



嘉里建設有限公司

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

Sustainability Report 2023

Co-creating Places for All

Stock Code : 683

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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 hot meals on behalf of the survey respondents.

 [CLICK HERE TO PARTICIPATE](#) 



Sustainability Report 2023 Highlights

CO-CREATING PLACES FOR ALL

In co-creating our visionary Places for All, Kerry Properties (the "Group") imagines a development model incorporating all elements for living one's best life, tailors each project for local context, and brings it to fruition in premium locations hand-in-hand with our stakeholders. We invite you to join us as we engage and unite in a shared journey towards a sustainable future.

To explore some of the positive steps we are collectively taking on our sustainability journey, please see our feature stories on [Embracing Conservation](#), [Embedding Sustainability in Buildings](#) and [Empowering Communities](#).

BOARD STATEMENT ON SUSTAINABILITY MANAGEMENT

Dear Stakeholders,

As we look back on another year of progress in 2023 towards our sustainability goals, I'm pleased to report that despite ongoing challenges, our commitment and efforts continue to strengthen.

Strategic Leadership: Catalysing Sustainable Progress

Our approach to sustainability is guided by our Vision 2030 strategy, which underscores partnering with stakeholders to amplify our impact and advance the achievement of the UN Sustainable Development Goals (“**UNSDGs**”).

The Board takes the lead in setting the sustainability strategy and ensuring effective oversight for the Group. In addition to receiving support from the Sustainability Steering Committee and sub-committees, and integrating sustainability into our business, we have also established the Sustainability Council. Led by our C-suite, this council serves as a bridge between the Board and our various committees, fostering greater alignment among our leadership to advance our Sustainability Vision 2030 with increased effectiveness. Our hope is that this will foster further collaboration among our staff, empowering each individual to actively participate in our sustainability journey and contribute towards the achievement of our Environmental, Social and Governance (“**ESG**”) goals.

Sustainability Across Our Developments' Life Cycle

We recognise our role in integrating and managing sustainability throughout the life cycle of our developments, informed by our engagement with stakeholders.

We take a holistic approach to integrating sustainability across every stage of the life cycle - from upstream collaboration to downstream placemaking. Through this integration and execution, we make progress towards the UNSDGs collaboratively with our stakeholders.

Recognising the urgent need for climate action, we are pleased to see our key stakeholders joining hands with us along the decarbonisation journey. Relating to our value chain, we continue to amp up efforts and drive initiatives that facilitate emissions reduction. The dark green leasing and supplier engagement programmes launched underscore our dedication to taking a comprehensive, collaborative approach across the full life cycle of our developments and activities.

We are also working towards a carbon neutrality roadmap with detailed action plans and interim milestones for the short, medium, and long term. These collective efforts are moving us closer to achieving our carbon neutrality goals by 2050.

With our people-first approach, we value engagement and collaboration with our stakeholders, and we are dedicated to creating “people-first places” that foster our stakeholders' good health and well-being. We were pleased to sponsor one of Hong Kong's most iconic marathon events - the 2023 HONG KONG STREETATHON. This provided an impactful platform to collaborate with non-governmental organisation (“**NGO**”) partners in promoting healthy lifestyles, allowing us to play a positive role in our community.

We firmly believe our success is intertwined with the communities in which we operate. Our social initiatives are designed to address the needs of our local communities and we actively seek opportunities to engage with the community to understand individuals' unique needs and concerns. By listening to their voices and collaborating with community leaders, we can develop initiatives that have a meaningful and lasting impact.

Sustainability Excellence: Recognition & Appreciation

Our notable efforts in advancing sustainability have also received recognition from external ESG bodies. Among these, we have been included in the S&P Global Sustainability Yearbook 2024, received a leadership score of A- from CDP, and a 5-star rating for three consecutive years in GRESB.

Looking ahead, we are energised to continue advancing our sustainability journey together with our stakeholders and the community. We acknowledge the establishment of the sustainability-related standards and frameworks by the International Sustainability Standards Board and the Task Force on Nature-Related Financial Disclosures, and will continue to align our practices with global sustainability standards.

For and on behalf of the Board

Kuok Khoon Hua

Chairman and Chief Executive Officer

Kerry Properties Limited

April 2024

MESSAGE FROM THE SUSTAINABILITY STEERING COMMITTEE

In co-creating our visionary Places for All, the Group focuses on engaging different stakeholders in a shared progression towards a sustainable future.

Beyond mitigating adverse environmental impacts, sustainability also entails generating long-term social and economic value for the communities we support. In order to build a brighter future for everyone, we are dedicated to working collaboratively with our stakeholders to advance the UNSDGs and our own sustainability goals.

In 2023, significant progress was made towards progressing our Carbon Neutrality Roadmap—notably, setting up a programmed timetable towards 2050. We have also defined short-, medium-, and long-term actionable targets to align with our Sustainability Vision 2030. Along every step, regular communication with internal and external stakeholders will be maintained to ensure that our activities are driving meaningful performance.

Incorporating sustainability into every stage of our properties' life cycle is a practical way to walk the walk as a responsible property developer. This speaks for itself through actions in our three key pillars – Accelerating Climate Action, Putting People First, and Amplifying Our Power.

A significant milestone in our ongoing decarbonisation journey was becoming the first in Asia to obtain LEED Zero Carbon & Waste certifications for our Jing An Kerry Centre in Shanghai. Furthermore, we actively drive decarbonisation efforts both upstream and downstream, including engagement and capacity building with our stakeholders.

Several more of our projects have also gained LEED Communities certification – for some, a first in their respective provinces in the Mainland – demonstrating our contribution to the regions in which we operate.

People are central to our operations, encompassing both our internal employees and our external stakeholders. Individual wellness is advanced both by investing in wellness-oriented buildings and hosting exciting wellness and fitness events. We are pleased to share that several of our properties have achieved WELL Core certification at the Platinum level, recognising our

wellness features in the creation of human-centric spaces. Aside from the iconic HONG KONG STREETATHON, we again hosted the popular Step Challenge which encourages staff to walk for a good cause.

Our impact and power are amplified when we work with stakeholders collaboratively.

To strengthen our understanding of the impact achieved through our community initiatives, we expanded the scope of our Social Impact Assessments in Hong Kong to also include key projects in the Mainland. Through these assessments, we can more efficiently allocate resources to amplify our impact.

Throughout our life cycle, we have also been exploring ways to incorporate innovative technology to further drive sustainable practices and overall efficiency. We look forward to continuing our investments in this area, to both meet our climate targets, as well as create quality and people-centric environments for our stakeholders.

Finally, we would like to express our gratitude to all stakeholders for their unwavering support of and dedication to our sustainability journey.

We appreciate and welcome your thoughts and ideas on how we can continue to improve our sustainability practices in co-creating Places for All, and across our business in general.

Sustainability Steering Committee

Kerry Properties Limited

April 2024

SUSTAINABILITY AT A GLANCE

ACCELERATING CLIMATE ACTION

Sustainable Building Certifications¹

- 91%** Properties obtained (2022: 88%)
- 95%** Major Mixed-Use Developments received 3-STAR/GOLD or above (2022: 94%)

Climate Risk and Vulnerability Assessment

- 80%** Investment properties completed Climate Risk and Vulnerability Assessment (2022: 77%)
- 32.7%** GHG intensity² (2022: ↓ 32.4%)
- 24.7%** Energy intensity² (2022: ↓ 25.6%)
- 11.6%** Waste intensity² (2022: ↓ 25.2%)
- 26.4%** Water intensity² (2022: ↓ 31.3%)

* Data covers owned and managed investment properties in Hong Kong and the Mainland. Intensity-related performance as compared to baseline year 2017.

PUTTING PEOPLE FIRST

- 98.3%** Employee trained rate (2022: 98.6%)
- 34%** Women in senior positions³ (2022: 34%)
- 8.8** per 1,000 employees Work-related injury rate⁴ (2022: 6.92)

* People-related data pertains solely to staff members directly employed by KPL (excludes hotel).

AMPLIFYING OUR POWER

- HK\$24.7 million** Donations (2022: HK\$12.1million)
- 680+** Community initiatives (2022: 550+)
- 90%** Contractors / suppliers are governed by "Vendor Code of Conduct" (2022: 94%)
- 85%** Operations are governed by green procurement guidelines (2022: 84%)

* Performance data covers our managed properties and projects under development in Hong Kong and the Mainland (excludes hotel).

SUSTAINABILITY GOVERNANCE & FINANCE

- Established **Sustainability Council** chaired by Chairman and Chief Executive Officer
- 22** ESG policies in force
- Sustainability-linked loans **48%** of the Group's total loan facilities⁵

1. Sustainable building certifications included BEAM/BEAM Plus, LEED, WELL, and Green Building Evaluation Label.

2. An increase in GHG emissions, energy usage, water consumption, and waste generation was observed as operations and business activities resumed in 2023.

3. Refers to senior director grade or above.

4. Refers to recordable employee work-related injuries that resulted in incapacity for a period exceeding three days. Detailed investigations and corrective measures, including increased safety training, have been implemented to address the increase in injury cases.

5. As at 31 December 2023, the Group's total sustainability-linked loan facilities stood at approximately HK\$41,116 million.

SUSTAINABILITY ACCREDITATIONS

S&P Global



- Sustainability Yearbook 2024 Member
- Top 15% of Real Estate Management and Development Industry

- Maintained the highest **5-Star** Rating, for 3rd consecutive year
- Public Disclosure Score: **A** for 4th consecutive year



Constituent



Upgraded to **A-** rating For Climate Change (2022: B)



- **AA+** Rating for 3rd consecutive year
- Constituent of Hang Seng **ESG 50 Index**



Upgraded to **A** Rating (2022: BBB)



Maintained **Top 10**



Maintained **Low Risk** Rating



IR Magazine Awards Greater China 2023

Best ESG reporting (small to mid-cap)



Hong Kong Sustainability Award 2023

Merit Award in the Large Organisation Category



Hong Kong Green Awards 2023

- Sustainable Procurement Award (Large Corporation) – Grand Award
- Green Management Award – Corporate (Large Corporation) – Gold Award

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ABOUT KERRY PROPERTIES

Kerry Properties Limited (“**Kerry Properties**”, “**KPL**” or the “**Company**”, which together with its subsidiaries referred to as the “**Group**” or “**we**”) is a well-established property company with significant investments in Asia. The Group is known for its property development activities in the Mainland and Hong Kong. In both markets, the Group focuses on investing in premium quality property developments in prime locations. The Group has developed a successful business model for doing this over many years and has considerable experience as a developer and manager of quality properties. We act 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 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.



Our Financial and Sustainability-related Performances


Financial Information


 **Annual Report 2023**

 **Investor Relations Information**

Non-financial Information

 **Sustainability Report 2023 Highlights**

 **SASB Sustainability Accounting Standards Board Real Estate Sector Disclosure 2023**

 **TCFD Climate-related Financial Disclosure Reporting**

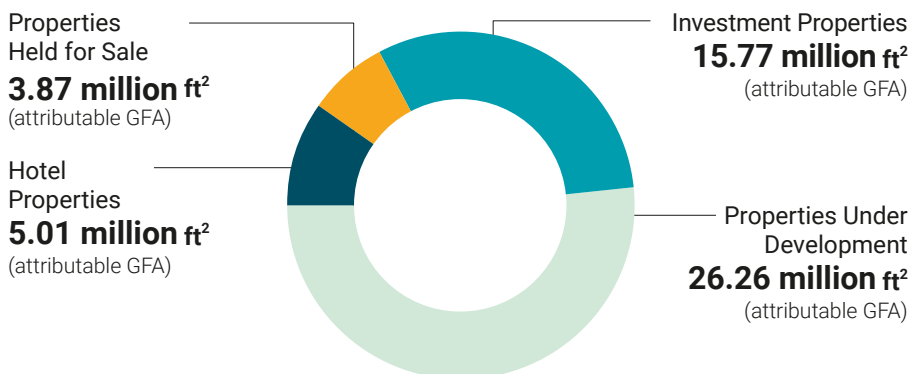
Visit our standalone [sustainability website](#) to know more KPL's sustainability practices.

Business Overview

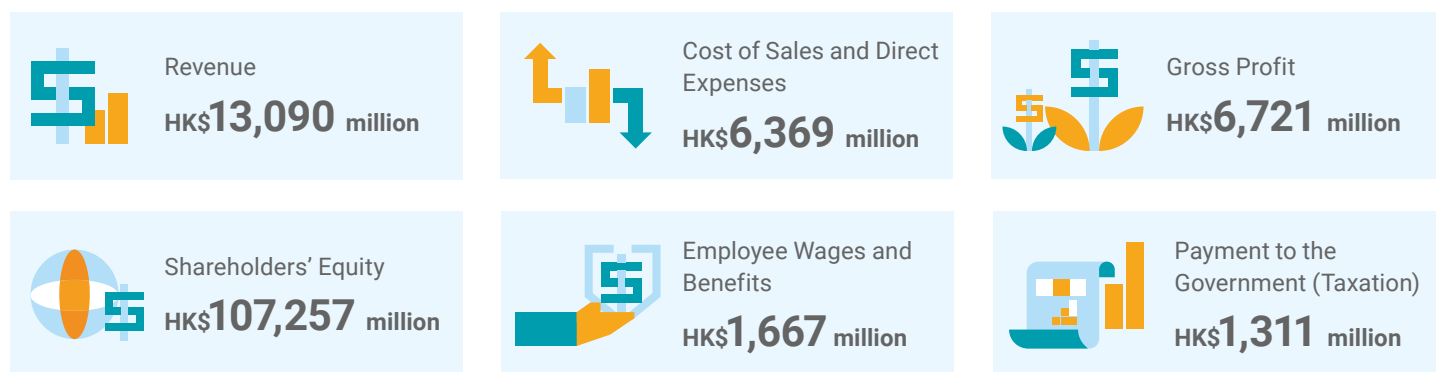
This section covers financial performance of the Company and its subsidiaries, associates and joint ventures as stated in our Annual Report 2023. For the reporting scope of Sustainability Report 2023, please refer to page 99.

Property Portfolio Composition

The Group's Property Portfolio in Attributable GFA



Financial Highlights



For details of KPL's financial performance, please refer to page 4-5 of our Annual Report 2023, which is available on KPL's and SEHK's websites.

Sustainable Finance

The Group recognises sustainable finance as a key course to facilitate long-term investments in sustainable economic activities and projects. We have established a [Sustainable Finance Framework](#) which aligns with international market standards and best practices. The framework has been assured with a [Second-party Opinion \(SPO\)](#).

Sustainability-linked loans:

As at 31 December 2023, the Group's total sustainability-linked loan facilities stood at approximately **HK\$ 41,116 million**, representing **48%** of the Group's total loan facilities.

Existing KPIs for sustainability-linked finance transactions:

- 

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

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

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

Feature Story 01

EMBRACING CONSERVATION AND PLACEMAKING

Through integrating modern and sustainable features while respecting historical context, we finely balance the old with the new in master-planning our property projects. Leveraging our placemaking expertise, we create a harmonious fusion that honours the cultural heritage while fostering a sustainable community for future generations. Our new projects on Shanghai Jinling Road and in Wuhan serve as examples of these efforts.



Preserving Architectural Legacies

Since the 1920s, Jinling Road has been characterised by unique arcade-style buildings. These structures set themselves apart from traditional arcades with their notably high and wide spatial proportions and uniformity with particularly lofty and profound architecture. A "retaining the shell, renewing the core" approach will be adopted in the development.

By preserving the historical façade of the buildings in our project, we strive to revive the traditional arcade-style flagship commercial avenue, hence creating the largest protected area of arcade architecture in Eastern China. The development will strategically connect the key commercial and lifestyle hubs -- The Bund, Yu Garden, and People's Square -- with the aim of fostering a cohesive and functional neighbourhood in the Shanghai city.

The characteristic Shikumen (stone-gate) homes and Lilong alleyways unique to this area have created urban life experiences for generations that cannot be found elsewhere. Preserving these time-honoured architectural styles of Jinling Road, old and new are blended in harmonious fusion.

Mega project at a glance

Kerry Properties' Huangpu Jinling Mixed-Use Development features offices, residential and commercial spaces, and leisure functions, creating a vibrant mixed-use environment for residents and visitors. Bounded on the south by Renmin Road, and on the north by East Yan'an Road, the project will have a direct connection to the Yuyuan Garden metro station and its two lines. It is also within walking distance of city landmarks such as People's Square and the Bund.

The project is expected to be completed in phases, between 2027 and 2029.



Office



Residential



Retail



Hotel

SHANGHAI JINLING ROAD

金陵路



Urban Revival with Heritage

Kerry Properties plays a crucial role in the urban regeneration of Shanghai's Huangpu District, the premier retail and residential area of Shanghai since the 19th century Shanghai, through its engagement in a transformative mega mixed-use project on Jinling Road.

Extensive historical research has been conducted, and active community engagement have shaped the initial planning and management of the project's public spaces, acknowledging the significance of the area in the collective memory of Shanghai's residents.



Feature Story 01

Mapping the Past Through Technology

We have employed state-of-the-art computational modeling techniques to precisely record and depict the current state of the buildings and their environments. Leveraging the capabilities of this sophisticated technology, we have developed a detailed visualisation that not only highlights the current landscape but also provides a vital reference for our cultural preservation and conservation efforts.

Recycle old ladders and washbasins by repurposing them as planters for flowers



Feedback from our Shanghai colleagues on the Huangpu Jinling Mixed-Use Development

武漢

WUHAN NEW PROJECT Historic Foundation, Modern Horizon

Located in the vibrant heart of Jiangnan District in Wuhan, this new development boasts a total GFA of approximately 4.4 million square feet and is envisioned as a large-scale complex that will encompass landmark office spaces, premium residences, as well as retail and educational facilities. The project seeks to enhance commercial vitality and create a green and sustainable community, while honouring the district's legacy through the preservation of two historical buildings.



Conserving Historical Landmarks Dating Back to the 1930s

The preservation of two historical buildings, located at No. 187 and 253 Minquan Road, was initiated following a value assessment of their historical, scientific and artistic significance. This assessment affirmed their status as landmarks from the 1930s, noted for their exemplary craftsmanship, contemporary construction techniques and artistic merit. Consequently, conservation efforts were undertaken to honour the district's heritage and safeguard its cultural identity for the enrichment and education of both present and future generations.

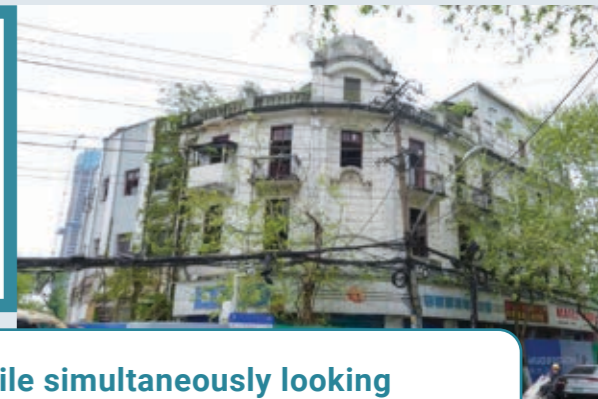


Honouring the Architectural Heritage – No. 187

- ❖ Emphasised the building's historical architectural character, particularly the distinctive corner turret.
- ❖ Carefully preserved the original coffered ceiling and terrazzo flooring on the first floor, while implementing substantial interior modifications to enhance structural integrity.
- ❖ Integrated technology with tradition on the façade by installing a captivating 3D art multimedia mega-screen, which offers a modern and dynamic visual experience on the exterior of the building.

The Contemporary Revamp – No. 253

- ❖ Faithfully restored the street-facing facade and enriched the historical tapestry of the neighborhood.
- ❖ Skillfully incorporated modern materials for a contemporary touch, setting apart the preserved historical facades and accentuating the building's distinctive character.



We strive to pay homage to the district's storied history while simultaneously looking forward by fusing traditional and contemporary elements in our developments. Through safeguarding the cherished cultural legacy and thoughtfully incorporating it within new, vibrant developments, we create sustainable and welcoming spaces. These spaces resonate with the local community while also enhancing the neighborhood's cultural and historical landscape.

Feature Story 02

EMBEDDING SUSTAINABILITY FOR BUILDING EXCELLENCE

By leveraging the latest advancements in sustainable technologies and materials, we strive to create buildings that are environmentally friendly and highly energy-efficient in the long term.

To illustrate this, we present two examples: **Qianhai Kerry Centre** and **the Hangzhou New Project in Gongshu District**.

91% properties certified*

95% MUDs achieved 3-STAR/GOLD or above*

* Sustainable building certifications included BEAM/BEAM Plus, LEED, WELL and Green Building Evaluation Label. MUDs refer to mixed-use developments. Data covers our owned and managed investment properties in Hong Kong and the Mainland.

QIANHAI KERRY CENTRE, SHENZHEN



Featuring extensive use of biophilic design and integration with the surrounding natural environment, Qianhai Kerry Centre has become the first triple-certified green building complex in our portfolio. Developed in three phases, this project showcases our dedication to protecting the environment and fostering a sustainable community.



Scan to learn more

Sustainable Features of Qianhai Kerry Centre Phase III



AIR QUALITY MONITORING SYSTEM & AIR FILTRATION DEVICE

- Reduce indoor air pollution
- Maintain ideal indoor air quality



EFFICIENT WATER-SAVING EQUIPMENT

- Reduce daily water consumption
- Save water resources



GREEN INTERIOR MATERIALS

- Reduce emissions of harmful substances and VOCs
- Create a healthy indoor environment



NATURAL VENTILATION IN MILD SEASON

- Fresh air ratio ≥ 50%
- Reduce energy consumption of AC systems
- 20% higher than the national standard of fresh air supply rate



INTELLIGENT INDOOR BIOPHILIC ATRIUM

- All weather detection system with scenarios setting
- Energy saving features
- Humanised design for environmental comfort
- Connected with fire system



HIGH-PERFORMANCE CURTAIN WALL SYSTEM

- Effective thermal & sound insulation
- Reduce AC energy consumption
- Comfortable and quiet indoor environment



EV CHARGING

- Encourage new energy vehicles
- Reduce fuel consumption



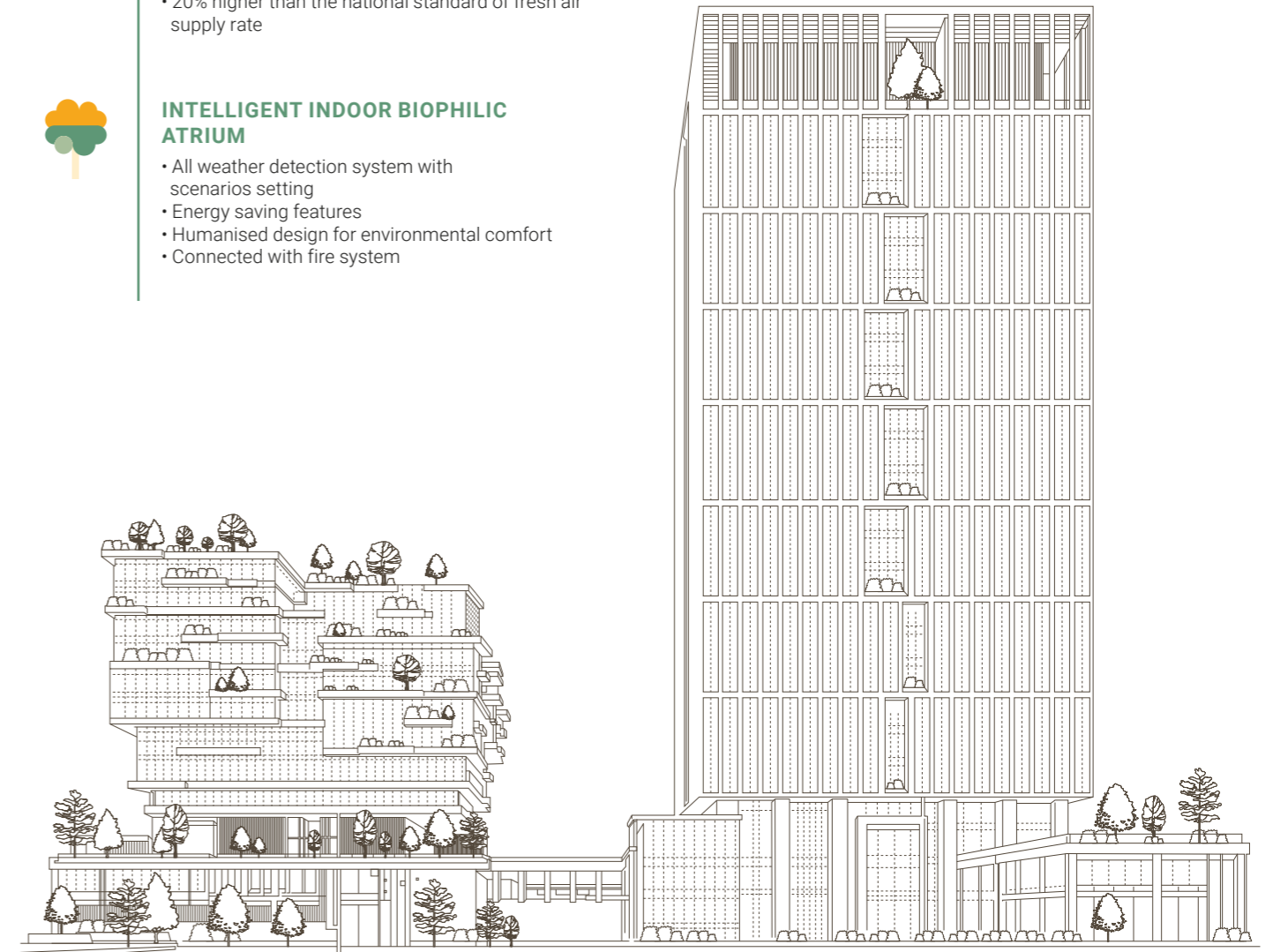
VARIABLE FREQUENCY FAN & WATER PUMP

- Energy consumption of range hood
- Reduce energy consumption of AC transmission and distribution



ENERGY CONSUMPTION MONITORING & MANAGEMENT

- Collect and analyse data on energy consumption
- Optimise energy consumption management
- Minimise energy loss



Feature Story 02

HANGZHOU MIXED-USE DEVELOPMENT



Our new project in Hangzhou marks the emergence of a dynamic urban district where creativity, culture, and business thrive. Once an industrial zone, this newly established area has been reimagined as a hub for innovation, seamlessly integrating natural elements to nurture a green lifestyle and foster a harmonious bond with the environment.



GREEN TRANSPORTATION AMENITIES

- Electric vehicle charging stations
- Bicycle parking space
- Subway connections and bus stops are within walking distance (400 metres)



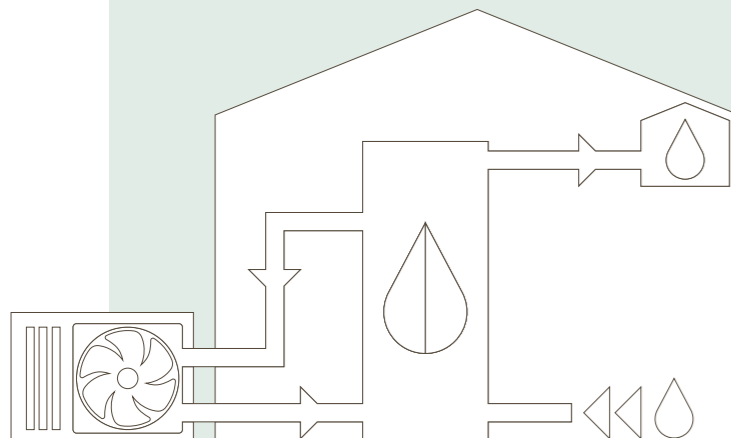
ENVIRONMENTALLY-FRIENDLY BUILDING MATERIALS AND SYSTEM

- Implement a prefabricated structure where applicable
- Adopt an air quality control system
- Install water-saving sanitary fixtures
- Enforce waste sorting and recycling protocols
- Implement an energy consumption monitoring and management system



USE OF RENEWABLE ENERGY SOURCES

- Install solar panels for sustainable energy generation
- Utilise air-source heat pumps for domestic hot water production



VERTICAL GREENING /HEAT INSULATION

- Increase green roof installations and apply high-reflective coatings on buildings to mitigate urban heat absorption
- Implement a climate-resilient, multi-tiered greening strategy featuring grass, trees, and shrubs suitable for Hangzhou's specific environmental conditions
- Utilise heat-insulating materials, including double-glazed and low-emissivity (low-E) glass options



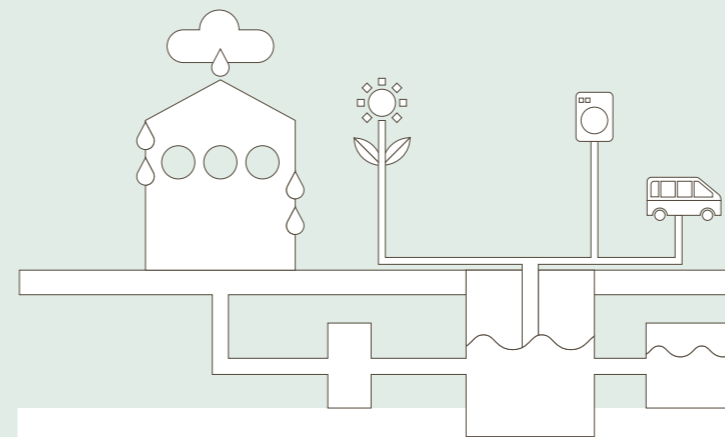
MULTIFUNCTIONAL PEDESTRIAN BRIDGE

- Seamlessly integrates residential and commercial buildings with lush urban gardens
- Features universal design for accessibility, including ramps, escalators, and lifts for the disabled
- Incorporates greenery elements to create a tranquil environment



SPONGE CITY STRATEGY ON WATER RECYCLING

- Execute sponge city design concepts to minimise surface water accumulation
- Establish rainwater recycling infrastructure to collect and repurpose raindrops from rooftops and ground surfaces for irrigation and street cleaning
- Adopt a smart irrigation system with soil moisture sensors for optimal water conservation, automatically deactivating during rainfall



KPL's Building Life Cycle Management

We seamlessly integrate eco-friendly features and sustainable practices in our property projects and our commitment to sustainability is evident at every stage throughout the building life cycle, from design and construction to procurement and operation.



Discover our holistic approach to the building life cycle management

Feature Story 03

EMPOWERING COMMUNITIES THROUGH HOLISTIC WELLNESS

Community empowerment is at the forefront of our mission. Our commitment to holistic wellness is demonstrated through a broad spectrum of programmes and initiatives that we actively organise and participate in. Tailored to enhance physical health, mental wellness and community cohesion, these efforts have served to nurture healthier lifestyles and contribute to the overall growth and resilience of the communities where we operate and serve.

 **120+**
Wellness Events in 2023

 **20,000+**
Stakeholders Participation



RUNNING FOR GOOD

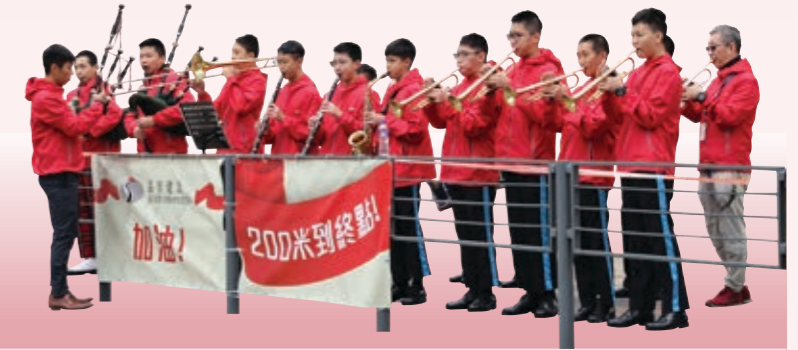


One such event is the **HONG KONG STREETATHON**, a community-wide sporting event aimed at promoting well-being and advocating for the UNSDGs. Recognising the importance of creating an inclusive event that fosters wellness and community-building, Kerry Properties title-sponsored this citywide charity run in 2023. More than 18,000 international and local runners participated in the running event, including over 600 of our colleagues and invited guests from Hong Kong and the Mainland.

To energise and empower colleagues in preparing for the run, the Company offered a month-long series of training sessions taught by professional coaches. These classes not only helped cultivate a habit of running but also strengthened the sense of unity among our colleagues, creating a motivated team ready to take on any challenges.



Watch the video



“ From zero to 10k running, a life changing experience. ”

Wendy Wong

Legal Department, Kerry Properties - Hong Kong



“ I felt extremely excited to participate in my first marathon here in Hong Kong. ”

Peter Liu

Marketing Department, Kerry Properties - Tianjin



“ Thank you for inviting me to participate in this meaningful marathon activity, running for a good cause! ”

Raymond Hsieh

Our Business Associate, OCBC Bank



Family Bonding Community Event at MegaBox

To nurture strong family bonds and promote family wellness, "FAMerry Run", a lead-in programme to HONG KONG STREETATHON, was held at MegaBox. The event featured fun sports and games, with the goal of enhancing families' awareness of an active lifestyle and wellness.



Feature Story 03

STRONGER TOGETHER: COLLEAGUES UNITE FOR A HEALTHIER LIFESTYLE



Step Challenge in Shenyang



Step Challenge in Nanchang

Kerry Properties also organises the annual **Step Challenge**, an iconic charity event that promotes walking habits among all colleagues in Hong Kong and the Mainland. Colleagues participated individually and in teams to achieve a daily step tally. For every 10,000 steps achieved, a donation was made to charitable organisations dedicated to ocean conservation and coastal cleaning, including Friends of Earth (FoE) and The Boys' & Girls' Clubs Association of Hong Kong (BGCA). As one of the follow-up initiatives, we sponsored 3 beach cleaning events in Hong Kong, where more than 90 staff, children and youngsters participated and collected approximately 86 kg of marine and plastic waste. Every piece of waste collected and recycled has enlightened young minds and planted seeds of conservation and habitats preservation for the next generation.



Step Challenge for Ocean Conservation



Badminton Championship Final Match



Badminton Teams from All Regions

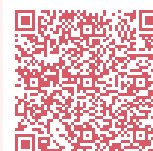
We also organised the **2023 Kerry Properties National Badminton Championship**, which brought together 70 athletes from various districts across the Mainland and Hong Kong to compete in a friendly tournament in Qianhai.

Additionally, a six-day **2023 Kerry Cup 3V3 Basketball Tournament** was also hosted at Qianhai Kerry Centre and Shenzhen Kerry Plaza uniting 37 elite teams from our tenants and occupants. The tournament featured elimination rounds leading up to the final match. Both initiatives provided a platform for building networks and fostering community exchange among our colleagues.



Basketball Tournament for Tenants and Occupants

By empowering individuals to embrace physical fitness, manage stress, and support charitable causes, Kerry Properties is making a positive impact on the holistic wellness of the communities it serves.



