



嘉里建設有限公司

KERRY PROPERTIES LIMITED

*(Incorporated in Bermuda with limited liability)*

Stock Code: 683



**ACTIONING CHANGE IN RHYTHM TOGETHER**

**SUSTAINABILITY REPORT 2021**

In every step we take on our sustainability journey, Kerry Properties seeks to engage, advocate, and activate change in rhythm with all stakeholders and the wider community. Look to nature and see how we co-exist harmoniously with Earth and all her life forms. If we follow that flow, joining hands in a cohesive effort to restore the natural balance, we can leave the world a better place for generations to come.

# CONTENTS

<b>03</b>	Sustainability at a Glance
<b>05</b>	About Kerry Properties
<b>07</b>	Board Statement on Sustainability Management
<b>08</b>	Message from the Sustainability Steering Committee
<b>09</b>	Our Sustainability Approach
<b>36</b>	Environment
<b>54</b>	People
<b>69</b>	Community
<b>82</b>	Value Chain
<b>96</b>	Sustainability Accounting Standards Board (SASB) Real Estate Sector Disclosure
<b>101</b>	About This Report
<b>103</b>	Major Recognitions, Awards, Charters and Memberships
<b>110</b>	Performance Data Summary
<b>122</b>	Independent Assurance Opinion Statement
<b>124</b>	SEHK ESG Guide Content Index
<b>133</b>	GRI Content Index



Your feedback is critical for us to continuously improve our reporting and sustainability practices. Simply complete this survey and we will donate HK\$200 to a designated charitable organisation.

[Click here to participate.](#)

## SUSTAINABILITY AT A GLANCE



### ENVIRONMENT



Investment properties completed

**Climate Risk and Vulnerability Assessment:**

**↑56%** VS 2020



Energy intensity<sup>1</sup>

**↓15.3%**

GJ/1,000 ft<sup>2</sup> against baseline year FY2017



Sustainable building certified area

**17.3** million ft<sup>2</sup>

**↑5%** VS 2020



Water intensity<sup>1</sup>

**↓16.4%**

m<sup>3</sup>/ft<sup>2</sup> against baseline year FY2017



Greenhouse gas intensity<sup>1,2</sup>

**↓20.8%**

tonnes of CO<sub>2</sub>e/1,000 ft<sup>2</sup> against baseline year FY2017



Waste intensity<sup>1</sup>

**↓10.5%**

tonnes/1,000 ft<sup>2</sup> against baseline year FY2017



Sustainable buildings<sup>3</sup>

- ◇ BEAM / BEAM Plus Gold or above: **9**
- ◇ LEED Gold or above: **24**
- ◇ RESET™ Air: **7**
- ◇ WELL Gold or above: **5**
- ◇ WELL Health-Safety Rating: **5**



### PEOPLE



Work-related injury rate<sup>4</sup>  
6.07 per 1,000 employees

**↓15%** VS 2020



Average training hours<sup>5</sup>

**20.03**

hours per employee



### COMMUNITY



Donation amount

**HK\$22.6 million**

**↑95%** VS 2020



**2,400** families benefitted from the food assistance programme



Charities supported<sup>6</sup>

**107**



**8,000+** employee participation



### VALUE CHAIN



Overall customer satisfaction rate **96%**



**82%** Contractors / suppliers are governed by "Vendor Code of Conduct"

**↑74%** VS 2020



**84%** Construction projects with waste recycling programmes implemented

**↑12%** VS 2020

1. Intensity calculated by GFA against baseline year FY2017.

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 Hong Kong 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 December 2021, number excludes expired pre-certificates.

4. Injury rate (per 1,000 employees) = total number of injures / total workforce at the end of the reporting period x 1,000. Report injuries refer to work-related accidents 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; the figure has been updated from that in Annual Report 2021.

6. Counting organisations that received our monetary donation or in-kind donation in Hong Kong and the Mainland.



## SUSTAINABILITY AWARDS AND ACCREDITATIONS



### Global Real Estate Sustainability Benchmark

- 5-star rating in 2021
- 1<sup>st</sup> in terms of Public Disclosure Scores under the China-HKSAR/Diversified Comparison Group
- 2<sup>nd</sup> in Eastern Asia Diversified Listed Category



Hang Seng Corporate Sustainability Index Series Member 2021-2022

### Hang Seng Corporate Sustainability Index Series

AA+



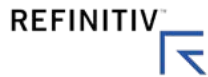
### MSCI ESG Ratings

BBB



### Sustainalytics

Low Risk



### Refinitiv

12<sup>th</sup> out of 378 Real Estate Companies (as of February 2022)



### CDP

C



### Vigeo Eiris ESG Assessment

Limited



### Greater Bay Area Business Sustainability Index 2020

Top 10



### MIPIM Asia Awards 2020

- Best Mixed-Use Development - Gold
- Best Green Development - Silver



### Hong Kong Corporate Governance & ESG Excellence Awards 2021

ESG Excellence Awards  
(Category 2 Hang Seng Composite Index Constituent Companies)



### BDO ESG Awards 2022 - Middle Market Capitalisation

- ESG Report of the Year
- Best in ESG Awards
- Best in Reporting Awards: Sustainability Report 2020

#### Remarks

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## ABOUT KERRY PROPERTIES

Kerry Properties Limited (“**Kerry Properties**” or “**KPL**”, which together with its subsidiaries referred to as the “**Group**”, “**Company**” or “**we**”) is a well-established property company<sup>1</sup> with significant investments in Hong Kong and the Mainland. The Group’s major focus is on developing high-quality residential, commercial and mixed-use developments in prime locations<sup>2</sup>. 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.

1. The Group is a property investment, development and management company headquartered in Hong Kong.
2. As at 31 December 2021, 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.



## KPL’s Financial and Sustainability-related Performances

### Financial Information



Annual Report 2021



Investor Relations Information

### Non-financial Information



Highlight on Sustainability Report 2021



SASB Sustainability Accounting Standards Board Real Estate Sector Disclosure 2021



TCFD Taskforce on Climate-related Financial Disclosures Reporting

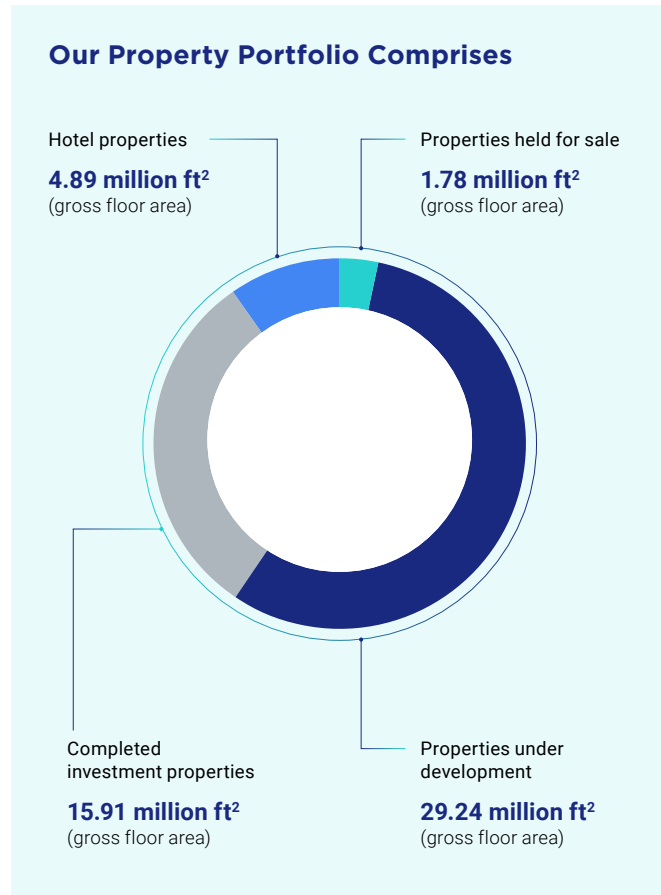
Visit our standalone website to know more



Sustainability Website

## Business Overview<sup>1</sup>

The Group posted solid results from the sales of completed properties during the year ended 31 December 2021 (“reporting period”). The rental and hotel operations, founded on a growing asset base, also maintained a steady performance.



1. This section includes the financial performance of the Company and its subsidiaries, associates and joint ventures beyond the scope of this Report. For the reporting scope, please refer to [pages 101-102](#).

2. Including a special dividend of HK\$2.30/share.

## KEY FINANCIAL INFORMATION

### REVENUE

HK\$ **15,327** MILLION



### COST OF SALES AND DIRECT EXPENSE

HK\$ **6,584** MILLION



### GROSS PROFIT

HK\$ **8,743** MILLION



### DIVIDEND PER SHARE<sup>2</sup>

HK\$ **3.65**



### EMPLOYEE WAGES AND BENEFITS

HK\$ **1,681** MILLION



### PAYMENT TO THE GOVERNMENT (TAXATION)

HK\$ **2,651** MILLION



### NET BORROWINGS

HK\$ **20,044** MILLION



### SHAREHOLDERS' EQUITY

HK\$ **116,829** MILLION



### TOTAL CAPITALISATION

HK\$ **29,526** MILLION



More details of KPL's financial performance and related information can be found on pages 3-5 of our Annual Report 2021, which is available on KPL's and SEHK's websites.



## BOARD STATEMENT ON SUSTAINABILITY MANAGEMENT

Dear Stakeholders,

Sustainability is of paramount importance to Kerry Properties Limited. The board of Directors (the “**Board**”) carries overall responsibility for overseeing sustainability issues and their integration into the Group’s strategies. Having arrived at our sustainability strategy, Vision 2030, we are committed to pursuing business excellence in building for the future. Since embarking on our Sustainability journey we make continual efforts to progress measurably and sustainably, buoyed by strong leadership support and widespread engagement with multiple stakeholders along our value chain. The Board is pleased to report that in 2021 we have made remarkable progress.

While encouraging group-wide action to embed sustainability into our corporate culture, our sustainability efforts throughout the year focus on enhanced management around climate change impact mitigation, environmental protection, people care, responsible supply chain as well as community inclusiveness and vibrancy. To provide effective guidance and oversight, the Board leads the Group in sustainability strategy-setting and impact reporting. Supported by the Sustainability Steering Committee (the “**Committee**”), the Board proactively monitors and oversees the Group’s sustainability performance through updates from the Committee.

As a well-respected property developer in the region, we regard serving the real economy through sustainable development as an essential part of our business ethos. In creating high-quality residential, commercial, and mixed-use developments in prime locations, the Group also shoulders a strong social purpose. By conscientiously providing various kinds of support to individuals and communities in need, we strive to construct a quality-built environment, create steady decent jobs, and provide green and inclusive spaces for all.

Material sustainability issues that the stakeholders’ rate of the Group as priorities are tracked through our stakeholder engagement and materiality assessment exercise. The outcomes of the exercise, interwoven through our alignment with the United Nations Sustainable Development Goals (“**UNSDGs**”), are incorporated into the Group’s sustainability strategies and programmes. The environmental, social and governance (“**ESG**”) risks and opportunities for our business arising from the identified material issues are suitably evaluated, closely managed, and captured.

The acceleration of actions to strengthen our sustainability management capabilities in 2021 include formalising our latest sustainability governance structure, and organising sustainability management training for the Board. This enables the Board to maintain up-to-date awareness about international standards and national policies on sustainability topics, such as climate change-related issues and sustainable finance.

Together with our employees, business partners, customers and communities, we will continue to create outstanding value for our stakeholders while building a resilient community and sustainable future.

Board of Directors  
30 May 2022



## MESSAGE FROM THE SUSTAINABILITY STEERING COMMITTEE

Like everyone else affected, our operations have been impacted by the pandemic. During this past challenging year, we are grateful to our committed employees for carrying the Company vision forward in tough times. When everyone felt worn down by the ongoing struggles, our teams stepped up, working above and beyond their normal duties to ensure the safety of our residents, tenants and colleagues.

In Shanghai, during the lockdown, we provided accommodation and food for staff stationed at our properties. Emergency food supplies were delivered to 2,000 households, as well as to our employees' families, residents and tenants. To protect the health of staff and contractors, we also distributed thousands of packs of a Chinese herbal remedy thought to be effective in the treatment of COVID-19.

To alleviate the pressure on Hong Kong businesses, rental waivers were offered to retailers when MegaBox tenants were forced to close. Supporting food banks with daily necessities for vulnerable groups, as well as with rapid test kits and masks, was an ongoing part of our pandemic relief efforts.

Engaging with all stakeholders remains our top priority. Despite the disruptions of the past year, we have continued to build those important bonds, and kept lines of communication open. Community engagement continued with various initiatives, such as the Good Life Goals campaign at MegaBox and the offer of reusable lunch boxes to office tenants. Aligned with the United Nations Sustainable Development Goals ("**UNSDGs**"), these initiatives engaged community members in personal actions everyone can adopt.

As always, we value ideas and encourage input from stakeholders to guide us in driving continuous improvement. To that end, we welcome your feedback on this Report to help define and strengthen the Group's future sustainability strategy.

Several highlights stand out among the key actions taken. Implementing the recommendations of the Taskforce on Climate-Related Financial Disclosure ("**TCFD**") helps to identify physical and transitional risks, giving us clarity to assess and develop a strategic response for climate mitigation, adaptation and resilience.

Seeking to provide material sustainability information, we first adopted the Sustainability Accounting Standards Board ("**SASB**") Real Estate Sector Framework in our sustainability report.

This past year we have published three new policies on Climate Change, Biodiversity and Human Rights, enhancing our management in these areas. The establishment of the Kerry Properties Sustainable Finance Framework with a second-party opinion gives greater insight to our investors, and assures that our framework is aligned to market expectations. Ever mindful to reduce the emissions of our own operations, we continue to explore our net zero roadmap for decarbonisation.

Through continuous and collaborative efforts, following the natural rhythm, we are determined to leave the world a better place for generations to come.

Sustainability Steering Committee  
30 May 2022



# OUR SUSTAINABILITY APPROACH

Kerry Properties' Sustainability Vision 2030 is focused on four pillars - Environment, People, Community, and Value Chain - and ties our efforts to the United Nations Sustainable Development Goals (UNSDGs). Led by our Board and Sustainability Steering Committee and driven by our stakeholders' growing passion, different initiatives have been implemented this year to accelerate our ESG progress. These include sustainable finance, a deeper dive into TCFD, and a larger assessment of stakeholder engagement, all helping us to better understand the needs and expectations of communities we serve.





## CORPORATE GOVERNANCE

### Our Activities

- ◇ Maintained a sound corporate governance framework with the Board's oversight
- ◇ Evaluated major Environmental, Social, and Governance (ESG) risks with the current status
- ◇ Formulated and implemented a new Anti-corruption Policy covering anti-corruption, anti-bribery and anti-fraud activities
- ◇ Conducted anti-corruption training
- ◇ Reviewed the policies and practices on corporate governance and made recommendations to the Board

### Our Impacts

- ◇ Enhanced the Board's oversight in corporate governance, in particular for sustainability issues
- ◇ Maintained **zero** legal cases related to corruption and anti-competition
- ◇ Ensured employees of the Group comply with the applicable anti-corruption laws, rules and regulations



## SUSTAINABILITY GOVERNANCE

- ◇ The Board carries the overall responsibility of the Group's sustainability strategy setting and reporting, and is supported by the Sustainability Steering Committee to strategise and roll out sustainability-related implementations
- ◇ Referenced the TCFD framework for enhancing our climate risk management and extended the coverage of the Climate Risk and Vulnerability Assessment ("**CRVA**")
- ◇ Improved accuracy and higher compliance standards of sustainability-related data

- ◇ Stronger Board participation in our Vision 2030 progress monitoring and evaluation
- ◇ Mitigated and adapted climate change impact
- ◇ Performed data validation on over **60%** of total owned and managed properties and business units



## POLICIES AND GUIDELINES

- ◇ Introduced three new policies: Climate Change Policy, Biodiversity Policy and Human Rights Policy to steer our sustainability actions
- ◇ Published policies on our corporate website to enhance communication and transparency

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



## STAKEHOLDER ENGAGEMENT

- ◇ Engaged stakeholders through surveys, focus groups and interviews

- ◇ Engaged **2,028** stakeholders through surveys, focus groups and interviews
- ◇ Donated over **HK\$220,000** to charitable organisations selected by the survey respondents to express our appreciation



## SUSTAINABLE FINANCE

- ◇ Established a sustainable finance framework, which was assured with a second-party opinion, to set out principles on utilising sustainable finance instruments that contribute to our sustainability strategy and vision

- ◇ Signed **11** sustainability-linked loan agreements with financial institutions, amounting to **HK\$16.7 billion**<sup>1</sup>

1. As at 30 April 2022

## SUSTAINABILITY GOVERNANCE

At KPL, we believe that establishing a robust sustainability governance structure can strike balances among business continuity, sustainability, the interest of shareholders and stakeholders and meeting the market trends. We demonstrate our commitment to sustainability through a high level of participation from the Board, the Sustainability Steering Committee and the Sustainability Team.

As the key and the highest-level decision-makers from the Board level, we ensure that our Board members adhere to KPL's core governance values of high standards of ethics, integrity, transparency and accountability. We also attach great importance to driving our Board members from different committees to provide their targeted directions, insights and decisions under their professionalism and experience.

### Corporate Governance

The establishment of Nomination Committee, Remuneration Committee, and Audit and Corporate Governance Committee (the "ACGC") facilitates the integration of opportunities for the Group's operations with the Board members' professional areas. The respective committee members are responsible for attending meetings as required, acquiring updated market knowledge through continuous training and carrying out their role and responsibilities in accordance with the Terms of Reference.

### Our corporate governance:

#### The Board

##### Chairman

- ◆ Provides leadership to the Board in terms of establishing policies and business directions

##### Board Members

- ◆ Executive Directors (the "ED") are delegated with the responsibility to oversee and monitor key business operations and implement strategies and policies set by the Board
- ◆ Independent Non-executive Directors (the "INED") are designated to bring strong independent judgement, knowledge and experience to the Board through their active participation of the Company's business

##### Responsibilities and Functions

- ◆ Operates with clearly defined objectives, strategies and responsibilities to set the Group's core values and standards, strategy formulation, corporate governance and performance monitoring
- ◆ Oversees the overall leadership, strategies, control and performance of the Group
- ◆ Ensures the understanding and fulfilment of the Group's obligations to shareholders and stakeholders

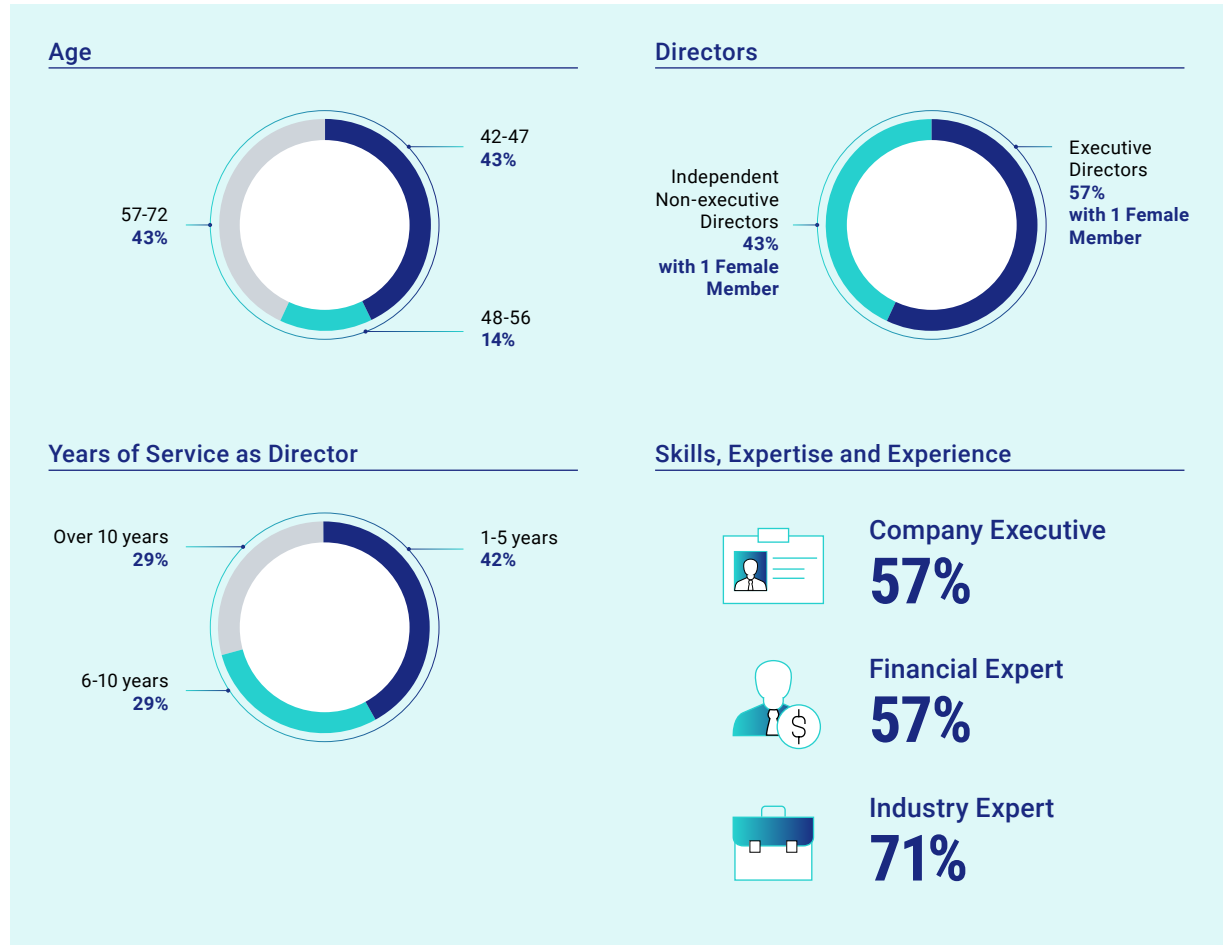
#### Management

- ◆ Oversees the opportunities for integrating sustainability strategies throughout the Group's routine operations
- ◆ Supervises the execution of the decisions, evaluates the effectiveness and propose alternatives

#### Divisional Head

- ◆ Executes the decisions throughout the Group's businesses
- ◆ Proposes potential improvements to the Management

Our Nomination Committee is responsible for identifying individuals suitably qualified to become Board members, while the Board member selection is governed by the “Board Diversity Policy”. Potential Board members need to be approved by the Nomination Committee based on their gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The Nomination Committee will also seek for independent professional advice, where necessary. With the policy in place, it can achieve the below diversified Board environment:



For further information regarding corporate governance, please refer to the [Corporate Governance Report](#) in our Annual Report 2021.

## Sustainability Governance Structure with Board Oversight

The sustainability governance structure plays a critical role in terms of exploring the potentials of sustainability throughout our operations. Overseeing the broader sustainability megatrends, the Board is devoted to leading the Group’s sustainability direction. It reviews the progress and makes adjustments for the sustainability-related goals and targets, whilst ensuring effective sustainability risk management and internal control systems are in place.

There are ESG-related training programmes for the Board from time to time. This year, training regarding corporate governance updates, legal and regulatory requirements updates, board diversity, as well as sustainability and climate change were organised to equip the Board with the latest ESG-related information.

The Sustainability Steering Committee (“**The Committee**”) is appointed by the Board and is chaired by our Executive Director and Board Member. The Committee members are well equipped with both sustainability and industrial knowledge and mind-set to propose insights, directions and forward-looking about embedding sustainability into the business strategies. The Committee has the following roles and responsibilities with regard to sustainability:

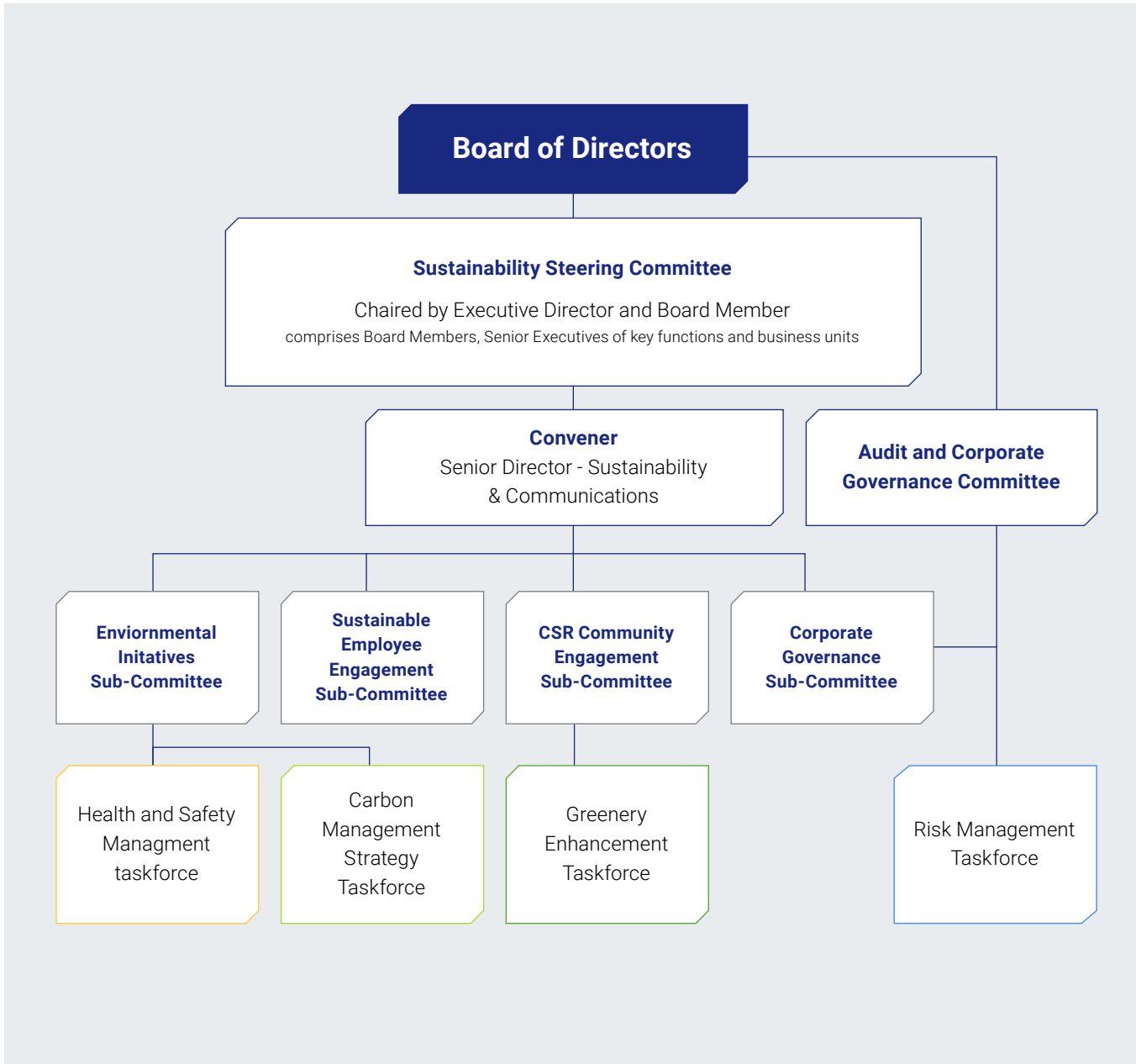
- ◆ Reports the summary of sustainability strategies and plans as discussed with the subcommittees and taskforces for the Board’s oversight
- ◆ Reviews performance and proposes sustainability-related recommendations and targets to the Board
- ◆ Facilitates the Board to enhance their understanding on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

During the reporting period, the Committee held two meetings.

Under the Committee, the Group has established four sub-committees and four taskforces. They carry out different functions for addressing environmental and social impacts towards our operations. For key objectives of the four Taskforces and summary of initiatives in 2021, please visit our [sustainability website](#).

The Sustainability Team acts as a facilitator among the management and the execution level. Sustainability Team members utilise their professionals, industrial insights and understanding of the company to practically and effectively implement sustainability initiatives to achieve the Group’s strategic sustainability goals.

Our corporate structure on sustainability governance:



**Sustainability Management Framework**

KPL currently has 15 sustainability-related policies, including 3 newly introduced policies in 2021 to enhance our management in climate change, biodiversity, and human rights.

**3 newly introduced policies in 2021**

**Environmental**



- ◇ Biodiversity Policy **New**
- ◇ Climate Change Policy **New**
- ◇ Group Environmental Protection Policy
- ◇ Environmental Policy
- ◇ Green Procurement Policy
- ◇ Sustainability Policy

**Social**



- ◇ Charitable Donations Policy Statement
- ◇ Corporate Health and Safety Policy
- ◇ Equal Opportunity and Anti-discrimination Policy
- ◇ Human Rights Policy **New**
- ◇ Personal Data (Privacy) Policy Statement
- ◇ Sustainable Procurement Policy

**Governance**







- ◇ Anti-corruption Policy
- ◇ Competition Law Policy Statement
- ◇ Whistleblowing and Complaints Policy

## Risk Management and Internal Controls

The ACGC is responsible for conducting regular internal controls and identifying operational, financial and sustainability risks for examining appropriate investment decisions. We utilise robust risk management and internal controls systems (the “**RMIC Systems**”) for effective risk management.

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

Type of Risks	Details of Work	Responsible Party
 <p>All Risks</p>	<ul style="list-style-type: none"> <li>◇ Review the effectiveness of the RMIC Systems on an annual basis</li> <li>◇ Approve the annual Risk Management and Internal Controls Report</li> </ul> <p><i>Please refer to our Annual Report 2021 - the <a href="#">Corporate Governance Report</a> for more information.</i></p>	<ul style="list-style-type: none"> <li>◇ The Board</li> </ul>
 <p>Major and Significant Operational and Financial Risks</p>	<ul style="list-style-type: none"> <li>◇ Propose recommendations to Business Units for improving operations</li> <li>◇ Conduct major risk assessments on a quarterly basis</li> <li>◇ Assist in proposing improvement areas of the RMIC Systems</li> <li>◇ Meet our mandatory requirements to conduct environmental, social and other risk assessments prior to the acquisition of all land as a basis and consideration for land acquisition decisions</li> </ul> <p><i>Please refer to our Annual Report 2021 - the <a href="#">Risk Management and Internal Controls Report</a> for more information.</i></p>	<ul style="list-style-type: none"> <li>◇ The Board</li> <li>◇ ACGC</li> <li>◇ Internal Audit Department</li> <li>◇ Business Units</li> </ul>
 <p>Sustainability Risks</p>	<ul style="list-style-type: none"> <li>◇ Identify sustainability-related risks</li> <li>◇ Propose risk management measures to mitigate and minimise the environmental and social impacts</li> </ul> <p><i>Please refer to <a href="#">ESG Risk Identification and Management</a> of this Sustainability Report for more information.</i></p>	<ul style="list-style-type: none"> <li>◇ The Committee</li> <li>◇ Risk Management Taskforce</li> <li>◇ Sustainability Team</li> <li>◇ Business Units</li> </ul>
 <p>Climate-related Risks</p>	<ul style="list-style-type: none"> <li>◇ Report the works done by KPL regarding the four core elements of TCFD: Governance, Strategy, Risk Management, and Metrics and Targets</li> </ul> <p><i>Please refer to the <a href="#">Recommendation of the Task Force on Climate-related Financial Disclosure</a> of this Sustainability Report for more information.</i></p>	<ul style="list-style-type: none"> <li>◇ The Committee</li> <li>◇ Carbon Management Strategy Taskforce</li> <li>◇ Sustainability Team</li> <li>◇ Business Units</li> </ul>

## ESG Risk Identification and Management

We have newly conducted the identification of the ESG-related risks, and concluded with current risk management as below during the reporting period.

ESG-related Risk	Description	Management
Climate Change	<ul style="list-style-type: none"> <li>Realise that climate change imposes direct and long-term impacts on our operations</li> </ul>	<ul style="list-style-type: none"> <li>Expand the climate change impact study concerning the TCFD</li> <li>Plan to cover 100% investment portfolio for CRVA</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li>Put health and safety (both physical and mental health) as the priority for both employees and contractors</li> </ul>	<ul style="list-style-type: none"> <li>Formulate a robust occupational health and safety management system</li> <li>Manage properly the quarantine and work-from-home arrangements during the COVID-19 pandemic</li> </ul>
Sustainable Procurement	<ul style="list-style-type: none"> <li>Address comprehensive environmental and social risks to promote sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>Implement sustainable procurement in the company through the Sustainable Procurement Policy and Green Procurement Policy</li> </ul>
Vendor Environmental Assessment	<ul style="list-style-type: none"> <li>Conduct evaluation and screening to ensure vendors' environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>All building contractors are required to obtain ISO 14001 Environmental Management System certificate. Vendor screening on environmental compliance is conducted in both pre-on-boarding and post-on-boarding processes</li> </ul>

All the above ESG-related risks are set as moderate for the Group level, while the Business Units are committed to conducting regular reviews and evaluations to address significant ESG-related risks. The Risk Management Taskforce explores the risk management up to the international best practices.

## Business Ethics

The topic of Business Ethics and Integrity is considered material as reflected in the results of discussions during the focus group meetings and the result of materiality assessments. As one of the largest property development and management businesses in Hong Kong, we place high attention on strictly abiding by all anti-corruption and anti-competitive laws and regulations in every jurisdiction where we operate.

### Anti-corruption

Conducting business honestly, ethically and with integrity is our core value. We have established the following relevant policies and will update the policies based on the results of regular risk analysis related to corruption. The policies are set for strict compliance by Board members, employees and suppliers.



#### “Anti-corruption Policy”

- Prohibits employees from soliciting, accepting or offering advantages from or to clients, suppliers or any person having business dealings of any kind with the Group
- Extends the anti-corruption practices to the supply chain through the procurement procedures



#### “Ethical Guidelines”

- Promotes responsible and ethical business practices for achieving a sustainable future
- Improves business standards of integrity, transparency and accountability.
- Applies a zero-tolerance approach to acts of bribery by any employees or by business partners working on our behalf



#### “Vendor Code of Conduct”

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

Corruption risks are evaluated through the RMIC Systems. Not only does RMIC Systems set the hierarchy of controls, it also provides mechanisms for evaluating the effectiveness of the management approach. Our new employees are mandated to attend anti-corruption training, while our responsible department regularly organises related training and issues announcements via staff portal or emails to communicate internal anti-corruption policies and procedures. During the reporting year, the Group received no reports of corrupt practices and there were no confirmed legal cases of corruption brought against the Group or its employees, proving the management approach is effective.

**Whistleblowing Mechanism**

For early detection and handling of any breach of legal or regulatory requirements, we encourage our employees and those who deal with the Group to raise concerns to senior management about possible improprieties. Our Whistleblowing and Complaints Policy introduces the investigation procedures which ensures confidentiality. The Policy also identifies the roles and responsibilities of the ombudsperson who is responsible for receiving

and processing cases through mail and email. The complaints committee of the Company shall review all whistleblowing/complaints cases and is authorised to decide whether a case will proceed to investigation. During the reporting period, we have received zero cases in the whistleblowing channel, while zero cases are required to undergo further investigation is authorised to decide whether a case will proceed to investigation.

**Anti-competition**

The Group pays special attention to and regulates the anti-competitive behaviour of the Board, potential and cooperated suppliers, vendors and our employees. We have formulated Competition Law Policy Statement in accordance with all applicable competition and antitrust laws, including the Competition Ordinance in Hong Kong. The Policy Statement identifies risk areas in competition practices and prevents bid rigging in the tendering process. 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.

