

Advancing Together
for Shared Values



2022
Sustainability Report



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Sustainability Management

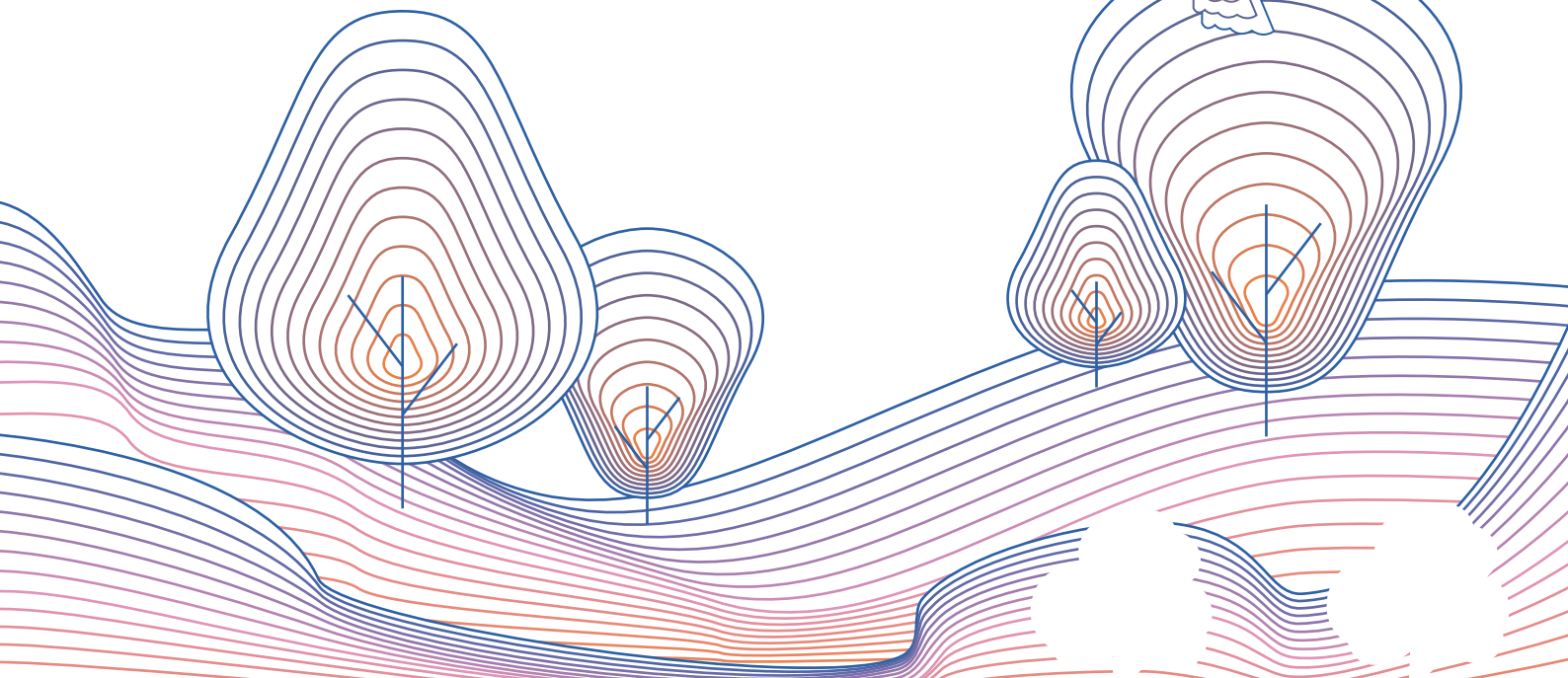
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About this Report

Reporting Scope

The Sustainability Report 2022 of Champion REIT (the “Trust”) covers the period from 1 January 2022 to 31 December 2022 and considers the business of our properties, Three Garden Road and Langham Place, of which the Trust has major ownership and operational control during the entire reporting period. The report provides an overview of the Trust’s sustainability commitment, initiatives, progress, and achievements in line with our 2030 Environmental, Social and Governance (“ESG”) goals launched in 2019 to create sustainable values for our stakeholders and business.

Reporting Standard

Preparation of this report follows The Stock Exchange of Hong Kong Limited (“HKEX”)’s ESG Reporting Guide under Appendix 27 of the Main Board Listing Rules, satisfies the “comply or explain” provisions and follows the four reporting principles — Materiality, Quantitative, Balance and Consistency. Methodologies and reporting scope adopted are consistent with previous reporting years unless otherwise specified.

In our pursuit of a higher standard of information disclosure, we have ramped up our efforts to go beyond the mandatory reporting requirements of HKEX. We established our long-term ESG Targets aligned with the United Nations’ Sustainable Development Goals (“SDGs”) and disclose them publicly through this report. The content of this report serves to address stakeholder feedback on related ESG topics, solicited through a systematic materiality assessment exercise and other appropriate channels. Details of our engagement channels and assessment are disclosed in pages 10 – 12 of this report.

To join other key industry players in the pursuit of a low carbon future, we have presented the climate-related disclosure, including climate-related risks and opportunities, in this report in accordance with recommendations developed by the Task Force on Climate-related Financial Disclosures (“TCFD”). We will continue to further enhance our disclosure mechanism on climate-related issues.

Data Assurance

Selected ESG data for the year ended 31 December 2022 shown in this Report have been independently verified by an external consultant, Hong Kong Quality Assurance Agency (“HKQAA”). The aim of this verification is to provide independent and reasonable assurance regarding the reliability of the data. The ESG data being verified are (1) energy consumption; (2) carbon emissions (Scopes 1 & 2); (3) number of fatalities; (4) lost time injury rate; (5) lost day rate; and (6) convicted cases of corruption.

The verification methodology was based on two standards from the International Auditing and Assurance Standard Board: the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information; and the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements. The verification process included verifying the mechanisms for collecting, collating and reporting the relevant ESG data, reviewing the relevant documented information and verifying selected representative samples of data and information. Raw data and supporting evidence relating to the selected samples were also thoroughly examined during the verification process.



Feedback

Your valuable feedback on this report and other sustainability issues is welcome.
Please contact us at info@eam.com.hk.

About Champion REIT

Trust Profile

Champion REIT is a real estate investment trust formed to own and invest in income-producing office and retail properties in prime locations. The Trust's focus is on Grade A commercial properties in prime locations. It currently offers investors direct exposure to nearly 3 million sq. ft. of prime office and retail floor area. These include two Hong Kong landmark properties, Three Garden Road and Langham Place, as well as joint venture stake in 66 Shoe Lane in Central London. For details of our business performance and outlook, please refer to our 2022 Annual report (www.championreit.com/investor-relations/financial-reports).

Trust Objectives

Champion REIT's key objective is to provide investors with stable and sustainable distributions, achieving long-term capital growth. This aim of delivering attractive total returns will be achieved by, among other things, proactive management of the properties in the Trust's portfolio and the selective acquisition of properties that will enhance distributions.

We build a corporate culture that integrates ESG considerations into decision-making processes to create sustainable business development and shared values for our stakeholders.



Sustainability Statement from the Board

The Board presides over the Trust's sustainability journey and ensures every decision made on the Trust's operation would take sustainability into consideration, including targets setting, risks and opportunities identification, stakeholder engagement and the alignment in industry standards or benchmarks. All the above factors will be reported along with our progress in key sustainability projects by the Sustainability Working Group in a quarterly basis.

Over the years, concerns and awareness over sustainability have extended not only within the business,

but also our relevant stakeholders. We thereby ensure the smooth integration of sustainability culture into every business decision and its priority, with the aim to realise our 2030 ESG targets established in 2019, as well as to align with our parent group's 2045 Net Zero commitment.

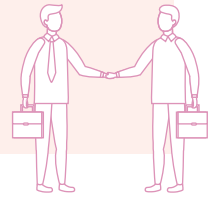
Success could not only depend on single effort but also multi-party collaboration sharing the same mindset and objectives. With strong belief, joint efforts would reinforce our commitment, progressively in turn maximising for shared values.

Board of Directors



Message from CEO

We strive to advance sustainability in all aspects through synergetic collaboration with our stakeholders.



Our report theme — **“Advancing Together for Shared Values”** highlights the Trust’s long-standing belief to harness the power of collaboration for good, by working shoulder-to-shoulder with our tenants, customers, staff, and to a wider extent, the community.

I am glad to report that our endurance and perseverance throughout the years have spurred stable progress towards three main pillars, namely climate resilience, wellness, as well as diversity and inclusion. We strive to advance sustainability in all aspects through synergetic collaboration with our stakeholders. While leveraging external partnership is an integral part of creating shared values for the Trust, internal involvement enables an all-round approach to amplify synergy. We put same emphasis through a “top-down” and “bottom-up” approach to engage our employees at all levels with the support of the Sustainability Working Group. We also strive to ensure that sustainability is embedded in the Trust’s entire operation from waste reduction, stakeholder engagement to the promotion of a positive lifestyle.

We acknowledge the importance of enhancing climate resilience as evident in increasing extreme weather events. In line with our 2030 ESG targets and 2045 Net Zero roadmap, we seek to adopt existing green solutions, while embracing innovative green technologies to lower carbon emissions as far as possible. We introduced the “Managing Climate Risks and Resilience Policy” to proactively manage and mitigate potential impacts on our business and stakeholders.

As part of our mission to foster the well-being of our stakeholders, we offer both action-based and non-physical

activities. Through our flagship, classical music concert series “Musica del Cuore”, we, as the artist patron, have been committed to nurturing young performers by organising over 200 concerts at Three Garden Road since its debut in 2015. We were delighted that renowned Japanese pianist Miyako Arishima graced the premises with her exclusive performance last year, warming the hearts of many. We endeavour to foster an inclusive and diverse community by exploring more new initiatives.

During the reporting year, we rolled out a range of activities under the “Love · Play · Farm” initiative with the objective to achieve both green and social impacts. Encouraged by the great outcome of a mural painting event and tenant horticulture workshops, we also invited our stakeholders to join the Harvest Day and the drinks launch co-partnered with one mall anchor tenant to advocate the “waste-to-farm-to-table” concept.

Riding on the success of being the first existing building in Hong Kong to achieve the WELL Building Platinum Standard, Three Garden Road attained its “Double Platinum” honour along with the Platinum Certification of BEAM Plus Existing Building with the highest score in Hong Kong. In the green finance aspect, we secured another HK\$1.0 billion sustainability-linked loan, which will give us greater financial flexibility to implement sustainability initiatives.

Going forward, undaunted by the ongoing challenges, we will remain unswerving in equipping ourselves and the properties with greater resilience in our quest to reach the ultimate Net Zero goal. Maximising our stakeholders’ impactful power, together we can walk and work further.

Hau Shun, Christina
 CEO and Chairperson of
 Sustainability Working Group

Sustainability At-a-glance

Highlights of 2030 ESG Targets



Environment

| | |
|--|------------------------|
| <p>Carbon Intensity ↓ 42%</p> | <p>Climate Change</p> |
| <p>Water Consumption Intensity ↓ 25%</p> | <p>Green Buildings</p> |
| <p>Waste Tracking System</p> | |

Social

| | |
|---|---|
| <p>Well-being</p> | <p>Stakeholder Engagement ↑ 50%</p> |
| <p>Training and Development ↑ 50%</p> | <p>Community Investment ↑ 25%</p> |
| <p>Safety</p> | <p>Diversity and Inclusion</p> |

Governance

- Board ESG Involvement
- ESG Policy
- Supply Chain Management

Key Performance Indicators of 2022



Environment Data

| | | |
|---|---|----------------------------------|
| <p>Energy Consumption</p> <p>↓ 8.3%</p> | <p>Carbon Emissions (Scope 1 and Scope 2)</p> <p>↓ 8.2%</p> | <p>Water Usage</p> <p>↓ 5.9%</p> |
|---|---|----------------------------------|

Social Data

- > 450** People benefited from our community events
- 100%** Employee participation for ESG training
- 100%** Properties achieved excellent indoor air quality
- 0%** Fatality and work injury rate

Governance Highlights

- Formalised Managing Climate Risks and Resilience Policy and mitigation plan
- 28.5%** female representation among Board of Directors
- Establishment of ESG Framework and Policies

Sustainable Financing

- Second sustainability-linked loan

Sustainability Strategy



“Embracing sustainability helps us *better prepare for future, identify risks and opportunities, ultimately creating sustainable* values for our business, stakeholders and community as a whole.”

