

# BUILDING A SUSTAINABLE FUTURE

2020 Sustainability Report



CK ASSET HOLDINGS LIMITED  
長江實業集團有限公司  
(Incorporated in the Cayman Islands with limited liability)  
STOCK CODE: 1113

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Remark: Some photos in this report may feature persons without face masks. Such photos were taken before the COVID-19 pandemic or in non-specified public place or in countries where face masks were not mandated.



# About CKA



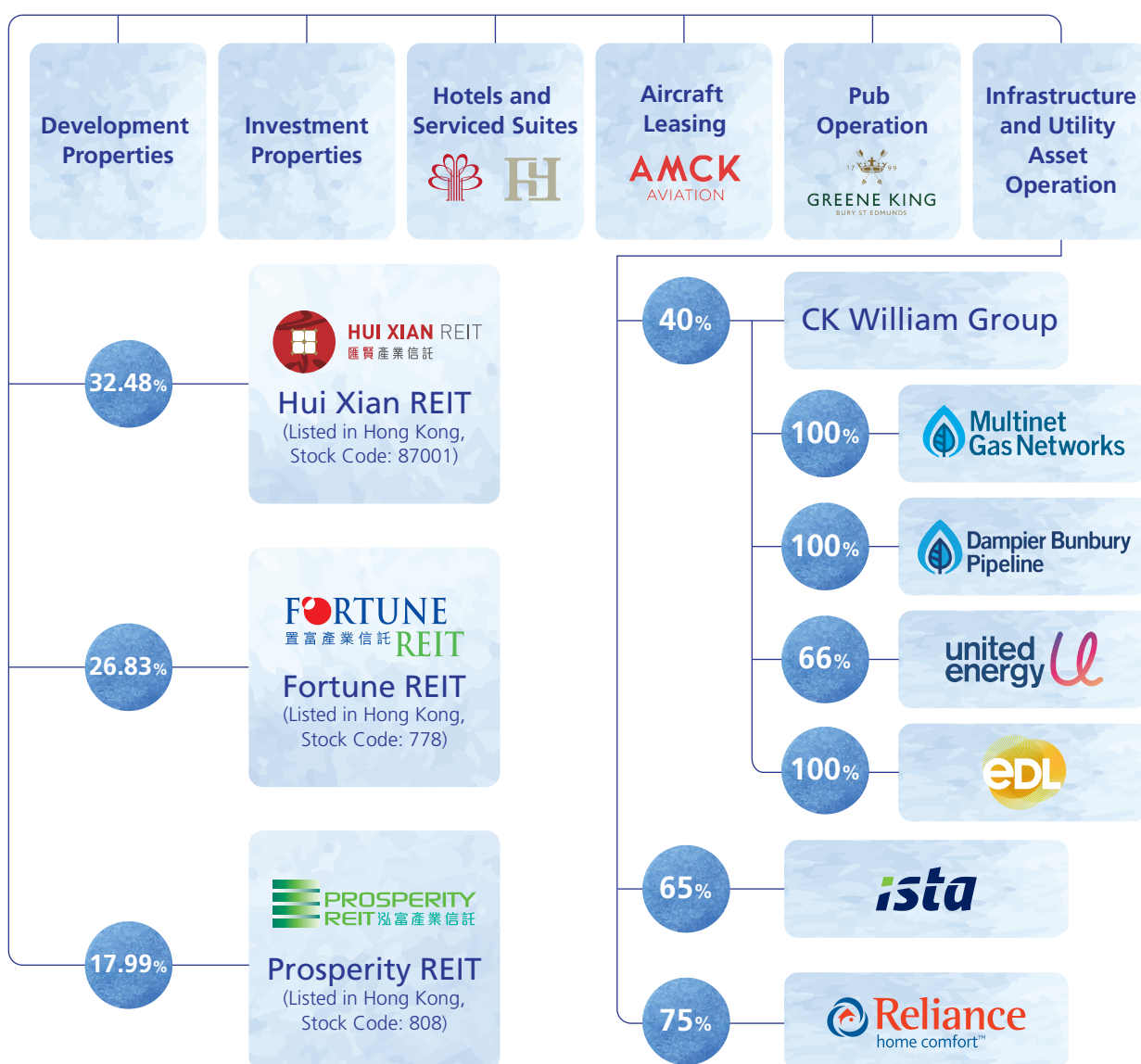
CK Asset Holdings Limited (“CKA” or the “Company”, together with its subsidiaries, the “Group”) is a leading multinational corporation committed to achieving long-term sustainable growth through continual strengthening of its existing property businesses, and steady enhancement of its recurring income base via a prudent global investment strategy. The Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation, as well as interests in three listed real estate investment trusts.

## Group Structure



### CK ASSET HOLDINGS LIMITED

(A limited liability Cayman Islands company registered and listed in Hong Kong)  
Stock Code: 1113



## Property Development

The Group has a strong market share in property development in Hong Kong and the Mainland, and an international presence represented by its operations in Singapore and the United Kingdom ("UK"). As at 31 December 2020, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 80 million square feet ("sq.ft."), of which 5 million sq.ft., 71 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

## Property Investment

The Group's property investment includes retail, office, industrial and other properties, primarily located in Hong Kong. As at 31 December 2020, the Group had an investment property portfolio of approximately 17.2 million sq.ft. (including share of joint ventures but excluding car parking spaces), of which 13.0 million sq.ft., 1.9 million sq.ft. and 2.3 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

## Hotel and Serviced Suite Operation

The Group's hotel and serviced suite properties are mostly located in Hong Kong and provide approximately 15,000 rooms for guest accommodation.

## Property and Project Management

As at 31 December 2020, the Group managed approximately 272 million sq.ft. of completed properties and this is expected to grow steadily following gradual completion of the Group's property development projects in the years ahead.

## Aircraft Leasing

As at 31 December 2020, the Group (including interest in joint ventures) owned 120 narrow body aircraft and 5 wide body aircraft with an average age of 6.8 years and an average remaining lease term of 4.5 years. The Group also had commitments of approximately HK\$9.6 billion for acquisition of 20 aircraft.

## Pub Operation

In October 2019, the Group completed the acquisition of Greene King Limited ("Greene King", formerly, Greene King plc), a leading integrated brewer and pub retailer operating pubs, restaurants and hotels across England, Wales and Scotland. The operation of Greene King is split into three divisions: (i) pub company - operates food-led and drink-led destination pubs and restaurants and community-focused local pubs; (ii) pub partners - owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs; and (iii) brewing & brands - sells and distributes a wide range of beers including ale brands brewed in own breweries.

