



嘉里建設有限公司

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 683)

A Shared Journey to Sustainable Prosperity



SUSTAINABILITY
REPORT 2022

A Shared Journey to Sustainable Prosperity

When humans and nature move in parallel, harmoniously co-existing, the earth's energy is balanced, and life is sustained. By prioritising responsible practices, we go hand in hand with our stakeholders working towards achieving this balance, and co-creating a sustainable future for present and future generations.

*Cover photo taken at Tai Tong, Yuen Long



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Your feedback is critical for us to continuously improve our reporting and sustainability practices. Simply complete this survey and we will donate a hearty meal to a family in need.

[Click here to participate](#)



[Sustainability Report Video](#)



[Sustainability Abridged Version](#)

BOARD STATEMENT ON SUSTAINABILITY MANAGEMENT

With another year of progress, Kerry Properties continues to move towards our sustainability objectives. Despite the pandemic and economic slowdown in 2022, we have forged ahead with resilience and agility. It is clear that the world has changed dramatically in a variety of areas, from sustainability to consumer behaviour; workplace to corporate structure. In response to the rapid changes in our industry, we have accelerated the development of green properties, upskilled our employees, and engaged stakeholders to better understand their needs.

Based on our sustainability values, our Vision 2030 strategy seeks to scale up our efforts through collaboration with stakeholders to contribute to the United Nations Sustainable Development Goals (“UNSDGs”), aligning with the sustainability roadmap of the Group. All the targets under the strategy are either achieved or on track.

To determine the Group’s materiality topics, we conducted the annual materiality assessment to understand stakeholders’ expectations. As financial impact is gaining momentum to be another lens to access materiality, this year we applied the principle of double materiality to comprehensively prioritise the sustainability topics. We considered both the impact on the environment and society and financial performance, while taking sustainability megatrends, regulatory updates and stakeholders’ focuses into account.

As a leading property developer in the region, we are committed to managing sustainability throughout our developments’ life cycle. Under a set of Sustainable Building Guidelines, our buildings are designed and managed to be climate-resilient and resource-efficient. Notably, Kerry Everbright City Phase III is the first commercial building in the Mainland to achieve LEED Platinum for Communities (Existing Buildings). To improve the well-being of our tenants and customers,

the Hong Kong Kerry Centre, Beijing Kerry Centre, Jing An Kerry Centre and Kerry Everbright City Phase III are WELL Platinum certified.

At Conference of Parties (“COP”) 27, the importance of climate change was being highlighted. In view of the global climate change urgency, we have conducted a corporate-level risk assessment with reference to the Task Force on Climate-related Financial Disclosures (“TCFD”) framework, in order to assess and plan ahead for climate-related financial impacts. We have also driven more of our investment properties to take part in the Climate Risk and Vulnerability Assessment, which together with Science-Based Targets initiatives (“SBTi”) will enable us to engage both upstream and downstream stakeholders on our path towards carbon neutrality.

Building a sustainable future requires the collaboration of all our key stakeholders. We utilise a variety of channels and approaches to engage stakeholders on a year-round basis. We strive to collect diverse views, opinions and expectations to devise action plans for further improvement and connection with them. During the year, we promoted the “Good Life Goals Campaign” which featured a series of engaging activities. We have engaged employees, residents, tenants, contractors and the community, influencing everyone to support the UNSDGs for a more sustainable future.

We continue to make a difference and amplify positive impact in our community through engaging with NGOs, and participating in social initiatives. Our focus areas such as promoting education and youth development, support for culture and arts, environmental conservation and social welfare are linked to our business strategy. To identify and assess the positive and negative social consequences of our community programmes performed, our social impact assessment enables us

to better plan our community programmes to promote positive interaction between the Group and society.

Our efforts in progressing sustainability are remarkable, for which we have been recognised in major ESG ratings. Among them, we are proud to have been named as Regional Sector Leader (Asia Diversified Listed Category) by the Global Real Estate Sustainability Benchmark (“GRESB”), and happy to be included in the FTSE4Good Index and Hang Seng ESG 50 Index. We have also been honoured by numerous ESG award programmes such as the ESG Excellence Awards (Hang Seng Composite Index Constituent Companies) by The Chamber of HK Listed Companies, and Best in ESG Awards by BDO Limited.

Moving forward, we will continue to advance our ambitious plans to stay ahead of the changing ESG landscape. By focusing on our sustainability purpose, we will maintain and build on our momentum as a responsible property developer and corporate citizen. As part of our ongoing efforts on sustainable developments, initiatives and engagement along the value chain, we hope that we will be able to meet our environment, people, community and value chain targets before 2030, and reach carbon neutrality before 2050.

It is our sincere hope that you will take the time to read the details of this report. It means a lot to us to hear from you and have your support.

For and on behalf of the Board

Kuok Khoon Hua

Chairman and Chief Executive Officer

April 2023

MESSAGE FROM THE SUSTAINABILITY STEERING COMMITTEE

We always believe that sustainability is a shared journey to prosperity. Beyond merely reducing negative environmental impacts, true sustainability also involves creating long-term economic and social benefits for the communities we serve. Thus, we are focused and committed on working collaboratively with everyone, from employees to stakeholders, to create a better future for all.

Recognising the potential impacts from our property design, construction and management activities on the environment, we embed sustainability throughout the life cycle of our properties. Consistent engagement with stakeholders, both internal and external, helps ensure our operations comprehensively advance our sustainability performance. This overarching belief with tangible targets in the near future is framed in our Sustainability Vision 2030.

Demonstrating the measured progression of our Vision 2030, seven out of the 18 targets listed have achieved a 100% outcome in 2022. To maintain the momentum and continue working towards our common goals, we launched a year-round Good Life Goals campaign to engage employees, residents, tenants, contractors and the community in activities aligned with six UNSDGs most relevant to our value chain.

As part of our ongoing efforts to expedite progress on climate action, a Climate Transition Taskforce was established to develop and implement carbon transition plans. These enable us to effectively manage our carbon reductions, especially scope 3 emissions, which are vital to achieving our science-based targets and contributing to carbon neutrality.

We hope to create a culture of care and resilience that will benefit everyone in our community by providing comprehensive support to our employees. Focusing on

post-Covid care, we launched a range of well-being programmes to support employees' physical and mental health. To gain feedback for further improvement, we recently conducted an employee survey that included a component on wellness.

As we continue to navigate the complex and interconnected challenges of sustainability, for this report we have refined and articulated our sustainability values from Environment, People, Community and Value Chain into three chapters: Accelerating Climate Action, Amplifying Our Power, and Putting People First.

In closing, we would like to thank all our stakeholders for their continued support and commitment to our sustainability practices. Sustainability will always remain a core pillar for how Kerry Properties conducts business. For us, creating and supporting resilient communities, and delivering positive social impact, goes hand-in-hand with creating economic profit for our shareholders.

We always remain open to hearing your suggestions and ideas on how we can continue to improve.

Sustainability Steering Committee

April 2023



SUSTAINABILITY AT A GLANCE



ENVIRONMENT

**88%**

Properties obtained sustainable building certifications (2021: 87%)

**▼ 25.6%**Energy intensity¹ (2021: ▼ 15.3%)**▼ 25.2%**Waste intensity¹ (2021: ▼ 10.5%)**77%**

Investment properties completed Climate Risk and Vulnerability Assessment (2021: 53%)

**▼ 32.4%**GHG intensity¹ (2021: ▼ 20.8%)**▼ 31.3%**Water intensity¹ (2021: ▼ 16.4%)

Sustainable Building Certifications

27**LEED**
Gold or above**9****BEAM/ BEAM Plus**
Gold or above**7****WELL**
Gold or above**7****WELL**
Health-Safety Rating**8****RESET™ Air**

PEOPLE

**98.6%**

Employee trained rate (2021: 96%)

**34%**

Women in senior positions (2021: 31%)

**6.92** per 1,000 employeeswork-related injury rate² (2021: 6.07)

COMMUNITY

**HK\$12.1 million**Donations³ (2021: HK\$22.6 million)**550+**

Community initiatives (2021: 400+)

**89%**

Overall satisfaction rate among beneficiaries in Social Impact Assessment



VALUE CHAIN

**94%**

Contractors/ suppliers governed by "Vendor Code of Conduct" (2021: 82%)

**84%**

Operations governed by green procurement guidelines (2021: 68%)

**93%**Customer satisfaction rate⁴ (2021: 96%)

1. As compared to baseline year 2017. The GHG reduction progress is calculated based on location-based emissions. GHG emissions, energy usage, water consumption, and waste generation substantially declined due to the pandemic lockdown and power restrictions in some regions in 2022.
2. Refer to work-related injuries that happened to employees that resulted in incapacity for a period exceeding three days. Corrective measures, including increased safety training, have been implemented to address the increase in work-related injury cases.

3. More than 50% of the donations made in 2021 focused on disaster relief, including those affected by the record-breaking floods in Zhengzhou and the impacted communities during the pandemic.
4. Due to the pandemic lockdown in 2022, the number of valid survey responses decreased.



SUSTAINABLE GOVERNANCE & FINANCE



22 ESG policies
in force



Established the **Climate Transition Taskforce** to facilitate the carbon neutrality journey



10 Sustainability-linked loans amounting to **HK\$17,035 million** in 2022

SUSTAINABILITY ACCREDITATIONS



Global Real Estate Sustainability Benchmark

- Maintained the highest **5-Star** Rating in 2022
- Honoured with **“Regional Sector Leader”** under the “Asia Diversified Listed Category” (Standing Investments Benchmark)



FTSE4Good

FTSE4Good Index Series

Constituent



Hang Seng Corporate Sustainability Index Series Member 2022-2023

Hang Seng Corporate Sustainability Index Series

- Maintained **AA+** Rating
- Constituent of Hang Seng **ESG 50 Index**



CDP
Upgraded to **B** Rating (2021: C)



MSCI ESG Ratings
Upgraded to **A** Rating (2021: BBB)



Greater Bay Area Business Sustainability Index
Maintained **Top 10**



Sustainalytics
Maintained **Low Risk** Rating



Refinitiv
24th out of 474 Real Estate Companies (as of December 2022)



The Asset ESG Corporate Awards 2022
Benchmark Award – Platinum Award



Hong Kong Corporate Governance & ESG Excellence Awards 2022
ESG Excellence Awards (Category for Hang Seng Composite Index Constituent Companies)

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ABOUT KERRY PROPERTIES

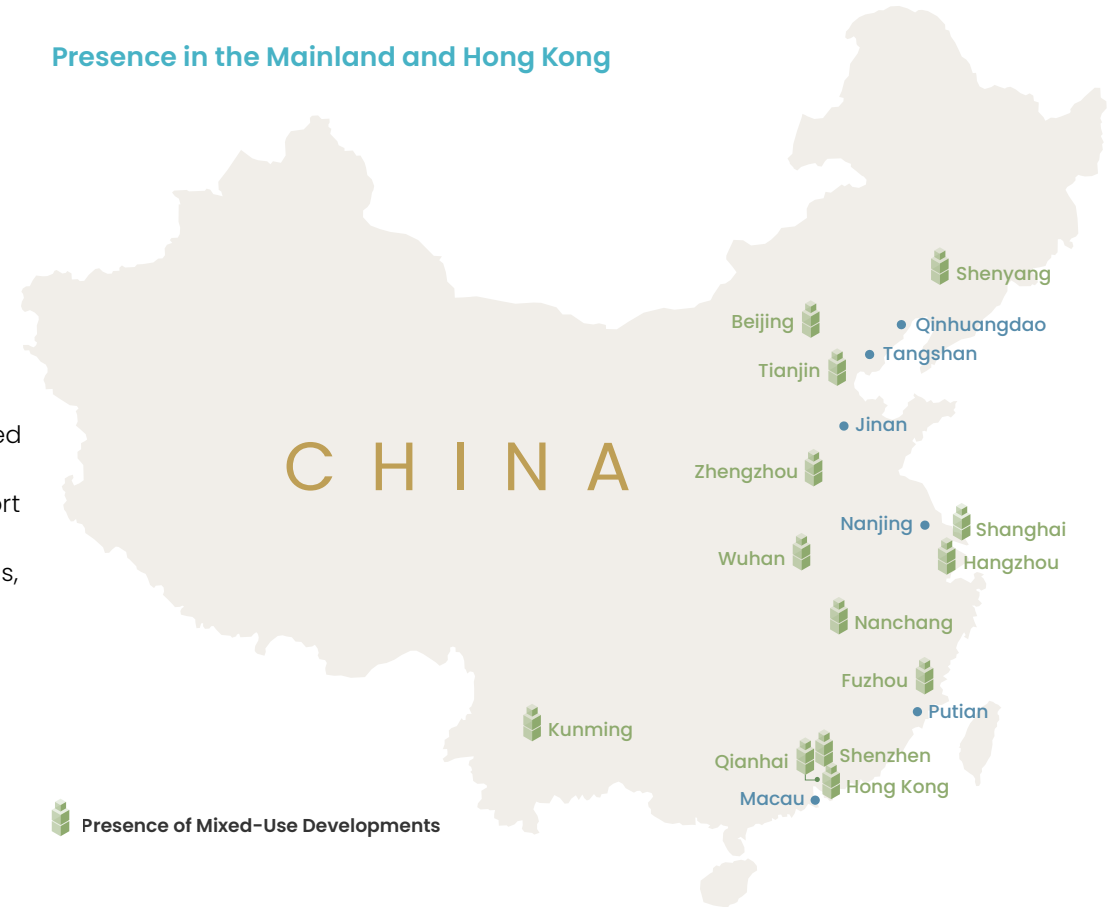
Kerry Properties Limited (“**Kerry Properties**” or “**KPL**”, which together with its subsidiaries referred to as the “**Group**”, “**Company**” or “**we**”) is a well-established property company¹ with significant investments in Hong Kong and the Mainland. The Group’s major focus is on developing high-quality residential, commercial and mixed-use developments in prime locations². Beyond the delivery of quality properties, the Group continues to serve its clients by offering professional management and a range of value-added services and diverse privileges.

The Group acts on principles of fairness and integrity, and we value the many relationships we have developed over our long history with staff, suppliers, partners, government agencies, and other key stakeholders.

Kerry Properties (Stock code: 683) is listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). The Group strives to address stakeholders’ concerns through transparent sustainability disclosures. In addition to publishing its standalone sustainability report on an annual basis, the Group discloses its sustainability approach, performance and achievements to a number of sustainability benchmarks and indices. For details, please refer to the “[Sustainability Accreditations](#)” section.

1. The Group is mainly engaged in property investment, development and management with headquarter in Hong Kong.
2. As at 31 December 2022, the Group held a portfolio comprising properties under development, completed investment properties, hotel properties and properties held for sale, in the Mainland, Hong Kong, Macau and overseas.

Presence in the Mainland and Hong Kong



KPL's Financial and Sustainability-related Performances

Financial Information



Annual Report 2022



Investor Relations Information

Non-financial Information



SASB
Sustainability Accounting Standards Board
Real Estate Sector Disclosure 2022



TCFD
Task Force on Climate-related Financial
Disclosures Reporting

Visit our standalone website to know more

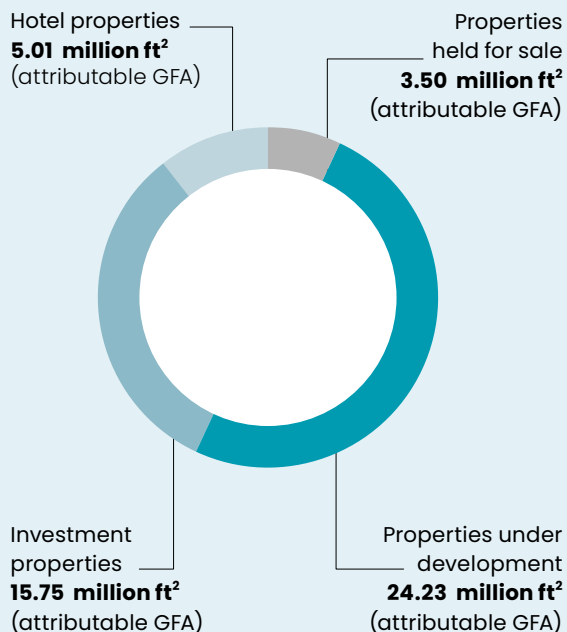


Sustainability Website

Business Overview¹

The Group posted solid results from the sales of completed properties during the year ended 31 December 2022 (“**reporting period**”). The rental and hotel operations, founded on a growing asset base, also maintained a steady performance.

Our Property Portfolio Comprises



Revenue

HK\$**14,590** million



Cost of sales and direct expense

HK\$**7,606** million



Gross profit

HK\$**6,985** million



Shareholders' equity

HK\$**108,787** million



Employee wages and benefits

HK\$**1,660** million



Payment to the Government (taxation)

HK\$**1,445** million



More details of KPL's financial performance and related information can be found on pages 4-5 of our Annual Report 2022, which is available on KPL's and SEHK's websites.

Sustainable Finance

Sustainable finance is an integral part of the Group's approach to facilitating long-term investments in sustainable economic activities. We have established a [Sustainable Finance Framework](#) which is developed in alignment with international market standards and best practices. The framework has been assured with a [Second-party Opinion](#) (SPO).

Sustainable finance transactions:

18 sustainability-linked loan transactions with over HK\$28.9 billion (as of 31 December 2022)

Existing KPIs for sustainability-linked finance transactions:



Achieve a target reduction in GHG emissions and energy consumption intensity (See section "[Sustainability at a Glance](#)")



Attain green certifications for new investment properties (See section "[Vision 2030 Targets](#)")



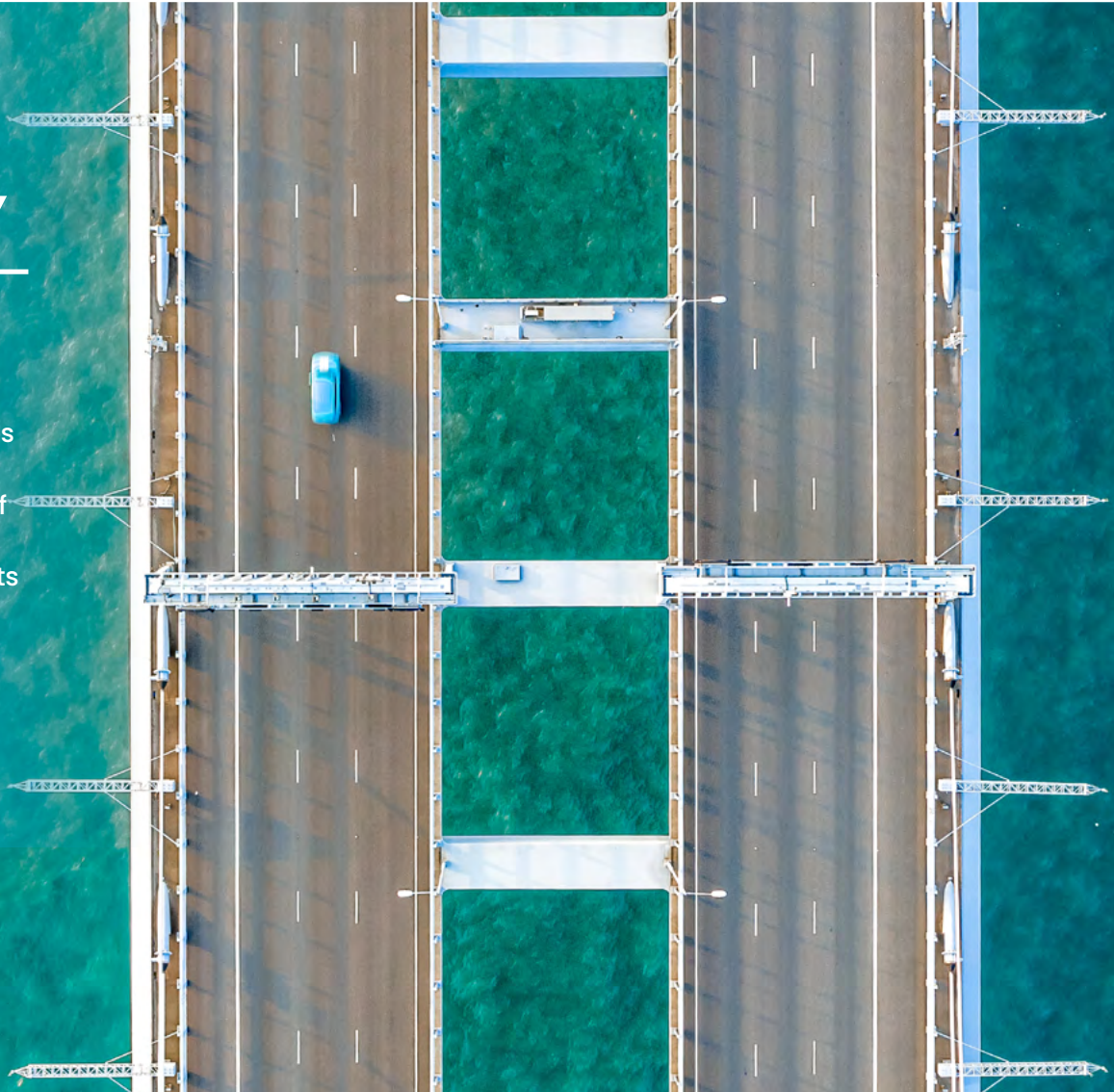
Demonstrate continuous improvement in major ESG ratings, such as GRESB and Hang Seng Corporate Sustainability Index (See section "[Sustainability Accreditations](#)")

1. This section includes the financial performance of the Company and its subsidiaries, associates and joint ventures beyond the scope of this Report. For the reporting scope, please refer to pages [87-88](#).

OUR SUSTAINABILITY APPROACH

Sustainable development offers the hope of better outcomes for all. Realising the goal of a sustainable future means not only reducing climate risk and the environmental impacts of a company’s activities, but promoting equity in society, and contributing to the well-being of stakeholders. Setting targets provides the framework; collaboration is the means.

Reflecting Kerry Properties’ commitment to sustainability, we consistently enhance our governance, engagement and strategies to positively impact society and the environment in line with our Vision 2030.




Key Achievements
in 2022

Established
**Water
Stewardship Policy**

Adopted
**Double Materiality
Approach**
in materiality assessment

**Higher
coverage**
of ESG data validation

Corporate Governance

Corporate Governance Structure

KPL respects principles of fairness and integrity, and governance. Our governance systems and the Board of Directors reflect these ideals. The Board of Directors is the highest governance body, maximising financial performance and shareholders' value.

The Board of Directors has operational and management authority over the Company. It established five Board Committees: Audit and Corporate Governance Committee, Remuneration Committee, Nomination Committee, Finance Committee and Executive Committee.

The Board charts each committee. It determines strategy, policy, and financial performance and leads the organisation.

Our company culture emphasises transparency, and we update stakeholders routinely. We use press releases, the corporate website, results briefings, onsite visits, and investment conferences to communicate with investors.



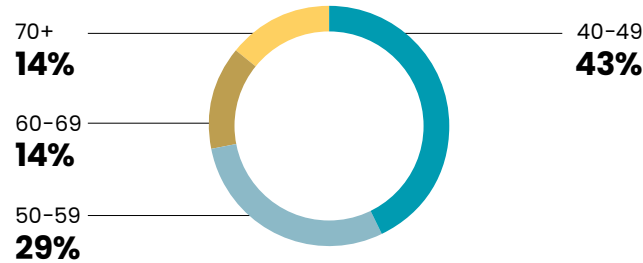
Board Independence, Diversity and Performance

The Board considers that all of its Independent Non-executive Directors are independent in character and judgement and meet the independence guidelines set out in the Listing Rules. The Nomination Committee has assessed their independence by reviewing potential conflicts of interests.

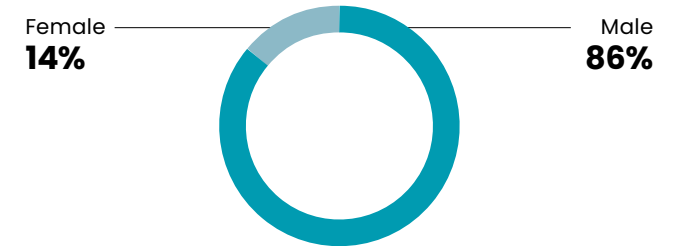
KPL believes that increasing board diversity is crucial to strong corporate governance. The Company has adopted the Nomination Policy and Board Diversity Policy to regulate the selection of Board members. It considers, among others, gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge, and length of service when reviewing the Board's composition.

The performance of the Board or KPL's Directors has been reviewed by the Remuneration Committee which is delegated with responsibility for reviewing and approving remuneration proposals for all Directors and senior management with reference to, among others, KPL's performance, as well as its goals and objectives, the market condition and other relevant factors. Also, with the performance review and the recommendation made by the Nomination Committee after reviewing the Board's composition and diversity, the Board will consider any proposed changes to the Board to complement the Company's corporate strategy. This review is typically conducted in January each year.

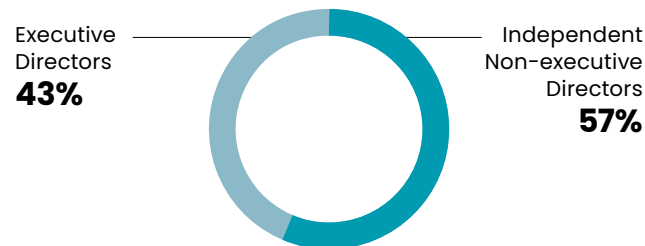
Age



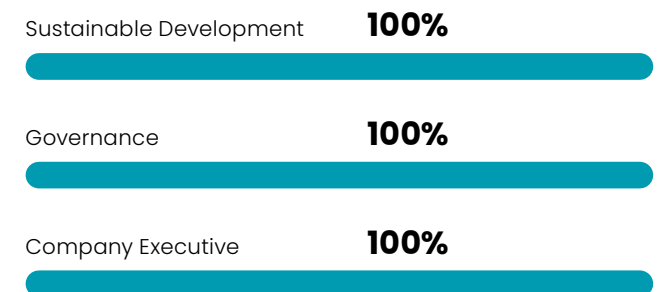
Gender



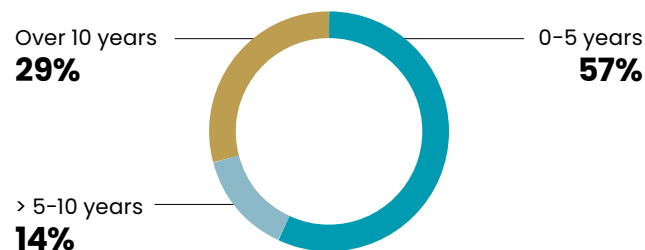
Directors



Skills and Experience



Tenure



Average Tenure: **5 years 4 months**

(As at 29 March 2023)

Sustainability Governance

The Board of Directors oversees the Group’s long-term strategic direction and approves major business priorities to improve sustainability performance and reporting. It is responsible for the Group’s sustainability and climate-related matters.

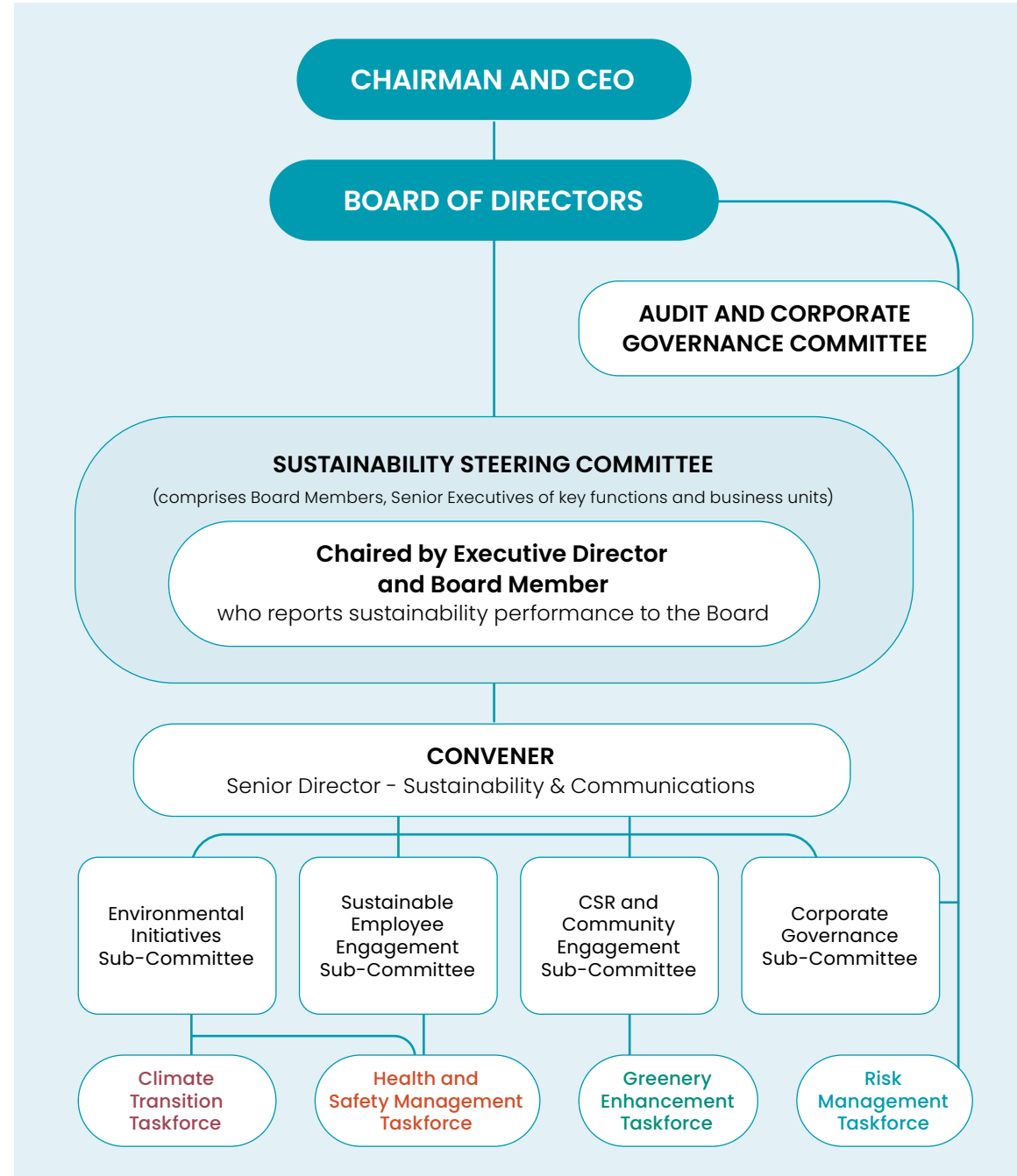
The Sustainability Steering Committee (“Committee”) is appointed by the Board and is chaired by our Executive Director and Board Member. The Chairman is the designated senior decision-maker for ESG and climate-related issues. In addition to sustainable business knowledge and mindset, the Committee members are well-equipped to suggest insights, directions, and future-looking directions regarding sustainability. Achieving ESG targets forms an element in performance appraisal for the members. The Committee has the following roles and responsibilities regarding sustainability:

- Reports the summary of sustainability strategies and plans as discussed with the sub-committees and taskforces for the Board’s oversight
- Reviews performance and proposes sustainability-related recommendations and targets to the Board
- Facilitates the Board to enhance their understanding on the Sustainability Report
- Reviews and approves the materiality assessment

During the reporting period, the Committee held two meetings.