Watch the video

OUR SUSTAINABILITY APPROACH

Strengthening Our Sustainability Governance



Key Highlights

Building on established efforts to mitigate climate risks and minimise environmental impacts, our newly established Sustainability Council further guides KPL's path towards sustainability, social equity, and the well-being of stakeholders.

Megatrends

Stringent disclosure requirements

Meeting stakeholders' demands for transparent sustainability reporting and embracing governance frameworks like the ISSB and TNFD enhance accountability and investor confidence, collectively propelling the real estate industry towards a future characterised by responsible environmental and social stewardship.

SUSTAINABILITY VISION

A Sustainable Future, Together

Our sustainability vision statement captures our commitment to building a greener, more sustainable future for generations to come.

In building for a sustainable future, Kerry Properties continues to strive for best-in-class sustainability standards for our assets and throughout our communities.

We adopt a holistic approach to embedding sustainability throughout the life cycle of our properties. From planning, procurement, construction, operations to maintenance, we consider the environmental and social impact of our developments.

For the communities in which we live, work, and play, we are dedicated to creating "people-first places" that foster good health and well-being. Our Sustainability Vision 2030 aligns with the UNSDGs, and we collaborate hand in hand with our stakeholders to nurture and bring communities together.

Creating Sustainability Values

At KPL, we exemplify our commitment to corporate sustainability by prioritising long-term shareholder value and actively contributing to a sustainable future for the community.

We integrate sustainability into all business activities, centering our Sustainability Values around four key areas: Environment, People, Community, and Value Chain.

These areas inform our three key pillars in the report: Accelerating Climate Action, Putting People First, and Amplifying Our Power, where we provide in-depth coverage on our sustainability activities. By prioritising and undertaking various initiatives to uphold our Sustainability Values, we aim to enhance KPL's market positioning and community reputation.



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

Amplifying Our Power

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

SUSTAINABILITY STRATEGY

At KPL, our commitment to sustainability is not just a responsibility; it is a core value that drives our vision. Central to this strategy is our collaborative approach with stakeholders, leveraging collective influence to create positive change.

Aligned with the UNSDGs, our sustainability strategy is built upon specific objectives that contribute to their goals. These encompass reducing our carbon footprint, preserving water resources, minimising waste, advocating for diversity and




inclusion, striving for a workplace with zero accidents, upholding human rights, and fostering robust governance and ethical business practices.

We seek to integrate sustainability into each phase of our developments' life cycle, from upstream collaboration, downstream placemaking, as well as the interconnected elements and processes in between.

Upstream Collaboration

- ❖ Through collaboration, we can advance amplified impact.
- ❖ We are mindful to keep this value in mind at the very beginning stage of our developments' life cycle, particularly in the "Planning and Design" and "Procurement" phases.



	Planning and Design	Procurement	Construction	Operation and Maintenance
	Sustainability is a priority in planning and design – not an afterthought.	The sourcing of materials and selection of our suppliers greatly impact the rest of our life cycle.	In actualising our builds, we also integrate sustainability elements into our work with contractors and partners.	We continue to seek for ways to enhance our stakeholders' well-being in stewarding our builds.
Environment 	Incorporate climate-resilient features into building designs to promote sustainability.	Procure materials that contribute to sustainable property development.	Adopt practices to minimise negative environmental impact, including comprehensive waste management plans.	Lower our emissions, optimise consumption, advance towards our climate targets.
People 	Equip our people with ESG trainings to promote awareness.	Increase awareness of our suppliers through knowledge sharing.	Employ smart technologies to enhance safety and well-being of employees and contractors, while improving efficiency and quality.	Foster sustainable ideas through the ESG Think Tank.
Value Chain 	Engage community dialogue in the planning stage to advance inclusivity.	Assess supply chain risk through assessments for increased resilience.	Host the Green Construction Site Award to enhance collaboration with contracting teams.	Enhance customers' experience through quality service and innovative features.

- ❖ Extending from our physical assets, we also adopt placemaking to cultivate community well-being.
- ❖ We thoughtfully design initiatives that match the unique needs and strengths of each area.

Downstream Placemaking

Sustainability Vision 2030 Targets

The Sustainability Vision 2030 ("Vision 2030") serves as a blueprint for us to execute the Sustainability Strategy throughout our life cycle in a measurable way. These targets are distributed to respective sub-committees and departments and are regularly reviewed by the Sustainability Steering Committee. We have also proactively initiated new sustainability initiatives to meet our Vision 2030 targets.

These planned initiatives undergo a thorough review process by the Sustainability Taskforces, Sub-committees, Convener, and the Sustainability Steering Committee. Once approved, they are reported to the Sustainability Council, and subsequently implemented to drive our sustainability efforts forward. For more details on our governance framework, please see the next section on "[Sustainability Governance Structure](#)".

Sustainability Pillars	UNSDG Indicator	Vision 2030 Targets	Target Status	2023 Performance	Compared to 2022
Environment	13.1	100% of investment properties complete Climate Risk and Vulnerability Assessment	🟡	80%	+3%
	13.1	100% of investment properties adopt climate-resilient building features	🟡	90%	+7%
	11.6	100% of investment properties implement rainwater harvesting system	🟡	52%	+1%
	11.6	50% of new investment properties adopt biophilic design features	🟢	100%	-
	11.6	100% of investment properties adopt wellness features in building design	🟡	94%	+5%
	11.6	100% of new investment properties achieve green certifications ¹	🟢	100%	-
People	3.9	Reduce work-related injury rate of employees to 10 per 1,000	🟢	8.8	-
	3.9	Maintain record of zero work-related fatalities of all our employees	🟢	Maintained Zero	-
	8.5	100% of employees receive gender equality, anti-sexual harassment, and related ethical training	🟡	97%	+22%
	5.1	Maintain zero discrimination cases in all operations by treating all people fairly, impartially and with dignity and respect	🟢	Maintained Zero	-
	5.5	At least one third of senior positions is held by women	🟢	34%	-
	8.5	100% of employees receive labour rights, diversity, and social inclusion training	🟡	97%	+22%
Community	11.4	100% of new mixed-use developments are planned and designed with cultural and heritage conservation consideration	🟢	100%	+12%
	11.7	100% of new mixed-use developments are planned and designed through a mandatory community engagement process, with but not limited to women, children, elderly, and disabled persons	🟢	100%	+12%
Value Chain	8.7	100% of contractors/suppliers are governed by "Vendor Code of Conduct" which forbids forced labour, slave labour, and child labour	🟡	90%	-4%
	12.2 & 12.5	100% of operations are governed by green procurement guidelines which include use of sustainable resources throughout property development and operation	🟡	85%	+1%
	12.5	100% of construction projects implement waste recycling programmes	🟢	100%	-
	8.5	100% of building contractors/suppliers are governed by sustainable procurement guidelines which contain mandatory diversity requirements	🟡	32%	+2%

🟡 On Track 🟢 Achieved

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. New investment properties refer to newly completed buildings since 2019.

Implementing Sustainability Strategy

In alignment with our commitment to Vision 2030 targets, the responsibility for driving and overseeing the execution of these targets has been delegated to a dedicated Sub-committee. The Sub-committees, are charged with the strategic planning, implementation, and monitoring of initiatives aimed at achieving our Vision 2030 objectives. Through this delegation, we aim to ensure focused attention, rigorous oversight, and effective management of our sustainability agenda in line with our long-term vision.

Newly Established ESG-related Departmental KPIs

As part of our commitment to sustainability, we have set specific ESG-related key performance indicators (“KPIs”) tailored to specific departments, ensuring a comprehensive approach to sustainability. These department-specific KPIs are designed to align with the Company’s overall ESG strategy and to effectively integrate into every aspect of our business operations.

The progress made towards achieving these KPIs will be subject to regular reviews, underscoring the significance of sustainability within our corporate culture. Furthermore, the accomplishment of these KPIs will be assessed as part of the employee performance review. This demonstrates our dedication to promoting and incentivising sustainable practices throughout the organisation.

Examples of our KPIs include:



SUSTAINABILITY GOVERNANCE AND LEADERSHIP

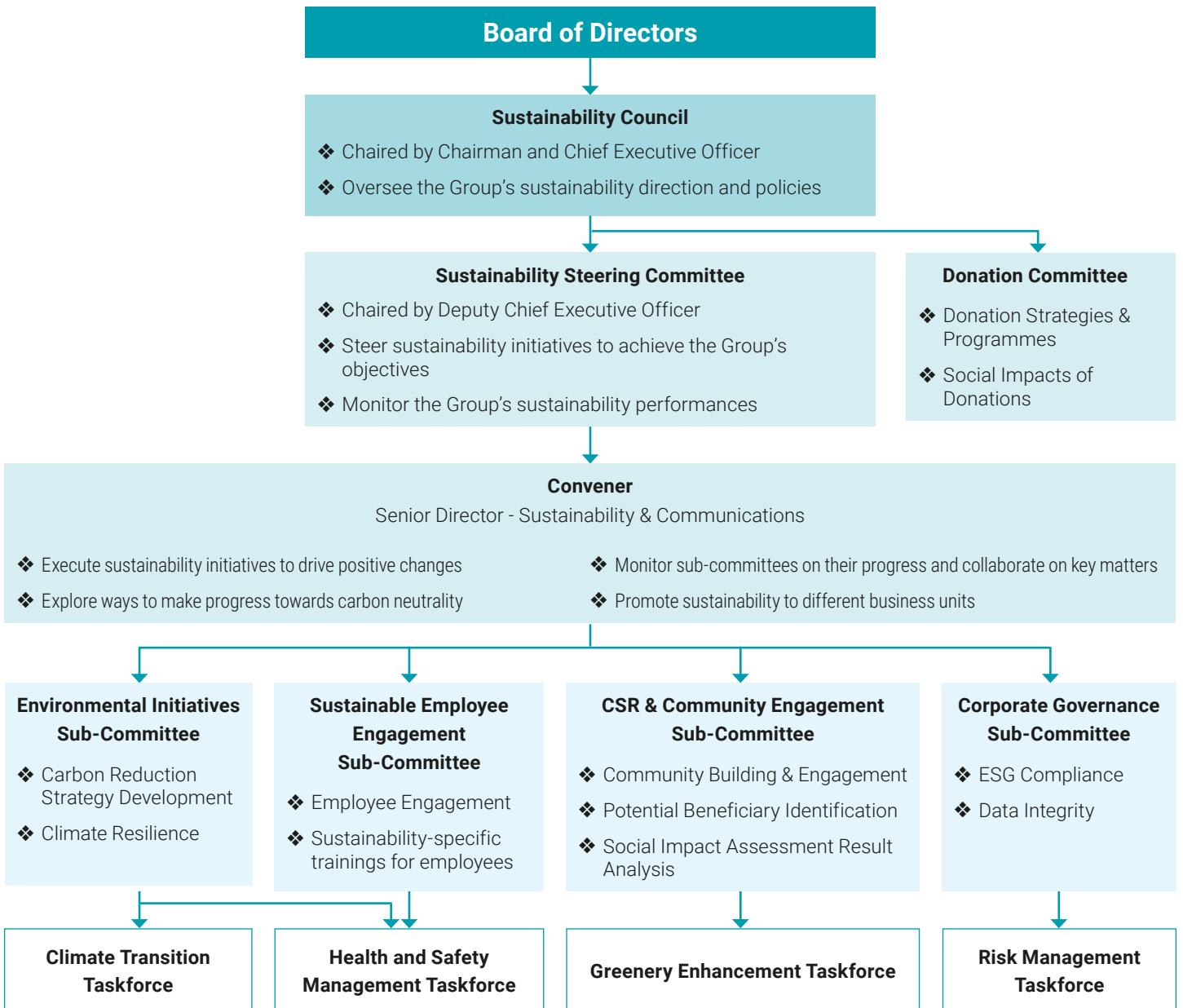
Building upon the strategic foundation we previously shared, and in order to successfully attain our sustainability goals, it is crucial to have the oversight of the Board of Directors (the “Board”), as well as the focus and dedication of leaders across the Company.

By leveraging cross-functional expertise, senior management, and the Board’s oversight, our sustainability governance framework ensures the alignment of our sustainability direction with our material topics, sustainability initiatives, and business strategy.

Sustainability Governance Structure

Our sustainability governance framework leverages diverse functional proficiency, the stewardship of our senior management, and Board’s supervision to guarantee that our strategies tackle significant and applicable issues in alignment with our business goals. The framework is designed to establish responsibility for the execution of our sustainability strategies, ensuring their harmonious and coordinated deployment across our operations.

The Board plays a critical role in overseeing the Group’s long-term strategic direction and approving major business priorities to enhance sustainability performance and reporting. It is responsible for the Company’s sustainability and climate-related matters. Annually, the Board establishes a comprehensive strategy to align various stakeholders’ interests and provide essential guidelines for all aspects of sustainability management.



Sustainability Council

This year, we made significant strides in our commitment to sustainability through the establishment of the Sustainability Council (the “**Council**”). Led by our Chairman and Chief Executive Officer, the Council consists of key leadership figures including the Deputy Chief Executive Officer and the Chief Financial Officer. The Council reinforces our dedication to integrating sustainability into the highest levels of our decision-making processes and assists the Board in its sustainability-related duties.

Sustainability Steering Committee

The Sustainability Steering Committee (the “**Committee**”) is a dedicated body appointed by the Board and chaired by our Deputy Chief Executive Officer. The Committee comprises of the Board members, senior executives of key functions and business units. The chairman of the Committee serves as the senior decision-maker for sustainability and climate-related matters within the organisation. In addition to sustainable business knowledge and mindset, the Committee members are well-equipped to provide valuable insights, guidance, and forward-looking directions on sustainability.

Sustainability Sub-committees and Taskforces

Within the Committee, we have established four specialised sub-committees and four taskforces, each dedicated to tackling different aspects of environmental and social impacts. Their responsibilities include assessing the Company’s management strategies for each significant topic, orchestrating stakeholder surveys, and drawing comparisons with both industry peers and best practices.

Regular Review of Sustainability Progress

The achievement of sustainability targets is an integral component of performance appraisals for our team members. The Committee has the following roles and responsibilities regarding sustainability:

- ❖ Report the summary of sustainability strategies and plan which are developed in collaboration with the sub-committees and taskforces for the Board’s oversight
- ❖ Review performance and propose sustainability-related recommendations and target to the Council and the Board
- ❖ Facilitate the Board’s understanding of the Sustainability Report
- ❖ Review and approve the materiality assessment

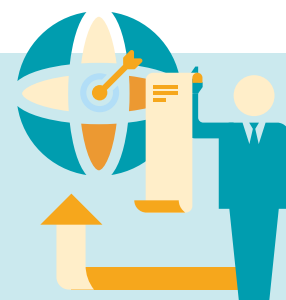
2023 SUSTAINABILITY MEETINGS

4 Sustainability Steering Committee meetings held in 2023

100% Average attendance rate

Areas of Discussion:

- ❖ Sustainability governance (governance structure, role, Terms of Reference, Sustainability Vision, targets & KPIs)
- ❖ Carbon performance and new carbon reduction initiatives
- ❖ Regulatory updates & international standards
- ❖ Best practices and peer benchmarking



Our Group's policies reinforce our commitment to operating responsibly in workplace quality, environmental protection, community investment, and operations. These policies are reviewed and updated regularly to reflect operating factors and community needs. As part of good corporate governance practices, the Board, relevant board committees, and senior management diligently review and approve all the Group's policies.

22 ESG policies in force, including:



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



People

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



Environmental

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



Value Chain

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



Community

- ❖ Charitable Donations Policy

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

STAKEHOLDER ENGAGEMENT AND DOUBLE MATERIALITY ASSESSMENT

Stakeholder Engagement Approach

KPL places significant emphasis on effective stakeholder engagement to grasp their key concerns and better inform our sustainability and overall strategy. To achieve this, we have adopted a comprehensive approach, ensuring consistent and timely communication with each stakeholder group.

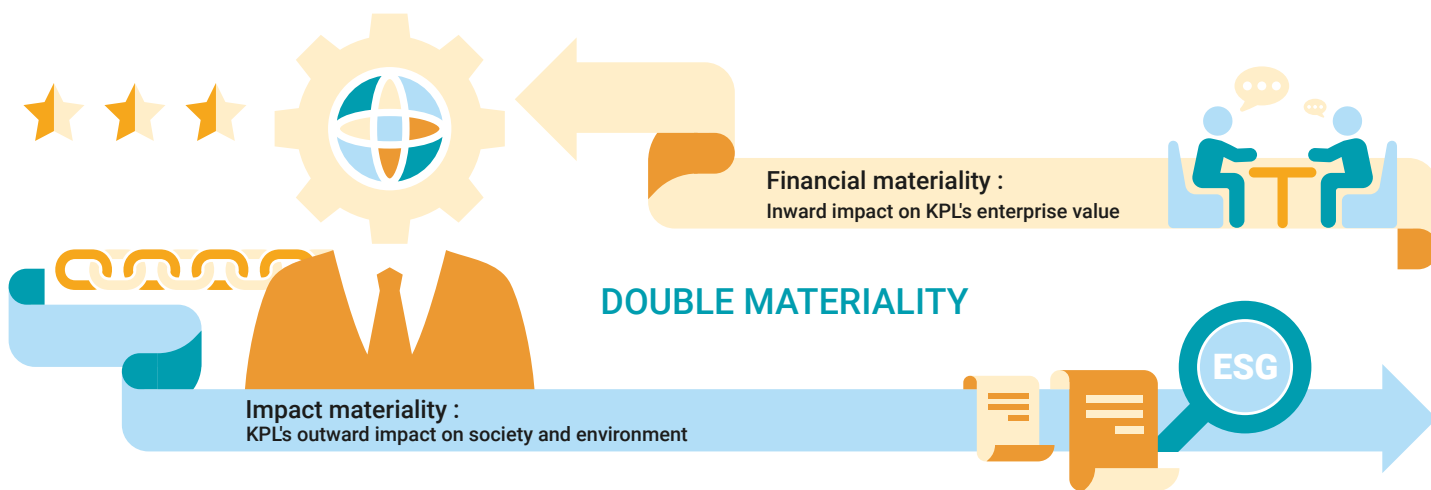
Regular engagement with our various stakeholders allows us to identify potential risks and opportunities for our business operations, while also gathering diverse opinions and expectations that are relevant to our operation and growth. These insights will be integrated into our daily operations to prepare well for societal changes.

Stakeholder Group	Importance to KPL	Engagement Method	
Investors and Shareholders	Investors and Shareholders drive financial support, impacting growth, investment, and strategic direction for KPL.	<ul style="list-style-type: none"> ❖ Annual/Special General Meetings ❖ Annual and interim reports ❖ Sustainability reports ❖ Company websites 	<ul style="list-style-type: none"> ❖ Investor visits/briefings ❖ Press and analysts' conferences ❖ Roadshows and investors' conferences
Employees	Employees drive productivity, innovation, and operational excellence, shaping the company culture and contributing to KPL.	<ul style="list-style-type: none"> ❖ Orientation and training sessions ❖ Team building activities ❖ Recreational and volunteering activities ❖ Sustainability sub-committees and taskforces 	<ul style="list-style-type: none"> ❖ Employee opinion surveys ❖ Annual performance appraisal ❖ Intranet and emails ❖ Newsletters
Academia	Academia offers research, expertise, and innovative insights, contributing to KPL's sustainability initiatives and industry advancement.	<ul style="list-style-type: none"> ❖ Research studies ❖ Student partnership programmes 	<ul style="list-style-type: none"> ❖ Event venue sponsorships ❖ Seminars
Local Community	Local community engagement fosters trust, supports initiatives, and shapes sustainable development, is crucial for KPL's operations and reputation.	<ul style="list-style-type: none"> ❖ Public/community events ❖ Community initiatives ❖ Corporate volunteer team and employees 	<ul style="list-style-type: none"> ❖ Volunteering activities ❖ Mailing/Emailing for feedback
Suppliers and Contractors	Suppliers and contractors are vital for operational efficiency, quality assurance, and sustainable practices, supporting KPL's business operations.	<ul style="list-style-type: none"> ❖ Surveys and meetings ❖ Green Construction Site Award ❖ Kerry Project – Community Caring Scheme 	<ul style="list-style-type: none"> ❖ Safety briefings ❖ Tendering and procurement processes
Customer and Tenants	Customers and tenants drive demand, satisfaction, and loyalty, impacting the success and sustainability of KPL.	<ul style="list-style-type: none"> ❖ Customer satisfaction surveys ❖ Customer service hotlines 	<ul style="list-style-type: none"> ❖ Community Events ❖ Corporate publications
NGOs	NGOs offer expertise, advocacy, and partnerships, influencing sustainable practices and social impact for KPL.	<ul style="list-style-type: none"> ❖ Focus groups ❖ Partnership programmes 	<ul style="list-style-type: none"> ❖ Sponsorships and donations ❖ Conferences and seminars
Government and Industry Associations	Government and industry associations influence regulations, provide guidance, and shape industry standards, impacting KPL's operations and compliance.	<ul style="list-style-type: none"> ❖ Regular meetings ❖ Public consultations 	<ul style="list-style-type: none"> ❖ Conferences, forums, and seminars
Media	Media shapes public perception, influences reputation, and communicates initiatives, impacting the visibility and public relations of KPL.	<ul style="list-style-type: none"> ❖ Press conferences and releases ❖ Media briefings 	<ul style="list-style-type: none"> ❖ Feedback and response to enquiries

Materiality Assessment

As part of our annual materiality assessment, we again engaged an independent consultant in 2023 to facilitate stakeholder engagement and inform the materiality level of ESG topics using the double materiality approach.

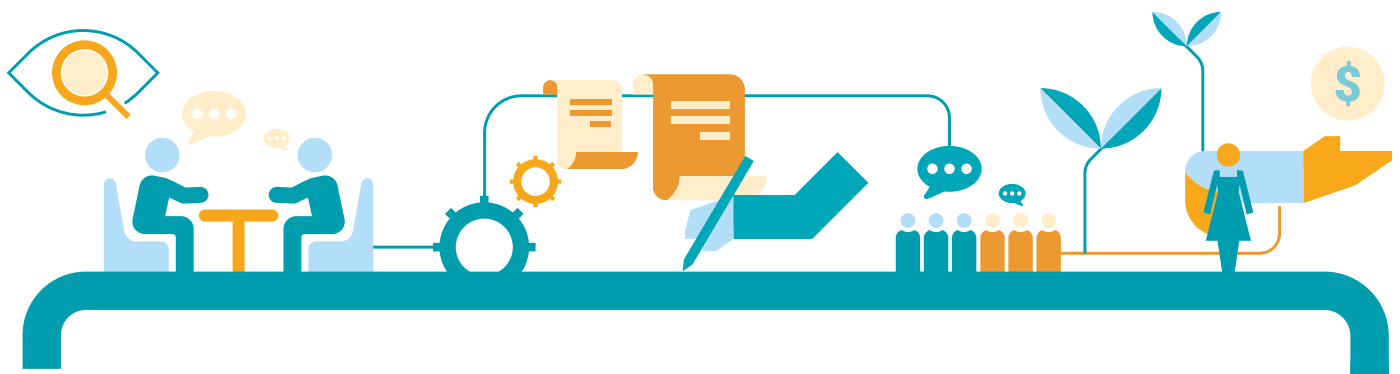
This approach considers the impact of ESG topics from a dual angle –



Building upon the work and results from the 2022 materiality assessment, we enhanced the robustness of the 2023 assessment by engaging stakeholders in more detailed discussions regarding both impact and financial materiality. This provided us with further insights to inform the materiality level of ESG topics relevant to our Group.

Key Enhancements in 2023

Materiality Assessment	Adopted a holistic approach through evaluation of three assessment indicators (i.e., current impact, future impact, and likelihood) to assess both impact and financial materiality.
Qualitative Feedback	Received qualitative feedback from various respondents to deepen our understanding of stakeholder perspectives and drive improvements in our engagement strategies.
Stakeholder Impressions	More than 2,000 stakeholders have expressed their views, with an average consensus that KPL's sustainability performance is highly commendable.
Increased Education	Delivered enhanced educational sessions to stakeholders, e.g., on financial materiality, equipping them with additional context to facilitate more insightful qualitative feedback. This feedback has been utilised to inform our response actions and ensure alignment with their expectations.



Process

1. Preparation

- ❖ Identify enhancement areas from last year’s materiality assessment approach
- ❖ Incorporate further details on impact and financial materiality discussions to yield meaningful insights
- ❖ Identify relevant stakeholders to be engaged in accordance with the AA1000 Stakeholder Engagement Standard (AA1000 SES (2015)) in 2023, integrating Inclusivity, Materiality, Responsiveness and Impact principles from AA1000 AccountAbility Principles 2018, and based on dependency, responsibility, necessity, influence, and diversity of perspectives

2. Identification

- ❖ Consolidate long list of relevant ESG topics with reference to the latest ESG megatrends, regulatory requirements, and peer analysis
- ❖ Identify a short list following thorough consideration of research findings, with management approval

Shortlist of **21 topics** identified

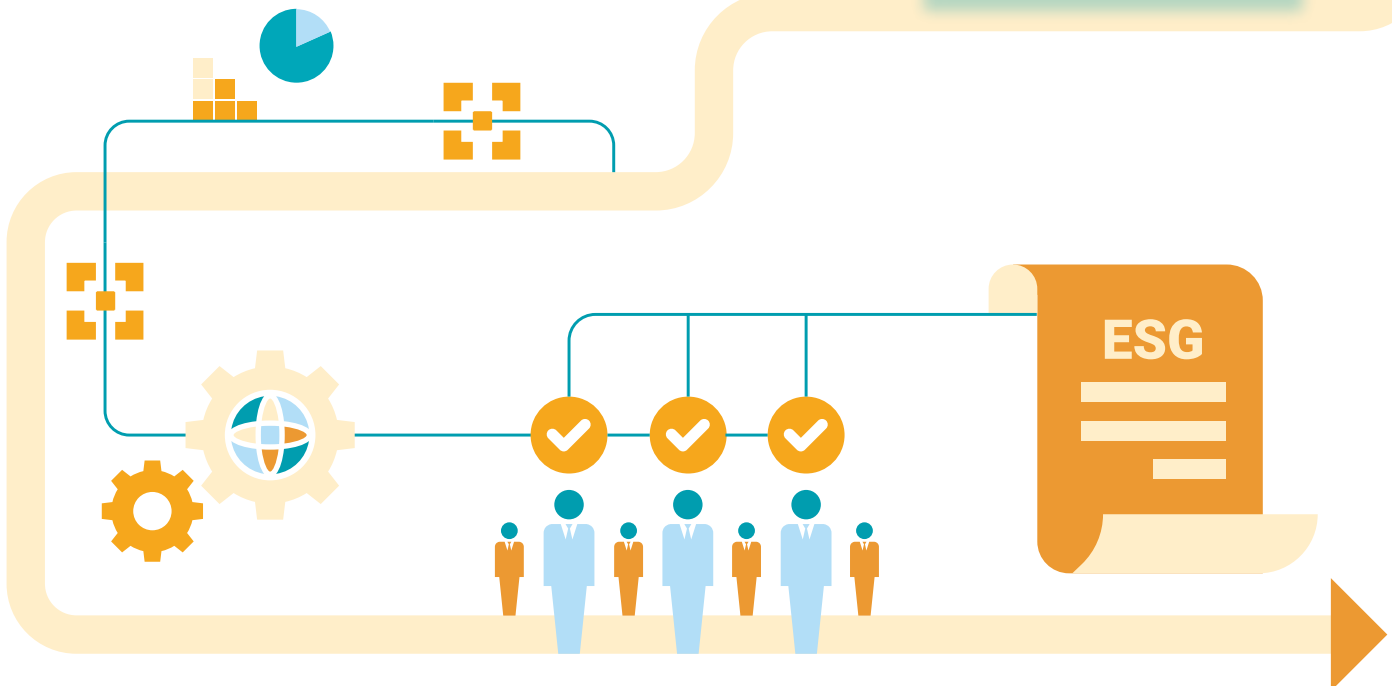
3. Engagement

- ❖ Engage stakeholders and understand their views on the shortlisted ESG topics
- ❖ Channels include tailor-made in-depth interviews, focus group discussions, and online surveys

Total **2,400+** stakeholders engaged

6 in-depth interviews and **1 focus group discussion** with **10 internal stakeholders**

Donate hot meals on behalf of the survey respondents.



4. Analysis

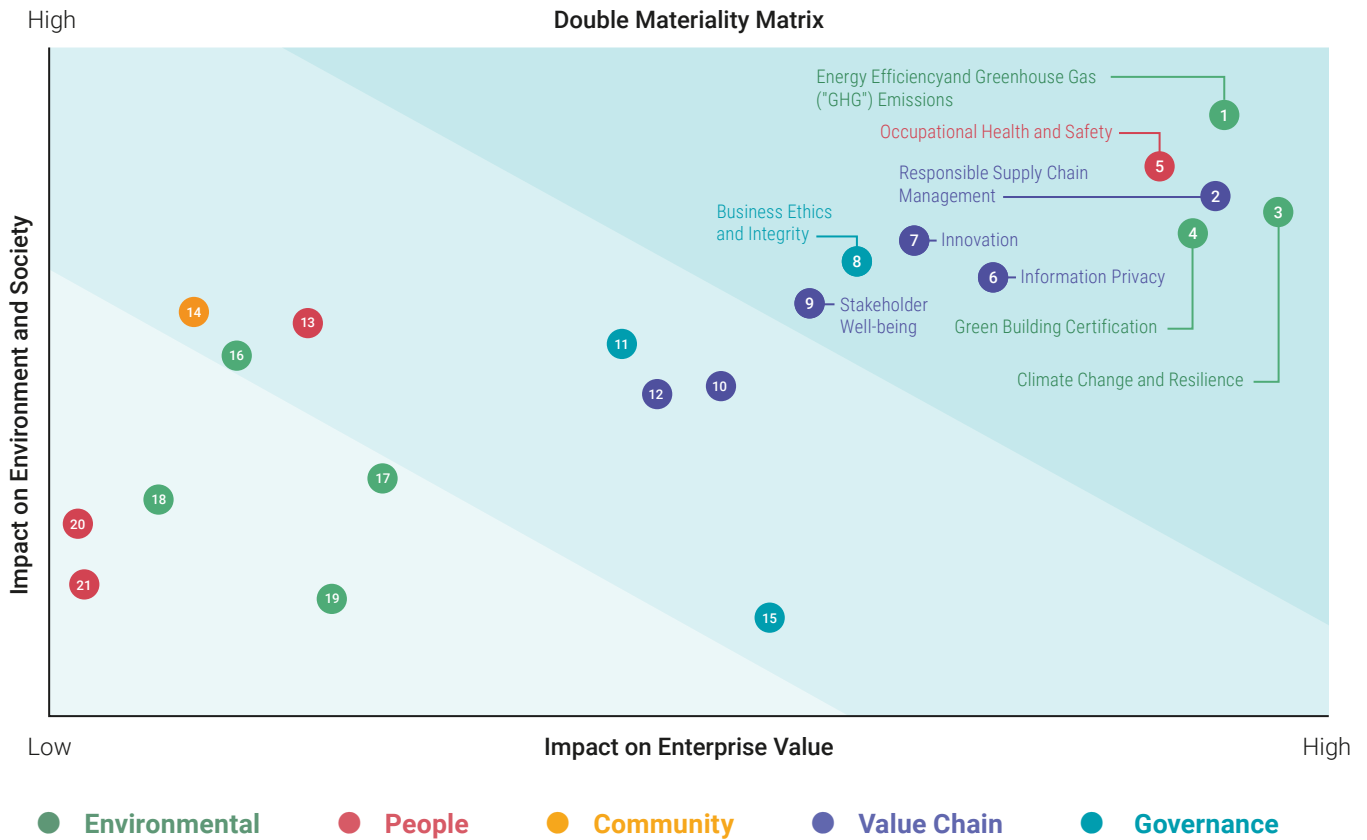
- ❖ Consolidate feedback from all channels and conduct analysis
- See details of findings on page [26](#)

5. Validation

- ❖ Results to be validated by Management

6. Action

- ❖ Integrate stakeholders’ feedback into the Group’s ESG strategy



Following the double materiality approach, we identified 9 material topics, summarised below:

Tier 1: Material Topics	Tier 2: Moderate Topics	Tier 3: Monitored Topics
<ul style="list-style-type: none"> 1 Energy Efficiency and Greenhouse Gas ("GHG") Emissions 2 Responsible Supply Chain Management 3 Climate Change and Resilience 4 Green Building Certification 5 Occupational Health and Safety 6 Information Privacy 7 Innovation 8 Business Ethics and Integrity 9 Stakeholder Well-being 	<ul style="list-style-type: none"> 10 Customer Engagement and Collaboration 11 Risk and Crisis Management 12 Service and Product Quality 13 Labour Practices and Human Rights 14 Community Engagement, Development and Investment 15 Economic Performance 16 Waste Management 	<ul style="list-style-type: none"> 17 Water Consumption and Conservation 18 Biodiversity 19 Sustainable Finance 20 Diversity, Equity, Inclusion 21 Human Capital Management and Development

Tier	Classification	Definition
Tier 1	Material Topics	Most material issues due to their material impact on the Environment, Society and Enterprise Value of KPL. These matters are closely tied to KPL's business model and must therefore be incorporated into business strategy and targets, with regular follow up mechanisms in place.
Tier 2	Moderate Topics	Issues that have moderate impact on the Environment, 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 and are related to emerging issues within the regulatory framework which KPL reports on. These issues are being addressed through compliance, supervision, and ongoing management perspective.

Analysis of Material Topics

In the dynamic landscape of global business, understanding the materiality of ESG topics requires an in-depth analysis of overarching megatrends. These broad and influential shifts are critical in determining which ESG issues are most pertinent for companies to address.



Environmental

Climate change, urbanisation, and energy transitions are driving key sustainability trends in the real estate sector. These macro trends are pushing companies to build resilience through risk management, pursue sustainable building practices, and implement energy efficiency measures.

As a result, climate adaptation, green infrastructure

development, and carbon footprint reduction have become increasingly important aspects of sustainability strategies for real estate developers.

Material Topics:

- ❖ Climate Change and Resilience
- ❖ Green Building Certification
- ❖ Energy Efficiency and Greenhouse Gas (GHG) Emissions



Social

Digitalisation and changing social priorities are transforming the landscape of important social issues for businesses. The shift to online activities has highlighted the importance of data privacy and security, while a focus on well-being has brought health and community into focus.

At the same time, globalised operations demand transparency and fairness throughout supply chains.

New technologies like automation also help address workplace safety challenge. These megatrends have cemented privacy, well-being, ethics and safety as crucial ESG considerations.

Material Topics:

- ❖ Information Privacy
- ❖ Stakeholder Well-being
- ❖ Responsible Supply Chain Management
- ❖ Occupational Health and Safety



Governance

Social media and transparency trends are pressuring businesses to adhere to high ethical standards, while technological progress and market competition necessitate continuous innovation. These factors are integral to ESG strategies, highlighting the necessity for integrity and advancement in today's corporate landscape.

