estate Company by *FinanceAsia*, as well as Asia's Best CEO and Best Investor Relations Company in Asian Excellence Award 2021 from *Corporate Governance Asia*. For the full list of awards, please refer to our **Corporate Website** or **Appendix I** of this report.

Further details of our corporate governance structure and practices are detailed in the **Corporate Governance** section of our Annual Report 2021/22.

Sustainability Governance

The Sustainability Steering Committee is appointed by the Group to supervise and manage sustainability issues across operations. Chaired by an executive director of the Group, the Committee is comprised of members of the Executive Committee and senior managers from key divisions. The Committee is responsible for overseeing the execution of the Group's sustainability strategy, updating its sustainability policies, monitoring sustainability performance, goals and targets, and reviewing feedback from stakeholders. The committee is also responsible for evaluating the Group's sustainability risks, including climate-related risks. Detailed disclosure on climate risks and opportunities with reference to the TCFD recommendations can be found in the **Value Created for the Environment** section of this report. The Committee meets on a regular basis to examine the sustainability issues above, and reports to the Board regularly for decision-making purposes where necessary.

To step up our sustainability efforts, we have established different committees to more effectively manage a spectrum of sustainability-related issues through the engagement of specialists and representatives from various backgrounds.

Committee	Main Responsibility
Energy Optimization Committee	To monitor energy consumption of our properties for investment purpose; to oversee the Group's energy, water and greenhouse gas (GHG) emissions performance, and progress made against respective targets
Human Resources Committee	To reinforce and refine our human resources policies
Occupational Health and Safety Committee	To oversee health and safety matters across all of our construction sites and managed properties
IT Governance Steering Committee	To manage customer data and information privacy
Corporate Social Responsibility Committee	To monitor our community investment projects and partnerships



SUSTAINABLE DEVELOPMENT GOALS

At the subsidiary level, for example, Hong Yip, Kai Shing and Sanfield have also set up respective sustainability committees or working groups to put the Group's sustainability policies and strategies into practice.

The Group has established and disclosed a set of policies covering environmental and social issues to promote the integration of sustainability in our daily operations. These policies include Group Sustainability Policy, Climate Change Policy, Code of Conduct, Environmental Policy, Health and Safety Policy, Supplier Code of Conduct and Sustainable Building Policy. Human Rights and Equal Opportunities Policy and Whistleblowing Policy are also available internally with easy access. With these policies and training provided on them, we are able to better govern and manage sustainability efforts in our daily operations, continue to deliver quality products and services, and contribute to the sustainable development of the Group. The Sustainability Steering Committee and other relevant committees examine the implementation progress of our sustainability policies on a regular basis to ensure that they are up-to-date and align with new industry standards or management demands. Please refer to our website for all our **Sustainability Policies**.

Our Sustainability Strategy

The Environment, People, Customers, Supply Chain and Community are the five priority pillars of the Group's sustainability strategy, reaffirming our commitment to generating long-term value for our stakeholders. By mapping our sustainability strategy with the United Nations' Sustainable Development Goals (SDGs), we support SDGs and join the universal call by the United Nations Member States to end poverty, protect the planet and ensure that everyone enjoys peace and prosperity by 2030. Eight of the 17 SDGs, which we believe are the most relevant to our business profile, were mapped onto SHKP's five priority pillars. The Group seeks to identify areas for improvement, stepping up our sustainability efforts by interacting with various stakeholders and enhancing our internal capability on sustainability management. Details of our contribution towards specific SDGs can be found in respective chapters of this report.



Environment

How we contribute: Beyond compliance, the Group aims to continually improve the environmental performance of our properties and operations. Through optimizing resource efficiency, acting on climate change and leveraging innovative solutions, the Group seeks to contribute to building sustainable cities and communities.



People

How we contribute: The Group aims to create a people-centred working environment by embracing diversity and prioritizing wellness and safety. We are dedicated to investing in our people and providing fair opportunities and ample support for them to thrive as a high-performing team.



Customers

How we contribute: By putting customers first, the Group is determined to deliver prime properties and attentive services that exceed expectations. We anticipate our customers' needs, protect their rights, safeguard their health and safety, and we seek innovative technologies and ideas for continuous improvement.



Supply Chain

How we contribute: The Group aims to promote a sustainable supply chain in environmental, social and governance dimensions. We focus on building long-term, mutually beneficial relationships with our suppliers and contractors through active engagement and management.



Community

How we contribute: The Group puts into practice our long-standing belief in Building Homes with Heart and acts in line with the needs of the communities in which we operate. We invest in promoting reading and holistic development among youth, encouraging sports for charity and supporting the underprivileged to create a long-term positive impact.



ESG Finance

SHKP seizes the ESG finance opportunities and keeps exploring its potential. During the reporting year, the Group signed two sustainability-linked loan (SLL) facilities with leading international and local banks. Both loans received overwhelming responses from banks with oversubscriptions, showing strong support from the banking community for the Group's sustainability initiatives. The first SLL amounted to HK\$8,650 million and the second SLL reached HK\$20.7 billion, both breaking the record for the Hong Kong real estate sector at the respective time. The successful formation of an SLL facility in two consecutive years strongly demonstrates our continuing commitment to pursuing long-term growth and sustainable development. According to the loan agreement, SHKP needs to achieve a set of predetermined sustainability performance targets, including:

- Achieving an annual reduction in electricity consumption intensity (ECI, measured in units of kWh/m²)
- Demonstrating continuous improvements in the S&P Global ESG Scores
- Retaining as a constituent member of the Hang Seng Corporate Sustainability Index with a designated rating
- Achieving a continuous increment in the proportion of green office buildings in our portfolio of core completed office buildings¹

The proceeds will be used for general working capital and to fund ongoing sustainability initiatives. We will continue to explore the potential on ESG finance that lies ahead to create sustainable value for our stakeholders.

Our Approach to Stakeholder Engagement

The Group understands the necessity of maintaining regular communication with our stakeholders. This process enables us to gain an insight into their expectations and priorities on sustainability strategy and to respond accordingly. For this reason, the Group engages with our internal and external stakeholders on a regular basis through a variety of communication channels. By facilitating in-depth

discussions with our stakeholders, we hope to better understand their concerns and interests in sustainability. Please refer to **Appendix II** for more details about Stakeholder Engagement Process.

We have adopted a three-year approach for regular engagement with an extensive group of stakeholders to review our material ESG topics. This year, we engaged our stakeholders by organizing focus-group discussions through the stakeholder review panel. Eight sustainability professionals from various backgrounds, including employees, tenants, representatives from academic and industry associations, business partners, investors and millennials, were invited to the discussion. Not only did they provide insights into the Group's sustainability strategy, performance and progress, but also shed light on key sustainability trends that lie ahead, including responsible supply chain management. In order to facilitate a fair and open discussion, the focus group discussion was hosted by an independent third-party consultant to collect valuable feedback and insights from stakeholders.

Materiality Analysis

The materiality matrix shows the relative importance and significance of selected ESG topics respective to our stakeholders and business. In 2020/21, 26 ESG topics relevant to our business were considered during the materiality analysis process. Over 450 internal and external stakeholders were involved in the process to rank the importance of the ESG topics. In 2021/22, 20 material topics fell within the threshold of a 'high' materiality level, all of which were adopted from the list in 2020/21. Based on the results from last year, we further modified our materiality matrix with feedback from the stakeholder review panel and top management. This year, the importance to stakeholders and significance to business of Supply Chain Management and Water were moved higher to better align with industry expectations. Meanwhile, Customer Privacy, Anti-Corruption and Well-being, Health and Safety remained the top three material topics.

¹ Definition of green office buildings: office buildings with LEED Gold or Platinum certification or pre-certification.



Materiality Matrix



- Economic and General
- Environment
- Workplace Practices
- Human Rights
- Society
- Product Responsibility

Other topics considered

2	Indirect economic impacts	17	Human rights and non-discrimination
5	Materials	18	Freedom of association and collective bargaining
9	Biodiversity	19	Child labour and forced labour

List of Material Topics as well as Corresponding Boundaries and Impacts

	Material Topics Identified	Boundaries and Impacts									GRI Standards	Page Number
		Customers/Tenants	Employees	Government/Regulators	Professional Bodies/Academia	NGO Partners	Shareholders and Investors	Suppliers	Media Partners and Social Media	Joint Venture Partners		
1	Economic performance		✓				✓	✓	✓	✓	GRI 201	3-4, 45-53
3	Supply chain management	✓	✓					✓		✓	GRI 308 GRI 414	38-44
4	Innovation	✓	✓		✓		✓	✓	✓	✓	N/A	10-21, 28-37 38-44, 45-53
6	Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 302 G4-CRE1	10-21
7	Climate change mitigation and adaptation		✓	✓	✓	✓	✓	✓		✓	N/A	10-21
8	Water	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 303 G4-CRE2	10-21
10	Waste	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 306	10-21
11	Sustainable buildings	✓	✓	✓	✓		✓	✓			G4-CRE8	10-21, 45-53
12	Employment practices		✓	✓	✓	✓				✓	GRI 202 GRI 401	22-27
13	Employee engagement		✓	✓	✓					✓	GRI 2 GRI 3	22-27
14	Well-being, health and safety	✓	✓	✓	✓	✓	✓	✓		✓	GRI 403	22-27, 38-44 45-53
15	Employee development and succession planning		✓	✓		✓	✓				GRI 404	22-27
16	Diversity and equal opportunities		✓	✓	✓	✓	✓	✓	✓		GRI 405	22-27
20	Community investment	✓	✓	✓		✓	✓		✓		GRI 413	45-53
21	Anti-corruption	✓	✓	✓			✓	✓	✓	✓	GRI 205	22-27, 38-44
22	Anti-competitive behaviour	✓	✓	✓		✓		✓	✓	✓	GRI 206	22-27, 38-44
23	Customer satisfaction and responsibility	✓	✓	✓		✓	✓	✓	✓	✓	GRI 2	28-37
24	Customer privacy	✓	✓	✓		✓	✓	✓	✓	✓	GRI 418	28-37
25	Affordable housing in Hong Kong	✓		✓		✓			✓		GRI 203	3-4, 28-37, 45-53
26	Customer health and safety	✓	✓	✓				✓	✓	✓	GRI 416	28-37



Connecting with our Stakeholders

By engaging with stakeholders through various communication channels and stakeholder engagement initiatives, the Group collected insightful feedback and deepened our understanding of their concerns and expectations on our sustainability performance. Below are our responses to three key issues raised by our stakeholders this year:

Investors and shareholders

Question:

The expectation of responsible and transparent supply chain management from stakeholders has risen in recent years. Is there any plan from SHKP to further strengthen its supply chain management by enhancing its transparency and managing sustainability risks along the supply chain?

Answer:

SHKP understands the growing expectation and demand for responsible and transparent supply chain management. Therefore, we are working progressively to promote sustainability in our value chain and strengthen our supply chain management. We have established a comprehensive supply chain management mechanism by adopting a vertically integrated approach, which evaluates the compliance status and sustainability performance covering selection of suppliers, retainment and regular assessment. We conduct supply chain risk assessments and strive to minimize potential environmental and social risks across the supply chain through tendering requirements, training and auditing. This year, Sanfield has refined the Sustainable Supply Chain Management Guideline. We summarize and analyze all awarded contracts annually to identify our critical suppliers. With such practice, we can enhance transparency by disclosing the number of critical suppliers and their risk levels starting this reporting year. For more details, please refer to **Value Created for Supply Chain** section.

Academia and non-governmental organizations (NGOs)

Question:

SHKP is one of the biggest property developers with a vast amount of resources. There have been expectations from academia and NGOs that SHKP should shoulder more responsibility in contributing to the community and helping the underprivileged. How can SHKP leverage its expertise and resources to support community development?

Answer:

Driven by our long-standing belief in Building Homes with Heart, SHKP proactively responds to the community's needs with our resources and expertise. The Group adopts a three-pronged approach, with one of the directions being 'providing care for the underprivileged'. Established in 2003, our SHKP Volunteer Team continues to serve the community by participating in a wide range of community services. Through our Neighbourhood Support Programme, we spread festive care and delivered festive gifts to the elderly. Our volunteers leveraged our corporate expertise and offered home inspection services and basic renovations for elderly people, disabled people and underprivileged families. Amid the fifth wave of COVID-19, SHKP continued to offer full support to the government and the community with resources to fight against the pandemic. For example, the Group provided two land reserves to the government to serve as isolation facilities. Shopping malls were turned into vaccination centres to provide outreach vaccination services, etc. We also organized community engagement programmes through the SHKP-Kwoks' Foundation and the Building Homes with Heart Caring Initiative. To ease the short-term housing shortage in Hong Kong, we partnered with social welfare organizations to develop a large-scale transitional housing project called United Court. Successful applicants started to move in during June 2022. United Court provides 1,800 units which benefit 5,000 underprivileged families. We also offer free fitted co-working space for startups, with the aim of empowering young entrepreneurs and supporting startup community development. For more details, please refer to **Value Created for Community** section.

Customers, tenants, and employees

Question:

SHKP established a set of environmental targets on GHG emissions, energy, water and waste in 2020/21. To achieve environmental sustainability, SHKP will have to go beyond the targets and further improve its environmental performance with the help of its customers and tenants. SHKP is expected to put more effort into assisting property users to reduce energy and water use as well as waste generation along the value chain. Are there sufficient engagement programmes and/or collaborative environmental initiatives that involve the above parties?

Answer:

SHKP realizes the importance of communication and collaboration with our stakeholders. We actively communicate with our stakeholders, particularly our customers and tenants, through various channels and strive to keep them up-to-date on our environmental strategies and policies. We promote sustainable living through a variety of community programmes, such as Green Recycling Carnival Day, weekly recycling booths in selected shopping malls and residential properties, and urban farms. Our hotels, shopping malls and residential properties also collaborate with food-and-beverage tenants to deliver food waste to the Organic Resources Recovery Centre for recycling. In addition, we rolled out eco-efficiency programmes to help our tenants optimize their energy use and provided free energy audits and technical advice to enhance efficiency. We fully support government's pilot scheme by participating in the Municipal Solid Waste Charging Community Involvement Project. We closely work with various NGOs and support their environmental initiatives to create greater synergy for our environmental efforts. For more details, please refer to **Value Created for the Environment** section.



Value Created for the Environment



Beyond compliance, the Group aims to continually improve the environmental performance of our properties and operations. Through optimizing resource efficiency, acting on climate change and leveraging innovative solutions, the Group seeks to contribute to building sustainable cities and communities.

Material topics addressed in this section:

- Climate change mitigation and adaptation
- Energy
- Innovation
- Sustainable buildings
- Waste
- Water



Strategies and Management

In the spirit of our Building Homes with Heart, SHKP strives to make Hong Kong a sustainable city. We align our sustainability efforts with the SDGs. We keep enhancing our sustainability performance and continue to progress towards group-wide environmental targets for sustainability and climate resilience.

We keep abreast of international standards and ensure our strategies and initiatives adhere to the relevant environmental laws and regulations of the Hong Kong Special Administrative Region, including Air Pollution Control, Waste Disposal and Environmental Impact Assessment Ordinances. We integrate sustainable building features into our new developments and seek to adopt best practices that improve the sustainability and environmental performance of our existing buildings. Our aim is to go beyond compliance and achieve our long-term goals, with the following 10-year targets by 2029/30 against the base year of 2019/20:

Emissions : Reduce scope 1 and 2 greenhouse gas (GHG) emissions intensity of EOC-monitored buildings¹ by 25%

Energy : Reduce the electricity consumption intensity of EOC-monitored buildings¹ by 13%

Water : Reduce the water use intensity of EOC-monitored buildings¹ by 5%

Waste : Achieve an annual diversion rate of at least 70% of construction waste in Hong Kong construction projects within the reporting scope

Responding to climate emergency, we have strengthened our climate change management and disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Sustainability Steering Committee oversees our climate change strategy and related risks with regular reviews. An in-depth climate assessment will be conducted in the coming years.

Governance

Specialized committees monitor specific areas of concern. Our Energy Optimization Committee (EOC) is chaired by a representative from the Internal Audit Department and comprises 24 building-engineering and management specialists. The committee oversees energy, water and GHG emissions performance at the buildings that it monitors. It identifies areas for improvement, provides recommendations, and facilitates group-wide communication and best-practice sharing. Environmental committees in our property management and construction subsidiaries oversee the implementation of relevant policies, targets, strategies and measures.

Climate Change Policy, Environmental Policy and Sustainable Building Policy

Our commitment to sustainability is enshrined in key policies:

- The **Climate Change Policy** details our strategy and efforts regarding climate change mitigation, adaptation and resilience
- The **Environmental Policy** sets out our overall approach to areas such as resource use, biodiversity, climate change and carbon management. This conveys to stakeholders our commitment to protecting the environment and reducing the environmental impact of our operations
- The **Sustainable Building Policy** guides us to develop low-carbon, climate-resilient properties, and to focus on users' wellness

These policies are reviewed periodically by our Sustainability Steering Committee. For the full versions, please visit our [website](#).

Environmental Management System

Environmental considerations are incorporated into our business operations. Our property management and construction subsidiaries conform to international environmental and energy management standards: Approximately 83% of our managed properties in reporting scope conformed to the ISO 14001 and ISO 50001 management systems, in which 91 of our buildings and sites hold ISO 14001 certification while 12 of our buildings hold ISO 50001 certification. Regular internal and external reviews on the system effectiveness ensure ongoing enhancement of our systems.

Sustainability Data Management System

We have tracked our sustainability performance via the web-based Sustainability Data Management System since 2014. Data is collected across our operations and monitored by the sustainability team regularly. The system is regularly reviewed and upgraded to match market trends and disclosure requirements.

¹ EOC-monitored buildings are SHKP's major investment properties in Hong Kong managed by the Energy Optimization Committee (EOC).



Promoting Sustainable Buildings

We strive to enhance sustainability and incorporate green features throughout the life cycle of our buildings, from design and construction to operation. Recognizing our roles and responsibilities, we make efforts to consider biodiversity conservation and environmental protection in our developments. To ensure we meet global standards – as stipulated in our Sustainability Building Policy – we aim to achieve Leadership in Energy and Environmental Design (LEED) certification for all new investment properties. In particular, we target to obtain LEED Gold or Platinum ratings for core commercial projects under development. For more details, please refer to the **Sustainable Building Policy** on our website.

To understand and minimize the potential environmental impact of our projects, we engage environmental and ecological consultants to conduct detailed studies and site surveys before submitting development proposals and proceeding to feasibility studies. We assess sites for biodiversity importance. Sites with less impact on the environment, biodiversity and ecosystem are preferred. We engage third-party professionals, seek approval from government and work with business partners during planning and construction. Notable biodiversity assessments conducted by external consultants and management plans have been developed for sites, including the Wetland Seasons Park project, PARK YOHO project and Sai Sha project. At PARK YOHO, we also engaged an ecology consultant to monitor biodiversity during the wetland restoration and operation. In recognition of our dedication to sustainable practices, Park YOHO received the Best Development and Conservation Award 2021 organized by The Hong Kong Institute of Surveyors. For Wetland Seasons Park, our strict compliance with local legislation and the Hong Kong Wetland Park's requirements on noise, sewage, waste and emission during construction earned various awards. For more details, please refer to the Wetland Seasons Park **Case Study**.

During the construction and operation, we minimize environmental and ecological impacts with thoughtful designs and strict pollution control. Wherever feasible, we conserve trees at sites with horticultural maintenance programmes and management plans. In general, the total number of newly planted trees in a project is equal or more than the number of trees approved to be removed in the Tree Preservation and Removal Proposal agreed with the government.

A high-quality team enhances our sustainability performance. 54 accredited Hong Kong Building Environmental Assessment Method (BEAM) professionals help to ensure our innovation and technological enhancement aligns with market demands. Green and smart technology optimizes our energy efficiency, material use and waste management. We closely monitor environmental issues that might arise during development and operation, and respond to them in a timely fashion.

As of June 2022:

- 108 green-building-related certificates² have been awarded in our 95 projects in Hong Kong. In terms of our reporting scope, around 53% of our managed properties (by total gross floor area) are with green-building-related certificates
- Over 95% of our ongoing construction sites (by total gross floor area) were registered with BEAM Plus
- 61% (in total attributable gross floor area) of our core completed office buildings³ in Hong Kong and Shanghai for long-term rental income have attained the LEED Gold or Platinum rating, including pre-certification
- 12 of our commercial, industrial and residential buildings were rated 'Excellent' in Management in the Selective Scheme of BEAM Plus Existing Buildings V2.0 while 62 achieved 'Good' ratings
- Our Two IFC and ICC achieved LEED Platinum certification under the v4.1 Operations and Maintenance: Existing Buildings rating system. The former has become the first building in Hong Kong to receive such honour; the latter finished with the highest score under this certification programme
- Hong Yip signed a Memorandum of Understanding with the Hong Kong Green Building Council and BEAM Society to demonstrate its commitment to promoting green building
- Hong Yip, Kai Shing and Sanfield received nine awards at the 2020 Hong Kong Awards for Environmental Excellence (HKAEE) organized by the Environmental Campaign Committee (ECC), the Environmental Protection Department and other organizations
- All the subsidiaries in the reporting scope earned a total 430 Wastewi\$e certificates, 401 Energywi\$e certificates, 25 IAQwi\$e certificates and 16 Carbon Reduction certificates

Alongside green building design, we integrate wellness into our building performance. Our ICC was Hong Kong's first building to earn a WELL Health-Safety Rating for Facility Operations and Management. Our NOVO LAND in Tuen Mun received the WELL Building Standard™ version 2 pre-certification and Fitwel two-star rating, being the first large-scale residential development in Hong Kong certified with both qualifications.

We also participated in urban redevelopment projects in the interest of the community. The redevelopment of the former How Ming Street bus depot in Kwun Tong is in progress led by us. The site will be redeveloped into two commercial buildings and a shopping centre, to create synergy which is beneficial to both community and the economy.

² Green-building-related certificates include the BEAM Plus new and existing building certificates (both comprehensive and selective scheme), LEED or BREEAM certificates received by projects under development and properties owned or managed by SHKP in Hong Kong.

³ Core office buildings are offices with at least 50% ownership by SHKP, and at least 400,000 ft² on total GFA basis.



Case Study – Wetland Seasons Park

Our large-scale residential project Wetland Seasons Park, located next to Hong Kong Wetland Park, carefully balances development and the environment by integrating innovative technology and environmental concepts throughout the building lifecycle, from planning and design to construction and operation.

Planning and Design

Utilizing computer aided air-ventilation analysis, we minimized the development's impact with a stepped height design: the buildings nearest to Hong Kong Wetland Park are the lowest, creating a gradual elevation change. The designed breezeways spread throughout the development not only enhance flow of prevailing wind, but also create a transitional buffer in the form of a green belt between the residences and Hong Kong Wetland Park to soften the progression from human to wildlife habitats. Meanwhile, the facade was painted in earth tones and trees were carefully selected and planted to fit in with the surroundings. As Hong Kong Wetland Park is home to a number of migratory birds, building glazing had to be the right blend between transparency and reflectivity to avoid avian accidents resulting from migratory birds' flight paths.

Wetland Seasons Park features a wetland-themed clubhouse with an open, shared space. It makes the most of the view of the Hong Kong Wetland Park, with its biodiversity and wildlife. And, to promote ecological awareness among the residents, there is a wetland-themed gallery with paintings and sculptures by local artists of subjects such as migratory birds. Meanwhile, low-reflection floor-to-ceiling glass walls reduce the impact of reflective light on birds. Lamps in public areas were designed to avoid the direction of the park to minimize light pollution.



The stepped height design and breezeways spread throughout the development

Landscape

Natural ecology is incorporated into the development: the landscaped exterior makes up 35% of its total size. 35 existing trees were preserved, and more than 1,300 trees and 150,000 bushes – mostly native species – were planted. The landscape design adopted the 'Shakkei' (borrowed scenery) concept, incorporating the natural view from Hong Kong Wetland Park as a backdrop.



From the clubhouse, users can enjoy the natural scenery and wildlife of the Hong Kong Wetland Park

Construction

We established waste management plan and conducted noise, water-quality, air-quality and ecological-impact monitoring during the entire construction process. Specially arranged work hours and construction methods were also adopted. For example, no noisy foundation works were conducted when the Hong Kong Wetland Park was opened to the public. To further reduce noise, barriers, tailored design low-noise piling machines and mechanical equipment were deployed. An individual sewage treatment system ensured on-site sewage was treated before being discharged. And, to reduce dust from construction trucks, pre-cast concrete paving slabs were used for the haul road.