Green Environment

Cohesive Workforce

Powering Partnership

Community Wellness

Sustainability Awards



Hong Kong Management Association

- Hong Kong Sustainability Award 2022
- Distinction Award
- Special Award - Excellence in Social Sustainability Initiative
- Special Award - Excellence in Innovation
- Special Award - Excellence in Pandemic Resilience



Bloomberg Businessweek Chinese Edition

- ESG Leading Enterprise Awards 2022
- ESG Leading Enterprise Award
- Theme Award: Crisis Management



Hong Kong ESG Reporting Awards (HERA)

- 2022 HK ESG Reporting Award
- Outstanding ESG Improvement Commendation Award



Hong Kong Management Association

- Best Annual Report Award 2022
- Certificate of Excellence in Environmental, Social and Governance Award

Green Buildings and International Benchmark



- GRESB Real Estate Assessment**
- 2022 Green Star Recognition; Grade A Rating on Public Disclosure



- Hang Seng Corporate Sustainability Index Series**
- Constituent of Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years (Top 10% among the assessment universe)



- WELL Building Core & Shell Platinum**
- Three Garden Road



- BEAM Plus Existing Building Platinum**
- Langham Place Mall
- Three Garden Road (Highest score in Hong Kong)



- EDGE Green Building Certification Scheme**
- Level 1: EDGE Certified (Langham Place Mall)










For the full list of awards, please visit our Corporate Website.

Sustainability Approach

Progress of 2030 ESG Targets

In this reporting year, we progressively realised our 14 long-term ESG targets under the 2030 blueprint with reference to nine of the United Nations SDGs. To keep our stakeholders informed, the key performance indicators allow us to review







our annual progress in a systematic and measurable approach. These updates are outlined in the sustainability report to maintain a transparent level of information disclosure.

| Aspect (respective SDGs) | Focus Area | 2030 Target | 2022 Progress Update |
|--|-----------------------------|---|--|
| Environment        | Energy and carbon emissions | <ul style="list-style-type: none"> 42% reduction on carbon intensity by 2030⁽¹⁾ | <ul style="list-style-type: none"> Reduced 8.3% energy consumption and 8.2% carbon emissions respectively in 2022 Installed a total of over 40 solar panels at both properties to promote clean energy Equipped Langham Place Mall with Smart Weather Station in 2022 |
| | Water | <ul style="list-style-type: none"> 25% reduction on water consumption intensity by 2030⁽²⁾ | <ul style="list-style-type: none"> Reduced 5.9% water usage in 2022 Installed infra-red low-flow sensor faucets for all washbasins in Langham Place's lavatories to reduce water consumption |
| | Waste | <ul style="list-style-type: none"> Develop a well established waste tracking system to facilitate future waste management initiatives and minimise waste generated from operations | <ul style="list-style-type: none"> Collected a total of 18,067 kg food waste from both properties in 2022, equivalent to the reduction of 10,394 kg greenhouse gas emission Collaborated with Food Angel to install Smart Food Donation Machine at Langham Place Mall to further minimise food waste |
| | Climate change | <ul style="list-style-type: none"> Develop Climate Resilience Policy and mitigation plan Reduce impacts of climate change | <ul style="list-style-type: none"> Formalised Managing Climate Risks and Resilience Policy Reviewed climate-related risks and opportunities Set up 2045 Net Zero roadmap |
| | Green buildings | <ul style="list-style-type: none"> Achieve the highest rating of green building certification Adopt at least one innovation of green building features every two years Establish a Green Lease Partnership Programme | <ul style="list-style-type: none"> Achieved BEAM Plus Platinum rating with the highest score among existing buildings in Hong Kong (Three Garden Road) To research on Green Lease Partnership Programme |

(1) Tonne CO₂ / square metre; compared to base year 2011








(2) Cubic metre / square metre; compared to base year 2014

Progress of 2030 ESG Targets

| Aspect (respective SDGs) | Focus Area | 2030 Target | 2022 Progress Update |
|--|---|---|---|
| Social     | Well-being  | <ul style="list-style-type: none"> Maintain IAQ Certification of Excellent Class every year for all premises Develop health and well-being policy Conduct well-being survey for both our employees and tenants | <ul style="list-style-type: none"> Attained IAQ Certification of Excellent Class for Three Garden Road and Langham Place for more than 10 years Conducted employee well-being survey with improvement plan Implemented anti-pandemic measures, including but not limited to regular disinfection, and split team working arrangement Conducted singing bowl experience workshops and health talks for both employees and tenants Resumed “Musica del Cuore” classical music concert series to cultivate music exchange and held an exclusive performance with a Japanese pianist |
| | Training and development  | <ul style="list-style-type: none"> Increase 50% average training hours of our employees by 2030⁽³⁾ Develop training and development plan aligned with sustainability strategy Arrange sustainability related trainings to all Board members and employees | <ul style="list-style-type: none"> An increase of 2% in average training hours compared with 2021 Conducted a company-wide ESG awareness training to employees |
| | Safety  | <ul style="list-style-type: none"> Maintain zero fatality and work injury among our employees | <ul style="list-style-type: none"> Reported zero fatality and work injury in 2022 |
| | Stakeholder engagement  | <ul style="list-style-type: none"> Increase 50% resources devoted to stakeholder engagement by 2030⁽³⁾ Develop ongoing stakeholder engagement plan | <ul style="list-style-type: none"> Maintained close stakeholder communication Reached out to new partners for collaborative initiatives, such as working with tenants for coffee ground collection and business partners to launch eco-friendly drinks respectively under the Love · Play · Farm project |

(3) Compared to base year 2018

Progress of 2030 ESG Targets

| Aspect (respective SDGs) | Focus Area | 2030 Target | 2022 Progress Update |
|--|--|--|---|
| | Community investment  | <ul style="list-style-type: none"> Increase 25% volunteer service hours by 2030⁽³⁾ Measure and report impacts of community investment | <ul style="list-style-type: none"> Average volunteer service hours increased 20.3% from base year Over 450 people benefitted from our community events |
| | Diversity and inclusion  | <ul style="list-style-type: none"> Promote gender equality through awareness training and sharing | <ul style="list-style-type: none"> Ongoing support to “Champion Mothers” amidst pandemic Celebrated Mother’s Day and Father’s Day to recognise the hard work of working parents |
| Governance   | Board  | <ul style="list-style-type: none"> Formally set up Nomination Committee Further enhance the Board’s involvement in sustainability matters | <ul style="list-style-type: none"> The Board remained actively engaged in overseeing the whole sustainability strategies |
| | ESG policy  | <ul style="list-style-type: none"> Establish integrated ESG Framework and Policies Strengthen governance through best practices of documentation and regulatory procedures | <ul style="list-style-type: none"> Formalised Managing Climate Risks and Resilience Policy |
| | Supply chain management  | <ul style="list-style-type: none"> Develop a structured green procurement system Conduct supply chain risk assessments | <ul style="list-style-type: none"> Currently exploring supply chain assessments |

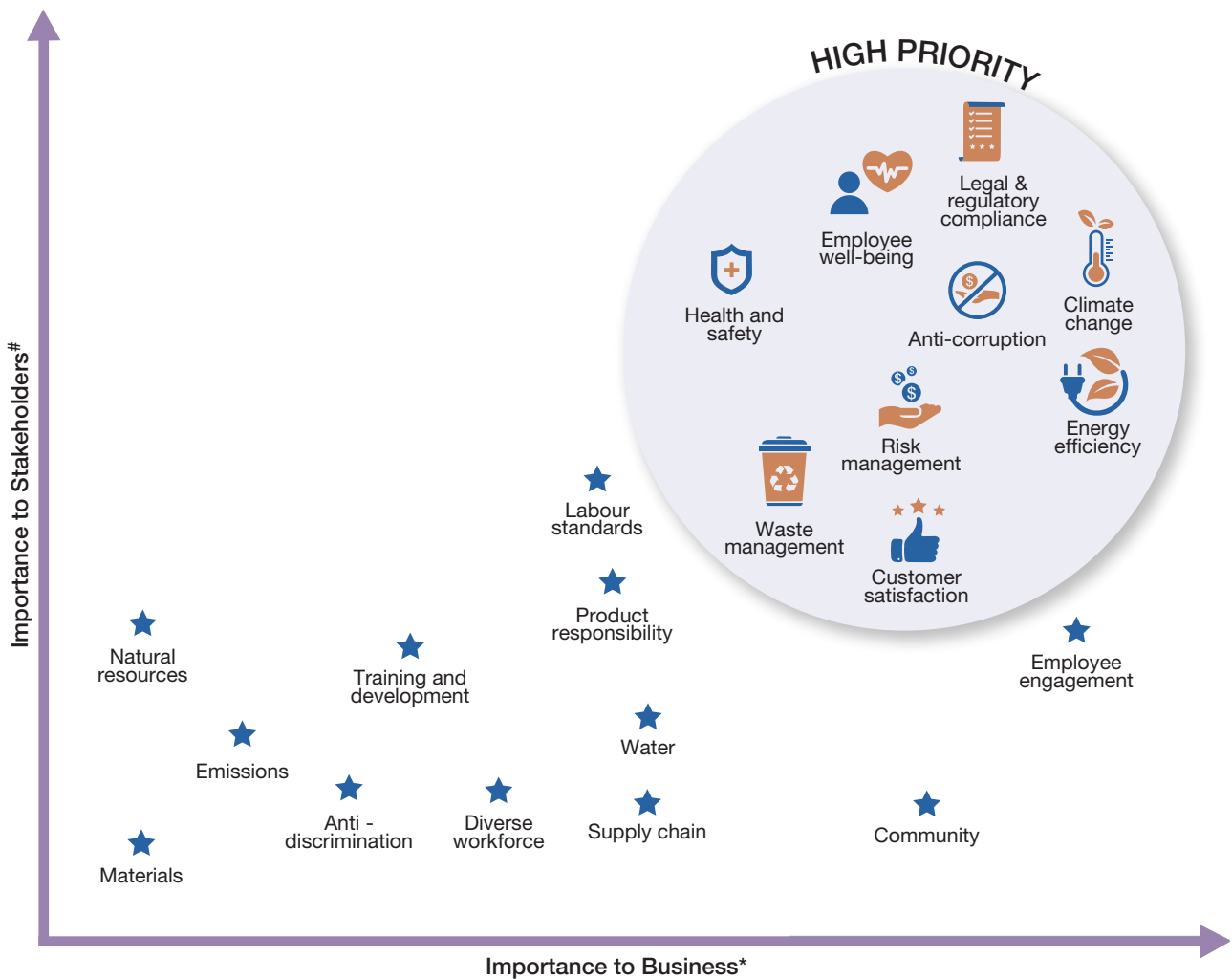
(3) Compared to base year 2018

Materiality and Stakeholder Engagement

Constant engagement and communications with our stakeholders allow us to keep up to date the latest ESG topics concerned, also help facilitate our task prioritisation and execution. To remain fair and objective, we employed a third-party ESG consultant to perform the materiality review

in 2021. Built up on the same assessment carried out in 2018, this new round of exercise helped us gain new insights from stakeholders, in particular investors and tenants. Upon solicitation, 21 material topics were identified and summarised in the below matrix:

Refreshed Materiality Matrix 2021:



















Importance to stakeholders is determined by external stakeholders' rating of the material issues in terms of their importance to society and environment and their relevance to the Trust

* Importance to business is determined by internal stakeholders' perceptions of the importance of the material issues to the Trust's business continuity and development as a whole

The exercise served to align with the materiality matrix done by the parent group, as well as to correspond with our 2030 Targets. Nine material topics are classified as high priority ones as they received the most concern from our valued stakeholders. We would take them into consideration

seriously and undertake the respective actions upon gaining insights from our stakeholders through appropriate channels. All details will be comprehensively disclosed in the report.

| High Priority Topics | | Impact and Boundary (Stakeholder Concerned Groups) | Mapping with 2030 Targets | Our Response |
|--|---|--|---|--|
| Legal and regulatory compliance |  | All stakeholder groups | Targets of Board; ESG policy; supply chain management | Please refer to pages 16–17 of this report |
| Climate change |  | All stakeholder groups | Targets of climate change | Please refer to pages 7, 12–13, 19–30 of this report |
| Employee well-being |  | Employees | Targets of well-being | Please refer to pages 18, 31–34 of this report |
| Energy efficiency |  | Employees, tenants and investors | Targets of energy and carbon emissions | Please refer to pages 19–27, 30 of this report |
| Health and safety |  | All stakeholder groups | Targets of safety | Please refer to pages 18, 31, 35–37 of this report |
| Anti-corruption |  | Investors and business partners | Targets of Board; ESG policy; supply chain management | Please refer to pages 16, 34 of this report |
| Risk management |  | Investors and business partners | Targets of Board; ESG policy; supply chain management | Please refer to pages 15–16 of this report |
| Customer satisfaction |  | Tenants and employees | Targets of well-being; stakeholder engagement | Please refer to pages 35–37 of this report |
| Waste management |  | Employees, tenants and investors | Targets of waste | Please refer to pages 28–29 of this report |

| Stakeholder Groups | | Engagement Channels |
|---|---|--|
| Employees |  | Meetings, satisfaction surveys, focus groups, activities, intranet, whistleblowing system |
| Unitholders, investors and analysts |  | Annual General Meeting, roadshows, in-person and virtual meetings, conference calls, corporate websites, social media, emails, reports |
| Tenants |  | In-person and virtual meetings, visits, conference calls, emails, satisfaction surveys |
| Customers |  | Customer service hotlines, LP Club memberships, mobile apps, corporate websites, social media, emails |
| Suppliers and business partners |  | In-person and virtual meetings, self-assessment, training and briefings, surveys |
| Media |  | Media interviews, press releases, press conferences, surveys, ongoing dialogues, emails, conference calls |
| Non-profit organisations and academic institutions |  | Joint community events, surveys, seminars, ongoing dialogues |

Alignment with the Parent Group's 2045 Net Zero Commitment and Climate Change Strategies

We noticed the growing concerns within our stakeholders on climate change, therefore stepped up in combating climate change through sustainable strategies, with the formalised policies and stakeholders' support to facilitate the transition to a greener future.