Evolving social trends and competitive pressures are reshaping sustainability priorities for businesses. Rising transparency through social media is increasing stakeholders' focus on corporate ethics

and integrity. Meanwhile, rapid technological advancement and changing markets necessitate a culture of continuous innovation.

These macro forces underscore the importance of upholding high ethical standards while driving progress. Accordingly, businesses must strategically address both responsible business practices and innovative capabilities within their ESG programmes.

Material Topics:

- ❖ Business Ethics and Integrity
- ❖ Innovation

ACCELERATING CLIMATE ACTION

Collaborating across the Value Chain for Carbon Neutrality



Key Highlights

95% of our major mixed-used developments obtained sustainable building certifications at 3-STAR/GOLD or above. We promote sustainable practices throughout our value chain by implementing the Dark Green Leasing Programme and offering free Carbon Audits for tenants. Additionally, our new Supplier Low Carbon Stewardship Scheme and ESG educational series for suppliers further contribute to this goal.

Megatrends

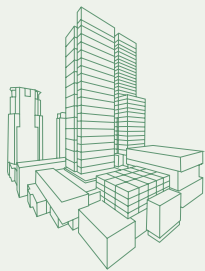
Decarbonising the Value Chain

In today's eco-conscious landscape, it is expected that buildings are constructed using sustainable, low-carbon materials and that operational emissions are minimised throughout their life cycle. Adopting decarbonisation strategies not only mitigates environmental impacts but also appeals to environmentally aware customers, tenants, and investors.

SUSTAINABLE BUILDING PRACTICES

Sustainable design practices and innovative materials are incorporated into our development with the aim of creating highly effective, efficient, and comfortable buildings. Our dedication to optimising energy and water consumption through sustainable building design is reflected by the certifications obtained and the reduction in operational costs. By committing to enhancing our workplaces with health, well-being, and social benefits through a variety of facilities, we constantly seek certification programmes to guide our progress.

Dedication Towards Sustainable Future



Jing An Kerry Centre

First Property in Asia

Achieved both
LEED Zero Carbon and
LEED Zero Waste Certifications

First Property in the Mainland

Achieved LEED Zero Carbon Certification



- ❖ 15% less operational energy consumption as compared to the average of global office buildings
- ❖ Removed excessive decorative lighting fixtures based on the lighting demand assessment
- ❖ Adopted high-performance chillers and variable frequency drives for fans and water pumps
- ❖ Devotedly implemented multiple energy-saving measures before utilising Renewable Energy Certificates (“RECs”) to offset the remaining carbon emissions for both landlord and tenant spaces



91%

Properties obtained sustainable building certifications



95%

Major mixed-use developments achieved 3-STAR/GOLD or above sustainable building certifications

* Data covers our owned and managed investment properties in Hong Kong and the Mainland.



WELL at Scale Programme

We have participated in WELL at Scale for two years, and in 2023 we expanded this programme to most of our mixed-use developments. This strategic move aligns with our commitment to sustainability as well as occupants’ health and well-being, ensuring that WELL principles are deeply integrated into the life cycle of each property. Notably, KPL has received the WELL at Scale Award: Regional WELL Leadership Award – Asia for two consecutive years.

Sustainable Building Certifications Obtained in 2023



BEAM Plus New Buildings V2.0 Provisional Silver

- ❖ Shap Pat Heung Development Project (39 Shap Pat Heung Road, Yuen Long, Hong Kong)
- ❖ Shap Pat Heung Development Project (111 Tai Tong Road, Yuen Long, Hong Kong)



LEED for Building Design and Construction Platinum

- ❖ Kerry Everbright City Phase I – The Lightbox, Shanghai
 - ❖ Qianhai Kerry Centre Phase II, Shenzhen
- Gold**
- ❖ Fuzhou Rivercity



LEED Communities Platinum

- ❖ Beijing Kerry Centre
 - ❖ Shanghai Huangpu Jinling Road Mixed-Use Development
- Gold**
- ❖ Fuzhou Rivercity



LEED for Operations and Maintenance Platinum

- ❖ Hong Kong Kerry Centre



WELL Core Certification Platinum

- ❖ Enterprise Square Five, Hong Kong
 - ❖ Kerry Everbright City Phase I – The Lightbox, Shanghai
- Gold**
- ❖ Qianhai Kerry Centre Phase II, Shenzhen
- Precertification**
- ❖ Zhengzhou Mixed-Use Development



LEED Zero Carbon

- ❖ Jing An Kerry Centre, Shanghai



WELL Community Precertification

- ❖ Shanghai Huangpu Jinling Road Mixed-Use Development



WiredScore Platinum

- ❖ Hong Kong Kerry Centre
- Gold**
- ❖ Enterprise Square Five, Hong Kong

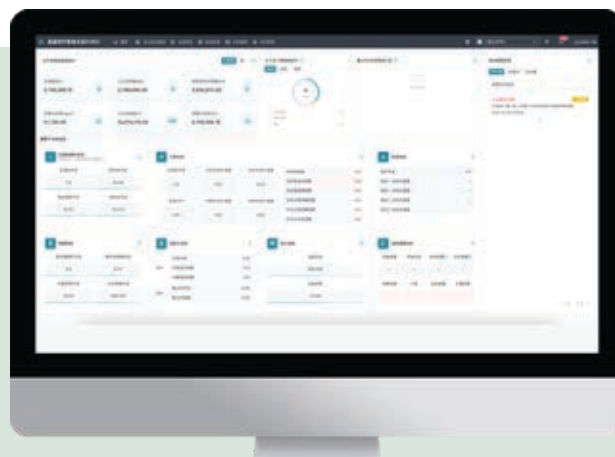


Parksmart Pioneer

- ❖ Pudong Kerry Parkside, Shanghai

All-in-One Control System for Building Management

- ❖ Our Kerry Building Integrated System combines Internet of Things ("IoT"), cloud, smart meters and AI technologies to optimise building functions and enable better monitoring and decision-making throughout building life cycle, which improves building maintenance interventions and operational efficiency
- ❖ For more details on building technology advancements, please refer to ["Technology Integration into Business" on page 73](#)



CASE STUDY

Building Sustainable Communities



KPL puts great emphasis on human well-being and is always dedicated to creating a harmonious and healthy community by aligning the practices in place design, planning, and operation phase with the standard of LEED for Cities and Communities.

With our unwavering dedication, several of our properties have obtained LEED for Cities and Communities, including Beijing Kerry Centre, Fuzhou Rivercity, Shanghai Kerry Everbright City Phase III, and Shanghai Huangpu Jinling Road Mixed-Use Development. Below we present Fuzhou Rivercity and Beijing Kerry Centre as case studies.



Fuzhou Rivercity

Fuzhou Rivercity

In 2023, Fuzhou Rivercity was awarded the LEED for Cities and Communities: Plan and Design (v4.1) – Gold Certification. This distinction places it among a selected group of newly developed global community projects to receive this honour, making it the first in Fujian Province to achieve such certification.



Fuzhou Rivercity

Key Planning and Design Features



Green Space

- ❖ Surrounded by natural landscape of Sanjiangkou Ecological Park, Sanjiangkou Botanical Garden, and the Min River in Fujian
- ❖ Over 20,000 m² lush parkland



Sponge City

- ❖ Sponge city techniques applied, such as setting sunken green spaces, permeable pavement, and rain gardens for drainage
- ❖ Over 90% of rainwater runoff managed with the measures above



Energy Efficiency and Low Carbon

- ❖ Installed ultra-high-performance mechanical and electrical equipment in office and commercial spaces
- ❖ Applied green and energy-efficient designs to reduce energy consumption and GHG emissions



Multidimensional Interconnectivity

- ❖ Terraced building blocks design applied to various business types
- ❖ More shaded terraces and landscape
- ❖ Improved walking experience in the community

Beijing Kerry Centre

Beijing Kerry Centre has achieved the prestigious LEED for Cities and Communities – Platinum Certification, making it the first commercial complex in Beijing to attain this esteemed recognition. This certification marks a significant milestone in our pursuit of sustainable development and demonstrates our commitment to creating green, intelligent, and liveable communities.



Beijing Kerry Centre



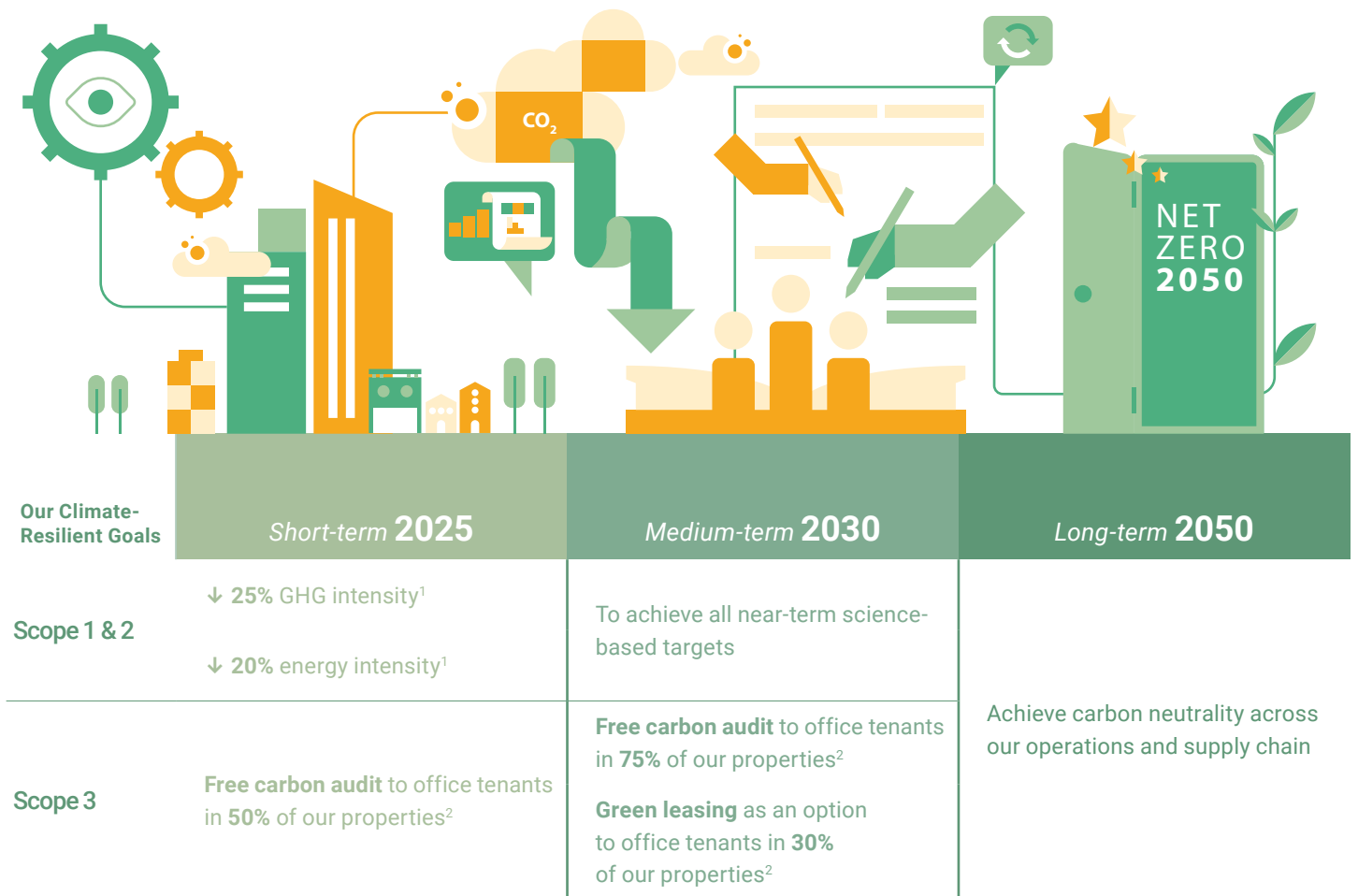
Key Initiatives to Promote Sustainable Development

- ❖ Implementation focused on “environment”, “employees”, “community” and “value chain”
- ❖ Establishment of a social platform for tenants and partners to invigorate the community
- ❖ Collaboration with consumers, partners, and stakeholders to promote social welfare and sustainable environmental development

TACKLING CLIMATE CHANGE

Commitment to Carbon Neutrality

We have made significant strides in our commitment to environmental sustainability by establishing the carbon neutrality target and developing a comprehensive decarbonisation roadmap. As part of this strategic initiative, we have successfully completed the initial phase, which involved setting **short-, medium- and long-term** timeframes. The set timeframes allow us to further develop detailed targets and actions.



In 2023, we are committed to the Science Based Targets initiative (“SBTi”) to establish ambitious GHG emission reduction and net-zero targets, aligning with the Paris Agreement’s aim to limit global warming to 1.5°C and to achieve carbon neutrality by 2050. Currently, our targets submitted are undergoing validation by SBTi.

As we formulate our reduction targets, we have conducted a comprehensive analysis of our major property developments

and management operations in Hong Kong and the Mainland. Throughout this process, we have worked closely with our stakeholders across the value chain. To achieve our targets, we have adopted innovative construction methods and incorporated technological advancements, such as enhancing energy management and building management systems.

1. As compared with 2017.

2. Refers to our owned and managed commercial properties only.

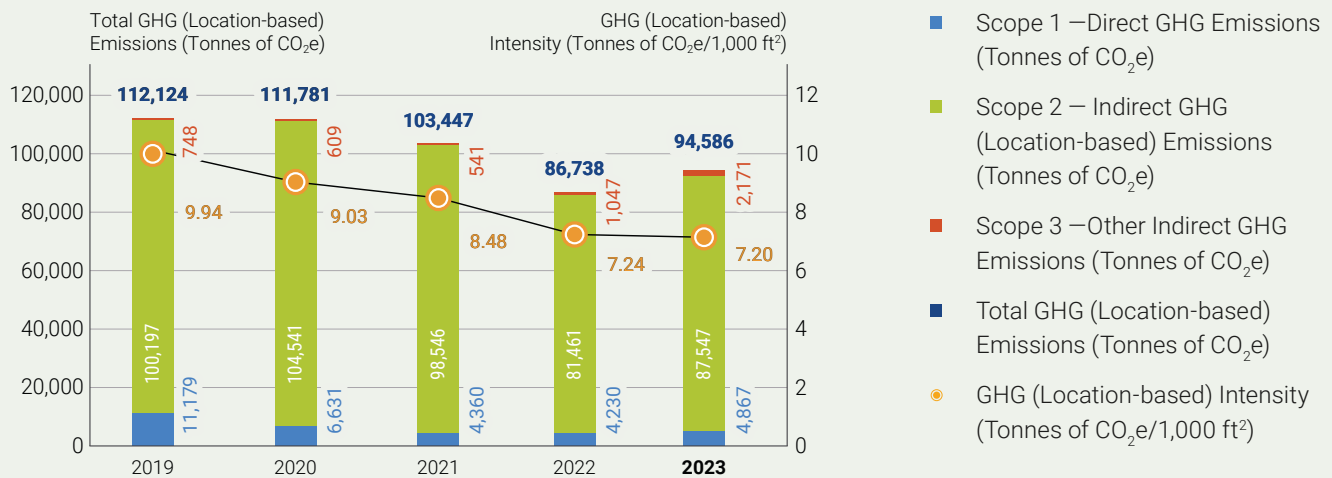
Approach to Decarbonisation

Carbon Emission and Energy Consumption Performance

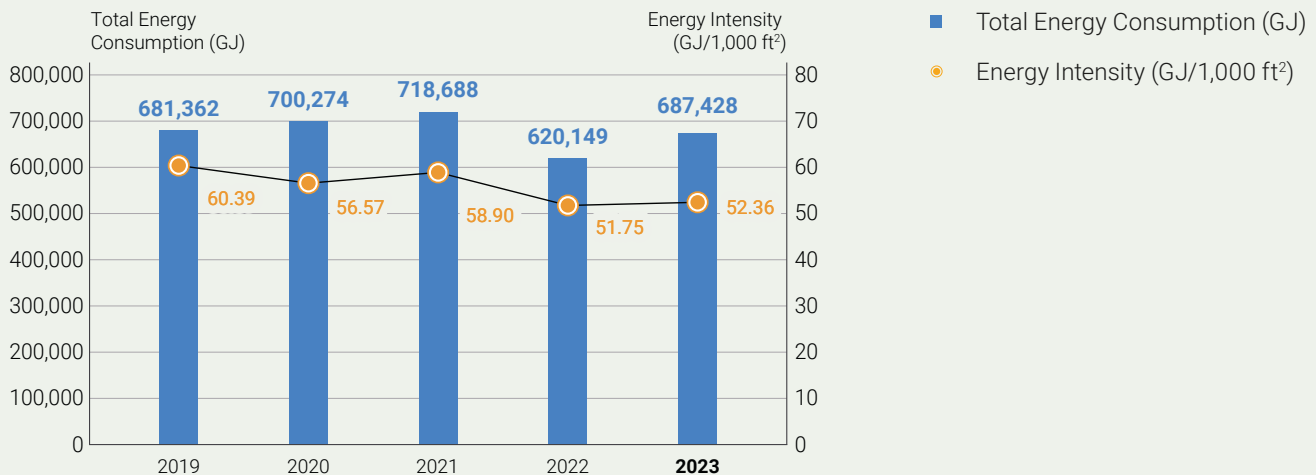
We strive to control our carbon emissions by implementing various energy-saving measures. Compared to 2019, a remarkable reduction has been achieved.

GHG Emissions and Energy Consumption Performance¹ in Hong Kong and the Mainland

GHG Emissions Summary



Energy Consumption Summary

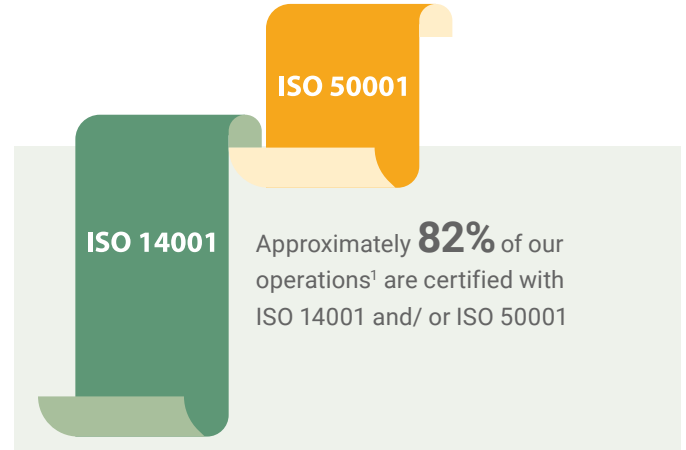


1. Data covers our owned and managed investment properties in Hong Kong and the Mainland.

Environmental and Energy Management System

An effective Environmental Management System (“EMS”) and Energy Management System (“EnMS”) have been implemented across our business, which enabled us to manage our environmental impact and risks more effectively, track performance, and achieve our sustainability goals.

Our EMS and EnMS are certified to the ISO 14001 Environmental Management System and ISO 50001 Energy Management System standards, ensuring compliance with and exceeding regulatory requirements while driving continuous improvement in environmental and energy performance. Our goal is to cultivate a culture of environmental responsibility among our employees, suppliers, and business partners. This includes providing regular training and education on incorporating environmental considerations into our decision-making process, promoting effective sustainable operations, and minimising environmental risks.



1. Calculated based on gross floor area. Data covers our owned and managed investment properties in Hong Kong and the Mainland.

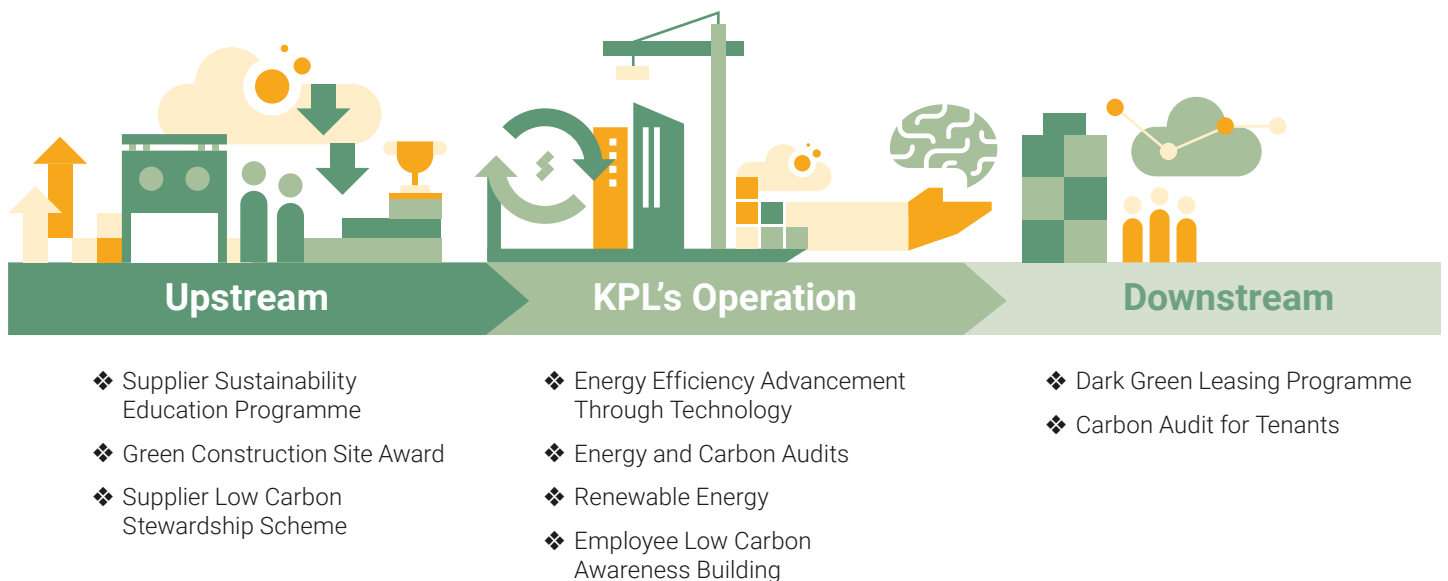
Data Management System

A digital data platform has been implemented for environmental data collection and performance tracking, which ensures comprehensive coverage across our managed properties. Furthermore, the Group’s internal audit team has conducted verification of selected environmental data, which covers 85% of the total GFA of investment properties owned and managed by KPL, as reported in this Report.

To validate the reliability of our environmental data, such as GHG emissions and energy consumption, we engaged independent external consultants for carbon audits and energy audits. This third-party verification serves as a critical step in validating our internal findings, ensuring that the figures we report are accurate and credible.

Strategic Measures to Carbon Neutrality

A series of initiatives aimed at minimising carbon emissions have been implemented across our value chain, business sectors, and among our stakeholders. We have focused on reducing our environmental impact through a range of innovative measures, spanning from physical infrastructure to digital solutions.



Operational Energy Consumption and GHG Emission Reduction

Energy Efficiency Advancements Through Technology

Kerry Properties recognises the importance of embracing advancements in energy efficiency through technology. By leveraging innovative solutions, the Group aims to achieve environmentally responsible operations and reduce environmental footprint, while maximising energy efficiency and optimising resources utilisation.



Cooling Fan Modification

Kerry Parkside, Shanghai

We gradually replaced air handling units (AHUs) and pre-cooling air units (PAUs) driven by belt-driven motors with those equipped with direct current motors, which offer higher energy efficiency.

- ❖ Estimated electricity saved in 2023:
45,625 kWh
- ❖ Avoiding **26,006 kg** of CO₂ equivalent GHG emissions



Lighting System Upgrade

All Regions

The lighting systems at our properties in the Mainland and Hong Kong were upgraded by replacing traditional luminaires with LED lights and sensor lights.

- ❖ Estimated electricity saved per year:
547,953 kWh
- ❖ Avoiding **296,980 kg** of CO₂ equivalent GHG emissions



Skylight Film Coating

Tianjin Kerry Centre Riverview Place

A special film was applied to the surface of the skylight to enhance energy efficiency, block UV rays, and reduce glare.

- ❖ Estimated electricity saved per year:
78,000 kWh
- ❖ Avoiding **44,460 kg** of CO₂ equivalent GHG emissions



District Cooling

Qianhai Kerry Centre, Shenzhen

Enhanced energy efficiency through the adoption of centralised cooling, as opposed to using individual air conditioning units in each building.

- ❖ Reducing energy consumption and lowering greenhouse gas emissions
- ❖ Helping to alleviate the urban heat island effect



Smart Lift Systems

Major Mixed-Use Developments in the Mainland

By adopting IoT technology and mobile applications, the smart lift system can categorise all lift trip requests into high and low levels based on the location and destination of each resident in real-time.

- ❖ Enabling our lift systems to transport residents to their desired floors with fewer stops
- ❖ Optimising the number of trips and saving electricity

Group-wide Carbon Audit and Energy Audits

In 2023, we conducted carbon audits for 100% of our managed investment properties in Hong Kong and the Mainland with on-site visits and evaluation. We employed a comprehensive whole-building analysis approach, and it allows us to evaluate our overall building performance. The findings help identify carbon reduction opportunities, which can guide our ongoing efforts in GHG emission reduction and support our future target setting.

In addition, regular energy audits are conducted in our existing properties to monitor energy consumption patterns. Through on-site evaluation and cost-benefit analysis, we can explore viable opportunities for enhancing energy efficiency at our properties in Hong Kong.

Renewable Energy

At Kerry Properties, we embrace the practicality of adopting renewable energy, particularly in our new developments. For properties with limitations in installing solar photovoltaic systems, we actively source renewable energy opportunities.

On-site Renewable Energy Generation

Properties	Area of Solar Panel (ft ²)	Renewable Electricity Generated (kWh)	
		2023	2022
Qianhai Kerry Centre, Shenzhen	10,226	166,898	178,920
Kerry Everbright City Phase I, Shanghai	1,854	36,724	38,224
Enterprise Square Five, Hong Kong	1,700	32,868	33,153
Hong Kong Kerry Centre	620	9,427	10,081

Renewable Energy Certificates

Properties	Renewable Electricity Purchased (kWh)	
	2023	2022
Jing An Kerry Centre, Shanghai	40,500,000	25,000,000
Kerry Parkside, Shanghai	16,591,000	14,641,000
Kerry Everbright City Phase III, Shanghai	12,530,000	12,000,000



Solar panels installed on the rooftop of Hong Kong Kerry Centre

Building Employees' Low Carbon Awareness

Fostering a culture of environmental awareness and responsibility among our employees, we have implemented a range of initiatives and programmes focused on sustainability education and engagement.



4-Colour Biz-Green Outfit Social Challenge 2023

Hong Kong Kerry Centre



Kerry STH. GREEN

Hangzhou Kerry Centre



Nanshan Energy Ecological Park Visit

Shenzhen

Climate Fresk Workshop

Hong Kong Kerry Centre

In 2023, we conducted two half-day training workshops of Climate Fresk for our employees in Hong Kong, aimed at raising their awareness and understanding of climate change through a science-based card game.

Climate Fresk is designed to enable participants to visualise and comprehend the complex interrelationships and feedback loops that characterise the earth's climate system.

A total of **30 participants** took part in our Climate Fresk workshops in 2023. Based on the positive feedback obtained in Hong Kong, we are going to expand the Climate Fresk workshop to the Mainland by organising three more sessions in 2024.

Amplifying our decarbonisation effort, we also provided a free venue to host Climate Fresk workshops for the public in Kerry Everbright City Phase I – The Lightbox in Shanghai.



Value Chain Emission Reduction

We are acutely aware of our environmental footprint, particularly concerning our indirect emissions along the value chain. Such emissions, resulting from activities of tenants, construction materials and suppliers, pose unique challenges in both data collection and reduction.

Collecting accurate and comprehensive data of Scope 3 GHG emissions is a complicated and challenging task, as it is hindered by the varying capabilities and reporting standards of our partners, as well as the lack of direct control over these emissions sources.

Furthermore, reducing these emissions poses additional difficulties as it requires extensive collaboration with suppliers, tenants, and other stakeholders, as well as the integration of innovative and sustainable practices throughout the life cycle of our properties. Despite these obstacles, we are focused on improving our data collection process and fostering a collaborative environment in which all parties are aligned in the pursuit of environmental sustainability.

Tenant Engagement

The Group recognises that achieving carbon neutrality requires collaboration with our tenants. With this in mind, we have introduced the Dark Green Leasing Programme and Carbon Accounting Scheme for tenants, underlining our commitment to collaborative and sustainable progress in property management.

Scope 3 GHG Emissions that are Material to Our Businesses

<p>Category 13 - downstream leased assets</p>	<p>Due to the business nature and operational mode, the energy utility data of the leasing areas of our properties in the Mainland are readily available to us.</p> <p>In Hong Kong, where data collection poses more challenges, we have launched several initiatives to enhance data-related collaboration between Kerry Properties and its tenants, such as Carbon Accounting Scheme and Dark Green Leasing Programme.</p>	<p>107,371 tonnes of CO₂e (The Mainland) (Location-based)</p>
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Carbon Audit for Tenants

Tenant emissions constitute a significant portion of our downstream emissions. To tackle this, we introduced a Carbon Accounting Pilot Programme in 2022 that offers free carbon audits to tenants.

The programme aims to:

- ❖ Enhance better understanding of emission distribution among tenants;
- ❖ Promote comprehensive environmental stewardship; and
- ❖ Guide tenants towards adopting more sustainable practices

Encouraged by the success of the pilot programme, we extended its reach to include more properties in the Mainland. In 2023, we welcomed four new tenant participants.

In concert with these initiatives, we are formulating a company-wide guideline for carbon auditing for tenants to standardise our approach in audit boundary and data handling. It can also help us in unifying our understanding of carbon emissions from leasing areas in different operating regions.



Kerry Everbright City Phase III, Shanghai

Dark Green Leasing Programme

KPL has successfully implemented dark green leasing practices, incorporating lease clauses with an environmental focus that incentivise tenants to reduce their carbon and water footprints. These clauses foster a collaborative partnership between KPL and its tenants, sharing a commitment to environmental stewardship. Tenants achieving year-on-year measurable reductions in energy consumption are rewarded with financial incentives. In 2023, the Group signed dark green leasing clauses with two office tenants in Enterprise Square Five, Hong Kong.

Sustainable Fitting Out Guideline

To support this initiative, KPL has devised a Sustainable Fitting Out Guideline (Office) for our tenants on use of energy-efficient systems and eco-friendly materials during fit-out and renovation periods, with a focus on minimising environmental impacts and enhancing people's well-being. KPL has formed a dedicated professional team of green building ambassadors to provide necessary technical guidance.



Enterprise Square Five, Hong Kong

Supplier and Contractor Engagement

Given that a significant portion of our Scope 3 GHG emissions is attributable to our suppliers and contractors, we have proactively introduced a supplier capacity-building training, designed to enhance our partners' understanding and management of carbon emissions. Alongside these educational efforts, we have also implemented a supplier low carbon stewardship scheme that serves as an incentive for sustainable practices within our supply chain.

These initiatives reflect our proactive engagement with our partners, as we seek to extend the reach of our environmental commitment and drive collective action towards significant reduction of emissions across our operations.

Supplier Low Carbon Stewardship Scheme

22 suppliers in Hong Kong have joined our new Supplier Low Carbon Stewardship Scheme to demonstrate our collaborations towards carbon neutrality.

The scheme has four major objectives:

Empowerment: Equipping our suppliers and vendors with essential tools and insights to precisely quantify their carbon emissions.

Collaboration: Engaging our business partners in concerted emission reduction initiatives, nurturing a collective resolve to combat climate change.

Integration: Embedding carbon considerations into our procurement strategies and vendor evaluation criteria,

fostering a supply chain that is attuned to lower carbon footprints.

Transparency: Delivering clear carbon footprint disclosures to our stakeholders, affirming KPL's commitment to climate action leadership throughout our operations.

As a result of this initiative, we not only position ourselves as a responsible corporate entity but also as a catalyst for driving widespread environmental change within our industry.

Supplier Sustainability Awareness Enhancement Initiatives

To foster greater engagement with our suppliers and contractors in sustainability practices, we have launched a series of awareness enhancement initiatives, such as the Supplier Sustainability Education Programme and the Green Construction Site Award. Please click to read more in related chapters.

❖ [Supplier Sustainability Education Programme](#)

❖ [Green Construction Site Award](#)



Launching Ceremony of Supplier Low Carbon Stewardship Scheme, Hong Kong

PROTECTING ECOSYSTEM AND BIODIVERSITY

As a real estate developer, we are aware of our duty to minimise the negative environmental impacts resulting from our operations and to fulfil the requirements and expectations of our key stakeholders.

Our Biodiversity Policy governs our current practices through a clear set of principles that provide a framework for integrating biodiversity considerations into all aspects of our operations.

Nature is gaining increased attention this year due to the emergence

of a framework for nature-related risk management and disclosure requirements released by the Taskforce on Nature-related Financial Disclosures (“**TNFD**”). We have begun assessing the impact of our business on nature and our dependence on it, in light of growing concerns about biodiversity loss and climate change. This includes evaluating nature-related risks and opportunities using the TNFD LEAP Nature Risk Assessment approach, ENCORE Biodiversity Module, and WWF Risk Filter Suite.

Biodiversity Risk Assessment

Though most of our portfolio is located in urban areas where biodiversity concerns are less pronounced, we have taken a proactive step this year by hiring an external consultant to perform a biodiversity risk assessment on our property development

projects. This assessment helps us understand the potential negative impacts of our business activities on ecosystems and their diverse life forms. With this understanding, we can enhance our environmental planning for future projects.

Scoping	Our assessment is particularly focused on 20 ongoing property development projects in Hong Kong and the Mainland.
Prioritising sites	Using a priority-setting approach and project life cycle analysis, we evaluated how our development activities intersect with ecosystems at stages from design to building management. The sites were then ranked based on their ecological interactions and impacts and categorised into three tiers based on their conservation importance. 10 sites have been classified as first priority, 8 as second priority, and 2 as the lowest priority.
Risk Identification and Evaluation	A detailed assessment of biodiversity risks was conducted, examining both physical and reputational factors, and distinguishing between dependencies and impacts. A total of 33 risk indicators were identified. More than 50% of the site locations were classified as high-level risks. However, risk exposure varied across the sites, and when viewed collectively, the sites’ risk exposure is generally considered low to moderate since only 11 of the total 28 risks were categorised as high-level at the most vulnerable locations.
Mitigation and Management	We have worked with key departments to evaluate and apply suitable mitigation and management strategies for biodiversity. Tailored plans covering tree, water, land use, protected areas, and pollution have been established. To counter identified risks, we proactively apply the Mitigation Hierarchy—Avoid, Reduce, Regenerate, Restore, and Transform—across our operations and the entire value chain.
Monitoring and Reporting	A systematic monitoring system was established to ensure the mitigation measures are effectively adopted.

Studying Biodiversity in Shanghai Jinling Road

To gain a better understanding of the biodiversity in the vicinity of our Shanghai Huangpu Jinling Road Mixed-Use Development, we commissioned an external consultant to assess the existing biodiversity within the construction area. This approach encompassed careful observation, data collection, and analysis to ensure an accurate representation of the biodiversity in the project vicinity.