There are four sub-committees and taskforces established within the Sustainability Steering Committee, focused on carrying out different functions for addressing environmental and social impacts. Their work includes evaluating the Company’s management approach for each material topic, conducting stakeholder surveys, and benchmarking with peers and best practices. Please refer to our [sustainability website](#) for roles and responsibilities of our sub-committees and taskforces.

In order to achieve the Group’s strategic sustainability goals, members of the Sustainability Team utilise their professional skills, industrial insights and understanding of the Company to implement practical and effective sustainability initiatives. Furthermore, we have integrated employees’ involvement with ESG matters into their annual performance evaluations.



Group Policies

Our group policies reinforce our commitment to operating responsibly, taking us beyond regulatory obligations for workplace quality, environmental protection, community investments and operating practices. On our corporate website, we make public our group policies and guidelines in order to enhance transparency. KPL requires each employee to be aware of, have read, and are complying with all group policies and guidelines.

The group policies are reviewed and updated regularly to reflect the changes in operating factors and the needs of the community. Our Board of Directors, relevant board committees, and Senior Management review and approve all group policies as part of good corporate governance practice.

To encourage compliance with all legal requirements and ethical business practices, our vendors are required to endorse their acceptance of and compliance with the ethical standards as outlined in our Vendor Code of Conduct.

KPL is committed to the upholding of human rights in our own activities and business relationships in accordance with national laws and international norms including the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, the UN Guiding Principles of Business and Human Rights and the UN Sustainable Development Goals.



There are currently **22** sustainability-related policies in place at KPL:



GOVERNANCE

- Anti-Corruption Policy
- Competition Law Policy Statement
- Whistleblowing and Complaints Policy
- Shareholders Communication Policy
- Inside Information Disclosure Policy
- Remuneration Policy
- Board Diversity Policy
- Nomination Policy



ENVIRONMENT

- Water Stewardship Policy **NEW**
- Sustainability Policy
- Climate Change Policy
- Environmental Policy
- Group Environmental Protection Policy
- Green Procurement Policy
- Biodiversity Policy



PEOPLE

- Equal Opportunity and Anti-Discrimination Policy
- Corporate Health and Safety Policy
- Human Rights Policy



VALUE CHAIN

- Sustainable Procurement Policy
- Vendor Code of Conduct
- Personal Data (Privacy) Policy Statement



COMMUNITY

- Charitable Donations Policy

All sustainability-related policies are publicly disclosed on our [corporate website](#) and [sustainability website](#).

Business Ethics and Compliance

As part of our commitment to operating in an ethical manner, several controls have been implemented to assist us in making informed and fair decisions. Employees at KPL are required to adhere to the Code of Conduct to ensure that their behaviour and interests do not harm their own or the Company's reputation. In order for all employees to understand what actions are morally right and wrong in KPL, KPL Ethical Guidelines have been distributed to them. A number of areas are covered by the guidelines, including anti-corruption, anti-competition, personal data (privacy) and whistleblowing. Online training for the fundamental topics is provided to the employees and **96%** of employees have completed the training.

The Code of Conduct is included in the Employee Handbook. When involving potential corruption, guidelines for dealing with situations with dedicated approval personnel, criteria, and internal declarations of interests are provided. Guidelines such as these include, but are not limited to:

- Prohibited payments and offers (i.e., bribes, kickbacks, fraud, money laundering and insider trading)
- Gifts, entertainment, and hospitality
- Procurement process
- Handling of company assets

KPL's internal audit team conducts audits and inspections to ensure the Company adheres to ethical standards, and their recommendations will be presented to the Audit and Corporate Governance Committee for enhancement of KPL's integrity management.

Anti-corruption

In order to prevent any corrupt behaviour at KPL, training is one of the most important precautionary measures. We have developed online training for our staff and Directors on corruption, conflicts of interest, and integrity issues. They are mandated to attend the training. The training has helped our personnel comprehend business ethics, integrity and anti-corruption. During the reporting year, there were no confirmed legal cases of corruption brought against the Group or its employees.

Anti-competition

Our business adheres to all applicable competition and antitrust laws, including the Hong Kong Competition Ordinance. We have guidelines in place that help our employees understand the requirements of Hong Kong's Competition Ordinance, including how to deal with competitors, avoid abuse of market power and participating in trade associations. A Competition Law training programme has also been developed and implemented for employees in Hong Kong and the Mainland. During the reporting period, there were no legal actions related to anti-competitive behaviour brought against KPL.

Whistleblowing Mechanism

The Group encourages its employees and other stakeholders, including suppliers, business partners and customers to alert Senior Management if they become aware of any possible violations of legal or regulatory requirements. In our Whistleblowing and Complaints Policy, we outline the investigation procedures that ensure confidentiality of all complaints.

Regular reviews and ongoing monitoring of the Whistleblowing and Complaints Policy are carried out by the Audit and Corporate Governance Committee to ensure its relevance and effectiveness.

Employees can make a report to the ombudsperson of KPL using our Whistleblowing Report Form. Our Whistleblowing and Complaints Policy provides employees with a proper channel for reporting and investigating complaints. Once a report is made, an assessment on whether to proceed investigation will be conducted and all complaints are dealt with promptly and fairly.

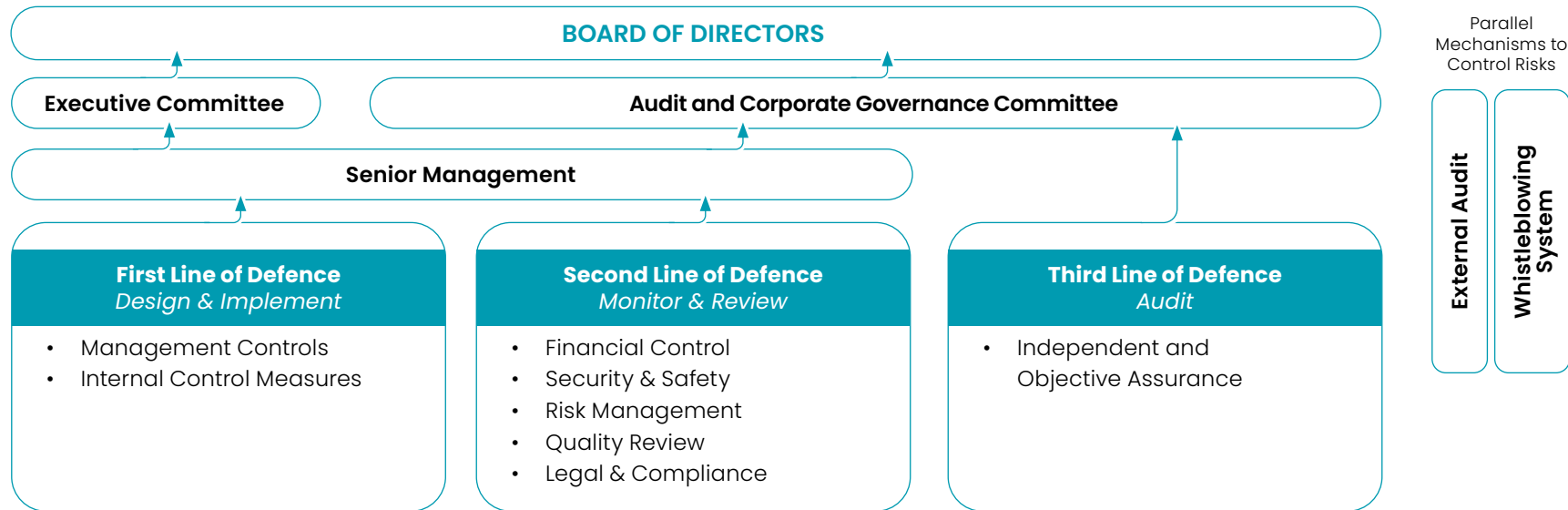
Furthermore, the Policy outlines the roles and responsibilities of the ombudsperson, who receives and processes mail and email complaints. Whistleblowing/complaints cases are reviewed by the Company's Complaints Committee, which determines if a case is to be investigated.

KPL makes every effort to keep whistleblowers' identities confidential and all the information reported by them is kept in the strictest of confidentiality, except when KPL is required by law or regulation to disclose the information, or when KPL refers the matter to the appropriate regulators or law enforcement authorities. During the reporting period, all whistleblowing cases received were timely investigated and closed.

Risk Management

Enterprise Risk Management is our integrated approach to assessing enterprise risks and ESG materiality on a regular basis. We fully integrate ESG issues into our enterprise risk management system using this holistic approach, which aligns our corporate and sustainability strategies. KPL's risk management and internal control ("RMIC") framework is based on that of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

To reinforce KPL's risk management capabilities and compliance culture across all business units, the Company adopts a "Three Lines of Defence" model to address the potential risks and controls, where specific duties related to those could be assigned and coordinated.



The Senior Management sets relevant policies and regularly monitors potential weaknesses and actions items to identify and assess macro- and strategic risks, as well as emerging risks, through implementing a risk management framework and procedure. The Internal Audit Department reviews major operational, financial, and risk management controls of the KPL businesses, plays an advisory role in developing policies, and provides reasonable assurance over operational controls on a regular basis.

In order to strengthen our business resilience and respond to new challenges, in addition to operational and financial risks, we have included Environment, Social and Governance ("ESG") risks in our risk management and internal control system.

This year, several innovative solutions were promoted and adopted by KPL, including the use of digitalisation to enhance visibility, efficiency, and consistency of our

ESG Risks

- E** ▶ climate change, water management, biodiversity
- S** ▶ health & safety, employee health & well-being, labour issues, human rights
- G** ▶ bribery & corruption, cybersecurity, data protection & privacy

internal control processes. To increase awareness and ensure sustainability-related risks and opportunities are integrated into the risk management system, we will arrange risk management training for first-line risk owners of functional and business units.

Sustainability Strategy

Creating Sustainability Values

KPL's vision to corporate sustainability is to create long-term shareholder value, not only fulfilling legal obligations, but also building a sustainable future and prosperous lives in the community.

We continue to incorporate sustainability into all business activities. Our SV 2030 strategy is built on four focus areas: **Environment**, **People**, **Community** and **Value Chain**, which align our vision with UNSDGs. The strategy reflects our commitment to making every aspect of our operations a driver of sustainability for a better future, including the achievement of our 18 targets set across our four pillars. This report is

divided into sections that will discuss more in-depth on the strategy, management approach, key goals, initiatives, and performance of each pillar.

Our SV 2030 strategy enables us to create sustainability values in three aspects: Accelerating Climate Action, Amplifying Our Power and Putting People First. Our objective is to maintain KPL's competitiveness and enhance its market positioning while establishing a positive reputation in the community. As part of our commitment to sustainability values, KPL has undertaken various initiatives to achieve them.

Amplifying Our Power

- Leverage Technologies in Sustainability
- Sustainability Procurement
- Supplier Management & Evaluation
- Information Security
- Empowering the Community
- Community Investment
- Placemaking
- Educating Stakeholders



Accelerating Climate Action

- GHG Emissions and Energy Efficiency
- Resources Management
- Climate Transition
- Sustainable Building

Putting People First

- Well-being, Health and Safety
- Human Rights
- Diversity, Equity and Inclusion
- Talent Attraction and Retention

Sustainability Pillars	UNSDG Indicator	Vision 2030 Targets	2022 Progress				Compared to 2021
			25%	50%	75%	100%	
Environment	13.1	100% of investment properties complete Climate Risk and Vulnerability Assessment					+24%
	13.1	100% of investment properties adopt climate-resilient building features					+1%
	11.6	100% of investment properties implement rainwater harvesting system					+1%
	11.6	50% of new investment properties adopt biophilic design features					Maintained
	11.6	100% of investment properties adopt wellness features in building design					+2%
	11.6	100% of new investment properties achieve green certifications ^{1,2}					Maintained
People	3.9	Reduce work-related injury rate of employees to 10 per 1,000					Maintained 6.92 per 1,000 employees in 2022
	3.9	Maintain record of zero work-related fatalities of all our employees					Maintained 0 case in 2022
	8.5	100% of employees receive gender equality, anti-sexual harassment, and related ethical training					+40%
	5.1	Maintain zero discrimination cases in all operations by treating all people fairly, impartially and with dignity and respect					Maintained 0 case in 2022
	5.5	At least one third of senior positions is held by women					+3%
	8.5	100% of employees receive labour rights, diversity, and social inclusion training					+35%
Community	11.4	100% of new mixed-use developments plan and design with cultural and heritage conservation consideration					+38%
	11.7	100% of new mixed-use developments plan and design through a mandatory community engagement process, with but not limited to women, children, elderly and disabled persons					+38%
Value Chain	8.7	100% of contractors/suppliers are governed by "Vendor Code of Conduct" which forbids forced labour, slave labour, and child labour					+12%
	12.2 & 12.5	100% of operations governed by green procurement guidelines which include use of sustainable resources throughout property development and operation					+16%
	12.5	100% of construction projects implement waste recycling programmes					+15%
	8.5	100% of building contractors/suppliers are governed by sustainable procurement guidelines which contain mandatory diversity requirements					+6%

1. Green certifications refer to LEED Gold or above, WELL Gold or above, BEAM/ BEAM Plus Gold or above and China Green Building Evaluation Label ("CGBL") Three-Star accredited.

2. New investment properties refer to newly completed buildings since 2019. Both of our two new investment properties in 2022, including Fuzhou Rivercity Commercial Centre and Shenzhen Qianhai Kerry Centre Phase II, have obtained LEED Gold or above.



The Good Life Goals Campaign

Kerry Properties has adopted the Good Life Goals as a communication tool to cultivate United Nations Sustainable Development Goals (UNSDGs) engagement among our value chain all year long as it aims to bridge the gap between the UNSDGs and how everyone can contribute at an individual level.

Our year-round Good Life Goals campaign has featured a series of engaging activities for our employees, residents, tenants, contractors and the community to call for their personal actions on our six prioritised UNSDGs, so we are contributing to a more sustainable future together.



Key Objectives Fulfilled

1. Raise awareness of the UNSDGs

Since each UNSDG is linked with daily sustainable behaviours in this campaign, everyone can easily relate to making responsible choices.

2. Inspire our stakeholders to change for good

We have engaged and inspired stakeholders along the value chain to commit to acting right for our planet.

3. Integrate their sustainable behaviours to work

When our stakeholders are inspired to live sustainably, they bring gradual changes to their work habits to positively impact our business too.

4. Demonstrate that our actions have the power to shape the world

The Good Life Goals enabled us to show that our individual actions play a vital role in achieving UNSDGs' 2030 ambitions.

Our Achievements



Reached **2,500+** stakeholders



Held **120+** events since July 2022

WHAT MATTERS TO US

WHAT IS OUR FOCUS

WHAT POSITIVE IMPACTS HAVE WE MADE



Desk Stretches



Tenant Yoga Class
(Shenzhen)



Recycle Old Sneakers
(Shanghai)



Climate Pledge



Charity Bears to Empower
Women (Hong Kong)



Wrong Socks Day
(Beijing)



"Shanghai Memory"
Photo Contest



Biodiversity Education
Tours (Hong Kong)



XM Night Fair
(Shenyang)



Kids Sports Day
(Shenzhen)



Emergency Preparedness
(Hangzhou)

3
STAY WELL



5
TREAT EVERYONE
EQUALLY



一起行動
凝聚力量

13
ACT ON CLIMATE



OUR ACTIONS HAVE THE POWER

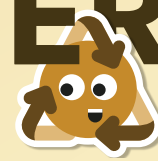
11
LOVE WHERE
YOU LIVE



8
DO GOOD WORK



12
LIVE BETTER



Climb for Good
(Hong Kong)

Stakeholder Engagement and Double Materiality Assessment

Stakeholder Engagement Approach

KPL views effective stakeholder engagement with high importance to understand stakeholders' expectations on the topics that matter most and to best inform our sustainability and overall strategy.

Our year-round stakeholder engagement approach engages different stakeholder groups who help identify potential risks and opportunities for our business operations, and gathers different opinions and expectations that they consider material to KPL's operation and development. We will integrate these actions into our daily operations to cope with the rapid changes in society.



Investors and Shareholders

- Annual/Special General Meetings
- Annual and interim reports
- Sustainability reports
- Company websites
- Investor visits/briefings
- Response to investor surveys and benchmarking exercises
- Press and analysts' conferences
- Roadshows and investors' conferences



Employees

- Orientation and training sessions
- Team building activities
- Recreational and volunteering activities
- Sustainability committees and taskforces
- Employee opinion surveys
- Annual performance appraisal
- Intranet and emails
- Newsletters



Academia

- Research studies
- Student partnership programmes
- Event venue sponsorships
- Seminars



Local Communities

- Public/community events
- Community initiatives
- Corporate volunteer team and employee
- Volunteering activities
- Mailing/Emailing for feedback



Customers and Tenants

- Customer satisfaction surveys
- Customer service hotlines
- Community events
- Corporate publications



NGOs

- Focus groups
- Partnership programmes
- Sponsorships and donations
- Conferences and seminars



Suppliers and Contractors

- Surveys and meetings
- Green Construction Site Award
- Kerry Project – Community Caring Scheme
- Safety briefings
- Tendering and procurement processes



Government and Industry Associations

- Regular meetings
- Public consultations
- Conferences, forums and seminars



Media

- Press conferences and releases
- Media briefings
- Feedback and response to enquiries

Process of Stakeholder Engagement and Materiality Analysis

1

Identify potential ESG topics

- Consolidate a list of relevant ESG topics with reference to the latest ESG megatrends and peer analysis
- Develop a set of Stakeholder Engagement Questionnaire



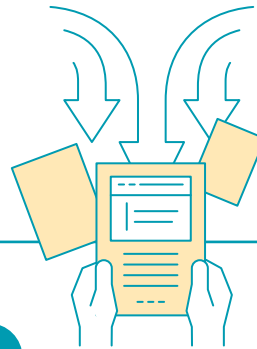
Our 2022 sustainability material issues identification has also accounted for the latest megatrends including:

- Climate change acclimatisation and transition to cleaner energy
- Transformation of the workplace and a sustainable workforce
- Sustainable supply chain
- Information sharing and safeguarding data
- Promoting equity and trust in society
- Digitalisation

2

Collect feedback from stakeholders

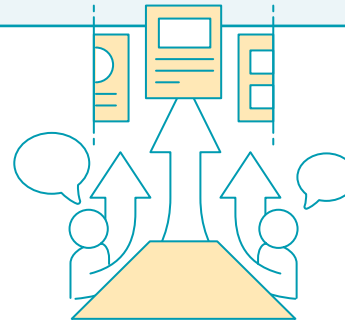
- Understand key stakeholder concerns, collected their opinions and compare with the results identified in Step 1



3

Consolidate data and conduct analysis

- Prioritise ESG topics based on ESG megatrends, peer analysis and 1-on-1 interviews with internal and external stakeholders
- Summarise the collected qualitative feedback from internal and external stakeholders on the Group's performance, challenges and improvements



4

Supervision and validation of material topics

- Results to be reviewed by the management to determine the material aspects



5

Develop strategic action plan and monitor progress

- Integrate material topics in the Group's ESG strategy to meet stakeholders' expectation and align with market trends



To ensure a robust and comprehensive engagement process, an independent consultant was hired in 2022 to conduct in-depth interviews with our internal and external stakeholders. Our business partners, investors, employees, and NGOs are invited to share their views on our sustainability performance, and strategic positioning in relation to megatrends they considered most significant to the company's current operations.

Our methodology for assessing the materiality level of identified topics and their significance was based on a combination of quantitative and qualitative approaches undertaken specifically for the report preparation process.

STAKEHOLDER ASSESSMENT AND SELECTION CRITERIA



Dependency



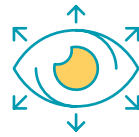
Responsibility



Necessity



Influence



Diverse Perspectives

TOTAL NUMBER OF STAKEHOLDERS' ENGAGED

2,660+ stakeholders
(+32% vs 2021)

IN-DEPTH INTERVIEWS

- **11** sessions
- Each in-depth session lasted for **1.5** hours
- **60%** from external stakeholders; **40%** from senior management

QUESTIONNAIRE SURVEY

- **5,520+** Invitations sent
(+57% vs 2021)
- **2,650+** responses received
(+32% vs 2021)
- Donated **19,400+** hot meals to people in need on behalf of the survey respondents
(For each completed survey, food packs valued at HK\$100 were donated)

1. The engaged stakeholder groups include the senior management, employees, customers/tenants/residents, business partners/suppliers/contractors, shareholders/investors, NGOs and others.

Double Materiality

In this year's stakeholder engagement exercise and materiality assessment, KPL applied the concept of double materiality, which takes both financial and impact materiality into account.

With this approach, KPL is able to provide information on financial topics that influence the enterprise value as well as economic, environmental, and human topics relevant to the enterprise. This also enables the public to understand the impact and responsibilities of KPL on society, the environment, and the people.

A list of potentially relevant ESG topics was compiled, then evaluated according to three lenses:

• **Stakeholder perspective**

The likelihood of impacting the judgment and decisions of key stakeholder groups. By conducting in-depth interviews and online survey circulated to stakeholders, we have identified the concerns of key stakeholders, collected their opinions.

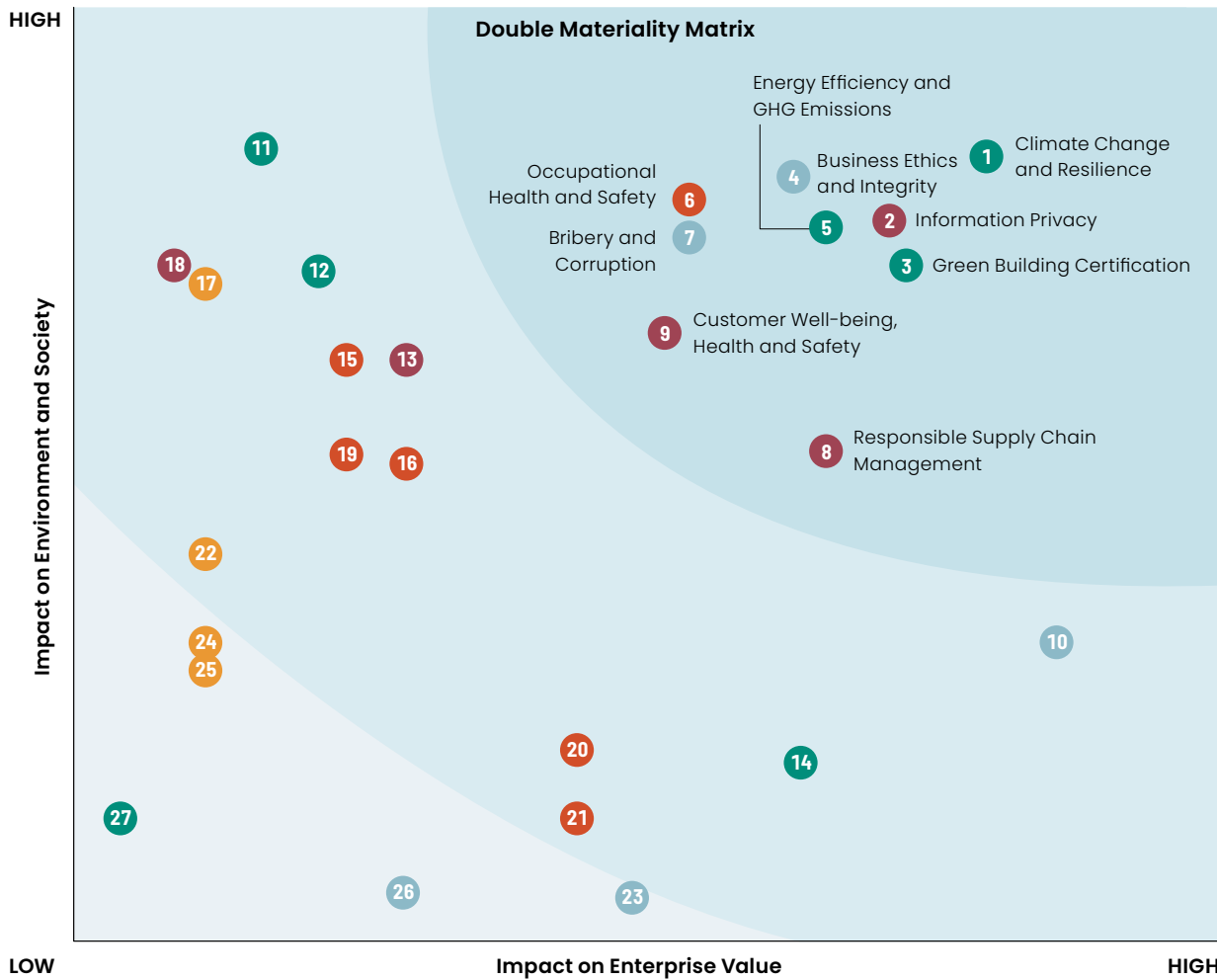
• **Impact on Social & Environment**

The outward impact on economy, environment, and people (including human rights) for the benefits of KPL's stakeholders. Each topic's materiality is calculated as the weighted average of scores obtained from global ESG regulatory context, industry benchmark, ESG criteria, etc.

• **Impact on Enterprise Value**

The inward impact on KPL's overall performance and business in terms of financial materiality, future and emerging risks, and opportunities that have or will have an impact on corporate value. Based on SASB Standards, TCFD Recommendations and KPL's risk map, we identified which issues were relevant from a risk perspective and which new ones needed attention.

Under the new Double Materiality Mechanism, we identified 9 material topics, summarised below:



Tier 1: Material Topics

- 1 Climate Change and Resilience
- 2 Information Privacy
- 3 Green Building Certification
- 4 Business Ethics and Integrity
- 5 Energy Efficiency and GHG Emissions
- 6 Occupational Health and Safety
- 7 Bribery and Corruption
- 8 Responsible Supply Chain Management
- 9 Customer Well-being, Health and Safety

Tier 2: Moderate Topics

- 10 Economic Performance
- 11 Waste Management
- 12 Water Consumption and Conservation
- 13 Service and Product Quality
- 14 Sustainable Finance
- 15 Employee Training and Development
- 16 Workplace Diversity and Equal Opportunities
- 17 Community Engagement and Investment
- 18 Customer Engagement and Collaboration
- 19 Employee Well-being
- 20 Talent Attraction and Retention
- 21 Labour Practices and Human Rights
- 22 Local Revitalisation

Tier 3: Monitored Topics

- 23 Risk and Crisis Management
- 24 Local Economic Development
- 25 Social Integration and Accessibility
- 26 Emergency Preparedness
- 27 Biodiversity

Tier 1	Material Topics	Most material issues due to their material impact on the Environment and Society and Enterprise Value of KPL. These matters are closely related to KPL's business model and therefore must be included in the Company business strategy and targets.
Tier 2	Moderate Topics	Issues that have moderate impact on the Environment and Society and Enterprise Value of KPL. These issues are being addressed through KPL's Policies, ESG target setting and risk management.
Tier 3	Monitored Topics	Issues that have limited impact which are related to emerging issues from regulatory framework which KPL reports on. These issues are being addressed through compliance, supervision and from an ongoing management perspective.

Material Topics and Their Respective Impact

Strategic Pillar	No.	List of Material Topics	Impact Boundaries by Stakeholder Group								
			A	B	C	D	E	F	G	H	
Our Sustainability Approach	1	Business Ethics and Integrity	✓	✓	✓				✓	✓	✓
	2	Bribery and Corruption	✓	✓	✓				✓	✓	
Environment	3	Green Building Certification	✓	✓	✓	✓	✓	✓	✓	✓	✓
	4	Energy Efficiency and GHG Emissions	✓	✓	✓	✓	✓	✓	✓	✓	✓
	5	Climate Change and Resilience	✓	✓	✓	✓	✓	✓	✓	✓	✓
Value Chain	6	Information Privacy	✓	✓	✓				✓		
	7	Responsible Supply Chain Management	✓	✓	✓				✓	✓	
	8	Customer Well-being, Health and Safety	✓	✓	✓					✓	
People	9	Occupational Health and Safety	✓	✓					✓	✓	

A Investors and Shareholders

B Customers and Tenants

C Industry Peers

D Academia

E NGOs

F Employees

G Suppliers and Contractors

H Local Communities

From Feedback to Action

I am KPL Chatbot, if you would like to know our stakeholders' feedback on our top material issues and how we turn them to actions, please click below.

Choose the KPL's Material ESG Issues

- Climate Change and Resilience
- Information Privacy
- Energy Efficiency and GHG Emissions
- Occupational Health and Safety
- Responsible Supply Chain Management



< **Climate Change and Resilience** >



Stakeholder Voice

"KPL should take continuous actions to respond to transition risks and physical risks posed by climate change."

An Investor focusing on sustainable investment



Our Response

We have taken proactive actions to respond to transition risks and physical risks posed by climate change. A corporate-level risk assessment with reference to the Task Force on Climate-related Financial Disclosures ("TCFD") framework was conducted in order to assess and plan ahead for climate-related financial impacts. To respond to physical risks, we target 100% of our investment properties complete Climate Risk and Vulnerability Assessment. In 2022, 77% of our investment properties have completed the assessment (+24% compared to 2021). Climate Transition Taskforce was also formed to develop carbon transition plans for KPL.

From Feedback to Action

I am KPL Chatbot, if you would like to know our stakeholders' feedback on our top material issues and how we turn them to actions, please click below.

Choose the KPL's Material ESG Issues

- Climate Change and Resilience
- Information Privacy
- Energy Efficiency and GHG Emissions
- Occupational Health and Safety
- Responsible Supply Chain Management



< Information Privacy >



Stakeholder Voice

"KPL should foster digital transformation to optimise operation efficiency, including cybersecurity protection."