In 2022, we began investigating the science-based target initiatives and scope 3 emissions' reduction. To enhance our resilience, we aspire to further improve and transform, including undergoing climate scenario analysis to address physical and transitional risks, as recommended by TCFD framework. In alignment with the parent group's 2045 Net Zero commitment, we are going to explore ways to further decarbonise through the implementation of various mitigation strategies, from installation of solar panels, energy saving, green buildings to waste reduction.

During this year, various energy saving projects have been completed, including energy audits for Hong Kong properties, gap analysis for carbon footprint accounting, and peer benchmarking on energy performance. In addition, the parent group's Energy Efficiency Taskforce has developed the 2030 Energy Saving Plan for properties in Hong Kong, which provide further support on reaching our ESG targets under the 2030 Sustainability Blueprint.

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Benchmark

Effective building resources management practices and proactive stakeholder engagement have fulfilled the sustainability commitments of our environmentally conscious stakeholders.

What's more, our best practices got recognised by local and international benchmarks and indices, including GRESB Real Estate Assessment Grade A rating on Public Disclosure

and Green Star Recognition, Hang Seng Corporate Sustainability Index and other green building certifications, such as BEAM Plus and EDGE.

Getting certified not only testified our long-term sustainability goals, but also enabled us to discover rooms for improvements through comparing ourselves to the peers' performance.



- ✓ 2022 Green Star Recognition
- ✓ Grade A Rating on Public Disclosure



Hang Seng Corporate
Sustainability Index
Series Member 2022-2023

- ✓ Constituent of Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years
- ✓ Top 10% of the assessment universe

100% of our properties have attained various key green building certifications as at 31 December 2022, including:

| Property | Type of Certification | Rating |
|----------------------------|--|--|
| Three Garden Road | WELL Building Core and Shell V.2 Platinum Standard | Platinum (first existing building in Hong Kong) |
| | BEAM Plus V2.0 Existing Building | Platinum (highest score in Hong Kong) |
| Langham Place Mall | BEAM Plus V2.0 Existing Building | Platinum |
| | Excellence in Design for Greater Efficiencies ("EDGE") | Level 1 (first building in Hong Kong) |
| Langham Place Office Tower | HK-BEAM for New Office Designs | Excellent |

Climate-related Disclosures

Climate-related measures and buildings resilience have become two of the major factors for stakeholders' impression and business decision. Throughout the year, we have been working progressively on this with innovative green technology and smart building features to enhance buildings resilience while keeping our stakeholders informed through appropriate climate-related disclosures to respond to their concern, such as consolidated our progress in terms of Governance, Strategy, Risk Management, Metrics and Targets, based on the four thematic categories as recommended by TCFD and in compliance with the

Securities and Futures Commission ("SFC")'s "Management and Disclosure of Climate-related Risks by Fund Managers" in October 2021. Details are outlined in the "Sustainability Initiatives — Green Environment" section on pages 19–30.

For further optimisation, the recent 2045 Net Zero plan, along with our regular calculation of carbon footprint, help advance our decarbonisation journey. In the future, we will keep on identifying and modifying potential impacts, and to maintain a high level of transparency on timely information disclosure.

Sustainability Governance

Board Governance

Overseeing all sustainability matters to ensure the Trust's smooth progress towards its long-term commitment, the Board leads the formulation and integration of relevant policies which are implemented throughout the Trust's robust governance structure, from management, business units to individual employees.

The Board reviews 2030 ESG targets setting, risk identification and management, climate resilience and other key sustainability projects, advises on ESG task prioritisation, and takes part in progress review and recommendation. Trainings were arranged for the Board members to keep them updated and to foster their continuous professional development in tackling ESG-related risks.

We endeavour to create a more diverse and inclusive board structure backed up by the Board Diversity Policy. The female proportion of the Board as of the year end is 28.5%, emphasising the Trust's effort in instilling a more-balanced insights and views.

Sustainability Working Group

Chaired by the CEO, the Sustainability Working Group (the "Working Group") dedicates to fulfill the responsibility to draw up the Trust's sustainability agenda. Comprised with veterans from different expertise across the Trust, the Working Group meets in a quarterly basis to gather latest happenings from senior management of core function

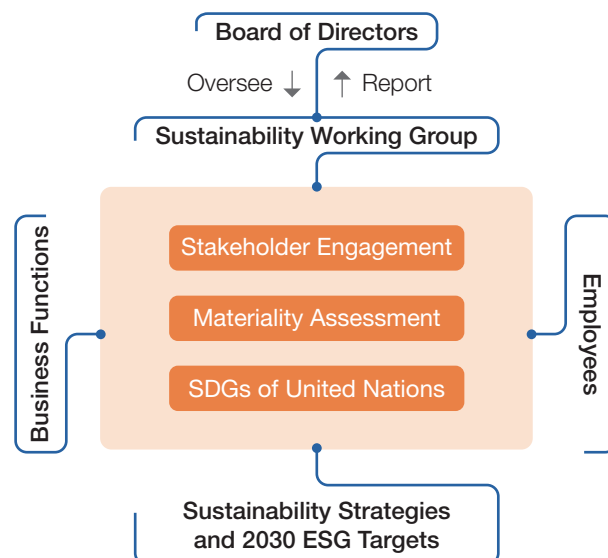
teams, including leasing, investor relations, asset management, risk management, property management, marketing and corporate communications.

Upon establishing the 2030 ESG Targets, the Working Group is delegated the responsibility to undergo detailed consideration and implement various initiatives for achieving the defined targets in adherence to the expectations collected from stakeholder engagement, materiality assessments and goals stated in United Nations' SDGs.

While the Working Group supports the Board in soliciting insights on critical sustainability topics, from risk management, climate resilience to stakeholder engagement, the Board reviews and approves the Sustainability Report along with the progress on other initiatives per annum.

Corporate-wide and cross-department involvement advance our long-term sustainability journey. To intertwine sustainability into our day-to-day operation, we leveraged appropriate channels to disseminate useful information related to our strategies and work. Training sessions were also provided to enhance the resilience in staff level, and free flow of ideas is encouraged for exchange and further growth.

Details of our corporate governance approach can be found in our Annual Report 2022 (www.championreit.com/investor-relations/financial-reports).



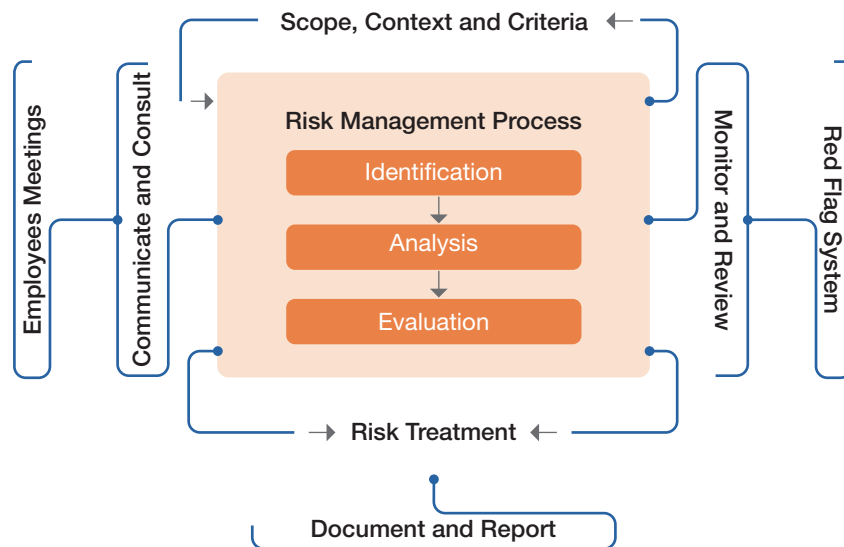
Risk Management

A well-structured risk management framework helps support the effective risk management in association with its strategies and business objectives throughout the Trust's day-to-day operation. The framework is implemented across the individual functional units of the Trust (i.e. senior management of functional units) as well as its service providers (i.e. appointed property manager and building managers of Champion REIT's properties). With a top-down (for risks of corporate level) and bottom-up (for risks of operational level) approach in the risk management process, the Trust identifies and prioritises all key risks thoroughly, and ensures that they are managed with suitable systems and countermeasures.

In relation to the ESG-related risks that concern our stakeholders and unitholders, we are committed to continuously enhancing our risk management policy by taking into account the ESG-related risks along with other

material operational risks (including but not limited to governance and strategy, regulatory compliance, people and talent, technology and operations, and financial) in our decision-making processes.

The Board oversees the risk management process, linking our directions and strategies for key risks with the Trust's core value, while risk owners from different functional teams and key service providers are responsible for identifying, analysing, evaluating, monitoring, treating and reporting risks on operational level. Our risk management team is accountable for coordinating with risk owners and ensuring that the risk management process operates as stipulated under the Risk Management Policy. Guided by our CEO, the risk management team maintains its independence and reports their consolidated findings to the Audit Committee with the role of reviewing the effectiveness of the overall risk management mechanism.



Crisis Management

In general, the crisis management framework of the Trust is formed by three approaches, namely Mitigation and Preparedness, Planning and Execution, and Recovery and Evaluation.

With full support by the robust risk management framework and the top-down-bottom-up integrated risk management approach, risks will be assessed according to their criteria. Crisis Management Team will be activated if relevant incident is categorised as “crisis”.

Chaired by the CEO, Crisis Management Team is formed by colleagues from core functional teams, including PR and communications, risk management, property management, leasing, investor relations, finance, administration, human resources, legal, compliance and IT will coordinate the crisis across the Trust through performing their respective strategic, mediative and operative duties.

Upon the management process, the team take full consideration of different factors before making decisions and taking actions, from likelihood, manpower and potential stakeholders’ involvement. If necessary, scenario analysis will be carried out for identifying its seriousness level and prepare contingency plans, with a detailed set of guidelines and suggestions to ensure a clear direction for corresponding staff to follow.

To ensure a smooth transition to normal business operation upon the identification or subsidence of the crisis, business resumption plan is in place to advise the process and procedures for the Trust’s business function recovery. Designated business coordinator in every core business unit takes up the role to closely monitor the situation and recovery process, whilst keeping the team informed.

To prevent unnecessary avoidable crisis, drills and preventive measures are prepared with dedicated briefings or mock-ups organised for all concerned employees in case of any special events or occasions.

All staff are made aware of the procedures and regular trainings will be held to promote the awareness and skills, facilitate effective communication, and protect corporate image in turn.

ESG Framework and Policies

The following procedures and framework, covering environmental, social and governance aspects, are set to ensure smooth integration of sustainability elements into every part of our operation:

Environmental



- Environment Policy
- Green Purchasing Policy
- Managing Climate Risks and Resilience Policy *(New)*

Social



- Social Responsibility Policy
- Equal Opportunity Policy
- Training and Development Policy

Governance



- Risk Management Policy
- Whistleblowing Policy
- Anti-fraud, Bribery and Competition Policy
- Code of Conduct

Putting in place all these policies and framework formalises our commitment to create positive environmental, social, and business values. All policies and framework will be updated regularly or on need basis, aiming to maintain a high standard of corporate governance, comply with and work beyond the minimum regulatory requirements of environmental protection and community contribution.

Ethics and Integrity

Responsible and ethical behaviour among employees and suppliers helps optimise the Trust's operation and maximise the unitholders' interests, ultimately facilitate the sustainable development of the Trust.

A culture of honesty, integrity, and professionalism is thus entrenched in all spheres across all levels to ensure all employees would take concerted efforts and uphold our legal values when conducting business activities, in full compliance with all regulatory and sustainability requirements.

To prevent bribery, corruption and fraud, our Code of Conduct equips with vigorous policies which spells out the Trust's fundamental standard of employees' behavioural requirements regarding bribery, law of obedience and conflicts of interest. Strictly adhering to this Code of Conduct, we have no tolerance for any employees' misconduct related to soliciting, accepting, or offering bribes and any other form of unfair advantage. A well-defined whistleblowing mechanism is also in place to encourage our employees to perform confidential reporting of any wrongdoing in the workplace, such as fraud, violating policies and procedures, and misappropriation of resources.

