



Sun Hung Kai Properties Limited

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5G

SUSTAINABILITY REPORT 2023/24

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Our Reporting Approach

Scope of the Report

Sun Hung Kai Properties Limited (SHKP) is pleased to share its annual Sustainability Report for financial year 2023/24. This report, covering the same period as the Annual Report from 1 July 2023 to 30 June 2024, highlights our commitment and achievements in creating value for the environment, our people, our customers, our supply chain and the community. The report also describes the sustainability performance and initiatives of our head office and wholly-owned subsidiaries of our property-related business in Hong Kong (collectively: the Group).



Property Management:

- Hong Yip Service Company Limited (Hong Yip)
- Kai Shing Management Services Limited (Kai Shing)



Construction:

- Sanfield (Management) Limited (Sanfield)



Royal Brand Hotels:

- ALVA Hotel by Royal
- Royal Park Hotel
- Royal Plaza Hotel
- Royal View Hotel
- The Royal Garden

During the reporting year, SHKP continued to operate on the mainland and Singapore, which collectively constitute approximately 20% of our portfolio by total assets. Please refer to our **Annual Report 2023/24** for the details of our portfolio. Efforts are being made to enhance the disclosure of our operations on the mainland for greater transparency and a higher level of completeness.

SHKP's other listed subsidiaries in Hong Kong also issue independent reports to meet the requirements of the Environmental, Social and Governance Reporting Guide (ESG Guide) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Please refer to their websites for the respective reports.

Reporting Standards

The Report is prepared in accordance with the ESG Guide, the Global Reporting Initiative (GRI) Standards 2021, and with reference to the 10 principles of the United Nations Global Compact (UNGC), the IFRS S2 Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), and the Sustainability Accounting Standards Board (SASB) Standards, to align our strategies with international sustainability principles.

This report is prepared in accordance with the four Reporting Principles stipulated in the ESG Guide: materiality, quantitative, balance and consistency as well as the eight reporting principles from GRI standards.

Reporting Principles in the ESG Guide

Materiality

- Regularly engages with our stakeholders to review the 'materiality' of our ESG topics
- Sustainability Steering Committee is involved throughout the process to review and validate stakeholders' comments

Quantitative

- Quantitative data are presented throughout the report and in **Appendix III - Performance Tables**

Consistency

- Includes detailed and consistent methodologies for public review and comparison
- Any changes in the reporting scope will be revealed to maintain the report's consistency

Balance

- Discloses both positive and negative aspects of our performance to present a fair and 'balanced' view of SHKP's sustainability performance

GRI Reporting Principles



Report Assurance

SHKP obtains external independent assurance for our sustainability reports. The senior management of the Group is responsible for engaging an external independent assurer to ensure that the information and data presented in this report is accurate and in accordance with the reporting standards. During the assurance process, senior executives are also interviewed by the assurer to discuss SHKP's approach to stakeholder engagement.

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

We welcome your comments and suggestions on our sustainability disclosures, performance and initiatives. Please contact us at sustainability@shkp.com



sustainability@shkp.com

Message from the Sustainability Steering Committee

We are pleased to present the SHKP Sustainability Report 2023/24, which showcases our progress and achievements during the reporting year.

The past year saw our Group continue our sustainable development effort in driving positive change and creating lasting value for our stakeholders. We are making substantial progress towards our environmental targets, broadening our green portfolio, aligning operations with best practices, and enhancing sustainability disclosures to reference the Sustainability Accounting Standards Board standards.

This year, we conducted a thorough materiality assessment and stakeholder engagement, following the global emerging concept of double materiality. This gives us an important refreshed understanding of the impact and significance of ESG issues for SHKP and the wider community.

Through our Decarbonization Strategy, we support the national call to achieve carbon neutrality by 2060 and the HKSAR Government's Climate Action Plan 2050. For the first time, we have disclosed our scope 3 emissions from our value chain. We continued to strengthen our climate-related disclosure by observing recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB)'s IFRS S2 Climate-related Disclosures.

Sustainable buildings are a key priority. We actively pursue Leadership in Energy and Environmental Design (LEED) Gold or Platinum certification for all new core commercial projects. As at June 2024, the Group has earned 150 green-building-related certificates in Hong Kong. The High Speed Rail West Kowloon Terminus Development is the latest highlight of our commitment, with outstanding achievements in six prestigious certifications related to green building, well-being, and smart technologies. The development's first anchor tenant has signed a green lease agreement, ensuring sustainable infrastructure standards are met.

Our 10-year environmental targets guide us towards a low-carbon future, and we are on track to meeting these targets. Having met our FY2029/30 greenhouse gas emissions target over the past year, we have established a new target for the future. To drive decarbonization for the community, we are building one of the Hong Kong's largest solar energy networks and expanding our electric vehicle charging facilities.

Employees are the foundation of the Group. We partner with educational institutions to foster young talent and provide comprehensive training that caters to the needs of our employees. This year, we have made a significant milestone by becoming a signatory to the United Nations Global Compact, committing to sustainable and socially responsible practices.

The Group is dedicated to delivering excellent property management services. Since late 2013, the Group has been offering a 3-year warranty to first-hand purchasers of newly sold developments in Hong Kong. We invest in state-of-the-art technology such as 5G applications and ensure the health and well-being of our customers and tenants by earning WELL certifications and implementing various initiatives. To enhance customer experience, we introduced Instant Point Earn in major malls where a QR code scan enables members to earn loyalty points immediately upon a purchase. Our loyalty platforms – The Point by SHKP, SHKP Club and Go Royal – facilitate communication with customers and better tailor our services to their needs.

Our commitment to sustainability is reflected in our supply chain management. The comprehensive supplier evaluation process assists us in minimizing and managing risks in the supply chain. This year, our construction arm, Sanfield, has reached another milestone in decarbonization by replacing diesel construction equipment with electric alternatives and launching the Sustainability-linked Supplier Payment Services programme, the first of its kind in Hong Kong's construction industry.

On the community front, we prioritize promoting STEM education and reading among youth; encouraging sports for charity; and support for the underprivileged. Our community initiatives, such as free lent of a land for the government's Light Public Housing, development of transitional social housing at United Court and our latest sports-cum-entertainment project, GO PARK Sai Sha, demonstrate our commitment to social integration, well-being and community development.

Our sustainability efforts have earned local and international recognitions, including our debut in the Dow Jones Sustainability Asia Pacific Index, and the second consecutive year in the S&P Global Sustainability Yearbook 2024 and S&P Global Sustainability Yearbook (China Edition) 2024. For the first time, Morningstar Sustainability recognized us as a regional top-rated ESG performer. We remain a constituent member of the Hang Seng Corporate Sustainability Index and the FTSE4Good Index Series of London, and maintained an 'A' rating in the latest MSCI ESG Ratings.

We are grateful for the guidance and leadership of our Chairman and the Board of Directors, and the unwavering support of our stakeholders. We look forward to ongoing, meaningful engagement with stakeholders to create a sustainable and mutually beneficial future.

Sustainability Steering Committee

Sustainability Steering Committee

7 October 2024

Our Business

About Sun Hung Kai Properties Limited

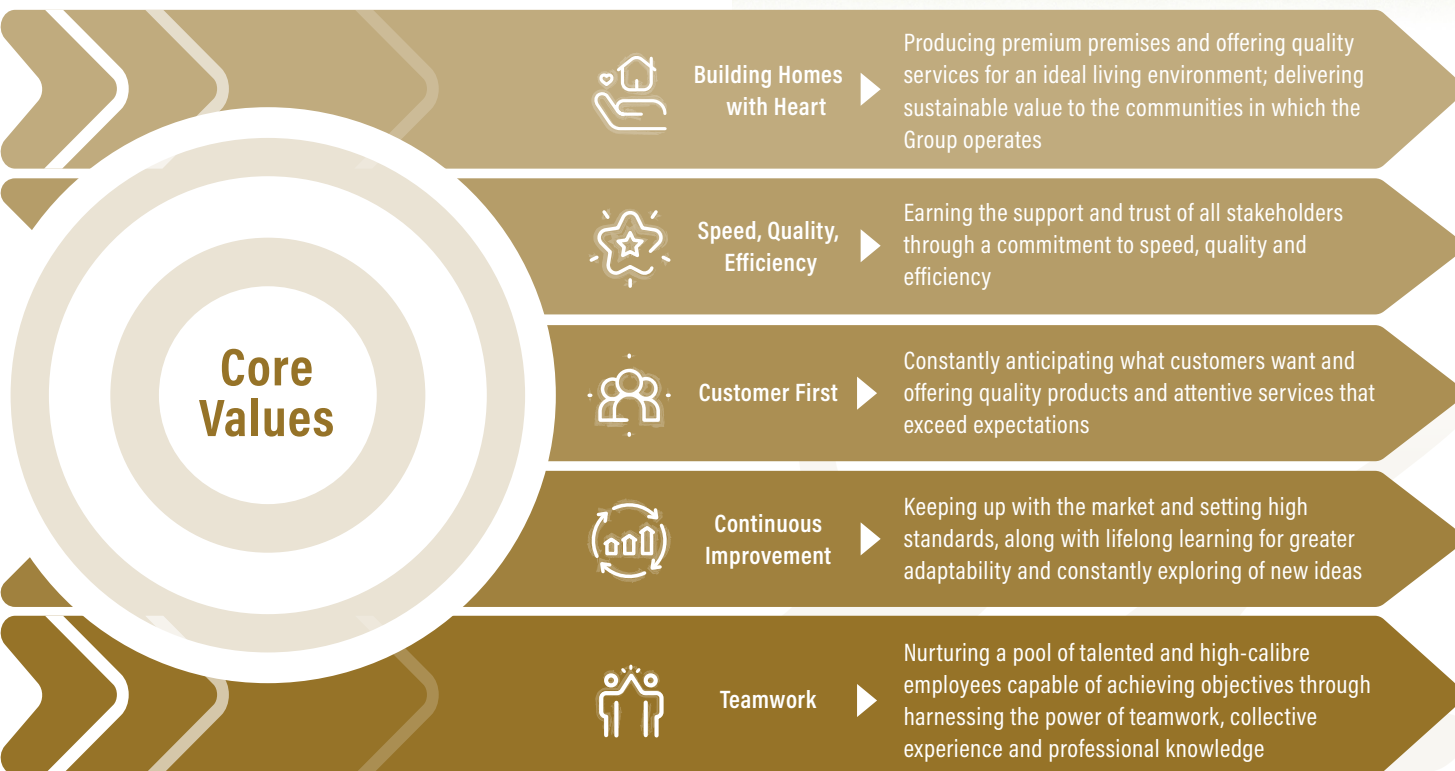
Since becoming a publicly listed entity in Hong Kong in 1972, SHKP has grown to become one of the leading property developers in the region, specializing in high-quality residential properties, offices, shopping malls and industrial buildings.

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

For details about the performance results and economic value distribution of our property and other businesses, please see the **Review of Operations** section of our Annual Report 2023/24.

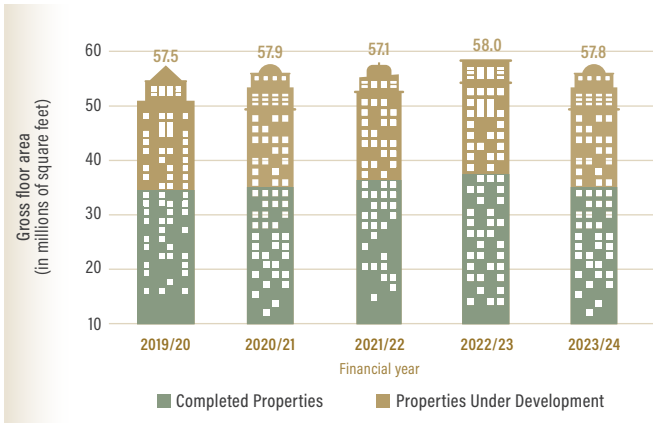
Core Values

At SHKP, we are committed to our ethos of Building Homes with Heart. This philosophy drives us to develop premium properties while ensuring that we deliver first-class services, tailored to meet the diverse needs of our customers. Our core values are the bedrock of our sustainable development strategy, guiding every decision and action towards achieving a more sustainable future.



Hong Kong Land Bank Composition

SHKP is well aware of the critical demand for affordable housing in Hong Kong. As one of the major property developers in Hong Kong, we are constantly exploring different sources to expand our land banks. As at 30 June 2024, the Group's attributable land bank by gross floor area in Hong Kong amounted to about 57.8 million square feet. Of these, around 38.2 million square feet were diversified completed properties, an overwhelming majority of which are for rental and long-term investment purposes, providing sizeable recurring income for the Group. Of the remaining portions, some 13.3 million square feet were residential properties under development for sale, which are scheduled for completion in phases over the next six to seven years. Details of the land acquired during the reporting period can be found in the **Land Bank section of the Chairman's Statement** of our Annual Report 2023/24.



Land Bank

In FY2023/24, Sun Hung Kai Properties completed some 3.5 million square feet of attributable gross floor area in Hong Kong. Of these, residential properties for sale accounted for about 2.5 million square feet. Please refer to the **Property Development section of the Chairman's Statement** of our Annual Report 2023/24 for our commitment to delivering premium products and services.

Over the past 52 years, the Group has experienced many crises and economic cycles together with Hong Kong. We strongly believe in Hong Kong's long-term economic success. Our steadfast commitment to Building Homes with Heart will persist as we strive to continue to enhance the living conditions of the community.

Recognized for Sustainability

The Group has received recognition from several prominent sustainability benchmarks and indices for its dedication and significant impact on sustainability.

<p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	<p>Sustainability Yearbook Member S&P Global Corporate Sustainability Assessment (CSA) Score 2023</p>	<p>FTSE4Good</p>	<p>Hang Seng Corporate Sustainability Index Series Member 2023-2024</p> <p>AAA S&P Global</p>
Constituent of Dow Jones Sustainability Asia Pacific Index	Included in the S&P Global Sustainability Yearbook 2024 and S&P Global Sustainability Yearbook (China Edition) 2024	Constituent of FTSE4Good Index Series ¹	AAA rating Constituent of the Hang Seng Corporate Sustainability Index and Hang Seng (Mainland and Hong Kong) Corporate Sustainability Index
<p>MSCI ESG RATINGS A</p>	<p>ESG REGIONAL TOP RATED 2024</p>	<p>GLOBAL BUSINESS SUSTAINABILITY INDEX</p>	<p>GCBSI Greater China Business Sustainability Index 2022 大中華企業可持續發展指數 2022</p>
Rating of A ²	Recognized as a Regional Top-rated ESG Performer and rated 'Low Risk' ³	Ranked 5th in the Global Business Sustainability Index	Ranked 6th in the Greater China Business Sustainability Index
<p>GBBSI Greater Bay Area Business Sustainability Index 2022 粵港澳大灣區企業可持續發展指數 2022</p>		<p>HKBSI Hong Kong Business Sustainability Index 2022 香港企業可持續發展指數 2022</p>	
Ranked 4th in the Greater Bay Area Business Sustainability Index		Ranked 5th in the Hong Kong Business Sustainability Index	

¹ FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SHKP has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

² Please refer to MSCI disclaimer: <https://www.shkp.com/html/sustainable-development/mscidisclaimer.html>

³ Copyright ©2024 Morningstar Sustainability. Disclaimer: <https://www.sustainalytics.com/legal-disclaimers>

Our Approach to Sustainability

The core philosophy of Building Homes with Heart has led the Group to integrate Environmental, Social and Governance (ESG) factors into its decision-making process. Our commitment to sustainable development is underpinned by our robust corporate governance policies and strategies. The Sustainability Steering Committee oversees the implementation and progress of our sustainability objectives. Through diverse communication channels, we maintain active engagement with our stakeholders to generate long-term value and foster sustainable growth.

Corporate Governance

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

Chaired by Independent Non-Executive Director Eric Li with Dicky Yip, Norman Leung and Richard Wong as members, the Audit and Risk Management Committee supports the Board in overseeing the effectiveness of the Group's risk management and internal control systems such that various risk elements, including ESG-related risks, are being evaluated and integrated into our decision-making process. The latest terms of reference of the Committee can be accessed on both the Group's website and the website of The Stock Exchange of Hong Kong Limited.

The Group engages in regular and active communication with stakeholders, ensuring that information is disclosed timeously and accurately to maintain a high level of transparency. Our robust corporate governance has garnered recognition within the industry, earning us numerous international and regional awards, including Hong Kong's Best Overall Company 2024 by *FinanceAsia* as well as Asia's Best CEO and Best Investor Relations Company, Best Investor Relations Professional, and Best Corporate Communications in Asian Excellence Award of 2024 from *Corporate Governance Asia*. For the full list of awards, please refer to our **Corporate Website** or **Appendix I** of this report.

Further details of our corporate governance structure and practices are detailed in the **Corporate Governance** section of our Annual Report 2023/24.

Sustainability Governance

The Group's commitment and actions on sustainability are guided by a well-established governance structure, where roles and responsibilities are appropriately defined and maintained. Our sustainability governance structure is outlined as below:



The Board

Leading and overseeing the Group's ESG-related issues

The integration of ESG strategies into the Group's long-term development plans are driven by the Board through the Executive Committee. Through this arrangement, the Board also oversees ethical issues and ensures the effectiveness of ESG risk management and internal control systems as well as incorporating ESG risk factors into the decision-making processes.



Executive Committee

Implementing ESG strategies, assessment and prioritization of material ESG issues and ESG-related risks

The Executive Committee oversees and reviews corporate governance practices, including policies and reports to uphold the high standards and compliance of the Group. The committee also monitors the progress of the Group's ESG objectives and performance, and reviews the impact of the ESG initiatives on the economy, environment and stakeholders. The committee approves the annual Sustainability Report, pinpoints areas for enhancement in the Group's ESG matters, and provides recommendations where appropriate.



Sustainability Steering Committee (SSC)

Overseeing the execution of the Group's ESG strategies throughout business operations

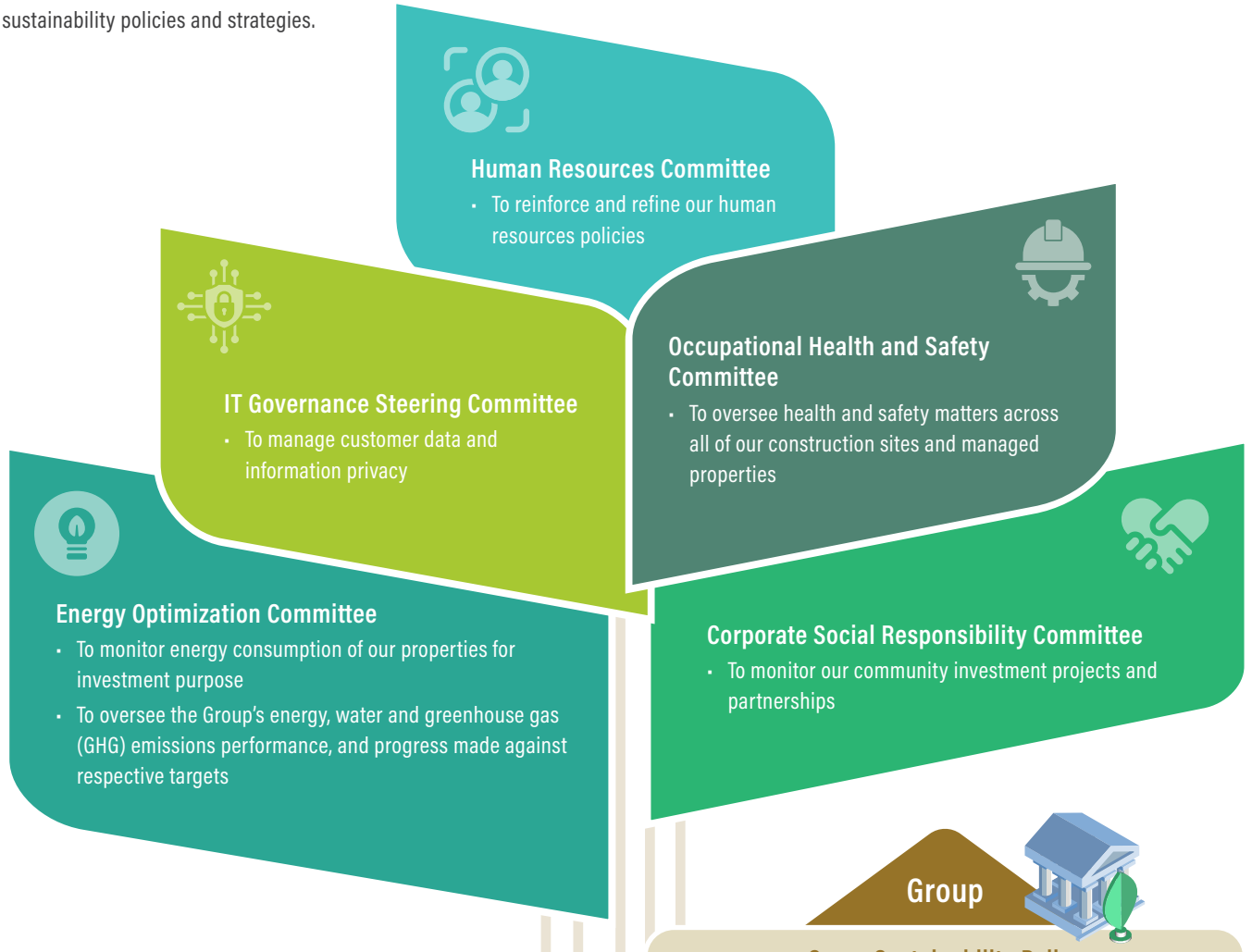
Chaired by the Deputy Managing Director and comprised of senior managers from key divisions, the SSC assists in monitoring global sustainability trends, identifying and managing material ESG issues, and providing recommendations for continued improvements. The SSC is also responsible for the development, tracking, and reporting on ESG work plan, performance, objectives and targets. It engages with stakeholders regularly to evaluate their feedback and annually reports the outcome to the management. Every three years, the SSC reviews the stakeholder engagement process to maintain effective communication with stakeholders. In addition, the SSC reviews the Group's ESG-related policies regularly and the Sustainability Report annually. The SSC organizes meetings regularly and the chairman of the SSC maintains close communication with the Board and the Executive Committee to report ESG issues where necessary.

For further details about our climate governance and other disclosure with reference to the TCFD recommendations and IFRS S2, please refer to the **Value Created for the Environment** section of this report.

Other Sustainability-related Committees

We have established a number of committees that include experts and representatives from different fields to foster our commitment to sustainability and address a wide range of challenges in respective areas.

Our subsidiaries Hong Yip, Kai Shing, Sanfield and Royal Brand Hotels have also set up their own sustainability committees or working groups for the implementation of the Group's sustainability policies and strategies.



Sustainability Policies

Our range of sustainability policies have been established to address a wide range of environmental and social concerns, and guide us in integrating sustainability into our operational practices. These policies, along with respective training programmes, facilitate effective sustainability management in our day-to-day operations while ensuring the quality of our products and services for our customers. The sustainability policies are examined regularly by the SSC and other associated committees to ensure they are in line with evolving industry standards and management requirements.





¹ Human Rights and Equal Opportunities Policy and Whistleblowing Policy are also available internally with easy access.




Our Sustainability Strategy

The Group strives to minimize and control all adverse environmental and social impacts that our operations and value chain might have through the implementation of precautionary measures. Our sustainability strategy is built upon five pillars: Environment, People, Customers, Supply Chain and Community. We are committed to fostering sustainable growth for the Group through active engagement with stakeholders and continuous enhancement of our internal capabilities.



We align our sustainability strategy with the United Nations' Sustainable Development Goals (SDGs) and have joined the universal call by the United Nations Member States to support the global initiatives of ending poverty, protecting the planet, and ensuring peace and prosperity for all by 2030. We have identified eight of the 17 SDGs that are most relevant to our business operations and have integrated them into SHKP's five sustainability pillars.



Relevant SDG	Example of Our Strategy and Initiative
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> Align our operations with internationally recognized standards on health, safety and well-being Advocate for well-being, physical and mental health for employees, tenants, and other stakeholders through add-on initiatives in our daily operations <p>Our Initiative</p> <ol style="list-style-type: none"> Develop training programmes and workshops along with the Hearty Hotline, a complimentary 24-hour counselling service Incorporate wellness-related elements into property development and management with continuous monitoring of related metrics, and to achieve WELL Building Standard where feasible Implement ISO 45001: Health and Safety Management Systems Set and monitor annual health and safety targets for our employees, contractors and subcontractors
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> Foster reading, education and holistic development among the youth, and establish positive personal growth with future generations Offer opportunities of personal development for youth in their early career development and increase awareness of sustainability <p>Our Initiative</p> <ol style="list-style-type: none"> Implement reading-driven initiatives, such as the SHKP Reading Club, Read to Dream and other initiatives Support secondary school graduates from low-income households for their undergraduate studies with SHKP Group Undergraduate Scholarships Collaborate with educational institutions to recruit from campus, including Summer Internship Programmes, Management Trainee Programmes, and Graduate Surveyor and Engineer Programmes Educate employees on sustainability and climate change through training

Relevant SDG	Example of Our Strategy and Initiative
 <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<ul style="list-style-type: none"> Expand our adoption of renewable energy Increase the availability of green transport in our operations and premises <p>Our Initiative</p> <ol style="list-style-type: none"> Maximize on-site renewable energy generation and usage Prioritize eco-friendly equipment and technology in operations Electrify diesel equipment and deploy energy-storage systems for equipment at construction sites Expand electric vehicle (EV) charging infrastructure and EVs in our fleet
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all</p>	<ul style="list-style-type: none"> Protect and empower our employees through decent and healthy work environments with continuous learning opportunities Advocate a decent, safe, diverse and inclusive workplace by promoting diversity and safeguarding human rights <p>Our Initiative</p> <ol style="list-style-type: none"> Nurture open and genuine feedback culture through appraisals, suggestion boxes or other engagement channels Embrace diversity and inclusion through various initiatives Protect labour rights and prohibit child or forced labour in our operations and supply chain Promote continuous learning and development among employees through learning platforms and sponsorships
 <p>Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> Establish and transform our portfolio to sustainable buildings with enhanced environmental performances Curate and maintain a workplace culture that promotes innovation among employees <p>Our Initiative</p> <ol style="list-style-type: none"> Incorporate green features throughout the building life cycle and obtain sustainable building certifications Implement smart building management systems, energy optimization systems, and other retrofitting measures to enhance environmental performance Foster the development of innovative solutions by collaborating with industrial partners and universities Leverage smart technology to enhance customers' experience and convenience for residents and tenants
 <p>Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<ul style="list-style-type: none"> Track our ESG-related performance and prioritize sustainability in corporate strategy Bring positive social impact and satisfaction to stakeholders through diverse, quality and safe product and service offerings <p>Our Initiative</p> <ol style="list-style-type: none"> Promote harmonious communities through the development of multigenerational housing projects Support underprivileged families with transitional housing plans Fulfil our sustainable building commitment and adopt advanced technology to develop sustainable and climate-resilient buildings Establish green lease agreements with our tenants to improve environmental performance



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Relevant SDG	Example of Our Strategy and Initiative
 <p data-bbox="217 353 395 450">Ensure sustainable consumption and production patterns</p>	<ul data-bbox="475 192 1374 264" style="list-style-type: none"> • Plan our business growth and rejuvenation with sustainability as one of the main considerations • Embed green and socially positive principles in our value chain collaborations <p data-bbox="475 315 600 342">Our Initiative</p> <ol data-bbox="496 367 1441 640" style="list-style-type: none"> 1. Expand our green portfolio and enhance materials and natural resources consumption efficiency in our design, construction, operation and maintenance of properties 2. Establish sustainable financing mechanisms with our suppliers to incentivize sustainable practices such as the Sanfield x DBS Bank Sustainability-linked Supplier Payment Services Programme 3. Embed sustainability criteria in procurement, and mitigate supply chain environmental and social risks 4. Encourage customers and tenants to practice sustainable living through our education centres and urban farms
 <p data-bbox="197 891 414 987">Take urgent action to combat climate change and its impacts</p>	<ul data-bbox="475 730 1473 837" style="list-style-type: none"> • Work progressively on climate change mitigation and adaptation • Establish decarbonization strategies and regularly monitor our progress towards our 10-year environmental targets <p data-bbox="475 889 600 916">Our Initiative</p> <ol data-bbox="496 940 1458 1151" style="list-style-type: none"> 1. Incorporate climate-resilient features and measures in building design and daily operations 2. Enhance climate management and disclosure with reference to the TCFD Recommendations and IFRS S2 3. Enhance awareness of our employees on climate change through training 4. Research and pilot green building development and low-carbon construction material with universities

The Group supports the HKSAR Government's Climate Action Plan 2050. To this end, we joined the Carbon Neutrality Partnership and developed our own decarbonization strategy to pursue a green economy. This strategy encompasses the stages of project planning, construction, operation, maintenance and management, and extends to other aspects, such as green energy and transportation, covering our decarbonization initiatives across the value chain. Please visit **SHKP's Decarbonization Strategy** for more details.

Sustainable Finance

Green finance is an integral part of our decarbonization strategy. The Group is committed to broadening its green finance profile and incorporating sustainability performance indicators into its financing frameworks. We have received overwhelming response with oversubscriptions on our two signed sustainability-linked loans (SLLs) with prominent local and international banks. These two SLLs set new records in the Hong Kong real estate industry at their respective times, cumulatively valued at HK\$29.4 billion. A set of predetermined sustainability performance goals is set for SHKP to achieve according to the loan agreement, including:

- ▶  Electricity consumption intensity reduction
- ▶  Sustainability benchmarks and indices improvement
- ▶  Green building certifications attainment

The proceeds generated will be allocated towards advancing ongoing sustainability projects or used as general working capital.

To advocate changes in our value chain, Sanfield has collaborated with DBS Bank (Hong Kong) Limited to initiate a new sustainability-linked financing mechanism for suppliers and contractors. The programme offers early payment to Sanfield's suppliers and contractors upon the achievement of sustainability-related performance targets, striving to simultaneously improve the cash conversion cycle and sustainability performance of our value chain partners. For more details, please refer to the **Value Created for Supply Chain** section.

Our Approach to Stakeholder Engagement

The Group acknowledges the significance of engaging with stakeholders as a strategic approach to gain insights from their perspectives and priorities. This is expected to help us in the shaping of our sustainability strategies. Our **Stakeholder Engagement Policy** guides us on stakeholder engagement processes and ensures effective communication with stakeholders.

The Group actively communicates with both internal and external stakeholders through various channels, engaging them in in-depth discussions on their concerns and interests. For the design, review and operation of our communication channels and grievance mechanisms, we regularly seek our stakeholders' feedback and recommendations for further improvements. For details on the Stakeholder Engagement Process, please refer to **Appendix II**.

The Group adopts a three-year approach to engage with various stakeholder groups to review material ESG topics. During the reporting year, we initiated a holistic approach on stakeholder engagement and conducted a double materiality assessment:

Review Panel Discussion

Nine professionals comprised of academics, Gen Z employees, our contractors, suppliers and tenants, industry professionals and investors, were invited to attend panel discussions in review of the Group's progress and improvement in sustainable development



Individual Interview

Eight professionals from diverse backgrounds, including academia, customer, supplier, NGO, board member and senior management from three key business functions, were invited to one-on-one interviews to share their feedback in strengthening sustainability strategy and to rank the priority of various ESG topics



Online Survey

Over 600 internal and external stakeholders were invited to submit feedback on our sustainable development, and provide rankings on financial and impact materiality on a list of 27 material ESG topics



The feedback from stakeholders has provided valuable insights that could enhance the Group's sustainability strategies, policies and practices. The stakeholders shared their perspectives on important sustainability trends, including climate management, technological advancement and community investment, all of which can help refine our existing approach. We appointed an independent third-party consultant to moderate the panel discussion and individual interviews to ensure fair and open conversations as well as objective analysis and recommendations afterward.

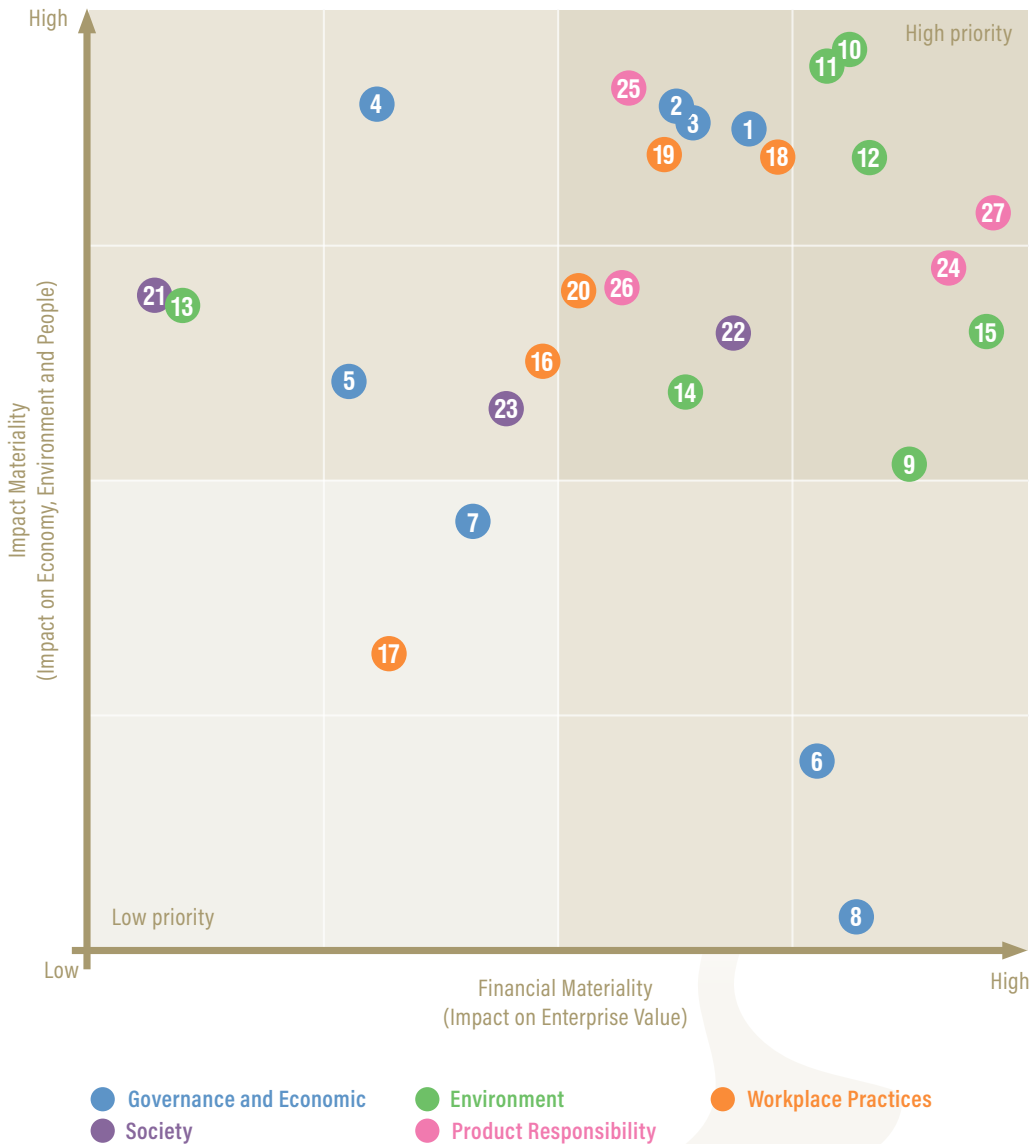
Materiality Analysis

The Group conducts the materiality analysis annually based on the results of our stakeholder engagement exercise. This year, we have enhanced our materiality analysis approach to present our material topics through double materiality. The double materiality matrix illustrates the relative importance and significance of selected ESG topics in relation to their impact on the Group's enterprise value, and the impact on the economy, environment and people.

In FY2023/24, we have updated our list of material ESG topics based on evolving industry trends and previous insights from stakeholder feedback, where 27 topics were identified for further analysis. We have regrouped the updated list of material topics to better represent the granularity of issues. Four of the material topics Employment Practices, Human Rights and Non-discrimination, Freedom of Association and

Collective Bargaining, and Child Labour and Forced Labour are combined into Labour Practice and Human Rights. We have added five new topics based on the evaluation of sustainability industry trends, namely Corporate Governance, Risk Management, Sustainable Finance, Stakeholder Engagement and Collaboration, and Social Integration and Accessibility. 17 material topics are within the threshold of a 'high' materiality level. Energy, Climate Change Mitigation and Adaptation, and Product Safety and Quality are the top three material topics in terms of the influence on SHKP's enterprise value ('financial materiality') and the impact on the economy, environment and people ('impact materiality'). The assessment result as shown in this report was approved and signed off by the senior management and the Sustainability Steering Committee, which is chaired by the Deputy Managing Director.

Double Materiality Matrix



List of Material Topics as well as Corresponding Boundaries and Impacts

	Material Topics Identified	Boundaries and Impacts									GRI Standards	Page Number
		Customers/Tenants	Employees	Government/Regulators	Professional Bodies/Academia	NGO Partners	Shareholders and Investors	Suppliers	Media Partners and Social Media	Joint Venture Partners		
1	Corporate governance	✓	✓	✓			✓	✓	✓	✓	GRI 2	5-15
2	Business ethics and anti-corruption	✓	✓	✓			✓	✓	✓	✓	GRI 205, GRI 206	46-55; 70-82
3	Risk management	✓	✓	✓			✓	✓		✓	N/A	5-15
4	Supply chain management	✓	✓					✓		✓	GRI 308, GRI 414	70-82
5	Innovation	✓	✓		✓		✓	✓	✓	✓	N/A	16-95
6	Economic performance		✓				✓	✓	✓	✓	GRI 201	3-4; 83-95
8	Sustainable finance						✓	✓		✓	N/A	3-4; 5-15
9	Materials	✓	✓		✓	✓	✓	✓		✓	GRI 301	16-45
10	Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 302	16-45
11	Climate change mitigation and adaptation		✓	✓	✓	✓	✓	✓		✓	GRI 305	16-45
12	Water	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 303	16-45
13	Biodiversity	✓		✓	✓	✓		✓		✓	GRI 304	16-45
14	Waste	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 306	16-45
15	Sustainable buildings	✓	✓	✓	✓		✓	✓			N/A	16-45; 83-95
16	Labour practice and human rights		✓	✓	✓	✓		✓	✓	✓	GRI 401	46-55; 70-82
18	Well-being, health and safety	✓	✓	✓	✓	✓	✓	✓		✓	GRI 403	46-55; 70-82; 83-95
19	Employee development and succession planning		✓	✓		✓	✓				GRI 404	46-55
20	Diversity and equal opportunities	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 405	46-55
21	Community investment	✓	✓	✓	✓	✓	✓		✓		GRI 413	83-95
22	Stakeholder engagement and collaboration	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 2	83-95
23	Social integration and accessibility	✓		✓		✓					N/A	56-69; 83-95
24	Customer engagement, satisfaction and responsibility	✓	✓	✓		✓	✓	✓	✓	✓	GRI 2	56-69
25	Data privacy and cybersecurity	✓	✓	✓		✓	✓	✓	✓	✓	GRI 418	56-69
26	Customer well-being, health and safety	✓	✓	✓				✓	✓	✓	GRI 416	56-69
27	Product safety and quality	✓	✓	✓				✓	✓	✓	GRI 416	56-69

Other Topics Considered

- 7 Indirect economic impacts
- 17 Employee engagement

Managing ESG Risks in Our Operations

We regularly review our company-specific risk exposure, considering both the likelihood and magnitude of identified risks, including operational risks, ESG risks and interest rate risk.

The Board has the overall responsibility for establishing and maintaining a sound and effective risk management and internal control system. This includes a clear process or framework to determine our risk appetite for these risks as well as the mitigating actions we have put in place for at least two key risks. We conduct regular reviews of our risk exposure, typically at least twice a year or more frequently as needed. Additionally, we have undertaken internal audits of our risk management processes within the last two years to ensure their effectiveness.

To cultivate a strong risk culture, we have implemented key strategies. These include taking risk into consideration of the development of products and services, and providing focused training on risk management practices to new hires and existing staff. Key risk management metrics have also been established in different parts of our company in conducting our business. The company also provides self-learning materials on the intranet covering ESG topics, including climate management, sustainable supply chain management and enterprise risk management. These materials are intended to enhance the knowledge of general staff and management.

To enhance our resilience to ESG risks, the Group has incorporated ESG risks into its overall risk management. The following provides an overview of some of our significant ESG risks and examples of our response.

Potential Impact	Example of Our Mitigation Measure	Respective Material ESG topic
Climate Change		
<ul style="list-style-type: none"> Higher maintenance costs and loss of revenue due to operations disruptions by extreme weather Increase in operating costs due to stricter global and local policies and regulations 	<ul style="list-style-type: none"> Address physical risks by incorporating climate-resilient building features and developing adaptation plans in project development Transit to low-carbon operations with decarbonization strategies Disclose climate management with reference to the TCFD recommendations and IFRS S2 	<ul style="list-style-type: none"> Climate Change Mitigation and Adaptation
Cybersecurity and Data Protection		
<ul style="list-style-type: none"> Reputational damage and negative financial consequences under cyber-attacks and data breaches 	<ul style="list-style-type: none"> Raise awareness of cybersecurity risks by establishing Cybersecurity Policy, conducting assessment and providing training Monitor and respond to data breaches and cyberattacks by developing the Cybersecurity Operating Guideline Evaluate and upgrade the latest technologies on information security 	<ul style="list-style-type: none"> Data Privacy and Cybersecurity
Ethics and Integrity		
<ul style="list-style-type: none"> Reputational damage and negative financial consequences under integrity breaches and money laundering 	<ul style="list-style-type: none"> Comply with the regulations and the standards stipulated in the Code of Conduct and Supplier Code of Conduct Provide training on ethical standards, anti-corruption and anti-competition practices 	<ul style="list-style-type: none"> Business Ethics and Anti-corruption
Environmental Compliance		
<ul style="list-style-type: none"> Reputational damage and negative financial consequences as a result of non-compliance Accrued additional costs and arising challenges on business operations in view of more stringent environmental regulations 	<ul style="list-style-type: none"> Meet the latest standards and regulations by regular review and update of our environmental policies Implement ISO 14001 Environmental Management Systems and perform environmental audits 	<ul style="list-style-type: none"> Energy, Water and Waste
Health and Safety		
<ul style="list-style-type: none"> Occurrence of work-related injuries or fatalities due to poor health and safety management Delays in project delivery due to lost work days Reputational damage due to cases of injuries 	<ul style="list-style-type: none"> Implement ISO 45001 Occupational Health and Safety Management Systems Oversee health and safety initiatives, targets and performance Ensure that the health and safety risks in the supply chain are identified, assessed and managed 	<ul style="list-style-type: none"> Well-being, Health and Safety
Supply Chain		
<ul style="list-style-type: none"> Supply chain disruptions due to social or environmental factors cause unstable supply and rising prices of raw materials and services Controversies and reputational damage caused by supply chain risks and unexpected events 	<ul style="list-style-type: none"> Use multiple sourcing strategies to avoid overreliance on any single source Conduct inspections and assess the sustainability performance of suppliers based on the Sustainable Supply Chain Management Guideline 	<ul style="list-style-type: none"> Supply Chain Management

For other risk factors, please refer to the **Corporate Governance Report** section of our Annual Report 2023/24.

Connecting with our Stakeholders

We appreciate the invaluable feedback and suggestions from stakeholders through regular communications and targeted stakeholder engagement exercises during the reporting year. Below are our responses to three major concerns raised by stakeholders this year.



Preserving Biodiversity

SHKP's operations can have potential impact on local biodiversity. Academia and professional bodies are keen to know how SHKP will preserve biodiversity in its portfolio and raise awareness in the community.

Stakeholder Group

- Academia and professional bodies

Our Response

SHKP recognizes the critical relationship between its operations and the impact on biodiversity. We are committed to supporting biodiversity through thoughtful project design, operation, active engagement, and education with our stakeholders and the public. To ensure our initiatives are aligned with our environmental goals, we have established a comprehensive **Environmental Policy** that includes biodiversity considerations, ensuring synergy with our overall environmental commitments.

We have conducted in-depth biodiversity assessments to understand the potential impacts of our projects, such as Wetland Seasons Park and Wetland Seasons Bay, PARK YOHO, Sai Sha large-scale residential project and Tung Shing Lei project. At PARK YOHO, we engaged an ecology consultant to monitor biodiversity during the wetland restoration and operational phases. Besides, Hong Yip has standardized the tree-management procedure based on guidelines from the Tree Management Office and the Property Management Services Authority Best Practice Guides. Hong Yip Horticultural Committee will record the location, size, distribution, surrounding environment and potential falling risk index of trees.



We also strive to advocate biodiversity through partnerships. Our collaboration with the Hong Kong Wetlands Conservation Association led to the hosting of the Fairyland Wetland EXPO at Park YOHO, where we conducted tours, exhibitions and workshops to promote biodiversity within the community.

For more details, please refer to the **Value Created for the Environment** section.

Sustainability Integration in Business Operations

Green lease and tenant engagement are key trends in the real estate sector. Customers and tenants are interested in how SHKP will engage its customers and tenants to maintain its competitiveness as a landlord.

Stakeholder Group

- Customers
- Tenants

Our Response

SHKP acknowledges the growing importance of embedding sustainability elements in our business operations to meet the needs and expectations of our stakeholders. We support the HKSAR Government's carbon neutrality goals and tenants' environmental commitments. As part of this effort, we have exchanged a green lease agreement with our first anchor tenant, UBS, at International Gateway Centre in Hong Kong. Both parties are committed to obtaining green certifications and achieving all other green leasing aspirations, where regular investments will also be made to enhance the building's environmental and wellness performance.

To further promote environmental sustainability, SHKP organizes engagement activities and incentive programmes for tenants on ESG issues. For instance, the Metro Green, a rooftop farm in Metroplaza, collaborates with selected restaurants at the mall to use some of the crops to create healthy dishes, and organizes harvesting tours as a unique experience for the members of The Point. We also encourage green activities among residents to reduce consumption of resources and promote recycling.

Previously, we developed a scope 3 emissions inventory to track our emissions throughout the value chain. We acknowledge that emissions from 'downstream leased assets' are a significant component of this inventory. Therefore, we are committed to fostering collaboration with tenants to develop initiatives aimed at long-term reduction of carbon emissions.

For more details, please refer to the **Value Created for the Environment** section.



Talent Attraction, Development and Retention

Stakeholder Group

In light of the growing competition and rising turnover rate in the employment market, employees and investors are keen to understand SHKP's strategies for maintaining a strong and sustainable workforce.