The survey findings indicated that the construction area had limited biodiversity, with minimal presence of significant flora, fauna, or water bodies. In response to these findings, we proposed remediation plans aimed at restoring and enhancing biodiversity in and around the construction area.



Raising Stakeholders' Biodiversity Protection Awareness

KPL is aware of the importance of biodiversity and has been actively organising initiatives to raise stakeholder awareness about biodiversity, promoting responsible practices for environmental conservation and the preservation of natural ecosystems.



Bird Exploration Family Day

Qinhuangdao

In 2023, HABITAT, our property development in Qinhuangdao, organised the "Bird Exploration Family Day" in collaboration with the Qinhuangdao Beidaihe Bird Rehabilitation Centre and Baitaling District Haibitai Community, offering **27 families** a hands-on experience in bird conservation. Through interactive activities and educational sessions, children learned about the importance of bird protection and environmental conservation. By engaging children in fun-filled, bird-focused activities, the event successfully conveyed the message that environmental care and bird protection are integral to our well-being and the world around us.



Night Observation of Insects

Hangzhou

An opportunity to explore the fascinating world of insects and their activities during nighttime



BEEing Extinct Sharing

Hong Kong Kerry Centre

A talk on the importance of bees and their crucial role in our environment

A Trip for Animal Lovers for Residents

Hong Kong

A workshop designed for residents to learn about animal behavior and gain knowledge about animal protection

EFFICIENT RESOURCES MANAGEMENT

Resource Circularity

We adhere to the principles of “4Rs” (Reduce, Reuse, Recycle, Replace) and circularity throughout the entire value chain when crafting our waste management strategies. For data monitoring, we track waste generation across the value chain via an online platform on a monthly basis. This allows us to evaluate our facility performance and the effectiveness of our waste-related strategies. For proper waste treatment, all waste is managed by licensed contractors, and qualification reviews are conducted regularly. With all efforts in waste management, our properties including

Jing An Kerry Centre and Beijing Kerry Centre have been verified by LEED Zero Waste.

Additionally, in line with our waste reduction efforts, we have implemented a Green Procurement Policy that prioritises environmentally friendly products, materials, and suppliers. This policy emphasises items with eco-friendly attributes, enabling us to contribute to a more sustainable supply chain while reducing waste.

Waste Generation and Disposal Statistics

To alleviate landfill strain and increase waste diversion rates, we have installed recycling facilities in our shopping malls, offices, and residential properties, enabling the collection and treatment of recyclable materials such as plastics, paper, and metal, further promoting our goal of effective waste management practices.

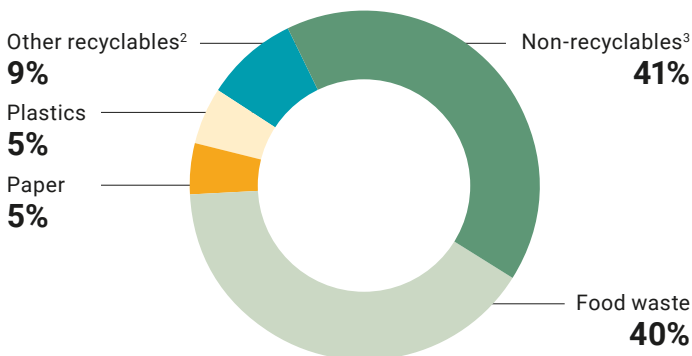
Monitor Waste Data on the KERRY+ Platform

Empowered by IoT technology, KPL achieved waste data monitoring on its intelligent service platform – KERRY+. All registered customers, tenants, and staff are accessible to the platform and data, which enables higher data transparency and provides a basis for stakeholder collaborations on waste reduction.

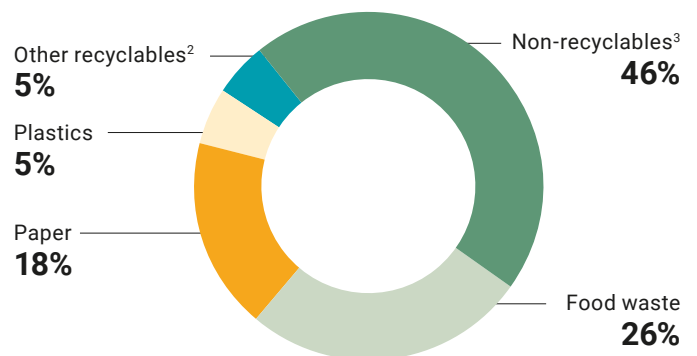


An Overview¹ of Waste Composition by Building Types

Residential Buildings



Office Buildings



1. Data generated from our waste audit in Hong Kong.
 2. Other recyclables include metals, glass bottles, tetra-paks, etc.
 3. Non-recyclables include waste tissues, multi-layered paper materials and other non-recyclable general waste.

Food waste was identified as the most significant kind of waste. As a result, we have developed targeted strategies aimed at reducing food waste to minimise our overall waste footprint.

Food Waste Management

In our efforts to prevent food wastage, we have implemented stringent food waste management practices. This includes installing more food waste collection bins in an increasing number of properties and upgrading our food waste processors. In pantries, we also display signs reminding employees to avoid food waste and adopt more environmentally responsible behaviours. Besides, we have initiated a pilot partnership with food and beverage industry tenants in some of our properties to separate and handle food waste.

In addition, we actively forged partnerships with several NGOs to collect surplus food from residents and tenants. Through ongoing education and awareness campaigns, KPL aims to promote a culture of mindful consumption and waste reduction, further reinforcing our commitment to sustainable practices.

Black Soldier Flies at Mid-levels Residential Properties

Hong Kong

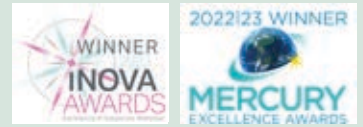
An award-winning eight-month trial programme of Black Soldier Fly ("BSF") Food Waste Recycling was conducted at our Mid-levels portfolio. Such initiative allowed us to divert over **600 kg of food waste** from landfills.

BSF is an insect that originates from tropical and warm temperate regions. Its larvae are capable of efficiently digesting organic food waste. The mature BSF larvae and their nutrient-rich frass have been used as fertiliser for gardening and as food for local fish farms, additionally, some were used as fish food in an aquaponics system for Chinese medicine research purpose.

Over 40 participants engaged in **more than 160 hours** covering educational workshops and guided tour on BSF food waste recycling, and overwhelmingly positive comments were received from them.

"I will continue to recycle food waste on a daily basis."

Tour Participant, Resident of Tavistock II
Hong Kong



The programme was recognised with international awards



Watch more about the programme

Smart Recycling Bins

Hong Kong

As a responsible developer, we actively participated in the scheme of Supporting Residential Buildings in Adopting Smart Bins Technology in Food Waste Collection and Recycling and installed food waste smart recycling bins in our residential properties to collect domestic food waste. The collected food waste shall be transported to Organic Resources Recovery Centre Phase 1 (O-PARK 1) where they will be transformed into energy and compost.

Besides, we also engaged with government departments' education and promotion schemes to provide food waste recycling-related trainings for our employees and residents of properties in Hong Kong.



Training for F&B Tenants

Beijing

We actively build partnership with tenants of food and beverage industry to separate and handle the food waste responsibly and efficiently. For example, in Beijing, we provide training sessions and guidelines of garbage sorting to the food and beverage tenants before their businesses open. Besides, the inspection and supervision on the waste treatment in the kitchens are also conducted on a monthly basis.



Waste Reduction Initiatives

In our commitment to sustainability, we have implemented comprehensive waste reduction initiatives across our operations. These efforts align with our dedication to environmental responsibility and aim to minimise waste generation, promote recycling, and encourage sustainable practices.

Property Management

In addition to providing recycling bins on our premises, we encourage tenants to participate in various recycling initiatives. As we gradually resume normal business operations after the pandemic, we aim to strengthen our efforts in promoting recycling practices, particularly in anticipation of the upcoming implementation of the government’s municipal waste charging scheme.

Enhancing Awareness of Staff

Understanding the Life Cycle of E-waste Hong Kong

KPL organised a site visit to WEEE · PARK, offering employees and their family an opportunity to gain first-hand insight into the treatment and recycling process of Waste Electrical and Electronic Equipment (WEEE). This initiative aimed to enhance employees’ understanding of sustainable waste management practices and further emphasise our commitment to environmental responsibility.



Waste Management Training Programme Hong Kong

In preparation for the upcoming Municipal Solid Waste Charging Ordinance in Hong Kong, we launched a Green Property Management Campaign, providing a specialised waste management training programme for our building management personnel. This programme aims to enhance the waste disposal management skills and mindset of our property management team, positioning them as leaders in Hong Kong’s property management sector in waste reduction, recycling, and resource reuse.



Driving Waste Reduction Through Upcycling and Engagement

Christmas Decoration

Sticking to the principle of circularity, we tried our best to incorporate recycled materials in festival and event settings and decorations.

- ❖ At Beijing Kerry Centre, we partnered with BOTTLOOP, a brand specialising in resource recycling and upcycling, to create a Christmas tree and decorations using solid waste collected from our tenants, avoiding approximately **10,250 kg of CO₂ emissions** from waste disposal.
- ❖ At Hong Kong Kerry Centre, we adopted approximately **200 kg of recycled bamboo** sourced from scaffolding in the Christmas tree and decorations.



Hong Kong Kerry Centre



Beijing Kerry Centre



24/7 Smart Self-service Refill Station Installed to Support "Shop Naked"

Dragons Range, Hong Kong



Decluttering and Simple Lifestyle Workshop

Hong Kong Kerry Centre



Waste Plastic Sorting Campaign

Shenzhen Kerry Plaza



Waste Recycling Station

Kerry Everbright City Phase III, Shanghai

Property Development

We prioritise resource efficiency from the outset, meticulously managing resources during the planning and design phases to optimise their use before construction begins. This approach sets a solid foundation for encouraging building contractors to minimise resource wastage during construction.

To effectively control and reduce waste from construction sites, we employ a range of management approaches focused on diverting waste from landfill disposal.

Waste Management Plan

We have established comprehensive waste management plans for our construction projects in the Mainland and Hong Kong, with a particular emphasis on effective waste management during the demolition stage. These plans prioritise waste reduction, recycling, and responsible disposal to minimise the environmental impact of the whole building life cycle.

Waste recycling programme has been implemented at **100% of construction sites** in the Mainland and Hong Kong.



Waste Reduction Target



We have set waste recycling target for our Hong Kong construction sites. Building contractors are required to meet a minimum construction and demolition (“**C&D**”) waste recycling threshold of **60%**.

To ensure compliance, we diligently oversee their waste management efforts using a tracking system. Moreover, as an incentive for higher levels of recycling, building contractors who reach **70% C&D recycling rate** can receive rewards for their environmental stewardship.

Education and Guidelines

To ensure effective waste management practices, we enforce waste management policies and guidelines for our construction projects in the Mainland and Hong Kong. We also conduct educational sessions to ensure building contractors and workers are well-informed and equipped to implement these practices.



Practices and Measures



Recycling Materials

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

Repurposing Practices

- ❖ Reuse excavated soil for on-site backfilling
- ❖ Utilise residual concrete for gap filling on steel platform to avoid tripping hazard

Reducing Construction Waste with Virtual Reality Technology

Hill Road Court Redevelopment Project, Hong Kong

By replacing traditional practices that rely on physical models with virtual mock-up technology, construction waste can be highly reduced. Our proposed residential property development project in Sai Ying Pun, Hong Kong avoided a total of **18 tonnes solid waste** with the aid of this technology.



Water Management

Effective water management is crucial for sustainable business operations as it involves understanding water consumption patterns, associated risks, and implementing proper water management measures. KPL's Water Stewardship Policy reflects our dedication to conscientious water use and the implementation of strategic water management across our operations. This policy, meticulously overseen and periodically reassessed by our Sustainability Steering Committee, is serving as inspiration for stakeholders—employees, contractors, and suppliers—to minimise water waste, ensuring environmental stewardship and operational resilience.

Water Consumption and Risk Assessment

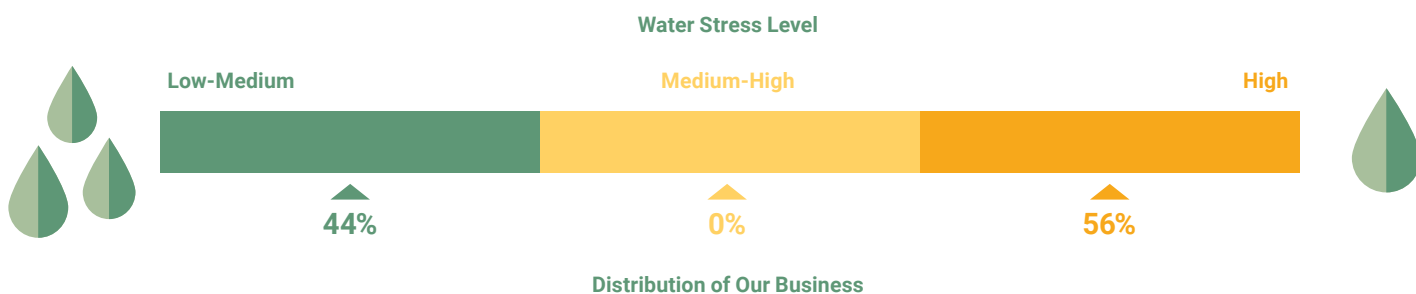
After adopting a range of water-saving initiatives in 2023, we observed a significant reduction in water usage. We remain committed to identifying and pursuing further measures to enhance our water efficiency.

Assessment on Water-related Risk

We conducted a water stress assessment in 2023 using World Resources Institute's ("WRI") Aqueduct tool, an assessment tool based on the WRI's Aqueduct Water Risk Atlas. This assessment considered various parameters, including future water quantities, risks related to water quality, and potential regulatory changes at the local level, to ensure a comprehensive result.

The majority of our own operations and existing buildings, including offices, retail spaces, and residential properties, underwent assessment. The findings revealed that over 50% of these facilities were located in water-stressed areas.

Baseline Water Stress and Risk Analysis



* Data covers our owned and managed investment properties in Hong Kong and the Mainland.

While some of our properties are situated in water-stressed areas, we have not encountered any challenges in sourcing water, even from municipal supplies that provide freshwater. Furthermore, we recognise our responsibility to conserve water resources and remain committed to implementing various strategies to enhance water efficiency and reduce consumption at our properties.

Water Management Measures

Measures in Wastewater Discharge

KPL ensures compliance with local regulations for the discharge of treated wastewater by conducting wastewater treatment and water quality testing. Regular monitoring of wastewater discharge is performed, with operational adjustments made as necessary.

The following measures were introduced to reduce the impact of wastewater discharge to the municipal drainage system:

- Install sedimentation tanks at construction sites to remove solids from wastewater before discharge, thereby improving wastewater quality;
- Conduct monthly HOKLAS laboratory test on effluent discharge and require building contractors to carry out weekly visual check on turbidity and pH tests;
- Conduct water test before discharging the swimming pool water to make sure the residual chlorine concentration meets the effluent criteria;
- Install grease traps to prevent grease from food and beverage facilities from flowing directly into public sewage, and have them cleaned regularly by professional contractors

Eco-friendly Natural Hand Cleanser Tablet Workshop

Hong Kong Kerry Centre

As part of our ongoing commitment to sustainability and responsible water management, we organised an Eco-friendly Natural Hand Cleanser Tablet Workshop for our employees. The workshop raised awareness about plastic and chemical pollution in the context of virus prevention, emphasising the importance of minimising toxic chemicals contaminating the water discharged. Participants gained insight into hand wash ingredients and learned how to create tailor-made eco-friendly hand cleanser tablets, promoting both personal hygiene and environmental responsibility.



Measures in Freshwater Saving

In recent years, the rise in extreme weather events such as droughts and heavy rainfall has been attributed to climate change. As a result, effective water resource management has become increasingly critical in the regions where we operate. KPL places significant emphasis on implementing water reduction measures and recognises the inherent value of water resources.

KPL has conducted the water use assessment to identify opportunities for water conservation. The following initiatives have been implemented to minimise water consumption and improve water efficiency:

Property Development

- ❖ Provide incentives to building contractors who recycle and reuse more than 30% of their wastewater
- ❖ Establish project-specific water consumption quotas
- ❖ Utilise treated wastewater for wheel washing

Property Management

- ❖ Set water reduction targets
- ❖ Join the "Let's Save 10L Water 2.0" campaign to encourage water conservation
- ❖ Ensure optimal flow rates by installing sanitary wares labelled with the Water Efficiency Labelling Scheme
- ❖ Install water recycling systems to collect and reuse rainwater
- ❖ Regularly inspect and maintain water pumps and pipes to prevent leaks
- ❖ Provide employee training on water efficiency and consumption reduction

Let's Save 10L Water 2.0

In support of "Let's Save 10L Water 2.0" campaign launched by the Water Supplies Department, the Government of the Hong Kong Special Administrative Region, KPL actively participated in the Flow Controller Installation Programme and assisted registered households in installing flow controllers free of charge. Besides, KPL also installed flow controllers in common facilities such as the washrooms at clubhouses or management offices to promote water saving.



PUTTING PEOPLE FIRST

Creating "People-first Places" for Our Stakeholders



Key Highlights

Through a series of sports and fitness engagement events in 2023 – notably the HONG KONG STREETATHON, our annual Step Challenge, and various activities held in the properties we operate – we promote well-being of the community.

To further prioritise health and safety for our stakeholders, over 70% of our properties obtained WELL certifications.

Megatrends

Wellness

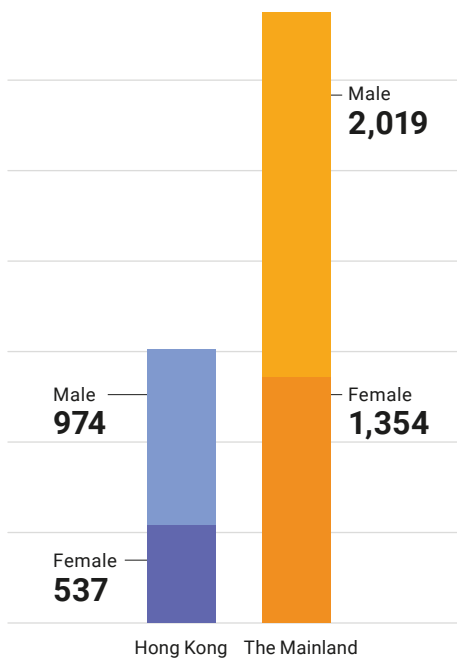
As health and well-being take centre stage, tenants, employees, and investors seek spaces that prioritise holistic wellness. Embedding wellness initiatives into our operation fosters healthier communities, boosts property value, and enhances tenant satisfaction, thereby elevating overall market competitiveness in line with current trends.

CULTIVATING PEOPLE-CENTRIC EXCELLENCE

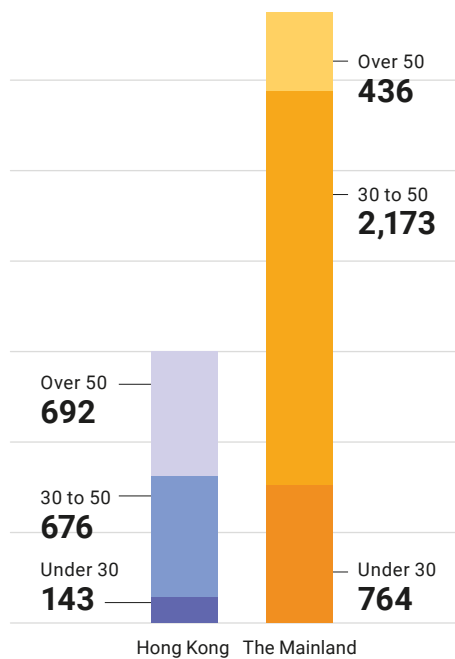
The contributions of our employees are highly valued and prioritised by the company. We recognise that our growth and success are intertwined with their diverse skills, experiences, and backgrounds. Our integration of a supportive work environment and a clear and motivating purpose encourages active employee engagement and drives us forward in our pursuit of success and advancement.

Total Workforce

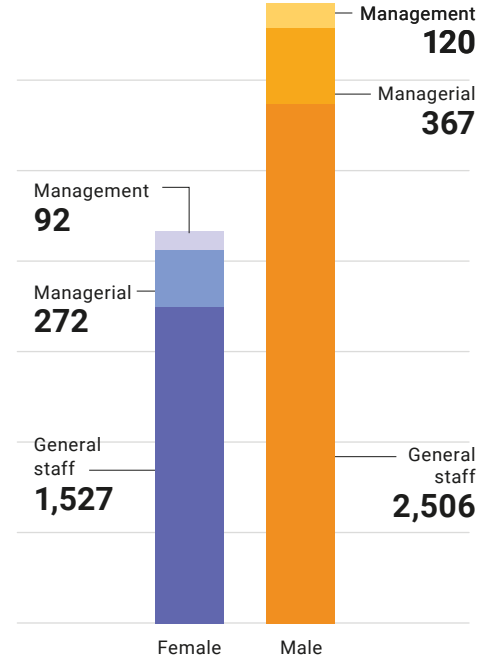
By Gender and Region



By Age Group and Region



By Employment Category and Gender



* As at 31 December 2023, the Group had approximately 7,800 employees. The reporting scope on people-related data illustrated in this chapter pertains solely to staff members directly employed by KPL (excludes hotel).

Talent Acquisition

Attracting and securing top talent is a critical priority for organisations looking to thrive in today's competitive landscape. To ensure our sustained success, we have developed a framework for talent acquisition that is intricately aligned with our business objectives. By leveraging innovative approaches and optimising our human resources management systems, we can identify, attract, and cultivate highly skilled individuals who not only possess the expertise but also share a genuine passion for our industry.

Our recruitment plan is formulated to find talent in a fair, open, and impartial manner, encompassing recruitment processes, compensation and benefits packages, performance appraisals,

and recognition strategies. To ensure the authenticity of candidates' identity documents, our Human Resources Department collaborates with a professional agency to conduct thorough background checks.

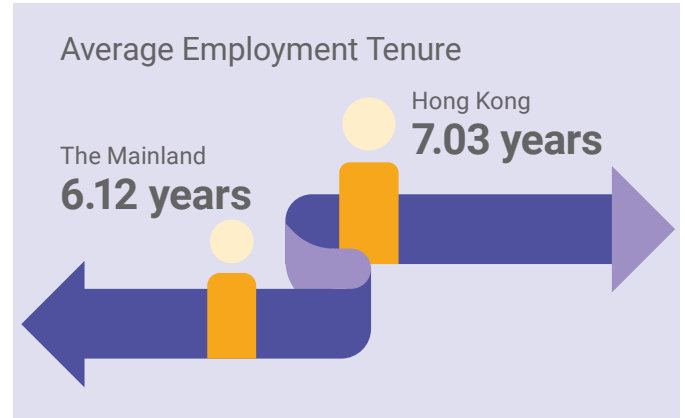
Our Employee Handbook covers various crucial areas such as compensation, recruitment, promotion, working hours, equal opportunities, diversity, anti-discrimination, welfare, and more. Furthermore, we strictly prohibit child labour and forced labour. By distributing and communicating the Employee Handbook to all new hires during their orientation training, we emphasise the importance of transparency and provide a clear understanding of our expectations and values to all employees.

A Motivated Team

The Group consistently enhances compensation and benefits practices to motivate and retain employees. Every positive contribution made by our employees is appreciated and honoured. Workforce composition, compensation, and benefits are regularly evaluated by our Human Resources team to align with market trends.

Performance appraisals are conducted annually for all employees to evaluate their performance against set objectives. Through this practice, we aim to identify high performers, determine compensation based on performance, provide development opportunities, and offer feedback and recognition. Furthermore, employees' involvement in ESG aspects also forms part of their performance review.

We leverage data-driven insights to enhance retention. Through regular people analytics, we identify risk factors, analyse employees' sentiment, personalise development plans for individuals, and implement targeted initiatives.



<p>Paid Leaves</p> <ul style="list-style-type: none"> ❖ Marriage leave ❖ Maternity and paternity leave ❖ Compassionate leave ❖ Family care leave 	<p>Medical Care</p> <ul style="list-style-type: none"> ❖ Free vaccination injections ❖ Medical insurance ❖ Health check-up
<p>Competency Building</p> <ul style="list-style-type: none"> ❖ Training sponsorship 	<p>Perks and Bonuses</p> <ul style="list-style-type: none"> ❖ Discretionary bonus ❖ Employee discounts
<p>Appreciations</p> <ul style="list-style-type: none"> ❖ Top Achiever Awards ❖ Kerry Service Ambassador ❖ Long Service Awards 	<p>Mental Health</p> <ul style="list-style-type: none"> ❖ 24/7 confidential counselling hotline for employees and immediate family members ❖ Comprehensive medical insurance with mental health outpatient coverage

Development and Growth of Talents

The Group has implemented comprehensive talent development programmes and a diverse array of training initiatives for various skills and capability-building to cultivate highly-skilled, versatile, and innovative talents.

Unlocking Potential Across All Stages

We empower growth and drive continuous development of our employees through an enriching learning journey.

New Joiners	General Staff	Managerial Grade	Leaders
Our orientation training encompasses a briefing on company history and business, engaging team building activities, informative departmental sharing sessions, and a site visit to our properties.	We conduct comprehensive training sessions on various topics for employees, equipping them with the necessary skills and knowledge. We have a tailor-made talent programme for potential property management employees. Through different modules on motivation, managing self & others, and collaboration, the programme aims to enhance their communication skills, leadership qualities, and team spirits.	Our Manager Development Programme (MDP) comprising 6 modules, that equips managers with vital leadership and management skills, covering personality styles, motivation, delegation, coaching, and leading multi-generational teams. Our Accelerated Development Programme (ADP) promotes holistic professional growth of our senior managers and above by enriching their essential skills such as financial acumen, strategic thinking, change management, collaboration and leadership presence.	Focus on enhancing leadership skills, strategic thinking, decision-making abilities, and change management expertise, empowering leaders to navigate complexities, drive innovation, and inspire high-performing teams.



Inaugural L.E.A.D. Programme

All Regions

28 colleagues at senior level, including general managers and department heads from Hong Kong and the Mainland offices, participated in our inaugural L.E.A.D. (Learn, Empower, Achieve, Develop) programme.

Through a combination of interactive lectures, tours of our property projects, group discussion sessions and presentations, attendees were able to explore various aspects of leadership, business insights and management innovations.

The programme will circulate regularly among our offices in Hong Kong and the Mainland. With the first session conducted in Hong Kong, we have scheduled upcoming sessions to be held in the Mainland.



Lifelong Learning and Diverse Development

The Group thrives alongside our employees in today’s fast-evolving landscape. Hence, we encourage the development of leadership capabilities and the acquisition of functional skills that are not only practical but also innovative. We offer a range of development programmes, coaching, supporting structures, and opportunities for agile career development.



Developing Well-rounded Employees

We cultivate an agile learning culture via in-person training and digital platforms, offering highly accessible learning and development opportunities anytime, anywhere.

Focus Areas of Training

Customer Services

Encompassing key areas including effective communication skills, strategies for handling challenging situations, and techniques for building rapport with customers.

Human Resources Management

For colleagues from the HR team to develop a global perspective, enhance their problem solving ability, and foster thinking and action as a unified team.

Information Security

Covering essential areas such as security awareness, identifying insider threats, and strategies to avoid phishing scams.

Sustainability

We provide all employees with training on KPL's sustainability journey, including the concepts of sustainable development, our key sustainability milestones, sustainability governance and Vision 2030.

Interpersonal Skills Development

Strong interpersonal skills are crucial for personal and professional success. We host workshops to empower employees with communication skills, team spirits, and leadership qualities.



Knowledge Sharing

ESG Sharing



▣ All Regions



▣ Hangzhou Kerry Centre



▣ Kerry Everbright City Phase I – The Lightbox, Shanghai



▣ Qianhai Kerry Centre, Shenzhen



Expertise Exchange

▣ Hong Kong Kerry Centre

We organised a knowledge-sharing session for employees from different departments to exchange expertise in their respective professional fields, such as structural engineering.



Promoting Growth through Sharing Books

▣ Southern Region

Employees in the Southern region hold weekly book clubs aimed at fostering perspective sharing, idea exchange, and personal growth through reading. These sessions equip employees with problem-solving techniques and critical thinking skills, enabling them to effectively overcome life's challenges.

Knowledge Sharing (cont.)

Online Streaming - Kerry Jam Time

The Mainland

A dynamic series of online training sessions where employees discover the latest trends and skills in an engaging way. Work achievements of our colleagues are also showcased.

12 Episodes
in 2023

8,000+ Views



Nurturing Our Next Generation

Nurturing the next generation of real estate professionals is vital. Through development, mentorship, and hands-on experience, we prepare them to excel and contribute to industry success.



Raindrop Summer Internship

All Regions

The longstanding Raindrop Summer Internship Programme offers a valuable experience to the next generation of our colleagues. This 8-week programme equips employees' children with essential skills for their future careers while fostering a deep understanding of the business environment through on-the-job training, mentorship, industry insights, and site visits.

Internship Programme for Secondary School Students

Hong Kong

This internship programme offers comprehensive on-the-job training in property management, including administrative work, event management and customer services. Interns will gain valuable insights into daily operations, sustainability approaches, team collaboration and customer service excellence.



Building Future Professionals

Hangzhou

We collaborated with Zhejiang Shuren University to cultivate the next generation of property management professionals. The programme features theoretical seminars, field trips, service quality mystery shopping experience, and participation in industry events.

Kerry Chair Professor Programme

Shenzhen

KPL is committed to nurturing talent through its support of the "Kerry Chair Professor Programme", a 5-year talent development programme at Shenzhen University. In line with this commitment, we sponsored a professor to cultivate and mentor students, and initiate impactful research projects.

BUILDING A CONNECTED AND INCLUSIVE WORKPLACE

Embracing and recognising the principles of diversity, equity, inclusion, and a sense of belonging is essential for the success and sustainability of a company in a diverse business landscape. It enables us to continuously foster an inclusive work environment, attract top talent, and enhance decision-making that aligns with societal expectations.

Diversity, Equity, and Inclusion (“DEI”)

Our commitment to creating a diverse, equitable, and inclusive workplace is firmly rooted in our dedication to treating every employee with respect and fairness. As a responsible employer, a zero-tolerance approach towards workplace discrimination and human trafficking-related issues is upheld. Our dedication to protecting human rights is reinforced by implementing robust protocols to promptly address any instances of discrimination or human trafficking. Additionally, we further our commitment through comprehensive training on anti-discrimination laws, effective communication, unlawful harassment and addressing unwanted behaviours.

Anti-discrimination Training

Hong Kong

Educational personnel from the Equal Opportunities Commission shed light on potential harassment scenarios and provided practical strategies to mitigate such situations.



Gender Pay Equality

We believe that a diverse and inclusive culture attracts and retains talents. We conduct regular analyses of average pay levels for male and female employees and have found a minimal gender pay gap, indicating progress towards pay equity. In our ongoing efforts, we will continue to diligently monitor employee remuneration and take proactive steps to address and eliminate any remaining gaps.

Female to Male Employees Remuneration Ratio

Hong Kong
1 : 1.03

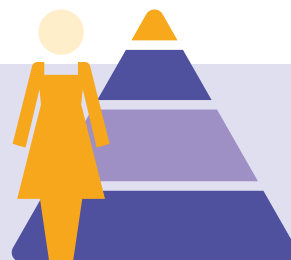


The Mainland
1 : 0.98

Equal Opportunity

We actively promote diversity through our recruitment and hiring practices, ensuring equal opportunities for growth and development. Our Group embraces and respects individuals from diverse backgrounds, cultures, and religions, actively promoting an inclusive environment. All employees, regardless of gender, have equal opportunities for career development and advancement.

During the year, our employees attended a workshop conducted by the Employees Retraining Board to gain insights into the non-Chinese community in Hong Kong, their education and employment challenges, and the application of "Racial Discrimination Ordinance" in the workplace.



34% Senior positions¹ are held by women

1. Refers to senior director grade or above.

Culture of Belonging

We go beyond mere inclusion to ensure that our employees not only feel included but also truly accepted and valued as integral members of our organisation. By creating an environment where everyone feels a strong sense of belonging, we cultivate a workforce that is fully engaged, motivated, and aligned with our shared goals.

Group-wise Employee Survey

We engaged an independent third-party to conduct an employee survey. This survey was distributed to all employees with the aim of gathering valuable feedback on various aspects, including company culture, policies and programmes. We utilised the Net Promoter Score methodology to gauge employees' satisfaction levels. Their feedback can guide us in identifying areas for improvement, enhancing our employee management strategies, and ensuring a more fulfilling and supportive work environment.



3,500+

Responses



> 80%

Employee engagement score

> 80%

of employees highly recognised the Company's contribution to society and the environment

Workforce Connectivity

Active participation of our employees in the exchange of ideas, opinions, and concerns is highly valued. In view of this, an array of two-way communication channels has been established, such as regular employee newsletters, timely information updates via the company intranet, and employee events.

Throughout the year, we organised various engagement activities, including sustainability engagements, festive events, and wellness activities. These initiatives successfully connected and engaged employees, elevating our employees' engagement level and fostering a positive work environment.

Family Care

A diverse range of family-centric activities was organised throughout Hong Kong and the Mainland as part of our on-going commitment to creating a supportive and inclusive work environment.



Kerry Family Day

Hong Kong Kerry Centre



Family Fun Day

Shenzhen Kerry Plaza

ESG Think Tank: A Platform for Innovative and Sustainable Ideas

ESG Think Tank, established in 2021, serves as a platform for our employees from different departments to collaborate, share, and implement sustainable ideas. With 60+ members from 17 departments, ESG Think Tank actively designs and organises activities to inspire employees and stakeholders to think and act sustainably. Members' active participation reflects the growing commitment to sustainability throughout the company.



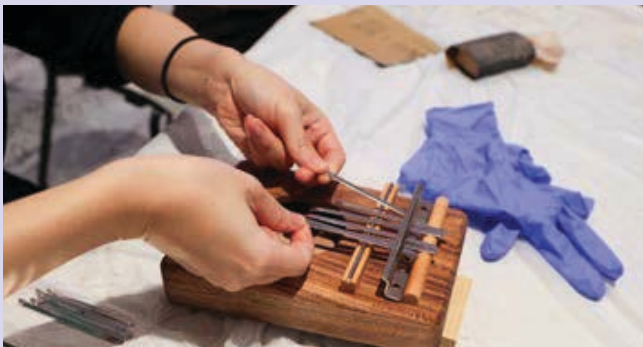
Food collection and exchange baskets are placed at pantries to promote the culture of food recycling



Fresh herbs from MegaBox's Urban Farm are used to create a soothing tea for the staff



The "Creative Recycling Initiative" Competition encouraged participants to brainstorm ideas for waste reduction



The Handmade Kalimba Workshop aims to create handmade Kalimba instruments as gifts for underprivileged children



Natural herbal dyes are utilised to produce eco-friendly bags



Unused brand-new items are given a second life through Charity Bazaar



Gift packages are provided for underprivileged communities during festive seasons

MAINTAINING A SAFE AND HEALTHY ENVIRONMENT FOR ALL

Our business viability relies on the wellness, health, and safety of our stakeholders. We are driven by a passionate commitment to continuously explore creative and innovative approaches that elevate the lives of all those we engage with.