A Vendor focusing on information technology



Our Response

In 2022, we have introduced a new digital application for our internal control process which enhances visibility, efficiency, and consistency. In terms of cybersecurity, 96% of employees attended the mandatory cyber awareness training to ensure they can provide the highest level of data protection. Topics of the training covers spear phishing, data protection and destruction, the latest trend of cybersecurity threat, etc.

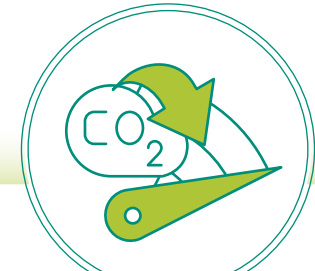
From Feedback to Action

KPL

Choose the KPL's Material ESG Issues

- Climate Change and Resilience
- Information Privacy
- Energy Efficiency and GHG Emissions**
- Occupational Health and Safety
- Responsible Supply Chain Management

I am KPL Chatbot, if you would like to know our stakeholders' feedback on our top material issues and how we turn them to actions, please click below.



< **Energy Efficiency and GHG Emissions** >



Stakeholder Voice

"KPL can consider to include green terms in leasing agreements."

An Employee of KPL's Hong Kong property management team



Our Response

Focusing on promoting landlord-tenant relationships and environmental sustainability, we intend to launch a new programme to reduce our downstream environmental footprint by incentivising commercial tenants to save energy and water consumption within the leased areas.

From Feedback to Action

I am KPL Chatbot, if you would like to know our stakeholders' feedback on our top material issues and how we turn them to actions, please click below.

Choose the KPL's Material ESG Issues

- Climate Change and Resilience
- Information Privacy
- Energy Efficiency and GHG Emissions
- Occupational Health and Safety
- Responsible Supply Chain Management



Occupational Health and Safety



Stakeholder Voice

"Mental health has become a key issue that we would like KPL to put more focus on."

An Employee of KPL's Hong Kong property management team



Our Response

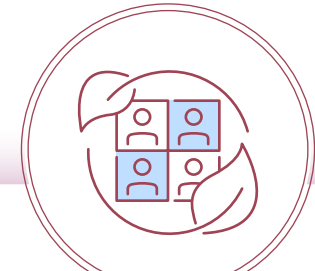
The pandemic and the accompanying societal restrictions have had a profound impact on the mental health of our people and communities. We have arranged a series of sustained and creative interventions to help them recover from the pandemic. A 24-hour counselling hotline is serviced by professional counsellors for employees and their immediate family members. In addition, we have upgraded our medical insurance with mental illness outpatient benefits to address the mental health of our employees.

From Feedback to Action

I am KPL Chatbot, if you would like to know our stakeholders' feedback on our top material issues and how we turn them to actions, please click below.

Choose the KPL's Material ESG Issues

- Climate Change and Resilience
- Information Privacy
- Energy Efficiency and GHG Emissions
- Occupational Health and Safety
- Responsible Supply Chain Management



< **Responsible Supply Chain Management** >



Stakeholder Voice

"As a sizable property developer, KPL should influence its supply chain to reduce Scope 3 emissions."

A Tenant from commercial property



Our Response

We have conducted free carbon audits for tenants and are working towards providing them with comprehensive carbon management approaches for more accurate carbon estimation. The tenants' carbon audit enables us to gain a deeper understanding of our Scope 3 emissions and how we can help to reduce them. In addition, to further raise environmental awareness among our suppliers and contractors, webinars to promote sustainable practices have been conducted.

Building Sustainability: A Life Cycle Approach

Our strong sustainability governance enables us to implement a range of measures that minimise negative impact and maximise positive outcomes for the environment, value chain management, community development, and people's health and safety. To learn more about our sustainability efforts taken at each stage this year, please refer to the following.

Planning and Design

To nurture sustainable and inclusive communities, KPL proactively engages community members and experts to explore bringing out our neighbourhoods' best while preserving their uniqueness.

- Incorporate sustainable, healthy and climate-resilient building design
- Apply building information modelling ("BIM") technologies
- Build communities through placemaking

Procurement

Our commitment to people and the planet extends across our supply chain. We work closely with our suppliers to uphold the highest standards to ensure that people are safe as well as treated with respect while reducing our impact on the environment.

- Require all suppliers to comply with our Vendor Code of Conduct
- Expand the scope of green procurement items for property management and development

Construction

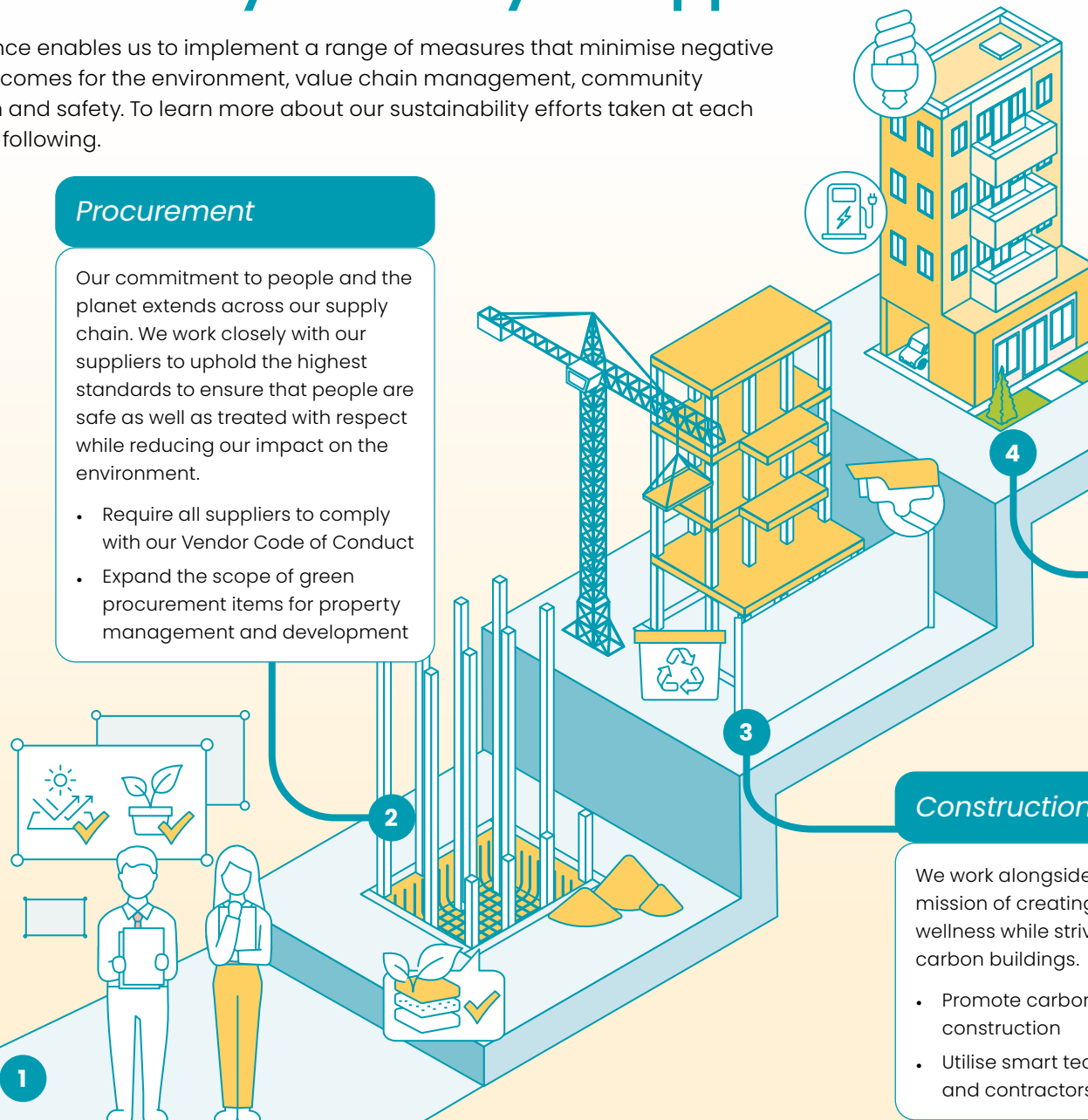
We work alongside contractors to actualise our mission of creating places that can improve people's wellness while striving to deliver quality and low-carbon buildings.

- Promote carbon neutrality practices during construction
- Utilise smart technologies to enhance employees' and contractors' safety

Operation and Maintenance

We are passionate about discovering new and innovative ways to improve the life quality of those around us. In addition to enhancing the community's wellness, we take it seriously to achieve fit-for-future properties.

- Achieve carbon reduction targets through Science Based Targets ("SBTs")
- Enhance customers' experience with intelligent service platform and smart parking features
- Engage communities through wellness events
- Create ESG Think Tank to innovate sustainable ideas



ACCELERATING CLIMATE ACTION

More frequent extreme weather events highlight the escalating climate emergency. Collectively, the call for accelerating net-zero actions in COP27, stringent reporting standards and regulations on emissions, water and waste management have increased demand for more sustainable buildings, bringing a sense of urgency to the role of real estate developers in the climate transition. To achieve the aim of carbon neutrality by 2050, effective engagement with internal and external stakeholders is fundamental.



Key Achievements
in 2022



Submitted targets to the
**Science Based
Targets initiative (SBTi)**
for validation

88%
Properties obtained
sustainable building
certificates

77%
Investment properties conducted
Climate Risk and
Vulnerability Assessment
(target to achieve 100% in 2030)

Mitigating and Adapting to Climate Change

Co-creating Carbon Neutrality

To reduce carbon emissions in our operations, we have developed short, medium, and long-term carbon reduction targets with corresponding measures. Despite potential challenges, we are committed to investing resources to support carbon reduction and achieving carbon neutrality by 2050, contributing to a sustainable future.

Our Climate-Resilient Goal



Short-term **2025**

Medium-term **2030**

Long-term **2050**

Scope 1+2 Targets

↓ **25%** carbon intensity compared with 2017

To achieve all near-term science-based targets

Achieve carbon neutrality across our operations and supply chain

Scope 3 Targets

Free carbon audit to office tenants in **50%** of our owned and managed commercial properties

Free carbon audit to office tenants in **75%** of our owned and managed commercial properties

Green leasing as an option to office tenants in **30%** of our owned and managed commercial properties

How We Accelerate Climate Resilience?

Project Development

- Perform environmental risk assessments for new acquisitions
- Obtain green certifications for new investment properties (IPs)
- Adopt climate-resilient building features for all IPs
- Adopt low-carbon construction materials and technologies

Operation and Maintenance

- Scale up energy audits and energy-saving systems
- Purchase renewable energy for our owned and managed properties

Scope 3 Engagement

- Collaborate with tenants to lower their carbon footprint
- Include environmental requirements in the leasing contract
- Organise annual climate-related training for all vendors

Approach to Decarbonisation

Progress on Science-Based Targets

Setting Science-Based Targets (“SBTs”) has been an important starting point for our decarbonisation journey. In 2022, we set Scope 1, 2 and 3 targets and communicated with internal and external stakeholders to assess the feasibility of achieving the targets. Most importantly, we submitted our targets for validation to the Science Based Targets initiative (“SBTi”).

Energy and GHG Reduction

To make significant strides towards carbon neutrality, we have identified a range of carbon reduction opportunities, from using renewable energy to adopting different energy efficiency measures, for reducing carbon emissions in our operations.

Identifying Energy Saving Opportunities

We have conducted energy audits regularly for our existing buildings. While cost-benefit analysis helps identify suitable energy improvement opportunities, on-site observations of energy usage pattern aids us in implementing appropriate energy-saving measures at our properties in Hong Kong.



Over **50%** managed properties in Hong Kong have completed energy audits

Adopting Renewable Energy

Adopting renewable energy is always one of the essential initiatives to our decarbonisation strategy.

Solar Panel

To generate zero-carbon electricity, we have been working to install solar panels on the rooftops of our properties.

Properties	Electricity generated (kWh)	Area of solar panel (ft ²)
Qianhai Kerry Centre	178,920	10,226
Kerry Everbright City Phase I	38,224	1,854
Enterprise Square Five (Newly installed in 2022)	33,153	1,700
Hong Kong Kerry Centre	10,081	620

Renewable Energy Certificates (“RECs”)

To support renewable energy development, we purchased RECs for the carbon emissions from grid electricity used at several properties in Shanghai in 2022.

Therefore, Scope 2 emissions are reported using both ‘location-based’ and ‘market-based’ methods. See page 92 of our [Performance Data Summary](#) for relevant figures.

Properties ¹	Electricity purchased (kWh)
Jing An Kerry Centre	25,000,000
Kerry Parkside	14,641,000
Kerry Everbright City Phase III	12,000,000

1. Jing An Kerry Centre and Kerry Everbright City Phase III have purchased RECs for both own operations and tenants' operations.

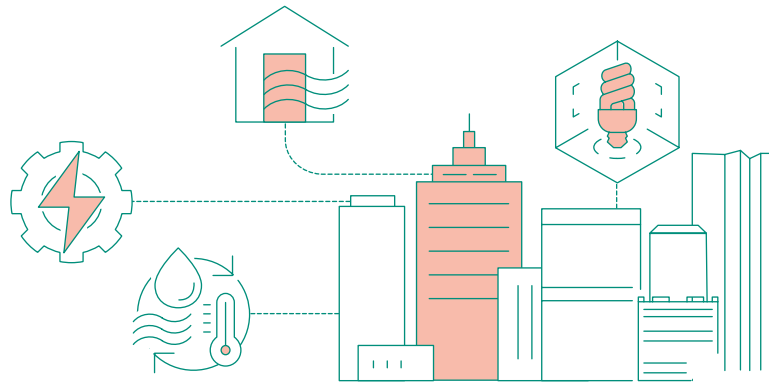
Leveraging Technologies in Carbon Reduction

Recognising the importance of technology in building a carbon-free future and the benefits it brings, we keep up with cutting-edge technologies to drive sustainable growth and create long-term value for our business, stakeholders, and communities.

Integrated Building Management System ("IBMS")

IoT, cloud, and AI technologies power our IBMS, seamlessly integrating building systems such as energy, ventilation, lighting, air quality, fire, and car parks.

Our IoT-enabled IBMS enhances decision-making and monitors the life cycle stages of different systems and devices. This allows us to take prompt maintenance actions and improve operational efficiency.



Smart Energy Planning

Our strategy is to continuously improve energy savings and smart energy planning. We have collaborated with Blue Sky Energy Technology to conduct a trial project in Hong Kong, where we use smart power sensors to track energy spikes and overuse. Energy data is visualised for better energy management.

Energy Saving with Wave Technology

Hong Kong Kerry Centre has implemented the eClean energy efficiency system for water-cooled chillers this year. The system uses "Balanced Wave Technology" to stabilise and modify electron movement, resulting in a maximum of 15% energy efficiency improvement with less resistance. Additionally, the Variable Speed Drive helps adjust flow or pressure to meet actual demand, resulting in significant power savings.



137,313 kWh

estimated savings per year
(equivalent to 97 tonnes of CO₂ equivalent)

Water-Source Heat Pump for Central Air Conditioning System

Shanghai Jinling Road Project's central air conditioning system uses electricity-powered water-source heat pumps to provide heating and cooling, resulting in significant energy savings and carbon reduction compared with traditional equipment.



30%

Energy savings
in Summer

40%

Energy savings
in Winter

Lighting System Upgrade

As part of our commitment to sustainable operations, we continue to enhance energy efficiency by upgrading the lighting systems to LED lights at our managed properties.



529,578 kWh

savings in 2022
(equivalent to 282 tonnes of CO₂ equivalent)

Proactive Stakeholder Engagement

The success of our carbon neutrality journey requires inclusive participation from all stakeholders. To ensure their involvement in our process towards achieving sustainable operations, we maintain a high level of engagement to drive positive change throughout our operations.

Green Partnership with Tenants

Green Leasing Programme

Focusing on promoting landlord-tenant relationships and environmental sustainability, we have developed guidelines encouraging tenants to use energy-efficient systems and environmentally-friendly materials in fitting-out works and alterations.



Furthermore, we have prepared a new programme to reduce our downstream environmental footprint by incentivising tenants to save energy and water consumption within their leased areas. The programme offers monetary incentives based on the reduction in resource costs achieved in the current year compared to the previous year's consumption figures. Initially available to commercial office tenants beginning in 2023, we plan to expand the programme to other tenant groups in the future as well.

Carbon Accounting Pilot Programme

In 2022, we have conducted free carbon audits for tenants and are working towards providing them with comprehensive carbon management approaches for more accurate carbon estimation. The tenants' carbon audit enables us to gain a deeper understanding of our Scope 3 emissions. Seeing the positive impact on our value chain has motivated us to go further in achieving our common goal of reducing our carbon footprint.

Awareness and Capability Building

To raise environmental awareness among our stakeholders, including suppliers, contractors, management, and employees, various engagements and training sessions to promote sustainable practices were conducted in 2022.

For Different Departments



◆ **SBT Engagement Meetings**
Two thematic webinars for senior management



◆ **Data Management Training Sessions**
Data collection trainings for property management staff

For Contractors and Suppliers



◆ **Net Zero Webinar**
50+ stakeholders joined



◆ **Low-carbon Materials Sharing**
70+ participants joined



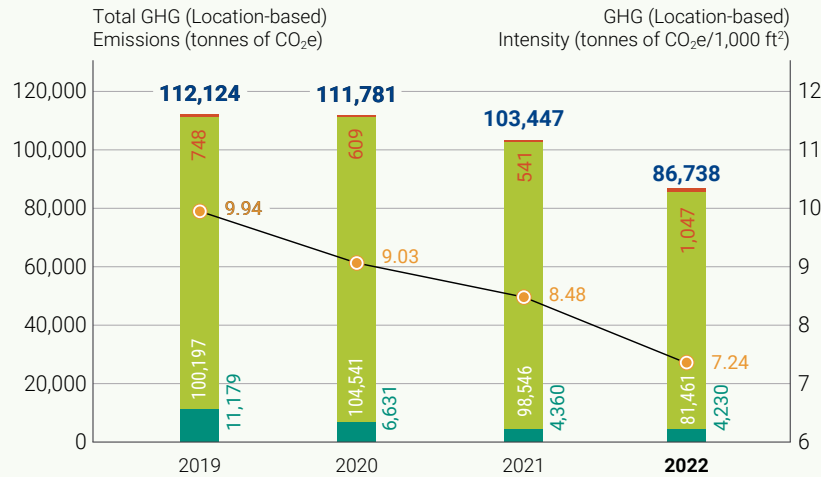
◆ **The 9th Green Construction Site Award 2022**
Four building contractors participated

Our Carbon and Energy Performance

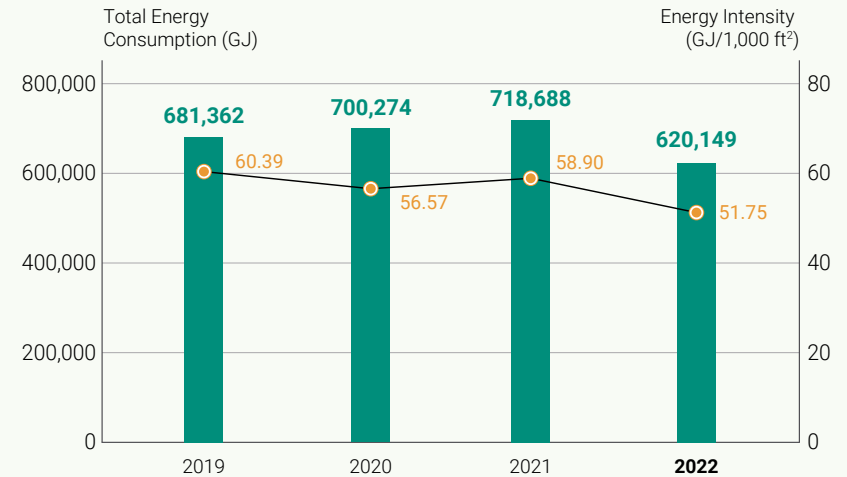
Our carbon emissions and energy consumption have been decreasing year after year after implementing various energy-saving measures, demonstrating the effectiveness of our decarbonisation strategy.

Hong Kong and the Mainland GHG Emissions and Energy Consumption Performance¹

GHG Emissions Summary



Energy Consumption Summary



- Scope 1 – Direct GHG Emissions (tonnes of CO₂e)
- Scope 2 – Energy Indirect GHG (Location-based) Emissions (tonnes of CO₂e)
- Scope 3 – Other Indirect GHG Emissions (tonnes of CO₂e)
- Total GHG (Location-based) Emissions (tonnes of CO₂e)
- GHG (Location-based) Intensity (tonnes of CO₂e/1,000 ft²)

- Total Energy Consumption (GJ)
- Energy Intensity (GJ/1,000 ft²)

1. Including all properties in Hong Kong and the Mainland as stated in the reporting boundary.

Prioritising Sustainable Buildings

KPL constantly explores new possibilities and strives to make consistent progress towards sustainable building.

Major Sustainable Building Accreditations



27 LEED
Gold or above



9 BEAM/BEAM Plus
Gold or above



7 WELL
Gold or above



7 WELL
Health-Safety
Rating



8 RESET™ Air

Sustainable Building Certifications Obtained in 2022



LEED for Operations and Maintenance – Platinum

- Beijing Kerry Centre
- Kerry Parkside



WELL Core Certification – Platinum

- Hong Kong Kerry Centre
- Kerry Everbright City Phase III
- Beijing Kerry Centre
- Jing An Kerry Centre



BEAM Plus New Buildings V1.2 (Final Silver Rating)

- Mont Vera

LEED Zero

LEED Zero Waste

- Beijing Kerry Centre
- Jing An Kerry Centre



WELL Health-Safety Rating

- Enterprise Square Five
- Shenzhen Kerry Plaza



TRUE Zero Waste – Platinum

- Beijing Kerry Centre
- Jing An Kerry Centre
- Kerry Parkside



LEED Communities – Platinum

- Kerry Everbright City Phase III



RESET™ Air

- Shenyang Kerry Centre

WELL at Scale

We have first selected several properties to join WELL at Scale¹ to further enhance the health and well-being of our portfolio. By leveraging an integrated online platform, we can effectively monitor, evaluate, and benchmark our buildings' progress and performance using a WELL Score.

1. WELL at scale is one of the pathways provided by the International WELL Building Institute (“IWBI”) to work with the WELL Building Standard (“WELL”). This pathway allows companies to gain results that represent aggregate achievements.



SPOTLIGHT

Our Sustainability Upgrades for Existing Buildings

We remain steadfast in our commitment to environmental sustainability, innovation, and social responsibility. The below recognitions showcase our efforts in prioritising sustainable practices for existing buildings.

LEED Cities & Communities

Kerry Everbright City Phase III's recent achievement of Platinum Certification under the LEED v4.1 Communities: Existing Rating System acknowledges our dedication to a healthy and eco-friendly community for all.



Specifically, we have achieved the highest score in various metrics:

GHG Emissions



2.57 tonnes

carbon emissions per capita per year

Water



51 litres

domestic water consumption per capita per day

Waste



97%

waste diverted/ recycled from landfills

Energy



Purchased RECs

 for both landlord areas & tenant spaces

TRUE Zero Waste

We are proud that four of our properties have achieved TRUE Zero Waste certification. All four properties have achieved 90% or greater waste diversion rate.



- Beijing Kerry Centre
- Kerry Parkside
- Jing An Kerry Centre
- Kerry Everbright City Phase III

Highlights of waste management initiatives:



Recycling and Upcycling

Install facilities to separately collect over 10 types of recyclables

- Provide recycling facilities on each floor
- Recyclables include food waste, paper carton box, plastics, metal and glass



Stakeholder Engagement

Drive waste diversion through partnership with stakeholders

- Engage F&B tenants to separate and handle food waste
- Conduct regular training sessions on waste recycling/separation to raise stakeholders' awareness
- Organise waste recycling competition to encourage actions



Leveraging Technologies

Facilitate waste collection with smart technologies

- Equip with recyclables collection robots
- Real-time waste data monitoring
- Upgrade food waste processor



Green Purchasing

- Purchase FSC-certified products
- Procure uniforms made from recycled fabrics

Conserving Natural Resources

Waste Management

To tackle waste generated by our operations, from upstream to downstream along the value chain, we embrace the “4Rs” (i.e., Reduce, Reuse, Recycle and Replace) guiding principles when developing waste management solutions to encourage resource reusing and recycling in our managed properties and construction sites.

Moreover, we monitor waste production across the entire value chain by collecting monthly waste data through an online platform and assessing the effectiveness of our facilities and reduction efforts.

All waste generation is managed by licenced contractors for proper treatment, and qualification reviews are conducted regularly.

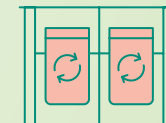


SPOTLIGHT

Diverting Food Waste from Landfills

Food waste is one of the major types of wastes in our managed properties. Aiming to support the local community in reducing waste, we have taken extra steps to provide convenience to assist our residents and tenants in recycling food waste via different means:

- Onsite food waste treatment is conducted in our buildings where applicable
- Install food waste handling facilities or decomposers in all investment properties in Hong Kong
- Provide food waste decomposers to the sold properties under our management in Hong Kong to promote source separation and handling culture to residents
- Qualified contractors transfer the collected food waste to the municipal food waste treatment facilities for recycling or for use as organic fertiliser
- Participated in the FOOD-CO food collection programme, with 1,700+ kg of food collected and donated in 2022



Over 75%
properties in Hong Kong have installed
food waste decomposers

Increasing Recycling Rate

Different types of waste may have alternative uses and sending them to landfill is not the only option. In our managed properties, we leverage various technologies to carry out waste separation, food waste and domestic waste recycling.



For Property Management

In addition to food waste treatment machines, we have installed recycling facilities in our shopping malls, offices, and residential properties to collect and treat plastics, paper, metal, etc., to reduce the burden on landfill and increase the waste diversion rate.



Plastic Collection Robots in Kerry Everbright City Phase III

Utilised over
3,500 times per year

Reverse Vending Machine

Installed in **23** properties
in Hong Kong



Beverage Carton Box

Recycled over **400** kg beverage cartons in 19 properties
in Hong Kong

Coffee Grounds

Used as **fertilisers** for the green farms at our properties



For Construction Sites

Before encouraging contractors to reduce any unnecessary consumption of resources in the construction stage, we perform thorough resource management to ensure the efficient use of resources in the planning and design stage.

Moreover, building contractors in Hong Kong are required to achieve a minimum of 60% C&D ("Construction & Demolition") recycling rate. We actively monitor the waste performance of building contractors through a waste tracking system. To further enhance their motivation for waste recycling, the contractors who achieve an overall 70% C&D recycling rate will be rewarded.



100%

Construction sites in Hong Kong and the Mainland implemented waste recycling programme



Recycling Practices

- Broken concrete, metal, and timber
- Plastics
- Paper and cardboard



Repurposing Practices

- Transform steel bars to hanging cages and rainwater grates
- Upcycle formwork to hole covers and stair treads

Water Management

Water Stewardship Policy

Committed to responsible water consumption, our “Water Stewardship Policy” has been launched this year to employ effective water management practices throughout our operations while encouraging our stakeholders including employees, contractors, and suppliers to reduce unnecessary water consumption.

Risk Assessment

In 2022, we conducted a water stress assessment using WRI’s Aqueduct tool, an assessment tool developed by the World Resources Institute (“WRI”) based on the WRI’s Water Risk Atlas. The assessment of our major properties, including offices, retail, and residential properties, revealed that more than 50% of them are in water-stressed areas and more than 70% of water withdrawal and consumption are from these areas.

Our water, including that from water-stressed area, is sourced from municipal water supplies which is freshwater, and we have not encountered any challenges in sourcing water despite some of our properties locating in water-stressed areas. We also recognise our responsibility to conserve water resources and are determined to implement various strategies at our construction sites and operational properties to increase water efficiency and reduce water use.

Measures in wastewater discharge

While discharging wastewater to the municipal drainage system, we further introduced the following measures to reduce the impact on the environment and the ecosystem:



Install sedimentation tanks in construction sites to remove solids from wastewater before discharge



Require building contractors to test turbidity and pH values through the monthly HOKLAS¹ laboratory test



Monitor the water quality of the swimming pool before discharge



Install grease traps to avoid grease from food and beverage facilities discharging directly to the public sewage, and conduct regular grease traps cleaning by professional contractors

1. The Hong Kong Laboratory Accreditation Scheme

Water Saving Initiatives

To minimise water consumption and improve its efficiency, we implemented the following initiatives:

Construction sites

- Reward building contractors who recycle and reuse more than 30% of the wastewater under our Enhanced Safety Performance and Environmental Protection Scheme
- Recycle rainwater through rainwater collection handling facilities
- Establish water consumption quotas based on the needs of projects

Managed properties

- Join the “LET’s SAVE 10L WATER” campaign to encourage water conservation
- Install sanitary wares labelled with the Water Efficiency Labelling Scheme (“WELS”) to maintain optimal flow rate
- Reuse greywater and rainwater by installing water reclamation systems
- Perform regular inspection and maintenance in water pumps and pipes to avoid water leakage

AI-powered Smart Rainwater Harvesting

Our urban garden constantly seeks to reduce the consumption of natural resources. For water management, an intelligent irrigation system is installed at Kerry Everbright City Phase III. With the central control system "String-BOX" powered by AI, the property management team can manage each plantation area independently and irrigate automatically with the ease of the mobile app. For minimal water usage, a rooftop rainwater harvesting system is also installed, in which rainwater is captured from the roof catchments and stored in tanks. With rainwater as the primary irrigation source, we could achieve maximum water utilisation with stored rainwater and use minimal purchased water during drought season.



Control irrigation system from mobile app



Reduce excessive irrigation



Reduce freshwater consumption

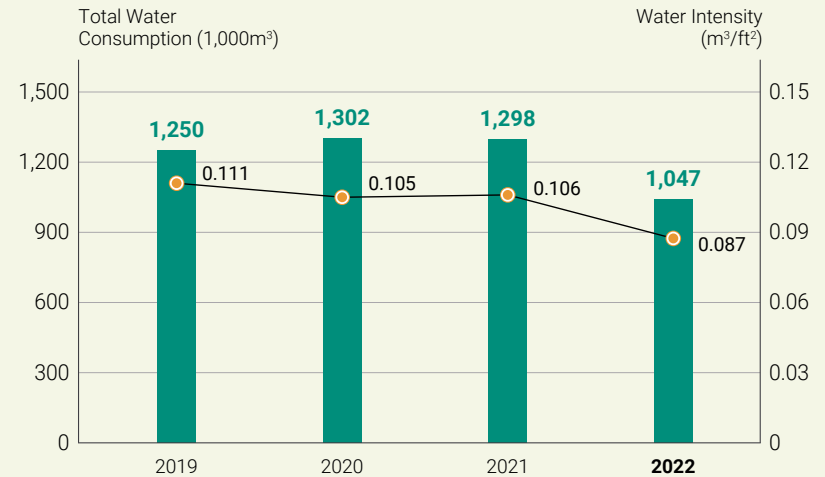


Our Water Performance

We saw a decrease in water consumption in 2022 after implementing various water conservation measures, and we will continue to explore additional opportunities to further improve water efficiency.