- Employees
- Investors

Our Response

SHKP acknowledges the emerging challenges in talent attraction and retention. We have been fortifying our talent pipeline through a series of strategic initiatives, including programmes specifically targeted at early careers, such as SHKP's Graduate Trainee Programme, KS NOVA Management Development and Sanfield's Apprenticeship Training Scheme. We have also expanded the scope of our mentorships and summer internships to attract young talents.

In addition, we support the upskilling of diverse talents through systemic training programmes, on-the-job training and mentorship schemes. The SHKP Quality Academy provides a variety of training to our employees, which includes but is not limited to business ethics and anti-corruption, health, safety and well-being, management skills, product and services quality, and environment. These programmes helped our colleagues to succeed in their role and advance their careers.



Our subsidiaries are also implementing similar approaches. Hong Yip's People Development Academy offers in-house programmes and the number of Hong Kong Qualifications Framework (HKQF) credits available through our programmes accounts for around 91% of the total in the property management industry. The KS Service Excellence Academy for Kai Shing employees also synergizes with other programmes, such as the KS Elite Programme and KS CONNECT to provide all-round exposure tailored to the unique needs of our employees. The KS Elite Programme goes above and beyond by offering training on local culture and Cantonese, which supports colleagues from mainland China to excel in their role and effectively navigate the local market.

For more details, please refer to the **Value Created for People** section.



Value Created for the ENVIRONMENT

<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>
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We aim to continually improve the environmental performance of our properties and operations beyond compliance. By optimizing our use of resources, acting on climate change and leveraging innovative solutions, we contribute to building sustainable cities and communities.

Material topics addressed in this section:

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

Highlights of our Performance in FY2023/24

Earned **150** green-building-related certifications¹ for our **123** projects in Hong Kong

Advanced towards our **10-year environmental targets**. Our GHG emissions target has been achieved and renewed

Developed and disclosed our first **scope 3** emissions inventory

Installed **16,500+** solar panels at **62** managed buildings and **2** construction sites

Installed **1,100+** EV charging facilities at sites run by our property management subsidiaries

Strategies and Management

Adhering to our philosophy of Building Homes with Heart, we aim to contribute to a more sustainable Hong Kong. We make every effort to minimize our environmental footprint and align our strategies with the United Nations' Sustainable Development Goals.

We strictly adhere to the international environmental standards and applicable laws and regulations of the Hong Kong Special Administrative Region, including Air Pollution Control, Waste Disposal and Environmental Impact Assessment Ordinances.

Climate-related issues could affect our business continuity, so we conducted scenario analysis to identify and assess the potential climate risks and opportunities across our business operation. We disclose in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and with reference to the International Sustainability Standards Board (ISSB)'s IFRS S2 Climate-related Disclosures.

We carefully manage our impact on biodiversity by identifying and prioritizing low-impact sites, applying a mitigation hierarchy, and assessing potential biodiversity impacts. To promote sustainable building and innovation, we adopt green and smart technologies for design, construction and operation. We also collaborate with universities and research institutes to develop green building materials and innovative technologies.

Governance

To ensure our sustainability goals are met, dedicated committees oversee specific environmental concerns. The Energy Optimization Committee (EOC) is chaired by a representative from the Internal Audit Department and comprises 22 building engineering and management professionals. The Committee monitors the performance of buildings

within its scope to identify areas for improvement in energy efficiency, water conservation and greenhouse gas (GHG) emissions reduction. The EOC also encourages effective communication to drive the adoption of best practice throughout the Group. Environmental committees at our subsidiaries ensure the implementation of relevant policies, targets and strategies.

Climate Change, Environmental and Sustainable Building Policies

<p>Climate Change Policy</p>	<ul style="list-style-type: none"> Details our climate change mitigation, adaptation and resilience efforts and strategy
<p>Environmental Policy</p>	<ul style="list-style-type: none"> Guides us to strengthen our governance and enhance provisions in areas, such as sustainable buildings and operations, energy and water consumption, waste management, biodiversity, climate change, carbon management and engagement with stakeholders Conveys to stakeholders our commitment to protecting the environment and reducing the impact of our operations
<p>Sustainable Building Policy</p>	<ul style="list-style-type: none"> Guides us to develop low-carbon, climate-resilient properties, and to focus on users' wellness

These policies are reviewed regularly by our Sustainability Steering Committee to ensure their effectiveness. Complete versions can be accessed on our [website](#).

¹ Green-building-related certificates include the BEAM Plus new and existing building certificates (both comprehensive and selective schemes), LEED or BREEAM certificates received by projects under development and properties owned or managed by SHKP in Hong Kong.

Sustainable Building and Environmental Targets

We actively adopt industry best practice for existing buildings and new developments. By reviewing historical data and benchmarking against our peers, we set sustainable building and environmental targets – and continually enhance our performance to achieve them.



Sustainable Building Targets

Achieve **Leadership in Energy and Environmental Design (LEED) certification** for all new investment properties

Obtain **LEED Gold or Platinum ratings** for core commercial projects under development

10-year Targets for FY2029/30 (Base Year: FY2019/20)

GHG Emissions

Reduce scope 1 and 2 GHG emissions intensity of EOC-monitored buildings ² by 25% ³	FY2023/24 Progress ↓ ~29.5%
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Electricity Consumption

Reduce the electricity consumption intensity of EOC-monitored buildings ² by 13%	FY2023/24 Progress ↓ ~10.9%
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Water Consumption

Reduce the water use intensity of EOC-monitored buildings ² by 5%	FY2023/24 Progress ↓ ~4.7%
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Waste Diversion

Divert at least 70% of construction waste per year in Hong Kong construction projects in the reporting scope	FY2023/24 Progress ~89.2% diversion rate
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SHKP prioritizes targets that are robust and achievable, while aligning with our long-term sustainability objectives and the evolving regulatory landscape in Hong Kong. We are conducting thorough research and analysis to determine the most appropriate and impactful targets for the Group. We have developed a scope 3 emissions inventory to better reflect our GHG emissions along the value chain, which is crucial for our target-setting in the long term.

² SHKP's major investment properties in Hong Kong, managed by the EOC. EOC monitored 53 properties in FY2019/20, 60 in FY2020/21, 61 in FY2021/22 and 62 in FY2022/23 and FY2023/24.

³ Having already met our FY2029/30 GHG emissions target, we have set a new goal for the future. By the end of FY2029/30, the scope 1 and 2 GHG emissions intensity of EOC-monitored buildings will be reduced by 35% from FY2019/20.

Environmental Management System and Smart Management

We regularly assess the effectiveness of our management systems through internal and external reviews. Our property management and construction subsidiaries are certified with international environmental and energy management standards and undergo annual audits, both internal and external. Corrective measures ensure ongoing improvement, such as improving management responsibilities and enhancing data monitoring.

Detailed operating manuals and procedures are in place to facilitate internal communication on environmental management issues. Regular training enhances employees' awareness and understanding of their duties as well as emerging best practices and regulatory developments.

During the reporting year:



Both of our property management subsidiaries have earned the Hong Kong Q-Mark Council's Green Mark Certification, acknowledging our effective environmental management. We enhance the efficiency and effectiveness of the environmental management by investing in technologies, such as the Internet of Things (IoT), virtual reality (VR) and artificial intelligence (AI).

Sustainability Data Management System

We have collected and monitored sustainability data through our web-based data management system since 2014. Business units are required to routinely submit consolidated data for checking by the sustainability team. To stay up to date with market trends and disclosure requirements, we review and upgrade our system regularly.

Innovative Sustainable Building Practices

Sustainability features throughout the life cycle of SHKP's buildings, from design and construction to operation. Our commitment to sustainable building can be found in our Sustainable Building Policy and the **Sustainable Building and Environmental Targets** sections.

A professional team – 73 of whom are accredited Hong Kong Building Environmental Assessment Method (BEAM) professionals – strives to improve our energy efficiency, material use and waste management through green and innovative technologies.

We collaborate with universities and research institutes to drive innovations in the decarbonization of construction. With the Hong Kong Polytechnic University (PolyU), we research green applications, green building materials and green construction processes. A smart energy management project was piloted at our High Speed Rail West Kowloon Terminus Development. We use AI, IoT and digital twin technology to improve energy efficiency and minimize embodied carbon. Among our innovations is concrete that captures carbon. This is the result of a novel combined steam and carbon dioxide curing method, carbon capture coating and a carbon dioxide activation process. The benefits are a shortening of the overall construction time, enhanced durability and offset carbon emissions.

Kai Shing collaborated with PolyU, CLPe Solutions, Jardine Engineering Corporation Limited and Trane Service Hong Kong to formulate a charter on Smart Energy Optimization and AI Control. We aim to leverage AI controls in air conditioning systems to save three million kWh of electricity for eight of Kai Shing's managed properties between July 2023 and June 2025.

SHKP's subsidiary Glorious Concrete provides the industry with low-carbon, ready-mixed concrete with Construction Industry Council (CIC) Green Product certification. The range includes four types of Platinum-grade ground granulated blast-furnace slag (GGBS) concrete.

We continually explore the potential of our buildings to achieve green certifications. In May 2024, SHKP, Hong Yip and Kai Shing signed a Memorandum of Understanding (MoU) with the Hong Kong Green Building Council and BEAM Society Limited to extend BEAM Plus green building standards and certifications, where feasible, to projects outside Hong Kong, contributing to a wider adoption of BEAM Plus as a recognized green building standard and driving sustainable building development.

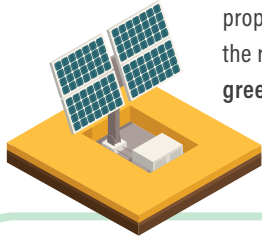


The MoU represents our commitment in enhancing sustainable building development

Key Sustainable Building Performance Highlights as at June 2024



123 projects in Hong Kong have earned **150** green-building-related certificates¹
 ~**56%** of our managed properties (by total gross floor area) in the reporting scope have obtained green-building-related certificates



~**98%** of ongoing construction sites (by total gross floor area) are BEAM Plus-registered



~**85%** (by total attributable gross floor area) of our core completed office buildings⁴ for long-term rental in Hong Kong and Shanghai have attained

LEED Gold or Platinum ratings, including pre-certification



38 of our commercial, industrial and residential buildings were rated 'Excellent' in Management in the Selective Scheme of BEAM Plus Existing Buildings V2.0, while **49** achieved 'Good' ratings

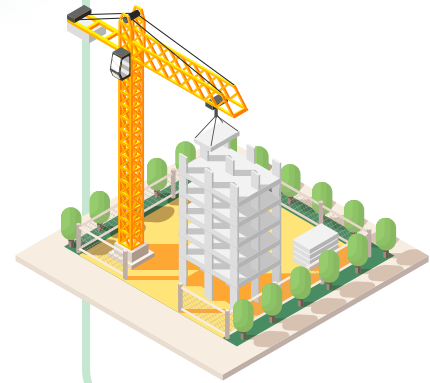


We earned a total of **430** Wastewise certificates, **78** IAQwiSe certificates and **30** Carbon Reduction certificates



Notably, ~**69%** (by total gross floor area) of our portfolio has earned

434 EnergywiSe certificates, which accounts for 171 million square feet



Among our latest projects, The Millennity and the High Speed Rail West Kowloon Terminus Development achieved LEED Platinum pre-certification

8 of our managed properties have obtained **12** certifications from WELL⁵



⁴ Our target is 87% by end of FY2025/26. Core office buildings are offices with at least 50% ownership by SHKP, and at least 400,000 square feet total GFA.
⁵ Includes WELL Health-Safety Rating, WELL Performance Rating and WELL Certifications received by projects under development, and properties owned or managed by SHKP in Hong Kong.

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CASE STUDY

Embodying Sustainability: High Speed Rail West Kowloon Terminus Development (XRL)

Sustainability is embedded in the design, construction and future operations of the High Speed Rail West Kowloon Terminus Development.



(Rendering)

The project won a Merit Award in the Green Building Award 2023 New Building Category: Projects Under Construction and/or Design-Commercial, and has earned different prestigious global sustainability-related certificates, including the top-level in BEAM Plus, China Green Building Label, China Healthy Building Label, LEED and WELL. It is also the first office building that earned BREEAM Excellent interim certification in the Greater Bay Area. Additionally, the project is undergoing assessments for WiredScore and SmartScore.

Planning, Design, Construction and Landscape

- A stepped building height profile, with a separation between the two twin towers, allows natural ventilation
- High-performance façade reduces heat absorption and enhances daylight penetration
- Energy demand is reduced by the adoption of renewable energy, including PV panels and biodiesel generators
- Low lighting power consumption with lighting power density less than 6W/m²
- 100% EV charging provision for carpark
- Adoption of seawater cooling system and rainwater harvesting system to reduce 94% of potable water consumption
- Application of smart technologies, such as IoT, Building Information Modelling (BIM) and AI
- Green spaces – such as roof gardens, balconies and terraces – make up 30% of the total site area

Going Green with Tenants Through Green Lease

- A green lease agreement between SHKP and UBS – the project's first anchor tenant – demonstrates our commitment to sustainability. For more details, please refer to the **Value Created for Customer** section

Enhanced Connections with the Wider Community

- The XRL Development, which comprises office premises and retail space, will create synergy with our ICC complex. Strategically located atop Hong Kong's only High Speed Rail station and connected to Airport Express and MTR lines, it provides high connectivity and accessibility with mainland China and other parts of the world
- A 1.5km walkway makes the project accessible for nearby communities – including Jordan and Yau Ma Tei – and links to the West Kowloon Waterfront Promenade

For details of its wellness features, please refer to the **Value Created for Customers** section.

CASE STUDY

Upgrading Existing Buildings to Pursue Sustainability

We improve our buildings' sustainability performance by using innovative and green technology. We have established retrofitting and upgrading plans and targets for existing buildings, and allocated resources to implement such plans over the short-, medium- and long-term. In addition to providing a comfortable and healthy environment for customers and tenants, we enhance the energy efficiency, resource utilization and indoor air quality of the buildings.

Notable highlights include:

Central Plaza



- Used a high performance, oil-free centrifugal chiller and low-energy variable air volume systems



- Had triple-glazed curtain walls to allow daylight penetration and reduce solar heat gain



- Used intelligent building management that allows prompt control of electrical and mechanical systems, providing comfort and enhancing energy efficiency



- Reduced freshwater consumption by using recycled rainwater for irrigation



- Used low-carbon materials and local construction materials to reduce the building's embodied carbon



- Earned Platinum certifications under LEED v4.1 Operations and Maintenance: Existing Buildings and BEAM Plus V2.0 Comprehensive Scheme Existing Buildings

International Commerce Centre (ICC)



- Used BIM and digital twin technology to enhance facility operations and optimize energy efficiency



- Used chilled water battery technology and AI models to calculate cooling demands, enhancing air conditioning efficiency



- Optimized air-handling units controls to reduce electricity consumption by more than 30%



- Adopted the online Smart Waste Management System to monitor and improve tenants' solid waste and recycling patterns



- Saved more than 20 million kWh of electricity since 2012, with a reduction in energy intensity of more than 30%



- Collaborated with PolyU for life cycle retro-commissioning approach to monitor the building's performance and improve energy efficiency



- Engaged community with visits and seminars to share best practice and new technology



- Earned Platinum certification under LEED v4.1 Operations and Maintenance: Existing Buildings, BREEAM In-Use certification and WiredScore Platinum certification



- Won the Grand Award and Carbon Neutrality Achievement Award at the Excellent Building Award 2023

For details of its green features, please visit [here](#).



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Shanghai One ITC, Two ITC and Tower A of Three ITC



(Rendering)



- Upgraded the air conditioning with an advanced inverter



- Minimized heat absorption with insulated curtain walls



- Used low volatile organic compound (VOC) building materials



- Installed low-nitrogen burners and modified smoke exhaust and ventilation system



- Installed solar panels



- Earned Platinum certifications for One ITC and Two ITC, under LEED v4 Operations and Maintenance: Existing Buildings



- Earned WELL certification and LEED Platinum certification under Building Design and Construction: Core and Shell, for Tower A of Three ITC



(Rendering)

Hangzhou IFC



- Adopted smart energy management system to enhance efficiency



- Installed smart water metering to track consumption, leaks, theft and wastage



- Installed ultrasonic sensors in trash bins that transmit data to the cloud, to analyze the efficiency of waste management



- Set up pedestrian and cycling infrastructures within the complex and developed smart mobility strategies, including information systems for navigation and real-time parking management systems



- Implemented effective storm water management to reduce runoff volume, prevent soil erosion and flooding, thereby enhancing climate resilience



- The first large-scale urban mixed-use project in the core area of Hangzhou to earn Platinum pre-certification under LEED v4.1 Cities and Communities: Plan and Design and WELL pre-certification



(Rendering)

Managing Biodiversity with Care

To mitigate our impact on the ecosystem and biodiversity, we collaborate with third-party professionals, seek government approval and engage with business partners throughout planning and construction. Please see our Environmental Policy for details about our commitment to biodiversity conservation.

Before submitting development proposals and conducting feasibility studies, we engage environmental and ecological consultants to study and survey sites to assess the potential impact of our projects and seek to establish baseline environmental performance. We prioritize sites with lower impact on the environment, biodiversity and the ecosystem, and apply a mitigation hierarchy to avoid, minimize, restore and offset any adverse effects.



Our biodiversity conservation efforts based on the mitigation hierarchy include:

Avoid any potential harm to biodiversity

- **Mong Kok Development Project:** conserved three banyan trees at site with a new development plan to avoid construction work near the roots of the trees, despite an increase in construction cost
- **Sai Sha Development Project:** avoided high-value habitats, such as mature woodlands, marsh and the Tai Tung Wo Liu stream, and built temporary weirs to protect aquatic life and the surrounding environment from emergency silt-laden discharge
- **St Michel:** an incense tree – classified as ‘vulnerable’ by the International Union for Conservation of Nature (IUCN) – was conserved and incorporated into the planning and landscape design of the project. It was also treated for fungal infection, ensuring its preservation



St Michel

Minimize ecological impacts

- **Wetland Seasons Park:** engaged external consultants and partners to ensure compliance with local legislations and the Hong Kong Wetland Park’s requirements on noise, sewage, waste and emissions during construction
- **Tung Shing Lei Development Project:** enhanced the ecological value of the surrounding habitat with a building-free area that preserves waterbirds’ flight lines and forms a buffer between the development and the adjacent land
- **Sai Sha Development Project:** monitored the stability and growth status of trees by a dedicated team regularly; appointed consultant to conduct ecological impact assessment before construction; protected the greenery and maintained an Ecological Buffer Zone to minimize impact on the surrounding biodiversity and ecosystem



Wetland Seasons Park in construction stage

Restore biodiversity and ecosystems affected by our business activities

- **Tung Shing Lei Development Project:** funded a 3-year ecological study, exploring ways to restore and enhance the ecological functions of abandoned fishponds, including clearing weeds, planting mangroves and creating mudflat habitats
- **Sai Sha Development Project:** transplanted riparian and aquatic plants to off-site nurseries, and later relocated them to suitable locations for restoration and ecological enhancement
- **PARK YOHO:** conducted biodiversity assessments and developed management plans. A wetland restoration project was implemented with ecologists, and the wetlands have been restored after implementing different measures. An ecology consultant is also engaged to monitor biodiversity during the wetland restoration and operation. Regular guided tours are conducted for residents and their guests



PARK YOHO

To evaluate the potential impact of our construction activities, we engage external consultants to conduct thorough environmental and biodiversity risk assessments. Such assessments cover Wetland Seasons Park, PARK YOHO, Sai Sha and Tung Shing Lei Development Projects, and we developed management plans to minimize any potential impacts to the surroundings. During the reporting year, no significant risks related to biodiversity across our operations were identified.

Offset any adverse impacts

- **Wetland Seasons Bay:** over 1,500 trees and 250,000 bushes of native species were planted
- **Sai Sha Development Project:** planted more than 3,000 trees of native species, integrated over 187,000 m² green spaces, parks and gardens to enhance wildlife habitats; built a water pool and bird nesting boxes to provide breeding and roosting habitats for amphibians and wildlife
- **Tung Shing Lei Development Project:** incorporated a water feature that creates a natural habitat and ecosystem services for aquatic species



Sai Sha Development Project

We prioritize tree conservation and implement horticultural maintenance and management plan. This year, Hong Yip standardized management based on the Tree Management Office and Property Management Services Authority Best Practice Guides. Initiated by Hong Yip Horticultural Committee, monthly health assessments of the trees in our areas are stipulated. The trees are then categorized into risks indices. Before rainy seasons, we trim the trees to prevent excessive growth, fungal infections and pest infestations, ultimately reducing the likelihood of falling. Enhanced inspections are conducted after typhoons and storms to promptly identify and address any damage.

CASE STUDY

Wetland Seasons Bay



Environmental conservation and compliance are priorities at Wetland Seasons Park and Wetland Seasons Bay, our large residential projects near the Hong Kong Wetland Park.

Located in close proximity to Hong Kong's only wetland park, multiple habitats can be found near the Wetland Seasons Bay, including freshwater marshes, mangroves and intertidal mudflats. Realizing this importance, we minimize our impact on the nearby habitats and seek to preserve local biodiversity wherever possible. The low-density residential project blends in with the surroundings through careful designs and construction methods, aiming to mitigate any adverse impacts of our activities on the Hong Kong Wetland Park and the surrounding ecosystem and biodiversity.

Planning, Design and Landscape

- A stepped height design includes lower buildings near the Wetland Park. The 40-metre-wide primary and secondary breezeways enhance wind flow and ventilation for the Tin Shui Wai Town Centre community
- A landscape buffer zone creates a smooth transition between the project and the Wetland Park. The lighting was chosen to not disturb the park or the surrounding ecosystem
- Earth tones for facades and low reflective glazing prevent birds colliding with the buildings
- 89 trees were preserved and more than 1,500 native trees and 250,000 bushes were planted
- To raise residents' environmental awareness, a wetland-themed gallery exhibits paintings and sculptures depicting migratory birds and elements of the Wetland Park

Construction

- Implemented waste management plan and monitored noise, water quality, air quality and ecological impact
- Mitigated dust emissions by using precast concrete slabs on haul roads
- Conducted no noisy foundation works when migratory birds were in Hong Kong and when the Wetland Park was open to the public
- Installed six-metre-high barriers along the boundary of the developments to minimize noise pollution



Wetland Seasons Bay

In the Green Building Awards 2023, Wetland Seasons Park won the Grand Award in the Existing Buildings Category: Facilities Management. For details of its green features, please visit [here](#).

Advancing Decarbonization in Our Business

Climate change presents risks for our operations, customers and the wider society. We are committed to supporting the transition to a low-carbon economy. A multi-pronged **Decarbonization Strategy** guides our efforts in transitioning to low-carbon operations.

In pursuit of decarbonization, we:

- Fully support the HKSAR Government's Climate Action Plan 2050 and the Energy Saving Plan for Hong Kong's Built Environment 2015-2025+
- Participated in the Carbon Neutrality Partnership, hosted by the Hong Kong Environment and Ecology Bureau
- Became a signatory of the Carbon Reduction Charter
- Participated in the Carbon Audit • Green Partner
- Joined the Business Environment Council's Net-Zero Carbon Charter

Our subsidiaries also take proactive steps in pursuing a green economy. To offset their carbon emissions, Hong Yip and Kai Shing purchase local and international renewable energy certificates (RECs). Since 2021, Hong Yip has purchased CLP's RECs to offset electricity consumption at remote and in-person training, and major events, and bought a total 174,000 kWh of electricity generated by local renewable energy. ICC also purchased 45,000 MWh of RECs to finance renewable energy projects, including wind, solar and hydro.

Chelsea Heights, ICC, Transport Plaza and Two Harbour Square earned the HKGBC's Zero-Carbon Ready Building Certification 2024. Two Harbour Square and ICC scored 'extra low' and 'super low', respectively, in the council's energy utilization index.

Three of Kai Shing's managed properties were honoured with awards in the Net-Zero Contribution (Property Management) Visionary Blueprint towards Net-Zero in the Hong Kong Green and Sustainability Contribution Awards 2023, hosted by the Hong Kong Quality Assurance Agency. For details on our awards, please refer to **Appendix I**.

Embedding Sustainability into Construction



Our sustainable construction features:

- 1 BIM, Design for Manufacture and Assembly (DfMA) and precast components
- 2 Advanced diesel-free energy storage and power systems (Battery Energy Storage System)
- 3 High energy-efficient machinery and equipment, e.g. electric truck cranes, truck mixers and trailer pumps
- 4 Early electrification
- 5 Waste reduction and recycling
- 6 Wastewater recycling and reuse
- 7 Electric or hybrid vehicle fleet
- 8 Renewable energy
- 9 Low-embodied carbon materials
- 10 Rainwater harvesting
- 11 EV charging facilities

Nine units of electric-powered construction equipment joined our fleet during the reporting year, including five truck cranes, two truck mixers and two trailer pumps – a milestone in the decarbonizing of our construction activities. This replacement of diesel machinery is expected to reduce carbon emissions by approximately 240 tonnes annually. The new fleet also reduces noise levels and air pollutants on sites, fostering a cleaner and healthier environment for our frontline workers.



Truck mixers



Trailer pumps

We have engaged a third party to design energy-efficient solutions for our construction sites and are gradually replacing diesel-powered generators with Battery Energy Storage Systems: advanced energy storage systems that provide cleaner power.

During the reporting year, **23** Battery Energy Storage Systems were deployed at our construction sites, reducing **~5,300** tonnes of CO₂ emissions annually

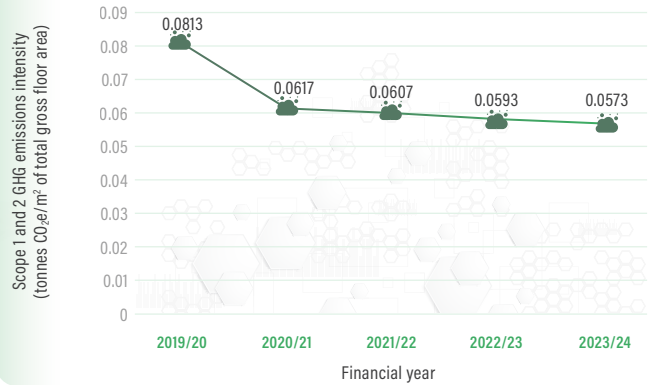
Our GHG Emissions and Energy Consumption Reduction Progress

Within our operations, our multi-pronged Decarbonization Strategy guides our efforts in transitioning to low-carbon operations through a multi-pronged approach. We closely monitor and track our progress towards our 10-year targets for GHG emissions and energy consumption. Having already met our 2029/30 GHG emissions target, we have set a new goal for the future. By the end of FY2029/30, we aim to reduce the scope 1 and 2 GHG emissions intensity of EOC-monitored buildings by 35%⁶ from FY2019/20.



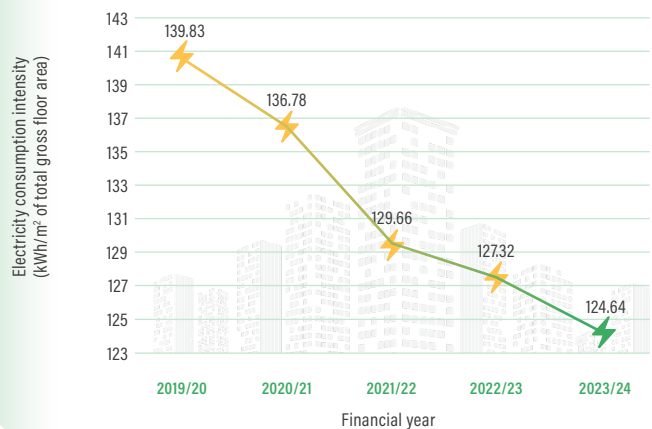
Scope 1 and 2 GHG Emissions Intensity of Major Buildings Monitored by the EOC²

We have reduced our scope 1 and 2 GHG emissions intensity by **~29.5%** since FY2019/20



Electricity Consumption Intensity of Major Buildings Monitored by the EOC²

We have reduced our electricity consumption intensity by **~10.9%** since FY2019/20



⁶ Our new target is set with reference to the emissions reduction targets disclosed by local electricity suppliers, and projections of electricity emission factors for FY2029/30 are based on their emissions reduction roadmap and targets for the relevant years. While we are committed to reducing electricity consumption and emissions in our EOC buildings, future scope 2 emissions from electricity may vary from this projection, depending on the actual emission factor disclosed by the electricity suppliers at that time. Given this uncertainty, we will regularly review our progress toward achieving the target.

Scope 3 Emissions

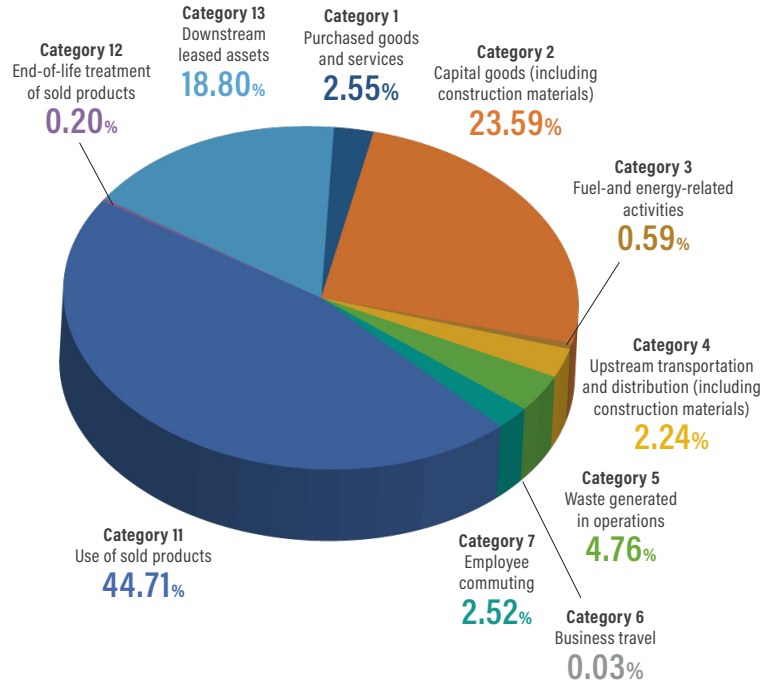
We have been collecting data from various stakeholders since 2022 to consolidate our scope 3 inventory. This is the first time we are disclosing our scope 3 emissions for this financial year.

Throughout the past three financial years, we identified that the most significant sources of our scope 3 emissions are category 11 - use of sold products, category 2 - capital goods (including construction materials), and category 13 downstream leased assets. As we progress towards our GHG emissions reduction target, we will continue to work with partners in the value chain to seize opportunities to reduce carbon. For detailed information on our calculation methodology for scope 3 emissions, please refer to **Appendix III**.

Retrofitting and Energy Saving Initiatives

To achieve our established emission-reduction targets and enhance our energy efficiency, we have undertaken retrofitting across our operations. This includes optimizing chiller sequencing, transitioning to LED lighting, replacing chiller plants, and installing smart escalator sensors. During the reporting year, we undertook more than 70 energy-saving projects at our malls, residential estates and commercial buildings. Of these projects, 64 applied for grants from the CLP Eco Buildings Fund and six from the HKE Smart Power Building Fund.

Breakdown of Scope 3 Emissions by Category in FY2023/24



Examples of our energy-saving efforts at managed properties during the reporting year:

AI Management Systems	IoT Chiller System
<p>MOKO</p> <ul style="list-style-type: none"> AI collected and analyzed data on temperature and CO₂ concentration, which provided insights into energy inefficiencies. It promptly adjusted ventilation or heating control to ensure occupant comfort and improve energy efficiency <p>Kowloon Commerce Centre</p> <ul style="list-style-type: none"> With support from CLP Solutions, we used machine learning and AI to optimize the energy consumption of our chiller plants 	<p>V City</p> <ul style="list-style-type: none"> Introduced IoT automatic controls and variable primary flow for chilled water pumps. Combined with other measures, energy consumption has been reduced by more than 30% during the reporting year
System & Hardware Commissioning	Building Information Modelling - Facility Management (BIM-FM)
<p>MOKO</p> <ul style="list-style-type: none"> Deployed more efficient water-cooled and air-cooled chillers. Combined with other measures, approximately 21 million kWh of electricity has been saved <p>Royal Plaza Hotel</p> <ul style="list-style-type: none"> Replaced five air-cooled chillers and installed power monitor meters for the chillers to save 2.6 million kWh of electricity annually 	<p>Sun Hung Kai Centre</p> <ul style="list-style-type: none"> Our BIM-FM platform collects and analyzes the building's operational data to enhance our energy-efficient management. It saved 60 million kWh of electricity since 2022 via energy-saving measures

Our hotels also proactively enhance energy efficiency. For example, we have installed more sub-meters to better monitor and manage electricity usage in restaurants, rooms and public areas. We also continue to retrofit our lighting systems with energy-saving LEDs.

To identify areas for improvements and decarbonize our value chain, we have undertaken voluntary carbon audits at the majority of our properties since 2008. During the reporting year, our property management subsidiaries have performed 69 energy audits and 70 carbon audits for our managed properties. Furthermore, we have provided complimentary energy audits, carbon audits and energy-saving/carbon reduction advice to more than 1,300 tenants. We are continuously aiming to expand such coverage within our portfolio.

To further decarbonize our downstream emissions, we have installed more than 10,000 smart meters and rolled out eco-efficiency programmes for our tenants. Sanfield has begun conducting in-house carbon emissions reviews for each site, to identify further opportunities for reducing carbon emissions.

Via internal webinars, we educate our general staff and property management staff about energy-saving measures and best practices to build internal capacity. These include topics, such as chiller plant control optimization and electronically commutated plug fans application.

Accelerating the Deployment of Renewable Energy

Renewable energy is key to our efforts in decarbonization. To support the development and adoption of renewable energy, we are building one of Hong Kong's largest solar energy networks.



Construction site at Shap Sze Heung project

Our renewable energy achievements include:

- As at 30 June 2024, there are a total of 16,500-plus solar panels installed at 62 of our managed buildings and two construction sites, covering a total site area of approximately 367,000 square feet. These could generate around 6.96 million kWh of electricity annually, and reduce carbon emissions by around 3,200 tonnes - equivalent to the CO₂ absorption of around 140,000 trees in one year
- Solar panels at our Shap Sze Heung project make it the first construction site in Hong Kong to deploy a renewable energy system. Our goal is to generate 50,000 kWh of electricity annually and support the CLP's Feed-in Tariff (FIT) programme. A six-metre hybrid wind turbine generates renewable energy for the workers' lounge and office

By the end of 2025, we expect to have installed around 20,000 solar panels that could generate around 8.96 million kWh of electricity annually, and reduce carbon emissions by around 4,000 tonnes - equivalent to the CO₂ absorption of around 174,000 trees in one year.

The Group, through a joint venture partnership, is undertaking the development of Hong Kong's pioneering first solar farm built on the South East New Territories Landfill in Tseung Kwan O. Works on the 107,600 square feet solar farm will soon commence, and it is capable of generating 1.2 million kWh of electricity annually upon completion.

To support the government's carbon neutrality goal, we will continue to monitor market trends and purchase more RECs in the future.



Valais - Residential development

Climate-related Management

We recognize the urgency and importance of enhancing the Group's climate resilience and preparedness to address climate-related risks and opportunities. In FY2022/23, we engaged a third-party consultant to perform detailed climate risk assessments and scenario analysis. These allow us to understand the potential impacts of climate change on our operations and along our value chain through a scientific lens. Furthering these efforts, in FY2023/24, we sought to quantify the financial impact of climate change on our businesses and conducted stakeholder surveys and workshops to gain insights into the recent effects of climate-related risks and opportunities. These practices better inform both our short and long-term climate management strategies and strengthen the Group's climate resilience.

Governance

Our Climate Governance Structure

Board of Directors

- Leads and oversees the Group's overall ESG issues
- Engages in the development and integration of ESG strategies into the Group's long-term development plan via the Executive Committee
- Ensures effective ESG risk management and internal control systems are in place, where identified ESG risk elements, including climate-related risks, are considered during decision-making processes

Executive Committee

- Implements ESG strategies with regular assessments and prioritization of material issues, including climate-related risks
- Tracks and monitors the progress towards the Group's ESG performance and established targets
- Reviews ESG programmes by evaluating their impacts on the economy, environment and stakeholders

Audit and Risk Management Committee

- Keeps abreast of the ever-changing ESG landscape
- Monitors and evaluates transition risks to ensure a thorough understanding of potential risks and opportunities

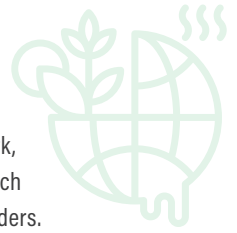
Sustainability Steering Committee

- Manages and oversees sustainability issues in daily operations
- Regularly reviews relevant policies, including the Climate Change Policy
- Formulates, monitors and reports on the environmental work plans, performance, goals, and short- and long-term targets

Crisis Operation Management Committee

- Led by two Executive Directors, who are responsible for handling critical incidents at our business units and subsidiaries
- Regularly reviews relevant climate-related risks and the Group's resilience to extreme weather

CLIMATE CHANGE



We remain committed to consistently reviewing and strengthening our climate risk assessment processes to understand the implications of climate change. By adopting the TCFD framework, we ensure a transparent and systematic approach to providing climate disclosures to our stakeholders.

To meet the evolving expectations of stakeholders and align with industry best practices, we have further enhanced our climate-related disclosures with reference to the latest ISSB IFRS S2 Climate-related Disclosures. For more details, please refer to the content index in the **Appendix VI**.

Our Sustainability and Climate-change-related Policies

Group Sustainability Policy

- Sets out the foundation for the Group's overall sustainability strategy, ensuring sustainable development factors are considered in decision-making throughout our business operations

Climate Change Policy

- Details our strategy and measures to mitigate the impacts of climate change, whilst increasing the adaptability and resilience against climate change

Environmental Policy

- Provides a framework to guide our operations whilst maximizing protection of the environment, including aspects in energy, biodiversity and waste management

Sustainable Building Policy

- Guides our development of low-carbon, climate-resilient properties, and focuses on users' wellness

The SSC is responsible for regularly reviewing these policies. Please refer to our **website** for the full versions and refer to the **Innovative Sustainable Building Practices, Managing Biodiversity With Care** and **Accelerating the Deployment of Renewable Energy** sections for further information.

Strategy

The Group has formulated climate strategies and action plans to respond to pressing climate risks and capture opportunities, with details listed below.

We performed scenario analysis and risk prioritization to identify climate-related risks and opportunities that are material to our own

business and value chain as well as their financial and non-financial impacts. This will enable us to effectively manage climate risks, whilst leveraging opportunities to enhance the Group's resilience and sustainability. For more information on our approach to identify and assess climate-related risks and opportunities, please refer to **Risk Management** section below.

Decarbonization Advocacies



In support of the international initiative, the Group has become a TCFD supporter since 2023. We fully support HKSAR Government's Climate Action Plan 2050 and the Energy Saving Plan for Hong Kong's Built Environment 2015-2025+. We also participate in the Carbon Neutrality Partnership to align with local government's objective to achieve carbon neutrality by 2050. We have also signed the Business Environment Council's Net-zero Carbon Charter. We are now actively studying the sectorial decarbonization approach and exploring the possibility of formulating a strategy for long-term net-zero carbon commitment

Sustainable Finance



Sustainable finance forms an integral part of our decarbonization strategy, and we have incorporated sustainability factors into our financial mechanisms. Following the release of our sustainability-linked loans (SLL), we have received overwhelming responses on our SLLs. To advocate changes in our value chain, Sanfield has collaborated with DBS Bank to initiate a new sustainability-linked financing mechanism for suppliers and contractors this year. For more details, please refer to the **Sustainable Finance** section

Decarbonization Strategy



Our multi-pronged **Decarbonization Strategy** outlines our plans in transitioning to a green economy. Covering various aspects, including green energy, green transport and stakeholder engagement, this strategy guides our decarbonization efforts. Our transition plans depend on the resources available and allocated, and assume the regulatory environment will remain stable, enabling us to achieve our environmental targets and transition goals. This year, Sanfield has reached another milestone in decarbonization by replacing diesel construction equipment with electric alternatives. For more details, please refer to the **Advancing Decarbonization in Our Business** section

Deployment of Renewable Energy



We actively expand our network of renewable energy, including solar panels, at our managed properties and construction sites. Similarly, we continue to purchase RECs as means to support our decarbonization efforts. Furthermore, EV charging facilities are being increasingly installed at our properties. For more details, please refer to **Accelerating the Deployment of Renewable Energy** section

10-year Targets on GHG Emissions and Electricity Consumption



We have established 10-year targets on GHG emissions and electricity consumption in the Group. Additionally, specific energy-saving targets have been established for the majority of our residential and commercial buildings, hotels and malls. Having already met our FY2029/30 GHG emissions target, we have set a new goal for the future. For more details, please refer to the **Sustainable Building and Environmental Targets** section

Collaborations with Research Institutes



We have also continued our research on green building development, and piloted low-carbon products as part of our collaboration with PolyU. For more details, please refer to the **Innovative Sustainable Building Practices** section

Tenant Engagement



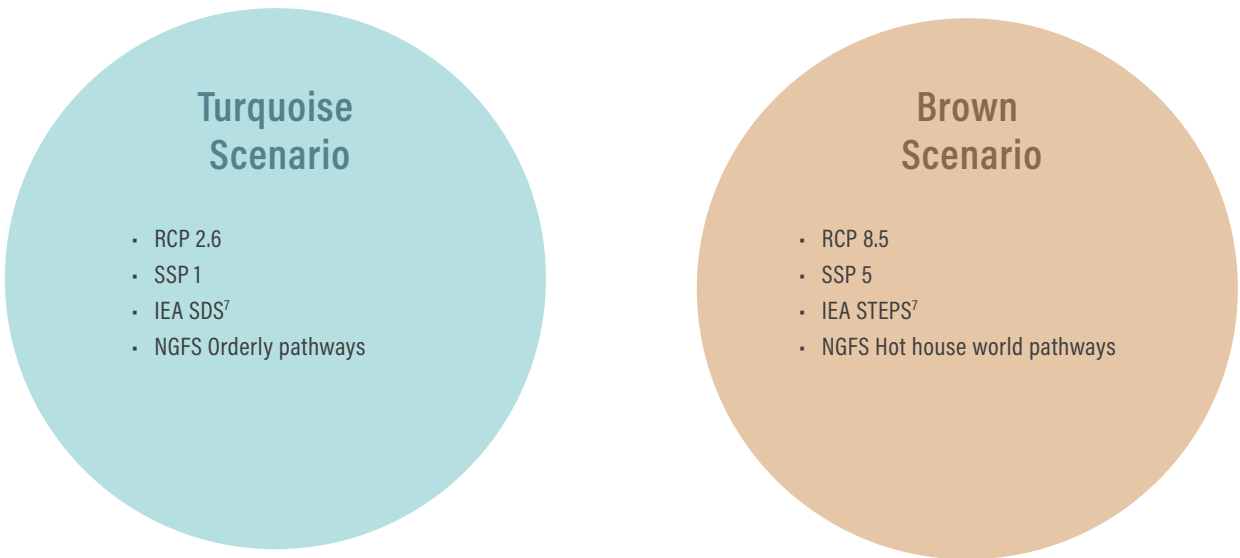
We actively communicate and encourage tenants to improve their environmental performance. Eco-efficiency programmes are implemented, with the provision of free energy, carbon audits, and technical recommendations to assist tenants in reducing consumption. This will then in turn reduce our downstream carbon footprint. Furthermore, the Group has exchanged its first ever green lease agreement with its anchor tenant, UBS, at International Gateway Centre. For more details, please refer to the **Advancing Decarbonization in Our Business and Partnering with Tenant Through Green Lease** section

Risk Management

We have integrated climate-related risks into our multidisciplinary Enterprise Risk Management, and climate-related risks are reviewed in our risk register. We assess climate-related physical and transition risks and opportunities to our assets, business operations and value chain. This analysis allows us to understand the potential climate risk exposure and shape long-term strategies to enhance our resilience and adaptation to the ever-changing climate. We use mixed-method scenario analysis to examine impacts over short/medium-term (up to 2030) and medium/long-term (up to 2050) timeframes. These timeframes are chosen to align with the global objective of reducing emissions and achieving net zero by 2050.

In line with the TCFD recommendations, we have constructed two sets of distinctive climate scenarios to consider and better understand our business resilience and robustness under different plausible future states. The two scenarios, Turquoise and Brown Scenarios, are developed based on publicly available scenarios issued by esteemed organizations, including the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA) and Network for Greening the Financial System (NGFS). The scenarios incorporate a wide range of factors, including political, environmental, economic and social indicators. By assuming various levels of population size, economic activity, weather patterns, energy usage, land-use patterns, technology and climate policy, these scenarios provide data projections that enable us to consider the potential impacts of climate change over the chosen timeframe.

Reference on publicly available scenario:



Turquoise Scenario represents a world with global mean temperature rise of 1.5°C to 2°C by 2100 compared to pre-industrial level, envisages an economic development that is inclusive and respects environmental boundaries, with countries committing to achieving net-zero by 2050 and implementing stringent climate policies with ease. There is a swift transition from fossil fuels to renewable energy, with corporations dedicated to lower-carbon operations and contributing to climate action objectives. Detailed plans with short-term targets are in place, resulting in a decarbonized economy with low physical risk but high transition risk.