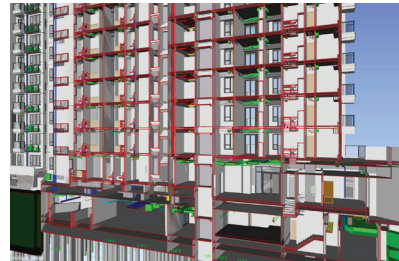
A six-metre high noise barrier was erected along the site's boundary to further minimize construction noise



Case Study – Wetland Seasons Park

Smart Construction and Technology

Smart construction ensures efficient, safe and sustainable construction. Building Information Modelling (BIM) was introduced to improve build-ability, minimize abortive works, lower construction costs and save construction time. Pre-fabrication technology⁴ was also widely adopted, which reduced cost and time during installation, enhanced quality, and reduced labour and manpower required for construction's process.



BIM was adopted to improve buildability, minimize abortive works, lower construction costs and save construction time

Smart and Green Living with Sustainable Property Management

Wetland Seasons Park is the first residential development in Hong Kong to introduce the SmarTone Home 5G Broadband service. Residents can access high-speed 5G network, seamlessly linking all their smart household equipment and connecting to the Internet. Smart identification management services allow efficient monitoring of vehicle traffic and enhance carpark management through the carplate recognition system. In the clubhouse restaurant, a robot delivery system is adopted to deliver food. Also, a UV-C disinfection robot is used for conducting regular disinfection at the clubhouse. The Smart Community app enables building access, visitor registration, management services, service contacts, a virtual tour and health tips.



Smart Community app sends out QR code to replace traditional resident cards for owners to enter the main complex gate, lobby doors and controls lifts within the site

Recognition

In recognition of these efforts, Wetland Seasons Park received the Five Stars Residency Award bestowed by the Hong Kong Professional Building Inspection Academy Ltd. in 2021, and also won the Leading Environmental Initiative Awards at the ESG Leading Enterprise Awards 2021 presented by the Chinese Edition of *Bloomberg Businessweek* and Deloitte.

⁴ It included pre-fabricated structural elements such as pre-cast panels, balconies, utility platforms and water tanks.

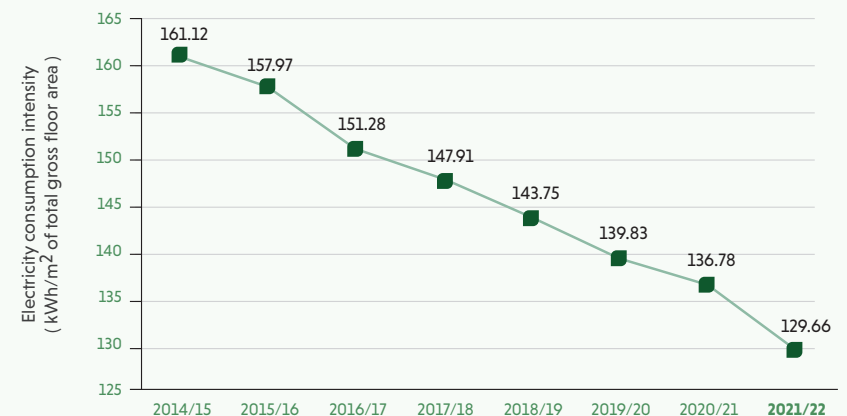
Supporting Low-Carbon Transition

The Group recognizes the risks brought by climate change. We therefore integrate climate change considerations into our energy management, and support the transition to a low-carbon economy. We support the HKSAR government's Climate Action Plan 2050, the Energy Saving Plan for Hong Kong's Built Environment 2015-2025+. To support the government's call for carbon neutrality by 2050, we joined their Carbon Neutrality Partnership. We will actively study to develop strategy for a long-term net-zero carbon commitment in the future.

We continue to participate in the Carbon Audit • Green Partner scheme, having signed the Carbon Reduction Charter in 2009. We have conducted carbon audits at most of our properties since 2008. To demonstrate our commitment to decarbonization in Hong Kong, SHKP and our property management subsidiaries have signed the Business Environment Council's Low Carbon Charter.

For the progress of our 10-year target on electricity consumption intensity reduction, this year, we achieved an electricity consumption intensity of 129.66 kWh/m² of total gross floor area – a reduction of around 7.27% from 2019/20. Such reduction is mainly contributed by the adoption of energy-saving measures at our EOC-monitored buildings, and also lower occupancy in our properties during the fifth wave of COVID-19.

Electricity consumption intensity of major buildings monitored by the EOC, 2014/15-2021/22*



* EOC monitored 54 properties in 2014/15, 55 from 2015/16 to 2018/19, 53 in 2019/20, 60 in 2020/21 and 61 in 2021/22.



For the progress of our 10-year target on GHG emissions intensity reduction, this year, we successfully achieved a significant reduction of around 25.3% since 2019/20. This is mainly attributable to the significant reduction of electricity use during the pandemic, and also the grid emissions intensity for both utility companies in Hong Kong earlier. Despite of that, we will continue to closely monitor our progress and strive to reduce GHG emissions intensity across our operations when the economy is back to normal.

SHKP has adopted energy-saving measures in different operations. We have improved energy efficiency in our buildings through retrofitting measures, including chiller sequencing optimization, LED lighting, chiller plant replacement and smart escalator sensors. As of June 2022, more than 220 energy-saving projects had been launched at our shopping malls, residential and commercial buildings, of which 99 earned grants from the CLP Eco Building Fund and five from the HKE Smart Power Building Fund. We encourage tenants to reduce consumption by initiating eco-efficiency programmes and providing free energy audits, carbon audits and technical energy-saving advice. We have already served over 2,500 tenants in 53 of our managed buildings.

New technology and smart systems drive our energy optimization. At our BEAM Plus-certified Sun Hung Kai Centre and other buildings, Internet of Things (IoT) technology monitors and analyzes consumption. Smart systems automatically manage the operation of chillers and pumps. A protocol regarding automation of power systems control has been implemented to provide better data communication for energy efficiency enhancement. At V City, cloud-based technology optimizes our chillers and provides energy-saving insights and data visualization. The shopping mall has reduced its electricity consumption for six consecutive years. This year, V Walk participated in CLP's retro-commissioning Charter Programme and earned a Smart Technology Award for its building-management system and chiller-plant optimization. The optimization is expected to reduce electricity consumption by 300,000 kWh per year.

Building an Extensive Renewable Energy Network

Renewable energy is another key focus. The Group has widely adopted solar-power applications across our managed properties. The Group is building one of the city's largest solar-energy generation networks, with around 14,600 solar panels, covering more than 400,000 ft² by the end of 2023. It is expected to generate 5.6 million kWh of electricity annually and reduce carbon emissions by 2,600 tonnes, which is equivalent to the CO₂ absorption of around 112,700 trees in one year.

As of June 2022, over 8,000 solar panels had been installed in our 33 buildings as well as construction sites. For example, Greenfield Garden has solar panels on the rooftop, supported by a smart system, which was recognized with the Renewable Energy Excellence Award organized by CLP in 2020. Brill Plaza joined CLP's Feed-in Tariff (FiT) Scheme and achieved zero tariffs for months. It has become one of the scheme's largest-scale ultra low-emission industrial and commercial buildings in the district. By the end of 2023, we plan to install another 18 solar PV systems in our buildings.



Solar panels in Brill Plaza



Solar panels in ICC





Solar panels in construction site in Shap Sze Heung

Solar panels were also installed at our construction site in Shap Sze Heung to generate renewable energy. The solar panels were the first renewable-energy system installed at a temporary work site in Hong Kong as part of the CLP's FIT Scheme. Together with other sustainable initiatives at the site, the project won the Gold Award in the CIC Sustainable Construction Award and Gold Award (Construction Industry) in the HKAEE 2020, reflecting widespread recognition by the industry. With such valuable experience, we have expanded and installed more solar PV systems at our construction sites.

To support renewable energy indirectly, Hong Yip has committed to purchasing renewable energy certificate (REC) from CLP for the office for the next 10 years, which is equivalent to an offset of around 240 tonnes in carbon emissions. We will keep checking the market and purchase more RECs where applicable, supporting Hong Kong to move towards carbon neutrality.

Climate Resilience Strategies

Climate change poses immense threats to the world and to business. As one of the industry leaders, we recognize the importance of enhancing climate resilience and establishing mitigating actions. Our strategy has taken reference to the recommendations of the TCFD framework.

Governance

The Board oversees our climate change management and reviews climate strategy. Climate-related risks and opportunities are reported regularly to the Board by the following committees:

- The **Sustainability Steering Committee** manages and oversees sustainability issues in our daily operations, regularly reviews related policies, including the Climate Change Policy, and monitors the short- and long-term environmental targets
- The inter-departmental **Crisis Operation Management Committee** regularly reviews climate-related risks and our resilience against extreme weather. It is led by two executive directors who deal with critical incidents – such as extreme weather events – at our business units and subsidiaries
- The **Audit and Risk Management Committee** stays abreast of evolving environmental rules and regulations, monitors and reviews transitional risks

Strategy

We support the HKSAR government's Climate Action Plan 2050 and the Energy Saving Plan for Hong Kong's Built Environment 2015-2025+. Supporting the government's plan for carbon neutrality by 2050, we are studying to develop strategy for a long-term net-zero carbon commitment in the future. We recognize that climate change poses different types of physical and transitional risks, as well as opportunities to our business. The climate-related risks and opportunities are identified:



Risks	Possible impacts
Acute physical risks, such as extreme weather events	Events such as flooding and typhoons may occur with more frequency and intensity, damaging buildings and creating electricity shortages. Business may be disrupted, leading to loss of revenue and capital.
Chronic physical risks, such as changes in rainfall patterns, sea levels rise	Heavy rain and rising sea levels may lead to flooding, which could damage structures and facilities. This may impair the value of our properties and increase maintenance costs.
Transitional risks, such as policies, legal requirements and technological risks	Strict global and local policies and regulations are expected to increase operating costs. For example, real estate may be required to use technology and renewable energy to reduce carbon emissions, hence higher technological inputs and risk.
Opportunities	Possible impacts
Sustainable building	Amid increasing market demand, we may need to incorporate more climate-resilient elements into new developments, and continually enhance the performance of existing buildings. Ultimately, this may lower operating and maintenance costs.
Innovation	To accelerate decarbonization, business innovation may be stimulated, and advanced technology may be adopted.

We support the Business Environment Council's Low Carbon Charter to develop and promote decarbonization in the property and construction sector in Hong Kong. The **Group Sustainability Policy**, Environmental Policy and Sustainable Building Policy cover our commitments to aspects such as green building and emissions reduction. In particular, our Climate Change Policy outlines our dedication to improving climate resilience and adaptability. For more details, please refer to **Promoting Sustainable Buildings** and **Building an Extensive Renewable Energy Network** sections.

We are dedicated to facilitating the transition to a low-carbon economy by integrating sustainability considerations into our financial mechanisms. We issued two sustainability-linked loan facilities during the reporting year, which will be used for supporting our daily operations and sustainability projects. For more details, please refer to **ESG Finance** section.

Risk management

Physical and transitional risks relating to climate change are factored into our risk assessments and strategies. This year, we engaged a consultant to study water-damage prevention in property management.

With ISO 14001 and ISO 50001 systems in place, our property management and construction subsidiaries effectively manage our environmental performance and risks relating to climate change, energy and carbon emissions in our daily operations. These systems provide a framework to monitor our targets as we transition to low-carbon operations. For properties managed by Kai Shing, an adaptation plan has been implemented in accordance with ISO 22301 Business Continuity Management.

A Sustainable Supply Chain Management Guideline is in place, which outlines general principles for vendor registration, tender selection, identification of critical suppliers, performance scoring and risk exposure. For more details, please refer to **Managing Environmental and Social Risks of Our Supply Chain** section.

Climate-resilient elements are incorporated into our buildings. For example,

- Floodgates are fitted at main entrances and carpark entrances for low-lying areas and flood-prone areas
- Water baffles, typhoon nets, water cut-out sensors and IoT water-leakage detectors are installed for washrooms and machine rooms. Submersible pumps are equipped to remove flood water at some shopping malls
- Remote-monitored sensors at key locations, such as mains switch rooms, are provided to warn staff of flooding
- Intelligent water windows to prevent rainwater entering rooms with equipment are installed. When the water level reaches one inch, the ventilation vanes in the window will close automatically and seal with waterproof plastic strips



Our property management teams maintain close contact with staff, tenants and local communities regarding adverse weather. Operational handbooks guide staff in such circumstances. We ensure staff are well-prepared for emergencies with regular training such as typhoon drills. Hong Yip offers emergency support to more than 300 buildings during typhoon. Kai Shing develops an advanced emergency support mechanism. An Emergency Monitoring and Support Centre is put into operation under extreme weather, providing immediate support to all managed properties.

At construction sites, emergency guidelines prepare workers for events including extreme weather. To mitigate the effects of hot weather, we ensure staff are well-trained in heat stress and our sites are equipped with adequate cooling facilities and drinking water.

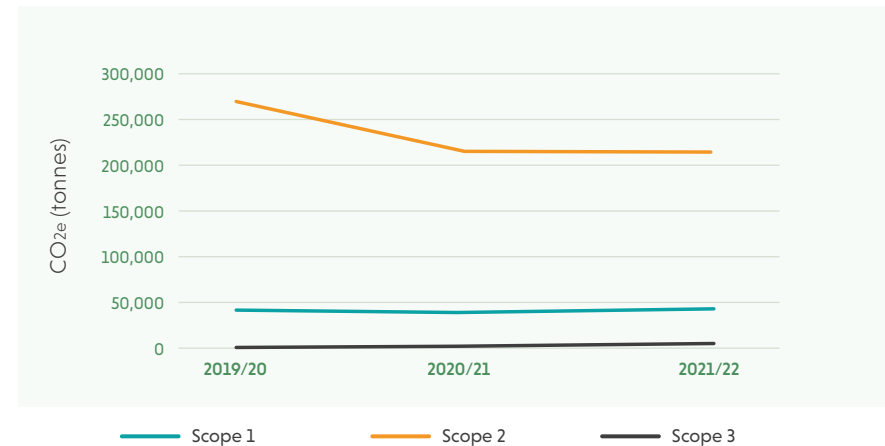
Metrics and targets

Our climate-related targets, such as those related to GHG emissions, energy and water usage, construction waste diversion and renewable energy are available on p.11 of this Report. We track and monitor our GHG emissions and green-building certifications to better understand our climate-mitigation performance.

GHG emissions in 2021/22

Scope 1	40,751 CO ₂ e (tonnes)
Scope 2	212,262 CO ₂ e (tonnes)
Scope 3	28 CO ₂ e (tonnes)

Group's total GHG emissions



Green building development in 2021/22

- Over 95% of ongoing construction sites (by total gross floor area) were registered with BEAM Plus
- 95 projects achieved BEAM Plus / LEED / BREEAM certificates
- 61% (by total attributable GFA) of our major completed office buildings in Hong Kong and Shanghai for long-term rental income has attained the LEED Gold or Platinum rating, including pre-certification
- 54 BEAM-accredited professionals were employed
- 39% of total procurements were with environmental considerations

Our efforts to combat climate change led the *Financial Times* and Statista to include SHKP among their Asia-Pacific Climate Leaders 2022. Our property management companies have also proposed sustainability goals and commitments. Kai Shing, for example, has joined the Sustainable Development Goals World Records programme and obtained the Goal 13: Climate Action Certificate.



Waste Management

In line with the government's waste management initiatives – including the Hong Kong Blueprint for Sustainable Use of Resources 2013-2022 – we practise a three-tier waste-management strategy: prevention where possible, and reduction and recovery where unavoidable. Construction and demolition waste from our construction work and general waste from our properties are the major waste source we generated. For the progress of our 10-year target on construction waste diversion, this year, we have achieved around 97% construction waste diversion rate.

Innovative practices enable us to reduce waste and material consumption. BIM design simulation, precast units and the Design for Manufacture and Assembly (DfMA) concept streamline construction work. They reduce errors and unnecessary consumption of raw materials, and hence raise productivity, enhance quality and minimize the waste associated with faulty design. We purchase raw materials in appropriate quantities and sizes and seek to transfer excavated sand and soil to other sites for backfilling, reclamation and other purposes. We reuse and recycle scrap steel such as bored piles and I-beams. We use prefabricated steel reinforcing bars and deploy turntables when installing dual-use bridges at The YOHO Hub.

During design and building stages, we work with contractors to reduce waste by standardizing the dimensions of materials and setting up recycling facilities. Where possible, we prioritize deconstruction instead of demolition. Paper, cardboard, metal, aluminium, plastic and glass are sent to local recycling centres.

We seek to reduce and divert waste at our hotels and property management subsidiaries by engaging internal and external stakeholders. We promote responsible consumption, provide recycling bins and reverse vending machines, and invite tenants and customers to participate in events including Green Recycling Carnival Day and initiatives such as festive food or red envelope recycling. A weekly Tai Po Market recycling booth was organized, and smart recycling machines were installed in selected shopping malls and residential properties to collect recyclables.

We support external partners' efforts to encourage recycling and minimize waste. This year, selected shopping malls participated in campaigns such as the Environmental Protection Department's Source Separation of Commercial and Industrial Waste and Greeners Action's Tetrapak Clean Recycling Pilot Scheme.

Meanwhile, our property management subsidiaries participated for a fifth year in Greeners Action's Umbrella Bags Reduction scheme, in which 44 of our properties achieved Gold certificates. 171 of our properties, shopping malls and hotels are signatories to the Environmental Protection Department's Glass Container Recycling Charter.

To prepare for the government's municipal solid waste (MSW) charging scheme, our residential and commercial properties have begun to reduce plastic waste – an issue exacerbated by increased use of disposable plastics during the pandemic. Kai Shing devised the Plastic Free at Restaurant Charter with Community Leap at Life@KCC, and more than 80% of its food-and-beverage tenants have committed to reducing plastic consumption. A total of 27 properties under Hong Yip also actively participated in the Plastic Recycling Pilot Scheme in Eastern District, Kwun Tong and Sha Tin organized by the Environmental Protection Department to encourage recycling of disposable plastic items and packaging materials to tackle the increasing demand of takeaways and to get prepared for the MSW charging scheme.

To ease our community into the government's MSW charging scheme, two of our properties held waste reduction pilot programmes. The programme at Metropolis Plaza (Commercial) involved more than 70% of its tenants, while East Point City (Residential) engaged more than 650 households.

Food waste is a problem in Hong Kong. We tackle it by:

- Promoting food waste separation and recycling at our properties
- Supporting the government's A Food Waste & Yard Waste Plan for Hong Kong 2014-2022 since 2018
- Mobilizing food-and-beverage tenants from our hotels, shopping malls and residential buildings to deliver food waste to the Organic Resources Recovery Centre for treatment
- Implementing food waste management at 31 of our commercial and residential properties. We have introduced food waste machines and collected approximately 2,800 kg per day in total
- Promoting upcycling with NGOs and appointing third-parties to collect and recycle food waste from our tenants, and turn it into animal feed
- Organizing educational courses for restaurant tenants to promote the reduction of food waste



Resource Optimization

We optimize resources by embedding environmental considerations into our procurement, emphasizing sustainable sourcing, making careful decisions and closely monitoring our processes. We make every effort to improve water management, reduce wastage and strengthen conservation awareness across our business units. Our 10-year target on water use reduction demonstrates our commitment to conservation.

Efficient Water Consumption

We practise sustainable water management. Water is mainly consumed by our property management business, then construction and hotels. We discharge sewage water in accordance with local government regulations, including the Hong Kong Water Pollution Control Ordinance. Residential and commercial sewage is discharged into municipal drainage systems while wastewater from our construction sites is treated and discharged in accordance with respective regulations.

This year, we continued to support the Water Supplies Department's Let's Save 10L Water 2.0 campaign. 72 of our managed properties signed the ECH20 Charter from Enterprises Cherish Water Campaign to promote water-saving. We implemented water-saving projects at more than 36 managed properties. For example, rainwater is collected for irrigation at Century Link and air conditioner condensated water is collected for flushing at Harbour North. At our construction sites, rainwater is harvested for irrigation and cooling in hot weather, while grey water from offices is used for cleaning sludge at water treatment systems and wastewater is recycled for wheel-washing. Dual-flush toilets also reduce our water consumption.

During the reporting year, we recorded a decrease of around 3.8% of water use intensity from 2019/20. The drop in water consumption is mainly contributed by the adoption of water-saving measures, and also lower occupancy in our properties during the fifth wave of COVID-19. We will continue monitoring the data, and suggesting more advanced water-saving measures. For example, our subsidiary Superpower uses smart technology to enhance its water management. Engineers inspect pumps and undertake maintenance while recording data on tablets. This enables the data to be monitored and analyzed efficiently.

Consider the Environment While Sourcing

Our commitment to sustainable sourcing is outlined in our Environmental Policy, Sustainable Building Policy, **Supplier Code of Conduct**, Sustainable Supply Chain Management Guideline and procurement guidelines. We value environmentally friendly products and services and have environmental-protection clauses for our property management procurement. To fulfil the BEAM Plus requirement, all new timber must be Forest Stewardship Council (FSC)-certified. New timber for temporary works must also be certified by the FSC or similar sources, and we encourage the reuse of old timber. Our timber suppliers confirm their compliance by submitting monthly certificates and delivery records to us and BEAM assessors.

Sanfield is encouraged to use pre-finished and smooth blocks instead of plastering to speed up the construction process and reduce waste. We optimize resource efficiency during construction by means such as precast facades, aluminium formwork and green blocks. More details of sustainable sourcing are available in the **Value Created for Supply Chain** section.

Utilizing Technology to Minimize the Use of Resources

Technology improves resource consumption in our property operations. Our SHKP Malls app offers restaurant reservation services, which helps to reduce paper consumption. We also reduce paper by using tablets to display information such as mall directories and sales, and to provide customer feedback forms. Meanwhile, our property management subsidiaries are going paperless by upgrading their customer-service software.



Encouraging the Public to Go Green

We are dedicated to fostering awareness of the environment, climate change and sustainability among customers, tenants, students and our staff. We have education centres at our shopping malls, such as HomeSquare, Landmark North, and host environment-themed workshops and seminars. An eco-walkway at the Leighton Hill housing estate introduces the development's green facilities.

This year marked a decade of our support of Green Power's Love Nature Campaign, in which staff volunteer teams clean up coastal and countryside areas. During the reporting year, approximately 450 SHKP volunteers collected about 900kg of waste. An online campaign, Be a STEM & Eco-friendly YouTuber, was launched during the pandemic. To further promote environmental awareness, we also launched a reward scheme via the Nature Rescue app to motivate users to join clean-ups and report rubbish blackspots.

This year, we continued to participate in WWF's Earth Hour, supporting the worldwide lights-off campaign for a 14th consecutive year. Over 300 of our owned or managed properties turned off their lights for an hour, promoting energy conservation and green living.

To promote green living, 38 of our managed properties have urban farms. Grand YOHO residents can apply for an allotment and learn to garden with professional guidance. At YOHO Midtown, theme zones are featured in the Apollo ECO PARK. This year, the park won Gold Award in the Property Management (Residential) category in recognition of its innovative efforts to promote environmental protection. At YOHO Urban Farm at the YOHO Mall, we team up with organic-farming organizations to share knowledge on farming and green living. We produce more than 100 varieties of crops every year and visitors can learn about seasonal fruits and vegetables via guided tours.

We support low-carbon transport in the community by promoting the use of electric vehicles and, to date, have installed nearly 1,000 EV charging facilities at 165 buildings in our portfolio. This will contribute to reducing GHG emissions and creating a green-living environment.

We promote sustainable living to customers and tenants. During the reporting year, we held more than 80 green events at shopping malls, attracting approximately 2,500 people. We hosted green art workshops for schools and NGOs, and an organic gardening workshop for staff. Tai Po Mega Mall organized green-living classes while New Town Plaza hosted green seminars and outdoor events for tenants and staff. At Wonderland Villas, our property management team engaged residents to be Green Living Key Opinion Leaders (KOL) and shared information on sustainable practices through online videos in multiple languages. Meanwhile, we provided technical advice to tenants on resource conservation and waste minimization. We encouraged new tenants to reuse decorations and equipment from existing tenants in shopping malls and offices. Kai Shing' Live e-app enables e-registration and e-payment, which reduces paper usage and increases efficiency.

Our efforts to create green commercial and residential environments have earned external recognition. During the reporting year, Kai Shing and Hong Yip took 19 honours at the Hong Kong Green Shop Alliance Award 2021. 327 of our property management and construction sites were named Hong Kong Green Organizations. Additionally 14 of our managed properties were recognized in the Green Council's Hong Kong Green Awards 2021, including three Gold winners in the Green Management Award – Service Provider (Large Corporation and SME) category. Kai Shing and Hong Yip earned the ESG Care Label from the SocietyNext Foundation.



The organic farm at YOHO Midtown's Apollo ECO PARK offers gardening expertise to residents



Value Created for People



The Group aims to create a people-centred working environment by embracing diversity and prioritizing wellness and safety. We are dedicated to investing in our people and providing fair opportunities and ample support for them to thrive as a high-performing team.

