



嘉里建設有限公司

KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 683)

CHARTING A COURSE OF CONSISTENT ACTION

SUSTAINABILITY
REPORT 2020

Kerry Properties' path towards sustainability is illuminated by consistent efforts, each achievement is another step bringing us closer to our ultimate goal. Through advocacy hand-in-hand with actions, we have successfully raised our stakeholders and employees' awareness on sustainability over the years, striving together in our shared vision.

To see the results of transformative change, we need only look to nature. Once little more than an open valley, Tai Lam Chung Reservoir (Thousand Island Lake) in Tuen Mun has evolved into a beautiful archipelago – echoing our Group's aspirations to effect positive outcomes over time.

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Climate Risk and Vulnerability Assessment for Kerry Properties




SUSTAINABILITY AT A GLANCE




ENVIRONMENTAL STEWARDSHIP




Energy intensity
↓**18.1%**
GJ/1,000 ft²
(against baseline year FY 2017)¹




Greenhouse gas ("GHG") intensity
↓**15.7%**
tonnes of CO₂e/ 1,000 ft²
(against baseline year FY 2017)²



Water intensity
↓**17.4%**
m³/ft²
(against baseline year FY 2017)




Waste intensity
↓**10.7%**
tonnes /1,000 ft²
(against baseline year FY 2017)




Sustainable buildings³
BEAM / BEAM Plus Gold or above: 8
LEED Gold or above: 21

RESET™ Air: 7
WELL: 2



Sustainable building certified area
16.5 million ft²



Percentage of investment properties completed Climate Risk and Vulnerability Assessment: 34%



PEOPLE HEALTH AND WELLNESS



Work-related injury rate⁴
7.11
per 1,000 employees



Average training hours⁵
14.1
hours per employee



COMMUNITY WELLNESS



Donation amount
Around
HK\$12 million



Charities supported⁶
103



Employees participation in community initiatives
6,000+



Small and medium enterprises ("SMEs") supported⁷
385



VALUE CHAIN



Overall customer satisfaction rate
99.2%



Number of suppliers engaged
Around
1,500

1. Intensity calculated per 1,000 ft² of gross floor area against baseline year of 2017.
 2. Calculation covers scope 1, 2 and 3 emissions from Hong Kong and the Mainland operations, excluding properties under development, and hotel properties, figures were adjusted with the latest emission factor of local utility companies in HK and regional grid in the Mainland.
 3. For BEAM, BEAM Plus, LEED and RESET™ Air certification, counting pre-certified and certified projects as at 31 Dec 2020, number excludes expired pre-certificates.
 4. Injury rate (per 1,000 employees) = total number of injuries / total workforce at the end of the reporting period x 1,000. Report injuries refer to work-related injuries happened to employee that resulted in incapacity for a period exceeding three days.
 5. Average training hours = total hours of training received by employees / total workforce at the end of the reporting period.
 6. Number of organisations that received our monetary donation or in-kind donation in Hong Kong and the Mainland.
 7. Number of SMEs supported by our night market initiatives.



SUSTAINABILITY AWARDS AND ACCREDITATIONS



GRESB (Global Real Estate Sustainability Benchmark)
4th place in Eastern Asia diversified listed business in 2020



Hang Seng Corporate Sustainability Index
Series Member 2020-2021

Hang Seng Corporate Sustainability Index
Member since 2017
ESG Rating: AA-

MSCI
ESG RATINGS



CCC B BB **BBB** A AA AAA

MSCI ESG Ratings
ESG Rating: BBB



Sustainalytics
ESG Risk Rating: 6th in the Real Estate Development Industry



CDP (Carbon Disclosure Project)
Member since 2020



Vigeo Eiris
Member since 2018



Greater Bay Area Business Sustainability Index 2019
粵港澳大灣區企業可持續發展指數2019

Greater Bay Area Business Sustainability Index 2019 (GBABSI)
Top 10 (Achiever)



ASTRID Awards 2021
Annual Reports – Specialised:
Sustainability Report (Grand and Gold Awards)



IR Magazine Awards – Greater China 2020
Best ESG Materiality Reporting (small to mid-cap)



Asia Sustainability Reporting Awards 2019
Asia's Best Stakeholder Reporting (Gold)
Asia's Best Materiality Reporting (Gold)

Remarks:

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ABOUT KPL

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

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

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

Presence in the Mainland and Hong Kong



1. The Group is a property investment, development and management company headquartered in Hong Kong.

2. As at 31 December 2020, the Group held a portfolio comprising properties under development, completed investment properties, hotel properties and properties held for sale, in the Mainland, Hong Kong, Macau and overseas.

Business Overview¹

The Group posted solid results from the sales of completed properties during the year ended 31 December 2020 (“reporting period”). The rental and hotel operations, founded on a growing asset base, also maintained a steady performance.

Our Property Portfolio Comprises

Properties held for sale

1.73 MILLION ft²

(gross floor area)

Properties under development

25.25 MILLION ft²

(gross floor area)



Completed investment properties

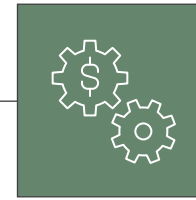
15.91 MILLION ft²

(gross floor area)

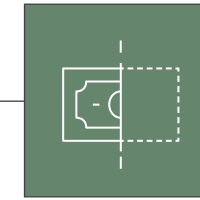
Hotel properties

4.67 MILLION ft² (gross floor area)

Key Financial Information



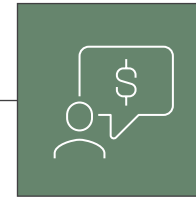
Revenue
HK\$ 14,526 MILLION



Cost of sales and direct expense
HK\$ 6,139 MILLION



Gross profit
HK\$ 8,387 MILLION



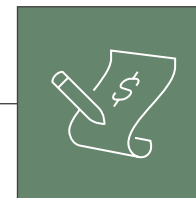
Dividend per share
HK\$ 1.35



Employee wages and benefits
HK\$ 1,415 MILLION



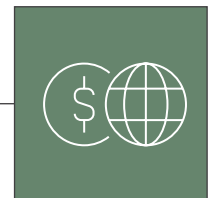
Payment to the Government (Taxation)
HK\$ 3,241 MILLION



Net borrowings
HK\$ 27,539 MILLION



Shareholders' equity
HK\$ 109,873 MILLION



Total capitalisation
HK\$ 28,606 MILLION

More details of KPL's financial performance and related information can be found on page 115 of our Annual Report 2020, which is available on KPL's and SEHK's websites.

1. This section includes the financial performance of the Company and its subsidiaries, associates and joint ventures beyond the scope of this Report. For the reporting scope, please refer to page 76.



BOARD STATEMENT ON SUSTAINABILITY MANAGEMENT

Dear Stakeholders,

The Board of Kerry Properties Limited (the “**Board**”) is pleased to present Kerry Properties Limited’s Sustainability Report for 2020. The Board carries the overall responsibility of the Group’s sustainability strategy setting and reporting, and is supported by the Sustainability Steering Committee (the “**Committee**”). The Board considers sustainability issues as being an integral part of its overall strategy, and each key sustainability risk and opportunity that has been identified is suitably evaluated, tracked, and proactively managed.

As a developer of premium residential and mixed-use developments encompassing office towers, apartments, shopping malls and hotels in prime locations in Hong Kong and the Mainland, creating value for our stakeholders is an important part of our philosophy. We believe that taking care of each other, and respecting the fragility of nature and our environment is the key to building a sustainable future for business and for society at large. This is the premise upon which we have formulated our sustainability strategy.

Following years of studying and understanding our external environment, and our stakeholders’ expectations through stakeholder engagement exercises, the Board has arrived at our Vision 2030 strategy. This overarching blueprint focuses on People Health and Wellness, Value Chain, Environmental Stewardship, and Community Wellness. The United Nations Sustainable Development Goals (“**UNSDGs**”) have also been weaved into our Vision 2030 strategy to align our strategy together with global priorities. We aim to achieve the targets set out under our strategy by 2030, and the Board will regularly evaluate our progress towards achieving these targets. For

the details of our sustainability strategy and targets, please refer to our latest Sustainability Report.

Under the Board’s delegation, the Committee oversees the Group’s sustainability performance, and ensures that sustainability considerations are incorporated into our decision-making process across all business units. The Committee regularly reports to the Board, and evaluates the Group’s sustainability strategies, targets, and performance. It is also authorised by the Board to approve the annual Sustainability Report. The Committee comprises senior management executives of key functions and business units and also endorses group ESG-related policies, which serve as a guideline on how we should realise our commitment. Specialised taskforces are also established to facilitate the implementation of sustainability initiatives to realise our sustainability visions.

In order to maintain the accuracy of the performance information shared with the Board, the business units, and the public, the Committee is responsible for performing reasonable validation and review of data collection procedures of key metrics.

The Board is determined to drive the sustainable development of the Group forward. Together with our employees, business partners, customers and community members, we will strive to deliver exceptional value to the market and to the communities where we operate in.

Board of Directors
28th May 2021

MESSAGE FROM THE SUSTAINABILITY STEERING COMMITTEE



As a Group focused on effecting positive change, we view our sustainability roadmap as the seed to be sown today, and nurtured over time with the collaborative efforts of colleagues and stakeholders sharing the same vision. By progressively achieving targeted goals through consistent actions, we believe we can ultimately reap a better tomorrow for people and the planet.

Kerry Properties was an early adopter of a greener way forward, putting sustainability at the heart of everything we do. It's been a productive journey focused on four pillars: Environment, People, Community and Value Chain.

In facing up to the enormous challenges presented by the coronavirus ("**COVID-19**") pandemic, our response was swift, and decisive. Engaging with staff and stakeholders to keep everyone safe and informed, we immediately launched comprehensive hygiene protocols in buildings, while mobilising resources to support the most vulnerable in society. From monetary donations to community markets, leveraging our established relationships enabled us to offer care and comfort in numerous ways.

Those extraordinary times also spurred us to pay even closer attention to the well-being of our staff. Initiatives such as a Step Challenge and mindfulness coaching, along with a range of family-friendly initiatives designed to help employees meet their personal responsibilities.

With combating climate change a defining feature of our environmental stewardship, we are delighted to have achieved our 2020 carbon intensity reduction targets ahead of schedule. Moving forward, we are currently exploring ways to upgrade our decarbonisation plans in line with the Science Based Target initiative ("**SBTi**") to evaluate and manage the most significant scope 3 emissions from our value chain. To further enhance transparency in our sustainability reporting, this year we reference the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations on climate-related financial disclosures.

Aligned with UNSDG 13 – Climate Change, we have pioneered the recommended Climate Risk and Vulnerability Assessment ("**CRVA**") in 2019. By 2020, we completed the assessment at five of our properties, progressing towards the target of completing the assessment in all of the Group's investment properties and formulate climate adaptation and resilience strategies by 2030.

We have been adopting a life cycle approach and working collaboratively with all stakeholders to manage our environmental and social impacts along our value chain. To promote sustainable practice among our partners, we participated in the Sustainable Procurement Charter. Initiated by the Hong Kong-based Green Council, the Charter is recognised by the United Nations as a supporting initiative to UNSDG 12 – Responsible Consumption and Production. To further raise awareness of the UNSDGs among tenants and customers, interactive Good Life Goals booths were installed in shopping malls, using eye-catching emojis and fun activities to help explain ways in which everyone can contribute.

In recognition of our efforts, Shenzhen Qianhai Kerry Centre, our iconic landmark in Qianhai bearing WELL Gold Standard and LEED – Core & Shell Certification: Platinum and Gold Certification, received the Gold award for Best Mixed-Use Development, and Silver for Best Green Development, at the 2020 MIPIM Asia Awards, known as the "Oscars" of the Asian real estate world.

For its efforts working towards a zero waste goal, Shanghai Kerry Everbright City Phase III – Enterprise Centre (currently achieving 91% waste diversion rate) received LEED Zero Waste Certification in 2021, becoming the first project in Asia to receive such certification.

With sustainability embedded in our Group's DNA, and increasingly incorporated into our policies and guidelines, our operations will continue to progress ever more sustainable. As always, since the beginning, our future targets will continue to be defined by consistency in advocacy and actions, so that together we may reap the harvest of a better and more sustainable future.

Sustainability Steering Committee
28th May 2021



OUR SUSTAINABILITY APPROACH

Environment, People, Community and Value Chain - these are the four pillars guiding our commitment to pursue business excellence in building for the future. Interwoven throughout our Vision 2030 strategy, these overarching principles, aligned with the UNSDGs, provide the framework for us to work towards in collaboration with our colleagues, partners, and stakeholders. United by one vision, following through and creating value with consistent actions, we are progressing measurably and sustainably to leaving a better world for the next generation.

Photo: Just as, in nature, streams converge and shape the landscape, so can we impact change through collective endeavour.

Our Activities



CORPORATE GOVERNANCE

- Maintained a sound corporate governance framework with the Board's oversight
- Conducted anti-corruption training



SUSTAINABILITY GOVERNANCE

- The Board carries the overall responsibility of the Group's sustainability strategy setting and reporting, and is supported by the Committee to strategise and roll-out sustainability-related implementations
- Referenced TCFD framework for enhancing our climate risk management and extended the coverage of CRVA
- Performed data validation on over 50% of total managed properties and business units



POLICIES AND GUIDELINES

- Revision of "Whistleblowing and Complaints Policy" and establishment of "Climate Risk Policy" to strengthen our sustainability management policies
- Published policies on corporate website to enhance communication and transparency



STAKEHOLDER ENGAGEMENT

- Engaged stakeholders through surveys, focus groups and interviews

Our Impacts

- Maintained zero legal cases related to corruption and anti-competition
- Anti-corruption training covered
 - New employees: **100%**
 - Suppliers/contractors: **47%**

- Stronger Board participation in our Vision 2030 progress monitoring and evaluation
- Higher accuracy and compliance standards of sustainability-related data

- Updated management policies with latest sustainability issues
- Greater disclosure and transparency standards

- Engaged **3,163** stakeholders through surveys, focus groups and interviews
- Donated HK\$100 to charitable organisations for each survey response

Sustainability Governance

Corporate Governance

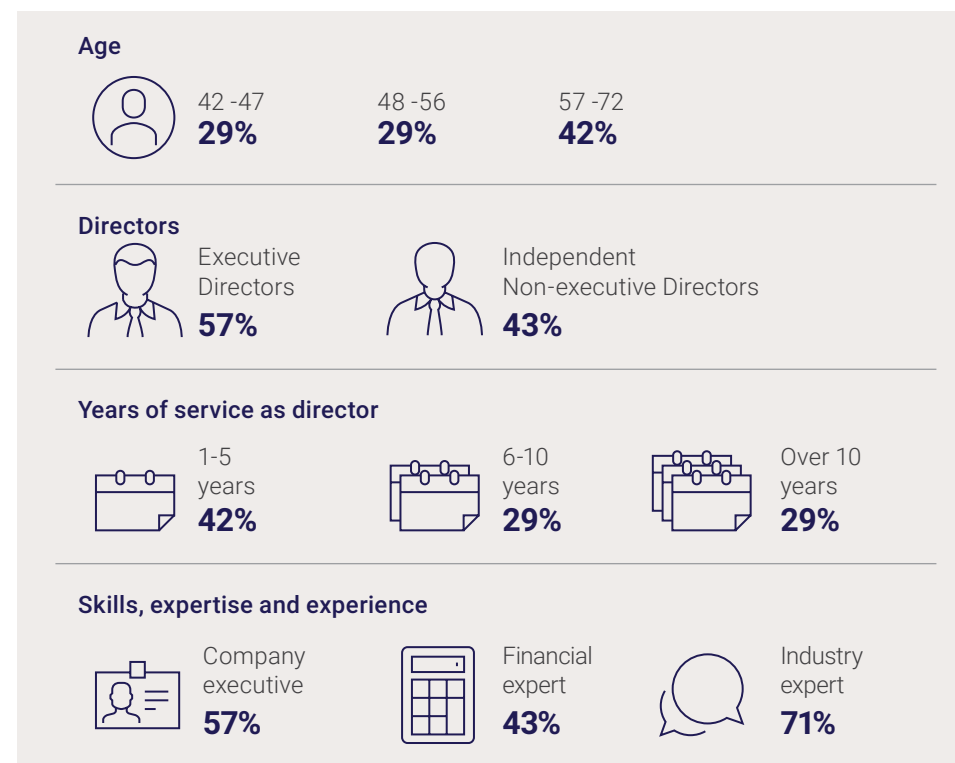
The Group is committed to upholding high standards of ethics, integrity, transparency and accountability. Establishing and maintaining a sound corporate governance framework with the Board’s oversight enables sustaining operational excellence and business continuity.

The following diagram illustrates our corporate governance framework:



Achieving diversity at the Board level is complementary to the Group’s corporate strategy. It brings a different perspective with diverse skills, experiences, knowledge and backgrounds to the decision-making process. The Group’s “Board Diversity Policy” sets out the approach adopted and the criteria considered when selecting Board members, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services.

In line with the policy, the current board comprises seven members who are business leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, legal, accounting, real estate and general management. The current Board has one female member who is also an Independent Non-executive Director.

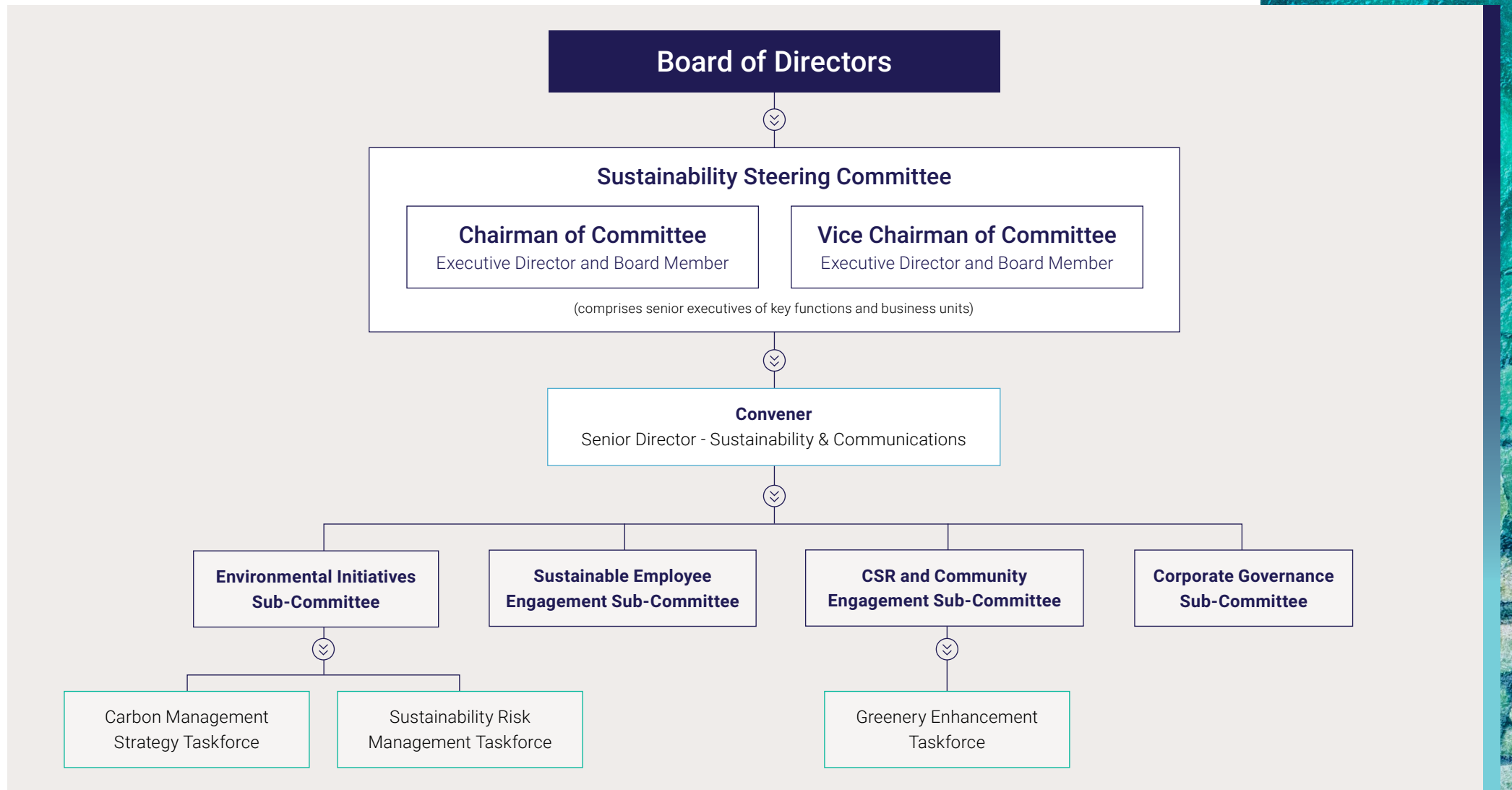


To further enhance capacity in the sustainability arena, the Board has undertaken a session of sustainability briefing, covering topics such as climate-related risks to the industry, and the Board’s responsibility in regard to sustainability and the UNSDGs. For further information regarding corporate governance, please refer to the Corporate Governance Report in our Annual Report 2020.

Sustainability Governance Structure with Board Oversight

Under the Board’s delegation, the Group’s Sustainability Steering Committee (the “**Committee**”) is chaired by our Executive Directors and Board members, which has direct advisory supervision on the Group’s sustainability strategy, workplans and performance targets. The Committee which comprises senior executives of key functions and business units meets biannually to review the Group’s sustainability plans and receive quarterly reports from the sub-committees. The Committee shoulders the responsibility for overseeing the Group’s sustainability agenda, strategies, policies and performances.

The following diagram illustrates our sustainability governance framework:





Sustainability Risk Management Taskforce

Key Objective

To support environmental risk management, including climate change mitigation and adaption, across operations

Summary of Initiatives in 2020

- Expanded CRVA for other investment properties and formulated mitigation plans
- Performed data validation on over 50% of total managed properties and business units



Carbon Management Strategy Taskforce

Key Objective

To support carbon management and reduction of carbon emissions across operations

Summary of Initiatives in 2020

- Reviewed Company's GHG management
- Conducted SBTi feasibility studies



Greenery Enhancement Taskforce

Key Objective

To integrate greenery designs and components into the Group's properties to enhance built environment and occupants' well-being

Summary of Initiatives in 2020

- "My Plant" campaign
- "Urban Farm and Sky Herb Garden" campaign

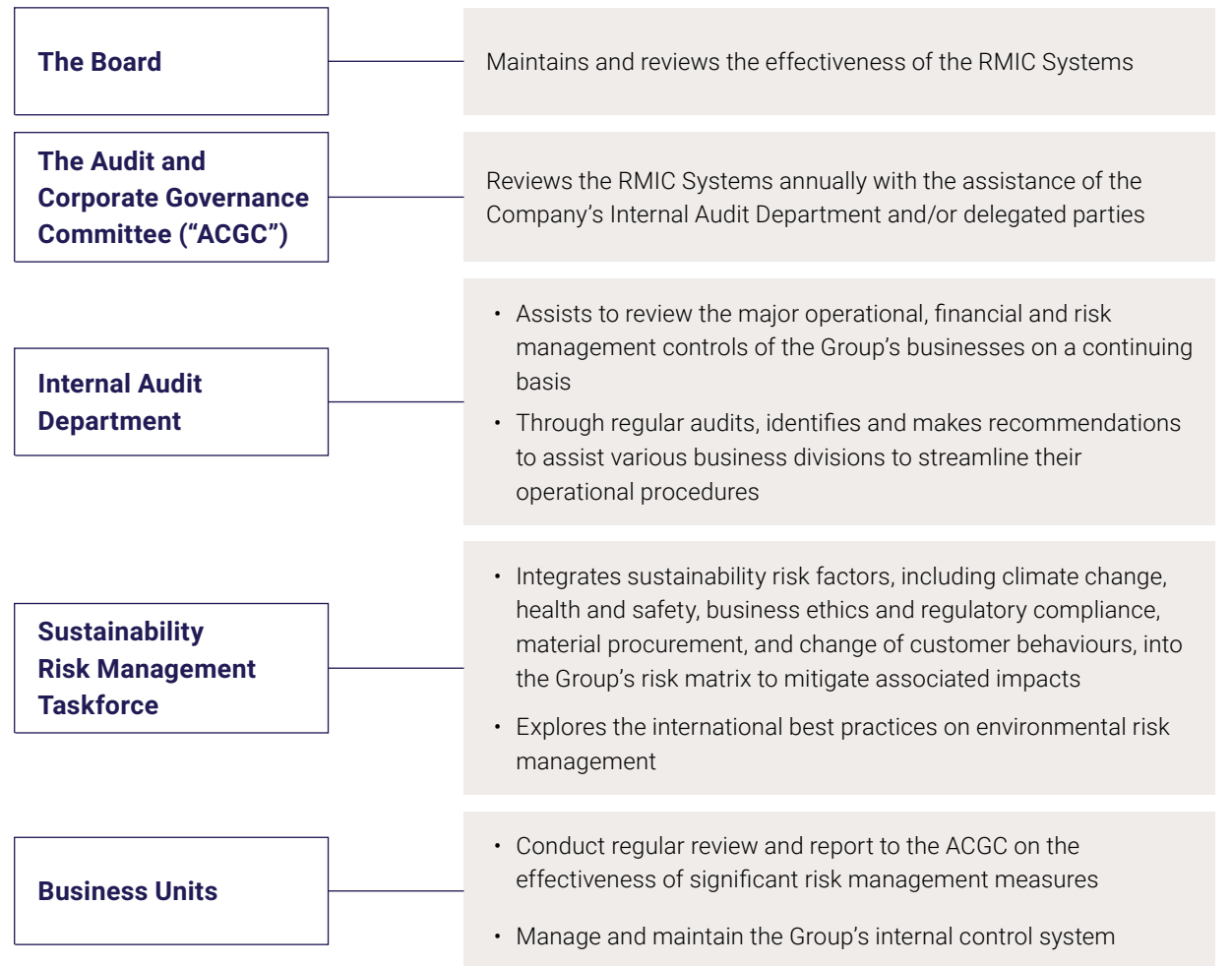
Risk Management and Internal Controls

Effective risk management is essential to the long-term growth and sustainability of our business. The Group's risk management and internal controls systems (the "RMIC Systems") are designed to:

- Minimise the risks to which the Group is exposed
- Manage the risks of failure to achieve business objectives
- Provide reasonable assurance against material misstatements or losses



The following diagram illustrates our risk management and internal controls systems:



In particular, we perform risk assessments for all land acquisitions and development projects to evaluate potential environmental and social risks. This serves as the due diligence process to advise impacts on the local community and the environment before making investment decisions.

Specific risk management and mitigation measures are covered in the respective sections of this Report. For more details on our risk management approach, please refer to the Risk Management and Internal Controls Report in our Annual Report 2020.

Business Ethics

The Group is committed to conducting business honestly, ethically and with integrity to ensure fair competition across our operations.

Anti-corruption

The Group has zero-tolerance against all forms of corruption, including bribery, extortion, fraud and money laundering. We have formulated relevant policies and guidelines for our stakeholders to outline our expectations and requirements, and provided anti-corruption training to the new recruits to mitigate possible corruption risks.

Corporate Policy and Guideline	Expectations and Requirements	Applicable to
"Anti-corruption Policy"	<ul style="list-style-type: none"> Prohibits employees from soliciting, accepting or offering advantages from or to clients, suppliers or any person having business dealings of any kind with our Group 	All employees
"Code of Conduct"	<ul style="list-style-type: none"> Prohibits all forms of bribery and corruption Applies a zero-tolerance approach to acts of bribery by any employees or by business partners working on our behalf 	All employees
Internal Guidelines	<ul style="list-style-type: none"> Provides guidelines on acceptance of advantage and gift-giving practices 	All employees
"Vendor Code of Conduct"	<ul style="list-style-type: none"> Guides vendors' performance on sustainability-related matters, including bribery and corruption 	All vendors

During the reporting period, the Group received no reports of corrupt practices and there were no confirmed legal cases of corruption brought against the Group or its employees.

Anti-competition

In an effort to reduce anti-competitive conduct within the Group, we are committed to ensuring employees are aware of, and comply with the Competition Ordinance.

Corporate Policy and Guideline	Expectations and Requirements	Applicable to
"Competition Law Policy Statement"	<ul style="list-style-type: none"> Prohibits anti-competitive conduct and proactively identifies risk areas in competition practices regarding restrictive agreements with competitors 	All directors and employees
"Code of Conduct"	<ul style="list-style-type: none"> Outlines anti-competitive or monopoly conduct that are prohibited, including price fixing, market sharing, output limitation, bid rigging and information exchange 	All employees

We prevent bid rigging in the tendering process by regularly updating and evaluating our list of qualified and pre-approved companies. Additionally, we require all listed tenderers who are invited to submit an integrity and anti-collusion declaration as to state that there is no anti-competitive behaviour in their business. During the reporting period, there were no confirmed legal cases of anti-competitive, anti-trust, and monopoly behaviour brought against the Group or its employees.

Whistleblowing Mechanism

To monitor and avoid business misconduct, we have a whistleblowing mechanism in place, allowing our employees and business partners to raise concerns to senior management about possible improprieties. Any information of the whistleblower and all whistleblowing reports are handled confidentially to protect the whistleblower from any unfair treatment. The CEO and Chairman of ACGC are responsible for ensuring the mechanism runs effectively.



Policies and Guidelines

The Group has stipulated a number of policies and guidelines to align the approach in pursuing our sustainability visions among the Group and across the value chain.

Given our business's diverse functions and operations, we appoint responsible committees, taskforces and/or departments to review the policies and guidelines and update them in due course. In the reporting period, we have updated a number of policies as to further integrate sustainability into what we do. Internally, we articulate these policies in the "Employee Handbook" to reflect our values in driving business excellence, sustainability and ethics. Externally, we communicate our visions to all stakeholders. Our sustainability policy statements are accessible on our corporate website (<https://www.kerryprops.com/en/post/csr-our-policies>).

In the reporting period, we have established the "Climate Risk Policy" to outline our approach to mitigate carbon footprint and enhance our properties and operations' climate resilience. This policy also serves as the steppingstone that paves our way to strategic alignments with best local and international practices. We also reinforced Company's "Whistleblowing and Complaints Policy" to ensure effective mechanism is in place to report any complaint matters which they have become aware of or genuinely suspect that such matters have occurred or may occur.

Compliance Management

The Group operates with rigorous internal control and procedures to monitor compliance with various laws and regulations that are relevant and applicable to our business operations. In view of the Group's diverse operations and the constantly changing market, the Group stays abreast of the latest regulatory developments to ensure compliance with the relevant laws and regulations. We also take initiatives to enhance employees' awareness and understanding in terms of compliance through the provision of relevant training and guidelines.

We have assigned dedicated teams to handle and investigate complaints received and any suspected cases of misconduct in a timely manner. In the reporting period, the Group was not aware of any violation of laws and regulations that significantly impacted its business operations, performance, financial status and reputation.

SUSTAINABILITY VISION 2030

































Sustainability is fundamental to our businesses and operations at Kerry Properties. We believe that our Company will only thrive in the long term by creating value for our stakeholders and society. Having 2030 as a milestone year for the global agenda of UNSDGs, we have set our path with the Sustainability Vision 2030 to impact society positively while continuing our ongoing success.

Our Sustainability Vision 2030 is built on four focus areas:

Environmental Stewardship, **People Health and Wellness**, **Community Wellness** and **Value Chain**, which align our visions with UNSDGs. This strategy provides a coherent and holistic framework for advancing our sustainability performance in our operations and business plans with the targets set.