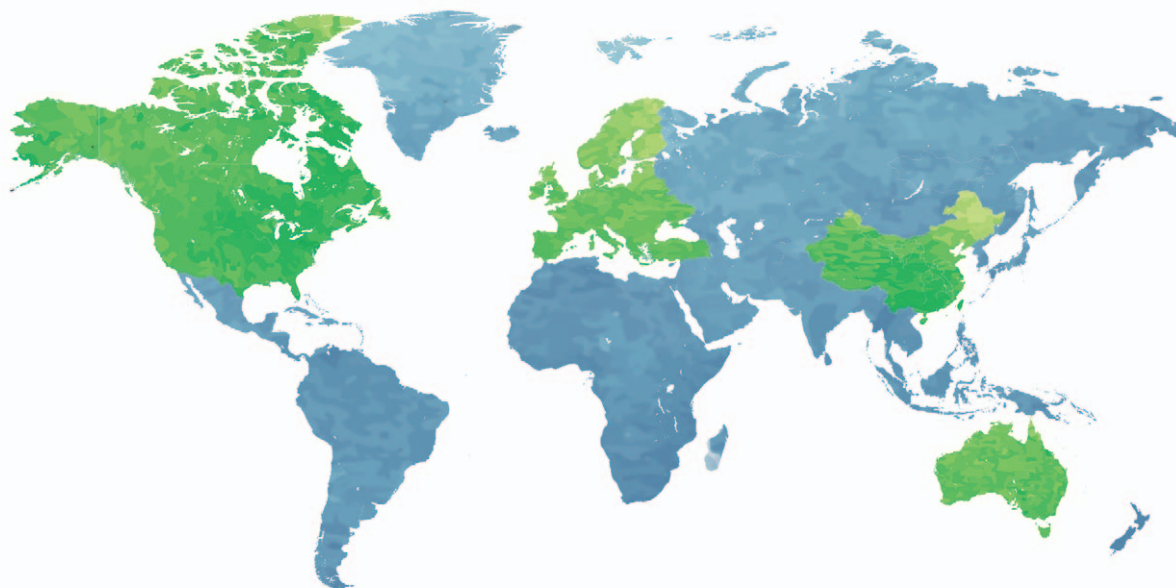
## Infrastructure and Utility Asset Operation

As at 31 December 2020, the Group had interests in CK William UK Holdings Limited, CKP (Canada) Holdings Limited and Sarvana S.à r.l. of 40 per cent., 75 per cent. and 65 per cent., respectively. As at 31 December 2020, the Group's interests in the economic benefits of Park'N Fly, UK Rails, Northumbrian Water, Dutch Enviro Energy, Wales & West Gas Networks and Australian Gas Networks were 20 per cent., 20 per cent., 16 per cent., 14 per cent., 12 per cent. and 11 per cent., respectively.

## Interests in Real Estate Investment Trusts ("REITs")

The Group has interests in three listed REITs, namely Hui Xian Real Estate Investment Trust, Fortune Real Estate Investment Trust and Prosperity Real Estate Investment Trust.

## Global Presence



■ The Group has diversified investments on a worldwide basis, spanning across Hong Kong, the Mainland, Singapore, continental Europe, Australia, Canada, the UK and the Republic of Ireland.





# Message From The Chairman



We are pleased to present the Group's first standalone Sustainability Report, a pivotal step in our ESG reporting journey that began years ago. Sustainability performance has become increasingly important to our stakeholders who are interested in the sustainable growth of the society as a whole, especially amid the current uncertain environment caused by the COVID-19 pandemic. We hope to provide to our stakeholders more comprehensive disclosure of the Group's sustainability practices through this Report.

A board-level Sustainability Committee has been set up in 2020 to assist the Board to oversee the Group's overall sustainability strategy. The Group's sustainability and corporate governance policies are in place to provide guidance on the integration of sustainability and purposeful governance across businesses. The Board will build a closer connection with our stakeholders and address material sustainability risks and key opportunities systematically through the works of the Sustainability Committee and the Sustainability Working Group that has been set up since 2016.

As a leading multinational corporation with businesses spanning the globe, we appreciate the differences in social, environmental and economic needs in each individual market. This appreciation inspires us to pursue a balance among people and community, environmental protection and corporate governance, and to continuously reinforce these considerations into the Group's business operation in order to achieve sustainability and create long-term value for our stakeholders.

We recognise that the Group's resilience depends on the performance of its people. We are committed to providing our employees with a safe workplace, a positive work environment and diverse development opportunities. Our business units have been recognised for their efforts in occupational health and safety, training and development, human resource management and commitment to social mobility.

In response to the COVID-19 outbreak, our management have taken prompt and decisive actions to protect our employees and maintain the stability of our operations in Hong Kong and overseas. Various policies applicable to construction sites, managed properties, hotels, offices and pubs were promptly updated and tightened to improve hygiene and align with social distancing measures in compliance with local requirements. At the start of the outbreak when anti-pandemic supplies were scarce, we went extra miles to source them globally for our employees, and have continuously provided protective equipment and supports to our employees in need. We have also made further progress towards digitalisation under the new normal. The Company's 2020 annual general meeting was broadcast live via webcast for the first time, enabling shareholders to participate in the event while staying safe at home, and Board and Committee meetings during the year were held via online meeting platform. The Group will continue to enhance its information technology systems to meet with anticipated demand for an environmentally friendly and paperless business environment.

We are conscious of the environmental impact associated with our operations. Waste and emission reduction, resource management and green building remain our top priorities. We strive to develop a strong culture of sustainability by promoting behavioural change in our people as well as using efficient technology, processes and systems to drive and monitor reduction initiatives. We encourage our business partners, suppliers and customers to actively mitigate their environmental impacts and minimise their carbon footprint.

The Group has a long history of property development expertise and has built many of Hong Kong's landmark buildings and complexes. We place great emphasis on our roles as a property developer, property manager and landlord in the community. 5 Broadgate was certified "Excellent" under BREEAM UK, while the Chelsea Waterfront project has incorporated various innovative environmental features in its building design. Our recent comprehensive development at Tsuen Wan 5 has achieved BEAM Plus New Buildings Gold rating while Oil Street, North Point has achieved Bronze rating. In addition, 41 managed properties received the Hong Kong Awards for Environmental Excellence from the Business Environment Council. We will continue to explore green building opportunities.