Material topics addressed in this section:

- Anti-corruption
- Diversity and equal opportunities
- Employee development and succession planning
- Employee engagement
- Employment practices
- Well-being, health and safety



Strategies and Management

Committed to shaping a people-centred and harmonious workplace culture, SHKP strives to recruit, retain and capitalize on the strength of outstanding talents. We provide competitive benefits, a safe and healthy work environment, and support our staff to thrive as a high-performing team and deliver outstanding products and services to our customers.

Individual business units support our overall objectives for employment, diversity and inclusion, well-being, health and safety, and labour standards. We are determined to comply with or exceed all applicable laws and regulations in respective jurisdictions of the Group's operations, including the Employment Ordinance and Occupational Health and Safety Ordinance in Hong Kong.

Our Human Resources Committee implements, refines and reviews our human resources policies. Occupational Health and Safety Committees in our property management and construction arms monitor health and safety performance and mitigate risks in our daily operations. We regularly review our support to staff through our Internal Affairs Department which designs annual training programmes and adjusts employee welfare in response to staff feedback.

Standards and expectations for staff are communicated and documented in policies and guidelines, including our Staff Handbook, **Code of Conduct** and **Health and Safety Policy**. Underlining our commitment to business ethics and integrity, we embrace the principles and guidance of the United Nations Global Compact, Universal Declaration of Human Rights and SDGs. We do not tolerate child or forced labour and there were no incidents of child or forced labour in the reporting year. Should any unlawful employment be suspected, the matter will be investigated and dealt with in accordance with our policies above. Those policies ensure our ethics and integrity levels meet and exceed standards.

Additionally, all staff are invited to complete anti-corruption training on our e-learning platform as well as a live webinar by Independent Commission Against Corruption (ICAC) on business ethics. Integrity training is also mandatory for new employees, while an annual anti-corruption seminar refreshes employees' awareness of our code of ethics.

A whistleblowing mechanism is communicated to staff actively and enables them to report suspected misconduct, malpractice, impropriety, fraud and safety issues without fear of reprisal. Our whistleblowing mechanism and internal procedures ensure that we make every effort to secure whistleblowers' identities and to handle information sensitively and confidentially. Similar practices extend to our supply chain. For more details, please refer to **Value Created for Supply Chain** section.

Attracting and Retaining Talent

We provide competitive packages to attract and retain talents, and maintain our competitiveness. These are commensurable with employees' contributions to the Group and rewards are made for outstanding performance.

Over the years, we have partnered with local educational institutions for campus recruitment, including Summer Internship Programmes, Management Trainee Programmes, Graduate Surveyor and Graduate Engineer Programmes, in which on-the-job training, external learning opportunities, mentorship and professional qualification sponsorship are provided to equip local young talents with skills and knowledge to become the leaders of tomorrow. We also collaborate with the Vocational Training Council to offer final-year engineering students from higher diploma programmes with internship opportunities, akin to graduate positions.

We express our appreciation and recognition to staff with exceptional performance and contributions through appraisals, career progressions and annual awards. Our deputy managing directors grant awards, including the Quality-Raising Suggestion Scheme, Work Safety Suggestion Scheme, Best Handover Quality Award, Safety Award Scheme and Long Service Award.

We promote an open feedback culture and value the voices of our people. We regularly collect their opinions via staff suggestion boxes, opinion surveys and meetings. At the behest of staff in our property management, we have extended our e-appraisal system to frontline staff, which enhances efficiency and streamlines the workflow. Engagement and communication are also enhanced by our internal KS CONNECT app, which enables Kai Shing staff to keep abreast of the company's developments and direction.



Case Study – Supporting the Youth on Career Paths in Hong Kong and the Mainland

SHKP provides opportunities for the next generation, especially amid an economy affected by the pandemic, as was the case in this reporting year. SHKP and its subsidiaries launched two summer internships, an apprenticeship, and a management trainee programme and supported the Greater Bay Area Youth Employment Scheme, successfully recruiting 88 students and graduates in total to join these programmes.

SHKP and Sanfield offered summer internships during the reporting year. SHKP recruited 22 college students for our two-month summer internship, providing valuable practical experience before they entered the working world. Interns who perform well are invited to join as management trainees. Sanfield recruited 43 students majoring in construction engineering, civil engineering, building services engineering, quantity surveying and related fields to join its summer internship programme. To demonstrate the importance of integrating ESG into construction projects, the 5G 'SmartWorks' system, which was jointly developed with SmarTone to improve building safety and operational efficiency, was introduced to the interns. The interns also visited the Wetland Seasons Park project, in which the project director explained how SHKP integrates ESG in the design and minimizes potential environmental impact with strict construction requirements.



The instructor explains the functions of smart helmets and how to effectively improve industrial safety

Sanfield continues to co-host a three to four-year apprenticeship scheme with the Construction Industry Council and the Vocational Training Council. Students who have completed the Hong Kong Diploma of Secondary Education Examination (HKDSE) or higher can pursue higher-diploma programmes and are offered on-the-job training

with full funding. On completion of their courses, apprentices may be promoted to junior management and enjoy a career in the construction sector.

Along with these opportunities, we offer graduates full-time positions with structured career paths. This year, we recruited nine management trainees in Hong Kong and the mainland.

Throughout the course of the three-year programme, the trainees enjoy diverse learning opportunities and career development support.

Additionally, we support the government's Greater Bay Area Youth Employment Scheme, which offers job opportunities in the Greater Bay Area (GBA). Among real estate developers, we have the largest number of first-batch recruits in the scheme. This year, we selected 15 graduates from more than 250 applicants from leading local, mainland and overseas universities. The graduates worked in Guangzhou or Zhongshan after having completed an orientation to understand the culture and our business in Hong Kong. Experienced GBA-based staff served as mentors, helping the newcomers adapt to our life and work culture.

In property management, we also provided diverse training programmes and developed a localized talent pool with high mobility to cope with the rapid business growth in Shanghai, Hangzhou, Suzhou and Guangzhou.

We will continue to explore opportunities in both Hong Kong and the mainland to create an environment that is conducive for young people to pursue their careers.



The first-batch graduates of the SHKP Greater Bay Area Youth Employment Scheme attended the orientation



Fostering a Diversified and Inclusive Workplace

We advocate a diverse and inclusive workplace that enables people with different backgrounds to work together and thrive in the workplace. Our policies and guidelines, including the aforementioned Staff Handbook, Code of Conduct, Human Rights and Equal Opportunities Policy and other relevant practices, stipulate our commitment to human rights, equal opportunities and inclusive excellence in a discrimination-free workplace. Harassment and discrimination on the grounds of age, gender, marital status, pregnancy, disability, family status, race, colour, nationality or religion are not tolerated. Regular training on anti-discrimination and harassment in the workplace are provided for all employees, including live webinars on anti-discrimination ordinances in Hong Kong and a company culture workshop. The Group has a whistleblowing mechanism for internal and external stakeholders to report any suspected cases of discrimination or harassment. Employees may raise their concerns through suggestion boxes. Staff found guilty of such activity may face disciplinary action or dismissal. During the reporting year, no such incidents were reported.

We actively promote gender diversity and have achieved 32.5% female representation at management level. To ensure mutual respect and understanding, all staff are trained in diversity, inclusion and anti-discrimination, and we provide fair employment opportunities for physically and mentally disabled individuals. During the reporting year, we employed 485 people with physical or mental disabilities, and 755 people from ethnic minorities in a range of available positions such as cleaners, security guards and receptionists.

To promote inclusiveness in the workplace, Hong Yip implemented a Building up Sustainable Mutual Support Network for New-Arrival Women and Single Mothers in partnership with the Hong Kong Federation of Women's Centres. The programme aims to provide more women-friendly job opportunities for those in need. Reinforcing our belief in equality, the concerned female members are trained in repair and maintenance skills by Hong Yip's engineering experts.

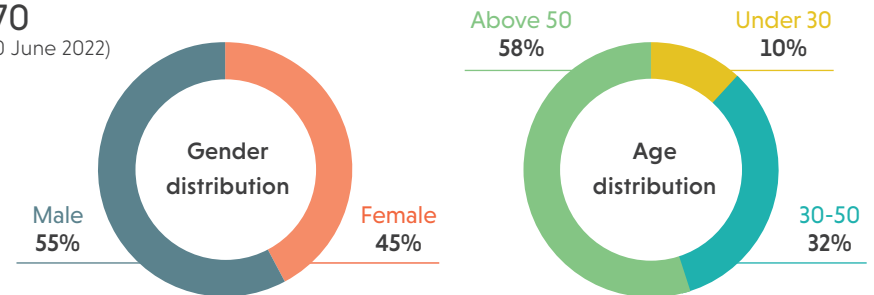
A family-friendly workplace enables our people to fulfil their family responsibilities. Flexible working hours are available for staff with special needs. Part-time working options are also available upon request and careful consideration by the management. Employees enjoy 14 weeks of fully-paid maternity leave and up to five days of fully-paid paternity leave, both of which go beyond regulatory requirements. We provide breastfeeding rooms for nursing mothers and host regular social and recreational activities for staff and their families, to strengthen bonding and parent-child interactions. As a family-friendly workplace, Kai Shing also implemented one-day Well-being Leave to encourage staff to participate in health-related activities and express their care to family members, enhancing staff's physical and mental health and their work-life balance.

Workforce Distribution

Total number of employees:

27,370

(as at 30 June 2022)



Our care and support extend to the families of our staff. We offer comprehensive, family-friendly welfare and benefits programmes, including financial support and overseas exchange opportunities. For example, since 2003, we have offered full scholarships to children of staff participating in the non-profit AFS's overseas exchange programmes. Additionally, our SHKP Group Undergraduate Scholarship Scheme sponsors secondary school graduates from low-income households to pursue their undergraduate studies. To date, the scheme has enabled 104 children of our staff to pursue undergraduate studies.



Unleashing Our People's Potential

Learning opportunities enable our employees to develop their talents. These include structured training, a training library, job rotations, secondments and self-learning. Individuals' professionalism, experience and performance are refined via our Internal Affairs Department's annual talent-development plans. Available training are detailed in our intranet and training newsletter to encourage our employees to develop their professional knowledge and skills. We are also open to sponsor seminars, short courses, and bachelor's and master's degrees for our employees.

The SHKP Quality Academy customizes training and learning for all employees based on personal and team-specific aims. To keep our people up-to-date with industry trends, the academy's resources are focused on four main areas:

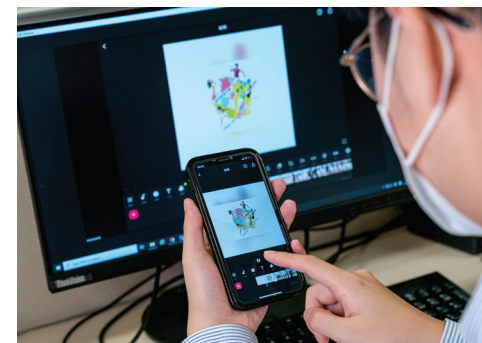
- Business and people management
- Construction
- Property management
- Personal development

Our e-training platform has delivered digital and virtual learning since 2016, allowing our people to undertake training anytime, anywhere. The SHKP training library at our headquarters houses over a thousand printed books and hundreds of e-books, providing our employees with the opportunity to grow their skills online and offline. During the reporting year, we delivered around 7,600 classes, seminars, webinars and online programmes, totalling more than 216,000 training hours, which covered subjects in ESG, project management, quality control and assurance, cybersecurity, crisis communication, SMART goal-setting, time management and even the latest technology such as artificial intelligence, metaverse and NFT. To ensure online security, we offer IT tips for working from home.

Our property management subsidiaries have established academies and provided mentorship programmes for our employees to further their knowledge and develop their careers. Kai Shing launched the KS Service Excellence Academy aiming to provide professional training from front-line staff to director-level. Training classes

cover four dimensions: corporate culture, work competence, professional development and personal effectiveness. The KS NOVA Management Development Program, launched in October 2021, offers a two-year comprehensive and professional training programme for around 30 selected potential managerial staff in order to build a sustainable talent pipeline to meet the needs of the future business development. Hong Yip has meanwhile been collaborating with the Hong Kong Council for Accreditation of Academic and Vocational Qualification (HKCAAVQ) to run Hong Kong Qualifications Framework (HKQF)-recognized programmes under its People Development Academy since 2007. The academy facilitates our staff to earn recognized credentials by providing them qualifications equivalent to levels 1 to 4 of the HKQF, including a new advanced diploma in Integrated Property Services Management (QF level 4) approved by HKCAAVQ. More than 5,600 employees have earned certificates since the Academy's inception. The number of QF credits offered by our in-house programmes accounts for over 90% of the total offered by all companies in the property management industry. Additionally, Hong Yip has partnered with higher-education institutions so that our employees can earn required credits without retaking the attended courses.

In recognition of the outstanding people-development achievements, Kai Shing and Hong Yip were awarded the Grand Award of Employer of the Year in Best



SHKP invited a professional trainer to show the participants the road to becoming a 'video production master'

HR Awards 2021 by CTgoodjobs and also received numerous awards in Employer of Choice Award 2021 from JobMarket. Hong Yip also received the Employees Retraining Board Manpower Developer Award Scheme Excellence Award for Employers for the 13th successive year.



Safeguarding Our People's Health, Safety and Well-being

We prioritize workplace health, safety and well-being. Risks are effectively managed and mitigated with our health-and-safety systems and policies across all of our operations and subsidiaries. We strictly follow all applicable laws and regulations in the jurisdictions where we operate. Our property management and construction arms are implementing ISO 45001-certified Health and Safety Management Systems that go above and beyond the law.

Hazards, initiatives, targets and performance of our business activities are monitored by Occupational Health and Safety Committees. The Board is also responsible for the occupational health and safety issue in the Group. Incident investigations and regular health-and-safety audits are carried out to identify, mitigate and reduce existing and potential risks. Meanwhile, our people's awareness is enhanced by regular inspections and drills as well as training in emergency response and procedures. Fire-safety training further enhances our workplace security.

Our Work Safety Suggestion Scheme enables employees to share their creative ideas for workplace safety. It encourages participation and raises the awareness and alertness of health, safety and well-being in the workplace. This year, our subsidiaries and contractors suggested innovative ideas on work safety. The Gold Award went to smart water 'window': when there is an extreme water event causing the water level to reach one inch, the ventilation vanes in the window will close automatically and seal with waterproof plastic strips to minimize damage in the equipment room.

Health, safety and well-being remain top priorities across our business units. Manual-lifting and hand-tool injuries, along with incidents involving slips, trips and

falls on the same level are identified and analyzed by our hotel teams. To minimize such risks, we offer training for our hotel staff to equip themselves with health, safety and well-being knowledge at work. Meanwhile, our construction arm's tireless efforts to ensure workplace health and safety have resulted in a record low of 4.28 accidents¹ per 1,000 employees. In the past three reporting years, there have been no fatalities among Group personnel.



A latte art workshop was held for staff who love coffee. Under the guidance of professional baristas, everyone had fun learning to create latte art



Sanfield participated in the Construction Industry e-Sport Games 2021 and won a championship, two first-runners-up, one second-runner-up, and three third-runners-up awards

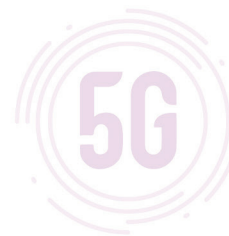
Our Internal Affairs Department devises training and workshops, and distributes health advice to improve well-being, productivity and work-life balance which were especially important during the pandemic. To provide enjoyable experiences outside of work, we have hosted various leisure activities such as a latte art workshop, mosaic swan table lamp and sports and charity events. We have also organized online and offline lectures, including sharing on Chinese medicine for emotional health and sessions on how to relieve stress and be joyful.

Our Hearty Hotline is a free, 24-hour counselling service. Social workers, psychologists and counsellors support the mental wellness of employees and their families who face personal and work challenges. Face-to-face counselling is available for people with specific needs. For retired employees, the SHKP Evergreen Club organizes regular events, especially during festival seasons. To promote a safe and healthy environment during COVID-19, we not only engaged external consultants to offer counselling services, but also organized relevant online classes to safeguard employees' mental health. We arranged flexible working schedules and working from home. We also expressed our gratitude to our employees for their hard work in combating the pandemic. We distributed anti-pandemic items to our employees, provided free COVID-19 testing, vaccination leave and hosted classes on eating for fitness and strengthening health.

¹ The calculation uses the methodology adopted by the Hong Kong Construction Association.



Value Created for Customers



By putting customers first, the Group is determined to deliver prime properties and attentive services that exceed expectations. We anticipate our customers' needs, protect their rights, safeguard their health and safety, and we seek innovative technologies and ideas for continuous improvement.

Material topics addressed in this section:

- Affordable housing in Hong Kong
- Customer health and safety
- Customer privacy
- Customer satisfaction and responsibility
- Innovation



Strategies and Management

Our core aim is to create sustainable homes and workplaces that align with the SDGs while monitoring and maintaining customers' satisfaction, protecting their rights and safeguarding their health and well-being.

We offer multiple channels to communicate with our customers and collect their feedback for enhancements to our products and services. Through our SHKP Club, the integrated loyalty programme for the Group's shopping malls The Point by SHKP, and the new mobile-based loyalty programme for our hotels Go Royal by SHKP, we not only elevate customer experience by providing various kinds of privileges and reward offerings, but also engage them in our sustainability work and initiatives.

To deliver smart and quality homes and services, we embrace the best and innovative methods of construction and property management.

Innovating Building Excellence

Our vertically integrated development model ensures stringent quality control and sustainability throughout the life cycle of our buildings, from land acquisition, project planning and management, material sourcing and construction to marketing, sales and property management. The **Group Sustainability Policy**, **Sustainable Building Policy**, **Climate Change Policy** and **Environmental Policy** are in place to guide our efforts. Quality, speed and efficiency are core values and considerations when we source high-calibre materials, construct quality buildings and conduct professional handover inspections. We take pride in our buildings and have since 2013 offered a three-year warranty for new residential developments – the first developer to offer this long warranty in Hong Kong.

Design and Construction

We balance customer needs with potential environmental impacts when we design our projects. Robust supervision of construction and sourcing of materials with strict quality controls ensure the highest safety and quality standards. We are committed to

using smarter and better ways to build quality products for our valued customers. We have invested tremendous resources to advance our Building Information Modelling (BIM) and Design for Manufacturing and Assembly (DfMA) capabilities to improve productivity and management. This also allows data to be seamlessly applied to enhance the whole property development life cycle from planning, design and construction to sales/leasing, property management and customer services.

SHKP was the first property developer to adopt Rotational Bridge Launching Construction in Hong Kong; For more details, please refer to the **case study in Value Created for Supply Chain** section. Looking ahead, we will invest in building innovative technology solutions that facilitate the architectural and structural design of various professional practitioners.

Pre-sale

Before the sale of every building, our internal experts will inspect their quality based on SHKP standards. Our project-monitoring team conducts further quality audits to ensure they meet the standards and have minimal defects. To ensure transparency and protect buyers, internal control procedures on responsible marketing are in place. External professionals and our internal expert committee review and monitor marketing and communication materials, including sales brochures, to ensure they comply with relevant regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance before the sale of our projects. We offer regular training in responsible marketing, advertising and sales. This year, we organized webinars in competition laws and intellectual property rights, in which competition law risks in the property sector, the use of trademarks and copyrights were introduced. During the reporting year, we had no incidents of non-compliance with regulations resulting in a fine or penalty and/or voluntary codes concerning the health and safety of products and services. We did not have any dangerous occurrences, reportable injuries and fatalities to non-workers on or off site or assets (including visitors to an asset or site, and members of the public) either as a result of non-compliance with regulation and voluntary codes.



Handover

We usually plan the handover processes six months in advance. To ensure our quality and safety standards are met, at least three full-scale inspections – covering more than 120 items – are conducted for each unit. We train our sales, customer-service and handover teams in the knowledge and skills to deliver complete, accurate and easy-to-understand information. This protects homebuyers' rights during the handover.

After-sale

Alongside our three-year warranty for new residential units, our qualified safety officers monitor and review sold properties. We meet the needs of our customers with the use of technology and innovation. Mobile apps enhance the handover experience: homebuyers can readily sign off documents, report any issues spotted during the handover, and keep track of repairs and maintenance during the warranty period. We value homebuyers' feedback and collect comments via a survey to drive improvement. This year, we were named Best Overall Developer in Hong Kong by *Euromoney* for the eighth time, and Most Outstanding Company (real estate sector) in Hong Kong by *Asiamoney* for the third time.

Maintaining International Standards in Property Management

Our property management subsidiaries are on the frontlines, putting our customer-first philosophy into action. International standards maintain our robust management and ongoing improvement:

- **Business continuity:** Kai Shing has implemented ISO 22301 Business Continuity Management Systems at ICC. Regular drills ensure the team responds swiftly in the event of business disruptions, while risk-assessment procedures identify high-priority risks
- **Facility management:** Kai Shing was Hong Kong's first company to earn ISO 41001 Facility Management System certification for its management at ICC. We use

technology, such as BIM, digital twin model, Information of Things (IoT) technology and smart lighting controls, to integrate people, place and process, and improve the facility management

- **Customer satisfaction and complaint-handling:** To enhance customer satisfaction, Hong Yip uses ISO 10002-certified Complaints Handling Management Systems to categorize complaints and their causes, and develop improvement plans. We also conduct formal reviews of each complaint received to formulate a prompt response according to the standards
- **Health and safety:** We operate according to OHSAS 18001 and ISO 45001-certified Health and Safety Management Systems and go beyond statutory requirements. Regular audits and reviews ensure the systems operate effectively
- **Information security:** Hong Yip was Hong Kong's first company in the property and facility management sector to earn ISO 27001 Information Security Management certification. We ensure data security with regular reviews and training for staff who handle sensitive customer and company information
- **Service quality:** Our property management and construction subsidiaries have ISO 9001-certified Quality Management Systems. They enhance customer satisfaction through ongoing refinements and adherence to statutory and regulatory requirements. We benchmark our performance against industry best practice to identify areas for improvement. Guidelines and regular training maintain high quality of customer service

Our excellence in property management has earned various awards. For example, a total of 41 properties under our management won 52 awards at the 2021 Excellence in Facility Management Awards. We also earned the Gold Award for Outstanding Security Personnel at the Kowloon West Best Security Awards for two consecutive years. We won Security Services Best Training Award by the Hong Kong Police Force to recognize the pursuit of delivering quality and professional competence of security staff.

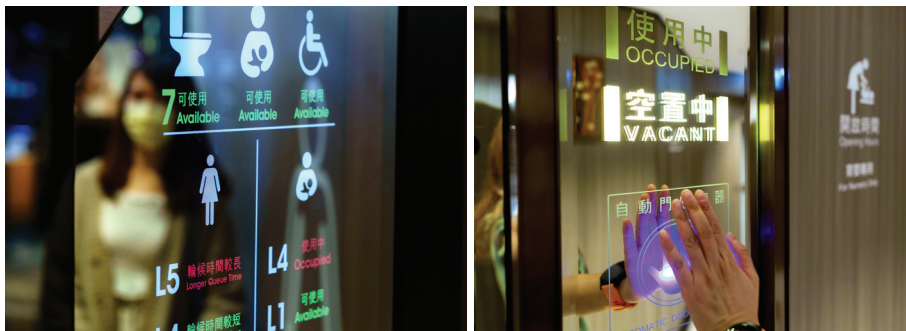


Case Study – Going into an Era of Smart Management

To maintain a competitive edge in our shopping malls and residential developments, we practise smart management that provides multifaceted and attentive services.

Enhancing Customers' Shopping Experience

Since the launch of the Group's largest shopping mall customer-loyalty programme, The Point by SHKP, in 2019, we have constantly offered new exclusive services to our customers. For example, via the app, customers have enjoyed a seamless driving experience with Hong Kong's first and largest Contactless Parking and Auto Payment Parking service network. To date, membership of The Point by SHKP has surpassed nearly two million. This year, The Point by SHKP launched a new payment feature, called Point Dollar. Through this feature, members not only can earn points by registering their electronic payment records, but also convert their points to Point Dollars for spending. 25 of our shopping malls and more than 2,000 merchants accept Point Dollar, providing members with greater choices, convenience and pleasure at our shopping malls. We implemented 5G smart measures such as smart restrooms, smart baby-care and nursing rooms, and smart customer-care centres in our shopping malls. To further enhance customer experience, The Point by SHKP has been upgraded to provide real-time occupancy information for these facilities and services through 5G.



Smart Restrooms and Smart Baby Care Rooms with 5G network and multiple sensors to indicate the availability of rooms and estimated queuing time in the display panel

Improving Convenience to Residents and Tenants

We actively explore opportunities to accelerate the digitalisation of our property management. In addition to the application of IoT in properties, mobile apps for residential developments offer a smart-living experience with functions, including smart-card access, visitor registration, management fee payment, facilities reservation,



Robot team provides services for residents

mail notification and remote control of smart home systems. New additions of robots to our current team will bring various quality services to the next level, covering services not limited to concierge, delivery, catering, security patrol and disinfection. Being able to connect to the cloud system, our robot team is designed to be prime and all-round.