Hong Kong and the Mainland Water Consumption Performance¹

Fresh Water Consumption Summary



- Total Water Consumption (1,000m³)
- Water Intensity (m³ / ft²)

1. Including all properties in Hong Kong and the Mainland as stated in the reporting boundary.

Climate-related Financial Disclosures



In our journey to carbon neutrality by 2050, we strive to effectively mitigate climate-related risks, seize climate-related opportunities, and enhance reporting on these matters. As climate change imposes direct impacts on our business operations, it is one of our material ESG risks.

We refer to the four core elements (Governance, Strategy, Risk Management, as well as Metrics and Targets) of the TCFD framework in connection with our climate-related risk management approach. In aligning our disclosure with TCFD reporting framework, KPL is able to maintain credibility and reputation among investors and the public through transparency about our climate-related risks. Going forwards, we will continue to enhance our TCFD reporting to better align our performance with our stakeholders' expectations.



◆ Climate Workshop for Employees from Eight Functional Departments

“Climate Fresk workshop has inspired and equipped me to be a joining force to tackle climate change personally and corporately!”

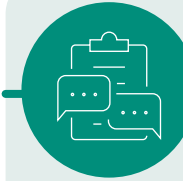
– Ringo Ng, Finance Department

GOVERNANCE



Board's Oversight of Climate-related Matters

The Board takes overall accountability to oversee the management of climate-related risks, opportunities and initiatives that drive climate mitigation and adaptation strategies. Chaired by an Executive Director, the Sustainability Steering Committee (“the Committee”) reports to the Board and is responsible for managing the Group's sustainability agenda, strategies, policies and performance – these include our materiality assessment and climate scenario analysis. The Board and the Committee receive updates on sustainability-related matters at least twice a year, including climate-related targets. Climate-related training is also provided to the Board to equip them to oversee our climate work.



Management's Role in Assessing and Managing Climate-related Matters

Reporting to the Board and the Committee, the Senior Director of Sustainability & Communications is responsible for designing and implementing climate-related initiatives, policies and targets. Based on the climate risk assessment at the corporate level, strategic responses are facilitated among the Environmental Initiatives Sub-Committee, the Carbon Management Strategy Taskforce, and the newly established Climate Transition Taskforce. The Environmental Initiatives Sub-Committee comprises our department heads and reports directly to the Committee.



Climate Transition Taskforce

This year, the Climate Transition Taskforce was formed to develop carbon transition plans for KPL. This Taskforce intends to provide analysis related to the implementation of carbon transition strategies, initiatives, and our contribution to carbon neutrality. The Taskforce will also share best practices from the market on cost-effective methods of achieving these goals.



Climate-related Policies

Our “Climate Change Policy” introduced last year provides mitigation and adaptation measures to combat climate change. This year, the “Water Stewardship Policy” was also launched to employ effective water management practices throughout our operations, reaffirming our commitment to consuming water responsibly.

Our Climate-related policies and guidelines include:

- ◇ [Climate Change Policy](#)
- ◇ [Sustainable Procurement Policy](#)
- ◇ [Group Environmental Protection Policy](#)
- ◇ [Water Stewardship Policy](#)
- ◇ [Sustainable Building Guideline](#)

STRATEGY



Climate Risks and Impacts Identification and Related Strategies

In 2022, our comprehensive climate risk assessment identified a list of high-impact physical and transition risks under 2 scenarios: the Turquoise and Brown Scenario, concerning the temperature rise in Hong Kong and the Mainland from short term to 2100 time horizons.

Considering our business nature, transition risks may pose greater impacts over the short to medium term, while physical risks are expected to be more significant in the long term. We acknowledge that climate risks and impacts will keep evolving due to ever-changing external circumstances. Therefore, we will strengthen our internal process and develop greater sustainability strategies to effectively manage the identified risks and impacts with regular review.

Building climate resilience is also a large part of our Sustainability Vision 2030. Recognising the importance of technology, we have been incorporating various technologies throughout the building life cycle, ranging from Building Information Modelling (“BIM”) during the construction stage, to the Internet of Things (“IoT”) and the recently adopted balance wave technology in our property during the operation stage. We will continue to explore more technologies to leverage in our decarbonisation journey.

With the vision to be carbon neutral by 2050, we would align our future capital expenditures with our long-term carbon targets, so as to drive our decarbonisation.

Climate Risks and Opportunities

Potential Financial Impacts

Climate-related Actions

Physical

Increased severity of extreme weather, such as tropical cyclone, intense precipitation, and flooding

Rising mean temperature and heatwave

- Increased operation expenditure (e.g. repairment of building damage)
- Impairment of assets
- Increased construction costs (e.g. suspension of construction work)
- Increased insurance premiums

- Increased expenses incurred by negative impacts on employees (e.g. health, absenteeism)
- Increased utility expenses (e.g. air-conditioning)

- Adopt climate-resilient building features
- Enhance energy efficiency through innovative technologies
- Carry out climate risk and vulnerability assessment ("CRVA")
 - 77% of our investment properties in total have already conducted the assessments
 - 3 more properties, namely Hangzhou Kerry Centre, Shenzhen Kerry Plaza, and Shenzhen Qianhai Kerry Centre, were assessed in 2022

Transition

Tightened building energy codes and guidelines

Increased adoption of renewable energy (change in energy mix)

Increased ambition of decarbonisation strategies and roadmaps

Increased market demand for climate-resilient properties

- Increased fines due to non-compliance
- Early retirement of assets due to the change in regulation

- Increased capital expenditure
- Decreased utility expenses

- Increased capital expenditure on decarbonisation
- Decreased operating expenses, including utilities

- Expanded product scope to climate-resilient properties
- Increased capital expenditure on adopting climate resilience features

- Keep abreast of regulatory developments
- Develop green buildings and retrofit existing buildings to meet the growing appetite for sustainable workplaces and homes
- Increase the use of renewable energy and technologies in our new investment properties
- Develop green partnerships with tenants, such as providing free carbon audit/accounting to tenants and green lease pilot scheme
- Cooperate with Internal Audit Department to audit physical risk responsive measures and environmental data
- Purchase Renewable Energy Certificates ("RECs") to support renewable energy development

RISK MANAGEMENT



Identification, Assessment and Management of Climate-related Risks

Physical risks and transitional risks along our value chain are identified in our climate risk assessment based on scenario analyses that consider impacts along a timescale from the immediate term to 2030 and as far ahead as 2100, with relevant climate parameters. Senior executives from various departments including Project Development, Architecture, Technical Service, Internal Audit, etc., contributed valuable insights to map and prioritise our climate-related risks and opportunities.

Given that our properties are located in multiple cities and subject to different local government policies, we are introducing an exercise to collect data at the regional or city level, with an aim to develop more granular analysis of climate scenarios for our diverse range of properties.

Turquoise Scenario (representing 1.5 °C to 2 °C rise in temperature by 2100)

- This scenario represents a gateway to the outcomes targeted by the Paris Agreement, where a more inclusive economic development that respects the perceived environmental boundaries is built.
- The physical pathway is associated with the Representative Concentration Pathways (“RCP”) 2.6 used by the Intergovernmental Panel on Climate Change (“IPCC”), while the transition pathways are based on different scenarios, such as IPCC’s Shared Socioeconomic Pathways 1 (SSP1).

Brown Scenario (representing 4 °C to 5 °C rise in temperature by 2100)

- This scenario is a future where economic growth and technological advancement are powered by fossil fuels. Governments and corporates continue to emit high amounts of greenhouse gases. Stated policies that were already announced are expected to be implemented with challenges.
- IPCC’s RCP 8.5 is chosen for the physical pathway, while a mixed scenario approach is still applied for the transition pathways.

We are committed to devising action plans to further enhance the disclosure of financial implications associated with risks and opportunities. Concurrently, we endeavour to refine the integration of climate-related considerations into our business strategy.

Risk Management Measures

RMIC Systems

The Group has integrated climate risk management into the overall risk management scope under the Group-wide RMIC Systems.

We apply the RMIC Systems to identify, assess and manage operational, financial as well as ESG risks. The system is examined by the Board on an annual basis to ensure high effectiveness and performance at both the management and business unit levels.

Internal Audit

Apart from environmental data, the Internal Audit team will include physical risks in the audit engagement starting from 2023 to check compliance with preventive measures when encountering physical risks, such as super typhoons and storm surge.

For further information regarding risk management, please refer to the Corporate Governance Report in our Annual Report 2022.

METRICS AND TARGETS



Disclosure of Climate-related Metrics and Targets

Our climate-related metrics mainly consist of Scope 1, 2 and 3 GHG emissions figures and progress towards our climate target. Our calculation standards for GHG emissions reference the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, the GHG Protocol, and ISO14064-1.

We leverage our data management system to strengthen capabilities in data collection and target setting, which enhances our reporting quality. This year, we completed setting the baseline for our science-based target and submitted targets to Science Based Targets Initiative for validation. In the near future, we strive to improve our disclosure of Scope 3 GHG emissions by extending our coverage to contractors and tenants. As data collection is underway, we aim to provide a more comprehensive picture to stakeholders regarding our GHG emissions and will disclose this data in our report once it is available.

Our 2025 emission and energy targets were achieved early, possibly attributed to the pandemic lockdowns and electricity usage restrictions in some regions. As we have submitted targets to SBTi, we will consider the validated targets and the impacts of border reopening before renewing short-term targets.

Our Environmental Targets (baseline year FY2017)

	Targets	Progress in 2022 ¹	2021	2020
Carbon Intensity Reduction	↓25% by 2025	↓ 32.4%	↓20.8%	↓15.7%
Energy Saving	↓20% By 2025	↓ 25.6%	↓15.3%	↓18.6%

Scope 3 related targets are set to improve our upstream and downstream emission performances, targeting to build capacity and provide incentives to our tenants and vendors.

Scope 3-related Targets

	2025	2030
Provide free carbon audits to the office tenants in our owned and managed commercial properties	50% of our owned and managed commercial properties	75% of our owned and managed commercial properties
Provide green leasing as an option to the office tenants in our owned and managed commercial properties	--	30% of our owned and managed commercial properties
Organise climate-related training for all vendors every year	100% of all vendors every year	

2022 Key Metrics

88%
of properties obtained sustainable building certification

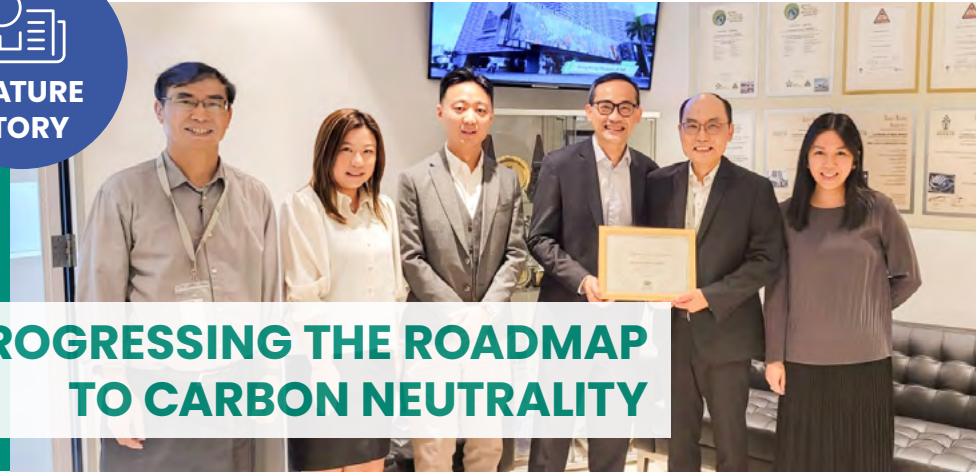
83%
of investment properties adopt climate-resilient building features

84%
of operations governed by green procurement guidelines for property development and operation

For more details on Scope 1, 2 and 3 emissions, please refer to [Performance Data Summary](#).

Looking forward, we will continue to enhance our climate disclosure to meet Our stakeholders' growing expectations, including on Scope 3 data. We will also continue exploring and working on initiatives, both improving existing ones and proposing new relevant ones, to fulfill our climate commitment.

1. The progress is calculated based on location-based emission factors.

FEATURE
STORYPROGRESSING THE ROADMAP
TO CARBON NEUTRALITY

KPL takes it seriously to drive changes to a carbon-neutral future. Through engaging our stakeholders in taking positive steps with us, we are continually moving towards our emission reduction targets.

“ Thanks to KPL’s professional team for helping us understand our carbon footprint. We are now looking into carbon reduction to do our part for the environment.

– Beria Consultants Limited,
Carbon Accounting Pilot Programme Participant from Enterprise Square Five



Strengthening Climate Governance

In 2022, frequent communications were conducted among different departments to improve our carbon management capabilities.

- Climate Transition Working Group to design climate transition strategies and policies and provide guidance for execution.
- Internal Audit department to focus on managing climate risks identified through the CRVA.



Actions for Scope 3 Emissions

Although emissions reduction along the value chain is one of our biggest challenges, closely working with stakeholders will provide us with more opportunities to achieve carbon neutrality by 2050. As such, we have been proactively engaging and educating them in managing Scope 3 emissions with different initiatives:

- [Net Zero along Value Chain Webinar](#)
50+ vendors joined the webinar to raise their carbon neutrality awareness and learn how KPL is progressing toward the objective.
- [Partnership with Tenants](#)
Launched a pilot Green Scheme to assist our tenants in reducing carbon emissions.
- [RECs Purchase for Tenants’ operations](#)
Purchased RECs for the first time for tenants’ operations in two of our properties in Shanghai.
- [Carbon Audits for Managed Portfolio](#)
Completed free carbon audits for our tenants.



Actions for Scope 1 and 2 Emissions

With electricity as the primary energy source for our operations, we go beyond to seek innovative solutions for better energy resource planning.

- [Energy Audit](#)
The percentage of buildings successfully completing the energy audit scheme is anticipated to grow annually.
- [IoT Scheme](#)
An energy management trial was initiated at Hong Kong Kerry Centre.
- [Environmental Data Audit](#)
100% environmental data has been audited by our Internal Audit and Sustainability team.
- [Renewable Energy](#)
Solar panels have been installed on the rooftops of our different properties.



Joining SBTi

Committed to carbon neutrality by 2050, we have submitted our targets to the Science Based Target initiative (SBTi) for validation.

For more details, please refer to the section “[Co-creating Carbon Neutrality](#)”.

AMPLIFYING OUR POWER

Growing together in partnership with the community generates shared value for all and a positive social impact. Forming effective relationships requires a committed investment across the value chain – from educating and supporting business partners in their sustainability journey to placemaking for nurturing and inclusive neighbourhoods. With a mindful and innovative approach, everyone can thrive.

8 DECENT WORK AND
ECONOMIC GROWTH11 SUSTAINABLE CITIES
AND COMMUNITIES12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Key Achievements
in 2022

Conducted year-round
**Social Impact
Assessment**

1st Parksmart
certification

94%
Contractors/ suppliers
governed by "Vendor Code of
Conduct"

Investing in Community Development

We pursue change by investing in initiatives that grow our communities. While proactively engaging and partnering with community stakeholders to uplift the underserved, we also tap into our strengths and resources to create a multifaceted impact by providing monetary funds, in-kind donations, and volunteers to make things happen.

Our Approach to Community Investment

Management Structure

Led by senior executives, our Donation Committee oversees our community investment strategy and reviews our community partnerships and their initiatives regularly with the support of the Corporate Shared Responsibility (CSR) and Community Engagement Sub-Committee.

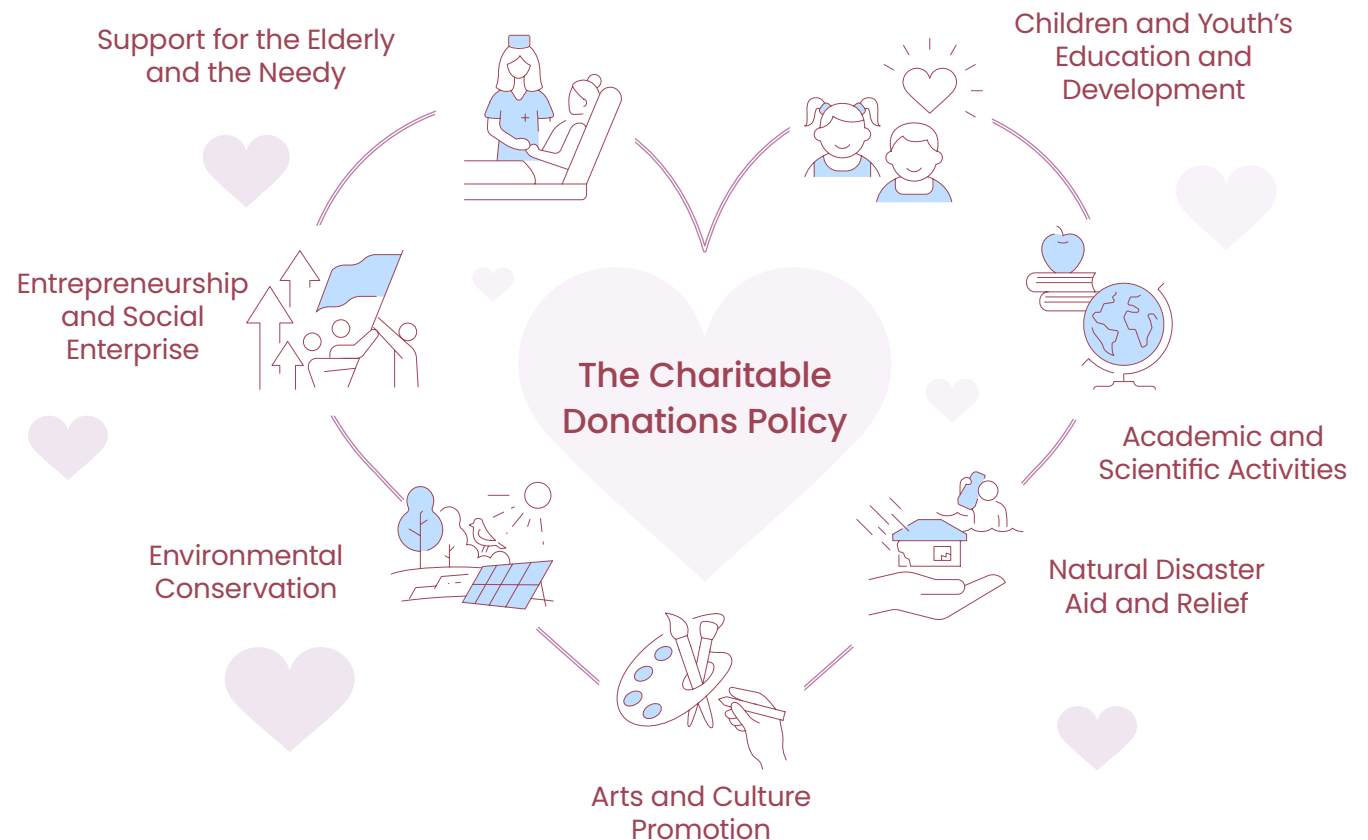
Meanwhile, Sustainability Steering Committee discusses our approach to CSR in the regular meetings and explores means to embed community investments into our daily operations.

Due Diligence Assessment

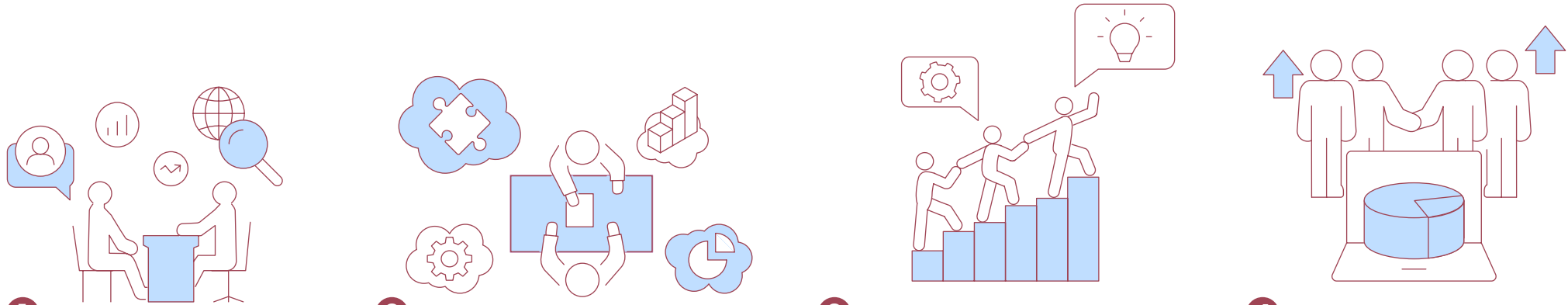
Governed by the "Charitable Donations Policy," we support donations in an accountable, transparent and effective manner. We perform due diligence checks such as background screenings and site visits to safeguard our charitable interests. In addition, in 2022, we conducted [Social Impact Assessment](#) on donations in Hong Kong for the first time.

Focus Areas

Our community involvement and investment cover a wide range of societal needs with seven strategic focuses, from youth development to entrepreneurship and social enterprise.



How We Devise Community Investment Initiatives?



1

PREPARE

- Identify social issues and potential partnerships
- Conduct background checks and onsite visits

2

BUILD

- Collaborate with eligible NGOs / social enterprises
- Resource allocations
- Employee engagement via volunteering

3

ASSESS

- Obtain observations via due diligence visits
- Evaluate outcomes with Social Impact Assessment (SIA)

4

REFINE

- Implement recommendations to enhance initiatives effectiveness

Due Diligence Visits by Our Volunteers

- Our volunteers conduct due diligence visits to ensure that the programme is well-designed and productive.
- To achieve this, they are required to provide suggestions during each visit. Please refer to the [KPL Social Assessment Report 2022](#) for our actions taken in response to their feedback.
- In 2022, one of our notable donations was sponsoring over 153,000 nutritious meals and healthy food packs for 5,000 families, in addition to our regular food bank donations!



1. Our donations to food bank in 2022 included 25,200 kg of rice, 21,000 kg of rice noodles, 7,500 kg of frozen meat and 4,000 L of oil.

Performance Review

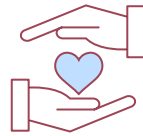
In 2022, we donated HK\$12.1 million, with 55% of the donations made by the Group focused on support for the needy. Remarkably, we focused on delivering nutritious hot meals and food packs to fuel those in need during challenging times.

Having the annual contribution capped at HK\$10,000 per employee, our employees double the impact by donating to an eligible charity through the group-wide Matching Fund programme.

Cherishing our relationships with local communities, we strictly adhere to the regulations of local governments and communities and actively contribute to the needs of local communities to achieve harmonious coexistence and joint development, through not only providing financial assistance but also collaborating with stakeholders seamlessly in the key focus areas closely aligned with our values and business.



HK\$ 12.1 million
Donations



8,700+
Employee
Participation



550+
Community
Initiatives

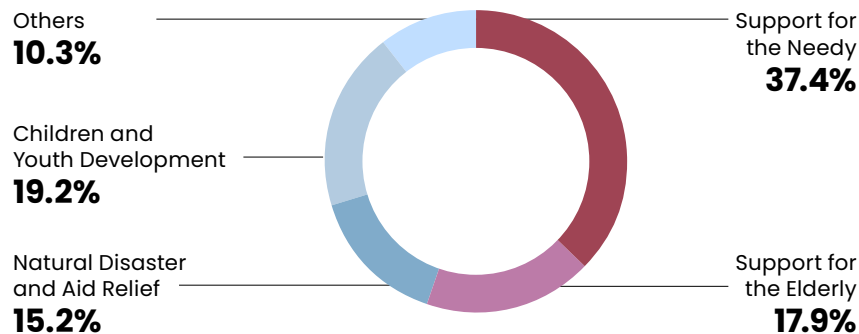


1,300+
Volunteering
Count

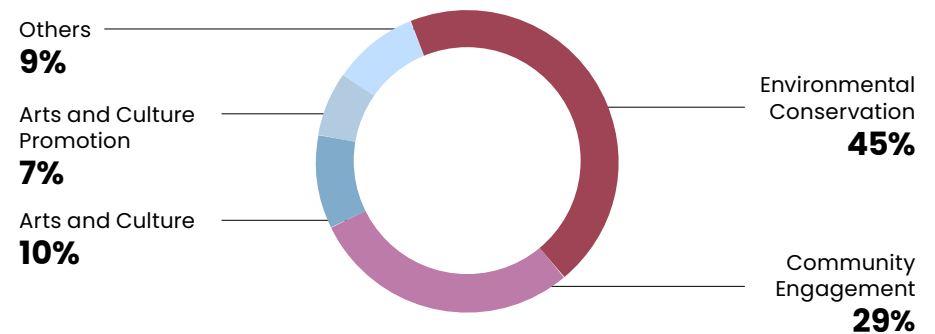


2,400+
Volunteering
Hours

Breakdown of Donation by Focus Areas



Breakdown of Community Initiatives by Focus Areas





SPOTLIGHT

KPL Social Impact Assessment Report 2022

We conducted a Social Impact Assessment on donations in Hong Kong to ensure the appropriate allocation of resources to the right beneficiaries.

Feedback surveys are distributed to beneficiaries and NGOs, and volunteers provide observations during due diligence visits. The CSR team reviews feedback and implements improvements accordingly.

Building meaningful connections with NGOs and community members has helped demonstrate our commitment to addressing their needs. We plan to expand SIA on donations to the Mainland in the future.

Assessment Results

**90%**

found our donation
helpful

**91%**

appreciated
our donation

**86%**

experienced
improvement
in physical and
mental wellness

**87%**

were inspired
to help others

Actions Taken by KPL



Extended hot meal
programme to 2023
after seeing a positive
response in early 2022



Increased the number of
hot meals to cater to more
beneficiaries



Reusable containers have
been ordered for Hong
Chi Kitchen to deliver hot
meals

**89%**

Overall Satisfaction
Rate

Making a Difference for All

Our community programmes aim to inspire, support, and empower our community today so that we can all work towards a better future. Through a range of initiatives and sponsorships, we strive to be a force for positive change, helping diverse groups of stakeholders to lead healthier and better lives.

Promoting Education and Youth Development

Education and youth development are highly valued at KPL, as we believe that our children are the future leaders of tomorrow. Raising awareness is also vital to promote sustainable living so we all can contribute to a healthier earth for future generations for years to come.



◆ Supporting Rural Children with 4,000 Donated Books and Funds (Shenzhen)



◆ Summer Low Carbon Fair (Tianjin)



◆ Second-hand Market for Kids (Shanghai)



◆ Offering Green Education Tours for Children (Hong Kong)



SPOTLIGHT

Raising Biodiversity Awareness for Youth and Public

Raising biodiversity consciousness was one of the Good Life Goals education focuses. We partnered with local NGOs and communities to create an urban eco-tour map for residents to reconnect with Shanghai's unique biodiversity and history around Kerry Everbright City and our Jinling Road Project. A similar programme, "Knowing Your Plant Neighbours", introduced residents to fun facts about plants in Hong Kong.



Some other initiatives included:

- Biodiversity education tours for families in Hong Kong
- Marine conservation workshops in Shanghai
- Collaboration with professional bird rescue in Shenyang
- Knowledge Sharing Forum with Shenzhen Natural Expert

Including All in Art and Culture Engagement

Art and culture enrich our lives, so we bring different artworks and live performances to the masses. Our expansive open spaces are used to nurture community well-being, providing platforms for music, dance, and art enthusiasts to showcase their talents.



◆ Afternoon Music Concert (Shenzhen)



◆ Talent Performance (Qinhuangdao)



◆ Rethink the Nature Art Exhibition (Shanghai)



◆ Qianhai Outdoor Theatre (Shenzhen)

Empowering Neurodiversity Through Arts

Apart from our recurring collaboration with the World of Art Brut Culture ("WABC") in Beijing, other regions also supported children with intellectual disabilities through arts and culture too.



90+ paintings and
12,000+ goods traded
200,000+ visitors to
the exhibitions

◆ Enabling Children with Autism through Arts (Beijing)

Providing home respite services with case tracking to **30** new families



◆ Offering Intellectually Disabled Youth Art Sessions via Home Respite Services (Shanghai)

Empowering Vulnerable Groups

KPL is committed to supporting the underprivileged in a society where help is most needed. We continue to light up others' lives in myriad ways, from fundraising to home visits.



◆ Sending Container Homes to Rural Areas (Shanghai)



◆ Reaching Seniors with Necessities (Qinhuangdao)



◆ Assisting Seniors to Overcome Cataract (Shenyang)



◆ Sending Blessing Boxes to the Underserved (Hong Kong)

Showing We Care

We reciprocate our contractors' and vendors' outstanding community support by giving back to them wholeheartedly.



◆ Complimentary Health Check for Contractors (Hangzhou)



◆ Hot Breakfast Delivery for Frontliners (Zhengzhou)

“ The second free health examination allowed us to detect hidden illnesses early and feel valued as members of Hangzhou Kerry Centre, surrounded by care and warmth.

- Supervisor, Shanghai Zhi Zhen Environmental Engineering Co., Ltd.

Enriching Lives Through Placemaking

Aiming to nurture sustainable and inclusive communities where people are anchored, KPL spares no effort in placemaking to bring out the best in the communities. While actively preserving the intrinsic uniqueness of our neighbourhoods, we also support the establishment of these places as regional hubs by cultivating a deep sense of belonging and physical and psychological safety for our community members.

Supporting Economic Development

Apart from creating job opportunities and promoting local cultural heritage, the revival of our night markets reconnected the public with locally sourced or produced products. Our curated activities also added vibrancy and liveliness to the community by appealing to all age groups and interests. Most importantly, local small businesses gained more exposure and support.



◆ XM Night Fair (Shenyang)



◆ KerryNite (Beijing)



◆ Green Escape (Shanghai)



Engaged
379 SMEs



Attracted
~1.9M traffic

Fostering Harmony and Inclusiveness

Community involvement provides a sense of belonging, social connectedness, and inclusiveness. Therefore, we continue to take every chance to help build a strong community as one.