In addition, Anti-Money Laundering and Counter Terrorist Financing Procedures are set for compliance with relevant statutory and regulatory requirements in relation to anti-money laundering and counter-terrorist financing in Hong Kong. During the reporting period, no reports regarding any breach of the Code of Conduct and its relevant moral and ethical guidelines were received.

Similar practices are also applied to our suppliers' proper conduct for mutually beneficial partnerships. By incorporating the ongoing-reviewed Supplier Code of Conduct, which outlines our expectations of our suppliers' legal and sustainable practices, into the tendering documents in the form of a question-and-answer checklist, we aspire to espouse the centrality of accountable behaviours in the areas of ethics, labour rights, environmental protection and management practices. No significant non-compliance cases were reported during the reporting year.



Response to COVID-19

Despite the stable COVID situation and the relaxation of social distancing measures, we continued to work nimbly to respond to the stakeholders' needs while sustaining business continuity with the aim of safeguarding their well-being.

Caring for Employees

Maintaining a hygienic environment is of paramount importance to combat the pandemic at our premises. Amid the record-high cases during the Hong Kong's fifth wave of COVID-19 in early 2022, we provided anti-pandemic supplies, such as face shields, supplements and surgical masks to our colleagues. With remote IT support, we implemented the split team working arrangement to reduce the risk of infection. We also provided vaccination leave to encourage our colleagues to be inoculated against COVID. As at the end of the reporting year, the Trust achieved a 100% vaccination rate across the company.

Tenant Partnership

As the global economy trending downward and the retail market being hard hit as a result, we continued to provide flexible rental relief measures to our tenants on a case-by-case basis. We also partnered with our tenants to create win-win impacts through innovative marketing campaigns. Large-scale pop-up stores and celebrity appearances were arranged to boost the footfall of the mall. In response to the Government Consumption Voucher Scheme, limited-offer premiums and shopping festivals were launched in various forms, such as the opening of a Langham Place Mall's pop-up eStore to sell discounted cash vouchers of tenants in food and beverages, retail and beauty. Seasonal discounts



Participants celebrated their success for completing the trail run at the iconic painted staircase at Three Garden Road.

were also offered to shore up the festive atmosphere. To protect customers from COVID-19 infection, frequent and regular robot-operated cleaning and disinfection, and touchless door handles were put in place.

Mental Health

Awareness of mental health has grown in recent years. To address the issue, we arranged health talks to promote a balanced lifestyle and mindset in the community. Singing Bowl sessions were offered to both our employees and tenants to soothe their minds. Following the easing of COVID-19 and the loosening social distancing measures, we resumed the classical music concert series "Musica del Cuore" and supported the trail run at Three Garden Road.

Timely Community Support

We always remain dedicated to the community. The recurrent student internship programme is an example of our objective to provide job opportunities to the youth. We came up with some new initiatives, including donating necessity packs to the beneficiary group "Champion Mothers". We also organised movie event for children with special educational needs (SEN) to have an unforgettable summer. Last but not least, we had our mural painting event for children to unleash their creativity and reach their potential through art. With all these supportive measures, we stand side-by-side with our stakeholders with a goal to enhance their health and well-being, and to overcome hurdles in a challenging time.



"Musica del Cuore" was a short getaway from busy everyday life for tenants and visitors.

Green Environment



Related SDGs:



Related 2030 ESG Targets:

Energy and carbon emissions, Water, Waste, Climate change, Green buildings

Related Material Topics:

Climate change, Energy efficiency, Waste management, Water, Natural resources, Materials, Legal and regulatory compliance

We ensure that our environment policy, approach and commitment at all our properties uphold the regulatory requirements on environmental management under the ISO 14001 Environment Management System, as bounded by Building Energy Efficiency Ordinance, Air Pollution Control Ordinance and Waste Disposal Ordinance, and so on. We are in full compliance with relevant environmental laws and regulations during the reporting year.

Climate Change and Resilience

Faced with inevitable and imminent climate change, as a responsible corporate citizen, we aspire to go beyond the statutory requirements to ratchet up effort to reduce GHG emissions. Accompanied by the newly introduced Climate Resilience Policy and Mitigation plan, our recently established 2045 Net Zero commitment serves to address the physical and transitional risks, which will in turn enhance our business resilience.

To help define and promote best practices in emissions reductions and Net Zero targets, we are currently working with external consultants to identify gaps for improvement. These involve setting up science-based targets, scope 3 emissions, climate-related scenario analysis and the new International Sustainability Standards Board's climate standards.

TCFD's Focus Area

Our Approach



Governance

Board oversight and the role of Sustainability Working Group

- The Board takes the oversight of the Trust's overall risk management process, governs the identification of climate-related risks that might pose a threat on business performance, as well as the progress on whether these risks can be mitigated or transformed into opportunities.
- The Sustainability Working Group ("the Working Group") has been assigned the role with overall responsibility for overseeing the development of the climate-related strategy and progress on the ESG issues. Meeting at least once per quarter, the Working Group reports to the Board on the performance of these approaches, including how to manage climate-related risks.
- To facilitate the proper performance on managing climate-related risks, relevant trainings conducted by both sustainability department and external experts will be held across the staff level.
- For a comprehensive picture, we are currently working on conducting climate scenario analysis with external consultants to acquire climate-related data.

Please refer to page 14 for our detailed sustainability governance structure.

TCFD's Focus Area

Our Approach



Strategy

Climate Resilience Policy

- In alignment with the SFC Consultation Conclusion in August 2021, we formulated the “Managing Climate Risks and Resilience Policy” during the reporting year to set up goals, effect proper management approach and develop action plans, such as taking climate-related risk into the investment and risk management process.
- Meanwhile, we advocate a culture of collaboration among all relevant parties and ensures appropriate disclosure level for supporting their decision-making and improving risk management activities.
- With the adoption of the risk management process articulated in the Risk Management Policy, all key climate-related risks and opportunities are identified, analysed, evaluated, treated, monitored, reported in a consistent and structured manner.

Ongoing decarbonisation strategy

- Backed by our 2030 sustainability blueprint set in 2019 together with our 2045 Net Zero commitment, we strive to ensure the necessity of addressing climate-related risks along with other decarbonisation strategies.

Combating climate change in every facet of operation

- **Climate-resilient Buildings and Community**
As the owner of Grade A properties, we incorporated climate resilience in our asset management to avoid performance inconsistency. Besides obtaining green building certifications, we explore affordable energy efficient technologies and strategy, where appropriate, to reduce carbon footprint of our properties in order to facilitate and advance our decarbonisation journey. In addition, we work with our tenants and business partners to enhance their resilience.
- **Responsible Investment**
Noticing the ever rising concern about climate resilience among our stakeholders, in particular our investors, we factored climate-related risks into the investment management process, with the aim of extending our commitment to be a socially responsible owner for our properties and investment portfolio, and generating long-term values for our stakeholders.
- **Sustainable Finance**
In November 2022, we signed our second sustainability-linked loan to provide financial flexibility for realising our sustainability objectives.

TCFD's Focus Area

Our Approach

- **Climate Risks and Opportunities**

For a clearer picture of the overall landscape to better estimate the potential consequences of failure in addressing these risks and to foresee potential benefits brought by the opportunities, we attempt to identify relevant and material physical and transitional climate-related risks.

Below summarises our identified climate-related risks and their sub risks as modelled from the TCFD Recommendations, with some relevant resilience strategies to combat these risks:

Physical risks

Acute

- With the worsening frequency, intensity and impacts by extreme weather events such as super typhoons and flooding under heavy rainfalls, the assessed risk of our properties of increased operating and maintenance costs is high, which would in turn lead to revenue reduction due to business disruptions.

Chronic

- Change in rainfall patterns and variability in weather patterns, rising temperature and sea levels, along with the above-mentioned acute physical risks, would also speed up the deterioration of our existing facilities whilst raising the chance of health and safety incidents, thus affecting the workforce productivity.

Resilience strategies

To mitigate these risks, we seek to utilise sustainable resources to enhance our resilience, including regularly checking on the facility conditions and incorporating climate resilient features into amenity upgrade to adapt to the extreme climate environment, such as installation of energy-saving and optimising items.

Transition risks

Government and Legal Policy and Resilience strategies

- In view of the stricter and more ambitious requirements on climate policies by local and international authorities, emissions reporting obligations and relevant disclosures, such as the carbon neutral pledge, the Municipal Solid Waste Charging Scheme by the government of the HKSAR and other international benchmarks, we seek to commit to compliance with the energy-saving promises and regularly monitor the latest mandates and regulations. If necessary, we will consult external consultancies and relevant parties for better adjustment of strategies and policy formulation.

Technology and Resilience strategies

- To tackle the possible risks on the increase in capital cost by transition to lower emissions technology, we are stepping up efforts to implement carbon reduction measures while carrying out thorough feasibility studies before launching new initiatives.

TCFD's Focus Area

Our Approach

Market and Reputation

- We take note of the shifting stakeholder preferences with regards to climate change, such as the prior consultation with tenants, customers or investors on our measures to manage climate risks upon making any business decision, and stay vigilant about the reputational damage or revenue loss that might occur in case of failure.

On the other side, to fulfill these expectations, increased cost in supplies and services may be unavoidable.

Resilience strategies

We compare ourselves with our peers and global benchmarks to identify room for improvement that enables us to meet the high expectations of the statutory bodies, investors, and customers.

Meanwhile, we leverage various channels to maintain appropriate information disclosure to our stakeholders via sustainability report and regular meetings.

For a detailed review on our commitment to address climate change, please refer to the later part of this section.

**Risk Management****Risk management process**

- Adhering to the Trust's risk management framework, climate-related risks are identified, assessed, analysed, evaluated, treated, monitored and reviewed, and recorded and reported regularly. To assess and quantify climate-related risks, different parties, including risk assigned owners are responsible for carrying out various duties. A detailed summarisation on the Trust's risk management process is available on page 15 of the Sustainability Report.
- Particularly, to implement risk management process on climate-related risks, after the functional teams' identification of the sub risk, risk assigned owners will analyse the identified risk to assess the likelihoods and impacts. After evaluation, relevant measures or actions will be considered.
- Addressing environmental risks on carbon emissions and energy management are in compliance with the ISO 14001 Environmental Management System.
- We attempted to identify climate-related risks for each investment strategy. An investment sustainability due diligence list is in place to evaluate and mitigate any risks, including climate-related risks that might affect business returns and sustainable growth of the Trust.
- Our crisis management mechanism includes the preparation for any critical events caused by climate change, with business recovery plans ready to ensure proper handling against these conditions and business resumption afterwards.

| TCFD's Focus Area | Our Approach |
|---|--|
| | <p>Scenario analysis</p> <ul style="list-style-type: none"> When carrying out the risk management process on operational level, risk assigned owners should utilise the scenario analysis, wherever and whichever appropriate. Meanwhile, given the interdependence of physical and transitional risks, upon analysing a resilience, risk assigned owners should consider the type of event, its consequence, the recovery level, and time horizon. |
|  <p>Metrics and Targets</p> | <p>Risk metrics and mitigation plan</p> <ul style="list-style-type: none"> Risks likelihood and its business impact are taken reference to establish our risk metrics and rank the priority of relevant risks accordingly. To facilitate effective risk management strategic planning, scenario analysis and assessment will be prepared based on the findings for better management and policies formulation to transform risks into opportunities. <p>2030 ESG targets</p> <ul style="list-style-type: none"> With carbon intensity reduction being one of the key performance indicators under our 2030 ESG goals, of which its base year and time frames are included, we keep progressively modifying the metrics to calculate the carbon footprint and intensity of our owned properties, such as identifying the carbon footprints of the Scope 1 and 2 GHG emissions with clear calculation breakdown (in terms of Gross Floor Area (GFA)) Please refer to pages 7–9 for more information. <p>2045 Net Zero commitment</p> <ul style="list-style-type: none"> As both our near- and long-term targets, we commit to a net zero vision by 2045 through continuing performance tracking, review, and upgrading for a greener environment, while maintaining close-knit stakeholder's communication. |

Energy Efficiency Management and Carbon Emissions Reduction

Green Innovation and Technology

Photovoltaic ("PV") Solar Panels

With energy saving as a big driver for carbon emission reduction, we utilise solar photovoltaic system to generate renewable electricity. In 2022, we extended the scope of solar panel installation to Champion Tower's rooftop at Three Garden Road. Along with the existing 42 PV solar panel systems installed in ICBC Tower, 28 newly installed solar panels can altogether generate approximately 14,300 kWh electricity in 2022. Similarly, apart from the previous 6 solar panels installed in 2016 and 22 solar panels installed in 2021 on the rooftop of Langham Place Mall, 19 solar panels were installed on the rooftop of Langham Place Office Tower in 2022, which have a combined output of a total of around 20,800 kWh of renewable energy.