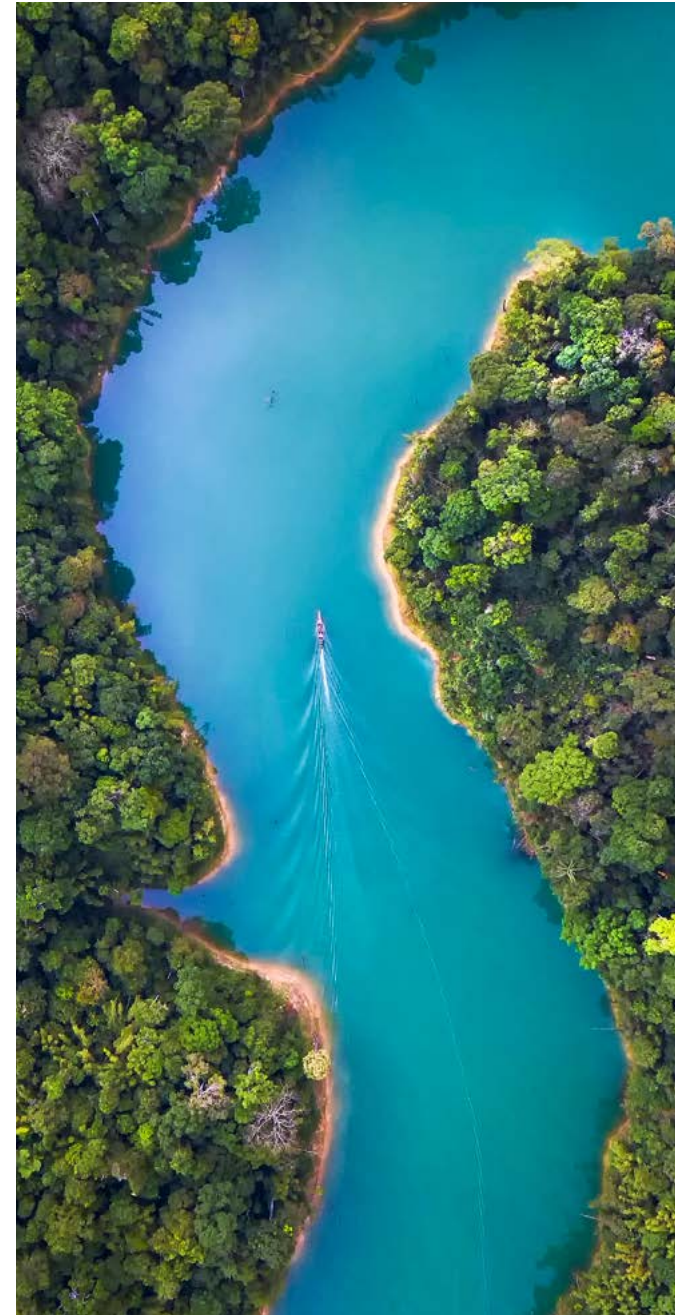




## SUSTAINABILITY VISION 2030

Sustainability is fundamental to our businesses and operations. 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 pursuing our ongoing success.

Our Sustainability Vision 2030 is built on four focus areas: Environment, People, Community 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.



	UNSDG Indicator	VISION 2030 TARGETS	Getting Started	On Plan	Progress in FY2021
Environment	13.1	100% of investment properties complete Climate Risk and Vulnerability Assessment	●	●	53%
	13.1	100% of investment properties adopt climate-resilient building features	●	●	82%
	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	●	●	87%
	11.6	100% of new investment properties achieve green certifications	●	●	100%
People	3.9	Reduce work-related injury rate of employees to 10 per 1,000	●	●	6.07 per 1,000 employees
	3.9	Maintain record of zero work-related fatalities of all our employees	●	●	Maintained 0 work-related fatalities of our employees
	8.5	100% of employees receive gender equality, anti-sexual harassment and related ethical training	●		35%
	5.1	Maintain zero discrimination cases in all operations by treating all people fairly, impartially and with dignity and respect	●	●	Maintained 0 discrimination cases
	5.5	At least one third of senior positions is held by women	●	●	31%
	8.5	100% of employees receive labour rights, diversity and social inclusion training	●		40%
Community	11.4	100% of new mixed-use developments plan and design with cultural and heritage conservation consideration	●	●	50%
	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	●	●	50%
Value Chain	8.7	100% of contractors/suppliers are governed by "Vendor Code of Conduct" which forbids forced labour, slave labour, and child labour	●	●	82%
	12.2 12.5	100% of operations governed by green procurement guidelines which include use of sustainable resources throughout property development and operation	●	●	68%
	12.5	100% of construction projects implement waste recycling programmes	●	●	84%
	8.5	100% of building contractors/suppliers are governed by sustainable procurement guidelines which contain mandatory diversity requirements	●		24%

# MEGA CASE STUDY: QIANHAI KERRY CENTRE

## THE GATEWAY TO NATURE, WELLBEING, AND CONVENIENCE

Qianhai Kerry Centre (“QHKC”) is a testament to Kerry Properties’ commitment to pursuing sustainable development. From project planning, design, and construction to operation, we incorporated sustainability at every stage in the project lifecycle. Along with extensive use of biophilic design, and integration with the surrounding natural environment, QHKC emphasises occupants’ wellbeing in a holistic way through community engagement activities. Our efforts in making QHKC a dynamic and inclusive community, have been widely recognised by reputable award programmes and certification institutions, reaffirming our visions of building a sustainable future.

QHKC encompasses a variety of environmentally-friendly designs and innovations which made it the first triple-certified green building complex in our portfolio. These triple recognitions are “WELL certification” at Gold Level, Platinum (office) and Gold (residence) certification under “LEED - Core and Shell Certification”, and Three-Star under “China Green Building Evaluation Label”. Awards received by QHKC over the years, including the “Best Mixed-Use Development – Gold Award” and the “Best Green Development – Silver Award” at the “MIPI Asia Awards 2020”, as well as “LEED - Homes Awards” have demonstrated our commitment made towards embedding sustainability into the life cycle of as many of our developments as possible. Moreover, the efforts and innovation of our project teams are truly displayed in these achievements.





## ENVIRONMENT

### Designed with Wellness

Features that foster environmental and social wellbeing:



**950m<sup>2</sup>** of solar photovoltaic panels



**75%** of the building areas leverage the benefits of natural lighting



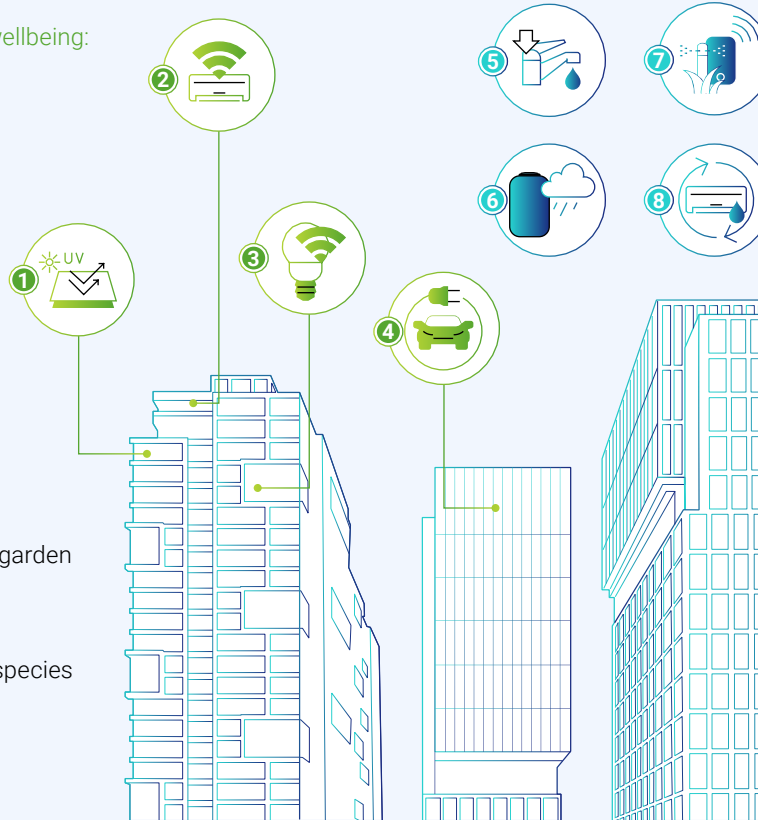
Over **30%** site coverage of greenery  
◆ Outdoor atriums  
◆ Roof gardens  
◆ Lushly planted balconies  
◆ Shaded exterior gardens



**3,000m<sup>2</sup>** of central lawn and sunken garden



**100%** inclusion of native or adaptive species



#### Energy-saving Features

- ① Curtain wall made with low-emissivity laminated glass
- ② Energy-efficient public air conditioning ventilation system
- ③ Smart lighting systems
- ④ Electric vehicle charging facilities

#### Water-conserving Features

- ⑤ Low-flow water-efficient sanitary fittings
- ⑥ Drip irrigation system
- ⑦ Rainwater harvesting system
- ⑧ Air-conditioning condensate harvesting system
- ⑨ Grey water recovery system

This project has incorporated passive design approaches and various biophilic designs concepts to reduce the urban heat island effect, improved energy efficiency, and amplified occupant well-being.

Capitalizing on the area's coastline and extensive green parks, QHKC is designed to integrate with the natural environment. There are multiple levels of gardens, providing refreshing enclaves where people can coexist harmoniously with nature and where the natural world can flourish even in a built environment.

What's more, QHKC provides facilities for daily life within walking distance of 800m from the office to apartments, a commercial hotel, a park and public transportation. Such walking distance encourages people to travel more by walking, bringing health benefits and fewer carbon emissions.

The selected indoor paints, coatings, and other indoor decoration materials must meet our sustainable building standards to prevent the release of indoor pollutants and sources, thereby safeguarding the indoor air quality and occupant's health. Apart from fulfilling on-site air test requirements, all the construction teams must strictly follow the indoor air quality management plan as well.

To ensure QHKC is climate-resilient and fit for the future, we will conduct a Climate Risk and Vulnerability Assessment in 2022.





## PEOPLE

### Serve with Heart to Empower

The QHKC project's smart home design brings residents more human-centred experiences and daily convenience. Aside from allowing residents to check indoor and outdoor air quality and control lights, air conditioning and curtains remotely, the elderly living alone can easily find emergency call buttons around their home to contact the property management centre for assistance. Our information dissemination system and interactive customer registration system also make it possible to communicate relevant information to everyone in case of emergencies.



We go the extra mile to engage our stakeholders at QHKC to inspire people to share sustainability visions and values with us. To help accelerate the development of Qianhai, we hold environmental awareness campaigns such as the annual participation of Earth Hour and also a family open day last November to honour our employees' families while promoting work-life balance.

Aiming to be stakeholder-centric, we regularly conduct assessments to find room for improvement. For example, our overall score in our last customer satisfaction check was 96 points.




## COMMUNITY

### Nurture and Flourish Together

Aiming to incubate elites for Qianhai, we have donated RMB 1.5 million to support the talent development programme of Shenzhen University called the "Kerry Chair Professor Programme". The initiatives planned for this five-year partnership include introducing reputable scholars to the University as guest professors, providing the students with internship opportunities at QHKC and collaborating on academic research studies on net-zero buildings.

Positioned to build communities through placemaking, QHKC has abundant green spaces to reconnect people to nature while fostering social interaction. Aiming to facilitate exchange in arts and emotions, QHKC hosted the "2020 Qianhai Future City Architecture Exhibition and the 8th Shenzhen-Hong Kong Biennale of Urbanism and Architecture" in its open green public area and attracted a total of over 30,000 visitors with diverse backgrounds.



As a caring company, we worked together with Little Aid from Everyone to launch a book donation activity in QHKC. Our employee volunteers delivered more than 800 children's books collected in the office building lobby to children living in Yunnan's countryside.



## VALUE CHAIN

### Deliver Values and Excellence

QHKC is one of a kind that contributes to the Greater Bay Area's economic development by providing a place that encourages imagination, inspiration, and inclusion, empowering the community to reach their highest potential.

To ensure QHKC is efficient with resources, comfortable to inhabit and value-adding to its surroundings, we have often been taking the present and future needs of the district's stakeholders seriously since the beginning. For instance, the pre-opening focus groups inspired us to hold public events to promote cultural appreciation and physical wellness in the green "sunken" garden and central lawn.



Leveraging the power of Internet of Things ("IoT") and big data analytics, Kerry+ is a new smart service app that keeps tenants in touch with all the activities happening in the QHKC community. In addition to registering for any activities that interest them, such as yoga classes, Kerry+ also assists users with their business needs, including making reservations and payments for meeting room use.

## STAKEHOLDER ENGAGEMENT

Stakeholder voices are vital to the development of our sustainability strategy. Our materiality is driven by internal and external viewpoints on how each sustainability issue impacts our business and our stakeholders. Their expectations enable us to identify and prioritise the existing and emerging risks and opportunities across our business operations.

We endeavour to engage them regularly to maximise opportunities for them to share their perceptions and experience with us. In this section, we highlight our stakeholder engagement methodology and define materiality.

To gain a deeper understanding of the expectations and priorities of internal and external stakeholders, we conducted a materiality review in accordance with the AA1000 Stakeholder Engagement Standard (AA1000 SES (2015)) in 2021 and integrated Inclusivity, Materiality, Responsiveness and Impact principles from AA1000 AccountAbility Principles 2018 during the exercise. Stakeholder perceptions allow us to improve our business practices and decision-making. The identified challenges and opportunities will serve as a guide for refinement of sustainability strategies, as well as development of responsive plans catered to stakeholders' expectations and needs.

We have adopted a robust and comprehensive process by constricting the engagement exercise scope compared to the prior year. Undertaken specifically as part of the report preparation process and aligned with our stakeholder engagement methodology, we followed a combined quantitative and qualitative approach to assess the materiality of the identified topics and the significance of their impacts.

1. The engaged stakeholder groups include the senior management, employees, customers/tenants/residents, business partners/suppliers/contractors, shareholders/investors, NGOs and others.
2. Under the remote working arrangement during the severe pandemic, we were not able to engage stakeholders in full capacity via on-site or in-person means but mainly through online surveys. Many invited stakeholders did not successfully respond to the survey due to temporary business shut-down and limited internet access.

### TOTAL NUMBER OF STAKEHOLDERS<sup>1</sup>

Engaged  
**2,028** stakeholders



### STAKEHOLDER ASSESSMENT AND SELECTION CRITERIA

- ◇ Necessity
- ◇ Diversity
- ◇ Willingness to participate
- ◇ Influence on KPL
- ◇ Dependence on KPL



### FOCUS GROUPS

- ◇ **5** focus groups with **21** participants
  - › Compared to the industry average, a greater number of focus groups were engaged.
- ◇ Internal stakeholders (management or above)
  - › To stimulate cross-functions chemistry, we engaged a diverse group of employees to ensure unbiased representation
- ◇ External stakeholders (commercial tenants and non-government organisations)



### DEEP-DIVE INTERVIEWS

- As we attach great importance to the stakeholders' feedback, each interview consisted of 2 sessions, and the participating stakeholders were interviewed twice for two weeks in a row.
- ◇ **3** stakeholders
    - ◇ Internal stakeholders (senior management)
    - ◇ External stakeholders (investor)



### QUESTIONNAIRE SURVEY

- ◇ **3,528** invitations sent (↑14% VS 2020) with **2,004** responses received (↑1.1% VS 2020)
- ◇ All stakeholder groups with a response rate of **57%**<sup>2</sup>



## 1 Investors and Shareholders

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

## 2 Local Communities

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

## 3 Suppliers and Contractors

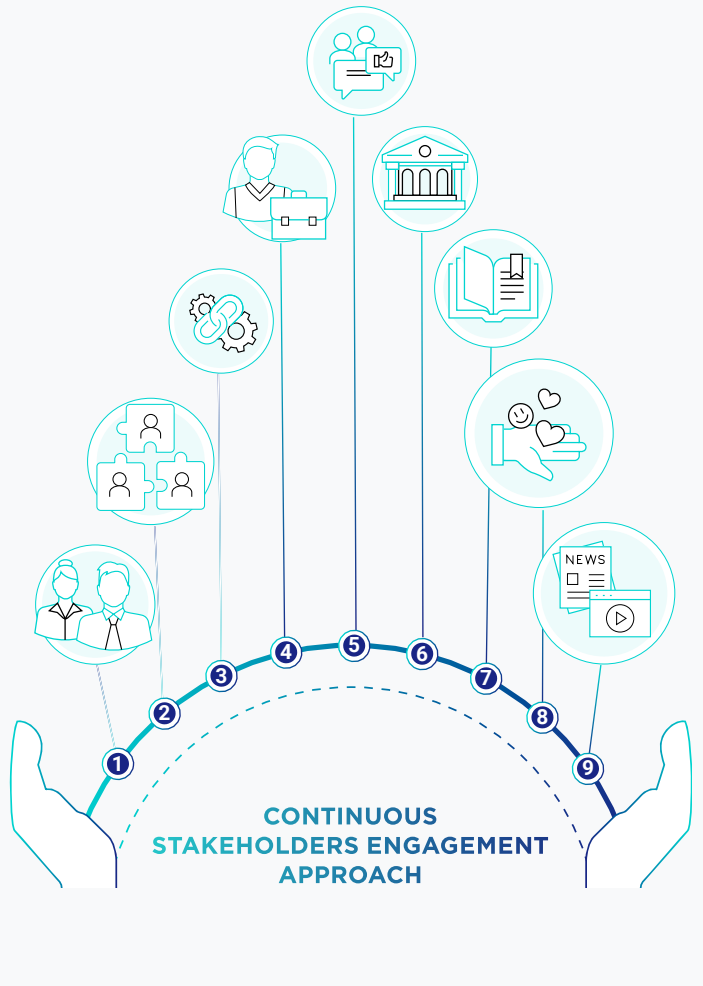
- ◇ Surveys and meetings
- ◇ Green Construction Site Award
- ◇ Kerry Project – Community Caring Scheme
- ◇ Safety briefings
- ◇ Tendering and procurement processes

## 4 Employees

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

## Stakeholder Engagement Approach

We summarise the various channels we use to regularly engage our diverse stakeholder groups as follows:



## 5 Customers and Tenants

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

## 6 Government and Industry Associations

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

## 7 Academia

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

## 8 NGOs

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

## 9 Media

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

## MATERIALITY ASSESSMENT

The materiality assessment was designed and conducted to meet the stakeholder inclusiveness and materiality requirements of the GRI Standards. This allowed us to pinpoint material topics to inform the development of our sustainability report and group-wide sustainability strategy. Material topics are those that reflect the most significant economic, environmental and social impacts of our operations, or those that considerably influence the decisions of stakeholders.

### Materiality Matrix

With both internal and external factors combined for the overall materiality, the assessment result reflects the issue materiality in multiple aspects including Group’s strategy, mission, resources, industry trends and stakeholders’ concerns.

We have set out a materiality matrix based on a total of 28 Material sustainability issues (including 5 additional issues) identified this year.

The following materiality matrix shows the level of importance to stakeholders (y-axis) and their level of importance to our business continuity (x-axis).

### Analysis of Top 5 Material Issues

A shift of focus towards supply chain, community and climate change has been observed, which revealed an increased prioritisation of relevant issues, due to the pandemic new normal and the global climate action momentum in 2021.

“Responsible Supply Chain Management” was ranked as the top material issue, which explained the impact of supply chain instability during the pandemic, as well as the growing concerns about climate issues along the value chain.



- Environmental
- Social
- Governance

- Tier 1: Less material issues
- Tier 2: Moderate material issues
- Tier 3: Most material issues

### Material Issues

- 7 Responsible Supply Chain Management
- 15 Energy Efficiency and Greenhouse Gas (“GHG”) Emissions
- 18 Community Engagement and Investment
- 13 Waste Management
- 26 Climate Change and Resilience
- 1 Customer Wellbeing, Health and Safety
- 2 Service and Product Quality
- 3 Occupational Health and Safety
- 4 Emergency Preparedness\*
- 5 Business Ethics and Integrity
- 6 Employee Training and Development
- 9 Employee Well-being
- 8 Customer Engagement and Collaboration
- 10 Local Economic Development\*
- 11 Social Integration and Accessibility\*
- 12 Talent Attraction and Retention
- 14 Water Consumption and Conservation
- 16 Local Revitalisation\*
- 17 Information Privacy
- 20 Economic Performance
- 19 Green Building Certification
- 21 Social Impact on Local Community
- 22 Workplace Diversity and Equal Opportunities
- 23 Risk and Crisis Management
- 24 Bribery and Corruption
- 25 Labour Practices and Human Rights
- 27 Biodiversity\*
- 28 Sustainable Finance

\* Newly added issues



### Material Topics and Their Respective Impact Reporting

Strategic Pillar	Material Issues	Impact Boundaries by Stakeholder Group								Stakeholder Concerns	GRI Standards	SEHK ESG Guide	UNSDGs
		A	B	C	D	E	F	G	H				
OUR SUSTAINABILITY APPROACH	5 Business Ethics and Integrity	✓	✓	✓			✓	✓		<ul style="list-style-type: none"> <li>Operating businesses properly with integrity and fairness</li> <li>Acting consistently according to corporate values, moral principles and policies</li> </ul>	GRI 102-16	B6.3	SDG 16
	20 Economic Performance	✓		✓			✓			<ul style="list-style-type: none"> <li>Financial performance in terms of revenue, profit margin and operating cost control</li> </ul>	GRI 201	-	SDG 8
	24 Bribery and Corruption	✓	✓	✓			✓	✓		<ul style="list-style-type: none"> <li>Having policies and practices to prevent any form of corruption</li> </ul>	GRI 205	B7.1, B7.2, B7.3	-
	23 Risk and Crisis Management	✓	✓				✓	✓		<ul style="list-style-type: none"> <li>Establishing a comprehensive risk and crisis management approach and system</li> </ul>	-	-	-
	28 Sustainable Finance	✓		✓						<ul style="list-style-type: none"> <li>Incorporating sustainability into business strategies</li> <li>Leveraging financing opportunities to enhance sustainability performance</li> </ul>	-	-	SDG 11
	4 Emergency Preparedness*	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Adopting regular training and drills for emergencies</li> <li>Engaging employees and tenants regarding climate change-related risks and existing practices for emergencies</li> </ul>	GRI 403	A4.1	SDG 13

A Investors and Shareholders

B Customers and Tenants

C Industry Peers

D Academia

E NGOs

F Employees

G Suppliers and Contractors

H Local Communities

\* Newly added issues

Strategic Pillar	Material Issues	Impact Boundaries by Stakeholder Group								Stakeholder Concerns	GRI Standards	SEHK ESG Guide	UNSDGs
		A	B	C	D	E	F	G	H				
ENVIRONMENT	15 Energy Efficiency and Greenhouse Gas ("GHG") Emissions	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Improving energy efficiency in building design and operation</li> <li>Monitoring and controlling GHG emissions</li> </ul>	GRI 302 GRI 305	A1.1, A1.2, A1.5, A2.1, A2.3	SDG 12 SDG 13
	19 Green Building Certification	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Adopting green building principles at all stages of the building life cycle</li> <li>Benchmarking performance through green building certification</li> </ul>	GRI 307	A3.1	SDG 11
	13 Waste Management	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Proper waste disposal and management through reuse, reduction, and recycling</li> <li>Collaborating with tenants and customers to divert recyclables from general waste</li> </ul>	GRI 306	A1.3, A1.4, A1.6	SDG 11 SDG 12
	14 Water Consumption and Conservation	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Managing water consumption, recycling and the quality of wastewater discharges</li> </ul>	GRI 303	A2.2, A2.4	SDG 12
	26 Climate Change and Resilience	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Assessing climate change-related risks and opportunities</li> <li>Formulating strategies towards a more climate-resilient business</li> </ul>	GRI 305	A4.1	SDG 11 SDG 13
	27 Biodiversity*	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Incorporating ecological considerations into development projects</li> <li>Adapting to urban biodiversity to promote nature integration</li> </ul>	-	A3.1	SDG 11 SDG 14 SDG 15

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Strategic Pillar	Material Issues	Impact Boundaries by Stakeholder Group								Stakeholder Concerns	GRI Standards	SEHK ESG Guide	UNSDGs
		A	B	C	D	E	F	G	H				
PEOPLE	3 Occupational Health and Safety	✓	✓				✓	✓		<ul style="list-style-type: none"> <li>◇ Minimising safety risks for both employees and contractors' employees</li> <li>◇ Building a zero-fatalities culture and work environment</li> </ul>	GRI 403	B2.1, B2.2, B2.3	SDG 3 SDG 8
	12 Talent Attraction and Retention	✓					✓			<ul style="list-style-type: none"> <li>◇ Developing strategies to attract and retain talent</li> </ul>	GRI 401	B1.2	SDG 8
	6 Employee Training and Development	✓					✓			<ul style="list-style-type: none"> <li>◇ Offering training and development opportunities for employees to grow</li> </ul>	GRI 404	B3.1, B3.2	SDG 4
	9 Employee Well-being	✓					✓			<ul style="list-style-type: none"> <li>◇ Creating a workplace that promotes employees' well-being</li> </ul>	-	B2.1, B2.2, B2.3	SDG 3
	22 Workplace Diversity and Equal Opportunities	✓					✓			<ul style="list-style-type: none"> <li>◇ Promoting diversity and equality in the workplace</li> </ul>	GRI 405 GRI 406	B1.1	SDG 5
	25 Labour Practices and Human Rights	✓					✓	✓		<ul style="list-style-type: none"> <li>◇ Complying with relevant local employment laws and regulations</li> <li>◇ Preventing all forms of child and forced labour</li> <li>◇ Guaranteeing fundamental human rights</li> </ul>	GRI 401 GRI 402 GRI 408 GRI 409	B4.1, B4.2	SDG 8
COMMUNITY	18 Community Engagement and Investment	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>◇ Supporting local communities through partnerships, volunteering and donations</li> <li>◇ Partnering with charities for fundraising and visits for vulnerable groups</li> </ul>	-	B8.1, B8.2	SDG 10 SDG 11
	21 Social Impact on Local Community	✓		✓		✓			✓	<ul style="list-style-type: none"> <li>◇ Positively influencing local communities</li> </ul>	GRI 413 GRI 419	B8.1, B8.2	SDG 10 SDG 11
	11 Social Integration and Accessibility*			✓						<ul style="list-style-type: none"> <li>◇ Enhancing the accessibility and arranging retrofits or upgrades to promote social inclusivity</li> <li>◇ Providing a more accessible experience, especially for vulnerable groups</li> </ul>	GRI 405 GRI 406 GRI 413 GRI 416	B8.1, B8.2	SDG 3, SDG 9 SDG 11

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H Local Communities

\* Newly added issues

Strategic Pillar	Material Issues	Impact Boundaries by Stakeholder Group								Stakeholder Concerns	GRI Standards	SEHK ESG Guide	UNSDGs	
		A	B	C	D	E	F	G	H					
COMMUNITY	16 Local Revitalisation*	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Retaining both the tangible and intangible attributes of developments</li> <li>Shaping a more vibrant local community through place-making and place-keeping</li> </ul>	GRI 203	B8.1, B8.2	SDG 11, SDG 17	
	10 Local Economic Development*	✓	✓	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Ensuring a positive contribution to the local economy over a long term</li> </ul>	GRI 203	B8.1, B8.2	SDG 8, SDG 17	
VALUE CHAIN	2 Service and Product Quality	✓	✓	✓					✓	<ul style="list-style-type: none"> <li>Assuring handover timeliness and property quality</li> <li>Providing quality services</li> <li>Establishing inquiry and feedback channels</li> </ul>	GRI 417	B6.2, B6.4	SDG 12	
	1 Customer Wellbeing, Health and Safety	✓	✓	✓					✓	<ul style="list-style-type: none"> <li>Caring for the well-being of customers</li> <li>Providing a healthy and safe environment</li> <li>Preventing safety accidents and diseases</li> </ul>	GRI 416	B6.1, B6.2, B6.4	SDG 3	
	8 Customer Engagement and Collaboration	✓	✓						✓	<ul style="list-style-type: none"> <li>Maintaining proactive communication with customers</li> <li>Collaborating with customers to enhance the sustainability of the business and industry</li> </ul>	-	B8.1, B8.2	SDG 17	
	7 Responsible Supply Chain Management	✓	✓	✓					✓	✓	<ul style="list-style-type: none"> <li>Ensuring suppliers' compliance with laws and regulations</li> <li>Cooperating with suppliers/contractors to enhance their environmental and social performance</li> </ul>	GRI 419	B5.2, B5.3, B5.4	SDG 12
	17 Information Privacy	✓	✓	✓					✓		<ul style="list-style-type: none"> <li>Ensuring corporate and consumer privacy</li> <li>Preventing theft, leakage, misuse or unauthorised access to personal data</li> </ul>	GRI 418	B6.5	-

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\* Newly added issues

## From Feedback to Action

During our focus groups and in-depth interviews, we gathered comments from stakeholders on our top five material issues, and turned them into actions:

### RESPONSIBLE SUPPLY MANAGEMENT

**Supply chain is heavily stressed due to COVID. How suppliers are selected and monitored in order to align with KPL's practices?**

– An Office Tenant, Kerry Everbright City III

#### OUR RESPONSE:

- ▶ The "Supplier Management and Evaluation" mechanism has been adopted to measure suppliers' performance and explore opportunities for risk mitigation and continuous improvement.
- ▶ During the pandemic, we understand tenants' needs and ensure quality service delivery through frequent discussions and briefings.
- ▶ Chinese herbal medicine was provided to front-line staff as a precautionary measure.



### ENERGY EFFICIENCY AND GREENHOUSE GAS (GHG) EMISSIONS

**KPL could increase collaborations with tenants, focusing on green in-store design and energy structure of the leased areas.**

– A Retail Tenant, Kerry Parkside

#### OUR RESPONSE:

- ▶ In a collaborative effort with Bianchi Plus, and Italian restaurant at Kerry Parkside, we initiated the concept of a botanic restaurant and employed a design team to complement the exquisite landscape with in-store design and plant-based menu options.
- ▶ With a commitment to setting a science-based target, we partner with a smart energy management start-up to collect carbon emissions reduction (Scope 3) data from the tenants.
- ▶ Carbon audits for selected tenants allow us to understand their carbon footprint and recommend reduction measures.



## CLIMATE CHANGE AND RESILIENCE

We are keen to know the details of KPL's existing and future measures to mitigate the physical risk of climate change. KPL could tie this concept in setting company strategy.

– An Investor focusing on sustainable investment

KPL could put more focus on the climate-related risks, especially on extreme weather conditions when purchasing land for development.

– An Employee of KPL's Mainland property management team

### OUR RESPONSE:

- ▶ 53% of our investment properties have completed the Climate Risk and Vulnerability Assessment. We target to extend the assessment to our future construction sites.
- ▶ The "Climate Change Policy" has been established for climate mitigation and adaptation, which helps us build a climate-resilient business.

## COMMUNITY ENGAGEMENT AND INVESTMENT

KPL should explore potential collaborations with social enterprises in providing more support to the underprivileged and social start-ups.

– A Charity focusing on food bank initiatives

KPL should connect with us for community initiatives with common objectives.

– A Retail Tenant, Beijing Kerry Centre

### OUR RESPONSE:

- ▶ Our community investment this year has increased 95% as compared with last year.
- ▶ The number of charities for the "employee donation matching fund" has increased from 68 to 82.
- ▶ Social impact assessment has been conducted on community project aiming for better resource allocation.



## WASTE MANAGEMENT

KPL should consider tenant-centric initiatives for waste management, in addition to one-off programmes such as beach clean-ups.

– An Employee of KPL's Mainland property management team

### OUR RESPONSE:

- ▶ Tenants at Kerry Everbright City III and Jing An Kerry Centre have been engaged to turn food waste into fertiliser.
- ▶ Through incentives, office tenants are encouraged to use reusable glass containers in designated stores at Enterprise Square.
- ▶ At Resiglow and MegaBox, there are suggestion boxes for tenants to share green ideas.



## OUR APPROACH TO CLIMATE-RELATED FINANCIAL DISCLOSURES

As stated in the ESG Risk Identification and Management section, climate change is identified as one of the material ESG risks faced by the Company. Climate change imposes direct impacts on project development and property management of our business operations. Constantly looking for opportunities to reduce our carbon footprint and our impacts on the environment, we are embarking on the path to net-zero carbon by 2050.



To develop consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders, the Taskforce on Climate-related Financial Disclosures (“TCFD”) established by the Financial Stability Board (“FSB”) published a set of recommendations. We refer to the 4 core elements (Governance, Strategy, Risk Management, as well as Metrics and Objectives) of the TCFD framework in connection with our climate-related risk management approach.

### Pioneered Practical Approaches for Evaluating Climate Issues

#### GOVERNANCE

#### STRATEGY

#### RISK MANAGEMENT

#### METRICS AND TARGETS

#### Board’s Oversight of Climate-related Matters

The Board takes overall accountability to oversee the management of climate-related issues. Chaired by an Executive Director and Board Members, the Sustainability Steering Committee (“the Committee”) reports to the Board and is responsible for managing the Group’s sustainability agenda, strategies, policies and performance. The Board and the Committee receive updates on sustainability related matters at least two times a year.

#### Management’s Role in Assessing and Management Climate-related Matters

Reporting to the Board and the Committee, Senior Director – Sustainability & Communications, is responsible for the design and implementation of climate-related initiatives, review climate-related policies and relevant targets.

With the support from the Committee, the Senior Director has initiated a corporate-level and cross-departmental assessment, covering physical and transition risks. The assessment enables us to monitor and follow up on climate-related risks. Strategic responses are facilitated among the Environmental Initiatives Sub-Committee, the Carbon Management Strategy Taskforce, and respective departments.

The Sub-Committee comprises our department heads and reports directly to the Executive Director, while the Taskforce is dedicated to carbon management and reduction of carbon emissions across operations.

#### Climate-related Policies

Our newly introduced “Climate Change Policy” guides our climate-related risk and opportunity identification as well as management approach and strategy on climate change mitigation, adaptation and resilience. Through the inclusion of community resilience and stakeholder engagement in the “Climate Change Policy”, we also set the guidelines for these 2 important areas in our climate journey. Our Climate-related policies and guidelines include:

- ◇ *Climate Change Policy*
- ◇ *Sustainable Procurement Policy*
- ◇ *Group Environmental Protection Policy*
- ◇ *Sustainable Building Guideline*

## Pioneered Practical Approaches for Evaluating Climate Issues

### STRATEGY

#### Identified climate risks and impacts

In 2021, we identified a list of high-impact climate-related physical and transition risks. 2 scenarios have been considered: 1.5°C to 2°C (turquoise scenario) and 4°C to 5°C (high emissions brown scenario) concerning the temperature rise in Hong Kong and the Mainland in 2030 and 2050 time horizons.

Taking consideration of our business nature, transition risks are considered to have a larger impact on our businesses over the short to medium term. We expect physical risks to pose more significant risks to us in the long term.

#### Climate-related strategies

Developing climate resilience and decarbonisation along the value chain are our prioritised strategies to attain our Sustainability Vision 2030. We acknowledge that climate risks and impacts will keep evolving due to ever-changing external circumstances. Therefore, we will regularly review our climate strategies and actions.

Through our first-time purchase of Renewable Energy Certificates for multiple investment properties, we reduced the carbon footprints for most of the investment properties in Shanghai (more details are available in [Environment](#)). We will continue to explore the possible ways for decarbonising our operation.

### GOVERNANCE

### RISK MANAGEMENT

### METRICS AND TARGETS

#### Physical Risks

Acute physical risks such as intense precipitation, flooding, tropical cyclone and heatwave have been acknowledged.

#### Transition Risks

Policy and legal risks such as tightened building energy codes and guidelines, and increased ambition of national decarbonisation strategies and road maps are identified. We also keep abreast of market risks including increased adoption of renewable energy and increased market demand for green and climate-resilient properties.

#### Developing Climate Resilience

- ◆ Identify climate hazards, assess climate impacts and prioritise climate risks for selected properties with renewed risk ratings through the climate risk and vulnerability assessment (“**CRVA**”)
  - › 53% of our investment properties in total had already conducted the assessments
  - › 3 more properties will be assessed in 2022
- ◆ Adopt climate-resilient building features
- ◆ Introduce innovative technologies to improve the environmental performance

#### Impacts of Identified Climate Risks on KPL

Our businesses can be affected by the identified climate issues in the following ways:

- ◆ Operational impacts of climate disasters could affect our project construction and property management
- ◆ Regulatory uncertainty and pressure from civil society will pose challenges to our monitoring and engagement approach
- ◆ The urge of modifying and upgrading operational processes for climate change mitigation will bring us substantial costs

We will strengthen our internal process and develop greater resilience in order to respond to the potential impacts.