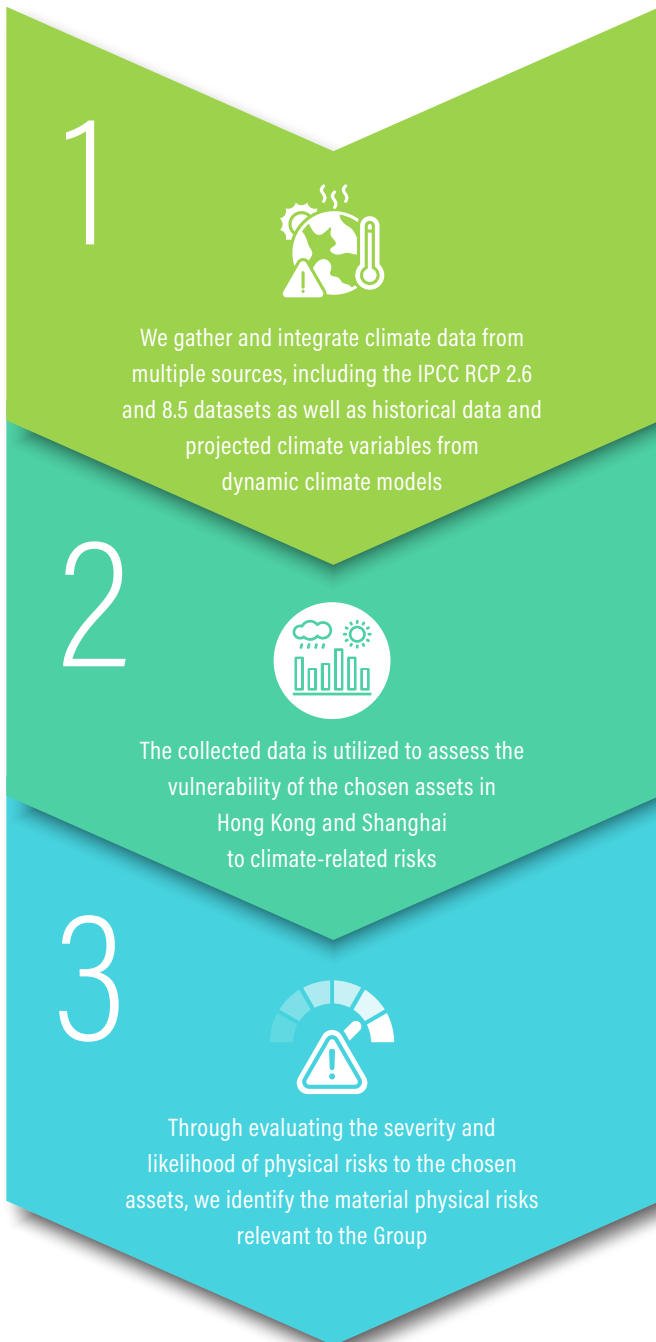
Brown Scenario represents a world with global mean temperature rise of above 3°C by 2100 compared to pre-industrial level, depicting a future where economic growth and technological advancement are driven by fossil fuels, resulting in elevated GHG emissions, and worsening extreme weather events. Despite pressing environmental concerns, there is an absence of new climate policies and insufficient short-term action plans due to institutional, political, and economic challenges. A profit-centric business model values financial gains over environmental and social impacts, and a lack of public awareness further prevents system wide transformation. As a result, this scenario presents a high physical risk but low transition risk.

⁷ Data up to 2021 was considered in the scenario analysis.

Physical Risk

We assessed physical risks by conducting an asset-level quantitative risk assessment on eight projects in our Hong Kong and mainland portfolio. We considered our global portfolio before selecting the eight projects based on their strategic importance, financial materiality and geographical location. We used two IPCC-adopted Representative Concentration Pathways (RCP 2.6 and 8.5) to evaluate impacts in two climate futures: one with a global temperature rise below 2°C and the other with a rise above 3°C. We also included historical data and projected climate variables from dynamic climate models for a comprehensive risk assessment.

In our assessment of physical risks, significant areas of uncertainty come from the methodologies employed in projecting the impacts of these risks by 2030 and 2050. The primary source of uncertainty arises from the reliance on climate models, which necessitate the use of various assumptions, including frequency, intensity and geographical distribution of climate events, to estimate future conditions.



By adopting this science-based approach, we can enhance the accuracy of our risk assessment. Reliable and precise data empowers us to make informed decisions and formulate effective mitigation plans. In the physical risk assessment, we incorporated 10 climate variables related to the physical impacts of climate change.

Acute (short/medium term)	
<p>Rainfall Flood</p>	<p>Flooding caused by excessive rainfall, which impacts infrastructure and poses a risk to life</p>
<p>River Flood</p>	<p>Flooding caused by overflowing rivers, which disrupts communities and damages property</p>
<p>Storm Surge</p>	<p>Typhoon-induced flooding, which poses substantial risks to coastal regions</p>
<p>Typhoon</p>	<p>Tropical cyclones with intense winds and heavy rainfall, which result in widespread devastation, including infrastructure damage and flooding</p>

Chronic (medium/long term)	
<p>Drought</p>	<p>Prolonged periods of low precipitation create water scarcity, impacting ecosystems and socioeconomic activities</p>
<p>Extreme Heat</p>	<p>Excessively high temperatures that strain resources and pose health risks</p>
<p>Landslide</p>	<p>Movement of soil, rocks or debris, which can lead to infrastructure damage, property loss and loss of life</p>
<p>Sea Level Rise</p>	<p>Long-term global ocean level increase, which inundates low-lying areas and contributes to coastal flooding</p>
<p>Snow Melt</p>	<p>Rising temperatures cause accumulated snow and ice to transition into water, increasing runoff and the risk of flooding</p>
<p>Wildfire</p>	<p>Uncontrolled fires spread rapidly, destroying landscapes and homes, and endangering lives</p>

The risk analysis, which considered data projections for 2030 and 2050, identified six risks as negligible and four risks as low to medium. The results are summarized and presented at the city level, as illustrated below.

Location	Typhoon				Rainfall Flood				Extreme Heat				River Flood			
	RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5	
	2030	2050	2030	2050	2030	2050	2030	2050	2030	2050	2030	2050	2030	2050	2030	2050
Hong Kong	Low risk	Low risk	Low risk	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk	Low risk	Medium risk	Medium risk	Medium risk	No risk	No risk	No risk	No risk
Shanghai	No risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk	Medium risk	Low risk	Low risk	Low risk	Low risk

No risk
 Low risk
 Medium risk
 High risk

Following this analysis, we have identified material physical risks and opportunities, along with their corresponding business and financial impacts, as well as our resilience strategy. The results were:

Acute Physical Risks (short/medium term)		Chronic Physical Risks (medium/long term)	
Typhoon	Rainfall Flood / River Flood	Extreme Heat	
Potential Impact			
<ul style="list-style-type: none"> Higher property damage losses More typhoon-induced business interruptions Greater threats to human health and safety, and to the environment 	<ul style="list-style-type: none"> More business interruptions due to flood damage to facilities and equipment More supply chain disruption from flooding and transport issues 	<ul style="list-style-type: none"> More building and equipment damage from high temperatures and power outages Increased occupational health risks (discomfort, exhaustion and heat-related illnesses) Reduced productivity owing to extended construction time 	
Potential Financial Impact			
<ul style="list-style-type: none"> Increased operating costs for asset repairs, inventory replacement, supply chain disruption and suspended construction Increased property insurance premiums Decreased asset value Decreased revenue owing to business disruption 		<ul style="list-style-type: none"> Increased operating costs for increased cooling demands Increased expenses owing to impacts on employees' health 	
Example of Our Strategy			
<ul style="list-style-type: none"> Implement a Sustainable Supply Chain Management Guideline to assess environmental and social risks to our supply chain Incorporate sustainable and climate-resilient features in new and existing buildings Provide emergency support mechanisms and operational handbooks to guide staff in preparing for and responding to extreme weather events Activate an emergency support centre during extreme weather to maintain business continuity 			

To mitigate and adapt impact posed by physical risks, our business units have adopted different action plans and measures.

When launching new development projects, we prioritize climate resilience in our building designs, incorporating features such as typhoon-resistant structures. We also assess the climate risks associated with project locations. Where necessary, we conduct additional tests, such as wind tunnel tests, to ensure our buildings can withstand extreme weather conditions.

Within our managed buildings, we have installed climate-resilient elements to mitigate physical risks:

- 🌀 Provide floodgates, flood sensors and submersible pumps in properties located in low-lying and flood-prone areas
- 🌀 Install water baffles, typhoon nets, water cut-out sensors and IoT leak detectors in washrooms and machine rooms
- 🌀 Install remote-monitored sensors at crucial facilities, such as mains switch rooms to quickly warn staff of potential flooding
- 🌀 Install intelligent windows, which close automatically and seal ventilation vanes with waterproof plastic strips when water level exceeds one inch, to prevent rainwater from entering equipment room

Our property management teams also maintain close communication with our stakeholders to ensure their safety during extreme weather events. We provide handbooks and guidelines, and provide regular training to our staff to ensure swift responses in cases of adverse weather.

Kai Shing's management team has long established a contingency plan in response to disasters, which sets out that in case of major natural disasters or such disasters that are assessed likely to happen, to prevent potential damages to properties and ensure the safety of customers' lives and properties. Many years ago, Kai Shing has formed an Emergency Support Team to regularly assess the risks posed by different disasters. The team also assists in sourcing adequate preventive equipment and conducts drills for various emergency scenarios affecting properties, to enhance employees' coordination and response capabilities. In addition, Kai Shing's management team also strives to enhance the properties' resilience to disasters based on the actual conditions in properties. For example, the team uses drones to inspect the exterior walls to check for risks of water leakage or wall peeling, and conducts repairs to ensure the structural safety of the building. The team also collaborates with the university to study the strength of glass, in the hope of further strengthening the resistance capabilities of the properties.

Kai Shing conducts drills for various emergency scenarios every year. This year, under the theme of 'Preventing Flood Accidents during Extreme Weather', Kai Shing conducted a drill at Ocean PopWalk, a residential property under its management. The drill simulated how to prevent and respond early to super typhoons and heavy rainstorms hitting Hong Kong, with the aim of minimizing potential damages that could be caused to the property. In this drill, Kai Shing's Emergency Support Team used equipment, such as movable flood barriers, flood gates and sandbags to practise how to set up flood prevention equipment quickly and effectively in multiple areas with potential flooding risks. The team also rehearsed a series of preventive and follow-up measures, such as moving elevators to higher floors, monitoring and reporting water levels regularly, and carefully inspecting the properties, and carrying out repairs and follow-up actions on any damages. The process of this drill was recorded and uploaded to Kai Shing's online learning platform. Each property management team can refer to the drill process, and conduct early risk assessment according to their property's actual situation to develop the most suitable disaster contingency strategies and measures.



Floodgates installation at Ocean Pop Walk



Staff can review the drill on Kai Shing's e-learning training platform

Hong Yip has established the Intelligent Typhoon Monitoring and Management Platform and adopted a three-step strategy: Prevention, Response and Advice. This is achieved by leveraging advanced technologies and utilizing intelligent techniques, such as automation, cloud computing and big data. An automatic interface with the Observatory (API) has been designed to collect data and typhoon warnings from the Observatory. This system integrates actual conditions of the properties and provides a 24/7 collaborative platform with intelligent features for updating information in real-time. This facilitates the team's immediate response to three scenarios during the typhoon season: before the onset of the season, during the typhoon's impact, and after the typhoon. The platform supports preventive measures, follow-ups, notifications, management, monitoring, analysis and safety assessments. Furthermore, Hong Yip conducts annual reviews of individual properties to identify relevant physical climate risks. Once identified, flood gates, door supports, and flood sensors are additionally installed to prevent damage from adverse weather.



Hong Yip's Intelligent Typhoon Monitoring and Management Platform

Meanwhile, Sanfield also requires each site to develop an emergency guideline to ensure preparedness for adverse weather conditions, especially during periods of extreme heat. As such, Sanfield has implemented several measures to prevent heat-related illnesses, including ongoing health monitoring for workers at construction sites, conducting thermal stress assessments with contractors, and requiring them to sign a heatstroke prevention charter. When the CIC issues a Very Hot weather warning, Sanfield will provide hydration and electrolyte supplements in cooling facilities for workers. We train our workers to prevent heat stroke and have implemented preventive measures at several construction sites.

In our daily operations, our property management and construction units implement ISO 14001 and ISO 50001 management systems to facilitate effective environmental and energy management. During the reporting year, around 84% of our managed properties in the reporting scope were certified with ISO 14001 or ISO 50001 standards. Kai Shing further implements an adaption plan for ICC, which is in accordance with ISO 22301 Business Continuity Management Systems.

Our property management companies regularly communicate with governmental authorities to address climate change concerns, including the risks of flooding. These discussions contribute to the development and enhancement of infrastructure and policies, helping to mitigate associated risks. Should our property management teams observe persistent flooding in the neighbourhood caused by heavy rainfall, we will promptly report to the Drainage Services Department. We collaborate with the government to explore potential solutions, such as installing or improving storage tanks specifically designed to handle substantial rainstorms.

Transition Risk

In assessing our transition risks to a low-carbon economy, we focused on two strategically important sectors, property (retail and office) and hotel and serviced apartments, in Hong Kong and Shanghai.

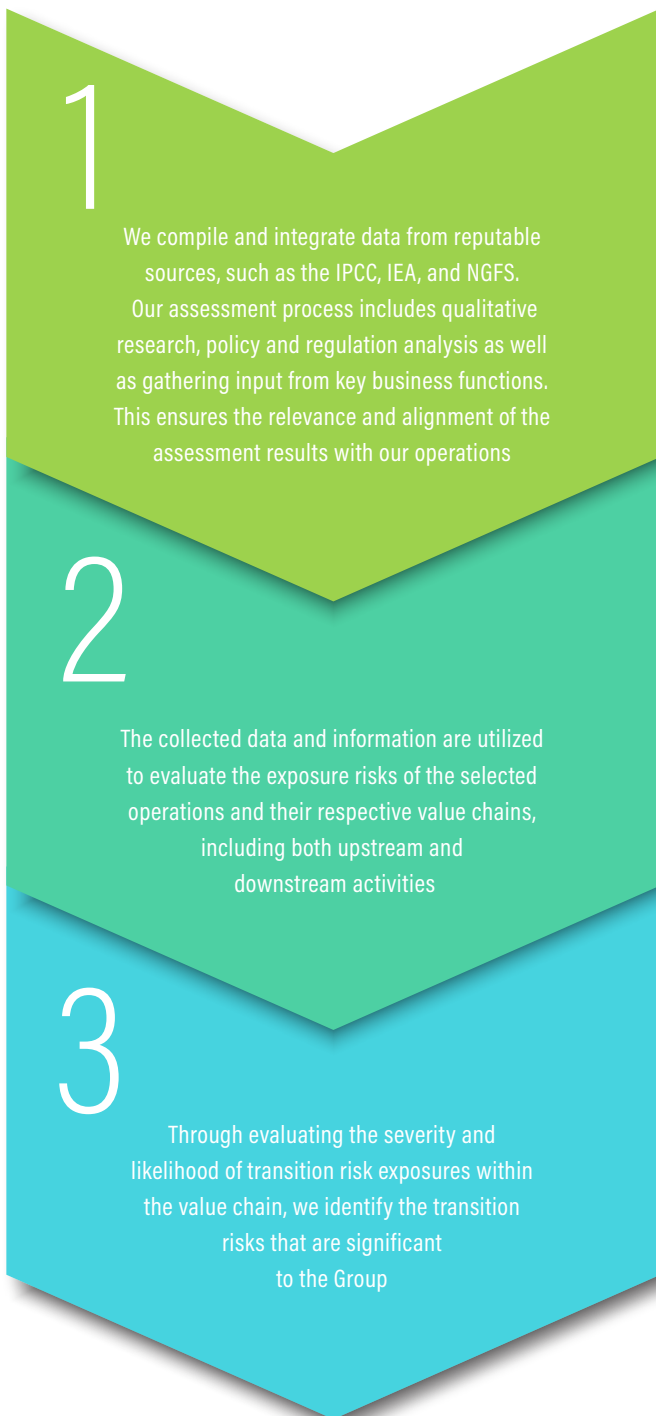
We undertook quantitative and qualitative assessments, by analyzing the data projections provided by the two constructed scenarios. Additionally, we constructed a qualitative analysis of the policy development in Hong Kong and Shanghai. This mixed-method approach combines quantitative, science-backed projections with qualitative analysis of policy developments to assess the impacts on our business operations and value chain under two different climate futures.


This year, we organized workshops and surveys to gather insights from our departments and business units regarding our resilience to climate risks across our value chain. This engagement ensured

that our transition risk assessment results were highly relevant and aligned closely with our operation. We evaluated 21 risk parameters, including political, economic and market indicators, for the property (retail and office) sector, and 15 for the hotel and serviced apartments sector. These assessments were performed for both the 2030 and 2050 timeframes, with input from key stakeholders to identify material transition risks at the value chain level.

Transition risk assessment also shares similar uncertainties with physical risk assessment, as both use data forecasted by climate models. However, transition risk assessment also involves uncertainties coming from the judgments and opinions of our in-house experts. These opinions may be influenced by market trends and regulatory changes, which are continuously evolving.

We have identified material transition risks and opportunities, along with their corresponding business and financial impacts, as well as our resilience strategy. The results were:



Technology (short/medium/long term) 	
<ul style="list-style-type: none"> Growing trend of adopting energy-efficient and low-carbon technology 	<ul style="list-style-type: none"> Rising adoption of renewable energy
Potential Impact	
<ul style="list-style-type: none"> More drive to invest in energy-efficient and low-carbon technologies 	<ul style="list-style-type: none"> Increased adoption of renewable energy sources such as on-site solar panels
Potential Financial Impact	
<ul style="list-style-type: none"> Increased capital expenditure on low-carbon product investment Increased cost of training for new technology Decreased operating costs owing to energy savings 	
Example of Our Strategy	
<ul style="list-style-type: none"> Conduct energy and carbon audits to identify areas for energy-efficient retrofits, such as lifts, chillers, and lighting systems Implement smart building management systems, energy optimization systems, and other innovative solutions to optimize operations Enhance on-site renewable energy generation such as solar energy Consider purchasing RECs where applicable Foster collaborations with partners and universities to drive green technology development Established Sanfield Construction Innovations Limited to develop innovative and low-carbon solutions for the construction industry Partnered with DBS Bank to launch the Sustainability-linked Supplier Payment Service (SPS) programme, offering financial incentives for supplier carbon reduction 	

Policy and Legal (short/medium/long term)	
<ul style="list-style-type: none"> Stricter building regulations 	<ul style="list-style-type: none"> Emerging regulations on carbon pricing
Potential Impact	
<ul style="list-style-type: none"> Increased need for employee knowledge of green building requirements Increased litigation risks for non-compliance with green building policies 	<ul style="list-style-type: none"> Increased business uncertainty, arising from changing regulations and global trends Increased pressure to invest in low-carbon technologies and materials
Potential Financial Impact	
<ul style="list-style-type: none"> Increased capital expenditure on low-carbon products Increased capital investment for building retrofitting to meet building regulations Increased training costs for policy and regulation Increased fines owing to non-compliance 	<ul style="list-style-type: none"> Increased capital expenditure on low-carbon technologies and materials Increased expenditure on carbon price
Example of Our Strategy	
<ul style="list-style-type: none"> Integrate sustainable building features and low-carbon materials requirements into building design Fulfil green building commitments as specified in Sustainable Building Policy Continuously track and work towards our 10-year environmental targets Assess the possibility of carbon pricing in our operations and explore strategies to achieve carbon neutrality Participate in regulatory pilot scheme and provide feedback to the government on emerging laws and regulations Participate in seminars and discussions hosted by professional organizations to stay informed about market trends and regulatory changes 	

Reputation and Market (short/medium/long term)	
<ul style="list-style-type: none"> Rising market demand for green buildings 	<ul style="list-style-type: none"> Rising consumer preference for sustainable living
Potential Impact	
<ul style="list-style-type: none"> Influenced the business direction by prioritizing investment in green buildings Increased need to train staff in green building practices to answer buyer inquiries 	<ul style="list-style-type: none"> Increased drive to develop green buildings and sustainable services Reduced competitiveness if consumer demands are not met
Potential Financial Impact	
<ul style="list-style-type: none"> Increased capital expenditure on low-carbon products Increased revenue from growing sales and growing green building rentals 	<ul style="list-style-type: none"> Increased revenue from the expanding green market
Example of Our Strategy	
<ul style="list-style-type: none"> Continually expand our portfolio of green-certified buildings Proactively manage our environmental performance with ISO 14001 and ISO 50001 management systems to mitigate risks associated with climate change, energy consumption and carbon emissions Foster collaborations with partners and universities to drive green technology development Advance green finance by incorporating sustainability targets into our financing mechanisms 	

We also extend our risk management along our value chain. Our Sustainable Supply Chain Management Guideline outlines our approach on vendor registration, tender selection, identification of critical suppliers, performance rating and risk exposure. For more details, please refer to **Managing the Supply Chain** section.

Further Studies on the Climate Assessment Results

In 2024, we conducted an online survey and hosted a workshop with the support from our third-party consultant. They aimed to understand the impacts of climate risks on the Group and explore strategic plans and responses to these risks. The participants included representatives from project design, construction, project management, leasing and property management. Participants from various business units also shared their experiences of previous climate events, discussed the likelihood and potential impacts of climate risks for the upcoming year, and exchanged ideas on climate strategies and action plans specific to their business units. This valuable input, along with the challenges and resource constraints identified, was synthesized into a comprehensive report for management, enhancing strategic planning and ensuring a proactive management of climate-related risks.

Furthermore, we conducted a detailed study to quantify the potential financial impacts of climate-related opportunities, particularly in terms of potential savings from carbon taxes. Utilizing projections from the NGFS, the analysis revealed that the GHG emissions reduction in EOC-monitored buildings by around 4,456 tCO₂e in FY2023/24, compared to the previous year, has led to savings of around HKD 1.7 million⁸ in carbon taxes under the NGFS Below 2°C scenario. Looking forward, by achieving the target of reducing scope 1 and 2 GHG emissions intensity by 35% by 2030, we could further reduce the carbon tax.

Metrics and Targets

We have established various metrics and targets to monitor our environmental performance. For more details, please refer to **Sustainable Building and Environmental Targets** section.

In FY2023/24, we have introduced three additional key metrics, which are designed to specifically track our progress in managing the financial aspects of climate-related risks and opportunities. We have observed that our revenues and capital expenditures may be impacted during the transition to a low-carbon economy. To effectively monitor these changes, we will continue to refine and expand these metrics. This will ensure that our monitoring efforts remain aligned with our development goals and emerging best practices in the industry.

Metrics Categories	Metrics	FY2023/24
Climate-related Opportunities	Percentage of gross rental income from certified green buildings ⁹	~79%
Capital Deployment	Investment in energy-efficient or low-carbon products/services from property management subsidiaries	~HKD 85.4 million
	Percentage of annual capital investment in green building development ¹⁰	~93%

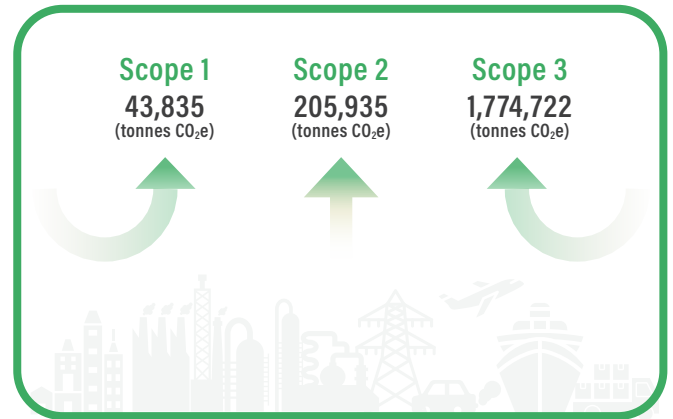
⁸ The calculation based on a carbon tax of USD48/tCO₂ is expected to be introduced in China in 2030, as suggested by the NGFS Phase 4 Scenario Explorer.

⁹ Includes BEAM Plus new and existing buildings (comprehensive and selective schemes), LEED or BREEAM certificates received by properties owned or managed by SHKP in Hong Kong.

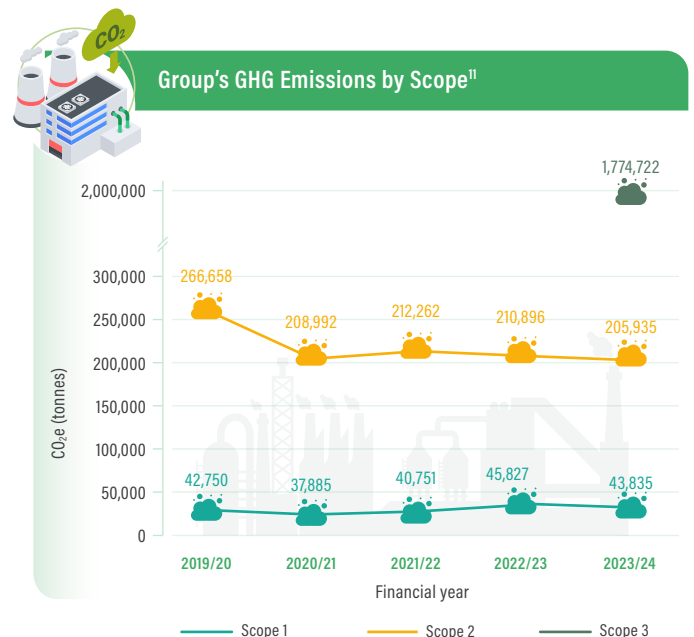
¹⁰ Includes development projects in Hong Kong, which have achieved or committed to BEAM Plus, LEED or BREEAM certificates.

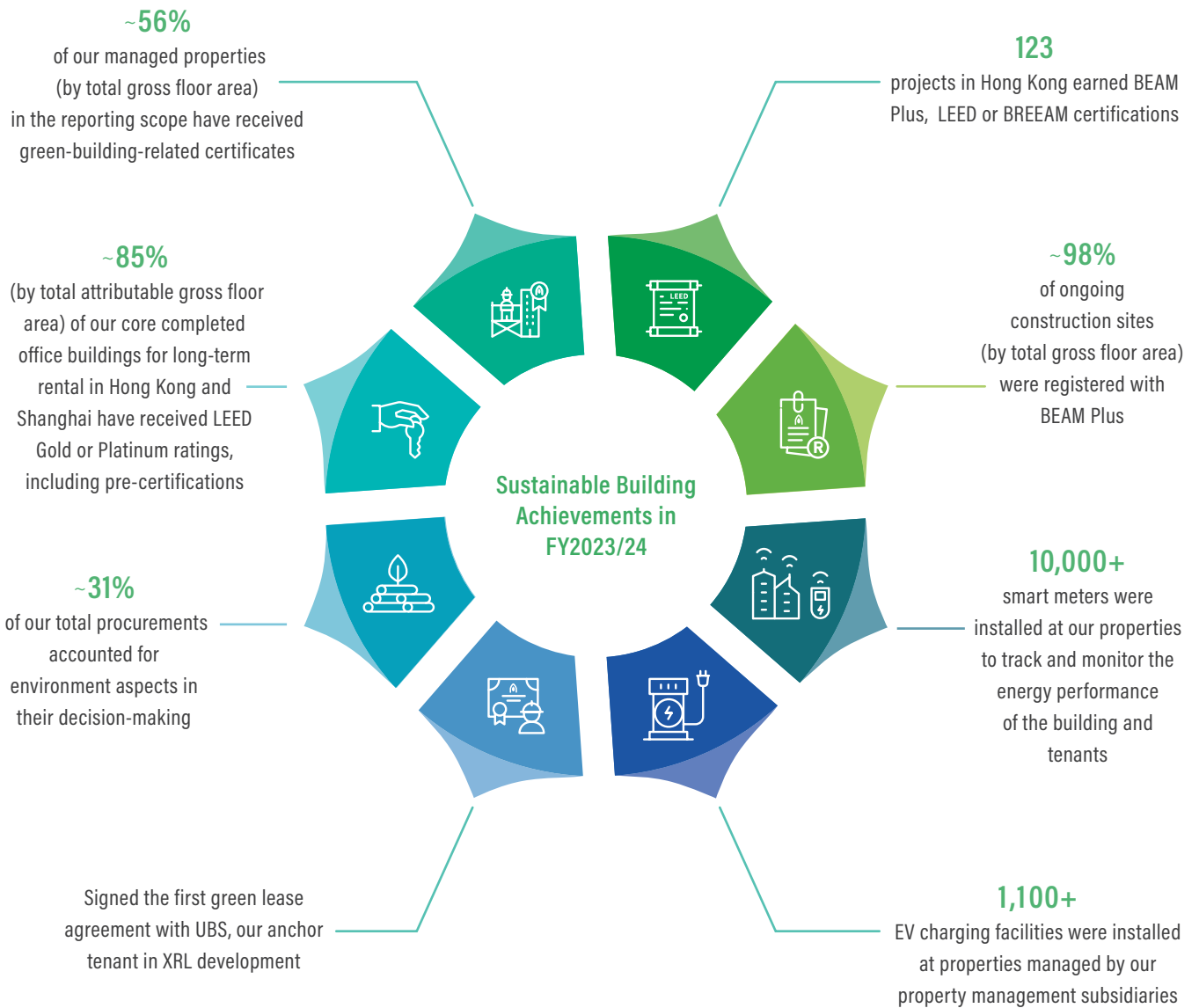
¹¹ This is the first year we are disclosing our scope 3 emissions.

To ensure we are continuously progressing towards our established targets, we regularly monitor our GHG emissions and sustainable building performance.



Starting from 2022, we have engaged a third-party consultant to conduct a comprehensive analysis of our scope 3 emissions. For more details, please refer to **Appendix III**.





Our Efforts in Waste Minimization and Recycling

Our three-tier waste management emphasizes prevention, reduction and recovery. Government strategies, such as the Waste Blueprint for Hong Kong 2035, guide our initiatives.

Our primary sources are construction, demolition and general waste. During the reporting year, we made good progress towards our 10-year target for diverting construction waste. For more details, please refer to the **Strategies and Management** section.

During the Design and Construction Stages

Waste management considerations are integrated with the employment of cutting-edge techniques throughout the lifecycle of each project. BIM simulations, precast components and DfMA are used to visualize our design and eliminate flaws in the design and construction stages. This ensures our quality and prevents unnecessary consumption of raw materials.

We work with contractors to reduce waste by standardizing the dimensions of materials, establishing recycling facilities and, where practical, setting project-specific waste reduction targets for contractors. For instance, our project in Kai Tak has developed a waste management plan outlining its waste reduction target which aims for 100% reuse or recycling of excavated materials and lateral support work. We implement waste management plans and waste separation at all our developments, and send paper, cardboard, metal, aluminium, plastic and glass to local recycling centres.

In Sanfield, the majority of our contractors and employees are educated in waste management techniques. All contractor site representatives receive training on waste management and they are required to comply with waste management requirements as stipulated in contract documents.

Waste management consideration is also integrated in the purchase of materials for each project. Excavated soil and sand are repurposed for backfilling and reclamation. Prefabricated steel reinforcement bars are preferred, and scrap steel – such as bored piles and I-beams – is reused and recycled.

To effectively manage waste and promote a circular economy, we actively engage in purchasing materials from recycled-product suppliers. These include recycled timber decking, reconstituted stone, steel made of recycled content and paving blocks made of recycled glass. We also incentivize contractors to recover and recycle materials. During the reporting year, we diverted approximately 89.2% of construction waste from landfill disposal.

During Operation

We believe that a circular economy requires synergy with internal and external stakeholders, including tenants, customers and residents. Our properties offer recycling facilities and reverse vending machines, encouraging responsible consumption and providing convenient recycling. More than 350 buildings managed by Hong Yip were cited in the Source Separation of Domestic Waste, and the Programme on Source Separation of Commercial and Industrial Waste.

Collaborating to Promote Recycling

We collaborate with external partners to promote recycling:

- Working with the Environmental Protection Department (EPD), we introduced initiatives such as the Glass Container Recycling Charter
- 107 properties managed by Hong Yip and Kai Shing joined the Green Collect Service, which provides one-stop recycling
- Kai Shing participated in the Hong Kong Environmental Protection Association's Tree Conservation Scheme, which repurposed Christmas trees, peach-blossom trees and New Year flowers as organic fertilizers
- We participated in Greeners Action's Lai See Reuse and Recycle Programme, with collection boxes at our properties
- ICC launched the Waste Electrical and Electronic Equipment Recycling Programme, in collaboration with Caritas Computer Workshop, to recycle electronic products discarded by tenants. More than 700 computer monitors were collected and donated to people in need
- We supported the Umbrella Bags Reduction Accreditation Programme by Greeners Action for the seventh consecutive year. 47 and 11 properties earned Diamond certificates and Gold certificates, respectively
- Hong Yip and Kai Shing joined the Recycling Fund: A Pilot Scheme on Efficiency Enhancement in Local Industrial and Commercial Waste Plastic Recycling, which is organized by Greeners Alliance Company Limited and funded by the Recycling Fund

Uptown Plaza and Chelsea Heights Plaza participated in the EPD's Municipal Solid Waste Charging Demonstration Scheme. This aims to support the government by assessing issues that may arise during implementation.

Most of the Royal Hotels signed the Carbon Neutrality (Waste Reduction) Charter to show our support and commitment to waste reduction and recycling, food waste management, and plastic reduction to achieve carbon neutrality. To address new regulations on disposable plastic tableware and other plastic products, our Royal Hotels have:

- Replaced single-use plastic water bottles with water dispensers
- Replaced single-use plastics with eco-friendly tableware and containers, such as corn starch food boxes and wooden cutlery
- Provided refillable bathroom amenities
- Installed umbrella dryers in public area, replacing single-use plastic umbrella bags

Reducing Food Waste in Our Property Management Arms

- Hong Yip and Kai Shing have installed food waste machines at 57 of its commercial and residential properties, collecting around 8,000 kg per day
- Supported the EPD pilot scheme on food waste collection to install smart recycling bins in managed estates. To date, 32 commercial and residential properties had participated the scheme
- Encouraged food and beverage tenants to divert food waste from landfill to the Organic Resources Recovery Centre (O-PARK1)
- Hosted regular courses to raise food and beverage tenants and residents' awareness of responsible waste management
- 46 and 27 properties were collection points for the Food Grace Moon Cake Recycling Campaign and Food Grace CNY Food Recycling Campaign, respectively, collecting food to be distributed to people in need
- Hong Yip and Kai Shing participated in Food Angel's World Food Rescue Week 2024. Our properties hosted ten collection points, which collected more than 500 kg of surplus food and encouraged food donations from the public



Food Angel's World Food Rescue Week 2024

With the active participation of residents, Wonderland Villas applied to the Recycling Fund to install two intelligent food waste recycling bins. The bins are linked up with EPD's 'GREEN@COMMUNITY' GREEN\$ point system, which allows residents to earn bonus points for gift redemption. In 2023, more than 40 tonnes of food waste were collected on the estate, diverting waste from landfills.



Intelligent food waste recycling bins engage residents

Our Royal Hotels

The Royal Garden collaborated with a startup to install a machine that collects food waste data and establishes a baseline measurement for effective food waste management. Meanwhile, multiple Royal Hotels have joined the EPD's food waste collection scheme.



A machine that collects food waste data

Resource Utilization

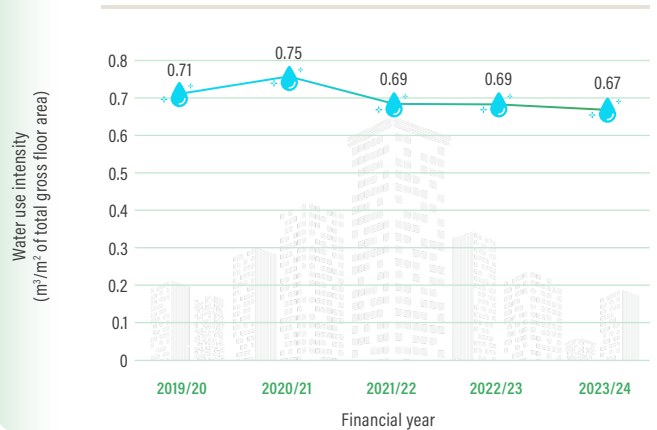
We are committed to responsible resource consumption. This includes sustainable sourcing, stringent supplier selection and close monitoring of our procurement practices.

We have a 10-year target to optimize water use.



Water Use Intensity of Major Buildings Monitored by the EOC²

We have reduced our water consumption by **~4.7%** since FY2019/20



Water risk is one of the ESG considerations in our group. Our property management business consumes the highest volume of water, followed by construction and hotels. We rely on municipal supply and do not draw from alternative sources. To assess water risk and availability in our portfolio, and incorporate water risk management into our overall business strategy, we conducted a thorough water stress test and analysis, using the World Resources Institute's Aqeduct Water Risk Atlas tool¹² during the reporting year. Furthermore, we strive to promote water conservation. Some of our managed properties are participants in the Let's Save 10L Water 2.0 campaign. Meanwhile, 65 of our managed properties have signed the Water Supplies Department (WSD) and Green Council's ECH₂O Charter, committing to using water in a conscious manner.

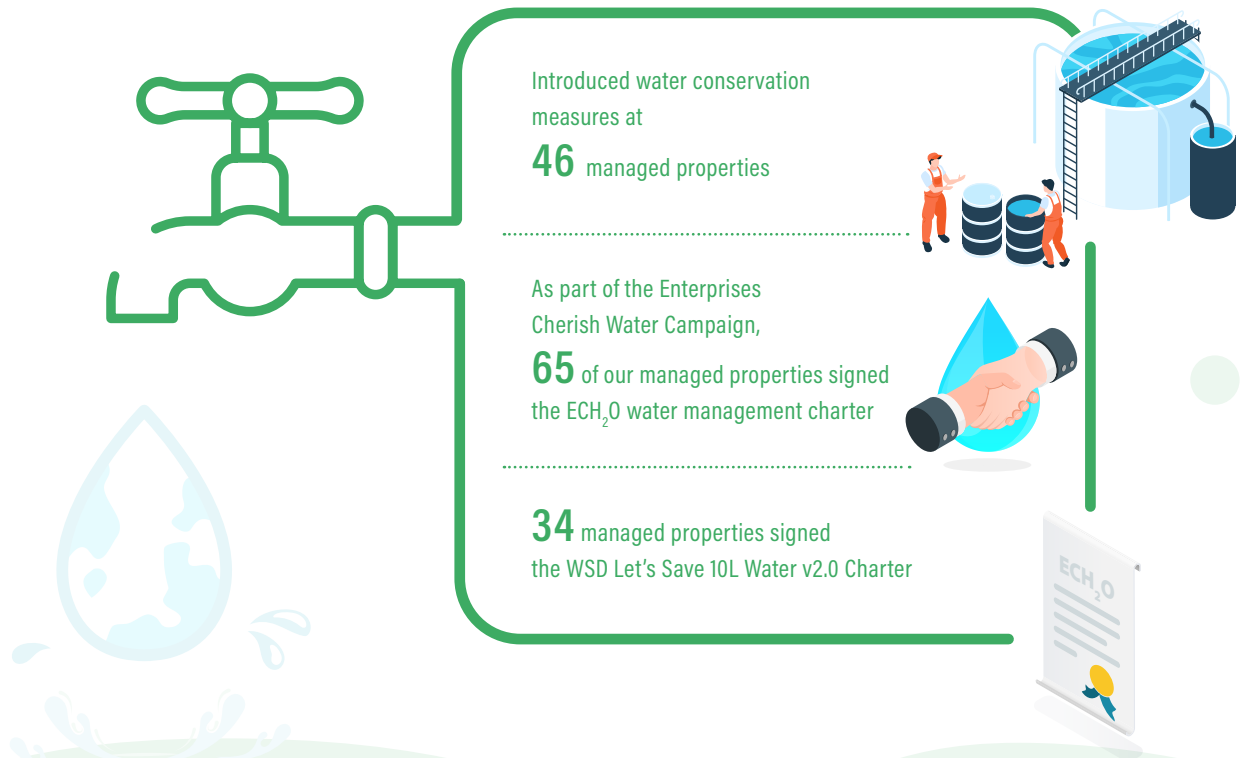
¹² The results indicate that none of our operations in Hong Kong have high or extremely high overall water risk. Specifically, all our Hong Kong operations face low-medium baseline water stress levels (10-20%).

Examples of our water-saving efforts at managed properties during the reporting year:

<h3>Car Park Cooling System</h3> <ul style="list-style-type: none"> Mikiki's car park cooling system collects and reuses condensation water from air conditioning 	<h3>High-efficiency Water Fixtures</h3> <ul style="list-style-type: none"> Installed water flow controllers and automatic faucets in managed properties Dual flush toilets are installed in construction sites
<h3>Rainwater Collection</h3> <ul style="list-style-type: none"> Adopted rainwater collection systems for irrigation at major malls Sanfield collects rainwater and reuses onsite 	<h3>On-site Wastewater Treatment</h3> <ul style="list-style-type: none"> Sanfield treats wastewater on site and reuses greywater for cleaning
<h3>Regular Water Fixture Inspection</h3> <ul style="list-style-type: none"> Our subsidiary Superpower conducts pump inspections, carries out maintenance tasks, records data, and analyzes it using computers 	<h3>Sensors Installation</h3> <ul style="list-style-type: none"> We installed sensors for water taps to reduce water wastage

Adhering strictly to local government regulations, particularly the Hong Kong Water Pollution Control Ordinance, we ensure sewage is discharged responsibly. Residential and commercial effluent is meticulously discharged into government drainage systems, adhering to the prescribed guidelines. Moreover, we carefully treat our construction sewage, in line with applicable regulations, before its discharge.

Our water management achievements this year:



Enhancing Sustainability in Procurement

We emphasize sustainable sourcing as stipulated in our Environmental Policy, Sustainable Building Policy, **Supplier Code of Conduct**, Sustainable Supply Chain Management Guideline and procurement guidelines. We give priority to environmentally friendly products and services and have mandated our property management subsidiaries to incorporate environmental considerations into their procurement decisions.

To optimize resource efficiency in construction, Sanfield uses materials, such as precast facades, aluminium formwork and green bricks. Pre-finished and smooth blocks, instead of plaster, reduce waste and improve overall efficiency.

We prioritize sustainable and green building materials. Adhering to BEAM Plus standards, all timber for temporary works – including falsework, formwork and hoarding works – is originated and certified by sustainable sources like Forest Stewardship Council (FSC). We prioritize timber certified by FSC or equivalent bodies, and reuse it wherever feasible. To validate compliance, our timber suppliers provide monthly certificate submissions and delivery records as evidence.

We strive to reduce embodied carbon and undertake carbon assessments at our construction sites. These will cover emissions, energy use, water use and transport. We use products with environmental and health product declarations that are locally sourced or feature recovered materials, materials with low embodied carbon, low-emitting VOC materials, and easily recyclable materials and packaging. Materials used in construction include green gypsum blocks, low-carbon tiles, concrete blended with pulverized fuel ash, and recycled glass.

To further reduce embodied carbon in our buildings, we encourage suppliers to attain CIC Green Product certification. For more information on our sustainable sourcing, please see **Value Created for Supply Chain** section.

Fostering Community Engagement in Green Lifestyles

SHKP promotes sustainability, eco-friendliness and climate change awareness to stakeholders through green campaigns, urban farms, public engagement activities and promotion of green transport. 438 properties and construction sites managed by us have been named Hong Kong Green Organization.

The Love Nature campaign was jointly launched by SHKP and Green Power in 2011. The first free terrestrial and coastal clean-up mobile app in Hong Kong, Nature Rescue, was subsequently developed. In 2024, we launched the latest version of Nature Rescue, allowing users to easily register for clean-up action, report rubbish blackspots and earn The Point bonus points. The integration of the app with our loyalty programme incentivizes the public to participate. Since its launch, the Love Nature campaign has facilitated more than 260 clean-ups, collected over 63 tonnes of waste and engaged around 11,800 people.

We continued to support the WWF's Earth Hour for a 16th consecutive year. More than 400 of our owned or managed residential, commercial and industrial buildings turned their lights off for an hour to reduce electricity consumption.



The Smart Mobile Farm at sky100 allows visitors to experience urban farming

We have set up urban farms at 42 of our managed properties to promote green lifestyle and living. During the reporting year, Metroplaza continued its Metro Green campaign and organized activities such as workshops for customers to experience harvesting. On the 100th floor of ICC, sky100 has installed Asia's highest indoor sky hydroponic farm. This allows visitors to engage with urban farming and handpick crops while enjoying Hong Kong's panoramic skyline



We use our property management resources to raise environmental awareness in the community and inspire the public to adopt sustainable lifestyles:

- At education centres at HomeSquare and Landmark North, we offer workshops and seminars to promote environmental protection
- At Landmark North, a Low Carbon Living Pavilion with six themed rooms promotes sustainable lifestyles
- Metroplaza was selected as a featured green building for Green KOL Video Competition during Hong Kong Green Building Week 2023. KOL showcased and promoted the green features of Metroplaza through creative short videos



An interactive exhibition educates residents at Century Link

- At Century Link, mini-games and an interactive exhibition raise residents' awareness of resource circularity




Wonderland Villas' residents visit O-PARK1 to study food waste recycling and reduction

- At Wonderland Villas, we arranged a field trip for residents to visit O-PARK1 and Y-PARK in Hong Kong. Visitors learned about food waste recycling, promoting proper waste disposal. At Y-PARK, visitors gained insights into the recycling of yard waste into useful materials



- At Harbour North, we arranged tours for primary and secondary students to demonstrate sustainability elements in our mall management. We also organized interactive activities to educate visitors and tenants about the protection of our ecosystem and the well-being of animals
- At University Hill, we have established a dedicated resource-sharing platform to promote a circular economy, allowing residents to reserve and borrow household goods, electronic appliances and other items with ease
- For our malls and offices, we regularly communicate and encourage new tenants to reuse decorations and furniture from previous tenants to reduce waste
- Hong Yip organized Arbor Day and promotional activities for waste classification on the mainland in response to the government waste classification requirements



Hong Yip's Arbor Day aims to educate employees to embrace and appreciate nature

We support the government's advocacy for green transport, as outlined in the Climate Action Plan 2050. Sanfield is gradually replacing diesel and petrol company vehicles with EV or hybrid vehicles, and provides on-site charging facilities. Hong Yip plans to transition its fleet to EVs, which is expected to reduce 22 tonnes of carbon emissions annually. Bike-parking facilities and EV charging are available at our managed properties.

To promote sustainable transportation, we introduced Hong Kong's first rewards-redeemable, super-fast EV charging service with The Point last year. For more details, please refer to the **Value Created for Customers** section.

During the reporting year, properties managed by Hong Yip and Kai Shing were honoured with Pioneer Awards for Energy-Saving Promotion by the CLP Summer Saver Rebate Programme 2023. For details on our awards, please refer to **Appendix I**.



Value Created for PEOPLE







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

Material topics addressed in this section:

- Business ethics and anti-corruption
- Diversity and equal opportunities
- Employee development and succession planning
- Employee engagement
- Innovation
- Labour practice and human rights
- Well-being, health and safety

Highlights of our Performance in FY2023/24

 Became a signatory of the United Nations Global Compact	 33.3% female represented at management level	 ~302,000 hours of ESG-related training delivered	 ~12.3% of our construction sites and managed properties in the reporting scope earned ISO 45001 certification
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Strategies and Management

We are committed to creating a people-centred and harmonious workplace culture for our employees. To attract and retain talent – and hence deliver outstanding products and services to customers – we provide competitive benefits and a safe and healthy working environment. We also encourage employees to develop their skill sets with training and annual talent development plans. We provide support for objectives relating to employment, diversity and inclusion, well-being, health, safety and labour standards.