Employee Well-being and Health

The health and well-being of our employees are crucial factors in unlocking the full potential of our talented workforce. With a commitment to fostering a healthy work-life balance, we have organised a diverse range of engaging and rejuvenating activities that encompass mental and physical well-being.

Wellness Activities

In 2023, we organised a series of exciting sports and fitness events aimed at promoting health and well-being among our employees. Among the sport activities, we title-sponsored and participated in the exhilarating HONG KONG STREETATHON, organised the highly-anticipated iconic charity walking event Step Challenge, and a number of tournaments. These events are highlighted in our Feature Story: [Empowering Communities through Holistic Wellness](#).



More events on promoting health and well-being:



Green Power Hike 📍 Hong Kong



Scenic Hiking Trail 📍 Shenzhen



Huihang Ancient Trail 📍 Zhejiang



Leave No Trace Trail 📍 Hangzhou



E.G.G. Walkathon 📍 Shanghai



Pain Relief Workshop 📍 Hong Kong

Holistic Environment

In addition to providing a safe and healthy environment, we have also incorporated various building features to enhance visual and acoustic comfort. For instance, our buildings are equipped with glass curtain walls that allow for ample natural daylight and provide outside views, and acoustic insulation to reduce unavoidable noise. Additionally, we have integrated greenery and natural elements into the interiors and the open spaces of our properties.

Moreover, we create communities that prioritise healthy eating and well-being. One way to support healthy and sustainable eating patterns is through partnership with F&B tenants who offer vegetarian options for our customers. Such partnership increases access to nutritious food choices and promotes a healthier lifestyle. Furthermore, we encourage our tenants and residents to join us on our journey towards well-being by regularly offering a diverse range of health and wellness programmes, such as yoga, frisbee, and night runs.

CASE STUDY

Unlocking the Potential of Wellness-oriented Buildings

As we explore wellness-focused buildings, there is a strong connection between caring for the environment and promoting the health of building occupants. By carefully designing and implementing innovative features, these buildings go beyond traditional limits and become symbols of sustainable living and overall well-being.



70%+
of our properties obtained WELL Certification/WELL Health-Safety Rating

In 2023, we proudly achieved WELL Core Platinum certification for both Kerry Everbright City Phase I - The Lightbox in Shanghai and Enterprise Square Five in Hong Kong. This recognition celebrates our unwavering commitment to creating human-centric spaces.



Kerry Everbright City Phase I - The Lightbox in Shanghai

Kerry Everbright City Phase I - The Lightbox, Shanghai



[View more](#)

Key wellness features:

- ❖ Electrostatic precipitator air purifier with a filtration efficiency of up to 99.66% for PM 2.5
- ❖ Multiple open staircases, enhanced with music and artwork, encourage stair use over elevators/escalators
- ❖ Circadian lighting design that adjusts colour temperature, brightness, and light intensity to meet the varying needs of different functional spaces and users
- ❖ Thermal comfort detectors are installed at appropriate positions above the ground for optimal climate control
- ❖ Safety materials, such as low VOCs paint coatings and water pipes, are used during the construction process
- ❖ Ergonomically-designed workstations featuring adjustable desks with footrests for improved comfort
- ❖ Standing rest stations and vibrant greenery created in office corridors to enhance the workplace environment

Enterprise Square Five, Hong Kong

Key wellness features:

- ❖ Incorporate ample natural light and biophilic elements, such as indoor plants and green walls
- ❖ Implement advanced air filtration systems coupled with proper ventilation
- ❖ Equip workspaces with ergonomic furniture, adjustable desks, and supportive seating to promote good posture



Enterprise Square Five in Hong Kong

Occupational Health and Safety

Our company has implemented a robust management structure supported by a comprehensive set of internal guidelines and standards to ensure that safety protocols and procedures are effectively communicated, understood, and adhered to by all stakeholders. We proactively identify and address potential hazards, promote a safety-conscious culture, and continually improve occupational health and safety (“OHS”) practices. The Group has established a comprehensive approach to mitigate risks, enhance compliance, and foster a safe and secure workplace.



Safety Management System

Safety Committees

Safety Committees are established to oversee and ensure the safety of business operations in property development and property management. Committees are tasked with identifying risks, formulating policies, and monitoring performance. Chaired by general managers, a Health and Safety Management Taskforce is also established to monitor the implementation of practices to maintain a safe working environment.



Policies and Procedures

In order to effectively manage and reduce risks at every stage of our operations, including construction and ongoing operational activities, we have established a comprehensive [Corporate Health and Safety Policy](#) and procedures² that follow industry best practices and are regularly communicated to our stakeholders.



Training

Mandatory safety training is required for all new and existing employees to ensure the promotion of safe and healthy workplace behaviour. Our safety training courses cover:

- ❖ Safety conference to enhance employees’ knowledge of safety practices and to share case study related to safety
- ❖ Guidance on the use of personal protective equipment
- ❖ Role-specific training for employees conducting high-risk tasks
- ❖ Regular drills to test emergency response and preparedness



1. Calculated based on gross floor area.

2. The scope of the policies and procedures encompasses various aspects related to workers, activities, and workplaces in our property management and property development businesses. It includes contractor workers involved in repair and maintenance, construction, cleaning, office work, and shuttle bus services, whose work and/or workplace falls under our control.



Executing and Checking

Through regular risk assessments and proactive safety inspections, we prioritise the identification of potential risks and hazards. By implementing strict safety measures and taking preventive actions, we strive to prevent accidents and adverse incidents.

Construction Safety

- ❖ Integrate safety requirements into the tendering process, ensuring building contractors possess valid ISO 45001 certification
- ❖ Require all workers to complete mandatory role-based safety training before entering the site
- ❖ Deploy safety officers for regular inspections at construction sites
- ❖ Utilise advanced technologies like IoT, AI, and cloud computing to enhance work safety
- ❖ Issue OHS alerts, for example: prevention of heat stroke at work, with guidance notes on heat stress index and rest time arrangement for different work trades

Property and Workplace Safety

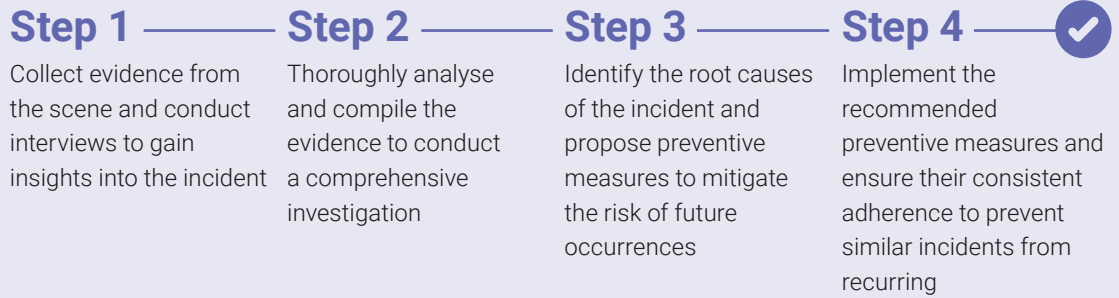
- ❖ Deliver prompt and reliable facilities management and maintenance services
- ❖ Ensure a safe, healthy, and productive environment within our managed properties and workplace
- ❖ Proactively seek feedback from tenants and promptly respond to their safety concerns



Reacting and Reviewing

The safety committee conducts investigations and follow-ups on incidents and acts promptly upon any incidents and employees' feedback by reviewing our risk controls for occupational health and safety management.

Incident Handling Procedures



All work-related injuries are documented and covered by our insurance. Furthermore, a comprehensive work injury care programme has been implemented, providing medical treatment and support to injured employees throughout their recovery and rehabilitation process.



Zero
Employee Work-related Fatality



8.8 per 1,000 Employees
Work-related Injury Rate

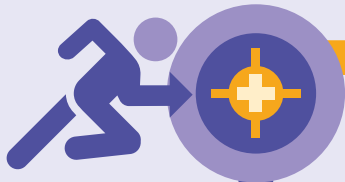
CASE STUDY

Secured Spaces: Enhancing Safety Practices

As part of our commitment to maintaining a safe environment, we continuously evaluate and improve our safety management system in line with the ISO 45001 standard. In 2023, we have implemented substantial enhancements to our safety management system specifically tailored to our property management in Hong Kong, including:

Designated Responsible Personnel

- ❖ Three representatives per property serve as responsible persons
- ❖ Comprehensive OHS policy, guidelines, manuals, SOPs and checklists are established to ensure compliance and adherence to legal requirements and ISO standards



Set Safety Targets

- ❖ Safety targets are established and initiatives are implemented to ensure continuous improvement and raise OHS awareness



Risk Assessment and Mitigation

- ❖ Perform detailed assessment for 39 potential job hazards, assess the type of risks, probability, severity, risk level and control measures
- ❖ Revisit all types of risk regularly for ongoing mitigation
- ❖ Conduct regular inspections beyond legislative requirements



Data Analysis

- ❖ Compile injury statistics and conduct thorough incident investigation, to understand root causes and conduct follow-up/preventive actions
- ❖ Expand data analysis to encompass employees and suppliers for work-related injuries, including accidents and near misses

Safety Awareness and Training

- ❖ Online and classroom safety trainings for employees covering regulations, procedures, best practices, and case studies
- ❖ Suppliers are required to acknowledge and fulfill the guidelines
- ❖ Regular meetings with suppliers to enhance safety knowledge and awareness
- ❖ Educational materials to vendors, such as video on preventing heat stroke at work



AMPLIFYING OUR POWER

Building a Vibrant and Harmonious Community that Brings Benefits for All



Key Highlights

To advance our proactive supply chain management, an ESG risk assessment was conducted among our significant suppliers, resulting in over 570 responses.

A total of HK\$24.7 million was made to support over 90 charities to drive positive community.

Megatrends

Enhancing Supply Chain Transparency

Legislation like the German Act on Corporate Due Diligence Obligations in Supply Chains mandates companies to conduct thorough examinations of their supply chains, systematically identifying, addressing, and disclosing sustainability concerns, aligning with the global trend towards enhanced transparency and ethical practices in business operations.

NURTURING POSITIVE CHANGES IN OUR COMMUNITY

Management Approach to Community Investment

Management Structure

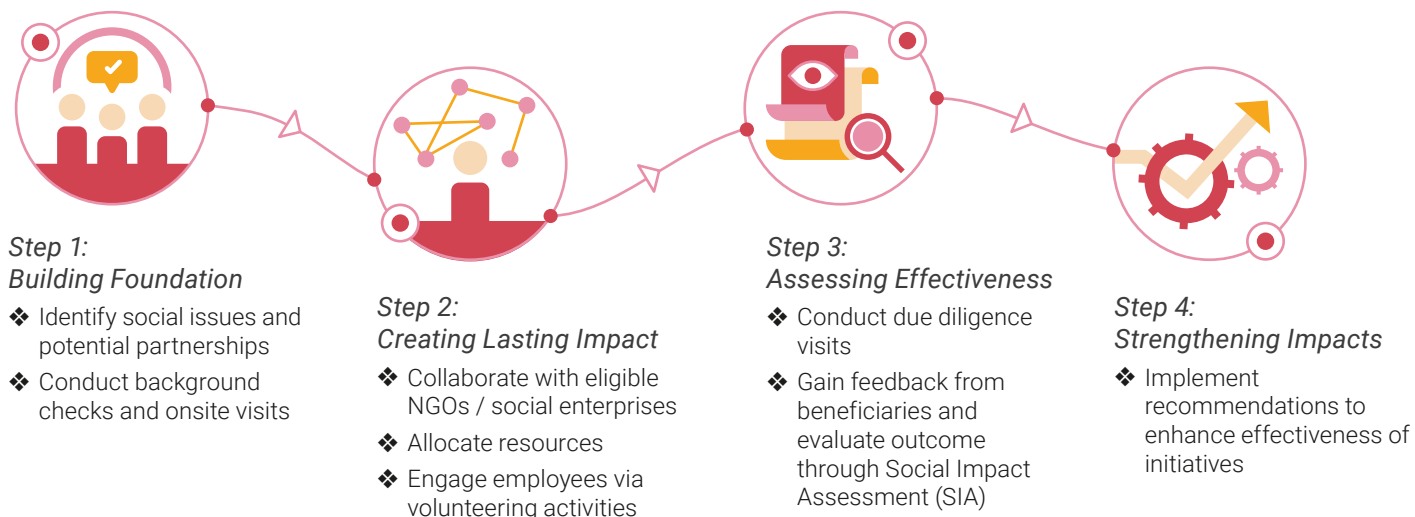
Our Donation Committee consists of C-suite executives. They are responsible for guiding the community investment strategy and evaluating community partnerships with support from the Corporate Social Responsibility (CSR) and Community Engagement Sub-Committee.

The CSR and Community Engagement Sub-Committee, consisting of members from various departments, is responsible for actively engaging with community members and overseeing the implementation of CSR activities.

We strive to maximise impact while monitoring the donation mechanism to uphold the principles of accountability, transparency, and effectiveness. Our [Charitable Donations Policy](#) provides guidance on decision-making, reporting, and approval processes of community investment.

Performance data covers our managed properties and property projects under development in Hong Kong and the Mainland (excludes hotel).

Process to Shape Charitable Donation Initiatives



Due Diligence Visits

Our colleagues were given with volunteer opportunities to visit company’s charitable events and activities on site.

Colleagues show appreciation of having this invaluable personal experience to witness the initiatives in action.



Site Visit to Donation Event Hong Kong

Feedback From Our Volunteers

“Based on my observation, the donation programme was a success as it effectively addressed the beneficiaries’ issues, such as improving their vision and relieving back pain.”

Ronnie Cheung
Digital Marketing - MegaBox, Hong Kong

“The organisers and the helpers were compassionate and well-prepared, providing exceptional care to the beneficiaries, which was evident in the positive feedback received on-site.”

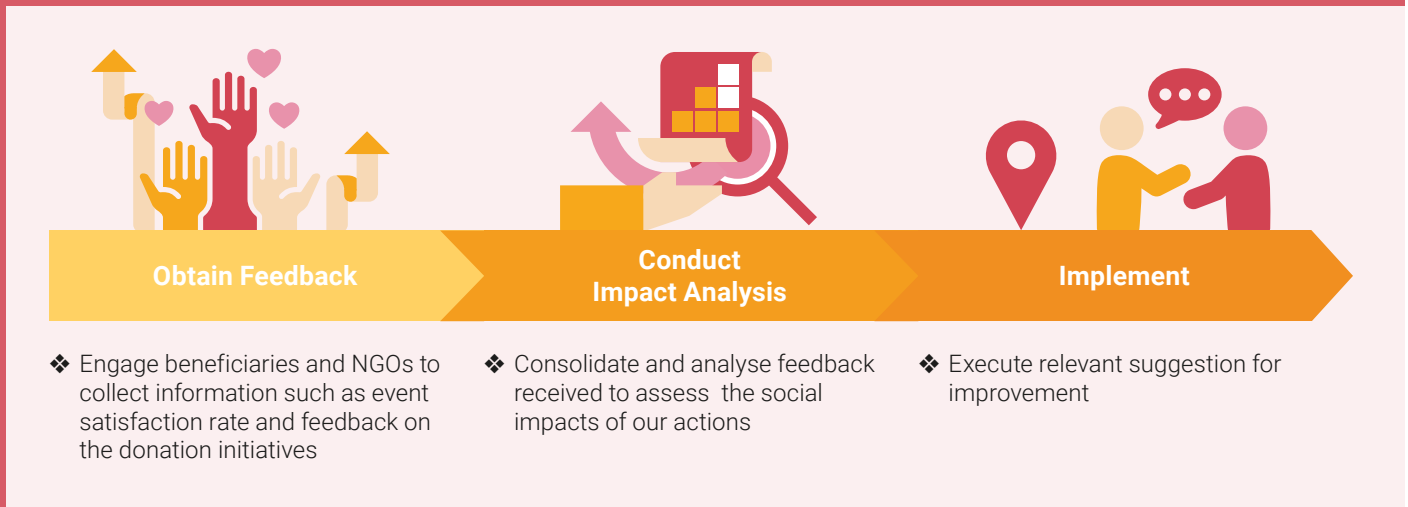
Eva Tsui
Property Services - Hong Kong

CASE STUDY

Social Impact Assessment Summary

Since 2021, we have initiated Social Impact Assessment for our charitable donation initiatives to evaluate their outcomes and optimise resource allocation. The assessment results allow us to ensure that appropriate and adequate resources are allocated to the intended beneficiaries, while also determining their efficiency and effectiveness.

Assessment Process Flow



Beneficiaries' Feedback



Messages from Beneficiaries



"Due to the unwavering dedication of the team, I was incredibly grateful to receive satisfying meals even in challenging weather conditions."

Recipient of hot meal donation programme in Hong Kong

"Thanks to the eye check-up programme, I was able to get earlier diagnosis of glaucoma."

Beneficiary of Caritas - Hong Kong eye care programme for street cleaners in Hong Kong

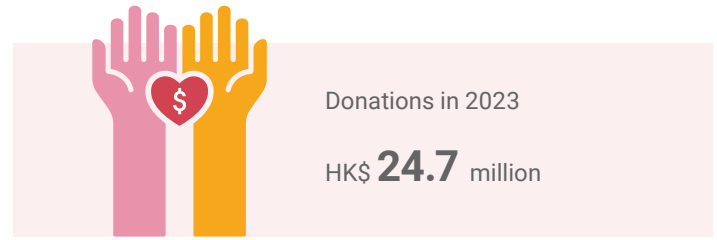
"Our child is more willing to speak out now."

Parent of autistic child participant in "Children of the Star" in Hangzhou

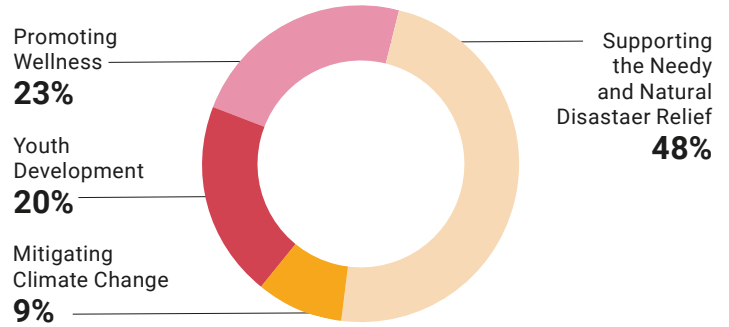
Our Impact of Community Investment

Through active communication and engagement, our aim is to gain a deep understanding of the needs of our communities and build strong relationships with our stakeholders. We leverage our network and resources to create positive impacts in diverse ways, such as through volunteer work, community services, donations, and sponsorships.

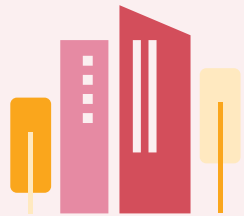
As pandemic restrictions were lifted worldwide in 2023, there was a notable rise in the number of volunteer hours and community programmes contributed. This increase reflects the growing engagement and active participation of individuals in giving back to their communities as the circumstances improved. Our donations amounted to HK\$24.7 million, reflecting a significant increase compared to the previous year.



Breakdown of Donations



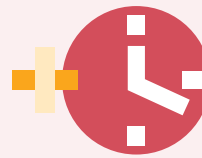
Community Initiatives in 2023



680+
Community Initiatives



8,900+
Employee Participation



3,900+
Volunteering Hours



1,900+
Volunteering Count

Over 680 meaningful ESG initiatives that echoed with our six prioritised [Good Life Goals](#) were carried out at KPL, covering the following areas:

- ❖ Building Vibrant Communities through Placemaking
- ❖ Empowering Vulnerable Groups
- ❖ Enriching Lives with Art and Culture
- ❖ Promoting Inclusive Society and Youth Development

The Good Life Goals (<https://www.goodlifegoals.org/>) by Futerra Sustainability Communications Ltd (<https://www.wearefuterra.com/>) and 10-Year Framework of Programmes on Sustainable Lifestyles and Education Programme (<https://www.oneplanetnetwork.org/programmes/sustainable-lifestyles-education>) is licenced under CC BY-ND 4.0 (<https://creativecommons.org/licenses/by-nd/4.0/>).

Building Vibrant Communities through Placemaking

A vibrant community is not merely built with bricks and mortar but thrives on the connections and experiences shared by its members. At Kerry Properties, we seamlessly integrate local vibrancy into our operations. We have curated a diverse array of events, ranging from urban farming initiatives to family-centric activities and bustling markets, all designed to infuse our neighbourhoods with vitality and to enrich the communities with positive vibes and diverse experiences.



Green and Leisurable Environment

By introducing a green culture to our properties and spaces, we not only enhance the well-being of our communities but also make a positive impact on the local ecosystems.



Gardening Events

Jing An Kerry Centre, Shanghai, Kerry Everbright City Phase III, Shanghai, Kerry Parkside, Shanghai, Beijing Kerry Residence, Shenzhen Kerry Plaza



Flower Market

Kerry Parkside, Shanghai



Green Family Market

Kerry Parkside, Shanghai

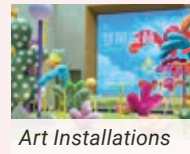


Scan to watch the video



Charity Market

Shenzhen Kerry Plaza



Art Installations



Upcycling

Public Furnitures

Upcycled Public Furniture

Kerry Everbright City Phase I – The Lightbox, Shanghai

Multiculturalism

A wide range of diverse initiatives were organised to foster the growth of multicultural communities, welcoming individuals from all backgrounds to engage in their communities.



Night Markets

Kerry Parkside, Shenyang, Beijing Kerry Centre, Jing An Kerry Centre, Shanghai

- Engaged 150+ local vendors
- Attracted ~1.6M+ traffic



HONG KONG STREETATHON 2023 Lead-in Event – FAMerry Run

MegaBox, Hong Kong



Family Fun Day

Qianhai Kerry Centre, Shenzhen



2023 Mega Ice Hockey 5's

MegaBox, Hong Kong



Lunchtime Concert

Shenzhen Kerry Plaza



Pets Playground

MegaBox, Hong Kong

Empowering Vulnerable Groups

Building inclusive and compassionate communities and supporting the people in need are at the core of our sustainability mission. Recognising the challenges encountered by vulnerable populations, we offer support, uplift spirits, and create an environment where every individual feels valued, nurtured and respected. In 2023, our initiatives yielded meaningful and positive outcomes.

3 STAY WELL



5 TREAT EVERYONE EQUALLY



 **622,000+**
Nutritious Meals Distributed


 **90+ NGOs**
Supported

Health Services

We prioritise and provide accessible healthcare services to diverse groups in society.




Back Pain Relief and Eye Care for Street Cleaners

 Hong Kong




Breakfast for Sanitation Workers

 Zhengzhou




Dental Care for Children in Rural Areas

 Qinhuangdao




Free Health Checkup for Outsourced Workers

 Shenyang



Supporting People With Rare Diseases Through Sponsorships

 Beijing, Hangzhou, Qinhuangdao, Shenyang and Tianjin



Scan to watch the video

Food Assistance




Healthy Food Packs and Nutritious Meals for the Seniors

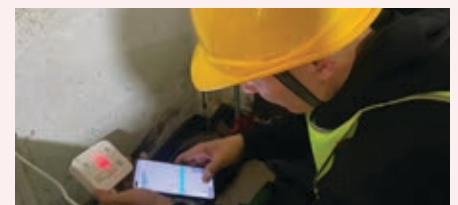
 Hong Kong

Living Environment Enhancement



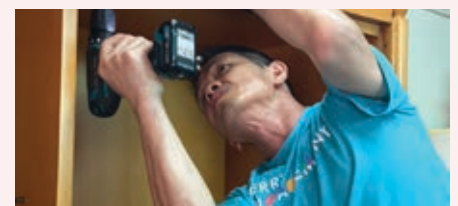
Container Homes to Teachers in Rural Area

 Shanghai




Safe Home Project for the Elderly

 Hangzhou



"Sunshine After Rain" Home Repair Services for the Seniors

 Hong Kong

Enriching Lives with Art and Culture



We believe in the transformative power of art and culture. By showcasing curated artworks, hosting local artistic exhibitions and conducting interactive cultural workshops at our properties, we create artistic, dynamic environment that cultivate a shared sense of belonging and encourage public engagement.

Creative Arts and Fashion

Our commitment to nurturing creativity and innovation is showcased through our support of emerging artists and brands, as well as our efforts to cultivate new talent, giving them a chance to shine at our properties and spaces.



Jeff Koons' "Balloon Flower"
Hong Kong Kerry Centre



"Delight Your Winter" Christmas Decor
Jing An Kerry Centre, Shanghai



Scan to watch the video



"Monstrous Book of Monster" Halloween Event
Kerry Parkside, Shanghai



Scan to watch the video



Sneaker Show
Hangzhou Kerry Centre



Shanghai Fashion Week
Jing An Kerry Centre, Shanghai

Cultural Exchange

Treasuring traditional and local culture, we join hands with local organisations to organise exhibition and visits to promote cultural exchange in communities where we operate.



Intangible Cultural Heritage
Tianjin Kerry Centre Riverview Place



Shadow Puppetry
Kerry Parkside, Shanghai



A Visit to M+ Museum with the Elderly
Hong Kong

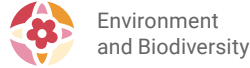
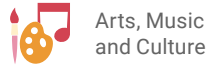


Sponsorship of Visit to Hong Kong Palace Museum
Hong Kong

Promoting Inclusive Society and Youth Development



Committed to advocating equality, we champion comprehensive educational opportunities for all, especially youth with special needs, by hosting a variety of activities throughout the year. Our sponsorships engagement and charity initiatives help empowering young individuals to discover their passions and hone skills across various interests, including Inclusiveness, Technology, Arts, Music & Culture, Environment & Biodiversity. Together, we create an enabling environment where they can prosper and fully realise their potential.



Educational Support



STEM Education Programme for Ocean Conservation
Hong Kong



Sponsorship of Smart Farm Lab for Secondary School
Hong Kong



Afterschool Activities for Left-behind Children
Tianjin



Secondary School's Education Sponsorship in Rural Area
Hangzhou



Audiobook Recording by Colleagues for Schools in Rural Area
Shanghai



Biodiversity Education at our Residential Properties
Hong Kong

Music and Arts



Upcycling Art Workshop
Shenzhen Kerry Plaza



Music Activities for Left-behind Children
Hangzhou



New Music Instruments for Hong Kong Sea School's Marching Band
Hong Kong

Inclusive Society

Through an array of donation initiatives, training sessions and programmes, we create an inclusive society where young people, regardless of background or ability, are empowered to contribute and perform with their talents.



Sponsorship of Barista Training at Hong Chi Morninghill School's Music Cafe

Hong Kong



Florist Training for Deaf People

Shanghai



Scan to watch the video



Charity Concert by Autistic Children

Hangzhou



Bakery Training with Job Opportunity for Youngsters with Autism

Fuzhou

Barrier-free and family-friendly amenities are integrated into our property designs in both our new and existing properties, ensuring a secure and inviting atmosphere for all stakeholders to experience a sense of joy in their daily interactions with the space, including:

- ❖ Barrier-free washrooms and parking spaces
- ❖ Access ramps for the disabled
- ❖ Dedicated parking spaces for people with disabilities
- ❖ Real-time parking vacancy data and guidance through visual system
- ❖ Baby-caring and nursing rooms

Contributing to sustainable transport and walkable community, our properties are conveniently located near public transport, reachable within a 10-minute walk, and equipped with sustainable transport facilities such as smart parking systems, bicycle facilities and installed electric vehicle charging stations to improve accessibility in local communities.



Nursing Room

MegaBox, Hong Kong

INITIATING IMPACTFUL CHANGES WITH VALUE CHAIN

Technology-driven Transformation

At KPL, we recognise the immense potential of technology advancements and are committed to contributing to the development of our smart and innovative city. By utilising cutting-edge technologies and driving innovations throughout the life cycle of our properties, we aim to create smarter, more efficient and symbolic buildings with enhanced management and optimised operations, and a more sustainable urban landscape with our partners.

CASE STUDY

Technology Integration into Business

By leveraging technology and embracing digitalisation, we enhance our capabilities in project development and building operations, while also providing innovative solutions that cultivate strong relationships and foster loyalty among our tenants and customers.

Project Development and Building Management



Project Development Management

- ❖ Our integrated Project Development Management Solution (PDMS) covers the entire life cycle of project development, improves overall project efficiency, and assists making accurate strategic decisions on project development.
- ❖ The adoption of Building Information Management (BIM) across projects' life cycle expedites the design and construction process.



Building Operational Management

- ❖ Kerry Building Integrated System (KBIS) enhances building efficiency by integrating equipment management systems into a single control system, enabling remote and real-time control and monitoring of building equipment for optimised maintenance planning.



Robotic Solutions

- ❖ Patrolling to secure premises
- ❖ Greeting and directing visitors as a receptionist, and notifying staff of incoming appointments
- ❖ Cleaning and sanitisation for windows, multi-surface objects, and the environment
- ❖ Contactless delivery by robot and intelligent equipment

Customer Care and Tenant Support

Smart Service Platform

- ❖ An integrated service platform, KERRY+ application, allows property and commercial management teams to handle administrative tasks and effectively communicate with tenants, office workers and residential property owners in real-time

Smart Switch

- ❖ Enabling remote device control in the office for enhanced energy efficiency

Kerry Wall

- ❖ Interactive Information Publishing System with high content management efficiency

Smart Entry

- ❖ Secure and user-friendly smart entry access management system

Space Usage Monitoring

- ❖ Real-time meeting room and cubicle booking system with occupancy sensors



Kerry Customer Relationship Management (CRM)

- ❖ Cross-region and cross-business system which manages, automates, and synchronises sales, marketing, customer services, and technical support
- ❖ Providing features including membership benefit, online customer services, event registration

Environment Monitoring

- ❖ Environmental data monitoring solutions and sensor technology

Smart Parking

- ❖ Intelligent parking system leveraging sensors and digital technology

Network & Communication

- ❖ Basic network services with WiFi connectivity

CCTV

- ❖ Camera for security and automatic incident alert

Innovation for Shared Impact

We value the power of partnership in amplifying the impact of innovation – we actively engage in a number of collaborative groups and business partner to foster innovation and knowledge sharing, including,

- ❖ Member of Hong Kong PropTech Alliance & China Working Taskforce on Embodied Carbon
- ❖ Steering Member of the Asian Corporate Coalition for Climate Change Resilience (A4CR)
- ❖ Signatory of Construction Industry Council (CIC) Construction Digitalisation Charter

Driving Synergy with Our Supply Chain

Responsible Supply Chain Management

In our role as a property developer, we prioritise responsible supply chain management and actively engage with our employees internally and our suppliers externally. As with all sustainability matters, our Board holds ultimate oversight of our responsible supply chain management.

Since 2014, we have implemented sustainable and green procurement policies and manuals to incorporate environmental and social considerations into our procurement practice. In addition to providing internal supply chain management training and conducting Service Provider Evaluations to align suppliers' performance with our sustainability values, we enforce compliance by requiring suppliers to sign and adhere to our Contractors' Declaration, which is periodically updated and serves as a means to promote fairness in our bidding and tendering processes and distribute essential information and policies, including the [Vendor Code of Conduct](#) to our suppliers.

External



Screening and Onboarding

Collect qualifications and acknowledgement of KPL's policies and guidelines from vendors



Performance Review

Conduct Contractor Performance Review and Contractor Response Review regularly



Vendor Evaluation

Evaluation Aspects:

- ❖ Social Responsibility
- ❖ Environmental Commitment
- ❖ Technical Capacity

ESG Evaluation

We prioritise the selection of vendors with stronger ESG performance by incorporating ESG criteria into our overall vendor selection process. On the other hand, if vendors cannot meet our baseline ESG requirements and fail to comply with our Vendor Code of Conduct, there will be a potential for contract termination.

Internal

Trainings on supply chain risk management and sustainable procurement were provided to our employees. These training sessions keep our project development team updated on market changes, emerging trends, and potential issues or risks associated with supply chain management.



Supply Chain Risk Management Facilitation Workshop at Hong Kong Kerry Centre

Proactive Supplier Collaboration

Building a sustainable future requires all parties to co-build together. We often encourage our suppliers to join us in contributing to sustainability through different initiatives.

Supply Chain ESG Risk Assessment

A supply chain risk assessment, through a customised questionnaire, was conducted by an external consultant to address risks and enhance management within our supply chain.

Objectives

- ❖ Fostering transparency
- ❖ Identifying areas for improvement
- ❖ Developing strategies to effectively manage ESG risks and promote sustainable practices

The questionnaire encompassed sector-specific and commodity-specific impacts, taking into account the unique challenges and risks associated with different industries and commodities within the supply chain.

The assessment focused on our key suppliers and vendors in Hong Kong and the Mainland. Several key ESG aspects were covered in the questionnaire, including environmental management system, goals and performance, commitment to biodiversity preservation, forced and child labour, policies related to equal remuneration, anti-discrimination practices, sustainability governance, strategy, and management plan, etc.



Received over **570** survey responses



Around **50%** of respondents established sustainable development policies or made relevant commitments



Follow-up Actions

- ❖ Established a **Sustainability Education Programme**, focusing on specific areas where we seek for improvement
- ❖ Engaged 100% of our suppliers in the Programme, aiming to establish a resilient and sustainable supply chain through capacity building

Sustainability Education Programme

The assessment results mentioned above reflect the potential to enhance our suppliers' ESG awareness. In response, we initiated a structured knowledge-sharing program comprising 10 episodes, covering a wide range of sustainability topics. This programme imparts valuable experiences gained in our pursuit of a net-zero target and establishes a strong collaborative foundation with our partners, as we collectively work towards a future characterised by low-carbon practices.

Topics covered:

- | | |
|--|-------------------------|
| ❖ Climate change and carbon neutrality | ❖ Circular economy |
| ❖ Renewable energy | ❖ Health and wellness |
| ❖ Low-carbon technology | ❖ Life cycle management |
| ❖ Diversity, equity, and inclusion | |



Sustainability Education Material

Community Activities with Vendors

In addition to industry-related subjects, our vendors and KPL's project development teams conducted a series of volunteering activities together.

Mosaic Art Workshop with Special Educational Needs Children

Partnering with Hong Kong Young Women's Christian Association (YWCA), our project development teams assisted children with Special Educational Needs ("SEN") to create unique mosaic candle holders for their caregivers to show love and gratitude.



Handicraft-making by Volunteers and Children with SEN



T-Park visit by Employees and Vendors

A Tour to T-Park

Vendors and our project development teams visited the T-Park Environmental Education Centre to learn about the sludge treatment process and waste-to-energy conversion, fostering a positive attitude towards waste management and promoting habits of waste reduction and recycling.