My family has for years sought to inspire societal improvement by supporting education and healthcare initiatives through the Li Ka Shing Foundation. These philanthropic initiatives are private in nature and additional to the Group's charitable efforts. Some of the Foundation's latest projects are included at the end of this Report, with further details available at [www.lksf.org](http://www.lksf.org).

My colleagues on the Board join me in expressing our sincere gratitude to our stakeholders for their continued support. Sustainability will remain a priority for the Group, and we will proactively work towards a sustainable future.

**Victor T K Li**

Chairman

18 March 2021

# Sustainability Highlights



## COVID-19 Measures

- Protecting our people:
  - Distribution of personal protective equipment and disinfection kits to frontline employees;
  - Provision of work arrangement guidance to contractors on maintaining social distancing;
  - Tailored and comprehensive "Anti-epidemic Tips" and WhatsApp stickers for residential, commercial or industrial properties managed by the Group's property management subsidiaries ("Managed Properties"); and
  - Daily cleansing and disinfection work within property areas and pubs.
- Supporting our community:
  - Donation to The Community Chest Anti-NCP Rainbow Fund to support individuals and families suffering from sudden hardship inflicted by COVID-19; and
  - Donation of 3,000 litres of hand sanitiser purchased by Greene King to the Leonard Cheshire Disability, a charitable organisation in the UK.
- Maintaining our operations:
  - Utilisation of digital communication facilities for all Board and Board Committee meetings to maintain the governance activities of the Group without interruption;
  - Creation of contingency offices and "A-B Team" work arrangement for offices; and
  - Launch of virtual pub, "The Lock Inn", during lockdown in the UK.



## Sustainability Committee

- Established the Sustainability Committee as a Board Committee, which is chaired by **Mr. Ip Tak Chuen, Edmond**, Deputy Managing Director and Executive Director, and comprised of **Mr. Cheong Ying Chew, Henry**, Independent Non-Executive Director, and the Company Secretary as members.



## Corporate Governance

- Strengthened corporate governance policies;
- Adoption of group-wide sustainability policies covering key environmental and social aspects; and
- Incorporation of sustainability and climate risks in the Group's risk management system.



## The Environment

- Lower carbon emissions in property management, hotel and serviced suite operation, aircraft leasing and offices;
- Lower electricity and heat consumption in property development, property management, hotel and serviced suite operation and offices;
- Lower water consumption in property development, property management, hotel and serviced suite operation, aircraft leasing and offices;
- Building Environmental Assessment Method Plus ("BEAM Plus") "Gold" rating for the West Rail Tsuen Wan West Station TW5 Bayside development project ("Tsuen Wan 5") and "Bronze" rating for the Oil Street, North Point, IL8920 property development project ("Oil Street Project") in Hong Kong;
- Greene King was the first pub company in the UK to meet the Carbon Trust's Zero Waste to Landfill Standard; and
- Goodwell Property Management Limited ("Goodwell") received the "BOCHK Corporate Environmental Leadership Awards" from the Federation of Hong Kong Industries and Bank of China (Hong Kong) for the 3rd consecutive year.



## Social Impact

- Reduced lost days from reported work-related employee injuries;
- Listed Company Awards of Excellence 2020 from the Hong Kong Economic Journal; and
- "Leadership of the Year" awarded to Greene King by the UK Social Mobility Awards.



# About This Report

This Sustainability Report ("Report") is prepared with reference to the requirements under the Environmental, Social and Governance ("ESG") Reporting Guide set out in Appendix 27 ("ESG Reporting Guide") of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("SEHK") for the year ended 31 December 2020 ("Reporting Period").

The reporting principles below, as set out in the SEHK's ESG Reporting Guide, have been adhered to in preparing this Report:

## Materiality

Materiality refers to key sustainability issues which are sufficiently important to the Group's business continuity and development as well as the interests of stakeholders that should be reported in the Sustainability Report. The Group has conducted a materiality assessment to prioritise sustainability issues. Details can be found under the section headed "Sustainability At The Company" in this Report.

## Quantitative

The Group has adopted the SEHK's ESG Reporting Guide and relevant guidelines published by SEHK and other international organisations (such as the Greenhouse Gas ("GHG") Protocol) in measuring and presenting quantitative environmental and social key performance indicators ("KPIs"). Details of the standards, methodologies and assumptions used are described in the relevant sections of this Report.

## Consistency

There are no material changes in the reporting approach and methodologies from those adopted by the Group in the previous reporting year, except that the Group has expanded the scope of reporting to include Greene King.

## Balance

This Report aims to present a holistic and fair view of the sustainability performances of the Group. On this account, the Sustainability Committee and the management teams of various departments/business units/operating subsidiaries were involved in the reporting process.

This Report is organised into four sections, focusing on the Company's overall approach to sustainability, corporate governance, environment and society. It covers the Group's businesses and operations of property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing and pub operation, unless otherwise specified.

This Report does not cover the following investments:

- 40% interest in CK William UK Holdings Limited which is an owner and operator of energy utility assets in Australia, the United States, Canada, and the United Kingdom (comprising Multinet Gas Networks, Dampier Bunbury Pipeline, United Energy, and Energy Developments);
- 75% interest in CKP (Canada) Holdings Limited which is a building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada; and
- 65% interest in Sarvana S.à r.l. which is a fully integrated energy management service provider operated by the ista Group in Europe.