◆ Sports Day for Pets (Shanghai)



◆ Night Run (Tianjin)



◆ Green Living Habits (Hong Kong)



◆ Organic Farm and Art Festival (Hangzhou)

Improving Accessibility and Connectivity

We incorporate the concept of barrier-free access in our buildings and strive to provide a safe and inclusive environment for our stakeholders to navigate their lives with ease and joy.

To offer support to those in need, our managed properties are outfitted with barrier-free features, such as:



Breastfeeding rooms



Barrier-free and unisex washrooms



Barrier-free parking spaces



Access ramps



Temporary refuge spaces

Furthermore, our properties provide facilities for daily life within a 10-minute walking distance. While such walking distance encourages people to travel more by walking and brings health benefits and fewer carbon emissions, community members can also enjoy the green space during their transit.

Proactively listening and responding to the opinions of local communities, we upgrade our facilities to enhance their quality of life and foster community spirit from time to time.

With significant progress achieved towards connecting through placemaking, Kerry Everbright City Phase III (KEC III) has become our first existing building to achieve LEED Platinum certification under the LEED v4.1 Communities: Existing rating system.



◆ Newly renovated garden at KEC III offers relaxing green space

Upgrading Existing Buildings for Leisure

Aside from providing convenience, we constantly do our best to enhance our stakeholders' well-being.



◆ New Look of Jing An Kerry Centre Kinetic Urban Garden



◆ Revamped Garden with greenery at Kerry Parkside

Creating a Quality Customer Experience

Our service philosophy centres on customer satisfaction. We have internal service standards to guide the behaviour and attitude of our employees. Different communication channels are also utilised to exceed customer expectations, leveraging digital tools to enhance our customer service to a new level with faster, more convenient, and safer interactions.

Customer Satisfaction, Feedback and Complaint Handling

At all times, customers can expect us to provide exceptional customer service and deliver high-quality assistance. To ensure that we hear and address their concerns, we offer a variety of communication channels for customer feedback, including:



Customer
Satisfaction Rate
93%¹

While conducting regular customer satisfaction surveys on topics including customer service, facility management, maintenance, security, safety, and sanitation, we also hire a third-party contractor to perform quarterly "Mystery Shopping" evaluations. Feedback from both sources is used to identify areas for improvement and implement mitigation measures to enhance our services.



Property management
and development
representatives



Customer
satisfaction survey



Cross-platform instant
messaging



Customer
hotlines



Mobile
application



Social
media



Email, post
and fax



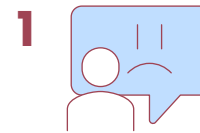
Onsite customer care
and interaction



Membership



Corporate website



1

Detailed complaint-handling procedures have been established to ensure that complaints are handled fairly and consistently.



2

Upon receiving a complaint, it will be investigated by the appropriate department personnel.



3

Prompt remedial action will be taken to prevent similar issues from occurring again.

Around 68% of our key operations are certified with ISO 9001:2015². Through close monitoring of our customer service, we have received positive customer feedback. At the same time, zero substantiated products and service-related complaints received in 2022 significantly impact the company.

1. Our satisfaction surveys cover offices, retail, and residential properties that we manage.

2. Calculated based on gross floor area.

Enhancing Customer Experience

Sustainability Journey with Stakeholders

We organise external sustainability-related activities, promoting sustainable practices among tenants, customers, and shoppers.

Through the activities held, we showcase our commitment to sustainability and attract those who value environmentally responsible practices to join us.



◆ We are Artists – Glass Bottle Painting at Beijing Kerry Residence



◆ “Zero Waste” Practice Day at Beijing Kerry Centre



◆ “Climate – Low-carbon salon” Tree planting at Hangzhou Kerry Centre

◆ Plant-based Cardholder



◆ Books Sharing with Smart Book Cabinet at MegaBox



◆ Farm-to-Table at MegaBox

Innovating Approach to Services Level

Strongly committed to customer excellence, we incorporate videos featuring our employees in various customer service scenarios.

Through understanding the impact of their actions on our customers, our staff is motivated to strive for improvement.

Moving forward, we plan to involve colleagues nationwide in gaining diverse perspectives and fostering a sense of unity.



◆ Colleagues Filming Training Video

“ I find the video-based training approach highly effective and feel privileged to contribute to these training videos. It drives progress and success for our company and our valued customers.

– Will Xu, Customer Service



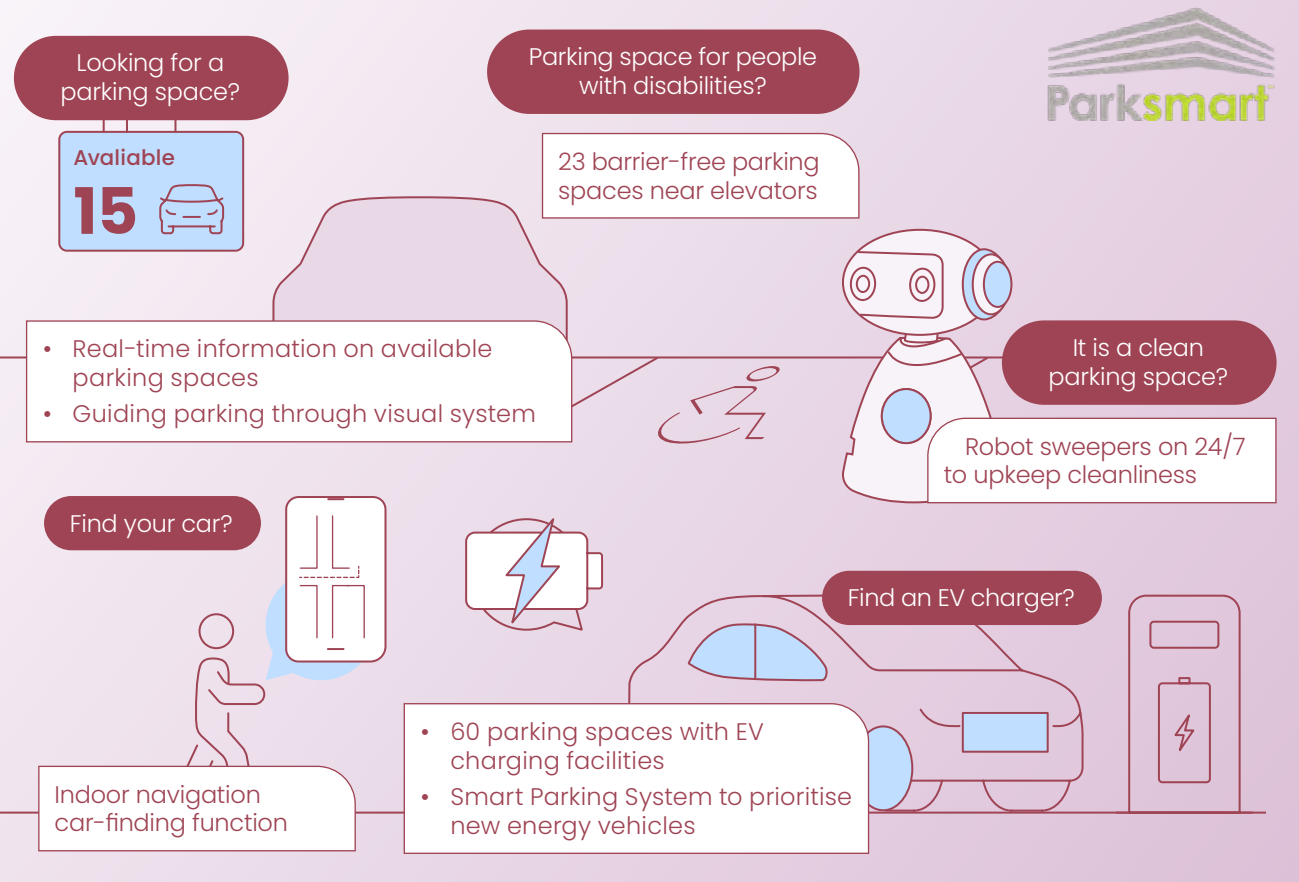
SPOTLIGHT

Redefining Parking: Innovation in Smart Parking Design and Operations

With buildings and transportation as major emissions sources, we implemented a more environmentally-friendly parking solution to advance our sustainability efforts.

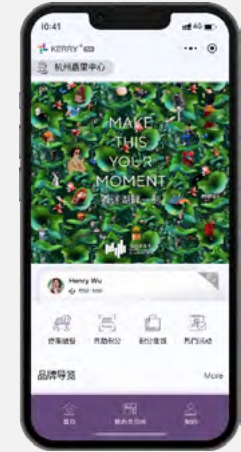
Jing An Kerry Centre ("JAKC") in Shanghai has achieved Parksmart certification. This certification promotes sustainable transportation through smarter parking structure design and operations, enhancing effective management, improving energy efficiency, and promoting alternative modes of transport.

How our smart parking improves customer experience:



One-stop platform – KERRY+

KERRY+ is an intelligent service platform designed for our customers, tenants, and staff. Launched last year, we have expanded it from 7 to 10 properties this year, while continuing to enhance its service offerings. With over 50 online services available on a single platform, users can easily access the services they need.



Property management functions, including some highlighted below, are integrated into KERRY+, allowing tenants to make 24/7 requests. Our property management team receives real-time notifications for timely responses.



Tenant Moving in

- Pre-move-in approval of fit-out design



Tenant Occupying

- Maintenance Request
- Guest Invitation
- Robot Delivery & Recycling



Other Features

- Real-time bill checking
- Shuttle Bus

Standing Together with Our Business Partners

Relationship with business partners is pivotal to KPL. We work with construction site staff to brainstorm ideas and share best practices to advance sustainability on-site, including the adoption of new technologies. We also engage our contractors in community and volunteering activities to foster a strong sense of collaboration and partnership.

Sustainable Procurement

KPL emphasises on sustainable procurement practices. Since 2014, we have implemented various codes and policies to incorporate environmental and social considerations in our procurement practice.

Sustainable Procurement Policy

- Demonstrates our commitment to sustainable procurement
- Sets the fundamental approach for KPL's procurement
- Advocates active communication of KPL's commitments to suppliers, contractors, and its employees

Green Procurement Policy

- Introduces green purchasing specifications in the current procurement practice

Sustainable Procurement Manual

- Incorporates environmental, health and safety, and human rights considerations during the procurement process

Green Procurement Manual

- Selects 60 procurement items for property management and 23 procurement items for property development

Vendor Code of Conduct

- Guides vendors' performance on sustainability-related matters, including anti-bribery and anti-corruption

This year, we updated our Green Procurement Manual, including new appliances with greater energy efficiency. In addition, the number of mandatory green specifications for selected property development procurement items was expanded from 16 to 23, including dehumidifiers and gas cookers. We take this as an opportunity to inform our vendors our preference in sourcing environmentally friendly products and encourage them to adopt sustainable practice as well.

Our engagement with stakeholders on sustainable procurement

- Arrange sustainability seminars and workshops for suppliers
- Collect sustainable procurement data from vendors
- Organise sustainability training for our employees



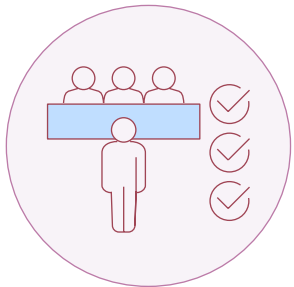
Supplier Management & Evaluation

We aim to raise the bar on sustainability throughout our operations, including our supply chain. Thus, we perform thorough "Service Provider Evaluation" to assess suppliers' product or service quality and their sustainability performance. It helps us ensure that our business partners share our values and commitment to sustainability, enabling us to work together towards a more sustainable future.



Onboarding

Service providers are required to submit qualifications, acknowledge KPL's policies and comply with respective guidelines



Performance Review

Contractor Assessment Review is conducted bi-annually, while Contractor Response Review is conducted quarterly to ensure close monitoring of contractors' performance



Supplier Evaluation

Compliance check is conducted through questionnaires, interviews and spot checks to evaluate suppliers' performance on compliance, work quality, health and safety, etc

Construction activities are considered to be of high environmental and health and safety risk, we require building contractors to obtain ISO 14001 and ISO 45001 accreditations in Environmental Management System and Occupational Health and Safety Management Systems, respectively. Meanwhile, other service providers in property development are also encouraged to obtain these accreditations to ensure a safe, hygienic, and healthy working environment to minimise incidents of work-related injuries and illnesses.

To promote fair competition, our Competition Law Policy Statement was established to prohibit anti-competitive behaviours throughout our operations, including the supply chain. We regularly evaluate our list of qualified companies eligible for tender to prevent bid-rigging in the tendering process. All tenderers must submit integrity and anti-collusion declarations stating they do not engage in anti-competitive behaviour.



Supplier Engagement

Building a sustainable future is not a one-person effort, but it requires all parties to co-build and engage. Thus, believing in our influence, we frequently encourage our partners to contribute together towards sustainability through different initiatives.

Green Construction Site Award

The Green Construction Site Award has been held annually since 2013 to promote sustainable construction practices among contractors.

In 2022, the Green Construction Site Award focused on “Zero Carbon Construction 2050” and included a series of sharing on green construction methods, a Q&A session on environmental topics, and a parent-child drawing competition to encourage low-carbon practices and foster relationships.



◆ Prize-winning work of the drawing competition

Community Activities with Contractors

Further to industry-related topics, our contractors and KPL's project development teams carried out several volunteering activities.

Hot Meals Distribution

Packed and distributed around 800 lunch boxes to the elderly and disadvantaged individuals.



Soap Art Workshop for Underprivileged Children

Collecting used soaps from local hotels, different shapes of recycled soaps were made by our supply chain partners and staff, and given to underprivileged children as warm Christmas gifts.



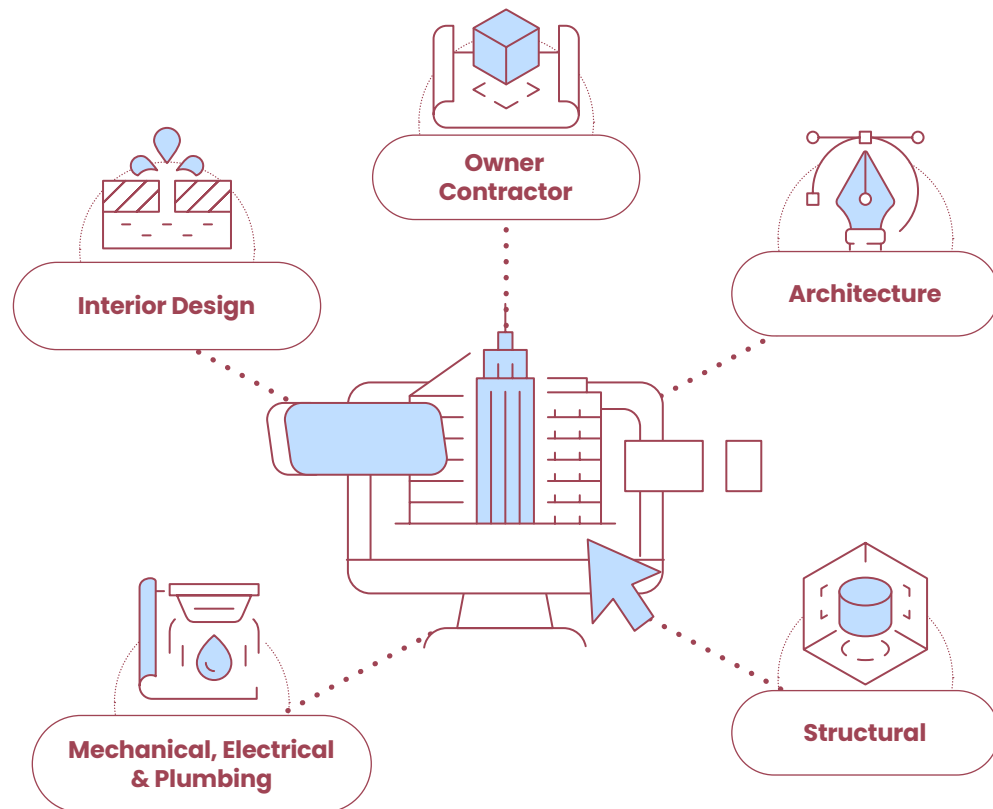
Coastal Clean-up X Eco-tour

Coastal Clean-up and Eco-tour activity in Tai Po.



Enhancing Our Cooperation with Contractors

As building constructions have become more complicated, KPL has been exploring ways to improve working efficiency between contractors and us. With Building Information Modelling (“BIM”) technology, Spatial Mock-Up (“VSMU”) and Virtual Reality (“VR”), contractors can visualise and further understand the design from the facade to the internal structure of buildings before construction, enhancing the efficiency of project management and cooperation between parties.



Innovation & Industry Knowledge Sharing

By incorporating sustainability into innovation, KPL can develop services and processes that provide long-term social and environmental benefits. Therefore, we are committed to making improvements continuously by fostering innovation and encouraging various ways to communicate knowledge and share expertise.



- ◆ Member of Hong Kong PropTech Alliance & China Working Taskforce on Embodied Carbon



- ◆ Sharing in China Cities Development Summit: The Road to Low-Carbon Cities

- Signed the Construction Digitalisation Charter launched by CIC
- Steering Member of Asian Corporate Coalition for Climate Change Resilience (A4CR)
- Cultivating Innovation through “Kerry Lab” at Hangzhou Kerry Centre
- Joined the university programme advisory committee to actively engage in discussions on sustainability and climate change issues with representatives from the government, industry, and local communities

Securing Sensitive Data and Information

Recognising the importance of information security in today's digital age, we make every effort to prioritise it and uphold responsible marketing practices to ensure safety and privacy of our stakeholders.

Information Security

We comply with relevant legislation and has internal policies, procedures, and guidelines in place to protect customer data privacy and safeguard stakeholders' interests. Our staff is trained to handle personal data, and we have secure measures in place to ensure privacy, integrity, and accountability. During the reporting period, there were no known issues of data leakages, thefts, losses, or substantial complaints about non-compliance with regulations concerning customer data privacy.

Cybersecurity Awareness Training

With cybersecurity threats on the rise, our employees' consciousness on information security and data privacy is key to safeguarding customer data. Thus, KPL offers all employees mandatory cyber awareness training to ensure they can provide the highest level of data protection for our customers.

Topics covered:

- Spear phishing
- Data protection and destruction
- Personally identifiable information (PII) handling
- Safeguard measures regarding password safety and network safety
- The latest trend of cybersecurity threats



Completion Rate
96%

Responsible Marketing, Intellectual Property Rights

Responsible Marketing

We prioritise ethical marketing and communications through our policies and Standard Operating Procedures (SOPs) that ensure accurate information and compliance with relevant regulations. Our developments' marketing materials are developed by set guidelines and third-party expertise. We address relevant areas such as health and safety, advertising, labelling, and privacy through our responsible marketing approach. Accurate information equips customers to make informed decisions in line with local and national standards.

In Hong Kong, we have developed internal procedures to guide our employees in producing responsible marketing materials. The Internal Audit Department regularly reviews and audits these procedures. Before release, marketing materials must have the approval of the Head of the Marketing Department to ensure the contents are truthful and comply with relevant regulations. We also engage external professional advisors to oversee the content of our sales brochures and marketing materials. To guarantee the data presented is correct and complies with the Residential Properties (First-hand Sales) Ordinance, architects, surveyors, and solicitors are consulted. This practice also applies to our business in the Mainland.

Intellectual Property ("IP") Rights

We value the intellectual property ("IP") rights of all parties we work with. Our Ethical Guidelines require our employees to protect company assets, respect third-party IP rights and prohibit any misusing, copying, selling, or distributing any form of IP against local laws or licence agreements. In addition to maintaining the confidentiality of privileged information, our Employee Handbook includes relevant guidance for new hires, and requires acknowledgment after onboarding to ensure that all employees are aware of our policies and committed to upholding them.

FEATURE
STORYTRANSFORMATION
THROUGH INNOVATION

While respecting the heritage of the Company, we also seek to innovate throughout our project life cycles. In transforming our operations through innovation, the benefits are demonstrated across the value chain, delivering improvements in efficiency, sustainability, liveability, and service excellence.

Embracing new technologies, Kerry Properties will join the Construction Digitalisation Charter launched by the Construction Industry Council (“CIC”) to achieve digitalisation targets for the industry to enhance the safety, efficiency and quality of construction projects. By signing this charter, we will devise an organisational roadmap and train relevant staff on appropriate levels of competencies.



Design

Utilising intelligent design in buildings for community impact.

Reducing future operation emissions, low-carbon solutions will be adopted to innovate the HVAC¹ in our Jinling Road Project:



↓30%

energy in cooling
with energy
from water²

↓40%

energy in heating
with energy from
water and air²

1. Heating, ventilation and air conditioning system
2. Compared with traditional HVAC

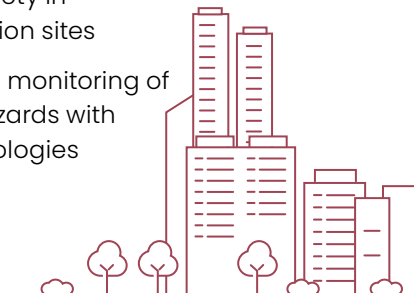


Construction

Partnering with ESG-conscious contractors to enhance environmental and safety performance.

Innovation has taken place in both project development and property management.

- Commitment to the CIC Construction Digitalisation Charter
- Smart Safety in construction sites
- Real-time monitoring of safety hazards with IoT technologies



Operation

Prioritising customer and tenant satisfaction with sustainable and innovative solutions.

Digital Connectivity



Hong Kong Kerry Centre and Enterprise Square Five have been certified by WiredScore for achieving “Platinum” and “Gold” rating respectively

One-Stop Platform
KERRY+

- 4 property types (office, retail, residential)
- 50+ online services

Redefining Parking in JAKC

- 60 EV chargers with smart parking system, prioritising new energy vehicles
- Indoor navigation car-finding function
- Robot sweepers on 24/7 to upkeep cleanliness

PUTTING PEOPLE FIRST

In today's competitive environment, supporting stakeholders in their work and in life is key to making a business sustainable. Beyond developing the skills and talents of employees in the workplace, this means reaching out to care for the well-being of everyone within its realm – be they staff, tenants, shoppers, residents and the wider public – cultivating a cohesive community where people feel supported, and valued.



Key Achievements
in 2022

34%

Senior positions held
by women

98.6%

Employee trained rate

Zero

Work-related fatality



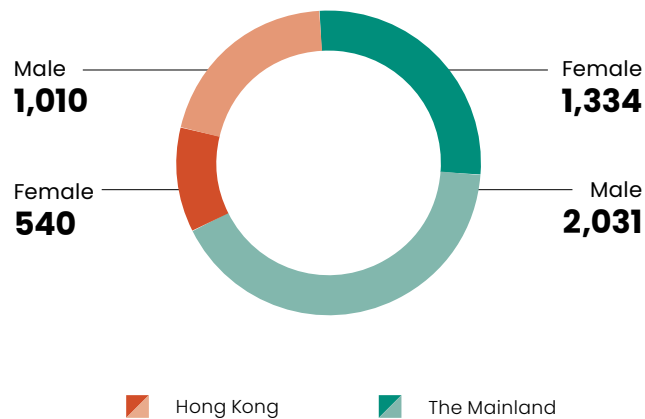
Fostering a People-Oriented Workplace

Our company values the contributions of our employees—their diverse skills, experiences, and backgrounds differentiate us from others. In the face of a fast-moving world, we prioritise creating a supportive and caring environment that fosters agility, innovation and future readiness in our workforce, empowering people to thrive and achieve their personal and professional goals.

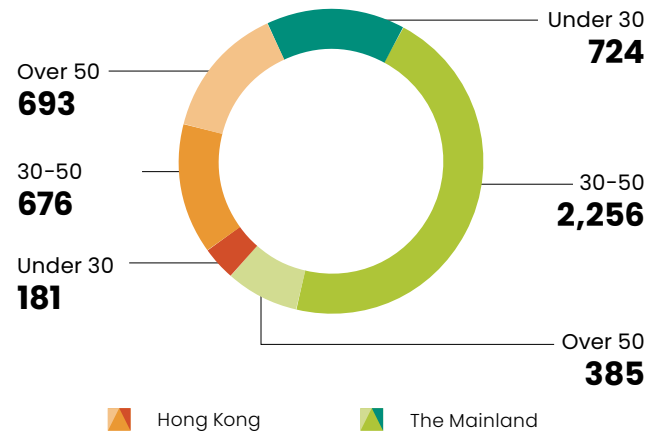
Building A Fit-for-Future Workforce

Total Workforce

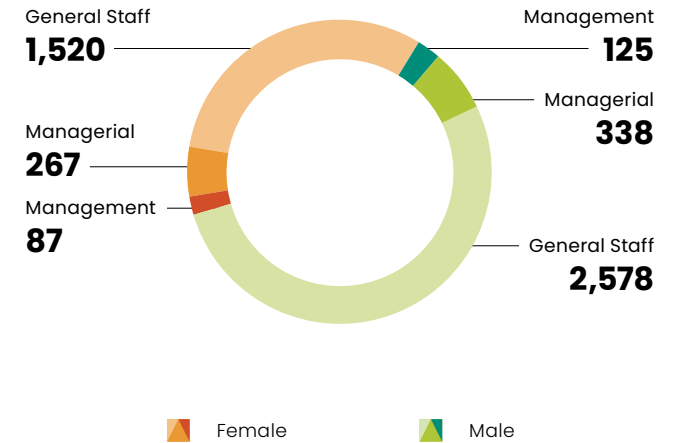
By Gender and Region



By Age Group and Region



By Employment Category and Gender



Talent Attraction

We are dedicated to attracting and retaining the best talents who align with our corporate culture and share our long-term vision. To achieve this goal, we have developed comprehensive talent acquisition and cultivation programmes that are designed to attract high-caliber candidates with a strong interest in the real estate industry.

We uphold fairness and transparency in our recruitment processes, compensation and benefits packages, performance appraisals, and recognition. Our Human Resources Department verifies the authenticity of candidates' identity documents and collaborates with a professional agency to conduct comprehensive background checks.

Our Employee Handbook provides detailed labour policies and practices, covering areas such as compensation, recruitment, promotion, working hours, equal opportunities, diversity, anti-discrimination, and welfare, while prohibiting child labour and forced labour. We distribute and communicate the Employee Handbook to all new hires during their induction training.



Talent Retention and Compensation

KPL keeps innovating and transforming compensation and benefits practices in order to build a highly motivated workforce. KPL offers competitive remuneration and benefits packages to our employees. We also appreciate the positive contributions our employees made and honour the individuals who have significantly contributed to the Group.

To motivate our high performing employees, our Human Resources team regularly evaluates our workforce composition, compensation components, and other benefits.



Average
Employment
Tenure

7.14

Hong Kong

6.24

The Mainland



Paid Leaves

- Marriage leave
- Maternity and paternity leave
- Caregiver leave
- Compassionate leave



Medical Care

- Free vaccination injections
- Medical insurance
- Health check-up



Competency Building

- Training sponsorship



Perks and Bonuses

- Discretionary bonuses
- Employee discount



Appreciations

- Top Achiever Awards
- Kerry Service Ambassador
- Long Service Awards

Integrating Diversity and Inclusion Practices

We value gender equality in the workplace and believe that a diverse workforce can enhance productivity. As such, we are committed to providing equal opportunities for all our colleagues and strive to eliminate discrimination.



34%

Senior positions¹
held by women

Equitable and Inclusive Workplace

As a responsible employer, we respect the rights of each employee and treat all equally. We have zero tolerance for workplace discrimination and human trafficking-related issues, and as part of our employment practices and internal policies, we prioritise the promotion and protection of our employees' human rights.

To further promote our commitment to anti-discrimination, we organise training that blends knowledge of laws and legislation, practical approaches to addressing unwanted behaviours, and examples of effective communication.

Gender Pay Equality

We are dedicated to building a diverse and inclusive culture that attracts and retain talents. We regularly analyse average pay levels for male and female employees and are proud to report that our gender pay gap is minimal and close to pay equity. We will continue to monitor employee remuneration and implement strategies to close any remaining gaps.



1 : 1.02 (Hong Kong)
1 : 0.98 (The Mainland)
Female to Male Employees
Remuneration Ratio

Equal Opportunity

We believe that gender diversity enriches our pool of perspectives and ideas, creating a more productive workplace. Our employees, regardless of gender, have equal opportunities for career development and advancement.

1. Refers to senior director grade or above.

Embracing Social Inclusion

We promote the values of respect, equality, and diversity to eliminate discrimination and to promote social inclusion.



◆ Artistic Potentials
Development Courses for
Persons with Special Needs



◆ Experiencing the Day-
to-Day Life of Visually
Impaired Persons

Women Empowerment

In addition to advocating for gender equality within our company, we are dedicated to contributing to a gender-equal world that empowers all women and girls in alignment with the UNSDGs.

We collaborated with an NGO in assisting underprivileged girls in Mongolia and Vietnam who face limited access to sanitary napkins, and the stigma of "period poverty and shaming". To offer a sustainable solution, we donated patented leakproof and reusable period undergarments with a 4-layer leakproof technology, developed by a Hong Kong start-up.

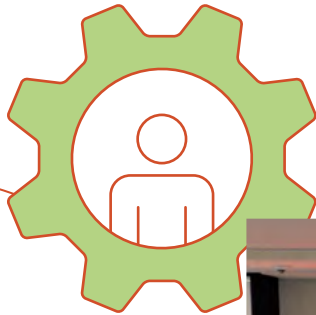


Cultivating and Engaging Our People

To cultivate highly skilled, versatile, and innovative talents, KPL has put together comprehensive talent development programmes and a variety of skills and capability building trainings.

Developing Talents

It is imperative that everyone continues to upskill in order to keep up with the rapid pace of change in the world today. Hence, we promote lifelong learning and motivates employees to take actions to reach their full potential. We offer diversified career paths, development programmes, coaching and support structures, and agile opportunities as part of our efforts to upskill and build a diverse workforce.



Cultivating Future Leaders

Internship Opportunities for Our Next Generation

The Raindrop Summer Internship for Employee's Children programme, which has been in place many years, offers employees' children the opportunity to work at our offices. It provides the next generation with a better understanding of their parents' working environments and helps them establish stronger family bonds.



Collaboration with University

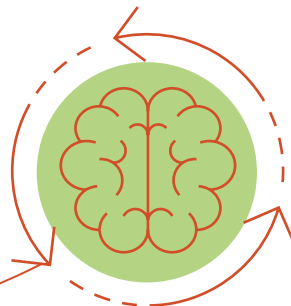
In the Mainland, we have teamed up with Zhejiang Shuren University to cultivate the next generation of business leaders by offering internships and employment opportunities. Through the Kerry Class programme, 20 outstanding students are selected to work alongside our experienced staff, providing them with valuable hands-on experience and mentorship.