Since the first launch of our sustainable development roadmap in 2016, we have been formulating the best strategy forward over the past years. In 2020, not only did we seek our stakeholders' feedback on our Sustainability Vision 2030, but we also started to evaluate our progress on the targets set. As we advance, we will continue to address local and global challenges through concerted efforts with our stakeholders to deliver our goals by 2030.



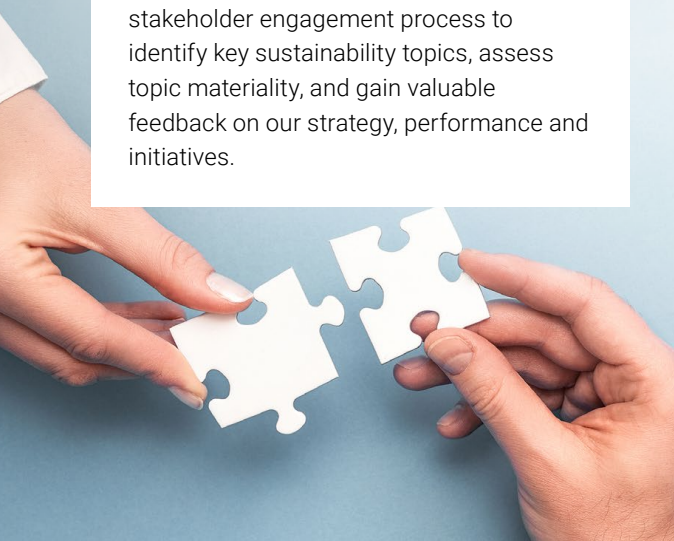
		UNSDG Indicator	VISION 2030 TARGETS	Getting Started	On Plan	Achieved	Progress in FY2020
Environmental Stewardship	13.1	100% of investment properties complete Climate Risk and Vulnerability Assessment					34%
	13.1	100% of investment properties adopt climate-resilient building features					68%
	11.6	100% of investment properties implement rainwater harvesting system					50%
	11.6	50% of new investment properties adopt biophilic design features					100%
	11.6	100% of investment properties adopt wellness features in building design					69%
	11.6	100% of new investment properties achieve green certifications					100%
People Health and Wellness	3.9	Reduce work-related injury rate of employees to 10 per 1,000					7.11 per 1,000 employees
	3.9	Maintain record of zero work-related fatalities of all our employees					Maintained zero work-related fatalities of our employees
	8.5	100% of employees receive gender equality, anti-sexual harassment and related ethical training					Planning
	5.1	Maintain zero discrimination cases in all operations by treating all people fairly, impartially and with dignity and respect					Maintained zero discrimination cases
	5.5	At least one third of senior positions is held by women					30%
	8.5	100% of employees receive labour rights, diversity and social inclusion training					Planning
Community Wellness	11.4	100% of new mixed-use developments plan and design with cultural and heritage conservation consideration					28%
	11.7	100% of new mixed-use developments plan and design through a mandatory community engagement process, with but not limited to women, children, elderly and disabled persons					10%
Value Chain	8.7	100% of contractors/suppliers are governed by "Vendor Code of Conduct" which forbids forced labour, slave labour, and child labour					47%
	12.2 12.5	100% of operations governed by sustainable procurement guidelines which include use of sustainable resources throughout property development and operation					47%
	12.5	100% of construction projects implement waste recycling programmes					75%
	8.5	100% of contractors/suppliers are governed by sustainable procurement guidelines which contain mandatory diversity requirements					14%

STAKEHOLDER ENGAGEMENT

Stakeholders' interest is central to the determination of our sustainability agenda. Our dynamic stakeholder engagement activities allow us to gather diverse views, opinions and expectations from a wide range of key stakeholder groups, which are material to our business, along our value chain.

Our internal and external stakeholders are grouped into nine categories and engaged through various regular communication channels. These help us enhance our communication transparency, anticipate our stakeholders' needs, and identify possible emerging risks and opportunities to our business operations.

Each year, we also design a thorough stakeholder engagement process to identify key sustainability topics, assess topic materiality, and gain valuable feedback on our strategy, performance and initiatives.



Stakeholder Engagement Approach

In 2020, the Group conducted a series of stakeholder engagement activities with reference to the principles of AA1000 Stakeholder Engagement Standard and our past engagement activities.

In-depth dialogues with our stakeholders remain just as vital during COVID-19. In 2020, while the social distancing environment may constrain face-to-face engagement exercise, we utilised digital tools and reached even more stakeholders through virtual focus groups and interviews than ever before. During the

discussion, we took a deep dive into each sustainability topic's challenges and opportunities with our stakeholders to enhance our sustainability strategy.

On top of our sustainability strategy, we brought in the new angle of resilience to revisit and understand how pandemic has affected our operations as well as our stakeholders in different ways. This helped us rethink how the Group can build a more resilient business and scale up our efforts in supporting stakeholders to overcome this unprecedented crisis.



Total Number of Stakeholders Engaged

2,048 stakeholders



Questionnaire Survey

3,097 invitations sent with **1,982** responses received

- **All stakeholder groups**
(The dataset was examined to exclude invalid responses, such as straight liners or extreme responses, with a response rate of **64%**)



Focus Groups

9 focus groups with **53** participants

- **Internal stakeholders**
(senior management, employees)
- **External stakeholders**
(commercial and residential tenants, non-government organisations ("NGOs"), and green groups from Hong Kong and the Mainland)



In-depth Interviews

11 interviews with **13** participants

- **Internal stakeholders**
(senior management, employees)
- **External stakeholders**
(NGOs, contractors, suppliers and investors from Hong Kong and the Mainland)

Investors and Shareholders

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

Customers and Tenants

- Customer satisfaction surveys
- Customer service hotlines
- Community events
- Club and membership activities
- Social media and company websites
- Corporate publications
- Mobile applications for tenants

Local Communities

- Public/community events
- Community initiatives
- Corporate volunteer team and employee volunteering activities
- Company websites

Government and Industry Associations

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

Suppliers and Contractors

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

Academia

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

Employees

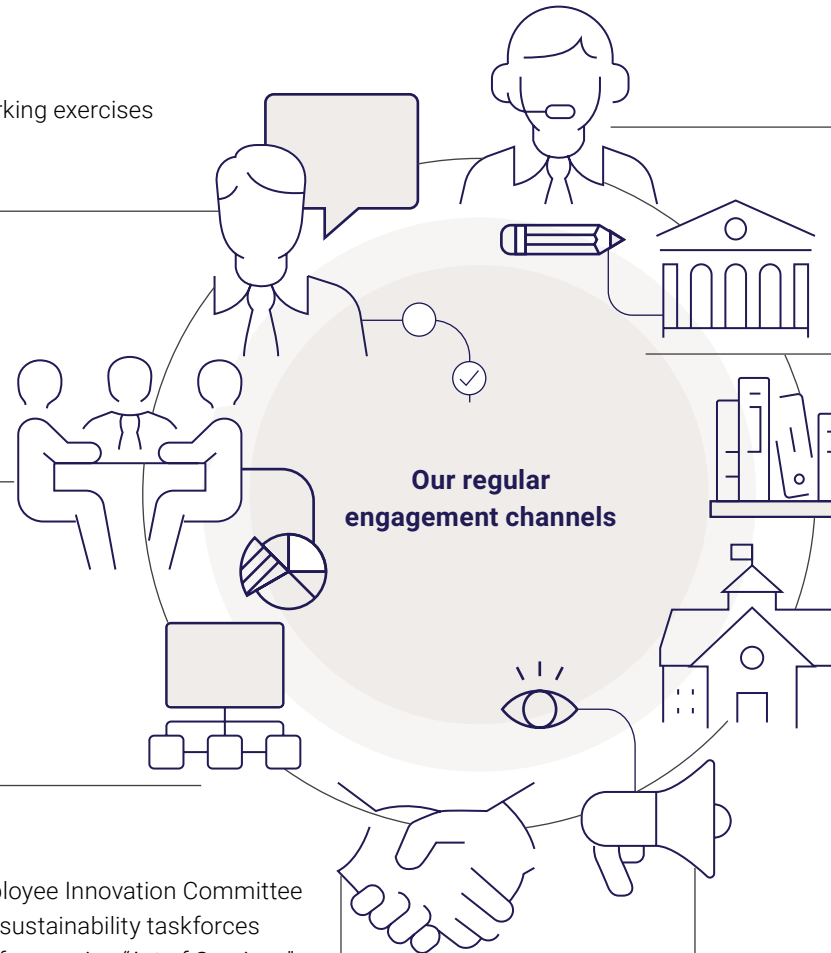
- Orientation and training sessions
- Team building activities
- Recreational and volunteering activities
- Lunch with senior management
- Communication enhancement via latest information technologies
- Employee Innovation Committee and sustainability taskforces
- Staff magazine "Art of Services"
- Employee opinion surveys
- Annual performance appraisal
- Mobile Intranet and emails
- Newsletters

NGOs

- Focus groups
- Partnership programmes
- Award schemes and charters
- Sponsorships and donations
- Conferences and seminars

Media

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



MATERIALITY ASSESSMENT

As stakeholders' concerns and expectations may change over time, we have gone through a rigorous materiality assessment process annually to prioritise topics that are important to stakeholders and our business, keeping abreast of the sustainability trends that shape our industry and business.



1 Identifying Relevant Topics

A total of **36** issues were identified and categorised into **23** sustainability topics for materiality assessment.



2 Collecting Stakeholder Feedback

Feedback from material internal and external stakeholders was collected through a series of engagement activities, including surveys, interviews and focus groups.



3 Prioritising Material Topics

Followed by the engagement activities, the level of the materiality of each sustainability topic was assessed based on:

- Survey scoring on its importance to stakeholders and importance to the business of KPL
- Feedback collected in interviews and focus groups
- Peer benchmarking results

The assessment result was plotted in the materiality matrix, where sustainability topics were categorised into three tiers – most material, moderate material, and less material for further validation.



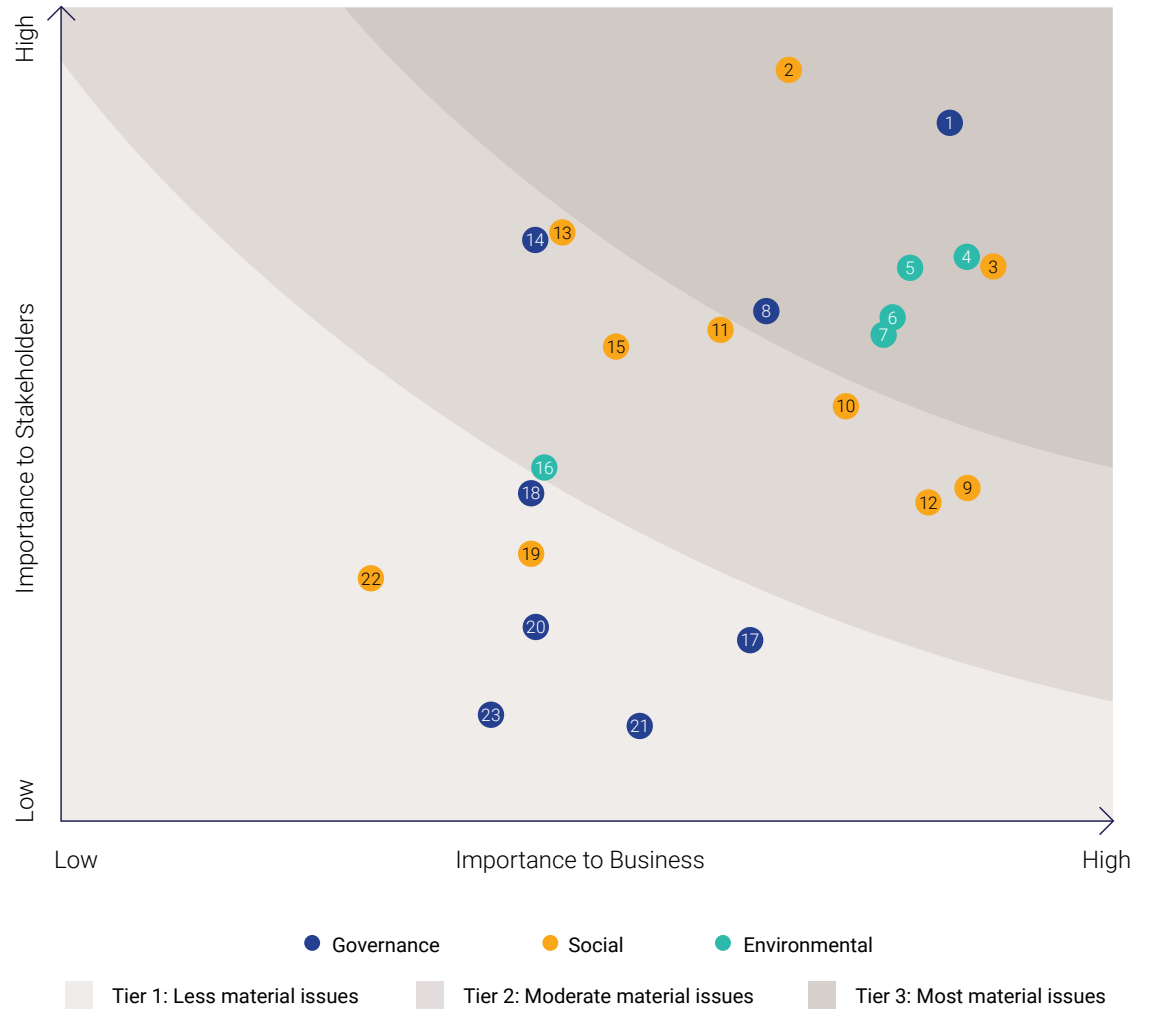
4 Validation

The list of material topics and materiality assessment result was presented to the Sustainability Steering Committee for review. The validated list of sustainability topics was disclosed in this Report.

Material Topics and Their Respective Impact Boundary

The materiality matrix maps 23 sustainability topics, with their level of importance to stakeholders (y-axis) and their level of importance to our business (x-axis). Overall materiality combines both internal and external factors, including the Group's overall strategy, mission, resources, industry trends and stakeholders' concerns.

Materiality Matrix



As summarised in the following table, there were 36 issues identified which were subsequently grouped into 23 topics for materiality assessment. The topics are in descending order of materiality with the indication of their impact boundaries and relevant standards. The mapping of UNSDGs of each GRI topics can be found in the GRI Content Index.

Material Issues	Our Approach	Impact Boundaries									Stakeholder Concerns	SEHK	GRI Standards	UNSDGs
		A	B	C	D	E	F	G	H	I				
1 Service and Product Quality • Responsible Marketing and Labelling	Value Chain	✓	✓			✓				✓	<ul style="list-style-type: none"> Assuring handover timeliness and property quality Providing quality services Establishing inquiry and feedback channels 	B6.2, B6.4	GRI 417	-
2 Customer Well-being, Health and Safety	Value Chain	✓	✓	✓		✓				✓	<ul style="list-style-type: none"> Caring for the well-being of customers Providing a healthy and safe environment Preventing safety accidents and diseases 	B6.1	GRI 416	UNSDG 3
3 Occupational Health and Safety	People Health and Wellness	✓	✓	✓		✓		✓	✓		<ul style="list-style-type: none"> Minimising safety risks for both employees and contractors' employees Building a zero-fatalities culture and work environment 	B2.1, B2.2, B2.3	GRI 403	UNSDG 3, UNSDG 8
4 Energy Efficiency and GHG Emissions • Energy consumption and conservation • GHG and air emissions	Environmental Stewardship	✓	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Improving energy efficiency in building design and operation Monitoring and controlling GHG emissions 	A1.1, A1.2, A1.5, A2.1, A2.3	GRI 302, GRI 305	UNSDG 12, UNSDG 13
5 Green Building Certification • Green building design • Environmental compliance • Biodiversity protection • Biophilic design • Environmental impact on local community	Environmental Stewardship	✓	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Adopting green building principles at all stages of the building life cycle Benchmarking performance through green building certification 	A3.1	GRI 307	UNSDG 11

- A** Investors and Shareholders
- B** Customers and Tenants
- C** Government and Industry Associations
- D** Academia
- E** Media
- F** NGO Partners
- G** Employees
- H** Suppliers and Contractors
- I** Local Communities

Material Issues	Our Approach	Impact Boundaries									Stakeholder Concerns	SEHK	GRI Standards	UNSDGs
		A	B	C	D	E	F	G	H	I				
6 Waste Management <ul style="list-style-type: none"> • Hazardous waste management • General waste management 	Environmental Stewardship	✓	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Proper waste disposal and management through reuse, reduction, and recycling • Collaborating with tenants and customers to divert recyclables from general waste 	A1.3, A1.4, A1.6	GRI 306	UNSDG 11, UNSDG 12
7 Water Consumption and Conservation <ul style="list-style-type: none"> • Water consumption • Water conservation • Wastewater management 	Environmental Stewardship	✓	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Managing water consumption, recycling and the quality of wastewater discharges 	A2.2, A2.4	GRI 303	UNSDG 12
8 Business Ethics and Integrity <ul style="list-style-type: none"> • Anti-competitive behaviour • Intellectual property rights 	Our Sustainability Approach	✓	✓	✓		✓		✓	✓		<ul style="list-style-type: none"> • Operating businesses properly with integrity and fairness • Acting consistently according to corporate values, moral principles and code of conducts 	B6.3	GRI 206	-
9 Talent Attraction and Retention	People Health and Wellness	✓							✓		<ul style="list-style-type: none"> • Developing strategies to attract and retain talent 	B1.2	-	-
10 Employee Training and Development	People Health and Wellness	✓							✓		<ul style="list-style-type: none"> • Offering training and development opportunities for employees to grow 	B3.1, B3.2	GRI 404	UNSDG 8
11 Community Engagement and Investment	Community Wellness	✓	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Supporting local communities through partnerships, volunteering and donations • Partnering with charities for fundraising and visits for vulnerable groups 	B8.1, B8.2	-	UNSDG 11

A Investors and Shareholders

B Customers and Tenants

C Government and Industry Associations

D Academia

E Media










F NGO Partners

G Employees

H Suppliers and Contractors

I Local Communities

Material Issues	Our Approach	Impact Boundaries									Stakeholder Concerns	SEHK	GRI Standards	UNSDGs
		A	B	C	D	E	F	G	H	I				
12 Employee Well-being	People Health and Wellness	✓		✓				✓			<ul style="list-style-type: none"> Creating a workplace that promotes employees' well-being 	B2.1, B2.2, B2.3	GRI 403	UNSDG 3
13 Customer Engagement and Collaboration	Value Chain	✓	✓					✓			<ul style="list-style-type: none"> Maintaining proactive communication with customers Collaborating with customers to enhance the sustainability of the business and industry 	B6.1, B6.2, B6.4	-	-
14 Responsible Supply Chain Management <ul style="list-style-type: none"> Supplier environmental assessment Supplier social assessment Procurement practices Use of construction material 	Value Chain	✓	✓	✓				✓	✓	<ul style="list-style-type: none"> Ensuring suppliers' compliance with laws and regulations Cooperating with suppliers/contractors to enhance their environmental and social performance 	B5.2, B5.3, B5.4	GRI 308, GRI 414	UNSDG 8, UNSDG 12	
15 Social Impact on Local Community <ul style="list-style-type: none"> Cultural and heritage conservation Socioeconomic compliance 	Community Wellness	✓		✓			✓			✓	<ul style="list-style-type: none"> Positively influencing local communities 	B8.1, B8.2	GRI 413, GRI 419	UNSDG 11
16 Climate Change and Resilience <ul style="list-style-type: none"> Climate-related risk management Mitigation and adaptation strategies 	Environmental Stewardship	✓	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Assessing climate change-related risks and opportunities Formulating strategies towards a more climate-resilient business 	A4.1	GRI 305	UNSDG 11, UNSDG 13
17 Economic Performance <ul style="list-style-type: none"> Economic impacts Market presence 	Our Sustainability Approach	✓		✓				✓			<ul style="list-style-type: none"> Financial performance in terms of revenue, profit margin and operating cost control 	-	GRI 201, GRI 202	UNSDG 8

-  Investors and Shareholders
-  Customers and Tenants
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Material Issues	Our Approach	Impact Boundaries									Stakeholder Concerns	SEHK	GRI Standards	UNSDGs
		A	B	C	D	E	F	G	H	I				
18 Information Privacy <ul style="list-style-type: none"> Data protection Customer privacy 	Our Sustainability Approach	✓	✓	✓				✓			<ul style="list-style-type: none"> Ensuring corporate and consumer privacy Preventing theft, leakage, misuse or unauthorised access of personal data 	B6.5	GRI 418	-
19 Workplace Diversity and Equal Opportunities <ul style="list-style-type: none"> Elimination of discrimination 	People Health and Wellness	✓		✓				✓			<ul style="list-style-type: none"> Promoting diversity and equality at the workplace 	B1.1	GRI 405, GRI 406	UNSDG 5
20 Bribery and Corruption	Our Sustainability Approach	✓	✓	✓				✓	✓		<ul style="list-style-type: none"> Having policies and practices to prevent any form of corruption 	B7.1, B7.2, B7.3	GRI 205	-
21 Risk and Crisis Management	Our Sustainability Approach	✓	✓					✓	✓		<ul style="list-style-type: none"> Establishing comprehensive risk and crisis management approach and system 	-	-	-
22 Labour Practices and Human Rights <ul style="list-style-type: none"> Labour standards Labour management relations Child labour Forced or compulsory labour 	People Health and Wellness	✓		✓				✓	✓		<ul style="list-style-type: none"> Complying with relevant local employment laws and regulations Preventing all forms of child and forced labour Guaranteeing fundamental human rights 	B4.1, B4.2	GRI 401, GRI 402, GRI 408, GRI 409	UNSDG 8
23 Sustainable Finance	Our Sustainability Approach	✓		✓							<ul style="list-style-type: none"> Incorporating sustainability into business strategies Leveraging financing opportunities to enhance sustainability performance 	-	-	-

A Investors and Shareholders

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RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

To enhance our sustainability disclosures for the investor community and allow informed decision-making, we reference the TCFD framework to articulate the implications of and our responses towards climate-related financial impacts. Furthermore, we have adopted a systematic and proactive approach to identify, assess, and manage climate-related risks in our business operations and leverage the opportunities of low-carbon economy.



GOVERNANCE

Oversight of climate-related risks and opportunities

- **Board Oversight and Dedicated Taskforces**
 - The Committee is chaired by our Executive Director and reports to the Board. Our Committee meets on a regular basis to oversee the Group’s sustainability agenda, strategies, policies and performances. Climate-related topics, such as carbon emission management plans, are frequently brought up in the committee meetings
 - Our Environmental Initiatives Sub-Committee reports directly to our Executive Director and comprises our senior management. It leads the Sustainability Risk Management Taskforce and the Carbon Management Strategy Taskforce to support environmental risk management and carbon management, respectively

 **Relevant Section(s) / Supplementary Information**
[Sustainability Governance](#)

STRATEGY

Impacts of climate-related risks and opportunities on sustainability approach and financial planning


- **Climate-related Risks and Opportunities**
 - The Group stays vigilant to the potential financial impacts of climate-related risks and looks to explore associated opportunities. Climate-related risks and opportunities are taken into consideration when refining the Group’s business strategy and sustainability vision
- **Policies and Guidelines**
 - With an aim to manage climate-related factors and risks across our value chain, we have stipulated policies to steer towards low-carbon operations
 - » “Climate Risk Policy”
 - » “Sustainable Building Guideline”
 - » “Sustainable Procurement Policy”
- **Sustainable and Resilient Buildings**
 - We aim to obtain green certifications in all new buildings and to adopt climate-resilient building features in all investment properties
 - Our “Sustainable Building Guideline” outlines sustainable design suggestions for new buildings to incorporate
 - Promoting efficient use of resources has always been our emphasis on environmental protection. Our taskforces and property management teams place continuous and collaborative effort to enhance energy and water efficiency while paying close attention to waste management and material selection

 **Relevant Section(s) / Supplementary Information**
[Environmental Stewardship](#)

RISK MANAGEMENT

Identification, assessment and management of climate-related risks


- **RMIC Systems**
 - Considerations around climate-related risks are embedded in the Group's risk management system. These considerations cover a wide range of topics, such as climate change, GHG emissions, green building certifications and waste management
- **Due Diligence**
 - For new acquisitions, we conducted due diligence on various aspects in relation to climate-related issues, including energy and water supplies, as well as natural hazards and flooding
- **Environmental and Energy Management**
 - We adopted the Environmental Management System (“**EMS**”) as a framework for our property development and management.
 - A number of our properties have achieved the ISO 50001 Energy Management System (“**EnMS**”) and ISO 14001 Environmental Management System accreditations
 - We continuously seek ways to improve the efficiency and effectiveness of energy data management. For instance, we have commenced a real-time monitoring system to monitor and optimise energy usage of chiller plants at Enterprise Square Three in Hong Kong
- **Climate Risk and Vulnerability Assessment**
 - As part of our sustainability vision, we target to conduct CRVA in all investment properties by 2030
 - As of 2020, we have completed the assessment for five of our properties, with one assessment commenced and in progress
 - From the assessment, we are able to propose customised strategies to address significant climate risks identified

 **Relevant Section(s) / Supplementary Information**
[Sustainability Governance](#)
[Environmental Stewardship](#)

METRICS AND TARGETS

Metrics and targets in relation to climate-related risks and opportunities

- **TCFD Reporting**
 - This is the first time the Group made reference to the TCFD recommendations to report on climate-related financial disclosures as a way to enhance the transparency in our sustainability reporting
- **Decarbonisation**
 - We continuously disclose Scope 1 and Scope 2 GHG emissions data, together with our progress on emission reduction since 2015
 - Through collaborative effort among business units and teams, we are on the course to conduct Scope 3 emissions screening and build up our Scope 3 inventory for reporting and target setting purposes
 - We are progressing to adopt a data management system to track the usage of raw materials and associated embodied carbon emissions
 - Following our success of achieving the 2020 carbon intensity reduction targets ahead of schedule, our Carbon Management Strategy Taskforce is currently exploring to upgrade our decarbonisation plans and targets, in line with the SBTi

 **Relevant Section(s) / Supplementary Information**
[Environmental Stewardship](#)



ENVIRONMENTAL STEWARDSHIP



Environmental stewardship is a responsibility we all share. From the outset of our business operations, Kerry Properties has been aware that every decision made, every action enacted, can have consequences for the future.

In collaboration with all our stakeholders, we want to be the change for good – building a better world through continuous improvement in environmental performance, whilst being equally focused on the well-being of humanity. This approach, we believe, is the cornerstone of sustainable development.

Photo: Solar panels installed at Hong Kong Kerry Centre conserve resources, while promoting the use of clean and renewable energy.



SUSTAINABLE BUILDINGS

- Adopted life cycle management approach
- Developed "Sustainable Building Guideline"



CARBON AND ENERGY MANAGEMENT

- Adopted Building Information Modelling ("BIM") Technology
- Gradual increase in the use of renewable energy systems
- Various facilities enhancement



WASTE MANAGEMENT

- Conducted pilot waste audit at selected properties
- Ongoing initiatives to raise our stakeholders' waste management awareness
- Enhanced Safety Performance and Environmental Protection Scheme to reward outstanding contractors in waste management



INDOOR AIR QUALITY MANAGEMENT

- Air quality sensors have been installed at multiple properties to prompt action when anomalies are found



WATER MANAGEMENT

- Increased installation of water reclamation systems for greywater recycling and rainwater harvesting

1. The figure reflects the waste generated at our managed properties in Hong Kong and the Mainland operations.
2. The figure reflects the waste recycled at our managed properties and construction sites in Hong Kong and the Mainland operations.

Our Impacts

- **16.5 million** ft² certified with sustainable building certification
- **100%** of new investment properties attained sustainable building certification
- **100%** of new investment properties adopted biophilic design feature

- **↓15.7%** GHG intensity (tCO₂e/1,000 ft²) against FY 2017
- **↓18.1%** energy intensity (GJ/1,000 ft²) against FY 2017

- **↓10.7%** waste intensity (tonnes/1,000 ft²) against FY 2017¹
- **9,843** tonnes of waste recycled in our operations²
- **Over 60%** recycling rate of construction waste for our Hong Kong property development sites

- **7** properties attained RESET™ Air Core & Shell certification
- IAQ (Excellent Class) Certification: Head Office and common areas of Hong Kong Kerry Centre
- IAQ (Good Class) Certification: common areas of Enterprise Square and Enterprise Square Three in Hong Kong

- **↓17.4%** water intensity (m³/ft²) against FY 2017

Sustainable Buildings

As a leading and influential property developer in the region, making our buildings sustainable contributes to maximising value for our stakeholders. Green and sustainable buildings are more climate-resilient, while they optimise the efficiency of resource usage and improve the health and well-being of customers and tenants.

Our commitment to environmental sustainability is demonstrated through the various policies established at Kerry Properties – the “Group Environmental Protection Policy”, “Sustainability Policy”, “Sustainable Procurement Policy”, and “Climate Risk Policy”. These policies govern the actions of the company to be sustainable in its management and operations.

Sustainable Buildings Statistics



Sustainable buildings
BEAM / BEAM Plus Gold or above: 8 **RESET™ Air: 7**
LEED Gold or above: 21 **WELL: 2**



Certified area¹
16.5 million ft²



% of properties certified¹
83%



% of new investment properties certified²
100%

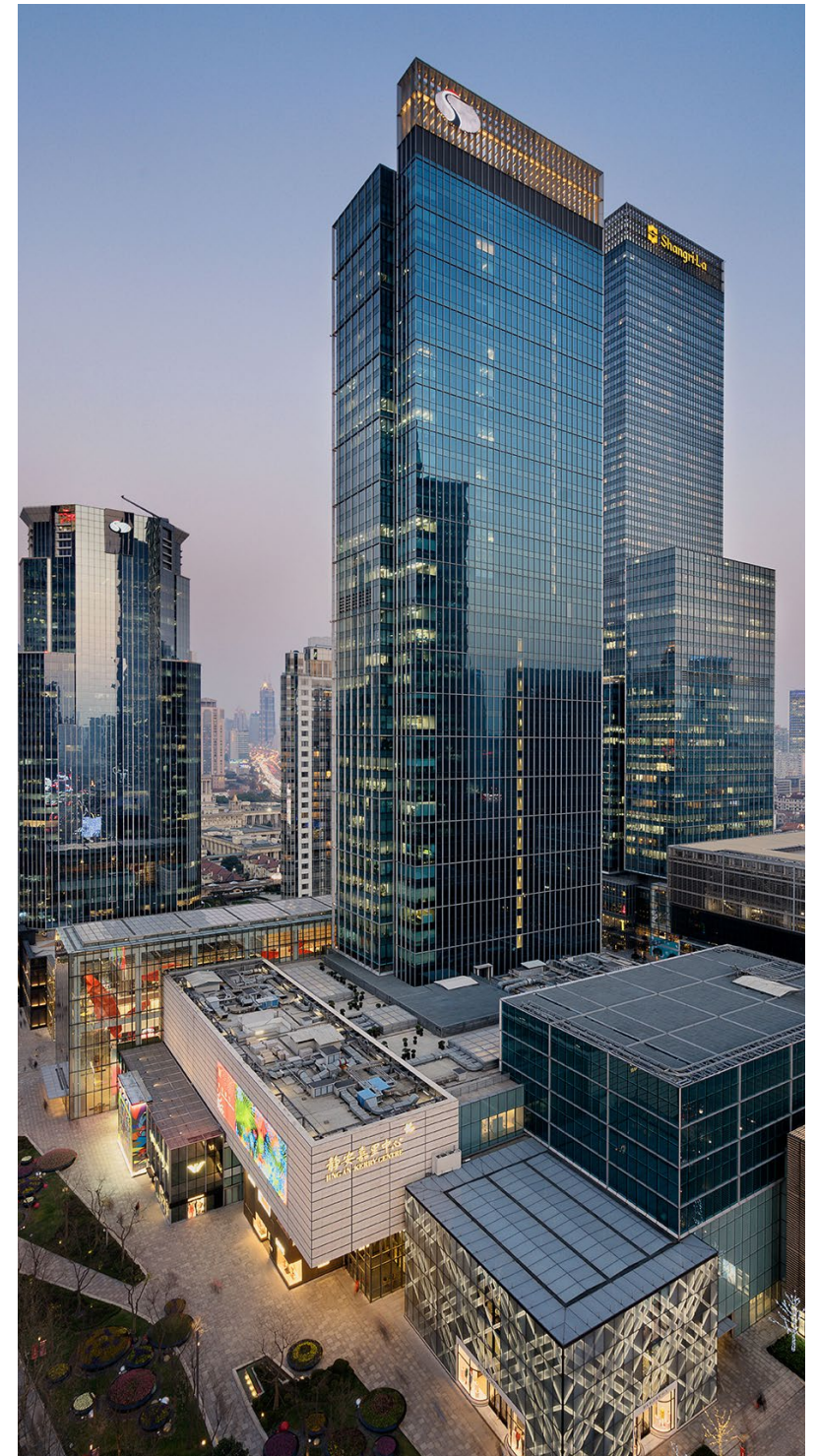


% of new investment properties adopted biophilic design features²
100%



% of investment properties adopted climate-resilient building features
68%

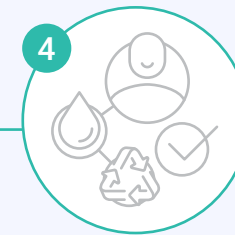
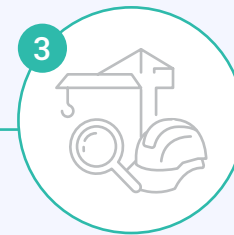
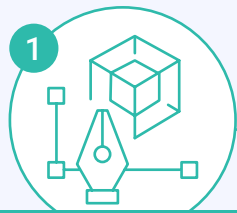
1. The calculation of sustainable building certified area is based on the attributable gross floor area, covering key operations in Hong Kong and the Mainland.
 2. Newly completed buildings since 2019.