Green Construction Site Award

Kerry Properties has organised the Green Construction Site Award annually, with the aim of raising environmental awareness, as well as enhancing collaboration between contractors, consultants, and project development teams. Year 2023 marked the 10th anniversary of the competition, with the theme of "Zero Carbon Family - Build with Kerry". The event hosted four project teams to participate in a drama competition, Family Choreographed Music Video Competition, and Live Green Dance Performance, all aimed at promoting the concept of zero carbon and sustainable construction.



Winner of the Green Construction Site Award

Serving Customers with Sustainability

Through open dialogue, shared goals, and collective efforts, we are dedicated to collaborating closely with our valued customers and occupants to build a community that prioritises sustainable actions. Together, we can make a meaningful and enduring impact on our environment and create a better world for future generations.

Foster a Commitment to Sustainability among Customers and Occupants

Promoting a healthier and more sustainable lifestyle is integral to Kerry Properties, just as offering an array of sustainability-centric facilities for our customers, tenants and occupants to engage with. In pursuit of this, we organise diverse and engaging events and activities, such as heritage conservation tours, upcycling workshops, charity initiatives, ESG-related forums, sports games and events for promoting wellness, sports and music for our stakeholders, all designed to inspire a commitment to sustainability in their lives.

Working Together Towards Sustainability Goals

Hong Kong

- ❖ Upcycled the outworn property management uniforms and gave it a second life by turning it into unique zip pouches
- ❖ Collective social impacts were made by residents. For every certain amount of donations received from them, upcycled pouches were sent to underprivileged and low-income families



Tenant Badminton Competition

Qianhai Kerry Centre, Shenzhen



“Climb for Good” Good Life Goals Activity

MegaBox, Hong Kong



Painting Workshop with Coffee Ground

Beijing Kerry Centre



Scan to watch the video



ESG Forum

Shenzhen Kerry Plaza



Free Venue Support for NGOs

Hong Kong Kerry Centre, Kerry Everbright City Phase I – The Lightbox, Shanghai



Customer Service Excellence

To ensure we address concerns from all our customers, tenants and residents effectively, we conduct regular satisfaction surveys on various topics such as customer service, facility management, maintenance, security, safety, and sanitation. By gathering feedback from them, we proactively identify areas for improvement and implement necessary measures to enhance our services. We also place utmost importance on addressing complaints and concerns in a prompt and effective manner, considering them as valuable opportunities for improvement and growth. Through diligent follow-ups, we have consistently received positive feedback from our customers, tenants and residents. We have also enacted various standardised management procedures and innovative ideas over the years. About 62% of our key operations are certified with ISO 9001:2015². Zero substantiated products and service-related complaints received in 2023 significantly impacted KPL.



Process of Customer Complaint Handling



We have established comprehensive complaint-handling procedures to ensure fair and consistent resolution of any complaints.

Once a complaint is received, it will be thoroughly investigated by the relevant department personnel.

Prompt remedial action will be taken to prevent the recurrence of similar issues in the future.

INFORMATION PRIVACY AND SECURITY

In today’s digital world, we acknowledge the significant role held by information privacy and security. We consistently strive towards prioritising this, as well as upholding responsible marketing practices to ensure our stakeholders’ safety and privacy.

Information Management Strategy

We comply with relevant laws and regulations and have policies, which are regularly reviewed, in place to protect customer data privacy and safeguard stakeholders’ interests. [Personal Data \(Privacy\) Policy](#) has been revised in view of our updated practices.

Information security-related measures are conducted, including:

- ❖ Encompassing policies related to Incident Management, Information Security, and standards of Data Transfer and Personal Privacy Data System
- ❖ Providing our employees with practical tips and up-to-date reminders on the newly launched Technology & Innovation (“T&I”) Portal and by emails

1. Our satisfaction surveys cover offices, retail, and residential properties that we manage.
2. Calculated based on gross floor area.

Our employees are provided with online cyber awareness trainings, as well as procedures and guidelines outlined in our Employee Handbook and “Personal Privacy Data System Management Standard”, to handle personal data. Precautionary measures are in place to ensure information

security, data privacy, integrity, and accountability. Throughout the reporting period, no known issues of data leaks, thefts, losses, or substantial complaints about non-compliance with regulations concerning customer data privacy.

Awareness and Trainings

All Regions

Online trainings are provided to our colleagues, covering the following topics:

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



Responsible Marketing, Intellectual Property Rights

Responsible Marketing

Ethical marketing and communications are prioritised through our policies and Standard Operating Procedures (SOPs), ensuring accurate information and compliance with laws and regulations. Marketing materials for our property sales are developed according to set guidelines and professional advice from external expertise. Our responsible marketing approach addresses key areas such as health and safety, advertising, labelling, and privacy considerations, empowering customers to make informed decisions in accordance with local and national standards. Furthermore, training courses on responsible marketing and advertising practices are available on our online training platform, ensuring that our employees are equipped with the knowledge and skills to uphold the principles in daily operations.

In Hong Kong, we have established internal procedures to guide employees in producing responsible marketing materials. The Internal Audit Department regularly audits these procedures. Marketing materials for our property sales must be approved by the Head of the Marketing Department before release to ensure truthfulness and compliance with regulations. Additionally, we 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 as necessary. This practice is upheld throughout our business in the Mainland as well.

Intellectual Property (“IP”) Rights

We respect the IP rights of all parties we work with. Our Ethical Guidelines mandate our employees to protect company assets, respect third-party IP rights and prohibit misusing, copying, selling, or distributing any form of IP against local laws or licence agreements. In addition to maintaining the confidentiality of

privileged information, there are relevant guidance set out in Employee Handbook for new hires. For instance, new hires are required to acknowledge receipt and awareness to our policies and commit to upholding them.

CORPORATE COMPLIANCE AND GOVERNANCE BEHAVIOUR

The Group recognises that a robust corporate and sustainability governance structure is vital for driving long-term sustainable development and achieving our strategic objectives. By prioritising ethical practices, environmental stewardship, and social responsibility, we aim to create a foundation that not only fosters accountability and transparency but also aligns with our commitment to deliver enduring value to our stakeholders.

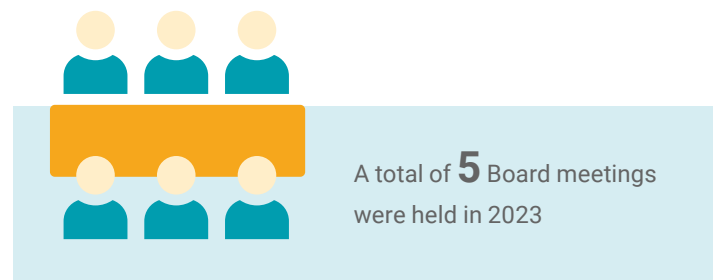
For further disclosures on corporate governance, please refer to the Corporate Governance Report of the KPL Annual Report 2023.

CORPORATE GOVERNANCE

Corporate Governance Structure

The Board of Directors (the “**Board**”) is responsible for developing and implementing the Group’s corporate governance practices. The Board maintains high standards of governance in all aspects of the Group’s business, sets the strategic direction, and ensures accountability and sustainability by maintaining appropriate levels of review, challenge, and guidance in its relationship with the Group’s management.

Members of the Board (the “**Directors**”) have extensive market experience. To support this expertise, the Board committees, as well as the management, have a structure that enables appropriate oversight, and in-depth consideration of various matters, and ensures the Board maintains control over operational matters.



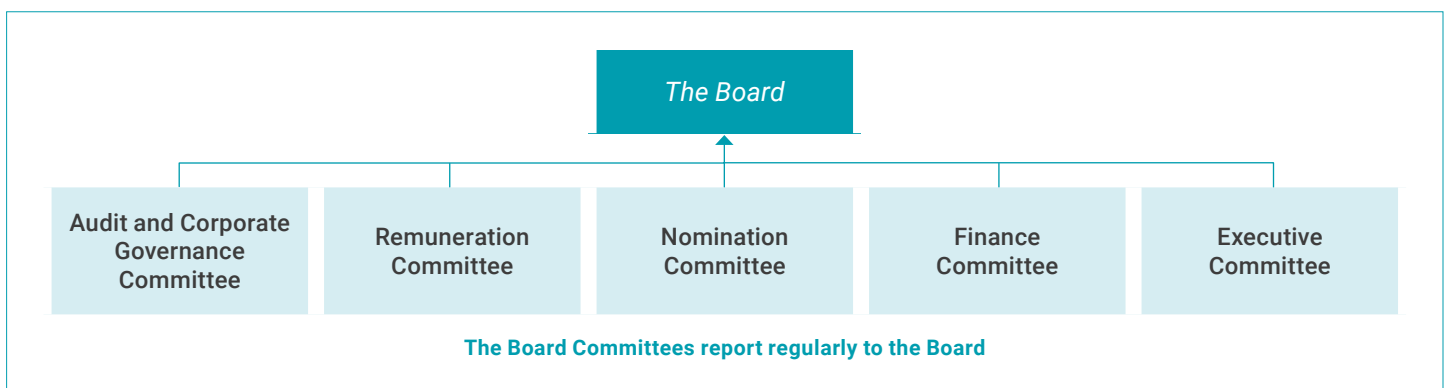
Board Committees

There are five Board Committees established under the Board, including Audit and Corporate Governance Committee, Remuneration Committee, Nomination Committee, Finance Committee, and Executive Committee.

The Board Committees participate in relevant decision-making

on issues such as determining strategy, policy and financial performance, and report regularly to the Board.

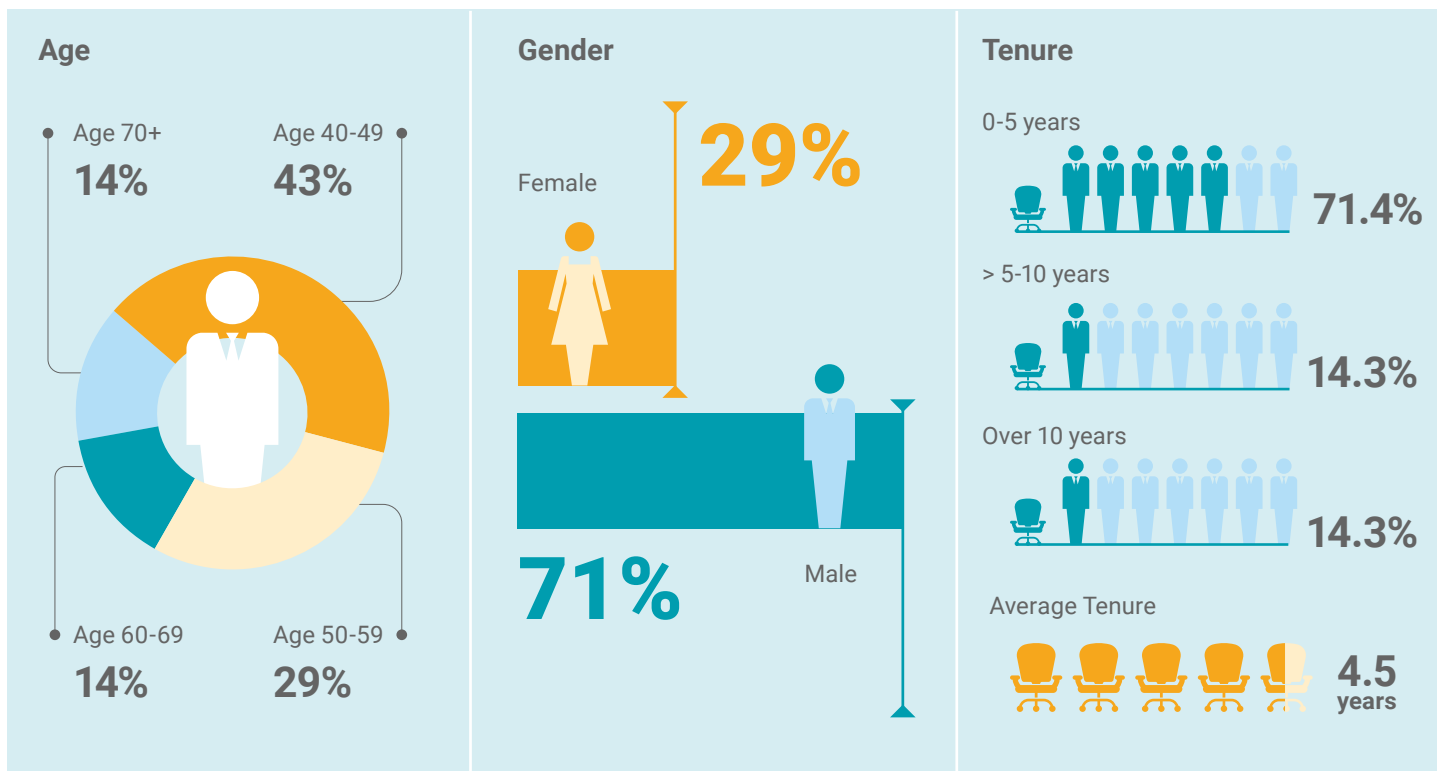
Our Board possesses a diverse array of skills and experience including finance, sustainability, corporate governance, real estate, and executive leadership.



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 annually.

Board Independence and Diversity

Currently, there are seven seats on the Board, and each Director has his or her own area of expertise. In order to maintain objectivity and independence, more than half of the Board is independent non-executive directors.



Our Nomination Policy and Board Diversity Policy govern Board member’s selection. An annual review of the Board composition is conducted by the Nomination Committee, and recommendations will be made if necessary. The Board’s composition is guided by a number of factors, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of services and other factors.

Directors' Trainings

Each Director is provided with trainings pertaining to, inter alia, governance and regulatory updates, and sustainability developments. Moreover, all Directors receive monthly updates on business developments to ensure they keep abreast of KPL's business and performance. In order to arrange for the Directors' training courses, we will first understand Directors' needs, and select relevant courses in line with the strategic development directions of the Group.



BUSINESS ETHICS AND INTEGRITY

KPL is dedicated to ethical operations and has instituted controls for fair decision-making. Our employees must follow the Code of Conduct to protect both personal and company's integrity. We have provided the Ethical Guidelines to clarify moral expectations, covering anti-corruption, competition law, data privacy, whistleblowing, etc. Employees also receive online trainings on these essential subjects.

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's assets

Our Internal Audit Department conducts audits and inspections to ensure the Group meets ethical standards and reports improvement suggestions to the Audit and Corporate Governance Committee to strengthen our integrity management.

Anti-corruption Compliance

To combat corruption, we prioritise training as a key preventive action. We have established mandatory online courses on corruption, conflicts of interest, and integrity for all staff and directors. These training sessions enhance their understanding of business ethics and anti-corruption practices. During the reporting period, there were no legal instances of corruption against the Group or our employees.

2023 Anti-Corruption Training

Hong Kong

Kerry Properties is committed to conducting business honestly, ethically and with integrity. All business units and employees must comply with the applicable anti-corruption laws and adopt a zero-tolerance principle against corrupt practices.

An anti-corruption training was offered to our employees this year in collaboration with the Independent Commission Against Corruption (ICAC). This training covers topics such as ethical conduct in work supervision.



ICAC's Training for Employees in Hong Kong

Anti-competition Compliance

Our business complies with all relevant competition and anti-trust laws, such as the Hong Kong Competition Ordinance. We provide guidelines to help our employees understand and adhere to these laws, including proper interactions with competitors, avoiding market dominance abuse, and engaging in trade associations. We have also rolled out a Competition Law training programme for our employees in Hong Kong and the Mainland. There were no legal cases of anti-competitive behaviour against KPL during the reporting period.

Whistleblowing Mechanism

KPL encourages employees, suppliers, business partners, customers, and other stakeholders to report any whistleblowing/complaints matters and any integrity or operational concerns to senior management. Our Whistleblowing and Complaints Policy details how we keep all complaints confidential and our investigation procedures. It is a formalised procedure with the reporting line through the Audit and Corporate Governance Committee (“ACGC”) to the Board. An assessment on whether to proceed investigation will be undertaken upon receipt of whistleblowing and complaint reports, which can be filed on anonymous basis.

The ACGC regularly checks and monitors the Whistleblowing and Complaints Policy to ensure it remains relevant and effective.

Whistleblowing Channels and Procedures:



1. Reporting	2. Assessment, Acceptance and Investigation (Ombudsperson)	3. Settlement (Complaints Committee)
<ul style="list-style-type: none"> ❖ Employees can make a report via Whistleblowing Report Form 	<ul style="list-style-type: none"> ❖ Case assessment ❖ Evidence search, clarification and verification 	<ul style="list-style-type: none"> ❖ Hold meetings for communicating the results ❖ Report investigation results to Chief Executive Officer and ACGC, if necessary

We are committed to protecting the confidentiality of whistleblowers and their information, only disclosing details when legally obligated or when reporting to regulators or law enforcement.

RISK MANAGEMENT

The Board is ultimately responsible for the oversight of the Group’s risk management activities and monitors risks that are material to the Group. The Board is supported by the ACGC in the risk management process.

Our risk management and internal control (“RMIC”) framework is based on that of the Committee of Sponsoring Organization of the Treadway Commission (COSO) for internal control. The RMIC framework ensures that adequate personal and necessary processes are in place to identify, assess and monitor existing and emerging risks.

To reinforce KPL’s risk management capabilities and compliance culture across all business units, KPL 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.

Internal Audit Department, with the corresponding departments or functions as the risk owners, are responsible for monitoring our key risks and their respective changes in the risk momentum.



Categories of Key Risks

We have categorised our risks into 5 major categories, each critical in assessing the overall risk landscape. Notably, we recognise the increasing importance of sustainability risks as a top priority. This recognition stems from the significant impact that sustainability risks can have on our business, including regulatory compliance, reputational impact, and long-term resilience. For each risk category, we have implemented or have identified measures to reduce the risk level.

Business Risks	Risks that are inherent in the Group’s industry and market conditions
Operational Risks	Risks that are inherent in the Group’s operations due to the potential loss arising from inadequate or failed internal processes, systems, or human error
Financial Risks	Risks encompass a various potential issues including market volatility, credit risk, liquidity concerns, and capital structure that may impact a company’s financial stability and growth
Technology Risks	Risks encompass the potential for negative impacts arising from technological disruptions, cybersecurity threats, or inadequate technology infrastructure
Sustainability Risks	Risks encompass environmental, social, and governance (ESG) risks

We report key risks to senior management timely, and our ACGC meets at least three times a year to review key risks and mitigation strategies. The Board is ultimately responsible for providing risk management guidance and ensuring that materiality assessments and RMIC framework are effective.

By regularly reviewing and updating our sustainability focus areas based on risk assessments and materiality matrices, we are able to prioritise our work and ensure that our sustainability initiatives are relevant.



CLIMATE-RELATED FINANCIAL DISCLOSURES

As we embark on our journey towards achieving carbon neutrality by 2050, our focus remains on effectively mitigating climate-related risks, capitalising on emerging opportunities, and enhancing the quality of our reporting in these areas. Given the direct impact of climate change on our business operations, it is crucial for us to address it as it is one of our material ESG risks.

To guide our climate-related risk management approach, we have adopted the TCFD framework, which encompasses the four core elements: Governance, Strategy, Risk Management, and Metrics and Targets. These elements form the foundation of our efforts to manage and mitigate climate-related risks. By aligning

our disclosure practices with the TCFD reporting framework, we prioritise transparency in communicating our climate-related risks to investors and the public. This commitment not only helps us maintain credibility and reputation, but also provides stakeholders with a clear understanding of the risks we face.

Moving forward, we will continue to enhance our TCFD reporting and prepare our climate disclosures to the latest international reporting standard, namely that from the ISSB, ensuring that our performance aligns more closely with the expectations of our stakeholders.

GOVERNANCE
STRATEGY
RISK MANAGEMENT
METRICS AND TARGETS

GOVERNANCE

The Board's Oversight of Climate-related Matters	Management's Role in Assessing and Managing Climate-related Matters
<p>The Board assumes ultimate responsibility for overseeing the management of climate-related risks, opportunities, and initiatives aimed at driving climate mitigation and adaptation strategies.</p> <p>At the next level, the Sustainability Council supervises the Group's sustainability direction and policies, and is led by the Chairman and Chief Executive Officer ("CEO").</p> <p>The Sustainability Steering Committee (the "Committee"), chaired by the Deputy CEO, carries the responsibility of managing the Group's sustainability agenda, strategies, policies, and performance, which encompasses critical activities such as materiality assessment and climate scenario analysis.</p> <p>Regular updates on sustainability matters, including climate-related targets, are provided to both the Board and the Committee by the Environmental Initiatives Sub-Committee and the Sustainability Team at least twice a year.</p>	<p>Accountability for designing and implementing climate-related initiatives, policies, and targets lies with the Senior Director of Sustainability & Communications, who reports to both the Board and the Committee. Drawing upon the corporate-level climate risk assessment, strategic responses are coordinated through various bodies, including the Environmental Initiatives Sub-committee, and the Climate Transition Taskforce. The Environmental Initiatives Sub-Committee, consisting of department heads, operates under the direct oversight of the Committee.</p> <p>Climate Fresk training was provided to the Environmental Initiatives Sub-Committee, to deepen its understanding of the context of climate change and response actions.</p>

We conduct regular double materiality assessments to ensure our priorities are aligned with stakeholders' expectations. In the 2023 assessment, climate-related topics including Energy Efficiency and GHG Emissions, Responsible Supply Chain Management, Climate Change and Resilience, Green Building Certification continued to emerge as our most material topics. These topics are in line with the assessment results of our risk management and internal control effectiveness review.

Climate Transition Taskforce

The Climate Transition Taskforce (the "**Taskforce**") was established last year to formulate carbon transition plans for KPL. The objective of this Taskforce is to conduct analysis concerning the implementation of carbon transition strategies, initiatives, and our contribution to achieving carbon neutrality. The Taskforce is working on a decarbonisation roadmap, which involves not only identifying actions to be taken by time horizon, but also conducting feasibility studies on the proposed actions. Furthermore, the Taskforce will share market-based best practices on cost-effective methods to accomplish these goals.



GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS

STRATEGY

Climate Risks and Impacts Identification and Related Strategies

Our climate risk assessment revealed a range of significant physical and transition risks under two scenarios: the Turquoise and Brown Scenarios. These scenarios specifically address the projected temperature rise in Hong Kong and the Mainland, spanning from the short term to the 2100 time horizons.

Taking into account the nature of our business, it is anticipated that transition risks will have a more pronounced impact in the short to medium term, while physical risks are expected to

become increasingly significant over the long term, especially with the recent climate events we have observed. We recognised that climate risks and their effects will evolve continuously due to constantly changing external conditions. As a result, we are committed to enhancing our internal processes and formulating robust sustainability strategies to proactively address the identified risks and their impacts. Regular reviews will be conducted to ensure the effectiveness of our risk management approach.

Climate Risks and Opportunities		Potential Financial Impacts	Our Responses
Physical	Increased severity of extreme weather events, such as tropical cyclone, intense precipitation, and flooding	<ul style="list-style-type: none"> ❖ Increased operational expenses (e.g. repairment of building damages, impaired assets) ❖ Increased construction costs (e.g. suspension of construction work) ❖ Increased insurance premiums ❖ Increased expenses in human resources ❖ Reduced revenue from delayed service 	<ul style="list-style-type: none"> ❖ Enhance energy efficiency through innovative technologies ❖ Adopt climate-resilient building features ❖ Internal training sessions to increase our staff’s know-how on these topics ❖ Roll out of Climate Checklist for Mitigation Measures to each of our sites to mitigate climate impacts ❖ Carry out climate risk and vulnerability assessment (“CRVA”) ❖ 80% of our investment properties in total have already conducted the assessments
	Rising mean temperatures and occurrences of heatwaves	<ul style="list-style-type: none"> ❖ Increased expenses incurred by negative impacts on employees (e.g. health, absenteeism) ❖ Increased utility expenses (e.g. air-conditioning) 	
Transition	Tightened building energy codes and guidelines	<ul style="list-style-type: none"> ❖ Increased fines due to non-compliance ❖ Early retirement of assets due to changes in regulation 	<ul style="list-style-type: none"> ❖ Continue to meet our target for 100% of new investment properties to achieve green certifications ❖ Develop green partnerships with tenants e.g. providing free carbon audit/accounting to tenants and green lease pilot scheme ❖ Engagement with our value chain partners on sustainability education to advance our decarbonisation strategy ❖ Cooperate with Internal Audit Department to audit physical risk responsive measures and environmental data ❖ Retrofit existing buildings to meet the growing appetite for sustainable workplaces and homes ❖ Keep abreast of regulatory developments ❖ Increase use of renewable energy and technologies in our new investment properties ❖ Purchase RECs to support renewable energy development
	Increased adoption of renewable energy (change in energy mix)	<ul style="list-style-type: none"> ❖ Increased capital expenditure ❖ Decreased utility expenses 	
	Increased ambition of decarbonisation strategies and roadmaps	<ul style="list-style-type: none"> ❖ Increased capital expenditure on decarbonisation ❖ Decreased operating expenses, including utilities 	
	Increased market demand for climate-resilient properties	<ul style="list-style-type: none"> ❖ Expanded product scope to climate-resilient properties ❖ Increased capital expenditure on adopting climate resilience features 	

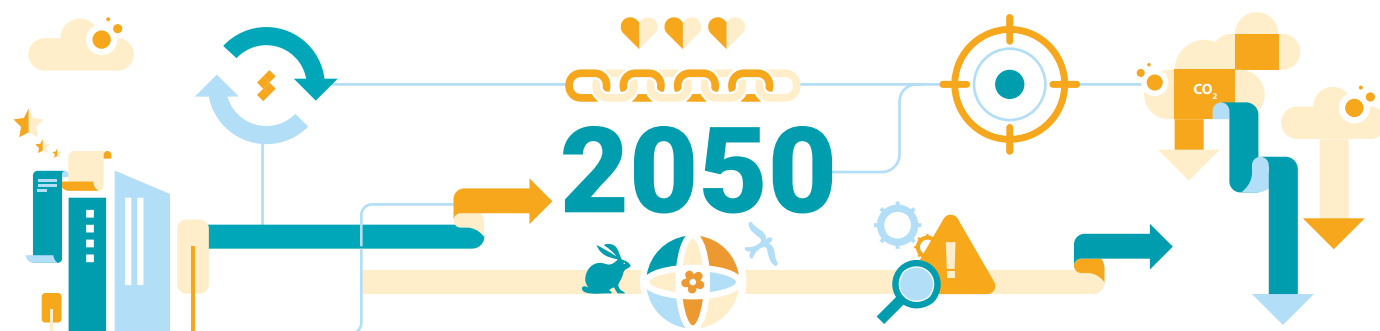
GOVERNANCE | **STRATEGY** | RISK MANAGEMENT | METRICS AND TARGETS

Each one of our sites is provided with a tailored Climate Checklist for Mitigation Measures, aimed at enhancing awareness about key risks and offering practical ways to prepare for and alleviate the effects of climate change on buildings. The Checklist is structured in the below manner:

Management Process	Preparedness	Improvement Works
<ul style="list-style-type: none"> ❖ Highlights management actions to be completed and checked upon to prepare for climate impacts ❖ Risks covered include typhoon, black rain, flooding, landslide 	<ul style="list-style-type: none"> ❖ Specific actions to be taken to prepare for extreme weather events, for example checking the availability of valid protective equipment 	<ul style="list-style-type: none"> ❖ Specific actions to be taken to complement “Preparedness” actions, to improve the timeliness of responses to climate impacts

In line with our goal of achieving carbon neutrality by 2050, we will align our future capital expenditures with our long-term carbon targets to effectively advance our decarbonisation efforts.

Our key actions:



<u>Designing and building energy-efficient buildings with green certifications</u>	<u>Increasing our renewable energy procurement</u>	<u>Setting and meeting our carbon reduction targets</u>
<u>Collaborating with our value chain partners to reduce emissions</u>	<u>Performing a biodiversity risk assessment to improve our environmental planning</u>	<u>Retrofitting of existing buildings for energy savings</u>

For details, please refer to [“Accelerating Climate Action”](#).

Promoting climate resilience forms a substantial part of our Sustainability Vision 2030. Acknowledging the significance of technology, we have been integrating diverse technologies throughout the entire lifespan of our buildings. This includes the utilisation of Building Information Modelling during the construction phase, as well as the incorporation of Internet of Things in our properties during the operational phase. We will persist in exploring additional technologies to leverage in our ongoing decarbonisation endeavours.

While waiting for our targets to be validated by the SBTi, we are preparing a carbon neutrality roadmap with detailed action plans and targets in a defined timeframe.



GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
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RISK MANAGEMENT

Identification, Assessment, and Management of Climate-related Risks

In our climate risk assessment, we identify physical and transition risks across our value chain through scenario analysis, which considers impacts over a timeframe ranging from the near term to 2030 and extending as far as 2100, with careful consideration of relevant climate parameters. Senior executives from different departments such as Project Development, Architecture, Technical Service, and Internal Audit, etc., provided valuable perspectives in order to map and prioritise our climate-related risks and opportunities.

The Internal Audit team also leads regular reviews on the effectiveness of our overall risk management and internal controls. The identification, assessment, and management of these risks include risks that are climate-related, as well as wider risks on our business, to ensure consistency and alignment.

Considering that our properties are situated in various cities and subject to distinct local government policies, we are implementing an initiative to gather data at the regional or city level. The objective is to develop more detailed analysis of climate scenarios for our diverse portfolio of properties.

<p>Turquoise Scenario (representing 1.5 °C to 2 °C rise in temperature by 2100)</p>	<p>Brown Scenario (representing 4 °C to 5 °C rise in temperature by 2100)</p>
<ul style="list-style-type: none"> ❖ 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). 	<ul style="list-style-type: none"> ❖ 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 dedicated to formulating action plans that will improve the disclosure of financial implications linked to risks and opportunities. Simultaneously, we strive to enhance the integration of climate-related considerations into our business strategy.

Risk Management Measures

<p>RMIC Systems</p>	<p>Internal Audit</p>
<p>The Group has incorporated climate risk management into the overall risk management through the Group-wide RMIC Systems.</p> <p>These systems are used to identify, assess and manage operational, financial, as well as ESG risks. The Board conducts a review of the system on an annual basis to ensure its effectiveness and performance across both management and business unit levels.</p>	<p>In addition to environmental data, the Internal Audit team has expanded its audit engagement to include physical risks. This serves to verify compliance with preventive measures when encountering physical risks, such as super typhoons and storm surges.</p> <p>For further details regarding risk management, please refer to the Corporate Governance Report in our Annual Report 2023.</p>



GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS

METRICS AND TARGETS

Disclosure of Climate-related Metrics and Targets

The primary climate-related metrics we utilise encompass Scope 1,2, and 3 GHG emissions data, as well as our progress towards achieving our climate target. Our GHG emissions calculations adhere to established standards such as 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.

At the core of our commitment to transparency, we leverage our robust data management system to enhance our capabilities in data collection and target setting, thereby bolstering the quality of our reporting. Last year, we achieved a significant milestone by setting the baseline for our science-based target and submitting the targets to the SBTi for validation. Looking ahead, we are dedicated to improving the disclosure of Scope 3 GHG emissions by extending our coverage to contractors and tenants. As we

continue to collect data, our aim is to provide stakeholders with a more comprehensive understanding of our GHG emissions. We will disclose this data in our report once it becomes available, ensuring that stakeholders have a complete and transparent view of our environmental performance.

We are pleased to announce that our emission and energy targets for 2025 were achieved ahead of schedule. As we have already submitted our targets to SBTi, we will consider the validated targets before renewing our short-term targets. This allows us to ensure that our targets align with the changing circumstances and maintain our commitment to sustainability.

Our Environmental Targets (Baseline Year 2017)

	Targets	Progress ¹		
		2023	2022	2021
GHG Intensity Reduction	↓ 25% by 2025	↓ 32.7%	↓ 32.4%	↓ 20.8%
Energy Saving	↓ 20% By 2025	↓ 24.7%	↓ 25.6%	↓ 15.3%

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



GOVERNANCE STRATEGY RISK MANAGEMENT **METRICS AND TARGETS**

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	

2023 Key Metrics

91% of properties obtained sustainable building certifications	90% of investment properties adopted climate-resilient building features	85% of operations governed by green procurement guidelines for property development and operation
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For more details on Scope 1, 2 and 3 emissions, please refer to [Performance Data Summary](#).

As we look ahead, we remain committed to enhancing our climate disclosure in order to meet the increasing expectations of our stakeholders, particularly regarding Scope 3 data. We will actively explore and pursue initiatives aimed at improving our existing efforts and introducing new relevant measures to fulfill our climate commitment. By continuously striving for progress, we aim to exceed expectations and contribute meaningfully to mitigating climate change.



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) REAL ESTATE SECTOR DISCLOSURE

Kerry Properties adopted SASB's Real Estate Sustainability Accounting Standard (Version 2023-06) to report, with the aim to communicate with stakeholders on the financial impacts of industry-specific material issues. It is aligned with this Report's scope as detailed on page [98-99](#).

We have implemented initiatives to enhance our SASB reporting and ensure alignment with forthcoming regulatory changes. As part of this endeavour, we have expanded our SASB data collection to encompass not only the base building but also the tenant spaces, which enables us to comprehensively assess the full impact of our entire building.

Energy Management ¹

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	2023
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sub-sector (%)	Office	75.4%	75.4%	81.1%
		Retail	62.1%	62.3%	66.4%
		Residential ²	1.0%	1.1%	1.1%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage (GJ)	Office	658,949.8	582,037.9	655,208.0
		Retail	642,348.1	579,332.0	560,640.8
		Residential	179,381.8	111,922.1	109,468.9
	Total energy consumed by percentage grid electricity, by property sub-sector (%)	Office	63.0%	52.9%	61.5%
		Retail	74.9%	79.7%	78.8%
		Residential	74.7%	65.0%	66.7%
	Total energy consumed by percentage renewable, by property sub-sector (%)	Office	16.4%	25.9%	26.0%
		Retail	9.0%	3.6%	11.2%
		Residential	9.1%	10.5%	16.1%

1. The data reported in 2021 was based on landlord areas. In 2022, 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 and 2023 datasets. It is important to note that while the data presented here represents the whole building, there are limitations in the data coverage, particularly in tenant spaces in Hong Kong as shown in IF-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.

Energy Management

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	2023
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sub-sector (%) ¹	Office		-11.7%	12.6%
		Retail		-9.8%	-3.2%
		Residential		-37.6%	-2.2%
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property sub-sector (%) ^{2,3}	Office	72.9%	100%	100%
		Retail	99.1%	100%	100%
		Residential	82.2%	91.9%	91.5%
	Percentage of eligible portfolio that is certified to ENERGY STAR®, by property sub-sector (%)	Office	Not Applicable to Hong Kong and the Mainland		
		Retail			
		Residential			
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy				

Adhering to ISO 50001:2018, we have established the Energy Policy and Energy Management System and conducted regular reviews on them. We also regularly conduct energy audits accordingly. We prioritise energy excellence in our new projects, following our Sustainable Building Guidelines, which consider both environmental impacts and energy costs.