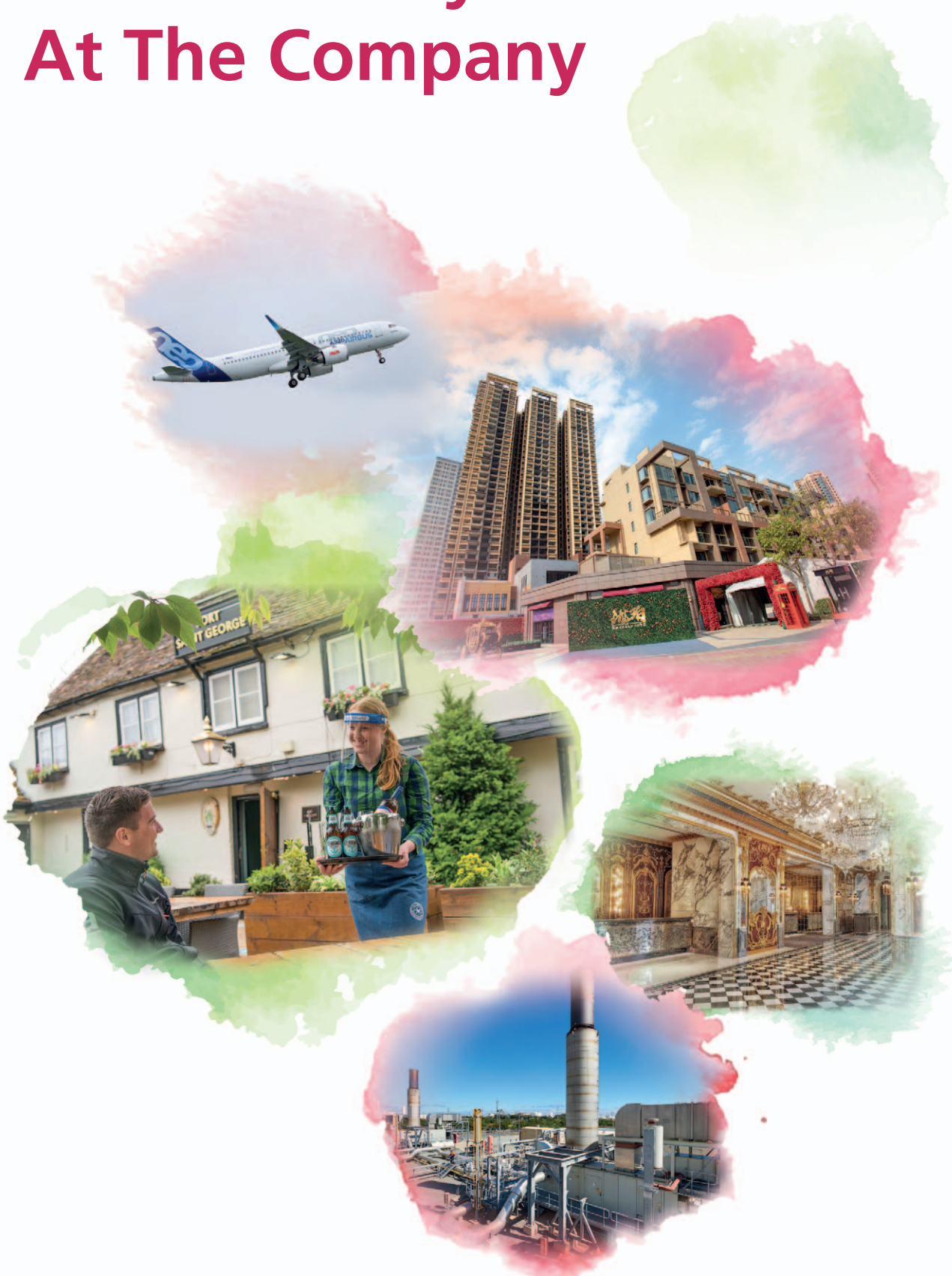
To learn more about infrastructure and utility asset operation's efforts and achievements in sustainability, please refer to the sustainability report of CK Infrastructure Holdings Limited.

As in the previous reporting years, an independent consultant has been retained to provide sustainability advisory services to the Group and to assist with the Group's compilation of this Report, with reference to the requirements of the ESG Reporting Guide. Details of the Group's management of the relevant ESG issues and related KPIs are presented in this Report.

This Report is by default made available to the stakeholders online unless specific requests are received for a hard copy with a view to reducing paper consumption to promote environmental protection.



# Sustainability At The Company





Approach to Sustainability

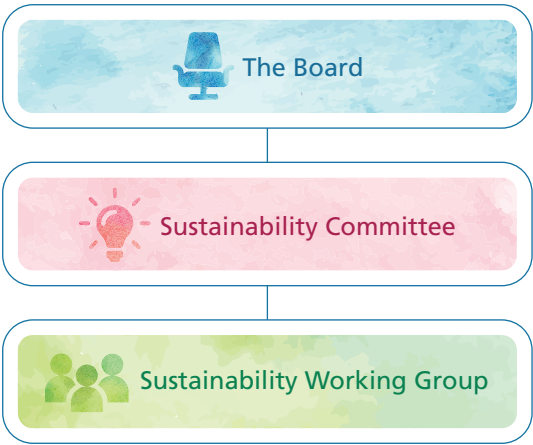
Our goal is to excel in sustainability and resilience, the Group takes environmental protection, people and community into consideration when running its business, and upholds robust corporate governance practices to create long-term value for stakeholders including but not limited to customers, employees, business partners, shareholders, investors and the wider community.

The Group has an established sustainability governance structure with defined roles and responsibilities for its constituent parties to enhance and promote transparency and accountability. Regular monitoring and evaluation of emerging ESG issues, trends and best practices that could impact the performance of the Group are conducted across its operations. Potential risks and opportunities in relation to sustainability, including climate change, have also been incorporated into its enterprise risk management system ("ERM System").

As set out in the Corporate Social Responsibility Policy, in evaluating potential investments and making investment decisions, the Group's Investment Committee considers the sustainability performance of the targeted investment, and relevant issues are assessed where applicable. The Group also monitors the performance of its investments, and the management teams of the invested businesses are required to report and disclose material sustainability issues to the Group in accordance with established communication protocols.