LIFE CYCLE MANAGEMENT APPROACH

1. Planning and Design
2. Procurement
3. Construction
4. Operation and Maintenance

We adopt a holistic approach to embed sustainability throughout the life cycle of our properties. From planning, procurement, construction to operation and maintenance, we consider the environmental and social impact of our developments. In the reporting period, we tailor-made a new “Sustainable Building Guideline” that provides direction on the decision-making processes during the life cycle of our properties.



Planning and Design

Potential Environmental and Social Impacts

- Biodiversity
- Community connectivity
- Energy and water consumption, and waste management of future operation
- Well-being of future customers and tenants

Our Approach

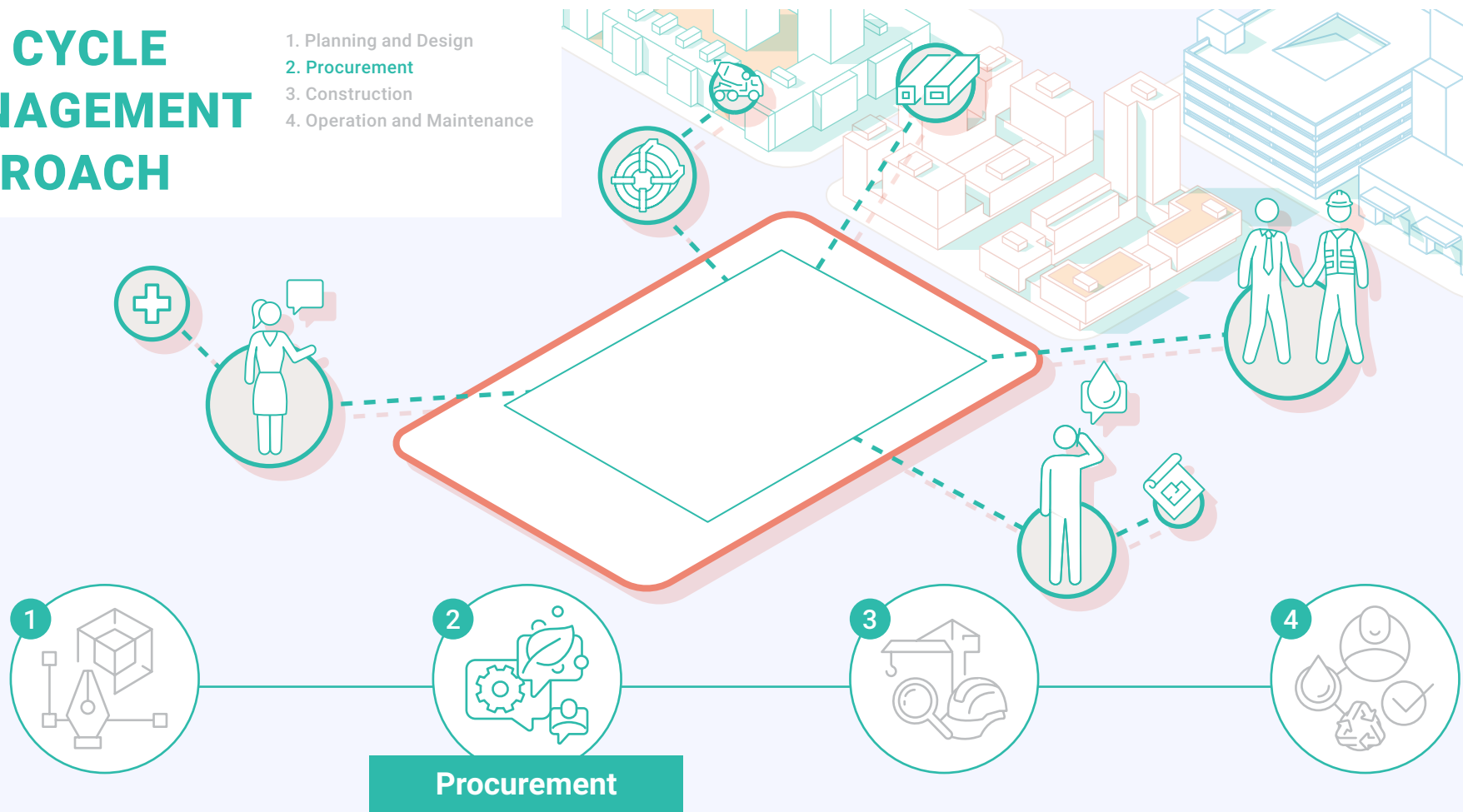
- We carefully evaluate how our development would contribute to the existing ecosystem and community by adopting optimal designs and new technologies

Our Measures

- Active design to improve energy efficiency, water conservation and indoor environmental quality of buildings
- Passive design to optimise interaction with the local microclimate
- Installation of renewable energy systems
- Incorporation of biophilic design features
- Design measures for occupants’ health and safety
- Benchmarking sustainable certifications for new buildings
- Cultural and heritage conservation
- Stakeholder engagement

LIFE CYCLE MANAGEMENT APPROACH

1. Planning and Design
2. Procurement
3. Construction
4. Operation and Maintenance



Potential Environmental and Social Impacts

- Energy and water footprint of products
- Sustainably-sourced materials
- Labour rights issues

Our Approach

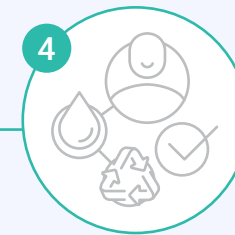
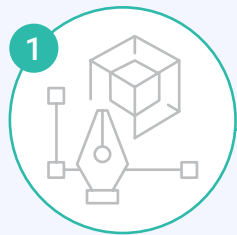
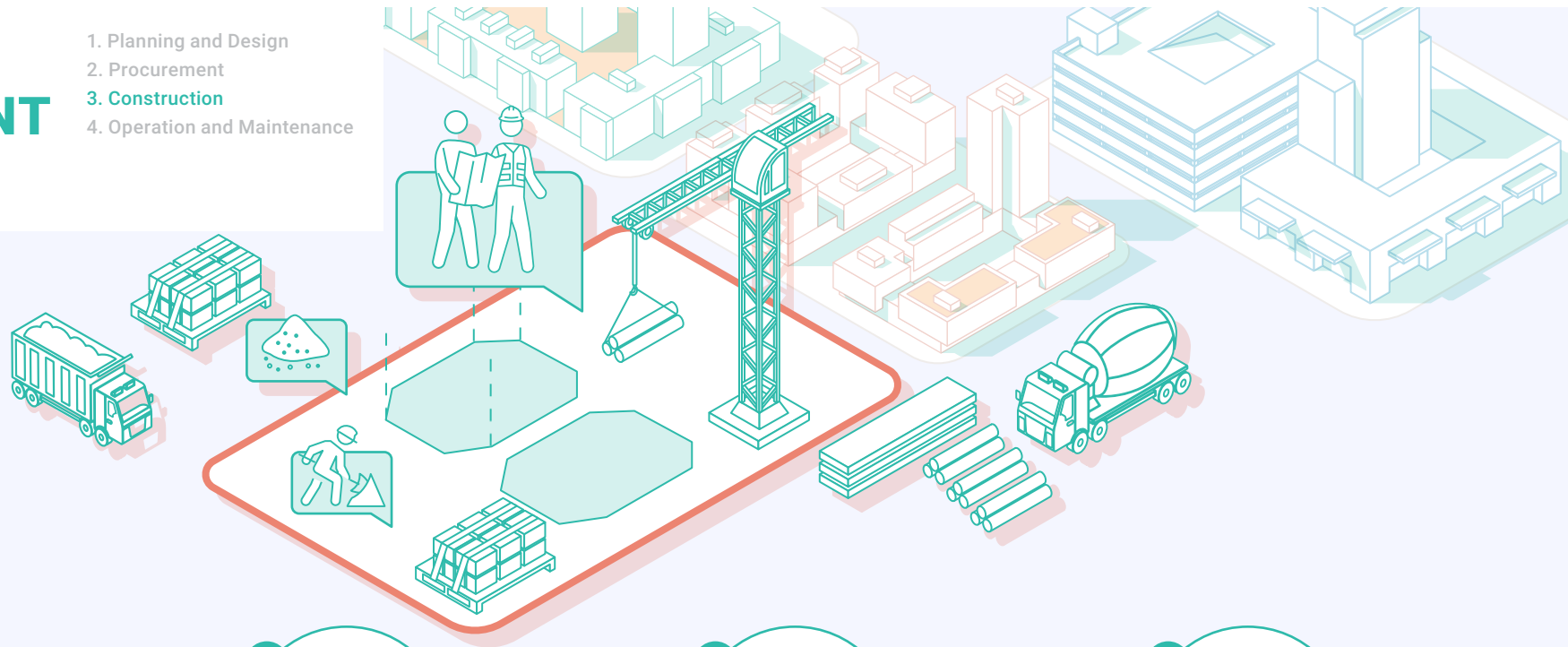
- We have established the “Sustainable Procurement Manual” and “Green Procurement Manual” which govern the purchasing decisions that incorporate environmental and social considerations

Our Measures

- Prioritising the use of sustainable construction materials, such as using timber products from sustainable forests certified by Forest Stewardship Council (“**FSC**”) or Programme for the Endorsement of Forest Certification (“**PEFC**”)
- Incorporating socio-economic considerations in the procurement process, such as promoting fair inclusion and opportunities for diverse suppliers

LIFE CYCLE MANAGEMENT APPROACH

1. Planning and Design
2. Procurement
3. Construction
4. Operation and Maintenance



Construction

Potential Environmental and Social Impacts

- Air emissions, noise, and wastewater discharge from construction activities
- Construction waste generation
- Health and safety of workers
- Nuisance caused by construction work in nearby communities

Our Approach

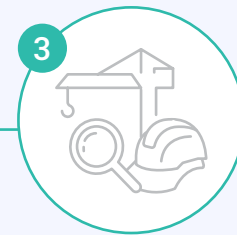
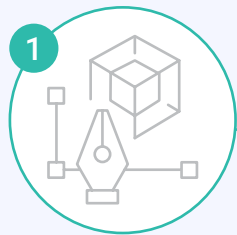
- We have established a monitoring system that standardises construction management in all sites to minimise impacts on the environment and the community

Our Measures

- By the advanced application of BIM, Virtual Spatial Mock-Up (“**VSMU**”) was adopted instead of traditional timber mock-up to reduce the wastage of natural resources
- Using materials with better recycling potential in temporary works, such as using metal scaffolding and aluminium formwork to reduce the wastage of timber and bamboo
- Use of prefabricated and reinforced concrete to reduce on-site environmental pollution
- Reduction of dependence on fossil fuel-derived energy
- Proper management of air, water, noise and waste
- Health and safety tender requirements and training

LIFE CYCLE MANAGEMENT APPROACH

1. Planning and Design
2. Procurement
3. Construction
4. Operation and Maintenance



Operation and Maintenance

Potential Environmental and Social Impacts

- Energy and water consumption
- Waste management
- Health and well-being of tenants and customers
- Tenant and customer satisfaction

Our Approach

- We strive to improve our environmental and social performance by actively reviewing and assessing the effectiveness of our facility management practices as well as engaging tenants and customers on sustainability issues

Our Measures

- System upgrades and retrofitting for energy efficiency and water conservation
- Participation in a local Feed-in Tariff Scheme
- Proper management for indoor environmental quality
- Regular facility maintenance for health and safety of occupants
- Conducting climate resilience assessment
- Obtaining sustainable certifications for existing buildings
- Stakeholder engagement and collaboration

SPOTLIGHT

Shenzhen Qianhai Kerry Centre

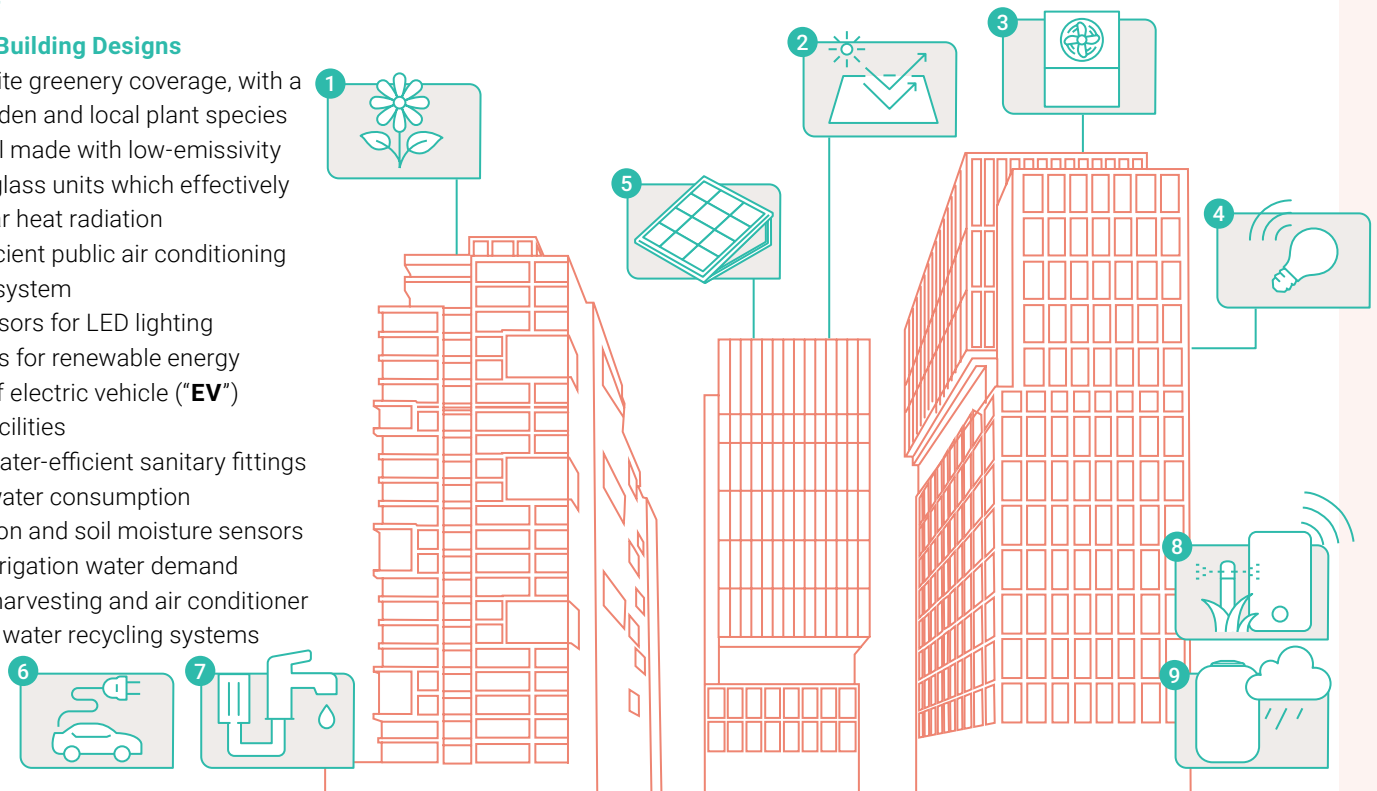
The Shenzhen Qianhai Kerry Centre project aims to create a premium international ecological complex that integrates office, residential, retail and hotel properties with nature, health, and humanity. It received the “Best Mixed-Use Development – Gold Award” and the “Best Green Development – Silver Award” at the “MIPIM Asia Awards 2020”. The awards are a testament of our commitment and efforts made towards embedding sustainability into the life cycle of the development.

The project adheres to the design concepts of sustainable development, green ecological community, and people-orientation. It encompasses a variety of environmentally-friendly designs and innovations which made it the first triple-certified green building complex in our portfolio.

The Shenzhen Qianhai Kerry Centre project also embodies a variety of wellness features to enhance tenant’s well-being on an operational level. When designing the building complex and its surrounding public open spaces, the project integrates people and nature into its architectural and spatial designs to provide a more intimate and humanised experience. For details, please refer to the case study at the end of this chapter.

Highlights of Sustainable Building Designs

1. Over 30% site greenery coverage, with a rooftop garden and local plant species
2. Curtain wall made with low-emissivity laminated glass units which effectively reduce solar heat radiation
3. Energy-efficient public air conditioning ventilation system
4. Motion sensors for LED lighting
5. Solar panels for renewable energy
6. Provision of electric vehicle (“EV”) charging facilities
7. Low-flow water-efficient sanitary fittings to reduce water consumption
8. Drip irrigation and soil moisture sensors to reduce irrigation water demand
9. Rainwater harvesting and air conditioner condensed water recycling systems



Sustainable Building Certifications Achieved at Shenzhen Qianhai Kerry Centre

-  **LEED - Core and Shell Certification**
Platinum and Gold Certification
-  **WELL Building Standard**
Gold Standard
-  **China Green Building Evaluation Label**
Three-Star Green Building Design Label

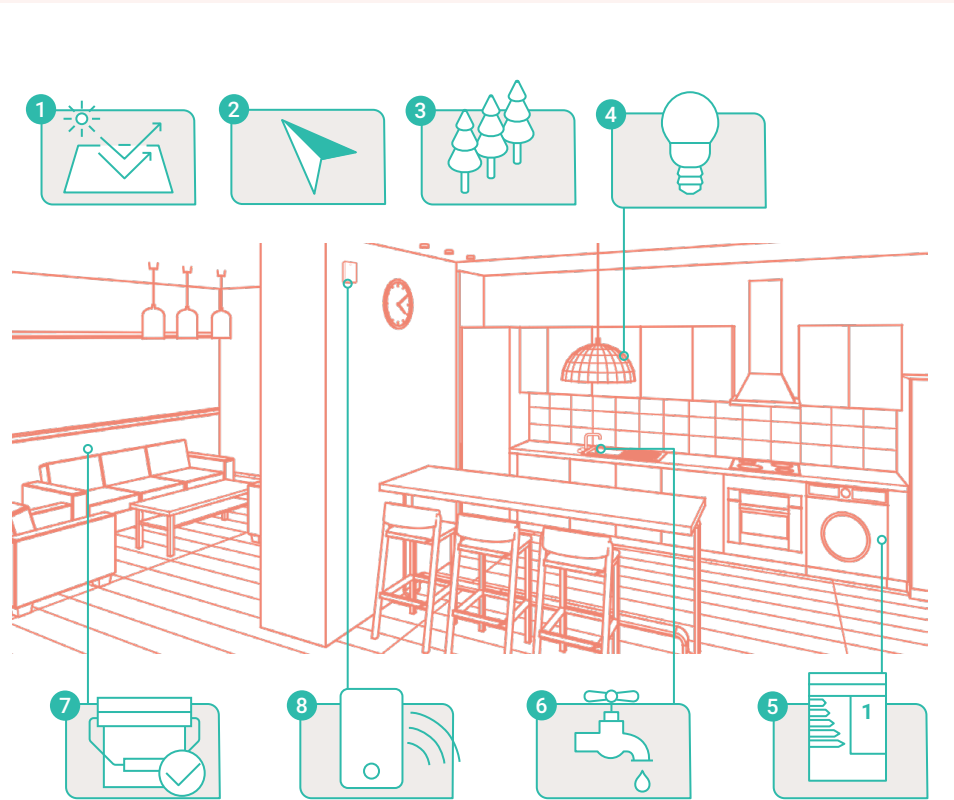


 **SPOTLIGHT**

Hong Kong Resiglow-Bonham

Located in Mid-Levels West of Hong Kong, Resiglow-Bonham is at the heart of a vibrant city and embraces greenery with historic charm. It is a project under our new residential rental brand Resiglow which aims to create a community-based and low-carbon living lifestyle for its residents. Sustainability elements are embedded throughout the building's life cycle which has helped it earn the Final Silver rating under BEAM Plus New Buildings Version 1.2.

In addition to the sustainable design features, we also paid close attention to the environmental impacts that our development might bring across different stages of its building life cycle. Especially when the project is located in the middle of an existing neighbourhood, we worked with the contractor to minimise dust, waste and noise pollution during the construction stage. As we advance, our property management team will continue to engage our residents to promote a green living lifestyle.



Highlights of Sustainable Building Designs

1. Use of high shading coefficient low-emissivity double glazing window
2. Optimising spatial planning and building orientation for natural ventilation and daylight
3. Enhancing the wellness of residents and echoing the harmonious greenery with a community landscape garden
4. Energy-efficient LED lighting
5. Selection of electrical appliances with energy labels
6. Water-efficient sanitary fittings in the kitchen and bathroom
7. Paints and building materials with low volatile organic compounds ("**VOCS**")
8. Real-time indoor and outdoor environmental quality sensors

Environmental Management System

We established an EMS that complies with ISO 14001:2015 which covers 100% of our key operations in Hong Kong and the Mainland. The EMS contains a concise environmental policy and defines clear roles and responsibilities of the EMS Committee in planning and implementation of environmental initiatives. Environmental Management Representatives are designated to execute environmental management programmes and evaluate the Group's annual environmental performance. Furthermore, they are accountable for reviewing the effectiveness of the EMS and reporting to the top management and EMS Committee regularly for continuous improvement. Through the EMS, we are able to integrate environmental considerations in the decision-making process of business activities as well as centralise and drive environmentally-sustainable operations across our vast network effectively.



100%
of our key operations
certified with
ISO 14001:2015

Carbon and Energy Management

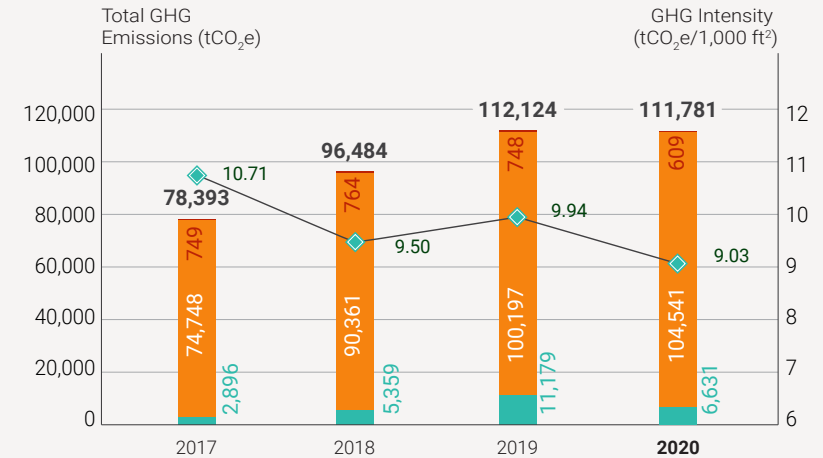
We are witnessing a global, concerted effort to combat climate change. The number of commitments to decarbonisation by governments and businesses has doubled between 2019 and 2020. Reducing the carbon footprint in our operations not only involves aligning the global agenda to respond to climate change, but also seizing business opportunities, realising cost savings and promoting technological innovation.

Guided by our “Group Environmental Protection Policy”, we adopt a well-structured approach to maximise energy efficiency and monitor energy performance at our buildings. We also proactively collaborate with our stakeholders to raise awareness for energy conservation and promote behavioural change at homes and workplaces to reduce carbon footprint. The effectiveness of our “Energy Policy” and performance are reviewed regularly to strive for continuous improvement. In 2020, we updated our “Energy Policy” and the terms of reference of our EnMS Committee to transition from ISO 50001:2011 to 2018. Our head office in Hong Kong has been accredited by the ISO 50001:2018 Energy Management System and we have further plans for other properties to be accredited by ISO 50001:2018 in the future.

Hong Kong and the Mainland GHG Emissions and Energy Consumption Performance^{1,2}

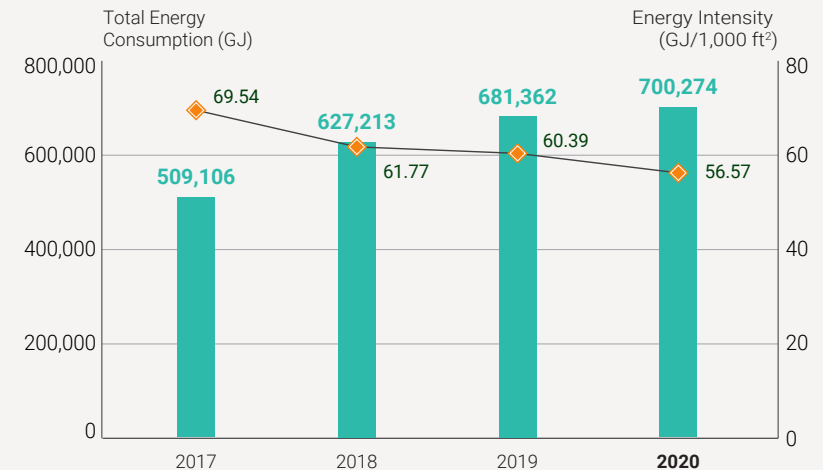
GHG Emissions Summary

- Scope 1 – Direct GHG Emissions (tCO₂e)
- Scope 2 – Energy Indirect GHG Emissions (tCO₂e)
- Scope 3 – Other Indirect GHG Emissions (tCO₂e)
- ◆ GHG Intensity (tCO₂e/1,000 ft²)



Energy Consumption Summary

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



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

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

SPOTLIGHT

Our Decarbonisation Journey to Date

Transition to a low-carbon built environment is a global priority to tackle climate change. Addressing buildings' energy efficiency is a crucial route to achieving the transition.

Embracing the call for decarbonisation, we are in full support of the government's long-term commitment to energy saving and carbon reduction. Besides energy efficiency renovations and management approaches, we have been conducting voluntary carbon audits since 2011 and supporting the Energy Saving Charter. We set aggressive carbon intensity reduction targets of 30% in Hong Kong operation and 10% in the Mainland operation by 2020, with the base year 2011 and 2015 respectively. By 2020, we successfully achieved and exceeded our target requirement. While we build low-carbon buildings, we have been taking the plan-do-check-act approach to actively minimise our managed properties' carbon footprint.



Carbon Intensity Reduction Target Achieved in Hong Kong¹

Our Target **↓30% by 2020**
 (base year 2011)

Progress Achieved in 2020 **↓36%**

Carbon Intensity Reduction Target Achieved in the Mainland¹

Our Target **↓10% by 2020**
 (base year 2015)

Progress Achieved in 2020 **↓53%**

As we advance, we are in the progress of conducting a feasibility study on SBTi to update our carbon reduction target. Echoing with the global discussion on climate risk, we are also committed to conducting CRVA for all of our investment portfolio by 2030.

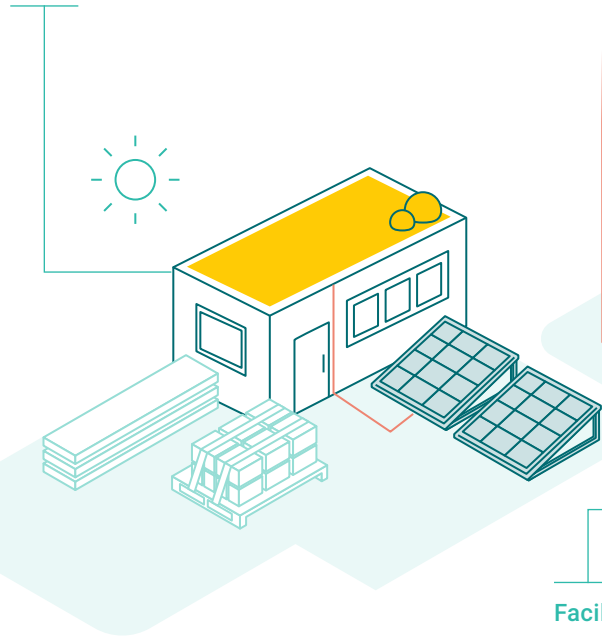
1. The calculation is based on the methodology adopted in the base year for Hong Kong and the Mainland respectively.

Energy Saving Initiatives

We have implemented a number of facility enhancements and equipment replacements to improve energy efficiency.

Construction Site

- Installed solar LED lamps which generates electricity for outdoor lighting at construction sites during nighttime
- Selected energy-efficient plant and equipment
- Installed green roof made of artificial turf to reduce the cooling load of the site office



Facilities Upgrade

- Replaced old equipment with high-efficiency pumps and motors
- Improved thermal insulation and heat reduction by applying thermal coatings
- Implemented energy recovery for lift motors

Air Conditioning Systems

- Upgraded energy-efficient chiller system and optimised efficiency through retro-commissioning at Beijing Kerry Residence, which saved 58,000 kWh of electricity annually. Chiller water pumps with variable speed drives were also upgraded at Beijing Kerry Centre, Shanghai Jing An Kerry Centre, and Shenyang Kerry Centre
- Replaced cooling tower packing at Jing An Kerry Centre and Kerry Parkside in Shanghai
- Replaced the air conditioning system at Hong Kong Constellation Cove and Ocean Pointe as well as primary air handling units at Enterprise Square with more energy-efficient models



Lightings

- LED tube replacement was completed in selected properties in the Mainland and in Hong Kong
- Installed dimmers and motion sensors for light fittings
- Removed excessive decorative lighting at Kerry Residence of Kerry Parkside in Shanghai. Together with the use of LED lights for exterior wall lighting, 130,000 kWh of electricity was saved annually.



SPOTLIGHT

Building Operating System at Enterprise Square Three, Hong Kong

As part of our evolution from transforming green buildings to become “smart”, we are exploring ways to utilise the Internet-of-Things (“IoT”), devices with sensors paired with software which enable online monitoring of energy consumption patterns.