In the jurisdictions in which we operate, we comply with – or exceed – all relevant laws and regulations, including the Employment Ordinance and Occupational Safety and Health Ordinance in Hong Kong. Health and safety systems and policies, and well-being support programmes, are implemented across our business units.

Dedicated committees are responsible for the holistic development of our people:

Committee	Responsibility
 Human Resources Committee	Implement, assess and enhance our human resources policies
 Occupational Health and Safety Committees*	Oversee our health and safety strategy and performance, and mitigate risks in daily operations
 Internal Affairs Department	Ensure the well-being of employees, and develop training based on feedback from employees and business needs

*In our property management and construction subsidiaries

We share our expectations and operational standards with employees via our Staff Handbook, **Code of Conduct** and **Health and Safety Policy**. As stipulated in our Code of Conduct and Human Rights and Equal Opportunities Policy, we are committed to protecting human rights in our operations. Our policies refer to internationally acknowledged standards, including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

We adhere to the principles and guidance of the United Nations' Universal Declaration of Human Rights and the SDGs. Since February 2024, we have become a signatory of the United Nations Global Compact, which is a call to companies to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption.



United Nations
Global Compact

We invite all full-time, part-time employees, contractors and directors to partake in anti-corruption training on our e-learning platform as well as webinars related to business ethics hosted by the Independent Commission Against Corruption. Integrity training is a mandatory element of onboarding all newly hired employees. Annual anti-corruption seminars reinforce employees' understanding of our Code of Conduct and underscore the critical role of ethical conduct in the Group.

Child and forced labour are strictly prohibited in all operations. Our employment system prevents human rights violations. Throughout our hiring processes, we carefully conduct interviews and reference checks on candidates to mitigate the risk of any human rights or other ethical conduct issues in their employment record. This approach effectively guards against human trafficking, forced or child labour in our operations. During the reporting year, there were no reported cases of child or forced labour.

Should any unlawful employment occur, we investigate promptly and follow established procedures and policies to maintain our ethical standards and integrity. Employees are encouraged to consult with the Internal Affairs Department regarding ethical concerns. Additionally, our whistleblowing system allows employees to safely report any suspicions of misconduct, malpractice, impropriety, fraud, harassment, discrimination, or safety violations, assured of no retaliation. We ensure confidentiality in handling report cases through our whistleblowing system and internal protocols, diligently protecting the identities of whistleblowers. We also accept anonymous reports and treat every report with the utmost confidentiality.

Should a preliminary review suggest the need for an investigation, the results of that investigation – and any recommendations – are reported to the Chairman and Managing Directors. Significant concerns are also reported to the Audit and Risk Management Committee for review. Individuals found engaging in misconduct or violating company standards are subject to disciplinary measures, including verbal or written warnings, performance improvement evaluations, or termination of employment.

We have similar standards for practices in our supply chain. For more details, please refer to the **Value Created for Supply Chain** section.

Sustaining Talents and Nurturing a Resilient Team

We maintain our competitiveness by providing performance-based compensation packages, which are reviewed regularly. To attract and retain talent, we provide our employees with rewarding remuneration for outstanding performance and attractive benefits that are aligned with best practices of the market. Full-time employees enjoy comprehensive benefits, including healthcare, various types of leave and retirement benefits. Remuneration and welfare policies at Sanfield include a five-day work week for engineers and an additional three extra rest days per month for frontline staff.

Our talent pipeline is cultivated by long-term partnership with local educational institutions:

The Group

SHKP Summer Internship Programmes, Management Trainee Programmes and Graduate Trainee Programmes

Hong Yip

A Memorandum of Understanding (MoU) with Hong Kong Metropolitan University, forging our partnership with curriculum development, internships and mentorship

Kai Shing

KS 100 Summer Internship Programme, offering practical work experience and comprehensive training, with a Best Intern Award and job offers for outstanding young talents

Royal Hotels

A two-year practical learning programme with the Hong Kong Polytechnic University's College of Professional and Continuing Education (CPCE), offering more than 200 internships at nine SHKP hotels

Sanfield

Sanfield Summer Internship Programmes for undergraduates majoring in construction and engineering-related subjects

We partner with the Vocational Training Council to offer internship opportunities – akin to graduate positions – for final-year engineering students from higher diploma programmes.

We support the government's Greater Bay Area Youth Employment Scheme, offering job opportunities to young professionals in the region. Six graduates from top-tier local, mainland and international universities were recruited during the reporting year. We also participated in the government's Scheme on Corporate Summer Internship on the Mainland and Overseas 2024 by sponsoring interns' major expenses. We provide these local and diverse young talents with on-the-job training, access to external learning opportunities, mentorship, and sponsorships for professional qualifications.



Greater Bay Area Youth Employment Scheme graduates explore SHKP's work



Management trainees visit projects to gain understanding of our businesses

Leading the way in the property management industry, Hong Yip uses artificial intelligence (AI) for talent selection. This reduces recruitment costs and enhances efficiency by assisting the matching of candidates' skills with job specifications.

We recognize exceptional performance by our staff with appraisals, career progression opportunities and annual awards. The latter – presented by our Deputy Managing Directors – motivate our top talent and so help to retain them.

Rewarding Staff's Contribution and Commitment to SHKP



Annual appraisals assess individual employees' performances and development needs. Key performance indicators (KPIs) include progress against objectives set by management, teamwork and compliance with our codes of conduct. In regular conversations with supervisors, employees receive feedback, work progress and identify developmental areas for enhancement.

Fostering an open feedback culture where employees are encouraged to share their views and concerns is essential. A whistleblowing mechanism, employee suggestion boxes and opinion surveys are available for our employees. We conduct periodic employee opinion surveys that cover areas, including purpose, job satisfaction, training and development, and overall well-being. These ultimately enhance the job satisfaction and overall workplace experiences for our employees.

At our subsidiaries, we have been coordinating regular employee engagements to understand their latest opinions. Our property management arms communicate with staff, and share company news via their internal apps KS CONNECT and WeCom. Hong Yip also host an annual town hall meeting to facilitate two-way communication. We engage with our hotel staff via regular meetings, staff communications committee meetings and opinion boxes.

To streamline workflows, the SHKP Staff app and intranet are available for accessing company information, submitting orders and payments, booking meeting rooms, and handling leave, appraisals and claims. Centralizing these functions on one platform improves efficiency, communication and data security.

Our dedication to developing our people has earned the recognition of respected recruitment platforms. During the reporting year, Hong Yip and Kai Shing won CTgoodjobs' Best HR Awards and JobMarket's Employer of Choice Award. Kai Shing and Hong Yip also won JobMarket's Diversity, Equity and Inclusion Culture Award and Employment Brand Management Award, respectively. For details on our awards, please refer to **Appendix I**.




Curating a Diverse and Inclusive Workplace

We actively encourage a diverse and inclusive workplace, empowering people from different backgrounds to work and thrive together. Guided by our Staff Handbook, Code of Conduct, and Human Rights and Equal Opportunities Policy, we uphold human rights and ensure equal opportunities and inclusivity in a discrimination-free environment.

We comply fully with laws and regulations in Hong Kong that cover human rights issues, such as human trafficking, forced or child labour, discrimination, freedom of association and the right to collective bargaining. During the reporting year, no human rights risks were identified in our operations. We have not caused nor contributed to any human rights violation in either our operation or value chain. Accordingly, no remediating actions are expected.

To support and cultivate a culture of diversity, equity, and inclusion in the workplace, Hong Yip and Kai Shing are signatories to the Racial Diversity & Inclusion Charter for Employers by the Hong Kong Equal Opportunities Commission.

To prevent and mitigate human rights issues, we maintain high standards of fair and equal employment. Our property management subsidiaries are covered by mitigation measures as follows:

Aspect	Mitigation Measure
 Internal Policies and Guidelines	<ul style="list-style-type: none"> Code of Conduct updated to provide more comprehensive guidelines on upholding human rights commitment and mitigating associated risks
 Learning and Development	<ul style="list-style-type: none"> Mandatory training modules and e-learning cover topics, such as non-discrimination, anti-harassment and preventing bullying Detailed self-learning courses cover diversity, equity and inclusion
 Reporting and Feedback	<ul style="list-style-type: none"> A whistleblowing mechanism enables employees to report potential human rights issues. All cases are strictly confidential and retaliation is forbidden

Harassment and discrimination on age, gender, marital status, pregnancy, disability, family status, race, colour, nationality and religion are strictly prohibited. We offered training for all employees on preventing discrimination or harassment in the workplace. Annual training, including live webinars, focus on Hong Kong's anti-discrimination ordinances, anti-discrimination at work and company culture.


Internal and external stakeholders are encouraged to report suspected discrimination or harassment through our whistleblowing mechanism. Suggestion boxes are also available for the raising of concerns. Employees who are found guilty of unlawful discrimination or harassment will face disciplinary actions or even dismissal.

The Group supports women empowerment. Recognizing the significance of gender pay equality, we monitor and disclose our gender pay gap ratio. Individuals from all backgrounds, including the ethnic minorities and people with disabilities, are offered with fair and inclusive opportunities. For more details on gender pay equality, please refer to **Appendix III**.

Our subsidiaries have partnered with the HKSAR government and other non-profit organizations (NPOs) to embrace diversity:

<p>Hong Yip</p>	<ul style="list-style-type: none"> Joined Social Ventures Hong Kong and HATCH's TalentXChange programme, which aimed to empower mothers who have taken a career break of 5+ years to journey back into the workplace, through co-designing job opportunities and workstyles with corporate partners. Partnered with the Zubin Foundation to offer internships for minorities United with the Hong Kong Federation of Women's Centres to launch the Building Up Sustainable Mutual Support Network for single mothers and new-arrival women. Participants were trained in repair and maintenance skills by Hong Yip engineers to enhance job opportunities
<p>Kai Shing</p>	<ul style="list-style-type: none"> United with the Labour Department and Construction Industry Council for programmes seeking craft apprentices, semi-skilled trainees and individuals from the over-50, elderly and middle-aged demographics, to ensure equal opportunities for individuals from various backgrounds to enter the property management industry
<p>Royal Hotels</p>	<ul style="list-style-type: none"> Participated in the Hire and Train Scheme by Employees Retraining Board to provide on-the-job training to middle-aged women and homemakers Joined the recruitment days organized by different NGOs, such as Kowloon Federation of Associations and Women Slash by Christian Action to target the women workforce

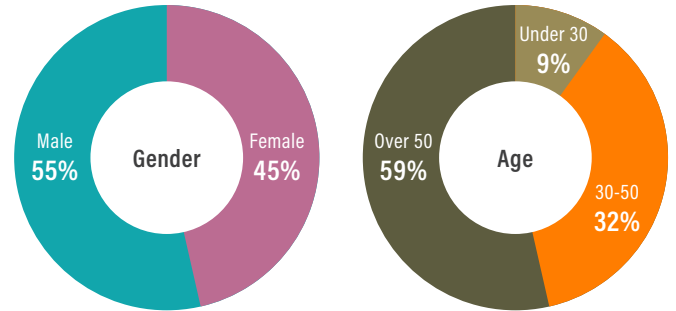
Additionally, we provide on-the-job training and mentorship programmes to raise awareness about diversity, inclusion and anti-discrimination to enhance mutual understanding and respect for people from different backgrounds. For example, cantonese training for Nepalese staff is offered to relevant security personnel at Kai Shing. Hong Yip collaborated with NPOs to offer inclusive and diversity workshops on providing friendly services skills for individuals with disability and the elderly.



Female representation:
33.3% at management level

During the reporting year, in our workforce, we have:
315 people with physical or mental disabilities
549 people from minority ethnicities

Workforce Distribution



Total full-time employees in Hong Kong: **26,340** (as at 30 June 2024)

Family-friendly Arrangements and Support Programmes



- 14 weeks of fully paid maternity leave and up to five days of fully paid paternity leave
- Flexible working hours and working-from-home arrangements for employees with special needs
- Part-time working options available, subject to management approval
- Childcare and amenities, such as breastfeeding rooms and exclusive-use fridge
- Regular social, recreational activities and interest classes for staff and families
- Care leave, beyond parental leave, at our property management arms to encourage staff to participate in health and well-being activities with families, taking care of their families

Family-friendly welfare and benefits have been provided for the families of our employees since 2003. We offered full scholarships to employees' children who participate in the non-profit AFS's overseas exchange programmes. We also offer financial assistance to secondary school students from low-income households pursuing undergraduate studies. To date, the SHKP Group Undergraduate Scholarship Scheme has helped 137 employees' children.

Bringing Growth and Development to Our Employees

We actively promote continuous learning in the workplace with structured training, a library, job rotation, secondments and self-directed learning. Our Internal Affairs Department develops talent training plans every year to further enhance employees' professional knowledge, experience and performance based on the needs of colleagues and the business.

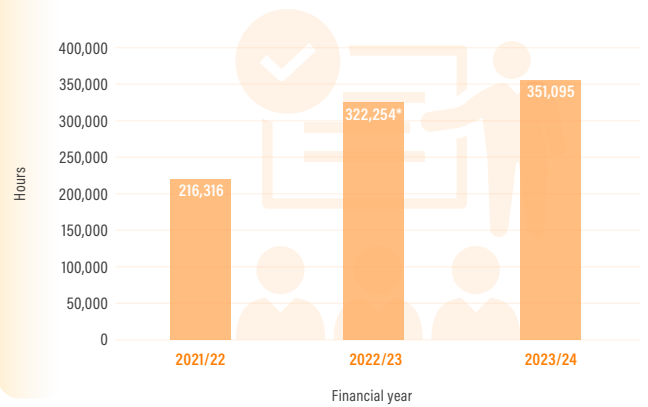
To encourage engagement, we share the latest training information via our intranet and newsletters. We also sponsor our employees to attend seminars, short courses and degree programmes to support their continuous learning.

Our SHKP Quality Academy provides training tailored to our employees' personal and team-specific goals. The academy is a key element in our business strategy and pursuit of service excellence. It ensures staff are knowledgeable about industry trends and developments in four areas: business and people management, construction, property management and personal development. By achieving greater efficiency at work and innovating new approaches to enhance products and services quality, the academy enables us to maintain and improve our competitive position in the industry.

Employees can learn at their own pace, anytime and anywhere, via our e-training platform. The library at our headquarters contains more than a thousand printed books and hundreds of e-books, making it a valuable resource for enhancing knowledge and diverse skills. During the reporting year, around 60% of our full-time employees at headquarters took advantage of the SHKP Quality Academy.



Employees' Total Training Hours



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

We advanced the variety of training modules during the reporting year, such as ESG, climate change, project management, quality control and assurance, cybersecurity, crisis communication, enterprise risk management, sustainable supply chains, data literacy and technology, occupational health and safety, and compliance.



Type of Training	Percentage of Total Training Hours
Product and Service Quality	35%
Profession or Industry-specific	29%
Others (e.g. Environmental management, Management and soft skills, Health and safety and employee wellness as well as Business ethics and anti-corruption)	36%

Mutual Learning Sessions for Customer Care in Malls

Customer Care Centres (CCC) have provided personalized services to shoppers and tenants in our key malls since 1997. Currently, more than 25 malls have CCC.

To enhance our performance, we host quarterly mutual learning sessions for mall representatives and leasing managers. They exchange ideas about items requested by customers and how to enhance the performance of our staff.

An average 60 participants attended learning sessions each quarter during the reporting year, and around 200 service items and enhancement measures were launched. This undoubtedly contributed to heightened customer satisfaction surveyed over the period.

To monitor the business benefit, we use annual customer satisfaction survey results as KPIs. The Group's office and mall tenants have satisfaction rates of 99%, reflecting a success in this employee development programme to maintain good service quality. Please refer to the **Value Created for Customers** section for more information.



Customer Care Centres



Kai Shing offers academic and mentorship programmes to enhance employees' expertise and their career development. All staff, from frontline workers to directors, receive professional training through the KS Service Excellence Academy. This focuses on corporate culture, work competence, professional development and personal effectiveness. Specialized programmes are added to address emerging needs. During the reporting year, all full-time employees were trained by the academy.

To develop a sustainable talent pipeline, KS NOVA Management Development was launched in 2021. Around 30 high-potential managerial staff have received comprehensive training in this two-year programme. Meanwhile, the KS Elite Programme provides dedicated training in property management and local culture for young talent from the mainland. This helps them to adapt and thrive in their new roles.

To nurture industry-specific talent, Hong Yip's People Development Academy was established in 2007. Hong Yip has expanded its talent pool and increased individuals' productivity by providing professional training. Hong Yip also provided director training series to sharpen our management teams' knowledge on quality and skills, ethical and corporate governance practices.

Since 2010, the Academy has been accredited as an authorized award-granting body for organizing Hong Kong Qualifications Framework (HKQF) training programmes by the Hong Kong Council for Accreditation of Academic and Vocational Qualification. The HKQF-recognized training programmes range from levels 1 to 4. To date, the Academy has issued over 6,600 HKQF qualifications to its employees, and the number of HKQF credits available through our in-house programmes accounts for around 91% of the total in the property management industry. Its Advanced Diploma in Integrated Property Services Management (HKQF level 4) is the first and only qualification awarded through a company's in-house training approved by the Property Management Services Authority as a designated diploma for property management practitioners for the Tier 2 license.

During the reporting year, Hong Yip has incorporated virtual reality (VR), augmented reality (AR) and mixed reality (MR) in its training programmes, such as handling of various emergency incidents, including flooding, fire and traffic accident as well as various safety situations like carrying out arboriculture jobs and maintenance works with a view to providing a close-to-real experience in the virtual world. The application of these technologies has enabled Hong Yip to win the Most Popular Innovation Award at the 1st OSH Innovation and Technology Award held by Occupational Safety and Health Council.

Sanfield also provides an Apprenticeship Training Scheme, in which students receive on-the-job training and subsidies for their higher diploma studies. The scheme offers two, three or four years of technical training, ordinances training and more, to build skills in construction. During the reporting year, 75 students participated.

CASE STUDY

Empowering Talent with the Spirit of Learning by Doing

Learning by doing is one of the most efficient ways to build skills. Sanfield helps young talents explore their interests and gain valuable experience.



Interns learn about façade production process on a field trip to a modular parts factory in Dongguan

Taking advantage of emerging opportunities and technologies in the Greater Bay Area, its Summer Internship Programme provides extensive geographical and technical experience in the construction industry. In 2023, the programme offered 72 local students a unique opportunity to engage directly with cutting-edge technologies and applications.

One of the main features of the internship is specialized training in Building Information Modelling (BIM). Interns underwent in-depth training that covered topics from drone-based geographical photography to 4D software simulation and VR applications tailored for the construction industry. The in-depth learning is comparable to that in undergraduate courses.

Interns also experienced our operations in the field; for example, a property handover at NOVO LAND, where apps are used to automate and refine the customer feedback and amenities revision processes.

Other site visits in the Greater Bay Area included a modular parts factory in Dongguan and building sites in Zhongshan. Interns gained first-hand experience of Modular Integrated Construction (MiC) and Sanfield's approaches to quality assurance and production management.

SHKP and its subsidiaries will continue to explore ways to enhance our talent development, keeping us ahead of our competition and pivot in the era of change.



Interns learn about property handovers

Protecting Our Workforce's Health, Safety and Well-being

Protecting our employees is a top priority in our operations. We manage and mitigate risks across our operations and subsidiaries, and adhere to all relevant laws and regulations in the jurisdictions in which we operate. We have set up health and safety systems and policies. Our property management and construction divisions implement ISO 45001-certified Occupational Health and Safety Management Systems where feasible, exceeding the legal minimum.



The Board, via the Executive Committee, directs our group-wide occupational health and safety strategy, and oversees our health and safety performance. The Occupational Health and Safety Committee – comprising senior executives – manages health-and-safety risks, initiatives, targets and performance. Regular health and safety inspections, audits and incident investigations are conducted across all our operations to identify, mitigate and reduce risks. We offer clear evacuation plans and regular emergency drills in most of our properties. Employees are trained to respond effectively to emergencies. We conduct annual fire system inspections and drills, and provide safety training to tenants to further enhance workplace safety and security. At Kai Shing, the respective executive's performance appraisal also incorporates health and safety KPIs as the basis for their compensation package.

Hong Yip hosted its annual ESG and Occupational Safety cum Health Conference in September 2023. It aimed to promote a safe and healthy workplace and to discuss the implementation of various ESG initiatives. The themes this year were integrating ESG into corporate culture and business operations, and prevention of heat stroke at work under hot environment.

In our hotels, we identify and analyze occupational risks, including manual lifting, hand-tool injuries, and slips, trips and falls on the same level. Findings from weekly safety inspections are reported to the hotel group safety manager.

Our Work Safety Suggestion Scheme encourages employees to share innovative ideas and solutions and enhances their risk awareness. The 15th scheme's Gold Award went to Yee Fai's project 'Dungeon H-pile safety: See-Saw Cut': a new way of dismantling H-piles used in dungeon construction. A ground-supported steel frame provides mechanical support for the upper and lower points of the piles, enabling easier and safer moving. The design reduces the risks of collision during dismantling, and halves the time required.



15th Work Safety Suggestion Scheme Gold Award winner sharing his innovative idea

To maintain a safe working environment, we train employees and contractors across our business units regularly. During the reporting year, to enhance contractors' awareness, Sanfield organized industrial accident case study sessions related to scaffolding, safety conferences and workshops. External organizations and consultants were also invited to host safety workshops and seminars.



Sharing sessions enhance contractors' awareness of occupational safety

¹ OHSAS 18001 has been replaced by ISO 45001 as the new international standard for occupational health and safety management and we obtain ISO 45001 certifications for our operations.

Ongoing health and safety initiatives have boosted the safety awareness among employees and contractors. The accident rate in Sanfield was 6.63² accidents per 1,000 employees last year. In the past three reporting years, no fatalities were recorded in the Group. In the event of work-related injury and incident, senior management will investigate and chair a review meeting promptly. Comprehensive inspections, specific trainings and monitoring systems help prevent such incidents from recurring. Work resumes only after necessary control measures have been fully implemented, bringing the residual risk level to a low level for appropriate cases.

A variety of training and workshops are curated and provided by our Internal Affairs Department, to enhance staff's well-being, professional competencies and work-life balance. Among them were a nature walk at Mai Po with the World Wide Fund for Nature, swimming sessions, cooking classes and art workshops.

We also support our staff's mental and physical health. Colorectal cancer screening and complimentary flu vaccinations are offered to employees at our head office. Throughout the year, we promote workplace stress management and regularly share tips on building mental fitness and coping with stress.

We sponsor and encourage staff to participate in SHKP-sponsored sports events, including the Sun Hung Kai Properties Hong Kong Cyclothon and the Sun Hung Kai Properties 10K Championship. All employees are offered priority and free registration, while subsidies are provided to family members. For more details, please refer to the **Value Created for Community** section.

Our subsidiaries promote wellness and a healthy work-life balance for staff through regular activities. During the reporting year, Hong Yip provided lunchtime stretching sessions, workplace massage classes, and workshops related to sleep and nutrition. Concurrently, Kai Shing's Wellness Month featured workshops and webinars focused on employee well-being. Additionally, wellness tips were shared through their internal communication channels and apps. Their respective Staff Activities Committees also curated activities ranging from hobby classes and sports courses to local and cross-border tours.

Sanfield's employees have basketball and football teams that participate in events such as the CIC Construction Industry Sports & Volunteering Programme. Moreover, Sanfield's employees also participated in CIC charities, Sports Days and Happy Run.

To support employees and their families, our Hearty Hotline offers a complimentary 24-hour counselling service. Qualified social workers, psychologists and experienced counsellors offer face-to-face assistance with personal, family and work-related challenges.

To maintain our relationship with long-serving staff, we send continued appreciation and care to retired employees via the SHKP Evergreen Club. Festive events provide opportunities to gather and reconnect.



A cruise hosted by Kai Shing provides staff with an opportunity to relax



Staff competing at Sanfield 50th anniversary basketball competition

² The calculation uses methodology adopted by the Hong Kong Construction Association



Value Created for CUSTOMERS



<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
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By putting customers first, the Group is determined to deliver premium properties and attentive services that exceed expectations. We anticipate customer needs, protect their rights, safeguard their health and safety, and we seek innovative technologies and ideas for continuous improvement.

Material topics addressed in this section:

- Customer engagement, satisfaction and responsibility
- Customer well-being, health and safety
- Data privacy and cybersecurity
- Innovation
- Product safety and quality
- Social integration and accessibility

Highlights of our Performance in FY2023/24

 <p>3-year warranty offered to first-hand purchasers of newly sold developments in Hong Kong</p>	 <p>1st green lease agreement signed with UBS at International Gateway Centre</p>	 <p>The Point launched Instant Point Earn service at 25 SHKP shopping malls in 1,500+ stores</p>	 <p>18 shopping malls offered electric vehicle super-charging service</p>	 <p>99% of customers¹ rated the Group 'Good' or 'Excellent' in our annual customer satisfaction surveys</p>
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Strategies and Management

The Group is dedicated to ensuring customer satisfaction, protecting their rights, promoting their well-being, and ensuring the health and safety of our products and services. Our management systems ensure that our products and services are safe and of high-quality. We are dedicated to creating homes and workplaces that align with the United Nations' Sustainable Development Goals.

Active engagement with customers is crucial for gathering feedback. We do this via the SHKP Club and our loyalty programmes, such as The Point by SHKP for shopping malls and Go Royal by SHKP for hotels. These programmes offer our customers exclusive privileges and rewards, enhancing their experience whilst promoting sustainability initiatives.

We invest in innovative technology for construction and property management to continually enhance customer experiences throughout different consumer touch points.

Optimizing Property Quality

A vertically integrated development model maintains quality control and sustainability throughout the life cycle of our projects, from land acquisition, project planning and management, material sourcing and construction, to marketing, sales and property management. Our **Group Sustainability Policy**, **Sustainable Building Policy**, **Climate Change Policy** and **Environmental Policy** ensure that our core values highlighting quality, speed and efficiency are maintained during procurement, construction and handover inspections.

Since 2013, we have offered an industry-leading three-year warranty to first-hand purchasers of newly sold developments – being the first real estate developer in Hong Kong to provide this warranty. The offer of an extended period of coverage has been highly acclaimed, and the quality of our buildings is well-recognized among our customers.

Design and Construction

- Prioritize customer needs, product safety and environmental impacts
- Leverage innovative technology to enhance efficiency and quality
- Source and procure materials carefully
- Supervise construction closely to ensure safety and quality



Pre-sale

- Inspect building quality using the Group's standards and internal experts
- Perform quality and safety audits to verify that finished projects meet our standards and have minimal defects by our project-monitoring team
- Implement internal controls, guidelines and policies on responsible marketing



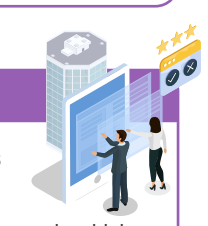
Handover

- Plan handovers six months in advance
- Undertake a minimum of three full-scale inspections in every unit, covering over 120 items, to ensure quality and safety standards
- Train sales, customer service and handover teams to provide complete, accurate and comprehensive information



After-sale

- Monitor the quality and safety of sold properties by qualified safety officers
- Enhance the handover experience with mobile apps, via which homebuyers can sign documents, report issues during handover, and monitor repairs and maintenance during warranty periods
- Collect buyers' feedback via property handover surveys



¹ Covers homebuyers, office tenants and shopping mall tenants



Stringent controls and regular training ensure the safety of our products and services. In the event of material product quality and safety issues or incidents that may lead to a product recall, we initiate investigations and undertake corrective actions – such as repair and reworking – to prevent recurrence. Our ultimate goal is to achieve zero product recalls and no violation of regulations. During the reporting year, there were no incidents of non-compliance with regulations, resulting in fines or penalties, and/or with voluntary codes concerning the health and safety of our products and services.

Recognizing our commitment to excellent quality, we were awarded Best Overall Developer in Asia Pacific, China and Hong Kong by *Euromoney*, and also the Most Outstanding Company (Real Estate Sector) in Hong Kong by *Asiamoney* for the fifth time. We were recognized as one of Hong Kong's top ten developers for the 14th consecutive year by *BCI Asia*, and named as Hong Kong's Best Overall Company and Best Corporate ESG Strategy in Asia's Best Companies by *FinanceAsia*. For details on our awards, please refer to **Appendix I**.

Maintaining Excellence in Property Management

Our customer-centric approach is spearheaded by our subsidiaries. To prioritize the needs of our customers, we comply with international standards and continually seek improvement.

ISO 9001

Service Quality

- All our property management and construction subsidiaries are certified with ISO 9001 Quality Management Systems. External audits are conducted annually. This enhances customer satisfaction via continual improvement and compliance with statutory and regulatory requirements
- Our performance is constantly benchmarked against internal standards and industry best practice, facilitating quality improvement
- Clear guidelines and regular staff training maintain our high-quality service

ISO 10002

Customer Satisfaction and Complaint-Handling

- Hong Yip's ISO 10002-certified complaints-handling procedures categorize complaints, analyze causes and develop improvement plans
- A formal review process for each complaint is followed by a prompt response



ISO 19650

Building Information Modelling

- EVERBIM Digital Tech Limited – a subsidiary of Sanfield – earned ISO 19650 certification for its building information modelling to demonstrate our effort on digital transformation

ISO 22000

Food Safety Management

- The Royal Garden obtained ISO 22000-certified Food Safety Management System

ISO 22301

Business Continuity

- Managed by Kai Shing, ICC uses ISO 22301-certified Business Continuity Management Systems
- Regular drills prepare the team to respond quickly if business is disrupted
- Risk assessment procedures are undertaken to identify significant issues

ISO 27001

Information Security

- The Group and Hong Yip earned ISO 27001 Information Security Management certification to safeguard customer data.
- Hong Yip was Hong Kong's first property and facility management company to earn this certification

ISO 41001

Facility Management

- For its work at ICC, Kai Shing became Hong Kong's first property management company to earn ISO 41001 Facility Management Systems certification
- We use technology, such as Building Information Modelling (BIM), digital twin modelling, the Internet of Things (IoT) and smart lighting to manage facilities efficiently and effectively

ISO 45001

Health and Safety

- Going beyond statutory requirements, our occupational health and safety management is ISO 45001-certified
- Regular audits and reviews ensure the system's effectiveness

Kai Shing is expanding our new property management brand WeSpire Living. Advocating 'Smart Living Well', we curate high-tech lifestyles, such as implementing an all-round robot team to promote healthy and smart living. We strive to create an inclusive and diverse community, foster physical and mental well-being, and promote sustainability in the properties and surrounding communities.

Our outstanding property management has earned several awards:

- International Facility Management Association's Asia Pacific Awards of Excellence: five properties managed by Kai Shing were awarded the Certificate of Excellence – Asia Pacific Best Facility Operation Award, while the ICC won the Asia Pacific Best Facility Management Technology Award
- Hong Yip won the Outstanding Enterprise Award – Excellent Property Management at HK01's '01 Gold Medal Awards', for a third consecutive year

Responsible Marketing

Responsible marketing is essential for creating strong customer relationships and ensuring sustainable business growth. Not only do we implement internal controls, guidelines and policies on responsible marketing, we also implement a systematic and regular audit system for communication and marketing materials. External professionals and our internal expert committee review marketing and communication materials, such as sales brochures, regularly to ensure compliance with relevant regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance.

We train employees to uphold responsible marketing and advertising practices through internal meetings and on-the-job training every two months, covering a wide range of topics, such as consumer rights, legal protections and applicable laws and regulations. These trainings aim to provide employees with best practices among peers and allow them to stay abreast of emerging market trends. Webinars were conducted to address topics, such as competition law, intellectual property rights, copyrights and trademark usage. During the reporting year, we recorded more than 200 training hours.

Providing Flexible and Mixed-Use Properties to Our Customers

Our flexible and mixed-use properties cater to the needs of customers and communities in Hong Kong and mainland China. Examples of our mixed-used properties include:

Guangzhou South Station ICC

- An integrated transit-oriented development in the heart of Guangzhou, with a gross floor area of approximately 9.3 million square feet, features office towers, a shopping mall, a hotel, residential units and public transport facilities
- With completion scheduled in phases from 2025, the development will provide convenient access to high speed rail, intercity and metro lines, and connect seamlessly with Guangzhou South Railway Station, creating an integrated hub in the Greater Bay Area



Guangzhou South Station ICC

Signature Homes

- Our residential leasing brand Signature Homes offers luxury apartments, houses, penthouses and serviced suites that meet the varying needs of residents. Flexible leasing solutions, modern furniture packages and attentive services contribute to the delivery of high-quality properties to residents with differing demands
- SHKP Lifestyle is a community recently launched to support the government's Top Talent Pass Scheme by providing comprehensive information to newly arrived talent in Hong Kong. It also serves as a platform for mutual assistance among newcomers, allowing them to share their experiences and receive support to integrate smoothly into Hong Kong and their work environment



Signature Homes

Digitalizing Management and Customers' Experience

Innovation enables us to seize opportunities. We use smart technology to provide exceptional service and enhance customer experiences at our malls and residential developments.

Enhancing Customers' Experience

Tailored for SHKP shopping malls, The Point by SHKP is our largest integrated loyalty programme. With a membership base exceeding 2.5 million, it offers exclusive shopping services to our customers. The Point team continuously strives to enhance The Point mobile app, creating a streamlined experience for mall visitors.

Marking the 5th anniversary of The Point by SHKP, we launched Instant Point Earn in 2023. This innovative service allows members to earn points instantly by scanning a member QR code without uploading receipts onto The Point app manually. This service is currently available at 25 malls and more than 1,500 stores, including restaurants, jewellery chains and other shops.



Instant Point Earn service

To commit SHKP's sustainable development and fully support the goal of carbon neutrality for the country and for Hong Kong, The Point has launched EV Super Charging service exclusively for The Point members at SHKP malls since 2023. The service is available at 18 SHKP malls in Hong Kong this year. Via The Point app, members can enjoy up to 60kW super-fast charging using bonus points or bound credit cards. As at June 2024, the accumulated charging time by The Points members has exceeded over seven million minutes.



EV Super Charging service

To enhance service quality and hygiene, multifunctional smart robots perform extra cleaning and disinfection at our malls. Nanotechnology disinfects escalators and lifts, while touch-free devices and 5G smart utilities elevate customers' experience. At Royal Plaza Hotel, artificial intelligence (AI) robots expedite check-in and check-out, enhancing our efficiency while reducing waiting times.

Enhancing Residents' and Tenants' Convenience

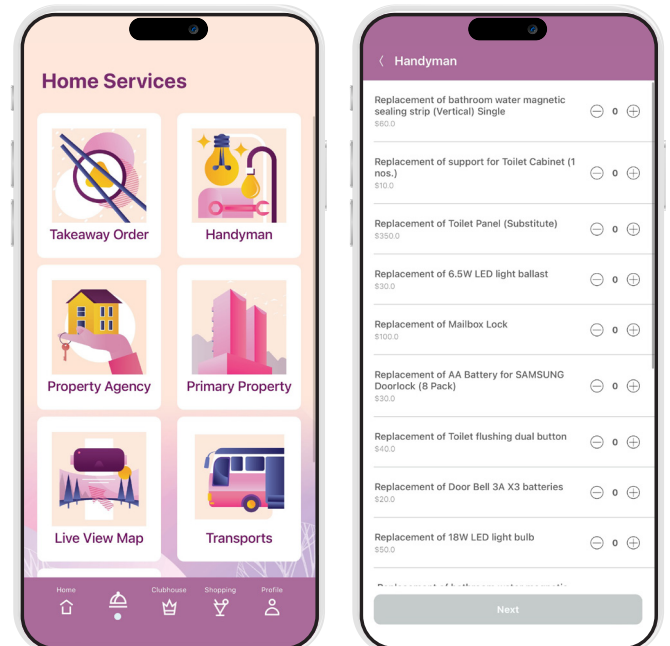
Digitalization and technologies, including IoT and mobile apps, make our property management services more convenient for residents. Apps, such as Live e-as-y by Kai Shing, SoProp and SoProp Premium by Hong Yip, offer virtual keys, smart-card access, visitor registration, management fee payments, facility reservations and remote control of smart home systems.



SoProp allows residents to book clubhouse facilities

Mobile apps for specific residential projects, including Wetland Seasons Bay and Wetland Seasons Park, enhance residents' experiences:

- Our self-developed Smart Community app offers contactless control of doors and lifts. The VisitorGo function enables residents to generate one-time QR codes for visitors, which reduces concierge registration time and enhances the security of the estates
- In Wetland Seasons Park, a household repair service allows residents to book on-site technicians at a lower fee via SoProp Premium



Wetland Seasons Park residents can book repairs via SoProp Premium

Our Reporting Approach
 Message from the Sustainability Steering Committee
 Our Business
 Our Approach to Sustainability
 Value Created for the Environment
 Value Created for People
 Value Created for Customers
 Value Created for Supply Chain
 Value Created for Community
 Appendices

Meanwhile, Hong Yip utilizes AI to help residents quickly locate and reach their desired venues, and check the availability of clubhouse facilities in real-time via the AI-video analysis system. The installation is the first of its kind in Hong Kong. This technology has been expanded to other residential developments, including Wetland Seasons Bay.

Property management for our commercial buildings also incorporates smart technology. Kai Shing's Work e-as-y and Hong Yip's SoProp Biz apps give tenants instant access to property notices, maintenance, air conditioning, cargo lift booking, visitor registration and real-time indoor air quality information. Shopping mall announcements, exclusive offers and restaurant reservations are also available.

Responding to suggestions from tenants, Kai Shing has implemented mobile key solutions for our office buildings. Named tenants can use virtual keys to access property and toilets, which eliminates the inconvenience of physical cards and enhances security. We are aiming to expand this application across our portfolio.



Kai Shing implemented mobile key solutions for office buildings

Enhancing Building Management

Innovative technology drives improvements in quality and efficiency:

- At ICC, the concept of 'metaverse' is integrated into equipment and tools used daily by frontline staff. Augmented reality (AR) is utilized for security patrols and facilities management. Smart glasses and intelligent installations enable staff to report patrol times, inspections and irregularities. This streamlines our daily operations and enhances the security of our properties
- Hong Yip is the first in its field to adopt virtual reality (VR) and AR for emergency preparedness training. These sessions examine topics, such as flood and fire control, using virtual buildings. IoT, AI analytics platforms, Building Information Modelling-Facility Management (BIM-FM) platforms, and self-developed mobile apps improve overall service quality, work safety and property operational efficiency. At Sun Hung Kai Centre, a BIM-FM platform collects operational data, facilitating the management of energy efficiency and maintenance

Recognizing our Innovation

Demonstrating our commitment to PropTech development, Hong Yip was the only company to win four major awards at the first PropTech Excellence Awards, organized by Hong Kong PropTech Association and Hong Kong Cyberport Management Company Limited. This accomplishment illustrates our leadership and innovation in the field of real estate technology.

We aim to highlight our digital connectivity and smart building capabilities, and were among Hong Kong's first developers to seek WiredScore and SmartScore certifications, which assess digital connectivity and smart building respectively. The Millennity was our first building to earn WiredScore Platinum certification, while the High Speed Rail West Kowloon Terminus Development (XRL) project will be our first project to strive for both certifications. Recently, ICC became the tallest building in Asia to obtain WiredScore Platinum certification, showcasing our achievement on smart building in the region.

Providing Exceptional Hospitality Services

- ✔ We are committed to achieving the highest level of customer satisfaction by delivering exceptional services to guests of our hotels. Extensive staff training aligns with market trends and developments, including meet-and-greet services, party-room handling and telephone courtesy. Refresher training is regularly conducted and guest satisfaction is monitored through online platforms to review departmental procedures.
- ✔ Attractive award schemes motivate and reward our hotel staff. These include the Guest Compliment Award at Alva Hotel, The Royal Garden, Royal Park Hotel and Royal Plaza Hotel; Honesty Award, Employee of the Quarter and Employer of the Year at Royal Park Hotel; and the Excellent Service Award at Alva Hotel and Royal View Hotel.

- ✔ Our commitment to outstanding hospitality has been recognized by esteemed travel agencies - including Agoda, Tripadvisor, Forbes Travel Guide, Trip.com and Meituan.
- ✔ In conjunction with The Point by SHKP, our mobile-based hotel loyalty programme - Go Royal by SHKP is one of the largest of its kind in Hong Kong. It integrates dining, leisure, shopping rewards and hotel stays into one convenient platform, allowing guests to enjoy these services and earn bonus points via a single account. From the second quarter of 2024, Go Royal members can also use bonus points in their account to redeem Point Dollars for instant cash payment at hotels and restaurants.

Protecting Health, Safety and Well-being of Customers and Tenants

We safeguard the health and safety of guests and tenants across our hotels, shopping malls and properties. Approximately 12.3% of our construction sites and managed properties in the reporting scope have earned ISO 45001 Occupational Health and Safety Management Systems certification. We perform various assessments to identify risks and opportunities for improving the health and safety of tenants. Our health and safety initiatives include:

Ensuring Food Safety	<ul style="list-style-type: none"> Our hotel obtained ISO 22000-certified Food Safety Management System, with regular audits and staff training on food hygiene and safety We examine health certificates and test reports thoroughly to verify food quality, and conduct monthly microbial tests on food and beverages, drinking water, ice and swimming pool water
Maintaining Cleanliness and Hygiene	<ul style="list-style-type: none"> We engage pest control contractors to maintain a clean and hygienic environment We conduct lead and legionellosis tests to ensure the water quality of our properties
Enhancing Indoor Air Quality	<ul style="list-style-type: none"> We established Indoor Air Quality (IAQ) targets to promote wellness at our properties. We monitor progress towards these targets by tracking IAQ certifications received by our managed properties, and aim to increase these certifications in the next year Since 2006, most of our properties have earned 'Good' or 'Excellent' certifications from the IAQ Information Centre Kai Shing implemented a real-time IAQ monitoring programme, using IoT-empowered monitors at 24 office buildings. Ongoing data analysis means filtration systems can be adjusted for optimized air quality
Fostering a Pleasant Working Environment	<ul style="list-style-type: none"> Sun Hung Kai Centre measured room acoustics and noise criteria to ensure a conducive working environment for tenants
Promoting Health Awareness among Residents	<ul style="list-style-type: none"> Wonderland Villas arranged a mobile healthcare station for residents, offering services, such as blood glucose measurement and health-risk evaluation

We have implemented measures to safeguard the safety of our customers:



Ensuring the Well-being of Customers, Tenants and Hotel Guests

Our commitment to tenants' health and well-being is showcased in our latest commercial development at The Millennity. The project earned a WELL Core Platinum certification from the International WELL Building Institute, the first WELL certification for an office-cum-retail development in Hong Kong. It features multiple well-being elements, including indoor air quality, water quality, visual comfort of daylight, thermal comfort and acoustic comfort, etc. For more details, please visit [here](#).

To support tenants' mental well-being, Kai Shing co-hosted two art workshops with Kwai Tsing District Health Centre during the reporting year. In addition, a lifestyle blog on Kai Shing's Enjoy e-as-y app promotes healthy living.

We cater to the diverse needs of our hotel guests by offering vegetarian, keto and sugar-free diet options. We provide rental bikes, smart in-room fitness equipment and air purifiers with High-Efficiency Particulate Air (HEPA) filters to enhance guest wellness.



Rental bikes service at ALVA Hotel by Royal

Promoting Social Integration and Inclusiveness at Our Properties

We strive to enhance the accessibility of our properties. At our malls, barrier-free facilities include ramps for wheelchair users, accessible toilets and low-level lift control panels with braille. In mainland China, we installed ramps and voice announcements in lift lobbies of our managed properties to enhance accessibility. We host regular training and workshops on diversity and inclusion for our employees. Participants learn sign language and techniques to guide the visually and hearing-impaired.

Our managed hotels provide accessible toilets for customers with disabilities in their restaurants and public areas. In ALVA Hotel by Royal and Royal View Hotel, we offer accessible rooms for guests with special needs.



Accessible rooms at ALVA Hotel by Royal

To meet the growing demand for pet-friendly facilities, we are enhancing and expanding such offerings at our malls. At Harbour North, a unique VIPet Lounge features a pet massage area, pet cinema and play zone for owners and pets.



A unique VIPet Lounge at Harbour North

Throughout the reporting year, we host activities and workshops to celebrate occasions, such as the Lunar New Year, Easter, Mid-Autumn Festival and Christmas. These activities bring residents and customers together in a vibrant and festive atmosphere, enabling them to spend quality time with their families.

In general, most of our projects are either right on top or within 10 minutes' walking distance of transportation hubs or public transportation to enhance accessibility. We promote sustainable transportation options and encourage healthy lifestyles and exercise with convenient bike-parking facilities at most of our key malls – including New Town Plaza, Ocean PopWalk, Tai Po Mega Mall, Park Central, V city, V Walk and YOHO Mall – and offer self-service repair stations and cycling guides. Such measures are extended to our residential properties. St. Martin has over 250 bike parking spaces, including double-deck parking rack and family parking boxes. Residents can use apps to reserve shared bikes at the estates, which encourages sustainable transportation.



Double-deck bike-parking facilities at St. Martin

CASE STUDY

Smart and Healthy Living in NOVO LAND



NOVO LAND – one of our newest residential developments, in Tuen Mun – exemplifies our commitment to integrating smart technology for residents' health and well-being.

Living Smart

At the estate, we have deployed Hong Kong's largest 5G-enabled robot team to offer services, such as concierge assistance, parcel delivery, security patrol and disinfection. The robot team allows residents to enjoy our services instantly and enhances efficiency.

The exclusive Live e-as-y app enables residents to book home maintenance services and clubhouse facilities, and to pay management fees. It also generates personalized QR codes that act as virtual keys for doors, lifts and mailboxes.

Exclusive platforms foster social interaction and strengthen the sense of community:

- Happy-share – enabling residents to share resources
- Channel e-as-y – daily lifestyle videos
- WePoint Scheme – a points-based loyalty programme for residents

Promoting Healthy Living

Inspired by Scandinavian lifestyles, the 400,000 square feet NOVO Resorts clubhouse is divided into three main areas – Poolside Club, Garden Club and Skywalk, providing residents with access to over 88 leisure and entertainment facilities. Around the estate, we have also planted more than 300 trees and 120,000 plants, with outdoor sports area, yoga and taichi space. NOVO LAND's management team organizes regular spiritual and well-being activities, including fitness programmes, encouraging a healthy lifestyle.

To enhance the estate's aesthetic and visual appeal, local artists have created 101 art pieces based on the four themes – Harmony, Health, Green Living, and Love at Home. These installations, in the clubhouse and around the estate, create a vibrant and engaging environment.