Sustainability Governance

In 2020, the Group reviewed and strengthened its sustainability governance practices, and established a governance structure as shown below:



Members of the Working Group:

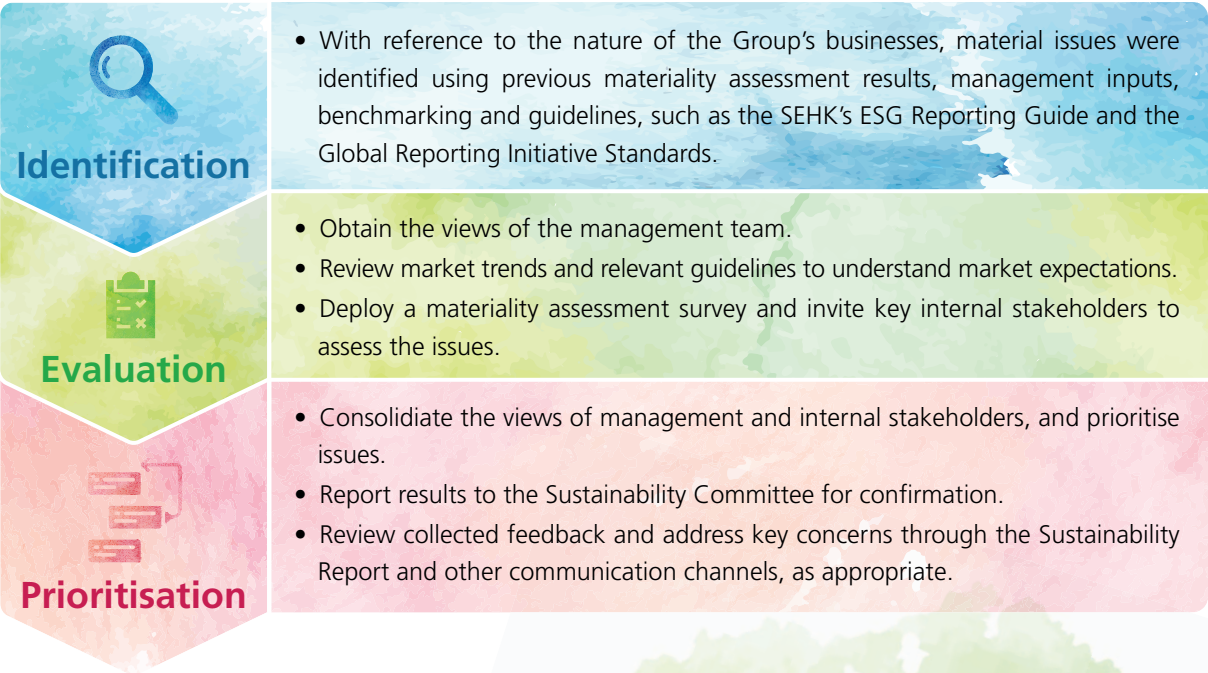
accounts department, administration department, building cost & contract department, China department, company secretarial department, construction audit & quality assurance department, construction management department, corporate affairs department, corporate business development department, development department, E & M department, human resources department, information technology department, internal audit department, legal department, sales department, sales department – building management, Hutchison Property Group, Harbour Plaza Hotel Management Group, aircraft leasing and Greene King Group






- The Board of Directors (the “Board”) is ultimately responsible for sustainability, and is engaged in formulating related strategies and policies which provide direction and guidance to the Group. It oversees sustainability performance, and is responsible for ensuring effective risk (including ESG risk) management and internal controls.
- The Sustainability Committee, chaired by an Executive Director and comprising an Independent Non-executive Director and the Company Secretary, assists and advises the Board on development and implementation of the sustainability policies and practices of the Group, including reviewing the sustainability-related policies and initiatives, assessing sustainability risks and making recommendations to the Board on matters concerning the Group’s sustainability development. Further details of the Sustainability Committee’s responsibilities are set out in the Terms of Reference of the Sustainability Committee ([https://www.ckah.com/eng/about\\_boardcommittees.html](https://www.ckah.com/eng/about_boardcommittees.html)).
- The Sustainability Working Group was set up in 2016 and comprises members designated by the management team spanning across different departments, subsidiaries and business units. It executes relevant strategies and policies, and is responsible for the implementation of sustainability initiatives and reporting.

Materiality Assessment

As part of our sustainability governance and reporting process, the Sustainability Working Group and designated managers determined the issues material to the Group’s businesses and stakeholders. The steps they followed were:










The following presents the issues which have been identified as material to the Group and are covered in this Report:

 Governance	 Environmental	 Social
<ul style="list-style-type: none"> <li>Board's governance in sustainability</li> <li>Sustainability policies</li> <li>Ethical conducts</li> </ul>	<ul style="list-style-type: none"> <li>Waste and emission reduction</li> <li>Resource management</li> <li>Green building</li> <li>Managing other environmental impacts</li> <li>Climate change mitigation and adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Response to COVID-19 outbreak</li> <li>Employment and labour practices</li> <li>Talent development</li> <li>Occupational health and safety</li> <li>Green and responsible procurement</li> <li>Products and services responsibilities</li> <li>Community investment</li> </ul>

## Stakeholder Engagement

The Group engages key stakeholders through a variety of communication channels to obtain a better understanding of their concerns and expectations with a view to improving its strategies and positioning itself to meet the changing needs of the community, environment and businesses.

Key stakeholders and related engagement methods include but are not limited to the following:

 <b>Employees</b> <ul style="list-style-type: none"> <li>Performance review</li> <li>Regular meetings and training</li> <li>Emails, notice boards, hotlines</li> <li>Intranet</li> </ul>	 <b>Suppliers</b> <ul style="list-style-type: none"> <li>Tendering</li> <li>Supplier screening and assessments</li> <li>Written comments and responses</li> <li>Meetings and onsite visits</li> </ul>	 <b>Tenants</b> <ul style="list-style-type: none"> <li>Meetings</li> <li>Newsletter and emails</li> <li>Opinion survey</li> <li>Community events</li> </ul>	 <b>Customers</b> <ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer service hotline and email</li> <li>Community events</li> </ul>
 <b>Shareholders and investors</b> <ul style="list-style-type: none"> <li>Regular reports and announcements</li> <li>Regular general meetings</li> <li>Official company website</li> <li>Regular meetings with key investors</li> <li>Attend to individual enquiries of shareholders via phone / emails</li> </ul>	 <b>Government bodies</b> <ul style="list-style-type: none"> <li>Compliance supervision</li> <li>Routine reports and paid taxes</li> <li>Onsite inspection</li> </ul>	 <b>Media</b> <ul style="list-style-type: none"> <li>Interviews</li> <li>Feedback and responses to media enquiries</li> <li>Corporate news release</li> <li>Regular meetings with media</li> </ul>	

# Corporate Governance





The Board and the management of the Group are committed to maintaining good corporate governance practices. The Group strives to attain and maintain high standards of corporate governance for effective management, healthy corporate culture, successful business growth and shareholders' value enhancement. The corporate governance principles of the Group emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

## Corporate Governance Policies

The Company has established a comprehensive set of Corporate Governance Policies which can be accessed at <https://www.ckah.com/eng/cgp.html> and Sustainability Policies which can be accessed at [https://www.ckah.com/eng/sustainability\\_policies.html](https://www.ckah.com/eng/sustainability_policies.html), including for instance, Corporate Social Responsibility Policy, Environmental Policy, Human Rights Policy, Health and Safety Policy, Information Security Policy, Anti-Fraud and Anti-Bribery Policy and Media, Public Engagement and Donation Policy which provide frameworks and directions at the Group level on such and other sustainability related subjects and issues. Within the frameworks and under these directions, the Group's business units/operating subsidiaries may develop further relevant implementation policies and practices that suit their specific business circumstances.