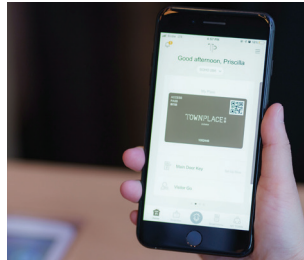
Application at Residential Properties

We use technology proactively at our leasing brands Signature Homes and TOWNPLACE as examples. Signature Homes uses cloud technology for booking flat visits, residential leasing management and tenant services. Virtual tours allow guests to experience show flats remotely and to access comprehensive information. A newly launched smart system for every unit – using unique QR codes – enables users to contact our Tenant Services team directly. Comments and ratings on home-repair services and inquiries can be logged in the cloud, helping Signature Homes optimize efficiency and quality. TOWNPLACE has also developed a 360-degree online virtual tour for show flats. Alongside smart hardware, we take care of residents' well-being by building a TOWNPLACE community with an exclusive mobile app. Tenants – or 'TOWNERS' – connect with each other via online activities such as yoga and fitness.



Case Study – Going into an Era of Smart Management

Hong Yip's self-developed SoProp not only facilitates our daily management but also improves communication between the property management team and customers. SoProp is equipped with Home Automation functions, which enables residents to control their home devices, such as lights, air conditioning and TV directly. LCNext, another function, makes use of Bluetooth and unique technology which allows users to enjoy remote control in mobile apps and touchless panels to access desired floor levels.



TOWNPLACE's exclusive mobile app helps build a sense of community among residents

Application at Office Buildings

Our smart management extends to commercial buildings. The Work e-as-y app, launched by Kai Shing, enables office tenants in Hong Kong and the mainland to access services, such as maintenance, additional air conditioning, cargo lift booking and visitor registration, without the need for direct contact with our staff. It also offers tenants and visitors an interactive way to keep abreast of the latest property notices, announcements of shops in SHKP malls, exclusive offers and restaurant reservations, as well as the real-time indoor air quality, monitored in collaboration with experts from The Hong Kong Polytechnic University.

Application at Back of House Management

Our subsidiary, Superpower, maintains and repairs water-supply systems for more than 1,000 projects, including housing estates, shopping malls, industrial and commercial buildings. The team has leveraged smart management to improve work efficiency. For example, it introduced an intelligent water-pump maintenance system to allow engineers to conduct inspections and maintenance by using tablet, facilitating data integration and analysis and providing professional advice to customers. Another intelligent management system at Superpower's 10,000-square-foot-plus warehouse allows staff to manage inventory by scanning QR codes. This enhances efficiency and quality while meeting the increasing needs of customers.



The team has adopted intelligent transformation in its day-to-day operations

Revitalizing our Hospitality Services

We are passionate about delivering exceptional experiences for every guest, during every stay. Our standards and service training match *Forbes Travel Guide's* Star Ratings standards and of stay abreast changes in the hospitality industry. The training covers meet-and-greet services, party-room handling and telephone courtesy. Refreshment training is also undertaken, and we review departmental procedures regularly to maximize guest satisfaction.

Attractive award schemes motivate our hotel staff. These include the Guest Compliment Award at The Royal Garden and the Royal Plaza Hotel, and the Excellent Service Award at The Royal Garden and the Royal View Hotel. We continually monitor guest satisfaction via online platforms to better understand and respond to their needs. Our outstanding hospitality service is recognized by offline and online travel agencies such as Agoda.com, Booking.com, TripAdvisor and *Forbes Travel Guide*.

This year, we launched a new mobile-based hotel loyalty programme, Go Royal by SHKP. Allied with SHKP's group-wide loyalty programme The Point by SHKP, Go Royal has become the largest hotel and retail loyalty programme in Hong Kong, combining hotel stays and dining, leisure and shopping rewards. With two programmes, one account and a consistent set of bonus points, guests can easily integrate and enjoy hotel stays, dining and shopping in malls.



Dedication to Customers' Health, Safety and Well-being

We protect the health, safety and well-being of guests at our hotels, shopping malls, properties and operations:

- Around 12.5% of sites under our construction and property management subsidiaries hold ISO 45001 Occupational Health and Safety Management System certifications
- Our major shopping malls, offices and residential projects are equipped with automated external defibrillators (AED) and frontline staff skilled in first aid
- Fire system inspections, fire drills and safety talks are undertaken at our buildings annually
- At our hotels, ISO 22000-certified food-safety management is implemented, including regular safety audits and training of staff in food-hygiene requirements. We check the quality of received food via health certificates and test reports. Monthly microbial laboratory tests are conducted for food and beverages, drinking water, ice and swimming-pool water

Since the advent of COVID-19, we have invested HK\$10 million in smart facilities and automation at our shopping malls, including cutting-edge robots, touch-free installations and 5G restrooms. Our property management subsidiaries served 338 housing estates with nearly 800,000 residents. We protected residents by partnering with the Hong Kong Volunteers Against Coronavirus to deliver anti-pandemic supplies, purchasing daily necessities for isolated households and arranging vaccination services at clubhouses. Kai Shing won a Management Award for Business Resilience & Community Contribution (Innovation for Excellence) and a Grand Award at the Anti-epidemic Contribution Awards from Hong Kong Quality Assurance Agency. Hong Yip received Gold seals in the same contest. At hotels, we sterilize hotel rooms on check-out with UV-C and ozone machines, and spray antimicrobial protection in dining, public and entertainment areas. These efforts

were recognized by the Anti-epidemic Hygiene Measures Certification Scheme for the ALVA Hotel by Royal and Royal View Hotel.

Air quality is increasingly a public concern. Most of our properties have held 'Excellent' or 'Good' certifications from the Indoor Air Quality Information Centre since 2006. Nonetheless, Kai Shing partnered with the Hong Kong Polytechnic University to launch a real-time indoor air quality (IAQ) monitoring programme that we believe to be the largest of its kind. In the first phase, IoT-powered monitors were installed in 20 office lobbies to track IAQ in real time. Continual analysis of the data enabled timely adjustments of the filtration system, ensuring high-quality indoor air at all times. IAQ indicators are also available on Kai Shing's Work e-asy mobile app to assist tenants and their staff. We will consider extending the monitoring to cover more locations and a wider variety of buildings.

To enhance our hotel guests' awareness of health, safety and well-being, we provide green, vegetarian and sugar-free menus in restaurants, bike services for in-room guests, smart in-room fitness equipment, healthy grab-and-go food, air purifiers with High-Efficiency Particulate Air (HEPA) filters, green terraces for outdoor walks, natural aromatherapy, and UV-C disinfecting lights in air-handling units.

To further ensure our customers' health and well-being, we also work on implementing WELL building standards at our managed properties. This year, our NOVO Land became the first residential project in Hong Kong with the WELL Building Standard™ version 2 pre-certification and Fitwel two-star rating, they are the world's leading certification systems committed to building health for all, featuring key concepts of the built environment that impact human health and well-being, such as air quality, water quality, nourishment, safety and community, which are implemented and monitored.



Case Study – Catering for Needs of Consumers and Tenants in the New Normal

Outdoor activities grew in popularity in the wake of the pandemic. Consequently, we revitalized the outdoor spaces in our shopping malls by adding urban farms and developing outdoor areas for visitors, children, young people and pet lovers.

New Town Plaza has a new SportZone – Hong Kong's first rooftop turf sports park. It includes a rock-climbing zone, a freestyle fitness zone, a basketball court, a grass jogging trail, five-metre grass slides, 17-metre hanging balance beams and a mountain-themed rest zone. It also features a kids' and pets' park where visitors can take their furry friends for fun, and a first-of-its-kind installation where visitors can camp with their pets. Staircases are decorated with greenery, creating a photo hotspot, and more seats are available to create a leisurely atmosphere.



Kids & Pets Park in New Town Plaza

MOKO refurbished their outdoor park this year. Covering around 18,000 ft², its bird- and floral-themed design was inspired by the Bird Garden and Flower Market, both Mong Kok landmarks. The park is divided into themed zones with many plants and large-scale leisure facilities for parents and children. The design of the park incorporates environmental concepts, for example, the leisure slope facility was made from recycled safety mats.



The new MOKO PARK offers large-scale sports and leisure facilities

APM set up an outdoor glamping site. To showcase a comfortable, leisure-holiday concept, the new site is equipped with indoor and outdoor fun zones with fitness and leisure facilities, making it a popular photo spot for hiking enthusiasts.

Metroplaza introduced unique urban farms to transform commercial food waste into organic fertilizers, and its harvested products are donated to food banks and charitable organizations. Apart from shopping malls, the Group has built urban farms in its residential properties, such as Aegean Coast, Grand YOHO, Valais and Wonderland Villas, to promote green-living lifestyles.

Bike-parking facilities have been introduced at New Town Plaza, Ocean PopWalk, Tai Po Mega Mall, Park Central, V City, V Walk and YOHO Mall. Some of these also offer self-service repair stations and cycling guides. This adds convenience for bike tour lovers and residents shopping by bicycle.



Motivating Service Improvement

Our staff play a valuable role in the continual improvement of our products and services. We recognize their hard work through salary adjustment, promotions and team awards. We also nominate our shopping-mall frontline teams for external awards, to learn from other top talents in the industry.

Quality-Raising Suggestion Scheme

This reporting year was the 28th of our scheme to encourage employees' innovative suggestions for efficiency and service quality. The Quality-Raising Gold Award went to the Rotational Bridge Launching project developed by Sanfield. The technique was adopted at a Yuen Long project to link The YOHO Hub and Yuen Long Station, which helped greatly reduce the construction time of the bridge and thus minimizing impacts on the local residents. This also made us become the first property developer in Hong Kong to introduce this technique. For more details, please refer to the **case study in Value Created for Supply Chain** section.

Best Handover Quality Award

The handover of a property is important: it gives customers a first impression of our product and service quality. Our Best Handover Award recognizes teams that have achieved outstanding performance in this key area. This year, Wetland Seasons Park earned the award for offering the finest building quality, service quality and team spirit to new owners.

Service Talent Award

Our shopping malls' premium customer service is widely recognized by the industry. The Service Talent Award, bestowed by the Hong Kong Retail Management Association, is hailed as the Oscars of the retail trade. This year, SHKP malls and the Customer Care Ambassador teams clinched over 80 awards and other recognitions, including Gold and Bronze in the Retail Excellence Awards. For individual awards, two staff won the Gold Award in the Junior Frontline Level;

and six SHKP shopping malls' customer-care ambassadors won the Silver, Bronze and outstanding performance awards. 14 customer-care ambassadors got full marks under the mystery shopper assessments and were named Excellent Service Stars. APM, Metroplaza and YOHO Mall won Gold, Bronze and a certificate of merit, respectively, in the Retail Excellence Award. Our three properties appeared in the My Favourite Top 10 Outstanding Service Retail Brands, voted by the public. Five properties won the first Top 10 Outstanding Flagship Service Stores Awards.

We have always put a lot of effort into innovation and enhancing the service quality of our managed properties with the integration of IoT and the facility management system. The management system, thus, can respond to environmental changes in real time, increasing the efficiency of resources and improving the quality of our property management services. All these allow us to provide excellent property management services to our customers. For more details, please refer to **Appendix I – Awards, Memberships and Charters** session.

Best Property Safety Management Award

SHKP is committed to providing a safe and healthy environment for all its stakeholders, including customers and tenants. We received numerous awards in the Best Property Safety Management Award in recognition of implementing an effective safety management system and outstanding achievements in occupational safety and health. Oscar by the Sea was awarded Gold in the Residents' RMAA Works Safety Enhancement and Silver in the Best Property Management Award.



Listening to Our Customers

We seek to continually improve our products and services, and thus increase our competitiveness. We regularly seek our customers' advice, feedback and priorities to refine our focus on the issues that matter to them. Customer Satisfaction Surveys are among the ways that feedback is captured.

Latest Result from Annual Customer Satisfaction Surveys

Homebuyers	Office tenants	Shopping mall tenants	Hotel guests
98% rated us 'Good' or 'Excellent'	99% rated us 'Good' or 'Excellent'	99% rated us 'Good' or 'Excellent'	90% rated us 'Good' or 'Excellent'
12,396 surveyed	1,586 Surveyed	6,885 Surveyed	11,911 Surveyed

We closely follow customer-service protocols and procedures. A resolution system handles and addresses complaints while all feedback from shopping malls, offices and residential properties is followed up by relevant divisions within a reasonable timeframe, subject to the nature of the feedback. Customer-service training enhances our staff's skill in handling complaints and challenging situations.

Performance of Hotels	
All complaints	Response within 48 hours
Performance of Property management	
Emergency complaints	Immediate response
Verbal complaints	Verbal response within 10 minutes
Written complaints	Written response within 10 working days

We value all customers and aim to provide quality services to them. Visually and hearing-impaired people visit SHKP malls, some of whom may be our residents, so Hong Yip and its People Development Academy hold regular training workshops on diversity and inclusion. Our employees learn sign language and techniques for guiding the visually and hearing-impaired, to provide appropriate services to customers with particular needs. In addition, we will add more barrier-free facilities at our properties to address the special needs of the customers.

SHKP Club

The SHKP Club, which facilitates two-way communication between members and the Group to build long-term relationships, was established in 1996. It was Hong Kong's first property developer loyalty club and remains the largest of its kind with over 470,000 members. We provide members with the latest information and related offers on properties, shopping malls and other businesses of SHKP, and promote the idea of Loving Homes. The Club also collects real-time feedback from customers via online and offline channels such as surveys, Zoom and social media.



SHKP Club broadcast its prize presentation to bring winners and their families together

Online workshops were presented for members to enhance their home lives



During the pandemic, the Club encouraged its members and their families to be vaccinated, accelerating the establishment of immunity in our community. The Club's Loving Home campaign with the theme of Loving Home Learning Together launched a variety of activities to encourage participants to learn from and appreciate their families, promote the mutual growth of the family, enhance relationships and create a more fulfilling family life. Activities in the reporting year included:

- Exclusive flat viewing activities were offered to members, and their responses were gathered digitally
- Property information was provided for members through the Club's online platforms and social-media
- SHKP Club Day Day Lucky Draw initiative was held for about a month to motivate members and their families to be vaccinated
- Online workshops – such as Francfranc DIY Floral Letter Lamp Online Workshop and Homeless DIY Air Plant Decoration Online Workshop – were co-hosted with our mall tenants to enhance members' home lives
- A guided tour of SmarTone 5G LAB@Sky100 allowed members and their families to experience the latest 5G technology
- The territory-wide My Inspiring Family Coaches Competition – encouraging the public to share how to learn from and appreciate their families, and promote the mutual growth of the family – drew more than 4,000 entries



An interactive digital kiosk at our show flat collected members' feedback



A city-wide lucky draw promoted vaccination and immunity among members and their families

Protecting Customers' Data Privacy

Amid the increasing utilization of digital platforms, we enforce strong cybersecurity and strictly protect customer privacy. Our IT Governance Steering Committee, led by executive management, oversees information security, including the security of our IT infrastructure. The committee reports to the Board to help them oversee our cybersecurity strategy and works closely with the IT department to build security into the daily operations of every business unit.

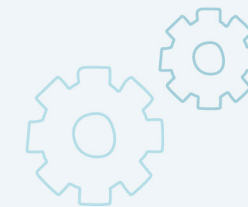
We regularly review and revise policies and procedures to comply with the Personal Data (Privacy) Ordinance and other relevant laws and regulations. We ensure our customers know how their personal information is collected, handled and used via our **Customer Data (Privacy) Policy**. All homebuyers are required to sign a Personal Information Collection Statement, which details the purposes of collecting and the handling of their personal data, with preliminary agreements for the purchase of our properties.

We require all staff to follow the latest customer data handling procedures to prevent breaches. Educating staff on proper security measures is the best line of defence. Frontline staff receive regular training on data-privacy, cybersecurity and customer data-handling developments. This year, online training was provided to introduce cybersecurity trends, policies, tools, Personal Data (Privacy) Ordinance and our data-security measures. Our hotels also provided training on the EU General Data Protection Regulation as they serve international guests. Cybersecurity alerts and tips feature on our intranet to raise staff awareness of data security. Employees may use only endorsed and registered removable drives, and should be aware of fraudulent emails.

Business units are required to follow the detailed internet guidelines which cover website production with design, footers, language usage, content and data collection. Obligations for each business unit during each data-collection process are also highlighted in the guidelines. Any webpage that collects customer data is required to include the Customer Data (Privacy) Policy to comply with relevant laws and regulations. This year, we organized training to our staff for introducing relevant regulations and case sharing.



Value Created for Supply Chain



The Group aims to promote a sustainable supply chain in environmental, social and governance dimensions. We focus on building long-term, mutually beneficial relationships with our suppliers and contractors through active engagement and management.

Material topics addressed in this section:

- Anti-competitive behaviour
- Anti-corruption
- Innovation
- Supply chain management
- Well-being, health and safety



Strategies and Management

Complementing our belief in Building Homes with Heart, we are committed to embedding the SDGs as key principles in our corporate philosophy, and establishing a transparent, resilient and sustainable supply chain. We work with our business partners to advocate ethical and sustainable practices, creating greater value for us and the community at large.

Our **Supplier Code of Conduct** stipulates standards in a number of areas which we expect our suppliers¹, contractors¹ and subcontractors to uphold, including legal compliance, governance, business ethics, environmental protection, health and safety, human rights, equal opportunities and labour practices. Our **Sustainable Building Policy** and green procurement guidelines integrate sustainable considerations into the selection of our suppliers and the sourcing of building materials, building equipment and office products.

Suppliers and contractors are required to comply with applicable environmental and social laws and regulations, including the Waste Disposal Ordinance, the Employment Ordinance and the Occupational Safety and Health Ordinance. They are also required to adhere to our **Environmental Policy, Health and Safety Policy**, quality and business ethics requirements. We encourage suppliers to commit to the principles of the United Nations Global Compact and the Universal Declaration of Human Rights. We have zero tolerance for child and forced labour in our supply chain, and we proactively foster a discrimination-free and inclusive work environment.

A successful sustainability journey relies greatly on suppliers adhering to our standards and requirements. We monitor and evaluate new and existing suppliers' compliance and performance in different aspects with our well-established comprehensive supply chain management mechanism. A vertically integrated approach standardizes the selection and retention of suppliers, the regular assessment of their performance, the risk management along the supply chain and the development of evaluation systems. We prioritize the evaluation of human rights risks in suppliers' compliance and labour management, especially their ability to offer reasonable compensation and a safe working environment. Our tender documents clearly state that all business partners, contractors and suppliers must strictly observe laws and regulations on labour rights and interests to ensure appropriate labour rights protection measures are implemented.

Upholding Sustainability Value in Procurement Decisions

We have an extensive and diverse supplier base providing building materials, building services equipment and office equipment for our property-related businesses and food for our hotels. We use multiple sourcing strategies and suppliers to avoid overreliance on any single source, mitigate supply chain risks and foster fair competition. During the reporting year, we worked with more than 7,198 suppliers and spent more than HK\$9.67 billion. Our five largest suppliers contributed less than 30% of our total purchases.

	Head Office	Construction	Hotels	Property Management
Suppliers (Hong Kong)	91	149	3,812	3,089
Suppliers (non-Hong Kong)	0	3	47	7

In accordance with our green procurement guidelines, we integrate environmental and social factors into our decision-making. We give preference to suppliers and contractors who share our environmental commitments. Priority is given to those who follow ISO 14001 Environmental Management System standards, who comply with the BEAM Plus Scheme, and who adopt green procurement policies and sustainable measures or earn relevant awards. Sanfield, for example, includes environmental concerns in its contractual specifications, encouraging the use of reusable temporary steel platforms, rechargeable power stations for power cranes, and replacing wood formwork with aluminium. In our hotel operations, preference is given to products that are biodegradable or recyclable, Forest Stewardship Council- or Marine Stewardship Council-certified and are reasonably priced. During the reporting year, 39% of our total procurement took environmental factors into consideration. We support small, medium and social enterprises – and, wherever practical, partner with them for our operations and procurement. We also prioritize purchases from local suppliers that support the economy and – by curbing carbon emissions from transportation of materials and products – reduce our carbon footprint. During the reporting year, 99% of our suppliers were local.

¹ Our suppliers and contractors provide cleaning, security, laundry, landscaping, construction activities, E&M services and etc.



Managing Environmental and Social Risks of Our Supply Chain

We identify and assess environmental and social risks along the supply chain, and communicate with suppliers to minimize the impact of those risks. Social factors, such as epidemics, safety incidents and labour disputes, as well as environmental factors, such as natural disasters and extreme weather conditions, including heatwaves or heavy rainfall, can create unstable supply and rising prices of raw materials and services, eventually disrupting our supply chain and operations. To minimize those impacts, we maintain a two-way and transparent communication with suppliers. We stay up-to-date with market information and seek alternative sources with stable supply at reasonable price.

By circulating our Supplier Code of Conduct, we clearly convey to our suppliers and contractors the standards that we expect with regard to quality, environment, energy, labour practice and occupational health and safety. We closely monitor compliance and regularly assess and evaluate the performance of our suppliers and contractors on our tender list. Sustainability-related factors are assessed at least annually for all suppliers and contractors across our subsidiaries. Those who breach laws and regulations, fail to meet tender requirements, commit misconduct, or fail to achieve satisfactory results during the contract period may be downgraded or delisted. Apart from closely monitoring the supply chain, we offer training relating to occupational health and safety, environmental management and anti-corruption to raise their awareness of respective issues. All staff and contractors are also required to attend training on quality assurance at least once every year.

In Sanfield, the use of sustainable materials is integrated into the contract work specifications. Only contractors who fulfil our requirements and pass a preliminary evaluation are considered for tenders. This year, we refined our sustainable supply chain management. A Sustainable Supply Chain Management Guideline is in place, which outlines general principles for vendor registration, tender selection, identification of critical suppliers, performance scoring and risk exposure. We further enhanced our sustainable supply chain risks management by identifying critical suppliers based on procurement spending, and implemented designated evaluation procedures. Critical suppliers refer to suppliers who are highest up in the list

ranked by their awarded contract sum in aggregate and they accounted for more than 50% of the awarded contract sums during the reporting year. The sustainability or ESG performance of critical suppliers and contractors will be evaluated at least once a year via a due-diligence questionnaire, which covers environmental management, pollution control, labour practices, anti-discrimination and human rights protection, occupational health and safety, anti-corruption, code of conduct and whistleblowing mechanism. Risk exposure assessments are reviewed by the management of relevant divisions. We categorize suppliers and contractors with scores, enabling us to identify the sustainability high-risk suppliers or contractors, so that detailed investigations with corrective action plans can be instigated, chaired and overseen by senior management. During the reporting year, Sanfield identified 23 of its 322 suppliers and contractors as Tier-1 critical. No assessed suppliers and contractors were considered to have high sustainability risks.

In addition, we conduct regular inspections and assess the sustainability performance of all suppliers, contractors and subcontractors biannually at the construction sites during the contract period, covering work quality, environmental awareness and measures, efficiency and site safety. The safety and environmental issues, particularly air pollution, waste and wastewater, could be identified and managed. Their on-site performance scores are recorded in our system and will also be considered when continuing tenders.

All suppliers and contractors of our property management subsidiaries are required to sign an Environmental, Occupational Health and Safety (OHS) Commitment, and to comply with our environment and energy-related policies. To foster sustainable practices across our supply chain and the industry at large, we give preference to suppliers who integrate occupational health and safety as well as environmental management into their operations. For example, OSH Star Enterprises that pass the Occupational Safety and Health Council's strict safety audits are preferred for repair, maintenance and alterations. Suppliers who participate in the Environment and Ecology Bureau's Energy Saving Charter and 4T Charter Schemes are particularly



welcome to submit tenders. This year, COVID-19 continued to disrupt tendering and threaten our supply chain. In response, Hong Yip further utilized self-developed online tendering system, ePro. Leveraging the Short Message Service (SMS) technology, the system combines the functions of online tender invitation, submission and tender opening. Our suppliers could receive tender invitations and submit their tenders via the ePro system, which helped mitigate the transmission risk of COVID-19 and foster paperless work practices.

In our hotel business, food safety is a priority. As such, we uphold high standards for food processing and transportation. All suppliers are required to sign a Food Safety Declaration Form and Health Declaration form, and to comply with our safety and quality standards. During preliminary qualification checks, suppliers must submit business registration documents, food factory licenses, product laboratory test reports, food health and safety certificates, and food-grade certificates to prove their materials meet our safety and quality requirements. To maintain our standards, we periodically assess suppliers' product quality, punctuality of deliveries and aftersales service through questionnaires, food sample laboratory tests, pre-delivery quality checks and end-product quality surveys. We conduct annual audits and on-site inspections to check personal hygiene, food processing and storage conditions, waste management, site safety, the validity of food safety certifications, chemical storage management, equipment cleaning and pest control. Special attention is given to high-risk products such as ready-to-eat food and fresh seafood. In instances of non-compliance, immediate rectification is required, followed by a re-audit. During the reporting year, 100% of our active suppliers fulfilled the requirements of our food audits.