Work by local artists creates a vibrant environment in the clubhouse

We value WELL building standards that testify to our commitment to health and well-being. This commitment is reflected in certifications and pre-certifications we earned:

- St Michel: SHKP's first WELL pre-certification in our portfolio
- NOVO LAND: WELL Community Standard™ and WELL Building Standard™ version 2 pre-certifications, and a Fitwel two-star rating. NOVO LAND was Hong Kong's first large-scale residential development to earn all three qualifications
- The Millennity: first WELL Core Platinum certification for an office-cum-retail development in Hong Kong
- XRL project: WELL Core Platinum pre-certification
- Shanghai ITC: WELL Platinum pre-certification

These certifications reaffirm our unwavering commitment to prioritizing wellness and creating spaces that promote the health, comfort and well-being of our valued customers.

CASE STUDY

Safeguarding Tenant's Health and Well-being at XRL Project

To align our healthy building initiatives with international best practices, we are advancing a holistic suite of health and wellness measures at our latest XRL project.



(Rendering)

The project is set to obtain six major sustainable building certifications. Below are highlights of various health and wellness measures adopted at the project:

Indoor Air Quality

- To ensure a comfortable environment for tenants, the fresh air provision is set at 30% higher than the international standard requirement
- MERV 14 filters, active carbon filters and UV-C lights are employed
- IAQ sensors are installed to measure air quality parameters, including CO₂, PM10 and PM2.5 levels
- Low VOC materials are used

Water Quality

- All drinking water tanks are treated with UV and filtered
- Drinking water and potable water are tested regularly to ensure they meet WELL standards

Nourishment and Health

- Certified organic healthy snacks are provided to encourage healthy eating habits

Visual Comfort and Adequate Daylight

- The building floors have been designed with increased headroom, resulting in 23% deeper penetration of daylight
- The lighting design incorporates glare limits and colour-rendering requirements to ensure visually-comfortable indoor environments
- Approximately 90% of the development's area offers access to outdoor views

Physical Activity

- We encourage occupants to walk and exercise. A new walking network connecting West Kowloon Cultural District to the Central Kowloon Route Landscape Deck through the West Kowloon Parkway will be established, enhancing walkability and promoting healthy lifestyles
- Outdoor spaces, such as the rooftop observation deck and podium landscape deck, are provided to promote physical activities

Thermal Comfort

- Buildings within the development are separated by at least 50 metres, allowing wind penetration and an expansion of greenery areas. This mitigates urban heat island effect and provides a thermally-comfortable outdoor environment
- Humidity within the office area is regulated at 30% to 60% as the optimal level for thermal comfort
- Occupants can control temperature in the space through thermostats present within the thermal zone

Acoustical Comfort

- Absorption materials are incorporated within the buildings to achieve a comfortable reverberation time
- The interior is designed to achieve desired ambient noise levels, ensuring that exterior noise intrusion does not impact the health and well-being of occupants

CASE STUDY

Mental Health

- Easily accessible slot balconies offer a tranquil green space for relaxation and rejuvenation of the body and mind
- Outdoor areas, such as podium gardens, roof gardens and observation decks facilitate social interactions and promote healthy communities

Accessibility

- Accessible public spaces are provided to cater to the needs of all individuals
- Barrier-free facilities accommodate the needs of customers and tenants

Biophilic Design

- Natural elements, such as plants and vegetation, are integrated into building design.
- Native species and plants that attract butterflies and birds to nest are introduced
- A low chemical-use policy is established to recreate urban habitats and ecosystems

Improving our Products and Services

Thorough audits assess the management services delivered by our employees. Hong Yip, for example, uses mystery shoppers, a VIP and Complaint Audit, a Mentorship Scheme Audit and a District Instructors Audit to drive continuous improvement.

We value the contributions of our employees to our products and services, and acknowledge their efforts through salary adjustments, promotions and team awards.

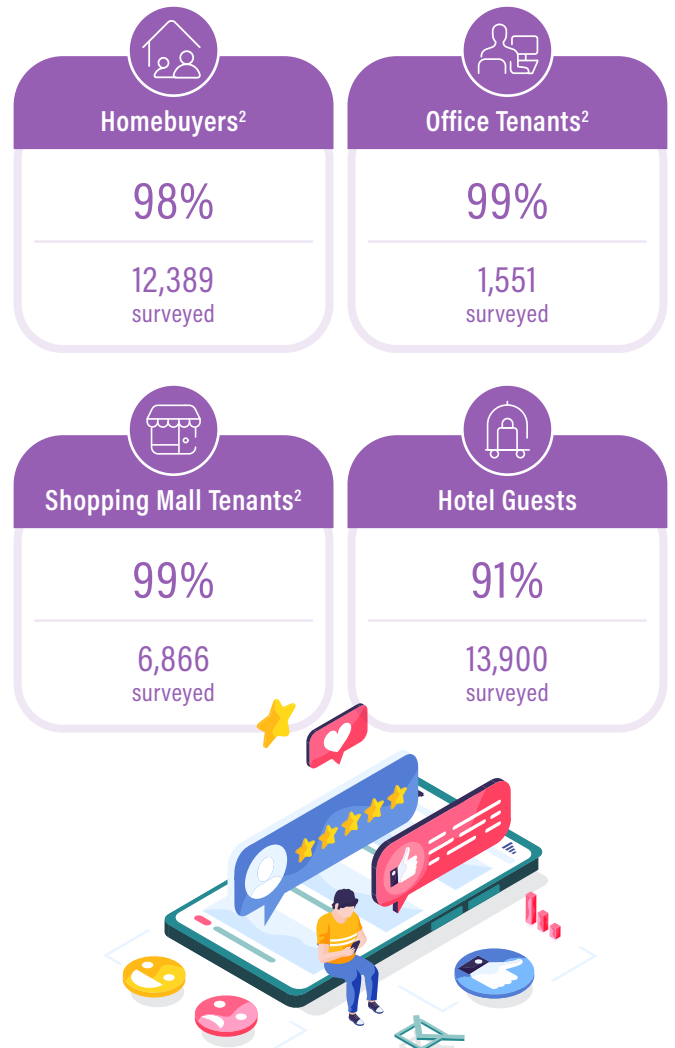
Alongside internal competitions and awards, we nominate our frontline teams for external recognition and awards.

Quality-Raising Suggestion Scheme	This scheme – now in its 30th edition – encourages employees’ innovative suggestions for efficiency and service quality. For more details, please refer to the Value Created for Supply Chain section
Best Handover Quality Award	Handovers are important because they create the initial impression of our property and service quality for customers. We reward teams that deliver exceptional handover experiences. This year, KENNEDY 38 earned the title
Service Talent Award	Our malls have a well-deserved reputation for exceptional customer service. During the reporting year, our malls and staff earned more than 20 awards in the Service Talent Awards – often referred as the Oscars of the retail industry and presented by the Hong Kong Retail Management Association. For details on our awards, please refer to Appendix I
Hong Yip Innovative Suggestion Scheme Competition	This competition encourages staff to think out of the box and propose solutions to real-life challenges. Initiatives, such as the Star of Service Excellence Election and Appreciation from Customers with Heart recognize and motivate our staff to deliver consistently high quality service

Prioritizing Customer Needs and Expectations

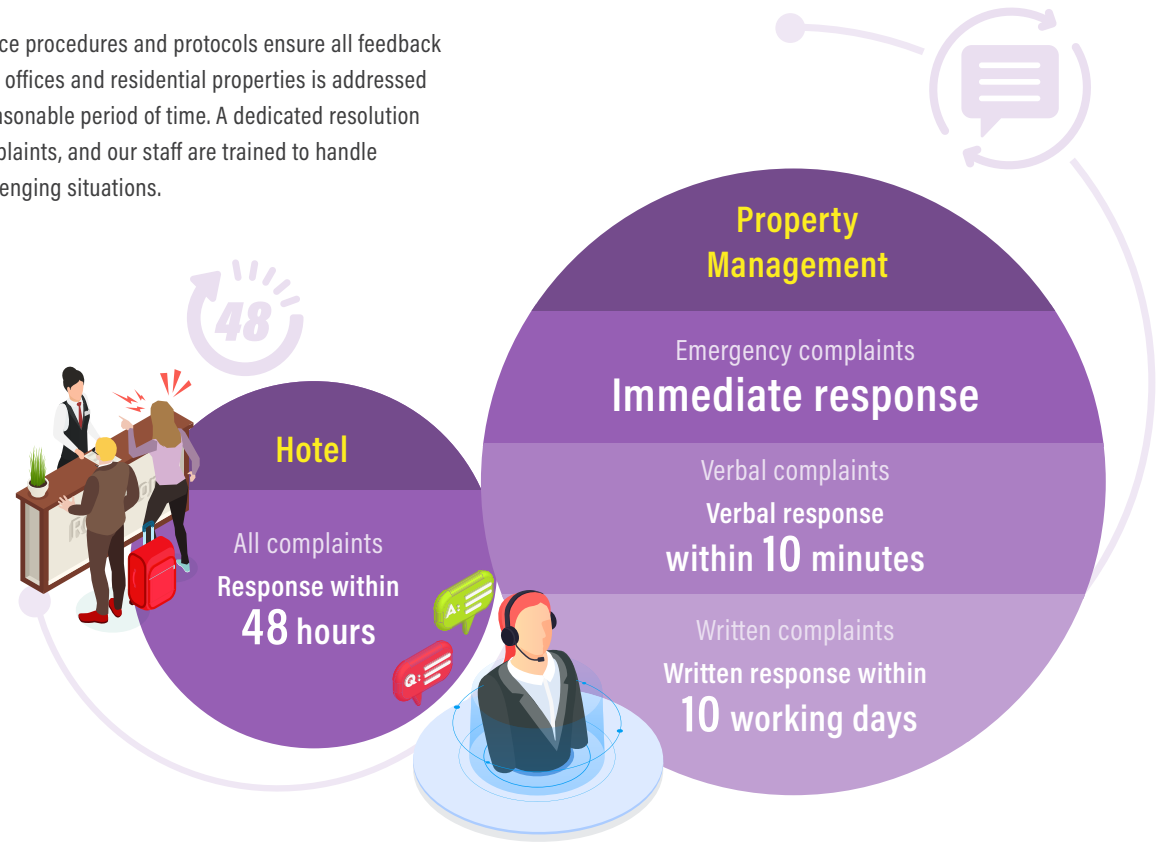
Ongoing engagement with our customers helps improve the quality of our products and services. We gather and analyze their feedback regularly – through channels such as the customer satisfaction survey – to address their concerns accurately.

Annual Customer Satisfaction Survey Results - Rated Us 'Good' or 'Excellent'



² Hong Yip's and Kai Shing's satisfaction targets for FY2023/24 are respectively a minimum of 90% and 100% of 'Good' or 'Excellent' ratings from homebuyers, office tenants and shopping mall tenants.

Strict customer service procedures and protocols ensure all feedback from shopping malls, offices and residential properties is addressed promptly within a reasonable period of time. A dedicated resolution system handles complaints, and our staff are trained to handle complaints and challenging situations.



To identify areas for improvement and training needs, we maintain communication channels and carefully analyze feedback from hotel guests, customers and tenants. We strive to ensure that every customer receives equal care and high-quality service.

- Our hotel regularly monitors guests' comments on online travel sites. Alva Hotel by Royal and The Royal Garden obtain feedback through loyalty programmes, birthday programmes, daily courtesy calls and engaging with guests
- For residential properties, a Management Service Brainstorming Session collects opinions from residents. Hong Yip hosts regular tea gatherings for one-on-one sessions with residents to discuss estate-related issues
- SoPropBiz has introduced a new feature: tenant feedback on the platform is automatically forwarded to area managers and designated email accounts. This streamlined process ensures issues are addressed appropriately

Partnering with Tenant Through Green Lease

We listen to the needs of our customers and tenants and design products that cater to their needs. A green lease agreement between SHKP and UBS – the first anchor tenant at International Gateway Centre in Hong Kong – ensures that sustainable infrastructure standards are met. The agreement encourages both parties to obtain green certifications and achieve all other green leasing aspirations. It also incentivizes SHKP and UBS to work together to measure and share

environmental performance data. This helps improve environmental performance in the value chain, particularly in waste management and the sustainable use of resources. Regular investments will enhance the building's environmental and wellness performance. As the property manager of the building, SHKP is committed to operating, maintaining and upgrading the premises in line with best practices for environmental and wellness performance as benchmarked against the latest industry standards and holding relevant green building certifications. This supports tenants' environmental commitment and aligns with the HKSAR government's carbon neutrality goals. SHKP is also committed to organizing engagement activities and incentive programmes for tenants. These will address ESG issues and contribute to carbon reduction.



Sergio Ermotti, Group CEO of UBS Group AG and SHKP Chairman and Managing Director Raymond Kwok at the topping out ceremony

Protecting Customers' Data Privacy and Responding to Cybersecurity

We uphold the integrity of our business through stringent cybersecurity and safeguarding customer privacy. The Board, via the Executive Committee, oversees our cybersecurity strategy, which entails identifying, monitoring, mitigating and managing risks. Our IT Governance Steering Committee (IT Committee), led by executive management, supports the Executive Committee in supervising information security, including our IT infrastructure. The IT Committee also collaborates with the IT department to integrate security into the daily operations of all business units and ensure the successful implementation of our cybersecurity strategy.

A **Cybersecurity Policy**, introduced in the previous reporting year, provides a framework to manage IT-related risks effectively and sets clear responsibilities in the Group. In our operations, we ensure compliance with the Personal Data (Privacy) Ordinance and other applicable laws and regulations. Policies and procedures are reviewed regularly.

Our **Customer Data (Privacy) Policy** gives detailed information to customers regarding the collection, handling and usage of their information. Prior to purchasing a property, all homebuyers are required to sign a Personal Information Collection Statement that outlines the purpose of data collection and handling.

To mitigate the risk of data breaches, strict adherence to up-to-date data-handling procedures is mandatory for all staff. A **Cybersecurity Operating Guideline** has been newly developed by our Group IT department to monitor and respond to data breaches and cyberattacks. Regular internal and external audits ensure compliance with security policies, industry regulations and best practices. The audits assess the effectiveness of our security system and identify areas for improvement.

Ensuring the Security and Protection of Our Network

- Regular external vulnerability assessments and penetration-testing identify weaknesses and entry points
- Proactive monitoring by our 24/7 operations centre enables early threat detection and swift response

Raising Employee Awareness

- Employees receive regular cybersecurity awareness training to identify and report suspicious activities, and follow secure practices when handling sensitive data
- Conduct phishing simulations for all full-time staff to enhance their ability to recognize attacks. Staff who fail the exercise receive training and webinars to learn about cybersecurity threats and best practices, and how to identify and respond to phishing. This training has reduced the number of staff failing the subsequent phishing tests by 47%
- During the reporting year, our training covered cybersecurity trends, policies and tools, the Personal Data (Privacy) Ordinance, data security measures and case-sharing
- Staff are reminded to use only approved and registered removable drives and to remain vigilant against fraudulent emails

Mitigating the Risk of Data Breaches

- Next-generation firewalls monitor network traffic, and identify suspicious activities and unauthorized access attempts. They are the first line of defence in detecting and blocking potential attacks
- Regular security updates are applied in our operating systems, and anti-malware solutions remove malicious software
- Monitoring tools access real-time data and detect suspicious patterns and anomalies in our IT systems

Responding Swiftly

- A comprehensive IT security incident response plan specifies the procedures and responsibilities for cyber threats and incidents
- The plan's predefined actions and communication protocols ensure a coordinated response
- A robust backup strategy with regular backups prevents loss of data, where immutable backups are utilized to prevent deletion of backup data
- Endpoint protection software isolates compromised data and contains leaks

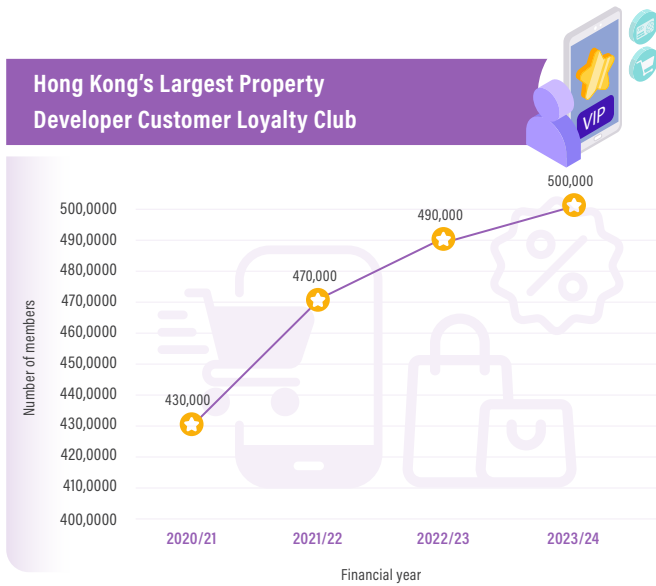
Measures for Our Business Units

Business units must adhere to our internet guidelines, encompassing website design, footers, language, content and data collection. The guidelines specifically emphasize obligations related to data collection; webpages that gather customer data must incorporate the Customer Data (Privacy) Policy. Our security is supported by Data Backup, Restore, and DRILL test policy, password changes and management policies.

Our hotels have implemented various measures to safeguard customer privacy. Royal Plaza Hotel engages third-party consultants to perform penetration tests every six months. An endpoint security programme and endpoint detection and response protect the Royal Plaza Hotel's system and data from threats and cyberattacks. Royal View Hotel conducts four rounds of phishing simulations every year to enhance user's cybersecurity awareness.

SHKP Club

Founded in 1996, SHKP Club is Hong Kong's first developer loyalty club for interested homebuyers. Members – numbering more than 500,000 – receive news on SHKP properties, malls and other offerings. The Club builds long-term relationships by fostering two-way communication between members and the Group.



SHKP Club members enjoy a variety of discounts, information, events and privileges related to our residential properties, malls and hotels. We stay abreast of members' needs and opinions via online and offline engagement.

Regular themed activities promote our Loving Home philosophy. During the reporting year:

- SHKP Club set up service counters at sales venues, inviting professionals to answer members' inquiries face-to-face and dispense instant professional advice
- Seminars – in Cantonese and Putonghua – plus a new guided tour were held at the show flats, inviting experts to share property information with members. Highlight videos, including audience feedback and testimonials, were shared online
- At the Greater Bay Area Property Investment Seminar, professionals delivered a comprehensive analysis of the area's potential, and connected members with investment and property opportunities in the area
- Special events included exploring the new Dino Park at New Town Plaza and participating in guided tours of our seafront flagship project TOWNPLACE WEST KOWLOON, whose innovative 'aparthotel' concept offers hybrid short and long-term flexible leasing. These events brought families together, created memorable moments and enabled members to experience our latest and highest quality offerings
- Our territory-wide Creating Loving Home Together competition, held in 2024, inspired members and the public to unleash their creativity and share memorable family stories. The competition encouraged creating loving homes and building happy futures with family, attracting over 10,000 entries



Our property related seminars held at show flats provided valuable insights and knowledge from professionals



Special event at New Town Plaza entertained SHKP Club members and their families to explore and experience the new facilities in SHKP's shopping malls



SHKP Club collaborated with our seafront flagship project TOWNPLACE WEST KOWLOON to organize guided tours



The prize presentation ceremony for our Most Heartfelt Moments competition, which provided a platform to share treasured family stories and create enduring memories



Value Created for SUPPLY CHAIN

3 GOOD HEALTH AND WELL-BEING 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
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The Group aims to promote a sustainable supply chain in line with our environmental, social and governance principles. We focus on building long-term, mutually beneficial relationships with our suppliers and contractors through active engagement and management.

Material topics addressed in this section:

- Business ethics and anti-corruption
- Innovation
- Labour practice and human rights
- Supply chain management
- Well-being, health and safety

Highlights of our Performance in FY2023/24



9 units of electric construction equipment were procured to replace diesel counterparts



A **Sustainability-linked Supplier Payment Services programme** was launched



1.6 million attendees were provided with health and safety training



A below industry average accident rate of **11.4** per 1,000 workers was recorded at construction sites

Strategies and Management

Aligned with SHKP's Building Homes with Heart principle, our supply chain operates with transparency and resilience, and adheres to the principles of the UNSDGs. We actively promote ethical and sustainable practices, striving to create value for the community.

Suppliers', contractors' and subcontractors must adhere to all applicable environmental and social laws and regulations, including the Waste Disposal Ordinance, the Employment Ordinance and the Occupational Safety and Health Ordinance. They are encouraged to align their practices with the principles outlined in the United Nations Global Compact and the Universal Declaration of Human Rights. We forbid child and forced labour in our supply chain, and advocate a work environment that is inclusive and free from discrimination for all.

Suppliers, contractors and subcontractors must adhere to our **Supplier Code of Conduct**. This sets out our expectations for legal compliance, governance, business ethics, environmental protection, occupational health and safety, human rights and equal opportunities, labour practices, and confidential information and privacy. Our **Sustainable Building Policy** and green procurement policy are integrated, with sustainable considerations taken into account when selecting suppliers and sourcing of building materials, equipment and office products. We urge our suppliers, contractors, subcontractors, joint ventures and other service providers to uphold the business ethics and quality requirements outlined in our **Environmental Policy, Health and Safety Policy** and **Cybersecurity Policy**.

We have implemented a comprehensive supply chain management mechanism to ensure that our suppliers and contractors, both new and existing, meet our standards and comply with our requirements. The Group adopts a vertically integrated approach:

- Standardizing supplier selection and retention processes, performance assessments, supply chain risk management and the development of evaluation systems

- Evaluating suppliers' compliance, labour management and protection of human rights, particularly their ability to provide reasonable compensation and a safe working environment
- Stipulating in tender documents that business partners, suppliers and contractors must adhere strictly to labour rights laws and regulations

At SHKP, we are committed to supporting innovation and technology. We integrate technology elements into every aspect of our business, from construction to property management. We encourage a culture of innovation and creativity among our employees by providing them with resources and support to explore new ideas and solutions. In addition, we prioritize collaboration and knowledge-sharing through industry partnerships. This enables us to remain competitive and deliver products and services that exceed customer expectations.

We have established safety operating guidelines and procedures that are tailored to the specific requirements and risks of construction works. These guidelines are regularly reviewed and updated to ensure their effectiveness. Our project and safety team liaises with contractors to establish protocols and standards. Regular safety inspections monitor compliance.

We interact with suppliers and contractors via daily communication, regular assessments and meetings. Sanfield communicates with its contractors through various means, including kick-off meetings, pre-work meetings and safety training. Sanfield has continued to host the Building Information Modelling (BIM) and Design for Manufacture and Assembly (DfMA) summit for three consecutive years, providing a platform for our project managers, engineers, consultants, contractors and suppliers to exchange insights. In addition, Hong Yip updates and shares information via a vendor portal.

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

Driving Sustainability through Procurement

A wide range of suppliers provide food for our hotels, building materials for our construction arm, building services equipment and office supplies for our property businesses. During the reporting year, we partnered with more than 8,500 suppliers and spent more than HK\$9.1 billion. Multiple sourcing promotes fair competition and reduces reliance on single suppliers, strengthening our supply chain resilience. During the reporting year, our top five suppliers contributed less than 30% of our overall purchases.



	Suppliers (Hong Kong)	Suppliers (non-Hong Kong)
Head Office	336	0
Construction	282	24
Hotels	4,345	54
Property Management	3,549	8
Total	8,512	86

In accordance with our green procurement guidelines, our procurement takes environmental and social aspects into account. Priority is given to suppliers and contractors who, for example:

- Follow ISO 14001 environmental management standards
- Participate in the BEAM Plus scheme
- Adopt green procurement policy and practices
- Incorporate sustainable measures, such as occupational health and safety in their operations



Sustainability considerations are incorporated into our procurement and engagement with suppliers and contractors in different businesses:

Head Office	<ul style="list-style-type: none"> • Prioritizes eco-friendly supplies from sustainable sources such as Forest Stewardship Council (FSC)-certified paper
Property Management	<ul style="list-style-type: none"> • Prioritizes suppliers who participate in the Energy Saving Charter and 4T Charter by the Environment and Ecology Bureau • Incentivizes suppliers by granting bonus scores in assessments if they have certificates related to quality, environment, energy and occupational health and safety • Participates in the Charter on Preferential Appointment of OSH Star Enterprise and prioritizes suppliers that have robust safety management and have passed Occupational Safety and Health Council safety audits for repair, maintenance, alteration and addition works • Suppliers who participate in the Green Council's Sustainable Procurement Charter
Construction	<ul style="list-style-type: none"> • Incorporates contract specification with sustainable practices, such as the use of rechargeable power for cranes and material hoists and the replacement of wood formwork with aluminium • Requires supporting documents from suppliers that timber is FSC-certified
Hotel	<ul style="list-style-type: none"> • Prioritizes products that are biodegradable or recyclable, and FSC or Marine Stewardship Council-certified

We support small, medium and social enterprises in our operations and procurement whenever possible. We source locally to reduce the carbon emissions associated with long-distance transport and contribute to the economic growth of local communities and local employment.

Managing the Supply Chain

We encourage suppliers to adopt environmental management that is in line with international standards. Sanfield's executive management oversees the implementation of its **Sustainable Supply Chain Management Guideline** and the ESG programme for suppliers and contractors.

Engaging and Communicating

To mitigate potential disruptions, we proactively identify and assess environmental and social risks throughout our supply chain. Natural disasters, extreme weather, epidemics, safety incidents and labour disputes can compromise the stability of our supplies, increase the cost of materials and services, and consequently impact our supply chain and operations. To mitigate those risks, we prioritize two-way and transparent communication with our suppliers, closely monitor market developments and actively seek alternative sources that offer stable and reasonably priced supplies.

Our Supplier Code of Conduct communicates our expectations regarding business ethics, environmental protection, occupational health and safety, human rights and equal opportunities, labour practices, and confidential information and privacy. We regularly evaluate suppliers and contractors' performance and closely monitor their compliance with our requirements. Annual sustainability-related assessments evaluate their performance. Those who violate laws and regulations, fail to meet contract requirements, engage in misconduct, or fail to achieve satisfactory results may be downgraded or delisted.



Providing Training

We provide ESG-related training to enhance suppliers', contractors' and subcontractors' awareness of occupational health and safety, environmental management and anti-corruption. We also share the best practice in their industry as benchmarks for continuous improvement. All full-time and part-time employees, suppliers and contractors undertake quality assurance training at least once every year. We also provide training to our procurement team, equipping them with knowledge on supplier ESG programmes to enhance our internal supply chain management capacity.

Addressing Environmental Concerns with Industry Peers

We work closely with industry partners to address environmental concerns in our supply chain. Kai Shing participated in the 2023 Property Management Innovation and Development Forum to discuss the importance of green management and using technology to reduce energy and carbon emissions. We arranged property management professionals from mainland China to visit our ICC and New Town Plaza. During the visit, we shared our cutting-edge artificial intelligence (AI) management and carbon reduction measures, fostering an exchange of management experience and practices.



Kai Shing attends the 2023 Property Management Innovation and Development Forum in Shenzhen



Property management professionals from the mainland visit New Town Plaza

Our construction, property management and hotel subsidiaries have implemented comprehensive procedures and guidelines for supplier selection and assessment:

Construction

Implementing the Sustainable Supply Chain Management Guideline in Sanfield

Sanfield's guidelines outline its principles and procedures for vendor registration, tender selection, identification of critical suppliers, sustainability performance-scoring, and risk exposure assessment.

ESG Requirements for Suppliers Selection

We review our purchasing practices regularly, to ensure they align with the Supplier Code of Conduct and Sustainable Supply Chain Management Guideline. Sanfield's supplier contract specifies the requirements on the use of sustainable materials. Only contractors

who meet Sanfield's requirements and pass a preliminary evaluation are invited to tender. We assign a minimum weight to ESG criteria when selecting suppliers and contractors. Preference is given to those with better ESG performance.

Identification and Management of Critical Suppliers

Critical suppliers and contractors are determined according to procurement spending by ranking their awarded contract sum in aggregate during the reporting period. Those who together account for 50% of the total contract sum awarded are defined as critical suppliers and contractors. Their risk identification and management are as follows:

Due Diligence Questionnaire



Verification and Risk Identification



Follow-up



Result

- We assess the sustainability and ESG performance of critical suppliers and contractors at least once a year through a due diligence questionnaire, which covers environmental management, pollution control, labour practices, anti-discrimination, human rights protection, occupational health and safety, anti-corruption, code of conduct and whistleblowing mechanism
- Suppliers and contractors should demonstrate their commitment to labour and human rights, including ensuring workers receive statutory benefits, have complaint channels available and are free from discrimination and harassment
- Evidence provided by suppliers is systematically reviewed and verified to ensure its authenticity and accuracy
- High-risk suppliers and contractors are identified according to their scores for ESG performance
- Where necessary, detailed investigations and corrective action are initiated, chaired and overseen by senior management
- Suppliers and contractors who achieve unsatisfactory results are not considered for tenders
- During the reporting year, Sanfield identified 27 of its 419 suppliers and contractors as Tier-1 critical. No assessed suppliers and contractors were considered to have high sustainability risks²

Monitoring and Improvement During Contract Period

Regular inspections identify and assess safety and environmental concerns, such as air pollution, waste and wastewater. Biannual assessment at construction sites cover work quality, environmental awareness and measures, efficiency and site safety of our suppliers, contractors and subcontractors. Their sustainability performance and scores are taken into account when assessing future tenders.

including ESG disclosure, safety performance, waste reduction, adoption of innovative technology and carbon-emissions reduction. Sanfield's suppliers and contractors may benefit from early payment for their goods or projects when they achieve predetermined targets. This improves their cash conversion cycle and hence provides an incentive to boost their ESG performance. As part of the programme, Sanfield organized a seminar on the concept of ESG for critical suppliers and contractors, encouraging them to work together towards a sustainable future.

Unveiling Our Sustainability-Linked Payment Services Programme

This year, Sanfield unveiled the Sustainability-linked Supplier Payment Services (SPS) programme. The first of its kind in the Hong Kong construction industry, the programme underscores our dedication to working with suppliers and contractors who share our vision for a sustainable construction ecosystem. Under the SPS programme, Sanfield established a series of sustainability targets,



Paving the way for green construction with our pioneering SPS programme

² This year, Sanfield did not identify any non-Tier 1 critical suppliers. The number of critical suppliers (Tier-1 and non-Tier 1) was 27. 27 suppliers (100%) were assessed via desk/on-site assessment. No suppliers with actual/potential negative impacts were identified. No suppliers required corrective action, termination or support in corrective action plan implementation. We engaged with all critical suppliers identified in capacity building programmes.

Property Management

Implementing Effective Tendering in Procurement

Our property management subsidiaries require all suppliers and contractors to sign an Environmental, Occupational Health and Safety Commitment and adhere to our environment and energy-related policies.

Hong Yip's tendering system ePro enables suppliers to receive invitations and submit tenders online. All registering vendors must complete a self-assessment that covers managerial competency, financial conditions, labour compliance and safety to identify and manage ESG risks in the supply chain. Every year, we assess vendors' profiles and performance, which are scored and used as indicators of their viability for tenders. Those not meeting expectations may receive verbal or written warnings or, in severe cases, be removed from the list of approved vendors.

Our vendor complaint management system closely monitors vendor performance and quality. For sizeable projects, vendors must submit method statements, work programmes and delivery schedules for approval.

This year, Hong Yip introduced an ESG performance self-assessment tool for approved vendors, which shared up-to-date ESG trends and offered ideas for future engagement. Respondents earned bonus assessment marks.

Hotel Operations

Monitoring Suppliers' ESG Compliance

Royal brand hotels monitor the compliance status of suppliers regularly. To review their ESG standards, they are required to complete the Supplier ESG Performance Evaluation Questionnaire annually. New suppliers are required to self-declare their compliance with the Supplier Code of Conduct. During the reporting year, Royal Park Hotel conducted an evaluation questionnaire with over 200 suppliers, none of them were considered as high risk.

We prioritize food safety to ensure the health and well-being of our hotel guests. To preserve the highest quality of processing and transport, suppliers must sign Food Safety Declaration Forms and Health Declaration Forms, and adhere to our strict safety and quality standards. During initial qualification checks, these suppliers must submit business registration documents, food factory licenses, laboratory tests for products, food health and safety certificates as well as food-grade certificates.

Throughout the contract period, we regularly evaluate suppliers' product quality, delivery timeliness and aftersales service, via questionnaires, laboratory tests, pre-delivery quality checks and end-product quality surveys. Annual audits and on-site inspections cover personal hygiene, food processing, storage, waste management, site safety, food safety certification, chemical storage, equipment cleaning and pest control. Extra scrutiny is placed on handlers of high-risk products, such as ready-to-eat food and fresh seafood.

Should non-compliance arise, immediate rectification is followed by a re-audit. During the reporting year, four hotels conducted food safety audits and 100% of our active suppliers met our requirements. No suppliers failed nor were suspended.



CASE STUDY

Transforming Construction with Sustainable and Innovative Development

Technology revolutionizes construction, leading to increased efficiency, improved safety and higher product quality. To minimize environmental impacts and create lasting value for SHKP's stakeholders, we embrace innovative technology and nurture active collaborations with industry partners.



Adopting Smart Green Technology

SHKP incorporates smart green technologies throughout our project developments, from building design and construction to property management. This includes Modular Integrated Construction (MiC), Mechanical, Electrical & Plumbing (MiMEP), DfMA, Internet of Things (IoT) and BIM.

Sanfield has invested in two tower cranes to enhance its efficiency and advance the adoption of the MiC method. They lift up to 50 tonnes each and place modular components accurately, minimizing the need for assembly adjustments and facilitating the MiC method.

This year, Everbim Digital Tech Limited, a subsidiary of Sanfield, earned ISO 19650 certification for its BIM management – a significant milestone in our ongoing digital evolution.

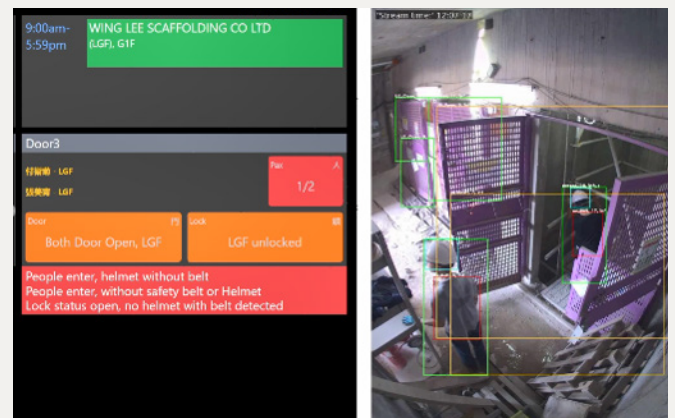
Pioneering innovation in the construction industry, Sanfield Construction Innovations Limited was founded in 2021 to introduce innovative solutions to the industry. The company's solutions include Construction Robots, AI-IoT Hub, Digitalization: Blockchain Enabled Platform, SMART FM Energy Efficiency and Flexibility, and 5G-Enabled Unmanned Tower Crane.

This year, we took the lead to apply AI to lifting practice and lift shaft operation at the Sai Sha Development Project. The lifting monitoring system uses AI and real-time kinematics to identify potential lifting hazard areas and alert the tower crane operator when workers encroach upon the zone where there is risk of being hit by a moving object.

Another innovation is the lift shaft AI monitoring system which adopts AI cameras and ultra-wideband location checking technology. This system displays real-time status of workers and door locks on a

Centralized Management Platform, and alerts safety officers about any non-compliant behaviours.

These AI applications anticipate potential outcomes of violations or incidents, triggering an alarm or emergency stop to prevent accidents and minimize safety risks.



The IoT platform with auto-alarm function is leveraged in lift shaft

Procuring Electric Construction Equipment

This year, we have made significant progress in our ongoing commitment to sustainability through the incorporation of nine units of electric construction equipment into our fleet. The use of electric equipment eliminates diesel combustion, effectively reducing emissions and noise levels on construction sites, and provide frontline workers with a cleaner and healthier work environment. We aim to benefit the environment, the industry and our construction workers.

CASE STUDY

The nine units of electric construction equipment consist of five truck cranes, two truck mixers and two trailer pumps. Several have been put to use on SHKP projects, including the mega project at Sai Sha and the expansion of the Hong Kong Business Aviation Centre. Electrification on construction sites is a crucial element of our decarbonization strategy and demonstrates our active support of the HKSAR Government's Climate Action Plan 2050. This transition is expected to reduce carbon emissions by approximately 240 tonnes annually.



Celebrating our new electric construction equipment



One of our electric truck cranes makes its debut

Driving Innovation Through Collaboration

We believe that innovation thrives through collaboration with industry partners. Last year, we organized a seminar and introduced blockchain technology to our engineers, suppliers and contractors, so as to encourage our industry partners to adopt blockchain to enhance their efficiency in construction and procurement processes. This year, we hosted the third BIM and DfMA summit with our BIM consultant for our project management team, engineers, consultants, contractors and suppliers. The summit, attended by around 160 participants, gave our business partners the opportunity to share challenges and opportunities in implementing on BIM and DfMA as well as discuss how to enhance technological efficiency.



The summit brought together industry leaders to discuss challenges and opportunities in implementing innovative technology

We have partnered with the Hong Kong Polytechnic University to research green applications, green building materials and green construction processes. The following highlights the progress made in our research:

Green Applications	<ul style="list-style-type: none"> Developed a smart, efficient and flexible energy management system based on data collected across our portfolio Enhanced the current mechanical ventilation and air conditioning (MVAC) system by adopting the physics-guided and AI-empowered energy platform
Green Building Materials	<ul style="list-style-type: none"> Developed a novel stream and CO₂ combined curing method that resulted in improved strength and reduced sorptivity of cement paste Developed a CO₂ activation process to use more low-carbon supplementary cementitious materials in concrete
Green Construction Processes	<ul style="list-style-type: none"> Established the first-ever blockchain-based platform for the construction industry to enhance BIM application

Sanfield participated in the Construction Industry Council (CIC)'s Global Construction Sustainability Forum and Exhibition 2023, showcasing smart building technology. Our innovations and digitalization earned wide recognition from industry leaders and attendees. The positive reception triggered discussions on potential collaborations, driving us towards a future of industry-wide innovation.



Sanfield's smart building technology receives wide recognition from industry leaders and attendees

Sanfield signed the CIC's Construction Digitalization Charter to support the digitalization of site monitoring. As part of our commitment, we will devise a digitalization roadmap for 2026, incorporating BIM, a common data environment (sharing hub) and digital tools to enhance construction site monitoring.

Prioritizing Construction Site Safety

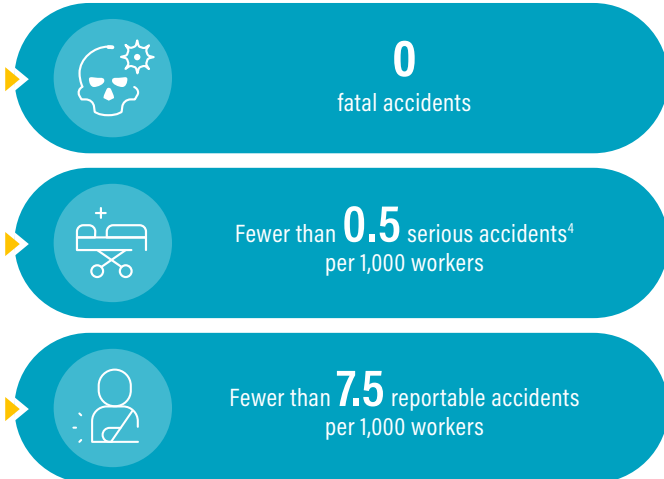
The health and safety of our construction workers is of utmost importance to us. The Board, via the Executive Committee, directs our group-wide strategy and development relating to occupational health and safety, and oversees our health-and-safety performance. Comprised of senior executives, the Occupational Health and Safety Committee manages health-and-safety risks, initiatives, target and performance in our business.

We comply with all relevant laws and regulations, including the Occupational Safety and Health Ordinance, Employees' Compensation Ordinance and Factories and Industrial Undertakings Ordinance, and commitments set out in our Health and Safety Policy. All contractors and subcontractors must adhere to our Health and Safety Policy, protocols and applicable occupational health and safety (OHS) standards. They must also have ISO 45001-certified – or equivalent – OHS management systems. OHS criteria are also introduced in some procurement and contractual requirements.

Our annual safety targets apply to all employees, contractors and subcontractors. We monitor our safety performance, regularly evaluate the progress made towards achieving the safety targets, and prioritize and integrate action plans to reduce any health-and-safety issues and risks.

If a project falls short of our safety targets, project managers and site agents are required to attend a Safety Executive Committee meeting, where they will be required to propose remedial actions to improve the OHS system and to better manage site conditions, especially for the high-risk activities. External safety consultants will also be engaged to conduct safety management system audits for continuous improvement. Annual performance bonuses of related executives and employee are determined by their safety performance.

Safety Targets³ for 2023/24



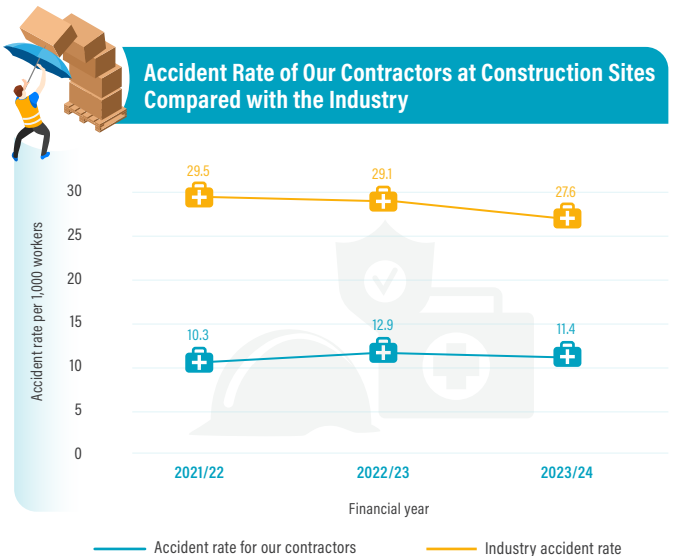
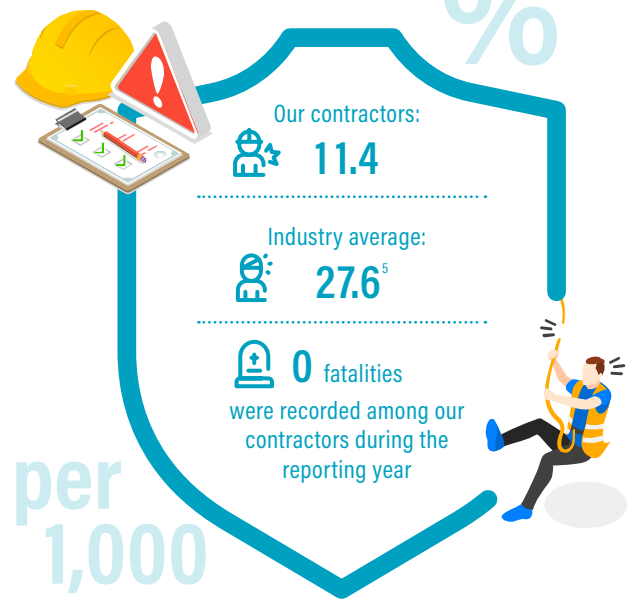
We manage and monitor on-site health and safety. We have introduced measures to prepare for and respond to emergency situations. For example, the use of smart safety mobile app allows site management personnel to submit monthly safety reports, permits and checklists, while providing supervisors with up-to-date information for a safer work environment.



Smart safety mobile app



Accident Rate per 1,000 Workers



³ This target is applicable for the calendar year from 1 January 2023 to 31 December 2023.

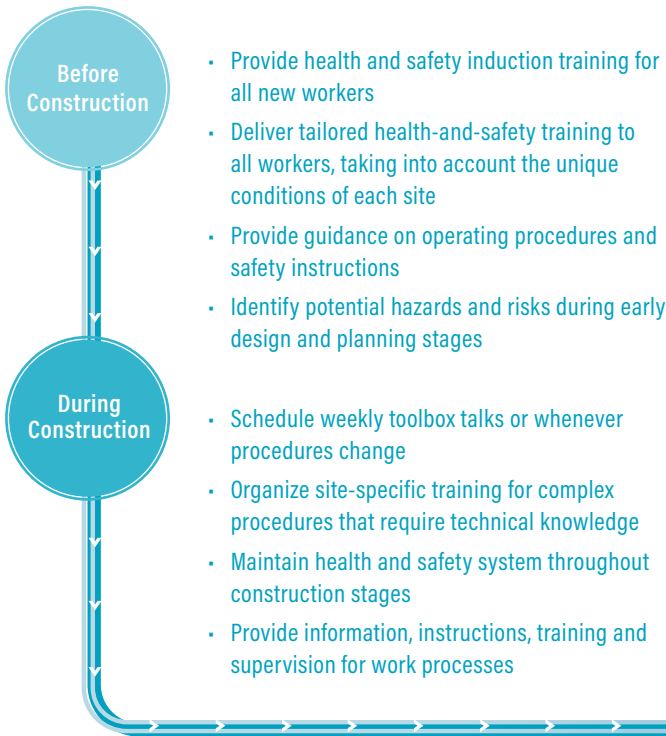
⁴ Work-related injuries that result in hospitalization for more than 21 days (loss of 9% or above of permanent total incapacity); and, or fatalities.

⁵ Industry rate is calculated per the calendar year and refers to the Hong Kong Labour Department's Occupational Safety and Health Statistics Bulletin (August 2024).

We urge workers to report any hazards or hazardous situations to supervisors or site managers and to vacate unsafe work environments without fear of retaliation.

Regular training enhances our contractors and subcontractors' awareness of occupational health and safety. During the reporting year, we provided health-and-safety training to 1.6 million attendances. Topics included lifting equipment, working at heights, scaffolding safety, safety card renewal, manual material-handling, general safety management, on-site housekeeping and hazard identification. We also delivered health talks and awareness training regarding heat stroke prevention, mosquito prevention and smoking to our employees and contractors. We invited the Occupational Deafness Compensation Board and the Association for the Rights of Industrial Accident Victims to talk to employees and contractors.