### Key Sustainability Policies adopted in 2020





## Board and Board Committees

The Board consists of a total of fourteen Directors, comprising eight Executive Directors and six Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. The Board is responsible for directing and guiding strategic objectives of the Group and overseeing and monitoring managerial performance.

The Board meets regularly, at least four times a year with meeting dates in a particular year scheduled towards the end of the immediately preceding year. Between scheduled meetings, the senior management of the Group provides to Directors, on a regular basis, updates and other information with respect to the performance, position and prospects of the Group.

Due to the outbreak of COVID-19, all Board and Board Committees meetings during the Reporting Period were conducted through electronic communication channels such as video/audio conferencing and the governance activities of the Group have been maintained and with little interruption. Arrangement is in place for Board and Board Committees meetings papers to be made available via a secured online platform effective from 2021 with a view to reducing the use of paper.

Further, Directors have full access to information of the Group and independent professional advice at the expense of the Company whenever deemed necessary. They are at liberty to propose appropriate matters for inclusion in Board and Board Committees agendas.

### Board Composition

Mr. Victor T K Li, the Chairman of the Board ("Chairman") and Managing Director, determined the broad strategic direction of the Group in consultation with the Board. He was responsible for the high-level oversight of management, and the strategic planning of different business functions and day-to-day management and operation of the Group with the support of the Executive Directors. Although the positions of Chairman and Managing Director are not separately held, all major decisions will be continued to be made in consultation with members of the Board, relevant Board Committees and key personnel of the Group after thorough discussions.

All Directors have made active contributions to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman meets with the Independent Non-executive Directors without the presence of other Directors twice every year. Meanwhile, the management is responsible for the day-to-day operation of the Group under the leadership of the Chairman and Managing Director.

Biographical details of the Directors and key personnel of the Group are set out under the section headed the "Directors' Biographical Information" and "Key Personnel's Biographical Information" respectively on pages 28 to 30 and on pages 31 to 39 of the Annual Report 2020 of the Company. Since June 2015, the updated list of Directors has been posted on the website of Hong Kong Exchanges and Clearing Limited ("HKEX") which has been revised from time to time. The Company has also posted on its website and/or the website of HKEX the Terms of Reference of its Board Committees to enable the shareholders to understand the roles played by those Independent Non-executive Directors who serve on the relevant Board Committees.

## Board Committees

The Board is supported by five permanent Board Committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee.

### Audit Committee

The Audit Committee, which comprises only Independent Non-executive Directors, is chaired by an Independent Non-executive Director and comprised of five other Independent Non-executive Directors as members. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system, risk management and internal control systems, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board. The Audit Committee is scheduled to meet 4 times a year commencing from 2021.

### Remuneration Committee

The Remuneration Committee, which comprises a majority of Independent Non-executive Directors, is chaired by an Independent Non-executive Director and comprised of one Executive Director and one Independent Non-executive Director as members. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time.

### Nomination Committee

The composition of the Nomination Committee was changed during the Reporting Period. It comprises a majority of Independent Non-executive Directors and is chaired by an Independent Non-executive Director and comprised of one Executive Director and one Independent Non-executive Director as members. The principal responsibilities of the Nomination Committee include: (1) to review at least once annually the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendation on any proposed changes to the Board to complement the Board to achieve the Group corporate strategy as well as promoting shareholder value; (2) to identify suitable director candidates and select or make recommendations to the Board on the selection of individuals to be nominated as Directors; (3) to assess the independence of Independent Non-executive Directors having regard to the criteria under the Listing Rules; (4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and (5) to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendations on any proposed revisions to the Board.

### Sustainability Committee

The Group established the Sustainability Committee during the Reporting Period. The Sustainability Committee is chaired by an Executive Director and comprised of one Independent Non-executive Director and the Company Secretary as members. The main duties of the Sustainability Committee are to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability development and ESG risks. It is supported by the Sustainability Working Group comprising members spanning across various departments, operating subsidiaries and business units of the Group. For details, please refer to the section headed "Sustainability Governance" and the Terms of Reference of the Sustainability Committee.

### Executive Committee

The Executive Committee is chaired by the Group's Chairman and Managing Director and comprised of seven Executive Directors and six key personnel as members. Executive Committee is responsible to (i) discuss and make decisions on matters relating to the management and operation of the Company, including but not limited to financial/treasury planning and to form strategy; (ii) assess and make recommendations to the Board on acquisitions of or investments in business or projects; and (iii) review and discuss any other matters, as may from time to time, be delegated by the Board.

### Board Independence

The Board, with the assistance of the Nomination Committee, evaluates the independence of Independent Non-executive Directors, whose independence are assessed having regard to the criteria under the Listing Rules. All the Independent Non-executive Directors of the Company have not been involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with their exercise of independent judgment.