Employee Development Programmes

Accelerated Development Programme (ADP)

The aim of this programme is to enhance the managers' overall general management competencies beyond their functional areas and professions, in the areas of financial acumen, strategic thinking, value creation, change management, cross-functional collaboration, people asset advantage and leadership presence. The programme also includes workshops to promote physical well-being and mindfulness. It is designed for Senior Manager and above with high development potential.

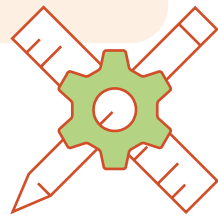


K-Stars

This programme brings employees from different departments and regions to share experiences and enhance management skills. The programme also provides employees with the tools and resources they need to advance their careers and reach their goals.

Manager Development Programme (MDP)

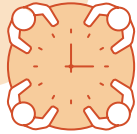
The 6-module programme is designed for managers, to equip them with crucial knowledge and skills in leadership and management includes understanding personality style, motivation, delegation, coaching, project management and leading multi-generational team.



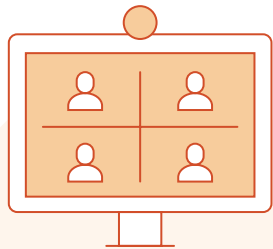
Cultivating Diversified Competencies

We offer diversified trainings to ensure that our employees are equipped with the knowledge and skills they need to succeed in their roles and contribute to the success of the Company. With an agile learning culture, we utilise both in-person training and digital learning platforms for everyone to learn anywhere, anytime.

110,000+
Total Training
Hours



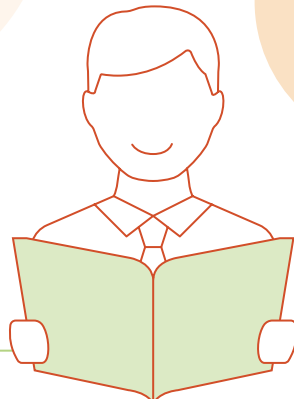
98.6%
Employee
Trained Rate



10,000+
Online Training
Courses



23.3
Average
Training Hours
per Employee



Topics and Skills Training

Corporate Policy Training



Gain a comprehensive understanding of KPL's corporate policies, including:

- Discrimination and harassment-free workplace
- Competition law
- Anti-corruption
- Personal data privacy

Sustainability Induction Training

For new employees to gain a comprehensive understanding of KPL's sustainability journey, including:

- Concepts of sustainable development
- KPL's key sustainability milestones
- Sustainability governance
- Vision 2030



100%
Employees
Coverage



Human Resources Management Training

Introduces human resources concepts to our non-HR Managers, including:

- Identify current issues in the human resource field and the changing role of supervisors and managers
- Apply methods of finding, selecting, and keeping the best people
- Maintain healthy employee relations

Interpersonal Skills Development

In today's fast-paced and ever-changing world, strong interpersonal skills can help us connect, collaborate, and succeed in both our personal and professional lives. We offer a variety of workshops for employees to explore techniques and strategies to enhance communication, teamwork, and leadership abilities, empowering us to build better relationships and achieve our goals.



- ◆ Anti-Brittleness, Anxiety, Nonlinearity and Incomprehensibility Workshop for Management Team in Shanghai

- ◆ "YES AND" Workshop for Project Development and Property Management Teams to Collaborate and Improve Proactivity



- ◆ IKIGAI - Reshaping the Future of Work Workshop Co-created by Hangzhou, Zhengzhou and Tianjin Teams

Knowledge Sharing

Sharing Sustainability Efforts with Employees

A hybrid event was conducted with speakers from various departments from Hong Kong and the Mainland.

- KPL's sustainability journey and key milestones
- Regulatory requirements
- Key sustainability achievements in various sustainability aspects, including ESG governance, climate change management, sustainable building development, carbon emission reduction, employee engagement and community investment
- Showcase of sustainability efforts of each region



- ◆ Sustainability Sharing

Kerry Sharing Session

Kerry Sharing Session is an online series for our management to share valuable insights and information on KPL's latest business developments. It allows our employees to stay up-to-date and expand their knowledge.



12 Masters



7 Episodes



1,700+ Views

Engaging with Employee

Employees are encouraged to share their ideas, opinions, and concerns. We place a great emphasis on two-way communications, and has established an array of communication channels, such as Town Hall meeting, regular employee newsletters and timely updates via company intranet and employee events. We strive to create an environment where our employees feel valued, motivated and connected.

Over the course of this year, KPL organised numerous engagement activities, including festive events, upcycling workshops, and wellness activities. Through these activities, We are able to connect and engage our employees on social and official occasions, further enhancing our employee engagement level.



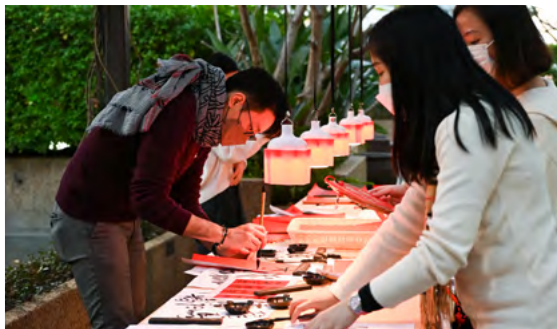
◆ Town Hall Meeting



◆ Charity Bazaar



◆ Employee Newsletter



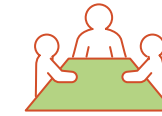
◆ Chinese New Year Calligraphy Event

Employee Survey

In 2022, KPL conducted a Group-wide Employee Survey to understand the satisfaction level of our employees towards the company and the provisions of our wellness policies and programmes.



Distributed to all employees



Conducted by an independent third-party



Analyse employee satisfaction level with Net Promoter Score

Key findings:

80% of respondents are satisfied with company's wellness policy and provisions

More than 80% of respondents like working in the company

We will follow up on employee feedback in 2023.





ESG Think Tank is a platform we created in 2021 for employees from different departments to brainstorm, collaborate, share and implement sustainable ideas. Think Tank members regularly design activities to inspire our employees and other stakeholders to think and act sustainably. ESG Think Tank has grown to 60+ members from 17 departments this year, with greater involvement from employees across all KPL business functions.

Key events in 2022:



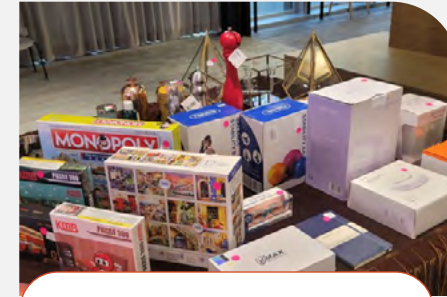
Festive Upcycling

In collaboration with a social enterprise that supports the employment of low-income women, these teddy bears are dressed in one-of-a-kind outfits made by our staff and tenants with upcycled used clothing.



Immune Boosting Teatime

To reduce stress and help our employees' immune systems, KPL has prepared herbal tea for them on Friday afternoons, using herbs grown in the MegaBox Urban Garden.



Charity Bazaar

Charity Bazaar was held again this year for our employees to come together, socialise, and raise funds for a good cause.



Gaming for a Good Cause

Think Tank members volunteered to sort the board games for charity sales at our managed properties.



Creativity Boosting

A three-hour workshop to inspire Think Tank members to think outside of the box and to bring innovative ideas.

Promoting Wellness, Health and Safety for All

The wellness, health and safety of our stakeholders are crucial to the viability of our business. We are passionate about discovering new and innovative ways to improve the lives of those around us.

Fostering Mind-Body Balance

During the year, KPL provided numerous Well-being activities, workshops and webinars, in order to enable participants to self-manage and stay recharged during the pandemic, as well as avoiding burnout and stress at work.

Drink More Water!

Motivational water bottles are distributed to employees, encouraging them to drink more water throughout the day.

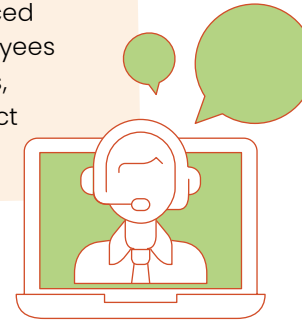


Mental Health

The pandemic and the accompanying societal restrictions have had a profound impact on the mental health of our people and communities. We have arranged a series of sustained and creative interventions to help them recover from the pandemic. Through a variety of activities, we hope to reconnect the people around us to live in harmony, revitalise their mental health, and cultivate a sense of belonging.

Caring for Employees and Their Families

A 24-hour counselling hotline is serviced by professional counsellors for employees and their immediate family members, with counselling meetings held in strict confidence.



Upgrading Employee's Benefits

Upgraded medical insurance with mental illness outpatient benefits starting from 2022 to address the mental health of our employees.



Music Mediation

A sound artist performed on a variety of instruments that allowed our colleagues to release stress through music.



Physical Health

Physical activity has become more important than ever as pandemic lockdowns have reduced time spent on exercise and increased sedentary time. To enable our stakeholders to develop good habits of exercising and live a healthy life, we have arranged a variety of physical activities such as yoga, music healing, screening films and meditation, tailored to their busy lifestyles.

Step Challenge

The Step Challenge event continued to be held in 2022 as part of our efforts to encourage exercise habits among our employees. Employees were encouraged to walk more by linking their steps to charity. In return for every 10,000 steps that our employees took, we donate a lunchbox to people in need.



1,900+
Employees Participated



650 Million+
Steps Accumulated



Desk Stretch

Our corporate management and a personal trainer led our employees to stretch at desk, targeting different parts of the body, to maintain spinal mobility and reduce the risk of aches and pains.



◆ Heart Caring Campaign for Front-line Employees in Hong Kong



◆ Cycling Team Building Activity in Hangzhou



◆ Sports Zone for the Community in Beijing Kerry Centre



◆ Basketball League in Shanghai

Building a Healthy Environment

Improving Indoor Air Quality

The quality of indoor air plays an important role in building occupants' health and well-being. This was particularly important to maintain good air quality during the pandemic, as it is both an important measure of our overall environmental sustainability practices and is an indicator of our ability to prevent the spread of airborne diseases.

In order to accomplish this, the following measures were adopted:

- Adopt building materials with low VOC/formaldehyde content
- Apply MERV-13 air filter with silver ion technology in air handling units
- Add UVC emitters in all passenger lifts
- Install AirZone purifiers inside refuse collections rooms to neutralise odours
- Install CO sensor in carpark to monitor real-time IAQ



8 Properties were awarded RESET™ Air Core & Shell certification



6 Properties certified under IAQ Certification Scheme



SPOTLIGHT

Ensuring Safe Indoor Air Quality in Meeting Rooms

In meeting rooms where many people are present, the air may become stuffy and carbon dioxide (CO₂) concentrations will increase, which may reduce mental performance and the ability to make good decisions. To tackle the issue, we have installed a demand-controlled ventilation system in our meeting room at Jing An Kerry Centre to automatically regulate airflow.

Key Benefits:



Achieve thermal comfort balance



High-efficiency particulate filtration



Reduce odour and chemicals with carbon filter



Real-time data gathering and analysis

Focusing on Occupants' Health

KPL is committed to prioritising our people's health and our spaces in a post-pandemic environment, so that our employees and building occupants can feel secure and comfortable. Apart from ensuring all local regulations and training requirements related to health and safety are met, we demonstrate our outstanding efforts in maintaining a human-centric indoor environment by achieving WELL Health-Safety Rating for our properties.

The WELL Health-Safety Rating involves a third-party review process that empowers KPL to take the necessary steps in order to prioritise the health and safety of our people, occupants and other building users.



7 Properties obtained WELL Health-Safety Rating



Prioritising Occupational Health and Safety

We are committed to prioritising the wellness of our stakeholders. Our paramount goal is to ensure their health and safety, and we achieve this through a robust management structure and comprehensive internal guidelines and standards. We take great care to protect the well-being of our employees, workers, and customers in all of our locations, including offices, construction sites, and managed properties.

Safety Management System

Well-established Management Structure

Safety committee is set up in our property management and development division. Contractors and frontline workers are included in the committees to ensure all opinions are heard and considered. Their responsibilities include identifying potential health and safety risks, developing effective policies, and investigating and following up on incidents. To ensure safety measures are enforced, the committees hold regular meetings, audits, and policy reviews. Any incident or employee feedback would trigger reviews of our occupational health and safety management risk controls. We have also established a Health and Safety Management Taskforce to monitor the effectiveness of its overall management.



Comprehensive Policies and Procedures

We have developed the Corporate Health and Safety Policy and procedures² that are based on industry best practices to manage and mitigate risks throughout the construction and operational stages of our operations.

Effective Hazard Identification and Inspection

By performing safety inspections, we are able to identify potential hazards and determine which preventative measures to take to prevent accidents and incidents. Risk assessments are conducted regularly in order to identify potential risks and impose more stringent safety measures.

90%
Key operations
certified with
ISO 45001¹



How we ensure operational safety in every aspect:

Construction Safety

- Incorporate safety requirements in the tendering process
- Require building contractors to possess valid ISO 45001 certificate
- Require contractors to complete mandatory role-based safety training before entering the site
- Require building contractors to provide adequate protective equipment for all individuals working on site
- Employ safety officers for every construction site to supervise and conduct regular and random inspections

Property Safety

- Provide prompt and reliable facilities management and maintenance services
- Ensure a safe, healthy and productive environment under our managed properties
- Obtain feedback from tenants regarding unsafe conditions and promptly respond

Workplace Safety

- Continuously implement, monitor and enhance the effectiveness of prevention measures

1. Calculated based on gross floor area.

2. The scope of workers, activities, and workplaces covers our property management and property development businesses. It includes contractor workers for repair and maintenance, construction, cleaning, office work, and shuttle bus services, whose work and/or workplace are under our control.

Safety Through Innovations

KPL leverages technology to improve safety in a more efficient way. Regular innovative measures to manage and minimise safety hazards include:

- Smart safety helmet that can locate workers accurately in real time;
- Plate monitoring where only registered vehicles are allowed on site to manage access and ensure site safety;
- Machinery and equipment to monitor mobile machinery, tracking path, analysing the frequency and number of use; and
- Monitoring electrical safety with smart electric boxes instead of diesel generators.



SPOTLIGHT

Enhancing Safety Through Technology

For Construction

We constantly work with contractors to accelerate construction safety. At THE SOUTHSIDE Package Four Property Development Project, a smart safety system that utilises IoT, AI, cloud computing, and other innovative Features is implemented. This system records and analyses site information on an integrated management platform, enabling better construction site management and decision-making.



Real-time Dynamic Monitoring

Visualise the location of workers across the sites all areas of the site to prevent unsafe behaviour



Anti-Collision System

Use of Radio Frequency Identification ("RFID") technology to prevent collision between workers and heavy equipment



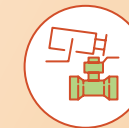
AI-based Safety Monitoring

Monitor and alert unsafe behaviours with high-definition equipment and AI model



Vehicle Entry Monitoring

Only registered vehicles are allowed to enter the site for security



Real-time monitoring and display of each valve's operation status



Notify tenants when an abnormality is detected



Allow tenants to track electricity, water, and gas consumption remotely



Efficient examination using an integrated platform to reduce manpower for on-site inspections

For Property Management

Fire hazard is one of the major safety risks for our food and beverage tenants. To further strengthen fire safety management, we assist our food and beverage tenants at Kerry Parkside to implement a detection and monitoring system.

Health and Safety Training

Safety training is mandatory for all new and existing employees to ensure safe and healthy workplace behaviour. Some of our safety training courses include:

- Use of personal protective equipment
- Role-specific training, such as those tailored to employees conducting high-risk works
- Regular drills

Annual Safety Conference

Apart from the regular safety training, our project team in Hong Kong organise annual safety conference to reinforce and enhance employees' safety knowledge. The conference includes a sharing of major construction accidents that have occurred in the industry in 2022, a demonstration of how to improve safety through technology and innovation, safety responsibility and regulation training by safety consultants and a demonstration of stretching exercise by a health professional. Over 100 participants attended the conference.



Incident Management

All injuries caused by accidents at work are recorded and covered by our insurance. In addition, KPL implemented a work injury care programme to provide medical treatment and support for our injured employees during recovery and rehabilitation.

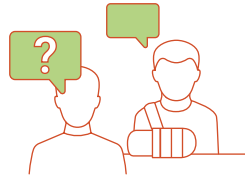


Zero
Work-related
Fatality



6.92
per 1,000 Employees
Work-related Injury Rate

Incident Handling Procedures



Gather evidence from the scene and conduct interviews to understand the accident



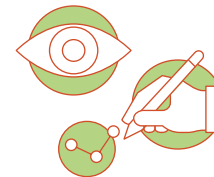
Determine the root causes of the incident and recommend preventative measures to avoid future occurrences

1

2

3

4



Compile and analyse the evidence to conduct a thorough investigation



Implement the recommended preventative measures and ensure they are followed consistently to prevent similar incidents from happening again

FEATURE
STORY

WELLNESS ABOVE AND BEYOND

At Kerry Properties, we care not only for the well-being of our employees but also for their families, our tenants and the wider community. Focusing on the mind, body and spirit connection, we organised different programmes and events to promote physical and mental health by engaging our community and fostering a sense of belonging.

“Surrounding myself with sustainable living advocates has shown me the value of Kerry Properties' people-first approach to our community.”
- Mr. Wang, office tenant and KORE community member of Beijing Kerry Centre



Holistic Care for Employees

Knowing that our colleagues may be particularly vulnerable after a prolonged COVID-19 lockdown, a Care Carnival was curated in Shanghai to lift their spirits, in turn boosting productivity and employee satisfaction. Activities included immersive relaxation therapy, expressive art and mindfulness exercises. Stress-relief products and soothing music were also available in rest areas for employees.

SCAN
FOR
MORE

“The expressive art session allowed us to unleash our emotions experienced during the pandemic. In empathising with one another, we healed our hearts and souls.”

- Sophia Hong, Leasing Department,
participated in the Care Carnival



Reconnecting Our Tenants

Aiming to help tenants enjoy new experiences and friendships, KORE, a sustainable and healthy lifestyle community established at Beijing Kerry Centre, offers its members engaging classes and activities such as frisbee, night run and green workshops. Other properties have developed similar community-focused groups, enhancing customer satisfaction and community connectedness.



Rejuvenating The Communities

Reaching out to local communities, we extended our care by bringing people together. Qianhai Kerry Centre was well utilised to indulge the public with revitalising experiences. A park market, food trucks, local art pieces, and live performances contributed to the lively atmosphere. Fuzhou RiverCity's carnivals also enabled our community members to recharge with a positive vibe.



Sustainability Accounting Standards Board (SASB)

Real Estate Sector Disclosure



Kerry Properties adopted SASB's Real Estate Sustainability Accounting Standard to communicate with stakeholders on the financial impacts of industry-specific material issues. It is aligned with this Report's scope as detailed on p.88.

We have recently taken measures to improve our SASB reporting and align with upcoming regulatory changes. As part of this effort, we have extended our SASB data collection to encompass both base building and tenant spaces, enabling a comprehensive assessment of the impacts of our whole building. These practices are a testament to our commitment to promoting sustainability in a responsible manner.

Energy Management¹

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	SASB Code	Accounting Metric	Property Sub-sector	2021	2022
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector (%)	Office	75.4%	75.4%	IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector (%) ^{3,4}	Office	72.9%	100%
		Retail	62.1%	62.3%			Retail	99.1%	100%
		Residential ²	1.0%	1.1%			Residential	82.2%	91.9%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage (GJ)	Office	658,949.8	582,037.9	Percentage of eligible portfolio that is certified to ENERGY STAR®, by property subsector (%)	Office	Not Applicable to Hong Kong and the Mainland		
		Retail	642,348.1	579,332.0			Retail		
		Residential	179,381.8	111,922.1			Residential		
	Total energy consumed by percentage grid electricity, by property subsector (%)	Office	63.0%	52.9%					
	Total energy consumed by percentage renewable, by property subsector (%)	Retail	74.9%	79.7%					
		Residential	74.7%	65.0%					
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector (%)	Office		88.3%					
		Retail		90.2%					
		Residential		62.4%					

1. The data reported in 2021 was based on landlord areas. This year, we have expanded the data scope to both base building and tenant spaces, and the 2021 dataset was adjusted to ensure comparability with the 2022 dataset. It is important to note that while the data presented here represent the whole building, there are limitations in data coverage, particularly in residential tenant spaces and tenant spaces in Hong Kong as shown in IR-RE-130a.1. We remain committed to addressing these gaps and continuously improving our reporting practices.
2. There is particularly low data coverage in residential properties. This is mainly due to common practices in residential buildings, where occupants pay energy bills directly to the energy providers.
3. There is a lack of energy rating schemes in the Mainland, so we excluded the relevant gross floor area from the denominator as suggested in the Real Estate Sustainability Accounting Standard.
4. The 2021 data was adjusted due to the revised IF-RE-000.A.



Energy Management¹

SASB Code	Accounting Metric
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy

Our Energy Policy and Energy Management System Committee adhere to ISO 50001:2018, with regular reviews and energy audits. We prioritise energy excellence in our new projects as per our Sustainable Building Guideline, considering environmental impacts and energy costs.

A corporate-level short-term energy-saving target has been set for property management, to reduce energy intensity by 20% against the baseline year 2017 by 2025. In 2022, we achieved a 25.6% reduction, exceeding our target due to pandemic lockdowns and electricity usage restrictions in some regions. However, higher growth in tenant activities is expected due to boarder reopening and post-COVID recovery, we will keep monitoring the energy reduction in 2023.

We prioritise continuous improvement of energy performance in our existing buildings, targeting recognised green building certification for major investment properties. We have been developing an integrated building management system to facilitate energy management and support developing strategies, while collaborating with stakeholders to raise awareness for energy conservation and promote behavioural change.

Exploring renewable energy, solar panels at several properties in the Mainland and Hong Kong have been installed. In 2022, we purchased Renewable Energy Certificates for multiple investment properties in Shanghai, in which the office tenants' electricity usage in Jing An Kerry Centre and all tenants' electricity usage in KEC Phase III were covered. We plan to expand the use of renewable energy at our properties in the Mainland and Hong Kong in the future.

Water Management⁵

SASB Code	Accounting Metric	Property Sub-sector	2021	2022
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector (%)	Office	100%	100%
		Retail	77.4%	77.7%
		Residential ⁶	21.0%	22.4%
	Water withdrawal data coverage as a percentage of total floor area, by property subsector (%)	Office	100%	100%
		Retail	100%	100%
		Residential ⁶	38.7%	39.9%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property subsector (Thousand m ³)	Office	1,184.7	1,118.3
		Retail	1,412.4	1,261.3
		Residential	253.7	140.6
	Total water withdrawn by percentage in regions with High or Extremely High Baseline Water Stress, by property subsector (%)	Office	87.9%	89.1%
		Retail	76.1%	79.6%
		Residential	71.3%	93.8%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector (%)	Office		94.4%
		Retail		89.3%
		Residential		55.4%

5. The data reported in 2021 was based on landlord areas. This year, we have expanded the data scope to both base building and tenant spaces, and the 2021 dataset was adjusted to ensure comparability with the 2022 dataset. It is important to note that while the data presented here represent the whole building, there are limitations in data coverage, particularly in residential tenant spaces and tenant spaces in Hong Kong. We remain committed to addressing these gaps and continuously improving our reporting practices.

6. There is particularly low data coverage in residential properties. This is mainly due to common practices in residential buildings, where occupants pay water bills directly to the fresh water providers.



Water Management⁵

SASB Code	Accounting Metric
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks

In 2022, we explored our baseline water stress with the World Resources Institute's (WRI) Water Risk Atlas tool. Although the results revealed the relatively high baseline stress in our operation areas, we have had no issues with water sourcing, supported by our water-efficient design, water-conserving measures, and sound infrastructure in the operating areas.

Our newly established Water Stewardship Policy has defined our approaches towards water management in our operation. To preserve water resources, we are committed to reducing water consumption through the application of practical designs, such as rainwater harvesting, while enhancing water saving and wastewater recycling at our operation sites.

One of our Vision 2030 Targets is 100% of investment properties implemented rainwater harvesting system, and this year we achieved 51%. In addition, we achieved 31.3% reduction in water consumption intensity this year, compared with baseline year 2017.

We have implemented various measures in our properties to improve water efficiency and reduce water consumption, including installing water-efficient fittings as well as water reclamation systems, which allow us to reuse greywater and harvest rainwater at our properties. We also conduct periodic checks and maintenance of water supply systems to prevent wastage due to water leakage at our managed properties. Our Enhanced Safety Performance and Environmental Protection Scheme rewards contractors if more than 30% of wastewater is recycled and reused on-site.

Management of Tenant Sustainability Impacts

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector (%)	Office	0	Explore the possibility of introducing relevant leases	0
		Retail	0		
		Residential	0		
IF-RE-410a.1	Associated leased floor area, of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector (sq. ft)	Office	0	Explore the possibility of introducing relevant leases	0
		Retail	0		
		Residential	0		
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property subsector (%)	Office	100		100
		Retail	100		
		Residential	100		
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for water withdrawals, by property subsector (%)	Office	100		100
		Retail	100		
		Residential	100		



Management of Tenant Sustainability Impacts

SASB Code	Accounting Metric
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants

Interacting consistently with our tenants is the foundation for building trust and collaborative relationships in our business. With a year-round stakeholder engagement plan, specialised resources are arranged for organised sustainability-related events for tenants, while relevant training is provided to our colleagues. Through thematic campaigns, our property management teams engage and educate tenants on sustainability matters. Going forward, we anticipate the need to further engage our tenants to collectively achieve our vision of a sustainable society.

When new tenants move in, the Environmental Guideline for Residents and the Environmental Guidelines for Fitting Out are shared to encourage their participation in sustainability matters in our properties.

The KPL Sustainability Sponsorship Fund Programme and the newly established ESG Event Fund exemplifies our support for awareness-related campaigns. We regularly host events and implement enhancement works on various themes of sustainability for our tenants.

Wellness is also our priority in our engagement with tenants. We have been constantly seeking opportunities in achieving WELL certificates for our major investment properties. This year, Jing An Kerry Centre, KEC Phase III and Hong Kong Kerry Centre obtained WELL Certification at the Platinum rating, while 8 properties across Hong Kong and the Mainland operations have been awarded RESET™ Air Core & Shell certification in recognition of the achievement in IAQ.

In 2022, we have been preparing a pilot green lease programme to explore how we can work further with our office tenants. Incentives are set to encourage meaningful carbon reduction efforts. The programme will be launched in 2023.

Climate Change Adaptation

SASB Code	Accounting Metric	Property Sub-sector	KPL Information
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector (sq. ft)	Office Retail Residential	<p>"100-year flood zones" is a U.S. definition and is unavailable in both Hong Kong and the Mainland.</p> <p>Through the CRVA focusing on physical risks at property level, investment properties with flood-related risks are preliminarily identified.</p>



Climate Change Adaptation

SASB Code	Accounting Metric
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks

We identified a list of high-impact climate-related physical and transition risks. Two scenarios have been considered: 1.5°C to 2°C and 4°C to 5°C concerning the temperature rise in Hong Kong and the Mainland in 2030 and 2100 time horizons. Taking our business nature into consideration, transition risks are considered to have a larger impact on our businesses over the short to medium term, while expecting physical risks to pose more significant risks to us in the long term.

Completed the CRVA assessment for 77% of our investment properties, we also observe there are differences in high-impact climate risks between regions, especially for physical risks. The assessments provide us with detailed and localised findings on regional climate risks, and we can formulate specialised and localised mitigation plans. Taking a further step, we engage our stakeholders and communicate the result of CRVA and our improvement with them. Tenants will be kept informed of the findings, and their opinions sought on the future direction to strengthen the related measures.

In 2023, the Internal Audit department will further incorporate physical risks into audit engagements. It can ensure the property management teams properly perform the precautionary actions as required.

Recognising the environmental benefits of technology, we have been incorporating various technologies throughout the building life cycle, ranging from BIM during the construction stage to IBMS during operation. Moreover, driving the decarbonisation of our upstream and downstream value chain, we have adopted an engagement-orientated approach, in which training, webinars, and pilot programmes are provided to raise awareness and make progress in scope 3 reduction.

For more information, please refer to pages [39 - 43](#).

Activity Metrics

SASB Code	Accounting Metric	Property Sub-sector	2021	2022
IF-RE-000.A	Number of assets, by property subsector ⁷	Office	13	13
		Retail	18	17
		Residential	19	13
IF-RE-000.B	Leasable floor area, by property subsector (ft ²) ⁸	Office	4,169,071	4,169,071
		Retail	4,845,749	4,829,858
		Residential	1,912,121	1,912,121
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector (%)	Office	0	0
		Retail	0	0
		Residential	0	0
IF-RE-000.D	Average occupancy rate, by property subsector (%) ⁹	Office	94.4%	93.1%
		Retail	94.3%	89.5%
		Residential	93.6%	89.2%

7. Our properties are classified into subsectors that are aligned with the FTSE Nareit Classification Structure, and some properties may be classified as more than one property subsector. A property was classified into one of the property subsectors if 75% or more of its gross floor area is specified for that property subsector in last year; the rule has not been adopted this year to enhance the alignment with the annual report.

8. All properties that are held for sale are not included in 2022; the data in 2021 was amended to be comparable with the 2022 figure and IF-RE-000.A.

9. All properties that are held for sale are not included; the data in 2021 was amended to be comparable with the 2022 figure and IF-RE-000.A.

Note: The Group discloses with reference to the SASB's Real Estate Sustainability Accounting Standards on a voluntary basis only and the disclosed metrics are not verified by any external party.