For site-specific training, we take a proactive approach to further enhance awareness of safety standards and guidelines:



Through risk identification, prioritization, assessment and management, we proactively manage on-site safety. We undertake internal inspections, including but not limited to Director Safety Walk, Developer Project Management Safety Walk and Construction General Manager Safety Walk. These inspections by senior management take place at least twice a year. Safety walks by construction project director and project manager are conducted at least four times a year. Surprise safety inspections by the Central Safety team are also conducted for projects that fail to meet safety targets or display unsatisfactory safety performance. Findings from these inspections are reported to our Occupational Health and Safety Committee to evaluate and identify areas for improvement.

Internal site-safety professionals conduct quarterly compliance audits, and we undergo biannual external audits in accordance with the Factories and Industrial Undertakings (Safety Management) Regulation.



Enhancing workers' awareness of heat stroke










A seminar regarding confined space for our contractors' management

By exempting contractors from the standard industry fees imposed on claims, we gather the most accurate and comprehensive data on work-related incidents. This enables us to implement targeted safety measures and enhance our practices, ultimately reducing the likelihood of accidents.

In the event of an incident, near miss, injury case or immediate need for medical attention, we will:

- Set up a designated investigation team, comprising of first aider, safety officer, site supervisor and subcontractor representative to conduct a thorough investigation and formulate follow up actions
- Comply with all relevant laws and regulations and report all injuries according to the accident reporting requirements
- Implement follow-up actions to enhance site safety and prevent recurrence of similar incidents

We have implemented various measures at our projects to improve health and safety performance on-site, including:

-  Building an elevated workers' path across the entire site
-  Introducing the launching method to install noise barriers for the rail system
-  Improving air quality in enclosed spaces
-  Adopting metal scaffolding methods
-  Installing anti-collision systems on tower cranes
-  Exploring the use of 5G-enabled unmanned tower crane
-  Providing workers with our developed and award-winning SmartWorks smart helmets



Installing anti-collision systems and deploying 5G-enabled unmanned tower cranes at our Sai Sha Development Project



Metal scaffolding at our construction site in Kai Tak



Tin Wing Project won an Excellence Award in the 22nd HK OSH Award ceremony

Independent consultants review and improve our safety standards, while our Safety Hero scheme incentivizes awareness at sites by commending workers who demonstrate exceptional safety performance. During the reporting year, we were honoured to have received multiple awards, such as our property development at Tin Shui Wai (Tin Wing Project) which earned an Excellence Award of Safety Performance Award under Construction Industry Category in the 22nd Hong Kong Occupational Safety & Health Award (HK OSH Award). For details on our awards, please refer to **Appendix I**.

Anti-corruption

No corruption or bribery is tolerated in our value chain. We comply with the Prevention of Bribery Ordinance – and our Anti-corruption Policy, **Code of Conduct** and Supplier Code of Conduct – and conduct annual reviews of our ethical standards and performance.

Anti-corruption Responsibilities

The Board	Oversees Anti-corruption Policy and manages ethics and corruption-related issues
The Executive Committee	Periodically reviews and updates the Anti-corruption Policy when necessary

Employees are prohibited from soliciting or accepting advantages, gifts or entertainment from business partners, including suppliers and contractors. Offering such benefits is also prohibited. Facilitation payments to expedite administrative processes are also strictly prohibited under our policies. All charitable contributions must be transparent and comply with relevant laws and regulations. Our anti-corruption policies and guidelines are easily accessible through our intranet and website.

Raising Awareness

New employees receive training on our anti-corruption policies and guidelines during inductions. Regular refresher training ensures that directors and employees remain well informed about industry-specific ethical standards and anti-corruption practices. During the reporting year, we once again invited the Independent Commission Against Corruption (ICAC) to provide anti-corruption and business ethics training to all our full-time and part-time employees, contractors and subcontractors. Our directors received additional training materials related to anti-corruption and business ethics.

Assessing Risk

To avoid conflicts of interest, we conduct interviews and reference checks on candidates to mitigate the risk of ethical-conduct issues during the hiring process. During the reporting year, Hong Yip performed an audit to assess its anti-corruption policy and procedures, and conducted a staff ethical audit. These measures help us maintain a transparent and accountable environment within the Group.

Upholding Ethical Standards in the Supply Chain

We have zero-tolerance for corruption, bribery, money laundering, extortion, anti-competitive, fraud, false declarations and other forms of malpractice. Our ethical standards for suppliers and contractors are clearly defined in our Supplier Code of Conduct, which can be accessed on our company website. Hong Yip also shares the ICAC, Development Bureau and CIC’s Integrity Charter guidelines with vendors via its vendor portal. Tendering companies must disclose any potential or perceived conflict of interest. Vendors found to be involved in corruption, whether confirmed or suspected, may face suspension or exclusion from our tender list.

Suppliers, contractors and subcontractors are also expected to have anti-corruption policies and programmes that meet our standards. Our whistleblowing procedures strongly encourage them to report suspicious activities and malpractice – including corruption, anti-competitive practices, fraud and false declarations – to the Group. During the reporting year, we did not knowingly work with any suppliers or contractors who contravened our anti-bribery and anti-corruption policy.

Whistleblowing

We promote open communication across the Group and with all stakeholders. Our whistleblowing mechanism enables internal and external stakeholders, including customers, to report misconduct, malpractice, impropriety and unethical or unfair treatment. Our Whistleblowing Policy provides clear examples of impropriety.



Our Whistleblowing Procedures

Reporting



- Employees may raise or report concerns through suggestion boxes or our grievance procedure, or by informing their supervisors
- Whistleblowers' anonymity is guaranteed during investigations



Investigation



- All reports are treated seriously and investigated thoroughly
- Whistleblowers are protected from any form of intimidation and retaliation
- If an investigation is deemed necessary, the findings and recommendations are communicated to the Chairman and Managing Director
- The Audit and Risk Management Committee assesses significant issues reported in the investigation



Resolution



- If corruption or criminal behaviour is confirmed, prompt reports are made to the Chairman and Managing Director, the Audit and Risk Management Committee, or law enforcement authorities, as appropriate, to determine appropriate action

The Audit and Risk Management Committee holds ultimate responsibility for the whistleblowing policy and mechanism. Implementation of the policy is overseen by the Group Head of Internal Affairs and the Head of Internal Audit. During the reporting period, there were no significant violations of our code of conduct or laws pertaining to anti-corruption and competition.

For more details, please refer to the **Corporate Governance Report** section of our Annual Report 2023/24.

Anti-competition

SHKP believes fair competition is key to an equitable supply chain. Our Supplier Code of Conduct strictly prohibits suppliers, contractors and subcontractors from engaging in any form of anti-competitive behaviour. We comply with applicable laws and regulations, including Hong Kong's Competition Ordinance.

Strict measures clearly communicated in all our tender documents prevent collusion. As part of the procurement process, vendors submitting tenders must sign a letter of integrity and anti-collusion to confirm that they do not engage in anti-competitive behaviour. We regularly review and update our list of eligible companies to eliminate practices such as bid-rigging. Only qualified and approved companies on the list are invited to participate in tendering, and we monitor the number of applicants to ensure a competitive bidding environment.

Sanfield's e-tendering provides suppliers and contractors with a secure digital platform to access and submit documents. All tender information is confidential and accessible only to authorized staff.

To raise awareness of competition laws and regulations, Hong Yip encourages its approved vendors to participate in the Webinar on Competition Ordinance. Our Royal brand hotel employees receive regular training on the Competition Ordinance and its policies. During the reporting year, we hosted seminars on Hong Kong Competition Law for our hotels' suppliers and contractors. Some of our hotels performed routine sampling and review of supplier contracts and tender documents to detect any issues related to competition law. Quarterly meetings with management are also held to discuss any concerns and ensure compliance with competition law policies.



Value Created for COMMUNITY




Our longstanding belief in Building Homes with Heart extends to supporting the needs of the communities in which we operate. We invest in promoting reading and holistic development among youth, encouraging sports for charity and supporting the underprivileged to create a long-term positive value.


Material topics addressed in this section:

- Community investment
- Economic performance
- Innovation
- Social integration and accessibility
- Stakeholder engagement and collaboration
- Sustainable buildings
- Well-being, health and safety


Highlights of our Performance in FY2023/24




~70,000 service hours contributed by **3,200** members of the SHKP Volunteer Team



1.3 million+ users and **4.1 million+** page views for our Read for More



5,000+ participants recorded in the SHKP HK Cyclothon



A land lent to the government for Light Public Housing – provide **2,100** housing units for those in need

Strategies and Management

To address the community's needs, our investments and partnerships with charitable organizations are supervised by the Corporate Social Responsibility Committee. This committee is led by senior executives, including the head of the Public Affairs Department and a Deputy Managing Director who also chairs the Sustainability Steering Committee. Generally, the head of the Public Affairs Department is responsible for community relations. For the company's development projects such as our latest landmark Mongkok project, he will also assist in engagement with the government and local community groups, and report to the respective management. We also actively collaborate with non-governmental organizations (NGOs) and stakeholders to identify emerging concerns and effectively manage our programmes and promote community sustainability.

Our Three-pronged Approach to Community Outreach

1



Encouraging reading and holistic development, especially among youth

2



Promoting sports for charity and healthy living

3



Providing care for the underprivileged

Our contributions to the community and its well-being are guided by these impact-driven strategies:

Building close partnerships with NGOs and other stakeholders

Putting our resources and networks to good use and applying the skills of our staff

Encouraging direct participation by our staff

Promoting long-term, sustainable programmes

During the reporting year, the Hong Kong Council of Social Service (HKCSS) named us a Caring Company for the 22nd consecutive year. The Council awarded the same certification to 44 of our business units, including shopping malls, hotels and property management and construction companies for the 10th or 15th consecutive year.

During the reporting year:

HK\$3,978
million tax contribution



HK\$47
million of charity and in-kind sponsorships



Volunteering in the Community by SHKP Volunteer Team

Dedicated to creating long-term value, the SHKP Volunteer Team has served the community since 2003. Embodying SHKP's vision of making a positive impact, the team's mission is guided by the 'ABC caring spirit':



Five sub-groups of the team – Home Building, Elderly Support, Youth Development, Disabled Support, and Sunshine – provide tailored support to underprivileged groups and individuals. During the reporting year, the team expanded its foundation and fostered strategic partnerships with public sector institutions.

Using Our Expertise to Create Better Homes

The volunteer team has forged partnerships with organizations such as the Social Welfare Department and used its renovation expertise to assist families facing challenges, disabled or elderly singletons and couples relocating from aged public housing. Its services include unit inspection, flooring and wall painting, etc.

The team collaborated with the Neighbourhood Advice-Action Council on the Elderly Home Safety and Environment Improvement Project throughout the reporting year. This project enhanced the living conditions for elderly people in Tuen Mun and Wong Tai Sin. The team utilized its construction and property management skills to help 100 households with repairs and subsidized pest control services.



SHKP volunteers provide home inspections and maintenance services for elderly households



SHKP volunteers carry out maintenance for elderly households

Strengthening Inter-generational Connections

This year, our volunteers collaborated with the Neighbourhood Advice-Action Council to organize the Music and the Team Inter-generational Programme in Sham Shui Po. The programme subsidized students, the elderly and volunteers learning the ukulele, to foster inter-generational inclusion. Parents of the students also built connections in the community by participating in festival caring activities and visiting elderly people in the neighbourhood.



¹ Volunteer hours are calculated by calendar year.



Connecting generations with the Music and the Team Inter-generational Programme

In partnership with the Queen's Hill Lutheran Integrated Service Centre, our volunteers organized the Queen's Hill Tuen Ng Festival Carnival. Around 300 children and their parents enjoyed games and received goodie bags filled with Tuen Ng rice dumplings, food and stationery.



Fun at the Queen's Hill Tuen Ng Festival Carnival

Our Make a Friend, Connect with Suburban programme supports elderly people in rural areas. During Chinese New Year, the volunteer team - with its community partners - distributed gift bags in Yuen Long Hung Shui Kiu. These included scarves knitted by SHKP volunteers and charming brick dragon models, bringing warmth and joy to the elderly during the festive season.



Bringing warmth and joy with the Make a Friend, Connect with Suburban programme

Engaging People with Disabilities

We joined the Hong Kong Network for the Promotion of Inclusive Society at its Stargaze Camp for All and the Blind. Our volunteers designed and managed the Low-carbon Living Earth Loving Game booth to promote green living and enable people with disabilities to appreciate nature's wonders. The team and the activity demonstrated the values of inclusivity and mutual respect.

Our sustained and growing impact on the community was recognized at the Hong Kong Volunteer Awards 2023, organized by the Home and Youth Affairs Bureau and the Agency for Volunteer Service:

- Outstanding Corporate Award (Corporate with 100 or above full-time employees)
- Top Ten Highest Volunteer Hours (Corporate with 1,000 or above full-time employees)
- Excellence Gold Award (Volunteer Hours) (Corporate & Non-Commercial Organization)

The team also clinched wins in the Construction Industry Volunteer Award Scheme, organized by the Construction Industry Council. These included the Gold Award in the corporate section of the Construction Industry Sports & Volunteering Programme (CISVP) Corporate Award for Activeness and the Most Supportive Organization Award.

Enlightening and Supporting Young People through Knowledge Discovery and STEM Education

Reading is transformative for people and society as a whole. For this reason, we invest significantly in cultivating young people's interest in reading. The free and open SHKP Reading Club coordinates activities and contests for the community. The reading club also fosters enthusiasm and awareness among young people for innovation and technology, and Science, Technology, Engineering and Mathematics (STEM) education. Today, it has more than 57,600 members across Hong Kong and on the mainland.



Reading and Holistic Development

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

CASE STUDY

Promoting STEM Education via Read to Dream



Read to Dream is a highlight of the SHKP Reading Club's initiatives. Since 2008, the programme has reached more than 30,000 upper primary and junior secondary students from underprivileged families.

Read to Dream x Future Engineer Grand Challenge

To encourage students to apply science and technology creatively in their daily lives, the SHKP Reading Club and the Hong Kong STEM Education Alliance co-hosted the Read to Dream x Future Engineer Grand Challenge. This year's contest attracted nearly 300 entries, setting a new record.

Three themes – Smart Living, Green Innovation and Technology, and Art Technology – encouraged students to think creatively in different ways to enhance the quality of everyday life. The results included a Smart Fish Tank Monitor System, an irrigation system that automatically adjusts the environment for hydroponic farming, and FLAI (Follow to Learn An Instrument) – a tool that uses AI and machine learning to monitor users' posture when playing instruments.

The winning designs were displayed at SHKP Reading Club's booth at the Hong Kong Book Fair to share the students' achievements with the public.



Winners introduce their designs at SHKP Reading Club's booth at the book fair

Sponsoring Students to Visit the Book Fair and Buy Books

Read to Dream once again collaborated with our long-term partner, the Hong Kong Trade Development Council, to sponsor 2,000 students to visit the Hong Kong Book Fair 2023. 800 underprivileged students were also provided with HK\$250 each to buy STEM and Chinese culture books at the fair.

Sharing our Passion for Reading

We translate our passion for reading into action. During the reporting year, our Executive Director Christopher Kwok led the SHKP Reading Club team at the Shamshuiipo Kaifong Welfare Association Primary School for a sharing session, introducing books about Chinese culture and STEM to more than 70 primary students. Our aim is to inspire students to begin a reading journey that deepens their understanding of our country and the world.

Exploring the Opportunities of STEM

The SHKP Reading Club and the Hong Kong STEM Education Alliance co-host talks and workshops at secondary schools. The main objective of these sessions – which took place at 20 schools during the reporting year and are ongoing – is to enhance students' interest in and understanding of STEM subjects. They incorporate interactive and practical activities centered on innovation and technology to ignite students' curiosity and expand their knowledge through reading.

Promoting Reading for All by Joining Hands with the Industry and Government

As the city celebrated its first Hong Kong Reading for All Day in 2024, the Group provided a bustling venue for the 2024 Hong Kong Reading+, a four-day carnival which featured a series of activities to promote reading for all and sharing of literary resources with Shenzhen to strengthen collaboration between the two neighbouring cities. The SHKP Reading Club also sponsored the Hong Kong Publishing Professionals Society's annual reading survey. The results will play a critical role in analyzing and reflecting the public's reading patterns, ultimately contributing to establishing Hong Kong as a cultural hub.

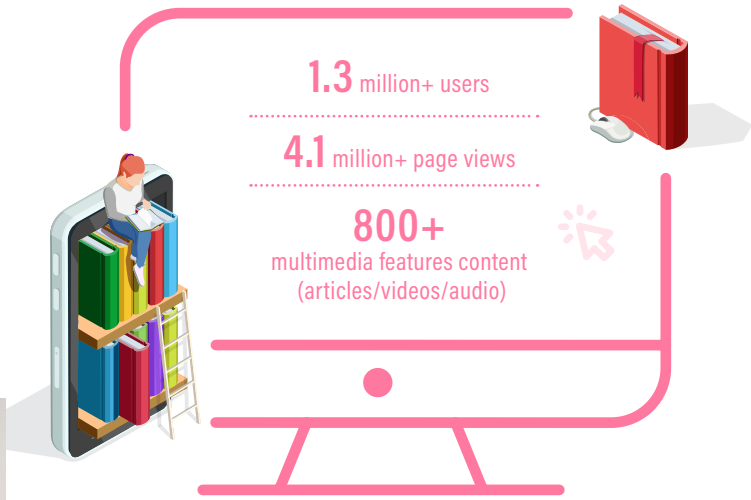


We promote a reading culture through action, research and events

Promoting Reading via Our Read for More Platform

Our interactive online platform Read for More fosters reading and sharing by allowing public access to over 800 pieces of multimedia content, including articles, video and audio, anytime and anywhere. Launched in 2019 and primarily aimed at students and young people, the platform features captivating content that focuses on personal development, STEM education and technology, and Chinese culture and literature. Please visit the **Read for More** website for details.

As at 30 June 2024, the Read for More online platform has:



Contributing to Healthy Lifestyles and Exercising for Charity

Sports for Charity and Healthy Living

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

SHKP Sports for Charity Initiatives

By hosting and sponsoring sporting events, SHKP actively promotes healthy lifestyles to individuals and the community. The proceeds generated from these events will be channeled into donations, aimed at providing assistance to underprivileged families and those in need within the community.

Key projects we support include:

Community Care for Patients with Heart Valve Disease

- Run by Care For Your Heart and funded by SHKP for a second year
- Equip patients and their caregivers with knowledge about heart valve disease and self-care. Via workshops and support groups, it eliminates misconceptions and prevent delays in sufferers seeking attention
- 3,441 beneficiaries

Early Detection of Cognitive Impairment or Dementia

- Run by the Hong Kong Alzheimer's Disease Association
- Help people experiencing memory loss or mild cognitive impairment (MCI). Occupational therapists and social workers conduct neuropsychological assessments to those at risk of MCI or early dementia. Sufferers are referred for further medical evaluation and investigation. This project provides training and supports groups to enhance cognitive functions and alleviate the burden on caregivers
- 5,610 beneficiaries

Sun Hung Kai Properties Hong Kong Cyclothon

The SHKP Hong Kong Cyclothon 2023 attracted 5,000 international participants, including more than 400 of our employees. 14 cycling teams from Australia, Italy, Thailand, mainland China and Hong Kong competed in the UCI 1.1 road race in downtown Tsim Sha Tsui. The event also featured a special CEO & Celebrity Charity Cycling segment.

The Cyclothon raised more than HK\$1.2 million, providing sponsorships to Community Chest for its social services. The Hong Kong Tourism Board, Sports Bureau of Guangdong Province and Guangdong Province Cycling Committee united to bring cyclists from nine cities in the Greater Bay Area.

The event synergized and shared the spirit of our other charity initiatives. For example, we sponsored the participation of 50 young people and underprivileged families, including 11 families from the SHKP-backed transitional housing project United Court.



Thousands ride in the Sun Hung Kai Properties Hong Kong Cyclothon

Contributing to the Development of Elite Sports by Supporting the SHKP Supernova Cycling Team

Since 2019, SHKP has been a sponsor of the SHKP Supernova Cycling Team, providing systematic training to more than 250 underprivileged young people, aged 12 to 18. Currently, the team consists of 80 members, 12 of whom have joined the Hong Kong Cycling Team and five have joined its junior equivalent. One member was selected for the Australian Cycling Academy and received training in Australia.

Following success at the Hangzhou 2022 Asian Games – one Silver and one Bronze – the team won at the 2023 Hong Kong International Track Cup. In addition, one junior rider has been selected for the Giant Grassroots programme. This offers aspiring young amateurs from around the world an opportunity to pursue their dreams of becoming professional cyclists.

Through our sponsorship, SHKP aims to contribute to the expansion of Hong Kong's sports talent pool and to further promote the cycling sector.



SHKP Supernova encourages aspiring athletes

Attracting Athletes and Promoting Well-being Through Sun Hung Kai Properties Hong Kong 10K Championships

The Sun Hung Kai Properties Hong Kong 10K Championships – organized by the Hong Kong, China Association of Athletics Affiliates – attracted nearly 1,500 long-distance runners and local athletes this year. More than 140 runners from SHKP were sponsored, illustrating our commitment to the health and well-being of our staff.



Competitors at the Sun Hung Kai Properties Hong Kong 10K Championships

Raising Funds for People with Intellectual Difficulties Through Hong Chi Climbathon

To raise funds for people with learning difficulties and their families, and to promote social inclusion, we once again co-hosted the Hong Chi Climbathon with the Hong Chi Association. Held in Central Plaza, the event featured individual and relay races for the 29-floor and 75-floor in which SHKP colleagues teamed up with Hong Chi students for the 75-floor relay race.

The SHKP Family Run Best Costume Award encouraged participants to wear unique and interesting costumes. To encourage fundraising, we presented top fundraising teams and individuals with awards.



Having fun and raising money at the Hong Chi Climbathon

Community Chest Corporate Challenge

The Community Chest Corporate Challenge resumed after a three-year break due to the pandemic. SHKP sponsored the event that drew approximately 800 runners from over 100 corporate teams for a half marathon and a 10k run. More than 300 colleagues participated, embodying SHKP's Sports for Charity spirit.

Royal Plaza Hotel provided food and beverages for the participants. Raising more than HK\$4.5 million, proceeds from the challenge will fund Community Chest's sponsorship towards rehabilitation and aftercare services in Hong Kong.



SHKP colleagues taking part in the Community Chest Corporate Challenge

Caring for the Community



Caring for the Community

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

Building Homes with Heart Caring Initiative

The Building Homes with Heart Caring Initiative brings joy to the community during festive periods. To celebrate the Tuen Ng Festival, our volunteers distributed gift bags to 2,500 underprivileged families in Kowloon City, Yau Tsim Mong and the North District. We provided 3,000 Mid-Autumn Festival goodie bags to underprivileged families in Tuen Mun and Sai Kung.

We also distributed New Year goodie bags to elderly residents of Sham Shui Po and Kwai Tsing. Students and their parents participating in the Music and the Team Inter-generational Programme joined these visits, delighting the elderly with lively performances.



SHKP's Building Homes with Heart Caring Initiative volunteers spreading warm blessings

Co-organizing The Beauty of Nature Drawing Contest with Hong Chi Association

We expand the reach of charitable events via our customer base and network. Our customer loyalty programme The Point, in collaboration with the Hong Chi Association, hosted the Beauty of Nature Drawing Contest, supporting our dedication to green concepts and ESG issues. The contest received more than 200 entries from Hong Chi Association primary and secondary schools. Following online voting by members of The Point, 26 awards were presented.

In 2023, The Point also introduced a feature that enables members to donate bonus points to the Hong Chi Association, End Child Sexual Abuse Foundation, Médecins Sans Frontières or Society for Abandoned Animals Limited to support social causes. More than 2,000 members have made generous donations.



Representatives from SHKP and partners welcome winners of the drawing contest

Contributing to Charitable and Fundraising Events

Hong Yip collaborated with other businesses and NGOs to organize Peace Box 2024. With the theme LIGHT – Light Up Your Heart, more than 14,000 boxes – featuring practical and useful gifts – were donated to underprivileged people at Easter. Around 100,000 peace boxes have been donated since 2014.

SHKP also supported the annual Community Chest Dress Casual Day, whose proceeds support child protection and welfare services provided by the Community Chest's member agencies. More than 300 colleagues from over 20 departments wore casual clothes to raise funds for children in need.



Launching Peace Box 2024 at Mikiki



SHKP colleagues enjoying the Dress Casual Day

Enhancing Community Cohesion through Noah's Ark

Noah's Ark Hong Kong is a one-stop park and resort that has promoted environmental awareness and caring for the community since 2009. It has:

- Partnered with around 1,800 local charities
- Organized more than 11,700 educational and public welfare events
- Benefited more than 810,000 people (52% children and young people; 48% underprivileged, elderly, disabled and those with chronic illnesses)

Providing opportunities for students to develop their career paths and personal development, the park has collaborated with The Boy's Brigade and Hong Kong's service unit, Anchor House, for the Three S Project for four consecutive years. Its three themes – Self and Society, Summer Internship and Step Forward – are manifested through workshops enabling us to understand students' interests and values, followed by internships and industry experience covering hospitality, architecture and adventure training. During the reporting year, Noah's Ark partnered with 21 secondary schools and supported 30 graduates.

This year, Noah's Ark continued its collaboration with the Hong Kong Paralympic Committee to organize the Inclusive Para Sports Day. This event encourages people with disabilities, along with their families to experience sports and enhances public awareness of physically handicapped and able-bodied (PHAB), thereby promoting a more equal society. The event was attended by around 300 people, including students from special schools and their family members.



Inclusive Para Sports Day promotes equality and inclusiveness

Working with the Government to Organize Mentorship Programme for Underprivileged Students

Underprivileged young people are supported by the HKSAR Government-led Strive and Rise Programme, which was launched in 2022 to help low-income students and families living in subdivided units via mentorships, workshops and job-shadowing. Guidance and planning for the future is provided by 250 of our colleagues as peer mentors – 12 of whom received awards at the first cohort of the Strive and Rise graduation ceremony. We also organized field trips and community engagements – such as visits to the sky100 observation deck and the Kowloon Motor Bus factory – and participate in Noah's Ark Life Planning events.

The Group will actively participate in, and donate to, the second round of the programme. More than 230 employees have signed up to be mentors.



Strive and Rise mentor and mentee enjoying job-shadowing



Mentors and mentees visit sky100

Improving Living Environment and Promoting Social Integration

To support sustainable development and create a more equitable society, we focus on leveraging our competitive edge on land bank and professional capabilities.

Transitional Social Housing Project: United Court

To improve living environment for low-income citizens and underprivileged families, SHKP collaborated with the Hong Kong Sheng Kung Hui Welfare Council to provide land for the United Court transition housing project. Opened in 2022, United Court comprises a total of 1,800 units, benefiting around 5,000 families. The people-oriented project offers facilities, social service and public space for recreation, social enterprise stores and weekend markets – all designed to foster a vibrant, community-driven atmosphere.

United Court provides accessible and affordable housing options for underprivileged families. It also provides employment assistance and opportunities as well as vocational training for its residents, aiming to equip them with the necessary skills for employment.



United Court provides housing for low-income families

Alleviating Pressure on Public Housing

To support the HKSAR government's affordable housing efforts, the Group has lent for a period of seven years land in Yuen Long to the government for the first batch of Light Public Housing. The project will provide 2,100 housing units to individuals and families, and expects to begin taking in residents in the first quarter of 2025. Community support – including public transport and other amenities such as retail and social welfare – will be available for residents and the wider population.

The project will help alleviate pressure on the public housing supply. In boosting the efficiency and the quantity of affordable housing, this project will allow those on waiting lists to move in sooner and help improve living environment for the underprivileged, particularly families in subdivided units.

Creating Multigenerational Housing

The Group is dedicated to fostering multigenerational integration. Our large-scale residential development in Sai Sha – modelled after our first multigenerational project, Tung Shing Lei – caters to older generations with:

- Adaptable units and flexible layouts
- Broad corridors and doorways for easy access
- Increased turnaround space to assist movement
- Slip-resistant and anti-bacterial floor finishes
- Spacious washrooms with extra handrails

Facilities and support services include:

- Amenities tailored to the needs of elderly residents and an outdoor area for enjoyment by all ages
- Health and fitness programmes
- Housekeeping and meal provision
- Interest groups and diverse activities
- Mentoring programmes and activities to connect different generations

With age-appropriate designs, facilities and caregiving services, we hope to create an environment in which elderly residents live happily among their extended family.

CASE STUDY

Promoting Social Cohesion and Nurturing an Inclusive Community



Blending sports, entertainment, dining and leisure with the natural environment, GO PARK Sai Sha spans more than 1.3 million square feet. The facility is scheduled for opening by end of 2024.

To ensure the project aligns with the long-term interests of local stakeholders and minimizes disruptions, we engaged an external consultant to conduct a comprehensive ESG and community impact assessment. This involved desktop research, peer benchmarking, stakeholder surveys, interviews with local stakeholders, and extensive data collection. By exploring five key dimensions – innovative construction, sustainable infrastructure, natural preservation, community enhancement, and lifestyle and well-being – we have been able to address concerns, mitigate negative impacts and address local needs.

The development's infrastructure incorporates sustainable transportation. With an impact assessment highlighting local traffic needs, we have extended a 1.5km fraction of Sai Sha Road into four traffic lanes to address a potential surge in volume and improve the traffic condition of the area. Three footbridges and cycling tracks will be available for local communities and visitors, which will enhance walkability and promote sustainable transport options. We have also enhanced the drainage and sewerage systems of the area, immediately benefiting nearly 10,000 residents of Shap Sze Heung. For more details, please visit [here](#).

Future operations will focus on creating positive value and maximizing customer satisfaction. We are partnering with local social enterprises to offer convenient meal packs for residents, using innovative vending solutions. Employment opportunities and training will be provided for the underprivileged and the disabled to foster inclusivity.

Sai Sha Development Project demonstrates the Group's commitment to incorporating sustainable and impactful elements into our project designs, and spearheads our exploration of opportunities in this area.



The Sai Sha Road Widening Project will ease transport pressure

Caring for Elderly People

As our population ages, we are eager to support NGOs and households that protect and care for the elderly. We have teamed up with the Hong Kong University of Science and Technology and the Jockey Club Centre for Positive Ageing to implement Caring Communities for Dementia. We have installed more than 100 iBeacon devices at the main entrances of 18 of our malls and introduced the Dementia's Secret Angel app in 25 of our malls. These enable location-sharing by elderly people with bluetooth-connected devices, enabling carers to locate them should they become disoriented. Through this programme, we hope to mobilize the public and develop an advanced and user-friendly tracking network for dementia patients and their caregivers.



The Dementia's Secret Angel app is available from concierge at our malls

Promoting Art and Cultural Development

Revitalizing Ma Wan Park

Conservation and revitalization are promoted at our Ma Wan Park project. Its first phrase focuses on tourism, environmental protection and social welfare; while the second focuses on conservation, rehabilitation and rejuvenation of historical structures in the ancient village on Ma Wan island. On completion, we aim to attract tourists and locals to explore the history of this area.

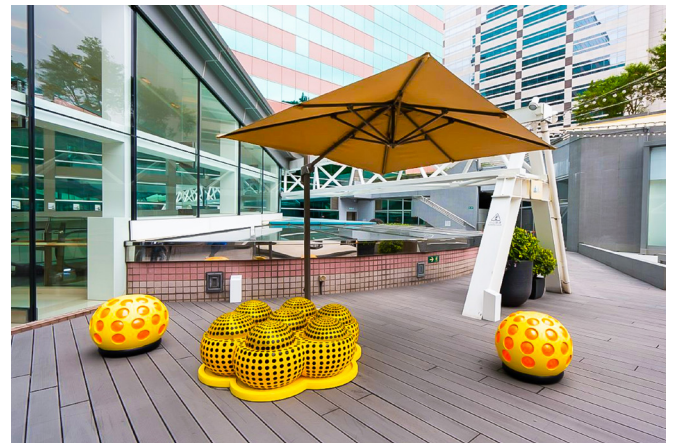


The Solar Villas were converted from old Ma Wan village houses from the early days to offer guestrooms and provide visitors with a green and tranquil vacation experience

The second phase of the project is scheduled to open in late 2024. The old Ma Wan village will be transformed into a vibrant arts centre. The revitalized village house will be a creative hub for local artists, with studios, a performance venue, and dining and retail areas. The hill in the village will be a campsite and organic farm. The Tin Hau Temple, the Kowloon customs commemorative and stone tablets, and the Mui Wai rock inscription – will be preserved at the original site.

Offering Space for Supporting Community and Cultural Projects

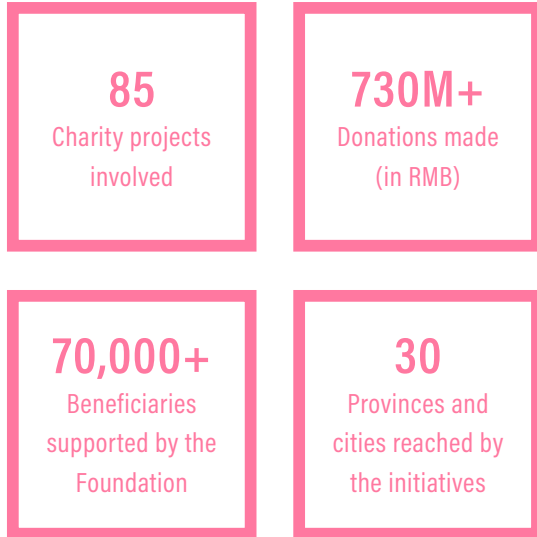
We offer available space for community and cultural projects at our properties. For example, Kai Shing collaborated with the Hong Kong Design Institute (HKDI) on the Outdoor Interactive Art Chairs Programme and hosted exhibitions of creative furniture from local designers at HomeSquare. In addition to offering scholarships and a venue to showcase designs, we engaged with students to explore practical design solutions and provided a platform to connect customers with local designers.



Art chairs designed by HKDI students, displayed at HomeSquare

Caring for the Next Generation Through the SHKP Kwoks' Foundation

The SHKP-Kwoks' Foundation has been committed to the country's call since 2002 and is dedicated to supporting talented individuals. Our endeavour is outlined by the significant outcomes to date:



The Foundation supports talented underprivileged youth from Hong Kong and mainland China to receive advanced levels of education and is dedicated to supporting the development of higher education institutions in Hong Kong and on the mainland. The Foundation offers scholarships and bursaries to youths in need, embraces changes and challenges in Hong Kong and on the mainland, and nurtures outstanding high-calibre talents for our country.

Below highlights the Foundation's accomplishments during the reporting year:

- **Expansion of project scope:** The Foundation has extended the target beneficiaries of its scholarships, and now provides scholarships and bursaries for postgraduates in the fields of scientific research and advanced productivity to align with emerging national demands in order to groom high-end academic talents
- **Continuation of support:** Building on the Foundation's previous work in Hong Kong, it established new scholarship programmes at the Chinese University of Hong Kong and the Hong Kong Polytechnic University, and supported NGOs in their community events
- **Recognized contribution:** Sun Yatsen University presented the Yatsen Outstanding Education Award to the Foundation in recognition of its longstanding commitment in Sun Yatsen University development

In the Foundation's journey of more than 20 years, it has grown a strong base of alumni, from which different groups are formed and maintained to pursue educational goals through collaborations and advocacy. During the reporting year, the Foundation organized reunions and experience sharing salons in Beijing, Tianjin, Hebei and the Greater Bay Area to facilitate networking and exchange.



Scholarships and bursaries empower students to access quality education

Appendix I – Awards, Memberships and Charters

Awards and Recognitions

Organizer	Award	Awarded Unit
Asiamoney	Asiamoney 2023 Asia's Outstanding Companies Poll • Most Outstanding Company in Hong Kong – Real Estate Sector	SHKP
BCI Asia	BCI Asia Awards 2023 & 2024 • Top Ten Developers in Hong Kong	SHKP
Bloomberg Businessweek	ESG Leading Enterprises Awards 2023 • ESG Leading Enterprise Award • Leading Environmental Initiative Award	SHKP
CarbonCare InnoLab	CarbonCare Label Award 2023 • CarbonCare Star Label • CarbonCare Circularity Label – Level 5 • CarbonCare Label – Level 2 • CarbonCare Label – Level 3	Hong Yip Hong Yip • Park Central (S.A.)
	CIBSE Hong Kong Awards 2023 • Project of the Year (Commercial/ Industrial Building) • Facilities Management Team Award – Merit	Hong Yip • Marina 8 Kai Shing • ICC Hong Yip • Park Central (S.A.)
CLP	CLP Smart Energy Awards 2023 • Carbon Management Award – Excellence Award • Joint Energy Saving Award • Innovation Award – Grand Award	Hong Yip Kai Shing
	CLP Summer Saver Rebate Program 2023 – Recognition Scheme for Property Management Offices • Top Savings in 2023 – Gold Award • Top Average Savings in 2023 – 1 st Runner Up • Top Savings in 2023 – Silver Award • Pioneer Awards for Energy – Saving Promotion in 2023	Hong Yip Kai Shing Hong Yip • Wetland Seasons Park Kai Shing • The Wings II
Construction Industry Council (CIC)	CIC Sustainable Construction Award 2023 • Merit	Sanfield
Corporate Governance Asia	Asian Excellence Award 2024 • Asia's Best CSR • Sustainable Asia Award	SHKP
CTgoodjobs	Best HR Awards 2023 • Employee of the Year – Grand Award • L&D Team of the Year • Recruitment Team of the Year	Hong Yip & Kai Shing
	• Best Corporate Social Responsibility Award – Gold Award • Best L&D Technology Implementation Award – Grand Award	Hong Yip
	• Best Corporate Wellbeing Programme Award – Gold Award • Best ESG Award – Grand Award • Best Innovative HR Initiative Award – Grand Award	Kai Shing
Employee Retraining Board (ERB)	Manpower Developer Award Scheme • Super MD (Manpower Developer)	SHKP, Hong Yip & Kai Shing
	ERB Annual Award 2023-24 • ERB Outstanding Employer Award	Hong Yip
Environmental Campaign Committee	Hong Kong Awards for Environmental Excellence 2022 Property Management (Residential) • Bronze • Merit	Hong Yip • Royal Peninsula Hong Yip • Aria • Manhattan Hill • Valais

Organizer	Award	Awarded Unit
Environmental Campaign Committee	Property Management (Commercial & Industrial) • Bronze • Merit	Hong Yip • Tsuen Wan Plaza (S.A.) Hong Yip • Mikiki
	Outstanding Promotional Partner Commendation Scheme	Hong Yip • Tsuen Wan Plaza (S.A.)
	Long Participation Award	Hong Yip
Environmental Protection Department	EPD Program on Source Separation of Domestic Waste and the Program on Source Separation of Commercial and Industrial Waste • Diamond • Gold • Silver • Bronze • Merit	Hong Yip • 5 buildings • 6 buildings • 10 buildings • 18 buildings • 254 buildings
	Indoor Air Quality Certification Scheme • Top Ten Participation Rate Award	Kai Shing
Euromoney	Euromoney Real Estate Awards 2023 • Best Developer (9 categories)	SHKP
Fair Trade Hong Kong	Fair Trade & SDG Awards 2023/24 • Impact Achievement Award	Hong Yip
Federation of Hong Kong Industries	BOCHK Corporate Low - Carbon Environmental Leadership Awards 2023 Property Management Sector • Bronze Award	Hong Yip • Manhattan Hill • Royal Peninsula
FinanceAsia	Asia's Best Companies 2023 • Hong Kong Best Overall Company • Hong Kong Best Corporate ESG Strategy	SHKP
Fullness Social Enterprises Society	Social Enterprise Supporter Award Scheme 2023 • Social Enterprise Supporter Plus Awardee	Hong Yip, Kai Shing • YOHO Midtown
Greeners Action	Umbrella Bags Reduction Accreditation Program 2023 • Industry Pioneer – Excellence Award • Best Promotion Award	Kai Shing Hong Yip • Sun Hung Kai Centre • Victoria Harbour Kai Shing • Aegean Coast Hong Yip • 10 properties Kai Shing • 37 properties Hong Yip • 4 properties Kai Shing • 7 properties Kai Shing • Metroplaza Kai Shing • One Harbour Square
	• Diamond Level	
	• Gold Level	
	• Silver Level • Bronze Level	
HK01	01 Gold Medal Awards • Outstanding Enterprise Award – Excellent Property Management	Hong Yip
Home and Youth Affairs Bureau and Agency for Volunteer Service	Hong Kong Volunteer Awards 2023 • Outstanding Corporate Award (Corporate with 100 or above full-time employees) • Top Ten Highest Volunteer Hours (Corporate with 1,000 or above full-time employees) • Excellence Gold Award (Volunteer Hours) (Corporate & Non-Commercial Organization)	SHKP
Hong Kong Construction Association	Hong Kong Construction Environment Award 2023 • Environmental Merit Award	Sanfield

Organizer	Award	Awarded Unit
Hong Kong Council of Social Service	20 Year Plus Caring Company logo	SHKP, Hong Yip, Kai Shing, Royal Park Hotel, Royal Plaza Hotel and Castello
	15 Year Plus Caring Company logo	Sanfield, Chun Fai, Royal View Hotel, The Royal Garden Hong Yip - 3 properties and/or subsidiaries Kai Shing - 18 properties and/or subsidiaries
	10 Year Plus Caring Company Logo	Yee Fai Hong Yip - 4 properties and/or subsidiaries Kai Shing - 8 properties and/or subsidiaries
Hong Kong Green Building Council	Hong Kong Green Shop Alliance Awards 2023	
	Green Mall of the Year - Certificate of Excellence	Hong Yip - Harbour North Kai Shing - HomeSquare - Landmark North - Metroplaza
	Excellent Green Product Advocate	Hong Yip - Harbour North - Hong Kong Plaza - Park Central (S.A.) Kai Shing - Landmark North - Metropolis Plaza
Hong Kong Green Building Council / Professional Green Building Council	Green Building Awards 2023	
	Existing Buildings Category (Facilities Management) - Grand Award - Merit Award	Hong Yip - Wetland Seasons Park Kai Shing - Metroplaza
Hong Kong Institute of Human Resources Management	HR Excellence Award 2023/24 - Learning Technology Award – Elite Award	Hong Yip
Hong Kong Police Force	Best Security Services Award - Hong Kong Island Best Security Services Awards by Regional Crime Prevention Office - Outstanding Security Services (Commercial Property)	Hong Yip - Harbour Centre - Sun Hung Kai Centre
	Security Services Best Training Award - Gold Award (Licensed Security Company – Type I)	Hong Yip
Hong Kong PropTech Association and Hong Kong Cyberport Management Company Limited	PropTech Excellence Awards 2024	
	The Best PropTech Solution of the Year	Hong Yip
	Company / Individual Awards of the Year - PropTech Integration Company of the Year – Corporate Gold Award	Hong Yip
	PropTech Solution of the Year - ESG in PropTech – Corporate Diamond Award - Property Management – Corporate Diamond Award	Hong Yip Hong Yip & Kai Shing
Hong Kong Quality Assurance Agency (HKQAA)	Hong Kong Green and Sustainability Contribution Awards 2024	
	Pioneering Organisation in ESG Disclosure Enhancement	Kai Shing
	Pioneer Award Excellence for ESG Connect	Kai Shing - YOHO Midtown

Organizer	Award	Awarded Unit
Hong Kong Quality Assurance Agency (HKQAA)	Outstanding Award for Excellent Contribution to Sustainable Property (Property Management) - Promote Environmental Protection - Promote Community Caring	Hong Yip & Kai Shing Kai Shing
	Mentor Pioneer Award for ESG Connect	Hong Yip & Kai Shing
	Management Award for Net-Zero Contribution (Property Management) - Visionary Blueprint towards Net-Zero	Kai Shing - Grand Century Place - ICC - Tai Po Mega Mall
	Gold Pioneer for ESG Connect – Environment	Kai Shing - 5 properties
	Gold Seal for Contribution to Sustainable Property - Promote Environmental Protection - Promote Community Caring - Promote Hygiene and Health	Hong Yip - 10 properties Kai Shing - 23 properties Kai Shing - 20 properties Kai Shing - 5 properties
Hong Kong Recreation Management Association	Residential Clubhouse Management Award 2023 - Category I – Gold Award - Category I – Silver Award - Category I – Distinction - Category II – Gold Award	
		Kai Shing - Dynasty Court - Ultima - Riva - YOHO Midtown
Hong Kong Retail Management Association	2023 Service Talent Award	
	Best Team Award - Bronze Award	Kai Shing - New Town Plaza III
	Retail Excellence Award - Gold Award - Silver Award - Merit Award	Kai Shing - Millennium City 1, 2, 3 and 6 - YOHO Mall - MOKO
	Outstanding Flagship Service Brand	Hong Yip - 4 properties Kai Shing - 7 properties
International Facility Management Association (IFMA)	IFMA Asia Pacific Awards of Excellence 2022-23	
	Asia Pacific Best Facility Management Technology Award - Winner	Kai Shing - ICC
	Asia Pacific Best Facility Operation Award - Certificate of Excellence	Kai Shing - Millennium City 1, 2, 3 and 6 - Sea Crest Villa Phase 4
International Society of Arboriculture Hong Kong Chapter	Tree Management Award 2023 - Gold Award	
	- Merit Award	Kai Shing - YOHO Mall Kai Shing - Hong Lok Yuen Commercial Complex
JobMarket	Employer of Choice 2023	
	- Employer of Choice Award - ESG HR Strategy Award	Hong Yip & Kai Shing
	- Employer Brand Management Award - Greater Bay Area Outstanding Employer Award	Hong Yip
	- Health And Wellbeing Strategy Award - Diversity, Equity and Inclusion Culture Award	Kai Shing
JobsDB	The Hong Kong HR Awards 2023/24 - Most Popular Employer – Property Management	Kai Shing
MEITUAN	MEITUAN Hotel Awards 2023 - Popular Family-Friendly Hotel of the Year - Popular Hotel of the Year	Royal View Hotel ALVA Hotel by Royal

Organizer	Award	Awarded Unit
Occupational Safety and Health Council	The 1st OSH Innovation and Technology Award	
	• Silver Award (Open Category) • Most Popular Innovation Award	Hong Yip
	The 11th Best Property Safety Management Award	
	Best Property Management Award in Occupational Safety and Health • Silver Award	Kai Shing • Millennium City 1, 2, 3 and 6
	• Bronze Award	Hong Yip • Oscar By The Sea
	• Merit Award	Hong Yip • Imperial Cullinan
	Best Safety Enhancement Programme • Silver Award	Kai Shing • ICC
	Best Property Management Award - Residents' RMAA Works Safety Enhancement • Silver Award	Kai Shing • KCC
	Best Promotion Award for Light-Duty Working Platforms • Merit Award	Hong Yip • Victoria Harbour • Pristine Villa
	Heart Caring Organization Award • Grand Award	Hong Yip • Harbour North
• Excellence Organization	Hong Yip • Hong Kong Industrial Centre Block A • Tsuen Wan Plaza (S.A.)	
• Outstanding Organization	Kai Shing • Landmark North • ICC	
• Merit Organization	Hong Yip • 11 properties Kai Shing • 16 properties Hong Yip • TOWNPLACE KENNEDY TOWN Kai Shing • 6 properties	
The 22nd Hong Kong Occupational Safety and Health Award		
	Safety Performance Award - Construction Industry Category • Excellence Award	Sanfield
	Safety Performance Award - SME Category • Excellence Award	Hong Yip • Mount One
	• Outstanding Award	Hong Yip • TOWNPLACE SOHO • Imperial Cullinan • Downtown 38 Kai Shing • Metropolis Plaza
	Safety Performance Award - SME Category - Rookie Safety Performance Award • Excellence Award	Hong Yip • Regency Bay
	Safety Performance Award - All Industry Category • Excellence Award	Kai Shing • Landmark North
	• Outstanding Award	Hong Yip • Po Sing Centre • Tsuen Kam Centre (S.A.) Kai Shing • New Town Plaza

Organizer	Award	Awarded Unit
Occupational Safety and Health Council	Safety Performance Award - All Industries - Rookie Safety Performance Award • Excellence Award	Hong Yip • Kwai Sing Centre (S.A.)
	• Outstanding Award	Hong Yip • Wonderland Villas (S.A.) • No. 1 Ho Man Tin Hill
	The 24th Construction Safety Award	
	Best Safety Enhancement Program for Lifting Operation • Bronze Award	Sanfield
Sing Tao Daily	Sing Tao Service Awards (Property Eco Management)	Hong Yip
Television Broadcasts Limited (TVB)	TVB ESG Awards 2023 • ESG Special Recognition Award 2023	Hong Yip
Trip.com	Top Producing Hotel 2023	ALVA Hotel by Royal
TripAdvisor	Travelers' Choice Award 2024	ALVA Hotel by Royal, Royal Park Hotel & Royal Plaza Hotel
World Green Organization	Green Office & Eco-Healthy Workplace Awards Labelling Scheme 2023	Hong Yip • 3 properties Kai Shing • 7 properties

Memberships and Charters

Memberships

- Business Environment Council (Founding Member since 2002)
- Employers' Federation of Hong Kong (Corporate Member since 1994)
- Hong Kong General Chamber of Commerce (Member since 1977)
- The Chamber of Hong Kong Listed Companies (Corporate Member since 2004)
- The Hong Kong Council of Social Service of The Caring Company Scheme Patron's Club (Jade Member since 2007)
- The Hong Kong Green Building Council (Gold Patron Member since 2011, Platinum Patron Member since 2023)
- The Real Estate Developers Association of Hong Kong (Corporate Member since 1974)

Charters

- 4T Charter of Hong Kong Environment and Ecology Bureau and Hong Kong Electrical and Mechanical Services Department (Signatory since 2017)
- BEC Net-zero Carbon Charter (former name as Low Carbon Charter, Signatory since 2021)
- Carbon Neutrality Partnership by Hong Kong Environment and Ecology Bureau (Signatory since 2021)
- Carbon Reduction Charter and Carbon Audit - Green Partner of Hong Kong Environmental Protection Department (Signatory since 2009)
- Charter on External Lighting of Hong Kong Environment and Ecology Bureau (Signatory since 2016)
- Charter on Preferential Appointment of OSH Star Enterprise of Occupational Safety and Health Council (Signatory since 2016)
- Charter on the Sales of First-hand Residential Properties of Estate Agents Authority (Signatory since 2018)
- Energy Saving Charter of Hong Kong Environment and Ecology Bureau and Hong Kong Electrical and Mechanical Services Department (Signatory since 2016)
- Glass Container Recycling Charter of the Environmental Protection Department (Signatory since 2016)
- 'Let's Save 10L Water' 1.0 & 2.0 Campaign of Hong Kong Environment Bureau and Hong Kong Water Supplies Department (Signatory since 2015)
- Organ Donation Promotion Charter of Department of Health (Signatory since 2016)
- Participant Tier of UN Global Compact (Signatory since 2024)

Appendix II – Stakeholder Engagement Process and Double Materiality Analysis Methodology

Stakeholder Engagement Process

SHKP values the importance of stakeholder views and expectations on sustainability-related issues. Since 2013, we have engaged with internal and external stakeholders on an annual basis through stakeholder review panel discussions and/or surveys to understand their perceptions of our sustainability strategy and performance. This year, we have adopted a new materiality assessment and stakeholder engagement exercise through a double materiality lens to identify topics material to both ESG aspects and those of our enterprise value. The exercise consists of online surveys, individual interviews and stakeholder review panel discussions. Our stakeholder review panel consists of sustainability professionals and representatives from different backgrounds and interest groups, broadening the perspectives

and viewpoints offered on sustainability-related issues during the discussion.