We adopted an online energy-use monitoring system at Enterprise Square Three in Hong Kong. The system is used to analyse trends in consumption and identify opportunities for improvement in energy efficiency during building operations and maintenance.

Key Features



Data Collection

8,220,000+ data points collected



Real-time Monitoring

Instant visualisation of performance data on mobile device



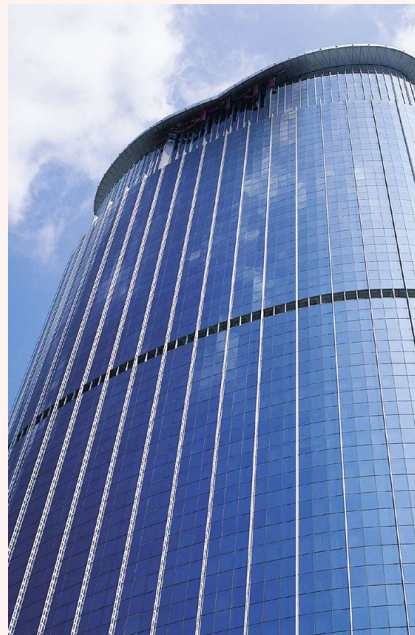
Remote Diagnosis

Automated fault detection and prompt notifications to property management



Analysis

Big data and artificial intelligence algorithm to analyse energy performance



The system allows us to analyse variations in the chiller performance under different weather conditions and opportunities for energy saving. As a result, we were able to identify underutilised chillers to be switched off during winter and attain efficiency in the overall cooling capacity.

Renewable Energy

We participated in a local Feed-in Tariff Scheme to promote the installation of on-site renewable energy generation in Hong Kong. Hong Kong Kerry Centre has installed 80 units of solar panels on the rooftop, generating 16,000kWh of electricity annually. A utility company would subsequently purchase the electricity generated and deliver it to the electrical grid. Seeing the success of the solar panels in Hong Kong’s project, we are considering extending the use of renewable energy systems to other properties in Hong Kong and the Mainland.



We have also installed the EV charging facilities at seven properties in the Mainland and 12 properties in Hong Kong, offering in total around 200 charging stations for our tenants and customers who travel with EVs.



Waste Management

Proper waste management is critical as it poses potential environmental, and health and safety risks, which can be attributed to our construction activities and waste generated from managed properties. Guided by our “Group Environmental Protection Policy”, we adopt the Reduce-Reuse-Recycle-Replace approach whenever possible. We monitor waste generation along our entire value chain: from construction waste to waste generated from commercial and residential developments by collecting monthly waste data. Based on waste figures we collect on a regular basis, we evaluate the effectiveness of our efforts and the adequacy of the facilities and promotion provided for our stakeholders. We work closely with our stakeholders to drive behavioural change and to collaboratively reduce waste generated from our premises.

Total waste recycled in Hong Kong and the Mainland operations

9,843 tonnes
≈ 371 double-decker buses¹

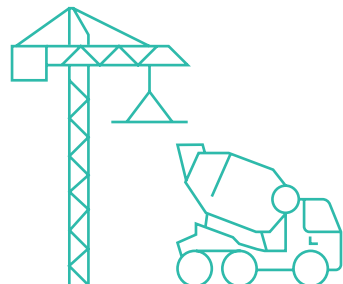
1. The estimation is based on the ADL Enviro 500 Turbo Euro V 12.8M bus.



Waste Management at Construction Sites

We pay close attention to the Construction and Demolition (“C&D”) waste generated by our contractors at construction sites. All contractors are required to collect and sort the waste properly with a waste tracking system to report their monthly recycling rate against the target set within our EMS. For any waste disposal, we actively monitor the contractors to ensure the process and procedures stipulated by local rules and regulations are strictly followed. We have achieved and exceeded the target of a 60% recycling rate for construction waste in Hong Kong. To encourage contractors to perform beyond compliance, we have the Enhanced Safety Performance and Environmental Protection Scheme in place to reward contractors if more than 70% of C&D waste generated is recycled.

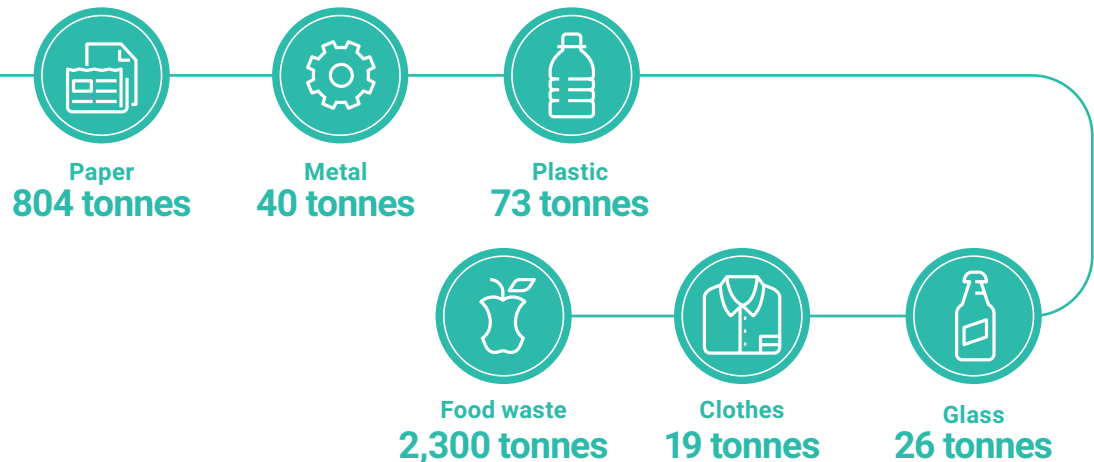
C&D waste generated in Hong Kong and the Mainland operations
38,905 tonnes



Waste Management at Managed Properties

We strive to reuse and recycle at our managed properties as much as possible by designating waste sorting areas and facilities for a wide range of recyclables. We maintain proper records of the recyclables collected and monitor our waste performance against waste recycling targets set within the EMS. All other non-hazardous and non-recyclable waste is collected and directly sent to landfills by waste handlers. We also deliberately engage qualified contractors to ensure proper disposal without harm to the environment for hazardous waste such as toner cartridges, fluorescent light tubes, compact fluorescent lamps, and rechargeable batteries.

Highlights of selected recyclables collected from properties managed in Hong Kong and the Mainland²



2. Including head office and 33 managed properties in Hong Kong, and 18 managed properties in the Mainland.

Waste Management Initiatives

In order to promote environmental protection, we continue to upgrade our waste management facilities and organise various initiatives to drive behavioural change among tenants, residents, and customers. As evaluating the types and weights of waste generated can help us understand the effectiveness of our waste management initiatives, we have conducted waste audits to analyse the waste stream at our managed commercial and residential buildings.



Waste Sorting Facilities

- Increased the number of waste sorting bins to facilitate tenants' recycling at Beijing Kerry Centre and Shanghai Jing An Kerry Centre.
- Replaced waste compactor machine for more efficient waste handling at Shanghai Jing An Kerry Centre.
- Upgraded all grease trap facilities at the shopping mall of Hangzhou Kerry Centre.
- Enhanced the recycling experience of our residents by offering highly accessible recycling facilities in Hong Kong.



Food Waste

- Food waste composters have been installed at nine of our properties in Hong Kong. The compost generated would be used for onsite gardening or residents' houseplants.
- Launched food waste recycling programme for food and beverage ("F&B") tenants at MegaBox in Hong Kong. The food waste collected will be sent to O·Park1 government facilities and used for electricity generation.
- Food waste decomposers installed at Shanghai Kerry Everbright City Phase III – Enterprise Centre and Jing An Kerry Centre. Food waste is collected and processed with aerobic digestion machines to reduce solid wastes to liquid form.



Plastic

- Plastic bottles reverse vending machines installed at Enterprise Square and MegaBox in Hong Kong. Customers who recycle their plastic bottles using the reverse vending machines would receive credits for redeeming rewards.
- Extended the range of plastic items to be recycled, including safety helmets, expanded polystyrene, food containers and packaging at selected construction sites.
- "Glow Green" - Using upcycled plastic bags and polyethylene terephthalate ("PET")/high-density polyethylene ("HDPE") plastic bottles together with LED tubes to light up the Christmas tree installation with waste we produced. Over 7,000 pieces of plastic were collected and transformed into an aesthetically pleasing artwork.
- In the Mainland, we promoted the use of degradable garbage bags and provided degradable umbrella bags for our tenants and customers on rainy days. We also promoted the use of reusable utensils and straws and raised awareness for more environmentally-friendly substitutes to single-use plastics.





Stakeholder Engagement

- Launched the Beverage Carton Recycling Programme at Elm Tree Towers, Kerry Centre and The Summa in Hong Kong.
- Organised various eco-themed recreational and educational workshops such as Wine Bottle Upcycling Workshop at The Bloomsway, Ocean Pointe, Mantin Heights and Aquaponics System Workshop at Island Crest in Hong Kong.
- Adoption of digital communications in the Mainland. By adopting digital platforms such as WeChat, we were able to communicate with our customers and tenants more efficiently and promote a paperless culture among our tenants and customers.



SPOTLIGHT

Waste Audit at Kerry Centre and Lions Rise in Hong Kong

To gain a better understanding of the major drivers of waste at our managed properties and refine our waste management approach, we engaged an external consultant to conduct waste audits at Kerry Centre and Lions Rise in Hong Kong as pilot studies. The audit consisted of:

Key Features



Weight Measurement and Sorting

Recording of composition of municipal solid waste and identifying potential items for recycling



On-site Interviews

Interviews with property management and frontline cleaning workers to ascertain current practices and measures in waste management



Spot Checks of Recycling Facilities

Weighing and inspecting bins for recycled items, assessing for any wrongly sorted or uncleaned recyclables

As a result, property management leveraged data from the audits to devise a plan to drive changes for improvement and engage stakeholders to raise awareness on waste management.

Indoor Air Quality Control and Monitoring

Indoor Air Quality (“**IAQ**”) is one of the key sustainable building aspects. We strive to maintain good IAQ by providing adequate ventilation and control the level of common indoor air pollutants which are harmful to our employees, tenants and customers’ health. Hong Kong Kerry Centre, Enterprise Square and Enterprise Square Three have also participated in the IAQ Certification Scheme for Offices and Public Places organised by the Environmental Protection Department, obtaining the IAQ Excellent Class and Good Class certifications respectively.

We are constantly looking out for the latest trends in technology on improving IAQ of our buildings. Air quality sensors, which have been installed at multiple properties, are one such example. The sensors measure levels of PM2.5, VOCs, carbon dioxide, indoor temperature, and humidity in real-time, based on which we are able to identify trends and anomalies. Seven properties across Hong Kong and the Mainland operations were awarded RESET™ Air Core & Shell certification¹ in recognition of the achievement in IAQ.



Shanghai Kerry Everbright City Phase III – Enterprise Centre attained RESET™ Air Core & Shell certification in 2020

1. Hong Kong Kerry Centre, Beijing Kerry Centre, Hangzhou Kerry Centre, Shanghai Jing An Kerry Centre, Shanghai Kerry Everbright City Phase III – Enterprise Centre, Shanghai Kerry Parkside, and Shenzhen Kerry Plaza have received the RESET™ Air Core & Shell certification.

Water Management

Fresh water is an essential resource for human life, yet the availability of clean water and sanitation in many countries is still a concern. To preserve water resources, we are committed to reducing water consumption through the application of practical designs, as well as enhancing wastewater recycling at our construction sites.

Water Conservation Initiatives

At our properties, we have implemented various measures to improve water efficiency and reduce water consumption, including the selection of water-efficient fittings with Water Efficiency Labels, as well as the installation of water reclamation systems which allows us to reuse greywater and harvest rainwater at our properties. We also conduct periodic checks and maintenance of water supply systems to prevent wastage due to water leakage at our managed properties. In the construction stage of our development projects, we require our contractors to recycle wastewater from wheel washing and road spraying. Our Enhanced Safety Performance and Environmental Protection Scheme rewards contractors if more than 30% of wastewater is recycled and reused on site.



Rainwater harvesting system in Shanghai

 **SPOTLIGHT**

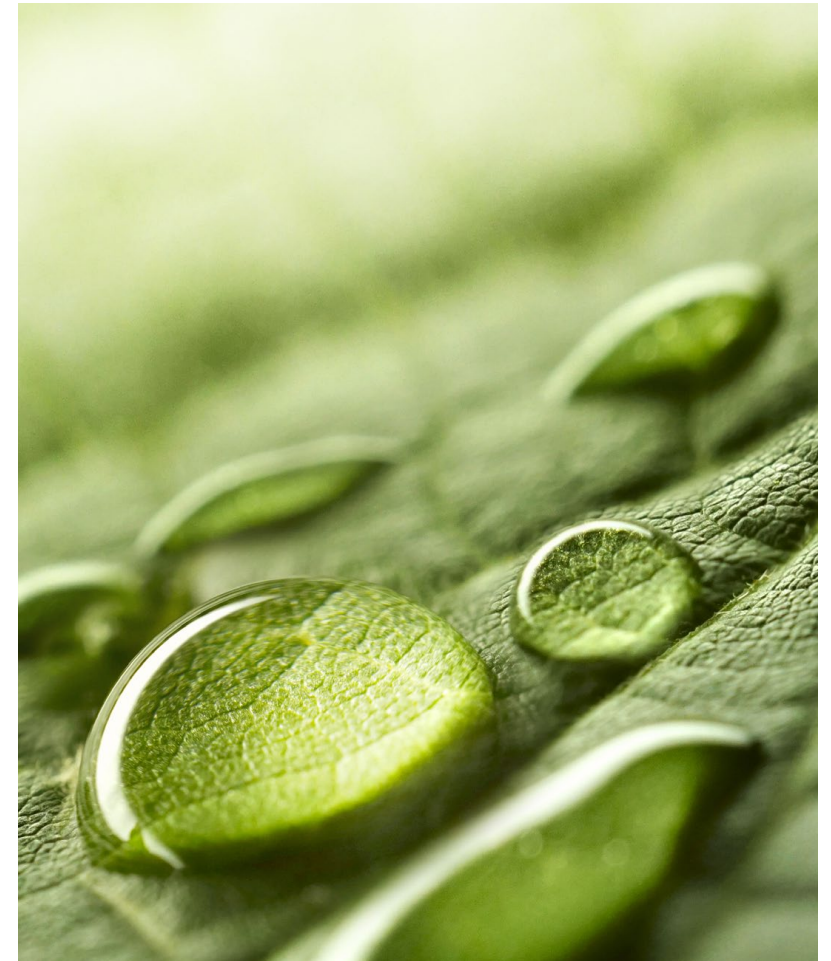
Greywater Recycling at Beijing Kerry Centre

Recognising the large amount of water consumption of the catering industry, we have installed a greywater recycling system at Beijing Kerry Centre, designed to recycle the wastewater from our F&B tenants. This centralised system collects, filters and disinfects kitchen wastewater from tenants for various uses, reducing our water consumption and the load on sewage treatment plants.



Wastewater Discharge Management

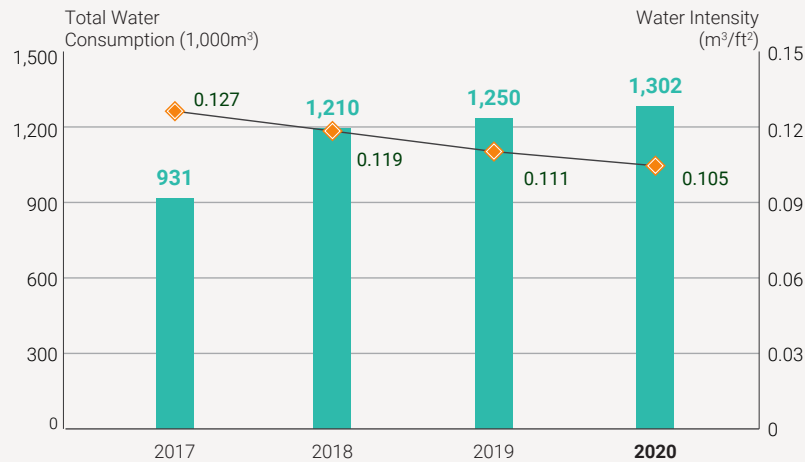
While the domestic wastewater produced in our operations is discharged directly to the municipal sewage treatment plant, we work closely with our contractors to manage and monitor the quality of wastewater discharged from our construction sites. Contractors are required to regularly monitor the quality of wastewater discharged, such as performing weekly visual checks on turbidity and pH tests, conducting monthly laboratory tests, as well as maintaining proper wastewater flow records and laboratory reports on effluent quality.



Hong Kong and the Mainland Water Consumption Performance^{1,2}

Fresh Water Consumption Summary

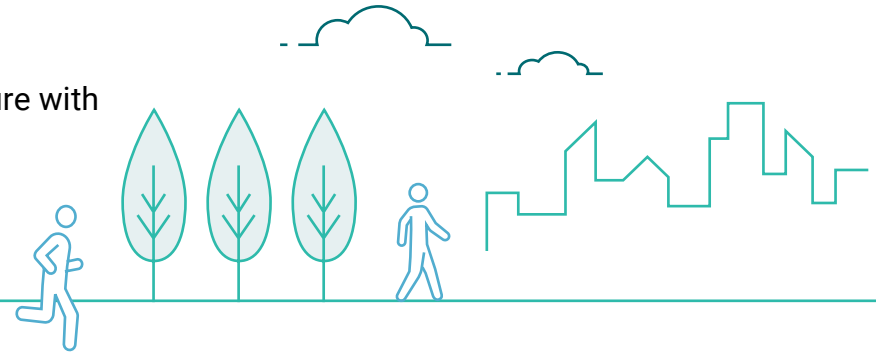
- Total Water Consumption (1,000 m³)
- ◆ Water Intensity (m³ / ft²)



1. Including all properties in Hong Kong and the Mainland as stated in the reporting boundary.
 2. Due to COVID-19, routine meter reading was suspended to maintain social distancing among meter readers. Manual record has been taken for buildings receiving no official water bills for water consumption estimation.

GREEN CULTURE

We engage and collaborate with different stakeholders to foster a green culture with high awareness and participation in conservation and environmental issues.



Upcycled Uniform (Shanghai)

- In support of a circular economy, we introduced the concept of upcycling into our staff uniform. The uniforms of property management staff in Shanghai were made from recycled plastic materials that were not only eco-friendly, but also durable and wrinkle-free
- Jackets and pants are made from 80% recycled polyester and 20% cotton
- Shirt fabric is made of 65% recycled polyester and 35% cotton



Urban Farm and Sky Herb Garden (Hong Kong)

- Surrounded by buildings in the bustling district of East Kowloon, MegaBox retreated from the concrete jungle and set up an Urban Farm on L4 and Sky Herb Garden on L10 for our staff and tenants
- Our F&B tenants have also been invited to harvest vegetables and herbs as the ingredients of their dishes, bringing fresh produce and herbs to their customers



Smart Waste Sorting Scheme (Tangshan)

- We held a launch ceremony for the newly installed Smart Waste Sorting bins at Tangshan Arcadia Court, where residents could register a reward card for accumulating credits when sorting waste through the smart waste sorting bins, encouraging active participation in waste recycling



Plant-based Fest (Shanghai)

- We organised a Plant-based Fest at The Piazza in Jing An Kerry Centre, Shanghai
- We encouraged a greener lifestyle through promoting the benefits of having a plant-based diet



“More Effort, Less Carbon” Movement (Southern China)

- This initiative seeks to utilise mobile apps to record carbon emissions data so that employees can gain an intuitive understanding of carbon emissions
- We hope to stimulate participants to be more conscious of their habits and encourage them to reduce their emissions



LOVE in Kerry – Kerry's Urban Farm (Beijing)

- Our annual organic festival took place in Beijing Kerry Centre to reconnect city-residents with nature
- In collaboration with local farmers and green groups, we planned a series of activities and booths for visitors to learn about green living in an engaging yet relaxing setting



Case Study

INDOOR ENVIRONMENT: A KEY TO VITALITY

With people now found to be spending up to 90% of their time indoors, the importance of maintaining a healthy indoor environment cannot be overstated. We have always recognised the link between environmental performance and human well-being, and fostered that connection through people-centric sustainable design, construction and operation.

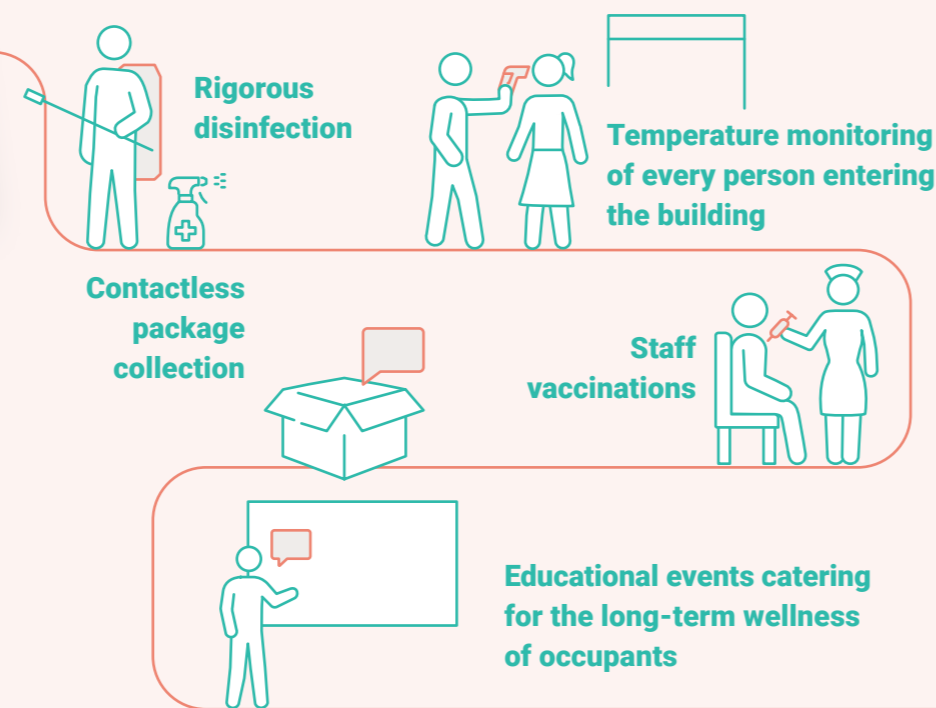
Demonstrating our market-leading efforts, Kerry Properties' high-end serviced apartment Central Residences II ("CRII"), Shanghai, was the first apartment project in the Mainland to attain the WELL Health-Safety Rating. This evidence-based, third-party verified rating is based on an assessment of six main themes covering a range of operational policies, maintenance protocols, occupant engagement and emergency plans.

Building and Acting Responsibly

Concern for the health and safety of residents drove the decision to bring the WELL Health-Safety seal to CRII. Among all critical health and safety issues, we have specifically focused our attention on areas which mainly include air and water quality, surface contact reduction and cleaning practices improvement.

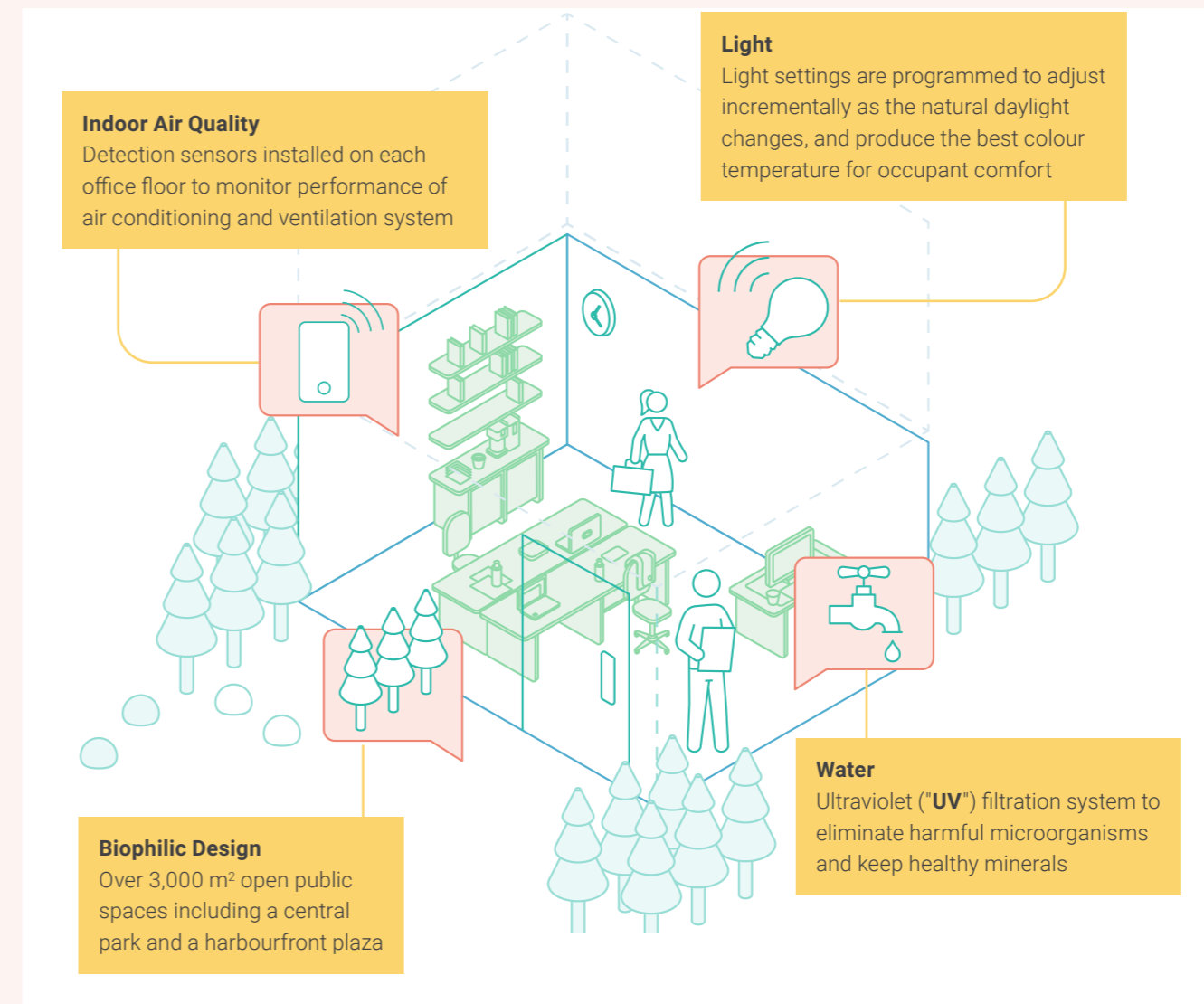
To alleviate pollutants and ensure adequate ventilation, PM2.5 purification and air filtration machines were installed in every residential unit at CRII. Aligned with WELL Health-Safety drinking water parameters, water purifiers have also been installed in all homes.

In addition, a raft of emergency measures was promptly implemented at the outset of the pandemic to ensure optimal hygiene and keep occupants informed and prepared for the post-COVID-19 environment.



Altogether, these measures provide a safe living environment for residents, preserve the safety of stakeholders and the community, and set in place behaviour conducive to a healthy future.

Planned in accordance with the WELL Building Gold Standard, Qianhai Kerry Centre, our award-winning landmark building in Shenzhen, has been a pioneer of leading wellness practices in its designs and daily operations.



Advancing New Goals

Extending our environmental upgrades to existing buildings, a goal of attaining the WELL Building Standard for Hong Kong Kerry Centre is targeted for 2021. For this goal, we have committed to measuring and monitoring major environmental parameters.

To take a step further, a number of systems and guidelines enhancement is under way. Particle filtration has been implemented by adopting media filters in the air ventilation system to filter outdoor air supplied to the premise. Thermal comfort survey including an assessment of occupants' overall satisfaction with thermal performance has been administered. More than 1,000 survey responses were collected to identify thermal comfort-related issues in the building. We also updated the management regulations with an aim to guide our tenants on the material used for fitting out and alterations for a better indoor environment.

Through strategic initiatives and daily actions alike, we will continuously grasp every idea and opportunity to better care for people and the environment.





PEOPLE HEALTH AND WELLNESS



It is a non-negotiable tenet of Kerry Properties' operations that all people are treated fairly, impartially and with dignity – and, more importantly, that every voice is heard.

While caring for our own people became an even greater priority during the challenges of 2020, we grasped the opportunity to link staff wellness initiatives with a wide range of community support programme. The meaningful individual and social outcomes achieved became a bright spot during a difficult year.

Photo: Home to a diverse array of birds, Mai Po Nature Reserve in Hong Kong preserves natural habitats for biodiversity and our well-being.



OCCUPATIONAL HEALTH AND SAFETY

Our Activities

- Robust occupational health and safety management system
- Updated "Corporate Health and Safety Policy"
- Ongoing safety training

Our Impacts

- **Zero** fatalities of our employees
- Work-related injury rate: **7.11 per 1,000 employees**



HUMAN CAPITAL MANAGEMENT

- Digital transformation to online management platform
- Promoting diversity and inclusion

- Streamlined procedures
- Female to male remuneration:
Hong Kong: **1 : 1.05**
The Mainland: **1 : 0.76**
- Percentage of women in senior positions: **30%**



LEARNING AND DEVELOPMENT

- Launch of integrated online learning platform
- Systematic and comprehensive training programme

- Average training hours: **14.1 hours**
- **519** online courses issued
- **3,000+** enrolled users



EMPLOYEE ENGAGEMENT AND WELL-BEING

- Mindfulness training for management and frontline staff
- Recreational events to promote physical fitness of employees

- Enhanced employee satisfaction and workplace belonging
- Average employment tenure: **6.7 years**

Occupational Health and Safety

We are committed to the physical, mental, and social well-being of our people. Through robust management and established control procedures, we strive to provide a safe working environment for our employees following the hierarchy of control.

Safety Management System

We have occupational health and safety systems in place to maintain the safety of our workplaces. Around 80% of our key operations in the Mainland and Hong Kong are certified with ISO 45001:2018 and OHSAS 18001:2007 Occupational Health and Safety Management System¹. We will progressively expand the scope of safety management system in the coming years.

As part of our effort to continuously improve, in 2020 we made an update to the group-wide “Corporate Health and Safety Policy”. This policy outlines our approach to managing health and safety of our construction and property management activities.

Dedicated governance structure led by top management has been founded to oversee our overall occupational health and safety management, including decision-making on safety matters. Safety Committees are set up in both our property management and property development division. Site and frontline workers are also included in the committees to ensure their opinions are considered and heard. Their responsibilities include identifying potential health and safety risks, developing effective policies and precautionary measures, and ensuring incidents are properly recorded, investigated, and followed up.

Quarterly meetings, regular audits and policy reviews are conducted by the committees to ensure safety measures are enforced. Apart from periodic reviews, any occurrence of incidents or employee feedback would trigger reviews of our risk controls on occupational health and safety management.

We closely monitor the following performance indicators on occupational health and safety to ensure the effectiveness of our safety measures:



Work-related Injury Rate

7.11 per 1,000 employees



Fatality Rate²

0%

Incident Management

To promptly respond to health and safety incidents, we have established a robust management system with an incident investigation and reporting procedure. An experienced safety team shall be dispatched to investigate the root cause of any reported incident and determine substantial corrective actions for improvement. Incident statistics and investigation results shall be discussed and analysed in management review meetings to identify the problem, and subsequently for proactive safety measures to prevent the recurrence of similar accidents in the future. We value our employees and their safety is our top concern. Employees are continuously reminded not to engage in any unsafe work and to timely report any work-related hazards to our local safety representatives or safety management team.