At the corporate level, we have set a short-term energy-saving target for property management, aiming to achieve a 20% reduction in energy intensity by 2025 compared to the baseline year of 2017. In 2023, despite the inclusion of new properties in our reporting scope, we successfully achieved a 20.8% reduction in energy intensity, as compared to 2017. Considering our landbank pipeline, we anticipate increased energy consumption in the future, and as a result, we will closely monitor our energy performance.

We place significant emphasis on continuously improving

energy performance in our existing buildings and strive to obtain recognised green building certifications for our major investment properties. To facilitate energy management, we have been developing an integrated building management system and actively collaborating with stakeholders to raise awareness about energy conservation and to foster behavioral change.

In our pursuit of renewable energy, we have installed solar panels at several properties in the Mainland and Hong Kong. In 2023, we also purchased RECs for multiple investment properties in Shanghai, covering the office tenants' electricity usage in Jing An Kerry Centre and the electricity usage of all tenants in Kerry Everbright City Phase III. We have plans to expand the utilisation of renewable energy at our properties in the Mainland and Hong Kong in the future.

For more detailed information, please refer to page [35-36](#).

1. The latest standard updated the calculation approach of IF-RE-130a.3, therefore the 2022 figures were adjusted.

2. 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.

3. The 2021 data was adjusted due to the revised IF-RE-000.A.

Water Management ¹

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	2023
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property sub-sector (%)	Office	100%	100%	100%
		Retail	77.4%	77.7%	76.8%
		Residential ²	21.0%	22.4%	23.3%
	Water withdrawal data coverage as a percentage of total floor area, by property sub-sector (%) floor area in regions with High or Extremely High Baseline Water Stress, by property sub-sector (%)	Office	100%	100%	100%
		Retail	100%	100%	100%
		Residential ²	38.7%	39.9%	39.9%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property sub-sector (Thousand m ³)	Office	1,184.7	1,118.3	1,464.8
		Retail	1,412.4	1,261.3	1,398.8
		Residential	253.7	140.6	159.8
	Total water withdrawn by percentage in regions with High or Extremely High Baseline Water Stress, by property sub-sector (%)	Office	87.9%	89.1%	86.1%
		Retail	76.1%	79.6%	87.6%
		Residential	71.3%	93.8%	94.3%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sub-sector (%) ³	Office		-5.6%	31.0%
		Retail		-10.7%	10.9%
		Residential		-44.6%	13.6%
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks				

In 2023, we utilised the WRI's Aqueduct Water Risk Atlas tool to assess our baseline water stress. The results indicated relatively high baseline stress in our operational areas. However, we have encountered no issues with water sourcing due to our water-efficient designs, water-conserving measures, and robust infrastructure in those areas.

Our Water Stewardship Policy outlines our strategies for effective water management throughout our operations. To safeguard water resources, we remain committed to reducing water consumption by implementing practical designs such as rainwater harvesting. Additionally, we aim to enhance water-saving practices and implement wastewater recycling initiatives at our operational sites.

As part of our Vision 2030 Targets, we have set a goal of implementing rainwater harvesting systems in 100% of our investment properties. This year, we have achieved 52% progress

towards this target. Furthermore, we have successfully reduced water consumption intensity by 26.4% compared to the baseline year of 2017.

To improve water efficiency and decrease water consumption, we have implemented various measures in our properties. These include the installation of water-efficient fittings and the incorporation of water reclamation systems, enabling us to reuse greywater and harvest rainwater. Additionally, we conduct regular inspections and maintenance of water supply systems to prevent water leakage and wastage at our managed properties.

Regarding construction sites, we establish project-specific water consumption quotas. Furthermore, our Enhanced Safety Performance and Environmental Protection Scheme offers incentives to contractors who recycle and reuse more than 30% of wastewater on-site.

1. The data reported in 2021 was based on landlord areas. In 2022, 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 and 2023 datasets. It is important to note that while the data presented here represents the whole building, there are limitations in data coverage, particularly in tenant spaces in Hong Kong as shown in IF-RE-140a.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 water bills directly to the fresh water providers.

3. The latest standard updated the calculation approach of IF-RE-140a.3, therefore the 2022 figures were adjusted.



Management of Tenant Sustainability Impacts

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	2023
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property sub-sector (%)	Office	Explore the possibility of introducing relevant leases	A pilot dark green leasing programme was in preparation	Pilot dark green leasing with 2 office tenants in Hong Kong
		Retail			
		Residential			
	Associated leased floor area of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property sub-sector (sq. ft)	Office			
		Retail			
		Residential			
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property sub-sector (%) ¹	Office	100%	100%	100%
		Retail	100%	100%	100%
		Residential	100%	100%	100%
	Percentage of tenants that are separately metered or submetered for water withdrawals, by property sub-sector (%) ¹	Office	100%	100%	100%
		Retail	100%	100%	100%
		Residential	100%	100%	100%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants				

Consistent interaction with our tenants forms the cornerstone of building trust and fostering collaborative relationships in our business. In 2022, we began preparations for a pilot green leasing programme aimed at incentivising meaningful carbon reduction efforts. This year, we successfully launched the Dark Green Leasing Programme in Hong Kong, wherein participating tenants share the benefits of reduced air-conditioning usage and water consumption.

Upon the arrival of new tenants, we provide them with the Environmental Guideline for Residents and the Sustainable Fitting Out Guideline (Office). These resources aim to encourage their active involvement in sustainability initiatives within our properties.

As a testament to our commitment to raising awareness, we have established the KPL Sustainability Sponsorship Fund Program and the ESG Event Fund. Through these initiatives, we regularly organise events and implement improvement projects centred around various sustainability themes for the benefit of our tenants.

1. In the regions we operate, submeters are commonly installed for individual occupants, but data may not be available to landlords.



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 sub-sector (sq. ft)	Office	"100-year flood zones" is a U.S. definition and is unavailable in both Hong Kong and the Mainland. Through the CRVA focusing on physical risks at property level, investment properties with flood-related risks are preliminarily identified.
		Retail	
		Residential	
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks		

We have identified a list of high-impact climate-related physical and transition risks. In considering different scenarios, we have analysed the potential temperature rises of 1.5°C to 2°C and 4°C to 5°C in Hong Kong and the Mainland by 2030 and 2100. Given the nature of our business, we recognise that transition risks are likely to have a greater impact on our operations in the short to medium term, while physical risks may pose significant challenges in the long term.

To assess these risks, we have completed the CRVA assessment for 80% of our investment properties. Notably, we have observed variations in high-impact climate risks across different regions, particularly concerning physical risks. The assessments have provided us with detailed and localised insights into regional climate risks, enabling us to develop specialised and localised mitigation plans. Furthermore, we actively engage our stakeholders and communicate the results of the CRVA assessment, sharing our progress and seeking tenants' input on strengthening related measures.

In 2023, the Internal Audit Department took further steps to incorporate physical risks into audit engagements. This proactive approach ensures that property management teams effectively implement precautionary actions as required.

Recognising the environmental benefits of technology, we have been integrating various technologies throughout the building life cycle. This includes leveraging Building Information Modeling (BIM) during the construction stage and implementing Integrated Building Management Systems (IBMS) during operations. Additionally, we are committed to driving decarbonisation across our upstream and downstream value chain. Through an engagement-oriented approach, we provide trainings, webinars, and pilot programmes to raise awareness and make progress in Scope 3 emissions reduction.

For more detailed information, please refer to page [32-39](#).

Activity Metrics

SASB Code	Accounting Metric	Property Sub-sector	2021	2022	2023
IF-RE-000.A	Number of assets, by property sub-sector ¹	Office	13	13	14
		Retail	18	17	15
		Residential	19	13	12
IF-RE-000.B	Leasable floor area, by property sub-sector (ft ²) ²	Office	4,169,071	4,169,071	5,593,410
		Retail	4,845,749	4,829,858	4,916,901
		Residential	1,912,121	1,912,121	1,912,121
IF-RE-000.C	Percentage of indirectly managed assets, by property sub-sector (%)	Office	0	0	0
		Retail	0	0	0
		Residential	0	0	0
IF-RE-000.D	Average occupancy rate, by property sub-sector (%) ²	Office	94.4%	93.1%	82.6%
		Retail	94.3%	89.5%	90.6%
		Residential	93.6%	89.2%	89.1%

- Our properties are classified into sub-sectors that are aligned with the FTSE Nareit Classification Structure, and some properties may be classified as more than one property sub-sector. A property was classified into only one of the property sub-sectors if 75% or more of its gross floor area was specified for that property sub-sector in 2021; the rule was not adopted since 2022 to enhance alignment with the Company's annual report. This is in line with the SASB's Real Estate Sustainability Accounting Standard.
- All properties that are held for sale are not included.

FTSE Nareit Classification of Property Sub-sectors

	Scope	Property Nature		Scope	Property Nature	
The Mainland	Beijing Kerry Centre	Office	The Mainland	Shenyang Kerry Centre Enterprise Square	Office	
		Residential			Shenzhen Kerry Plaza Phase I	Office
		Retail		Shenzhen Kerry Plaza Phase II		Office
	Hangzhou Kerry Centre	Office			Retail	
		Retail		Qianhai Kerry Centre Phase I, Shenzhen	Office	
	Central Residences Phase II Towers 1 and 3, Shanghai	Residential			Retail	
		Jing An Kerry Centre Phase I, Shanghai		Office	Tianjin Kerry Centre Riverview Place	Retail
				Residential		Habitat Phase I, Qinhuangdao
	Retail			Retail		
	Jing An Kerry Centre Phase II, Shanghai	Office		Hong Kong	Aigburth	Residential
		Retail			Branksome Crest	Residential
	Kerry Everbright City Phase I, Shanghai	Office			Branksome Grande	Residential
		Retail			Enterprise Square Three	Retail
	Kerry Everbright City Phase III, Shanghai	Office			Enterprise Square Five/ MegaBox	Office
Retail		Gladdon	Retail			
Residential			Hong Kong Kerry Centre		Residential	
Kerry Parkside, Shanghai	Office	Office				
	Retail	Retail				
	Residential	The Bonham	Residential			
Shenyang Kerry Centre Phase II	Office		Tavistock	Residential		
	Retail					

ABOUT THIS REPORT

REPORTING PERIOD AND SCOPE

This Sustainability Report ("**Report**") covers the Group's sustainability performance for the financial year from 1 January to 31 December 2023 ("**reporting period**").

The Report covers the Group's sustainability strategies, initiatives, and performances, encompassing the Group's core business operations in Hong Kong and the Mainland. This includes operations in property development, investment, management, and leasing in offices, retails, residential properties, and apartments. Hotel and warehouse businesses, as well as properties without our ownership or direct management, are excluded from this Report.

The Report presents both qualitative and quantitative data regarding the Group's approach, initiatives, and priorities for managing material environmental, social, and governance (ESG) factors. Further details on corporate governance are available in the Corporate Governance Report of the KPL Annual Report 2023.

The Board oversees the content of this Report. This Report has been reviewed and approved by the Board.

REPORTING STANDARDS AND PRINCIPLES

This Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide ("**ESG Guide**"), set out in Appendix C2 to the Listing Rules issued by The Stock Exchange of Hong Kong Limited ("**SEHK**"), the Global Reporting Initiative's Standards ("**GRI Standards**") and Sustainability Accounting Standards Board's ("**SASB**") standard Real Estate Sustainability Accounting Standard. Our climate actions are disclosed with reference to the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**").

To ensure a comprehensive depiction of the Group's sustainability efforts for our stakeholders, this Report aligns with essential performance indicators from key sustainability benchmarks such as CDP, DJSI, FTSE4Good, GRESB, and MSCI. In the future, we will align our climate disclosures with the latest international reporting standard, particularly on International Sustainability Standards Board ("**ISSB**").

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.

REPORTING BOUNDARY OF 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.

The reporting scope for social performance data covers our managed properties and projects under development in both Hong Kong and the Mainland. People-related data illustrated in this Report pertains solely to staff members directly employed by KPL (excludes hotel).

The Mainland

Beijing Kerry Centre	Central Residences Phase II Towers 1 and 3, Shanghai
Hangzhou Kerry Centre	Shenyang Kerry Centre Enterprise Square
Jing An Kerry Centre Phase I, Shanghai	Shenyang Kerry Centre Phase II
Jing An Kerry Centre Phase II, Shanghai	Shenzhen Kerry Plaza Phase I
Kerry Everbright City Phase I, Shanghai	Shenzhen Kerry Plaza Phase II
Kerry Everbright City Phase III, Shanghai	Qianhai Kerry Centre Phase I, Shenzhen
Kerry Parkside, Shanghai	Tianjin Kerry Centre Riverview Place
Habitat Phase I, Qinhuangdao	

Hong Kong

Aigburth	Gladdon
Branksome Crest	Hong Kong Kerry Centre
Branksome Grande	The Bonham
Enterprise Square Five/MegaBox	Tavistock
Enterprise Square Three	

INTERNAL AUDIT AND INDEPENDENT ASSURANCE

The process of measuring and monitoring various aspects is integral to effective management, and we place great importance on the governance of data and information. We have put in place both internal processes, including our Internal Audit and Sustainability teams, as well as engaging independent assurance for effective data governance.

The Group's internal audit team has conducted verification over selected environmental data, covering 85% of the total gross floor area (GFA) of investment properties owned and managed properties in this Report.

Furthermore, this Report has been independently verified by Hong Kong Quality Assurance Agency (HKQAA) in accordance with the ISAE 3000. The independent assurance statement can be found on page [117-118](#) of this Report.

CONTACT

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

If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.

SHARE YOUR THOUGHTS

Thank you for reading Kerry Properties' Sustainability Report 2023. Your feedback is critical for us to continuously improve our reporting and sustainability practices. As a token of our gratitude, we will donate hot meals on behalf of the survey respondents.



MAJOR AWARDS AND MEMBERSHIPS

Our commitment to sustainability, excellence, and social responsibility has earned us recognition from prestigious organisations. We value our achievements and remain dedicated to innovation and sustainable practices. For a comprehensive list of our accomplishments, please refer to the "Major Awards and Recognitions" section of our Annual Report 2023.



2023 WELL at Scale Award

International WELL Building Institute (IWBI)
Regional WELL Leadership Award – Asia:
Kerry Properties Limited



The Asset ESG Corporate Awards 2023

The Asset
Benchmark Award – Platinum Award:
Kerry Properties Limited



Asia Sustainability Reporting Awards 2022

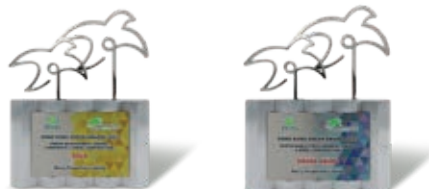
CSRWorks International

- Silver Award in Asia's Best Stakeholder Reporting: Sustainability Report 2021
- Bronze Award in Asia's Best Materiality Reporting: Sustainability Report 2021



Hong Kong Sustainability Award 2023

Hong Kong Management Association
Merit Award in the Large Organisation Category



Hong Kong Green Awards 2023

Green Council

- Sustainable Procurement Award (Large Corporation) – Grand Award
- Green Management Award – Corporate (Large Corporation) – Gold and Sustained Performance (14 Years+)



IR Magazine Awards - Greater China 2023

IR Magazine
Best ESG reporting (small to mid-cap)



LEED v4.1 Communities: Plan and Design

U.S. Green Building Council

- Platinum: Huangpu Jinling Road Project, Shanghai
- Gold: Fuzhou Rivercity



LEED Zero Carbon

U.S. Green Building Council
Jing An Kerry Centre (Towers 1, 2 & 3), Shanghai



WELL Core Certification

International WELL Building Institute (IWBI)

- Platinum: Enterprise Square Five, Hong Kong; and Kerry Everbright City Phase I – The Lightbox, Shanghai
- Gold: Qianhai Kerry Centre Phase II (T7 & T8 Buildings), Shenzhen

Awards and Recognitions	Issuing Authority
BDO ESG Awards 2023 – Middle Market Capitalisation <ul style="list-style-type: none"> ❖ ESG Report of the Year ❖ Best in ESG Awards ❖ Best in Reporting Awards 	BDO Limited
BEAM Plus New Buildings (NB) Version 2.0 <ul style="list-style-type: none"> ❖ Provisional Silver Rating: Proposed Residential Development at Shap Pat Heung Road and Tai Tong Road, Yuen Long, Hong Kong 	Hong Kong Green Building Council
Best Corporate Governance and ESG Awards 2023 <ul style="list-style-type: none"> ❖ Non-Hang Seng Index (Medium Market Capitalisation) – ESG Awards 	Hong Kong Institute of Certified Public Accountants
Hong Kong Awards for Environmental Excellence 2022 <ul style="list-style-type: none"> ❖ Gold Award, Property Management (Residential): Lions Rise, Hong Kong 	Environmental Campaign Committee and Environmental Protection Department
International ARC Awards 2023 <ul style="list-style-type: none"> ❖ Gold Award in Cover/Home Page – Sustainability Report – Hong Kong: Sustainability Report 2022 	MerComm, Inc.
LEED 2009 Core and Shell Development <ul style="list-style-type: none"> ❖ Platinum: Qianhai Kerry Centre Phase II (T7 & T8 Buildings), Shenzhen 	U.S. Green Building Council
LEED v4 Building Design and Construction: Core and Shell Development <ul style="list-style-type: none"> ❖ Platinum: Kerry Everbright City Phase I – The LightBox, Shanghai ❖ Gold: Fuzhou Rivercity 	U.S. Green Building Council
LEED v4.1 Cities and Communities: Existing <ul style="list-style-type: none"> ❖ Platinum: Beijing Kerry Centre 	U.S. Green Building Council
LEED v4.1 Operations and Maintenance: Existing Buildings <ul style="list-style-type: none"> ❖ Platinum: Kerry Centre, Hong Kong 	U.S. Green Building Council
The Best Annual Reports Awards 2023 <ul style="list-style-type: none"> ❖ Excellence Award in Environmental, Social and Governance Reporting: Sustainability Report 2022 	Hong Kong Management Association
WiredScore Certification <ul style="list-style-type: none"> ❖ Platinum: Kerry Centre, Hong Kong ❖ Gold: Enterprise Square Five, Hong Kong 	WiredScore Ltd

SUSTAINABILITY ACCREDITATIONS

Organisation	Achievement
Global Real Estate Sustainability Benchmark (GRESB)	Highest 5-Star Rating, for 3 rd consecutive year Eastern Asia Diversified Listed Category: 2 nd Global Diversified Listed Category: 3 rd Public Disclosure Score: A for 4 th consecutive year
Greater Bay Area Business Sustainability Index (GBABSI)	Top 10
CDP	A-
FTSE4Good Index	Constituent
Hang Seng Corporate Sustainability Index Series 2023	Constituent Member ESG Rating: AA+
Hang Seng ESG 50 Index	Constituent Member
MSCI ESG Rating	ESG Rating: A
S&P Global	S&P Global Sustainability Yearbook 2024 Member
Sustainalytics	ESG Risk Rating: Low Risk

MEMBERSHIPS & CHARTERS

Organisation	Nature of Membership/Charter
Asian Corporate Coalition for Climate Change Resilience	Steering Member
Business Environment Council	Council Member
Business Environment Council	BEC 10 Years+ Membership Appreciation
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

IMPACT BOUNDARIES, RISKS AND OPPORTUNITIES OF MATERIAL TOPICS

No.	List of Material Topics	Impact and Boundaries								Potential Risks	Potential Opportunities	How these topics are addressed
		A	B	C	D	E	F	G	H			
1	Business Ethics and Integrity	●	●	●			●	●	●	Reputational harm, resulting in negative publicity and decreased brand value.	Enhancement of reputation, trust with stakeholders.	Set policies and procedures that reinforce our support to ethical ideals, with clear segregation of duties.
2	Climate Change and Resilience	●	●	●	●	●	●	●	●	Physical damage from extreme weather events, regulatory challenges, market disruptions, and the need to adapt to a transitioning economy.	Investing in renewable energy, green building, and sustainable materials offers the potential to mitigate climate change impacts while enhancing resilience.	Develop strategies for mitigating climate-related risks.
3	Green Building Certification	●	●	●	●	●	●	●	●	Higher upfront costs and the challenge of sourcing sustainable materials.	Stakeholders increasingly seek properties with sustainable features, creating a more expansive market for buildings that incorporate eco-friendly design and construction elements.	Obtaining sustainable building awards and certifications for 100% of new buildings.
4	Energy Efficiency and Greenhouse Gas ("GHG") Emissions	●	●	●	●	●	●	●	●	Regulatory compliance, increased operational costs, decreased market competitiveness.	Cost savings, enhanced brand value, and leadership in the transition to a low-carbon economy.	Pursuing innovative solutions and implemented technological advancements to reduce emissions.
5	Information Privacy	●	●	●			●			Data breaches, non-compliance with evolving regulations, loss of customer trust, and reputational damage.	Stakeholder trust and competitive edge through the responsible use of data.	Implemented policies and procedures for the protection of personal data privacy.

A Investors and Shareholders

B Customers and Tenants

C Industry Peers

D Academia

E NGOs

F Employees

G Suppliers and Contractors

H Local Communities

No.	List of Material Topics	Impact and Boundaries								Potential Risks	Potential Opportunities	How these topics are addressed
		A	B	C	D	E	F	G	H			
6	Responsible Supply Chain Management	●	●	●			●	●		Increased cost and complexities, liabilities with actions not in line with sustainability practices	Increased engagement with supplier partners in an collaborative effort to advance sustainability.	Hosted Sustainability Education Programme to our supply chain partners and performed a supply chain ESG risk assessment.
7	Stakeholder Well-being	●	●	●				●		Reduced productivity, increased turnover, reputational damage, loss of trust, impacting long-term business sustainability and stakeholder relationships.	Enhanced engagement, loyalty and a positive organisational image.	Established regular communication channels to understand stakeholder perspectives, and provided feedback mechanisms to gather insights and respond to stakeholder feedback.
8	Innovation	●	●	●			●	●		Significant research and development costs, potential market unacceptability, increased competition, intellectual property challenges.	Stimulation of creativity, accelerated market adaptation, driving forward technological advancement, and gaining a competitive edge.	Allocated a dedicated budget for research and development that aligns with KPL's financial capacity and strategic goals.
9	Occupational Health and Safety	●	●				●	●		Negative effects on the well-being of stakeholders and the Company's reputation.	Improved employees' and external stakeholders' well-being, increased productivity, reduced healthcare costs.	Implemented measures to protect and enhance the health and safety of both customers and employees, encompassing the adoption of OHS policies and safety training.

A Investors and Shareholders
F Employees

B Customers and Tenants
G Suppliers and Contractors

C Industry Peers
H Local Communities

D Academia

E NGOs

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL PERFORMANCE 1,2

GHG Emissions³

Indicator	Unit	Total	Hong Kong				The Mainland			
		2023	2023	2022	2021	2020	2023	2022	2021	2020
Direct GHG emissions (Scope 1) ⁴	Tonnes of CO ₂ e	4,867	246	279	58	39	4,621	3,952	4,302	6,592
Energy indirect GHG emissions (Scope 2, location-based) ⁵	Tonnes of CO ₂ e	87,547	14,762	15,172	20,695	25,923	72,785	66,289	77,851	78,618
Energy indirect GHG emissions (Scope 2, market-based) ⁵	Tonnes of CO ₂ e	59,370	14,762	15,172	20,695	25,923	44,607	52,032	48,055	78,618
Other indirect GHG emissions (Scope 3) ⁶	Tonnes of CO ₂ e	2,171	764	464	528	560	1,407	583	13	48
Total GHG emissions (Location-based)	Tonnes of CO ₂ e	94,586	15,773	15,915	21,281	26,522	78,813	70,824	82,166	85,258
Total GHG emissions (Market-based)	Tonnes of CO ₂ e	66,408	15,773	15,915	21,281	26,522	50,636	56,567	52,370	85,258
GHG intensity (Location-based) ⁷	Tonnes of CO ₂ e / 1,000ft ²	7.20	5.90	5.80	7.41	9.20	7.54	7.67	8.81	8.98
GHG intensity (Market-based) ⁷	Tonnes of CO ₂ e / 1,000ft ²	5.06	5.90	5.80	7.41	9.20	4.84	6.12	5.61	8.98

1. The reporting scope of environmental performance is detailed in "About this Report – Reporting Boundary of Sustainability Data" on page 99.

2. Numbers may not add up due to rounding.

3. The calculation methodologies and emission factors for GHG emissions:

- Methodologies are referenced from the GHG Protocol, the ISO14064-1 standard, and 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).
- For Hong Kong: The sources of energy conversion and emissions factors for the reporting of GHG emissions include 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 intensity for electricity sold published by CLP Power Hong Kong Limited and The Hongkong Electric Company, Limited, and the GHG emissions due to electricity used for freshwater processing by the Water Supplies Department and sewage processing by the Drainage Services Department.
- For the Mainland: The sources of energy conversion and emissions factors for the reporting of GHG emissions include the emission factors from General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020), GHG Protocol Tool for Energy Consumption in China (Version 2.1), Ministry of Ecology and Environment of the People's Republic of China, cooling efficiency from local district cooling facilities, and the Standard for Calculating Carbon Emissions from Building 2019 (GB/T51366-2019). Emissions of methane gas generation at landfill due to disposal of paper waste and sewage treatment are referenced from the emission factors from Hong Kong.
- Global Warming Potential (GWP) values are referenced from the IPCC Sixth Assessment Report (AR6).
- 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.

4. The increase in Scope 1 GHG emissions in the Mainland in 2023 is mainly due to the increase in natural gas consumption during several cold waves throughout winter season.

5. The increase in Scope 2 GHG emissions in the Mainland in 2023 is mainly due to resumed business operation after the pandemic and the newly inclusion of Qianhai Kerry Centre Phase I, Shenzhen in the reporting scope.

6. The reporting scope for Scope 3 – other indirect GHG emissions in Hong Kong and the Mainland are aligned starting from 2023, which includes methane generation at landfill due to disposal of paper waste and GHG emissions due to electricity used for EV-charging stations, electricity used for freshwater and sewage processing, and fuel used for outsourced shuttle bus services.

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

Waste¹

Indicator	Unit	Total	Hong Kong				The Mainland			
		2023	2023	2022	2021	2020	2023	2022	2021	2020
Waste generated (Hazardous) ²	Tonnes	3.3	0.6	1.2	1.8	1.6	2.7	6.5	5.8	6.4
Waste generated (Non-hazardous)	Tonnes	1,158,779	54,889	78,191	70,024	15,162	1,103,890	340,435	351,476	55,198
Waste disposal (Non-hazardous) ³	Tonnes	1,135,692	39,114	39,269	15,670	8,047	1,096,578	331,959	335,939	52,470
Waste recycled/reused (Non-hazardous)	Tonnes	23,087	15,774	38,922	54,353	7,116	7,313	8,476	15,540	2,728
Paper	Tonnes	538	260	241	299	286	278	236	356	355
Plastic	Tonnes	63	11	10	14	5	52	48	61	63
Metals	Tonnes	24	1	1	4	3	23	19	643	22
Glass	Tonnes	86	5	7	23	7	81	2	2	-
Food waste	Tonnes	4,995	52	56	18	13	4,943	4,227	4,430	2,287
C&D waste	Tonnes	17,378	15,444	38,605	53,995	6,796	1,934	3,943	10,047	-
Others (clothes and cloth hangers)	Tonnes	2	1	1	2	6	1	1	2	-

1. Including waste and recyclables generated from operational activities under the reporting scope and construction activities in Hong Kong and the Mainland.

2. Including compact fluorescent lamps, fluorescent light tubes, LED tubes, toner cartridges, rechargeable batteries and chemical waste collected by qualified contractors in Hong Kong and the Mainland.

3. The increase in waste generation and disposal in the Mainland in 2023 is due to the increase in the number of construction sites commencing construction activities, including foundation and superstructure stages, during that year.

Use of Resources

Indicator	Unit	Total	Hong Kong				The Mainland			
		2023	2023	2022	2021	2020	2023	2022	2021	2020
Energy consumption¹										
Direct energy consumption										
Diesel	GJ	245	39	7	162	121	206	124	240	-
Petrol	GJ	652	596	521	542	327	55	17	67	38
Liquefied Petroleum Gas (LPG)	GJ	-	-	-	32	52	-	-	-	-
Natural Gas	GJ	88,427	-	-	-	-	88,427	75,509	82,386	60,007
Indirect energy consumption										
Purchased Electricity	GJ	536,814	113,650	113,020	162,901	161,229	423,164	390,479	438,213	440,928
Purchased Heating	GJ	44,803	-	-	-	-	44,803	40,473	34,144	37,572
Purchased Cooling ²	GJ	16,356	-	-	-	-	16,356	-	-	-
Total										
Total energy consumption ³	GJ	687,428	114,285	113,548	163,637	161,729	573,143	506,601	555,051	538,545
Energy consumption intensity	GJ/1,000ft ²	52.36	42.7	41.4	57.0	56.1	54.8	54.8	59.5	56.7
Water consumption										
Total freshwater consumption	1,000m ³	1,229	124	116	195	175	1,105	931	1,103	1,127
Water consumption intensity	m ³ /ft ²	0.094	0.046	0.042	0.068	0.061	0.106	0.101	0.118	0.119
Paper consumption										
Total paper consumption	Tonnes	8.9	2.1	2.3	4.6	12.6	6.8	9.3	2.6	8.5

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

2. The consumption for purchased cooling is newly added in 2023, due to the inclusion of Qianhai Kerry Centre Phase I, Shenzhen in the reporting scope.

3. The total energy consumption includes direct and indirect energy consumption, and the consumption of renewable energy generated on-site.

SOCIAL PERFORMANCE

Total Workforce¹

	Total		Hong Kong					The Mainland										
	2023		2023	2022	2021	2020	2023	2022	2021	2020								
Total number of employees	4,884		1,511	1,550	1,559	1,739	3,373	3,365	3,216	3,182								
By Gender																		
Male	2,993	61.3%	974	64.5%	1,010	65.2%	1,025	65.7%	1,100	63.3%	2,019	59.9%	2,031	60.4%	1,946	60.5%	1,921	60.4%
Female	1,891	38.7%	537	35.5%	540	34.8%	534	34.3%	639	36.7%	1,354	40.1%	1,334	39.6%	1,270	39.5%	1,261	39.6%
By Age Group																		
Under 30	907	18.6%	143	9.5%	181	11.7%	190	12.2%	340	19.6%	764	22.7%	724	21.5%	647	20.1%	512	16.1%
30 to 50	2,849	58.3%	676	44.7%	676	43.6%	696	44.6%	732	42.1%	2,173	64.4%	2,256	67.0%	2,160	67.2%	2,260	71.0%
Over 50	1,128	23.1%	692	45.8%	693	44.7%	673	43.2%	667	38.4%	436	12.9%	385	11.4%	409	12.7%	410	12.9%
By Employee Category																		
Management	212	4.3%	83	5.5%	86	5.5%	87	5.6%	79	4.5%	129	3.8%	126	3.7%	117	3.6%	103	3.2%
Male	120	56.6%	48	57.8%	51	59.3%	51	58.6%	43	54.4%	72	55.8%	74	58.7%	70	59.8%	62	60.2%
Female	92	43.4%	35	42.2%	35	40.7%	36	41.4%	36	45.6%	57	44.2%	52	41.3%	47	40.2%	41	39.8%
Managerial	639	13.1%	247	16.3%	231	14.9%	212	13.6%	206	11.8%	392	11.6%	374	11.1%	337	10.5%	320	10.1%
Male	367	57.4%	153	61.9%	139	60.2%	132	62.3%	125	60.7%	214	54.6%	199	53.2%	175	51.9%	164	51.3%
Female	272	42.6%	94	38.1%	92	39.8%	80	37.7%	81	39.3%	178	45.4%	175	46.8%	162	48.1%	156	48.8%
General Staff	4,033	82.6%	1,181	78.2%	1,233	79.5%	1,260	80.8%	1,454	83.6%	2,852	84.6%	2,865	85.1%	2,762	85.9%	2,759	86.7%
Male	2,506	62.1%	773	65.5%	820	66.5%	842	66.8%	932	64.1%	1,733	60.8%	1,758	61.4%	1,701	61.6%	1,695	61.4%
Female	1,527	37.9%	408	34.5%	413	33.5%	418	33.2%	522	35.9%	1,119	39.2%	1,107	38.6%	1,061	38.4%	1,064	38.6%
By Employment Contract																		
Full-time	4,876	99.8%	1,503	99.5%	1,544	99.6%	1,554	99.7%	1,545	88.8%	3,373	100%	3,365	100%	3,216	100%	3,175	99.8%
Male	2,992	61.4%	973	64.7%	1,009	65.3%	1,025	66.0%	1,008	65.2%	2,019	59.9%	2,031	60.4%	1,946	60.5%	1,919	60.4%
Female	1,884	38.6%	530	35.3%	535	34.7%	529	34.0%	537	34.8%	1,354	40.1%	1,334	39.6%	1,270	39.5%	1,256	39.6%
Part-time	8	0.2%	8	0.5%	6	0.4%	5	0.3%	194	11.2%	0	-	0	-	0	-	7	0.2%
Male	1	12.5%	1	12.5%	1	16.7%	0	-	92	47.4%	0	-	0	-	0	-	2	28.6%
Female	7	87.5%	7	87.5%	5	83.3%	5	100%	102	52.6%	0	-	0	-	0	-	5	71.4%
By Employment Type																		
Permanent	4,826	98.8%	1,453	96.2%	1,497	96.6%	1,551	99.5%	1,569	90.2%	3,373	100%	3,365	100%	3,216	100%	3,175	99.8%
Male	2,947	61.1%	928	63.9%	970	64.8%	1,019	65.7%	1,027	65.5%	2,019	59.9%	2,031	60.4%	1,946	60.5%	1,919	60.4%
Female	1,879	38.9%	525	36.1%	527	35.2%	532	34.3%	542	34.5%	1,354	40.1%	1,334	39.6%	1,270	39.5%	1,256	39.6%
Temporary/ fixed term	58	1.2%	58	3.8%	53	3.4%	8	0.5%	170	9.8%	0	-	0	-	0	-	7	0.2%
Male	46	79.3%	46	79.3%	40	75.5%	6	75.0%	73	42.9%	0	-	0	-	0	-	2	28.6%
Female	12	20.7%	12	20.7%	13	24.5%	2	25.0%	97	57.1%	0	-	0	-	0	-	5	71.4%

1. As at 31 December 2023, the Group had approximately 7,800 employees. The reporting scope on people-related data illustrated in "SOCIAL PERFORMANCE" pertains solely to staff members directly employed by KPL (excludes hotel).