#### Decarbonisation along the Value Chain

- ◆ Explore the potential of reducing carbon emissions throughout the building lifecycle management approach
- ◆ Plan to increase the renewable energy installation and utilisation rate for new investment properties

#### Creating Sources of Values

- ◆ Develop green buildings and retrofit existing buildings to meet the growing appetite for sustainable workplaces and homes
- ◆ Introduce more on-site property management services to enable occupants’ sustainable preferences



## Pioneered Practical Approaches for Evaluating Climate Issues

### RISK MANAGEMENT

### GOVERNANCE

### STRATEGY

### METRICS AND TARGETS

#### Identification, Assessment and Management of Climate-related Risks

In 2021, with the aim of developing long-term strategies that protect our business from climate-related risks, we have started a corporate-level and cross-departmental assessment on the key physical and transition risks, and opportunities posed by climate change to our business operations. Senior executives from different departments, including Project Development, Architecture, Technical Service, Internal Audit, etc., were invited to participate in the assessment to provide their insights into climate-related risks and opportunities.

We have used scenario analyses that consider impacts along a timescale ranging from the immediate term to 2030 to as far ahead as 2050. Since our properties are located in multiple cities that are subject to different climate risks, we are conducting a pioneering exercise to collect relevant data at a regional or city level. This will enable us to develop more granular climate scenarios for detailed analysis of our diverse range of properties.

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

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

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

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

### Risk Management Measures

#### RMIC Systems

We apply the RMIC Systems to identify, assess and manage operational, financial as well as ESG (including climate change) risks. The system is regularly examined to ensure high effectiveness and performance.

#### Due Diligence

We will conduct due diligence on a wide range of climate-related issues, including energy and water supply, natural hazards and floods.

#### Environmental and Energy Management

Several properties have obtained the ISO 50001 Energy Management System (“EnMS”) and ISO 14001 Environmental Management System accreditations.

Pioneered Practical Approaches for Evaluating Climate Issues

METRICS AND TARGETS

GOVERNANCE

STRATEGY

RISK MANAGEMENT

Disclosure of climate-related metrics and targets

We strive to enhance our data collection, measurement, and target setting. The newly adopted data management system strengthens our capabilities in data collection and measurement, as well as target setting. We have already renewed the carbon intensity target, while working on baseline setting for the science-based targets. More details are available in the *Environment* chapter.

Target	↓25% by 2025 (baseline year FY2017)
Progress Achieved in 2021	↓20.8%

Regarding the scope 1, 2 and 3 emissions, please refer to *Performance Data Summary*.



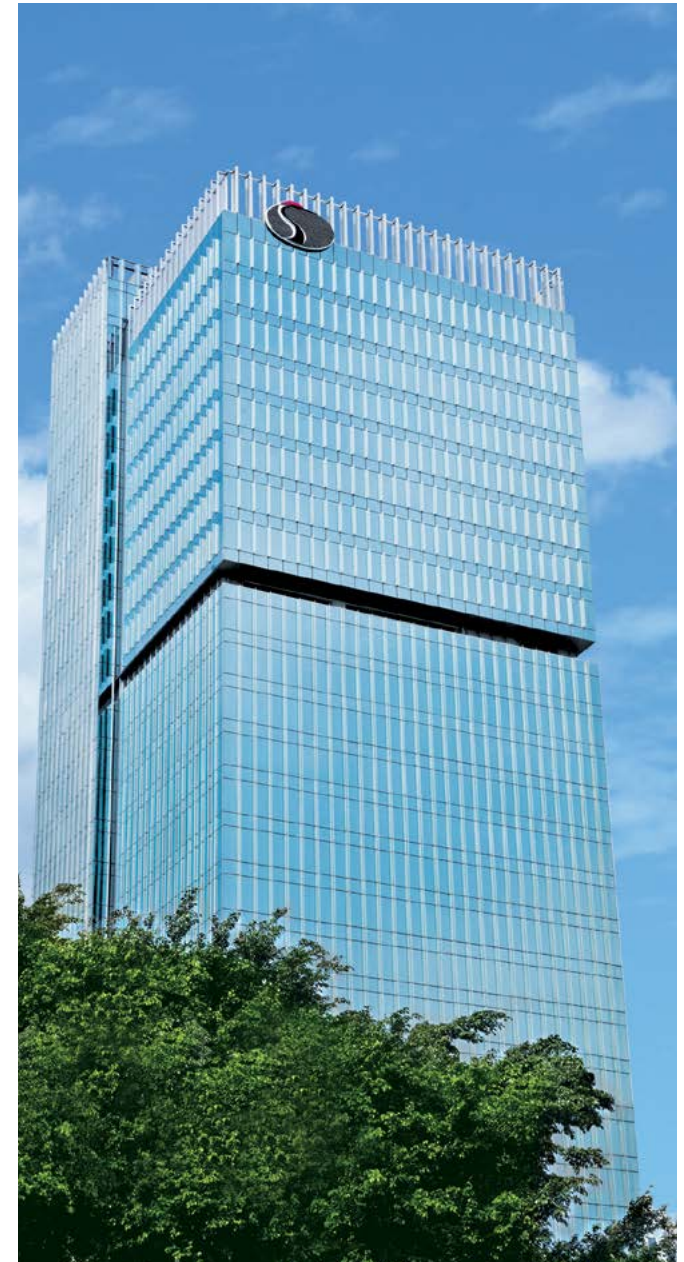
Solar photovoltaic panels installed at Hong Kong Kerry Centre

## SUSTAINABLE FINANCE

The Group recognises sustainable finance as a key course to facilitate long-term investments in sustainable economic activities and projects. We have established a sustainable finance framework to further set out how the utilisation of sustainable finance instruments would contribute to the Group’s sustainability strategy and Sustainability Vision 2030. The framework has been assured with a second-party opinion (“SPO”) to align with market practices and expectations from the investment community:

- ◆ Green Bond Principles (2021), Social Bond Principles (2021) and Sustainability Bond Guidelines (2021)<sup>1</sup>
- ◆ Green Loan Principles (2021) and Social Loan Principle (2021)<sup>2</sup>

We will disclose the agreed and/ or additional environmental and social KPIs of the approved projects in the Company’s disclosure channels and impact reports to enhance information transparency.



**11** sustainability-linked loan agreements signed with  
**HK\$16.7 billion** in total<sup>3</sup>



Committed to satisfactory performance in, for instance:

- ◆ Sustainability indices and assessments
- ◆ Green building certifications
- ◆ Carbon and energy reductions

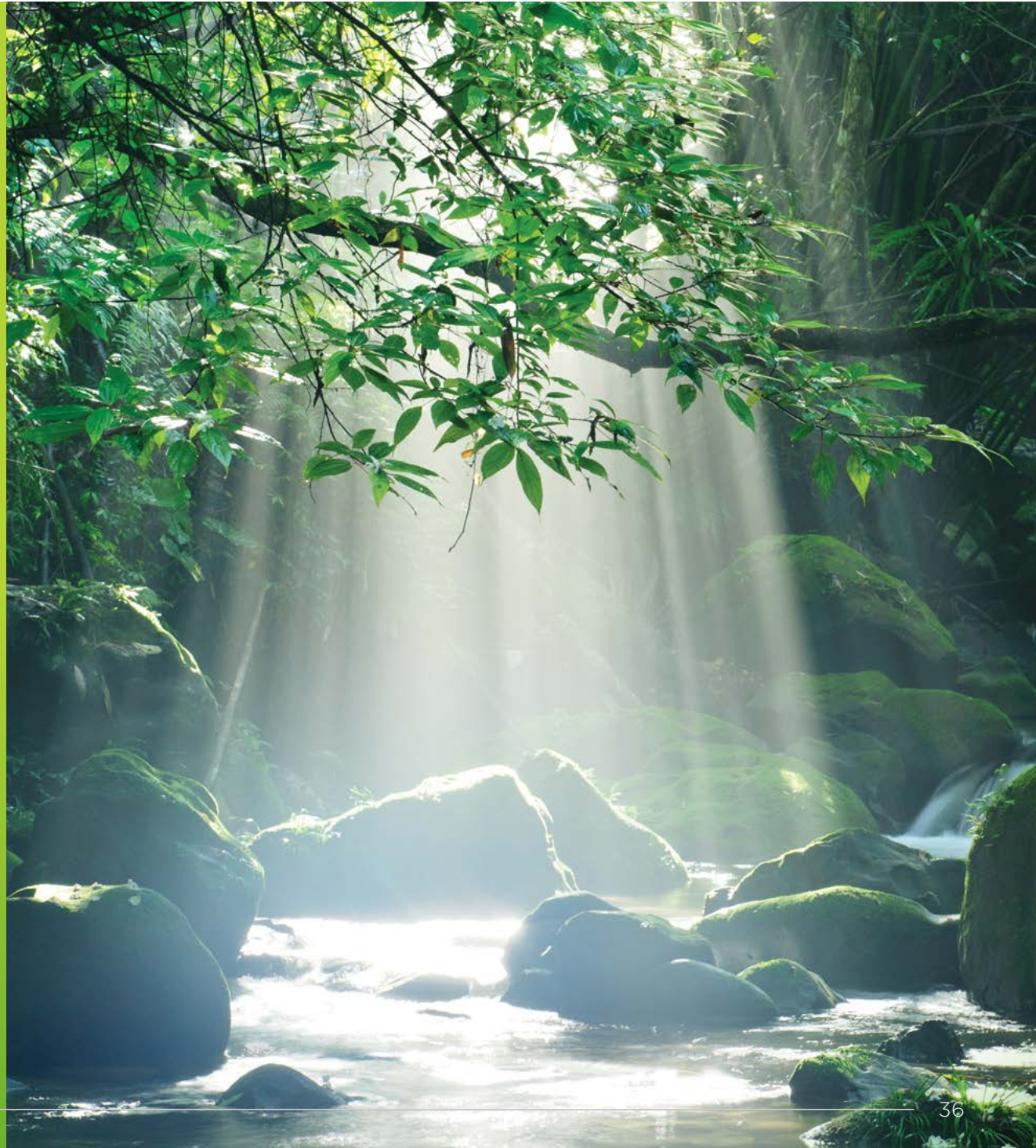


1. Issued by the International Capital Market Association (“ICMA”)  
2. Issued by the Loan Market Association (“LMA”)  
3. As at 30 April 2022



# ENVIRONMENT

To tackle climate change and for the overall wellbeing of communities, Kerry Properties adopts a collaborative approach leveraging innovation and technologies to enhance building design and efficiency. Conducting a Climate Risk and Vulnerability Assessment (“CRVA”) has brought clarity to the impact on our assets and businesses, enabling our preparedness to build climate resilience by decarbonising initiatives through partnership. Aligned with UNSDGs 11 and 13, our “Climate Change Policy” and “Biodiversity Policy” reinforce our commitment to minimising the effects of our activities on the environment.





## SUSTAINABLE BUILDINGS

### Our Activities

- ◇ Developed "Sustainable Building Design Guideline", "Sustainable Building Guideline" and "Guidelines on Environmental Considerations for Property Development"
- ◇ Comply with the relevant requirements of sustainable building certification
- ◇ Adopt Environmental Management System ("EMS") that complies with ISO 14001
- ◇ Adopt life cycle management approach

### Our Impacts

- ◇ **17.3** million ft<sup>2</sup> certified with sustainable building certification<sup>1</sup>
- ◇ **100%** of investment properties certified with ISO 14001
- ◇ **100%** of new investment properties attained sustainable building certification<sup>2</sup>
- ◇ **100%** of new investment properties adopted biophilic design feature<sup>2</sup>



## CARBON AND ENERGY MANAGEMENT

- ◇ Developed "Climate Change Policy" in 2021
- ◇ Purchased Renewable Energy Certification ("REC") for multiple properties
- ◇ Adopt Building Information Modelling ("BIM") Technology
- ◇ Organise stakeholder engagement with internal and external stakeholders for science-based targets ("SBT") setting

- ◇ Carbon Management
  - › **↓20.8%\*** GHG intensity (tonnes of CO<sub>2</sub>e/1,000 ft<sup>2</sup>)
- ◇ Energy Management
  - › **↓15.3%\*** energy intensity (GJ/1,000 ft<sup>2</sup>)



## INDOOR AIR QUALITY MANAGEMENT

- ◇ Install air quality sensors at multiple properties with smart platform to monitor anomalies and track real-time air quality

- ◇ **7** Mixed-use Development ("MUD") properties attained RESET™ Air Core & Shell certification
- ◇ **7** investment properties are IAQ certified



## WASTE MANAGEMENT

- ◇ Conduct pilot waste audits at our properties
- ◇ Ongoing initiatives in our operation to raise our stakeholders' waste management awareness
- ◇ Enhance incentives to reward outstanding building contractors in waste management

- ◇ **↓10.5%\***<sup>3</sup> waste intensity (tonnes/1,000 ft<sup>2</sup>)
- ◇ **69,893** tonnes of waste recycled in our operations<sup>4</sup>
- ◇ Over **60%** recycling rate of construction waste for our Hong Kong construction sites
- ◇ **84%** construction projects in Hong Kong and the Mainland have adopted waste recycling programme



## WATER MANAGEMENT

- ◇ Install water reclamation systems for greywater recycling and rainwater harvesting

- ◇ **↓16.4%\*** water intensity (m<sup>3</sup>/ft<sup>2</sup>)



## BIODIVERSITY

- ◇ Developed the "Biodiversity Policy" to guide actions to minimise the impacts of development activities on biodiversity

- ◇ Maintain rich urban biodiversity in both indoor and outdoor environments



## GREEN CULTURE

- ◇ Organise recycling and upcycling workshops and markets for the community

- ◇ Continue to raise public awareness on sustainability and fostered a low-carbon green lifestyle

1. The calculation of sustainable building certified area is based on the attributable gross floor area, covering properties in Hong Kong and the Mainland that owned and managed by the Company.

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

3. The figure reflects the waste generated at our managed properties in Hong Kong and the Mainland operations.

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

\* Against baseline year FY2017

## SUSTAINABILITY AND ENVIRONMENTAL POLICIES

We are committed to putting sustainability into practice to reduce environmental impacts arising from our business operations and protecting the communities in which we operate.

To further strengthen the management of the operation impacts on climate change and biodiversity, we have developed a new "Biodiversity Policy", and updated the "Climate Change Policy" to replace the previous "Climate Risk Policy" in 2021.

- ◆ [Biodiversity Policy](#)
- ◆ [Climate Change Policy](#)

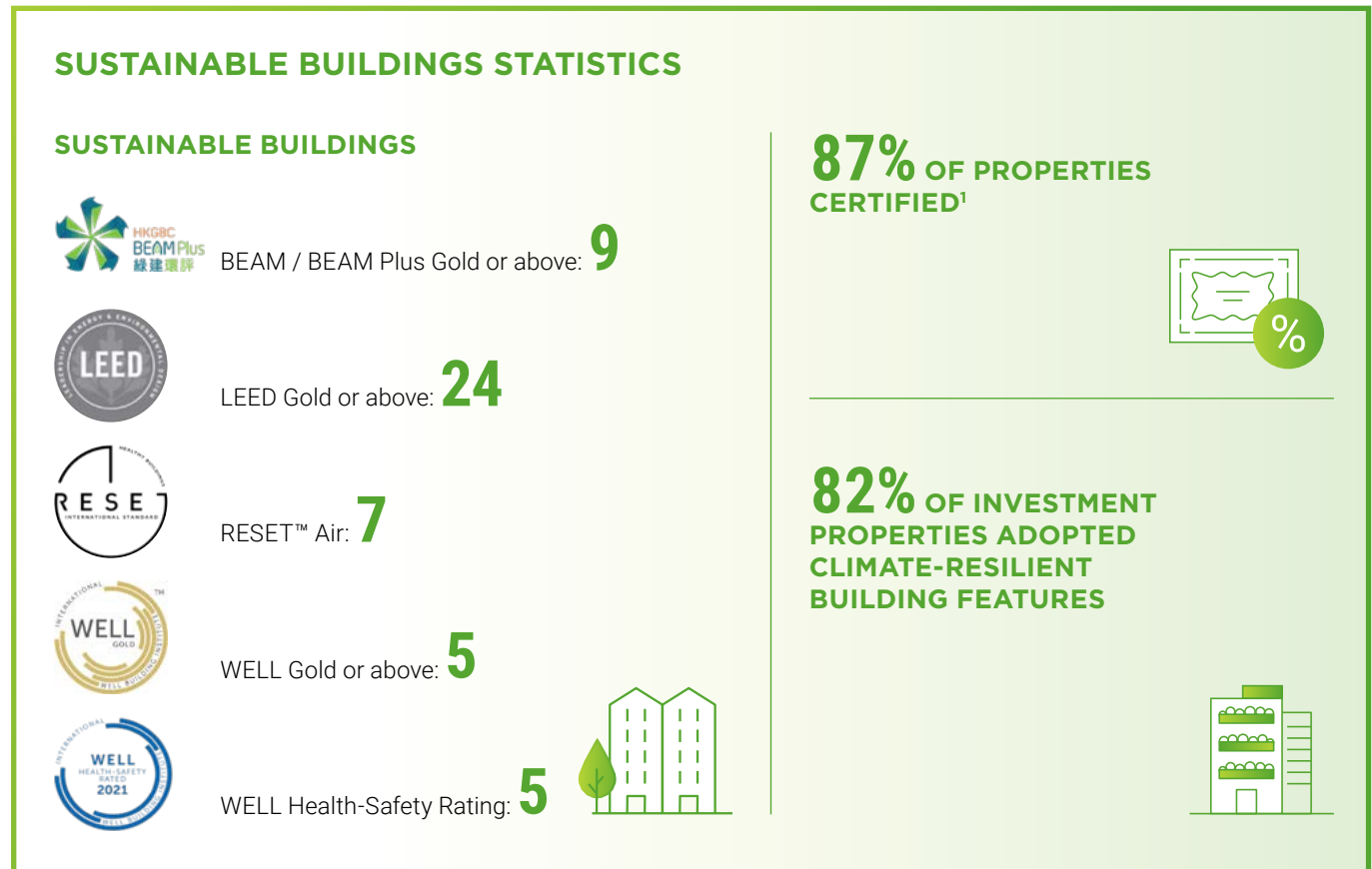
In addition, we have also developed and brought into force the following series of policies to guide our decisions and actions on various environmental issues:

- ◆ [Group Environmental Protection Policy](#)
- ◆ [Environmental Policy](#)
- ◆ [Green Procurement Policy](#)

## SUSTAINABLE BUILDINGS

Property management plays an important role in increasing energy efficiency and decarbonisation, we strive to make our developments sustainable to maximise value for our stakeholders. Our green buildings not only adapt to climate change, but they also optimise the efficiency of resource usage and ensure the wellness of our tenants and customers.

We are proud to announce that Hong Kong Kerry Centre has been certified by WELL CORE™ PLATINUM in 2022. This will motivate us to continue investing more resources in green buildings.



1. The calculation of sustainable building certified area is based on the attributable gross floor area, covering properties in Hong Kong and the Mainland that owned and managed by the Company.

## Life Cycle Management Approach

Throughout the life cycle of our properties, we adopt a holistic approach to embed sustainability, from planning to design, procurement, construction, and operation and maintenance. Different forms of stakeholder engagement are also conducted throughout the life cycle to ensure that opinions and suggestions of our stakeholders are addressed in the process of property development and management.

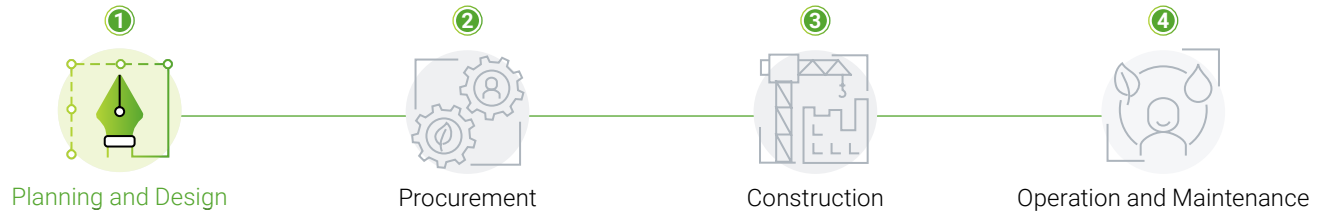
### Property Development

### Property Management



### Property Development

Environmental concerns have been taken into account in every stage of property development. Our "Guidelines on Environmental Considerations for Property Development" requires property development to adopt innovative and environmentally-friendly design concepts. It is to minimise our environmental impacts during the construction phase whilst enhancing the overall environmental performance. There are also "Sustainable Building Guideline", "Green Procurement Manual" and other related policies in place to guide our decisions during the life cycle of our properties.



## Planning and Design

### Potential Environmental and Social Impacts

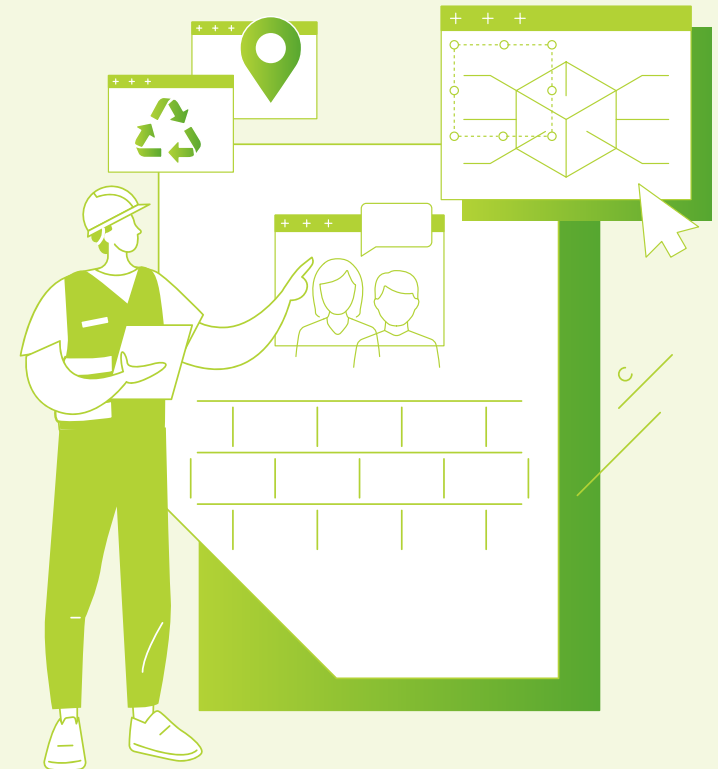
- ◆ Biodiversity
- ◆ Energy and water consumption of future operation
- ◆ Waste management of future operation
- ◆ Well-being of future customers and tenants
- ◆ Community connectedness

### Our Approach

- ◆ We thoroughly evaluate how our development would contribute to the existing ecosystem and community, such as energy saving and carbon reduction, by adopting optimal designs and new technologies.

### Our Measures

- ◆ Active design to improve energy efficiency, water conservation, indoor environmental quality, interaction with the local microclimate and occupants' health and safety
- ◆ Incorporation of biophilic design features
- ◆ Conservation of tangible and intangible culture and heritage
- ◆ Installation of renewable energy systems
- ◆ Benchmarking sustainable certifications for new buildings



## Life Cycle Management Approach

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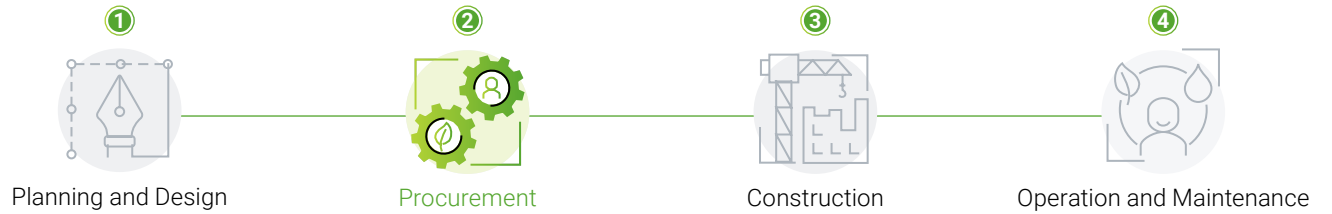
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## Procurement

### Potential Environmental and Social Impacts

- ◆ Energy and water footprint of products
- ◆ Sustainable-sourced materials purchasing
- ◆ Labour rights and ethical issues

### Our Approach

- ◆ We strictly adhere to the “Sustainable Procurement Policy” and “Green Procurement Manual” where applicable to govern purchasing decisions by incorporating environmental and social considerations.

### Our Measures

- ◆ Avoid purchasing disposable products and products with high embodied carbon
- ◆ Monitor and review environmental, health and safety-related risks of procuring goods and services regularly





## Life Cycle Management Approach

Throughout the life cycle of our properties, we adopt a holistic approach to embed sustainability, from planning to design, procurement, construction, and operation and maintenance. Different forms of stakeholder engagement are also conducted throughout the life cycle to ensure that opinions and suggestions of our stakeholders are addressed in the process of property development and management.

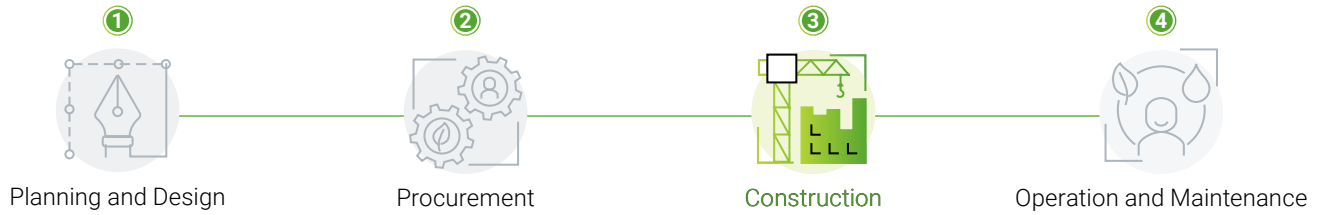
### Property Development

### Property Management



### Property Development

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## Construction

### Potential Environmental and Social Impacts

- ◆ Air emissions and wastewater discharge from construction activities
- ◆ Construction waste generation
- ◆ Noise caused by construction work in nearby communities
- ◆ Health and safety of workers and employees of contractors

### Our Approach

- ◆ We have established monitoring systems to assess and minimise the impacts of construction work on the environment and the community.

### Our Measures

- ◆ Adopt advanced energy storage system to provide diesel-free power for construction sites, whenever applicable
- ◆ Use renewable energy on sites by solar photovoltaic panel
- ◆ With 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
- ◆ Use materials with better recycling potential
- ◆ Conduct regular monitoring and use advanced technology to improve air quality and wastewater quality
- ◆ Smart technologies, including smart helmets and Wireless Continuous Electrocardiogram, were adopted to monitor and track the safety level of workers in real time



## Life Cycle Management Approach

Throughout the life cycle of our properties, we adopt a holistic approach to embed sustainability, from planning to design, procurement, construction, and operation and maintenance. Different forms of stakeholder engagement are also conducted throughout the life cycle to ensure that opinions and suggestions of our stakeholders are addressed in the process of property development and management.

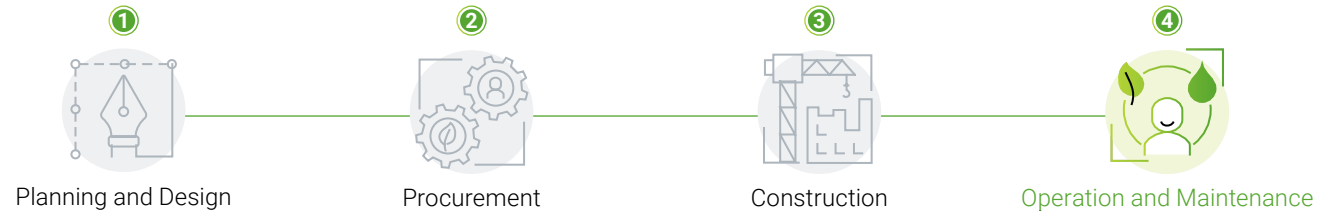
Property Development

Property Management



### Property Management

Fully aware of the impacts of our operations on the surrounding environment, we have therefore taken various measures to manage, and actively engaged tenants and residents to devise improvement plans and solutions together.



## 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

- ◆ Install solar photovoltaic panels at our properties
- ◆ Apply the Government EV-charging at Home Subsidy Scheme for our managed buildings
- ◆ System upgrades and retrofitting for energy efficiency and water conservation, such as upgrading chiller water pumps with variable speed drives
- ◆ Install more waste sorting bins to facilitate tenants' recycling
- ◆ Install waste compactor machines and food waste decomposers
- ◆ Adopt IAQ sensors to monitor the indoor air parameters (e.g. temperature/ humidity / TVOC / PM2.5) for automatic control of ventilation and air-conditioning systems
- ◆ Regular facility maintenance for the health and safety of occupants



## SUSTAINABLE BUILDINGS IN HONG KONG

## SPOTLIGHT

Sustainable designs and innovations are encompassed in our buildings from development to operation. Our considerations towards reducing the buildings' carbon footprint, enhancing occupants' wellness, and promoting biodiversity are demonstrated in a wide range of sustainable features:

- ◆ High-shading coefficient low-emissivity double glazing windows
- ◆ Building materials with low volatile organic compounds ("VOCs")
- ◆ Optimise spatial planning and building orientation for natural ventilation and daylight
- ◆ Energy-efficient and water-efficient appliances
- ◆ Solar photovoltaic system
- ◆ Daylight sensors for lighting
- ◆ Rainwater harvesting and reuse system
- ◆ Carbon monoxide monitoring and control system for carpark ventilation
- ◆ High-efficiency swimming pool heat pump
- ◆ Provision of bicycle storage facilities

In the operation and maintenance stage, we conduct real-time indoor environmental quality monitoring and energy-saving programme to enhance the wellness of residents and energy performance.

### Installation of IAQ Monitoring and Ventilation Control System

At Mont Rouge in Hong Kong, we use a real-time indoor air quality ("IAQ") monitoring system to track the air quality in tower lobbies and carpark with comprehensive key parameters, including temperature, relative humidity, CO<sub>2</sub>, TVOC, PM2.5 and PM10. In cases of any parameter reaching a warning level, the system will immediately alert our staff, and turn on the carpark ventilation fan automatically. Mont Rouge achieved BEAM Plus NB V1.2 Final Silver Rating in 2020.

### CLP Eco Building Fund for Energy Saving

Since 2019, we have applied for the CLP Eco Building Fund to carry out energy-saving improvement works in the communal areas at Ocean Pointe in Hong Kong. An AC Retrofit Project has been conducted at the clubhouse to replace existing split-type air-conditioners with energy-efficient inverter-type air-conditioners. Ocean Pointe has achieved 16% electricity saving in 2021 compared to 2019 consumption.



## Environmental Management System

In order to manage our environmental footprint more effectively, we have put in place an Environmental Management System ("EMS") that complies with ISO 14001 and covers 100% of our investment properties in Hong Kong and the Mainland. The EMS clearly defines the roles of the EMS Committee in planning and executing environmental initiatives. The Environmental Management Representatives are responsible for the proper implementation of environmental management systems and conducting an evaluation of the Group's annual environmental performance. Furthermore, they are accountable for reviewing the effectiveness of EMS regularly and report to the top management and EMS Committee for continuous improvement. Through the EMS, we are able to incorporate environmental considerations into our decision-making process as well as centralise and drive sustainable operations across our vast operation network effectively.



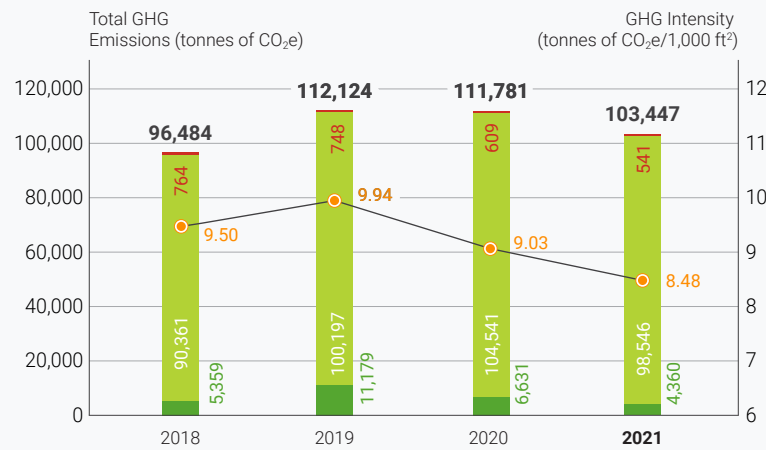
## CLIMATE CHANGE AND CARBON / ENERGY MANAGEMENT

Our carbon management strategy focuses on measuring and reducing carbon emissions throughout our operations, particularly Scope 2 emissions (energy indirect greenhouse gas (“GHG”) emissions) generated by purchased energy. We put great emphasis on energy efficiency by setting ambitious targets, investing in eco-friendly technologies, launching environmental stewardship initiatives amongst staff and tenants, as well as adopting relevant policies and standards in every aspect of our business.