Additional solar panels were installed at both properties in 2022 to leverage sunlight for more renewable energy.

Electric Vehicles (“EVs”) Charging Stations

To encourage our tenants and visitors to use green transport in order to realise our carbon emissions targets, we will progressively arrange the installation of not less than 24 and 20 medium charge EV charging stations in Langham Place and Three Garden Road respectively.

Energy Saving through Retrofitting and Retro-commissioning

Retrofitting via Technologies

We stay committed to pursuing the latest technology to reduce energy consumption. Among all projects, the Electronically Commutated Plug Fan (“EC Plug Fan”) is the most advanced energy saving system we have deployed at Three Garden Road. It stands out from distinct energy-efficiency features and higher stability in providing ventilation with multiple EC fans, compared to the traditional centrifugal model.

The benefits are seen in our latest adoption at the property where 22 aging belt-driven air handling unit (“AHU”) were replaced by the one with EC Plug Fan from 2020 to 2022 to save approximately 55,286 kWh of electricity annually.

Retro-commissioning

Prolonged use and changes in venue purposes induced by alterations or improvement works might affect the existing building performance. Retro-commissioning serves as a cost-effective way to optimise the operational performance of the existing equipment while satisfying the current usage requirements.



Installing Smart Weather Stations at both properties allows us to capture real-time data for retro-commissioning to optimise energy efficiency.

Chiller Plants Optimisation

Both the chiller plants at our properties underwent optimisation to enhance efficiency. Variable speed drives were installed for condenser water pumps by phase in Langham Place Mall and Office Tower to conserve energy. In addition, to maximise the energy saving outcome, new night load chiller with high efficiency was put in place to operate during part-load condition with estimated annual energy saving of 360,000 kWh.

CASE STUDY

Big Data Analytics for Chiller Plant Retro-commissioning



As we are making steady progress towards our 2030 ESG Targets with a 42% carbon intensity reduction as the key performance indicator, we are aware of the increasing environmental awareness among our stakeholders, and the government's latest release on 2050 Net Zero plan. We strive to embrace more green initiatives to reduce energy consumption and carbon emissions. We will evaluate and improve the existing operational measures regularly, including the adoption of a combined chiller plant with big data analysis in Three Garden Road.

Design and Implementation

Chiller plants in Champion Tower and ICBC Tower were operated independently. To enhance the overall working efficiency of the chiller plants especially at low demand condition such as night-time, the cooling load of two buildings will be served by either chiller plant in Champion Tower or the one in ICBC Tower at Three Garden Road.

Stakeholder Engagement

Both our sustainability and property management teams, and service providers are fully engaged in the initiative. Tenants' consent and preference were also obtained upon project commencement.

Big Data Application

By using innovative and smart technology, big data analysis for chiller plant retro-commissioning is adopted. Compared with a traditional dashboard, more performance and correlations, including year-by-year energy consumption analysis and Coefficient of Performance (COP) of the chiller plant, can be revealed to facilitate the energy saving identification.

Impacts on Organisation and Environment

The adoption of the combined chiller plant since April 2022 has brought benefits to both the environment and organisation in terms of energy saving and operation efficiency. With a 21%-increase of COP, not only can the combined chiller plant lead to a higher working efficiency, but also enhance the system flexibility and generate a complementary effect on improving the 24-hr chilled water supply reliability to avoid sudden disruption.

Meanwhile, the reduction in energy consumption helps promote ease of maintenance, resulting in a lower operating cost. Altogether the estimated electricity saving per year and greenhouse gas reduction will be 1,049,000 kWh and 744 tonnes CO₂e respectively.



Enhancing the chiller plant performance helps improve energy efficiency and reliability.

Carbon Emissions

Adhering to our 2030 emissions reduction target, the above energy saving initiatives also play a key part in stepping up our decarbonisation effort.

As a long-term approach to combat climate change, we refurbished the properties' outdoor area to create more urban green spaces by absorbing carbon emissions.

Way Forward

Retro-commissioning and retrofitting work will continue to be one of the major energy-saving projects at our properties. We also plan to undertake other initiatives such as LED lighting retrofit with motion sensor and air handling units replacement with EC Plug Fans in Langham Place Office and Mall.

In addition, we will incorporate innovation and technology into these projects, such as the chiller plant optimisation platform by artificial intelligence (A.I.) technology and fresh air demand control in common area at Three Garden Road. To accelerate our decarbonisation effort, we will continue to leverage other measures that will help enhance the properties' energy use.

Community Green Initiatives

Energy Saving Charter and 4T Partnership

We seek to escalate our energy saving effort where possible such as through supporting the government's call and citywide energy saving campaigns. Both properties signed the pledge to the "Energy Saving Charter 2022" of the Environment and Ecology Bureau, promising to maintain an average indoor temperature between 24°C and 26°C during summer months of June to September 2022. To up the game, we invited our tenants to participate in the scheme as well. In 2022, 55 mall and office tenants joined the charter.

Meanwhile, both properties have become the signatory of the Bureau's 4T (Targets, Timeline, Transparency, Together) Charter, embodying our vision to achieve energy saving targets.

Earth Hour 2022

We also participated in the World Wide Fund for Nature (WWF)'s Earth Hour 2022 campaign. During the specified period, all nonessential lightings within Langham Place Mall, as well as the upper ground and lower ground areas in Three Garden Road, were dimmed or switched off.



Committing to the 4T Charter, we aspired to combat climate change with our stakeholders.

Resource Management

Water Conservation and Reduction

Constant water saving and diverging measures, including using recycled water for irrigation, proved to be effective in reducing the total water consumption. All washbasins in both properties' lavatories were equipped with infra-red low-flow sensor faucets or water-saving faucet regulators to conserve water output.

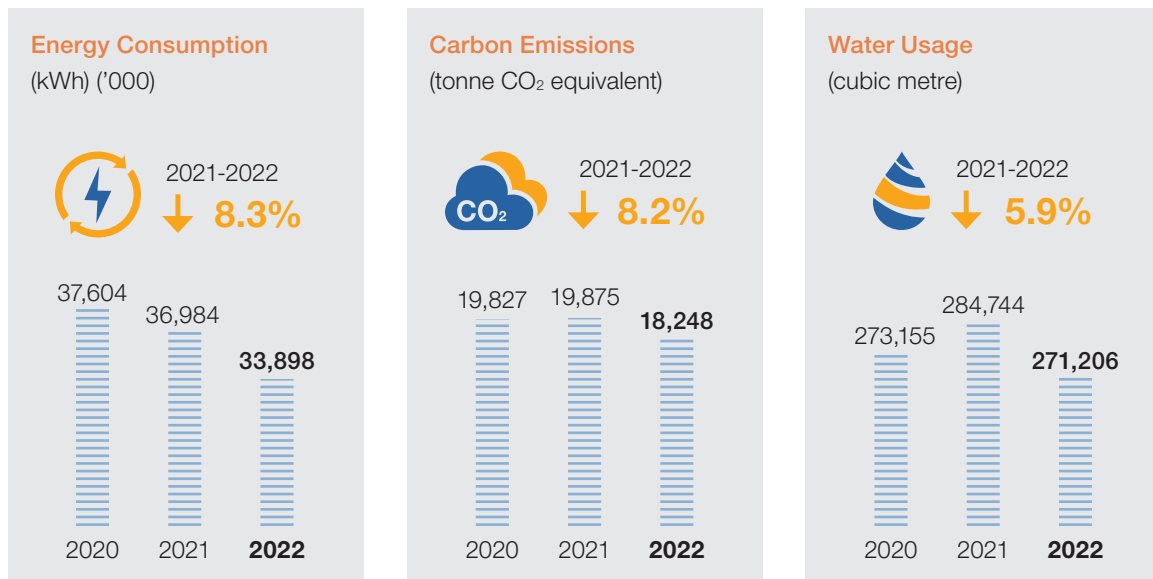
To promote water saving at source among our employees, tenants and other stakeholders, we invited both our office and retail tenants to support the Enterprise Cherish Water

Campaign of the Water Services Department and Green Council.

Altogether the water usage in 2022 marked a decrease of 5.9% compared to the previous year.

Way Forward

In 2023, we aspire to optimise water consumption intensity by working together with our tenants, a major stakeholder segment of the group. Furthermore, we will continue to look for effective ways to discharge and diverge polluted water in 2023.



Note: The above measurements are based on Three Garden Road and Langham Place. Water usage data of 2021 was adjusted according to the data from the Water Services Department. Adhering to the reporting principles of "consistency", we adjusted our carbon emissions calculation for 2020 and 2021 in accordance with the carbon emission factors from the local utility companies in Hong Kong.

Waste Management

Good Waste Management Practice

Adopting sustainable practice in waste management has shown to be effective in relieving the burden on the landfills. As part of our 2030 Goals, we have set up near- and long-term goals, such as launching a number of measures to reduce municipal disposal across all business units and setting up a database for tracking and review.

Material Waste

We strive to reduce the consumption of natural resources at our offices by switching to green office supplies. Mandatory consumables such as facial tissue, stationery items, paper and pantry supplies are replaced with more degradable and environmental-friendly alternatives where possible.

Ongoing Recycling Campaigns and Initiatives

At the property level, sufficient recycling bins with a diverse waste category are located at prominent spots for tenants or visitors.

Guided by the effective separation and collective procedures for office and retail waste for third-party recycling, items from paper, plastics, metals containers, aluminum cans, glass bottles, batteries, fluorescent tubes and lamps to computer equipment and other electrical appliances were recycled during the reporting period. Even though we collected slightly less waste than previous years due to COVID, we noticed a keen awareness of recycling among tenants and customers.

We aspire to go the extra mile to engage our stakeholders in environmental awareness. Through visits to green facilities such as New Life Plastics Ltd. and Y · PARK, our tenants and colleagues had the opportunities to understand more about the re-manufacturing of PET and HDPE bottles, and the upcycling process of yard waste.

Festive Items Recycling and Upcycling

Festive decorations and displays are a staple of special occasions at our properties. We take great care to ensure that the materials used are re-purposed through being an avid supporter of multiple community recycling initiatives. Backed with full support of our property management team, programmes like the Lai See Reuse and Recycling Programme and Mooncake Re-gifting Programme helped collect items for reuse. The recycled items were donated to those in need. Recycled Christmas trees under the Environmental Protection Department's Christmas Tree and Peach Blossom Trees Recycling Programme continued to be the centerpieces of adornment at our buildings during the festive season.

Food Waste Collection

Given our business nature, food waste constitutes to a significant portion of our solid waste disposal. Following the success of the last reporting year, a total of 18,067 kg of food waste was collected from the food and beverage tenants and the mall's food court and was transported to O · PARK 1 for waste-to-energy conversion, equivalent to the avoidance of 10,394 kg greenhouse gas emissions.



The experiential workshop at Y · PARK offered participants a chance to turn waste into resources.

As a Food Wise Charter supporter, we installed a food donation machine in partnering with Food Angel. We also activated a coffee-ground collection programme to gather coffee waste from one of our major tenants at the Mall. The coffee grounds collected were converted into fertilizer for the plants under our Love · Play · Farm initiative.

Way Forward

Structure and Policy

Establishing waste management database remains one of our key targets to be achieved in 2023 in order to track the weight of collected waste and recycled materials systematically. With the tracking record, management can easily review the ongoing strategies and assess the effectiveness of different waste reduction policies.

In addition, we will take a closer look at the latest waste management regulations, including HKSAR's Municipal Solid Waste Charging Scheme and circular economy principles.



A multi-pronged strategy for food waste handling was well-equipped to help ease landfill burden.

We managed to recycle an adequate amount of materials as shown in the following table:

| Type | Unit | 2020 | 2021 | 2022 |
|--------------------|------|---------|---------|---------|
| Waste Paper | kg | 176,180 | 183,171 | 118,090 |
| Fluorescent Tubes | kg | 443 | 302 | 230 |
| Plastic Bottles | kg | 195 | 1,054 | 413 |
| Aluminum Cans | kg | 326 | 541 | 399 |
| Reusable Batteries | nos. | 46 | 166 | 15 |

Tenants-and-customers-engagement

The following policies will be adopted in a phase-by-phase basis:

- Replacing rubbish bins with those specified for different materials available for recycling, and placing them at eye-catching spots
- Providing incentives through promotional campaigns to remind customers to avoid over-ordering and food leftovers
- Encouraging food and beverage tenants to provide "less rice" or "less food waste" meal options and avoid condiment packets



We strived to minimise food waste by turning the collected coffee ground into organic compost.

CASE STUDY

Highest Score in BEAM Plus Platinum Rating

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



In October 2022, Three Garden Road was awarded the Platinum rating under BEAM Plus for Existing Buildings V.2.0, with the highest score in Hong Kong.