We strive to reduce our environmental and social impacts with suppliers and contractors through the adoption of new technologies. For example, we engaged a third party to tailor energy solutions for our construction sites, and phase out diesel-driven energy generators by adopting Enerainers. To date, 15 Enerainers have been equipped in our construction sites, saving around 2,800 tonnes of carbon emissions.

Our efforts to manage environmental and social risks and impacts across the supply chain have been recognized by award associations:

- The Sai Sha Road Widening Comprehensive Development Project used hybrid reality and 3D visualizations to facilitate sustainable construction, while on-site sensors monitored and managed the health of more than 1,600 trees. This innovative approach earned the Gold Award at the HKAEE 2020
- Our Wetland Seasons Park project received the Leading Environmental Initiative Awards at the ESG Leading Enterprise Awards 2021, in recognition of its success in balancing development and environmental protection
- Our smart construction solution 'SmartWorks' – which uses 5G to enhance construction workers' health, safety and operational efficiency – won the Leading Social Initiative Award at the ESG Leading Enterprise Awards 2021



Enerainers at construction sites



Case Study – Leveraging Technology to Add Value in Construction

We work with our business partners to utilize innovative technology in construction, to foster sustainable practices, enhance safety and efficiency, and minimize our impact on the environment and the community.

Adoption of Robotic Technology at Construction Sites

We proactively deploy innovative technology in construction sites to ensure quality, enhance efficiency and reduce waste. An AI-based glass-inspection robot was introduced to inspect facade glass in glass fabrication plants before shipping to sites, and after installation to replace traditional human inspections and minimize errors in quality checking. By leveraging the built-in laser illuminated multi-surface scanning system and AI-based human perception defect prediction engine with fuse visual and geometric features, the robot conducts flaw-checking of glass panes and detects line defects width greater than 0.1mm and mini dots with defect size greater than 0.5mm. In addition, it provides digital records between glass-fabrication plants and respective sites for traceability, greatly enhancing our monitoring process on building quality.

To prevent hazards caused by human error and to enhance overall construction safety, we seek opportunities to replace high-risk manual operations with innovative technology. Our Sai Sha project, for example, is considering using robots for painting and plastering.

Adoption of the 'Rotational Bridge Launching Construction' in Hong Kong

SHKP successfully accomplished the first-ever rotational bridge launching construction at The YOHO Hub, applying such methods to build two bridges that link The YOHO Hub to Yuen Long Station on the Tuen Ma Line. To begin with, we set up a steel turntable system on site that connects the assembled bridge structures to the system. Following that, we rotated the bridge structures by 180 degrees horizontally before they were finally lowered onto their permanent bearing supports using vertical strand jack systems.

Meticulous planning and preparation are required for these innovative techniques. To ensure that we could carry out the task, we gathered around 300 experienced staff, consultants and specialist subcontractors to plan the construction, and invited bridge and heavy-lifting experts from overseas to carry out independent reviews. In addition, we adopted Building Information Modelling (BIM) at the preliminary design stage to simulate all possible worst-case scenarios so as to better prepare ourselves for any challenges that might arise, ensuring the construction was safe and efficient. For example, the entire rotational launching system was designed to withstand hurricane-level wind forces even during the course of the rotation.

Despite a higher cost, the new technique enabled greater efficiency by shortening the bridge construction time by nearly 60%. We were able to complete the two bridges at The YOHO Hub in just four midnights, thereby greatly minimizing the adverse impacts on the surrounding facilities and residents.

With safety as our top priority, this innovative method enabled all steel and facade erectors to work at much lower elevations. Simultaneously, the risks of disturbing the railway operations and public-road users were kept to a minimum. The two bridges unobtrusively appeared in the Yuen Long community without any unnecessary nuisances and in the safest manner. For more details, please watch the video [here](#).



The first-ever rotational bridge launching construction at The YOHO Hub is expected to be operated in 2023



Collaboration with Industrial Partners

In 2018, we invested considerable resources to enhance our capabilities in BIM and Design for Manufacturing and Assembly (DfMA), which is a principal strategy for increasing construction productivity and strengthening our competitiveness to deliver higher quality products to our valued customers. In 2021, we organized the first-ever summit BIM and DfMA. Our long-standing partners, including experienced architects, surveyors and engineers, were invited to share their insights on creating greater value for our stakeholders by utilizing the application of BIM and DfMA. We have strong beliefs in the importance and future potential of BIM and DfMA in the construction industry. Our senior executives offered support by expressing their determination to join hands with the partners to nurture young talents to scale new heights in furthering growth and success.

As BIM and DfMA have continued to be rooted and developed in our daily operations, we will be more capable of meeting our customers' needs by delivering higher-quality products. Looking ahead, we will closely integrate innovation into our operations and business development. We are committed to investing additional resources in construction innovation with great potential and facilitating the architectural and structural designs of various professional practitioners. We aim to embed sustainability considerations, building quality and efficiency into the whole property development lifecycle from planning, design and construction to sales/leasing, property management and customer services, thereby achieving a win-win outcome for both SHKP and its long-standing partners.

Ensuring Safe Construction Sites

Workplace health and safety is our prime concern, and we particularly focus on safe construction sites. We uphold strict standards by observing relevant laws and regulations as well as our own Health and Safety Policy. Our safety targets, which apply to all construction sites, and to all employees, whether from SHKP or from our contractors – include:

- Zero fatal accidents
- Fewer than 0.5 serious accidents per 1,000 workers (work-related injuries that result in hospitalization for more than 21 days, loss of 20% of working ability, or fatalities)
- Fewer than 7.5 accidents per 1,000 workers

All contractors are required to strictly follow our Health and Safety Policy, health-and-safety protocols and all relevant environmental and occupational health-and-safety (OHS) standard to avoid work-related injuries and fatalities. They are also required to operate OHS systems that conform to ISO 45001 certifications.

We closely monitor construction sites' efforts to meet our safety targets. A safety app is also under development to better manage health and safety at sites. For those that fall short, project managers and site agents are required to attend a Safety Executive Committee meeting and submit action plans to enhance performance. To foster a safety-first culture, we encourage workers to alert supervisors or site managers regarding work-related hazards or hazardous situations, and to consider leaving unsafe work environments without fear of reprisal. Employees' safety performance is considered and reflected in the annual performance bonus. During the reporting year, the accident rate for our contractors at construction sites – calculated using methodology adopted by the Hong Kong Construction Association – was 10.3 per 1,000 workers. This was much lower than the industry average of 29.5 per 1,000². It is regrettable that one fatality among our contractors was recorded during the reporting year. Our senior management immediately conducted a review meeting and accident investigation. Comprehensive safety checks and lifting appliances maintenance were undertaken. Construction resumed only after safety enhancements that satisfied Labour Department's requirements. To prevent the recurrence of similar incidents in the future, all lifting appliances repair and maintenance works shall be subject to permit to work and we will take all necessary measures such as provide regular construction safety course to our contractor and subcontractor to enhance their occupational safety and health knowledge.

To achieve our internal target of fewer accidents and zero fatalities, we continue to enhance awareness of safety standards and guidelines. Before construction begins, health-and-safety training – tailored to the specific conditions of each site – is offered to all workers. During construction, site-specific training covers complex procedures that require specialist knowledge. Toolbox talks are also conducted weekly, or whenever there are changes in procedures. During the reporting year, over 1.1 million attendances were recorded for health and safety training that covered topics such as the safe use of lifting equipment, working at height, safety card

² Industry rate is calculated on the calendar year. Reference was made to Occupational Safety and Health Statistics Bulletin (August 2022) from the Hong Kong Labour Department.



renewal, manual material handling, general safety management, onsite housekeeping and hazard identification. We also offered our contractors health talks and awareness training that covered alcohol, drugs and smoking.

Risk identification, assessment and management are key to preventing onsite accidents. Our internal site-safety professionals conduct compliance audits quarterly. We also appoint external professionals to conduct bi-annual audits in accordance with the Factories and Industrial Undertakings (Safety Management) Regulation. Upon completion of each project, safety evaluations explore areas for improvement in future projects. To obtain the most reliable data on work-related accidents and injuries, we continued to waive standard industry fees levied on claims for contractors.

This year, we continued to implement preventive measures at our sites, and encouraged staff to conduct COVID-19 tests to identify cases. We offered free nucleic acid tests for more than 2,400 employees, workers and contractors at our site in Tuen Mun. Active testing of COVID-19 prevented outbreaks at our sites and ensured that projects could be completed on time. Apart from these, we executed remote product inspections via video cameras in factories before delivery to manage risk while ensuring the quality of the products.

Anti-corruption

We are determined to uphold the highest standards of business ethics and strive to prevent corruption and bribery along the value chain. The Board is responsible for the oversight of anti-corruption policy and any business ethics issue. Under the supervision of the Board, we strictly abide by the Prevention of Bribery Ordinance, and the standards stipulated in our Anti-corruption Policy, **Code of Conduct** and Supplier Code of Conduct. To foster ethical business practices, we communicate our standards to all staff during their induction. Soliciting, accepting or offering advantages are strictly prohibited, as are gifts or entertainment from and to business partners, including suppliers and contractors. All related standards and requirements are freely accessible on our intranet and website.

To strengthen the awareness of all directors and employees, we provide regular refresher training on industry-specific ethical standards and anti-corruption practices. This year, we also invited the ICAC to host seminars on governance and business ethics for all our employees to ensure their understanding and compliance with our requirements on integrity. Directors were provided with additional training materials on anti-corruption and business ethics. We provided more than 3,500 hours of the above training to all directors and 12,851 of our employees during the reporting year.

We have zero tolerance for corruption, bribery, money laundering, extortion, anti-competition, fraud, false declarations and other malpractices across the supply chain. Our business-ethics standards for suppliers and contractors are stipulated in the Supplier Code of Conduct, available on our online vendor platform, ensuring all relevant parties are aware of them. Tendering companies must declare any potential or apparent conflict of interest. Vendors involved in actual or suspected corruption cases would be suspended from tendering or removed from the approved list. During the reporting period, we did not knowingly work with any suppliers or contractors who contravened our anti-bribery and corruption policy.

We encourage internal and external stakeholders to report concerns about misconduct, malpractice, impropriety, and unethical or unfair treatment via our whistleblowing mechanism. Staff may consult or report suspected cases via suggestion boxes, our grievance procedure or report to their immediate supervisors. The Whistleblowing Policy features examples of impropriety and details of how investigations are conducted to ensure the anonymity of whistleblowers. The Audit and Risk Management Committee has overall responsibility for the policy and mechanism, while the Group Head of Internal Affairs and the Head of Internal Audit oversee its implementation. Major issues in the case will be reported to the Audit and Risk Management Committee for review. In case of suspected corruption or other criminal offences, a report will be made to either the Chairman and Managing Director or Audit and Risk Committee or relevant law enforcement authorities to decide the best course of action. During the reporting year, there were no material breaches of the Code of Conduct and laws relating to anti-corruption and competition.

Our anti-corruption efforts rely on a robust corporate governance. For more information, please refer to the **Corporate Governance Report** section of our Annual Report 2021/22.

Anti-competitive Behaviour

We aim to create a prudent and just supply chain that fosters fair competition. We abide by the Competition Ordinance and strictly prohibit any anti-competitive behaviour. To uphold our commitment, we regularly update and evaluate our list of qualified and pre-approved companies to prevent bid-rigging during tendering. To promote fair competition, we invite only companies on our list for tendering and strictly monitor the number of invitees.

Our anti-collusion requirements are stipulated on all tender documents. We require all applicants to sign integrity and anti-collusion confirmation letters to declare that there is no anti-competitive behaviour in their operations. To raise employees' awareness of anti-competition, we invited external professionals to host online seminars during the reporting year.



Value Created for Community



3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	11 SUSTAINABLE CITIES AND COMMUNITIES

The Group puts into practice our long-standing belief in Building Homes with Heart and acts in line with the needs of the communities in which we operate. We invest in promoting reading and holistic development among youth, encouraging sports for charity and supporting the underprivileged to create a long-term positive impact.

Material topics addressed in this section:

- Affordable housing in Hong Kong
- Community investment
- Economic performance
- Sustainable buildings
- Well-being, health and safety



Strategies and Management

SHKP pays close attention to the community's needs and responds proactively. Our Corporate Social Responsibility Committee, led by senior executives, oversees our community investments and partnerships with charitable organizations. We collaborate with NGOs and other stakeholders to promote long-term, sustainable community programmes. Our work in the community is three-pronged:

- (1) Encouraging reading and holistic development, especially among youth;
- (2) Promoting sports for charity and healthy living; and
- (3) Providing care for the underprivileged.

The strategies that guide our investment in, and promotion of, well-being in the community are:

- Building close partnerships with NGOs and other stakeholders
- Encouraging direct participation by our staff
- Promoting long-term, sustainable community programmes
- Contributing to the community through strategic use of resources and networks as well as applying the skills of our staff

Our commitment and contributions to the community have earned widespread recognition. During the reporting year, we were named a Caring Company for the 20th consecutive year by the Hong Kong Council of Social Service. 37 of our business units – from shopping malls and hotels to property management and construction companies – were awarded the same honour for the 10th or 15th consecutive year. We contributed HK\$102 million to charity and in-kind sponsorships, and paid HK\$5,655 million in tax during the reporting year.

SHKP Volunteer Team

Formed in 2003, the SHKP Volunteer Team creates synergy and long-term value for our community. The staff volunteers are committed to an 'ABC caring spirit' philosophy:

- A:** Association to work as a team
- B:** Belief in Building Homes with Heart
- C:** Commitment to serve the community and to reach out to those in need



The SHKP Volunteer Team provides home inspections and floor-tiling services for elderly residents

This year, the SHKP Volunteer Team has partnered with the Caritas Community Centre – Ngau Tau Kok to run the SHKP Peer Support Programme for underprivileged families. Our volunteers were paired up with participating families to build mutual trust and friendships through various interactions to help relieve their anxiety in life. Their children were encouraged to develop interpersonal relationships through activities to enhance their sense of belonging to their family and society, educating them to care for the community.



Our volunteers offered home-inspection services and basic renovations to elderly people living alone, disabled people and underprivileged families. Utilizing their technical experience and knowledge, our volunteers published and distributed a pre-move checklist and a renovation guide, and trained up our community volunteer partners, who would provide continuous assistance to the respective beneficiaries, fostering a spirit of volunteerism in the community.

The team also extended its support to people facing challenges from the pandemic. Apart from calls and video conferences, we organized gift-bag distributions during festivals. The bags included festive food, anti-pandemic items and stationery for children, offering all round support to families in need. Our volunteers also made a mosaic photo stand and arranged individual poon choi packages to celebrate the moving-in of residents to the redeveloped Pak Tin Estate.

We encourage employees to participate in philanthropy by providing training and insurance that covers volunteering activities. To date, the team consists of 3,000 volunteers and in 2022, it contributed more than 65,000 hours of charity work¹. We were honoured to have received the Highest Service Hour Award (Private Organizations – Category 1) from the Social Welfare Department in 2020 for the 15th consecutive year, and the Most Supportive Organization title from the Construction Industry Volunteer Awards.

Reading and STEM Education among Youth

Reading and Holistic Development	
Objective	Promote a happy reading and learning culture among youth
Approach	<ul style="list-style-type: none"> • Spread the joy of reading through SHKP Reading Club programmes and initiatives • Inspire youth's interest by sharing experiences and book recommendations on our Read for More online platform • Promote reading via seamless online and offline experiences

Reading supports the development of both individuals and the society. Accordingly, we have focused investment on igniting youth's passion for books. The SHKP Reading Club is an open and complimentary hub which organizes various activities, programmes and competitions for the community. Amid the pandemic, the SHKP Reading Club continued to offer reading and sharing opportunities for youth. To date, the Club has enrolled more than 57,000 members in Hong Kong and on the mainland.

Read for More Online Platform

Our interactive online platform Read for More was launched in 2019 to promote reading and sharing among youth. With inspiring and accessible multimedia content about STEM (Science, Technology, Engineering and Mathematics), technology, Chinese culture and literature, it has attracted more than 835,000 users and three million page views cumulatively. We produced a lot of brilliant content for people to maintain a healthy and cheerful lifestyle amid the pandemic. This year, SHKP Reading Club partnered with The Federation of New Territories Youth Foundation and the Tai Po Youths Association to launch the Read for More anti-pandemic writing contest, inviting all Hong Kong secondary and university students to recommend an inspiring book in their writing. Over 200 articles from 67 schools were received, and 15 students were awarded. Outstanding writings are published on the online platform, using words to cheer for Hong Kong. Please visit [Read for More](#) website for details.



¹ Volunteer hours are calculated by calendar year.

Read to Dream

This year, we continued our partnership with St. James' Settlement and the Hong Kong Trade Development Council to host one of the SHKP Reading Club's signature programmes, Read to Dream. Since its launch in 2008, the programme has reached more than 29,000 upper primary and junior secondary students from underprivileged families. Read to Dream 2021 introduced online content during the six-week summer vacation, including broadcasts of reading videos featuring student ambassadors and celebrities as well as book allowances. Offline activities, including drama performances at schools and cultural tours to a local fishing village, were conducted. The programme – in collaboration with The Federation of New Territories Youth Foundation and the Tai Po Youths Association, benefited more than 1,500 students.



The SHKP Reading Club collaborates with NGO to host the Tai O cultural tour for underprivileged families

Read & Share Programme

The SHKP Reading Club collaborated with the Hong Kong Aided Primary School Heads Association for the eighth year to promote reading in schools each year. This year, the SHKP Reading Club visited 29 secondary schools. This involved sponsorships and outreach activities. A range of STEM activities were provided, including experts sharing examples of STEM in daily life, alongside talks on the relationship between STEM and ancient Chinese texts and culture to demonstrate the application of innovation and technology. 5G LAB visit tours at Sky100 were also organized for a number of schools.

Contributing to Healthy Lifestyles and Exercising for Charity

Sports for Charity and Healthy Living

Objective	Encourage healthy lifestyles and Sports for Charity
Approach	<ul style="list-style-type: none"> Organize and/or sponsor signature charitable sporting events and other initiatives to advocate the Spirit of Sports for Charity to help the underprivileged children and youths Promote the fun of exercise and the importance of a healthy and sustainable lifestyle to the public

SHKP Sports for Charity Initiatives

To ensure the health and safety of participants and the public during the pandemic, our signature Sports for Charity events – the SHKP Vertical Run for Charity - Race to Hong Kong ICC and the Sun Hung Kai Properties Hong Kong Cyclothon – were cancelled. Nonetheless, we showed our continuous support for the development of underprivileged children and youth through various funded community charity projects.

Funded projects running in the reporting year included:

- Entering phase three of our collaboration with The Boys' & Girls' Clubs Association of Hong Kong for the SHKP Science & Innovation Project for the Gifted. This provided free STEM courses for gifted children from low-income household. More than 300 students and their families were benefitted from the first and second phase projects
- Supporting children and youth who face difficulties in the SHKP Rainbow with KIDS project since 2017. Operated by the Hong Kong Council of Social Service and four participating organizations, the project has helped more than 700 adolescents and their families recover from crises: it offered both physical and online training, therapy and counselling to those in need during pandemic. A closing ceremony in September 2021 celebrated the achievements of this project
- Supporting local sports development with sponsorships. We were the sponsor for the HKSAR Delegation to the 14th National Games and we supported the SHKP HK 10K Championships
- Sharing the joy of the extraordinary results achieved by the Hong Kong Team at the 2021 Olympic Games. Competition livestreaming and complimentary energy drinks were available at 12 SHKP malls



Due to the pandemic, the following activities were placed on hold:

- Partnering with J Life Foundation for the SHKP The Starting Line, which equips underprivileged children with life and communication skills. It also aims to boost parents' ability to care for and communicate with their children
- Considering the arrangement of extra-curricular activities from the Education Bureau, the SHKP Cycling Academy x SLS Physical Fitness Training Scheme has been postponed since 2020

We will continue to monitor the impact of COVID-19 and strive to resume Sports for Charity programmes and activities when it is safe to do so. Meanwhile, we will explore alternative ways to promote sports and healthy lifestyles. Please visit **Sports for Charity** website for details.

SHKP Cycling Academy

Since 2018, SHKP has supported the SHKP Cycling Academy, led by the Cycling Association of Hong Kong. Systematic track training enhances students' willpower and skills, and the academy holds interschool competitions to promote the Exercise for Good philosophy. This year, three new training centres at secondary schools were



Roadshow of the SHKP Cycling Academy Training Centre

launched. They are permanent facilities that are set to become the cradle for the Hong Kong Cycling Team. To date, approximately 400 students from nearly 20 secondary schools have participated. More than 100 students have received track cycling passes to ride at the Hong Kong Velodrome and nearly 5,000 students have participated in cycling promotion activities.

Sponsoring the SHKP Supernova Cycling Team

To promote cycling among youth, we have since 2019 sponsored the SHKP Supernova Cycling Team. Underprivileged but talented and passionate cyclists between the ages of 12 and 18 receive professional training. This year, six of its members have joined the Hong Kong Cycling Team and represented Hong Kong at international events. One joined a six-month professional training programme in Australia, competing in high-level European races.

Amid the pandemic, virtual sports competitions have become a new convention. To show our continuous commitment to cycling sport development and advocate the megatrend of metaverse, five sessions of the SHKP Supernova Virtual Series Race were organized. Apart from the individual race which attracted about 110 local and international riders, 12 teams enthusiastically participated in the newly introduced team race. Cyclists competed on the metaverse through a cycling app with various landscapes, including mountains, beaches, cities and forests. The virtual races acted as an alternative tool for cyclists to practice and stay in top shape under the difficulties affecting outdoor training.



SHKP Supernova Virtual Series Race gathers cyclists in the metaverse

Sun Hung Kai Properties Hong Kong 10K Championships



SHKP's staff participate in the Sun Hung Kai Properties Hong Kong 10K Championships

SHKP collaborated with the Hong Kong Association of Athletics Affiliates to become the title sponsor of the Sun Hung Kai Properties Hong Kong 10K Championships. About 1,500 contestants, including over 80 SHKP staff, participated in the race, staged in Tin Shui Wai in late August 2021 with runners starting on Wetland Park Road. A series of precautionary measures were implemented, but they did not affect runners' passion.



Caring for the Community

Caring for the Underprivileged

Objective	Support the needy
Approach	<ul style="list-style-type: none"> • Sponsor charitable and educational programmes in Hong Kong and on the mainland • Provide timely and critical support to families in need, via our Building Homes with Heart Caring Initiative • Encourage employees and their families to volunteer • Donate and support community development and worthy causes

SHKP collaborates with organizations on community projects to support the underprivileged. This year, we continued our signature events, including the Building Homes with Heart Caring Initiative, supported by the SHKP Volunteer Team, the SHKP-Kwoks' Foundation and the youth startup platforms.

Building Homes with Heart Caring Initiative

This year, we focused on people in need during traditional festivals. We distributed 3,000 gift bags of festive food and anti-pandemic items at the Mid-Autumn Festival. To support children returning to school, stationeries were included in these gift bags. During Chinese New Year, we delivered 4,000 bags to the elderly. At the Dragon Boat Festival, 3,000 gift bags filled with festive rice dumplings, other food items and anti-pandemic items were delivered to elderly people. Meanwhile, SHKP volunteers learnt to make rice dumpling decorative items, which were delivered to the elderly to spread festive cheer.



The Building Homes with Heart Caring Initiative collaborates with social welfare organizations to distribute gift bags

Elderly Care from Business Units

Kai Shing's management team visits elderly people to provide them with anti-pandemic items and information, and helps them purchase daily necessities. The team also invites elderly people to participate in volunteer work, enhancing their

sense of belonging to the community. Honouring its efforts in caring for the community, Kai Shing received the Gold Award at the Hong Kong Excellent Carers Election, organized by the Hong Kong Association of Gerontology.

Sanfield showed support and sponsored the recent Construction Industry Lo Pan Rice Campaign under the Construction Industry Sports & Volunteering Programme. Sanfield volunteers showed their care by distributing free Lo Pan Rice to the singleton elderly, unemployed and low-income families in Kwai Chung and Jordan. Sanfield gave out over 300 lunch boxes and food goodie bags, sending their warmest blessings to the community.