### Hong Kong and the Mainland GHG Emissions and Energy Consumption Performance<sup>1</sup>

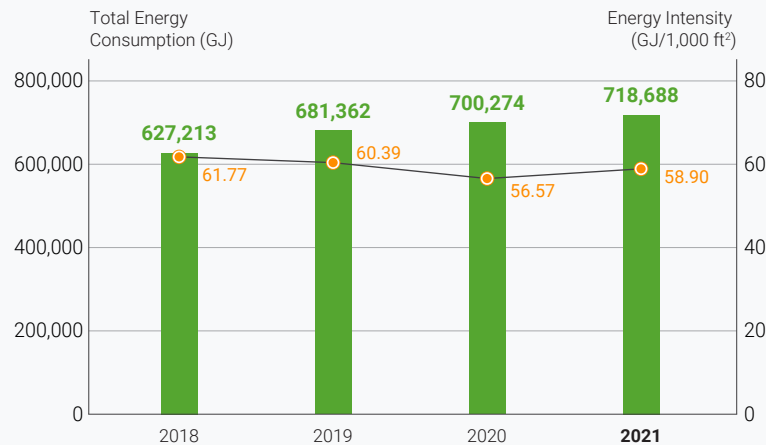
#### GHG Emission Summary

- Scope 1 – Direct GHG Emissions (tonnes of CO<sub>2</sub>e)
- Scope 2 – Energy Indirect GHG Emissions (tonnes of CO<sub>2</sub>e)
- Scope 3 – Other Indirect GHG Emissions (tonnes of CO<sub>2</sub>e)
- Total GHG Emissions (tonnes of CO<sub>2</sub>e)
- GHG Intensity (tonnes of CO<sub>2</sub>e/1,000 ft<sup>2</sup>)

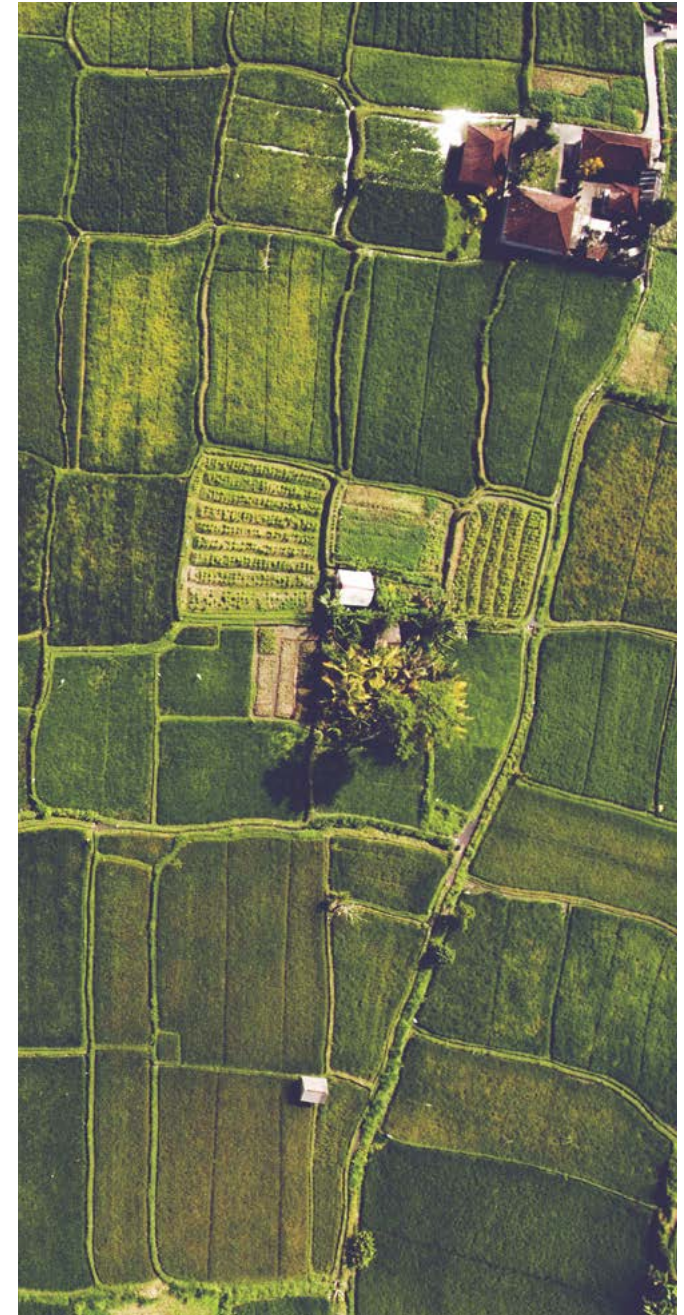


#### Energy Consumption Summary

- Total Energy Consumption (GJ)
- Energy Intensity (GJ/1,000 ft<sup>2</sup>)



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

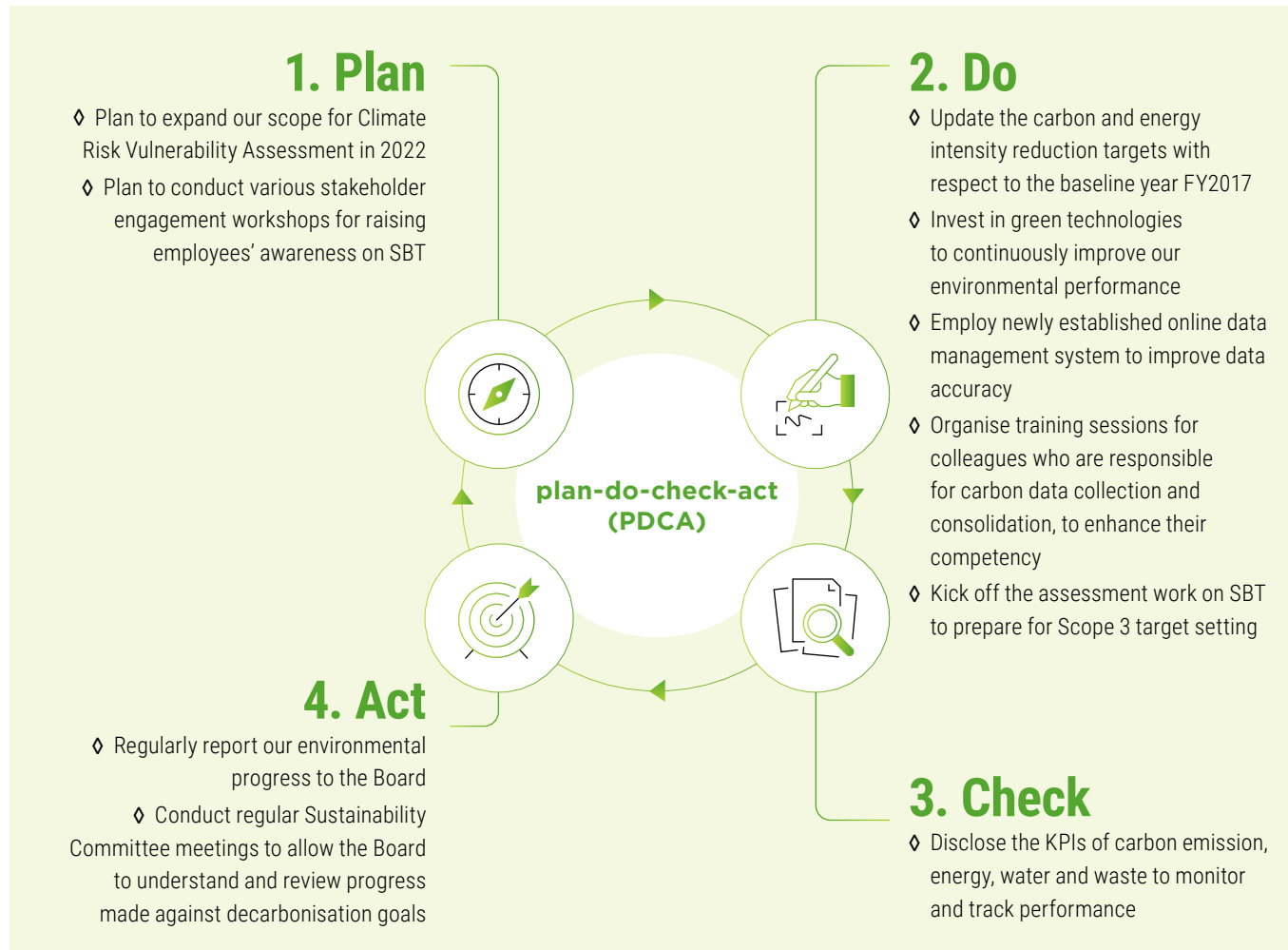


## Climate Change Impacts and Mitigation

### Decarbonisation

Decarbonisation is one of our priorities to our commitment to limiting the effects arising from the changing climate. We adopt a life cycle management approach to promote sustainable and low-carbon buildings, readers can refer to the section of the [Life Cycle Management Approach](#) for more details.

Throughout our decarbonisation journey, we align expectations from government, industry, stakeholders and top management by adopting the plan-do-check-act (“**PDCA**”) approach:



The performance comparison and target achievement of carbon emissions are disclosed as below:

#### Overall Carbon Intensity Reduction Target<sup>1</sup>

##### Our Carbon Reduction Target

**↓25%**  
by 2025  
(baseline year FY2017)<sup>2,3</sup>

##### Progress Achieved in 2021

**↓20.8%**

1. The calculation is based on the methodology adopted in the base year for Hong Kong and the Mainland.
2. In 2021, we have updated the targets.
3. Our carbon intensity for 2017 is 10.71 tonnes of CO<sub>2</sub>e / 1,000ft<sup>2</sup>.

#### Science-Based Targets

To prepare for our decarbonisation initiatives, we have launched the SBT setting programmes to help us achieve carbon neutrality. In 2021, we have conducted meetings to introduce SBT to our property development, property management and other related teams, introducing the SBT concepts and discussing the progress of setting SBT. In addition, we are in the process of discussing and planning carbon audits for some of our tenants to accelerate SBT-related data collection.

### Climate Risk and Vulnerability Assessment

For selected properties, we have carried out the Climate Risk and Vulnerability Assessment (“CRVA”) to understand the threats of climate change, assess the adaptation measures, determine to what extent the performance and design of the property are vulnerable to climate change, and recommend measures for improving the climate resilience of the buildings. The overall approach of CRVA includes climate hazards identification, climate impacts and vulnerabilities assessment, climate risks identification and reporting and communication. Results of these climate risk assessments help us understand the risks in different regions and allow us to take action for mitigating climate change. To keep our tenants informed of our current efforts, we share with them key findings on climate risks and our follow-up actions after the completion of the CRVA.

In 2021, we have conducted CRVA for 2 properties including MegaBox and Beijing Kerry Centre, bringing the total number of properties that completed CRVA to 7, representing 53% of our investment properties. We target to complete the CRVA for all investment properties by 2030.

### Energy Saving Initiatives

In the transition towards a low-carbon economy, innovation provides great potential in reducing emissions. To achieve our energy reduction goals, we are determined to introduce green technologies to our new properties while adopting equipment to reduce our energy consumption.

#### Overall Energy Saving Target<sup>1</sup>

#### Our Energy Saving Target

↓20%

by 2025 (baseline year FY2017)<sup>2,3</sup>

#### Progress Achieved in 2021

↓15.3%

1. The calculation is based on the methodology adopted in the base year for Hong Kong and the Mainland.  
 2. In 2021, we have updated the targets.  
 3. Our energy intensity for 2017 is 69.5 GJ/1,000ft<sup>2</sup>.

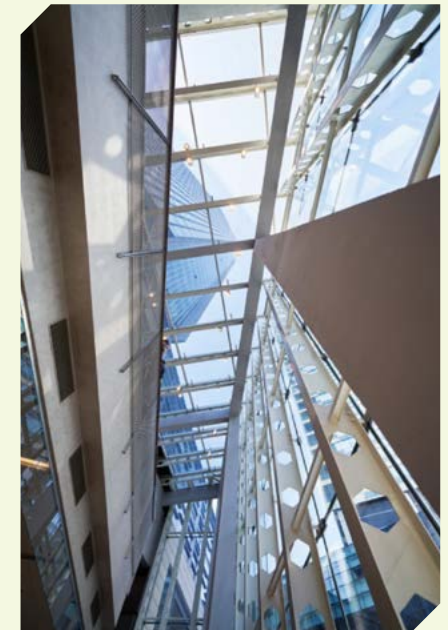
### Energy Saving Initiatives at Construction Sites

- ◆ Install artificial turf on container roof at site offices to reduce heat island effect, which could reduce around 2 degrees Celsius and save up to 2,000 kWh annually
- ◆ Install solar LED lamps to supply lighting in outdoor area of sites
- ◆ Adopt energy-efficient plant and equipment



### Energy Saving Initiatives at Managed Properties

- ◆ Assess lighting needs and selected appropriate devices for our properties to reduce electricity load
- ◆ On-going replacement of LED light tubes in our properties
- ◆ Replace air conditioning system to more energy-efficient models
- ◆ Install voice-operated switches in our offices
- ◆ Install glass rooftop panels in mall atrium to maximise natural lighting and reduce energy consumption



### Renewable Energy

To support green commuting and promote the usage of electric vehicles (“EV”) among tenants, customers and employees, we have already installed close to 800 EV charging facilities at 31 properties in Hong Kong and the Mainland, including MegaBox, Hong Kong Kerry Centre, Shanghai Kerry Everbright City Phase III - Enterprise Centre, and Shenzhen Kerry Plaza. Over 2,500 spaces will be added in the near future. In addition, we have initiated a feasibility study to provide bicycle parking spaces and facilities for tenants and visitors.

Two of our key properties have installed solar photovoltaic panels:

#### Hong Kong Kerry Centre

- ◆ Installed 80 units of solar photovoltaic panels on the rooftop, generating **10,673kWh** of electricity in 2021
- ◆ Participated in the Feed-in Tariff (“FIT”) Scheme to generate extra revenue while combating climate change

#### Qianhai Kerry Centre Phase 1

- ◆ Installed **950m<sup>2</sup>** of solar photovoltaic panels on the rooftop, generating **168,870kWh** of electricity in 2021



## RENEWABLE ENERGY CERTIFICATES



The use of renewable energy is crucial to our journey towards carbon reduction. We strive to apply renewable energy in our properties to reduce the demand for purchased electricity generated from fossil fuels. Apart from installing solar photovoltaic panels on rooftops, we also purchased electricity generated from renewable sources during the reporting period.

#### Wind Power

We purchased **5,383MWh of wind power** from recognised platforms to reduce carbon emissions induced from purchased electricity at Kerry Everbright City Phase III – Enterprise Centre. The energy was generated from Yuanshan Wind Farm and Hebei Fengning Dahexi Phase III Wind Farm.



#### Hydroelectric Power

We also procured electricity from hydroelectric power. At Kerry Parkside, **16,256MWh of hydroelectric power** was purchased to achieve 100% renewable electricity. The energy was originated from Huaguangtan Hydropower Project and Xiaogushan Hydropower Project. In addition, **28,664MWh of hydroelectric power** generated from the Xiaogushan Hydropower Project was purchased to reduce carbon emissions from Jing An Kerry Centre.



## INDOOR AIR QUALITY MANAGEMENT

### Indoor Air Quality Control and Monitoring

We strive to maintain good Indoor Air Quality (“IAQ”) in our developments to safeguard the wellness of tenants, customers and employees through the following measures:

- ◆ Adopt environmentally friendly building materials with low VOC/ formaldehyde content.
- ◆ Apply MERV-13 air filter with silver ion technology in all air handling units
- ◆ Add UVC emitters in all passenger lifts
- ◆ Install BioZone air purifier inside refuse collection room to neutralise the unpleasant odour
- ◆ Install CO-sensors in carpark to monitor real-time IAQ

#### Certifications

We have been recognised in the IAQ Certification Scheme and RESET™ Air.

- ◆ In the IAQ Certification Scheme for Offices and Public Places organised by the Environmental Protection Department, we have been awarded certifications for the following buildings:
  - › **Excellent Class:** Branksome Crest, Head Office of Kerry Properties Limited and common areas of Kerry Centre
  - › **Good Class:** Common areas of Enterprise Square & Enterprise Square Three, Tavistock and Tavistock II & Aigburth
- ◆ **Seven properties** across Hong Kong and the Mainland operations were awarded RESET™ Air Core & Shell certification<sup>1</sup>.

### Kerry+ Real-time IAQ Monitoring

We installed air quality sensors at multiple properties to measure IAQ in real-time, based on which we can identify trends and anomalies. Kerry+, a smart service platform, was launched this year to provide tenants of Shenzhen Qianhai Kerry Centre with smart property functionalities, including real-time monitoring of IAQ parameters, such as indoor temperature, humidity, PM2.5, CO<sub>2</sub> and CO concentration. This allows tenants to understand the air quality of the building and their exposure to air pollution.



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.



## WASTE MANAGEMENT

Guided by the “Group Environmental Protection Policy”, our waste management approach is set out to avoid waste generation whilst promoting resources recycling. It includes construction or demolition works, and daily operations of our properties.

According to the principles of “Reduce, Reuse, Recycle and Replace”, we monitor waste generated along the entire value chain by collecting monthly waste data. Based on data collected, we evaluate the effectiveness of our waste facilities and waste reduction initiatives for stakeholders.

As part of our key waste management strategy, we collaborate with stakeholders such as contractors, tenants, residents, customers and employees to improve their waste reduction awareness with hardware support, such as biodegradable lunch box, to drive their behavioural changes.

### TOTAL WASTE RECYCLED IN HONG KONG AND THE MAINLAND OPERATIONS

**69,893 TONNES ≈**

**2,634 DOUBLE-DECKER BUSES\***

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



To reduce Construction and Demolition (“C&D”) waste generated by our building contractors at construction sites, there is a waste tracking system for building contractors to report their monthly recycling rate against the target set within our EMS. We actively monitor the waste disposal performance according to local rules and regulations. We have achieved and exceeded our target of a 60% recycling rate for construction waste in Hong Kong. An Enhanced Safety Performance and Environmental Protection Scheme was introduced at our construction sites to reward building contractors for achieving beyond C&D recycling rate of over 70%.

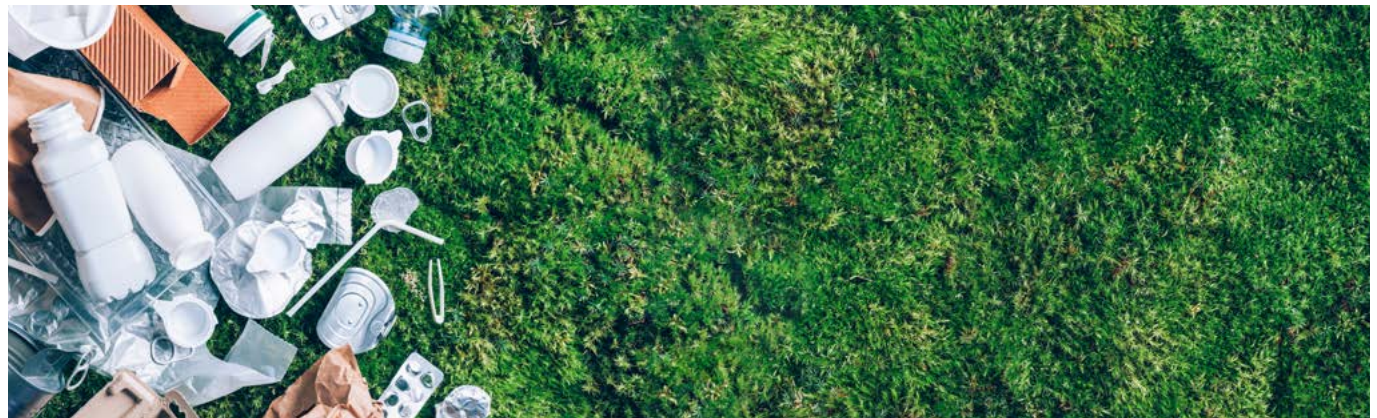
An on-site food composting machine was installed to allow construction workers and contractors to recycle food waste. The composts were used as fertilisers at the project site.



We seek to avoid, minimize, and recycle our waste at every stage of the project life cycle. With waste collection facilities in place, we work with staff and tenants to maintain records of the recyclables collected and monitor our waste reduction performance. Non-recyclable wastes collected are sent to landfills by waste handlers in compliance with all local requirements. In addition, we engage qualified contractors for hazardous waste such as toner cartridges, fluorescent light tubes, compact fluorescent lamps, and rechargeable batteries.

### Carton Box Recycling at MegaBox

Under the “MegaBox – Green Living Habits” scheme, we have installed a reverse vending machine to collect beverage cartons in the mall in October 2021. The collected cartons were sent to Mil Mill, the Recycling Facility & Beverage Carton Sustainability Education Centre in Hong Kong. At MegaBox, we collected a total of 2,445 cartons.



## WATER MANAGEMENT

To conserve freshwater supplies and to identify the opportunities for water recycling, we have adopted conservation initiatives, which become increasing vital during the COVID-19 pandemic. We have not experienced any issue in sourcing water across our operations in Hong Kong and the Mainland.

### Water Conservation

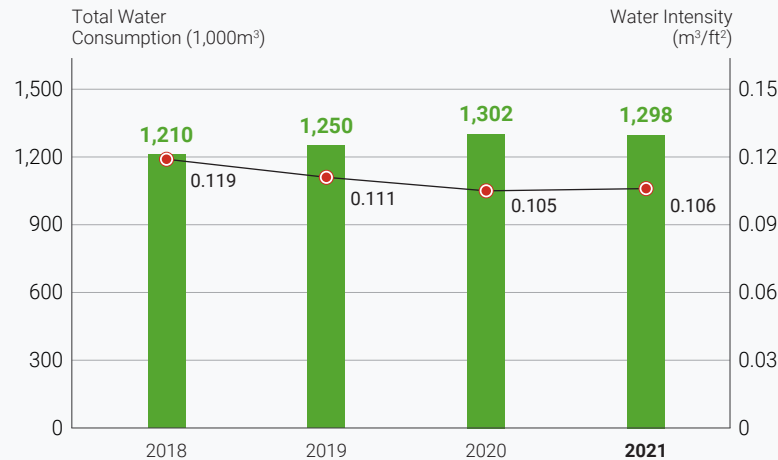
The following measures have been introduced to improve water efficiency and reduce water consumption:

- ◇ Water-efficient sanitary wares with Water Efficiency Labelling Scheme (“WELS”) label to maintain optimal flow rate
- ◇ A rainwater harvesting system and automatic watering system
- ◇ Installation of water reclamation systems to reuse greywater
- ◇ Regular maintenance at our managed properties to minimise water leakage
- ◇ Contractor rewards for recycling and reusing more than 30% of wastewater on sites

### Hong Kong and the Mainland Water Consumption Performance<sup>1</sup>

#### Fresh Water Consumption Summary

- Total Water Consumption (1,000m<sup>3</sup>)
- Water Intensity (m<sup>3</sup> / ft<sup>2</sup>)



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

2. The Hong Kong Laboratory Accreditation Scheme

### Wastewater Discharge Management

To ensure regulatory requirements are strictly followed for discharging wastewater generated from construction sites, we require building contractors to examine the quality of wastewater via monthly HOKLAS<sup>2</sup> laboratory test and weekly visual check on turbidity and pH tests..

For wastewater discharged from the swimming pool and Food & Beverage (“F&B”) facilities of the clubhouse, we strictly adhere to the approved licensing requirements and regulations. Before discharging to the sewerage, we closely monitor the quality of any sand filter backwash or pool water discharge. For wastewater from the kitchen of F&B facilities, grease traps have been installed to prevent kitchen effluence from discharging into public sewerage directly. Periodic cleaning services by professional contractors have been arranged for all grease traps.

Domestic wastewater generated from our operating properties is discharged to municipal drainage systems for further treatment.



## BIODIVERSITY

### Biodiversity Policy and Guidelines

We are deeply rooted in protecting wildlife biodiversity and minimising the impacts of our business operations on natural habitat. To strengthen our commitments, we published our first “Biodiversity Policy” this year to guide our actions in minimising our impacts on biodiversity.

Under our “Guidelines on Environmental Considerations for Property Development”, landscape architects are encouraged to incorporate the following biodiversity considerations into property development to minimise any adverse impacts on biodiversity and ecosystems:

- ◇ Enlarge landscape area
- ◇ Select native plant species
- ◇ Protect and incorporate existing plants and ecological features into the new landscaping
- ◇ Rehabilitate surrounding environment such as replanting vegetation soon after construction

### Raising Public Awareness on Ocean Conservation through Blue Up Events

In collaboration with Shanghai Narwhal Ocean Research Centre, we supported the Future Smile Foundation to host the “Blue Up Blue Power” Ocean Eco-Charity Exhibition at Kerry Everbright City. Tenants appreciated the beautiful ocean images while listening to the white noises of ocean waves and 12 pieces of music created by famous Chinese pianist, Mr. Kong Xiangdong. By bringing the ocean to the mall through artwork and music, tenants and visitors became more aware of ocean conservation and biodiversity.



## GREEN CULTURE

Recognising that collective effort is key to our success in the sustainability journey, we actively engage business partners, tenants and customers to build a green culture.

### Gardening Waste Upcycling Workshop (Hong Kong)

Children learnt to make Christmas decorations with creativity in a waste upcycling workshop.



### “Green Thumbs Up” market (Shanghai)

Kerry Parkside engaged over 29,000 customers in the “Green Thumbs Up” market to raise public awareness of sustainable living.





## ZERO WASTE SUSTAINABLE BUILDING: KERRY EVERBRIGHT CITY PHASE III - ENTERPRISE CENTRE

Determined to build a better future for all, Kerry Properties keeps exploring new possibilities and striving for consistent progress on our sustainability journey.

**KPL's commitment to sustainability echoes our core values. It is a privilege to work in Asia's first LEED Zero Waste certified building.**

- Mr. Zhang Yuzhou, Kubota China Holdings Co.,Ltd.  
Tenant of KEC III

### Asia's First LEED Zero Waste Project

Located in Jing'an District in Shanghai, Kerry Everbright City Phase III – Enterprise Centre (“**KEC III**”) is a commercial mixed-use complex with a gross floor area of 65,645 square meters. Further to receiving LEED Platinum Certification in 2020, KEC III became the first commercial complex development in Mainland to be granted TRUE Zero Waste Platinum Certification in April 2021. Having received dual accreditation, KEC III is eligible for being certified as a LEED Zero project. It has also become the first LEED Zero Waste project in Asia. These accreditations reflect our relentless and consistent efforts in pursuing sustainable building performance over the past years.

### Waste Management Measures

KEC III adopts a holistic zero waste management system which includes redesign, recycling, zero waste purchasing, training and innovation. We achieved an average of 90% or greater overall diversion from landfills, with relevant training sessions to promote zero waste practices at both property and community levels. The “Environmentally Preferable Purchasing Policy” is also in place to guide zero waste practices in KEC III. We set up an online platform to allow the property management team to track purchasing activities.



**Highlights of waste management initiatives to achieve the goal of “zero waste” at KEC III:**

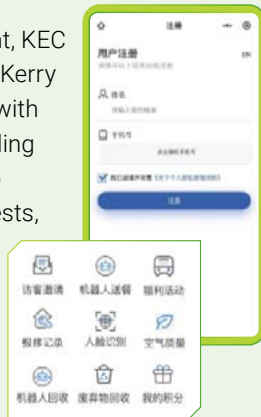
**Construction Waste Recycling**

Sorted and processed by a registered contractor, all construction waste is recycled into bricks and other construction materials to be used by builders in other projects.



**Paperless Environment**

To create a paperless environment, KEC III has adopted an online system “Kerry Links” for property management with multiple functions such as uploading leasing agreements for tenants to review, responding to repair requests, as well as sending bills and notifications. It also provides tenants and employees with “zero waste” training sessions to enhance their awareness of waste reduction.



**Recycling Bins**

Other than the usual waste collection items such as paper, metal and plastic, recycled bins for collecting glass and food waste are placed on each floor of the building to make recycling more convenient for tenants.

**Food Waste Upcycling**

An on-site bio-chemical processor is placed at KEC III to turn 100% of tenants’ food waste into water. This also greatly reduces carbon emissions of transporting the food waste to processing facilities.



In addition, coffee grounds collected from tenants are utilised for composting. The fertilisers are used in the vegetable garden on the podium roof of KEC III.

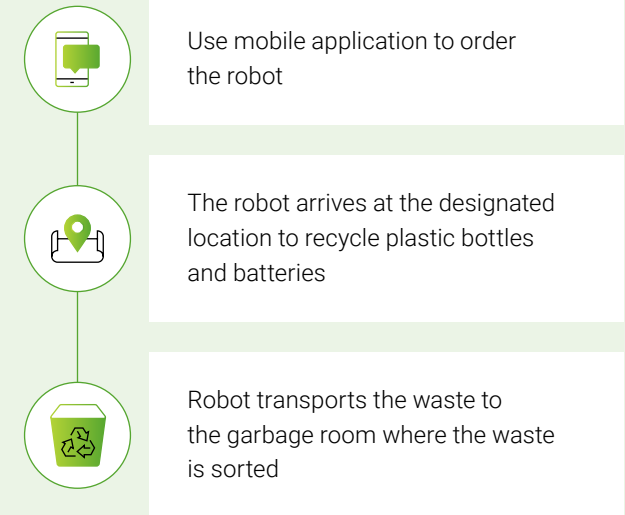


**Beverage Carton Box Recycling**

In cooperation with a community centre at West Tian Mu Road, KEC III launched an innovative beverage carton box recycling programme. Boxes collected at the centre were processed into furniture through thermo-pressure bonding technology. Bookshelves, desks, chairs and waste containers made from used milk cartons are placed at KEC III for the public to use.

**Smart Plastic Bottle Recycling Robot**

Two smart plastic bottle recycling machines have been set up at KEC III for tenants, shoppers and the community to use through the following process:



**Second-hand Electronic Equipment Donation**

KEC III partnered with the local government of Jing’an, Shanghai to launch a donation programme to collect used office electronic equipment including printers and desktop monitors. The collected items were donated to schools in Xinjiang, northwest China.



# PEOPLE

Effectively incorporating sustainability into different parts of our daily operations relies on the shared vision and full support of our employees. To foster this culture within the workplace, we provide an orientation session on sustainability to all new joiners, together with online training on our 2030 vision and sustainability milestones for employees in general. Encouraging passionate talents to become ESG advocates, we set up an ESG Think Tank inviting members from various teams to brainstorm green ideas with a bottom-up approach.



Photo: Team works together



## HUMAN CAPITAL MANAGEMENT

### Our Activities

- ◇ Adopted “Employee Life Cycle” as a strategic framework to engage employees in five stages: talent attraction, recruitment, on-boarding, development, and retention
- ◇ Digitised existing HR processes using SuccessFactors to make our human capital management effective and future-proof

### Our Impacts

- ◇ Percentage of women in senior positions<sup>1</sup>: **31%**
- ◇ Female to male remuneration:
  - › Hong Kong: **1 : 1.01**
  - › Mainland: **1 : 0.77**
- ◇ Effective and streamlined recruitment cycle
- ◇ Improved user experience and employee branding



## OCCUPATIONAL HEALTH AND SAFETY

- ◇ Applied industry best practices to keep our safety and incident management system intact
- ◇ Provided ongoing training sessions to maintain a high level of occupational health and safety standards
- ◇ Employed smart equipment to mitigate safety hazards

- ◇ **Zero** fatalities
- ◇ Work-related injury rate: **6.07** per 1,000 employees



## LEARNING AND DEVELOPMENT

- ◇ Adopted the use of integrated online learning platforms
- ◇ Enriched the coverage of our learning programmes
- ◇ Launched ESG awareness training courses on corporate sustainability, competition law, information security, discrimination and Anti-harassment

- ◇ Average training hours: **20.03** hours
- ◇ Over **6,000** online courses issued
- ◇ **4,500+** enrolled users
- ◇ **100%** completion rate achieved in ESG awareness training programmes
- ◇ Positive feedback from employees who attended the training programmes



## EMPLOYEE ENGAGEMENT AND WELL-BEING

- ◇ Engaged employees proactively via different means dedicated to continuing the caring culture
- ◇ Promoted a healthy and balanced lifestyle through a series of wellness initiatives and incentives arranged
- ◇ Responded quickly to the COVID-19 outbreaks to minimise employees’ risk of contracting and spreading the virus
- ◇ Established an ESG Think Tank to incubate innovations to inspire our people to think and act sustainably

- ◇ Average employment tenure: **6.61** years
- ◇ **300** employee engagement and wellness initiatives accomplished
- ◇ Improved employee satisfaction and workplace belonging
- ◇ Connected sustainability values to our people and inspired them to act sustainably at all levels

1. Refers to senior director grade or above.

## HUMAN CAPITAL MANAGEMENT

Whether our employees have a positive experience or not impacts the success of our business. Through shared vision and commitment, we aim to build a people-oriented culture that contributes to a productive and engaged team. We use the “employee journey mapping” to understand how we engage them better throughout the employee life cycle from attraction, recruitment, onboarding, development to retention. Viewing from the employees’ perspective, this strategic approach allows us to review and enhance our existing human resources measures and practices.

### Employee Journey: Every Stage of It Matters to Our Organisational Success

#### ● Attraction

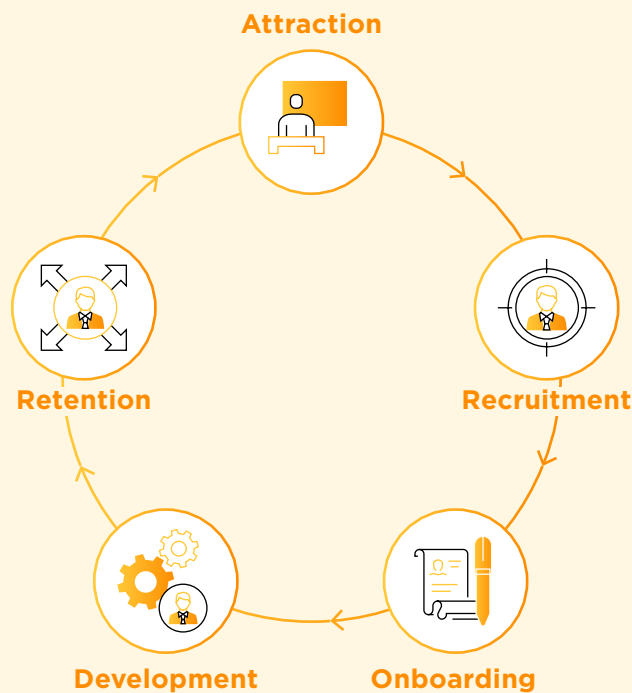
- ◇ Uphold the core value of candidate-driven and build our employer brand
- ◇ Offer attractive compensation and benefits

#### ● Retention

- ◇ Build an engaged, motivated and productive workforce with competitive financial incentives, while promoting employee well-being, workplace health and safety, and organisation culture

#### ● Development

- ◇ Provide employees with training and development opportunities to explore their potentials and maintain their competitiveness
- ◇ Facilitate succession planning and leadership development



#### ● Recruitment

- ◇ Assign the right employees in the right roles
- ◇ Acquire diversified talents from all possible channels

#### ● Onboarding

- ◇ Ensure seamless transition from applicant to employee
- ◇ Share KPL's vision and values via orientation, Employee Handbook, etc.
- ◇ Conduct follow-ups regularly with new hires to help them settle in

### Support





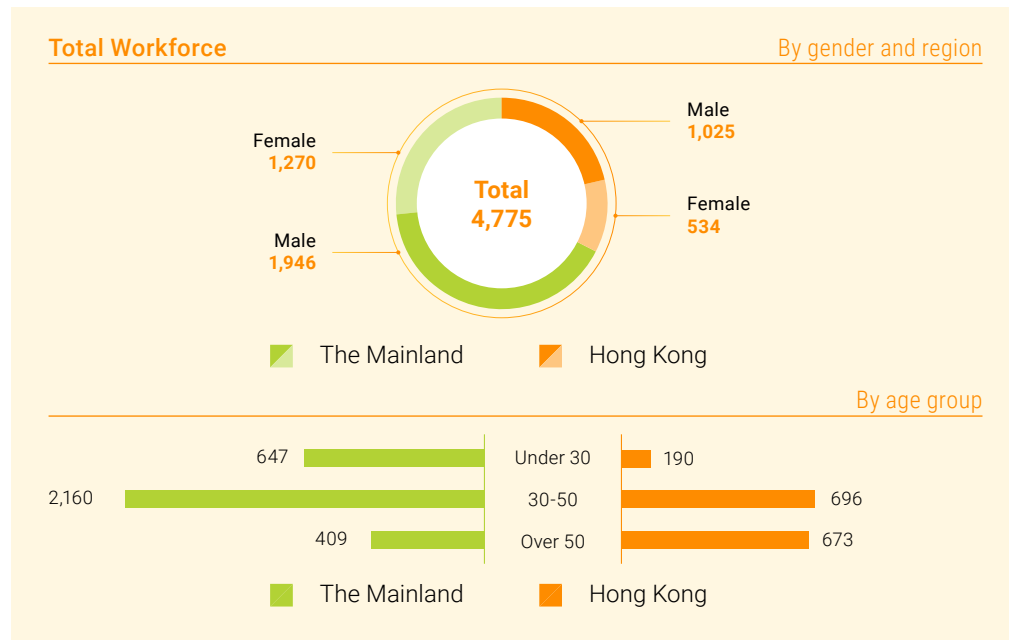
### Digitalising Existing HR Process for Maximum Efficiency

We adopted SuccessFactors, an integrated human capital management solution, to better manage the employee life cycle. For the recruitment stage in particular, this digital transformation has brought us the following benefits:

- ◇ Strengthening data privacy by meeting the latest compliance requirements
- ◇ Reducing carbon footprint by going paperless
- ◇ Enhancing report quality by centralising employee information and replacing manual data input
- ◇ Shortening recruitment duration by streamlining approval procedures
- ◇ Improving employee experience by offering timely updates via company mobile app

### Human Capital Profile

Kerry Properties has a strong and competitive workforce<sup>1</sup>, with a total of 4,775 employees in Hong Kong and the Mainland.



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

### Talent Attraction and Retention

Kerry Properties promotes a fair and caring culture with recognitions and rewards for achievers. We are dedicated to making Kerry Properties a workplace where our people feel respected, safe, and empowered to harvest the essential skills and experiences they need to advance on both professional and personal level. Together we enrich the communities we serve with sustainable projects. We attract, develop, and retain high-calibre talent with shared vision and commitment.

### Approaching the Right Talent

While we share our corporate development and insights through corporate website and social media, we proactively reach out to a wider talent audience physically and virtually.