1. Calculated based on number of employees covered by the system.

2. Fatality rate of our employees.

Training on Health and Safety

In addition to health and safety management systems, we have devised guidelines, standard operating procedures (“SOPs”) and training programmes to raise safety awareness among our employees. The types of training span from general safety – for example the use of personal protective equipment – to role-specific training, such as those tailored to employees conducting high-risk work.

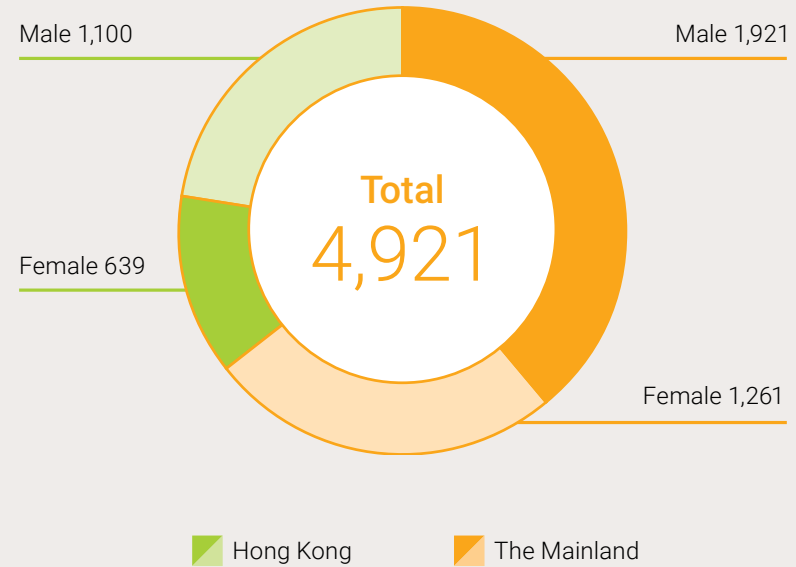
For our property management business in particular, we mandate all properties to comply with a standard framework defined by our safety performance assessment system. Tailored guidelines have been provided for high-risk activities. Monthly toolbox talks were conducted to educate employees on safety topics including the use of chemicals, work in confined spaces and work under inclement weather. A total attendance of 2,533 was recorded for these talks during the reporting period. SOPs of activities with higher safety risk, including metal scaffolding work and work at height, have been filmed as video tutorials to help employees better visualise the procedures.

A Health and Safety Week was also held in November 2020. Online webinars on topics including traditional Chinese medicine, food and nutrition, as well as interactive activities such as tips sharing event and safety trivia games were organised to enrich our employees’ learning experience.

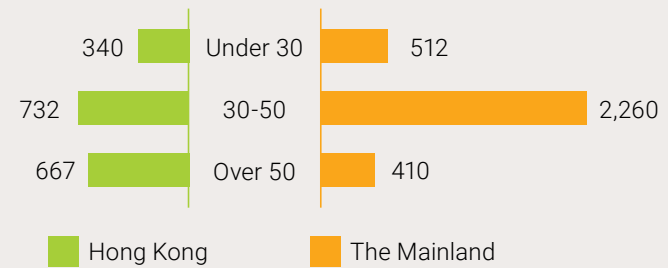
Human Capital Management

Total Workforce¹

By gender and region



By age group



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

As defined by our Human Resources (“HR”) Management Framework, we manage our human capital through six major dimensions. Each of these dimensions is driven by designated teams with specific objectives:

- 

Talent Acquisition

To put the right people in the right place; to attract talent for succession and business continuity. To promote diversity of our workforce and to enhance our employer brand as an employer of choice.
- 

Learning and Development

To unleash employee’s potential for growth by promoting a culture of continuous development. To analyse talent gaps, and to develop organisational capability by providing relevant learning opportunities.
- 

Total Rewards and Mobility

To attract, reward and retain talent through the design and implementation of compensation and benefits models that are competitive and aligned with pay-for-performance. To facilitate employee mobility across geographic locations with guidelines provided in our mobility policy and framework.
- 

HR Shared Services and HR Information System (“HRIS”)

To enable and enhance people operations through digitisation of information, and simplification and automation of processes. To drive implementation of systems and tools that support reporting and analysis, empower managers, and improve employee experience.
- 

HR Business-Partnering

To provide advice and comprehensive HR solutions to our business with the support of HR Centres of Excellence. To lead organisation development, succession planning, and talent and leadership development for business sustainability and continuity.
- 

Culture and Engagement

To build an engaged, motivated and productive workforce through promotion of employee well-being, workplace health and safety, and organisation culture.



SPOTLIGHT

Human Resources Digital Transformation – SuccessFactors

In 2020, we have reached a significant milestone in our HR digital transformation journey with the kick-off of the SuccessFactors implementation project. SuccessFactors is an integrated human capital management solution which enables us to digitise many of our existing HR processes and people records. The implementation of the solution also gives us the opportunity to standardise and redesign workflows, as well as to rethink the ways we work and collaborate as “ONE KPL”.

To be deployed in phases, the different modules in SuccessFactors including recruitment, onboarding, learning and development, performance management, compensation and succession planning are to be integrated. The real-time people data accessible to business leaders and managers would help facilitate sound decision-making and business planning. Employee experience is to be improved with enhanced data transparency.

With the new learning management platform, we will be offering more online training classes and self-learning opportunities to our colleagues, including those on sustainability-related topics.



SAP SuccessFactors

Features of Digital Management Platform

 <p style="color: #8bc34a; font-weight: bold; font-size: small;">Accessible anywhere</p>	 <p style="color: #8bc34a; font-weight: bold; font-size: small;">Streamlined procedures and reduced paperwork</p>
 <p style="color: #8bc34a; font-weight: bold; font-size: small;">Report on real-time people-related data</p>	 <p style="color: #8bc34a; font-weight: bold; font-size: small;">Analysis and insights to support HR strategic planning</p>

Talent Attraction and Retention

Our staff members form the foundation of our organisation. We believe in building a fair and caring company culture that allows our talent to be properly cared for and appropriately rewarded.

Average Employment Tenure¹



Male
6.8 years



Female
6.6 years



Hong Kong
6.8 years



The Mainland
6.6 years

Employee Turnover Rate²



20.7%

1. Calculated based on employment tenure of all employees at the end of the reporting period.
2. Employee turnover rate (in percentage) = number of turnover / total workforce at the end of the reporting period x 100%.

Fair Labour Practice

We seek to create an ideal work environment where human rights are upheld. There are a number of HR-related policies and guidelines in place to protect the interests and welfare of staff, including the “Equal Opportunity and Anti-discrimination Policy”, “Ethical Guidelines”, “Workplace Quality Policy” and other established procedures. Together with our “Employee Handbook”, they set out information on employees’ compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and welfare, as well as the prohibition of child labour or forced labour. We operate in strict compliance with applicable legislations and forbid any form of forced labour and hiring of victims of human trafficking in our operations. Regular reviews on our employment practices are also conducted to ensure we operate in a fair manner.

To ensure our employees are rewarded in an objective and fair manner, we also leverage a performance-based appraisal system in our review process. This appraisal system enables objective review of employee performance on key aspects and the results will be referenced when making compensation and promotion decisions. We are considering incorporating sustainability-related KPIs into the annual appraisal exercise of our employees.



Non-Discrimination, Workplace Diversity and Inclusion

Strict guidelines and regulations are in place to uphold our obligation to safeguard our employee’s rights to non-discrimination, equal opportunity, as well as equal pay for equal work. Our company-wide “Ethical Guidelines” underscore our compliance to relevant local regulations, and stern opposition against discrimination on grounds of individual attributes including but not limited to gender, age, disability, marital status, ethnic origin, sexual orientation, nationality and other affiliations. We also strive to promote gender equality and eliminate pay discrimination on the ground of sex.



Ratio of remuneration of female employees to male employees¹

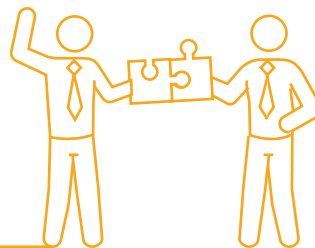
Hong Kong: **1 : 1.05**

The Mainland: **1 : 0.76**



Percentage of women in senior positions²

30%



Complementing our stance on non-discrimination, we embrace diversity in our workplace. We believe an inclusive workforce allows diversity in thinking, skills, and experience. Such commitment is also reflected in our business practices such as talent acquisition and development, compensation and benefits, retention of employees and succession planning, as well as social and employee engagement programmes.



Staff gallery in Jing An Kerry Centre, Shanghai

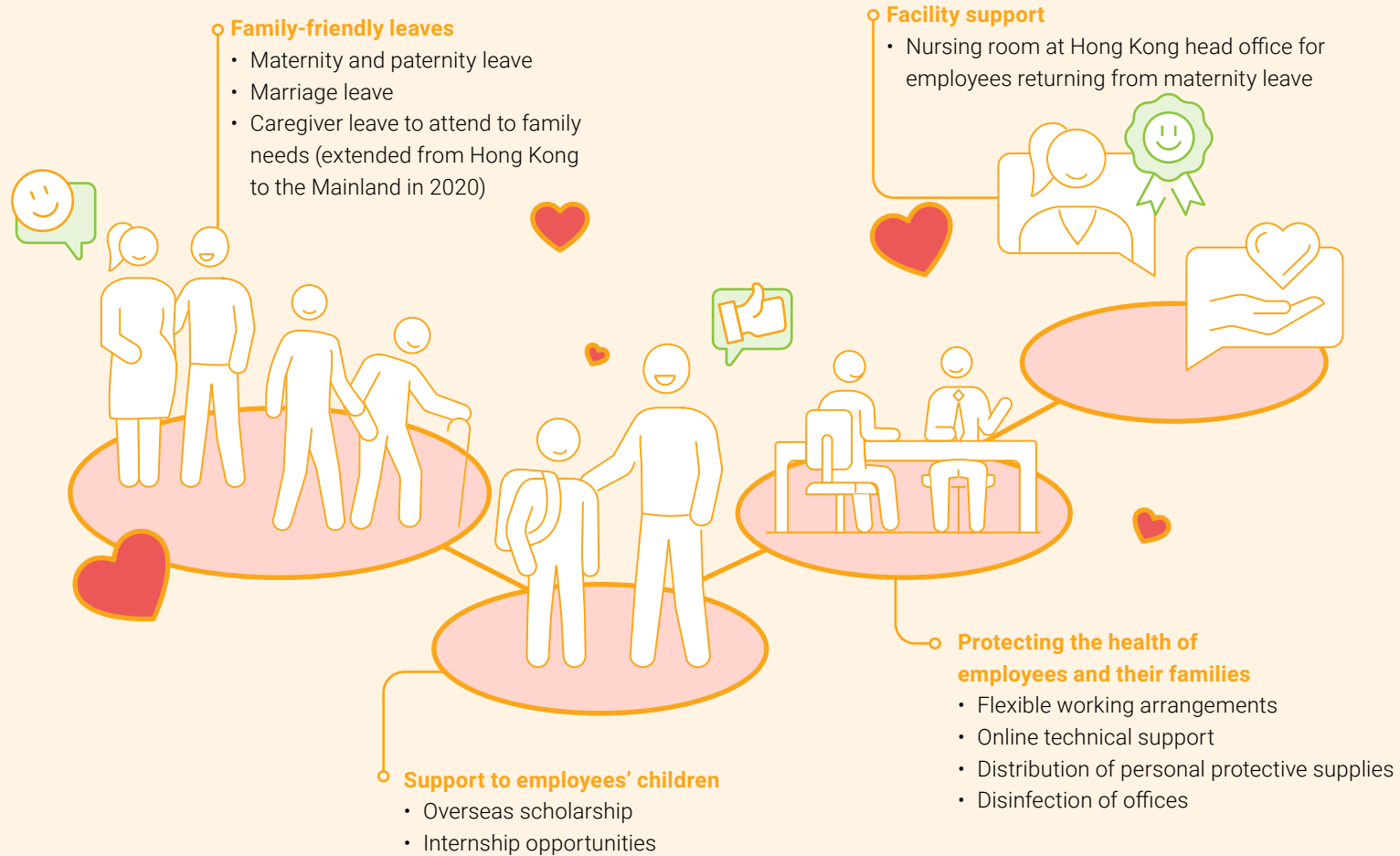
1. Ratio of average remuneration of female employees to male employees = average remuneration of female employees / average remuneration of male employees.

2. As refer to senior director grade or above.

SPOTLIGHT

Family-friendly Initiatives

A family-friendly workplace that accommodates the family needs of employees can enhance sense of belonging to the company and increase employee morale along with job satisfaction. With the support of Kerry Engagement, we implemented a wide range of family-friendly measures to help our employees balance their family responsibilities and work obligations.



Learning and Development

We provide ample development opportunities to our employees to flourish. Through systematic training programmes tailored to employees' type of role, we strive to nurture them to unleash their potential and prepare them for future challenges. These programmes are delivered through various learning platforms and formats. Guided by our Kerry Properties Learning Curriculum, we organised training programmes on various topics.



Employee Trained Rate¹
81.3%



Average Training Hours²
14.1 hours

1. Permanent full-time staff including terminated employees who left the Group during the reporting period. Employee trained rate (in percentage) = number of employees trained / total workforce at the end of the reporting period x 100%.
2. Permanent full-time staff. Average training hours = total hours of training received by employees / total workforce at the end of the reporting period.

Kerry Properties Learning Curriculum

Key Objectives

- Provide essential skills for fulfilling job duties across different roles and positions
- Support employees' individual development and emotional needs
- Align personal growth with business goals of the Group

Framework of Learning Curriculum

Director

- Leadership and management

Manager

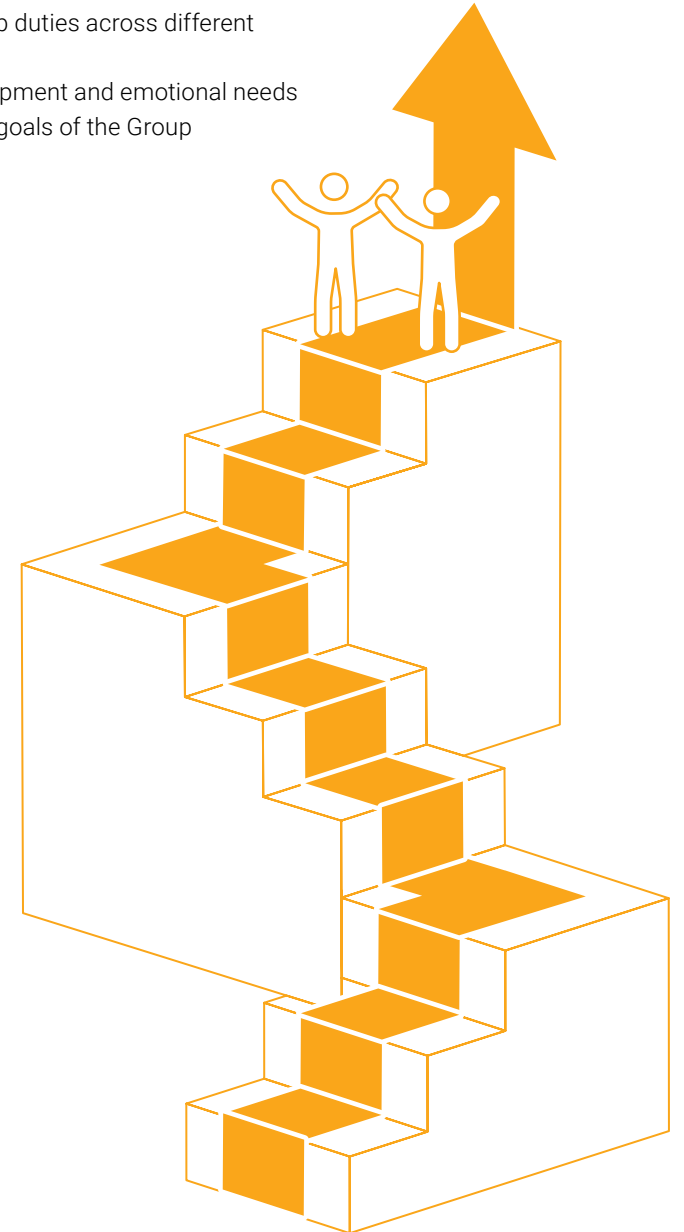
- Leadership and management
- Personal effectiveness
- Property management

Professional

- Personal effectiveness
- Property management

Associate

- Personal effectiveness
- Property management



Leadership and Management

Programme to equip our directors and managers with core knowledge, management and leadership competencies, such as Effective Leadership Skills Programme and Accelerated Development Programme.

To cultivate our senior staff as effective executives, we organised the 15-month Accelerated Development Programme. A total of 46 senior management participated in the training in 2020. Training topics cover leadership skills, strategic thinking, change enablement, impactful presentation and mindfulness. From workshops to one-on-one coaching, participants are expected to develop strategic and interpersonal competencies to become all-rounded leaders.

Personal Effectiveness

Training to enhance employees' personal effectiveness, such as time management and stress management.

Skill-based Training

Training for employees to improve the broad range of skills required in daily operation and customer service, such as complaint handling and software skills.

Sustainability Learning

Sustainability orientation training, workshops and seminars to nurture a culture of sustainability among employees.

External Training

Education sponsorship for employees to attend additional training for professional and career development.

Multipurpose Learning Space

A newly renovated multipurpose space was launched in Hong Kong Kerry Centre for hosting training and webinars, among other events. The space is equipped with advanced AV systems which could cater online training programmes of larger scale.

Apart from in-person training, we provide a wide range of online training to our employees to enable a flexible and convenient learning experience. In Hong Kong, e-learning modules on orientation, sustainability and customer service were arranged for new joiners and staff from property management. Whereas in the Mainland, a suite of online learning platforms was built, namely Kerry Learning Room and Kerry Online Academy.

Kerry Learning Room

226 online courses with **1,289** users



A mobile-based tool whereby staff can receive training messages through WeChat. These aim to support our staff for tasks tailored to their specific roles for topics such as customer service and security.

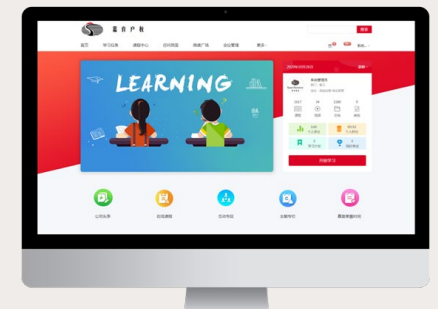
Kerry Online Academy

293 online courses with **1,935** users



Transitioned from Kerry Click & Learn in 2020, Kerry Online Academy is a comprehensive learning platform for employees from the Mainland to obtain professional knowledge while sharing their experiences to inspire other colleagues.

One of the key features of Kerry Online Academy is "Kerry Jam Time". It provides a series of live-streamed online courses for our employees to learn and network with peers remotely. The virtual discussion room and open discussion boards enable interactions among employees and instructors, enhancing learning effectiveness while connecting employees during the work-from-home period.



Employee Engagement and Wellness

At KPL, we actively engage our employees and seek to support their well-being through an array of initiatives. To facilitate two-way communication, we have established channels such as an intranet, mobile intranet app, surveys, newsletters, orientations, online lunch seminars and other staff engagement activities. We monitor and evaluate the effectiveness of our engagement regularly to ensure their opinions are heard.



We also strive to strengthen our people’s physical and mental well-being. In spite of disruptions caused by the pandemic, we continued to promote fitness through recreational events such as football and badminton competitions, yoga and trail-walking sessions. For our staff and their families in Hong Kong, we conducted a seasonal flu vaccination programme to safeguard their health. This year, we introduced mindfulness training for senior management in the Mainland and property management staff in Hong Kong to help them better adapt to changes during challenging times.

We also offer free counselling for our employees through the “Kerry Engagement” 24-hour counselling hotline serviced by professional counsellors, providing support to employees and their immediate family members on personal or work-related issues. For cases that require more in-depth dialogues and solutions, counsellors could arrange counselling meetings in person to offer timely guidance to our employees. Strict client confidence is maintained for the conversations that take place.

Other Highlights of Our Employee Engagement Activities



Town Hall Meeting with the CEO at Kinetic Space. (Shanghai)



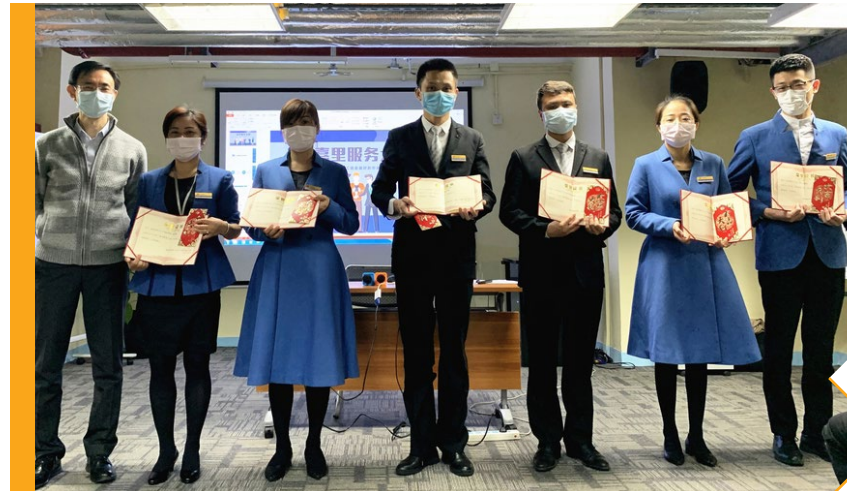
14 teams across southern China showcased their talents in our Staff Talent Show. (Shenzhen)



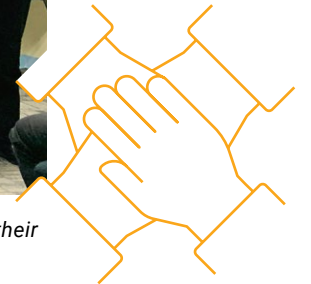
Our employees joined hands to enhance the workplace environment of head office with houseplant through "My Plant" campaign. (Hong Kong)



"Ups: Sports Games in the Cloud" was held to inspire a happy work and healthy life attitude amongst employees. (Northern China)



Awards were presented to our property management colleagues in appreciation of their outstanding services to ensure the safety of our stakeholders during COVID-19. (Hong Kong and the Mainland)



Case Study



STEPPING UP TOGETHER

The most effective initiatives for enhancing well-being are those which empower people to make positive lifestyle changes, and reap lifelong benefits. Mindful of the heavy burden placed on so many by the pandemic, we grasped the opportunity to promote staff wellness for a good cause.

To encourage our employees to develop the habit of regular exercise, we re-launched the Step Challenge in the Mainland in 2020, extending it this time to 66 days which according to studies is the amount of time needed to form a habit. Some found it difficult at first, but perseverance paid off. Colleagues shared that their health improved noticeably as their walking habit developed during the challenge period, while they also enjoyed spending more time with their family going outdoors together.

♥ Walking for Charity

The charitable component embedded in the challenge further incentivised staff. With Kerry Properties committing to making monetary donations based on the steps accumulated, colleagues knew that the more they walked, the more would be given to one of five local charities of their choice. In meeting one of its aims, the challenge enabled our employees to achieve philanthropy collectively, in a supportive environment.



STEP CHALLENGE

♥ Collaborative Effort

A spirit of team-building further boosted the momentum as colleagues from different cities and regions vied against each other to achieve the best results. Special activities helped this along: in Hangzhou, 80 joined a walking event at the scenic West Lake, while in Putian, a museum tour was organised to boost steps and offer cultural enrichment.

In brainstorming ideas around the challenge, staff were always mindful to reinforce environmental messaging. In one instance, a team from Shenzhen enjoyed a relaxing day out on a "More Effort, Less Carbon" Movement - 12km walking event from Shenzhen Bay Park to Shekou Memorial Terrace, promoting a sustainable lifestyle. Colleagues from other cities such as Wuhan and Fuzhou also gathered to walk for a good cause.



Maintaining a habit of regular exercise may not always be easy, but as our colleagues reflected, knowing that their efforts could share love and help others inspired them to keep going. Launching the challenge in multiple cities made the initiative even more powerful, and magnified its charitable outcomes.

♥ Donations Matched

Mindful of how the resources of aid organisations have been stretched during the pandemic, an idea to engage all levels of the company collaboratively gave rise to the dollar-for-dollar 2020 Matching Fund Scheme in the Hong Kong office.

The matching donation emphasises our long-term collaboration with employees to support the community which we collectively care for and are passionate about. Pairing every dollar donated by our employees to the charity of their choice, the initiative successfully led to a total donation of more than HK\$265,000.



Tour de force



Nearly 70% of Mainland colleagues participated

RMB 360+ donated per employee



773 million+ steps walked



COMMUNITY WELLNESS



As part of our due diligence process, everything we do is considered and evaluated according to its potential impact on the local community and the environment. This ensures we can positively influence the development and place-making of sustainable cities.

Mobilising our resources to help communities to thrive is another way Kerry Properties contributes to holistic wellness and economic resilience in ways appealing to all age groups and interests.

Photo: Our night markets in the Mainland revitalise local economies with a wide range of events, enlivening neighbourhood communities.



COMMUNITY BUILDING

Our Activities

- Cultural and heritage preservation
- Community cultural and arts initiatives
- Seminars and forums to facilitate idea exchange

Our Impacts

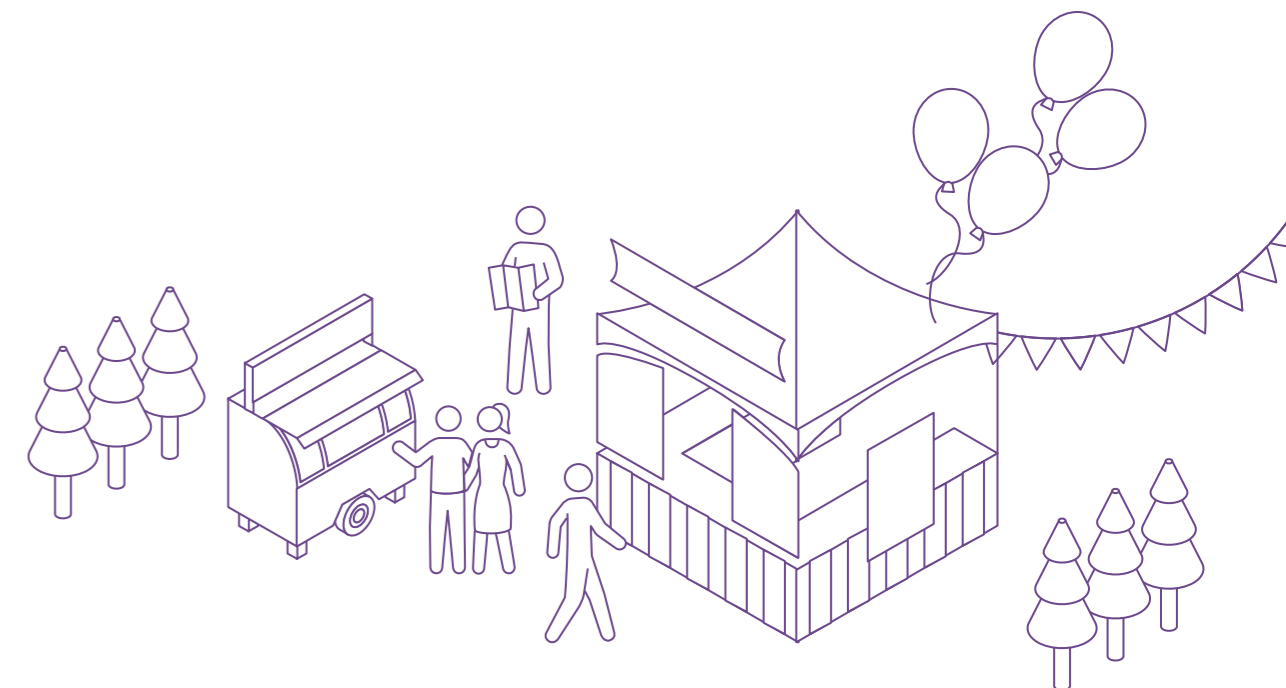
- **28%** of new mixed-use developments plan and design with cultural and heritage conservation consideration
- **10%** of new mixed-use developments plan and design through a community engagement process



CARING FOR SOCIETY

- Community support amid COVID-19
- Support children with special needs and poverty
- Organise community well-being events and activities, charity bazaars, corporate sports leagues, and sports days for disabled persons

- **500+** community investment initiatives
- Around **HK\$ 12 million** donation made
- **103** charities supported



We seek to effect change by investing in initiatives that contribute to a better community. Through active engagement, we strive to understand and respond to the needs of the communities. We leverage our strength and resources to create impact in a multifaceted way through volunteer work, community service, donations, and sponsorships.

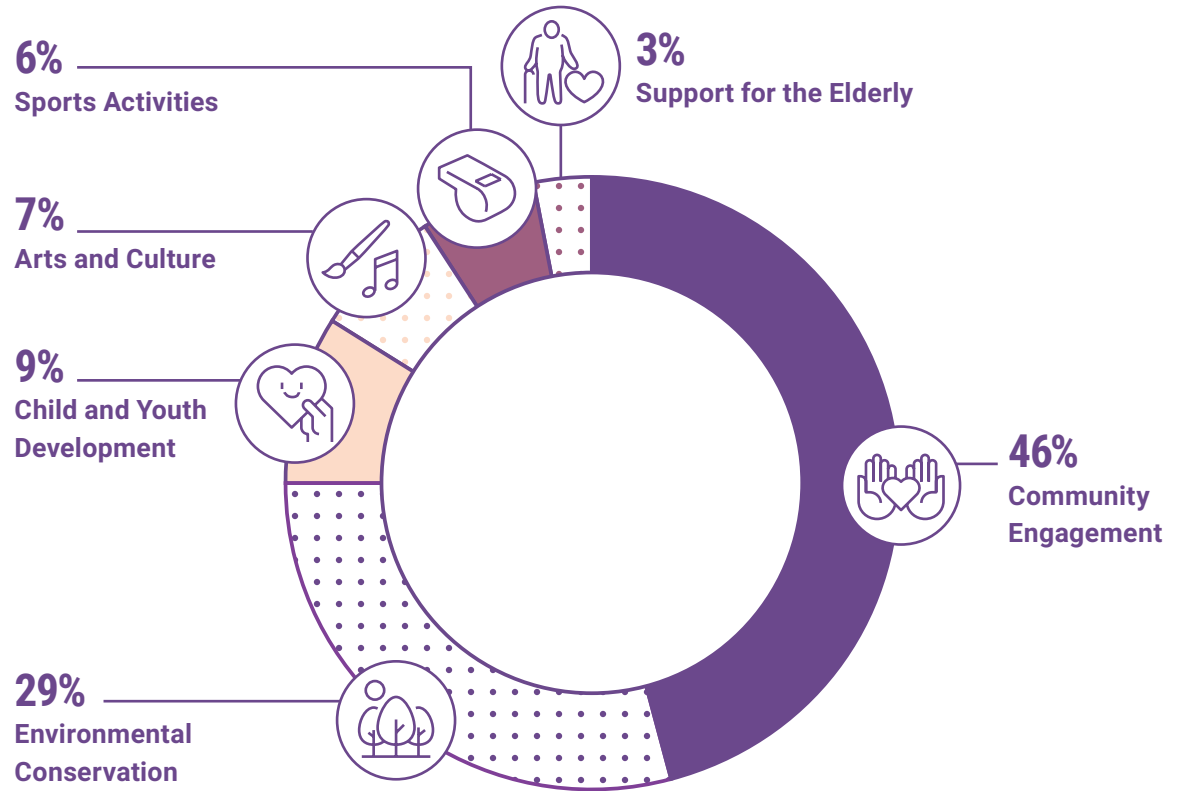
Our “Charitable Donations Policy Statement” sets out our commitment to support donations in an accountable, transparent and effective manner, providing guidelines on aligning our community investments with our core values. In 2020, a Donation Committee comprising regional management representatives was formed in the Mainland to steer, monitor and facilitate charitable donations in the area. It also proposes meaningful donation projects to further our engagement and investments in the community.