New Hires¹

	Total		Hong Kong					The Mainland										
	2023		2023	2022	2021	2020	2023	2022	2021	2020								
Total number and rate of new hires	960	19.7%	430	28.5%	373	24.1%	372	23.9%	351	20.2%	530	15.7%	826	24.5%	701	21.8%	506	15.9%
By Gender																		
Male	538	18.0%	238	24.4%	204	20.2%	249	24.3%	237	21.5%	300	14.9%	492	24.2%	431	22.1%	286	14.9%
Female	422	22.3%	192	35.8%	169	31.3%	123	23.0%	114	17.8%	230	17.0%	334	25.0%	270	21.3%	220	17.4%
By Age Group																		
Under 30	323	35.6%	102	71.3%	109	60.2%	116	61.1%	123	36.2%	221	28.9%	338	46.7%	299	46.2%	221	43.2%
30 to 50	507	17.8%	203	30.0%	167	24.7%	149	21.4%	123	16.8%	304	14.0%	476	21.1%	382	17.7%	267	11.8%
Over 50	130	11.5%	125	18.1%	97	14.0%	107	15.9%	105	15.7%	5	1.1%	12	3.1%	20	4.9%	18	4.4%
By Employee Category																		
Management	16	7.5%	6	7.2%	9	10.5%	14	16.1%	5	6.3%	10	7.8%	12	9.5%	24	20.5%	14	13.6%
Managerial	111	17.4%	39	15.8%	40	17.3%	29	13.7%	11	5.3%	72	18.4%	103	27.5%	64	19.0%	47	14.7%
General Staff	833	20.7%	385	32.6%	324	26.3%	329	26.1%	335	23.0%	448	15.7%	711	24.8%	613	22.2%	445	16.1%
By Employment Type																		
Full-time	959	19.7%	429	28.5%	372	24.1%	372	23.9%	309	20.0%	530	15.7%	826	24.5%	701	21.8%	489	15.4%
Male	538	18.0%	238	24.5%	204	20.2%	249	24.3%	224	22.2%	300	14.9%	492	24.2%	431	22.1%	281	14.6%
Female	421	22.3%	191	36.0%	168	31.4%	123	23.3%	85	15.8%	230	17.0%	334	25.0%	270	21.3%	208	16.6%
Part-time	1	12.5%	1	12.5%	1	16.7%	0	-	42	21.6%	0	-	0	-	0	-	17	242.9%
Male	0	-	0	-	0	-	0	-	13	14.1%	0	-	0	-	0	-	5	250.0%
Female	1	14.3%	1	14.3%	1	20.0%	0	-	29	28.4%	0	-	0	-	0	-	12	240.0%
By Employment Contract																		
Permanent	945	19.6%	415	28.6%	367	24.5%	366	23.6%	300	19.1%	530	15.7%	826	24.5%	701	21.8%	489	15.4%
Male	527	17.9%	227	24.5%	201	20.7%	246	24.1%	216	21.0%	300	14.9%	492	24.2%	431	22.1%	281	14.6%
Female	418	22.2%	188	35.8%	166	31.5%	120	22.6%	84	15.5%	230	17.0%	334	25.0%	270	21.3%	208	16.6%
Temporary/ fixed term	15	25.9%	15	25.9%	6	11.3%	6	75.0%	51	30.0%	0	-	0	-	0	-	17	242.9%
Male	11	23.9%	11	23.9%	3	7.5%	3	50.0%	21	28.8%	0	-	0	-	0	-	5	250.0%
Female	4	33.3%	4	33.3%	3	23.1%	3	150.0%	30	30.9%	0	-	0	-	0	-	12	240.0%

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

Ratio of Basic Salary of Female Employees to Male Employees ¹

Indicator	Hong Kong				The Mainland			
	2023	2022	2021	2020	2023	2022	2021	2020
Management	1:0.92	1:0.97	1:0.97	1:0.82	1:0.72	1:1.31	1:1.05	1:1.07
Managerial	1:0.92	1:0.88	1:0.97	1:0.95	1:0.98	1:1.07	1:0.91	1:0.94
General Staff	1:0.98	1:0.96	1:1	1:0.98	1:1.13	1:0.69	1:0.64	1:0.63

Ratio of Remuneration of Female Employees to Male Employees ¹

Indicator	Hong Kong				The Mainland			
	2023	2022	2021	2020	2023	2022	2021	2020
Ratio of remuneration	1:1.03	1:1.02	1:1.01	1:1.05	1:0.98	1:0.98	1:0.77	1:0.76

1. 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 ¹

	Total		Hong Kong					The Mainland										
	2023		2023	2022	2021	2020	2023	2022	2021	2020								
Total number and rate of employee turnover	1,180	24.2%	472	31.2%	383	24.7%	390	25.0%	468	26.9%	708	21.0%	624	18.5%	583	18.1%	553	17.4%
By Gender																		
Male	712	23.8%	275	28.2%	219	21.7%	257	25.1%	275	25.0%	437	21.6%	378	18.6%	357	18.3%	315	16.4%
Female	468	24.7%	197	36.7%	164	30.4%	133	24.9%	193	30.2%	271	20.0%	246	18.4%	226	17.8%	238	18.9%
By Age Group																		
Under 30	335	36.9%	110	76.9%	86	47.5%	105	55.3%	216	63.5%	225	29.5%	243	33.6%	235	36.3%	186	36.3%
30 to 50	602	21.1%	191	28.3%	171	25.3%	151	21.7%	134	18.3%	411	18.9%	335	14.8%	315	14.6%	314	13.9%
Over 50	243	21.5%	171	24.7%	126	18.2%	134	19.9%	118	17.7%	72	16.5%	46	11.9%	33	8.1%	53	12.9%
By Employee Category																		
Management	36	17.0%	10	12.0%	14	16.3%	11	12.6%	6	7.6%	26	20.2%	20	15.9%	10	8.5%	11	10.7%
Managerial	121	18.9%	40	16.2%	44	19.0%	30	14.2%	14	6.8%	81	20.7%	62	16.6%	41	12.2%	36	11.3%
General Staff	1,023	25.4%	422	35.7%	325	26.4%	349	27.7%	448	30.8%	601	21.1%	542	18.9%	532	19.3%	506	18.3%
By Employment Type																		
Full-time	1,180	24.2%	472	31.4%	374	24.2%	388	25.0%	263	17.0%	708	21.0%	624	18.5%	583	18.1%	533	16.8%
Male	712	23.8%	275	28.3%	211	20.9%	257	25.1%	185	18.4%	437	21.6%	378	18.6%	357	18.3%	307	16.0%
Female	468	24.8%	197	37.2%	163	30.5%	131	24.8%	78	14.5%	271	20.0%	246	18.4%	226	17.8%	226	18.0%
Part-time	0	-	0	-	9	150%	2	40.0%	205	105.7%	0	-	0	-	0	-	20	285.7%
Male	0	-	0	-	8	800%	0	-	90	97.8%	0	-	0	-	0	-	8	400.0%
Female	0	-	0	-	1	20.0%	2	40.0%	115	112.7%	0	-	0	-	0	-	12	240.0%
By Employment Contract																		
Permanent	1,150	23.8%	442	30.4%	366	24.4%	382	24.6%	261	16.6%	708	21.0%	624	18.5%	583	18.1%	533	16.8%
Male	692	23.5%	255	27.5%	204	21.0%	253	24.8%	186	18.1%	437	21.6%	378	18.6%	357	18.3%	307	16.0%
Female	458	24.4%	187	35.6%	162	30.7%	129	24.2%	75	13.8%	271	20.0%	246	18.4%	226	17.8%	226	18.0%
Temporary/ fixed term	30	51.7%	30	51.7%	17	32.1%	8	100.0%	207	121.8%	0	-	0	-	0	-	20	285.7%
Male	20	43.5%	20	43.5%	15	37.5%	4	66.7%	89	121.9%	0	-	0	-	0	-	8	400.0%
Female	10	83.3%	10	83.3%	2	15.4%	4	200%	118	121.6%	0	-	0	-	0	-	12	240.0%

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

Employment Tenure ¹

Indicator	Hong Kong				The Mainland			
	2023	2022	2021	2020	2023	2022	2021	2020
Average employment tenure in years	7.0	7.1	7.2	6.8	6.1	6.2	6.0	6.6
By Gender								
Male	7.4	7.2	7.0	6.6	6.3	6.4	6.2	6.8
Female	6.8	7.1	7.5	7.0	5.8	5.9	5.7	6.3

Parental Leave

Indicator	Total	Hong Kong				The Mainland			
	2023	2023	2022	2021	2020	2023	2022	2021	2020
Total number of employees that were entitled to parental leave									
Male	3,421	974	1,010	1,019	1,027	2,447	2,409	1,946	1,919
Female	2,118	537	540	532	542	1,581	1,580	1,270	1,256
Total number of employees that took parental leave									
Male	45	7	11	16	6	38	35	35	39
Female	70	12	9	11	5	58	47	57	72
Total number of employees that should return to work after parental leave ended									
Male	45	7	11	16	6	38	32	35	36
Female	57	12	9	11	5	45	36	41	61
Total number of employees that did return to work after parental leave ended									
Male	45	7	11	16	6	38	31	35	36
Female	55	12	9	9	5	43	33	37	57
Return to work rate of employees that took parental leave ²									
Male	100%	100%	100%	100%	100%	100%	97%	100%	100%
Female	96%	100%	100%	82%	100%	96%	92%	90%	93%

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

2. 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			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Work-related fatalities ^{1,2}												
Number of fatalities reported	0	0	0	0	0	0	0	0	0	0	0	0
Rate (per 200,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0
Rate (per 1,000 employees)	0	0	0	0	0	0	0	0	0	0	0	0
High-consequence work-related injuries ^{3,4,5}												
Number of high-consequence work-related injuries reported	2	4	0	3	2	4	0	3	0	0	0	0
Rate (per 200,000 hours worked)	0.04	0.08	0	0.06	0.13	0.26	0	0.17	0	0	0	0
Rate (per 1,000 employees)	0.41	0.81	0	0.61	1.32	2.58	0	1.73	0	0	0	0
Recordable work-related injuries ^{6,7,8}												
Number of recordable work-related injuries reported	43	34	29	35	21	17	13	15	22	17	16	20
Rate (per 200,000 hours worked)	0.88	0.69	0.61	0.71	1.39	1.10	0.83	0.86	0.65	0.51	0.50	0.63
Rate (per 1,000 employees)	8.80	6.92	6.07	7.11	13.90	10.97	8.34	8.63	6.52	5.05	4.98	6.29

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

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

8. 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.

Health and Safety (Employees)

	Total				Hong Kong				The Mainland			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Lost days due to work-related injuries /occupational diseases ^{1,2}												
Number of lost days due to work-related injuries / occupational diseases	1,540	2,274	855	1,764	768	1,221	200	955	772	1,053	655	809
Male	870	1,847	698	1,443	422	969	184	715	448	878	514	727
Female	670	427	157	321	346	252	16	239	324	175	141	82
Lost day rate	0.13%	0.19%	0.07%	0.14%	0.20%	0.32%	0.05%	0.22%	0.09%	0.13%	0.08%	0.10%
Male	0.12%	0.24%	0.09%	0.19%	0.17%	0.38%	0.07%	0.26%	0.09%	0.17%	0.11%	0.15%
Female	0.14%	0.09%	0.03%	0.07%	0.26%	0.19%	0.01%	0.15%	0.10%	0.05%	0.04%	0.03%
Absent days ^{3,4}												
Number of absent days	30,589	53,645	20,874	26,124	8,544	10,227	717	5,285	22,045	43,418	20,157	20,839
Male	15,018	30,730	12,016	12,223	5,188	6,715	573	2,954	9,830	24,015	11,443	9,269
Female	15,571	22,915	8,858	13,901	3,357	3,512	144	2,331	12,215	19,403	8,714	11,570
Absentee rate	2.51%	4.37%	1.75%	2.12%	2.26%	2.64%	0.18%	1.22%	2.61%	5.16%	2.51%	2.62%
Male	2.01%	4.04%	1.62%	1.62%	2.13%	2.66%	0.22%	1.07%	1.95%	4.73%	2.35%	1.93%
Female	3.29%	4.89%	1.96%	2.93%	2.50%	2.60%	0.11%	1.46%	3.61%	5.82%	2.74%	3.67%
Number of hours worked ⁵												
Number of hours worked	9,768,000	9,830,000	9,550,000	9,842,000	3,022,000	3,100,000	3,118,000	3,478,000	6,746,000	6,730,000	6,432,000	6,364,000
Days scheduled to work ⁶												
Days scheduled to work	1,221,000	1,228,750	1,193,750	1,230,250	377,750	387,500	389,750	434,750	843,250	841,250	804,000	795,500
Male	748,250	760,250	742,750	755,250	243,500	252,500	256,250	275,000	504,750	507,750	486,500	480,250
Female	472,750	468,500	451,000	475,000	134,250	135,000	133,500	159,750	338,500	333,500	317,500	315,250

1. 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.

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

3. 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.

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

5. 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.

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

Health and Safety (Other Workers¹)

	Total				Hong Kong				The Mainland			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Work-related fatalities²												
Number of fatalities reported	0	0	0	1	0	0	0	0	0	0	0	1
Rate (per 200,000 hours worked)	0	0	0	0.04	0	0	0	0	0	0	0	0.06
High-consequence work-related injuries^{3,4}												
Number of high-consequence work-related injuries reported	0	0	0	0	0	0	0	0	0	0	0	0
Rate (per 200,000 hours worked)	0	0	0	0	0	0	0	0	0	0	0	0
Recordable work-related injuries^{5,6}												
Number of recordable work-related injuries reported	4	0	3	9	4	0	1	9	0	0	2	0
Rate (per 200,000 hours worked)	0.04	0	0.18	0.32	0.29	0	0.36	0.69	0	0	0.15	0
Number of hours worked⁷												
Number of hours worked	17,873,238	15,261,692	3,269,835	5,683,928	2,794,290	2,121,100	549,146	2,591,592	15,078,948	13,140,592	2,720,689	3,092,336

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

2. 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.

3. 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.

4. 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.

5. 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.

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

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

Employee Training ¹

	Total		Hong Kong					The Mainland										
	2023		2023	2022	2021	2020	2023	2022	2021	2020								
Total number and rate of employees trained	4,799	98.3%	1,426	94.4%	1,480	95.5%	1,513	97.0%	1,095	63.0%	3,373	100%	3,365	100%	3,086	96.0%	2,904	91.3%
By Gender																		
Male	2,948	98.5%	929	95.4%	973	96.3%	985	96.1%	667	60.6%	2,019	100%	2,031	100%	1,870	96.1%	1,808	94.1%
Female	1,851	97.9%	497	92.6%	507	93.9%	528	98.9%	428	67.0%	1,354	100%	1,334	100%	1,216	95.7%	1,096	86.9%
By Employee Category																		
Management	207	97.6%	78	94.0%	85	98.8%	80	92.0%	54	68.4%	129	100%	126	100%	121	103.4%	76	73.8%
Managerial	635	99.4%	243	98.4%	226	97.8%	211	99.5%	93	45.1%	392	100%	374	100%	489	145.1%	355	110.9%
General Staff	3,957	98.1%	1,105	93.6%	1,169	94.8%	1,222	97.0%	948	65.2%	2,852	100%	2,865	100%	2,476	89.6%	2,473	89.6%

Training Hours ²

Indicator	Total	Hong Kong				The Mainland			
	2023	2023	2022	2021	2020	2023	2022	2021	2020
Average training hours of employees	26.9	16.2	15.6	13.7	7.6	31.7	26.9	23.1	17.6
By Gender									
Male	29.5	17.2	16.0	14.0	8.8	35.4	28.2	25.0	17.9
Female	22.8	14.4	14.7	13.0	5.6	26.1	24.9	20.2	17.1
By Employee Category									
Management	16.3	7.7	14.9	16.6	2.7	21.8	24.5	41.7	11.6
Managerial	21.0	16.9	19.0	16.9	1.1	23.5	25.7	39.0	24.3
General Staff	28.4	16.7	14.9	13.0	8.8	33.2	27.1	20.4	17.1

Supply Chain Management

Indicator	Total	Hong Kong				The Mainland			
	2023	2023	2022	2021	2020	2023	2022	2021	2020
Total number of vendors for property development ³	2,316	1,362	1,237	1,185	1,059	954	682	646	1,081
Total number of vendors for property management ⁴	1,892	525	947	860	819	1,367	1,247	2,160	4,866

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

2. 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.

3. The scope of vendors for property development includes all properties under development.

4. Starting from 2023, we have refined the data collection process to provide a better representation of the total number of vendors for property management in Hong Kong.

INDEPENDENT ASSURANCE OPINION STATEMENT



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Kerry Properties Limited ("KPL") to undertake an independent verification for its Sustainability Report 2023 ("the Report"). The scope of this verification covers the sustainability information and data of KPL from the period 1st January 2023 to 31st December 2023.

The aim of this verification is to provide a limited assurance on the reliability, completeness and accuracy of the information and data stated in the Report, as well as the selected Key Performance Indicators (KPIs) listed below, which are included in the Report. The Report has been prepared in accordance with the Global Reporting Initiative's GRI Sustainability Reporting Standards ("GRI Standards 2021") and the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Report includes disclosures that have been prepared with reference to SASB's Real Estate Sustainability Accounting Standard (Version 2023-06) and the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

Selected Key Performance Indicators

- Direct GHG emissions (Scope 1)
- Energy indirect GHG emissions (Scope 2, location-based)
- Energy indirect GHG emissions (Scope 2, market-based)
- Other indirect GHG emissions (Scope 3)
- Total GHG emissions (Location-based)
- Total GHG emissions (Market-based)
- GHG intensity (Location-based)
- GHG intensity (Market-based)
- Direct energy consumption
- Indirect energy consumption
- Total energy consumption
- Energy consumption intensity
- Waste generated (Hazardous)
- Waste generated (Non-hazardous)
- Waste disposal (Non-hazardous)
- Waste recycled/reused (Non-hazardous)
- Water consumption
- Water consumption intensity
- Absentee rate
- Number of fatalities - employee
- Number of work-related injuries - employee

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagement 3000 ("ISAE 3000") – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. Our verification process is designed to obtain a limited level of assurance for devising opinions and conclusions. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance and data, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and selected KPIs and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

**Independence and Quality Management**

KPL was responsible for the collection and preparation of the information of the Report. HKQAA did not involve in the preparation of the Report. Our verification activities were independent and impartial. HKQAA has exercised ethical, impartial and quality control procedures in accordance with relevant ISO accreditation standards for providing conformity verification services.

Conclusion

Based on the verification procedures performed and evidence obtained, nothing has come to HKQAA's attention that causes us to believe that the information and data stated in the Report and the selected KPIs:

- are not materially correct; and
- have not been prepared, in all material aspects, in accordance with the GRI Standards 2021 and the ESG Reporting Guide, and with reference to SASB's Real Estate Sustainability Accounting Standard (Version 2023-06) and the recommendations of the TCFD.

In conclusion, the verification team did not aware that the disclosures are not accurate, reliable and complete.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
April 2024

CONTENT INDEX

SEHK ESG REPORTING GUIDE

Mandatory Disclosure Requirements	Description	Reference and Remarks	Page no.
MD13 Governance 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 – Sustainability Governance and Leadership</p>	<p>3</p> <p>4</p> <p>20-22</p>
MD14 Reporting Principles	<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>Our Sustainability Approach – Stakeholder Engagement and Double Materiality Assessment</p>	<p>98</p> <p>23-27</p>
MD15 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</p>	<p>99</p>

Aspects, General Disclosures, 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 – Sustainability Governance and Leadership Climate-related Financial Disclosures Accelerating Climate Action – Sustainable Building Practices Accelerating Climate Action – Tackling Climate Change Relevant sustainability policies are available on our Sustainability Website .	20-22 85-90 29-31 32-39
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 (e.g. per unit of production volume, per facility).	Performance Data Summary – Environmental Performance	105 - 107
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary – Environmental Performance	105 - 107
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary – Environmental Performance	105 - 107
KPI A1.5	Description of emissions target(s) set, and steps taken to achieve them.	Our Sustainability Approach – Sustainability Vision 2030 Targets Climate-related Financial Disclosures – Metrics and Targets	18 89-90
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.	Our Sustainability Approach – Sustainability Vision 2030 Targets Accelerating Climate Action – Efficient Resources Management	18 42-48
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Sustainability Approach – Sustainability Governance and Leadership Accelerating Climate Action – Efficient Resources Management Relevant sustainability policies are available on our Sustainability Website .	20-22 42-48
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary – Environmental Performance	105 - 107
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary – Environmental Performance	105 - 107

Aspects, General Disclosures, KPIs	Description	Reference and Remarks	Page no.
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	Our Sustainability Approach – Sustainability Vision 2030 Targets Accelerating Climate Action – Sustainable Building Practices Accelerating Climate Action – Tackling Climate Change	18 29-31 32-39
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 – Efficient Resources Management	42-48
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	In 2023, there was no massive use of packaging material involved in our products.	-
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Sustainability Approach – Sustainability Governance and Leadership Accelerating Climate Action – Efficient Resources Management Accelerating Climate Action – Protecting Ecosystem and Biodiversity Relevant sustainability policies are available on our Sustainability Website .	20-22 42-48 40-41
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 – Efficient Resources Management Climate-related Financial Disclosures	42-48 85-90
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 – Sustainability Governance and Leadership Accelerating Climate Action – Tackling Climate Change Relevant sustainability policies are available on our Sustainability Website .	20-22 32-39
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 – Tackling Climate Change Climate-related Financial Disclosures	32-39 85-90
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, anti-discrimination, and other benefits and welfare.	Our Sustainability Approach – Sustainability Governance and Leadership Putting People First – Cultivating People-Centric Excellence Putting People First – Building a Connected and Inclusive Workplace Relevant sustainability policies are available on our Sustainability Website .	20-22 50-55 56-58

Aspects, General Disclosures, KPIs	Description	Reference and Remarks	Page no.
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Performance Data Summary – Social Performance	108-116
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary – Social Performance	108-116
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 – Sustainability Governance and Leadership Putting People First – Maintaining a Safe and Healthy Environment for All Relevant sustainability policies are available on our Sustainability Website . In 2023, the Group was not aware of any violation of laws and regulations relating to health and safety that had a significant impact.	20-22 59-63
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	108-116
KPI B2.2	Lost days due to work injury.	Performance Data Summary – Social Performance	108-116
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Putting People First – Maintaining a Safe and Healthy Environment for All	59-63
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 People-Centric Excellence	50-55
KPI B3.1	The percentage of employees trained by gender and employee category.	Performance Data Summary – Social Performance	108-116
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary – Social Performance	108-116
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 – Sustainability Governance and Leadership Putting People First – Cultivating People-Centric Excellence Relevant sustainability policies are available on our Sustainability Website .	20-22 50-55

Aspects, General Disclosures, KPIs	Description	Reference and Remarks	Page no.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Putting People First – Cultivating People-Centric Excellence	50-55
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Putting People First – Cultivating People-Centric Excellence	50-55
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Sustainability Approach – Sustainability Governance and Leadership Amplifying Our Power – Initiating Impactful Changes with Value Chain Relevant sustainability policies are available on our Sustainability Website .	20-22 73-78
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary – Social Performance	108-116
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Amplifying Our Power – Initiating Impactful Changes with Value Chain	73-78
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Amplifying Our Power – Initiating Impactful Changes with Value Chain	73-78
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Amplifying Our Power – Initiating Impactful Changes with Value Chain	73-78
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 – Sustainability Governance and Leadership Amplifying Our Power – Initiating Impactful Changes with Value Chain Relevant sustainability policies are available on our Sustainability Website .	20-22 73-78
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	In 2023, there were no recalls concerning the provision and use of products and services for safety and health reasons.	-
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	In 2023, there were no substantiated complaints received relating to the provision and use of products and services that had a significant impact on our operations.	-
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Amplifying Our Power – Initiating Impactful Changes with Value Chain	73-78

Aspects, General Disclosures, KPIs	Description	Reference and Remarks	Page no.
KPI B6.4	Description of quality assurance process and recall procedures.	Amplifying Our Power – Initiating Impactful Changes with Value Chain Recall procedures are not considered as material to our operations.	73-78
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Amplifying Our Power – Initiating Impactful Changes with Value Chain	73-78
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.	Corporate Compliance and Governance Behaviour – Business Ethics and Integrity Relevant sustainability policies are available on our Sustainability Website .	82-83
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.	Corporate Compliance and Governance Behaviour – Business Ethics and Integrity In 2023, there were no concluded legal cases of corruption brought against the Group or its employees.	82-83
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Compliance and Governance Behaviour – Business Ethics and Integrity	82-83
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Compliance and Governance Behaviour – Business Ethics and Integrity	82-83
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 – Sustainability Governance and Leadership Amplifying Our Power – Nurturing Positive Changes in Our Community Relevant sustainability policies are available on our Sustainability Website .	20-22 65-72
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Amplifying Our Power – Nurturing Positive Changes in Our Community	65-72
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Amplifying Our Power – Nurturing Positive Changes in Our Community	65-72

GRI STANDARDS

GRI Standard Indicator	Description	Reference and Remarks	Page no.
GRI 1: Foundation 2021			
	Statement of use	Kerry Properties Limited has prepared the report in accordance with the GRI Standards for the period from 1 January to 31 December 2023.	-
GRI 2: General Disclosures 2021			
2-1	Organisational details	About Kerry Properties	7-8
2-2	Entities included in the organisation's sustainability reporting	About this Report	98-99
2-3	Reporting period, frequency and contact point	About this Report	98-99
2-4	Restatements of information	There are no restatements of information in this reporting year.	-
2-5	External assurance	About this Report Independent Assurance Statement	98-99 117-118
2-6	Activities, value chain and other business relationships	Amplifying Our Power - Initiating Impactful Changes with Value Chain Corporate Website	73-78
2-7	Employees	Putting People First - Cultivating People-Centric Excellence Performance Data Summary - Social Performance	50-55 108-116
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 - Sustainability Governance and Leadership Corporate Compliance and Governance Behaviour - Corporate Governance	20-22 80-82
2-10	Nomination and selection of the highest governance body	Our Sustainability Approach - Sustainability Governance and Leadership Corporate Compliance and Governance Behaviour - Corporate Governance	20-22 80-82
2-11	Chair of the highest governance body	Our Sustainability Approach - Sustainability Governance and Leadership Corporate Compliance and Governance Behaviour - Corporate Governance	20-22 80-82
2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Approach - Sustainability Governance and Leadership Corporate Compliance and Governance Behaviour - Corporate Governance	20-22 80-82
2-13	Delegation of responsibility for managing impacts	Our Sustainability Approach - Sustainability Governance and Leadership	20-22

GRI Standard Indicator	Description	Reference and Remarks	Page no.
2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Approach - Sustainability Governance and Leadership	20-22
2-15	Conflicts of interest	Kerry Properties Limited Annual Report 2023	-
2-16	Communication of critical concerns	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Corporate Compliance and Governance Behaviour - Risk Management	23-27 83-84
2-17	Collective knowledge of the highest governance body	Our Sustainability Approach - Sustainability Governance and Leadership Corporate Compliance and Governance Behaviour - Corporate Governance	20-22 80-82
2-18	Evaluation of the performance of the highest governance body	Our Sustainability Approach - Sustainability Governance and Leadership Corporate Compliance and Governance Behaviour - Corporate Governance	20-22 80-82
2-19	Remuneration policies	Kerry Properties Limited Annual Report 2023	-
2-20	Process to determine remuneration	Kerry Properties Limited Annual Report 2023	-
2-21	Annual total compensation ratio	Kerry Properties Limited Annual Report 2023	-
2-22	Statement on sustainable development strategy	Board Statement on Sustainability Management	3
2-23	Policy commitments	Our Sustainability Approach - Sustainability Governance and Leadership	20-22
2-24	Embedding policy commitments	Our Sustainability Approach - Sustainability Governance and Leadership	20-22
2-25	Processes to remediate negative impacts	Corporate Compliance and Governance Behaviour - Business Ethics and Integrity	82-83
2-26	Mechanisms for seeking advice and raising concerns	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
2-27	Compliance with laws and regulations	Corporate Compliance and Governance Behaviour - Business Ethics and Integrity	82-83
2-28	Membership associations	Major Awards and Memberships - Memberships & Charters	102
2-29	Approach to stakeholder engagement	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
2-30	Collective bargaining agreements	Currently, the Company does not involve in any collective bargaining agreements.	-
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
3-2	List of material topics		

GRI Standard Indicator	Description	Reference and Remarks	Page no.
Economic Topics			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	About Kerry Properties Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Climate-related Financial Disclosures	7-8 23-27 85-90
201-1	Direct economic value generated and distributed	About Kerry Properties	7-8
201-2	Financial implications and other risks and opportunities due to climate change	About Kerry Properties Climate-related Financial Disclosures	7-8 85-90
201-3	Defined benefit plan obligations and other retirement plans	Kerry Properties Limited Annual Report 2023	-
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	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Putting People First - Building a Connected and Inclusive Workplace	23-27 56-58
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 the Mainland	-
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 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Our Sustainability Approach - Sustainability Governance and Leadership Amplifying Our Power - Nurturing Positive Changes in Our Community	23-27 20-22 65-72
203-1	Infrastructure investments and services supported	Amplifying Our Power - Nurturing Positive Changes in Our Community	65-72
203-2	Significant indirect economic impacts		

GRI Standard Indicator	Description	Reference and Remarks	Page no.
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Amplifying Our Power - Initiating Impactful Changes with Value Chain	23-27 73-78
204-1	Proportion of spending on local suppliers	A system is under development 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	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Corporate Compliance and Governance Behaviour - Business Ethics and Integrity	23-27 82-83
205-1	Operations assessed for risks related to corruption	Corporate Compliance and Governance Behaviour - Business Ethics and Integrity	82-83
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	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Corporate Compliance and Governance Behaviour - Business Ethics and Integrity	23-27 82-83
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Compliance and Governance Behaviour - Business Ethics and Integrity	82-83
Environmental Topics			
GRI 301: Materials 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment Accelerating Climate Action - Efficient Resources Management	23-27 42-48
301-1	Materials used by weight or volume	Accelerating Climate Action - Efficient Resources Management	42-48
301-2	Recycled input materials used		
301-3	Reclaimed products and their packaging materials		

GRI Standard Indicator	Description	Reference and Remarks	Page no.
GRI 302: Energy 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Accelerating Climate Action - Tackling Climate Change	32-39
302-1	Energy consumption within the organisation	Performance Data Summary - Environmental Performance	105-107
302-2	Energy consumption outside of the organisation		
302-3	Energy intensity		
302-4	Reduction of energy consumption	Accelerating Climate Action - Tackling Climate Change	32-39
302-5	Reductions in energy requirements of products and services		
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Accelerating Climate Action - Efficient Resources Management	42-48
303-1	Interactions with water as a shared resource	Accelerating Climate Action - Efficient Resources Management	42-48
303-2	Management of water discharge-related impacts		
303-3	Water withdrawal		
303-4	Water discharge		
303-5	Water consumption		
GRI 304: Biodiversity 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Accelerating Climate Action - Protecting Ecosystem and Biodiversity	40-41
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Accelerating Climate Action - Protecting Ecosystem and Biodiversity	40-41
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 Standard Indicator	Description	Reference and Remarks	Page no.
GRI 305: Emissions 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Accelerating Climate Action - Tackling Climate Change	32-39
305-1	Direct (Scope 1) GHG emissions	Accelerating Climate Action - Tackling Climate Change	32-39
305-2	Energy indirect (Scope 2) GHG emissions	Performance Data Summary - Environmental Performance	105-107
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
305-6	Emissions of ozone-depleting substances (ODS)		
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions		
GRI 306: Waste 2020			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Accelerating Climate Action - Efficient Resources Management	42-48
306-1	Waste generation and significant waste-related impacts	Accelerating Climate Action - Efficient Resources Management	42-48
306-2	Management of significant waste-related impacts	Performance Data Summary - Environmental Performance	105-107
306-3	Waste generated		
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	23-27
		Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
308-1	New suppliers that were screened using environmental criteria	All new suppliers were screened using environmental criteria through our procurement process. There were no negative environmental impacts in the supply chain identified during the reporting period.	-

GRI Standard Indicator	Description	Reference and Remarks	Page no.
Social Topics			
GRI 401: Employment 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Cultivating People-Centric Excellence	50-55
401-1	New employee hires and employee turnover	Putting People First - Cultivating People-Centric Excellence Performance Data Summary - Social Performance	50-55
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		108-116
401-3	Parental leave		
GRI 402: Labor/Management Relations 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Cultivating People-Centric Excellence	50-55
402-1	Minimum notice periods regarding operational changes	Minimum notice periods can be found in employment contracts. No collective bargaining agreements were signed between the Group and worker’s organisation.	-
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Maintaining a Safe and Healthy Environment for All	59-63
403-1	Occupational health and safety management system	Putting People First - Maintaining a Safe and Healthy Environment for All Performance Data Summary - Social Performance	59-63
403-2	Hazard identification, risk assessment, and incident investigation		108-116
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	23-27
		Putting People First - Cultivating People-Centric Excellence	50-55
404-1	Average hours of training per year per employee	Performance Data Summary - Social Performance	108-116
404-2	Programmes for upgrading employee skills and transition assistance programmes	Putting People First - Cultivating People-Centric Excellence	50-55
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 - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Building a Connected and Inclusive Workplace	56-58
405-1	Diversity of governance bodies and employees	Our Sustainability Approach - Sustainability Governance and Leadership	20-22
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.	108-116
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Building a Connected and Inclusive Workplace	56-58
406-1	Incidents of discrimination and corrective actions taken	No discrimination case was reported in the reporting period.	-
GRI 408: Child Labor 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Cultivating People-Centric Excellence	50-55
408-1	Operations and suppliers at significant risk for incidents of child labor	No operations and suppliers with significant risk for incidents of child labour were identified during the reporting period.	-

GRI Standard Indicator	Description	Reference and Remarks	Page no.
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Cultivating People-Centric Excellence	50-55
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No operations and suppliers with significant risk for incidents of forced or compulsory labour were identified during the reporting period.	-
GRI 411: Rights of Indigenous Peoples 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Building a Connected and Inclusive Workplace	56-58
411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples were identified during the reporting period.	-
GRI 413: Local Communities 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Our Sustainability Approach - Sustainability Strategy	17-19
		Amplifying Our Power - Nurturing Positive Change in Our Community	65-72
		Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
		Currently, KPL is exploring to enhance the system to collect data of operations with local community engagement, impact assessments and development programmes.	
413-1	Operations with local community engagement, impact assessments, and development programmes	We are in the process of developing a more robust system to collect data of operations with local community engagement, impact assessments and development programmes.	-
413-2	Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78

GRI Standard Indicator	Description	Reference and Remarks	Page no.
414-1	New suppliers that were screened using social criteria	Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
414-2	Negative social impacts in the supply chain and actions taken		
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Putting People First - Maintaining a Safe and Healthy Environment for All	59-63
416-1	Assessment of the health and safety impacts of product and service categories	Putting People First - Maintaining a Safe and Healthy Environment for All	59-63
416-2	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 during the reporting period.	
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
417-1	Requirements for product and service information and labeling	Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no non-compliance cases concerning marketing communications during the reporting period.	
417-3	Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Our Sustainability Approach - Stakeholder Engagement and Double Materiality Assessment	23-27
		Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Amplifying Our Power - Initiating Impactful Changes with Value Chain	73-78
		There were no substantial complaints concerning breaches of customer privacy and losses of customer data during the reporting period.	