FTSE-NAREIT Classification of Property Subsectors

Scope		Property Nature	Scope		Property Nature							
PRC	Beijing Kerry Centre	Office	PRC	Shenyang Kerry Centre Phase II	Retail							
		Residential			Office							
		Retail			Office							
	Hangzhou Kerry Centre	Retail		Shenyang Kerry Centre Enterprise Square	Office							
		Office		Shenzhen Arcadia Court	Retail							
	Hangzhou Zhijiang Castalia Court Phases I to III	Retail		Shenzhen Kerry Plaza Phase I	Office							
	Putian Arcadia Court	Retail		Shenzhen Kerry Plaza Phase II	Office							
	Qinhuangdao Habitat Phase I	Residential		HK	Tianjin Kerry Centre Riverview Place	Retail						
		Retail				Aigburth	Residential					
	Shanghai Central Residences Phase II Towers 1 and 3	Residential				Branksome Crest	Residential					
	Jing An Kerry Centre Phase I, Shanghai	Office				Branksome Grande	Residential					
		Residential				Enterprise Square Three	Retail					
		Retail				Enterprise Square Five/MegaBox	Office					
	Jing An Kerry Centre Phase II, Shanghai	Office				Gladdon	Kerry Centre	Retail				
		Retail						Residential				
Kerry Everbright City Phase I, Shanghai	Retail	Resiglow - Bonham	Kerry Centre					Office				
	Office							Retail				
Kerry Everbright City Phase III, Shanghai (Enterprise Centre)	Office							Resiglow - Happy Valley	Tavistock	Residential		
	Retail									Residential		
	Residential									Residential		
Kerry Parkside, Shanghai	Office									Tavistock	Tavistock	Residential
	Retail											
	Residential											

ABOUT THIS REPORT

Reporting Period and Scope

This Report covers the Group's sustainability performance for the financial year from 1 January to 31 December 2022 ("reporting period"). It encompasses KPL's core businesses based in Hong Kong and the Mainland including operations in property development, investment, management and leasing in residential, shopping malls, office towers and apartments. Hotel and warehouse businesses, as well as properties without our ownership or direct management, are excluded from this report. The report also contains details of our sustainable development, vision and progress made on the implementation of our sustainability strategy during the year.

The qualitative and quantitative information regarding the Group's approach, initiatives and priorities in managing material environmental, social and governance ("ESG") aspects are disclosed in the report. For further disclosures on corporate governance, please refer to the Corporate Governance Report of the KPL Annual Report 2022.

Reporting Standards and Principles

This report has been prepared in accordance with the Global Reporting Initiative's Standards ("GRI Standards") and the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). It also satisfies the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide ("ESG Guide") issued by SEHK.

In the preparation of this report, we have followed the related reporting principles from GRI Standards and SEHK's ESG Guide:

- **Accuracy:** To provide qualitative and quantitative information that is accurate and sufficient in detail to allow an assessment of our impact.
- **Balance:** To provide an unbiased picture of our performance, we review and disclose our achievements as well as areas for improvement.
- **Clarity:** To present information in a manner that can be understood by users with a reasonable knowledge of our company and business activities.
- **Comparability:** To allow for meaningful comparisons of sustainability information over time, data are selected, compiled and reported in a consistent manner.
- **Completeness:** To provide sufficient information to enable readers to assess KPL's impact during the reporting period.
- **Sustainability Context:** To report information about KPL's impacts in the wider context of sustainable development.
- **Timeliness:** To report information on a regular schedule and make it available in time for readers to make decisions.
- **Verifiability:** To gather, record, compile, and analyse information in such a way that the information can be examined to establish its quality.
- **Materiality:** Material sustainability topics are identified through various stakeholder engagement channels. In this process, different factors including the Group's strategy and stakeholders' concerns are taken into consideration. The issues identified were endorsed by our Sustainability Steering Committee and approved by the Board.

- **Quantitative:** As approved by the Sustainability Steering Committee, we have established Vision 2030 Targets to reduce our operational impact on the ESG aspects. The progress towards these targets will be evaluated by the Board regularly.
- **Consistency:** To allow for meaningful comparisons of sustainability data over time, we use consistent methodologies over time.

In order to present a comprehensive picture of the Group's sustainability universe to our stakeholders, this Report is also aligned with relevant performance indicators of key sustainability benchmarks such as CDP, DJSI, FTSE4Good, GRESB, and MSCI. In stepping up our climate-related disclosures, this Report continues to adopt the framework recommended by TCFD.

The Group seeks to provide material sustainability information in line with the Sustainability Accounting Standards Board's ("SASB") standard. Disclosures in line with SASB's Real Estate Sustainability Accounting Standards are included in this Report.

Our Greenhouse Gas ("GHG") emissions inventory is calculated in accordance with the Greenhouse Gas Protocol, a corporate accounting and reporting standard developed by World Business Council for Sustainable Development ("WBCSD") and World Resources Institute ("WRI"). This protocol provides standardised approaches and principles for corporates to develop a verifiable GHG inventory. (More details are available at [Performance Data Summary](#)).

Reporting Boundary of Sustainability Data 2022

For the purpose of disclosing our sustainability data, our environmental performance data scope primarily covers investment properties that are owned and managed by us in Hong Kong and the Mainland. Properties that are being held for sale or with a significant portion sold are not included. The environmental performance data scope also covers new properties which have reached the predetermined occupancy level or operating period. For social performance data, the scope covers operations in Hong Kong and the Mainland.

Mainland Portfolio

Beijing Kerry Centre	Pudong Kerry Parkside, Shanghai
Castalia Court Phases I to III, Hangzhou	Putian Arcadia Court
Central Residences Phase II Towers 1 and 3, Shanghai	Shenyang Kerry Centre Enterprise Square
Habitat Phase I, Qinhuangdao	Shenyang Kerry Centre Phase II
Hangzhou Kerry Centre	Shenzhen Arcadia Court
Jing An Kerry Centre Phase I, Shanghai	Shenzhen Kerry Plaza Phase I
Jing An Kerry Centre Phase II, Shanghai	Shenzhen Kerry Plaza Phase II
Kerry Everbright City Phase I, Shanghai	Tianjin Kerry Centre Riverview Place
Kerry Everbright City Phase III, Shanghai (Enterprise Centre)	

Hong Kong Portfolio

Aigburth	Gladdon
Branksome Crest	Kerry Centre
Branksome Grande	Resiglow-Bonham
Enterprise Square Five/MegaBox	Resiglow-Happy Valley
Enterprise Square Three	Tavistock

Independent External Assurance

This Report has been independently verified by British Standards Institution in accordance with GRI Standards, the SEHK's ESG Guide and AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact to ensure the report provides a fair view of KPL's sustainability programmes and performance in the reporting year. For more details on the verification statement, please refer to page [105](#) of this Report.

Contact

We welcome feedback on our report, reporting content and sustainability performance, please contact us at sustainability@kerryprops.com.

Share Your Thoughts

Thank you for reading Kerry Properties' Sustainability Report 2022. Your feedback is critical for us to continuously improve our reporting and sustainability practices. Simply scan the QR code below and complete this survey. We will donate a healthy food pack to a family in need.



Major Awards and Memberships



Our commitment to sustainability and excellence has been recognised by different prestigious organisations. We take pride in our accomplishments and remain dedicated to sustainability, innovation, and social responsibility. While some of the major awards and recognitions we have received in the past year are listed below, please refer to the “Awards and Citation” section of our Annual Report 2022 for our full list of achievements.

Award or Certification

2022 WELL at Scale Award

- Regional WELL Leadership Award – Asia: Kerry Properties Limited

Asia Sustainability Reporting Awards 2021

- Silver Award in Asia’s Best Stakeholder Reporting: Sustainability Report 2020

BDO ESG Awards 2022 – Middle Market Capitalisation

- ESG Report of the Year
- Best in ESG Awards
- Best in Reporting Awards

Issuing or Organising Authority

International WELL Building Institute (IWBI)

CSRWorks International

BDO Limited

Award or Certification

Issuing or Organising Authority

Hong Kong Corporate Governance and ESG Excellence Awards 2022 – Winner of ESG Excellence Awards

- Kerry Properties Limited

Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University

Hong Kong Green Awards 2022

- Sustainable Procurement Award (Large Corporation) – Grand Award
- Green Management Award – Corporate (Large Corporation) – Gold and Sustained Performance (13 Years+)

Green Council

Hong Kong Sustainability Award 2022

- Certificate of Excellence

The Hong Kong Management Association

International Annual Report Design Awards 2022

- Silver Awards in Cover Design, Overall Presentation, Integrated Presentation and Home Page Design: Sustainability Report 2021

IADA

iNOVA Awards 2022

- Grand & Gold Awards: Specialty Reports – Sustainability Reports: Sustainability Report 2021

MerComm, Inc.

LEED v4.1 Cities and Communities Certification: Existing – Platinum

- Enterprise Centre at Kerry Everbright City Phase III, Shanghai

U.S. Green Building Council

LEED Zero Waste Certification

- Beijing Kerry Centre – Office Tower
- Jing An Kerry Centre (Towers 1, 2 & 3), Shanghai

U.S. Green Building Council

The Asset ESG Corporate Awards 2022 – Benchmark Award – Platinum Award

- Kerry Properties Limited

The Asset

The Best Annual Reports Awards 2022

- Excellence Award in Environmental, Social and Governance Reporting: Sustainability Report 2021

Hong Kong Management Association

WELL Core Certification – Platinum

- Kerry Centre, Hong Kong; Beijing Kerry Centre; Jing An Kerry Centre, Enterprise Centre at Kerry Everbright City Phase III, Shanghai

International WELL Building Institute (IWBI)

Sustainability Accreditations

Accreditation Organisation	Achievement
3rd Greater Bay Area Business Sustainability Index (GBABSI)	Top 10 (Pace-setter)
CDP	B
Global Real Estate Sustainability Benchmark (GRESB)	Asia Diversified Listed Category (Standing Investments Benchmark) – Regional Sector Leader Highest 5-Star Rating, for second consecutive year Eastern Asia Diversified Listed Category: 2nd Global Diversified Listed Category: 3rd Public Disclosure Score: A
Hang Seng Corporate Sustainability Benchmark Index	Index Member
Hang Seng Corporate Sustainability Index Series 2022	ESG Rating: AA+
Hang Seng ESG 50 Index	Index Member
MSCI ESG Rating	ESG Rating: A
Refinitiv	24 th out of 474 Real Estate Companies (as of December 2022)
Sustainalytics	ESG Risk Rating: Low Risk

Memberships & Charters

Partner & Authority	Nature of Membership/Charter
Business Environment Council	Council Member
Business Environment Council	Low Carbon Charter
Environmental Protection Department	Green Event Pledge
Green Council	Sustainable Procurement Charter - Founding Member
Hong Kong Association of Property Management Companies	Member - Kerry Property Management Services Limited
Hong Kong Council of Social Service	Caring Company Patron's Club - Coral Membership
Hong Kong General Chamber of Commerce	Member
Hong Kong Green Building Council	Gold Patron Member
Hong Kong PropTech Alliance	Alliance Member
The Chamber of Hong Kong Listed Companies	Full Member
Asian Corporate Coalition for Climate Change Resilience	Steering Member

PERFORMANCE DATA SUMMARY

Environmental Performance^{1,2,3}

GHG emissions⁴

Indicator	Unit	Total	Hong Kong				The Mainland			
		2022	2022	2021	2020	2019	2022	2021 ⁵	2020	2019
Direct GHG emissions (Scope 1)	Tonnes of CO ₂ e	4,230	279 ⁶	58	39	58	3,952	4,302	6,592	11,122
Energy indirect GHG emissions (Scope 2, location-based) ⁷	Tonnes of CO ₂ e	81,461	15,172	20,695	25,923	28,835	66,289	77,851	78,618	71,361
Energy indirect GHG emissions (Scope 2, market-based) ⁷	Tonnes of CO ₂ e	67,204	15,172	20,695	25,923	28,835	52,032	48,055	78,618	71,361
Other indirect GHG emissions (Scope 3) ⁸	Tonnes of CO ₂ e	1,047	464	528	560	692	583 ⁹	13	48	56
Total GHG emissions (Location-based)	Tonnes of CO ₂ e	86,738	15,915	21,281	26,522	29,585	70,824	82,166	85,258	82,539
Total GHG emissions (Market-based)	Tonnes of CO ₂ e	72,481	15,915	21,281	26,522	29,585	56,567	52,370	85,258	82,539
GHG intensity (Location-based) ¹⁰	Tonnes of CO ₂ e/1,000ft ²	7.24	5.80	7.41	9.20	10.27	7.67	8.81	8.98	9.82
GHG intensity (Market-based) ¹⁰	Tonnes of CO ₂ e/1,000ft ²	6.05	5.80	7.41	9.20	10.27	6.12	5.61	8.98	9.82

1. The latest scope of environmental performance excludes properties under development or those KPL has no management control and ownership over in the reporting period.

2. Numbers may not add up due to rounding.

3. GHG emission, energy usage, water consumption, and waste generation substantially declined due to the pandemic lockdown and power restrictions in some regions in 2022.

4. The calculation standards and methodologies for GHG emissions:

- Referenced the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong Government, the GHG Protocol, and the ISO14064-1 standard.
- The sources of emissions factors for the reporting of GHG emissions in Hong Kong include Sustainability Reports of the local utility companies, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) and the Global Warming Potential ("GWP") rates from the IPCC Fifth Assessment Report (AR5).
- The sources of emissions factors for the reporting of GHG emissions in the Mainland include the emission factors from the Ministry of Ecology and Environment of the People's Republic of China, emission factors calculated from the Energy Statistics Manual prepared by the International Energy Agency, General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) and (GB/T 2589-2008), GHG Protocol Tool for Energy Consumption in China (Version 2.1) and the GWP rates from the IPCC Fifth Assessment Report (AR5).
- The GHG calculations cover carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs) while perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) are not applicable.
- No biogenic CO₂ emissions in the reporting period.
- The operational control approach was adopted to aggregate the data.

5. The market-based emission for 2021 has been added.

6. The significant increase in Scope 1 emissions in Hong Kong is due to the purchase of refrigerants at our properties this year.

7. For the calculation methodology of indirect GHG emissions due to electricity purchased, we made reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition). The emissions factors for Hong Kong-based operations referenced the emission intensity published by CLP Power Hong Kong Limited and the Hong Kong Electric Company Limited in 2022, and the emissions factors for the Mainland-based operations referenced the Ministry of Ecology and Environment of the People's Republic of China.

8. Scope 3 – other indirect GHG emissions in Hong Kong include methane gas generation at landfill due to disposal of paper waste, GHG emissions due to electricity used for freshwater processing by the Water Services Department and sewage processing by the Drainage Services Department, and emissions from outsourced shuttle bus services.

Scope 3 – other indirect GHG emissions in the Mainland include methane gas generation at landfill due to disposal of paper waste, and the GHG emissions due to electricity used for EV-charging stations. The quantification process and emission factor referenced the methodology of calculating GHG emissions of methane gas generation at landfill due to disposal of paper waste in Hong Kong as stated in remark 4.

9. The significant increase in Scope 3 emissions in the Mainland is due to the expansion of scope for electricity consumption by customers and tenants' electric vehicles at our EV-charging stations this year.

10. Calculation of GHG intensity covers Scope 1, Scope 2, and Scope 3 emissions.

Waste

Indicator	Unit	Total	Hong Kong				The Mainland			
		2022	2022	2021	2020	2019	2022	2021	2020	2019
Waste generated (Hazardous)¹¹	Tonnes	7.7	1.2	1.8	1.6	1.9	6.5	5.8	6.4	4.1
Waste generated (Non-hazardous)	Tonnes	418,626	78,191	70,024	15,162	19,178	340,435	351,479	55,198	59,826
Waste disposal (Non-hazardous)¹²	Tonnes	371,229	39,269	15,670	8,047	8,014	331,959	335,939	52,470	58,998
Waste recycled/reused (Non-hazardous)	Tonnes	47,398	38,922	54,353	7,116	11,164	8,476	15,540	2,728	828
Paper	Tonnes	477	241	299	286	291	236	356	355	527
Plastic	Tonnes	58	10	14	5	2	48	61	63	59
Metals	Tonnes	20	1	4	3	2	19	643	22	28
Mercury-free batteries	Tonnes	-	-	-	-	-	-	-	-	-
Glass	Tonnes	9	7	23	7	16	2	2	-	-
Clothes	Tonnes	1	-	-	4	7	1	2	-	-
Food waste	Tonnes	4,283	56	18	13	16	4,227	4,430	2,287 ¹³	215
Clothes hanger	Tonnes	1	1	2	2	1	-	-	-	-
C&D waste	Tonnes	42,548	38,605	53,995	6,796	10,830	3,943	10,047	-	-

11. Including compact fluorescent lamps, fluorescent light tubes, toner cartridges, rechargeable batteries, and chemical waste from construction site collected by qualified contractors in Hong Kong; including LED tubes, fluorescent light tubes, rechargeable batteries, and toner cartridges collected by qualified contractors in the Mainland.

12. Including general waste and construction waste in Hong Kong and the Mainland.

13. The food waste recycled substantially increased due to the latest waste recycling regulations imposed in the Mainland.

Use of resources

Indicator	Unit	Total	Hong Kong				The Mainland			
		2022	2022	2021	2020	2019	2022	2021	2020	2019
Energy consumption										
Direct energy consumption										
Diesel	GJ	131	7	162	121	77	124	240	-	-
Petrol	GJ	538	521	542	327	610	17	67	38	90
Petrol Liquefied Petroleum Gas (LPG)	GJ	-	-	32	52	51	-	-	-	-
Natural Gas	GJ	75,509	-	-	-	-	75,509	82,386	60,007	60,297
Indirect energy consumption										
Electricity consumption	GJ	503,499	113,020	162,901	161,229	181,020	390,479	438,213	440,928	402,914
Heat consumption	GJ	40,473	-	-	-	-	40,473	34,144	37,572	36,303
Total										
Total energy consumption ¹⁴	GJ	620,149	113,548	163,637	161,729	181,758	506,601	555,051	538,545	499,603
Energy consumption intensity	GJ/1,000ft ²	51.8	41.4	57.0	56.1	63.1	54.8	59.5	56.7	59.5
Water consumption										
Total freshwater consumption	1,000m ³	1,047	116	195	175 ¹⁵	182	931	1,103	1,127	1,069
Water consumption intensity	m ³ /ft ²	0.087	0.042	0.068	0.061 ¹⁵	0.063	0.101	0.118	0.119	0.127
Paper consumption										
Total paper consumption	Tonnes	11.6	2.3	4.6	12.6	13.5	9.3	2.6	8.5	8.9

14. The quantification process and conversion factors are based on the Energy Statistics Manual prepared by the International Energy Agency for Hong Kong, and heat content from U.S Environment Protection Agency for the Mainland.

15. Due to COVID-19, routine meter reading was suspended to maintain social distancing among meter readers. Manual record has been taken for buildings receiving no official water bills for water consumption estimation.

Social Performance

Total workforce ¹⁶

	Total	Hong Kong			The Mainland		
	2022	2022	2021	2020	2022	2021	2020
Total number of employees	4,915	1,550	1,559	1,739	3,365	3,216	3,182
By Gender							
Male	3,041	1,010	1,025	1,100	2,031	1,946	1,921
Female	1,874	540	534	639	1,334	1,270	1,261
By Age Group							
Under 30	905	181	190	340	724	647	512
30 to 50	2,932	676	696	732	2,256	2,160	2,260
Over 50	1,078	693	673	667	385	409	410
By Employee Category							
Management	212	86	87	79	126	117	103
Managerial	605	231	212	206	374	337	320
General Staff	4,098	1,233	1,260	1,454	2,865	2,762	2,759
By Employment Type							
Full-time	4,909	1,544	1,554	1,545	3,365	3,216	3,175
Male	3,040	1,009	1,025	1,008	2,031	1,946	1,919
Female	1,869	535	529	537	1,334	1,270	1,256
Part-time	6	6	5	194	0	0	7
Male	1	1	0	92	0	0	2
Female	5	5	5	102	0	0	5
By Employment Contract							
Permanent	4,862	1,497	1,551	1,569	3,365	3,216	3,175
Male	3,001	970	1,019	1,027	2,031	1,946	1,919
Female	1,861	527	532	542	1,334	1,270	1,256
Temporary/fixed term	53	53	8	170	0	0	7
Male	40	40	6	73	0	0	2
Female	13	13	2	97	0	0	5

16. Total number of employees hired by Kerry Properties Limited at the end of the reporting period, excluding associates and joint ventures.

New hires ¹⁷

	Total		Hong Kong						The Mainland						
	2022	2021	2022	2021	2020	2019	2018	2017	2016	2022	2021	2020	2019	2018	2017
Total number and rate of new hires	1,199	24.4%	373	24.1%	372	23.9%	351	20.2%		826	24.5%	701	21.8%	506	15.9%
By Gender															
Male	696	22.9%	204	20.2%	249	24.3%	237	21.5%		492	24.2%	431	22.1%	286	14.9%
Female	503	26.8%	169	31.3%	123	23.0%	114	17.8%		334	25.0%	270	21.3%	220	17.4%
By Age Group															
Under 30	447	49.4%	109	60.2%	116	61.1%	123	36.2%		338	46.7%	299	46.2%	221	43.2%
30 to 50	643	21.9%	167	24.7%	149	21.4%	123	16.8%		476	21.1%	382	17.7%	267	11.8%
Over 50	109	10.1%	97	14.0%	107	15.9%	105	15.7%		12	3.1%	20	4.9%	18	4.4%
By Employee Category															
Management	21	9.9%	9	10.5%	14	16.1%	5	6.3%		12	9.5%	24	20.5%	14	13.6%
Managerial	143	23.6%	40	17.3%	29	13.7%	11	5.3%		103	27.5%	64	19.0%	47	14.7%
General Staff	1,035	25.3%	324	26.3%	329	26.1%	335	23.0%		711	24.8%	613	22.2%	445	16.1%
By Employment Type															
Full-time	1,198	24.4%	372	24.1%	372	23.9%	309	20.0%		826	24.5%	701	21.8%	489	15.4%
Male	696	22.9%	204	20.2%	249	24.3%	224	22.2%		492	24.2%	431	22.1%	281	14.6%
Female	502	26.9%	168	31.4%	123	23.3%	85	15.8%		334	25.0%	270	21.3%	208	16.6%
Part-time	1	16.7%	1	16.7%	0	0%	42	21.6%		0	0%	0	0%	17	242.9%
Male	0	0%	0	0%	0	0%	13	14.1%		0	0%	0	0%	5	250.0%
Female	1	20.0%	1	20.0%	0	0%	29	28.4%		0	0%	0	0%	12	240.0%

17. New hire rate = number of new employees of the category / total workforce of the category at the end of the reporting period x 100%.

New hires¹⁷ (Cont'd)

	Total		Hong Kong						The Mainland					
	2022	2021	2022	2021	2020	2021	2020	2022	2021	2020	2021	2020		
By Employment Contract														
Permanent	1,193	24.5%	367	24.5%	366	23.6%	300	19.1%	826	24.5%	701	21.8%	489	15.4%
Male	693	23.1%	201	20.7%	246	24.1%	216	21.0%	492	24.2%	431	22.1%	281	14.6%
Female	500	26.9%	166	31.5%	120	22.6%	84	15.5%	334	25.0%	270	21.3%	208	16.6%
Temporary/fixed term	6	11.3%	6	11.3%	6	75.0%	51	30.0%	0	0%	0	0%	17	242.9%
Male	3	7.5%	3	7.5%	3	50.0%	21	28.8%	0	0%	0	0%	5	250.0%
Female	3	23.1%	3	23.1%	3	150.0%	30	30.9%	0	0%	0	0%	12	240.0%

Ratio of basic salary and remuneration of female employees to male employees¹⁸

	Hong Kong						The Mainland					
	2022		2021		2020		2022		2021		2020	
	Ratio of basic salary	Ratio of remuneration	Ratio of basic salary	Ratio of remuneration	Ratio of basic salary	Ratio of remuneration	Ratio of basic salary	Ratio of remuneration	Ratio of basic salary	Ratio of remuneration	Ratio of basic salary	Ratio of remuneration
Management	1:0.97		1:0.97		1:0.82		1:1.31		1:1.05		1:1.07	
Managerial	1:0.88	1:1.02	1:0.97	1:1.01	1:0.95	1:1.05	1:1.07	1:0.98	1:0.91	1:0.77	1:0.94	1:0.76
General Staff	1:0.96		1:1		1:0.98		1:0.69		1:0.64		1:0.63	

18. Basic salary means fixed, minimum amount paid to an employee for performing his or her duties, excluding any additional remuneration, such as payments for overtime working or bonuses. Remuneration means basic salary plus allowances, bonuses, welfare, overtime pay and other subsidies.

Employee turnover ¹⁹

	Total		Hong Kong						The Mainland					
	2022	2021	2022	2021	2020	2021	2020	2022	2021	2020	2021	2020	2021	2020
Total number and rate of employee turnover	1,007	20.5%	383	24.7%	390	25.0%	468	26.9%	624	18.5%	583	18.1%	553	17.4%
By Gender														
Male	597	19.6%	219	21.7%	257	25.1%	275	25.0%	378	18.6%	357	18.3%	315	16.4%
Female	410	21.9%	164	30.4%	133	24.9%	193	30.2%	246	18.4%	226	17.8%	238	18.9%
By Age Group														
Under 30	329	36.4%	86	47.5%	105	55.3%	216	63.5%	243	33.6%	235	36.3%	186	36.3%
30 to 50	506	17.3%	171	25.3%	151	21.7%	134	18.3%	335	14.8%	315	14.6%	314	13.9%
Over 50	172	16.0%	126	18.2%	134	19.9%	118	17.7%	46	11.9%	33	8.1%	53	12.9%
By Employee Category														
Management	34	16.0%	14	16.3%	11	12.6%	6	7.6%	20	15.9%	10	8.5%	11	10.7%
Managerial	106	17.5%	44	19.0%	30	14.2%	14	6.8%	62	16.6%	41	12.2%	36	11.3%
General Staff	867	21.2%	325	26.4%	349	27.7%	448	30.8%	542	18.9%	532	19.3%	506	18.3%
By Employment Type														
Full-time	998	20.3%	374	24.2%	388	25.0%	263	17.0%	624	18.5%	583	18.1%	533	16.8%
Male	589	19.4%	211	20.9%	257	25.1%	185	18.4%	378	18.6%	357	18.3%	307	16.0%
Female	409	21.9%	163	30.5%	131	24.8%	78	14.5%	246	18.4%	226	17.8%	226	18.0%
Part-time	9	150.0%	9	150.0%	2	40.0%	205	105.7%	0	0%	0	0%	20	285.7%
Male	8	800.0%	8	800.0%	0	0%	90	97.8%	0	0%	0	0%	8	400.0%
Female	1	20.0%	1	20.0%	2	40.0%	115	112.7%	0	0%	0	0%	12	240.0%

19. Employee turnover rate = number of turnover / total workforce at the end of the reporting period x 100%.

Employee turnover ¹⁹ (Cont'd)

	Total		Hong Kong						The Mainland					
	2022		2022	2021	2020			2022	2021	2020				
By Employment Contract														
Permanent	990	20.4%	366	24.4%	382	24.6%	261	16.6%	624	18.5%	583	18.1%	533	16.8%
Male	582	19.4%	204	21.0%	253	24.8%	186	18.1%	378	18.6%	357	18.3%	307	16.0%
Female	408	21.9%	162	30.7%	129	24.2%	75	13.8%	246	18.4%	226	17.8%	226	18.0%
Temporary/fixed term	17	32.1%	17	32.1%	8	100.0%	207	121.8%	0	0%	0	0%	20	285.7%
Male	15	37.5%	15	37.5%	4	66.7%	89	121.9%	0	0%	0	0%	8	400.0%
Female	2	15.4%	2	15.4%	4	200.0%	118	121.6%	0	0%	0	0%	12	240.0%

Average employment tenure ²⁰

	Hong Kong			The Mainland		
	2022	2021	2020	2022	2021	2020
Average employment tenure in years	7.1	7.2	6.8	6.2	6.0	6.6
By Gender						
Male	7.2	7.0	6.6	6.4	6.2	6.8
Female	7.1	7.5	7.0	5.9	5.7	6.3

20. Calculated based on employment tenure of all employees at the end of the reporting period.

Parental leave

	Total	Hong Kong			The Mainland		
	2022	2022	2021	2020	2022	2021	2020
Total number of employees that were entitled to parental leave							
Male	3,419	1,010	1,019	1,027	2,409	1,946	1,919
Female	2,120	540	532	542	1,580	1,270	1,256
Total number of employees that took parental leave							
Male	46	11	16	6	35	35	39
Female	56	9	11	5	47	57	72
Total number of employees that should return to work after parental leave ended							
Male	43	11	16	6	32	35	36
Female	45	9	11	5	36	41	61
Total number of employees that did return to work after parental leave ended							
Male	42	11	16	6	31	35	36
Female	42	9	9	5	33	37	57
Return to work rate of employees that took parental leave ²¹							
Male	98%	100%	100%	100%	97%	100%	100%
Female	93%	100%	82%	100%	92%	90%	93%

21. Return to work rate of employees that took parental leave = total number of employees that did return to work after parental leave ended / total number of employees that should return to work after parental leave ended x 100%.

Health and Safety (Employees)

	Total			Hong Kong			The Mainland		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Work-related fatalities ^{22,23}									
Number of fatalities reported	0	0	0	0	0	0	0	0	0
Rate (per 200,000 hours worked)	0	0	0	0	0	0	0	0	0
Rate (per 1,000 employees)	0	0	0	0	0	0	0	0	0
High-consequence work-related injuries ^{24,25,26}									
Number of high-consequence work-related injuries reported	4	0	3	4	0	3	0	0	0
Rate (per 200,000 hours worked)	0.08	0	0.06	0.26	0	0.17	0	0	0
Rate (per 1,000 employees)	0.81	0	0.61	2.58	0	1.73	0	0	0
Recordable work-related injuries ^{27,28,29}									
Number of recordable work-related injuries reported	34	29	35	17	13	15	17	16	20
Rate (per 200,000 hours worked)	0.69	0.61	0.71	1.10	0.83	0.86	0.51	0.50	0.63
Rate (per 1,000 employees)	6.92	6.07	7.11	10.97	8.34	8.63	5.05	4.98	6.29
Lost days due to work-related injuries /occupational diseases ^{30,31}									
Number of lost days due to work-related injuries /occupational diseases	2,274	855	1,764	1,221	200	955	1,053	655	809
Male	1,847	698	1,443	969	184	716	878	514	727
Female	427	157	321	252	16	239	175	141	82

22. Work-related fatality rate per 200,000 hours worked = number of fatalities as a result of work-related injury / number of hours worked x 200,000.

23. Work-related fatality rate per 1,000 employees = number of fatalities as a result of work-related injury / total number of employees at the end of the reporting period x 1,000.

24. High-consequence work-related injuries refer to work-related injuries that resulted in an injury such that a worker cannot, does not or is not expected to recover fully to pre-injury health status within six months, excluding fatalities.

25. Rate of high-consequence work-related injuries per 200,000 hours worked = number of high-consequence work-related injuries / number of hours worked x 200,000.

26. Rate of high-consequence work-related injuries per 1,000 employees = number of high-consequence work-related injuries / total number of employees at the end of the reporting period x 1,000.