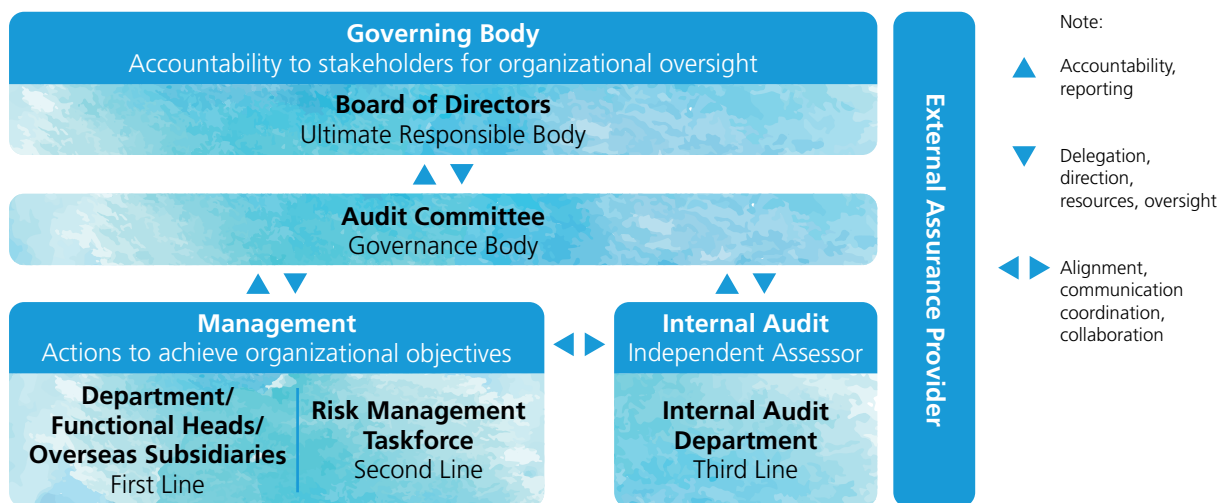
In identifying suitable candidates for Independent Non-executive Directors, apart from independence which is one of the key factors, the Nomination Committee also takes into account the Board's composition as well as the various diversity aspects as set out in the Board Diversity Policy. The Nomination Committee also reviews on a timely basis any changes in the Directors' professional engagements as well as other directorships or commitments to ensure compliance with the independence criteria and their commitment and devotion to the Board.

## Risk Management and Internal Controls

The Group maintains a robust internal controls system that is designed to provide reasonable assurance regarding the prevention, detection and handling of any material misstatement or loss and to manage the risk of failure in operating systems and in the achievement of its objectives.

A “Top-Down” approach is adopted for the Group’s risk management system. This is manifested by strong oversight exercised by the Board, the Audit Committee, the Risk Management Taskforce and senior management in the establishment and maintenance of the ERM System which is defined in and supported by a risk management policy (“Risk Management Policy”).

### The governance structure for the Group's ERM System



The ERM System defines the roles and responsibilities within the Group for risk management activity and describes the methodology and approach to risk identification and assessment that the Group has adopted. It also contains the established protocols for the communication of risks and measures to address them. Sustainability-related topics such as climate change, compliance, supply chain management, employment practices and information security are also covered in the Group's risk factor. The Board is ultimately responsible for determining and evaluating the risks the Group is willing to take in achieving the Group's objectives, ensuring that the Group establishes and maintains effective risk management and internal controls systems, and overseeing these systems on an ongoing basis. The Audit Committee also plays a vital role in overseeing the ERM System on behalf of the Board. It reviews, on an annual basis at least, the Group's ERM System and internal controls with the Risk Management Taskforce and the Internal Audit Department to ensure that management has fulfilled its duties of establishing and maintaining an effective ERM System and internal controls. For sustainability related risks, the Sustainability Committee is responsible to assist the Board in identifying and



evaluating applicable sustainability-related risks, review and report on the ESG risks and opportunities in business operation. The Group's management is responsible for designing, implementing and monitoring its risk management and internal controls systems. The Internal Audit Department acts as an independent assessor of the ERM System and assesses the adequacy and effectiveness of the Group's ERM System.

In addition, the Risk Management Policy provides direction to management within the Group for applying consistent risk management practices in which its significant risks are identified, prioritised and addressed. It also serves to provide continuity in the Group's risk management activities, by facilitating transitioning as turnover of staff may take place.

For further details, please refer to the section headed "C.2 Risk management and internal control" on pages 72 to 78 under the Corporate Governance Report in the Annual Report 2020.

## Ethical Conducts

The Group is committed to upholding high standards of business integrity, honesty and transparency in all its business dealings and adopts a "zero tolerance" approach to bribery, corruption and fraud of any kind.

As set out in the Corporate Social Responsibility Policy, the Group conducts its business with uncompromising integrity and operates in a way that safeguards against unfair business practices. The Board is accountable to the implementation of the Group's anti-fraud or bribery efforts (including values, code of conduct, risk management, internal controls, communication and training, oversight and monitoring), while Executive Directors of the Company are responsible for ensuring the effective implementation and, in particular, the monitoring and investigation of any material fraudulent or bribery activities committed within the Group. Internal Audit Department performs internal audits on the Group's businesses regularly, including assessing risks of fraud and bribery.

The Group has established the Anti-Fraud and Anti-Bribery Policy and Employee Code of Conduct to set out the minimum standards of ethical conduct to which all employees are required to adhere to. Improper payments, kickbacks and other forms of bribery are strictly prohibited. Employees are required to disclose their interests, including those of their immediate family, in which a conflict of interest may arise, and they should decline advantages offered directly or indirectly in connection with their duties if the acceptance of advantages could or might appear to affect their objectivity or induce them to act against the Group's best interests or lead to complaints of bias. The Anti-Fraud and Anti-Bribery Policy also covers topics such as facilitation payments, gifts and hospitality, procurement of goods and services by the Group and other business partners and third-party representatives.

In addition, whistle-blowing procedures have been established and employees are encouraged to report any concerns they have regarding bribery and corruption or suspected cases. In addition, in line with the Group's commitment to integrity in business, employees and stakeholders who deal with the Group, including

customers, suppliers, creditors and debtors, are encouraged to report any suspected impropriety, misconduct or malpractice that they encounter within the Group. Procedures are in place to ensure that such reports are logged and investigated, and that appropriate actions will be taken accordingly. The reporting employee making appropriate reports under these procedures is assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the reports are subsequently proven to be incorrect or unsubstantiated. Communications between the relevant functional/department heads, the Human Resources and Internal Audit departments of the relevant business units/company of the Group as well as the Internal Audit Department and Audit Committee of the Company, as applicable, ensure that they are kept fully apprised of material developments in the case and able to offer forensic or other assistance as appropriate.

Members of the Group continue to co-operate with the Independent Commission Against Corruption ("ICAC") in promoting anti-corruption practices. To allow employees to become familiar with anti-corruption practices, seminars are delivered by the ICAC which introduce staff to anti-corruption guidelines and practices. Seminars are also arranged for new permanent employees as part of the Company's corporate orientation programme.

The Group is not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money-laundering that would have a significant impact on the Group during the Reporting Period.