Number of Initiatives
500+

Number of Employees Participated
6,000+



Breakdown of Community Investment Initiatives by Focus Areas



COMMUNITY BUILDING

Our properties play a vital role in strengthening the cultural identity of localities where we operate. We respect local traditions and heritage in our development, and aspire to create spaces that attract and connect people through culture and arts.



Celebrating Local Arts (Beijing)

The Beijing Kerry Centre hosted a charity exhibition “Window Scenery” in August 2020, offering a platform for emerging artists to showcase their selected works. It also hosted the “Graffiti Lifestyle Art Week”, featuring graffiti, street dance and music performances while promoting subculture.



Flower Installations to Take Home (Shanghai)

Jing An Kerry Centre collaborated with the Shanghai Municipal Administration of Culture and Tourism to bring an “I LOVE SH” tulip installation to the mall. Made using over 30,000 tulips, the installation was followed with the green initiative “Take Me Home” to minimise waste and allow the community to bring home the exhibited tulips. We will continue to create opportunities where the community can become part of the Group’s efforts towards a more sustainable future.



Creating Social Hub (Shanghai and Shenzhen)

To strengthen community bonding, our properties serve as social platforms for different initiatives. At Shanghai Jing An Kerry Centre, KerryOn organised the “Nature in the City” campaign in collaboration with Green Initiatives, holding movie screenings and forums on sustainability topics. Whereas at Shenzhen Qianhai Kerry Centre and Shenzhen Kerry Plaza, exhibitions, forums and talks on futuristic architectures and cities, as well as green buildings were held to connect our stakeholders and facilitate idea exchange.



Cultural and Heritage Preservation (Hangzhou)

Situated in a former manufacturing hub, our Hangzhou mixed-use project adopted the special use of bricks and metals as building materials to preserve the site’s industrial significance. An integrated design strategy was employed to create an interconnected space between the buildings and their surroundings to remind people of the district’s rich history and culture.

To provide a multipurpose space for communal events, we also launched the Kinetic Space at Shanghai Jing An Kerry Centre. The space serves as an excellent platform for our corporate partners and tenants to gather and exchange ideas through seminars, talks, and recreational events.

CARING FOR SOCIETY

Through donations and community building, we seek to develop strong relationships with diverse groups of stakeholders including vulnerable and disadvantaged groups and other local organisations.



Support to the Community amid COVID-19 (Shanghai and Hong Kong)

During the pandemic, we have sought to alleviate the impact on underprivileged groups in our neighbouring communities. These initiatives include:

- distribution of food supplies through food banks and charitable organisations
- distribution of daily necessities in partnership with local charities
- supply of children's masks to single-parent families
- provision of SIM cards for students from low-income families to facilitate online learning
- recruitment of unemployed mothers for manufacturing masks
- delivery of hot meals and care package to elderly



To gain better insights into the needs of underprivileged groups, due diligence visits were conducted in Hong Kong. These visits ensure that our donations were appropriately delivered and provide key references for our future community and donation activities.

Sharing Our Gratitude to Community Workers (Shenyang, Shanghai and Nanchang)

To show our care to community workers who had fought in the frontline during the outbreak of the pandemic, we called on our employees to take part in a week-long community service in Nanchang. Our employee volunteers took over some of the community workers' duties, allowing them to get well-deserved rest.

Meanwhile, "Share the Warmth Booth" were set up at Jing An Kerry Centre in Shanghai and Kerry Parkside in Shenyang respectively in early 2020. In partnership with local vendors and corporates, we handed free meals and food supplies to courier workers, food delivery drivers, and sanitation workers at the booths. Our staff also collected words of gratitude online and made handwritten thank-you cards to cheer on these workers who dedicated their time and efforts during the outbreak.

Work Experience Programme (Hong Kong)

To support those unemployed from the catering industry, we introduced a Work Experience Programme which entails a series of training and internships, together with a potential career opportunity in property management. Participants acquired training in operations and licensing procedures and assisted in other front-line tasks including patrolling and customer service. This two-phase programme commenced in early 2020 and some of the participants became our full-time employees upon graduation from the programme.



Social Integration Programme for Autistic Children (Beijing and Hangzhou)

To support children with autism, we organised a series of events including a one-day site visit and tailor-made vocational training at the Hangzhou Kerry Centre. Beijing Kerry Centre also rolled out the “Different Socks Day 2020” to raise awareness for people with mental disorders. In addition, we offered financial support for a specialised treatment curriculum delivered by a local autism organisation.



Supporting Rural Students (Hangzhou and Southern China)

We continued our support to rural students in Jiangxi Province as 2020 marked the fifth year of our community efforts. In addition to scholarships and voluntary visits to primary and secondary schools in Xiushui village, our employee volunteers helped distribute stationery, learning materials, athletic gear, and textbooks to the students.

Our volunteers from southern China also paid a visit to rural students in Daping, Guangdong Province. Donations were made to purchase nutritious food, which could support the students' daily nutritional needs for the entire semester.



Promoting Good Life Goals (Hong Kong)

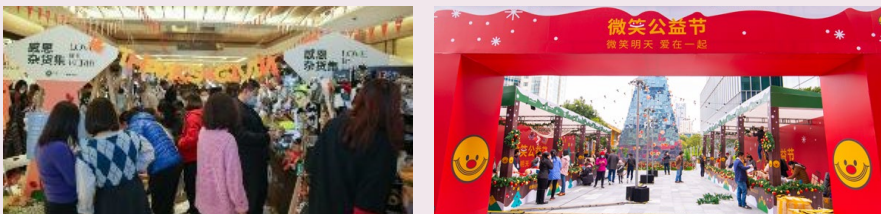
To encourage our customers and the public to join us in achieving the UNSDGs, we organised a campaign on 'Good Life Goals' at MegaBox to educate the public on what they can do at individual level to contribute to these global objectives. Echoing our selected UNSDGs, the campaign will feature six Good Life Goals by mid-2021. Photo booths and treasure hunts were available to educate shoppers and kids in a lively and interesting manner.



Charity Bazaar (Beijing, Shanghai and Hong Kong)

In 2020, seven charity bazaars were successfully held to encourage the culture of giving and sharing. Examples include LOVE in Kerry at Beijing Kerry Centre and Future Smile Charity Festival at Jing An Kerry Centre in Shanghai, which featured handcraft markets, workshops, and stage performances with themes such as recycling, conservation, and support for underrepresented groups. These bazaars provided platforms for entrepreneurs to network and contribute to the local economy.

Handcraft and flea markets were organised at MegaBox in Hong Kong, featuring organic and eco-friendly products to support local handcraft artists and stay-at-home mothers.



Building up Kids' Sense of Global Citizenship (Shanghai)

To promote citizenship and learning among the young generation, the KKIDS initiative helps raise awareness of global goals for sustainable development through various programmes in Kerry Parkside, Shanghai. For example, #Bestwecan enhances kids' sense of global citizenship by sharing insight on how they can support the UNSDGs. Other edutainment activities include recycling with KKIDS X WeCycle, and exploring the beauty of nature with KKIDS Biodiversity Month and KKIDS X Forest City Studio.



COMMUNITY WELL-BEING

To cater to different audiences of varying age and interests, we hosted various wellness and sports events throughout the reporting period to promote the health and well-being of the broader group of customers and community members.



Outdoor Yoga Sessions (Beijing and Shanghai)

Our morning yoga sessions in Shanghai invited tenants to gather at The Piazza of Jing An Kerry Centre to stretch their body by participating in our KerryOn campaign. Whereas at Beijing Kerry Centre, a series of yoga sessions were offered to the public through the “Yoga in the City” campaign, which helped them de-stress and energise their body and mind. In addition to the yoga sessions, we have also organised an array of health and wellness-themed events such as musical therapy talks, and peer-sharing sessions that seek to promote a healthy lifestyle.



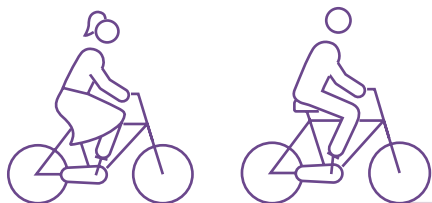
Corporate Rainbow Relay Run (Shanghai)

Over 60 employees from our tenants participated in the Corporate Rainbow Relay Run at Kerry Parkside, Shanghai, which was held in collaboration with different community partners to promote regular exercise.



Corporate Sports Leagues (Beijing, Shanghai and Shenzhen)

In tandem with various district organisations and corporate partners, we co-hosted several basketball and badminton leagues in major cities, including, Beijing, Shanghai, and Shenzhen. Companies from surrounding office buildings were invited to square off each other. Kerry Corporate Youth Basketball League in Shanghai Jing'an district generated crowd excitement with guest appearances by star athletes from the Chinese Basketball Association.



Raising Awareness for Diabetes (Hong Kong)

In November 2020, MegaBox co-organised an interactive event with Sun Life and Diabetes Hong Kong to increase public awareness of diabetes and to raise funds for diabetes patients while encouraging visitors to engage in regular physical activities.



Sports Day for the Disabled (Shenzhen)

We play an active role in organising awareness-building events for disadvantaged groups to promote inclusiveness within the community. In the reporting period, with the support of local enterprises, over 100 persons with disabilities from Shenzhen Futian Residential District were invited to participate in a sports day to exercise and improve their fitness.





ENERGISING LOCAL ECONOMIES

A thriving local ecosystem is integral to our business, those of all stakeholders, and the community at large. Hence, we seek opportunities to mobilise our resources to enable SMEs to obtain broader reach and scale, in turn stimulating the local economy. It is also in line with the national strategy of supporting the Street Stall Economy.

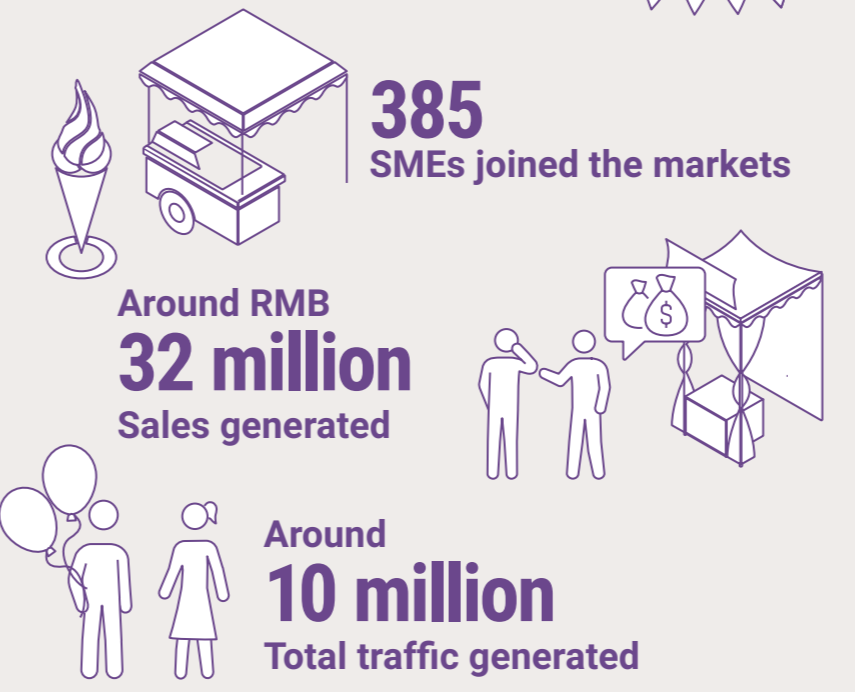
As soon as it was safe to do so once COVID-19 became under control, we resumed our community initiatives in the Mainland with a focus on innovative ideas to revitalise local economies. In providing a platform for enterprises to thrive, we curated activities to add vibrancy and liveliness to the community by appealing to all age groups and interests.

Our virgin night markets launched in 2019 significantly captured the local communities' interests for street stalls, fairs and markets. Riding on their success, additional markets were launched in Beijing, Shanghai and Hangzhou in 2020.



*New in 2020

Results Achieved in Boosting Local Economies



In recognition of our efforts in boosting the evening economy, the director of Green Escape Street in Shanghai was invited to share our success with industry peers in a round-table forum. The Shanghai Green Escape Street was also renowned as a "model project" of evening economy in Jing'an district.

Revitalising Communities

Our night market initiatives were extremely well-attended by local residents and visitors. Starting in the afternoon, and lasting till late at night, they allowed more people to attend, and were gateways for SMEs to build their customer base at manageable cost. Not only could our market vendors leverage the popularity of our venues for greater exposure, they could also remain relevant to the market by understanding and meeting customer expectations post-COVID-19.

In some cases, night market vendors even successfully entered our malls as our tenants, allowing these SMEs to further grow and develop their business.

“ The bustling social atmosphere lifted the community's spirits following the pandemic lockdown. During our time at Green Escape Street, our online exposure increased by 30%, in turn boosting sales at our retail store, helping to mitigate the business losses suffered during the pandemic. ”

Dal Cuore, vendor of Green Escape Street, Shanghai Jing An Kerry Centre



“ Green Escape Street provided an excellent opportunity for us to get to know our customers and potential business partners. It also facilitated collaboration with other pet care brands, and led to us staging a pop-up store at Jing An Kerry Centre. ”

Didi & Little Fluffy, vendor of Green Escape Street, Shanghai Jing An Kerry Centre

“ Our four-month attendance at Xiematai Night Market gave us a thorough understanding of our target customers in the local area, and the confidence to enter Shenyang Kerry Parkside as a mall tenant. The night market format encouraged people to leave their homes and re-join city life after the pandemic is under control, stimulating consumption and providing a much-needed boost for the local economy. ”

Xie Institute of Magic, vendor of Xiematai Night Market, Shenyang Kerry Parkside





VALUE CHAIN



In business, value chain is the process by which all products, information and finances are interlinked in an optimal flow, creating better value for partner companies and end users, while improving operational efficiency.

At Kerry Properties, we view our value chain, aligned with relevant UNSDGs, as a core strength underpinning the delivery of exceptional products and services to the communities we serve.

Photo: Every action, by every stakeholder, contributes to building sustainable business practices.



CUSTOMER ORIENTATION

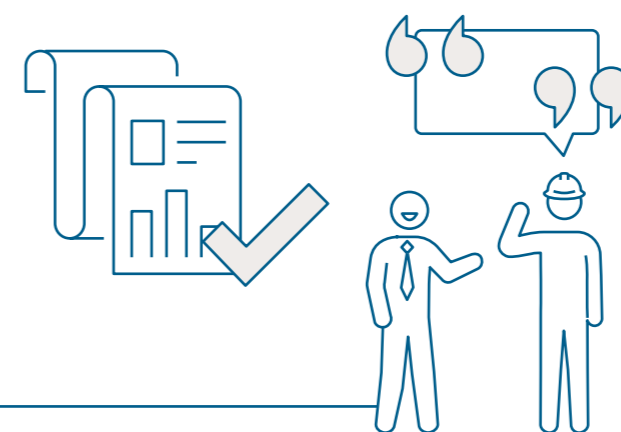
Our Activities

- Enhanced health and safety management standard with new installations and smart technology
- Conduct regular customer satisfaction survey at our properties
- Proactively engage customers with all kinds of activities and initiatives



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

- Tender requirement for contractors to obtain ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System accreditations
- Updated the specifications in the “Green Procurement Manual”
- Constantly engage suppliers with collaboration and partnership



1. Based on the satisfaction surveys conducted in cities including Beijing, Shanghai, Hangzhou, Shenzhen and Hong Kong with a total of 1,400 responses.
2. The figure reflects the recordable injury rate across Hong Kong and the Mainland operations.

Our Impacts

- Overall customer satisfaction rate: **99.2%**¹
- No substantiated complaints received relating to the provision and use of products and services that have a significant impact on the company
- Injury rate for workers at construction sites in Hong Kong and the Mainland²: **0.32 per 200,000 hours worked**
- Number of suppliers engaged: **Around 1,500**
- **47%** of suppliers are governed by sustainable procurement guidelines, including the use of sustainable resources throughout property development and operation
- **47%** of suppliers are governed by “Vendor Code of Conduct” which forbids forced labour, slave labour, and child labour

Customer Orientation

We are committed to delivering high-quality services and products with a focus on providing exceptional experiences and fulfilling customers' needs from our diverse portfolio. Our rigorous quality management mechanisms constantly drive our service and product excellence. Through proactive customer engagement, we understand and address our customers' needs and expectations.

High-quality Products and Services

We set high standards on the quality of our developments and services. With standardised management procedures, capable teams and innovative ideas, we strive to deliver exceptional products and services to our customers. A total of 11 managed properties are certified with ISO 9001:2015. SOPs and regular training on customer care are also in place for front-line staff to deliver high standards of service.



SPOTLIGHT

Innovation for Excellence

Our commitment to quality is also demonstrated by our effort to explore and adopt new innovations. We have been leveraging new technologies in our operations to produce high-quality assets and services.

Kerry Links

Building on our We-Community service offered for residential users in Kerry Everbright City in Shanghai, we launched Kerry Links, a WeChat-based application system with seven different features extended to non-residential users to receive news updates and make service requests. To provide timely notifications to customers as proactively as possible, the application enables users to receive push notifications regarding messages from the Property Service Centre and service updates in real-time. Other features include the function for corporate tenants to grant or revoke employee access to security gates. Tenants can also manage property service requests, such as repairs and maintenance inspections through the application.

Application of Advanced Technology

Having received the "CIC Sustainable Construction Award 2020 – Silver Award, Developer (Private Sector)" organised by the Construction Industry Council, the Wong Chuk Hang Station Package Two Property Development was recognised for its pursuit of sustainable site practices in areas including environmental performances, stakeholder engagement, supply chain management and innovation. Regarding the application of new technologies in particular, BIM process has been fully adopted across the project life cycle, improving the quality and efficiency of information management and preventing wastage due to abortive works. VSMU has also been applied to replace the traditional timber mock-up and resolve the problem of skilled labour shortage.

The Beacon Hill project also adopted BIM in landscape design. The project was awarded an honourable mention from the Autodesk Hong Kong BIM Awards in 2020.

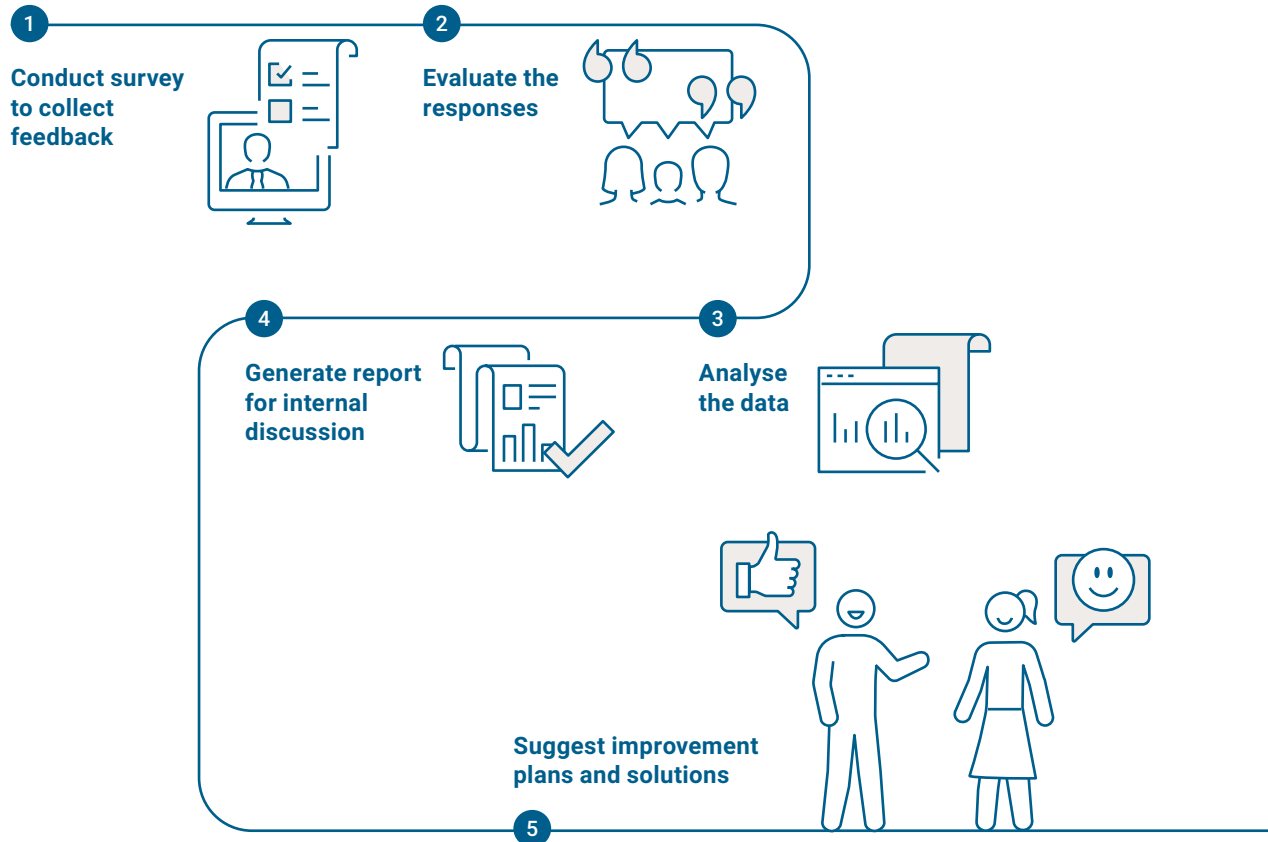


Customer Engagement

It is our goal to encourage open communication with our customers. We constantly think of ways to enrich our interactions and broaden our engagement with customers. We conduct regular customer satisfaction surveys at our properties. The surveys cover a wide array of topics, including customer service, facility management, maintenance, security, safety and sanitation, among others. Responses are evaluated, analysed and reported internally along with corresponding improvement and mitigation measures. In 2020, satisfaction surveys were conducted in cities including Beijing, Shanghai, Hangzhou, Shenzhen and Hong Kong, receiving a total of 1,400 responses.



99.2%
Overall
Satisfaction Rate



SPOTLIGHT

KPL Sustainability Sponsorship Fund Programme

At KPL, we not only undertake initiatives to promote sustainability internally but also to raise awareness among our stakeholders. The KPL Sustainability Sponsorship Fund Programme exemplifies our support for awareness-related campaigns: in 2020, 21 properties joined the programme in Hong Kong, where we hosted events and implemented enhancement works on the theme of Green and Sustainable Living. The programme's aim is to promote unique projects that raise awareness among residents, tenants, and employees on sustainability topics. Receiving positive feedback, we are planning to extend the scope of this programme to our Mainland operations.



93% of our customers agreed the activities raised their awareness of green and sustainable living



30 Initiatives in 2020, including

- Greenery enhancement
- Urban farming programme
- Sustainability-themed DIY workshops

Customer Health and Safety

We, as custodians of space where people gather and live, are committed to the health and safety of our customers, including tenants, shoppers, and residents. We uphold our commitment through the “Corporate Health and Safety Policy” and a list of established procedures, which detail our approach to manage safety and security in our buildings.

We also enhanced our security management through new installations and smart technology. To minimise security risks, we installed face and license-plate recognition cameras as well as self-service visitor ticket dispensers at Kerry Everbright City in Shanghai. Smart glasses were also introduced to selected properties in the Mainland to facilitate their security management. The glasses combine functions of video recording, face and license-plate recognition, and real-time footage transmission to our control centre and cloud. These advanced technologies help reduce security vulnerabilities and ensure better control over visitors and occupants’ access rights.

We also cater to the wellness of our customers by keeping our buildings healthy and safe. Monitoring air quality, and maintenance of air filtering systems are performed regularly to ensure good indoor air quality at our premises.

SPOTLIGHT

Response to COVID-19

In early 2020, we responded quickly to COVID-19 by forming a Central Taskforce. Comprising regional and functional heads, the taskforce spearheaded to step up our SOPs and procure critical supplies to better protect our customers against this global pandemic. This is supplemented by training on policy updates, guidelines formulation, and a range of preventive measures such as temperature checks and regular disinfection to mitigate public health risks. Our responses enabled teams to coordinate closely with our tenants and customers, keeping them informed of the latest developments. A more comprehensive range of our actions are depicted as follows:

COVID-19 taskforce and guidelines

- Centralised team to manage the procurement and distribution of personal protective equipment

Communication and engagement

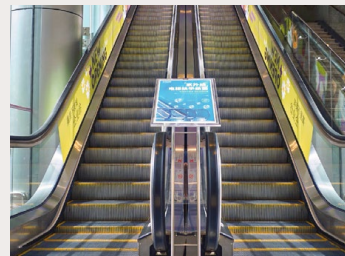
- Dissemination of information on the pandemic to tenants and residents
- Training and drills for property management staff

Precautionary measures and monitoring

- Disinfection of area exposed to crowds (door handles, elevator buttons, etc.)
- Temperature checks at entrances, contactless sanitiser dispensers

Installation of new anti-pandemic technology

- Cleaning and disinfection robots
- Photoplasma air disinfection system
- Intelligent takeaway storage cabinets with UV sterilisation for contactless food delivery
- Contactless elevator buttons and UV escalator handrails



Shanghai Kerry Everbright City Phase III – Enterprise Centre’s UV escalator handrails

- Composed of devices which adopt LED technology
- Sterilises by destroying the genetic material of viruses

Aside from our efforts described above, the Beijing Kerry Centre was featured as a best practice example in recognition of its containment measures by the Chinese Center for Disease Control and Prevention (“**CDC**”) in the China CDC’s publicity material.

Customer Rights and Interest

It is our responsibility to safeguard data privacy in our business operations. Our “Personal Data (Privacy) Policy Statement” and SOPs outline the procedures of collecting, using, disclosing, sharing, retaining, disposing and securing personal data. The objective of our “Personal Data (Privacy) Policy” is to safeguard the rights of our employees, customers, and facilities users according to applicable privacy laws of the Mainland and Hong Kong. Personal data is collected in a lawful manner and stored securely.

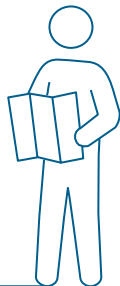
Our “Administration Manual” and “Operation Manual” also serve as a guide for our frontline staff in handling the personal data of residents, tenants, visitors, and shoppers. Consent is obtained prior to collection of data from any customer, along with an explanation of the rationale for collection. Customers are entitled to access and amend the data provided, and submit inquiries or complaints as needed. In 2020, there were no substantiated complaints concerning breaches of customer privacy, theft, leak and loss of customer data or critical information.

Intellectual Property Rights

We respect the intellectual property (“IP”) rights of third parties we engage with. As stated in our “Ethical Guidelines”, employees are obliged to safeguard company assets and respect the IP rights of other third parties. Moreover, we require our employees to maintain confidentiality of any privileged information they encounter.

Responsible Marketing

Marketing materials of our development properties have been created in accordance with a set of procedures and professional advice from third parties. This enables customers to make informed decisions based on accurate and reliable information that comply with relevant national and local standards.



Responsible Supply Chain Management

We view our procurement practices seriously to ensure that our standards for sustainability not only applies to our internal practices but also extends to our suppliers and third parties we partner with, including architects, designers, consultants, service providers and contractors. The importance of supply chain management is underscored by our “Sustainable Procurement Policy” which we have updated in 2020.

Supplier Management and Evaluation

We proactively encourage parties along our supply chain to follow ethical business practices. The “Vendor Code of Conduct” governs how we manage and monitor vendors, while our service provider evaluation helps us screen any third parties we onboard in carrying out our business. All building contractors, for example, are required to obtain ISO 14001 and ISO 45001 accreditations on Environmental Management System and Occupational Health and Safety Management System respectively.





Worker Health and Safety

Worker safety is our top priority, with particular emphasis on contractors in a construction setting. We engage our contractors and partners in our construction business by consistently involving participation from workers’ representatives through dialogues in regular safety committee meetings. We ensure the views of workers have been taken into account before decisions are made. There are reporting mechanisms in place to escalate work accidents and injuries, followed by processes to perform investigations and corrective actions. This system is complemented by health and safety briefings to spread awareness among frontline workers.

The overall injury rate was 0.32 per 200,000 hours worked at the construction sites of our properties under development in Hong Kong and the Mainland¹. In 2020, there was one work-related fatality involving a worker of the contractor at our the Mainland project site. KPL emphasises the paramount importance to conduct necessary investigations and corrective actions to mitigate the risk of any workplace accidents and injuries. We have strengthened our contractor’s safety management system by enhancing necessary standards and procedures, increasing monitoring and inspection frequency, and conducting professional training to raise the safety awareness of site workers. We expect the health and safety risks are minimised with effective measures in place.

1. The figure reflects the recordable injury rate across Hong Kong and the Mainland operations.

Mechanisms to Ensure Worker Health and Safety

 <p>"Vendor Code of Conduct" and safety rules</p>	<ul style="list-style-type: none"> • Safety and emergency plans prior to work commencement • Regular monitoring reports and risk assessments • Guidance, training, and supervision • Provision of personal protective equipment
 <p>Elements of our tender process</p>	 <p>Requirements</p> <ul style="list-style-type: none"> • A pre-requisite for vendors of all new projects and major renovations in Hong Kong to obtain ISO 45001 Occupational Health and Safety Management System accreditation
 <p>Incentivisation</p> <ul style="list-style-type: none"> • Enhanced Safety Performance and Environmental Protection Scheme: <ul style="list-style-type: none"> » Rewards for contractors who go beyond industry safety and environmental standards » Penalties for practices contravening requirements on work safety, health, and environmental requirements 	

Sustainable Procurement

Our "Sustainable Procurement Policy" defines how we integrate sustainability principles into the procurement process. It serves to expand our standards for sustainability from our own operations to those of our supply chain partners. We have set high expectations for our partners such that the adverse environmental and social impacts of any products and services that we procure are minimised.

In particular to environmental considerations in the procurement process for property management and property development, our "Green Procurement Manual" outlines requirements on environment-specific credentials of products that are used in our business activities. Requirements are intended to encourage the use of products that are, for example, recyclable and energy-efficient. Internal and external audits help validate our procurement practices enforcement against specifications in this manual. The specifications are reviewed and continuously improved according to updates made by industry standards.

In 2020, we accomplished new goals we had set including the launch of our "Sustainable Procurement Manual". The "Sustainable Procurement Manual" was developed in line with ISO 20400:2017 Sustainable Procurement – Guidance and built upon our existing "Green Procurement Manual" to cover a broader scope of socio-economic considerations. Furthermore, we updated the specifications in the "Green Procurement Manual" for our property management and head office: the scope of items targeted has been expanded from 50 to 60.

SPOTLIGHT

Sustainable Procurement Charter

We are in the process of implementing Sustainable Procurement Charter initiated by the Green Council. The Charter is a United Nations-recognised initiative to promote sustainable procurement among organisations in Hong Kong, with the ultimate aim of supporting the UNSDG 12 – Responsible Consumption and Production. As part of the implementation effort, we have set specific annual goals to elevate our strategy, processes, and organisation with regard to sustainable procurement.