27. Recordable work-related injuries refer to work-related injuries that resulted in incapacity for a period exceeding three days, excluding fatalities and first-aid level injuries.

28. Rate of recordable work-related injuries per 200,000 hours worked = number of recordable work-related injuries / number of hours worked x 200,000.

29. Rate of recordable work-related injuries per 1,000 employees = number of recordable work-related injuries / total number of employees at the end of the reporting period x 1,000.

30. For Hong Kong, it is calculated based on calendar days starting from the date of the accident while for the Mainland, it is calculated based on scheduled work days starting from the date of the accident.

31. Lost day rate = lost days / days scheduled to work x 100%.

Health and Safety (Employees) (Cont'd)

	Total			Hong Kong			The Mainland		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Lost day rate	0.19%	0.07%	0.14%	0.32%	0.05%	0.22%	0.13%	0.08%	0.10%
Male	0.24%	0.09%	0.19%	0.38%	0.07%	0.26%	0.17%	0.11%	0.15%
Female	0.09%	0.03%	0.07%	0.19%	0.01%	0.15%	0.05%	0.04%	0.03%
Absent days ^{32,33}									
Number of absent days	53,645	20,874	26,124	10,227	717	5,285	43,418	20,157	20,839
Male	30,730	12,016	12,223	6,715	573	2,954	24,015	11,443	9,269
Female	22,915	8,858	13,901	3,512	144	2,331	19,403	8,714	11,570
Absentee rate	4.37%	1.75%	2.12%	2.64%	0.18%	1.22%	5.16%	2.51%	2.62%
Male	4.04%	1.62%	1.62%	2.66%	0.22%	1.07%	4.73%	2.35%	1.93%
Female	4.89%	1.96%	2.93%	2.60%	0.11%	1.46%	5.82%	2.74%	3.67%
Number of hours worked ³⁴									
Number of hours worked	9,830,000	9,550,000	9,842,000	3,100,000	3,118,000	3,478,000	6,730,000	6,432,000	6,364,000
Days scheduled to work ³⁵									
Days scheduled to work	1,228,750	1,193,750	1,230,250	387,500	389,750	434,750	841,250	804,000	795,500
Male	760,250	742,750	755,250	252,500	256,250	275,000	507,750	486,500	480,250
Female	468,500	451,000	475,000	135,000	133,500	159,750	333,500	317,500	315,250

32. Absent days include days lost due to work-related injuries and other diseases. Reasons for employee's absence include but are not restricted to sick leave and work-related injury. The increase in absent days in 2022 was largely attributed to the ongoing Covid-19 outbreak in Hong Kong and the Mainland.

33. Absentee rate = absent days / days scheduled to work x 100%.

34. The number of hours worked for employees is calculated by the number of employees at the end of the reporting period x 8 hours per day x 250 days.

35. The number of days scheduled to work per year is 250 days.

Health and Safety (Other Workers³⁶)

	Total			Hong Kong			The Mainland		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Work-related fatalities²²									
Number of fatalities reported	0	0	1	0	0	0	0	0	1
Rate (per 200,000 hours worked)	0	0	0.04	0	0	0	0	0	0.06
High-consequence work-related injuries^{24,25}									
Number of work-related injuries reported	0	0	0	0	0	0	0	0	0
Rate (per 200,000 hours worked)	0	0	0	0	0	0	0	0	0
Recordable work-related injuries^{27,28}									
Number of recordable work-related injuries reported	0	3	9	0	1	9	0	2	0
Rate (per 200,000 hours worked)	0	0.18	0.32	0	0.36	0.69	0	0.15	0
Number of hours worked									
Number of hours worked	15,261,692	3,269,835	5,683,928	2,121,100	549,146	2,591,592	13,140,592	2,720,689	3,092,336

Employees trained³⁷

	Total		Hong Kong						The Mainland					
	2022	2021	2022	2021	2020	2021	2020	2022	2021	2020	2021	2020		
Total number and rate of employees trained	4,845	98.6%	1,480	95.5%	1,513	97.0%	1,095	63.0%	3,365	100%	3,086	96.0%	2,904	91.3%
By Gender														
Male	3,004	98.8%	973	96.3%	985	96.1%	667	60.6%	2,031	100%	1,870	96.1%	1,808	94.1%
Female	1,841	98.2%	507	93.9%	528	98.9%	428	67.0%	1,334	100%	1,216	95.7%	1,096	86.9%
By Employee Category														
Management	211	99.5%	85	98.8%	80	92.0%	54	68.4%	126	100%	121	103.4%	76	73.8%
Managerial	600	99.2%	226	97.8%	211	99.5%	93	45.1%	374	100%	489	145.1%	355	110.9%
General Staff	4,034	98.4%	1,169	94.8%	1,222	97.0%	948	65.2%	2,865	100%	2,476	89.6%	2,473	89.6%

36. The scope of other workers includes workers working in the construction sites of our properties under development.

37. Employee trained rate = number of employees trained in the category / total workforce of the category at the end of the reporting period x 100%.

Average training hours ³⁸

	Total	Hong Kong			The Mainland		
	2022	2022	2021	2020	2022	2021	2020
Average training hours per employee	23.3	15.6	13.7	7.6	26.9	23.1	17.6
By Gender							
Male	24.2	16.0	14.0	8.8	28.2	25.0	17.9
Female	21.9	14.7	13.0	5.6	24.9	20.2	17.1
By Employee Category							
Management	20.6	14.9	16.6	2.7	24.5	41.7	11.6
Managerial	23.1	19.0	16.9	1.1	25.7	39.0	24.3
General Staff	23.5	14.9	13.0	8.8	27.1	20.4	17.1

Supply Chain Management ³⁹

	Total	Hong Kong			The Mainland		
	2022	2022	2021	2020	2022	2021	2020
Total number of vendors for property development	1,919	1,237	1,185	1,059	682	646	1,081
Total number of vendors for property management	2,194	947	860	819	1,247	2,160	4,866

38. Average training hours = total hours of training received by employees of the category / total workforce of the category at the end of the reporting period.

39. Starting in 2022, our data regarding Mainland suppliers will no longer include information on one-time purchase suppliers to better reflect our ongoing partnerships. The scope of vendors for property development from 2021 included all properties under development. The scope of vendors for property management in 2020 included both active and inactive vendors.

INDEPENDENT ASSURANCE OPINION STATEMENT



INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No.: **SRA-HK 784408**

Kerry Properties Limited Sustainability Report 2022

The British Standards Institution is independent of Kerry Properties Limited, and its subsidiaries (hereafter referred to as "KPL" collectively in this statement) and has no financial interest in the operation of KPL other than for the assessment and assurance of KPL Sustainability Report 2022 (the "Report").

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

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

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

Scope

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

1. The assurance covers the whole Report and focuses on systems and activities of KPL in Hong Kong and the Mainland, which include property development, investment, management and leasing in residential, shopping malls, office towers and apartments, during the period from 1st January 2022 to 31st December 2022. The Report is prepared in accordance with the GRI Sustainability Reporting Standards ("GRI Standards") and in accordance with the Hong Kong Stock Exchange's ("HKEX") Environmental, Social and Governance Reporting Guide ("ESG Guide").
2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 ("AA1000AS v3") evaluates the nature and extent of KPL's adherence to four reporting principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the Report has been evaluated.

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

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Opinion Statement

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

Our work was carried out by a team of sustainability report assurers. We planned and performed this part of our work to obtain the necessary information and explanations. We considered KPL has provided sufficient evidence that KPL's self-declaration of reporting in accordance with the GRI Standards and the HKEX ESG Guide were fairly stated.

Methodology

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

- A top level review of issues raised by external parties that could be relevant to KPL's policies to provide a check on the appropriateness of statements made in the Report;
- Discussion with senior executives on KPL's approach to stakeholder engagement. We had no direct contact with external stakeholders;
- Interview with staff involved in sustainability management, report preparation and provision of report information;
- Review of key organizational developments;
- Review of supporting evidence for claims made in the Report; and
- An assessment of the company's reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Accountability Principles 2018 Standard ("AA1000AP (2018)").

Conclusions

- A detailed review against the AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact, and the HKEX ESG Guide, and in accordance with the GRI Standards is set out below.

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Inclusivity

The Report has reflected the fact that KPL is seeking the engagement of its stakeholders through numerous channels such as Annual/Special General Meetings; Annual and interim reports; Sustainability reports; Investor visits/briefings; Response to investor surveys and benchmarking exercises; Press and analysts' conferences; Press releases; Public/community events; Community initiatives; Corporate volunteer team and employee volunteering activities; Mailing/Emailing for feedback; Surveys; Meetings; Green Construction Site Award; Kerry Project — Community Caring Scheme; Safety briefings; Tendering and procurement processes; Orientation and training sessions; Team building activities; Recreational activities; Sustainability committees and taskforces; Employee opinion surveys; Annual performance appraisal; Intranet and emails; Newsletters; Customer satisfaction surveys; Customer service hotlines; Corporate publications; Public consultations; Conferences, forums and seminars; Research studies; Student partnership programmes; Event venue sponsorships; Focus groups; Partnership programmes; Sponsorships and donations; Media briefings; Feedback and response to enquiries; and more.

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

Materiality

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

Responsiveness

KPL has implemented practices that respond to the expectations and perceptions of its stakeholders. These include various surveys and feedback mechanisms for both internal and external stakeholders. In our professional opinion, KPL adheres to the principle of Responsiveness. Areas for enhancement of the Report were adopted by KPL before the issue of this opinion statement.

Impact

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

GRI Standards Reporting

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all three categories (Environmental, Social and Economic) are reported in accordance with the GRI Standards.

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

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HKEX ESG Guide

Based on our verification review, we are able to confirm that social responsibility and sustainable development key performance indicators and disclosures in two ESG subject areas (Environmental and Social) are reported on basis of the HKEX ESG Guide.

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

Assurance Level

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

Responsibility & Limitations

It is the responsibility of KPL to provide necessary information for us to conduct the assurance. The assurance is limited to the information on selected indicators set out within the Report. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead Auditor and Auditor, who are experienced in the industrial sector, and trained in a range of sustainability, environmental and social standards including GRI G3, GRI G3.1, GRI G4, GRI Standards, AA1000, HKEX ESG Guide, UNGC's Ten Principles, ISO20121, ISO14064, ISO 14001, OHSAS 18001, ISO45001, ISO 9001, and ISO 10002, etc. British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Mr. Stephen Yu
Chief Operating Officer – Hong Kong
China Operational Resilience Director

Hong Kong
19th March 2023

Verifier of the Report:



Mr. Aaron Chim
Lead Assuror



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Content Index

SEHK ESG Guide Content Index

Mandatory Disclosure Requirements	Description	Reference and Remarks	Page No.
MD 13 Corporate Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	<p>Board Statement on Sustainability Management</p> <p>Message from the Sustainability Steering Committee</p> <p>Our Sustainability Approach - Corporate Governance</p>	<p>3</p> <p>4</p> <p>10-15</p>
MD 14 Reporting Principle	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose:</p> <ul style="list-style-type: none"> (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>About This Report - Reporting Standards and Principles</p>	<p>87</p>
MD 15 Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About This Report - Reporting Boundary of Sustainability Data 2022</p>	<p>88</p>

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page no.
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Sustainability Approach – Corporate Governance Climate-related Financial Disclosure Accelerating Climate Action – Mitigating and Adapting to Climate Change Accelerating Climate Action – Prioritising Sustainable Buildings Relevant sustainability policies are available on our Sustainability Website . In 2022, the Group was not aware of any violation of laws and regulations relating to emissions that had a significant impact.	10-15 39-43 28-32 33-34
KPI A1.1	The types of emissions and respective emissions data.	Air emissions (e.g. NO _x , SO _x and other pollutants) are not considered as material to our operations.	-
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Performance Data Summary – Environmental Performance	92-94
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.		
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Accelerating Climate Action – Mitigating and Adapting to Climate Change Climate-related Financial Disclosures – Metrics and Targets	28-32 43
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Accelerating Climate Action – Conserving Natural Resources Hazardous waste generation and handling are not material to KPL's operations. The total amount of hazardous waste disclosed in the Performance Data Summary – Environmental Performance represents the total amount produced by KPL and our occupants.	35-36

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page no.
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Sustainability Approach - Corporate Governance Relevant sustainability policies are available on our Sustainability Website .	10-15
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Performance Data Summary - Environmental Performance	94
KPI A2.2	Water consumption in total and intensity.		
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Accelerating Climate Action - Mitigating and Adapting to Climate Change Accelerating Climate Action - Prioritising Sustainable Buildings	28-32 33-34
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Accelerating Climate Action - Conserving Natural Resources Performance Data Summary - Environmental Performance In 2022, there were no problems in sourcing water encountered in our operations.	37-38 94
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	In 2022, there was no significant amount of packaging material used in our products.	-
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Sustainability Approach - Corporate Governance Relevant sustainability policies are available on our Sustainability Website .	10-15
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Accelerating Climate Action - Conserving Natural Resources Climate-related Financial Disclosures	35-38 39-43

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page no.
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Sustainability Approach - Corporate Governance Relevant sustainability policies are available on our Sustainability Website .	10-15
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Accelerating Climate Action - Mitigating and Adapting to Climate Change Climate-related Financial Disclosures	28-32 39-43
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Our Sustainability Approach - Corporate Governance Putting People First - Fostering a People-Oriented Workplace Putting People First - Cultivating and Engaging Our People Relevant sustainability policies are available on our Sustainability Website . In 2022, the Group was not aware of any violation of laws and regulations relating to employment that had a significant impact.	10-15 65-67 68-73
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Data Summary - Social Performance	95-104
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our Sustainability Approach - Corporate Governance Putting People First - Promoting Wellness, Health and Safety for All Relevant sustainability policies are available on our Sustainability Website . In 2022, the Group was not aware of any violation of laws and regulations relating to health and safety that had a significant impact.	10-15 74-79
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary - Social Performance	95-104

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page no.
KPI B2.2	Lost days due to work injury.	Performance Data Summary – Social Performance	95-104
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Putting People First – Promoting Wellness, Health and Safety for All	74-79
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Putting People First – Cultivating and Engaging Our People	68-73
KPI B3.1	The percentage of employees trained by gender and employee category.	Performance Data Summary – Social Performance	95-104
KPI B3.2	The average training hours completed per employee by gender and employee category		
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our Sustainability Approach – Corporate Governance Putting People First – Fostering a People-Oriented Workplace Relevant sustainability policies are available on our Sustainability Website .	10-15 65-67
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Putting People First – Fostering a People-Oriented Workplace	65-67
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Sustainability Approach – Corporate Governance Amplifying Our Power – Standing Together with Our Business Partners Relevant sustainability policies are available on our Sustainability Website .	10-15 58-61
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary – Social Performance	104

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page no.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Amplifying Our Power – Standing Together with Our Business Partners	58-61
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		
Aspect B6: Product responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Our Sustainability Approach – Corporate Governance Amplifying Our Power – Securing Sensitive Data and Information Relevant sustainability policies are available on our Sustainability Website .	10-15 62
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	In 2022, there were no recalls due to safety and health reasons.	-
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	There were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on our operations in 2022.	-
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Amplifying Our Power – Securing Sensitive Data and Information	62
KPI B6.4	Description of quality assurance process and recall procedures.	Amplifying Our Power – Creating a Quality Customer Experience There were no cases of product recall in 2022.	55
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Amplifying Our Power – Securing Sensitive Data and Information	62

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page no.
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Sustainability Approach – Corporate Governance Relevant sustainability policies are available on our Sustainability Website .	10-15
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	In 2022, there were no concluded legal cases of corruption brought against the Group or its employees.	-
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Our Sustainability Approach – Corporate Governance	10-15
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Sustainability Approach – Corporate Governance	10-15
Aspect B8: Community investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Sustainability Approach – Corporate Governance Amplifying Our Power – Investing in Community Development Amplifying Our Power – Making a Difference for All Amplifying Our Power – Enriching Lives Through Placemaking Relevant sustainability policies are available on our Sustainability Website .	10-15 46-49 50-52 53-54
KPI B8.1	Focus areas of contribution.	Amplifying Our Power – Investing in Community Development	46
KPI B8.2	Resources contributed to the focus area.	Amplifying Our Power – Investing in Community Development	47-54

GRI CONTENT INDEX

Statement of use	Kerry Properties Limited has prepared the report in accordance with the GRI Standards for the period from 1 st January 2022 to 31 st December 2022.			
GRI used	GRI 1: Foundation 2021			
GRI Standard Indicator	Description	Reference and Remarks	Page no.	
General disclosures				
GRI 2: General Disclosures 2021	2-1	Organisational details	About Kerry Properties	7
	2-2	Entities included in the organisation's sustainability reporting	About this report	87-88
	2-3	Reporting period, frequency and contact point	About this report	87-88
	2-4	Restatements of information	There are no restatements of information in this reporting year	-
	2-5	External assurance	About This Report	87-88
			Independent Assurance Opinion Statement	105-106
	2-6	Activities, value chain and other business relationships	Amplifying Our Power - Standing Together with Our Business Partners Corporate Website	58-61
	2-7	Employees	Putting People First - Fostering a People-Oriented Workplace	65-67
			Performance Data Summary - Social Performance	95-104
	2-8	Workers who are not employees	Workers who are non-employees are not a majority of the worker population of the Group.	-
	2-9	Governance structure and composition	Our Sustainability Approach - Corporate Governance	10-15
	2-10	Nomination and selection of the highest governance body	Our Sustainability Approach - Corporate Governance	10-15
	2-11	Chair of the highest governance body	Our Sustainability Approach - Corporate Governance	10-15
2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Approach - Corporate Governance	10-15	
2-13	Delegation of responsibility for managing impacts	Our Sustainability Approach - Corporate Governance	10-15	

GRI Standard Indicator	Description	Reference and Remarks	Page no.	
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Approach - Corporate Governance	10-15
	2-15	Conflicts of interest	Annual Report 2022 - Conflict of interest (Page 52)	-
	2-16	Communication of critical concerns	Our Sustainability Approach - Corporate Governance	10-15
	2-17	Collective knowledge of the highest governance body	Our Sustainability Approach - Corporate Governance	10-15
	2-18	Evaluation of the performance of the highest governance body	Our Sustainability Approach - Corporate Governance	10-15
	2-19	Remuneration policies	Annual Report 2022 - Corporate Governance - Remuneration Committee (Pages 66-67)	-
	2-20	Process to determine remuneration	Annual Report 2022 - Corporate Governance - Remuneration Committee (Pages 66-67)	-
	2-21	Annual total compensation ratio	Annual Report 2022 - Financial information (Page 190)	-
	2-22	Statement on sustainable development strategy	Board Statement on Sustainability Management	3
	2-23	Policy commitments	Our Sustainability Approach - Corporate Governance	10-15
	2-24	Embedding policy commitments	Our Sustainability Approach - Corporate Governance	10-15
	2-25	Processes to remediate negative impacts	Our Sustainability Approach - Corporate Governance	10-15
	2-26	Mechanisms for seeking advice and raising concerns	Our Sustainability Approach - Corporate Governance	10-15
	2-27	Compliance with laws and regulations	Our Sustainability Approach - Corporate Governance There were no significant instances of non-compliance with laws and regulations in 2022.	10-15
	2-28	Membership associations	Major Awards and Memberships - Memberships & Charters	91
	2-29	Approach to stakeholder engagement	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	20-25
2-30	Collective bargaining agreements	Currently, the Group does not involve in any collective bargaining agreements.	-	

GRI Standard Indicator		Description	Reference and Remarks	Page no.
Material topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment	20-25
	3-2	List of material topics		
Economic topics				
GRI 201: Economic Performance 2016	3-3	Management of material topics	About Kerry Properties	7
			Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment	20-25
			Climate-related Financial Disclosures	39-43
	201-1	Direct economic value generated and distributed	About Kerry Properties	7
	201-2	Financial implications and other risks and opportunities due to climate change	About Kerry Properties Climate-related Financial Disclosures	7 39-43
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2022 – Retirement Benefits (Page 178)	-	
201-4	Financial assistance received from government	KPL did not receive any financial assistance from governments where we have business operations.	-	
GRI 202: Market Presence 2016	3-3	Management of material topics	About Kerry Properties	7
			Putting People First – Fostering a People-Oriented Workplace	65-67
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	KPL provides competitive wages that are well above the minimum wages in both Hong Kong and Mainland China.	-
202-2	Proportion of senior management hired from the local community	A majority of the working population of the Group are hired from the local community.	-	

GRI Standard Indicator	Description	Reference and Remarks	Page no.	
GRI 203: Indirect Economic Impacts 2016	3-3	Management of material topics	<p>About Kerry Properties</p> <p>Our Sustainability Approach - Corporate Governance</p> <p>Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment</p> <p>Amplifying Our Power - Making a Difference for All</p> <p>Amplifying Our Power - Enriching Lives through Placemaking</p>	<p>7</p> <p>10-15</p> <p>20-25</p> <p>50-52</p> <p>53-54</p>
	203-1	Infrastructure investments and services supported	Amplifying Our Power - Enriching Live through Placemaking	53-54
	203-2	Significant indirect economic impacts	Amplifying Our Power - Making a Difference for All	50-52
GRI 204: Procurement Practices 2016	3-3	Management of material topics	<p>Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment</p> <p>Amplifying Our Power - Standing Together with Our Business Partners</p>	<p>20-25</p> <p>58-61</p>
	204-1	Proportion of spending on local suppliers	Currently, KPL is exploring to enhance the system to measure the spending on local suppliers, and will disclose the data in short term once available.	-
GRI 205: Anti-corruption 2016	3-3	Management of material topics	<p>Our Sustainability Approach - Corporate Governance</p> <p>Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment</p>	<p>10-15</p> <p>20-25</p>
	205-1	Operations assessed for risks related to corruption	Our Sustainability Approach - Corporate Governance	10-15
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti- competitive Behavior 2016	3-3	Management of material topics	<p>Our Sustainability Approach - Corporate Governance</p> <p>Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment</p>	<p>10-15</p> <p>20-25</p>
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Our Sustainability Approach - Corporate Governance	10-15

GRI Standard Indicator	Description	Reference and Remarks	Page no.	
Environmental topics				
GRI 302: Energy 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment Accelerating Climate Action – Mitigating and Adapting to Climate Change Accelerating Climate Action – Prioritising Sustainable Buildings	20-25 28-32 33-34
	302-1	Energy consumption within the organisation	Performance Data Summary – Environmental Performance	92-94
	302-2	Energy consumption outside of the organisation		
	302-3	Energy intensity		
	302-4	Reduction of energy consumption	Accelerating Climate Action – Mitigating and Adapting to Climate Change Accelerating Climate Action – Prioritising Sustainable Buildings	28-32 33-34
GRI 303: Water and Effluents 2018	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment Accelerating Climate Action – Conserving Natural Resources	20-25 35-38
	303-1	Interactions with water as a shared resource	Accelerating Climate Action – Conserving Natural Resources	35-38
	303-2	Management of water discharge-related impacts	No significant water stress is identified in our operations in 2022.	
	303-3	Water withdrawal	Accelerating Climate Action – Conserving Natural Resources	35-38
	303-4	Water discharge	Accelerating Climate Action – Conserving Natural Resources	35-38
	303-5	Water consumption	Performance Data Summary – Environmental Performance	92-94

GRI Standard Indicator	Description	Reference and Remarks	Page no.
GRI 304: Biodiversity 2016	3-3	Management of material topics	20-25 58-61
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	As a minimum, KPL ensures strict compliance with local biodiversity regulations and due diligence requirements to avoid or reduce ecological impact. We conduct biodiversity impact assessments for all new or existing developments assessed to be in critical biodiversity areas to evaluate and mitigate potential risks to threatened species of plants and wildlife.
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305: Emissions 2016	3-3	Management of material topics	20-25 28-32 33-34
	305-1	Direct (Scope 1) GHG emissions	92-94
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	28-32 33-34
	305-6	Emissions of ozone-depleting substances (ODS)	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-

GRI Standard Indicator		Description	Reference and Remarks	Page no.
GRI 306: Waste 2020	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment	20-25
			Accelerating Climate Action – Conserving Natural Resources	35-38
	306-1	Waste generation and significant waste-related impacts	Accelerating Climate Action – Conserving Natural Resources	35-38
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated	Performance Data Summary – Environmental Performance	92-94
	306-4	Waste diverted from disposal		
306-5	Waste directed to disposal			
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment	20-25
			Amplifying Our Power – Standing Together with Our Business Partners	58-61
	308-1	New suppliers that were screened using environmental criteria	All new suppliers were screened using environmental criteria through our procurement process in 2022.	-
	308-2	Negative environmental impacts in the supply chain and actions taken	Amplifying Our Power – Standing Together with Our Business Partners Currently, KPL is exploring how to keep track of the negative environmental impacts along the supply chain.	58-61
Social topics				
GRI 401: Employment 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment	20-25
			Putting People First – Fostering a People-Oriented Workplace	65-67
	401-1	New employee hires and employee turnover	Putting People First – Fostering a People-Oriented Workplace	65-67
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Performance Data Summary – Social Performance	95-104
401-3	Parental leave			

GRI Standard Indicator		Description	Reference and Remarks	Page no.
GRI 402: Labor/ Management Relations 2016	3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	20-25
			Putting People First - Fostering a People-Oriented Workplace	65-67
	402-1	Minimum notice periods regarding operational changes	Minimum notice periods are provided in employment contracts.	-
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	20-25
			Putting People First - Promoting Wellness, Health and Safety for all	74-79
	403-1	Occupational health and safety management system	Putting People First - Promoting Wellness, Health and Safety for all	74-79
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		
403-10	Work-related ill health			

GRI Standard Indicator		Description	Reference and Remarks	Page no.
GRI 404: Training and Education 2016	3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Putting People First - Cultivating and Engaging Our People	20-25 68-73
	404-1	Average hours of training per year per employee	Performance Data Summary - Social Performance	95-104
	404-2	Programs for upgrading employee skills and transition assistance programs	Putting People First - Cultivating and Engaging Our People	68-73
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees received regular performance and career development reviews.	-
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Our Sustainability Approach - Corporate Governance Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Putting People First - Fostering a People-Oriented Workplace	10-15 20-25 65-67
	405-1	Diversity of governance bodies and employees	Our Sustainability Approach - Corporate Governance Performance Data Summary - Social Performance	10-15 95-104
	405-2	Ratio of basic salary and remuneration of women to men	Performance Data Summary - Social Performance Hong Kong and the Mainland are considered as significant locations of our operations.	95-104
GRI 406: Non- discrimination 2016	3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Putting People First - Fostering a People-Oriented Workplace	20-25 65-67
	406-1	Incidents of discrimination and corrective actions taken	Our Sustainability Approach - Sustainability Strategy Putting People First - Fostering a People-Oriented Workplace	17 65-67

GRI Standard Indicator		Description	Reference and Remarks	Page no.
GRI 408: Child Labor 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment Putting People First – Cultivating and Engaging Our People	20-25 68-73
	408-1	Operations and suppliers at significant risk for incidents of child labor	Putting People First – Fostering a People-Oriented Workplace Child labour is not identified as a significant risk in our operations.	65-67
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment Putting People First – Fostering a People-Oriented Workplace	20-25 65-67
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Putting People First – Fostering a People-Oriented Workplace Forced labour is not identified as a significant risk in our operations.	65-67
GRI 411: Rights of Indigenous Peoples 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment Putting People First – Fostering a People-Oriented Workplace	20-25 65-67
	411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving the rights of indigenous peoples were identified in 2022.	-
GRI 413: Local Communities 2016	3-3	Management of material topics	Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment Amplifying Our Power – Investing in Community Development Amplifying Our Power – Making a Difference for All Amplifying Our Power – Enriching Live Through Placemaking	20-25 46-49 50-52 53-54
	413-1	Operations with local community engagement, impact assessments, and development programs	Our Sustainability Approach – Sustainability Strategy Our Sustainability Approach – The Good Life Goal Campaign Amplifying Our Power – Investing in Community Development Amplifying Our Power – Making a Difference for All Amplifying Our Power – Enriching Live Through Placemaking	17 18-19 46-49 50-52 53-54

GRI Standard Indicator		Description	Reference and Remarks	Page no.
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	<p>Our Sustainability Approach – Sustainability Strategy</p> <p>Our Sustainability Approach – The Good Life Goal Campaign</p> <p>Amplifying Our Power – Investing in Community Development</p> <p>Amplifying Our Power – Making a Difference for All</p> <p>Amplifying Our Power – Enriching Live Through Placemaking</p> <p>Currently, KPL is exploring to enhance the system to collect data of operations with local community engagement, impact assessments and development programmes.</p>	<p>17</p> <p>18-19</p> <p>46-49</p> <p>50-52</p> <p>53-54</p>
		Management of material topics	<p>Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment</p> <p>Amplifying Our Power – Standing Together with Our Business Partners</p>	<p>20-25</p> <p>58-61</p>
		New suppliers that were screened using social criteria	Amplifying Our Power – Standing Together with Our Business Partners	58-61
		Negative social impacts in the supply chain and actions taken		
		Management of material topics	<p>Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment</p> <p>Putting People First – Promoting Wellness, Health and Safety for all</p>	<p>20-25</p> <p>74-79</p>
		Assessment of the health and safety impacts of product and service categories	Putting People First – Promoting Wellness, Health and Safety for all	74-79
GRI 416: Customer Health and Safety 2016	3-3	Assessment of the health and safety impacts of product and service categories	Putting People First – Promoting Wellness, Health and Safety for all	74-79
		Incidents of non-compliance concerning the health and safety impacts of products and services	There were no non-compliance cases concerning the health and safety impacts of products and services in 2022.	-

GRI Standard Indicator		Description	Reference and Remarks	Page no.
GRI 417: Marketing and Labeling 2016	3-3	Management of material topics	Our Sustainability Approach –Stakeholder Engagement and Double Materiality Assessment Amplifying Our Power - Securing Sensitive Data and Information	20-25 62
	417-1	Requirements for product and service information and labeling	Amplifying Our Power - Securing Sensitive Data and Information	62
	417-2	Incidents of non-compliance concerning product and service information and labeling	There were no non-compliance cases concerning marketing communications in 2022.	-
	417-3	Incidents of non-compliance concerning marketing communications	There were no non-compliance cases concerning marketing communications in 2022.	-
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Amplifying Our Power - Securing Sensitive Data and Information	20-25 62
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Amplifying Our Power - Securing Sensitive Data and Information There were no substantial complaints concerning breaches of customer privacy and losses of customer data in 2022.	62