Ongoing and proactive conversations with our stakeholders play a pivotal role in understanding their expectations and needs, which in turn helps us identify and prioritize current and emerging sustainability-related risks across our daily operations. We employ various communications channels, including ongoing direct dialogues, interviews and surveys, to understand whether our sustainability performance meets their needs and expectations.

Our key communication channels, tailored to specific stakeholder groups, include the following:

Stakeholder Groups

Customers and Tenants

(including residents, commercial and industrial building tenants and hotel corporate clients)

- Apps from property management
- Concierge, retail stores, call centres, customer hotline, online and mobile phone applications
- Customer satisfaction surveys
- E-mail
- Go Royal
- SHKP Club
- The Point by SHKP
- Website and social media

Media Partners and Social Media

- Meetings
- Press conferences
- Website and social media

NGO Partners

- Community programmes run by the SHKP Reading Club
- SHKP Hong Kong Cyclothon
- SHKP Building Homes with Heart charity programmes by the SHKP Volunteer Team
- Visits to charities on programmes supported by Group donations
- Interviews

Professional Bodies and Academia

- Industry forums
- Interviews

Stakeholder Groups

Joint-venture Partners

- Real estate industry trade associations and advisory groups

Shareholders and Investors

- Analyst briefings and annual general meetings
- Annual and interim reports
- Investor forums and conferences
- Investor meetings and conference calls
- Investor Relations page on SHKP's website
- Overseas roadshows

Suppliers

- Audits and assessments
- Interviews
- Meetings
- Ongoing direct engagements
- Online tendering system
- Sanfield vendor portal e-platforms
- Supplier assessment

Government and Regulators

- Interviews
- Meetings
- Public consultation

Employees

- Employee engagement activities
- Interviews
- Intranet
- Meetings
- Performance reviews
- Quality-Raising Suggestion Scheme
- SHKP Quality Academy
- Staff surveys
- Training
- Work Safety Suggestion Scheme

Double Materiality Analysis Methodology

To ensure our sustainability strategy remains in line with our operations for continued sustainability, we have engaged an independent consultant to conduct a new materiality assessment which employs the principle of 'double materiality'. This principle is advocated by the Global Reporting Initiative (GRI) and other international standards, including the European Sustainability Reporting Standards (ESRS) as required under the Corporate Sustainability Reporting Directive (CSRD). Double materiality considers the influence of each ESG topic on SHKP's enterprise value ('financial materiality') and impact on the economy, environment and people ('impact materiality'). Assessing ESG topics through a double materiality lens allows us to assess the integration of sustainability within our business operations and shape the overall landscape of our sustainability approach.

Our double materiality assessment consists of a three-step approach, enabling us to effectively identify, prioritize and validate ESG topics with highest significance to our business operations. This approach is guided by the AA1000 Stakeholder Engagement Standard and adheres to the principles of stakeholder inclusivity, materiality, responsiveness and impact of the latest AA1000 AccountAbility Principles and the GRI Standards 2021. Through the stakeholder engagement and double materiality assessment exercise, both internal and external stakeholders relevant to our operations were invited to evaluate the significance of sustainability issues and share their perspectives on the Group's sustainability performance.



With reference to the Group's previous materiality topic list and leveraging insights from peer benchmarking and industrial trends, we updated the list of potentially material ESG topics related to the Group's economic, environmental, and social impacts and performance. To reflect our findings based on the current sustainability landscapes and emerging trends, we have re-categorized material ESG topics into five key themes:

- Governance and Economic
- Environment
- Workplace Practices
- Society
- Product Responsibility

Internal and external stakeholders, including employees, customers, NGOs, partners, investors, academia, suppliers, industry associations and media partners, were invited to participate in our online survey focusing on impact materiality. Additionally, senior management, investors and shareholders were invited to participate in our financial materiality survey. Altogether, we received over 600 responses. In the survey, respondents ranked ESG topics according to their perceived impact on the Group's enterprise value and the Group's impacts on ESG aspects on a numerical scale system.

We also gathered qualitative feedback from our stakeholder review panel discussions and interviews to supplement the survey results.

We utilize both quantitative and qualitative inputs from stakeholders to develop the double materiality matrix. This visual representation demonstrates the relative importance of ESG topics within a broader context, enabling more informed decision-making by the Group.

The prioritized material topics and finalized double materiality matrix are presented to the Sustainability Steering Committee for review and endorsement.

Appendix III – Performance Tables

Environmental Performance - Operations in Hong Kong

	Unit	2023/24 ¹	2022/23 ²	2021/22 ³
Greenhouse gas (GHG) emissions within the Group				
Direct GHG emissions (scope 1)	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	43,835	45,827	40,751
Indirect GHG emissions (scope 2) – market-based	tonnes CO ₂ e	205,935	210,896	212,262
Indirect GHG emissions (scope 2) – location-based	tonnes CO ₂ e	334,528	339,829	339,981
Indirect GHG emissions (scope 3)	tonnes CO ₂ e	1,774,722	209	28
Category 1: Purchased goods and services	tonnes CO ₂ e	45,288	-	-
Category 2: Capital goods (including construction materials)	tonnes CO ₂ e	418,653	-	-
Category 3: Fuel- and energy-related activities	tonnes CO ₂ e	10,555	-	-
Category 4: Upstream transportation and distribution (including construction materials)	tonnes CO ₂ e	39,733	-	-
Category 5: Waste generated in operations	tonnes CO ₂ e	84,549	-	-
Category 6: Business travel	tonnes CO ₂ e	494 ⁴	209 ⁴	28
Category 7: Employee commuting	tonnes CO ₂ e	44,778	-	-
Category 11: Use of sold products	tonnes CO ₂ e	793,540	-	-
Category 12: End-of-life treatment of sold products	tonnes CO ₂ e	3,499	-	-
Category 13: Downstream leased assets	tonnes CO ₂ e	333,633	-	-
GHG emission intensity (scope 1&2) – market-based				
Head office	tonnes CO ₂ e/m ²	0.070	0.070	0.074
Construction	tonnes CO ₂ e/m ²	0.013	0.009	0.010
Property management	tonnes CO ₂ e/m ²	0.040	0.042	0.044
Hotels	tonnes CO ₂ e/room night	0.027	0.034	0.033

	Unit	2023/24 ¹	2022/23 ²	2021/22 ³
Non-hazardous waste disposal within the Group				
General waste	tonnes	123,485	102,188	110,634
Construction and demolition waste	tonnes	90,021 ⁵	151,099	55,273
Non-hazardous waste recycled within the Group				
Paper	kg	2,750,417	2,453,599	1,806,345
Plastic	kg	172,984 ⁶	96,141	123,800
Metal	kg	1,531,448 ⁶	3,440,402	35,388
Used cooking oil	kg	112,442	130,706 ⁷	124,045 ⁷
Food waste	kg	479,874 ⁶	380,187	302,365
Glass	kg	68,149	79,038	67,905
Construction and demolition waste	tonnes	190,641 ⁵	946,626	407,069
Hazardous waste collected and recycled within the Group⁸				
Total hazardous wastes collected and recycled within the group	kg	27,239⁹	13,908⁷	11,591
Batteries	kg	609 ⁹	159	-
Chemicals	kg	300 ¹⁰	80	-
Electronic and electrical waste	kg	11,924 ⁹	7,512	-
Fluorescent lamp	kg	12,745 ⁹	4,387	-
Toner Cartridge	kg	1,661	1,770 ⁷	-
Energy generation within the Group				
Total renewable energy generated and exported – Solar¹¹	kWh	465,690	405,893	303,329
Energy consumption within the Group				
Total energy consumption	Gigajoules (GJ)	2,465,021	2,531,698	2,440,866
Head office	GJ	10,606	10,498	11,280
Construction	GJ	287,996	266,191	186,546
Property management	GJ	1,913,991	1,984,178	1,970,486
Hotels	GJ	252,428	270,831	272,554

1 Environmental data of 2023/24 includes head office, 18 construction sites, 87 buildings from property management, and 5 Royal brand hotels.

2 Environmental data of 2022/23 includes head office, 19 construction sites, 87 buildings from property management, and 5 Royal brand hotels.

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

4 The increase in 2022/23 and 2023/24 scope 3 category 6 (business travel) emissions was due to the resumption of business trips after COVID-19.

5 Data variance is due to a decreasing number of construction sites and the stage of construction, resulting in the significant decrease in construction and demolition waste disposed and recycled, metal recycled and steel used.

6 The significant increase in non-hazardous waste recycled in 2023/24 was due to more managed properties participating in community recycling programmes and pilot recycling schemes organized by the government. More recycling facilities have been installed.

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

8 Since in 2022/23, we enhanced our data collection and were able to disclose the data breakdown for hazardous waste collected and recycled. Hazardous waste is collected by licensed waste collectors.

9 The significant increase in hazardous waste collected and recycled in 2023/24 was due to the extensive implementation of waste recycling initiatives in our managed properties.

10 The replacement of old chiller plants in 2023/24 resulted in an increase in the amount of chemicals recycled.

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

	Unit	2023/24 ¹	2022/23 ²	2021/22 ³
Energy intensity				
Head office	GJ/m ²	0.48	0.47	0.51
Construction	GJ/m ²	0.16	0.11	0.11
Property management	GJ/m ²	0.39	0.40	0.42
Hotels	GJ/room night	0.26	0.33	0.33
Electricity consumption				
	GJ	1,720,431	1,747,690	1,748,473
	kWh	477,897,476	485,469,570	485,686,943
Head office	GJ	6,970	6,824	6,527
	kWh	1,936,204	1,895,588	1,813,068
Construction	GJ	87,194	75,408	58,560
	kWh	24,220,443	20,946,736	16,266,802
Property management ¹²	GJ	1,417,498	1,440,930	1,455,475
	kWh	393,749,543	400,258,401	404,298,543
Hotels	GJ	208,769	224,528	227,911
	kWh	57,991,286	62,368,845	63,308,530
Gas consumption				
Head office	GJ	534,755	585,669	554,909
Head office	GJ	208	245	277
Construction ¹³	GJ	-	-	-
Property management	GJ	491,680	539,743	511,098
Hotels	GJ	42,867	45,681	43,534
Fuel consumption				
Head office	GJ	209,835	198,339	137,485
Head office	GJ	3,427	3,429	4,476
Construction	GJ	200,803	190,783	127,986
Property management	GJ	4,813	3,505	3,913
Hotels	GJ	792	622	1,110
Diesel consumption				
Head office	L	5,699,970	5,368,377	3,653,137
Head office	L	2,910	3,512	5,647
Construction	L	5,570,143	5,279,475	3,538,318
Property management	L	117,098	78,925	102,502
Hotels	L	9,819 ¹⁴	6,465	6,670

	Unit	2023/24 ¹	2022/23 ²	2021/22 ³
Petrol consumption				
Petrol consumption	L	161,468	171,111	194,781
Head office	L	95,271	94,639	122,362
Construction	L	54,033	65,262	47,783
Property management	L	218 ¹⁵	437	- ¹⁶
Hotels	L	11,946	10,773	24,636
Water consumption within the Group				
Total water consumption				
Total water consumption	m ³	3,213,323	2,797,352 ⁷	2,727,755
Head office	m ³	6,961	5,409	5,524
Construction	m ³	1,064,431 ¹⁷	638,115	562,790
Property management	m ³	1,615,757 ¹⁸	1,612,076 ⁷	1,634,629
Hotels	m ³	526,174	541,752 ⁷	524,813
Water intensity				
Head office	m ³ /m ²	0.31	0.24	0.25
Construction	m ³ /m ²	0.58 ¹⁷	0.26	0.34
Property management	m ³ /m ²	0.33 ¹⁸	0.33	0.33
Hotels	m ³ /room night	0.55	0.66 ⁷	0.64
Major construction materials used				
Concrete	m ³	544,807	663,575	569,964
Bricks	piece	2,805,835	3,112,985	1,521,856
Steel	tonnes	96,238 ⁵	199,711	120,471

¹² The data refers to electricity consumption of common area and air conditioning system in office buildings, shopping malls and residential properties.

¹³ Gas consumption by construction sites was not significant.

¹⁴ The increase in diesel consumption by hotels in 2023/24 was due to the introduction of new delivery services by one of our managed hotels.

¹⁵ The decrease in petrol consumption by property management in 2023/24 was due to reduced residential transportation services for our managed properties.

¹⁶ Petrol consumption by property management operation was not significant.

¹⁷ The increases in water consumption and water intensity by construction in 2023/24 were due to the change in construction stage between 2022/23 and 2023/24.

¹⁸ Water consumption data of 3 managed properties remains unavailable from the Water Services Department at the time of the Report publication, thus the respective water consumption is estimated. The data shall be updated in the next Sustainability Report.

Scope 3 GHG Emissions Methodology

We refer to the Greenhouse Gas Protocol (GHG Protocol) for scope 3 emissions calculation.

Scope 3 Category	Applicability to SHKP	Definition (and Exclusion)	Source of Emission Factor
1	Yes	Extraction, production and transportation of goods and services purchased and acquired that are not included in categories 2 to 8.	<ul style="list-style-type: none"> Hong Kong Water Supplies Department (WSD) Annual Report Supply Chain Greenhouse Gas Emission Factors published by United States Environmental Protection Agency (USEPA)
2	Yes	Extraction, production, and transportation of capital goods purchased or acquired by the company in the reporting year. Extraction, production, and transportation of construction materials purchased or acquired by the company in the reporting year.	<ul style="list-style-type: none"> Construction Industry Council (CIC) Carbon Assessment Tool (CAT) Supply Chain Greenhouse Gas Emission Factors published by USEPA
3	Yes	Emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.	<ul style="list-style-type: none"> CLP Group Sustainability Report HK Electric Investments Sustainability Report Towngas ESG Report UK Government GHG Conversion Factors for Company Reporting published by UK Department for Environment, Food and Rural Affairs (DEFRA)
4	Yes	Transportation and distribution of products purchased in the reporting year, between a SHKP's suppliers and SHKP's own operations in vehicles not owned or operated by the reporting company.	<ul style="list-style-type: none"> GWP from IPCC AR6 Inter-airport distance from US Bureau of Transportation Statistics Other transport routing from EcoTransit World USEPA Emission Factors for Greenhouse Gas Inventories
5	Yes	Emissions from waste treatment (e.g. disposal in landfill, incineration, composting, recovery for recycling, waste-to-energy, wastewater treatment, etc.) in facilities owned or operated by third parties.	<ul style="list-style-type: none"> Hong Kong Drainage Services Department (DSD) Sustainability Report UK Government GHG Conversion Factors for Company Reporting published by UK DEFRA USEPA Emission Factors for Greenhouse Gas Inventories
6	Yes	Emissions from transportation of employees for business-related activities in vehicles owned or operated by third parties.	<ul style="list-style-type: none"> International Civil Aviation Organization (ICAO) Carbon Emissions Calculator
7	Yes	Emissions from transportation of employees between their homes and their worksites.	<ul style="list-style-type: none"> GHG Protocol Scope 3 Evaluator
8	No	Operation of assets leased by the SHKP (as lessee) in the reporting year has been covered in scope 2, thus is excluded in this scope 3 category to avoid double counting.	N/A
9	No	SHKP does not involve the distribution of raw materials or finished products to end customers. This category is irrelevant to SHKP, thus is excluded.	N/A
10	No	There is no further processing of sold products by SHKP. This category is irrelevant to SHKP, thus is excluded.	N/A
11	Yes	Emissions from the use of properties sold by SHKP in the reporting year.	<ul style="list-style-type: none"> CLP Group Sustainability Report EMSD Energy Utilisation Index-Residential Sector HK Electric Investments Sustainability Report
12	Yes	Emissions from demolition and waste disposal of the properties sold by SHKP in the reporting year at the end of their life.	<ul style="list-style-type: none"> WBCSD report "Net-zero buildings - Where do we stand?" - end-of-life embodied carbon (Modules C1-C4 as in BS EN 15978)
13	Yes	Operation of assets managed by Hong Yip and Kai Shing management companies and leased to other entities in the reporting year, not included in scope 1 and scope 2.	<ul style="list-style-type: none"> CLP Group Sustainability Report EMSD Energy Utilisation Index-Commercial Sector HK Electric Investments Sustainability Report
14	No	SHKP does not own any franchises business. This category is irrelevant to SHKP thus is excluded.	N/A
15	No	The low level of investment activity does not significantly contribute to SHKP's overall GHG emissions, thus is excluded.	N/A

Social Performance - Operations in Hong Kong

	Unit	2023/24		2022/23		2021/22	
		Permanent	Contract	Permanent	Contract	Permanent	Contract
Employment practice							
Total workforce¹		31,064		31,014		27,370	
Full-time workforce by employment contract²		23,087	3,253	23,422	3,003	24,335	3,035
Head office	no. of people	1,698	25	1,696	29	1,656	23
Construction	no. of people	3,318	105	3,537	104	3,328	97
Property management	no. of people	16,752	3,002	16,698	2,749	17,786	2,814
Hotels	no. of people	1,319	121	1,491	121	1,565	101
		Male	Female	Male	Female	Male	Female
Full-time workforce by gender		14,483	11,857	14,749	11,676	15,068	12,302
Head office	no. of people	840	883	841	884	843	836
Construction	no. of people	2,510	913	2,693	948	2,547	878
Property management	no. of people	10,306	9,448	10,250	9,197	10,707	9,893
Hotels	no. of people	827	613	965	647	971	695
Full-time workforce by age group							
Head office							
Under 30	no. of people		201		226		223
30 - 50	no. of people		956		943		913
Above 50	no. of people		566		556		543
Construction							
Under 30	no. of people		464		561		511
30 - 50	no. of people		1,607		1,665		1,597
Above 50	no. of people		1,352		1,415		1,317
Property management							
Under 30	no. of people		1,398		1,417		1,592
30 - 50	no. of people		5,094		5,127		5,324
Above 50	no. of people		13,262		12,903		13,684
Hotels							
Under 30	no. of people		345		373		389
30 - 50	no. of people		790		774		826
Above 50	no. of people		305		465		451
Full-time workforce by employee category							
Managerial	no. of people		1,505		1,448		1,399
Officer-grade	no. of people		3,159		3,171		2,936
Operational	no. of people		18,203		18,434		19,628
Supporting	no. of people		3,473		3,372		3,407
Full-time workforce by nationality³							
Head office							
Chinese	no. of people		1,665		1,667		-
North, Central, and South America	no. of people		19		19		-
Australian and New Zealander	no. of people		14		14		-
European	no. of people		18		20		-
Other Asian countries	no. of people		7		5		-
African	no. of people		0		0		-

	Unit	2023/24		2022/23		2021/22	
		Male	Female	Male	Female	Male	Female
Construction							
Chinese	no. of people		3,400		3,612		-
North, Central, and South America	no. of people		0		0		-
Australian and New Zealander	no. of people		0		0		-
European	no. of people		0		0		-
Other Asian countries	no. of people		23		29		-
African	no. of people		0		0		-
Property management							
Chinese	no. of people		18,805		18,475		-
North, Central, and South America	no. of people		7		5		-
Australian and New Zealander	no. of people		3		5		-
European	no. of people		359		390		-
Other Asian countries	no. of people		576		567		-
African	no. of people		4		5		-
Hotels							
Chinese	no. of people		1,413		1,583		-
North, Central, and South America	no. of people		0		0		-
Australian and New Zealander	no. of people		0		0		-
European	no. of people		2		4		-
Other Asian countries	no. of people		25		25		-
African	no. of people		0		0		-
Part-time workforce by gender							
Head office	no. of people	0	0	0	0	-	-
Construction	no. of people	1	4	1	4	-	-
Property management	no. of people	1,824	2,895	1,761	2,823	-	-
Hotels	no. of people	0	0	0	0	-	-
Total new hire	no. of people	8,808		10,215		11,187	
New hire⁴ by gender (number and rate⁵)							
Head office	no. of people	81	140	125	204	149	198
	%	9.6	15.9	14.9	23.1	17.7	23.7
Construction ⁶	no. of people	296	197	664	383	785	363
	%	11.8	21.6	24.7	40.4	30.8	41.3
Property management	no. of people	3,767	3,932	4,226	4,082	4,305	4,784
	%	36.6	41.6	41.2	44.4	40.2	48.4
Hotels	no. of people	221	174	313	218	340	263
	%	26.7	28.4	32.4	33.7	35.0	37.8
New hire by age group (number and rate⁷)							
Head office							
Under 30	no. of people		80		125		143
	%		39.8		55.3		64.1

1 We expanded our data collection and began to collect part-time employee data since 2022/23.

2 Seasonal employment does not cause significant variations to the total workforce.

3 North, Central and South America include American and Canadian, Panamanian and Honduran, etc. European includes British, German, Portuguese and Hellenic, etc. Other Asian countries include Indonesian, Japanese, Pakistani, Nepalese, Malaysian, Taiwanese, Filipino, Thai, Vietnamese and Singaporean, etc. In 2023/24, we did not have any employees from other nationalities.

4 The internal transfer rate in 2023/24 is 8%, which is calculated by the number of internal transfer over the total new hire and internal transfer.

5 New hire rate refers to total number of full-time new hire of the gender group per the total number of full-time employees of the corresponding gender group.

6 The decline in the number of new hires within our construction business was due to our new hiring strategy to address the challenges posed by the current economic and construction landscape.

7 New hire rate refers to total number of full-time new hire of the age group per the total number of full-time employees of the corresponding age group.

	Unit	2023/24	2022/23	2021/22
30 - 50	no. of people	132	192	187
	%	13.8	20.4	20.5
Above 50	no. of people	9	12	17
	%	1.6	2.2	3.1
Construction⁶				
Under 30	no. of people	97	275	282
	%	20.9	49.0	55.2
30 - 50	no. of people	188	431	505
	%	11.7	25.9	31.6
Above 50	no. of people	208	341	361
	%	15.4	24.1	27.4
Property management				
Under 30	no. of people	975	1,022	1,459
	%	69.7	72.1	91.6
30 - 50	no. of people	1,846	2,067	1,837
	%	36.2	40.3	34.5
Above 50	no. of people	4,878	5,219	5,793
	%	36.8	40.4	42.3
Hotels				
Under 30	no. of people	99	133	197
	%	28.7	35.7	50.6
30 - 50	no. of people	189	239	276
	%	23.9	30.9	33.4
Above 50	no. of people	107	159	130
	%	35.1	34.2	28.8
New hire by employee category (number and rate⁹)				
Managerial	no. of people	116	170	-
	%	7.7	11.7	-
Officer-grade	no. of people	718	883	-
	%	22.7	27.8	-
Operational	no. of people	6,832	7,804	-
	%	37.5	42.3	-
Supporting	no. of people	1,142	1,358	-
	%	32.9	40.3	-
New hire by nationality⁹ (number and rate¹⁰)				
Head office				
Chinese	no. of people	216	325	-
	%	13.0	19.5	-
North, Central, and South America	no. of people	1	1	-
	%	5.3	5.3	-
Australian and New Zealander	no. of people	1	1	-
	%	7.1	7.1	-
European	no. of people	0	1	-
	%	0	5.0	-
Other Asian countries	no. of people	3	1	-
	%	42.9	20.0	-
African	no. of people	0	0	-
	%	0	0	-

	Unit	2023/24	2022/23	2021/22			
Construction⁶							
Chinese	no. of people	488	1,037	-			
	%	14.4	28.7	-			
North, Central, and South America	no. of people	0	0	-			
	%	0	0	-			
Australian and New Zealander	no. of people	0	0	-			
	%	0	0	-			
European	no. of people	0	0	-			
	%	0	0	-			
Other Asian countries	no. of people	5	10	-			
	%	21.7	34.5	-			
African	no. of people	0	0	-			
	%	0	0	-			
Property management							
Chinese	no. of people	7,364	7,880	-			
	%	39.2	42.7	-			
North, Central, and South America	no. of people	3	1	-			
	%	42.9	20.0	-			
Australian and New Zealander	no. of people	0	1	-			
	%	0	20.0	-			
European	no. of people	9	22	-			
	%	2.5	5.6	-			
Other Asian countries	no. of people	322	400	-			
	%	55.9	70.5	-			
African	no. of people	1	4	-			
	%	25.0	80.0	-			
Hotels							
Chinese	no. of people	377	527	-			
	%	26.7	33.3	-			
North, Central, and South America	no. of people	0	0	-			
	%	0	0	-			
Australian and New Zealander	no. of people	0	0	-			
	%	0	0	-			
European	no. of people	2	0	-			
	%	100	0	-			
Other Asian countries	no. of people	16	4	-			
	%	64.0	16.0	-			
African	no. of people	0	0	-			
	%	0	0	-			
Total employee turnover	no. of people	4,867	6,515	5,603			
Employee turnover¹¹ by gender (number and rate¹²)							
Head office	no. of people	58	120	95	142	127	155
	%	6.9	13.6	11.3	16.1	15.1	18.5
Construction	no. of people	229	80	296	146	350	117
	%	9.1	8.8	11.0	15.4	13.7	13.3
Property management	no. of people	1,926	1,974	2,425	2,816	2,044	2,155
	%	18.7	20.9	23.7	30.6	19.1	21.8
Hotels	no. of people	313	167	343	252	367	288
	%	37.8	27.2	35.5	38.9	37.8	41.4

8 New hire rate refers to total number of full-time new hire of the employee category per the total number of full-time employees of the corresponding employee category.

9 In 2023/24, there were no new recruits from nationalities excluded in the table.

10 New hire rate refers to total number of full-time new hire of the nationality per the total number of full-time employees of the corresponding nationality.

11 The definition of employee turnover follows respective industry standards according to business nature. For our hotel business, turnover is defined as employees who leave the company voluntarily or due to retirement, dismissal or other reasons. For our head office, construction and property management business, voluntary turnover is included in the calculation. The total voluntary employee turnover rate in 2023/24 is 17.8% and that in 2022/23 is revised to 24.2%.

12 Turnover rate refers to the total number of full-time employee turnover of the gender group per the total number of full-time employees of the corresponding gender group.

	Unit	2023/24	2022/23	2021/22
Employee turnover¹¹ by age group (number and rate¹³)				
Head office				
Under 30	no. of people	46	68	95
	%	22.9	30.1	42.6
30 - 50	no. of people	115	146	171
	%	12.0	15.5	18.7
Above 50	no. of people	17	23	16
	%	3.0	4.1	2.9
Construction				
Under 30	no. of people	83	99	121
	%	17.9	17.6	23.7
30 - 50	no. of people	141	221	232
	%	8.8	13.3	14.5
Above 50	no. of people	85	122	114
	%	6.3	8.6	8.7
Property management				
Under 30	no. of people	484	639	701
	%	34.6	45.1	44.0
30 - 50	no. of people	1,045	1,276	1,238
	%	20.5	24.9	23.3
Above 50	no. of people	2,371	3,326	2,260
	%	17.9	25.8	16.5
Hotels				
Under 30	no. of people	100	115	182
	%	29.0	30.8	46.8
30 - 50	no. of people	244	302	318
	%	30.9	39.0	38.5
Above 50	no. of people	136	178	155
	%	44.6	38.3	34.4
Employee turnover¹¹ by employee category (number and rate¹⁴)				
Managerial	no. of people	109	153	183
	%	7.2	10.6	13.1
Officer-grade	no. of people	617	678	718
	%	19.5	21.4	24.5
Operational	no. of people	3,512	4,925	3,881
	%	19.3	26.7	19.8
Supporting	no. of people	629	759	821
	%	18.1	22.5	24.1
Employee turnover¹¹ by nationality¹⁵ (number and rate¹⁶)				
Head office				
Chinese	no. of people	173	231	-
	%	10.4	13.9	-
North, Central, and South America	no. of people	0	1	-
	%	0	5.3	-
Australian and New Zealander	no. of people	2	0	-
	%	14.3	0	-
European	no. of people	2	0	-
	%	11.1	0	-

	Unit	2023/24	2022/23	2021/22
Other Asian countries	no. of people	1	5	-
	%	14.3	100	-
African	no. of people	0	0	-
	%	0	0	-
Construction				
Chinese	no. of people	308	437	-
	%	9.1	12.1	-
North, Central, and South America	no. of people	0	0	-
	%	0	0	-
Australian and New Zealander	no. of people	0	0	-
	%	0	0	-
European	no. of people	0	0	-
	%	0	0	-
Other Asian countries	no. of people	1	5	-
	%	4.3	17.2	-
African	no. of people	0	0	-
	%	0	0	-
Property management				
Chinese	no. of people	3,681	4,935	-
	%	19.6	26.7	-
North, Central, and South America	no. of people	1	2	-
	%	14.3	40.0	-
Australian and New Zealander	no. of people	0	0	-
	%	0	0	-
European	no. of people	18	27	-
	%	5.0	6.9	-
Other Asian countries	no. of people	199	277	-
	%	34.5	48.9	-
African	no. of people	1	0	-
	%	25.0	0	-
Hotels				
Chinese	no. of people	470	594	-
	%	33.3	37.5	-
North, Central, and South America	no. of people	0	0	-
	%	0	0	-
Australian and New Zealander	no. of people	0	0	-
	%	0	0	-
European	no. of people	1	0	-
	%	50.0	0	-
Other Asian countries	no. of people	9	1	-
	%	36.0	4.0	-
African	no. of people	0	0	-
	%	0	0	-
Regular performance review¹⁷				
Full-time employees receiving performance reviews	no. of people	25,303	25,260	26,197
	%	96.1	95.6	95.7

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

14 Turnover rate refers to total number of full-time employee turnover of the employee category per the total number of full-time employees of the corresponding employee category.

15 In 2023/24, there were no employees from nationalities excluded in the table left the company.

16 Turnover rate refers to total number of full-time employee turnover of the nationality per the total number of full-time employees of the corresponding nationality.

17 The performance review is complemented by open feedback channels, such as one to one conversations between employees and supervisors, to allow employees to express opinions and give recommendations. Approaches of management by objectives and team-based performance appraisal are usually adopted. Multidimensional appraisal process is adopted in our property management subsidiary to ensure a more accurate and holistic evaluation of performance, helping them better understanding on their strengths and areas for improvement. On-going performance review will take place and performance appraisals will be conducted at least once a year where applicable.

	Unit	2023/24		2022/23		2021/22	
Regular performance review by gender (number and rate ¹⁸)		Male	Female	Male	Female	Male	Female
Head office	no. of people	840	883	841	884	-	-
	%	100	100	100	100	-	-
Construction	no. of people	1,994	392	2,077	399	-	-
	%	79.4	42.9	77.1	42.1	-	-
Property management	no. of people	10,306	9,448	10,250	9,197	-	-
	%	100	100	100	100	-	-
Hotels	no. of people	827	613	965	647	-	-
	%	100	100	100	100	-	-

Regular performance review by employee category (number and rate¹⁹)

Managerial	no. of people	1,505	1,448	-	-
	%	100	100	-	-
Officer-grade	no. of people	3,159	3,171	-	-
	%	100	100	-	-
Operational	no. of people	17,166	17,269	-	-
	%	94.3	93.7	-	-
Supporting	no. of people	3,473	3,372	-	-
	%	100	100	-	-

Gender pay ratio (female to male)

Mean base salary for total workforce	ratio	1:1.32	1:1.17	1:1.14
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Mean base salary by employee level

Executive	ratio	1:1.53	1:1.08	1:1.13
Management	ratio	1:1.06	1:1.17	1:1.13
Non-management	ratio	1:1.22	1:1.34	1:1.21

Occupational health and safety

Total number of work-related fatalities	no. of people	0	0	0
Work-related fatalities rate	per 1,000 workers	0	0	0
Lost time injury frequency rate - employees	no. of lost time injury (N) per million hours worked	6.33	5.40	6.22
Lost time injury frequency rate - contractors	N per million hours worked	4.03	4.21	3.38

		Male	Female	Male	Female	Male	Female
Injury rate ²⁰	per 1,000 workers	20.3	26.6	16.88	22.01	21.04	27.39
Lost days ²¹	days	9,513	16,935	11,921	17,088	15,714	23,825
Lost day rate ²²	%		0.17		0.18		0.26
Absentee rate ²³	%		1.09		1.35		1.25

	Unit	2023/24		2022/23		2021/22	
High-consequence work-related injury (exclude fatality)	no. of cases	50 ²⁴	36 ²⁴	63	11	-	-
Work-related ill health	no. of cases		36 ²⁵		30 ²⁶	-	-
Fatalities as a result of work-related ill health	no. of cases		0		0	-	-

Parental leave

		Male	Female	Male	Female	Male	Female
Number of employees who took parental leave	no. of people	88	69	65	114	-	-
Number of employees who returned to work after parental leave	no. of people	87	66	63	102	-	-
Return to work rate ²⁷	%	98.9	95.7	96.9	89.5	-	-
Number of employees who returned to work after taking parental leave in the prior reporting year	no. of people	88	58	118	75	-	-
Number of employees still employed for 12 months after returning to work	no. of people	77	38	102	55	-	-
Retention rate ²⁸	%	87.5	65.5	86.4	73.3	-	-

Development and training

		Male	Female	Male	Female	Male	Female
Average training hours per employee by gender and employee category							
Managerial	hours	16.5	21.8	14.8	17.3	16.4	17.1
Office-grade	hours	38.4	51.1	29.0	55.9	21.8	29.3
Operational	hours	6.0	12.9	9.0	5.2	6.0	3.3
Supporting	hours	11.1	6.0	9.0	17.5	7.5	9.5
Total/ Average training hours for health and safety at construction sites	hours	595,410		601,772		434,990	
	hours per employee	22.6		22.8		15.9	

Anti-corruption²⁹ and anti-competition

Reported case of corrupt practices	no. of cases		0		0		0
Reported case of anti-competitive behaviour	no. of cases		0		0		0

18 Performance review rate refers to total number of full-time employees receiving performance review of the gender group per the total number of full-time employees of the corresponding gender group.

19 Performance review rate refers to total number of full-time employees receiving performance review of the employee category per the total number of full-time employees of the corresponding employee category.

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

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

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

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

24 The major causes of injury are falls, slips, sprains, strains, bruises, lacerations and contusions. Following the incidents, the injured employees received necessary medical care. To prevent future recurrences, we implemented follow-up actions, such as equipment inspections, health and safety education, and documentation on equipment usage.

25 The major causes of work-related ill health are contusion, bruise, sprain and strain.

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

27 Return to work rate refers to the total number of employees that did return to work after parental leave per the total number of employees due to return to work after taking parental leave.

28 Retention rate refers to the total number of employees retained 12 months after returning to work following a period of parental leave per the total number of employees returning from parental leave in the prior reporting period.

29 23,311 of our full-time employees attended internal and external anti-corruption training in 2023/24, totalling 6,592 training hours.

Environmental Performance - Operations on the Mainland

	Unit	2023/24 ¹	2022/23 ²	2021/22 ³
Greenhouse gas (GHG) emissions within the Group				
Direct GHG emissions (scope 1)	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	3,140	3,770 ⁴	4,451
Indirect GHG emissions (scope 2) ⁵	tonnes CO ₂ e	54,061	57,840 ⁴	51,211
GHG emissions intensity (scope 1&2)				
Head office	tonnes CO ₂ e/m ²	0.02	0.02	0.10
Property management	tonnes CO ₂ e/m ²	0.09	0.10	0.10
Non-hazardous waste disposal within the Group				
General waste	tonnes	27,595 ⁶	18,427	14,552
Non-hazardous waste recycled within the Group				
Paper	kg	229,384	222,410	181,178
Plastic	kg	19,619	19,045	18,676
Metal	kg	4,175	5,095	755
Used cooking oil	kg	2	3 ⁴	- ⁴
Food waste	kg	5,716,752	4,991,165	4,854,133
Glass	kg	15,915	18,217	17,296
Hazardous waste collected and recycled within the Group⁷				
Total hazardous wastes collected and recycled within the group	kg	10,172	9,689	10,735
Batteries	kg	90 ⁸	- ⁹	-
Fluorescent lamp	kg	18	13	-
Toner Cartridge	kg	216 ¹⁰	77	-
Waste Oil	kg	9,848	9,600 ⁴	-
Energy consumption within the Group				
Total energy consumption	Gigajoules (GJ)	391,799	394,170 ⁴	346,129
Head office	GJ	57,247	58,343 ⁴	4,360
Property management	GJ	334,552	335,827 ⁴	341,769
Energy intensity				
Head office	GJ/m ²	0.14	0.15 ⁴	0.69
Property management	GJ/m ²	0.62	0.63	0.64
Electricity consumption	GJ	341,114	341,287	302,177
	kWh	94,753,996	94,801,872	83,938,062
Head office	GJ	42,421	41,160	3,295
	kWh	11,783,739	11,433,376	915,228
Property management ¹¹	GJ	298,693	300,127	298,882
	kWh	82,970,257	83,368,496	83,022,834

	Unit	2023/24 ¹	2022/23 ²	2021/22 ³
Centralized Heating	GJ	207	1,050 ⁴	1
	kWh	57,411	291,667 ⁴	272
Head office	GJ	207 ¹²	1,050 ⁴	1
	kWh	57,411 ¹²	291,667 ⁴	272
Property management ¹¹	GJ	- ⁹	- ⁹	- ⁹
	kWh	- ⁹	- ⁹	- ⁹
Natural Gas consumption	GJ	49,072	50,593 ⁴	42,848
Head office	GJ	13,241	14,908 ⁴	- ⁹
Property management	GJ	35,831	35,685 ⁴	42,848
Fuel consumption	GJ	1,406	1,240	1,103
Head office	GJ	1,378	1,224	1,064
Property management	GJ	28	15	39
Diesel consumption	L	1,908 ¹³	740	1,545
Head office	L	1,188	340	545
Property management	L	720	400	1,000
Petrol consumption	L	38,284	34,807	29,979
Head office	L	38,284	34,807	29,979
Property management	L	- ⁹	- ⁹	- ⁹
Water consumption within the Group				
Total water consumption	m ³	814,919	794,985 ⁴	272,212 ⁴
Head office	m ³	119,428 ¹⁴	80,704	9,016
Property management	m ³	695,491	714,281 ⁴	263,196 ⁴
Water intensity				
Head office	m ³ /m ²	0.30 ¹⁴	0.20	1.43
Property management	m ³ /m ²	1.30	1.33 ⁴	0.49 ⁴
Water recycled	m ³	1,450	1,600	1,000
Head office	m ³	- ⁹	- ⁹	- ⁹
Property management	m ³	1,450	1,600	1,000
Rain water recycled	m ³	122	125	50
Head office	m ³	- ⁹	- ⁹	- ⁹
Property management	m ³	122	125	50

- Environmental data of 2023/24 for the mainland covers our main operations in 9 offices in Beijing, Chengdu, China South and East and 2 key projects from property management - Shanghai IFC / Mall and Shanghai ICC / IAPM.
- Environmental data of 2022/23 for the mainland covers our main operations in 8 offices in Beijing, Chengdu, China South and East and 2 key projects from property management - Shanghai IFC / Mall and Shanghai ICC / IAPM.
- Environmental data of 2021/22 for the mainland covers our main operations in 7 offices in Beijing, Chengdu, China South and East and 2 key projects from property management - Shanghai IFC / Mall and Shanghai ICC / IAPM.
- The figure has been restated to reflect actual usage during the year.
- We use the latest emission factors to calculate our indirect GHG emissions (scope 2). The indirect GHG emissions (scope 2) here is location-based. Since the emissions factors for market-based regional grid are not up to date, we continued to use the national emission factor for electricity to calculate the indirect GHG emissions (scope 2) in mainland China.
- The increase in general waste was due to the resumption of business activities after COVID-19, resulting in an increasing number of visitors and, subsequently, increased waste disposal.
- Hazardous waste generated at our properties is collected by licensed waste collectors.
- The increase in batteries collected and recycled in 2023/24 was due to the upgrade of UPS batteries in Chengdu office.
- The data consumed or recycled was not significant.
- Toner cartridges collected and recycled increased in 2023/24 since we began collecting toner cartridges recycling data in Chengdu office this year.
- The data refers to electricity consumption and centralized heating of common area in office buildings, shopping malls and residential properties.
- The decrease in centralized heating in 2023/24 was due to the reduced demand for heating in Beijing office.
- The increase in diesel consumption in 2023/24 was due to the increased frequency of generators testing in shopping malls and managed properties.
- The increase in water consumption and its intensity in 2023/24 was due to the operation of a new office in Guangzhou and increased occupancy rate in a property in Chengdu.