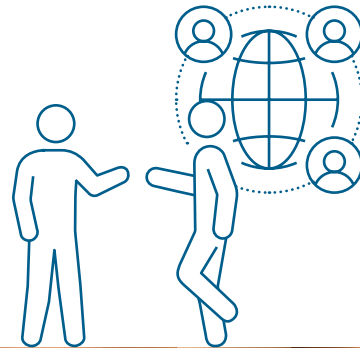


Supplier Engagement

We regularly engage with our partners to strengthen our relationship and commitment to sustainability in our supply chain.

Under our Kerry Project - Community Caring Scheme, we collaborate on events relating to various sustainability themes. For example, in partnership with a Hong Kong social enterprise, we hosted a total of eight workshops from October through December 2020 across four different property development teams to make dignity bibs for the elderly. More than 80 handmade bibs were donated to a local elderly care centre.

The Green Construction Site Award was launched in 2013 with the aim of sharing environmental best practices through yearly, interactive activities centred around different themes. We adopt creative approaches, such as unconventional events, to stimulate awareness and spread our message in an engaging manner. This reporting period featured pandemic-related themes of public health and recycling. A competition leveraging WhatsApp was held whereby four property development teams were invited to participate in designing stickers to be used on the messaging app. Examples include stickers encouraging hygienic habits such as wearing masks and raising awareness around proper disposal of masks and broader types of trash.



SPOTLIGHT

Pandemic Response by Property Development Teams and Contractors

Two Hong Kong property development teams which were winners at the sixth Green Construction Site Award 2019 found unique ways to contribute to relief efforts for the COVID-19 pandemic.

One of the winning teams, Resiglow-Bonham property development team with its contractor Unistress Building Construction Ltd. donated all cash prizes and purchased 7,000 surgical masks on behalf of low-income families. Team members also served as volunteers to distribute masks at the People Service Centre, Ltd. in March 2020.

Another team from our Wong Chuk Hang Station Package Two Property Development and its contractor Lap Kai Engineering Co., Ltd. decided to donate all the cash reward to buy 50 pieces of quilted jackets tailor-made for the elderly and people with special physical needs.





ACHIEVING IMPACT THROUGH CONSISTENT ENGAGEMENT

Interacting consistently with our customers and partners is the foundation for building trust and collaborative relationships in our business: it has been our strength in creating exceptional products and services. Going forward, we anticipate the need to further engage our customers and contractors to collectively achieve our vision of a sustainable society.

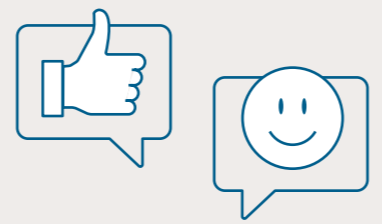


Case Study

We Listen to Respond



Our commitment to improving customer satisfaction is informed by addressing their needs. To proactively seek feedback across our operations, we engaged our customers through a methodical approach: initially by conducting focus groups and interviews to garner their needs and elicit hidden concerns, then applying the insight to develop innovative and user-oriented solutions to enhance customers' experience.



Customers' Concern
The lunchtime queues are so long at restaurants...
The Mainland office tenants

Our Response
How about a digital order placement platform for you to make better lunch arrangements?

The first target segment we examined was our office tenants. Interviews were conducted in multiple cities including Shanghai, Beijing, and Hangzhou. Uncovering existing pain points – such as lunchtime queues at restaurants – helped us to determine tenants' expectations, followed by brainstorming sessions to draw out ideas on how to alleviate those issues. We are exploring methods such as a digital order placement platform to enable our office tenants to make better arrangements during lunch hours.

Customers' Concern
We wish there were more infant care facilities and services for mothers at shopping malls.
Working mothers

Our Response
We increased the number of rental baby strollers, and also refurbished the washrooms and featured parent-friendly facilities!

The second target group was the shoppers in our malls. Focus groups within this demographic revealed that many working mothers have unaddressed needs around infant care. Their experience would also be improved by having designated strolling areas and themed mother-child events. Our team subsequently brainstormed several initiatives which would be rolled out as pilots aiming at making childcare more flexible and convenient for working mothers. At the same time at Kerry Parkside in Shanghai, we increased the number of rental baby strollers to enhance the shopping experience of mothers with infants through active communication and interviews. We also refurbished the washrooms and featured parent-friendly facilities, such as baby changing tables.

Striving together with residents and suppliers

We also work with residents and suppliers with the aim of positively impacting the environment and building sustainable neighbourhoods. Our KPL Sustainability Sponsorship Fund Programme 2020 provided an effective channel for organising events to engage our residential tenants. In Hong Kong, portable plant boxes were obtained for our Mantin Farm Project at Mantin Heights where residents were invited to grow vegetables which could later be harvested, shared, and enjoyed. Seeing the success of the KPL Sustainability Sponsorship Fund Programme in engaging our tenants, we are planning to extend the programme to Mainland operations.

Customers' Concern
It would be great if beverage cartons were recycled at where we live.
Residents from The Summa

Our Response
Let us launch a Beverage Carton Recycling Programme with a point-based reward system.

Our residents constantly provide suggestions to which we happily listen. Through engagement sessions at The Summa in Hong Kong, our management team and residents formed the idea for a Beverage Carton Recycling Programme. To go an extra mile, we shared tips on how to properly recycle cartons, using posters and a point-based collection system to encourage recycling behaviour. Residents who showed support will be rewarded with gifts like reusable umbrella bags as a token of thanks for making the community more sustainable.

Under our Vision 2030, UNSDG 8 – Decent Work and Economic Growth is prioritised as one of the six goals most relevant to our business. With this goal in mind, we conducted sharing sessions for our contractors and suppliers on a range of labour-specific topics including regulations on employing youth workers and foreign workers in Hong Kong. To better integrate our Vision 2030, we engaged around 1,500 contractors and suppliers by providing training and information packs explaining the UNSDGs and recommendations on how they can contribute to the global goals. We hope that these learning opportunities may serve as guidance to our partners in maintaining an ethical supply chain.

We treasure these interactions with our value chain partners as an integral part of our daily operations.



ABOUT THIS REPORT

Reporting Period and Scope

This Report covers the Group's sustainability performance for the financial year from 1 January to 31 December 2020 ("**reporting period**"). Unless otherwise specified, the reporting scope of this Report only covers our operations with management control in Hong Kong and the Mainland, excluding hotel and warehouse business and aligns the corresponding description in our Annual Report 2020.

Reporting Standards

This Report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: Core option and with reference to the GRI G4 Construction and Real Estate Sector Disclosures ("**G4 CRE**"). This Report also satisfies the "comply or explain" provisions of Environmental, Social and Governance ("**ESG**") Reporting Guide ("**ESG Guide**") issued by the SEHK.

The reporting principles for defining the report content includes stakeholder inclusiveness, responsiveness, materiality, completeness and impact. When determining materiality, we have considered a combination of internal and external factors to assess whether a topic is material, including the Group's overall vision and strategy, stakeholder concerns, and the expectations expressed in international standards. More details can be found in the "Stakeholder Engagement" section.

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

Our GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol, a corporate accounting and reporting standard developed by World Business Council for Sustainable Development ("**WBCSD**") and World Resources Institute ("**WRI**"). This protocol provides standardised approaches and principles for corporates to develop a verifiable GHG inventory.

Reporting Boundary of Sustainability Data 2020

Mainland Portfolio

Beijing Kerry Centre

Hangzhou Kerry Centre

Hangzhou Kerry Centre Lake Grandeur

Hangzhou Zhijiang Castalia Court Phases I to III

Putian Arcadia Court

Qinhuangdao Habitat Phase I

Shanghai Central Residences Phase II Towers 1 and 3

Shanghai Jing An Kerry Centre Phases I to II

Shanghai Kerry Everbright City Phase I

Shanghai Kerry Everbright City Phase II – Enterprise Square

Shanghai Kerry Everbright City Phase III – Enterprise Centre

Shanghai Kerry Parkside

Shenyang Kerry Centre

Shenzhen Arcadia Court

Shenzhen Kerry Centre

Shenzhen Kerry Plaza Phase I to II

Tianjin Kerry Centre

Hong Kong Portfolio

Aigburth

Branksome Crest

Branksome Grande

Enterprise Square Three

Enterprise Square Five / MegaBox

Gladdon

Island Crest

Kerry Centre

Mantin Heights

Resiglow – Happy Valley

Tavistock

The Bloomsway



Report Assurance

This Report is externally assured to validate the accuracy and reliability of its content. The Group engaged British Standard Institution (“BSI”) to provide independent assurance of this Report in accordance with GRI Standards: Core option and ESG Guide issued by the SEHK against the AA1000 AccountAbility Principles. For details, please refer to Independent Assurance Opinion Statement on pages 96-97.

Contact Us

We welcome your feedback. Whether you are our customer, business partner, member of the public, the media or community group, your comments and opinions can help define and strengthen the Group’s future sustainability strategy. Please contact us by email at sustainability@kerryprops.com. For comments on our sustainability report, please give us your feedback via the [online survey](#).



MAJOR RECOGNITIONS, AWARDS, CHARTERS AND MEMBERSHIPS



A. ENVIRONMENT

Award	Issuing Authority
<p>4T Charter</p> <ul style="list-style-type: none"> Participation Certificate: Head Office of Kerry Properties Limited, alongside 16 managed properties in Hong Kong 	<p>Environment Bureau and Electrical and Mechanical Services Department</p>
<p>Charter on External Lighting 2019</p> <ul style="list-style-type: none"> Platinum Award: 16 managed properties in Hong Kong Gold Award: 6 managed properties in Hong Kong 	<p>Environment Bureau</p>
<p>CLP Smart Energy Award 2019</p> <ul style="list-style-type: none"> 14 managed properties in Hong Kong 	<p>CLP Power Hong Kong Limited</p>
<p>Energy Saving Charter 2020</p> <ul style="list-style-type: none"> Participation Certificate: Head Office of Kerry Properties Limited, along with 20 managed properties in Hong Kong 	<p>Environment Bureau and Electrical and Mechanical Services Department</p>
<p>Green Office Awards Labelling Scheme (GOALS) – Green Office Label and Eco-Healthy Workplace Label</p> <ul style="list-style-type: none"> Kerry Properties Limited 	<p>World Green Organisation</p>

A. ENVIRONMENT	
Award	Issuing Authority
<p>Hong Kong Awards for Environmental Excellence 2019</p> <ul style="list-style-type: none"> • Certificate of Merit: Lions Rise, Hong Kong • Certificate of Appreciation: 31 managed properties in Hong Kong 	Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies
<p>Hong Kong Green Awards 2020 – Green Management Award (Corporate – Large Corporation) – Gold Award and Sustained Performance (11 Years+)</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	Green Council
<p>Hong Kong Green Organisation</p> <ul style="list-style-type: none"> • Kerry Properties Limited, alongside 28 managed properties in Hong Kong 	Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies
<p>Hong Kong Green Organisation Certification – Energywi\$e Certificate</p> <ul style="list-style-type: none"> • Excellence Level: The Altitude, Hong Kong • Basic Level: 20 managed properties in Hong Kong 	Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies
<p>Hong Kong Green Organisation Certification – Wastewi\$e Certificate</p> <ul style="list-style-type: none"> • Excellence Level: Kerry Properties Limited, alongside 27 managed properties in Hong Kong • Basic Level: Belgravia, Constellation Cove, Dragons Range and Resiglow-Happy Valley (all in Hong Kong) 	Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies
<p>Hong Kong Green Organisation Certification – Carbon Reduction Certificate</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies
<p>Hong Kong Green Organisation Certification – IAQwi\$e Certificate</p> <ul style="list-style-type: none"> • Excellence Level: Head Office of Kerry Properties Limited and common areas of Kerry Centre, Hong Kong 	Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies
<p>Indoor Air Quality Certificate</p> <ul style="list-style-type: none"> • Excellent Class: Head Office of Kerry Properties Limited and common areas of Kerry Centre, Hong Kong • Good Class: Common areas of Enterprise Square and Enterprise Square Three, Hong Kong 	Environmental Protection Department
<p>LEED Zero Waste Certification</p> <ul style="list-style-type: none"> • Kerry Everbright City Phase III – Enterprise Centre, Shanghai 	U.S. Green Building Council
<p>Outstanding Unit for Greening in Jing’an District</p> <ul style="list-style-type: none"> • Jing An Kerry Centre, Shanghai 	Jing’an District Landscaping and City Appearance Administration Bureau
<p>Shanghai Municipal Green Building Label – 2-Star</p> <ul style="list-style-type: none"> • Jing An Kerry Centre, Shanghai 	Shanghai Green Building Council
<p>TRUE Zero Waste Certification – Platinum</p> <ul style="list-style-type: none"> • Kerry Everbright City Phase III – Enterprise Centre, Shanghai 	Green Business Certification, Inc (GBCI)

B. CORPORATE GOVERNANCE AND CITIZENSHIP

Award	Issuing Authority
<p>Achievers of Harmonious Labor Relations in Shanghai</p> <ul style="list-style-type: none"> • Kerry Parkside, Shanghai 	<p>Shanghai Municipal Human Resources and Social Security Bureau, Shanghai Municipal General Labor Union, Shanghai Enterprise Confederation / Shanghai Entrepreneurs Association and Shanghai Federation of Industry and Commerce</p>
<p>Advanced Group for Volunteer Service in Shanghai</p> <ul style="list-style-type: none"> • Jing An Kerry Centre, Shanghai 	<p>Shanghai Municipal Committee for Cultural and Ethical Progress</p>
<p>CAPITAL Corporate Social Responsibility Awards 2020</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>CAPITAL</p>
<p>Caring Company – 15 Years Plus Caring Company</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>The Hong Kong Council of Social Service</p>
<p>Corporate Sustainability Awards for Greater Bay Area 2020 – Sustainable City and Community Award</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>Metro Finance Radio</p>
<p>Sustainability Awards – ECO CREATIVITY Award</p> <ul style="list-style-type: none"> • Kerry Residences, Beijing 	<p>Voyage</p>
<p>ERB Manpower Developer Scheme – Super Manpower Developer</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>Employees Retraining Board</p>
<p>HKQAA CSR Index Plus – CSR Advocate Mark</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>Hong Kong Quality Assurance Agency</p>
<p>HSBC Living Business – Sustainable Supply Chain Leaders</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>Business Environment Council Limited, the Hong Kong Council of Social Service and Policy for Sustainability Lab of the Centre for Civil Society and Governance, the University of Hong Kong</p>
<p>Social Capital Builder Award 2020 – Logo Awards</p> <ul style="list-style-type: none"> • Kerry Properties Limited • MegaBox Management Services Limited 	<p>Community Investment and Inclusion Fund of the Labour and Welfare Bureau</p>
<p>Sustainable Business Award</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<p>World Green Organisation</p>

C. PROPERTY DEVELOPMENT AND MANAGEMENT QUALITY

Award	Issuing Authority
<p>19th Hong Kong Occupational Safety and Health Award – OSH Annual Report Award – Silver Award</p> <ul style="list-style-type: none"> • Kerry Project Management (H.K.) Limited 	Occupational Safety and Health Council
<p>Autodesk Hong Kong BIM Awards 2020 – Honorable Mention</p> <ul style="list-style-type: none"> • 3 Lung Kui Road, Beacon Hill Property Development, Hong Kong 	Autodesk Inc.
<p>Best Practices in Operation and Management</p> <ul style="list-style-type: none"> • Beijing Kerry Centre 	Construction’s Operation and Management Institute
<p>BCI Asia Awards 2020 – Top 10 Developers – Hong Kong</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	BCI Media Group
<p>CIC Sustainable Construction Award 2020 – Silver Award, Developer (Private Sector)</p> <ul style="list-style-type: none"> • Wong Chuk Hang Station Package Two Property Development, Hong Kong 	Construction Industry Council
<p>Construction Safety Promotional Campaign 2020 – The 21st Construction Safety Award</p> <ul style="list-style-type: none"> • Outstanding Metal Scaffolder in Occupational Safety and Health – Silver Award: Wong Chuk Hang Station Package Two Property Development, Hong Kong • Best Method Statement – Bronze Award: Wong Chuk Hang Station Package Two Property Development, Hong Kong • Best Safety Enhancement Programme for Working at Height – Bronze Award: Wong Chuk Hang Station Package Two Property Development, Hong Kong 	Occupational Safety and Health Council
<p>Excellent Asset Management 2019 – Best Commercial Complex in Shenyang</p> <ul style="list-style-type: none"> • Shenyang Kerry Centre 	Institute of Real Estate Management China
<p>ISHP Outstanding Health Awards 2020 – Platinum Award</p> <ul style="list-style-type: none"> • Kerry Project Management (H.K.) Limited 	Institute of Safety & Health Practitioners (ISHP)
<p>MIPIM Asia Awards 2020</p> <ul style="list-style-type: none"> • Best Mixed-use Development – Gold Award: Qianhai Kerry Centre, Shenzhen • Best Green Development – Silver Award: Qianhai Kerry Centre, Shenzhen 	MIPIM Asia Awards
<p>The Greater Bay Navigation Scheme – Remarkable Developer Award for the Greater Bay Area</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	Hong Kong Ta Kung Wen Wei Media Group
<p>Top 100 Chinese Real Estate Companies and Top 100 China Commercial Real Estate</p> <ul style="list-style-type: none"> • Kerry Properties Limited 	<i>Guardian</i>

D. DISCLOSURE AND REPORTING

Award	Issuing Authority
<p>Asia Sustainability Reporting Awards 2019</p> <ul style="list-style-type: none"> Asia's Best Materiality Reporting – Gold Award: Sustainability Report 2018 Asia's Best Stakeholder Reporting – Gold Award: Sustainability Report 2018 	<p>CSRWorks International</p>
<p>Asia Sustainability Reporting Awards 2020</p> <ul style="list-style-type: none"> Asia's Best Sustainability Report (Design) – Bronze Award: Sustainability Report 2019 	<p>CSRWorks International</p>
<p>ASTRID Awards 2021 – Annual Reports – Specialised: Sustainability Report – Grand and Gold Awards</p> <ul style="list-style-type: none"> Sustainability Report 2019 	<p>MerComm, Inc.</p>
<p>CR Reporting Awards 2020 – Top 8 in Creativity in Communications</p> <ul style="list-style-type: none"> Sustainability Report 2018 	<p>Corporate Register Ltd.</p>
<p>GALAXY Awards 2020 – Honors</p> <ul style="list-style-type: none"> Sustainability Report 2019 	<p>MerComm, Inc.</p>
<p>iNOVA Awards 2020 – Online Annual Reports – Sustainability Report – Silver Award</p> <ul style="list-style-type: none"> Sustainability Report 2019 	<p>MerComm, Inc.</p>
<p>International ARC Awards 2020 – Online Annual Report (Overall Presentation) – Hong Kong – Silver Award</p> <ul style="list-style-type: none"> Sustainability Report 2019 	<p>MerComm, Inc.</p>
<p>International Annual Report Design Awards 2020 – Online Version – Real Estate Development – Silver Award</p> <ul style="list-style-type: none"> Sustainability Report 2019 	<p>International Annual Report Design Awards</p>
<p>IR Magazine Awards – Greater China 2020 – Best ESG Materiality Reporting (small to mid-cap)</p> <ul style="list-style-type: none"> Sustainability Report 2019 	<p>IR Media Group Ltd.</p>
<p>MERCURY Excellence Awards 2019-2020</p> <ul style="list-style-type: none"> Annual Reports – Overall Presentation – Sustainability Report – Gold Award: Sustainability Report 2018 Annual Reports – Online: Sustainability Report – Silver Award: Sustainability Report 2018 	<p>MerComm, Inc.</p>

SUSTAINABILITY ACCREDITATIONS

Accreditation Organisation	Achievement
CDP	Member since 2020
GRESB (Global Real Estate Sustainability Benchmark)	4-Star Rating
Greater Bay Area Business Sustainability Index 2019	Top 10 (Achiever)
Hang Seng Corporate Sustainability Index	Index member since 2017
Hang Seng Corporate Sustainability Benchmark Index	Index member since 2015
Hang Seng (Mainland and HK) Corporate Sustainability Index	Index member since 2017
Hang Seng ESG 50 Index	Index member since 2020
MSCI ESG Rating	ESG Rating: BBB
Sustainalytics	6 th in the Real Estate Development Industry
Vigeo Eiris	Member since 2018

MEMBERSHIPS & CHARTERS

Partner/Authority	Memberships & Charters
Business Environment Council	Council Member
Business Environment Council	Low Carbon Charter
Environmental Protection Department	Green Event Pledge
Green Council	Sustainable Procurement Charter - Founding Member
Hong Kong Association of Property Management Companies	Member - Kerry Property Management Services Limited
Hong Kong Council of Social Service	Caring Company Patron's Club - Coral Membership
Hong Kong General Chamber of Commerce	Member
Hong Kong Green Building Council	Gold Patron Member
The Chamber of Hong Kong Listed Companies	Full Member

PERFORMANCE DATA SUMMARY

Environmental Performance^{1,2}

GHG emissions ³									
Indicator	Unit	Hong Kong				The Mainland			
		2020	2019	2018	2017	2020	2019	2018	2017
Direct GHG emissions (Scope 1)	tonnes of CO ₂ e	39	58	61	425	6,592	11,122 ⁴	5,298	2,471
Energy indirect GHG emissions (Scope 2)⁵	tonnes of CO ₂ e	25,923	28,835	26,595	26,429	78,618	71,361	63,766	48,319
Other indirect GHG emissions (Scope 3)⁶	tonnes of CO ₂ e	560	692	717	717	48	56	47	32
Total GHG emissions	tonnes of CO ₂ e	26,522	29,585	27,373	27,571	85,258	82,539	69,111	50,822
GHG intensity⁷	tonnes of CO ₂ e / 1,000ft ²	9.20	10.27	10.13	10.21	8.98	9.82	9.27	11.00

1. The latest scope of environmental performance excludes properties under development or those KPL has no management control over in the reporting period. The change of scope is due to the changes in recent business activities. Relevant calculation methodology is also updated for 2020 while the figures from 2017 to 2019 have been restated.

2. Numbers may not add up due to rounding.

3. The calculation standards and methodologies for GHG emissions:

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

4. The surge in emissions was due to accidental discharges of the gas flooding system at two Mainland properties in 2019. Please refer to the Sustainability Report 2019 for more details.

5. For the calculation methodology of indirect GHG emissions due to electricity purchased, we made reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition). The emissions factors for Hong Kong-based operations referenced the emission intensity published by CLP Power Hong Kong Limited and the Hongkong Electric Company Limited in 2019, and the emissions factors for the Mainland-based operations referenced the Ministry of Ecology and Environment of the People’s Republic of China.

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

Scope 3 – other indirect GHG emissions in the Mainland include business travel by employees and methane gas generation at landfill due to disposal of paper waste. The quantification process and emission factor referenced the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator for calculating GHG emissions from business travel by employees; and referenced the methodology of calculating GHG emissions of methane gas generation at landfill due to disposal of paper waste in Hong Kong as stated in remark 3.

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

Waste									
Indicator	Unit	Hong Kong				The Mainland			
		2020	2019	2018	2017	2020	2019	2018	2017
Waste generated (Hazardous)⁸	tonnes	1.6	1.9	1.6	3.1	6.4	4.1	3.9	1.6
Waste generated (Non-hazardous)	tonnes	15,162	19,178	11,208	174,855	55,198	59,826	50,125	34,270
Waste disposal (Non-hazardous)⁹	tonnes	8,047	8,014	7,829	9,305	52,470	58,998	49,277	33,999
Waste recycled / reused (Non-hazardous)	tonnes	7,116	11,164	3,379	165,549	2,728	828	848	272
Paper	tonnes	286	291	271	273	355	527	546	188
Plastic	tonnes	5	2	1	1	63	59	79	44
Metals	tonnes	3	2	2	1	22	28	38	12
Mercury-free batteries	tonnes	-	-	-	-	-	-	-	1
Glass	tonnes	7	16	12	7	-	-	-	-
Clothes	tonnes	4	7	5	5	-	-	-	-
Food waste	tonnes	13	16	2	1	2,287 ¹⁰	215	185	27
Clothes hanger	tonnes	2	1	1	1	-	-	-	-
C&D waste	tonnes	6,796	10,830	3,085	165,260	-	-	-	-

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

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

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

Use of resources									
Indicator	Unit	Hong Kong				The Mainland			
		2020	2019	2018	2017	2020	2019	2018	2017
Energy consumption									
Direct energy consumption									
Diesel	GJ	121	77	116	129	-	-	36	36
Petrol	GJ	327	610	646	640	38	90	126	143
Liquefied Petroleum Gas (LPG)	GJ	52	51	14	21	-	-	-	-
Natural gas	GJ	-	-	-	-	60,007	60,297	64,948	42,326
Indirect energy consumption									
Electricity consumption	GJ	161,229	181,020	163,831	162,728	440,928	402,914	363,619	271,242
Heat consumption	GJ	-	-	-	-	37,572	36,303	33,877	31,841
Total									
Total energy consumption ¹¹	GJ	161,729	181,758	164,607	163,518	538,545	499,603	462,606	345,588
Energy consumption intensity	GJ/1,000ft ²	56.1	63.1	60.9	60.5	56.7	59.5	62.1	74.8
Water consumption									
Total fresh water consumption	1,000m ³	175 ¹²	182	214	211	1,127	1,069	995	720
Water consumption intensity	m ³ /ft ²	0.061 ¹²	0.063	0.079	0.078	0.119	0.127	0.134	0.156
Paper consumption									
Total paper consumption	tonnes	12.6	13.5	13.4	13.0	8.5	8.9	8.5	5.0

11. The quantification process and conversion factors are based on the Energy Statistics Manual prepared by the International Energy Agency for Hong Kong, and the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) and (GB/T 2589-2008) for the Mainland.

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

Social Performance

Employment and Labour Practices

Total workforce by gender, age group, employee category and region ¹³							
Region	Gender	Employee category	Age group			Total (by gender)	Total (by region)
			Under 30	Age 30-50	Over 50		
Hong Kong	Male	Management	0	17	26	1,100	1,739
		Managerial	1	81	43		
		General Staff	143	337	452		
	Female	Management	0	20	16	639	
		Managerial	0	67	14		
		General Staff	196	210	116		
The Mainland	Male	Management	0	40	22	1,921	3,182
		Managerial	3	134	27		
		General Staff	219	1,171	305		
	Female	Management	0	31	10	1,261	
		Managerial	1	148	7		
		General Staff	289	736	39		
Total			852	2,992	1,077	4,921	4,921

Total workforce by gender, employment contract, employment type and region ¹³							
Region	Gender	Employment contract and employment type				Total (by gender)	Total (by region)
		Permanent		Temporary/fixed term			
		Full-time	Part-time	Full-time	Part-time		
Hong Kong	Male	1,000	27	8	65	1,100	1,739
	Female	534	8	3	94	639	
The Mainland	Male	1,919	0	0	2	1,921	3,182
	Female	1,256	0	0	5	1,261	
Total		4,709	35	11	166	4,921	4,921

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

Total number and rate of new employees hired by gender, age group, employee category and region ¹⁴							
Region	Gender	Employee category	Age group			Total (by gender)	Total (by region)
			Under 30	Age 30-50	Over 50		
Hong Kong	Male	Management	0 (0%)	4 (23.5%)	0 (0%)	237 (21.5%)	351 (20.2%)
		Managerial	0 (0%)	6 (7.4%)	1 (2.3%)		
		General Staff	62 (43.4%)	76 (22.6%)	88 (19.5%)		
	Female	Management	0 (0%)	1 (5.0%)	0 (0%)	114 (17.8%)	
		Managerial	0 (0%)	4 (6.0%)	0 (0%)		
		General Staff	61 (31.1%)	32 (15.2%)	16 (13.8%)		
The Mainland	Male	Management	0 (0%)	7 (17.5%)	4 (18.2%)	286 (14.9%)	506 (15.9%)
		Managerial	0 (0%)	22 (16.4%)	3 (11.1%)		
		General Staff	105 (47.9%)	140 (12.0%)	5 (1.6%)		
	Female	Management	0 (0%)	3 (9.7%)	0 (0%)	220 (17.4%)	
		Managerial	0 (0%)	22 (14.9%)	0 (0%)		
		General Staff	116 (40.1%)	73 (9.9%)	6 (15.4%)		
Total			344 (40.4%)	390 (13.0%)	123 (11.4%)	857 (17.4%)	857 (17.4%)

Total number of new employees hired by gender, employment contract, employment type and region							
Region	Gender	Employment contract and employment type				Total (by gender)	Total (by region)
		Permanent		Temporary/fixed term			
		Full-time	Part-time	Full-time	Part-time		
Hong Kong	Male	216	0	8	13	237	351
	Female	82	2	3	27	114	
The Mainland	Male	281	0	0	5	286	506
	Female	208	0	0	12	220	
Total		787	2	11	57	857	857

14. New employee rate (in percentage) = number of new employees of the category / total workforce of the category at the end of the reporting period X 100%.

Summary of annual new employee rate ¹⁴							
Hong Kong				The Mainland			
2020	2019	2018	2017	2020	2019	2018	2017
20.2%	27.4%	32.0%	22.3%	15.9%	18.1%	18.5%	21.6%

Ratio of basic salary and remuneration of female employees to male employees ^{15,16,17}			
Region	Employee category	Ratio of basic salary	Ratio of remuneration
Hong Kong	Management	1:0.82	1:1.05
	Managerial	1:0.95	
	General Staff	1:0.98	
The Mainland	Management	1:1.07	1:0.76
	Managerial	1:0.94	
	General Staff	1:0.63	

Summary of ratio of remuneration of female employees to male employees ^{15,16,17}							
Hong Kong				The Mainland			
2020	2019	2018	2017	2020	2019	2018	2017
1:1.05	1:0.82	1:1.24	1:0.91	1:0.76	1:0.996	1:0.93	1:0.91

15. Basic salary means fixed, minimum amount paid to an employee for performing his or her duties, excluding any additional remuneration, such as payments for overtime working or bonuses. Remuneration means basic salary plus allowances, bonuses, welfare, overtime pay and other subsidies. The ratio includes full-time employees only.

16. Ratio of average basic salary of female employees to male employees = average basic salary of female employees of the category / average basic salary of male employees of the category.

17. Ratio of average remuneration of female employees to male employees = average remuneration of female employees of the category / average remuneration of male employees of the category.

Total number and rate of employee turnover by gender, age group, employee category and region ¹⁸							
Region	Gender	Employee category	Age group			Total (by gender)	Total (by region)
			Under 30	Age 30-50	Over 50		
Hong Kong	Male	Management	0 (0%)	0 (0%)	5 (19.2%)	275 (25.0%)	468 (26.9%)
		Managerial	1 (100%)	5 (6.2%)	4 (9.3%)		
		General Staff	101 (70.6%)	71 (21.1%)	88 (19.5%)		
	Female	Management	0 (0%)	0 (0%)	1 (6.3%)	193 (30.2%)	
		Managerial	0 (0%)	4 (6.0%)	0 (0%)		
		General Staff	114 (58.2%)	54 (25.7%)	20 (17.2%)		
The Mainland	Male	Management	0 (0%)	2 (5.0%)	2 (9.1%)	315 (16.4%)	553 (17.4%)
		Managerial	1 (33.3%)	23 (17.2%)	2 (7.4%)		
		General Staff	93 (42.5%)	163 (13.9%)	29 (9.5%)		
	Female	Management	0 (0%)	6 (19.4%)	1 (10.0%)	238 (18.9%)	
		Managerial	0 (0%)	9 (6.1%)	1 (14.3%)		
		General Staff	92 (31.8%)	111 (15.1%)	18 (46.2%)		
Total			402 (47.2%)	448 (15.0%)	171 (15.9%)	1,021 (20.7%)	1,021 (20.7%)

Total number of employee turnover by gender, employment contract, employment type and region							
Region	Gender	Employment contract and employment type				Total (by gender)	Total (by region)
		Permanent		Temporary/fixed term			
		Full-time	Part-time	Full-time	Part-time		
Hong Kong	Male	181	5	4	85	275	468
	Female	74	1	4	114	193	
The Mainland	Male	307	0	0	8	315	553
	Female	226	0	0	12	238	
Total		788	6	8	219	1,021	1,021

18. Employee turnover rate (in percentage) = number of turnover of the category / total workforce of the category at the end of the reporting period x 100%.