SHKP Offering Timely Support Under Emergency

SHKP and its subsidiaries embrace the spirit of Building Homes with Heart and strive to provide the best possible services under any circumstances. During the power failure in the Northwestern New Territories in June 2022, our property management subsidiaries reacted swiftly and provided instant support to residents at their managed properties. Back-up and transportable power supplies were put in place to maintain lighting for public areas and emergency purposes. The clubhouses remained open with light and water overnight. Apart from assisting residents on-site, staff sourced sufficient food supplies and stayed in close contact with the electricity company and operators of the security system and elevators to monitor the situation.

Supporting Noah's Ark – Walk With You Student Sponsorship Campaign

Noah's Ark Hong Kong, developed and operated by SHKP, is actively involved in ESG education. Since its opening in 2009, it has partnered with 1,700 local charities to organize more than 10,000 life education and public welfare activities, with more than 700,000 people participating. Of these participants, about 50% were children and youth, and 50% were underprivileged, the elderly, disabled and chronically ill patients. In all of this, the park actively contributed to the promotion of environmental protection and caring for the underprivileged and elderly. Starting from 2020, SHKP is one of the sponsors for supporting the Noah's Ark – Walk With You Student Sponsorship Campaign. The campaign focuses on providing support



to students from underprivileged families. Food and anti-pandemic items were distributed to students along with hotel rooms and buffets, not only to support their day-to-day needs, but also to encourage and cheer them up. The programme also offered academic support by providing online classes and mobile devices to students. To date, the programme has benefitted over 5,200 students with donations of over HK\$1.3 million. Under the influence of the fifth wave of COVID-19, the programme collaborated with universities and NGOs to host over 100 online classes related to STEM, art and environmental protection, benefitting over 1,800 underprivileged students aged between 6 and 15.

Video Series on Dementia Care and Prevention

Forgetfulness, continually squabbling with others for no reason, and loss of judgement are some of the early signs of dementia. In Hong Kong, one in 10 people aged 70 or above, and one in three aged 85 or above suffer from dementia. It is important to know how to properly take care of them. At the invitation of the Sun Hung Kai Properties Charitable Fund, Professor Linda Lam from the Department of Psychiatry, of the Faculty of Medicine of The Chinese University of Hong Kong, hosted an eight-episode video series, called Living Well with Dementia. Professor Lam introduces the symptoms of and treatments for dementia. The programme also has four guests, who share their experience and knowledge. Video series were released on the YouTube channel of Master Insight. Short clips of the episodes were also shown on buses of Kowloon Motor Bus (KMB) and digital panels at their bus stops to reach a wider audience.



PeaceBox campaign 2022



SHKP's internal affairs staff enjoy Community Chest Dress Casual Day

Supporting Charitable and Fundraising Events by Social Welfare Organizations

We continue to collaborate with social welfare organizations. Since 2014, Hong Yip has partnered with external organizations on PeaceBox, a campaign that delivers love and blessings around the city every Easter. In the past eight years, over 70,000 peace boxes have been donated to the needy. This year, peace boxes containing daily necessities, food, toys, stationery and anti-pandemic items were delivered to underprivileged families, elderly people and the homeless.

The annual Community Chest Dress Casual Day received enthusiastic support from our employees. Over 20 departments and nearly 350 colleagues from the head office participated.

Better than Ever Art Exhibition

We understand arts and culture are key components that enhance quality of life. Through supporting multi-cultural development, we bring diverse art experiences to the public and strive to enrich people's life experience through arts and culture, enhancing the values within the communities. To celebrate the 25th anniversary of Hong Kong's return to the motherland, SHKP sponsored the Better than Ever art exhibition at the Sky100 Hong Kong Observation Deck. The exhibition featured original works by Qi Baishi and over 20 contemporary art masters whose works are rarely exhibited outside of the mainland. In addition, bauhinia artworks created by young Chinese artists were introduced at the exhibition, demonstrating the Group's efforts to promote the cultural well-being of Hong Kong.



During the exhibition period, the public can register and visit the exhibition for free



Case Study – Timely Support to Fight Fifth COVID Wave

In the anti-pandemic race, every second counts. When the fifth wave of COVID-19 severely affected Hong Kong, SHKP responded swiftly and continues to fully support the fight against the pandemic:

- Lending at no cost two pieces of land in Tam Mi and San Tin with a combined site area of 14 hectares to the government for building community isolation facilities (CIFs) to help alleviate the immense pressure on the public healthcare system
- Providing places in two commercial premises at Millennium City in Kwun Tong and Landmark North in North District as venues for community vaccinations. This offered convenience to the elderly and children in those districts, boosting the vaccination rate for these two high-risk groups
- Providing timely support from our River Trade Terminal subsidiary to expedite mainland supplies of critical materials including CIF cabins and other anti-pandemic materials to Hong Kong
- Setting up 5G infrastructure efficiently from Smartone for most of the CIFs to facilitate their operations and management critical to the intake of people for isolation
- Providing 400,000 COVID-19 rapid-test kits to frontline anti-pandemic forces, the underprivileged and the Group's employees
- Distributing 30,000 anti-pandemic caring kits to people in urgent need and those under isolation



SHKP provided space as isolation facilities and vaccination centres

- Offering two hotels with about 1,000 rooms for isolation in support of the Community Isolation Facility Hotel Scheme
- Providing 1,000 SIM cards to underprivileged children, so they could learn online while schools were closed
- Providing 25 medical grade disinfection robots to the Hospital Authority, strengthening hygiene at public hospitals and clinics
- Donating supporting materials worth more than HK\$15 million in total



SHKP delivered 30,000 caring kits to the underprivileged and to frontline healthcare workers

Our property management subsidiaries collaborated with Hong Kong Volunteers Against Coronavirus to collect anti-pandemic items in the communities and deliver them to needy households. We supported the government's distribution of anti-pandemic packs, benefiting more than 800,000 residents in over 200,000 units. We also helped isolated residents purchase daily necessities and arranged vaccination services at clubhouses in residential developments. We further protected customers at our shopping malls and office buildings: smart technology was used for disinfection, monitoring and improving indoor air quality. We will continue to closely monitor the pandemic situation and support the community.

On the mainland, the Group and the Kwok family donated RMB three million to the Shanghai Charity Foundation in April to fully support Shanghai's fight against the pandemic and help ensure the supply of essential materials to the city. The Group firmly believes that with efforts and support from all sectors of the community, the city will beat the pandemic, enabling the local economy to recover shortly.



Transitional Housing - United Court for Underprivileged Families

To develop a large-scale transitional housing project, SHKP has partnered with the Hong Kong Sheng Kung Hui Welfare Council to provide land at a nominal rental in Yuen Long. United Court was opened in June this year, becoming Hong Kong's largest project of such in full operation. The project adopted MiC construction methods and took less than 20 months from application, construction to completion, reflecting high efficiency from the teams and partners. A total of 1,800 units with various room types are provided and it is expected to house up to 5,000 families. Its people-oriented design includes amenities ranging from recreational spaces to social enterprise stores and weekend markets. Employment assistance and vocational training will be offered to residents where appropriate and practical.



United Court is one of the largest transitional housing project in Hong Kong

Multigenerational Housing Project for the Youth and the Elderly

While our first multigenerational housing project at Tung Shing Lei in Yuen Long is currently underway, we are also putting extra effort into developing another mega residential project in Sai Sha, which also embraces a multigenerational living concept. The architectural designs of some units incorporate an 'adaptable-unit' approach, providing more flexible and amenable layouts and features that cater to elderly residents' needs, including wider corridors and door openings, extra turnaround space, larger washrooms with additional handrails, etc. We offer caring services such as housekeeping, meals, health fitness planning, interest groups, mentoring programmes and activities to bond seniors and younger generations in the estate. We also provide clubhouses, wellness hubs with medical services and convenient transport links that accommodate the needs of the elderly and encourage their interactions with the community. Through the mix of age-friendly designs, supportive facilities and caring services, elderly residents can reside comfortably and happily in the same housing complex along with their children and grandchildren.

Supporting the Community Through SHKP-Kwoks' Foundation

The SHKP-Kwoks' Foundation has supported the country's call to fight poverty since 2002. To date, it has been involved in about 80 charity projects and sponsored more than RMB710 million, with over 68,000 beneficiaries across 28 provinces and cities. The Foundation has also supported about 10,500 beneficiaries to complete their secondary, undergraduate and postgraduate studies, as well as professional training.

The foundation has invested in supporting China's underprivileged during this reporting year:

- Signed the fourth donation agreement for the Hunan University scholarship, which was set up almost 20 years ago. Total donations exceeded RMB16 million, benefitting nearly 3,000 students. The scholarship alumni initiated the New Wing Fund donation project in 2018 to pass on the spirit of helping others. In line with this, Hunan University is planning to set up a SHKP-Kwoks' Foundation Scholarship Programme to sponsor student to develop their abilities and explore opportunities for internships and exchange programmes
- Signed the donation agreement for scholarship programme with Southwest University, which was set up in 2007. Total donations of RMB10 million have benefitted nearly 2,500 students

This year, the Foundation continued to provide scholarships and bursaries in various tertiary education institutes on the mainland and abroad, helping promising students from low-income families complete their studies. Our student unions and alumni have actively participated in community care services by providing voluntary teaching services to primary and secondary students in remote rural villages, visiting homes of the elderly and helping our country to combat various diseases. To promote the Chinese culture, the Foundation continued to collaborate with The Academy of Chinese Culture to publish Lectures on the Chinese Culture series – Chinese Culture and Contemporary China, comprising a series of works by famous academics. This funded project will allow a wider public to have a better understanding of Chinese culture.

Supporting Startups via Hong Kong X-Tech Startup Platform

SHKP values young entrepreneurs and strives to promote technological advancements. This year, we continued to provide fully equipped office premises for the Hong Kong X-Tech Startup Platform (HKX) which has committed to and invested in seven new startup projects and will continue to look for other startups with potential. SHKP and HKX have also co-organized a series of student events on the latest technologies, aiming to link industry experts with our younger generation in Hong Kong to promote entrepreneurship.



Appendix I – Awards, Memberships and Charters

Awards and Recognitions

Organizer	Award	Awarded Unit
Asiamoney	2021 Asia's Outstanding Companies Poll • Most Outstanding Company in Hong Kong – Real Estate Sector	SHKP
Bloomberg Businessweek	ESG Leading Enterprise Awards 2021 • ESG Leading Enterprise Award • Leading Environmental Initiative Award • Leading Social Initiative Award	SHKP
Chartered Institution of Building Services Engineers	CIBSE HK Awards 2021 • Project of the Year Award – Commercial Industrial Building – Merit • Facilities Management Team Award – Merit	Hong Yip • Port 33 Kai Shing • V city
Corporate Governance Asia	Asian Excellence Award 2021 • Asia's Best CSR • Hong Kong's Best Environmental Responsibility	SHKP
CTgoodjobs	Best HR Awards 2021 • Employer of the Year – Grand Award • Best HR Leader of the Year • Excellent HR Professional Award • HR Rising Star of the Year • Learning and Development Team of the Year	Hong Yip & Kai Shing
	• Best Corporate Social Responsibility Award – Gold Award • Best L&D Technology Implementation Award – Grand Award • Recruitment Team of the Year	Hong Yip
	• Best Change Leadership Strategy Award – Grand Award • HRBP Team of the Year	Kai Shing
Environmental Campaign Management Committee	Hong Kong Awards for Environmental Excellence 2020 • Property management (residential) – Gold Award • Outstanding Green Achiever Commendation Scheme • Property management (Commercial & Industrial) – Gold Award	Hong Yip • Wonderland Villas Kai Shing • YOHO Midtown Hong Yip • Wonderland Villas Kai Shing • V city
Employees Retraining Board (ERB)	ERB Manpower Developer Award Scheme • ERB Excellence Award for Employers	Hong Yip
Euromoney	Real Estate Awards 2021 • Best Developer (15 categories)	SHKP
Federation of Hong Kong Industries (FHKI)	BOCHK Corporate Environmental Leadership Awards 2021 • Bronze	Hong Yip • Wonderland Villas • Tsuen Wan Plaza (Shopping Arcade) Kai Shing • New Town Plaza

FinanceAsia	Asia's Best Companies 2022 • Asia's Best Real Estate Company • Hong Kong's Best Managed Company • Hong Kong's Most Committed to High Governance Best Standards • Hong Kong's Most Committed to Environmental Stewardship • Hong Kong's Most Committed to Social Causes • Hong Kong Most Effective in Creating and Implementing D&I Policies over the Past 12 Months	SHKP
Fullness Social Enterprises Society	Tithe Ethical Consumption Movement • Social Enterprise Supporter Plus Award 2021	Hong Yip
Green Council	Hong Kong Green Awards 2021 • Green Management Award (Service Provider): Large Corporation and SME	Kai Shing • 14 properties
Hong Kong Green Building Council and the Professional Green Building Council	Green Building Award 2021 Existing Buildings Category: Facilities Management • Grand Award • Merit Award	Hong Yip • Valais Kai Shing • MOKO Hong Yip • Port 33 Kai Shing • Grand Century Place
Hong Kong Quality Assurance Agency	Business Resilience & Community Contribution Awards 2021 • Grand Award • Management Award for Business Resilience & Community Contribution (Innovation for Excellence) • Gold Seal (22 properties) • Silver Seal (2 properties)	Kai Shing
Hong Kong Retail Management Association	2021 Service Talent Award Property Management – Junior Frontline Level category • Gold Award • Silver Award • Bronze Award • Outstanding Performance Award Retail Services – Supervisor Level category • Silver Award • Bronze Award	Kai Shing • Tai Po Mega Mall Kai Shing • New Town Plaza Phase I Kai Shing • Metropolis Plaza Hong Yip • Tsuen Wan Plaza Hong Yip • Tsuen Wan Plaza Kai Shing • New Town Plaza Phase I
	Excellent Service Stars	Kai Shing • 6 properties Hong Yip • 3 properties



Hong Kong Retail Management Association	Retail Excellence Award	
	• Grand Award	Kai Shing
	• Bronze Award	• APM Kai Shing Metroplaza
	• Merit Award	Kai Shing YOHO Mall
	My Favourite Top 10 Outstanding Service Retail Brands	Kai Shing • 3 properties
JobsDB	Top 10 Outstanding Flagship Service Stores	Kai Shing • 5 properties
	Outstanding Flagship Service Brands	Hong Yip • 2 properties Kai Shing • 14 properties
	New Participating Brands – Junior Frontline Level category	Hong Yip • K-Point
JobMarket	The Hong Kong HR Awards 2021/2022	Hong Yip
Occupational Safety & Health Council	• Employer of the Year	
	• HR Team of the Year	
	Employer of Choice Award 2021	Hong Yip & Kai Shing
	• Employer of Choice Award	
Occupational Safety & Health Council	• COVID-19 Caring Employer	
	• Learning & Development Award	Hong Yip
	• Innovative Technology Development Award	
	• Workplace Culture Change Award	Kai Shing
	• Corporate Training Excellence	
	The 20th Hong Kong Occupational Safety & Health Award	
	• Rookie Safety Performance Award – Outstanding	Hong Yip • Tsuen Wan Plaza (Shopping Arcade) • Management Office of Fortune Plaza
	• Safety Performance Award	Kai Shing • New Town Plaza
	• OSH MVP Award – 10 Years Plus	Hong Yip • Chateau Royale
	• OSH MVP Award – 10 Years Plus	Hong Yip & Kai Shing
The 9th Best Property Safety Management Award		
Best Property Management Award in Occupational Safety and Health		
• Gold Award	Kai Shing • New Town Plaza	
• Silver Award	Hong Yip • Oscar by the Sea	
• Bronze Award	Hong Yip • Imperial Cullinan	
• Merit Award	Kai Shing • Landmark North	

Occupational Safety & Health Council	Best Property Management Award in Residents' RMAA Works Safety Enhancement	Hong Yip • Oscar by the Sea • St. Moritz • Tsuen Wan Plaza (Shopping Arcade)
	• Gold Award • Silver Award • Bronze Award	
Reader's Digest	Best Safety Enhancement Programme	Hong Yip • VALAIS
	• Silver Award	
SocietyNext Foundation	Trusted Brand 2021	SHKP, Hong Yip & Kai Shing, APM
	• Platinum Award (Property Developer) • Gold Award (Property Management Company) • Gold Award (Shopping Mall)	
The Hong Kong Chapter of International Facility Management Association (IFMA)	ESG Care Label	Hong Yip & Kai Shing
	Asia Pacific Awards of Excellence 2021	
	Environmental Stewardship Award	Kai Shing • YOHO Midtown
	• Certificate of Merit	
	Facility Management Strategy Award	Kai Shing • Millennium City 1,2,3 & 6 Management Services Office
The Hong Kong Council of Social Service	• Second Runner Up	
	Facility Management Technology Award	Kai Shing • V Walk
	• First Runner Up	
The Hong Kong General Chamber of Small and Medium Business	20 Year Plus Caring Company logo	SHKP, Hong Yip, Royal Park Hotel, and Royal Plaza Hotel
	15 Year Plus Caring Company logo	Kai Shing, Sanfield and The Royal Garden Kai Shing • 14 properties
	10 Year Plus Caring Company logo	Royal View Hotel Kai Shing • 19 properties
The Hong Kong Institute of Facility Management	2021 Partner Employer Award	Kai Shing Hong Yip
	• Partner Employer 10 years Award • Partner Employer 5 years Award	
The Hong Kong Institute of Facility Management	Excellence Facility Management Award 2021	
	Excellence in Facility Management Award	Kai Shing • Grand award • Millennium City 5
	• Excellence Award	Hong Yip • 2 properties Kai Shing • 33 properties
	• Merit Award	Hong Yip • 3 properties Kai Shing • 6 properties



The Hong Kong Institute of Facility Management	Theme Award (Facility Hygiene) <ul style="list-style-type: none"> • Gold Award • Silver Award • Bronze Award 	Kai Shing <ul style="list-style-type: none"> • Grand YOHO • V Walk Kai Shing <ul style="list-style-type: none"> • Metroplaza Hong Yip <ul style="list-style-type: none"> • The HKMU Jockey Club Institute of Healthcare Kai Shing <ul style="list-style-type: none"> • East Point City (Residential) • Tai Po Mega Mall • Apec Plaza
	FM People Award <ul style="list-style-type: none"> • Gold Award • Silver Award • Bronze Award 	Kai Shing <ul style="list-style-type: none"> • Grand Century Place Kai Shing <ul style="list-style-type: none"> • Grand YOHO Kai Shing <ul style="list-style-type: none"> • MOKO • New Town Plaza
The Institute of Shopping Centre Management	ISCM Awards 2021	
	Best Rejuvenate Shopping Centre <ul style="list-style-type: none"> • Excellence • Merit 	Hong Yip <ul style="list-style-type: none"> • Harbour North Kai Shing <ul style="list-style-type: none"> • New Town Plaza
	Best Property Management Team <ul style="list-style-type: none"> • Grand Award • Excellence • Merit 	Kai Shing <ul style="list-style-type: none"> • World Trade Centre Kai Shing <ul style="list-style-type: none"> • Metroplaza Hong Yip <ul style="list-style-type: none"> • Tsuen Wan Plaza Kai Shing <ul style="list-style-type: none"> • Landmark North • MOKO
	Best Corporate Social Responsibility Project <ul style="list-style-type: none"> • Grand Award • Merit 	Kai Shing <ul style="list-style-type: none"> • Metroplaza Kai Shing <ul style="list-style-type: none"> • Tai Po Mega Mall

TripAdvisor	Travelers' Choice Award	ALVA Hotel by Royal, Royal Park Hotel, Royal Plaza Hotel and Royal View Hotel
World Green Organization	Green Office Awards Labelling Scheme (GOALS)	Kai Shing <ul style="list-style-type: none"> • 15 properties

Memberships and Charters

Memberships

- Business Environment Council (Founding Member since 2002)
- Employers' Federation of Hong Kong (Corporate Member since 1994)
- Hong Kong General Chamber of Commerce (Member since 1977)
- The Chamber of Hong Kong Listed Companies (Corporate Member since 2004)
- The Hong Kong Council of Social Service of The Caring Company Scheme Patron's Club (Jade Member since 2007)
- The Hong Kong Green Building Council (Gold Patron Member since 2011)
- The Real Estate Developers Association of Hong Kong (Corporate Member since 1974)

Charters

- 4T Charter of Hong Kong Environment and Ecology Bureau and Hong Kong Electrical and Mechanical Services Department (Signatory since 2017)
- BEC Low Carbon Charter (Signatory since 2021)
- Carbon Neutrality Partnership by Hong Kong Environment and Ecology Bureau (Signatory since 2021)
- Carbon Reduction Charter and Carbon Audit • Green Partner of Hong Kong Environmental Protection Department (Signatory since 2009)
- Charter on External Lighting of Hong Kong Environment and Ecology Bureau (Signatory since 2016)
- Charter on Preferential Appointment of OSH Star Enterprise of Occupational Safety and Health Council (Signatory since 2016)
- Charter on the Sales of First-hand Residential Properties of Estate Agents Authority (Signatory since 2018)
- Energy Saving Charter of Hong Kong Environment and Ecology Bureau and Hong Kong Electrical and Mechanical Services Department (Signatory since 2016)
- Glass Container Recycling Charter of the Environmental Protection Department (Signatory since 2016)
- 'Let's Save 10L Water' 1.0 & 2.0 Campaign of Hong Kong Environment Bureau and Hong Kong Water Supplies Department (Signatory since 2015)
- Organ Donation Promotion Charter of Department of Health (Signatory since 2016)



Appendix II – Stakeholder Engagement Process and Materiality Analysis Methodology

Stakeholder Engagement Process

We recognize that engaging stakeholders is of crucial importance in understanding their needs, which leads to how we perform our current practices and prepare for the future. Since 2013, SHKP has been conducting formal stakeholder engagement exercises to obtain feedback on our sustainability strategy and performance annually through focus groups and/or surveys and interviews. A three-year stakeholder engagement approach was adopted in 2018/19. We invite a group of stakeholders for in-depth discussions on an annual basis, and this is supplemented by a survey every three years for effective stakeholder engagement and opinion collection. Sustainability professionals and representatives from different stakeholder groups have been invited to form our stakeholder review panel to allow us to be kept informed of their expectations, needs, concerns, and to understand our potential and actual impacts on them economically, environmentally and socially. Through dialogues with stakeholders, we work to proactively and effectively mitigate negative and maximize positive impacts. The feedback also allows us to review the priorities of sustainability topics and provide guidance to make informed decisions and actions to respond to future sustainability challenges.

Stakeholder engagement has been embedded in our daily operations. We engage with our stakeholder groups through various approaches, from casual day-to-day interactions and meetings to formal surveys, to ensure their expectations are effectively met.

Stakeholder groups	Key methods of engagement
Customers and Tenants (including residents, commercial and industrial building tenants and hotel corporate clients)	<ul style="list-style-type: none"> • Apps from property management • Club Royal • Concierge, retail stores, call centres, customer hotline, online and mobile phone applications • Customer satisfaction surveys • E-mail • Go Royal • SHKP Club • The Point by SHKP • Website and social media
Employees	<ul style="list-style-type: none"> • Employee engagement activities • Interviews • Intranet • Meetings • Performance review • Quality Raising Suggestion Scheme • SHKP Quality Academy • Staff surveys • Training • Work Safety Suggestion Scheme
Government and Regulators	<ul style="list-style-type: none"> • Interviews • Meetings • Public consultation
NGO Partners	<ul style="list-style-type: none"> • Community programmes run by the SHKP Reading Club, SHKP Vertical Run for Charity and the SHKP Volunteer Team • Interviews
Professional Bodies and Academia	<ul style="list-style-type: none"> • Industry forums • Interviews
Shareholders and Investors	<ul style="list-style-type: none"> • Analyst briefings and annual general meetings • Annual and interim reports • Investor forums and conferences

Shareholders and Investors	<ul style="list-style-type: none"> • Investor meetings and conference calls • Investor Relations page on SHKP's website • Overseas roadshows
Suppliers	<ul style="list-style-type: none"> • Audits and assessments • Interviews • Meetings • Ongoing direct engagements • Online tendering system • Sanfield vendor portal e-platform • Supplier assessment
Media Partners and Social Media	<ul style="list-style-type: none"> • Meetings • Press conferences • Website and social media
Joint-Venture Partners	<ul style="list-style-type: none"> • Real estate industry trade associations and advisory groups

Materiality Analysis Methodology

We adopt a three-step approach to identify, prioritize and validate the materiality of relevant ESG topics for management and disclosure. We have engaged an independent consultant to conduct a stakeholder engagement exercise to identify material economic, environmental and social impacts along our value chain and to align this Report with the Group's strategies and stakeholders' expectations. Guided by the AA1000 Stakeholder Engagement Standard, we invited stakeholders to rank the importance of sustainability issues and provide comments on the Group's sustainability. This allows us to identify issues that are material to the Group's sustainable development and prioritize the topics covered in this Report, according to the principles of stakeholder inclusivity, materiality, responsiveness and impact, as defined in the latest AA1000 AccountAbility Principles and GRI Sustainability Report Standards.