Social Performance - Operations on the Mainland

		2023/24 ¹		2022/23 ¹		2021/22 ¹	
Employment practice		Permanent	Contract	Permanent	Contract	Permanent	Contract
Total workforce		4,123		4,116		3,829	
Total workforce by employment contract²		3,661	462	3,523	593	3,040	789
Head office	no. of people	855	462	727	588	414	789
Property management	no. of people	2,806	0	2,796	5	2,626	-
		Male	Female	Male	Female	Male	Female
Total workforce by gender		2,475	1,648	2,477	1,639	2,314	1,515
Head office	no. of people	653	664	670	645	600	603
Property management	no. of people	1,822	984	1,807	994	1,714	912
Total workforce by age group							
Head office							
Under 30	no. of people		132		164		150
30 - 50	no. of people		1,061		1,040		948
Above 50	no. of people		124		111		105
Property management							
Under 30	no. of people		723		797		744
30 - 50	no. of people		1,734		1,649		1,568
Above 50	no. of people		349		355		314
Total workforce by employee category							
Managerial	no. of people		486		470		407
Officer-grade ³	no. of people		1,052		1,031		
Operational ³	no. of people		2,218		2,178		3,422
Supporting ³	no. of people		367		437		
Total workforce by nationality⁴							
Head office							
Chinese	no. of people		1,316		1,314		-
Other Asian countries	no. of people		1		1		-
Property management							
Chinese	no. of people		2,805		2,801		-
Other Asian countries	no. of people		1		0		-
Total new hire	no. of people		578		832		812
New hire by gender (number and rate⁵)		Male	Female	Male	Female	Male	Female
Head office	no. of people	40	74	121	98	142	81
	%	6.1	11.1	18.1	15.2	23.7	13.4
Property management	no. of people	295	169	408	205	376	213
	%	16.2	17.2	22.6	20.6	21.9	23.4
New hire by age group (number and rate⁶)							
Head office							
Under 30	no. of people		31		69		66
	%		23.5		42.1		44.0
30 - 50	no. of people		76		139		150
	%		7.2		13.4		15.8
Above 50	no. of people		7		11		7
	%		5.6		9.9		6.7

		2023/24 ¹		2022/23 ¹		2021/22 ¹	
Property management							
Under 30	no. of people		228		315		289
	%		31.5		39.5		38.8
30 - 50	no. of people		213		269		276
	%		12.3		16.3		17.6
Above 50	no. of people		23		29		24
	%		6.6		8.2		7.6
New hire by employee category (number and rate⁷)							
Managerial	no. of people		34		51		62
	%		7.0		10.9		15.2
Officer-grade ³	no. of people		79		162		
	%		7.5		15.7		
Operational ³	no. of people		417		534		750
	%		18.8		24.5		(21.9)
Supporting ³	no. of people		48		85		
	%		13.1		19.5		
New hire by nationality⁸ (number and rate⁹)							
Head office							
Chinese	no. of people		114		219		-
	%		8.7		16.7		-
Other Asian countries	no. of people		0		0		-
	%		0		0		-
Property management							
Chinese	no. of people		464		613		-
	%		16.5		21.9		-
Other Asian countries	no. of people		0		0		-
	%		0		0		-
Total employee turnover	no. of people		532		659		571
Employee turnover¹⁰ by gender (number and rate¹¹)							
Head office	no. of people		31		39		29
	%		4.7		5.9		4.3
Property management	no. of people		287		175		383
	%		15.8		17.8		21.2
Employee turnover¹⁰ by age group (number and rate¹²)							
Head office							
Under 30	no. of people		21		30		17
	%		15.9		18.3		11.3
30 - 50	no. of people		43		40		51
	%		4.1		3.8		5.4
Above 50	no. of people		6		7		2
	%		4.8		6.3		1.9
Property management							
Under 30	no. of people		244		295		271
	%		33.7		37.0		36.4
30 - 50	no. of people		203		261		211
	%		11.7		15.8		13.5
Above 50	no. of people		15		26		19
	%		4.3		7.3		6.1

- Social data of 2023/24, 2022/23 and 2021/22 cover our main operations in offices in Beijing, Chengdu, China South and East and property management of Hong Yip and Kai Shing on the mainland. We will continue to enhance the disclosure in the future.
- Seasonal and part-time employment does not cause significant variations to the total workforce.
- Starting from 2022/23, we enhanced our data collection and were able to breakdown the data of non-managerial employee to various employee levels.
- We have also collected the breakdown of the total workforce from other nationalities (i.e., North, Central and South American, Australian and New Zealander, European, African, and Others). North, Central and South American include American and Canadian, Panamanian and Honduran, etc. European includes British, German, Portuguese and Hellenic, etc. Other Asian countries include Indonesian, Japanese, Pakistani, Nepalese, Malaysian, Taiwanese, Filipino, Thai, Vietnamese and Singaporean, etc. In 2022/23 and 2023/24, we did not have any employees from these nationalities.
- New hire rate refers to total number of new hire of the gender group per the total number of employees of the corresponding gender group.
- New hire rate refers to total number of new hire of the age group per the total number of employees of the corresponding age group.
- New hire rate refers to total number of new hire of the employee category per the total number of employees of the corresponding employee category.
- We have also collected the breakdown of new hires from other nationalities (i.e., North, Central and South America, Australian and New Zealander, European, African, and Others). In 2022/23 and 2023/24, there were no new recruits from these nationalities.
- New hire rate refers to total number of new hire of the nationality per the total number of employees of the corresponding nationality.
- The definition of employee turnover follows respective industry standards according to business nature. For our head office and property management business on the mainland, voluntary turnover is included in the calculation.
- Turnover rate refers to total number of employee turnover of the gender group per the total number of employees of the corresponding gender group.
- Turnover rate refers to total number of employee turnover of the age group per the total number of employees of the corresponding age group.

	Unit	2023/24 ¹	2022/23 ¹	2021/22 ¹			
Employee turnover¹⁰ by employee category (number and rate¹³)							
Managerial	no. of people	17	11	20			
	%	3.5	2.3	4.9			
Officer-grade ³	no. of people	41	53				
	%	3.9	5.1				
Operational ³	no. of people	438	532	551			
	%	19.7	24.4	(16.1)			
Supporting ³	no. of people	36	63				
	%	9.8	14.4				
Employee turnover¹⁰ by nationality¹⁴ (number and rate¹⁵)							
Head office							
Chinese	no. of people	70	77	-			
	%	5.3	5.9	-			
Other Asian countries	no. of people	0	0	-			
	%	0	0	-			
Property management							
Chinese	no. of people	462	582	-			
	%	16.5	20.8	-			
Other Asian countries	no. of people	0	0	-			
	%	0	0	-			
Regular performance review							
Employees receiving regular performance review	no. of people	4,096	4,069	-			
	%	99.3	98.9	-			
Regular performance review by gender (number and rate¹⁶)							
Head office	no. of people	644	651	656	627	-	-
	%	98.6	98.0	97.9	97.2	-	-
Property management	no. of people	1,821	980	1,799	987	-	-
	%	99.9	99.6	99.6	99.3	-	-
Regular performance review by employee category (number and rate¹⁷)							
Managerial	no. of people	482	468	-			
	%	99.2	99.6	-			
Officer-grade ³	no. of people	1,049	1,030	-			
	%	99.7	99.9	-			
Operational ³	no. of people	2,204	2,149	-			
	%	99.4	98.7	-			
Supporting ³	no. of people	361	422	-			
	%	98.4	96.6	-			
Occupational health and safety							
Total number of work-related fatalities	no. of people	0	0	0			
Work-related fatalities rate	per 1,000 workers	0	0	0			
Lost time injury frequency rate - employees	no. of lost time injury (N) per million hours worked	1.40	1.55	3.87			
		Male	Female	Male	Female	Male	Female
Injury rate ¹⁸	per 1,000 workers	3.64	2.43	2.83	1.83	3.46	1.32
Lost days ¹⁹	days	536	186	362	126	563	196
Lost day rate ²⁰	%	0.07		0.05		0.12	
Absentee rate ²¹	%	0.56		0.97		0.95	

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

14 We have also collected a breakdown of employee turnover from other nationalities (i.e., North, Central and South America, Australian and New Zealander, European, African, and Others). In 2022/23 and 2023/24, no employees from these nationalities left the company.

15 Turnover rate refers to total number of employee turnover of the nationality per the total number of employees of the corresponding nationality.

16 Performance review rate refers to total number of employee receiving performance review of the gender group per the total number of employees of the corresponding gender group.

17 Performance review rate refers to total number of employee receiving performance review of the employee category per the total number of employees of the corresponding employee category.

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

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

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

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

22 Return to work rate refers to the total number of employees that did return to work after parental leave per the total number of employees due to return to work after taking parental leave.

23 Retention rate refers to the total number of employees retained 12 months after returning to work following a period of parental leave per the total number of employees returning from parental leave in the prior reporting period.

24 The changes in average training hours in 2023/24 were mainly due to the reduction in specialized trainings and the increase in the provision of personal development trainings. In 2022/23, as the city recovered from the pandemic, we gradually resumed our training for employees, resulting in a significant increase in training data.

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

	Unit	2023/24 ¹	2022/23 ¹	2021/22 ¹			
High-consequence work-related injury (exclude fatality)	no. of cases	0	2	-			
Work-related ill health	no. of cases	0	0	-			
Fatalities as a result of work-related ill health	no. of cases	0	0	-			
		Male	Female	Male	Female	Male	Female
Parental leave							
Number of employees who took parental leave	no. of people	55	60	-	-	-	-
Number of employees who returned to work after parental leave	no. of people	55	47	-	-	-	-
Return to work rate ²²	%	100	78.3	-	-	-	-
Number of employee who returned to work after taking parental leave in the prior reporting year	no. of people	67	65	-	-	-	-
Number of employee still employed for 12 months after returning to work	no. of people	55	53	-	-	-	-
Retention rate ²³	%	82.1	81.5	-	-	-	-
		Male	Female	Male	Female	Male	Female
Development and training							
Average training hours²⁴ per employee by gender and employee category							
Managerial	hours	7.6	15.9	12.8	14.7	5.9	8.8
Officer-grade ³	hours	7.7	13.1	8.2	12.4	8.7	11.2
Operational ³	hours	20.7	22.1	17.7	19.3		
Supporting ³	hours	27.0	11.6	15.8	9.8		
Total / Average training hours for health and safety ²⁵	hours	8,013		10,223		2,219	
	hours per employee	1.9		2.5		0.6	
Anti-corruption and anti-competition							
Reported case of corrupt practices	no. of cases	0		0		0	
Reported case of anti-competitive behaviour	no. of cases	0		0		0	

Appendix IV – HKEx ESG Reporting Guide Index

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Environmental			
Aspect A1: Emissions			
General disclosure		Value Created for the Environment (16-45)	There was no material non-compliance regarding the emissions of greenhouse gas, water and waste during the reporting period. Relevant sustainability policies are available on our website .
KPI A1.1	The types of emissions and respective emissions data	N/A	Air emissions are not material to our operations.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Appendix III - Performance Tables (101-110)	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Appendix III - Performance Tables (101-110)	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Value Created for the Environment (16-45); Appendix III - Performance Tables (101-110)	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Value Created for the Environment (16-45)	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Value Created for the Environment (16-45)	Hazardous waste generation and handling are not material to our operations.
Aspect A2: Use of Resources			
General disclosure		Value Created for the Environment (16-45); Value Created for Supply Chain (70-82)	Relevant sustainability policies are available on our website .
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity	Appendix III - Performance Tables (101-110)	
KPI A2.2	Water consumption in total and intensity	Appendix III - Performance Tables (101-110)	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Value Created for the Environment (16-45)	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Value Created for the Environment (16-45)	We do not encounter any problems in sourcing water for our daily operations, hence is not material to the Group.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A	The use of packaging material for finished products is not applicable to the Group's business.

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Aspect A3: The Environment and Natural Resources			
General disclosure		Value Created for the Environment (16-45); Value Created for Supply Chain (70-82)	Relevant sustainability policies are available on our website .
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Value Created for the Environment (16-45); Value Created for Supply Chain (70-82)	
Aspect A4: Climate Change			
General disclosure		Value Created for the Environment (16-45)	Relevant sustainability policies are available on our website .
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Value Created for the Environment (16-45)	
Social			
Employment and Labour Practices			
Aspect B1: Employment			
General disclosure		Value Created for People (46-55)	Please refer to the Corporate Governance Report (pp.112-130) and Directors' Report (pp.131-144) of our Annual Report 2023/24 for details. There was no material non-compliance regarding employment and labour practices during the reporting period.
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Appendix III - Performance Tables (101-110)	Within our operations, seasonal employment does not cause significant variations in the total workforce. Hong Kong and the mainland are the locations of operations covered in this report.
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Appendix III - Performance Tables (101-110)	Hong Kong and the mainland are the locations of operations covered in this report.
Aspect B2: Health and Safety			
General disclosure		Value Created for People (46-55)	There was no material non-compliance regarding occupational health and safety during the reporting period.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Value Created for People (46-55); Appendix III - Performance Tables (101-110)	
KPI B2.2	Lost days due to work injury	Appendix III - Performance Tables (101-110)	

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Value Created for People (46-55)	
Aspect B3: Development and Training			
General disclosure		Value Created for People (46-55)	
KPI B3.1	The percentage of employees trained by gender and employee category	Value Created for People (46-55); Appendix III - Performance Tables (101-110)	All of our employees received regular training relevant to their job nature. We report the average training hours as required by KPI B3.2 in the relevant chapters, which demonstrates our effort in talent development.
KPI B3.2	The average training hours completed per employee by gender and employee category	Appendix III - Performance Tables (101-110)	
Aspect B4: Labour Standards			
General disclosure		Value Created for People (46-55)	Child and forced labour issues are not material to the Group's operations. There were no non-compliance incidents regarding child and forced labour during the reporting period.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	N/A	See remarks for Aspect B4 General disclosure.
KPI B4.2	Description of steps taken to eliminate such practices when discovered	N/A	See remarks for Aspect B4 General disclosure.
Operating Practices			
Aspect B5: Supply Chain Management			
General disclosure		Value Created for Supply Chain (70-82)	
KPI B5.1	Number of suppliers by geographical region	Value Created for Supply Chain (70-82)	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Value Created for Supply Chain (70-82)	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Value Created for Supply Chain (70-82)	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Value Created for Supply Chain (70-82)	

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Aspect B6: Product Responsibility			
General disclosure		Value Created for Customers (56-69)	There was no material non-compliance regarding product responsibility during the reporting period. Labelling is not relevant to SHKP business.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	There were no recalls concerning the provision and use of the Group's products and services that have a significant impact on our operations.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Value Created for Customers (56-69)	There were no substantiated complaints received during the reporting period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	N/A	Intellectual property rights are not material to our operations.
KPI B6.4	Description of quality assurance process and recall procedures	Value Created for Customers (56-69)	Recall procedures are non-material to the Group's operations.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Value Created for Customers (56-69)	
Aspect B7: Anti-corruption			
General disclosure		Value Created for Supply Chain (70-82)	There was no non-compliance with anti-corruption practice in the reporting period.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Appendix III - Performance Tables (101-110)	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Value Created for People (46-55); Value Created for Supply Chain (70-82)	
KPI B7.3	Description of anti-corruption training provided to directors and staff	Value Created for Supply Chain (70-82)	
Community			
Aspect B8: Community Investment			
General disclosure		Value Created for Community (83-95)	
KPI B8.1	Focus areas of contribution	Value Created for Community (83-95)	
KPI B8.2	Resources contributed to the focus area	Value Created for Community (83-95)	

Appendix V – GRI Content Index

Statement of use	Sun Hung Kai Properties Limited has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024
GRI 1 used	GRI 1: Foundation 2021

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 2: General Disclosure 2021				

The Organization and Its Reporting Practices

2-1	Organizational details		Our Reporting Approach (1); Our Business (3-4)	Our headquarters is located in Hong Kong and we operate in Hong Kong, mainland and Singapore.
2-2	Entities included in the organization's sustainability reporting		Our Reporting Approach (1)	Our principal subsidiaries are listed on pp.220-225 of our Annual Report 2023/24 .
2-3	Reporting period, frequency and contact point		Our Reporting Approach (1)	
2-4	Restatements of information		Appendix III - Performance Tables (101-110)	
2-5	External assurance		Our Reporting Approach (1); Appendix VIII - Independent Assurance Opinion Statement (124-125)	

Activities and Workers

2-6	Activities, value chain and other business relationships		Our Business (3-4); Value Created for Customer (56-69); Value Created for Supply Chain (70-82)	There is no significant change in the value chain and business relationship.
2-7	Employees	Principle 6	Our Reporting Approach (1); Appendix III - Performance Tables (101-110)	As at 30 June 2024, the Group employed more than 40,000 employees. We do not employ non-guaranteed hours employees. The data disclosed for social performance in Appedix III covers our full-time and part-time employees. Seasonal employment does not cause significant variations in the total workforce.
2-8	Workers who are not employees	Principle 6	Our Reporting Approach (1); Appendix III - Performance Tables (101-110)	Seasonal employment does not cause significant variations in the total workforce. Hong Kong and the mainland are the locations of operations covered in this report. The information of workers who are not employees is not available for the reporting year.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
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Governance

2-9	Governance structure and composition	Principle 10	Our Approach to Sustainability (5-15)	More details can be found on Directors' Biographical Information (pp.145-155) and Corporate Governance Report (pp.112-130) of our Annual Report 2023/24 and our website - Directors and Board Committees .
2-10	Nomination and selection of the highest governance body	Principle 10	Our Approach to Sustainability (5-15)	More details can be found in the Corporate Governance Report (pp.112-130) of our Annual Report 2023/24.
2-11	Chair of the highest governance body		Our Approach to Sustainability (5-15)	More details can be found in the Corporate Governance Report (pp.112-130) of our Annual Report 2023/24.
2-12	Role of the highest governance body in overseeing the management of impacts		Our Approach to Sustainability (5-15); Appendix II - Stakeholder Engagement Process and Double Materiality Analysis Methodology (99-100)	The Board meets at least once annually to review sustainability-related issues.
2-13	Delegation of responsibility for managing impacts		Our Approach to Sustainability (5-15)	
2-14	Role of the highest governance body in sustainability reporting		Our Approach to Sustainability (5-15)	The Board, via the Executive Committee, is also responsible for the Group's Sustainability Report approval and endorsement.
2-15	Conflicts of interest	Principle 10	Our Approach to Sustainability (5-15)	More details can be found in the Corporate Governance Report (pp.112-130) of our Annual Report 2023/24.
2-16	Communication of critical concerns		Our Approach to Sustainability (5-15); Value Created for Supply Chain (70-82)	The Audit and Risk Management Committee reports to the Board on all critical concerns. There were no critical concerns communicated in the Sustainability Steering Committee.
2-17	Collective knowledge of the highest governance body		Our Approach to Sustainability (5-15); Value Created for People (46-55)	We circulate our Sustainability Report and ESG news regularly to strengthen the collective knowledge of the Board and conduct internal reviews on ESG issues.
2-18	Evaluation of the performance of the highest governance body		Our Approach to Sustainability (5-15)	More details can be found in the Directors' Report (pp.131-144) of our Annual Report 2023/24.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
2-19	Remuneration policies		N/A	The remuneration policy for the Board is treated as confidential. More details on remuneration can be found in the Independent Auditor's Report and Consolidated Financial Statements (pp.157-228) of our Annual Report 2023/24.
2-20	Process to determine remuneration		N/A	More details on remuneration can be found in the Corporate Governance Report (pp.112-130) of our Annual Report 2023/24.
2-21	Annual total compensation ratio		N/A	The information is treated as confidential.
Strategy, Policies and Practices				
2-22	Statement on sustainable development strategy		Message from the Sustainability Steering Committee (2)	
2-23	Policy commitments		Our Reporting Approach (1); Our Business (3-4); Our Approach to Sustainability (5-15); Value Created for People (46-55)	There is no intergovernmental instrument in our policy commitment. Our Sustainability Policies are listed on our website . Currently, Human Rights and Equal Opportunities Policy and Whistleblowing Policy are treated as internal documents.
2-24	Embedding policy commitments		Our Approach to Sustainability (5-15); See Strategies and Management section in each chapter for details.	
2-25	Processes to remediate negative impacts		See Strategies and Management section in each chapter for details.	
2-26	Mechanisms for seeking advice and raising concerns	Principle 1, 2, 3	Value Created for People (46-55); Value Created for Supply Chain (70-82)	
2-27	Compliance with laws and regulations	Principle 10	Our Approach to Sustainability (5-15)	We see compliance as a minimum requirement and require all employees and suppliers to comply with all applicable laws and regulations. There was no non-compliance with laws and regulations in the social and economic areas in Hong Kong during the reporting period.
2-28	Membership associations		Appendix I - Awards, Memberships and Charters (96-98)	

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
Stakeholder Engagement				
2-29	Approach to stakeholder engagement		Our Approach to Sustainability (5-15); Appendix II - Stakeholder Engagement Process and Double Materiality Analysis Methodology (99-100)	Our stakeholder identification and selection process adheres to the principles of stakeholder inclusivity, materiality, responsiveness and impact of the latest AA1000 AccountAbility Principles (2018) and the GRI Standards 2021. We conduct a new materiality assessment employing the principle of 'double materiality'. This principle is advocated by GRI and other international standards, including the European Sustainability Reporting Standards (ESRS) as required under the Corporate Sustainability Reporting Directive (CSRD).
2-30	Collective bargaining agreements	Principle 3	N/A	There are no formal collective bargaining agreements in place within SHKP. Yet, our employees can enjoy the freedom to take part in trade unions and collective bargaining if they wish.
GRI 3: Material Topics 2021				
Disclosures on Material Topics				
3-1	Process to determine material topics		Our Approach to Sustainability (5-15); Appendix II - Stakeholder Engagement Process and Double Materiality Analysis Methodology (99-100)	
3-2	List of material topics		Our Approach to Sustainability (5-15)	Please refer to the Double Materiality Matrix (pp.11) for details.
3-3	Management of material topics		Our Approach to Sustainability (5-15); Appendix II - Stakeholder Engagement Process and Double Materiality Analysis Methodology (99-100); See Strategies and Management section in each chapter for details.	More details of our economic impacts can be found on pp. 96-101 of our Annual Report 2023/24 .
Economic Topics				
GRI 201: Economic Performance (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Business (3-4)	More details can be found in the Review of Operations (pp.26-95) of our Annual Report 2023/24.
201-1	Direct economic value generated and distributed		Our Business (3-4)	More details can be found in the Review of Operations (pp.26-95) of our Annual Report 2023/24.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
201-2	Financial implications and other risks and opportunities due to climate change		Value Created for the Environment (16-45)	
GRI 203: Indirect Economic Impacts (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Supply Chain (70-82); Value Created for Community (83-95)	Indirect economic impacts include jobs supported in the supply chain and community initiatives.
203-1	Infrastructure investments and services supported		Value Created for Supply Chain (70-82); Value Created for Community (83-95)	We work closely with government and local communities when developing properties and must take into consideration the impact of our developments on local traffic conditions and other infrastructure. While our investments are commercial, we go beyond regulatory requirements to build high-quality properties.
GRI 204: Procurement Practices (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Supply Chain (70-82)	
204-1	Proportion of spending on local suppliers		Value Created for Supply Chain (70-82)	Local suppliers are defined as suppliers in Hong Kong.
GRI 205: Anti-corruption (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 10	Value Created for People (46-55); Value Created for Supply Chain (70-82)	We circulate our Sustainability Report to inform our stakeholders on anti-corruption issues.
205-2	Communication and training about anti-corruption policies and procedures	Principle 10	Value Created for People (46-55); Value Created for Supply Chain (70-82)	All directors received additional anti-corruption training material and 23,311 (89%) of our full-time employees received anti-corruption training during the reporting period.
205-3	Confirmed incidents of corruption and actions taken	Principle 10	Appendix III - Performance Tables (101-110)	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
GRI 206: Anti-competitive Behaviour (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Supply Chain (70-82); Appendix III - Performance Tables (101-110)	We circulate our Sustainability Report to inform our stakeholders on anti-competitive behaviour issues.
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		N/A	There were no legal proceedings involving anti-competitive behaviour, or involving anti-trust and monopoly practices in Hong Kong during the reporting period.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
Environmental Topics				
GRI 301: Materials (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (16-45); Appendix III - Performance Tables (101-110)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
301-1	Materials used by weight on volume		Appendix III - Performance Tables (101-110)	The major materials we use are for construction-related activities. Although timber is not a key material, in general, most of the timber we use comes from sources that are certified as sustainable. Use of packaging material for finished products is not considered material to the Group's operations.
GRI 302: Energy (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (16-45); Appendix III - Performance Tables (101-110)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
302-1	Energy consumption within organization		Our Reporting Approach (1); Appendix III - Performance Tables (101-110)	
302-3	Energy intensity		Appendix III - Performance Tables (101-110)	
302-4	Reduction of energy consumption		Our Reporting Approach (1); Value Created for the Environment (16-45)	
GRI 303: Water and Effluents (2018)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7	Value Created for the Environment (16-45); Appendix III - Performance Tables (101-110)	More details can be found in our Environmental Policy.
303-1	Interactions with water as a shared resource		Value Created for the Environment (16-45)	Most of our businesses are not water-intensive. Municipal water is the only source for entities covered in this report. All water discharged from our operations was transported to the local municipal wastewater systems.
303-2	Management of water discharge-related impacts		Value Created for the Environment (16-45)	See remarks for 303-1 above.
303-3	Water withdrawal		Value Created for the Environment (16-45); Appendix III - Performance Tables (101-110)	
303-5	Water consumption		Appendix III - Performance Tables (101-110)	See remarks for 303-1 above.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 304: Biodiversity (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8	Value Created for the Environment (16-45)	We strictly comply with all the legal requirements during development and performed all the necessary biodiversity assessment as required by the government. During the reporting year, we did not identify any significant biodiversity-related risks in our operations.
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Value Created for the Environment (16-45)	
304-2	Significant impacts of activities, products and services on biodiversity		Value Created for the Environment (16-45)	
304-3	Habitats protected or restored		Value Created for the Environment (16-45)	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Value Created for the Environment (16-45)	One incense tree – classified as 'vulnerable' by the IUCN – was conserved and incorporated into the planning and landscape design of the St Michel project.
GRI 305: Emissions (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (16-45)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
305-1	Direct (Scope 1) GHG emissions		Appendix III - Performance Tables (101-110)	Direct emissions include fuel, diesel, petrol, natural gas and refrigerant. The methodology for estimating greenhouse gas emissions comes from the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong – 2010 edition and Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises (Trial). We also measure our greenhouse gas emissions with reference to the Greenhouse Gas Protocol.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
305-2	Energy indirect (Scope 2) GHG emissions		Appendix III - Performance Tables (101-110)	See remarks for 305-1 above. Indirect emissions include purchased electricity and town gas. For indirect GHG emissions (Scope 2) – market-based, the emission factors for purchased electricity are illustrated by referring to the information released by CLP and HEC in 2023, and that for purchased Towngas is adopted from Towngas in 2023. As for indirect GHG emissions (Scope 2) – location-based, the emission factors for purchased electricity referenced the territory-wide default value from HKEx's "Appendix 2: Reporting Guidance on Environmental KPIs". The emission factors for purchased heating on the mainland refer to Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises (Trial).
305-3	Other indirect (Scope 3) GHG emissions		Value Created for the Environment (16-45); Appendix III - Performance Tables (101-110)	We measure our greenhouse gas emissions with reference to the Greenhouse Gas Protocol.
305-4	GHG emissions intensity		Appendix III - Performance Tables (101-110)	
305-5	Reduction of GHG emissions		Appendix III - Performance Tables (101-110)	
GRI 306: Waste (2020)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 7,8,9	Value Created for the Environment (16-45); Value Created for Supply Chain (70-82)	We circulate our Sustainability Report to inform our stakeholders on environmental issues.
306-1	Waste generation and significant waste-related impacts		Value Created for the Environment (16-45)	The Group generated no significant hazardous waste during the reporting period.
306-2	Management of significant waste-related impacts		Value Created for the Environment (16-45)	See remarks for 306-1 above.
306-3	Waste generated		Appendix III - Performance Tables (101-110)	See remarks for 306-1 above.
306-4	Waste diverted from disposal		Appendix III - Performance Tables (101-110)	
306-5	Waste directed to disposal		Appendix III - Performance Tables (101-110)	General waste are sent to landfill while construction and demolition waste are sent to public fill, sorting facilities or landfill. Hazardous waste are collected and recycled by licensed collectors.

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 307: Environmental Compliance (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-15)	We circulate our Sustainability Report to inform our stakeholders of environmental issues.
307-1	Non-compliance with environmental laws and regulations		Our Approach to Sustainability (5-15)	There was no material non-compliance with relevant environmental laws and regulations during the reporting period.
GRI 308: Supplier Environmental Assessment (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-15)	We circulate our Sustainability Report to inform our stakeholders of environmental issues.
308-1	New suppliers that were screened using environmental criteria		Value Created for Supply Chain (70-82)	During the reporting year, 31% of our total procurement took environmental considerations into account. We are collecting such data for new suppliers and will disclose once the data is available.
Social Topics				
GRI 401: Employment (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (46-55)	
401-1	New employee hires and employee turnover		Appendix III - Performance Tables (101-110)	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Value Created for People (46-55)	The information is not available for the reporting year.
401-3	Parental leave		Value Created for People (46-55); Appendix III - Performance Tables (101-110)	
GRI 403: Occupational Health and Safety (2018)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 1,2	Value Created for People (46-55); Value Created for Supply Chain (70-82); Appendix III - Performance Tables (101-110)	
403-1	Occupational health and safety management system		Value Created for People (46-55); Value Created for Supply Chain (70-82)	
403-2	Hazard identification, risk assessment, and incident investigation		Value Created for People (46-55); Value Created for Supply Chain (70-82)	

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
403-3	Occupational health services		Value Created for People (46-55); Value Created for Supply Chain (70-82)	
403-4	Worker participation, consultation, and communication on occupational health and safety		Value Created for People (46-55); Value Created for Supply Chain (70-82)	
403-5	Worker training on occupational health and safety		Value Created for People (46-55); Value Created for Supply Chain (70-82); Appendix III - Performance Tables (101-110)	
403-6	Promotion of worker health		Value Created for People (46-55); Value Created for Supply Chain (70-82)	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Value Created for People (46-55); Value Created for Supply Chain (70-82)	
403-8	Workers covered by an occupational health and safety management system		Value Created for People (46-55); Value Created for Supply Chain (70-82)	
403-9	Work-related injuries		Appendix III - Performance Tables (101-110)	
403-10	Work-related ill health		Appendix III - Performance Tables (101-110)	
GRI 404: Training and Education (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (46-55)	
404-1	Average hours of training per year per employee		Appendix III - Performance Tables (101-110)	
404-3	Percentage of employees receiving regular performance and career development reviews		Appendix III - Performance Tables (101-110)	
GRI 405: Diversity and Equal Opportunity (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (46-55)	

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GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
405-1	Diversity of governance bodies and employees		Appendix III - Performance Tables (101-110)	See Directors' Biographical Information chapter on pp.145-155 of our Annual Report 2023/24 for details of the diversity information of our Board of Directors.
GRI 406: Non-discrimination (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 6	Value Created for People (46-55)	
406-1	Incidents of discrimination and corrective actions taken		Value Created for People (46-55)	There were no non-compliance incidents in the reporting period.
GRI 408: Child Labour (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 5	Value Created for People (46-55); Value Created for Supply Chain (70-82)	
408-1	Operations and suppliers at significant risk for incidents of child labour		Value Created for People (46-55); Value Created for Supply Chain (70-82)	During the reporting year, there were no incidents of child or forced labour in our operations and suppliers.
GRI 409: Forced or Compulsory Labour (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 4	Value Created for People (46-55); Value Created for Supply Chain (70-82)	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		Value Created for People (46-55); Value Created for Supply Chain (70-82)	During the reporting year, there were no significant risks for incidents of forced or compulsory labour in our operations and suppliers.
GRI 413: Local Communities (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics	Principle 1,8	Value Created for Community (83-95)	
413-1	Operations with local community engagement, impact assessments, and development programmes	Principle 1	Value Created for Community (83-95)	All our community investments and engagements are managed at Group level.
GRI 414: Supplier Social Assessment (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-15); Value Created for Supply Chain (70-82)	
414-1	New suppliers that were screened using social criteria		Value Created for Supply Chain (70-82)	

GRI Standards Indicator	Details	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
GRI 416: Customer Health and Safety (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Customers (56-69)	
416-1	Assessment of the health and safety impacts of product and service categories		Value Created for the Environment (16-45); Value Created for Customers (56-69)	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		N/A	There were no non-compliance incidents in the reporting period.
GRI 418: Customer Privacy (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Value Created for Customers (56-69)	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		N/A	There were no substantiated complaints regarding breaches of customer privacy or loss of customer data during the reporting period.
GRI 419: Socioeconomic Compliance (2016)				
GRI 3: Material Topics 2021	3-3 Management of material topics		Our Approach to Sustainability (5-15)	
419-1	Non-compliance with laws and regulations in the social and economic area		Our Approach to Sustainability (5-15)	We see compliance as a minimum requirement and require all employees and suppliers to comply with all applicable laws and regulations. There was no non-compliance with laws and regulations in the social and economic areas in Hong Kong during the reporting period.

GRI Standards Indicator	Other Material Topics Identified	UNGC's Ten Principles	Reference (Page number)	Remarks/Omission
N/A	Risk Management		Our Approach to Sustainability (5-15)	
N/A	Innovation		Value Created for the Environment (16-45); Value Created for People (46-55); Value Created for Customers (56-69); Value Created for Supply Chain (70-82); Value Created for Community (83-95)	
N/A	Sustainable Finance		Our Approach to Sustainability (5-15)	
N/A	Sustainable Buildings		Value Created for the Environment (16-45); Value Created for Customers (56-69)	
N/A	Social Integration and Accessibility		Value Created for Customers (56-69); Value Created for Community (83-95)	

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Appendix VI – IFRS S2 Climate-related Disclosures Content Index

Paragraph	Description	Reference (Page number) and Remarks
Governance		
5	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	
6	To achieve this objective, an entity shall disclose information about: <ul style="list-style-type: none"> (a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: <ul style="list-style-type: none"> (i) how responsibilities for climate-related risks and opportunities are reflected in terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: <ul style="list-style-type: none"> (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. 	Environmental Policy Our Approach to Sustainability (5-15) Value Created for the Environment (16-45) Value Created for People (46-55) Appendix V – GRI Content Index (113-118)
Strategy		
8	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.	
9	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand: <ul style="list-style-type: none"> (a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects; (b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain; (c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan; (d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning; and 	Please see the reference for paragraph 10. Please see the reference for paragraph 13. Please see the reference for paragraph 14. Please see the reference for paragraphs 15-16.

Paragraph	Description	Reference (Page number) and Remarks
9	(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	Please see the reference for paragraph 22.
Climate-related Risks and Opportunities		
10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects; (b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons short, medium and long term - the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making. 	Value Created for the Environment (16-45) Value Created for the Environment (16-45) Value Created for the Environment (16-45) Value Created for the Environment (16-45)
Business Model and Value Chain		
13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and (b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated. 	Value Created for the Environment (16-45)
Strategy and Decision-making		
14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose: <ul style="list-style-type: none"> (a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: <ul style="list-style-type: none"> (i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated direct mitigation and adaptation efforts; (iii) current and anticipated indirect mitigation and adaptation efforts; (iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and (v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets. (b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a); and (c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a). 	Climate Change Policy SHKP's Decarbonization Strategy Value Created for the Environment (16-45) Value Created for the Environment (16-45) Value Created for the Environment (16-45)

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Paragraph	Description	Reference (Page number) and Remarks
Financial Position, Financial Performance and Cash Flows		
15	An entity shall disclose information that enables users of general purpose financial reports to understand:	
	(a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	Please see the reference for paragraph 16.
	(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Please see the reference for paragraph 16.
16	Specifically, an entity shall disclose quantitative and qualitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Value Created for the Environment (16-45)
	(b) the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	
	(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: <ul style="list-style-type: none"> (i) its investment and disposal plans, including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy; and 	
	(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
Climate Resilience		
22	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:	
	(a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: <ul style="list-style-type: none"> (i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience; (iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: <ul style="list-style-type: none"> (1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and 	Value Created for the Environment (16-45)

Paragraph	Description	Reference (Page number) and Remarks
22	(b) how and when the climate-related scenario analysis was carried out, including: <ul style="list-style-type: none"> (i) information about the inputs the entity used, including: <ul style="list-style-type: none"> (1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis; and (ii) the key assumptions the entity made in the analysis, including assumptions about: <ul style="list-style-type: none"> (1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) national- or regional-level variables; (4) energy usage and mix; and (5) developments in technology; and (iii) the reporting period in which the climate-related scenario analysis was carried out. 	Our Reporting Approach (1) Value Created for the Environment (16-45)
Risk Management		
24	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritize and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	
25	To achieve this objective an entity shall disclose information about:	
	(a) the processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the entity uses; (ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those; (iv) whether and how the entity prioritizes climate-related risks relative to other types of risk; (v) how the entity monitors climate-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period; 	Climate Change Policy Environmental Policy Value Created for the Environment (16-45) Please refer to the Corporate Governance Report section of our Annual Report 2023/24.
	(b) the processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	Value Created for the Environment (16-45)
	(c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Value Created for the Environment (16-45)
Metrics and Targets		
27	The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	

Paragraph	Description	Reference (Page number) and Remarks
28	To achieve this objective, an entity shall disclose:	
	(a) information relevant to the cross-industry metric categories;	Please see the reference for paragraph 29.
	(b) industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry; and	Please see the reference for paragraph 32.
	(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	Please see the reference for paragraphs 33-36.
Climate-related Metrics		
29	An entity shall disclose information relevant to the cross-industry metric categories of:	
	(a) greenhouse gases - the entity shall: <ul style="list-style-type: none"> (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, classified as: <ul style="list-style-type: none"> (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions; (ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions; 	Appendix III - Performance Tables (101-110) Appendix V - GRI Content Index (113-118)
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; 	Our Reporting Approach (1) Appendix III - Performance Tables (101-110) Appendix V - GRI Content Index (113-118)
	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between: <ul style="list-style-type: none"> (1) the consolidated accounting group; and (2) other investees excluded from paragraph 29(a)(iv)(1); 	Appendix III - Performance Tables (101-110)
	(v) for Scope 2 greenhouse gas emissions disclosed from paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	Appendix III - Performance Tables (101-110)
	(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), disclose: <ul style="list-style-type: none"> (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and (2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance; 	Appendix III - Performance Tables (101-110)
	(b) climate-related transition risks - the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	Our current study covers selected assets and businesses, we will explore the feasibility of expanding the scope in the future.

Paragraph	Description	Reference (Page number) and Remarks
29	(c) climate-related physical risks - the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	Our current study covers selected assets and businesses, we will explore the feasibility of expanding the scope in the future.
	(d) climate-related opportunities - the amount and percentage of assets or business activities aligned with climate-related opportunities;	Value Created for the Environment (16-45)
	(e) capital deployment - the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	Value Created for the Environment (16-45)
	(f) internal carbon prices - the entity shall disclose: <ul style="list-style-type: none"> (i) an explanation of whether and how the entity is applying a carbon price in decision-making; and (ii) the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions; 	Internal carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.
	(g) remuneration - the entity shall disclose: <ul style="list-style-type: none"> (i) a description of whether and how climate-related considerations are factored into executive remuneration; and (ii) the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations. 	We will explore the feasibility of enhancing our remuneration policies by incorporating climate-related metrics into executive remuneration.
32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2.	Appendix VII - SASB Content Index (123)
Climate-related Targets		
33	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	
	(a) the metric used to set the target;	Value Created for the Environment (16-45)
	(b) the objective of the target;	Value Created for the Environment (16-45)
	(c) the part of the entity to which the target applies;	Value Created for the Environment (16-45)
	(d) the period over which the target applies;	Value Created for the Environment (16-45)
	(e) the base period from which progress is measured;	Value Created for the Environment (16-45)
	(f) any milestones and interim targets;	Value Created for the Environment (16-45)
	(g) if the target is quantitative, whether it is an absolute target or an intensity target; and	Value Created for the Environment (16-45)
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Value Created for the Environment (16-45)

Paragraph	Description	Reference (Page number) and Remarks
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Value Created for the Environment (16-45)
	(b) the entity's processes for reviewing the target;	We have set 10-year targets on GHG emissions and energy consumption for our properties. Having already met our FY2029/30 GHG emissions target, we have set a new goal for the future. As we move forward, we will explore the feasibility of having our targets validated by a third party.
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Value Created for the Environment (16-45)

Paragraph	Description	Reference (Page number) and Remarks
36	For each greenhouse gas emissions target disclosed, an entity shall disclose:	
	(a) which greenhouse gases are covered by the target;	Value Created for the Environment (16-45)
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Value Created for the Environment (16-45)
	(c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target;	Value Created for the Environment (16-45) Our target is a gross GHG target.
	(d) whether the target was derived using a sectoral decarbonization approach; and	Value Created for the Environment (16-45)
	(e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including:	We will explore the feasibility of purchasing carbon credits to offset GHG emissions in our operations.
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;		
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and		
(iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use.		

Appendix VII – SASB Content Index

Starting this year, SHKP will disclose with reference to the SASB Standards for its operations in Hong Kong to fulfil the industry-based disclosure requirements from the IFRS Sustainability Disclosure Standards.

SASB Code	Accounting metric	Reference (Page number)	Additional information and remarks
Energy Management			
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sector	Our Reporting Approach (1)	Head Office: 100% Construction: 100% Property Management: 100% for properties owned and those with operational control in the reporting scope Hotels: 100%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property sector	Appendix III – Performance Tables (101-110)	
	Total energy consumed by percentage grid electricity, by property sector	Appendix III – Performance Tables (101-110)	Head Office: 65.7% Construction: 30.3% Property Management: 74.1% Hotels: 82.7%
	Total energy consumed by percentage renewable, by property sector	Appendix III – Performance Tables (101-110)	Majority of the renewable energy generated by the Group was exported to the Government's Feed-in Tariff Scheme and was not consumed by us.
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Appendix III – Performance Tables (101-110)	Head Office: 1.0% Construction: 8.2% Property Management: -3.5% Hotels: -6.8%
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property sector	Value Created for the Environment (16-45)	Percentage of eligible portfolio that received Energywise Certificate from the Hong Kong Green Organization Certification (HKGOC): Head Office: 0% Construction: 61.3% Property Management: 69.5% Hotels: 63.5%
	Percentage of eligible portfolio that is certified to ENERGY STAR®, by property sector	Sustainable Building Policy Value Created for the Environment (16-45)	Not applicable to Hong Kong
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Environmental Policy Sustainable Building Policy Value Created for the Environment (16-45)	
Water Management			
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property sector	Our Reporting Approach (1)	Head Office: 100% Construction: 100% Property Management: 100% for properties owned and those with operational control in the reporting scope Hotels: 100%
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property sector	Value Created for the Environment (16-45)	According to the WRI's Aqueeduct Water Risk Atlas tool, none of our operations in Hong Kong are in regions with high or extremely high baseline water stress.
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property sector	Value Created for the Environment (16-45)	Total water withdrawal is same as total water consumption for our operations in Hong Kong and on the mainland.
	Total water withdrawn by percentage in regions with High or Extremely High Baseline Water Stress, by property sector	Value Created for the Environment (16-45)	According to the WRI's Aqueeduct Water Risk Atlas tool, none of our operations in Hong Kong are in regions with high or extremely high baseline water stress.
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for the portfolio area with data coverage, by property sector	Appendix III – Performance Tables (101-110)	Head Office: 28.7% Construction: 66.8% Property Management: 0.2% Hotels: -2.9%
Management of Tenant Sustainability Impacts			
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements, by property sector		At present, our lease agreement does not cover any cost recovery clauses for resource efficiency related capital improvements.
	Associated leased floor area of new leases that contain a cost recovery clause for resource efficiency related capital improvements, by property sector		
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property sector	Value Created for the Environment (16-45)	We are in the process of installing more submeters in our properties to monitor and track tenants' electricity consumption.
	Percentage of tenants that are separately metered or submetered for water withdrawals, by property sector	Value Created for the Environment (16-45)	We are in the process of installing more submeters in our properties to monitor and track tenants' water consumption.
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Environmental Policy Sustainable Building Policy Value Created for the Environment (16-45)	
Climate Change Adaptation			
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	Value Created for the Environment (16-45)	'100-year flood zones' is a definition specific to the United States and is unavailable in both Hong Kong and the mainland.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Value Created for the Environment (16-45)	
Activity Metrics			
IF-RE-000.A	Number of assets, by property sector	Appendix III – Performance Tables (101-110)	Total number of assets in our reporting scope: Head Office: 1 Construction: 18 Property Management: 87 Hotels: 5
IF-RE-000.B	Leasable floor area, by property sector		We are in the process of collecting and consolidating the leasable floor area of our property management and will disclose such data when it is available
IF-RE-000.C	Percentage of indirectly managed assets, by property sector		Total leasable floor area in our reporting scope: Head Office: N/A Construction: N/A Property Management: N/A. Our properties within the SR scope all fall under managed assets. Hotels: N/A
IF-RE-000.D	Average occupancy rate, by property sector		Our average occupancy rate is listed on pp.46-97 of our Annual Report 2023/24 .

Appendix VIII – Independent Assurance Opinion Statement

Sun Hung Kai Properties Limited Sustainability Report 2023/24

The British Standards Institution is independent to Sun Hung Kai Properties Limited (hereafter referred to as “SHKP” in this statement) and has no financial interest in the operation of SHKP other than for the assessment and assurance of SHKP Sustainability Report 2023/24 (“Report”).

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

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

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

Scope

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

1. The assurance covers all information and data presented in the Report, and focuses on systems and activities of SHKP and its wholly-owned subsidiaries (“the Group”) in Hong Kong, including property management, construction and hotel businesses during the period from 1st July 2023 to 30th June 2024. The Report is prepared in accordance with the Hong Kong Stock Exchange’s (“HKEx”) Environmental, Social and Governance Reporting Guide (“ESG Guide”) and the GRI Sustainability Reporting Standards (“GRI Standards”), and with reference to the ten principles of the United Nations Global Compact (“UNGC”).
2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 (“AA1000AS v3”) evaluates the nature and extent of SHKP’s adherence to four reporting principles, which include Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the Report has been evaluated.

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

Opinion Statement

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

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

Methodology

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

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

Conclusions

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

Inclusivity

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

social media, employee engagement activities, interviews, intranet, meetings, performance review, Quality-Raising Suggestion Scheme, SHKP Quality Academy, staff surveys, training, Work Safety Suggestion Scheme, analyst briefings and annual general meetings, annual and interim reports, investor forums and conferences, investor meetings and conference calls, investor relations page on SHKP's website, overseas roadshows, press conferences, community programmes run by the SHKP Reading Club, SHKP Hong Kong Cyclothon, SHKP Building Homes with Heart charity programmes by the SHKP Volunteer Team, visits to charities on programmes supported by Group donations, industry forums, audits and assessments, ongoing direct engagements, online tendering system, Sanfield vendor portal e-platform, supplier assessment, public consultation, real estate industry trade associations and advisory groups, and more.

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

Materiality

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

Responsiveness

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

Impact

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

HKEx ESG Guide Reporting

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

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

GRI Standards Reporting

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

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

Assurance Level

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

Responsibility

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

Competency and Independence

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

For and on behalf of BSI:



Mr. Michael Lam
Managing Director Assurance, APAC

28th August 2024

Verifier of the Report:



Mr. Aaron Chim
Lead Assuror





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Information for Shareholders

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

Stock Exchange: 16 (HKD counter) and 80016 (RMB counter)

Bloomberg: 16 HK Equity (HKD counter) and 80016 HK Equity (RMB counter)

Reuters: 0016.HK (HKD counter) and 80016.HK (RMB counter)

Trading Symbol for ADR: SUHJY

CUSIP: 86676H302

ISIN: HK0016000132