Summary of annual employee turnover rate ¹⁸							
Hong Kong				The Mainland			
2020	2019	2018	2017	2020	2019	2018	2017
26.9%	24.9%	29.4%	22.3%	17.4%	19.9%	25.0%	22.0%

Average employment tenure of employees in years ¹⁹			
Gender	Hong Kong	The Mainland	Total
Male	6.6	6.8	6.8
Female	7.0	6.3	6.6
Total	6.8	6.6	6.7

Summary of parental leave by gender and region						
Region	Gender	Total number of employees that were entitled to parental leave in 2020 ²⁰	Total number of employees that took parental leave in 2020	Total number of employees that should return to work in 2020 after parental leave ended	Total number of employees that did return to work in 2020 after parental leave ended	Return to work rate of employees in 2020 that took parental leave ²¹
Hong Kong	Male	1,027	6	6	6	100%
	Female	542	5	5	5	100%
The Mainland	Male	1,919	39	36	36	100%
	Female	1,256	72	61	57	93%

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

20. All permanent employees (full-time and part-time) are entitled to parental leave.

21. Return to work rate of employees that took parental leave (in percentage) = total number of employees that did return to work in 2020 after parental leave ended / total number of employees that should return to work in 2020 after parental leave ended x 100%.

Health and Safety

Work-related fatalities ^{22, 23}									
Region	Gender	Group employees					Other workers ²⁴		
		Total number of hours worked ²⁵	Number of fatalities reported	Total (by region)	Rate (per 200,000 hours worked)	Rate (per 1,000 employees)	Total number of hours worked	Number of fatalities reported	Rate (per 200,000 hours worked)
Hong Kong	Male	2,200,000	0	0	0.00	0.00	2,591,592	0	0.00
	Female	1,278,000	0		0.00	0.00			
The Mainland	Male	3,842,000	0	0	0.00	0.00	3,092,336	1	0.06
	Female	2,522,000	0		0.00	0.00			
Total		9,842,000	0	0	0.00	0.00	5,683,928	1	0.04

High-consequence work-related injuries ^{26,27,28}									
Region	Gender	Group employees					Other workers ²⁴		
		Total number of hours worked ²⁵	Number of high-consequence work-related injuries reported	Total (by region)	Rate (per 200,000 hours worked)	Rate (per 1,000 employees)	Total number of hours worked	Number of high-consequence work-related injuries reported	Rate (per 200,000 hours worked)
Hong Kong	Male	2,200,000	2	3	0.18	1.82	2,591,592	0	0.00
	Female	1,278,000	1		0.16	1.56			
The Mainland	Male	3,842,000	0	0	0.00	0.00	3,092,336	0	0.00
	Female	2,522,000	0		0.00	0.00			
Total		9,842,000	3	3	0.06	0.61	5,683,928	0	0.00

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

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

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

25. The total number of hours worked for Group employees is estimated by the total number of employees at the end of the reporting period x 8 hours per day x 250 days.

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

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

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

Recordable work-related injuries ^{29,30,31}									
Region	Gender	Group employees					Other workers ²⁴		
		Total number of hours worked ²⁵	Recordable work-related injuries reported ³²	Total (by region)	Rate (per 200,000 hours worked)	Rate (per 1,000 employees)	Total number of hours worked	Recordable work-related injuries reported	Rate (per 200,000 hours worked)
Hong Kong	Male	2,200,000	11	15	1.00	10.00	2,591,592	9	0.69
	Female	1,278,000	4		0.63	6.26			
The Mainland	Male	3,842,000	17	20	0.88	8.85	3,092,336	0	0.00
	Female	2,522,000	3		0.24	2.38			
Total		9,842,000	35	35	0.71	7.11	5,683,928	9	0.32

Summary of lost days ^{33,34}						
Region	Gender	Lost days due to work-related injuries / occupational diseases	Days scheduled to work ³⁵	Lost day rate	Overall lost days due to work-related injuries / occupational diseases by region	Overall lost day rate by region
Hong Kong	Male	716	275,000	0.26%	955	0.22%
	Female	239	159,750	0.15%		
The Mainland	Male	727	480,250	0.15%	809	0.10%
	Female	82	315,250	0.03%		
Total		1,764	1,230,250	0.14%	1,764	0.14%

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

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

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

32. The main types of recordable work-related injury including sprains, bruises, slip and fall, etc.

33. The calculation of lost day rate is based on the lost days of Group employees only. For Hong Kong, it is calculated based on calendar days starting from the date of the accident while for the Mainland, it is calculated based on scheduled work days starting from the date of the accident.

34. Lost day rate = lost days / days scheduled to be worked x 100%.

35. The number of scheduled work days per year is 250 days in Hong Kong and the Mainland.

Summary of annual lost day rate ³⁴							
Hong Kong				The Mainland			
2020	2019	2018	2017	2020	2019	2018	2017
0.22%	0.16%	0.51%	0.38%	0.10%	0.08%	0.10%	0.14%

Summary of absent days ^{36,37}						
Region	Gender	Number of absent days	Days scheduled to work ³⁵	Absentee rate	Overall number of absent days by region	Overall absentee rate by region
Hong Kong	Male	2,954	275,000	1.07%	5,285	1.22%
	Female	2,331	159,750	1.46%		
The Mainland	Male	9,269	480,250	1.93%	20,839	2.62%
	Female	11,570	315,250	3.67%		
Total		26,124	1,230,250	2.12%	26,124	2.12%

Training and Development

Total number and rate of employees trained by gender, employee category and region ^{38,39,40}						
Region	Gender	Employee category			Total (by gender)	Total (by region)
		Management	Managerial	General Staff		
Hong Kong	Male	31 (72.1%)	53 (42.4%)	583 (62.6%)	667 (60.6%)	1,095 (63.0%)
	Female	23 (63.9%)	40 (49.4%)	365 (69.9%)	428 (67.0%)	
The Mainland	Male	47 (75.8%)	198 (120.7%)	1,563 (92.2%)	1,808 (94.1%)	2,904 (91.3%)
	Female	29 (70.7%)	157 (100.6%)	910 (85.5%)	1,096 (86.9%)	
Total		130 (71.4%)	448 (85.2%)	3,421 (81.2%)	3,999 (81.3%)	3,999 (81.3%)

36. The calculation of absent days is based on the absent days of Group employees only. Absent days include days lost due to work-related injuries and other diseases. Reasons for employee's absence include but are not restricted to sick leave, work-related injury and contraction of occupational diseases at work.

37. Absentee rate (in percentage) = absent days / days scheduled to be worked x 100%.

38. Figures only include permanent full-time staff.

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

40. The figures include employees who left the Group during the reporting period, hence the percentage of employees trained may exceed 100%.

Average training hours by gender, employee category and region^{38,41}

Region	Gender	Employee category			Total (by gender)	Total (by region)
		Management	Managerial	General Staff		
Hong Kong	Male	2.8	1.0	10.1	8.8	7.6
	Female	2.6	1.2	6.5	5.6	
The Mainland	Male	10.1	23.8	17.7	17.9	17.6
	Female	13.8	24.8	16.1	17.1	
Total		7.7	15.2	14.2	14.1	14.1

Summary of annual employee trained rate^{38,39,40}

Hong Kong				The Mainland			
2020	2019	2018	2017	2020	2019	2018	2017
63.0%	75.8%	88.1%	89.2%	91.3%	87.6%	85.1%	90.8%

Supply Chain Management

Total number of vendors^{42,43}

Supply Chain Management	Hong Kong				The Mainland			
	2020	2019	2018	2017	2020	2019	2018	2017
Total number of vendors for property development	1,059	968	901	841	1,081	114	38	-
Total number of vendors for property management	819	469	826	690	4,866	1,703	1,107	1,008

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

42. The scope of vendors for property development in 2020 includes all properties under development. The scope of vendors for property management in 2020 includes both active and inactive vendors.

43. Number of vendors is categorised by site of operations instead of geographical location of vendors.

Independent Assurance Opinion Statement

Statement No.: **SRA-HK 746476**



Kerry Properties Limited Sustainability Report 2020

The British Standards Institution is independent of Kerry Properties Limited, and its subsidiaries (hereafter referred to as “KPL” collectively in this statement), and has no financial interest in the operation of KPL other than for the assessment and assurance of KPL Sustainability Report 2020 (the “Report”).

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

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

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

Scope

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

1. The assurance covers the whole Report and, focuses on systems and activities of KPL in Hong Kong and mainland China, which include property development, investment, management and leasing in residential, shopping malls, office towers and apartments, during the period from 1st January 2020 to 31st December 2020. The Report is prepared in

accordance with the Core Option of GRI Sustainability Reporting Standards (“GRI Standards”) and in accordance with the Hong Kong Stock Exchange’s (“HKEX”) Environmental, Social and Governance Reporting Guide (“ESG Guide”).

2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 (“AA1000AS v3”) evaluates the nature and extent of KPL’s adherence to four reporting principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the Report has been evaluated.

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

Opinion Statement

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

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

Methodology

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

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

Conclusions

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

Inclusivity

The Report has reflected the fact that KPL is seeking the engagement of its stakeholders through numerous channels such as reports, publications, meetings, surveys, interviews, mobile applications, events, and more.

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

Materiality

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

Responsiveness

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

Impact

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

GRI Standards Reporting

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

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

HKEX ESG Guide

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

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

Assurance Level

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

Responsibility & Limitations

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

Competency and Independence

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

For and on behalf of BSI:



Mr. Chris Cheung
 Head of Compliance & Risk - Asia Pacific
 Hong Kong
 29th April 2021



SEHK ESG GUIDE CONTENT INDEX

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
Aspect A1	Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Our Sustainability Approach - Sustainability Governance Our Sustainability Approach - Recommendations of the Task Force on Climate-Related Financial Disclosures Environmental Stewardship - Sustainable Buildings Environmental Stewardship - Carbon and Energy Management Environmental Stewardship - Waste Management Environmental Stewardship - Water Management Relevant policies: <u>Climate Risk Policy</u> <u>Environmental Policy</u> <u>Group Environmental Protection Policy</u> <u>Sustainability Policy</u>	10-15 26-27 29-35 36-39 40-42 43-44
A1.1	The types of emissions and respective emissions data	Air emissions (e.g. NOx, SOx and other pollutants) are not considered as material to our operations	-
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Stewardship - Carbon and Energy Management Performance Data Summary	36-39 84-95
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Stewardship - Waste Management Performance Data Summary	40-42 84-95
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Stewardship - Waste Management Performance Data Summary	40-42 84-95

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
A1.5	Description of emissions target(s) set and steps taken to achieve them	Environmental Stewardship - Overview Environmental Stewardship - Carbon and Energy Management Performance Data Summary We have set carbon intensity targets for our operations in Hong Kong and the Mainland respectively. The Carbon Management Strategy Taskforce is currently exploring to upgrade our decarbonisation targets in line with the Science Based Target initiative.	28 36-39 84-95
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	Environmental Stewardship - Overview Environmental Stewardship - Waste Management Performance Data Summary We have set environmental targets for our operations at the property level. We are planning to formulate group-level targets in the future.	28 40-42 84-95
Aspect A2	Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Our Sustainability Approach - Sustainability Governance Environmental Stewardship - Sustainable Buildings Environmental Stewardship - Carbon and Energy Management Environmental Stewardship - Water Management Relevant policies: <u>Climate Risk Policy</u> <u>Environmental Policy</u> <u>Green Procurement Policy</u> <u>Group Environmental Protection Policy</u> <u>Sustainability Policy</u> <u>Sustainable Procurement Policy</u>	10-15 29-35 36-39 43-44
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Environmental Stewardship - Carbon and Energy Management Performance Data Summary	36-39 84-95
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Environmental Stewardship - Water Management Performance Data Summary	43-44 84-95

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Environmental Stewardship - Overview Environmental Stewardship - Carbon and Energy Management Performance Data Summary We have set environmental targets for our operations at the property level. We are planning to formulate group-level targets in the future.	28 36-39 84-95
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	Environmental Stewardship - Overview Environmental Stewardship - Water Management Performance Data Summary In 2020, there were no problems in sourcing water encountered in our operations. We have set environmental targets for our operations at the property level. We are planning to formulate group-level targets in the future.	28 43-44 84-95
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	In 2020, there were no massive use of packaging material involved in our products.	-
Aspect A3			
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources	Our Sustainability Approach - Sustainability Governance Environmental Stewardship - Sustainable Buildings Relevant policies: <u>Climate Risk Policy</u> <u>Environmental Policy</u> <u>Green Procurement Policy</u> <u>Group Environmental Protection Policy</u> <u>Sustainability Policy</u> <u>Sustainable Procurement Policy</u>	10-15 29-35
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Stewardship - Sustainable Buildings	29-35
Aspect A4			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Our Sustainability Approach - Sustainability Governance Our Sustainability Approach - Recommendations of the Task Force on Climate-Related Financial Disclosures Relevant policies: <u>Climate Risk Policy</u> <u>Group Environmental Protection Policy</u> <u>Sustainability Policy</u>	10-15 26-27

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
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	Our Sustainability Approach - Recommendations of the Task Force on Climate-Related Financial Disclosures	26-27
Aspect B1	Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Our Sustainability Approach - Sustainability Governance People Health and Wellness - Talent Attraction and Retention Relevant policy: <u>Equal Opportunity and Anti-Discrimination Policy</u> In the reporting period, the Group was not aware of any violation of laws and regulations relating to human rights and labour rights that significantly impacted its business operations, performance, financial status and reputation.	10-15 52-54
B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region	People Health and Wellness - Talent Attraction and Retention Performance Data Summary Only including data of employees who are in a direct employment relationship with us. For workers, all of our construction work and certain cleaning and shuttle bus service were performed by workers who were not our employees.	52-54 84-95
B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary	84-95
Aspect B2	Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Our Sustainability Approach - Sustainability Governance People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management Relevant policy: <u>Corporate Health and Safety Policy</u>	10-15 49-50 72-74
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management Performance Data Summary In the past three years including the reporting period, there is no report of work-related fatalities among our employees.	49-50 72-74 84-95

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
B2.2	Lost days due to work injury	Performance Data Summary Only including data of employees who are in a direct employment relationship with us. For workers, all of our construction work and certain cleaning and shuttle bus service were performed by workers who were not employees.	84-95
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	49-50 72-74
Aspect B3	Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Our Sustainability Approach - Sustainability Governance People Health and Wellness - Learning and Development	10-15 55-56
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Performance Data Summary	84-95
B3.2	The average training hours completed per employee by gender and employee category	People Health and Wellness - Learning and Development Performance Data Summary	55-56 84-95
Aspect B4	Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Our Sustainability Approach - Sustainability Governance People Health and Wellness - Talent Attraction and Retention	10-15 52-54
B4.1	Description of measures to review employment practices to avoid child and forced labour	People Health and Wellness - Talent Attraction and Retention	52-54
B4.2	Description of steps taken to eliminate such practices when discovered	People Health and Wellness - Talent Attraction and Retention There were no such practices discovered in our operations.	52-54
Aspect B5	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Our Sustainability Approach - Sustainability Governance Value Chain - Responsible Supply Chain Management Relevant policies: <u>Green Procurement Policy</u> <u>Sustainable Procurement Policy</u> <u>Vendor Code of Conduct</u>	10-15 72-74

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
B5.1	Number of suppliers by geographical region	Performance Data Summary Number of vendors is categorised by site of operations instead of geographical location of vendor. We are in the process of reviewing our system to record and report this data.	84-95
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Value Chain - Responsible Supply Chain Management	72-74
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Value Chain - Responsible Supply Chain Management	72-74
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Value Chain - Responsible Supply Chain Management	72-74
Aspect B6	Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Our Sustainability Approach - Sustainability Governance Value Chain - Customer Orientation Relevant policies: <u>Competition Law Policy Statement</u> <u>Personal Data (Privacy) Policy Statement</u>	10-15 69-72
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	There were no recalls concerning the provision and use of products and services for safety and health reasons.	-
B6.2	Number of products and service related complaints received and how they are dealt with	Value Chain - Customer Orientation In 2020, we received a total of 14 complaints from our operations in Hong Kong and the Mainland. There were however no substantiated complaints received relating to the provision and use of products and services that have a significant impact on our operations.	69-72
B6.3	Description of practices relating to observing and protecting intellectual property rights	Value Chain - Customer Orientation	69-72

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
B6.4	Description of quality assurance process and recall procedures	Value Chain - Customer Orientation We did not consider that recall procedures are material to our operations.	69-72
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Value Chain - Customer Orientation	69-72
Aspect B7	Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Our Sustainability Approach - Sustainability Governance Relevant policies: <u>Anti-Corruption Policy Statement</u> <u>Whistleblowing Policy Statement</u>	10-15
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	In 2020, there were no concluded legal cases of corruption brought against the Group or its employees.	-
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Our Sustainability Approach - Sustainability Governance	10-15
B7.3	Description of anti-corruption training provided to directors and staff	Our Sustainability Approach - Sustainability Governance	10-15
Aspect B8	Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Community Wellness - Community Building Community Wellness - Caring for Society Community Wellness - Community Well-Being Relevant policy: <u>Charitable Donations Policy Statement</u>	62 63-64 65-66
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Community Wellness - Community Building Community Wellness - Caring for Society Community Wellness - Community Well-Being	62 63-64 65-66
B8.2	Resources contributed (e.g. money or time) to the focus area	Community Wellness - Community Building Community Wellness - Caring for Society Community Wellness - Community Well-Being	62 63-64 65-66

GRI CONTENT INDEX

GRI Standards Disclosure		Reference and Remarks	Page No.
General Disclosures			
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1	Name of the organisation	Cover Page	1
102-2	Activities, brands, products, and services	About KPL About KPL - Business Overview About This Report - Reporting Period and Scope In 2020, there were no banned products and services in any market.	5 6 76
102-3	Location of headquarters	About KPL	5
102-4	Location of operations	About KPL About This Report - Reporting Period and Scope	5 76
102-5	Ownership and legal form	About KPL	5
102-6	Markets served	About KPL About This Report - Reporting Period and Scope	5 76
102-7	Scale of the organisation	About KPL - Business Overview People Health and Wellness - Talent Attraction and Retention Performance Data Summary Annual Report 2020 - Financial Highlights (p.5)	6 52-54 84-95
102-8	Information on employees and other workers	People Health and Wellness - Talent Attraction and Retention Performance Data Summary In 2020, all of our construction work and certain cleaning and shuttle bus service were performed by workers who were not employees. There were no significant variations in the numbers of employees reported.	52-54 84-95
102-9	Supply chain	Value Chain - Responsible Supply Chain Management	72-74
102-10	Significant changes to the organisation and its supply chain	There were no significant changes in 2020.	-

GRI Standards Disclosure		Reference and Remarks	Page No.
102-11	Precautionary Principle or approach	Our Sustainability Approach - Sustainability Governance Annual Report 2020 - Risk Management and Internal Controls Report (p. 90-92)	10-15
102-12	External initiatives	Annual Report 2020 - Awards and Citations (p. 60-75)	-
102-13	Memberships of associations	Major Recognitions, Award, Charters and Memberships	78-83
Strategy			
102-14	Statement from senior decision-maker	Board Statement on Sustainability Management Message from the Sustainability Steering Committee	7 8
Ethics and Integrity			
102-16	Values, principles, standards and norms of behaviour	Our Sustainability Approach - Sustainability Governance	10-15
Governance			
102-18	Governance structure	Our Sustainability Approach - Sustainability Governance Annual Report 2020 - Corporate Governance Report (p. 76-84)	10-15
Stakeholder Engagement			
102-40	List of stakeholder groups	Our Sustainability Approach - Stakeholder Engagement	18-25
102-41	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group.	-
102-42	Identifying and selecting stakeholders	Our Sustainability Approach - Stakeholder Engagement	18-25
102-43	Approach to stakeholder engagement	Our Sustainability Approach - Stakeholder Engagement	18-25
102-44	Key topics and concerns raised	Our Sustainability Approach - Stakeholder Engagement	18-25
Reporting Practice			
102-45	Entities included in the consolidated financial statements	About This Report - Reporting Boundary of Sustainability Data 2020 Annual Report 2020 - Particulars of Properties Held (p. 39-49)	77
102-46	Defining report content and topic boundaries	Our Sustainability Approach	9-27
102-47	List of material topics	Our Sustainability Approach - Stakeholder Engagement	18-25
102-48	Restatements of information	Performance Data Summary	84-95
102-49	Changes in reporting	About This Report - Reporting Standards About This Report - Reporting Boundary of Sustainability Data 2020	76 77
102-50	Reporting period	About This Report - Reporting Period and Scope	76

GRI Standards Disclosure		Reference and Remarks	Page No.
102-51	Date of most recent report	Sustainability Report 2019 published in June 2020.	-
102-52	Reporting cycle	Our sustainability reports are published on an annual basis.	-
102-53	Contact point for questions regarding the report	About This Report - Contact Us	77
102-54	Claims of reporting in accordance with GRI Standards	About This Report - Reporting Standards	76
102-55	GRI Content Index	GRI Content Index	105-115
102-56	External assurance	About This Report - Report Assurance Independent Assurance Opinion Statement	77 96-97

Material Issues

GRI Standards Disclosure		Reference and Remarks	Page No.
Topic-specific Standards			
GRI 200 Series: Economic Topics			
GRI 201: Economic Performance 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	About KPL - Business Overview	6
103-3	Evaluation of the management approach		
201-1	Direct economic value generated and distributed	About KPL - Business Overview Annual Report 2020 - Consolidated Statement of Cash Flows (p.119-120)	6
GRI 203: Indirect Economic Impacts 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	About KPL - Business Overview	6
103-3	Evaluation of the management approach	Community Wellness - Community Building	62
		Community Wellness - Caring for Society	63-64
203-1	Infrastructure investments and services supported	Community Wellness - Community Well-Being	65-66
		Community Wellness - Community Building	62
		Community Wellness - Caring for Society	63-64
		Community Wellness - Community Well-Being	65-66

GRI Standards Disclosure		Reference and Remarks	Page No.
GRI 205: Anti-corruption 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	10-15
103-3	Evaluation of the management approach		
205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive Behavior 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	10-15
103-3	Evaluation of the management approach		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		
GRI 300 Series: Environmental Topics			
GRI 302: Energy 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Environmental Stewardship - Sustainable Buildings	29-35
103-3	Evaluation of the management approach	Environmental Stewardship - Carbon and Energy Management	36-39
302-1	Energy consumption within the organisation	Environmental Stewardship - Carbon and Energy Management	36-39
302-3	Energy intensity	Performance Data Summary	84-95
GRI 303: Water and Effluents 2018			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Environmental Stewardship - Sustainable Buildings	29-35
103-3	Evaluation of the management approach	Environmental Stewardship - Water Management	43-44
303-1	Interactions with water as a shared resource	Environmental Stewardship - Water Management In 2020, the water consumed by our operations mainly came from municipal supplies in various regions where we operate. Wastewater is discharged in accordance with the local laws and regulations. We actively monitored our water consumption performance. Currently, there is no significant water-related impact caused by our operations. Water reduction targets are in place at property level. We planned to establish a Group level target in the future.	43-44

GRI Standards Disclosure		Reference and Remarks	Page No.
303-2	Management of water discharge-related impacts	We abide by the local ordinance's requirements for any water discharged.	-
303-5	Water consumption	Environmental Stewardship - Water Management Performance Data Summary No significant water stress is identified in our operations in the reporting period.	43-44 84-95
GRI 305: Emission 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Environmental Stewardship - Sustainable Buildings	29-35
103-3	Evaluation of the management approach	Environmental Stewardship - Carbon and Energy Management	36-39
305-1	Direct (Scope 1) GHG emissions	Environmental Stewardship - Overview	28
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Stewardship - Carbon and Energy Management Performance Data Summary	36-39 84-95
305-3	Other indirect (Scope 3) GHG emissions	Due to the adequacy of data, 2017 was chosen as the base year for a fair comparison of performance.	
305-4	GHG emissions intensity		
GRI 306: Waste 2020			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Environmental Stewardship - Sustainable Buildings	29-35
103-3	Evaluation of the management approach	Environmental Stewardship - Waste Management	40-42
306-1	Waste generation and significant waste-related impacts	Environmental Stewardship - Waste Management	40-42
306-2	Management of significant wate-related impacts	Environmental Stewardship - Sustainable Buildings Environmental Stewardship - Waste Management	29-35 40-42
306-3	Waste generated	Environmental Stewardship - Waste Management	40-42
306-4	Waste diverted from disposal	Performance Data Summary	84-95
306-5	Waste directed to disposal		
GRI 307: Environmental Compliance 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	10-15
103-3	Evaluation of the management approach	Environmental Stewardship - Environmental Management System	35

GRI Standards Disclosure		Reference and Remarks	Page No.
307-1	Non-compliance with environmental laws and regulations	Our Sustainability Approach - Sustainability Governance In 2020, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.	10-15
GRI 308: Supplier Environmental Assessment 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Value Chain - Responsible Supply Chain Management	72-74
103-3	Evaluation of the management approach		
308-1	New suppliers that were screened using environmental criteria		
GRI 400 Series: Social Topics			
GRI 401: Employment 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Human Capital Management	50-51
103-3	Evaluation of the management approach	People Health and Wellness - Talent Attraction and Retention	52-54
401-1	New employee hires and employee turnover	People Health and Wellness - Talent Attraction and Retention Performance Data Summary	52-54 84-95
401-3	Parental leave	People Health and Wellness - Talent Attraction and Retention Performance Data Summary	52-54 84-95
GRI 402: Labour/Management Relations 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Employee Engagement and Wellness	57-58
103-3	Evaluation of the management approach		
402-1	Minimum notice periods regarding operational changes	Minimum notice periods can be found in employment contracts. No collective bargaining agreements were signed between the Group and worker's organisation.	-

GRI Standards Disclosure		Reference and Remarks	Page No.
GRI 403: Occupational Health and Safety 2018			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	49-50
103-3	Evaluation of the management approach		72-74
403-1	Occupational health and safety management system	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	49-50 72-74
403-2	Hazard identification, risk assessment, and incident investigation	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	49-50 72-74
403-3	Occupational health services	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	49-50 72-74
403-4	Worker participation, consultation, and communication on occupational health and safety	People Health and Wellness - Occupational Health and Safety	49-50
403-5	Worker training on occupational health and safety	Value Chain - Responsible Supply Chain Management	72-74
403-6	Promotion of worker health	People Health and Wellness - Employee Engagement and Wellness	57-58
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People Health and Wellness - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	49-50 72-74
403-9	Work-related injuries	People Health and Wellness - Occupational Health and Safety People Health and Wellness - Talent Attraction and Retention Value Chain - Responsible Supply Chain Management Performance Data Summary	49-50 52-54 72-74 84-95
GRI 404: Training and Education 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Learning and Development	55-56
103-3	Evaluation of the management approach		
404-1	Average hours of training per year per employee	Performance Data Summary	84-95
404-3	Percentage of employees receiving regular performance and career development reviews	People Health and Wellness - Learning and Development All employees received regular performance and career development reviews.	55-56

GRI Standards Disclosure		Reference and Remarks	Page No.
GRI 405: Diversity and Equal Opportunity 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Talent Attraction and Retention	52-54
103-3	Evaluation of the management approach		
405-2	Ratio of basic salary and remuneration of women to men	People Health and Wellness - Talent Attraction and Retention Performance Data Summary Hong Kong and the Mainland are considered as significant locations of our operations.	52-54 84-95
GRI 406: Non-discrimination 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Talent Attraction and Retention	52-54
103-3	Evaluation of the management approach		
406-1	Incidents of discrimination and corrective actions taken	No discrimination case was reported in the reporting period.	-
GRI 408: Child Labour 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Talent Attraction and Retention	52-54
103-3	Evaluation of the management approach		
408-1	Operations and suppliers at significant risk for incidents of child labour	People Health and Wellness - Talent Attraction and Retention Child labour is not identified as a significant risk in our operations.	52-54
GRI 409: Forced or Compulsory Labour 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Talent Attraction and Retention	52-54
103-3	Evaluation of the management approach		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	People Health and Wellness - Talent Attraction and Retention Forced labour is not identified as a significant risk in our operations.	52-54

GRI Standards Disclosure		Reference and Remarks	Page No.
GRI 413: Local Communities 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Community Wellness - Community Building	62
103-3	Evaluation of the management approach	Community Wellness - Caring for Society Community Wellness - Community Well-Being	63-64 65-66
413-1	Operations with local community engagement, impact assessments, and development programmes	Community Wellness - Community Building Community Wellness - Caring for Society Community Wellness - Community Well-Being We are in the process of developing a more robust system to collect data of operations with local community engagement, impact assessments and development programmes.	62 63-64 65-66
GRI 414: Supplier Social Assessment 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Value Chain - Responsible Supply Chain Management	72-74
103-3	Evaluation of the management approach		
414-1	New suppliers that were screened using social criteria	Value Chain - Overview	68
GRI 416: Customer Health and Safety 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Value Chain - Customer Orientation	69-72
103-3	Evaluation of the management approach		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Value Chain - Customer Orientation There were no non-compliance cases concerning the health and safety impacts of products and services during the reporting period.	69-72
GRI 417: Marketing and Labelling 2016			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Value Chain - Customer Orientation	69-72
103-3	Evaluation of the management approach		

GRI Standards Disclosure		Reference and Remarks	Page No.
417-2	Incidents of non-compliance concerning product and service information and labelling	Value Chain - Customer Orientation There were no non-compliance cases concerning the products and service information and labelling during the reporting period.	69-72
417-3	Incidents of non-compliance concerning marketing communications	Value Chain - Customer Orientation There were no non-compliance cases concerning marketing communications during the reporting period.	69-72
G4-CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Environmental Stewardship - Sustainable Buildings Annual Report 2020 - Awards and Citations (p. 60-75)	29-35

GRI 418: Customer Privacy 2016

103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Value Chain - Customer Orientation	69-72
103-3	Evaluation of the management approach		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Value Chain - Customer Orientation There were no substantial complaints concerning breaches of customer privacy and losses of customer data during the reporting period.	69-72

GRI 419: Socioeconomic Compliance 2016

103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance Value Chain - Customer Orientation	10-15 69-72
103-3	Evaluation of the management approach	Value Chain - Responsible Supply Chain Management People Health and Wellness - Talent Attraction and Retention	72-74 52-54
419-1	Non-compliance with laws and regulations in the social and economic area	Our Sustainability Approach - Sustainability Governance In 2020, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.	10-15

GRI Standards Disclosure		Reference and Remarks	Page No.
Topics not covered by GRI Standards			
Community Engagement and Investment			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Community Wellness - Community Building	62
103-3	Evaluation of the management approach	Community Wellness - Caring for Society Community Wellness - Community Well-Being	63-64 65-66
Customer Engagement and Collaboration			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Value Chain - Customer Orientation	69-72
103-3	Evaluation of the management approach		
Risk and Crisis Management			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	10-15
103-3	Evaluation of the management approach		
Sustainable Finance			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	10-15
103-3	Evaluation of the management approach		
Talent Attraction and Retention			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	18-25
103-2	The management approach and its components	People Health and Wellness - Talent Attraction and Retention	52-54
103-3	Evaluation of the management approach		