With full marks in five out of seven categories, including Management, Site Aspects, Materials and Waste Aspects, Energy Use, Water Use and Innovation and Additions, the property also garnered a special award, namely “The Highest Score in Energy Use Aspect”. Three Garden Road therefore achieved double platinum ratings for both BEAM Plus and WELL building standards, making it one of only few such buildings in Hong Kong.

The property pioneers in implementing innovative measures for technological advancement and facility upgrades, such as applying Internet of Things (“IoT”) into the ground-breaking demand-control carpark ventilation system that helped reduce more than 50% electricity annually. Besides, it is an environmentally friendly premises with excellent indoor air quality.

In line with our recently established 2045 Net Zero roadmap, this achievement is a testament to our all-round competence in implementing sustainable initiatives. Going forward, we will continue to forge impactful partnerships with our stakeholders to promote a greener and healthier environment.

“We are very pleased to celebrate Three Garden Road’s achievements in scoring the highest amongst all existing buildings in the city. Champion REIT has a proven record in its sustainability efforts and this attainment has undoubtedly served as another driving force for the Trust to continue advancing climate resilience of its properties.”

Ir Dr Cary Chan
Executive Director
Hong Kong Green Building Council

Cohesive Workforce

Related SDGs:



Related 2030 ESG Targets:

Safety, Well-being, Training and development, Stakeholder engagement, Community investment, Diversity and inclusion

Related Material Topics:

Health and safety, Employee well-being, Anti-corruption, Labour standards, Employee engagement, Training and development, Legal and regulatory compliance



We regard employees as the company's important asset, and advocate "people value" across the Trust and its operation. From complying with regulatory laws to implementing policies that adhere to the city's Occupational Safety and Health Ordinance and rigorous recruitment benchmarking, we target to foster the holistic well-being of our employees and provide them with a harm-free work environment.

Advocating Health and Wellness Environment

Physical Health

Facility upgrades, including lift modernisation with touchless elevator operations, have been carried out to lower the chance of virus spreading. Safety guidelines, staff training, and routine emergency drills have also been arranged to minimise the risk of accidents.

Despite the stabilisation of COVID-19, we stay alert on the premises' hygienic condition. The cleaning and disinfection services suggested by the city's Centre for Health Protection, along with epidemic prevention supplies, remain in place to ensure cleanliness and ease colleagues' concerns.

Apart from providing complimentary general clinic services, we also implement special medical measures for staff who tested positive for COVID-19, aiming to help them in their recovery and prevent mass infection.

A reporting mechanism is also in place to identify health and safety risks at our employees and service providers, with follow-up emergency procedures and crisis management plans. Over the reporting year, we had zero record of occupational fatality or injury.

Mental Well-being

Fostering the mental well-being of our colleagues is also our top priority. In this vein, we continue to roll out mental health programme under our "Champion Our Wellness" initiative. Alongside health talk to provide wellness tips and raise participants awareness, yoga, staff seasonal celebrations and singing bowl workshops were organised to respectively share the festive joy, recognise the colleagues' hard work and soothe their stress.



Christmas Tree DIY workshops were held to let our colleagues instill their personal touches.



The singing bowl experience brought our staff along on the journey of sound therapy.

Talent Development

Attraction and Retention

Fair Labour Practices

In strict compliance with relevant labour laws and regulations such as International Labour Organisation Conventions on Employment and Employment Ordinance of Hong Kong, we retain our best talent, and provide them with a range of remunerations and benefits to comprehensively safeguard our employees' interest as outlined in our Staff Handbook:



Personal and Family Protection
wage protection, rest days, paid holidays, compassionate leave, marriage leave and reward, severance payments



Education Support
study allowance, examination leave



Medical and Retirement Care
sickness and hospital insurance and allowance, maternity and paternity leaves, maternity protection, MPF contribution, long service payments

Full explanation on policies stated in the Employee Handbook, relating to staff benefits and handling of staff complaints and grievances will be made to all new recruits. Meanwhile, to stay competitive and updated, we will benchmark our labour practices with our peers and the latest regulations.

Diversity, Equal Opportunities and Anti-discrimination

We believe that diversity is an important part of achieving the Trust's strategic objectives. To attract and retain the best people, we attach great importance to a hiring process free of discrimination or prejudice. Job candidates are evaluated by their abilities instead of their gender, race, pregnancy, disabilities, marital and family status or other discriminatory factors. To enlarge our talent pool, we acquire talents via both traditional and digital recruitment channels, including talent referrals and external hiring platforms such as university portals, as well as trying out other solutions like LinkedIn with our company updates.

Guided by the Trust's Equal Opportunities Policy, we envision to build a diverse workforce that is free of discrimination, harassment, vilification, and victimisation through adopting appropriate workplace practices and complying with regulations. Over the reporting year, there were no complaints from job applicants or employees about being mistreated or disadvantaged.

To build a diverse and harm-free workforce, we advocate anti-discrimination, equality and inclusion, while promoting a workplace equality culture through open communication with employees and collaborative stakeholder initiatives. We abide by the UN International Bill of Human Rights, with zero tolerance to forced labour, human trafficking, and child labour in any form across our business operations and supply chain. No report was received relating to violation of equal opportunities and human rights, or non-compliance with labour standards during the reporting year.



We co-organised the handmade chocolate workshop with Fair Trade Hong Kong to celebrate Mother's Day and promote the concept of fair-trade economy.

Employees' Voice and Feedback

Being attentive to employees' voice contributes to the building of their trust and work satisfaction, which will benefit the organisation's performance in the long-term. Annual appraisal system, employee satisfaction survey and needs assessment continue to be the major channels for us to gauge their needs and expectations, and most importantly, to help refine our current practices with a view to creating a rewarding workplace. For the sustainable development of the Trust, employees are encouraged to leverage the grievance handling procedures in strict confidentiality.

Training and Development

Structured Training Programme

Continuous Education and Growth of our Employees

We provide our staff with various courses which are tailored to their preferences or specialisation. Courses for on-the-job skills, such as communication, management, workplace relationships and practical techniques are offered regularly.

With reference to our business portfolio, some intensive language workshops have been specially devised for our property management team, to enhance their English and Putonghua oral skills. On customer services, in addition to regular trainings, we have arranged the Hong Kong Seeing Eye Dog Services to equip our frontline team with professional skills to assist customers accompanied by guide dogs.

To help our employees achieve all-rounded well-being and advance their adaptability to the new normal, some interest-oriented seminars such as tips on a balanced diet, were given by external professionals during the reporting year. To stimulate the employees' mind so that they can bring in new concepts that might benefit our business growth, reimbursement is being used as an incentive for colleagues to participate in external seminars or conferences. Exchange of insights during internal meetings is encouraged to boost team learning and staff satisfaction. Besides, staff can make use of a Study Subsidy Scheme to upskill themselves.

For keeping track on employees' learning progress and to help identify their goals, each staff member formulates an annual training plan together with their supervisor when a new year commences, and evaluate their learning performance by year end to celebrate their achievement, and identify room for improvement.



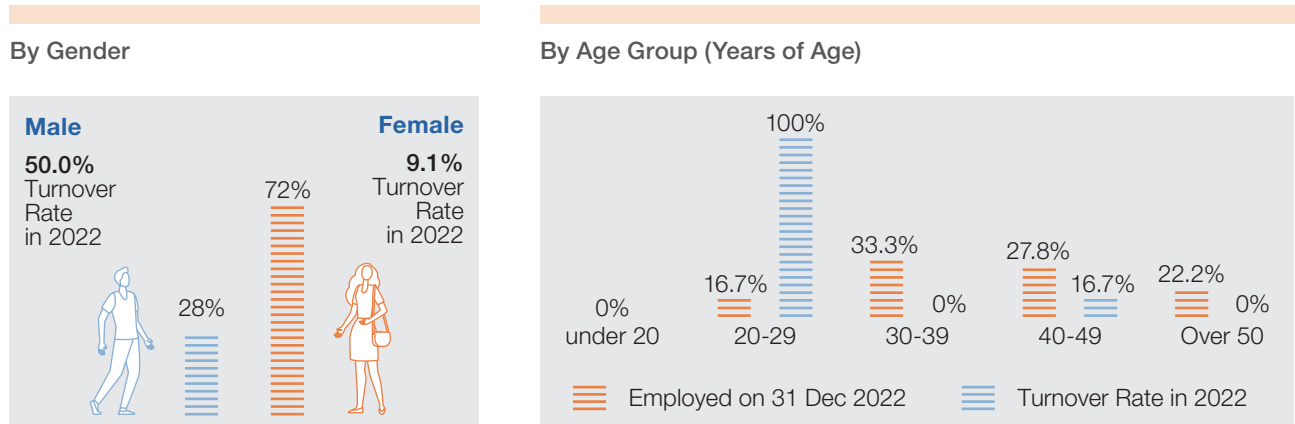
ESG in the Workplace

We strongly believe that investing in educating our employees in ESG would stimulate business growth. Training sessions on key topics such as health and safety, anti-money laundering and cybersecurity are arranged regularly for our staff. Staff members are able to learn about how they can influence corporate reputation through training in anti-corruption and the company’s Code of Conduct. The Code

of Conduct outlines the company’s rules about bribery, law of obedience and conflicts of interest.

Apart from policy-based trainings, we debuted our first company-wide climate awareness talk with an ESG consultant in 2022 to highlight the importance of collective effort in protecting our planet for future generations.

Breakdown on Full-time Managerial Roles, Employee and Turnover Rate by Gender and Age Group (Years of Age)



Note: The table above refers to the percentage of employees working under the REIT Manager. As the REIT Manager delegates property management, leasing and marketing promotion functions to various service providers, it hires a relatively small team of in-house staff. This may result in misleading high turnover rates in case where single employees in any one category need to be replaced.



Powering Partnership



Related SDGs:



Related 2030 ESG Targets:

Well-being, Safety, Stakeholder engagement, Supply chain management

Related Material Topics:

Legal and regulatory compliance, Health and safety, Anti-corruption, Customer satisfaction, Product responsibility, Supply chain

Our major stakeholders, tenants, suppliers and customers contribute to the Trust's success in becoming a preferred choice for office and shopping mall operator. To ensure the sustainable growth, long-term partnership with our suppliers and superb customer services are crucial to us. We endeavour to achieve positive outcomes through engaging with our customers and tenants, while adhering to the supply chain rules and regulations. In 2022, all of our spending on goods and services for our operations in Hong Kong was sourced from over 80 local suppliers.

Occupation Health and Safety

Apart from being fully compliant to ISO standards (ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Assessment System and ISO 9001 Quality Management System), we impose stringent safety measures with specific procedural guidelines stipulated by our Supplier Code of Conduct to prevent accidents, reputational and environmental risks associated with suppliers.

The Supplier Code of Conduct also spells out how suppliers' employees should behave and handle customer services in due consideration with ethics, labour rights, environmental protection, social risks, integrity and management practices. Drills and crisis management mechanism backed up with our robust risk management framework are in place to deal with emergency situations. Self-assessment, customer feedback system and regular reviews are held to guarantee suppliers' quality services. Trainings on anti-corruption, and health and safety are offered to improve the service quality on an ongoing basis.

In terms of procurement, the Green Purchasing Policy provides a guideline for environmental-friendly sourcing. We also hold ceremonies to recognise suppliers' good practices and to encourage them to go further.

Operation and Project Plans in 2023

We plan to develop a Green Lease Policy and modify the suppliers' guide and tenant agreements to reflect the Trust's rising expectation for environmental protection. We will provide a list of recommendations on recycled and environmentally friendly materials during the tenants' outfitting process.

We recently obtained recycled wooden chips generated from the fallen trees via the Y · Park to beautify our Love · Play · Farm at Langham Place Mall, which is an initiative for reducing landfill disposal. The endeavour is to help attain our Net Zero goal in carbon emissions reduction.

Customer-first and Accessibility

To maintain the premises' appeal and competitiveness, together with our property management team, we integrated technological and human-centric measures into both the customer services and interior environment. From intelligent disinfection stations, cleaning and sanitising robots to automatic sensors, we strive to create a favourable environment with clean air and water, good hygiene and other essential elements.

Echoing the Trust's emphasis on diversity and inclusion, we strive to create a discrimination-free environment through enhancing the buildings' amenities and launching new designs where feasible. We have put in place tactile guide paths, wheelchair ramps, induction loop system for hearing aid users, designated concierge counter for wheelchair users, and special motion projection lightings among other features for people with disabilities to enjoy a barrier-free environment in our premises.

We also adopted other measures, including the guide-dogs welcoming policy and wheelchair rental service, and a well-equipped front-line team to assist visually and hearing-impaired individuals. We received no products and service-related complaints during the reporting year.