Step 1: Identifying ESG Topics

With reference to previous materiality analysis, the independent consultant identified a broad range of sustainability issues related to the Group's economic, environmental and social impacts and performance based upon the consideration of stakeholders' feedback, the latest sustainability and industry trends and peer benchmarking. ESG topics are categorized into six key themes:

- Economic and general
- Environment
- Human rights
- Product responsibility
- Society
- Workplace practices

Step 2: Ranking ESG Topics

We engaged our stakeholders including employees, customers, NGO, partners, investors, academia, suppliers, industry peers and media partners via online surveys on a regular basis, from which they ranked the relative importance of ESG topics to the Group on a scale of 1 to 6 (with '1' being not important at all and '6' being very important). Moreover, stakeholders were asked to review preceding years' identification of material topics and whether the topics should remain unchanged or additional topics should be considered. The ESG topics were plotted in a matrix with their positive relative to the degree of importance to stakeholders and significance of the impact to the Group's business as a result of how it addresses or performs for each of the ESG topics.

Step 3: Validating the Results

Qualitative feedback from stakeholder review panel, which consist of representatives of different stakeholder groups, including employees, contractors, tenants, youth representatives, investors, academia and industry experts, were collected to validate the ranked results. After analyzing stakeholder input, with the assistance of independent consultants, the Sustainability Steering Committee reviewed and approved the scope, topic boundaries and completeness of the prioritized material topics.



Appendix III – Performance Tables

Environmental Performance - Operations in Hong Kong

	Unit	2021/22 ¹	2020/21 ²	2019/20 ³
Greenhouse gas (GHG) emissions within the Group				
Direct GHG emissions (scope 1)	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	40,751	37,885	42,750
Indirect GHG emissions (scope 2)	tonnes CO ₂ e	212,262	208,992	266,658
Indirect GHG emissions (scope 3) - Business air travel	tonnes CO ₂ e	28 ⁴	7	-
GHG emission intensity (Scope 1&2)				
Head office	tonnes CO ₂ e/m ²	0.074	0.069	0.076
Construction	tonnes CO ₂ e/m ²	0.010	0.008	0.007
Property management	tonnes CO ₂ e/m ²	0.044	0.044	0.058
Hotels	tonnes CO ₂ e/room night	0.033	0.032	0.045
Waste disposal within the Group				
General waste	tonnes	110,634	115,582 ⁵	109,657
Construction and demolition waste ⁶	tonnes	55,273 ⁸	42,668	28,379
Waste recycled within the Group				
Paper	kg	1,806,345	2,362,147	2,770,874
Plastic	kg	123,800 ⁷	52,054	37,020
Metal	kg	35,388	16,915	15,301
Used cooking oil	kg	10,855	10,645	13,928
Food waste	kg	302,365	318,327	473,249
Glass	kg	67,905	57,987	42,425
Construction and demolition waste	tonnes	407,069 ⁸	272,069	672,583
Hazardous waste collected and recycled within the Group⁹	kg	11,591	-	-
Energy generation within the Group				
Total renewable energy generated and exported - Solar¹⁰	kWh	303,329	255,437	-
Energy consumption within the Group				
Total energy consumption	Gigajoules (GJ)	2,440,866	2,437,070⁵	2,514,719
Head office	GJ	11,280	9,898 ⁵	9,622
Construction	GJ	186,546 ⁸	141,063 ⁵	118,556
Property management	GJ	1,970,486	2,013,643 ⁵	2,172,285
Hotels	GJ	272,554	272,466 ⁵	214,255

	Unit	2021/22 ¹	2020/21 ²	2019/20 ³
Energy intensity				
Head office	GJ/m ²	0.51	0.44 ⁵	0.43
Construction	GJ/m ²	0.112 ⁸	0.086	0.061
Property management	GJ/m ²	0.42	0.43	0.47
Hotels	GJ/room night	0.33	0.34	0.36
Electricity consumption				
	GJ	1,748,473	1,781,566	1,735,467
	kWh	485,686,943	494,879,342	482,074,068
Head office	GJ	6,527	6,446	6,289
	kWh	1,813,068	1,790,536	1,746,884
Construction	GJ	58,560 ⁸	51,214	58,136
	kWh	16,266,802 ⁸	14,226,118	16,148,947
Property management ¹¹	GJ	1,455,475	1,497,864	1,495,953
	kWh	404,298,543	416,073,375	415,542,421
Hotels	GJ	227,911	226,042	175,089
	kWh	63,308,530	62,789,313	48,635,817
Gas consumption				
	GJ	554,909	557,266	716,464
Head office	GJ	277	259	241
Construction	GJ	- ¹²	-	5,625
Property management	GJ	511,098	511,866	672,448
Hotels	GJ	43,534	45,141	38,150
Fuel consumption				
	GJ	137,485	98,238⁵	62,788
Head office	GJ	4,476	3,193 ⁵	3,092
Construction	GJ	127,986 ⁸	89,849 ⁵	54,795
Property management	GJ	3,913	3,913 ⁵	3,884
Hotels	GJ	1,110	1,284 ⁵	1,016

¹ Environmental data of 2021/22 include head office, 21 construction sites, 87 buildings from property management, and 5 Royal brand hotels.

² Environmental data of 2020/21 include head office, 30 construction sites, 87 buildings from property management, and 5 Royal brand hotels.

³ Environmental data of 2019/20 include head office, 34 construction sites, 82 buildings from property management, and 4 Royal brand hotels.

⁴ The increase in scope 3 emission is due to the increased business trips recovering from COVID-19.

⁵ Data of 2020/21 is updated to reflect actual situation.

⁶ We have enhanced our recycling practice at construction sites and harmonized the calculation methodology recycling data to reflect actual situation since 2019/20. Therefore, figures since 2019/20 cannot be used for direct comparison with historical data.

⁷ The recycling practice are further enhanced and more plastic is used during COVID-19, resulting in increase in plastics recycled.

⁸ Data variance is due to a number of construction sites are in superstructure stage, resulting in increase in energy, electricity, fuel, diesel, waste disposal and recycled.

⁹ Hazardous waste are collected by licensed waste collectors, including batteries, electronic and electrical waste, fluorescent lamp and toner cartridge, etc.

¹⁰ The energy generated by the Group was exported to the Government's Feed-in Tariff Scheme.

¹¹ The data refers to electricity consumption of common area and air conditioning system in office buildings, shopping malls and residential properties.

¹² Gas consumption by construction sites was not significant.



Social Performance - Operations in Hong Kong

	Unit	2021/22 ¹	2020/21 ²	2019/20 ³
Diesel consumption	L	3,653,137	2,581,939	1,603,158
Head office	L	5,647	3,628	3,405
Construction	L	3,538,318 ⁸	2,464,968	1,479,233
Property management	L	102,502	102,164	107,594
Hotels	L	6,670	11,179	12,926
Petrol consumption	L	194,781	165,268	173,590
Head office	L	122,362	87,727	92,830
Construction	L	47,783	52,658	62,074
Property management	L	- ¹³	224	1,344
Hotels	L	24,636	24,660	17,341
Water consumption within the Group				
Total water consumption	m ³	2,707,629¹⁴	3,033,605	2,392,227
Head office	m ³	5,524	5,021	4,676
Construction	m ³	562,790	799,833	367,158
Property management	m ³	1,614,502 ¹⁴	1,729,332	1,619,701
Hotels	m ³	524,813	499,419	400,692
Water intensity				
Head office	m ³ /m ²	0.25	0.23	0.21
Construction	m ³ /m ²	0.34	0.49	0.19
Property management	m ³ /m ²	0.34 ¹⁴	0.37	0.35
Hotels	m ³ /room night	0.64	0.62	0.67
Major construction materials used				
Concrete	m ³	569,964	449,069	346,569
Bricks	piece	1,521,856	2,250,297	1,619,481
Steel	tonnes	120,471	143,009	81,962

¹³ Petrol consumption by property management operation was not significant.

¹⁴ Water consumption data of the eight managed properties remains unavailable from the Water Services Department at the time of the Report publication, thus the respective water consumption is estimated. The data shall be updated in the next Sustainability Report.

	Unit	2021/22		2020/21		2019/20	
Employment practice		Permanent	Contract	Permanent	Contract	Permanent	Contract
Total workforce by employment contract¹⁵		24,335	3,035	22,866	3,098	21,964	4,290
Head office	no. of people	1,656	23	1,634	20	1,627	24
Construction	no. of people	3,328	97	3,048	61	2,976	67
Property management	no. of people	17,786	2,814	16,565	2,925	15,867	4,113
Hotels	no. of people	1,565	101	1,619	92	1,494	86
		Male	Female	Male	Female	Male	Female
Total workforce by gender		15,068	12,302	14,639	11,325¹⁶	14,891	11,363
Head office	no. of people	843	836	843	811	844	807
Construction	no. of people	2,547	878	2,381	728	2,312	731
Property management	no. of people	10,707	9,893	10,442	9,048	10,804	9,176
Hotels	no. of people	971	695	973	738	931	649
Total workforce by age group							
Head office							
Under 30	no. of people		223		207		218
30 – 50	no. of people		913		932		949
Above 50	no. of people		543		515		484
Construction							
Under 30	no. of people		511		506		527
30 – 50	no. of people		1,597		1,452		1,407
Above 50	no. of people		1,317		1,151		1,109
Property management							
Under 30	no. of people		1,592		1,805		1,916
30 – 50	no. of people		5,324		5,581		5,860
Above 50	no. of people		13,684		12,104		12,204
Hotels							
Under 30	no. of people		389		392		388
30 – 50	no. of people		826		883		807
Above 50	no. of people		451		436		385

¹⁵ Seasonal and part-time employment does not cause significant variations to the total workforce.

¹⁶ The figure has been restated to reflect the actual situation in that year.



Social Performance - Operations in Hong Kong

	Unit	2021/22		2020/21		2019/20	
		Male	Female	Male	Female	Male	Female
New hire¹⁷ by gender (number and rate¹⁸)							
Head office ¹⁹	no. of people	149	198	85	101	87	92
	%	17.7	23.7	10.1	12.5	10.3	11.4
Construction ²⁰	no. of people	785	363	533	262	415	197
	%	30.8	41.3	22.4	36.0	17.9	26.9
Property management ¹⁹	no. of people	4,305	4,784	3,717	3,638	4,011	4,259
	%	40.2	48.4	35.6	40.2	37.1	46.4
Hotels ¹⁹	no. of people	340	263	249	160	81	85
	%	35.0	37.8	25.6	21.7	8.7	13.1
New hire by age group (number and rate²¹)							
Head office¹⁹							
Under 30	no. of people	143		84		86	
	%	64.1		40.6		39.4	
30 – 50	no. of people	187		97		86	
	%	20.5		10.4		9.1	
Above 50	no. of people	17		5		7	
	%	3.1		1.0		1.4	
Construction²⁰							
Under 30	no. of people	282		269		197	
	%	55.2		53.2		37.4	
30 – 50	no. of people	505		274		215	
	%	31.6		18.9		15.3	
Above 50	no. of people	361		252		200	
	%	27.4		21.9		18.0	
Property management¹⁹							
Under 30	no. of people	1,459		1,014		1,115	
	%	91.6		56.2		58.2	
30 – 50	no. of people	1,837		1,969		2,258	
	%	34.5		35.3		38.5	
Above 50	no. of people	5,793		4,372		4,897	
	%	42.3		36.1		40.1	
Hotels¹⁹							
Under 30	no. of people	197		116		52	
	%	50.6		29.6		13.4	

	Unit	2021/22		2020/21		2019/20	
		Male	Female	Male	Female	Male	Female
30 – 50	no. of people	276		221		63	
	%	33.4		25.0		7.8	
Above 50	no. of people	130		72		51	
	%	28.8		16.5		13.2	
Employee turnover²² by gender (number and rate²³)							
Head office ²⁴	no. of people	127	155	70	89	36	66
	%	15.1	18.5	8.3	11.0	4.3	8.2
Construction ²⁴	no. of people	350	117	239	85	134	48
	%	13.7	13.3	10.0	11.7 ¹⁶	5.8	6.6
Property management ²⁴	no. of people	2,044	2,155	1,897	1,924 ¹⁶	1,479	1,454
	%	19.1	21.8	18.2	21.3	13.7	15.8
Hotels ²⁴	no. of people	367	288	334	243	125	122
	%	37.8	41.4	34.3	32.9	13.4	18.8
Employee turnover²² by employee category (number and rate²⁵)							
Managerial ²⁴	no. of people	183		124		81	
	%	13.1		9.6		6.1	
Officer-grade ²⁴	no. of people	718		483		332	
	%	24.5		16.4		11.5	
Supporting ²⁴	no. of people	821		603		497	
	%	24.1		17.6		14.4	
Operational ²⁴	no. of people	3,881		3,671		2,554	
	%	19.8		20.1		13.7	

¹⁷ The internal transfer rate in 2021/22 is 13.7%, which is calculated by the number of colleague internal transfer over the total new hire.

¹⁸ New hire rate refers to total number of new hire of the gender group per the total number of employees of the corresponding gender group.

¹⁹ New hire for head office, property management and hotel increased significantly as the company gradually recovered from COVID-19 and to replenish manpower due to the increased labour mobility in the market.

²⁰ New hire for construction increased significantly due to our peak period in construction projects.

²¹ New hire rate refers to total number of new hire of the age group per the total number of employees of the corresponding age group.

²² The definition of employee turnover follows respective industry standards according to business nature. For our hotel business, turnover is defined as employees who leave the company voluntarily or due to retirement, dismissal or other reasons. For our head office, construction and property management business, voluntary turnover is included in the calculation. The total voluntary employee turnover rate in 2021/22 is 20.2% and that in 2020/21 is revised to 18.5%.

²³ Turnover rate refers to the total number of employee turnover of the gender group per the total number of employees of the corresponding gender group.

²⁴ The recovery from COVID-19 has resulted in changing job market in 2021/22. Nonetheless, the number of new hire increased and compensated the turnover.

²⁵ Turnover rate refers to total number of employee turnover of the employee category per the total number of employees of the corresponding employee category.



Social Performance - Operations in Hong Kong

	Unit	2021/22	2020/21	2019/20
Employee turnover²² by age group (number and rate²⁶)				
Head office²⁴				
Under 30	no. of people	95	52	38
	%	42.6	25.1	17.4
30 – 50	no. of people	171	97	56
	%	18.7	10.4	5.9
Above 50	no. of people	16	10	8
	%	2.9	1.9	1.7
Construction²⁴				
Under 30	no. of people	121	157	70
	%	23.7	31.0	13.3
30 – 50	no. of people	232	111	76
	%	14.5	7.6	5.4
Above 50	no. of people	114	56	36
	%	8.7	4.9	3.2
Property management²⁴				
Under 30	no. of people	701	573	478
	%	44.0	31.7	24.9
30 – 50	no. of people	1,238	1,152	815
	%	23.3	20.6	13.9
Above 50	no. of people	2,260	2,096	1,640
	%	16.5	17.3	13.4
Hotels²⁴				
Under 30	no. of people	182	163	60
	%	46.8	41.6	15.5
30 – 50	no. of people	318	292	93
	%	38.5	33.1	11.5
Above 50	no. of people	155	122	94
	%	34.4	28.0	24.4
Occupational health and safety				
Total number of work-related fatalities	no. of people	0	0	0
Work-related fatalities rate	per 1,000 workers	0	0	0

	Unit	2021/22		2020/21		2019/20	
Lost time injury frequency rate - employees ²⁷	Number of lost time injury (N) per million hours worked	6.22		5.99		6.45	
Lost time injury frequency rate - contractors	N per million hours worked	3.38		3.45		2.98	
		Male	Female	Male	Female	Male	Female
Injury rate ²⁸	per 1,000 workers	21.04	27.39	23.43	29.49	17.12	24.82
Lost days ²⁹	days	15,714	23,825	16,815	22,577	12,786	21,010
Lost day rate ³⁰	%	0.26		0.25		0.23	
Absentee rate ³¹	%	1.25 ³²		0.96		0.91	
Development and training		Male	Female	Male	Female	Male	Female
Average training hours per employee by gender and employee category							
Managerial	hours	16.4	17.1	17.1	20.6	14.8	15.5
Office-grade	hours	21.8	29.3	20.3	31.5	16.9	18.8
Supporting	hours	7.5	9.5	7.2	10.4	3.4	5.2
Operational	hours	6.0	3.3	6.6	4.2	5.5	3.1
Total / Average training hours for health and safety at construction sites	hours	434,990		365,773		333,952	
	hours per employee	15.9		14.1		12.7	
Anti-corruption³³ and anti-competition							
Reported case of corrupt practices	no. of cases	0		0		0	
Reported case of anti-competitive behaviour	no. of cases	0		0		0	

²⁶ Turnover rate refers to total number of employee turnover of the age group per the total number of employees of the corresponding age group.

²⁷ The lost time injury frequency rate in the past three years has been revised to enhance the data accuracy.

²⁸ Injury rate refers to work-related injuries with sick leave equal to or greater than three days per the total number of employees of the corresponding gender group.

²⁹ Lost day refers to sick leaves due to all types of work-related injuries.

³⁰ Lost day rate refers to sick leaves due to all types of work-related injuries per the scheduled working days of the total number of employees.

³¹ Absentee rate refers to all types of work-related injuries and non-work-related sick leaves per the scheduled working days of the total number of employees.

³² The increase in absentee rate is due to the impact of the COVID-19 fifth wave.

³³ The total number of anti-corruption training hours in 2021/22 is 3,751 including both internal and external training.



Environmental Performance - Operations on the Mainland

	Unit	2021/22 ¹
Greenhouse gas (GHG) emission within the Group		
Direct GHG emissions (scope 1)	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	4,451
Indirect GHG emissions (scope 2)	tonnes CO ₂ e	51,211
GHG emission intensity (Scope 1&2)		
Head office	tonnes CO ₂ e/m ²	0.10
Property management	tonnes CO ₂ e/m ²	0.10
Waste disposal within the Group		
General waste	tonnes	14,552
Waste recycled within the Group		
Paper	kg	181,178
Plastic	kg	18,676
Metal	kg	755
Used cooking oil	kg	9,501
Food waste	kg	4,854,133
Glass	kg	17,296
Hazardous waste collected and recycled within the Group²	kg	1,235
Energy consumption within the Group		
Total energy consumption	Gigajoules (GJ)	346,129
Head office	GJ	4,360
Property management	GJ	341,769
Energy intensity		
Head office	GJ/m ²	0.69
Property management	GJ/m ²	0.64
Electricity consumption		
	GJ	302,177
	kWh	83,938,062
Head office	GJ	3,295
	kWh	915,228
Property management ³	GJ	298,882
	kWh	83,022,834
Centralized Heating		
	GJ	1
	kWh	272

	Unit	2021/22 ¹
Head office	GJ	1
	kWh	272
Property management ³	GJ	- ⁴
	kWh	- ⁴
Natural Gas consumption		
Head office	GJ	- ⁴
Property management	GJ	42,848
Fuel consumption		
Head office	GJ	1,064
Property management	GJ	39
Diesel consumption		
Head office	L	545
Property management	L	1,000
Petrol consumption		
Head office	L	29,979
Property management	L	- ⁴
Water consumption within the Group		
Total water consumption	m³	935,277
Head office	m ³	9,016
Property management	m ³	926,261
Water intensity		
Head office	m ³ /m ²	1.43
Property management	m ³ /m ²	1.73
Water Recycled		
Head office	m ³	- ⁴
Property management	m ³	1,000
Rain Water Recycled		
Head office	m ³	- ⁴
Property management	m ³	50

¹ Environmental data of the first year's disclosure for the mainland covers our main operations in offices in Beijing, Chengdu, China South and East and key projects from property management – Shanghai IFC / Mall and Shanghai ICC / IAPM. We will enhance the disclosure in the future.

² Hazardous waste are collected by licensed waste collectors, including batteries, electronic and electrical waste, fluorescent lamp and toner cartridge, etc.

³ The data refers to electricity consumption and centralized heating of common area in office buildings, shopping malls and residential properties.

⁴ The consumption was not significant.



Social Performance - Operations on the Mainland

Employment practice	Unit	2021/22 ⁵	
		Permanent	Contract
Total workforce by employment contract⁶		3,040	789
Head office	no. of people	414	789
Property management	no. of people	2,626	-
		Male	Female
Total workforce by gender		2,314	1,515
Head office	no. of people	600	603
Property management	no. of people	1,714	912
Total workforce by age group			
Head office			
Under 30	no. of people		150
30-50	no. of people		948
Above 50	no. of people		105
Property management			
Under 30	no. of people		744
30-50	no. of people		1,568
Above 50	no. of people		314
New hire by gender (number and rate⁷)		Male	Female
Head office	no. of people	142	81
	%	23.7	13.4
Property management	no. of people	376	213
	%	21.9	23.4
New hire by age group (number and rate⁸)			
Head office			
Under 30	no. of people		66
	%		44.0
30-50	no. of people		150
	%		15.8
Above 50	no. of people		7
	%		6.7
Property management			
Under 30	no. of people		289
	%		38.8
30-50	no. of people		276
	%		17.6
Above 50	no. of people		24
	%		7.6
Employee turnover⁹ by gender (number and rate¹⁰)		Male	Female
Head office ¹²	no. of people	35	35
	%	5.8	5.8
Property management	no. of people	303	198
	%	17.7	21.7
Employee turnover⁹ by employee category¹¹ (number and rate¹²)			
Managerial	no. of people		20
	%		4.9
Non-managerial	no. of people		551
	%		16.1

Employee turnover ⁹ by age group (number and rate ¹³)	Unit	2021/22 ⁵	
		Male	Female
Head office			
Under 30	no. of people		17
	%		11.3
30-50	no. of people		51
	%		5.4
Above 50	no. of people		2
	%		1.9
Property management			
Under 30	no. of people		271
	%		36.4
30-50	no. of people		211
	%		13.5
Above 50	no. of people		19
	%		6.1
Occupational health and safety			
Total number of work-related fatalities	no. of people		0
Work-related fatalities rate	per 1,000 workers		0
Lost time injury frequency rate - employees	Number of lost time injury (N) per million hours worked		3.87
		Male	Female
Injury rate ¹⁴	per 1,000 workers	3.46	1.32
Lost days ¹⁵	days	563	196
Lost day rate ¹⁶	%		0.12
Absentee rate ¹⁷	%		0.95
Development and training		Male	Female
Average training hours per employee by gender and employee category			
Managerial	hours	5.9	8.8
Non-managerial	hours	8.7	11.2
Total/ Average training hours for health and safety ¹⁸	hours		2,219
	hours per employee		0.6
Anti-corruption and anti-competition			
Reported case of corrupt practices	no. of cases		0
Reported case of anti-competitive behaviour	no. of cases		0

⁵ Social data of the first year's disclosure for the mainland covers our main operations in offices in Beijing, Chengdu, China South and East and property management of Hong Yip and Kai Shing on the mainland. We will enhance the disclosure in the future.

⁶ Seasonal and part time employment does not cause significant variations to the total workforce.

⁷ New hire rate refers to total number of new hire of the gender group per the total number of employees of the corresponding gender group.

⁸ New hire rate refers to total number of new hire of the age group per the total number of employees of the corresponding age group.

⁹ The definition of employee turnover follows respective industry standards according to business nature. For our head office and property management business on the mainland, voluntary turnover refers to voluntary resignation.

¹⁰ Turnover rate refers to total number of employee turnover of the gender group per the total number of employees of the corresponding gender group.

¹¹ Due to the difference in organizational structure between Hong Kong and the mainland, the employee category disclosed is different.

¹² Turnover rate refers to total number of employee turnover of the employee category per the total number of employees of the corresponding employee category.

¹³ Turnover rate refers to total number of employee turnover of the age group per the total number of employees of the corresponding age group.

¹⁴ Injury rate refers to work-related injuries with sick leave equal or greater than three days per the total number of employees of the corresponding gender group.

¹⁵ Lost day refers to sick leaves due to all types of work-related injuries.

¹⁶ Lost day rate refers to sick leaves due to all types of work-related injuries per the scheduled working days of the total number of employees.

¹⁷ Absentee rate refers to all types of work-related injuries and non-work-related sick leaves per the scheduled working days of the total number of employees.

¹⁸ Training hours for health and safety on the mainland currently cover head office and property management. More health and safety training were offered at the construction sites in Hong Kong, compared to our head office and property management on the mainland, resulting in a significant difference of training hours reported.