#### Hong Kong

- Organised **24** recruitment events
- Offered over **100** job opportunities within the property management industry

#### The Mainland

- Engaged in **13** job fairs
- Launched a **24/7** chatbot

### Creating a Diverse, Equitable, and Inclusive Workforce

As a caring and supportive employer, we aspire to create a workplace where employees feel engaged, supported, and valued. Thus, we conduct regular reviews and amend the following corporate policies and guidelines as appropriate to align with market and employee expectations:

- ◇ Employee Handbook
- ◇ Internal Ethical Guidelines
- ◇ [Equal Opportunity and Anti-discrimination Policy](#)
- ◇ [Human Rights Policy](#)
- ◇ [Occupational Health and Safety Policy](#)

### Remuneration and Benefits

We provide employees with competitive remuneration packages and benefits. For example, our medical insurance has been upgraded with mental illness outpatient benefits starting from 2022 to address the mental health of our employees.

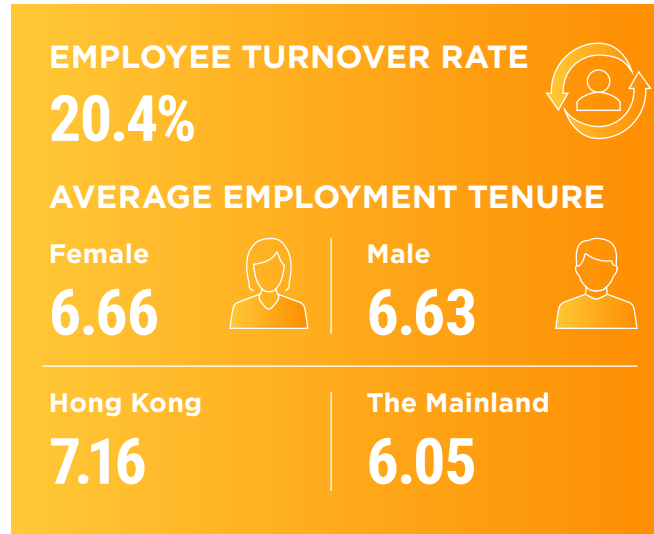
Moreover, we regularly review and adjust our reward strategy according to market trends and employee performance. Leveraging a performance-based appraisal system, we ensure our employees are rewarded objectively and fairly. More importantly, we support employees to explore their potential for continuous improvement. To engage our people in our environmental and social commitment, we are in the process of incorporating sustainability-related KPIs into our annual employee appraisal exercise.

### Respect for Human Rights and Labour Practice

KPL seeks to build an ideal work environment where human rights are upheld. To protect the best interests of our employees, we have related corporate policies and guidelines listed above that cover relevant information on employees' compensation and dismissal, recruitment, promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and welfare, as well as the prohibition of child labour or forced labour. We have legal-binding employment contracts to reinforce that.

We have zero tolerance for employing children and forced labour. Our job advertisements have stated the minimum legal working age and the Human Resources Team acts as gatekeeper to check the identity documents of the candidates. Every potential candidate needs to undergo a standardised and fair employment process that is regulated by corporate policies and procedures. While utilising HR solutions to process talent acquisition effectively, we select suitable candidates based on their performance in written tests and

interviews, educational background, industrial exposure, work experience and suitability for the position. Since the reporting period, we have been partnering with First Advantage, which provides independent and comprehensive background check services to our potential employees.



### Diversity, Inclusiveness and Zero-discrimination in Workplace

We are committed to promoting equal opportunities and eliminating discrimination in all aspects of business. In line with our company policies and guidelines, employees are prohibited from having any form of harassing and discriminatory behaviour, including but not limited to sexual orientation, gender identity, age, physical or mental disability, family status, pregnancy, marital status, race, ethnicity, religious belief, and political affiliation. Employees who discover and experience discrimination, harassment, and violations of policies and guidelines can raise complaints and concerns. At the same time, all cases are investigated in detail and with impartial results.

### Progress Towards Gender Equality

- 31% of senior positions are held by women
- >60% of members from COVID Fighting Steering Taskforce are female managers
- >50% of members from Donation Committee and CSR and Community Engagement Sub-Committee are women

### RATIO OF REMUNERATION OF FEMALE EMPLOYEES TO MALE EMPLOYEES<sup>1</sup>

Hong Kong	The Mainland
1 : 1.01	1 : 0.77

### Creating a Culture of Feedback

Employee engagement is an integral part of our sustainability strategy. Through various communication channels, including quarterly newsletters, we give our people a voice so that we can understand their satisfaction rate, concerns, and suggestions towards the company. We believe that regular engagement is crucial to our actions in addressing staff concerns.

Based on the feedback obtained, corresponding measures have been implemented in a timely manner – we have appointed two ombudspersons in 2021, one for Hong Kong and one for the Mainland, to take care of staff concerns or grievances. To empower our people to speak up, we will continue to explore more avenues for employee engagement.

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

## LEARNING AND DEVELOPMENT

To thrive in this fast-changing world, building a high-performance workforce with relevant and future-ready skillsets and mindsets is crucial to the sustainable growth of KPL's business. To instill a culture of continuous learning, our Learning and Development ("L&D") team organised a wide range of training programmes to enhance the leadership skills, industry knowledge and personal growth of employees. The L&D team collects feedback regularly to help our people stay relevant and adapt to evolving job demands through effective training.

### EMPLOYEE TRAINED RATE<sup>1</sup>

96.3%



### AVERAGE TRAINING HOURS<sup>2</sup>

20.03 hours



1. Permanent full-time staff including terminated employees who left the Company 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 including terminated employees who left the Company during the reporting period. Average training hours = total hours of training received by employees / total workforce at the end of the reporting period.

## Empowering Our People to Perform

In addition to sponsorship for eligible courses and certifications as training incentives, we also have systematic training programmes tailored to employees' specific roles to prepare them for future challenges. These programmes are delivered through various learning platforms and formats. Our major training programmes during the reporting period include:

Training Programmes	Target Participants	Objectives
Accelerated Development Programmes (ADP)	Senior Manager and above with high development potential	Enhance participants' overall management competencies beyond their functional areas and professions
Manager Development Programmes (MDP)	Newly promoted and hired managers or managers who have not attended this programme before	Equip participants with crucial knowledge and skills in leadership and management
Mindfulness Workshop from ADP	Senior Manager and above with high development potential	Help participants relieve stress from work
Six Sigma Green Belt Certified Training	Finance Department	Learn to apply Define, Measure, Analyse, Improve, and Control concepts and tools to solve problems, rigorously establish standards and simple electronic processes
Sustainability Learning	All employees	Gain a comprehensive understanding of KPL's sustainability journey, including: <ul style="list-style-type: none"> <li>◆ Concepts of sustainable development</li> <li>◆ Sustainability milestones of KPL</li> <li>◆ Sustainability governance</li> <li>◆ Sustainability Vision 2030</li> <li>◆ Sustainability-related policies</li> <li>◆ Four pillars of KPL's sustainable development</li> <li>◆ Sustainability awards and recognitions</li> </ul>

With most of our employees working from home during the COVID-19 pandemic, our L&D team has leveraged a Learning Management System (“LMS”) to make virtual learning and career development opportunities accessible to our people. The LMS offers over 6,000 courses covering cybersecurity, anti-corruption, mental well-being, occupational health and safety, design thinking and data analytics. More importantly, it enables us to manage, deliver and measure our training programmes effectively.

### Planting the “Kerry” Seeds in Our Future Generation

In 2021, we provided training and working opportunities for employees’ children in Hong Kong and the Mainland. We encourage the young talent to join the KPL family after graduation and strengthen the bond between the Group and our employees.

#### Learning Management System in Hong Kong:

**6,000+**  
courses



**1,400+**  
enrolled users



Since the LMS has generated enthusiastic feedback in Hong Kong, we are planning to launch it in the Mainland within 2022. Additionally, a multi-purpose space in Hong Kong Kerry Centre, equipped with advanced systems, can be used for large-scale online trainings. Whereas in the Mainland, the following digital learning platforms have been launched:

Digital Learning Platforms in the Mainland	Description	Results
Kerry Learning Room	A mobile-based tool to keep staff informed of training news through WeChat. The training programmes are tailored to specific roles such as customer service and security	<b>200+</b> online courses <b>1,300+</b> users
Kerry Online Academy	A comprehensive learning platform for employees in the Mainland to obtain professional knowledge while sharing their experiences with colleagues	<b>280+</b> online courses <b>3,100+</b> users

#### Hong Kong

- ◆ Launched the 5<sup>th</sup> Raindrop Summer Internship, an 8-week programme for children of our employees



#### Mainland

- ◆ Partnered with Shangri-La Hotels to launch a 6-week internship for children of employees
- ◆ One-on-one mentorship with senior staff guiding junior staff on daily work and provided professional training opportunities



## OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety are our top priority. We place paramount importance on protecting employees and contractors in the workplace from accidents, injuries, and exposure to harmful substances. KPL has taken the necessary steps to:

- ◆ Minimise the risks of incidents and injuries by identifying, mitigating, and managing hazards;
- ◆ Improve efficiency and productivity by having fewer employees absent due to illness or injury;
- ◆ Enhance employee relations and morale with a safer and less stressful work environment.

We set out an occupational health and safety management system with strict policy and procedures by adopting industry best practices for managing and mitigating risks ranging from construction to operational phases of our operations.

### Safety Management System

Our operations are in full compliance with all applicable laws and regulations in the jurisdictions in which we operate.

We require our major properties to fulfil the requirements of recognised health and safety management systems and standards. 84%<sup>1</sup> of our key operations in the Mainland and Hong Kong are certified with ISO 45001:2018 Occupational Health and Safety Management System. The scope of workers, activities, and workplaces covers our property management and property management businesses. It includes contractor workers for repair and maintenance, construction, cleaning, office work, and shuttle bus services, whose work and/or workplace are under our control.

Led by top management, our Health and Safety Management Taskforce oversees the effectiveness of KPL's overall occupational health and safety ("**OH&S**") management, including monitoring progress made concerning our OH&S-related targets and providing directions to the Safety Committee. Safety Committees are set up in our property management and property development division. Contractor

workers at sites and frontline workers are included in the committees to ensure all participation and opinions are heard and included. Their responsibilities include identifying potential health and safety risks, developing effective policies and preventive measures, and ensuring incidents are properly recorded, investigated, and followed up. The committees conduct quarterly meetings, regular audits, and policy reviews 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.

Work safety at construction sites is material to our business. We require our contractors to obtain valid certificates and attend compulsory role-based health and safety briefings and training before they are allowed to enter the sites. Sufficient protective equipment is supplied to employees and contractors to mitigate the risk of work-related accidents. Safety officers are assigned to every construction site to supervise and conduct regular and random inspections to ensure safe operation.



1. Calculated based on gross floor area covered by the system

## Incident Management

### WORK-RELATED INJURY RATE<sup>1</sup>

**6.07** per 1,000 employees

↓ **15%** vs. FY 2020



### OCCUPATIONAL FATALITIES

**0**



Our employees and contractors are reminded to report work-related incidents timely through the systematic reporting mechanism. The incidents are required to resolve and follow-up immediately under our corresponding hierarchy of controls. We appoint an experienced safety team to regularly conduct an independent and comprehensive investigation of the incidents and work-related hazards that pose a risk of high-consequence injuries and require the relevant parties to rectify to improve and avoid any similar incidents in the future. For construction activities, risk assessments are conducted regularly to identify potential risks and impose more stringent safety measures.

The incidents in this financial year were mainly minor<sup>2</sup> injuries incurred in our managed properties. To minimise risk under our hierarchy of controls, we still investigated the related situations and work processes, as well as conducting follow-up actions immediately. This preventive approach also helped eliminate any hazard with high-consequence injuries and other work-related hazards. We also used the results of these processes to evaluate and continually improve the occupational health and safety management system. During the reporting period, there was no occupation health and safety hazard that caused or contributed to any high-consequence injuries.

1. Injury rate (per 1,000 employees) = total number of injured employees and fatalities / total workforce at the end of the reporting period x 1,000

2. The main types of recordable minor injuries include sprains, bruises, slip, etc

## Raising Health and Safety Awareness through Training

We offer substantive training programmes based on needs for all applicable employees and contractors to attend. During FY 2021, a total of 1,884 participants in our health and safety-related training sessions on the following topics:

- ◇ Use of personal protective equipment
- ◇ Role-specific training, such as those tailored to employees conducting high-risk work
- ◇ Regular drills
- ◇ Vaccine talk
- ◇ Wellness seminars on diet, sleep and mobility

Starting from the initial phase of construction, we regularly deliver sharing sessions to construction workers to emphasise the importance of OH&S management and to introduce the basic types of safety hazards they may be exposed to.

We have established a robust process for workers to report work-related hazards and hazardous situations and remove themselves from work situations that they believe could cause injury or ill health and where workers are protected against reprisals.

Workers must be properly trained on all machinery and equipment they may use in the workplace and certified to operate them if required. While they can only use tools and equipment correctly for their intended purpose, the Company also provides all necessary Personal Protective Equipment such as hard hats, eye protection, and respirators to all workers at construction sites.

Regular OH&S training aims to:

### Construction

- ◇ Ensure employees and contractors at higher safety risks strictly follow the tailor-made guidelines under Standard Operating Procedures

### Property Management

- ◇ Ensure employees are trained to follow standardised procedures to resolve incidents
- ◇ Provide tenants with clear instructions on contingency plans for incidents that occur on the property



## GO SMART FOR OCCUPATIONAL HEALTH AND SAFETY

Through adopting innovation and technology, we maintain a high level of safety standards and mitigate safety hazards.

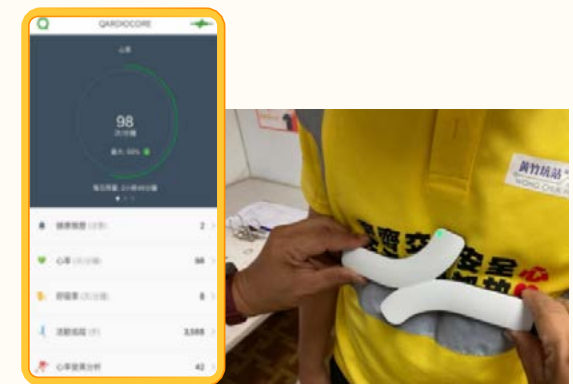
### The Smart Helmet - Intelligent Real-Time Tracking and Safety Management System

- ◇ Real-time safety monitoring and tracking device
- ◇ Provide workers' information in a range of 7 metres (within sight) to aid the manager when carrying out on-site inspections
- ◇ Scan and transmit all workers' activities within a range of 30 metres wirelessly to the cloud servers automatically
- ◇ Monitor the flow of workers to prevent any unauthorised entry of high-risk areas
- ◇ Look out for newcomers who are not familiar with site conditions
- ◇ Track unauthorised works which are not approved with method statement and risk assessment
- ◇ Prevent simultaneous work which is not compatible with one another
- ◇ Stop vertical simultaneous work with the risk of falling objects
- ◇ Check the component of frontline worker groups
- ◇ Ensure the presence of competent supervisors when high-risk activities are carried out



### Wireless Continuous Electrocardiography (ECG) Monitor for Designated Position

- ◇ Offer real-time and continuous wireless tracking and monitoring of cardiac conditions
- ◇ Record and analyse cardiac health conditions such as respiratory rate, heart rate, and heart rate variability
- ◇ Share real-time data with doctors and healthcare providers
- ◇ Trigger a notification to the ECG app and inform the monitoring team to take immediate emergency actions in case of irregular heartbeat and body sickness symptoms such as chest pain, dizziness, light-headedness or confusion, heart palpitations, rapid pulse, and shortness of breath



## EMPLOYEE ENGAGEMENT AND WELLNESS

To cultivate a strong sense of belonging, we are devoted to doing our utmost to ensure staff member's health, wellness, and job satisfaction.

# 300

STAFF ENGAGEMENT AND  
WELLNESS INITIATIVES



### Supporting Our People throughout COVID-19

In response to the COVID-19 pandemic, we have mobilised our resources and adopted all necessary measures to ensure the safety and health of our people. Apart from prompt Business Continuity Plan, our key efforts include:

- ◆ Work-from-home arrangement, staggered work and lunch hours
- ◆ Provision of anti-epidemic items such as rapid antigen test kits and the proprietary Chinese medicine
- ◆ Provision of equipment with access to virtual communication and learning
- ◆ Cleaned and disinfected frequently with smart robots
- ◆ Arranged consultation sessions for frontliners
- ◆ Boosted vaccination by offering financial incentive and vaccination leaves
- ◆ Upgraded insurance coverage to include mental illness claims

### Employee Engagement: Listening and Responding to Their Needs and Expectations

#### Town Hall Meeting with the CEO



#### Family Day honouring family values



#### Team building activities in Shenzhen



To facilitate two-way communication, we have established channels such as intranet, mobile app, surveys, newsletters, orientations, online lunch seminars, and other staff engagement activities. We monitor and evaluate the effectiveness of our initiatives regularly to ensure employees' opinions are heard and their contributions are recognised.

#### The "Top Achiever Awards" recognising our outstanding property management colleagues



#### The "Kerry Service Ambassador" program acknowledging those who demonstrate our values in their day-to-day work





## Employee Wellbeing: Happy Employee, Happy Company

We strive to foster a harmonious workplace and support our employees through work and personal challenges with the following efforts:

- ◆ Festive gifts for employees
- ◆ Two days of paid caregiver leaves
- ◆ Emergency financial assistance for all employees
- ◆ Well-equipped nursing rooms for employees returning from maternity leave
- ◆ A 24-hour counselling hotline serviced by professional counsellors for employees and their immediate family members, with counselling meetings held in strict confidence
- ◆ Honour family values with Family Day
- ◆ Promote wellness and work-life-balance through recreational seminars and events such as health talks and Pilates sessions despite disruptions caused by the pandemic

Highlights of this year's employee engagement and wellness activities include:



Dance Event at Tianjin Kerry Centre



Pilates classes for our Hong Kong colleagues



Chengdu Property Management Team participating in the fund-raising Snoopy Run



Employee interest group "Kerry Plaza Dance Circle" in Shenzhen



The charitable E.G.G. Walkathon at Kerry Parkside




Over 500 staff participating in our "Step Challenge" 2021 in Hong Kong

## SOCIAL IMPACT ASSESSMENT OF “STEP CHALLENGE 2021”

Building on the success of “Step Challenge 2020”, we continued to organise this engaging event in 2021 to encourage our employees to walk more by linking their accumulated steps to donation amounts to their chosen charitable institutions.

 **2,079**  
Employees

**607**  
million steps  
accumulated = Distance between  
Hong Kong and Beijing  
x **226 times** 

 Donation generated:  
**HK\$1.22 million**

 Beneficiaries:  
**71** NGOs

We used the Mainland event to conduct a survey based on the Social Impact Assessment (“SIA”) Framework developed by the University of Hong Kong and Hong Kong Council of Social Services. The study covered impact indicators on three levels: individual, organisational and social.



### SIA RESULTS

Level	Indicators	Assessment Results (Response Rate in %)
Individual	Subjective wellbeing improvement	<b>95%</b> - improved their physical wellness and helped them develop a habit of walking. <b>86%</b> - relieved from mental stress.
	Willingness to help the community	<b>87%</b> - increased their willingness to help the community.
Organisational	Corporate image building	<b>94%</b> - the event enhanced staff wellness. <b>99%</b> - the event enhanced KPL’s image as a socially responsible citizen through employee engagement.
	Event sustainability	<b>97%</b> - willing to join similar events in the future.
Social	Social connectedness	<b>97%</b> - connected with the people in needy through their participation.

### CONCLUSION

- ◆ The SIA showed that Step Challenge 2021 significantly improved participants’ overall well-being and made cognitive impacts on inspiring our people to care about society.
- ◆ The meaningful event successfully connected our employees and the community through their accumulated steps and donations.
- ◆ Due to the overwhelming response, “Step Challenge” has become our annual CSR event which demonstrates our commitment to employee engagement.

# GEAR CASE STUDY



ESG Focus Group

## ACTIVATING SOLUTIONS TO CHANGING NEEDS

A strong environmental, social and governance (“ESG”) proposition creates long-term value for companies and stakeholders. While it is incumbent upon businesses to lead from the top, we adopt a bottom-up approach equally. Actively seeking our employees’ opinions has long been a hallmark of our company ethos, and we encourage the expression of ideas across all levels of the Group.



### Charity Bazaar

collected 300+ items from colleagues in 3 days



raised fund for charity

## Focus Group Incubated Fresh Ideas to Drive Corporate Sustainability

Inspired by ESG-enthusiasts during our internal engagement exercise, we created the ESG Think Tank as a platform for staff to brainstorm, collaborate and share their experiences. It is an inclusive establishment with colleagues of different ages, genders, and levels of expertise to foster an active dialogue on sustainability within KPL.



## Initiatives Led by ESG Think Tank

Acting as the change-maker on our sustainability journey, the ESG Think Tank has made the below achievements:

### Charity Bazaar: Re-purpose and Re-use

- ◆ Colleagues who contributed items were given the choice of which NGO they wished to support.
- ◆ The event was well received with colleagues delighted by each special ‘find’, raising a generous sum for charity.
- ◆ Through repurposing things, we provided a second life for many items that were still in good condition and minimised the amount of waste sent to landfills.



We can choose the NGO that deeply resonates with us for company's donation. We have a choice!

– Czarina Man, MegaBox



## 🔧 CASE STUDY

### Rapid Response

- ◇ With soaring cases during the fifth wave of the pandemic, NGOs reached out to us urgently, seeking support for struggling families.
- ◇ Donated food, rapid antigen test kits and masks to support those families most in need in February.
- ◇ Distributed 4,900 packs of the Chinese herbal remedy to over 1,500 employees, contractors working in our sites, and underprivileged groups via NGOs.



### Recycling Seminar

- ◇ Inspiring our people to live sustainably helped them bring positive changes to our business.
- ◇ Company-wide voting identified the topics for our sustainability webinar.
- ◇ Eastern Community Green Station shared tips on recycling in December with positive responses from staff.



### MegaBox Sustainability Corner

- ◇ Inspired by the successful upcycled library initiative at Kerry Everbright City, the ESG Think Tank is planning to launch a Sustainability Corner built with environmental-friendly materials at MegaBox in mid-2022.

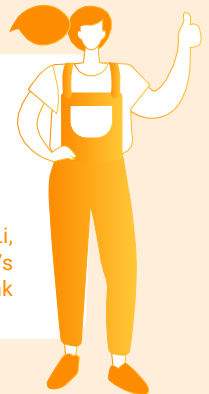
### ESG Accelerator Programme

- ◇ We were among the first group of enterprises to join the ESG Accelerator Programme organised by the World Green Organisation to connect with local start-ups to drive green technology development in Hong Kong.
- ◇ After the event, we have invited a local startup specialised in smart energy management to experiment with us at Hong Kong Kerry Centre.



It's amazing to turn our ideas into reality in such a short time with overwhelming response from our colleagues!

- Ami Li,  
Founding Member of KPL's  
ESG Think Tank





# COMMUNITY

As a socially responsible developer, we are in constant pursuit of building sustainable communities in the places we operate. Stakeholder feedback is an integral part of our decision-making, and we actively engage and value their opinions in our placemaking and development process. We also are devoted to creating shared value for members of the community. In response to the COVID-19 outbreak, we have provided immediate support to underprivileged groups in society, from assistance with food and other daily necessities, to distribution of masks and Chinese Proprietary Medicine.



Photo: Green Escape Street at Jing An Kerry Centre, Shanghai



# GRATITUDE FOR COLLECTIVE EFFORTS



The COVID-19 outbreak has posed an unprecedented challenge to the world. During this trying time, we have made concerted efforts to mitigate the impact of the pandemic on different sectors in Hong Kong and the Mainland. With the tremendous help from our stakeholders, from tenants to residents, employees, and the general public, we have responded swiftly to build stronger communities.

By leveraging our networks and resources, we have been providing food, anti-epidemic supplies, financial aid, and vaccination arrangements through collaboration with the government, NGOs and business partners. We sincerely appreciate the collective efforts from our stakeholders, who have gone the extra mile to support and prioritise the safety of our community.



## WHAT WE HAVE OFFERED



### Tenants

- ◆ Rent concession and support to eligible tenants

### Residents

- ◆ Care packages for residents
- ◆ Meal supply to 2,400+ households for 40 days
- ◆ Day-and-night support from our local teams

### Employees

- ◆ A cheer-up video featuring the CEO, our senior management and colleagues from different places
- ◆ In addition to paid sick leave, timely support from our Employee Care Team was given to staff members who were tested positive for COVID-19
- ◆ Anti-epidemic proprietary Chinese medicines to KPL staff and our contractors' staff
- ◆ As a caring gesture, we offered cash allowances to frontline employees

### Communities

- ◆ Our premises as vaccination venues
- ◆ Emergency food supplies to food banks
- ◆ Rapid test kits and masks for various NGOs

## FEEDBACK FROM OUR STAKEHOLDERS

**At the height of the pandemic, bringing care packages to residents is worth every ounce of our dedication and hard work.**

– Helen Cai, Human Resources & Administration, MUD

**Our team's perseverance and efficiency inspired me during the pandemic. It is an amazing achievement that we managed to deliver meals and fresh groceries to residents and our colleagues during the lockdown.**

– Neil Cao, Culture and Engagement

**It's been wonderful since I moved to Kerry Residence 5 years ago! Extremely grateful for the care and support from the management team during the challenging time.**

– Mr. Wang, a tenant from Kerry Residence



## COMMUNITY INVESTMENT STRATEGY

### Our Activities

- ◇ Conducted regular meetings to track the latest status of community investments
- ◇ Pursued “Charitable Donations Policy Statement” for organising charity donations and activities

### Our Impacts

- ◇ **HK\$ 22.6 million** donation made
- ◇ **400+** community investment initiatives
- ◇ **8,000+** employee participation
- ◇ **1,400+** volunteering hours achieved
- ◇ **107** charities supported



## CARING FOR THE COMMUNITY

- ◇ Mitigated food insecurity through food assistance programmes
- ◇ Supported healthcare and education services
- ◇ Raised donations to support organisations and social enterprises

- ◇ Supported **2,400** families to relieve their food insecurities issue
- ◇ Promoted education and fostered enhancements in teaching quality
- ◇ Sponsored **over 500** after-school activities to attended by **about 6,500** children of migrant workers
- ◇ Funded rehabilitation for over **450** disabled children
- ◇ Offered eye care to over **4,000** children in rural areas



## PLACE-MAKING

- ◇ Encouraged setting up employee interest groups including Kerry Plaza Band and Kerry Plaza Dance
- ◇ Sponsored venues for arts and charity events
- ◇ Organised night markets in Beijing, Shanghai and Shenyang

- ◇ Brought sustainable agricultural experience to over **780** students
- ◇ Engaged **411** vendors, with **61%** of which being small and medium-sized enterprises (“**SMEs**”) in night markets



## COMMUNITY WELL-BEING

- ◇ Arranged soccer, basketball, badminton games, and instructive courses for tenants
- ◇ Launched Kerry Organic & Art Festival to allow the public to get close to nature

- ◇ Promoted physical and mental well-being through diverse events
- ◇ Strengthened connections with tenants and customers through various sports games

## COMMUNITY INVESTMENT STRATEGY

Through active communication and engagement, we aim to comprehend the needs of our communities and strengthen relationships with our partners. We leverage our network and resources to create positive impacts in a multifaceted way through volunteer work, community services, donations, and sponsorships.

Community engagement helps us maintain stable and effective relationships with stakeholders. We actively look for feedback from our stakeholders to allow us to better understand their concerns and allocate resources that further cater to their needs.

Since 2019, the pandemic has brought us to the new normal and has driven us to rethink the matrix between Kerry Properties and our stakeholders.

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



Kerry Parkside 10<sup>th</sup> anniversary, Shanghai

With community investment as our fundamental approach, we have identified 3 key areas to focus on:





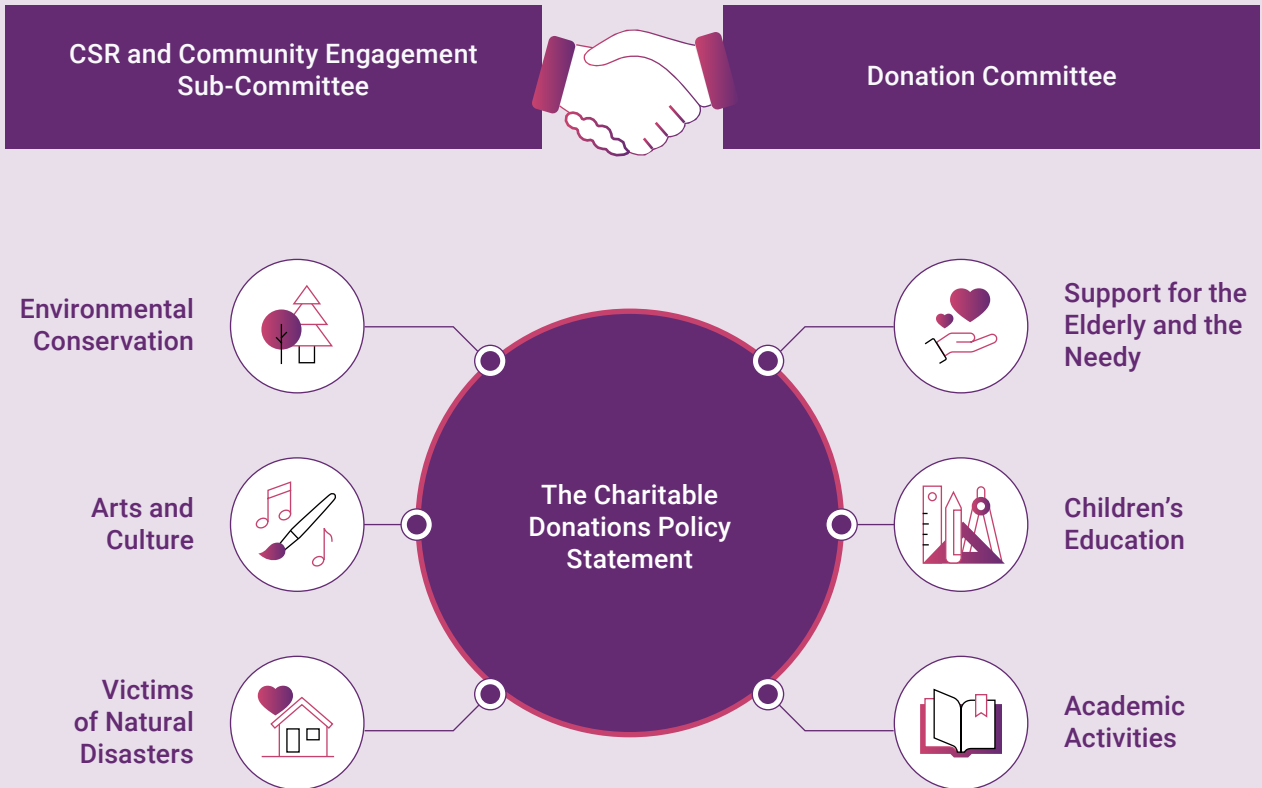
## Management Approach

Steered and supported by Corporate Social Responsibility (“CSR”) and Community Engagement Sub-Committee, as well as the Donation Committee, regular meetings are conducted to understand the status of community investments of different business units. We adopt a holistic approach towards sustainable community investment:

### Community Investment Process



The “Charitable Donations Policy Statement” sets out our commitment to support donations in an accountable, transparent and effective manner.



## Performance Overview

In 2021, we donated **HK\$22.6 million**, an increase of 95% compared to the previous year to support a wide array of community investment programmes.

Close to 80 percent of the donations made by the Group focused on disaster relief and elderly/ needy support, including those affected by the record-breaking floods in Zhengzhou and the impacted communities during the pandemic. In addition, we also extended our support to children’s education.

In a group-wide Matching Fund programme, KPL matches every dollar donated by employees to an approved charity. In 2021, we continue to donate at a maximum of HK\$10,000 for staff member.

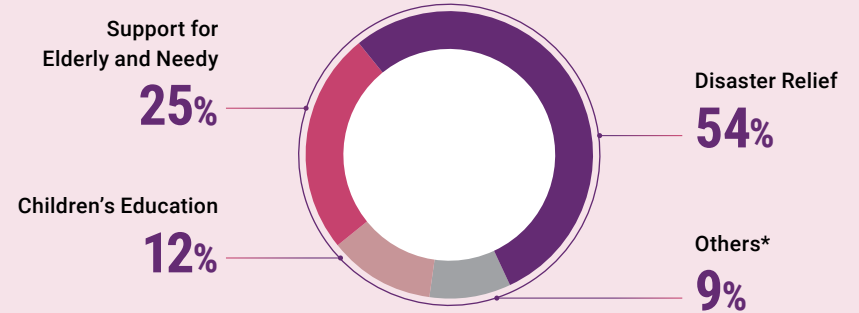
Rather than giving on an ad-hoc basis for charitable financial donations only, our approach meaningfully resonates with stakeholders along the value chain and with key focus areas that closely align with our values and the business to make the most of our impact with worthwhile community wellness pursuit in the depth socially, culturally, and environmentally.

## Exploration on Impact Measurement

In order to further power our capacity in community investment, during the reporting period, we looked into feasible and appropriate methods for measuring our social impacts. We developed corresponding indicators to measure three levels of impact, including individual, organisational and social indicators based on the the Social Impact Assessment (“SIA”) framework and the Social Impact Measurement (“SIM”) framework. Regarding the social indicators, we have set specific indicators for different categories as stated in our “Charitable Donations Policy Statement”. The Step Challenge in the Mainland is selected to be conducted as our first SIA. More details of the assessment can be found on [page 66](#).

Moreover, our due diligence visits ensure that our donations were appropriately delivered and provide key references for our future community and donation activities.

### Breakdown of Donation by Focus Areas



### Top 3 Focus Areas



Disaster Relief



Support for Elderly and Needy



Children's Education

\* Academic Activities, Environmental Conservation, Arts & Culture, and Entrepreneurship & Social Enterprises

## COMMUNITY INVESTMENT INITIATIVES

Number of Community Initiatives

**400+**

Employee Participation

**8,000+**

Volunteering Count

**460+**

Volunteering Hours

**1,400+**

### PLACE-MAKING

Providing an environment in which communities can thrive is integral to our sustainability goals. Beyond merely developing projects, we plan, design and manage common areas through "place-making" by honouring the uniqueness of place, building cross-sector partnership and seeking equity and inclusiveness. We respect local traditions and heritage in our operation while aspiring to create spaces that attract and connect people through art and culture, green lifestyle, and supporting local small and medium enterprises ("SMEs").



Art and Culture

Kerry Plaza Band and Kerry Plaza Dance performances at Shenzhen Kerry Plaza.

Environment



In a series of education programmes with Future Smile, we engaged over 780 primary and secondary school students to experience sustainable agriculture.

Local Economy

Our night market with sustainable theme at Beijing Kerry Centre, Jing An Kerry Centre in Shanghai and Shenyang Kerry Centre greatly boosted the local economy and revitalised the communities. We engaged a total of 411 market vendors, 61% of which were SMEs in 2021. This vibrant and supportive platform supported SMEs to explore new business opportunities and mitigate sales loss caused by the pandemic.

Lunchtime concert at Shenzhen Kerry Plaza.



"Kids Power" exhibition to promote art and cultural exchange between children in Shenyang and Hsinchu.



## CREATING VALUE THROUGH PLACE-MAKING

# SPOTLIGHT

Marking its 10<sup>th</sup> anniversary, Kerry Parkside in Shanghai has illustrated the great importance that we attach to place-making and the values we created for local communities through hosting numerous events and initiatives.