Pet-friendly

Our refreshed pet-friendly policy aims to offer a seamless shopping experience for all. We promote a pet-friendly concept at the mall where possible. With more than 80% of our tenants' indicating support for the policy, pet stroller rental service and supplies have been made available at the Mall's customer service counter. Relevant training sessions were conducted for the frontline team while pet owners were invited to a Christmas party to promote our pet-friendly culture. Co-hosting with HK Saving Cat And Dog Association (HKSCDA), a Dog Adoption Day was held to spread positive message about pet adoption.

Stakeholder Data Privacy

In accordance with the Hong Kong Personal Data (Privacy) Ordinance, we adopted strict data protection policy when

collecting and handling sensitive data, including members' information obtained for our mall membership scheme purposes. Prior consent will be obtained from the owner for any external purposes, such as photos for publication use.

All-round Wellness Environment For Tenants

We do the utmost to ensure proper ventilation and circulation with good indoor air flow in order to keep viruses from spreading, especially during the pandemic. All our properties have been certified with the Excellent Class in Indoor Air Quality Certification Scheme by the Environmental Protection Department for 13 consecutive years with a series of hygiene improving measures, including additional ultraviolet ("UV") disinfection of the escalators' handrail, complimentary fogging disinfectant services and other tailor-made sanitisation services for tenants, such as food and beverage seating areas sanitisation, and free surgical mask covers distributed at the food court. To improve air quality, UVC Light sterilisation equipment was installed in air handling units to kill microbes, bacteria, and other harmful substances. All areas on our premises followed the government's latest requirements closely.



We promoted the "adopt instead of shop" concept with an in-mall community event.

Well-being

We value a balanced lifestyle, thereby introduced wellness events to help tenants fulfil the objectives. Our flagship classical concert series “Musica del Cuore” connects our community through boundary-free music and opera. It provides a platform for home-grown talents musicians to demonstrate their talent.

A highlight of the programme was recognised as one of the “Japan Autumn Festival in Hong Kong — Rediscovering Nippon” series, in which, internationally acclaimed Japanese pianist Ms Miyako Arishima gave a piano recital performance in November. Officiated by Consul-General of Japan in Hong Kong, Mr Kenichi Okada, the concert engrossed the audience in timeless, famous melodies.

Designed to offer a hustle-and-bustle-free midweek retreat, Eaton Club and two non-government organisations, namely YAU Café and Chingmama handmade workshop, joint hands to hold an open house event. Featuring a wellness-oriented Coffee Art Workshop and shoulder massage by visually impaired masseurs and aroma therapy, the event was curated to provide a relaxing afternoon for participants.

Wellness talks and a singing bowl therapy workshop were arranged in 2022 to inspire healthy living through balanced diet and appropriate amount of rest. To induce a festive spirit, we hosted a handcraft workshop for the tenants to

bring a self-decorated Christmas tree home. Furthermore, to promote environmental awareness among tenants and colleagues, we organised a tour at the New Life Plastics Ltd. for them to understand sustainable solutions can help save the environment, such as the re-manufacturing of PET and HDPE bottles. The tour also offered an experiential workshop at the Y · Park where yard waste was transformed into useful products.

As a testimony of our effort in advancing the overall well-being of building and space, Three Garden Road is the first existing building to receive the highest Platinum WELL Building certification.



The exclusive concert performed by renowned pianist Miyako Arishima at Three Garden Road connected the hearts of people.



Visit to recycling facilities promoted green awareness and effective waste management practices among tenants.

CASE STUDY

Love · Play · Farm — Ripple Effects of Positive Shared Values



Working in partnership is crucial to maximise the sustainable outcomes. Despite being a small team, as an integral part of the Trust's sustainable development, we are relentless in working with our partners to co-create positive impacts for themselves and the community. Our green community project, Love · Play · Farm, a sustainable initiative with organic and rare plants, such as coffee tree, at Langham Place Mall brought us environment and social impacts via multi-partnership:

Waste-to-Farm-to-Table

Given our business nature, food and beverage waste is a major part of our municipal solid waste disposal. Apart from our usual food waste handing procedures, we rolled out the "Waste-to-Farm-to-Table" initiative with one anchor tenant — The Coffee Academics, at Langham Place Mall, under which coffee grounds are turned into soil fertiliser. Benefiting from the nutrients, the herbs grown on the farm were harvested and refined as the "First-in-Hong Kong" organic Mint Lemonade drink. To further promote this sustainable concept and encourage green living, in addition to in-store selling and stakeholders gifting to recognise their efforts, we donated 240 cans of Mint Lemonade to St. James' Settlement and Haven of Hope Christian Service.



Mural Painting

Prior to the launch of the farm, the Trust together with non-profit group participated in a mural painting event. The artwork is not only a visual display but also a symbol of our commitment to connecting different groups in the community. Guided by young local artist Ms Zue Chan, a mixed group of "little artists"- passionate curators formed by St. James' Settlement's SEN beneficiaries and our colleagues' children unleashed their creativity at the mural painting event. Separately, we cooperated with 0_10 Handmade, a service operated by the Haven of Hope Integrated Vocational Rehabilitation Services Centre for physically and mentally impaired to make aprons in a handcraft session.



Tenant Workshops

To promote a sense of ownership, we arranged horticulture workshops for tenants. Coached by gardening veteran, participants will be given tips on planting and post-workshop care from sowing, fertilising to watering. A sense of plant parenthood was cultivated among them through putting their plants into the farm, which also served as a recognition for their hard work.

Harvest Day

As a wrap of our first project quarter, we celebrated our pioneering debut of the specialised drink by connecting all stakeholders together to witness this special occasion. Not only can participants be given a chance to handpick eggplants, kale and other organic fresh farm produce, but also gained an innovative hands-on experience through transplanting rosemary into an eco-friendly material Pafcal for indoor gardening, as well as using decomposable woodchips upcycled from yard waste for landscaping purposes.

Moving forward, we will continue to take the “Love · Play · Farm” programme forward by collaborating with our staff, business and community partners.

To know more about the initiative, please refer to the video:



Projected **145.2 kg** harvest per year



582 kg of coffee ground recycled per year ≈ around **7,275,000 cups** of coffee ≈ **89.2 kg CO₂e** of monthly GHG emissions reduction



> 320 stakeholders engaged per year



95.6% tenant satisfaction rate



“Our apprentices feel so contented to take part in the event. It is rare to see their happy smiles when they receive appreciations from their hand-made products. Thank you Champion REIT for realising their social values and fulfilling their corporate social responsibility through advocating social diversity and inclusion!”

Jimi Chan

Business Development Officer

Haven of Hope Integrated Vocational Rehabilitation Services Centre

CASE STUDY

Sustainability-linked Loan



By taking ESG considerations into account when making investment decisions, not only can we generate positive financial returns for investors, but also allow us to steer a sustainable development for the community.

During the reporting year, we signed the second HK\$1 billion unsecured sustainability-linked loan, with proceeds used to incentivise the Trust's sustainability performance. The pre-determined sustainability-linked performance targets are aligned with our key performance indicators indicated in our 2030 ESG goals:



Reduction of energy and carbon emissions intensity



Attainment of BEAM Plus Building Certification



Retention of its listing on the Hang Seng Corporate Sustainability Benchmark index

Having backed up with proceeds for refinancing and general corporate funding purposes, this financial flexibility serves as another recognition of the Trust's effort in integrating sustainable finance into our business and investment decisions.

In 2021, we have signed our first five-year HK\$3.0 billion unsecured sustainability-linked loan backed by eight local and international banks. Going forward, we will carry on reinforcing our work in embracing sustainability for long-lasting economic value and business development.



Community Wellness



Related SDGs:



Related 2030 ESG Targets:

Stakeholder engagement, Community investment

Related Material Topics:

Community, Health and safety

Fostering well-being in the community goes beyond enhancing the quality of life of the individuals. As a socially responsible organisation, we strive to build a sustainable community by providing timely assistance and resources. In the long-term, we hope to play a part in promoting upward mobility for the unprivileged, while strengthening the community's resilience in challenges such as climate change.

Community Investment

Youth Development

The ongoing pandemic and instability of the global economy continue to undermine social mobility and youth development, especially for those who are less fortunate or lack experience. To this end, we have connected with the higher education institutions to offer internship opportunities for university students to acquire first-hand industry knowledge.



"Throughout my internship with Champion REIT, not only have I gained more insights on the financial and real estate market, but also established invaluable mentorships and friendships with the colleagues."

Sunny Wu

The Chinese University of Hong Kong (left of photo)

"I gained a deeper understanding of the industry through various hands-on experiences. These opportunities allow me to know more about my strengths and weaknesses, as well as enhance my communication skills and adaptability."

Angel Zou

The University of Hong Kong (right of photo)

Responding to the government's call, some of our senior employees participated in the "Strive and Rise Programme" as mentors for the underprivileged students, particularly those who live in subdivided housing.

Through the experiences and guidance shared by the mentors, mentees are able to broaden their horizons, reinforce their self-confidence and optimism.



"I established positive personal goals through acquiring life skills and financial planning from workshops and experience sharing with my mentor. I am more confident and optimistic to embrace challenges in the future."

Kathleen Zhuang

Mentee of "Strive and Rise Programme"
(right of photo)



"Becoming a mentor of the programme offered me a valuable opportunity to understand new youngsters' perspectives and thinking. Besides helping mentees build up their positive mindset, I also gained some tips on maintaining effective communication with my children."

Moody Lee

Mentor of "Strive and Rise Programme"
(left of photo)



Being part of this tripartite collaboration realised our corporate social responsibility to support promising youth.

Volunteerism for Social Good

Dress Causal Day and Volunteering

Our staff took part in the parent group's Dress Causal Day on the International Day for the Eradication of Poverty and collected donations for the needy under The Lok Sin Tong Benevolent Society Kowloon's Social Housing Scheme. Our property management team also showed their continuous care and support via joining the volunteering events of The Boys' and Girls' Clubs Association of Hong Kong and Hong Kong Young Women's Christian Association to visit elderly people with dementia respectively.

Exercise for Health

The pandemic heightens the importance of physical fitness. After a two-year break, the physical trail race — HOT25 hosted by Victoria 162 was successfully held. More than 160 participants trekked through the city boundary and historic spots, demonstrating their determination throughout a 27 km trail towards the finish line — the painted staircase at Three Garden Road. As a long-term supporter of the race, we hope to advocate community wellness and encourage the pursuit of a healthy lifestyle.



We collaborated with our partners to enhance tenants' and the public's physical and mental well-being through different initiatives.

CASE STUDY

Sustainable Initiatives with St. James' Settlement for Long-term Impacts



Driving social empowerment and upward mobility is not a one-time job. Following the success of the “Champion Mothers” Women Empowerment Programme last year, we provided further assistance to the mothers of children with special educational needs (SEN) through a series of wellness and resilience-enhancing activities:

Timely Donation

In early 2022, amid another round of stringent pandemic restrictions and record high COVID-19 infections, Hong Kong faced food price hikes and shortages of certain necessity supplies, which took a toll on the poor.

To relieve the hardship of members of the “Champion Mothers”, we distributed about 100 anti-pandemic gift packs to them. The gift packs came with surgical masks, healthy foods, detergents, and messages from us on safeguarding their well-being and our commitment to fight the pandemic together.



Summer Movie Screening

Aiming to create an unforgettable summer experience, we partnered with the group to hold a movie screening of Doraemon: Nobita's Little Star Wars at Cinema City in Langham Place Mall. Apart from the “Champion Mothers” and their SEN children, we extended our reach to the underprivileged families in Tin Shui Wai. The lighting and sound effects of the movie were adjusted to accommodate the SEN children. Our employees also enjoyed the time with them and presented gifts to the children.

Mural Painting

Art is without limits and so is our commitment to drive equality. We invited art enthusiasts from St James' Settlement to join children of our colleagues in the mural painting activity. With a growing record in serving the needy, opportunities are bountiful for us to continue to strengthen partnership with our stakeholders in levelling up social inclusion and community betterment.



CASE STUDY

Food Angel Smart Food Donation Machine



We seek to explore possibilities to minimise food waste and surplus on our premises either by upcycling or transforming. During the reporting year, we installed a smart food donation machine in partnership with the food waste recovery group, Food Angel.

Erected prominently at Langham Place Mall, customers or visitors can deposit their untouched food leftovers in the donation machine. Food Angel will then collect and repack them into free meal boxes or meal packs for those in need.

As an interactive approach, donors can make use of the built-in app to keep track of their real-time accumulated food donation record, as well as making monetary donation.



> 40 kg food donated after two months of smart food donation machine's launch
equivalent to around **200 meal boxes** repacked for those in need

“Placing the Smart Food Donation Machine at one of the city’s most visited shopping malls helps maximising both environmental and social impacts — mitigating the surplus food problem while arousing public’s awareness in cherishing food. Thanks Champion REIT for supporting this initiative and stepping up in creating a greener environment for all.”