Appendix IV – HKEx ESG Reporting Guide Index

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Environmental			
Aspect A1: Emissions			
General disclosure		Value Created for the Environment (10-21)	There was no material non-compliance regarding the emission of greenhouse gas, water and waste during the reporting period. Relevant sustainability policies are available on our website .
KPI A1.1	The types of emissions and respective emissions data	N/A	Air emissions are not material to our operations.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Appendix III - Performance Tables (58-63)	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Appendix III - Performance Tables (58-63)	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Value Created for the Environment (10-21); Appendix III - Performance Tables (58-63)	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Value Created for the Environment (10-21)	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Value Created for the Environment (10-21)	Hazardous waste generation and handling are not material to our operations.
Aspect A2: Use of Resources			
General disclosure		Value Created for the Environment (10-21); Value Created for Supply Chain (38-44)	Relevant sustainability policies are available on our website .
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity	Appendix III - Performance Tables (58-63)	
KPI A2.2	Water consumption in total and intensity	Appendix III - Performance Tables (58-63)	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Value Created for the Environment (10-21)	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Value Created for the Environment (10-21)	We do not encounter any problems in sourcing water for our daily operations, hence, this is not material to the Group.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A	The use of packaging material for finished products is not applicable to the Group's business.

Aspect A3: The Environment and Natural Resources			
General disclosure		Value Created for the Environment (10-21); Value Created for Supply Chain (38-44)	Relevant sustainability policies are available on our website .
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Value Created for the Environment (10-21); Value Created for Supply Chain (38-44)	
Aspect A4: Climate Change			
General disclosure		Value Created for the Environment (10-21)	Relevant sustainability policies are available on our website .
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Value Created for the Environment (10-21)	
Social			
Employment and Labour Practices			
Aspect B1: Employment			
General disclosure		Value Created for People (22-27)	Please refer to the Corporate Governance Report (pp. 112-129) and Directors' Report (pp. 130-151) of our Annual Report 2021/22 for details. There was no material non-compliance regarding employment and labour practices during the reporting period.
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Appendix III - Performance Tables (58-63)	Seasonal and part-time employment does not cause significant variations in the total workforce. Hong Kong is the only location of operations covered in this report.
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Appendix III - Performance Tables (58-63)	Hong Kong and the mainland are the locations of operations covered in this report.
Aspect B2: Health and Safety			
General disclosure		Value Created for People (22-27)	There was no material non-compliance regarding occupational health and safety during the reporting period.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Value Created for People (22-27); Appendix III - Performance Tables (58-63)	
KPI B2.2	Lost days due to work injury	Appendix III - Performance Tables (58-63)	



KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Value Created for People (22-27)	
Aspect B3: Development and Training			
General disclosure		Value Created for People (22-27)	
KPI B3.1	The percentage of employees trained by gender and employee category	N/A	All of our employees received regular training relevant to their jobs. We report the average training hours as required by KPI B3.2, which demonstrates our effort in talent development. Please refer to the Value Created for People and Appendix III - Performance Tables for details.
KPI B3.2	The average training hours completed per employee by gender and employee category	Appendix III - Performance Tables (58-63)	
Aspect B4: Labour Standards			
General disclosure		Value Created for People (22-27)	Child and forced labour issues are not material to the Group's operations. There were no non-compliance incidents regarding child and forced labour during the reporting period.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	N/A	See remarks for Aspect B4 General disclosure.
KPI B4.2	Description of steps taken to eliminate such practices when discovered	N/A	See remarks for Aspect B4 General disclosure.
Operating Practices			
Aspect B5: Supply Chain Management			
General disclosure		Value Created for Supply Chain (38-44)	
KPI B5.1	Number of suppliers by geographical region	Value Created for Supply Chain (38-44)	
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	Value Created for Supply Chain (38-44)	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Value Created for Supply Chain (38-44)	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Value Created for Supply Chain (38-44)	

Aspect B6: Product Responsibility			
General disclosure		Value Created for Customers (28-37)	There was no material non-compliance regarding product responsibility during the reporting period. Labelling is not relevant to SHKP business.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	There were no recalls concerning the provision and use of the Group's products and services that have a significant impact on our operations.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Value Created for Customers (28-37)	There were no substantiated complaints received during the reporting period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	N/A	Intellectual property rights are not material to our operations.
KPI B6.4	Description of quality assurance process and recall procedures	Value Created for Customers (28-37)	Recall procedures are not material to the Group's operations.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Value Created for Customers (28-37)	
Aspect B7: Anti-corruption			
General disclosure		Value Created for Supply Chain (38-44)	There was no non-compliance with anti-corruption practice in the reporting period.
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	Appendix III - Performance Tables (58-63)	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Value Created for People (22-27); Value Created for Supply Chain (38-44)	
KPI B7.3	Description of anti-corruption training provided to directors and staff	Value Created for Supply Chain (38-44)	
Community			
Aspect B8: Community Investment			
General disclosure		Value Created for Community (45-53)	
KPI B8.1	Focus areas of contribution	Value Created for Community (45-53)	
KPI B8.2	Resources contributed to the focus area	Value Created for Community (45-53)	



Appendix V – GRI Content Index

Statement of use	Sun Hung Kai Properties Limited has reported in accordance with the GRI Standards for the period 1 July 2021 to 30 June 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI G4 Construction and Real Estate Sector (CRES) ¹

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 2: General Disclosure 2021				
The Organization and its reporting practices				
2-1	Organizational details		Our Reporting Approach (1); Our Business (3-4)	Our headquarters is located in Hong Kong and we operate in Hong Kong, Mainland and Singapore.
2-2	Entities included in the organization's sustainability reporting		Our Reporting Approach (1)	Our principal subsidiaries are listed on pp. 232-237 of our Annual Report 2021/22.
2-3	Reporting period, frequency and contact point		Our Reporting Approach (1)	
2-4	Restatements of information		Appendix III - Performance Tables (58-63)	
2-5	External assurance		Our Reporting Approach (1); Appendix VI - Independent Assurance Opinion Statement (72-73)	
Activities and Workers				
2-6	Activities, value chain and other business relationships		Our Business (3-4); Value Created for Customers (28-37); Value Created for Supply Chain (38-44)	There is no significant change in the value chain and business relationship.
2-7	Employees	Principle 6	Our Reporting Approach (1); Appendix III - Performance Tables (58-63)	As at 30 June 2022, SHKP and its principal subsidiaries and joint ventures employed more than 40,500 employees. We do not employ non-guaranteed hours employees. The data disclosed for social performance in Appendix III covers our full-time employees only. Seasonal and part-time employment does not cause significant variations in the total workforce.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
2-8	Workers who are not employees	Principle 6	Our Reporting Approach (1); Appendix III - Performance Tables (58-63)	Seasonal and part-time employment causes no significant variation in the total workforce. The information of workers who are not employees is not available for the reporting year.
Governance				
2-9	Governance structure and composition	Principle 10	Our Approach to Sustainability (5-9)	More details can be found on Directors' Biographical Information (pp. 152-163) and Corporate Governance Report (pp. 112-129) of our Annual Report 2021/22 and our website - Directors and Board Committees.
2-10	Nomination and selection of the highest governance body	Principle 10	Our Approach to Sustainability (5-9)	More details can be found in the Corporate Governance Report (pp. 112-129) of our Annual Report 2021/22.
2-11	Chair of the highest governance body		Our Approach to Sustainability (5-9)	More details can be found in the Corporate Governance Report (pp. 112-129) of our Annual Report 2021/22.
2-12	Role of the highest governance body in overseeing the management of impacts		Our Approach to Sustainability (5-9); Appendix II - Stakeholder Engagement Process and Materiality Analysis Methodology (57)	The Board meets at least once annually to review sustainability-related issues.
2-13	Delegation of responsibility for managing impacts		Our Approach to Sustainability (5-9)	
2-14	Role of the highest governance body in sustainability reporting		Our Approach to Sustainability (5-9)	The Board, via the Executive Committee, is also responsible for the Group's Sustainability Report approval and endorsement.
2-15	Conflicts of interest	Principle 10	Our Approach to Sustainability (5-9)	More details can be found in the Corporate Governance Report (pp. 112-129) of our Annual Report 2021/22.

¹ This report refers to the old version of GRI G4 as there is no applicable sector standards of GRI 2021 for SHKP.



GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
2-16	Communication of critical concerns		Our Approach to Sustainability (5-9); Value Created for Supply Chain (38-44)	The Audit and Risk Management Committee reports to the Board on all critical concerns. There were no critical concerns communicated in the Sustainability Steering Committee.
2-17	Collective knowledge of the highest governance body		Our Approach to Sustainability (5-9); Value Created for People (22-27)	We circulate our Sustainability Report and ESG news regularly to strengthen the collective knowledge of the Board and conduct internal reviews on ESG issues.
2-18	Evaluation of the performance of the highest governance body		Our Approach to Sustainability (5-9)	
2-19	Remuneration policies		Value Created for People (22-27)	The remuneration policy for the Board is treated as confidential. More details on remuneration can be found in the Independent Auditor's Report and Consolidated Financial Statements (pp. 165-240) of our Annual Report 2021/22.
2-20	Process to determine remuneration		Value Created for People (22-27)	More details on remuneration can be found in the Corporate Governance Report (pp. 112-129) of our Annual Report 2021/22.
2-21	Annual total compensation ratio		N/A	The information is treated as confidential.
Strategy, Policies and Practices				
2-22	Statement on sustainable development strategy		Message from the Sustainability Steering Committee (2)	
2-23	Policy commitments		Our Reporting Approach (1); Our Business (3-4); Our Approach to Sustainability (5-9); Value Created for People (22-27)	There is no intergovernmental instrument in our policy commitment. Our Sustainability Policies are listed on our website. Currently, Human Rights and Equal Opportunities Policy and Whistleblowing Policy are treated as internal documents.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
2-24	Embedding policy commitments		Our Approach to Sustainability (5-9); See Strategies and Management section in each chapter for details	
2-25	Processes to remediate negative impacts		See Strategies and Management section in each chapter for details	
2-26	Mechanisms for seeking advice and raising concerns	Principle 1, 2, 3	Value Created for People (22-27); Value Created for Supply Chain (38-44)	
2-27	Compliance with laws and regulations	Principle 10	Our Approach to Sustainability (5-9)	We see compliance as a minimum requirement and require all employees and suppliers to comply with all applicable laws and regulations. There was no non-compliance with laws and regulations in the social and economic areas in Hong Kong during the reporting period.
2-28	Membership associations		Appendix I - Awards, Memberships and Charters (54-56)	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement		Our Approach to Sustainability (5-9); Appendix II - Stakeholder Engagement Process and Materiality Analysis Methodology (57)	Our stakeholder identification and selection process is guided by AA1000 Stakeholder Engagement Standard (2015) while referencing the principles of inclusivity, materiality, responsiveness and impact from the latest AA1000 AccountAbility Principles (2018).
2-30	Collective bargaining agreements	Principle 3	N/A	There are no formal collective bargaining agreements in place within SHKP. Yet, our employees can enjoy the freedom to take part in trade unions and collective bargaining if they wish.



GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 3: Material Topics 2021				
Disclosures on Material Topics				
3-1	Process to determine material topics		Our Approach to Sustainability (5-9); Appendix II - Stakeholder Engagement Process and Materiality Analysis Methodology (57)	
3-2	List of material topics		Our Approach to Sustainability (5-9)	Please refer to the Materiality Matrix (pp.8) for details.
3-3	Management of material topics		Our Approach to Sustainability (5-9); Appendix II - Stakeholder Engagement Process and Materiality Analysis Methodology (57); See Strategies and Management section in each chapter for details.	
Economic Topics				
GRI 201: Economic Performance (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Business (3-4)	More details can be found in the Review of Operations (pp. 24-93) of our Annual Report 2021/22.
201-1	Direct economic value generated and distributed		Our Business (3-4)	More details can be found in the Review of Operations (pp. 24-93) of our Annual Report 2021/22.
GRI 203: Indirect Economic Impacts (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Supply Chain (38-44); Value Created for Community (45-53)	Indirect economic impacts include jobs supported in the supply chain and community initiatives.
203-1	Infrastructure investments and services supported		Value Created for Supply Chain (38-44); Value Created for Community (45-53)	We work closely with government and local communities when developing properties and must take into consideration the impact of our developments on local traffic conditions and other infrastructure. While our investments are commercial, we go beyond regulatory requirements to build high-quality properties.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 204: Procurement Practices (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Supply Chain (38-44)	
204-1	Proportion of spending on local suppliers		Value Created for Supply Chain (38-44)	Local suppliers are defined as suppliers in Hong Kong.
GRI 205: Anti-corruption (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 10	Value Created for People (22-27); Value Created for Supply Chain (38-44)	We circulate our Sustainability Report to inform our stakeholders on anti-corruption issues.
205-2	Communication and training about anti-corruption policies and procedures	Principle 10	Value Created for People (22-27); Value Created for Supply Chain (38-44)	
205-3	Confirmed incidents of corruption and actions taken	Principle 10	Appendix III - Performance Tables (58-63)	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
GRI 206: Anti-competitive Behaviour (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Supply Chain (38-44); Appendix III - Performance Tables (58-63)	We circulate our Sustainability Report to inform our stakeholders on anti-competitive behaviour issues.
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		N/A	There were no legal proceedings involving anti-competitive behaviour, or involving anti-trust and monopoly practices in Hong Kong during the reporting period.
Environmental Topics				
GRI 301: Materials (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (10-21); Appendix III - Performance Tables (58-63)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
301-1	Materials used by weight on volume		Appendix III - Performance Tables (58-63)	The major materials we use are for construction-related activities. Although timber is not a major material used, all the timber used is from sources that are certified as sustainable. Use of packaging material for finished products is not considered material to the Group's operations.



GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 302: Energy (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (10-21); Appendix III - Performance Tables (58-63)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
302-1	Energy consumption within organization		Our Reporting Approach (1); Appendix III - Performance Tables (58-63)	
302-3	Energy intensity		Appendix III - Performance Tables (58-63)	
302-4	Reduction of energy consumption		Our Reporting Approach (1); Value Created for the Environment (10-21)	
G4-CRE1	Building energy intensity		Appendix III - Performance Tables (58-63)	
GRI 303: Water and Effluents (2018)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7	Value Created for the Environment (10-21); Appendix III - Performance Tables (58-63)	More details can be found in our Environmental Policy .
303-1	Interactions with water as a shared resource		Value Created for the Environment (10-21)	Most of our business is not water-intensive. Municipal water is the only source for entities covered in this report. All water discharged from our operations was transported to the local municipal wastewater systems.
303-2	Management of water discharge-related impacts		Value Created for the Environment (10-21)	See remarks for 303-1 above.
303-5	Water consumption		Appendix III - Performance Tables (58-63)	See remarks for 303-1 above.
G4-CRE2	Building water intensity		Appendix III - Performance Tables (58-63)	
GRI 305: Emissions (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (10-21)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
305-1	Direct (Scope 1) GHG emissions		Appendix III - Performance Tables (58-63)	Direct emissions include fuel, diesel, petrol and natural gas. The methodology for estimating greenhouse gas emissions comes from the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong – 2010 edition and Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises (Trial).
305-2	Energy indirect (Scope 2) GHG emissions		Appendix III - Performance Tables (58-63)	See remarks for 305-1 above. Indirect emissions include purchased electricity and town gas. The emission factors for purchased electricity are illustrated by referring to the information released by CLP and HEC in 2021, and that for purchased town gas is adopted from Towngas in 2021. The emission factors for purchased heating on the mainland refer to Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises (Trial).
305-4	GHG emissions intensity		Appendix III - Performance Tables (58-63)	
305-5	Reduction of GHG emissions		Appendix III - Performance Tables (58-63)	
G4-CRE3	Greenhouse gas emissions intensity from buildings		Appendix III - Performance Tables (58-63)	
GRI 306: Waste (2020)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (10-21); Value Created for Supply Chain (38-44)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
306-1	Waste generation and significant waste-related impacts		Value Created for the Environment (10-21)	
306-2	Management of significant waste-related impacts		Value Created for the Environment (10-21)	
306-3	Waste generated		Appendix III - Performance Tables (58-63)	



GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 307: Environmental Compliance (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-9)	We circulate our Sustainability Report to inform our stakeholders of environmental issues.
307-1	Non-compliance with environmental laws and regulations		Our Approach to Sustainability (5-9)	There was no material non-compliance with relevant environmental laws and regulations during the reporting period.
GRI 308: Supplier Environmental Assessment (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-9)	We circulate our Sustainability Report to inform our stakeholders of environmental issues.
308-1	New suppliers that were screened using environmental criteria		Value Created for Supply Chain (38-44)	
Land Degradation, Contamination and Remediation				
G4-CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations		N/A	The Group purchases land directly from the government.
Social Topics				
GRI 403: Occupational Health and Safety (2018)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 1,2	Value Created for People (22-27); Value Created for Supply Chain (38-44); Appendix III - Performance Tables (58-63)	
403-1	Occupational health and safety management system		Value Created for People (22-27); Value Created for Supply Chain (38-44)	
403-2	Hazard identification, risk assessment, and incident investigation		Value Created for People (22-27); Value Created for Supply Chain (38-44)	

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
403-3	Occupational health services		Value Created for People (22-27); Value Created for Supply Chain (38-44)	
403-4	Worker participation, consultation, and communication on occupational health and safety		Value Created for People (22-27); Value Created for Supply Chain (38-44)	
403-5	Worker training on occupational health and safety		Value Created for People (22-27); Value Created for Supply Chain (38-44); Appendix III - Performance Tables (58-63)	
403-6	Promotion of worker health		Value Created for People (22-27); Value Created for Supply Chain (38-44);	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Value Created for People (22-27); Value Created for Supply Chain (38-44)	
403-8	Workers covered by an occupational health and safety management system		Value Created for People (22-27); Value Created for Supply Chain (38-44)	
403-9	Work-related injuries		Appendix III - Performance Tables (58-63)	
GRI 404: Training and Education (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (22-27)	
404-1	Average hours of training per year per employee		Appendix III - Performance Tables (58-63)	



GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 405: Diversity and Equal Opportunity (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (22-27)	
405-1	Diversity of governance bodies and employees		Appendix III - Performance Tables (58-63)	See Directors' Biographical Information chapter on pp. 152-163 of our Annual Report 2021/22 for details of the diversity information of our Board of Directors.
GRI 406: Non-discrimination (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (22-27)	
406-1	Incidents of discrimination and corrective actions taken		Value Created for People (22-27)	There were no non-compliance incidents in the reporting period.
GRI 413: Local Communities (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 1,8	Value Created for Community (45-53)	
413-1	Operations with local community engagement, impact assessments, and development programmes	Principle 1	Value Created for Community (45-53)	All our community investments and engagements are managed at Group level.
GRI 414: Supplier Social Assessment (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-9); Value Created for Supply Chain (38-44)	
414-1	New suppliers that were screened using social criteria		Value Created for Supply Chain (38-44)	
GRI 416: Customer Health and Safety (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Customers (28-37)	

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		N/A	There were no non-compliance incidents in the reporting period.
GRI 418: Customer Privacy (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Customers (28-37)	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		N/A	There were no substantiated complaints regarding breaches of customer privacy or loss of customer data during the reporting period.
GRI 419: Socioeconomic Compliance (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-9)	
419-1	Non-compliance with laws and regulations in the social and economic area		Our Approach to Sustainability (5-9)	We see compliance as a minimum requirement and require all employees and suppliers to comply with all applicable laws and regulations. There was no non-compliance with laws and regulations in the social and economic areas in Hong Kong during the reporting period.
Product and Service Labelling				
G4-CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment		Value Created for the Environment (10-21); Value Created for Customers (28-37)	



Appendix VI – Independent Assurance Opinion Statement

Statement No.: SRA-HK-770791



Sun Hung Kai Properties Limited Sustainability Report 2021/22

The British Standards Institution is independent to Sun Hung Kai Properties Limited (hereafter referred to as "SHKP" in this statement) and has no financial interest in the operation of SHKP other than for the assessment and assurance of SHKP Sustainability Report 2021/22 ("Report").

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

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

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

Scope

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

1. The assurance covers all information and data presented in the Report, and focuses on systems and activities of SHKP and its wholly-owned subsidiaries ("the Group") in Hong Kong, including property management, construction and hotel businesses during the period from 1st July 2021 to 30th June 2022. The Report is prepared in accordance with the Hong Kong Stock Exchange's ("HKEx") Environmental, Social and Governance Reporting Guide ("ESG Guide") and the GRI Sustainability Reporting Standards ("GRI Standards"), and with reference to the ten principles of the United Nations Global Compact ("UNGC").
2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 ("AA1000AS v3") evaluates the nature and extent of SHKP's adherence to four reporting principles, which include Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the Report has been evaluated.

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

Opinion Statement

We conclude that the Report provides a fair view of the SHKP's sustainability programmes and performances in the reporting year. We believe that the economic, social and environmental performance indicators are fairly represented in the Report, in which SHKP's efforts being made to pursue sustainable development are widely recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations. We considered SHKP has provided sufficient evidence that SHKP's self-declaration of compliance with the HKEx ESG Guide and the GRI Standards, and with reference to the ten principles of the UNGC were fairly stated.

Methodology

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

- A top level review of issues raised by external parties that could be relevant to SHKP's policies to provide a check on the appropriateness of statements made in the Report
- Discussion with senior executives on SHKP's approach to stakeholder engagement. We had no direct contact with external stakeholders
- Interview with staff involved in sustainability management, report preparation and provision of report information
- Review of key developments of the Group
- Review of supporting evidence for claims made in the Report
- An assessment of the Group's reporting and management processes concerning this Report against the principles of Inclusivity, Materiality, Responsiveness and Impact

Conclusions

A detailed review against the AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact, and in accordance with HKEx ESG Guide and GRI Standards and the ten principles of the UNGC is set out below:

Inclusivity

The Report has reflected a fact that SHKP is seeking the engagement of its stakeholders through numerous channels such as apps from property management, Club Royal, concierge, retail stores, call centres, customer hotline, online and mobile phone applications, customer satisfaction surveys, e-mail, Go Royal, SHKP Club, The Point by SHKP, website and social media, employee engagement activities, interviews, intranet,



meetings, performance review, SHKP Quality Academy, staff surveys, training, Quality Raising Suggestion Scheme, Work Safety Suggestion Scheme, public consultation, industry forums, community programmes run by the SHKP Reading Club, SHKP Vertical Run for Charity, SHKP Volunteer Team, analyst briefings and annual general meetings, annual and interim reports, investor forums and conferences, investor meetings and conference calls, investor relations page on SHKP's website, overseas roadshows, audits and assessments, ongoing direct engagements, online tendering system, Sanfield vendor portal e-platform, supplier assessment, press conferences, real estate industry trade associations and advisory groups, and more.

SHKP's operation involves various methods of engaging its stakeholders on daily basis. The Report covers economic, social and environmental aspects concerned by its stakeholder with a fair level of disclosures. In our professional opinion, SHKP adheres to the principle of Inclusivity. Area for enhancement to the Report was adopted by SHKP before issue of this opinion statement.

Materiality

SHKP publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion, SHKP adheres to the principle of Materiality and identifies SHKP's material aspects by using appropriate method of materiality analysis and demonstrating material issues in a matrix form. Area for enhancement to the Report was adopted by SHKP before issue of this opinion statement.

Responsiveness

SHKP has implemented practices to respond to the expectations and perceptions of its stakeholders. It includes various surveys and feedback mechanisms to both internal and external stakeholders. In our professional opinion, SHKP adheres to the principle of Responsiveness. Area for enhancement to the Report was adopted by SHKP before issue of this opinion statement.

Impact

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

HKEx ESG Guide Reporting

Based on our verification review, we are able to confirm that social responsibility and sustainability related key performance indicators and disclosures in two ESG subject areas (Environmental and Social) being reported are based on HKEx ESG Guide.

In our professional opinion, the Report covers the SHKP's social responsibility and sustainability issues. Area for enhancement to the Report was adopted by SHKP before issue of this opinion statement.

GRI Standards Reporting

SHKP provided us with their self-declaration of compliance with to report in accordance with GRI Standards. Based on our verification review, we are able to confirm that social responsibility and sustainability related disclosures in all three categories (Environmental, Social and Economic) are reported with reference to "In accordance" with the GRI Standards.

In our professional opinion, the report covers SHKP's social responsibility and sustainability issues. Areas for enhancement of the Report were adopted by SHKP before the issue of this opinion statement.

Assurance Level

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

Responsibility

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

Competency and Independence

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

For and on behalf of BSI:



Mr. Stephen Yu

Chief Operating Officer
Hong Kong China Operational Resilience Director
31st August 2022





Sun Hung Kai Properties Limited

Registered Office

45th Floor, Sun Hung Kai Centre
30 Harbour Road
Hong Kong
Telephone: (852) 2827 8111
Fax: (852) 2827 2862
Email: shkp@shkp.com
Website: www.shkp.com

Information for Shareholders

SHKP's shares are listed on The Stock Exchange of Hong Kong Limited (Stock Exchange) and are traded over the counter in the United States in the form of American Depositary Receipts (ADR).

Stock Exchange: 16

Bloomberg: 16 HK Equity

Reuters: 0016.HK

Trading Symbol for ADR: SUHJY

CUSIP: 86676H302

ISIN: HK0016000132