Click & View

### Building a Green Place

#### Green ecological rooftop gardening - "Hanging Garden"

- ◇ Promote urban biodiversity
- ◇ Improve the local microclimate
- ◇ Displayed a Rainforest Tank to allow visitors to learn about different plant species and how rainforests balance the natural system

#### Recycling & Education

- ◇ "Coffee Ground Recycling & Gardening"
  - › Collect coffee grounds from our F&B tenants twice a week
  - › Upcycle the coffee grounds as compost in the rooftop garden
  - › Organise urban farming workshops for the office workers and residents
- ◇ Year of Tiger Installation
  - › Engaged over 200 children to donate their second-hand toys
  - › Made a tiger-head-like installation to be displayed in the mall with the toys



**As a long-term partner of Pudong Kerry Parkside, we avoided large-scale demolition and construction in the toy installation project whilst encouraging co-creation in the toy recycling project to convey the concept of environmental friendliness.**

– Professor Zhou Hongtao, Tongji University

### Promoting Cultural Exchange

#### Kerry Show Time

- ◇ Provided a public stage for young stars to display their talents with plentiful energy and power



### Supporting Local Economy

#### Accelerator Programme

- ◇ Held flower markets and flower arrangement workshops
- ◇ Sponsored free venues, parking spaces, and floral tools for the floristry participants

We are also in the process of devising similar programmes to provide platforms for start-ups to promote their businesses on our premises.

### CARING FOR THE COMMUNITY

With a commitment to building resilient communities, we make continuous contributions through different initiatives. Not just responding to emergency, we also focus on areas which can create greater impact on the communities, such as healthcare, education, and disability inclusion.



KPL built resilient communities by donating **RMB 10 million** in support of flood control, emergency relief and restoration work in Zhengzhou in 2021.

Emergency Aid



In 2021, our food donations benefited **over 2,400 families**. Our employees also volunteered to pack and distribute rice to underprivileged groups.

Healthcare



The donation to Shenyang Rehabilitation Centre provided rehabilitation to over 450 disabled children; Delos Foundation provided eyesight checks and distributing eye care kits to **more than 4,000 students** in rural areas in Liaoning.

Education



In the Treasury House programme with Future Smile in Shanghai, we offered **more than 500** after-school tutoring, habit nurturing and social integration activities attended by **about 6,500 of migrant families**.

We collaborated with Shenzhen University and reputable scholars for the **Kerry Chair Professor Programme** to broaden students' horizons.



We sponsored **"Live Play Love Charity Fun Day"** at MegaBox with free venue, and set up a playground with educational game booths and workshops for **over 500 underprivileged children**.

Disability Inclusion

Inclusive designs are adopted to make our properties more accessible with breastfeeding rooms, family-friendly toilets, as well as designed parking spaces and access ramps for the disabled.



# SPOTLIGHT

## ENGAGING THE COMMUNITY TO SUPPORT AUTISTIC CHILDREN WITH LOVE

In Beijing Kerry Centre, we collaborated with the World of Art Brut Culture (“WABC”) in organising a series of activities to support children with intellectual disabilities. By providing a platform for these children to express their talents and feel integrated into society, we strive to build an inclusive community where we respect and support one another. We also engaged community members to take part in the movement to raise their awareness of inclusion and support these children together. All WABC events have recorded more than 1.1 million clicks in total in terms of media exposure.



Click & View

We hosted a charity art gallery themed “Love The World • Without Borders” at Beijing Kerry Centre, where we displayed 50 artworks created by children with autism to promote social inclusion by encouraging the public to eliminate discrimination against children with special needs and support them with kindness and love.



Love The World • Without Borders Exhibition

More than **200** paintings and merchandise were sold; Recorded over **200,000** visitors to the exhibitions.

To further enhance public awareness and support for autistic children, at Beijing Kerry Centre we also arranged the “Run for Love. Walk for Kindness” campaign to mobilise participants to walk for 5,000 steps a day, and invited members from Kerry Community to join the “Different Socks” campaign and the themed charity market and by wearing mismatched pairs of socks to demonstrate their support for the autistic.



Over **300** participants joined the “Different Socks” campaign

Engaged **14** tenants and over **50,000** visitors; **1,353** people joined Charity lottery



“Different Socks” Campaign

### COMMUNITY WELL-BEING

Growing and thriving with the community, we inspire people to flourish and fulfil their potential. Community well-being is more important than ever during and after the pandemic. We engaged people of all ages and interests and empowered them for positive development in different aspects of life. Above all, our community initiatives fostered a stronger sense of belonging.

Tenants were engaged in sports events including the Kerry International Soccer Championship, basketball games in Shenzhen, and the CBD Elites Badminton Competition in Beijing.

#### Sports



#### Fitness

Tennis courses and music fitness classes at Beijing Kerry Centre, as well as the wake surfing training, rock-climbing, outdoor night running and cycling under the ShineWith programme in Shanghai were organised for the Kerry Community.



#### Social Connectedness



KPL employees teamed up with visually impaired bowlers from the Hong Kong Blind Sports Federation in the 11th Bowling Tournament for All to promote equal participation in sports.

#### Sustainable Health

The Kerry Organic & Art Festival at Hangzhou Kerry Centre and the Yiyuan Organic Farm encouraged the communities to appreciate nature with farm animals and organic agricultural products.



# ⚙️ CASE STUDY



## KERRY ON\* BUILDING AN INCLUSIVE COMMUNITY

### 1 Empowering Positive Growth Among Neighbours

An inclusive, healthy community fosters an environment where everyone can thrive. KerryOn, a programme built on trust and togetherness launched in 2017, enables positive growth in local communities by creating transformational experiences based around fun, healthy lifestyles, and relationship-building. Curated collaboratively with our network of creative partners, KerryOn activities aim to connect and uplift like-minded individuals.

Since its inception, KerryOn has organised over 700 initiatives annually, engaging 2,400-plus active members on a regular basis. These tailored events bring togetherness to participants through wellness, edutainment, arts & literature, sustainability, charity, food, music, and culture. The sense of family born when people, pursuits and ideas converge represents the true value of KerryOn. We are encouraged that this initiative will continue to be embraced as a vehicle in which the community can grow in an organic way.



**Engaging 2400-plus**  
active members on a regular basis



**Over 700**  
exclusive activities for the community



Kid's community, KKIDS, offers an abundance of international edutainment programmes at Kerry Parkside



## 🔧 CASE STUDY

### 2 Engaging All Ages and Interests

KerryOn events and activities are curated to be inclusive of all sectors of society. As a curation platform where people connect for innovation, ideas and actions, Green Escape Street at JingAn Kerry Centre and Hangzhou Kerry Centre have been invigorating the local economy over the past two years.

### 3 Making Wellness and Fitness a Lifestyle

Shine is a wellness fitness community which brings people together for like-minded Shine buddies and mentors. With fitness coaches and nutrition experts, there is a wide variety of Shine programmes and retreats such as yoga, meditation, running, surfing, climbing, curling, cycling, flag football, ultimate frisbee, etc.

### 4 Promoting Wellbeing in the Workplace

Mindful of the toll of long working hours, Kinetic is a value-added work-life platform exclusively designed for our office community. It features 'Kinetic Space', a private lounge at JingAn Kerry Centre, and an array of privileges, tools and activities to help people balance their daily work life.



### 5 New Social Gathering Place

Nutrition is a vital part of overall wellbeing. Not only does The Green House, a new food and retail hub situated at the basement of Jing An Kerry Centre, offer wholesome sustenance, it does so in a lush green setting featuring plants and comfortable furniture – an optimal environment for people to gather.



Launched last July, the Green House is the perfect venue where urbanites come to enjoy the food as much as the conversation.

During the "Discover Joyous Love" winter festival, the proceeds of these get togethers were donated to charity projects, reaping joy by giving to others.



### 6 Cultivating Kindness

As part of Kerry Parkside 10<sup>th</sup> anniversary celebrations and mission to build an inclusive neighbourhood, KerryOn partnered with pet adoption and rescue organisation TA Shanghai. With 25 student volunteers from Fu Shan Bilingual Elementary School, the initiative incorporated the values of kindness, compassion, responsibility and respect into a good cause. The event saw 6 homeless cats and 8 dogs adopted.

These KerryOn initiatives actioned in 2021, diverse and broadly encompassing, share the one fundamental factor: value creation achieved through the power of human potential.



Photo: Our eco-friendly apple tree promoting sustainability at ReThink HK expo



## VALUE CHAIN

As a value-adding company, Kerry Properties is committed to driving sustainable development and creating shared value by promoting enduring, reciprocal relationships with our business partners, tenants, and customers. In today's highly competitive business environment, we strive to uphold our operational agility and respond quickly to any changes in the global supply chain. This facilitates the continued delivery of exceptional products and services and, during Covid-19, opportunities to collaborate with our suppliers and contractors to positively contribute to society.





## INNOVATION

### Our Activities

- ◇ Incorporated the latest technologies into property management and property development
- ◇ Promoted knowledge sharing through attending and holding innovation-featuring conventions and forums
- ◇ Organised innovation competition for employees to facilitate idea sharing
- ◇ Supported property technology (“**prop-tech**”) start-ups to promote and create shared value towards a more sustainable and resilient future

### Our Impacts

- ◇ Introduced Kerry+, a new smart service application, to **7** mixed-used developments
- ◇ Avoided around **3 tonnes** of debris waste through the adoption of Virtual Spatial Mock-Up (in the pioneering La Marina project)
- ◇ Received **33** proposals from all properties under our management on KPL Sustainability Sponsorship Fund Programme – Waste Management Competition



## CUSTOMER ORIENTATION

- ◇ Enhanced health and safety management by complying with “Corporate Health and Safety Policy”
- ◇ Enhanced pandemic hygiene control with smart building features
- ◇ Conducted regular customer satisfaction surveys at our properties
- ◇ Proactively engaged customers with different initiatives

- ◇ **84%** of our owned and managed properties are certified with ISO 45001 Occupational Health and Safety Management System
- ◇ Overall customer satisfaction rate: **96%**<sup>1</sup>
- ◇ **Zero** substantiated complaints received relating to the provision and use of products and services that have a significant impact on the company



## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

- ◇ Tender requirement for building contractors to obtain ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System accreditations
- ◇ Engaged suppliers through collaboration under the Kerry Project - Community Caring Scheme
- ◇ Organised the Green Construction Site Award to recognise outstanding building contractors

- ◇ **82%** of suppliers are governed and engaged by the “Vendor Code of Conduct” that forbids forced labour, slave labour, and child labour
- ◇ **68%** of suppliers are governed and engaged by green procurement guidelines, including the use of sustainable resources throughout property development and operation

1. Based on the satisfaction surveys conducted in our properties at cities including Beijing, Tianjin, Shenyang, Qinhuangdao, Tangshan, Hangzhou, Shanghai, Shenzhen, Putian and Hong Kong with a total of 17,730 responses.

## VALUE CHAIN POLICIES

To ensure a sustainable and ethical value chain, we have developed and brought into force the following series of policies:

### **Sustainable Procurement Policy**

Intending to extend our responsible actions and consideration from our own operation to our supply chain partners, this policy governs the integration of sustainability principles within the procurement process, and applies to any purchasing decisions in the Group whenever applicable.

### **Vendor Code of Conduct**

The Vendor Code of Conduct is established to set out standards and practices for our vendors relating to different sustainability areas, ensuring and encouraging compliance with all legal requirements and ethical business practices.

### **Personal Data (Privacy) Policy Statement**

The policy outlines the procedures of collecting, using, disclosing, sharing, retaining, disposing and securing personal data, to safeguard the rights of our employees, customers, and facilities users according to applicable privacy laws of Hong Kong and the Mainland.

### **Competition Law Policy Statement**

This policy states that the Group prohibits anti-competitive conduct, and proactively identifies risk areas in competition practices, in compliance with competition law in Hong Kong and the Mainland.

## INNOVATION

Innovation plays a critical role in our successful integration of sustainability concepts into our value chain and partnerships with stakeholders. Our Technology & Innovation Department is dedicated to the promotion and adoption of innovative technologies in different fields, including data management, digital transformation and cybersecurity. We also demonstrate our commitment to innovation and experimental approaches through smart technology and knowledge sharing.

### Application of Smart Technology

In pursuit of more efficient and eco-friendly operations, we are always enthusiastic about embracing new technologies to offer first-class products and services. In this ever-changing environment, we constantly foster an innovation culture and explore ways to incorporate the latest technologies into different aspects of our value chain to promote sustainability, bringing long-lasting, positive impacts to all stakeholders.

#### Property Management Innovation Committee

To centralise the collective feasibility discussion and decision-making process, we set up a Property Management Innovation Committee (“**PMIC**”), co-chaired by Vice President of our Technology and Innovation team and General Manager of our project management business in the Mainland in 2021. Through monthly committee meetings, PMIC governs our efforts in improving operation efficiency, customer experience and sustainable performance, driving a data-driven transformation towards a new intelligent, automated and innovative project management system.

#### Smart Robots “Xiao Jia”

Starting to use smart robots as early as 2018, we introduced smart robots “Xiao Jia” this year in Kerry Everbright City III with two new capabilities, including food delivery and collection of plastic bottles and batteries for recycling which are just a few clicks away. Through our project management platform, Kerry Links, tenants can order robot collection services with ease, which saves manual labour and increases waste recycling rate within the buildings.



### Virtual Mobile Work Orders

Since 2016, many of our complex properties in Shanghai have been enhanced with mobile maintenance work orders on a real-time smart terminal where users may check work order status in electronic forms. This year, we revamped the terminal to display the work orders on a three-dimensional (3D) visual interface with building models, which speeds up task dispatching with push notifications and greatly shortens the processing time.

### “Kerry+” Smart Service Platform

A new smart service app, **Kerry+**, was introduced this year in seven of our mixed-used developments. Utilising Internet of Things (IoT) combined with big data analytics technology, Kerry+ provides an array of smart property functionalities to provide tenants with real-time air quality and energy usage data to encourage energy saving behaviours in our properties. On top of that, tenants can also be in-touch with all happenings within our community, pay in one-click and book meeting spaces via this app. The application of such technology has facilitated tenant engagement and enhanced our service quality and responsiveness.



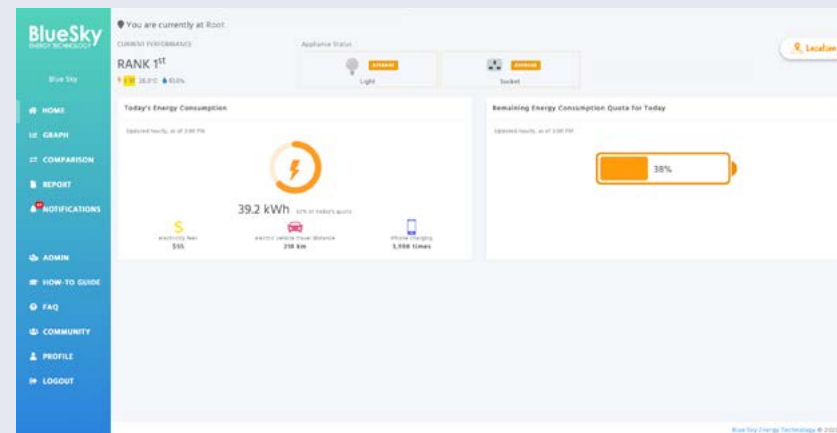
### Support Prop-tech Start-ups Via ESG Accelerator Programme

Aspiring to empower the prop-tech start-ups and stimulate innovations in the real estate industry, we have become one of the first enterprises involved in the “ESG Accelerator Programme” organised by the World Green Organisation. As a technical partner and a potential sponsor, we selected the start-ups at Hong Kong Science and Technology Park and Cyberport that possess the business ideas and technologies most value-adding to the life cycle of our properties, and sponsored the shortlisted start-ups with resources and opportunities.

In order to align with our zero carbon commitment, we have collaborated with one of the start-ups which specialises in smart energy management. A trial-run of their services is being conducted at our headquarters to analyse the potential of expanding the services to other properties. This demonstrates our commitment in engaging local start-ups and driving green technology development in operations.

**We are glad to have Kerry Properties providing opportunity for us to try out energy saving solutions.**

– Blue Sky Energy Technology Ltd.



## Promotion of Knowledge Sharing

As embedded in our corporate culture, we believe that actively sharing knowledge not only increases productivity but also empowers employees and business partners to work more effectively and efficiently. Aiming to help our stakeholders along the value chain achieve their business goals faster and smarter, we unlock the benefits of knowledge sharing by granting our stakeholders easy access to insights, resources as well as expertise across and beyond our organisation.

### Contributing to a Circular Economy and an Inclusive Community

With other local business leaders and sustainability, we participated in ReThink HK 2021, a two-day high-level conference and expo, to assume our responsibilities in researching and resourcing new sustainable strategies.

Themed with Go Green for a Bountiful Future, our booth engaged and educated visitors via a sustainably-made “apple tree” with QR codes printed on the “apples”, through which links they could learn about waste reduction and share their thoughts. Demonstrating our commitment to achieving a circular economy, we also rewarded the visitors with a set of biodegradable pens made from food waste to appreciate their participation. By the end of the expo, we received 168 visitor responses of positive feedback. To support the people with intellectual disabilities to better integrate into society, we involved four assisting staff from the Hong Chi Association, who managed the booth operations, served at the reception and processed gift redemption.



### Cultivating a Knowledge-sharing Culture and People Connections

To connect our stakeholders and facilitate idea exchange, we regularly hold “Kerry Plaza Forums” at Shenzhen Kerry Plaza.

This year, we collaborated with independent research agencies to hold workshops promoting career wellbeing, invited industry experts to deliver sharing sessions on wealth management topics and welcomed speakers from academia who specialised in Analytics and Innovation for lecturing on business analytics and value-based decision-making.



### Empowering Carbon Neutrality and Combating Climate Change

At the USGBC-hosted summit forum focusing on carbon neutrality, which attracted over 200 industry leaders on site and over 250,000 people online, our General Manager of the property management business in the Mainland was invited to the panel discussion to share about our green achievements and best practices towards the ultimate 2060 vision.



## CUSTOMER ORIENTATION

### Customer Health, Safety and Well-being

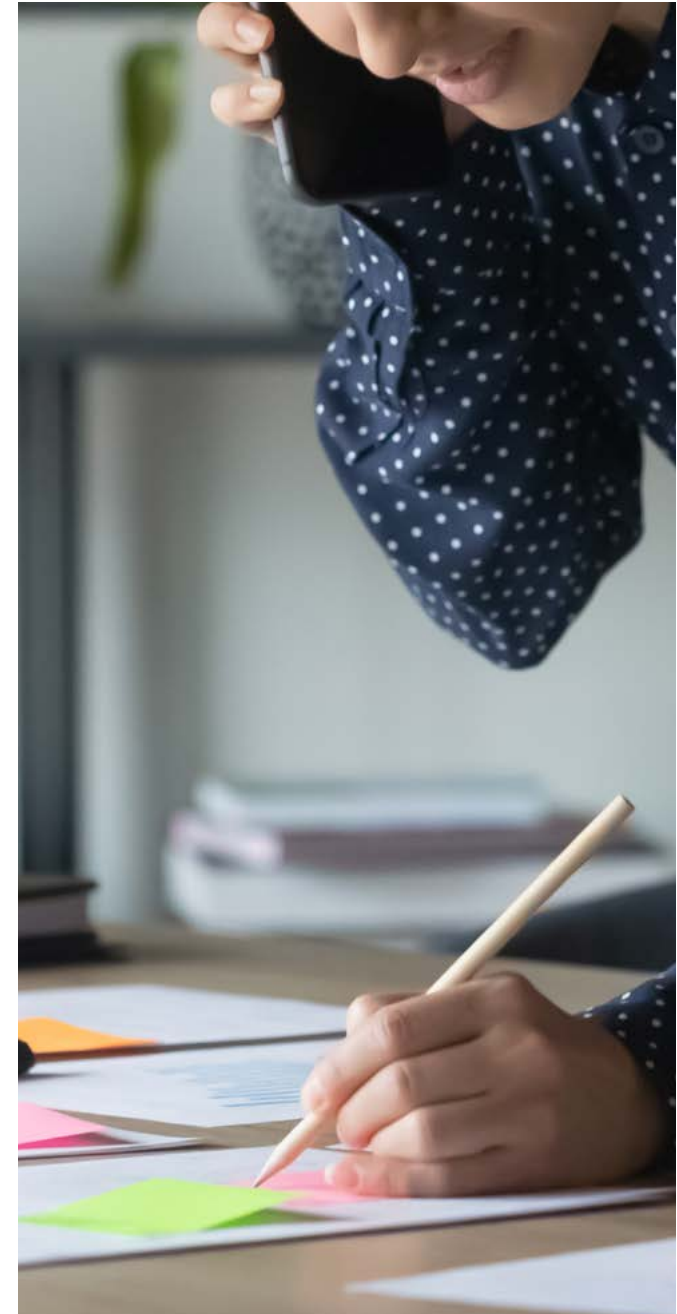
We are committed to maintaining the holistic health and safety of our customers and those who may come into contact during our business activities. 84% of our owned and managed properties including mixed-used developments, commercial and residential buildings have certified to ISO 45001 Occupational Health and Safety Management System certificates.

We uphold our commitment through the Corporate Health and Safety Policy and a list of established procedures to managing safety and security in our buildings. Our pioneering Climate Risk and Vulnerability Assessment (“CRVA”) has also identified that unprecedented outbreaks such as COVID-19 could potentially be due to the “infectious disease occurrence” and “exacerbated spread of disease” due to climate change. As our tenants, customers and employees may greatly affected by such, we have established comprehensive operational procedures and contingency plans to manage the risks and mitigate the impacts.

#### Pandemic Hygiene Control: Adoption of Smart Building Features in Response to COVID-19

As the impacts of the COVID-19 pandemic continue to unfold throughout the year, our teams have been coordinating closely with employees, tenants, customers, guests, and surrounding communities to provide them with all the necessary support. We maintain a strict level of hygiene control at our properties with a series of anti-pandemic measures:

Building type	Our Anti-pandemic Measures
<b>Commercial</b>	<ul style="list-style-type: none"> <li>◆ Installed new air filters in the air conditioning system. The new air filters, rated MERV 13, come with silver ion technology which can eliminate 99.9% of bacteria and viruses within 30 minutes</li> <li>◆ Installed touchless button for lift calls</li> <li>◆ Adopted escalator handrail UV-C steriliser</li> <li>◆ Checked body temperature of occupants with infrared body temperature scanning</li> <li>◆ Disinfected the environment by using cleaning robots spraying</li> <li>◆ Adopted smart robots for food delivery within properties to minimise the risks of disease transmission</li> </ul>
<b>Residential</b>	<ul style="list-style-type: none"> <li>◆ Applied anti-bacteria coating inside lift cars and gym rooms</li> <li>◆ Installed additional air purifiers inside gym rooms, children’s play areas and restaurants in the clubhouse</li> <li>◆ Added bleach to the flushing supply tank to sterilise the drainage pipes</li> <li>◆ Extended vent pipe and added filter cover on the vent outlet to minimise air turbulence risk</li> <li>◆ Prepared fresh fruit baskets and care kits containing rapid testing kits and medicines for infected households during quarantine</li> <li>◆ Installed on-site vending machines to sell rapid test kits and medicines at our residential properties</li> </ul>



### Achieving WELL Health-Safety Rating (HSR) Certification

We actively seek the WELL Health-Safety seal, as a visible indication of confidence and trust, to communicate to everyone entering our properties that evidence-based measures and best practices for safety have been adopted with third-party verification.



The WELL HSR covers five dimensions, including cleaning and sanitisation procedures, emergency preparedness programmes, health service resources, air & water quality management, and stakeholder engagement & communication. This achievement further demonstrated our determination to be at the forefront of sustainable development as a leading property developer.

Central Residences II in Shanghai was the first apartment project in the Mainland that attained the International WELL Building Institute ("IWBI") WELL HSR in 2021. Kerry Residences, including Beijing Kerry Residence, Jing An Kerry Residences and Kerry Parkside Residences, have also achieved the WELL HSR. These accolades recognised our outstanding efforts in maintaining a people-centric and healthy indoor environment for our customers.

Furthermore, Hong Kong Kerry Centre has obtained WELL certification with Platinum rating while Qianhai Kerry Centre has obtained Gold rating.

We also promote workplace well-being not only to improve employee productivity but to contribute to the happiness and longevity of the communities. Tailored to the busy lifestyle of office workers, KerryON's Kinetic Space offered a series of lunchtime wellness programmes including yoga, nap, music healing, film screening, and meditation to help them maintain a healthy mind and body.

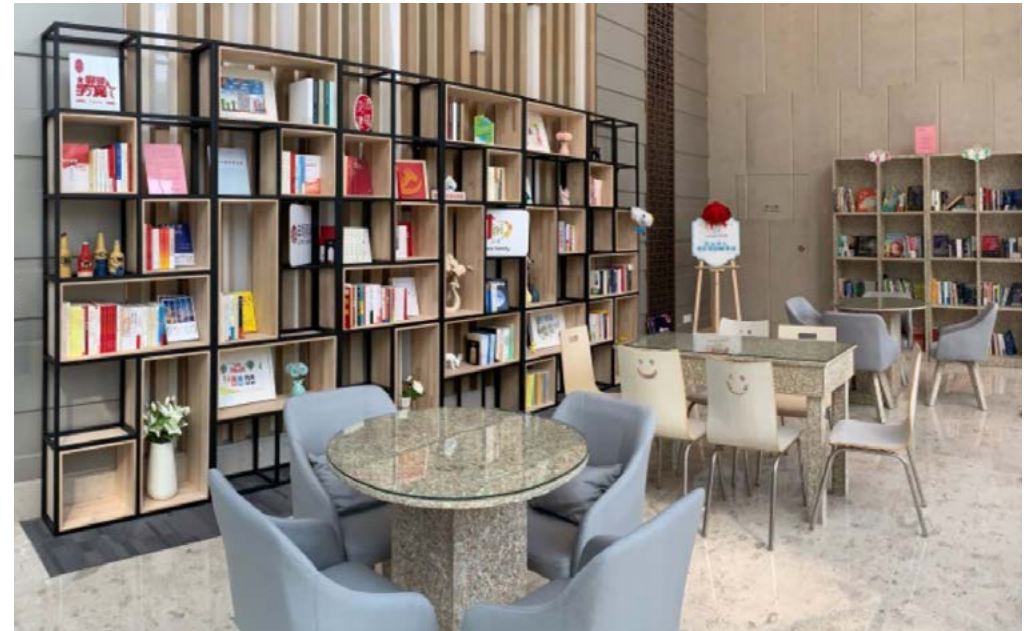
### High-quality Products and Services

Adhering to the high standards of our developments and services, we have enacted various standardised management procedures and innovative ideas over the years. A total of 11 managed properties are certified with ISO 9001:2015. Standard Operating Procedures ("SOPs") and regular training on customer care are provided to frontline staff.

### Customer Engagement

#### Customer Satisfaction Surveys and Service Improvement

We constantly think of ways to take customer interactions and engagement to the next level. Our regular customer satisfaction surveys covered topics such as customer service, facility management, maintenance, security, safety and sanitation, among others. The responses were evaluated and analysed for improvement and mitigation measures. This year, satisfaction surveys were conducted in our properties at cities including Beijing, Tianjin, Shenyang, Qinhuangdao, Tangshan, Hangzhou, Shanghai, Shenzhen, Putian and Hong Kong with a total of 17,730 responses.





## ENGAGING STAKEHOLDERS FROM AWARENESS TO ACTION

Leveraging our extensive network and resources, stakeholders are engaged on our journey to sustainability. We raise awareness of residents, tenants and shoppers about their impacts on the environment through an array of activities.

### Recognising Sustainability Management Ideas

Under the KPL Sustainability Sponsorship Fund Programme, we stage an annual competition to spark innovative ideas among our property management teams in Hong Kong and the Mainland. In 2021, a total of 33 entries on waste management were judged based on feasibility, innovativeness and effectiveness. The winning proposals included the household food waste recovery by team 1&3 Ede Road in Hong Kong, the food waste composting by team Shenzhen Kerry Plaza and coffee grounds upcycling by team Kerry Parkside in the Mainland.



### Inspiring Shoppers to Set “Good Life Goals”

As a good corporate citizen, we are responsible for accelerating our business actions on the United Nations Sustainable Development Goals (“UNSDGs”). At MegaBox, we launched a six-month campaign to inspire tenants and shoppers to pursue “Good Life Goals” through a set of personal actions in their daily lives. The notebooks, which are certified by Forest Stewardship Council, helped people focus on six goals: Act On Climate, Do Good Work, Live Better, Love Where You Live, Stay Well and Treat Everyone Equally.



## Customer Rights and Interest

Since the outbreak of COVID-19, the number of cybercrimes and attacks worldwide has increased dramatically. At KPL, we consider cybersecurity a priority to ensure safe and efficient operations for our businesses. In 2021, not only did our information technology team revamp the monitoring, analysis and cyber-threat intelligence to protect our valuable information assets, but we also held cybersecurity training sessions to raise staff awareness of cybersecurity.

As a customer-oriented organisation, we also consider safeguarding our customers' data privacy as one of the dominant responsibilities while delivering our practices. Our *Personal Data (Privacy) Policy and Standard Operating Procedures* are established to protect the privacy rights of our employees, customers, facilities users and other data subjects concerning personal data collected by our business units. The Policy outlines the procedures for collecting, using, disclosing, sharing, retaining, disposing and securing personal data. All collected personal data is handled according to privacy laws in Hong Kong and the Mainland. KPL complies with all applicable laws and regulations in the jurisdictions in which we operate. Personal data will be collected lawfully and fairly, and will only be used for the said purposes of collection.

Our "Administration Manual" and "Operation Manual" also serve as a guide for frontline staff in handling the personal data of residents, tenants, visitors, and shoppers. Consent is obtained prior to the 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. To ensure effective implementation and continuous monitoring of our data protection and privacy policies, we regularly conduct on-site inspections and training sessions. In 2021, there were no substantiated complaints concerning breaches of customer privacy, theft, leak and loss of customer data or critical information, proving the management approach is effective.

## Responsible Marketing

Our commitment to responsible marketing communications is outlined in our policies and SOPs. Marketing materials for our developments have been created in accordance to a set of procedures and professional advice from third parties. Our responsible marketing approach is adopted on all applicable aspects, including health and safety (of product and service), advertising, labelling and privacy. The promise of accurate and reliable information enables customers to make informed decisions that comply with relevant national and local standards.

In Hong Kong, we have formulated a set of procedures and engaged external professional advisors to manage the content of our sales brochures and marketing materials. Architects, surveyors and solicitors were consulted to ensure that information provided is accurate and in compliance with the Residential Properties (First-hand Sales) Ordinance. Similar standards apply to our business operations in the Mainland.

## Intellectual Property ("IP") Rights

We respect the intellectual property ("IP") rights of any 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. Using, copying, selling, or distributing any form of intellectual property in violation of local legislations or license agreements is strictly prohibited. Moreover, our employees are required to maintain the confidentiality of any privileged information they encounter. Relevant guidance is also incorporated into the Employee Handbook which all hires are required to acknowledge after on-boarding.



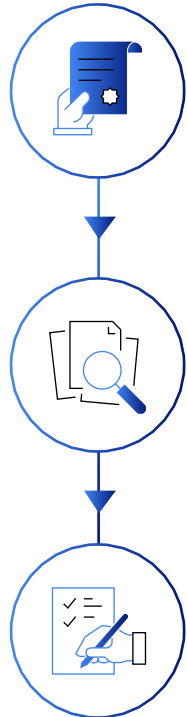
## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

### Supplier Management and Evaluation

To thoroughly screen any third parties we engage in carrying out our business, we maintain the practice of “Service Provider Evaluation” as an essential process of our responsible supplier management. The main elements of our supply chain, in addition to construction contractors, also include supplier for cleaning and shuttle bus, pest control, equipment and machinery maintenance, landscape and architects, as well as designers, consultants and other office support suppliers.

For instance, to safeguard health and safety, all building contractors are required to obtain ISO 14001 and ISO 45001 accreditations in Environmental Management System and Occupational Health and Safety Management System, respectively. Vendors engaged in property development activities are also encouraged to obtain accreditation for its occupational health and safety management system. They shall promote and maintain a safe, hygienic and healthy working environment to minimise incidents of work-related injuries and illnesses.

Proactively encouraging stakeholders along our supply chain to be engaged in and follow ethical business practices, we execute the “Vendor Code of Conduct” and institute the “Competition Law Policy Statement” to guide our management and monitoring procedures of vendors.



#### Onboarding

Service providers are required to submit qualifications and acknowledge KPL’s policies and guidelines.

#### Performance Review

Contractor Assessment Review is conducted bi-annually while Contractor Response Review is conducted quarterly to ensure that performance of suppliers are reviewed properly and efficiently.

#### Supplier Evaluation

Compliance check is conducted through questionnaires, interviews and spot checks to evaluate suppliers.

#### Vendor Code of Conduct

We are committed to conducting business ethically with respect towards employees, society and the environment. To encourage compliance with all legal requirements and ethical business practices, the Vendor Code of Conduct sets out minimum standards and practices for our vendors relating to different sustainability areas, such as legal and regulatory compliance, health and safety, compensation and working hours, human rights (including prohibition of child & forced labour), anti-discrimination and more.

#### Competition Law Policy Statement

We strive to promoting fair competition across our operations. As outlined in our Competition Law Policy Statement, we prohibit anti-competitive conducts, and proactively identify risk areas in competition practices. Anti-competitive behaviour is particularly important in our supply chain and we endeavour to tackle such practices at all times. We prevent bid-rigging in the tendering process by updating and evaluating our list of qualified and pre-approved companies. Only companies on the list are invited to tender. All tenderers are additionally required to submit integrity and anti-collusion declarations stating that there is no anti-competitive behaviour in their business.

## Sustainable Procurement

### Sustainable and Green Procurement Policy

Our Sustainable Procurement Policy governs the integration of sustainability principles within the procurement process, and applies to any purchasing decisions in the Group whenever applicable. The objective of this Policy is to extend our responsible actions and consideration to our supply chain partners.

Materials are procured through our supply chain with references to green and health specifications. We constantly promote the use of environmentally-friendly materials throughout our properties' life cycles and obtain building materials sustainably. We avoid single-use disposable products, and give preference to reusable, recyclable or highly durable materials, especially in corporate gifts or products. In addition, we purchase materials with high energy and water efficiency, as well as minimal toxicity. We review regularly on environmental, health and safety-related risks of procurement and make updates to provide clearer instructions.

Launched in 2020, the "Sustainable Procurement Manual" was developed in line with ISO 20400 Sustainable Procurement – Guidance. It also built upon our existing "Green Procurement Manual" to cover a broader scope of socio-economic considerations.

In particular to environmental considerations in the procurement process for property investment, development and management business in Hong Kong, our **Green Procurement Policy** outlines requirements on environment-specific credentials of products that are used in our business activities. The specifications in the "Green Procurement Manual" for both our property management and property development business have been updated to cover more items.