Phyllis Wong
Events and Communications Manager
Food Angel

Sustainability Recognitions, Awards and Charters



| Category | Recognition | Organiser | Corporate Level | Property Level | |
|--|--|---|-----------------|-------------------|---------------|
| | | | | Three Garden Road | Langham Place |
| Sustainability Benchmarks and Indices | <ul style="list-style-type: none"> Green Star Recognition Grade A on Public Disclosure | GRESB Real Estate Assessment | ✓ | | |
| | <ul style="list-style-type: none"> Constituent of Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years | Hang Seng Corporate Sustainability Index Series | ✓ | | |
| Building Certifications | WELL Building Core and Shell – Platinum Certification | The International WELL Building Institute | | ✓ | |
| | BEAM Plus Existing Building V2.0 Comprehensive Scheme – Platinum Certification | Hong Kong Green Building Council | | ✓ | ✓ |
| | Excellence in Design for Greater Efficiencies (“EDGE”) Level 1 post-construction certification | International Finance Corporation | | | ✓ |
| Overall Sustainability and Management Awards | Hong Kong Sustainability Award 2022 <ul style="list-style-type: none"> Distinction Special Award – Excellence in Social Sustainability Initiative Special Award – Excellence in Innovation Special Award – Excellence in Pandemic Resilience | Hong Kong Management Association | ✓ | | |
| | Best Annual Report Awards 2022 <ul style="list-style-type: none"> Certificate of Excellence in Environmental, Social and Governance Reporting | | ✓ | | |
| | ESG Leading Enterprise Awards 2022 <ul style="list-style-type: none"> ESG Leading Enterprise Award Theme Award: Crisis Management | Bloomberg Businessweek/ Chinese Edition | ✓ | | |
| | Outstanding ESG Improvement Award – Commendation | Hong Kong ESG Reporting Awards 2022 | ✓ | | |
| | 10 Years Plus Caring Company 2022/23 | Hong Kong Council of Social Service | ✓ | | ✓ |
| | | | | | |

| Category | Recognition | Organiser | Corporate Level | Property Level | |
|----------------------------------|--|---|-----------------|-------------------|---------------|
| | | | | Three Garden Road | Langham Place |
| Excellence in Environment Awards | BEAM Plus Existing Building V2.0 Comprehensive Scheme – The Highest Score in Energy Use Aspect – Year 2021/22 | Hong Kong Green Building Council | | ✓ | |
| | CLP Smart Energy Award 2022 – Sustainable Vision Award | CLP Power Hong Kong Limited | | | ✓ |
| | Energywi\$e Certificate – Excellent Level | Environmental Campaign Committee | | ✓ | ✓ |
| | IAQwi\$e Certificate – Excellent Level | | | ✓ | ✓ |
| | Wastewi\$e Certificate – Excellent Level | | | ✓ | |
| | Hong Kong Green Organisation | | | ✓ | ✓ |
| | Indoor Air Quality Certificate – Excellent Class | Environmental Protection Department | | ✓ | ✓ |
| | Food Wise Charter | | | ✓ | ✓ |
| | Hong Kong Energy Efficiency Registration Scheme for Buildings – Outstanding Building Energy Efficiency performance (Existing Building) | Electrical & Mechanical Services Department | | | ✓ |
| | 4T Charter | | | ✓ | ✓ |
| | Energy Saving Charter | | | ✓ | ✓ |
| | Quality Water Supply Scheme for Buildings – Fresh Water (Management System) – Gold | Water Supplies Department | | ✓ | ✓ |
| | Quality Water Supply Scheme for Buildings – Flushing Water – Gold | | | | ✓ |
| | Quality Water Supply Scheme for Buildings – Flushing Water – Blue | | | ✓ | |
| | No Air Con Night 2022 – Certificate of Appreciation | Green Sense | | ✓ | |
| | Certificate of Carbon Emission Reduction | Environment Bureau | | ✓ | |
| | Natural Christmas Trees Recycling Programme – Certificate of Appreciation | | | ✓ | |
| | Certificate of Peach Blossom Trees Recycling Programme | | | ✓ | ✓ |
| | Certificate of Lai See Reuse and Recycle Programme | Greeners Action | | ✓ | ✓ |

| Category | Recognition | Organiser | Corporate Level | Property Level | |
|--|---|--|-----------------|-------------------|---------------|
| | | | | Three Garden Road | Langham Place |
| Excellence in Health and Safety Awards | Business Resilience & Community Contribution Awards 2022 — Gold Seal | Hong Kong Quality Assurance Agency | | ✓ | ✓ |
| | Kowloon West Best Security Services Award 2021 <ul style="list-style-type: none"> Honorable Managed Property Award — Langham Place Mall Outstanding Managed Public Carpark Award Honorable Managed Property Award — Langham Place Office Tower | Kowloon West Regional Crime Prevention Office | | ✓ | |
| | Hong Kong Island Best Security Services Awards 2021 — 2022 <ul style="list-style-type: none"> Outstanding Security Services — Industrial/Commercial Property Award | Regional Crime Prevention Office of Hong Kong Island | | ✓ | |
| | Quality Lift Service Recognition Scheme — Gold Award | Electrical & Mechanical Services Department | | | ✓ |
| | 2021 Security Services Best Training Award — Gold | Vocational Training Council | | | ✓ |
| | Charter on Preferential Appointment of OSH Star Enterprise | Occupational Safety and Health Council | | ✓ | |
| Excellence in Community Care Awards | Caring Company | The Hong Kong Council of Social Service | ✓ | ✓ | ✓ |
| | Fair Trade Award 2021/22 <ul style="list-style-type: none"> Silver Award | Fair Trade Hong Kong | ✓ | | |
| | Mooncake Donation 2022 — Certificate of Activity | St. James' Settlement | | ✓ | |

Performance Data Summary

Environment

| Category | Unit | Data Period | | | |
|--|---|------------------------|-------------------|-------------------|-------------------|
| | | 2021 | | 2022 | |
| | | Three Garden Road | Langham Place | Three Garden Road | Langham Place |
| Energy Consumption | | | | | |
| Direct | kWh | 64,844 | 8,360 | 70,353 | 26,475 |
| Indirect | | 17,066,099 | 19,844,862 | 15,754,017 | 18,047,242 |
| Total | | 17,130,943 | 19,853,222 | 15,824,370 | 18,073,717 |
| GHG Emissions | | | | | |
| Direct emissions — scope 1 | tCO ₂ e | 16.0 | 2.1 | 17.4 | 6.6 |
| Indirect emissions — scope 2 | | 12,117.0 | 7,739.5 | 11,185.0 | 7,038.0 |
| Total | | 12,133.0 | 7,741.6 | 11,202.4 | 7,044.6 |
| Water Management | | | | | |
| Water usage | m ³ | 180,468 | 104,276 | 172,836 | 95,244 |
| Waste Management | | | | | |
| Hazardous Waste Disposal to Landfill | ton | 0.2 | 0 | 0.3 | 0.1 |
| Non-hazardous Waste Disposal to Landfill | | 907.0 | 2,774.0 | 870.7 | 2,454.0 |
| Total | | 907.2 | 2,774.0 | 871.0 | 2,454.1 |
| Renewable Energy Generated and Consumed | | | | | |
| Renewable energy generation | kWh | 12,000 (Apr to Dec) | 1,930 | 14,357 | 10,646 |
| Materials Recycled | | | | | |
| Food waste collection | kg | 6,932 | 7,579 | 10,741 | 7,326 |
| Other recycling materials (excluding reusable batteries) | | 185,068 | 119,516 | | |
| Portfolio Carbon Footprint | 0.57 tCO ₂ e/HK\$1 million (emissions ÷ enterprise value) * Presented in accordance with fund-level disclosures outlined in Hong Kong Securities and Futures Commission's circulars "Management and Disclosure of Climate-related Risks by Fund Managers" | | | | |

Social

| Category | Unit | Data Period | |
|--|------------|-------------|------------|
| | | 2021 | 2022 |
| Customer Satisfaction | | | |
| Products and service-related complaints | Case | 0 | 0 |
| Workforce Profile | | | |
| Total workforce | Number | 16 | 18 |
| By Gender (and rate) | | | |
| Male | Number (%) | 7 (43.8%) | 5 (27.8%) |
| Female | | 9 (56.3%) | 13 (72.2%) |
| By Employment Contract type (and rate) | | | |
| Full-time | Number (%) | 16 (100%) | 18 (100%) |
| Part-time | | 0 (0%) | 0 (0%) |
| By Age Group (and rate) | | | |
| Under 20 | Number (%) | 0 (0%) | 0 (0%) |
| 20 – 29 | | 3 (18.8%) | 3 (16.7%) |
| 30 – 39 | | 5 (31.3%) | 6 (33.3%) |
| 40 – 49 | | 7 (43.8%) | 5 (27.8%) |
| Over 50 | | 1 (6.3%) | 4 (22.2%) |
| Overall Turnover | | | |
| <i>Computed as total yearly number of leavers/average number of headcounts in the reporting year</i> | | | |
| By Gender (and rate) | | | |
| Male | Number (%) | 1 (14.3%) | 3 (50.0%) |
| Female | | 4 (44.4%) | 1 (9.1%) |
| By Age Group (and rate) | | | |
| Under 20 | Number (%) | 0 (0%) | 0 (0%) |
| 20–29 | | 1 (40.0%) | 3 (100.0%) |
| 30–39 | | 1 (20.0%) | 0 (0%) |
| 40–49 | | 1 (15.4%) | 1 (16.7%) |
| Over 50 | | 2 (100.0%) | 0 (0%) |

| Category | Unit | Data Period | |
|--|--------|-------------|-------|
| | | 2021 | 2022 |
| Training and Development | | | |
| The Percentage of Employees Trained by Gender and Employee Category | | | |
| By Gender | | | |
| Male | % | 86.0% | 28.0% |
| Female | | 89.0% | 72.0% |
| By Employee Category | | | |
| Managerial | % | 100.0% | 67.0% |
| Non-managerial | | 71.0% | 33.0% |
| Average Training Hours Completed per Employee by Gender and Employee Category | | | |
| By Gender | | | |
| Male | Hours | 11.9 | 8.8 |
| Female | | 28.9 | 26.9 |
| By Employee Category | | | |
| Managerial | Hours | 30.8 | 26.9 |
| Non-managerial | | 6.0 | 11.9 |
| Occupational Health and Safety | | | |
| Work-related fatalities | Number | 0 | 0 |
| Lost days due to work injury | | 0 | 0 |
| Anti-corruption | | | |
| Concluded legal cases | Number | 0 | 0 |

* Figures may not add up to 100% due to rounding.

ESG Reporting Guide Index

| Aspect | KPI | Content | Page Number |
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| | A1.1 | The types of emissions and respective emissions data | 27, 49 |
| | A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 26, 27, 49 |
| | A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 29, 49 |
| | A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 29, 49 |
| | A1.5 | Description of emissions target(s) set and steps taken to achieve them | 19–26, 30, 47 |
| | 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 | 28–30, 47 |
| A2: Use of Resources | A2 | General Disclosure | 6, 7, 16, 19 |
| | A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | 27, 49 |
| | A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | 27, 49 |
| | A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | 23–26, 49 |
| | 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 | 27, 49 |
| | A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | Not applicable due to the Trust's business nature |

| Aspect | KPI | Content | Page Number |
|--|------|---|--------------|
| A3: The Environment and Natural Resources | A3 | General Disclosure | 6, 7, 16, 19 |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | 19–30 |
| A4: Climate Change | A4 | General Disclosure | 6, 7, 16, 19 |
| | 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 | 19–30 |
| B: Social | | | |
| B1: Employment | B1 | General Disclosure | 6, 8, 16, 31 |
| | B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region | 34, 50 |
| | B1.2 | Employee turnover rate by gender, age group and geographical region | 34, 50 |
| B2: Health and Safety | B2 | General Disclosure | 6, 8, 16, 31 |
| | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | 31, 51 |
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| | B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored | 18, 31, 35 |
| B3: Development and Training | B3 | General Disclosure | 6, 8, 16, 31 |
| | B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | 51 |
| | B3.2 | The average training hours completed per employee by gender and employee category | 51 |
| B4: Labour Standards | B4 | General Disclosure | 6, 8, 16, 31 |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labour | 32 |
| | B4.2 | Description of steps taken to eliminate such practices when discovered | 32, 33 |

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| B5: Supply Chain Management | B5 | General Disclosure | 6, 9, 16, 35 |
| | B5.1 | Number of suppliers by geographical region | 35 |
| | B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored | 9, 35 |
| | B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | 35 |
| | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | 35 |
| B6: Product Responsibility | B6 | General Disclosure | 35 |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | Not applicable due to the Trust's business nature |
| | B6.2 | Number of products and service related complaints received and how they are dealt with | 35, 36, 50 |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights | 36 |
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| | B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored | 35, 36 |
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| B8: Community Investment | B8 | General Disclosure | 6, 9, 16, 41 |
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