### Sustainable Procurement Training

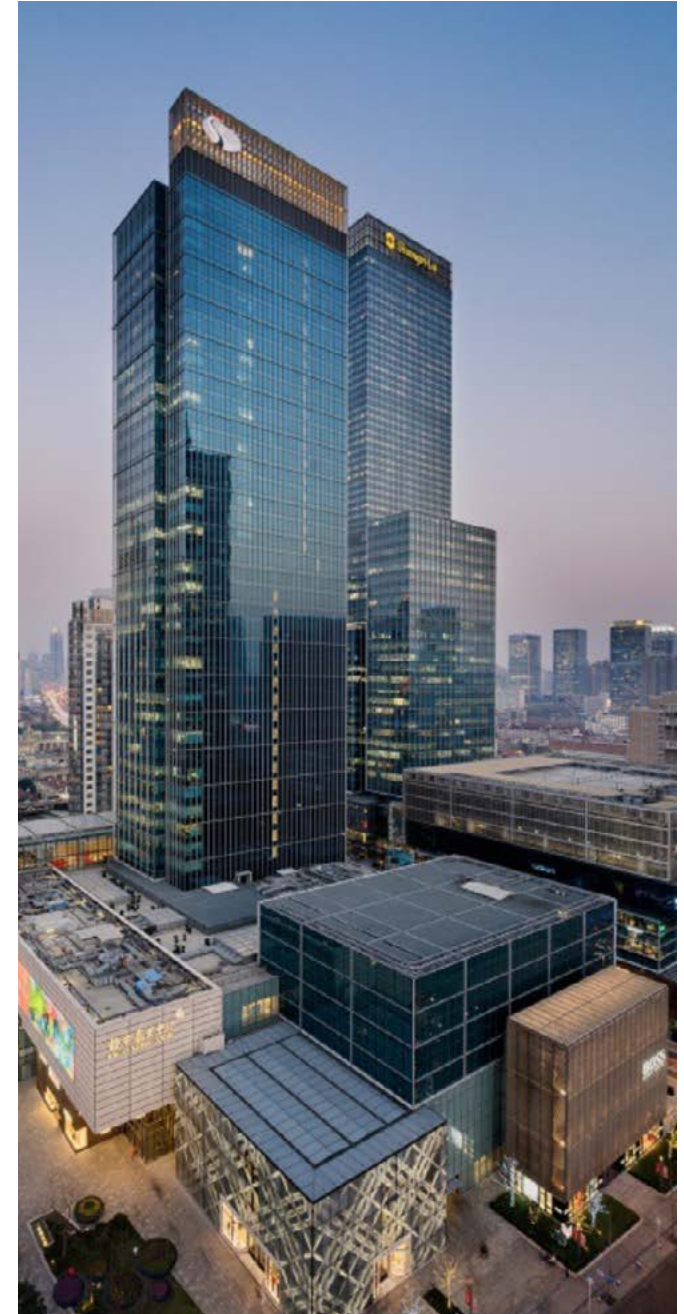
To extend our influence for a more sustainable supply chain, we have been communicating our sustainable procurement strategy with our suppliers, contractors and employees. Internally, we offer training to employees so that they are proficient in executing our sustainable procurement practices.

### Hong Kong Green Awards 2021 – Sustainable Procurement Award (SPA)

The Hong Kong Green Awards was first organised by the Green Council in 2010 to formally identify companies with exceptional performance on green management and/or sustainable procurement and improve the environmental performances of companies in their management and operational processes. This year, we were awarded Sustainable Procurement Award (Large Corporation) – Grand Award, which recognised our efforts in sustainable procurement.

### Founding Member of Sustainable Procurement Charter

As a founding member of the Sustainable Procurement Charter initiated by the Green Council, we have implemented sustainable procurement procedures with reference to ISO 20400, and have set specific annual goals to elevate our strategy, processes, and organisation.



## SUPPLIER ENGAGEMENT

As part of our sustainability strategy, we engage business partners in our supply chain through an array of initiatives.

### Coastal Cleanup X Eco-tours - “Love . Coral”

Under the Kerry Project - Community Caring Scheme, we partnered with “Love-Coral” to organise “Coastal Cleanup X Eco-tours” for 3 of our project development teams and contractors this year. This event began with an eco-tour in which participants enjoyed the beautiful scenery of Ting Kok Coastal Area and learned about the biodiversity of mangroves in Hong Kong, followed by a beach cleaning activity with over 120 kg of waste collected.



### Green Construction Site Award

Since 2013, we have launched the Green Construction Site Award to promote sustainable construction practices and enhance environmental management at our construction sites.

Entering the 8th year, the theme of this year was Green KOL, where contractors, consultants and project development teams of our construction sites took part in a Construction Site Recycling Bin Design Competition and an Environmental Vlog Competition. The teams have demonstrated creativity in their vlogs about upcycling, trail, coastal cleanup, and leftover recipes.



### Labour Practice Sharing for Contractors and Suppliers

Under our Vision 2030, UNSDG 8 – Decent Work and Economic Growth is prioritised as one of the six strategic goals most relevant to our business. To achieve this goal, we conducted sharing sessions for our contractors and suppliers on a range of labour-specific topics.

We hosted a webinar on “Labour Practice Sharing”, which gathered over 50 business representatives. Over 90% of the participants reflected that they were satisfied with the sharing. After the event, SDG promotional materials were also distributed to the participants, aiming to further encourage the sharing of sustainability knowledge to a wider audience including their sub-contractors.





## CASE STUDY

# A STEP TOWARDS SUSTAINABLE CONSTRUCTION: TECHNOLOGY-ENABLED EFFICIENCIES ACHIEVED

Building Information Modelling (“BIM”) is the process of generating and managing building data throughout the project life-cycle from the asset development stages to the asset operation stage. This new technology, adopted extensively across our portfolio, contributes to more efficient project management. It has also greatly improved the quality and efficiency of information management among multi-disciplinary stakeholders, and supported our informed decision-making during the project development phase.

La Marina achieved the following recognitions with its innovative application of BIM:



**Autodesk Hong Kong  
BIM Awards 2019**

**CIC Sustainable Construction  
Award 2020 - Silver Award,  
Developer (Private Sector)**

**Provisional Gold Rating  
in BEAM Plus NB V1.2**

## Adopting BIM in Full Project Lifecycle

BIM was applied in the entire lifecycle of our development to enhance control of construction quality, environmental impact, as well as time and costs. The following BIM software applications were utilised to facilitate our project management:

BIM Software	Our Application
<b>Naviswork</b>	This 3D design review package tool allowed us to federate the BIM model in different types of formats in the design stage.
<b>BIM Track</b>	This web-based issue tracking platform helped us better monitor and record the changes among various design versions.
<b>BIM360</b>	This cloud-based construction management and collaboration platform allowed us to connect the team with up-to-date construction model data in real-time. It empowered project members to anticipate, optimise, and manage all aspects of project performance.
<b>Revit / ArchiCAD</b>	These Digital modelling softwares support to produce the information model for the design and construction. OpenBIM allows to facilitate the communication among the difference digital file formats.

Aside from these software tools, we also adopted other technologies during the following BIM processes:

## 1 Record Modelling

- ◆ Unmanned aerial vehicles were utilised to record site information to generate site record models.
- ◆ Captured information such as 360-degree imagery was integrated into the record modelling to study the potential views from the units to evaluate their potential value.

## 2 “Entrance Promenade” Analysis

- ◆ This analysis was conducted to obtain a full picture of the design, rather than fragmented views.
- ◆ It allowed us to see and contextualise the final design, vastly reducing the gap between conceptual design and the final product.



## 3 Virtual Tools

- ◆ Virtual Spatial Mock-Up (“VSMU”) is a way of realistic visualisation of digital information model in the virtual environment which could integrate the latest information for design review and seeking approvals before construction.
- ◆ Virtual Reality (“VR”) tools including goggles and an immersive CAVE system enabled us to review the design in a virtual environment.
- ◆ This innovation allowed us to validate the spatial feeling of the design, which not only contributed to more efficient and reasonable project-scheduling and site-planning, but also improved overall product quality.



## Incorporating BIM Technologies in Our Projects

BIM technologies make significant contributions to our sustainability performances. We employed the use of VSMU to replace conventional physical timber mock-ups, thus avoiding the creation of large volumes of timber waste. The digitalisation of project workflow not only helped reduce abortive works and prevented unnecessary resource wastage, but also presented an alternative solution to tackling the shortage of skilled workers, saving time and cost. Some examples of these achievements:

### The Mainland

#### Qianhai Kerry Centre



- ◆ Enhance the pipe routing design to prevent resource wastage



- ◆ Optimise the electrical and mechanical layout of typical office floor to improve airflow distribution

### Hong Kong

#### La Marina



- ◆ A hybrid of physical and virtual mock-ups was adopted for the project’s lift lobby and two flat units, with 900 square feet of floor areas done by physical mock-up and **2,000 square feet** by virtual mock-up.



- ◆ Savings of approximately **3 tonnes** of debris in La Marina.

#### 10 LaSalle (Feasibility Study)



- ◆ It is possible to avoid approximately **10 tonnes** debris waste and created savings of over **84%** of the total cost from the data result.

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) REAL ESTATE SECTOR DISCLOSURE

Kerry Properties adopted SASB's Real Estate sector framework in developing the following table of key sustainability metrics, and it is aligned to this Report's scope as detailed on [page 102](#).

Energy Management				SASB Code	Accounting Metric	Property Sub-sector	KPL Information
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector (%)	Office	100	IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector (%) <sup>1</sup>	Office	71.8%
		Retail	100			Retail	100%
		Residential	100			Residential	82.4%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage (GJ)	Office	313,729.2	IF-RE-130a.5	Percentage of eligible portfolio that is certified to ENERGY STAR®, by property subsector (%)	Office	Not Applicable to Hong Kong and the Mainland
		Retail	275,890.7			Retail	
		Residential	129,068.0			Residential	
	Total energy consumed by percentage grid electricity, by property subsector (%)	Office	40.5%	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		
		Retail	69.9%				
		Residential	76.9%				
	Total energy consumed by percentage renewable, by property subsector (%)	Office	35.7%				
		Retail	19.8%				
		Residential	12.1%				
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector (%)	Office	This is our first-year reporting in line with SASB. We will start reporting this indicator in the future.				
		Retail					
		Residential					

1. There is a lack of energy rating schemes in the Mainland, so we exclude the relevant gross floor area from the denominator.

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. We updated our "Energy Policy" and the terms of reference of our Energy Management System Committee to transition from ISO 50001:2011 to 2018 in 2020.

Besides energy efficiency and management approaches, we have been conducting voluntary carbon audits since 2011 and supporting the Energy Saving Charter.





We seek to explore the adoption of renewable energy resources. In the Mainland and Hong Kong, we have installed solar photovoltaic panels at several properties for electricity generation. In 2021, we purchased Renewable Energy Certificates for multiple investment properties, reducing the carbon footprint for most of the investment properties in Shanghai. In the future, we plan to expand the use of renewable energy at our properties in the Mainland and Hong Kong.

## Water Management

SASB Code	Accounting Metric	Property Sub-sector	KPL Information
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector (%)	Office	100
		Retail	100
		Residential	100
	Water withdrawal data coverage as a percentage of total floor area, by property subsector (%) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector (%)	Office	100
		Retail	100
		Residential	100
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property subsector (Thousand m <sup>3</sup> )	Office	600.1
		Retail	466.0
		Residential	231.7

SASB Code	Accounting Metric	Property Sub-sector	KPL Information
	Total water withdrawn by percentage in regions with High or Extremely High Baseline Water Stress, by property subsector (%)	Office	69.1%
		Retail	63.5%
		Residential	68.6%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector (%)	Office	This is our first-year reporting in line with SASB. We will start reporting this indicator in the future.
		Retail	
		Residential	
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks		

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.

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.

In 2021, there were no issues in sourcing water encountered in our operations.



## Management of Tenant Sustainability Impacts

SASB Code	Accounting Metric	Property Sub-sector	KPL Information	
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector (%)	Office	0	Explore the possibility of introducing relevant leases
		Retail	0	
		Residential	0	
	Associated leased floor area, of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector (sq. ft)	Office	0	Explore the possibility of introducing relevant leases
		Retail	0	
		Residential	0	
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property subsector (%)	Office	100	
		Retail	100	
		Residential	100	
	Percentage of tenants that are separately metered or submetered for water withdrawals, by property subsector (%)	Office	100	
		Retail	100	
		Residential	100	
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants			

Interacting consistently with our tenants is the foundation for building trust and collaborative relationships in our business. Going forward, we anticipate the need to further engage our tenants to collectively achieve our vision of a sustainable society.

The KPL Sustainability Sponsorship Fund Programme exemplifies our support for awareness-related campaigns. We host events and implement enhancement works on various themes of sustainability annually. The programme's aim is to promote unique projects that raise awareness among residents, tenants, and employees on sustainability topics.

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. 7 properties across Hong Kong and the Mainland operations have been already awarded RESET™ Air Core & Shell certification in recognition of the achievement in IAQ.

## Climate Change Adaptation

SASB Code	Accounting Metric	Property Sub-sector	KPL
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector (sq. ft)	Office	"100-year flood zones" is a U.S. definition and unavailable in both Hong Kong and the Mainland. As there is a lack of official definition and information, we will keep searching reliable information sources for this indicator.
		Retail	
		Residential	
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks		



We have initiated a corporate level and cross-departmental climate risk assessment in line with TCFD. Two scenarios are considered in the assessment, the Turquoise Scenario (representing 1.5 °C to 2 °C rise in temperature) and the Brown Scenario (representing 4 °C to 5 °C rise in temperature), while the exposure along the value chain is also taken into account. From the preliminary results, policy and legal, market, acute physical risks have relatively higher impacts on our operation.

In 2019, we initiated a Climate Risk and Vulnerability Assessment (“**CRVA**”) of Hong Kong Kerry Centre to determine the risks the building is exposed to. The nine-month assessment was carried out in accordance with the risk management process and framework outlined in ISO 31000. As part of our sustainability vision, we target to conduct CRVA in all investment properties by 2030. As of 2021, we have already completed the assessment for 53% of our investment properties, progressively increasing our understanding on the climate risks posed to our properties.

The CRVA informs our property management teams to enhance the existing controls, management regimes and risk responses. Taking a further step, we engage our stakeholders and communicate the result of CRVA and our improvement with them. Tenants will be kept informed of the findings, and their opinions sought on future direction to strengthen the related measures.

Moving forward, we are currently exploring ways to upgrade our decarbonisation plans in line with the Science Based Targets initiative. The feasibility study has been conducted, and we have identified the hot spots along our value chain. We have updated our data collection system as well as the collection scope so as to collect data from our contractors and tenants.

For more information, please refer to [Our Approach to Climate-related Financial Disclosures](#).

## Activity Metrics

SASB Code	Accounting Metric	Property Sub-sector	KPL Information
IF-RE-000.A	Number of assets, by property subsector <sup>2</sup>	Office	11
		Retail	14
		Residential	19
IF-RE-000.B	Leasable floor area, by property subsector (ft <sup>2</sup> ) <sup>3</sup>	Office	5,539,676
		Retail	4,054,124
		Residential	2,408,566
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector (%)	Office	0
		Retail	0
		Residential	0
IF-RE-000.D	Average occupancy rate, by property subsector (%) <sup>4</sup>	Office	94.5%
		Retail	95.2%
		Residential	93.7%

2. Our Properties are classified into subsectors that are aligned with the FTSE Nareit Classification Structure. Property is classified into one of the property subsectors if 75% or more of its gross floor area is specified for that property subsector; some properties may be classified as more than one property subsectors.

3. Residential properties that are held for sale are not included.

4. Properties that are held for sale are not included.

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



## FTSE-NAREIT Classification of Property Subsectors

	Scope	Property Nature		Scope	Property Nature
<b>Mainland</b>	Beijing Kerry Centre	Office		Shenzhen Arcadia Court	Retail
		Retail		Shenzhen Kerry Plaza Phase I to II	Office
		Residential		Shenzhen Qianhai Kerry Centre Phase I Tower A2	Residential
	Hangzhou Kerry Centre	Retail		Tianjin Kerry Centre Riverview Place	Retail
	Hangzhou Kerry Centre Lake Grandeur	Residential	<b>HK</b>	Aigburth	Residential
	Hangzhou Zhijiang Castalia Court Phases I to III	Retail		Branksome Crest	Residential
	Putian Arcadia Court	Retail		Branksome Grande	Residential
	Qinhuangdao Habitat Phase I	Retail		Enterprise Square Three	Retail
		Residential		Enterprise Square Five / MegaBox	Office
	Shanghai Central Residences Phase II Towers 1 and 3	Residential			Retail
	Shanghai Jing An Kerry Centre Phases I to II	Office		Gladdon	Residential
		Retail		Island Crest	Retail
		Residential		Kerry Centre	Office
Shanghai Kerry Everbright City Phase I	Retail	Mantin Heights		Residential	
Shanghai Kerry Everbright City Phase III - Enterprise Centre	Office	Resiglow - Bonham		Residential	
Shanghai Kerry Parkside	Office	Resiglow - Happy Valley		Residential	
	Retail	Tavistock		Residential	
	Residential	The Bloomsway	Residential		
Shenyang Kerry Centre	Office				
	Residential				

## ABOUT THIS REPORT

### Reporting Period and Scope

This Report covers the Group's sustainability performance for the financial year from 1 January to 31 December 2021 ("**reporting period**"), and focuses on the operations in Hong Kong and the Mainland that owned and managed by the Company. Hotel and warehouse businesses, as well as properties without our direct management or ownership, are excluded from this report. To disclose objectively of our sustainability performance, we regularly review the reporting scope considering the dynamic factors, including management rights, ownership, and operation status.

### Reporting Guidelines

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

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

- ◆ **Stakeholder inclusiveness:** Stakeholder engagement is conducted to obtain direct input and feedback from different stakeholders. The results of the stakeholder engagement are consistent with the material topics included in the report.
- ◆ **Sustainability Context:** All the impacts that our operations impose on the ESG aspects provide a context for the report, including how our group contributes to the improvement of economic, environmental, and social performance.
- ◆ **Responsiveness:** Where feasible, discussions of material sustainability issues are integrated into the Group's long-term strategy, risks, opportunities and goals.
- ◆ **Materiality:** Material sustainability topics are identified through various stakeholder engagement workshops. In this process, different factors including the Group's strategy and stakeholders' concerns are taken into consideration. The issues identified were endorsed by our Sustainability Steering Committee and approved by the Board. (More details are available at [Stakeholder Engagement](#) section)
- ◆ **Completeness and impact:** All identified material sustainability topics are addressed in this report to ensure complete disclosure.

- ◆ **Quantitative:** As approved by the Sustainability Steering Committee, we have established Vision 2030 Targets to reduce our operational impact on the ESG aspects. The progress towards these targets will be evaluated by the Board regularly.
- ◆ **Balance:** To provide an unbiased picture of our performance, we review and disclose our achievements as well as areas for improvement.
- ◆ **Consistency:** To allow for meaningful comparisons of sustainability data over time, we use consistent methodologies over time.

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

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

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. (More details are available at [Performance Data Summary](#) section.)



## Reporting Boundary of Sustainability Data 2021

Mainland Portfolio	Hong Kong Portfolio
Beijing Kerry Centre	Aigburth
Hangzhou Kerry Centre	Branksome Crest
Hangzhou Kerry Centre Lake Grandeur	Branksome Grande
Hangzhou Zhijiang Castalia Court Phases I to III	Enterprise Square Three
Putian Arcadia Court	Enterprise Square Five / MegaBox
Qinhuangdao Habitat Phase I	Gladdon
Shanghai Central Residences Phase II Towers 1 and 3	Island Crest
Shanghai Jing An Kerry Centre Phases I to II	Kerry Centre
Shanghai Kerry Everbright City Phase I	Mantin Heights
Shanghai Kerry Everbright City Phase III – Enterprise Centre	Resiglow - Happy Valley
Shanghai Kerry Parkside	Resiglow - Bonham
Shenyang Kerry Centre	Tavistock
Shenzhen Arcadia Court	The Bloomsway
Shenzhen Kerry Plaza Phase I to II	
Shenzhen Qianhai Kerry Centre Phase I Tower A2	
Tianjin Kerry Centre	

To further enhance the integrity of disclosure on our sustainability development, we have extended the scope of the report to Shenzhen Qianhai Kerry Centre Phase I Tower A2 and Resiglow - Bonham in 2021.

## 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 122-123](#).

## Share Your Thoughts

Thank you for reading Kerry Properties’ Sustainability Report 2021. Your feedback is critical for us to continuously improve our reporting and sustainability practices. Simply scan the QR code below and complete this survey. We will donate HK\$200 to a designated charitable organisation.



## MAJOR RECOGNITIONS, AWARDS, CHARTERS & MEMBERSHIPS



### Awards

Awards	Issuing Authority
<b>4T Charter</b> <ul style="list-style-type: none"> <li>Participation Certificate: Head Office of Kerry Properties Limited, alongside 25 managed properties in Hong Kong</li> </ul>	Environment Bureau and Electrical and Mechanical Services Department
<b>BEAM Plus New Buildings (NB) Version 1.2</b> <ul style="list-style-type: none"> <li>Final Silver Rating: 10 LaSalle, Hong Kong</li> <li>Provisional Gold Rating: Proposed Residential Development at Site D of Wong Chuk Hang Station Property Development, Hong Kong</li> </ul>	Hong Kong Green Building Council
<b>BEC Jockey Club Intelligent Resource Management Programme</b> <ul style="list-style-type: none"> <li>Certificate of Good Waste Reduction and Recycling Performance: Branksome Grande, Lions Rise and Regency Park (all in Hong Kong)</li> </ul>	Business Environment Council
<b>CarbonCare® Label and CarbonCare® Star Label 2021</b> <ul style="list-style-type: none"> <li>Kerry Properties Limited</li> </ul>	CarbonCare InnoLab

**A. Environment**

Awards	Issuing Authority
<p><b>Charter on External Lighting 2020-2021</b></p> <ul style="list-style-type: none"> <li>Platinum Award: Head Office of Kerry Properties Limited, alongside 14 managed properties in Hong Kong</li> <li>Gold Award: 6 managed properties in Hong Kong</li> </ul>	<p>Environment Bureau</p>
<p><b>Certificate of Green Building Label – 2-Star</b></p> <ul style="list-style-type: none"> <li>Tianjin Kerry Centre Phase II; Kerry Parkside and Jing An Kerry Centre, Shanghai</li> </ul>	<p>Tianjin Housing and Urban-Rural Construction Commission and Shanghai Green Building Council</p>
<p><b>Energy Saving Charter 2021</b></p> <ul style="list-style-type: none"> <li>Participation Certificate: Head Office of Kerry Properties Limited, along with 28 managed properties in Hong Kong</li> </ul>	<p>Environment Bureau and Electrical and Mechanical Services Department</p>
<p><b>Hong Kong Green Awards 2021</b></p> <ul style="list-style-type: none"> <li>Green Management Award – Corporate (Large Corporation) – Gold and Sustained Performance (12 years +): Kerry Properties Limited</li> <li>Sustainable Procurement Award (Large Corporation) – Grand Award: Kerry Properties Limited</li> </ul>	<p>Green Council</p>
<p><b>Hong Kong Green Organisation</b></p> <ul style="list-style-type: none"> <li>Kerry Properties Limited, alongside 29 managed properties in Hong Kong</li> </ul>	<p>Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies</p>
<p><b>Hong Kong Green Organisation Certification - Carbon Reduction</b></p> <ul style="list-style-type: none"> <li>Kerry Properties Limited</li> </ul>	<p>Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies</p>
<p><b>Hong Kong Green Organisation Certification – Energywi\$e Certificate</b></p> <ul style="list-style-type: none"> <li>Excellence Level: The Altitude, Hong Kong</li> <li>Good Level: May Towers, SOHO 38 and Valverde (all in Hong Kong)</li> <li>Basic Level: 18 managed properties in Hong Kong</li> </ul>	<p>Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies</p>
<p><b>Hong Kong Green Organisation Certification – IAQwi\$e Certificate</b></p> <ul style="list-style-type: none"> <li>Excellence Level: Head Office of Kerry Properties Limited and common areas of Kerry Centre, Hong Kong</li> </ul>	<p>Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies</p>
<p><b>Hong Kong Green Organisation Certification – Wastewi\$e Certificate</b></p> <ul style="list-style-type: none"> <li>Excellence Level: Kerry Properties Limited and 27 managed properties in Hong Kong</li> <li>Basic Level: Dragons Range, Lions Rise and Resiglow – Happy Valley (all in Hong Kong)</li> </ul>	<p>Environmental Campaign Committee, Environmental Protection Department and nine leading trade associations and professional bodies</p>



**A. Environment**

Awards	Issuing Authority
<p><b>Indoor Air Quality Certification</b></p> <ul style="list-style-type: none"> <li>• Excellent Class: Branksome Crest, Head Office of Kerry Properties Limited and common areas of Kerry Centre (all in Hong Kong)</li> <li>• Good Class: Common areas of Enterprise Square &amp; Enterprise Square Three, Tavistock and Tavistock II &amp; Aigburth (all in Hong Kong)</li> </ul>	<p>Environmental Protection Department</p>
<p><b>LEED v4 Operations and Maintenance: Existing Buildings Certification</b></p> <ul style="list-style-type: none"> <li>• Gold: Shenyang Kerry Centre (Towers A &amp; B) and Kerry Parkside, Shanghai</li> <li>• Pre-certification: Qianhai Kerry Centre (Phase III), Shenzhen</li> </ul>	<p>U.S. Green Building Council</p>
<p><b>LEED v4.1 Operations and Maintenance: Existing Buildings Certification</b></p> <ul style="list-style-type: none"> <li>• Platinum: Jing An Kerry Centre (Towers 1, 2 &amp; 3) and Kerry Parkside - Office Tower, Shanghai</li> <li>• Pre-certification: Fuzhou Rivercity</li> </ul>	<p>U.S. Green Building Council</p>
<p><b>LEED Homes Awards</b></p> <ul style="list-style-type: none"> <li>• Honorable Mention for Project of the Year: Qianhai Kerry Centre (Apartments), Shenzhen</li> </ul>	<p>U.S. Green Building Council</p>
<p><b>LEED Zero Waste Certification</b></p> <ul style="list-style-type: none"> <li>• Enterprise Centre at Kerry Everbright City Phase III, Shanghai</li> </ul>	<p>U.S. Green Building Council</p>
<p><b>RESET™ Air for Core &amp; Shell Certification</b></p> <ul style="list-style-type: none"> <li>• Maintained by Beijing Kerry Centre; Enterprise Centre at Kerry Everbright City Phase III, Hangzhou Kerry Centre; Jing An Kerry Centre and Kerry Parkside, Shanghai; Kerry Centre, Hong Kong; and Shenzhen Kerry Plaza</li> </ul>	<p>GIGA</p>
<p><b>TRUE Zero Waste Certification – Platinum</b></p> <ul style="list-style-type: none"> <li>• Kerry Everbright City Phase III – Enterprise Centre, Shanghai</li> </ul>	<p>Green Business Certification Inc. (GBCI)</p>
<p><b>WELL Building Certifications</b></p> <ul style="list-style-type: none"> <li>• Platinum: 7/F Office of Tower 2, Enterprise Centre at Kerry Everbright City Phase III, Shanghai; Kerry Centre, Hong Kong</li> <li>• Gold: Bayview A2 and T1 &amp; T2 Offices, Qianhai Kerry Centre, Shenzhen</li> <li>• Pre-certification: Qianhai Kerry Centre Phase III, Shenzhen and Podium AEI of Kerry Everbright City Phase 1, Shanghai</li> </ul>	<p>International WELL Building Institute</p>
<p><b>WELL Health-Safety Rating</b></p> <ul style="list-style-type: none"> <li>• Property in Hong Kong: Kerry Centre &amp; Enterprise Square Five</li> <li>• Properties in the Mainland: Central Residences II, Jing An Kerry Centre (residence) and Kerry Parkside (serviced residence), Shanghai and Beijing Kerry Residence</li> </ul>	<p>International WELL Building Institute</p>

**B. Corporate Governance and Citizenship**

<b>Awards</b>	<b>Issuing Authority</b>
<b>5<sup>th</sup> CSR China Education Award 2021 – Top 100</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	CSR China Education Award Organising Committee
<b>10 Years Plus Caring Company</b> <ul style="list-style-type: none"> <li>• MegaBox Development Company Limited and MegaBox Management Services Limited</li> </ul>	The Hong Kong Council of Social Service
<b>15 Years Plus Caring Company</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	The Hong Kong Council of Social Service
<b>2021 Happy Company</b> <ul style="list-style-type: none"> <li>• Kerry Centre, Hong Kong</li> </ul>	Promoting Happiness Index Foundation
<b>CAPITAL ESG Awards 2021</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	<i>CAPITAL</i>
<b>Construction Industry Volunteer Award Scheme 2021</b> <ul style="list-style-type: none"> <li>• Excellence in Construction Industry Volunteering Project – Merit and Participation Award: Kerry Project Management (H.K.) Limited</li> </ul>	Construction Industry Council
<b>ERB Manpower Developer Scheme – Super Manpower Developer</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	Employees Retraining Board
<b>Fair Trade Award - Gold Award</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	Fair Trade Hong Kong
<b>Future Smile – Whole Heart and Brightness Award</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	Future Smile Charitable Foundation
<b>HKQAA CSR Index Plus – CSR Advocate Mark</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	Hong Kong Quality Assurance Agency
<b>Hong Kong Corporate Governance and ESG Excellence Awards 2021 – Winner of ESG Excellence Awards</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	The Chamber of Hong Kong Listed Companies Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University
<b>Hong Kong Sustainability Award 2020/21 - Certificate of Excellence</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	The Hong Kong Management Association
<b>Outstanding Caring Enterprise 2021</b> <ul style="list-style-type: none"> <li>• Kerry Shenyang Real Estate Development Company Limited</li> </ul>	Liaoning Provincial Foundation for Disabled Persons
<b>RICS Hong Kong Awards 2021 – Finalist in Sustainability Awards</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	The Royal Institution of Chartered Surveyors (RICS)

**B. Corporate Governance and Citizenship**

<b>Awards</b>	<b>Issuing Authority</b>
<b>Sustainable Business Award &amp; Sustainable Leadership Award 2021</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	World Green Organisation
<b>The Asset ESG Corporate Awards 2021 – Benchmark Award – Platinum Award</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	The Asset

**C. Property Development and Management Quality**

<b>Awards</b>	<b>Issuing Authority</b>
<b>BCI Asia Awards 2021 – Top Ten Developers – Hong Kong</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	BCI Central
<b>International Facility Management Association 2021 – Asia Pacific Awards of Excellence in Environmental Stewardship</b> <ul style="list-style-type: none"> <li>• Certificate of Merit: Enterprise Centre at Kerry Everbright City Phase III, Shanghai</li> </ul>	International Facility Management Association
<b>Kowloon East Best Security Services Awards 2020-2021</b> <ul style="list-style-type: none"> <li>• The Outstanding Security Partnership Award: MegaBox Management Services Limited</li> </ul>	Hong Kong Police Force
<b>MIPIM Asia Awards 2020</b> <ul style="list-style-type: none"> <li>• Silver Award in Best Green Development: Qianhai Kerry Centre, Shenzhen</li> </ul>	Reed MIDEM
<b>The 20<sup>th</sup> Hong Kong Occupational Safety and Health Award – Safety Performance Award – Outstanding</b> <ul style="list-style-type: none"> <li>• Kerry Project Management (H.K.) Limited</li> </ul>	Occupational Safety and Health Council (OSHC)
<b>The 22<sup>nd</sup> Construction Safety Award</b> <ul style="list-style-type: none"> <li>• Outstanding Metal Scaffolder in Occupational Safety and Health – Merit: Wong Chuk Hang Station Package Two Property Development, Hong Kong</li> </ul>	Occupational Safety and Health Council (OSHC)
<b>Top 100 Chinese Real Estate Companies (Non-Mainland Enterprises) and Top 100 China Commercial Real Estate Companies 2021</b> <ul style="list-style-type: none"> <li>• Kerry Properties Limited</li> </ul>	Guandian
<b>Top 100 Investment and Operation Award for Commercial Office Buildings in China 2020</b> <ul style="list-style-type: none"> <li>• Beijing Kerry Centre</li> </ul>	The Committee of the Top 100 Commercial Office Buildings Investment and Operation in China
<b>Workplace Hygiene Competition 2021</b> <ul style="list-style-type: none"> <li>• Runner Up: Main Contract Works for Wong Chuk Hang Station Package Two Property Development, Hong Kong</li> </ul>	MTR Corporation Limited

**D. Disclosure and Reporting**

**Awards**

**Issuing Authority**

**ARC Awards 2021**

- Silver Award in Design/Graphics – Sustainability Report: Hong Kong: Sustainability Report 2019
- Bronze Award in Late Published (Online A.R.): Sustainability Report 2019

MerComm, Inc.

**Asia Sustainability Reporting Awards 2021**

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

CSRWorks International

**ASTRID Awards 2021**

- Grand and Gold Awards in Annual Reports – Specialized – Sustainability Report: Sustainability Report 2019
- Bronze Award in Annual Reports – Specialized – ESG Report: Sustainability Report 2019

MerComm, Inc.

**BDO ESG Awards 2022 - Middle Market Capitalisation**

- ESG Report of the Year; Best in ESG Awards; Best in Reporting Awards: Sustainability Report 2020

BDO Limited

**GALAXY Awards 2021**

- Honors in Mobile Media – Annual Report: Sustainability Report 2020 Website
- Honors in Design – Various – Environmental/Societal/Governance (ESG) Report: Sustainability Report 2020

MerComm, Inc.

**iNOVA Awards 2021**

- Grand and Gold Awards in Speciality Reports – Environment, Social & Governance Report: Sustainability Report 2020

MerComm, Inc.

**International Annual Report Design Awards 2021**

- Silver Award in Integrated Presentation: Sustainability Report 2020
- Bronze Award in Cover Design: Sustainability Report 2020

IADA

**IR Magazine Greater China Awards 2021**

- Best ESG Materiality Reporting (small to mid-cap): Sustainability Report 2020

IR Magazine

**MERCURY Excellence Awards 2020-2021**

- Silver Award in Annual Reports – Specialized – Sustainability Report: Sustainability Report 2019
- Honors in Annual Reports – Overall Presentation – Property Development: Sustainability Report 2019

MerComm, Inc.

**The Best Annual Reports Awards 2021**

- Excellence Award in Environmental, Social and Governance Reporting: Sustainability Report 2020

The Hong Kong Management Association

**Sustainability Accreditations**

Accreditation Organisation	Achievement
CDP	C
Greater Bay Area Business Sustainability Index 2020 (GBABSI)	Top 10 Achiever
GRESB (Global Real Estate Sustainability Benchmark)	5-Star Rating; 1st in Public Disclosure under China-HKSAR/Diversified comparison group; 2nd in Eastern Asia Diversified Listed; and 3rd in Global Diversified Listed categories
Hang Seng (Mainland and HK) Corporate Sustainability Index	Index Member
Hang Seng Corporate Sustainability Benchmark Index	Index Member
Hang Seng Corporate Sustainability Index Series 2021	ESG Rating: AA+
Hang Seng ESG 50 Index	Index Member
MSCI ESG Rating	ESG Rating: BBB
Sustainalytics	ESG Risk Rating: Low Risk
Vigeo Eiris ESG Assessment	Member Rating: Limited

**Memberships & Charters**

Partner / Authority	Memberships & Charters
World Green Organisation	Asian Corporate Coalition for Climate Change Resilience - Steering Member
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<sup>1,2</sup>

Indicator	Unit	GHG emissions <sup>3</sup>							
		Hong Kong				The Mainland			
		2021	2020	2019	2018	2021	2020	2019	2018
<b>Direct GHG emissions (Scope 1)</b>	tonnes of CO <sub>2</sub> e	58	39	58	61	4,302	6,592	11,122 <sup>4</sup>	5,298
<b>Energy indirect GHG emissions (Scope 2)<sup>5</sup></b>	tonnes of CO <sub>2</sub> e	20,695	25,923	28,835	26,595	77,851	78,618	71,361	63,766
<b>Other indirect GHG emissions (Scope 3)<sup>6</sup></b>	tonnes of CO <sub>2</sub> e	528	560	692	717	13	48	56	47
<b>Total GHG emissions</b>	tonnes of CO <sub>2</sub> e	21,281	26,522	29,585	27,373	82,166	85,258	82,539	69,111
<b>GHG intensity<sup>7</sup></b>	tonnes of CO <sub>2</sub> e /1,000ft <sup>2</sup>	7.41	9.20	10.27	10.13	8.81	8.98	9.82	9.27

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

2. Numbers may not add up due to rounding.

3. 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 (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs) while perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) are not applicable.
- No biogenic CO<sub>2</sub> 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 Hong Kong Electric Company Limited in 2021, 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 methane gas generation at landfill due to disposal of paper waste. The quantification process and emission factor referenced the methodology of calculating GHG emissions of methane gas generation at landfill due to disposal of paper waste in Hong Kong as stated in remark 3.

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

		Waste							
Indicator	Unit	Hong Kong				The Mainland			
		2021	2020	2019	2018	2021	2020	2019	2018
<b>Waste generated (Hazardous)<sup>8</sup></b>	tonnes	1.8	1.6	1.9	1.6	5.8	6.4	4.1	3.9
<b>Waste generated (Non-hazardous)</b>	tonnes	70,024	15,162	19,178	11,208	351,479	55,198	59,826	50,125
<b>Waste disposal (Non-hazardous)<sup>9</sup></b>	tonnes	15,670	8,047	8,014	7,829	335,939	52,470	58,998	49,277
<b>Waste recycled / reused (Non-hazardous)</b>	tonnes	54,353	7,116	11,164	3,379	15,540	2,728	828	848
Paper	tonnes	299	286	291	271	356	355	527	546
Plastic	tonnes	14	5	2	1	61	63	59	79
Metals	tonnes	4	3	2	2	643	22	28	38
Mercury-free batteries	tonnes	-	-	-	-	-	-	-	-
Glass	tonnes	23	7	16	12	2	-	-	-
Clothes	tonnes	-	4	7	5	2	-	-	-
Foodwaste	tonnes	18	13	16	2	4,430	2,287 <sup>10</sup>	215	185
Clotheshanger	tonnes	2	2	1	1	-	-	-	-
C&Dwaste	tonnes	53,995	6,796	10,830	3,085	10,047	-	-	-

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

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			
		2021	2020	2019	2018	2021	2020	2019	2018
<b>Energy consumption</b>									
<b>Direct energy consumption</b>									
Diesel	GJ	162	121	77	116	240	-	-	36
Petrol	GJ	542	327	610	646	67	38	90	126
Petrol Liquefied Petroleum Gas (LPG)	GJ	32	52	51	14	-	-	-	-
Natural gas	GJ	-	-	-	-	82,386	60,007	60,297	64,948
<b>Indirect energy consumption</b>									
Electricity consumption	GJ	162,901	161,229	181,020	163,831	438,213	440,928	402,914	363,619
Heat consumption	GJ	-	-	-	-	34,144	37,572	36,303	33,877
<b>Total</b>									
Total energy consumption <sup>11</sup>	GJ	163,637	161,729	181,758	164,607	555,051	538,545	499,603	462,606
Energy consumption intensity	GJ/1,000ft <sup>2</sup>	57.0	56.1	63.1	60.9	59.5	56.7	59.5	62.1
<b>Water consumption</b>									
Total fresh water consumption	1,000m <sup>3</sup>	195	175 <sup>12</sup>	182	214	1,103	1,127	1,069	995
Water consumption intensity	m <sup>3</sup> /ft <sup>2</sup>	0.068	0.061 <sup>12</sup>	0.063	0.079	0.118	0.119	0.127	0.134
<b>Paper consumption</b>									
Total paper consumption	tonnes	4.6	12.6	13.5	13.4	2.6	8.5	8.9	8.5

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

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 Practice

#### Total workforce by gender, age group, employee category and region<sup>13</sup>

Region	Gender	Employee Category	Age Group			Total (by gender)	Total (by region)
			Under 30	Age 30-50	Over 50		
Hong Kong	Male	Management	0	24	27	1,025	1,559
		Managerial	1	85	46		
		General Staff	80	310	452		
	Female	Management	0	19	17	534	
		Managerial	0	65	15		
		General Staff	109	193	116		
The Mainland	Male	Management	0	47	23	1,946	3,216
		Managerial	4	145	26		
		General Staff	293	1,105	303		
	Female	Management	0	36	11	1,270	
		Managerial	2	152	8		
		General Staff	348	675	38		
<b>Total</b>			837	2,856	1,082	4,775	4,775

#### Total workforce by gender, employment contract, employment type and region<sup>13</sup>

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	1,019	0	6	0	1,025	1,559
	Female	527	5	2	0	534	
The Mainland	Male	1,946	0	0	0	1,946	3,216
	Female	1,270	0	0	0	1,270	
<b>Total</b>		4,762	5	8	0	4,775	4,775

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 employee shired by gender, age group, employee category and region<sup>14</sup>**

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%	8	33.3%	2	7.4%	249 (24.3%)	372 (23.9%)
		Managerial	0	0%	17	20.0%	2	4.3%		
		General Staff	54	67.5%	82	26.5%	84	18.6%		
	Female	Management	0	0%	2	10.5%	2	11.8%	123 (23.0%)	
		Managerial	1	0%	9	13.8%	0	0.0%		
		General Staff	61	56.0%	31	16.1%	17	14.7%		
The Mainland	Male	Management	0	0%	12	25.5%	4	17.4%	431 (22.1%)	701 (21.8%)
		Managerial	1	25.0%	27	18.6%	2	7.7%		
		General Staff	162	55.3%	212	19.2%	11	3.6%		
	Female	Management	0	0%	7	19.4%	1	9.1%	270 (21.3%)	
		Managerial	2	100.0%	31	20.4%	1	12.5%		
		General Staff	134	38.5%	93	13.8%	1	2.6%		
<b>Total</b>			415		531		127	1073 (22.5%)	1073 (22.5%)	

**Total number of new employee shired 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	246	0	3	0	249	372
	Female	120	0	3	0	123	
The Mainland	Male	431	0	0	0	431	701
	Female	270	0	0	0	270	
<b>Total</b>		1,067	0	6	0	1,073	1,073

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**

Hong Kong				The Mainland			
2021	2020	2019	2018	2021	2020	2019	2018
23.9%	20.2%	27.4%	32.0%	21.8%	15.9%	18.1%	18.5%

**Ratio of basic salary and remuneration of female employees to male employees<sup>15,16,17</sup>**

Region	Employee Category	Ratio of Basic salary	Ratio of Remuneration
Hong Kong	Management	1:0.97	1:1.01
	Managerial	1:0.97	
	General Staff	1:1	
The Mainland	Management	1:1.05	1:0.77
	Managerial	1:0.91	
	General Staff	1:0.64	

**Summary of ratio of remuneration of female employees to male employees<sup>15,16,17</sup>**

Hong Kong				The Mainland			
2021	2020	2019	2018	2021	2020	2019	2018
1:1.01	1:1.05	1:0.82	1:1.24	1:0.77	1:0.76	1:0.996	1:0.93

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<sup>18</sup>**

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%	4	14.8%	257 (25.1%)	390 (25.0%)
		Managerial	0	0%	14	16.5%	6	13.0%		
		General Staff	49	61.3%	84	27.1%	100	22.1%		
	Female	Management	0	0%	4	21.1%	3	17.6%	133 (24.9%)	
		Managerial	0	0%	9	13.8%	1	6.7%		
		General Staff	56	51.4%	40	20.7%	20	17.2%		
The Mainland	Male	Management	0	0%	3	6.4%	2	8.7%	357 (18.3%)	583 (18.1%)
		Managerial	0	0%	19	13.1%	2	7.7%		
		General Staff	124	42.3%	183	16.6%	24	7.9%		
	Female	Management	0	0%	3	8.3%	2	18.2%	226 (17.8%)	
		Managerial	0	0%	20	13.2%	0	0%		
		General Staff	111	31.9%	87	12.9%	3	7.9%		
<b>Total</b>			340		466		167	973 (20.4%)	973 (20.4%)	

**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	253	0	4	0	257	390
	Female	127	2	4	0	133	
The Mainland	Male	357	0	0	0	357	583
	Female	226	0	0	0	226	
<b>Total</b>		963	2	8	0	973 (20.4%)	973 (20.4%)

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<sup>18</sup>**

Hong Kong				The Mainland			
2021	2020	2019	2018	2021	2020	2019	2018
25.0%	26.9%	24.9%	29.4%	18.1%	17.4%	19.9%	25.0%

**Average employment tenure of employees in years<sup>19</sup>**

Gender	Hong Kong	The Mainland
Male	7.012	6.246
Female	7.457	5.748
Total	7.164	6.049

**Summary of parental leave by gender and region**

Region	Gender	Total number of employees that were entitled to parental leave in 2021 <sup>20</sup>	Total number of employees that took parental leave in 2021	Total number of employees that should return to work in 2021 after parental leave ended	Total number of employees that did return to work in 2021 after parental leave ended	Return to work rate of employees in 2021 that took parental leave <sup>21</sup>
Hong Kong	Male	1,019	16	16	16	100%
	Female	532	11	11	9	82%
The Mainland	Male	1,946	35	35	35	100%
	Female	1,270	57	41	37	90%

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 2021 after parental leave ended / total number of employees that should return to work in 2021 after parental leave ended x 100%.

## Health and Safety

Work-related fatalities <sup>22,23</sup>									
Region	Gender	Group employees				Other workers <sup>24</sup>			
		Total number of hours worked <sup>25</sup>	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	2,050,000	0	0	0.00	0.00	549,146	0	0.00
	Female	1,068,000	0		0.00				
The Mainland	Male	3,892,000	0	0	0.00	0.00	2,720,689	0	0.00
	Female	2,540,000	0		0.00				
<b>Total</b>		9,550,000	0	0	0.00	0.00	3,269,835	0	0.00

High-consequence work-related injuries <sup>26,27,28</sup>									
Region	Gender	Group employees				Other workers <sup>24</sup>			
		Total number of hours worked <sup>25</sup>	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	2,050,000	0	0	0.00	0.00	549,146	0	0.00
	Female	1,068,000	0		0.00				
The Mainland	Male	3,892,000	0	0	0.00	0.00	2,720,689	0	0.00
	Female	2,540,000	0		0.00				
<b>Total</b>		9,550,000	0	0	0.00	0.00	3,269,835	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 <sup>29,30,31</sup>									
Region	Gender	Group employees				Other workers <sup>24</sup>			
		Total number of hours worked <sup>25</sup>	Recordable work-related injuries reported <sup>32</sup>	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	2,050,000	10	13	0.98	9.76	549,146	1	0.36
	Female	1,068,000	3		0.56	5.62			
The Mainland	Male	3,892,000	14	16	0.72	7.19	2,720,689	2	0.15
	Female	2,540,000	2		0.16	1.57			
<b>Total</b>		9,550,000	29	29	0.61	6.07	3,269,835	3	0.18

Summary of lost days <sup>33,34</sup>						
Region	Gender	Lost days due to work-related injuries / occupational diseases	Days scheduled to work <sup>35</sup>	Lost day rate	Overall lost days due to work-related injuries / occupational diseases by region	Overall lost day rate by region
Hong Kong	Male	184	256,250	0.07%	200	0.05%
	Female	16	133,500	0.01%		
The Mainland	Male	514	486,500	0.11%	655	0.08%
	Female	141	317,500	0.04%		
<b>Total</b>		855	1,193,750	0.07%	855	0.07%

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<sup>34</sup>

Hong Kong				The Mainland			
2021	2020	2019	2018	2021	2020	2019	2018
0.05%	0.22%	0.16%	0.51%	0.08%	0.10%	0.08%	0.10%

Summary of absent days<sup>36,37</sup>

Region	Gender	Number of absent days	Days scheduled to work <sup>35</sup>	Absentee rate	Overall number of absent days by region	Overall absentee rate by region
Hong Kong	Male	573	256,250	0.22%	716	0.18%
	Female	144	133,500	0.11%		
The Mainland	Male	11,443	486,500	2.35%	20,157	2.51%
	Female	8,714	317,500	2.74%		
<b>Total</b>		20,873	1,193,750	1.75%	20,873	1.75%

Training and Development

Total number and rate of employees trained by gender, employee category and region<sup>38,39,40</sup>

Region	Gender	Employee category			Total (by gender)	Total (by region)
		Management	Managerial	General staff		
Hong Kong	Male	45 (88.2%)	131 (99.2%)	809 (96.1%)	985 (96.1%)	1,513 (97.0%)
	Female	35 (97.2%)	80 (100%)	413 (98.8%)		
The Mainland	Male	71 (101.4%)	257 (146.9%)	1,542 (90.7%)	1,870 (96.1%)	3,086 (96.0%)
	Female	50 (106.4%)	232 (143.2%)	934 (88.0%)		
<b>Total</b>		201 (98.5%)	700 (127.5%)	3,698 (91.9%)	4,599 (96.3%)	4,599 (96.3%)

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 and those who were promoted during the reporting period, hence the percentage of employees trained may exceed 100%.



**Average training hours by gender, employee category and region<sup>39,41</sup>**

Region	Gender	Employee category			Total (by gender)	Total (by region)
		Management	Managerial	General staff		
Hong Kong	Male	12.6	16.6	13.7	14.0	13.7
	Female	22.4	17.3	11.4	13.0	
The Mainland	Male	41.4	41.2	22.6	25.0	23.1
	Female	42.1	36.7	16.7	20.2	
<b>Total</b>		31.0	30.5	18.0	20.03	20.03

**Summary of annual employee trained rate<sup>39,40,41</sup>**

Hong Kong				The Mainland			
2021	2020	2019	2018	2021	2020	2019	2018
97.0%	63.0%	75.8%	88.1%	96.0%	91.3%	87.6%	85.1%

**Supply Chain Management**

**Total number of vendors<sup>42,43</sup>**

Supply Chain Management	Hong Kong				The Mainland			
	2021	2020	2019	2018	2021	2020	2019	2018
<b>Total number of vendors for property development</b>	1,185	1,059	968	901	646	1,081	114	38
<b>Total number of vendors for property management</b>	860	819	469	826	2,160	4,866	1,703	1,107

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 2021 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 746477**



**Kerry Properties Limited  
Sustainability Report 2021**



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 2021 (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 2021 to 31st December 2021. 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 sustainability development are widely recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers. We planned and performed this part of our work to obtain the necessary information and explanations. We considered KPL has provided sufficient evidence that KPL’s self-declaration of 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 organizational developments;
- Review of supporting evidence for claims made in the Report; and
- An assessment of the company’s reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles 2018 Standard (“AA1000AP (2018)”).

### Conclusions

A detailed review against the AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact, and the HKEX ESG Guide, and in accordance with 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 Annual/Special General Meetings; Annual and interim reports;

Sustainability reports; Investor visits/briefings; Response to investor surveys and benchmarking exercises; Press and analysts' conferences; Press releases; Public/community events; Community initiatives; Corporate volunteer team and employee volunteering activities; Mailing/Emailing for feedback; Surveys; Meetings; Green Construction Site Award; Kerry Project – Community Caring Scheme; Safety briefings; Tendering and procurement processes; Orientation and training sessions; Team building activities; Recreational activities; Sustainability committees and taskforces; Employee opinion surveys; Annual performance appraisal; Intranet and emails; Newsletters; Customer satisfaction surveys; Customer service hotlines; Corporate publications; Public consultations; Conferences, forums and seminars; Research studies; Student partnership programmes; Event venue sponsorships; Focus groups; Partnership programmes; Sponsorships and donations; Media briefings; Feedback and response to enquiries; and more.

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

**Materiality**

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

**Responsiveness**

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

**Impact**

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

**GRI Standards Reporting**

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all three categories (Environmental, Social and Economic) are reported in accordance with the GRI Standards: 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. Stephen Yu  
Chief Operating Officer – Hong Kong  
China Operational Resilience Director

Hong Kong  
24th May 2022





## SEHK ESG GUIDE CONTENT INDEX

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
MD13 Corporate Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	Board Statement on Sustainability Management Message from the Sustainability Steering Committee Our Sustainability Approach - Sustainability Governance	7 8 11-16
MD 14 Reporting Principle	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.  Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.  Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report - Reporting Guidelines	101
MD 15 Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report - Reporting Boundary of Sustainability Data 2021	102

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect A1</b>	<b>Emissions</b>		
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 - Our Approach to Climate-related Financial Disclosures Environment - Sustainable Buildings Environment - Climate Change and Carbon / Energy Management Environment - Waste Management Environment - Water Management  Relevant policies: <b><u>Climate Change Policy</u></b> <b><u>Environmental Policy</u></b> <b><u>Group Environmental Protection Policy</u></b> <b><u>Sustainability Policy</u></b>	11-16 31-34 38-43 44-47 49 50
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)	Environment - Climate Change and Carbon / Energy Management Performance Data Summary	44-47 110-121
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environment - Waste Management Performance Data Summary	49 110-121
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environment - Waste Management Performance Data Summary	49 110-121
A1.5	Description of emissions target(s) set and steps taken to achieve them	Our Sustainability Approach - Our Approach to Climate-related Financial Disclosures - Metrics and Targets Environment - Overview Environment - Climate Change and Carbon / Energy Management Performance Data Summary	34 37 44-47 110-121
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	Environment - Overview Environment - 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.	37 49 110-121

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect A2</b>	<b>Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Our Sustainability Approach - Sustainability Governance Environment - Sustainable Buildings Environment - Climate Change and Carbon / Energy Management Environment - Water Management  Relevant policies: <b><u>Climate Change Policy</u></b> <b><u>Environmental Policy</u></b> <b><u>Green Procurement Policy</u></b> <b><u>Group Environmental Protection Policy</u></b> <b><u>Sustainability Policy</u></b> <b><u>Sustainable Procurement Policy</u></b>	11-16 38-43 44-47 50
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)	Environment - Climate Change and Carbon / Energy Management Performance Data Summary	44-47 110-121
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Environment - Water Management Performance Data Summary	50 110-121
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Environment - Overview Environment - Climate Change and Carbon / Energy Management Performance Data Summary	37 44-47 110-121
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	Environment - Overview Environment - Water Management Performance Data Summary  In 2021, 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.	37 50 110-121
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	In 2021, there were no massive use of packaging material involved in our products	-

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect A3</b>	<b>The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources	Our Sustainability Approach - Sustainability Governance Environment - Sustainable Buildings  Relevant policies: <b><u>Climate Change Policy</u></b> <b><u>Environmental Policy</u></b> <b><u>Green Procurement Policy</u></b> <b><u>Group Environmental Protection Policy</u></b> <b><u>Sustainability Policy</u></b> <b><u>Sustainable Procurement Policy</u></b> <b><u>Biodiversity Policy</u></b>	11-16 38-43
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environment - Sustainable Buildings	38-43
<b>Aspect A4</b>	<b>Climate Change</b>		
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 - Our Approach to Climate-related Financial Disclosures  Relevant policies: <b><u>Climate Change Policy</u></b> <b><u>Group Environmental Protection Policy</u></b> <b><u>Sustainability Policy</u></b>	11-16 31-34
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 - Our Approach to Climate-related Financial Disclosures	31-34

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect B1 Employment</b>			
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 - Human Capital Management  Relevant policy: <b><u>Equal Opportunity and Anti-Discrimination Policy</u></b>  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.	11-16 56-58
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	People - Human Capital Management 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.	56-58 110-121
B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary	110-121
<b>Aspect B2 Health and Safety</b>			
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 - Occupational Health and Safety Value Chain - Responsible Supply Chain Management  Relevant policy: <b><u>Corporate Health and Safety Policy</u></b>	11-16 61-63 91-93
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	People - 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.	61-63 91-93 110-121



<b>Aspects, General Disclosure, KPIs</b>	<b>Description</b>	<b>Reference and Remarks</b>	<b>Page No.</b>
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	110-121
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	61-63 91-93
<b>Aspect B3</b>	<b>Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Our Sustainability Approach - Sustainability Governance People - Learning and Development	11-16 59-60
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Performance Data Summary	110-121
B3.2	The average training hours completed per employee by gender and employee category	People - Learning and Development Performance Data Summary	59-60 110-121
<b>Aspect B4</b>	<b>Labour Standards</b>		
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 - Human Capital Management	11-16 56-58
B4.1	Description of measures to review employment practices to avoid child and forced labour	People - Human Capital Management	56-58
B4.2	Description of steps taken to eliminate such practices when discovered	People - Human Capital Management  There were no such practices discovered in our operations.	56-58



Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect B5</b>	<b>Supply Chain Management</b>		
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><b>Green Procurement Policy</b></u> <u><b>Sustainable Procurement Policy</b></u> <u><b>Vendor Code of Conduct</b></u>	11-16 91-93
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.	110-121
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	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment - From Feedback to Action Value Chain	22-23 29-30 82-95
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Our Sustainability Approach - Sustainability Governance - ESG Risk Identification and Management Our Sustainability Approach - Materiality Assessment - From Feedback to Action Value Chain	15 29-30 82-95
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 - Sustainable Procurement Environment - Sustainable Buildings - Life Cycle Management Approach  Relevant Policy: <u><b>Green Procurement Policy</b></u>	92 39-42

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect B6</b>	<b>Product Responsibility</b>		
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 - Responsible Marketing  Relevant policies: <b><u>Competition Law Policy Statement</u></b> <b><u>Personal Data (Privacy) Policy Statement</u></b>  In 2021, there were no violations of the laws and regulations regarding health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	11-16 90
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  There were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on our operations.	87-90
B6.3	Description of practices relating to observing and protecting intellectual property rights	Value Chain - Customer Orientation	87-90
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.	87-90
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Value Chain - Customer Orientation	87-90

Aspects, General Disclosure, KPIs	Description	Reference and Remarks	Page No.
<b>Aspect B7</b>	<b>Anti-Corruption</b>		
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: <b><u>Anti-Corruption Policy Statement</u></b> <b><u>Whistleblowing and Complaints Policy</u></b>	11-16
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 2021, 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	11-16
B7.3	Description of anti-corruption training provided to directors and staff	Our Sustainability Approach - Sustainability Governance	11-16
<b>Aspect B8</b>	<b>Community Investment</b>		
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 - Community Investment Strategy Community - Place-making Community - Caring for the Community Community - Community Well-being  Relevant policy: <b><u>Charitable Donations Policy Statement</u></b>	72-74 75-76 77-78 79
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Community - Community Investment Strategy Community - Place-making Community - Caring for the Community Community - Community Well-being	72-74 75-76 77-78 79
B8.2	Resources contributed (e.g. money or time) to the focus area	Community - Community Investment Strategy Community - Place-making Community - Caring for the Community Community - Community Well-being	72-74 75-76 77-78 79



## GRI CONTENT INDEX

GRI Standard Disclosures		References and Remarks	Page No.
<b>General Disclosures</b>			
<b>GRI 102: General Disclosures 2016</b>			
<b>Organisational Profile</b>			
102-1	Name of the organization	Cover Page	1
102-2	Activities, brands, products, and services	About KPL	5
		About KPL - Business Overview	6
		About This Report - Reporting Period and Scope	101
		In 2021, there were no banned products and services in any market.	
102-3	Location of headquarters	About KPL	5-6
102-4	Location of operations	About KPL	5-6
		About This Report - Reporting Period and Scope	101
102-5	Ownership and legal form	About KPL	5-6
102-6	Markets served	About KPL	5-6
		About This Report - Reporting Period and Scope	101
102-7	Scale of the organisation	About KPL - Business Overview	6
		About KPL - Key Financial Information	6
		People - Human Capital Management	56-58
		Performance Data Summary	110-121
		Annual Report 2021 - Financial Highlights (p.3)	
102-8	Information on employees and other workers	People - Human Capital Management	56-58
		Performance Data Summary	110-121
		In 2021, 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	
102-9	Supply chain	Value Chain - Responsible Supply Chain Management	91-93

<b>GRI Standard Disclosures</b>		<b>References and Remarks</b>	<b>Page No.</b>
102-10	Significant changes to the organisation and its supply chain	There were no significant changes in 2021.	-
102-11	Precautionary Principle or approach	Our Sustainability Approach - Sustainability Governance Annual Report 2021 - Risk Management and Internal Controls Report (p. 111-113)	11-16
102-12	External initiatives	Sustainability at a Glance - Sustainability Awards and Accreditations Annual Report 2021 - Awards and Citations (p. 72-89)	4
102-13	Memberships of associations	Sustainability at a Glance - Sustainability Awards and Accreditations Major Recognitions, Award, Charters and Memberships	4 103-109
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Board Statement on Sustainability Management Message from the Sustainability Steering Committee	7 8
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards and norms of behaviour	About KPL Our Sustainability Approach - Sustainability Governance	5-6 11-16
<b>Governance</b>			
102-18	Governance structure	Our Sustainability Approach - Sustainability Governance Annual Report 2021 - Corporate Governance Report (p. 94-103)	11-16
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Our Sustainability Approach - Stakeholder Engagement	22-23
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	22-23
102-43	Approach to stakeholder engagement	Our Sustainability Approach - Stakeholder Engagement	22-23
102-44	Key topics and concerns raised	Our Sustainability Approach - Stakeholder Engagement	22-23



GRI Standard Disclosures		References and Remarks	Page No.
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	About This Report - Reporting Boundary of Sustainability Data 2021 Annual Report 2021 - Particulars of Properties Held (p. 51-61)	102
102-46	Defining report content and topic boundaries	About This Report Message from the Sustainability Steering Committee Sustainability Vision 2030 Our Sustainability Approach - Materiality Assessment	101-102 8 17-18 24-30
102-47	List of material topics	Materiality Assessment - Material Topics and Their Respective Impact Boundary	25-28
102-48	Restatements of information	Performance Data Summary  There is no restatements of information in current report.	110-121
102-49	Changes in reporting	About This Report - Reporting Guidelines About This Report - Reporting Boundary of Sustainability Data 2021	101 102
102-50	Reporting period	About This Report - Reporting Period and Scope	101
102-51	Date of most recent report	Sustainability Report 2020 published in May 2021.	-
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 - Share Your Thoughts	102
102-54	Claims of reporting in accordance with GRI Standards	About This Report - Reporting Guidelines	101
102-55	GRI Content Index	GRI Content Index	133-145
102-56	External assurance	About This Report - Report Assurance Independent Assurance Opinion Statement	102 122-123



## Material Issues

GRI Standard Disclosures		References and Remarks	Page No.
<b>Topic-specific Standards</b>			
<b>GRI 200 Series: Economic Topics</b>			
<b>GRI 201: Economic Performance 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
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 2021 - Consolidated Statement of Cash Flows (p.137-138)	6
<b>GRI 203: Indirect Economic Impacts 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	About KPL - Business Overview	6
103-3	Evaluation of the management approach	Community - Community Investment Strategy Community - Place-making Community - Caring for the Community Community - Community Well-being	72-74 75-76 77-78 79
203-2	Significant indirect economic impacts	Community - Community Investment Strategy Community - Place-making Community - Caring for the Community Community - Community Well-being	72-74 75-76 77-78 79
<b>GRI 205: Anti-corruption 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment Our Sustainability Approach - Sustainability Governance - Business Ethics	22-23 24-30 15-16
103-2	The management approach and its components	Our Sustainability Approach - Stakeholder Engagement	22-23



<b>GRI Standard Disclosures</b>		<b>References and Remarks</b>	<b>Page No.</b>
103-3	Evaluation of the management approach	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Sustainability Governance - Business Ethics	22-23 15-16
205-3	Confirmed incidents of corruption and actions taken	Our Sustainability Approach - Stakeholder Engagement	22-23
<b>GRI 300 Series: Environmental Topics</b>			
<b>GRI 302: Energy 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Environment - Sustainable Buildings	38-43
103-3	Evaluation of the management approach	Environment - Climate Change and Carbon / Energy Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	44-47
302-1	Energy consumption within the organisation	Environment - Climate Change and Carbon / Energy Management	44-47
302-3	Energy intensity	Performance Data Summary	110-121
<b>GRI 303: Water and Effluents 2018</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Environment - Sustainable Buildings	38-43
103-3	Evaluation of the management approach	Environment - Water Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	50
303-1	Interactions with water as a shared resource	Environment - Water Management	50
		In 2021, 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.	
303-2	Management of water discharge-related impacts	We abide by the local ordinance's requirements for any water discharged.	-
303-5	Water consumption	Environment - Water Management Performance Data Summary	50 110-121
		No significant water stress is identified in our operations in the reporting period.	

GRI Standard Disclosures		References and Remarks	Page No.
<b>GRI 304: Biodiversity 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Environment – Biodiversity	51
103-3	Evaluation of the management approach	Environment – Green Culture Environment - Sustainable Buildings - Life Cycle Management Approach Our Sustainability Approach - Our Approach to Climate-related Financial Disclosures	51 38-42 31-34
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	As a minimum, ensure strict compliance with local biodiversity regulations and due diligence requirements to avoid or reduce ecological impact. Conduct biodiversity impact assessment for all new or existing developments assessed to be in critical biodiversity areas to evaluate and mitigate potential risks to threatened species of plants and wildlife.	-
<b>GRI 305: Emission 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Environment - Sustainable Buildings	38-43
103-3	Evaluation of the management approach	Environment - Climate Change and Carbon / Energy Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	44-47
305-1	Direct (Scope 1) GHG emissions	Environment - Overview	37
305-2	Energy indirect (Scope 2) GHG emissions	Environment - Climate Change and Carbon / Energy Management Performance Data Summary	44-47 110-121
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity	Due to the adequacy of data, 2017 was chosen as the base year for a fair comparison of performance.	
<b>GRI 306: Waste 2020</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Environment - Sustainable Buildings	38-43
103-3	Evaluation of the management approach	Environment - Waste Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	49
306-1	Waste generation and significant waste-related impacts	Environment - Waste Management	49



GRI Standard Disclosures		References and Remarks	Page No.
306-2	Management of significant waste-related impacts	Environment - Sustainable Buildings Environment - Waste Management	38-43 49
306-3	Waste generated	Environment - Waste Management	49
306-4	Waste diverted from disposal	Performance Data Summary	110-121
306-5	Waste directed to disposal		
<b>GRI 307: Environmental Compliance 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment Environment - Sustainable Buildings Environment - Waste Management	22-23 24-30 38-43 49
103-2	The management approach and its components	Environment - Sustainable Buildings	38-43
103-3	Evaluation of the management approach	Environment - Waste Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	49
307-1	Non-compliance with environmental laws and regulations	Our Sustainability Approach - Sustainability Governance  In 2021, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.	11-16
<b>GRI 400 Series: Social Topics</b>			
<b>GRI 401: Employment 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment People - Human Capital Management	22-23 24-30 56-58
103-2	The management approach and its components	People - Human Capital Management	56-58
103-3	Evaluation of the management approach		
401-1	New employee hires and employee turnover	People - Human Capital Management Performance Data Summary	56-58 110-121

<b>GRI Standard Disclosures</b>		<b>References and Remarks</b>	<b>Page No.</b>
<b>GRI 402: Labour/Management Relations 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment People - Human Capital Management People - Employee Engagement and Wellness	22-23 24-30 56-58 64-66
103-2	The management approach and its components	People - Employee Engagement and Wellness	64-66
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.	-
<b>GRI 403: Occupational Health and Safety 2018</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Employee Engagement and Wellness	64-66
103-3	Evaluation of the management approach	Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	
403-1	Occupational health and safety management system	People - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	61-63 91-93
403-2	Hazard identification, risk assessment, and incident investigation	People - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	61-63 91-93
403-3	Occupational health services	People - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	61-63 91-93
403-4	Worker participation, consultation, and communication on occupational health and safety	People - Occupational Health and Safety	61-63
403-5	Worker training on occupational health and safety	Value Chain - Responsible Supply Chain Management	91-93
403-6	Promotion of worker health	People - Occupational Health and Safety	61-63
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People - Occupational Health and Safety Value Chain - Responsible Supply Chain Management	61-63 91-93

<b>GRI Standard Disclosures</b>		<b>References and Remarks</b>	<b>Page No.</b>
403-9	Work-related injuries	People - Occupational Health and Safety Value Chain - Responsible Supply Chain Management Performance Data Summary  There was no high-consequence injuries during the reporting period. Please refer to the table of High-consequence work-related injuries in Performance Data Summary.	61-63 91-93 110-121
<b>GRI 404: Training and Education 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Learning and Development	59-60
103-3	Evaluation of the management approach		
404-1	Average hours of training per year per employee	Performance Data Summary	110-121
404-3	Percentage of employees receiving regular performance and career development reviews	People - Learning and Development  All employees received regular performance and career development reviews.	59-60
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Human Capital Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	56-58
103-3	Evaluation of the management approach		
405-2	Ratio of basic salary and remuneration of women to men	People - Human Capital Management Performance Data Summary  Hong Kong and the Mainland are considered as significant locations of our operations.	56-58 110-121
<b>GRI 406: Non-discrimination 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Human Capital Management Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	56-58



<b>GRI Standard Disclosures</b>		<b>References and Remarks</b>	<b>Page No.</b>
103-3	Evaluation of the management approach	People - Human Capital Management Our Sustainability Approach - Sustainability Governance - Whistleblowing Mechanism Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	56-58 16
406-1	Incidents of discrimination and corrective actions taken	No discrimination case was reported in the reporting period.	-
<b>GRI 408: Child Labour 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Human Capital Management	56-58
103-3	Evaluation of the management approach		
408-1	Operations and suppliers at significant risk for incidents of child labour	People - Human Capital Management  Child labour is not identified as a significant risk in our operations	56-58
<b>GRI 409: Forced Labour 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment People - Human Capital Management	22-23 24-30 56-58
103-2	The management approach and its components	People - Human Capital Management	56-58
103-3	Evaluation of the management approach	Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	People - Human Capital Management  Forced labour is not identified as a significant risk in our operations.	56-58
<b>GRI 413: Local Communities 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Community - Community Investment Strategy	72-74
103-3	Evaluation of the management approach	Community - Place-making Community - Caring for the Community Community - Community Well-being	75-76 77-78 79



GRI Standard Disclosures		References and Remarks	Page No.
413-1	Operations with local community engagement, impact assessments, and development programmes	Community - Community Investment Strategy	72-74
		Community - Place-making	75-76
		Community - Caring for the Community	77-78
		Community - Community Well-being	79
		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.	
<b>GRI 416: Customer Health and Safety 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	22-23
		Our Sustainability Approach - Materiality Assessment	24-30
103-2	The management approach and its components	Value Chain - Customer Orientation	87-90
103-3	Evaluation of the management approach	Value Chain - Responsible Supply Chain Management	91-93
		People - Occupational Health and Safety	61-63
		We adopt the same approaches and evaluation mechanisms for our customers and employees in terms of health and safety.	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Value Chain - Customer Orientation	87-90
		There were no non-compliance cases concerning the health and safety impacts of products and services during the reporting period.	
<b>GRI 417: Marketing and Labelling 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement	22-23
		Our Sustainability Approach - Materiality Assessment	24-30
103-2	The management approach and its components	Value Chain - Customer Orientation	87-90
103-3	Evaluation of the management approach	Value Chain - Customer Orientation - Responsible Marketing	90
417-2	Incidents of non-compliance concerning product and service information and labelling	Value Chain - Customer Orientation	87-90
		There were no non-compliance cases concerning the products and service information and labelling during the reporting period.	



<b>GRI Standard Disclosures</b>		<b>References and Remarks</b>	<b>Page No.</b>
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.	87-90
G4-CREB	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Environment - Sustainable Buildings  Annual Report 2021 - Awards and Citations (p. 72-89)	38-43
<b>GRI 418: Customer Privacy 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Value Chain - Customer Orientation	87-90
103-3	Evaluation of the management approach	Policies - <a href="https://sustain.kerryprops.com/en/policies">https://sustain.kerryprops.com/en/policies</a>	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantial complaints concerning breaches of customer privacy and losses of customer data during the reporting period	
<b>GRI 419: Socioeconomic Compliance 2016</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	11-16
103-3	Evaluation of the management approach	Value Chain - Customer Orientation Value Chain - Responsible Supply Chain Management People - Talent Attraction and Retention	87-90 91-93 57-58
419-1	Non-compliance with laws and regulations in the social and economic area	Our Sustainability Approach - Sustainability Governance  In 2021, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.	11-16





GRI Standard Disclosures		References and Remarks	Page No.
<b>Topics not covered by GRI Standards</b>			
<b>Customer Engagement and Collaboration</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Value Chain - Customer Orientation	87-90
103-3	Evaluation of the management approach		
<b>Employee Engagement and Wellness</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Employee Engagement and Wellness	64-66
103-3	Evaluation of the management approach		
<b>Risk and Crisis Management</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance	11-16
103-3	Evaluation of the management approach		
<b>Sustainable Finance</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	Our Sustainability Approach - Sustainability Governance Our Sustainability Approach - Sustainable Finance	11-16 35
103-3	Evaluation of the management approach		
<b>Talent Attraction and Retention</b>			
103-1	Explanation of the material topic and its boundary	Our Sustainability Approach - Stakeholder Engagement Our Sustainability Approach - Materiality Assessment	22-23 24-30
103-2	The management approach and its components	People - Human Capital Management	56-58
103-3	Evaluation of the management approach		