Anti-corruption training



# The Environment



## Waste and Emission Reduction

### Waste Management

The Group is committed to minimising waste by avoiding its generation at source, and implementing reuse and recycling initiatives. The Corporate Social Responsibility Policy and the Environmental Policy set out the corporate direction for waste management.

Examples of the Group's non-hazardous waste management initiatives include:

- Minimising waste generation within the property development business through various actions, including inventory planning and construction site management, use of prefabricated units, and the segregation and recycling of materials such as timber, rubble, steel and other metals;
- Requiring contractors at property development projects to submit a waste management plan;
- Providing different containers/recycling bins to collect and separate recyclables such as paper, aluminium cans, plastic bottles, recyclable batteries and food waste at certain offices, hotels of the Harbour Plaza Hotel Management Group and certain Managed Properties;
- Implementing paper and water saving measures;
- Repairing fixtures and recycling furnishings at hotel and serviced suite operation and charity organisations;
- Encouraging employees to utilise e-platforms for communication and administration work at offices, property management, hotel and serviced suite operation;
- Displaying "Waste Reduction and Recycling Tips in Office" posters on bulletin boards located in areas accessible to all employees to raise awareness;
- Launching environmental awareness programmes on waste separation and reduction at certain Managed Properties;
- Committing to the FoodWise Charter to minimise food waste at the Sheraton Hong Kong Hotel & Towers;
- Procuring new umbrella drying racks at Managed Properties to reduce the use of single-use plastic umbrella bags;
- 57 Wastewi\$e Certificates were awarded to certain properties in recognition of their efforts to reduce waste generation; and
- Greene King received the Publican Awards' Best Sustainable Pub Company in the UK following its work to reduce waste. It was also the first pub company in the UK to meet the Carbon Trust's Zero Waste to Landfill standard by diverting all its waste from landfills across all waste streams generated by its managed pubs – from food waste to kitchen equipment. Greene King has also committed to reducing food waste by 50% by 2030.



Community Smart Recycling Vehicle at properties managed by Citybase Property Management Limited ("Citybase") to promote recycling



**6,546.4 tonnes**

of paper, glass bottles, aluminium cans, plastic bottles and food waste were recycled in 2020



## Q Waste reduction awareness programme at Belvedere Square

Recognising the potential implementation of a municipal solid waste charging scheme, Belvedere Square, which is managed by Citybase, launched the Environment and Conservation Fund Reduce Waste and Encourage Recycling Scheme covering 50 tenants during April to August 2020.

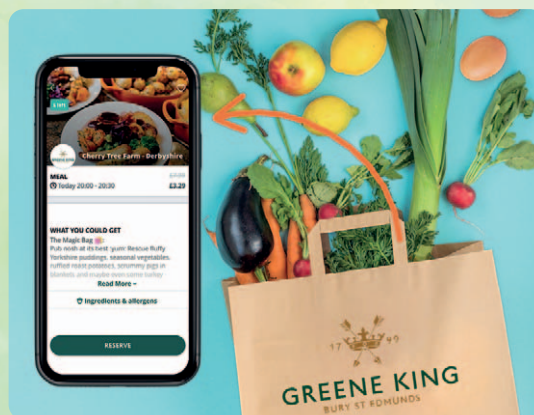


Municipal Solid Waste Charging Scheme Trial Programme at Belvedere Square

## Q Food waste reduction at Greene King

Greene King has become the first ever pub company to join forces with a free APP designed to help businesses reduce food waste across the UK, by offering customers a discounted carvery at the end of each day.

The APP helped Greene King attract new customers and be more accurate in estimating stock orders. Since the trial began, over 120,000 meals were saved from becoming waste. Each meal, served as a takeaway, contains a portion of meat, roast potatoes and vegetables in a recyclable container.



Greene King's food waste reduction by collaborating with a mobile APP

For hazardous materials and waste, the Group has pledged to take necessary steps to ensure their handling and disposal is in compliance with all regulations at its operations and among its property development contractors. The Group has required construction contractors to establish appropriate practices. Instructions are given to relevant staff for proper labelling of items that are deemed to be hazardous waste. Where hazardous waste is being produced, the Group and its construction contractors will engage a qualified waste collector, in compliance with the relevant regulations and rules.

In 2020, the Group's total generated hazardous waste and non-hazardous waste was approximately 58.1 tonnes (2019: 31.8 tonnes) and 80,064.6 tonnes (2019: 41,171.4 tonnes) respectively. This increase from the previous year occurred because of the Group's acquisition of its pub operation. Excluding this acquisition, the Group's total hazardous waste was similar to that in 2019. Non-hazardous waste generation increased due to the different stages of the Group's property development projects. Some of the sites have proceeded to the clearance process for site opening and superstructure work.

Recycling amount in 2020



### GHG Emissions Management

GHG emissions are considered as the Group's most significant emissions to air. The Corporate Social Responsibility Policy, the Environmental Policy and the Supplier Code of Conduct provide guidance to the Group's business units/operating subsidiaries on emissions management. During the Reporting Period, the Group has implemented various initiatives to manage and reduce emissions at its operations and other emissions from construction contractor activities, which include:

- GHG emissions audits in certain Managed Properties to manage its overall GHG emissions;
- Selecting environmentally-friendly refrigerants for air-conditioners installed in the pub operation, hotel and serviced suite operation and Managed Properties;
- Encouraging employees to participate in tree planting activities;
- Establishing an environmental monitoring committee or similar oversight bodies to manage environmental impacts generated by construction contractors;
- Requiring construction contractors to prepare monthly environmental monitoring reports on emissions performance;
- Requesting the use of Quality Powered Mechanical Equipment ("QPME") construction equipment on construction sites;
- Instructing construction contractors to reduce vehicle speed or turn-off vehicles and equipment when they are not in use;
- Setting out management procedures for construction contractors to manage emissions, fossil fuels and energy;
- Requesting construction contractors to use construction machinery and vehicles that comply with international green standards or government environmental standards; and
- Prohibiting the burning of refuse on construction sites.



▼ **3%**

of total GHG emissions from 2019

Remark: Excluding the newly acquired pub operation

### Wood Recycling & Tree Conservation at Goodwell

As one of the advocates for environmental conservation, Goodwell worked with the Hong Kong Environmental Protection Association ("HKEPA") and recycled Christmas trees, peach blossom trees and Chinese New Year plants. In 2020, Goodwell and 20 of its Managed Properties reduced GHG emissions by 12,000 kilograms.



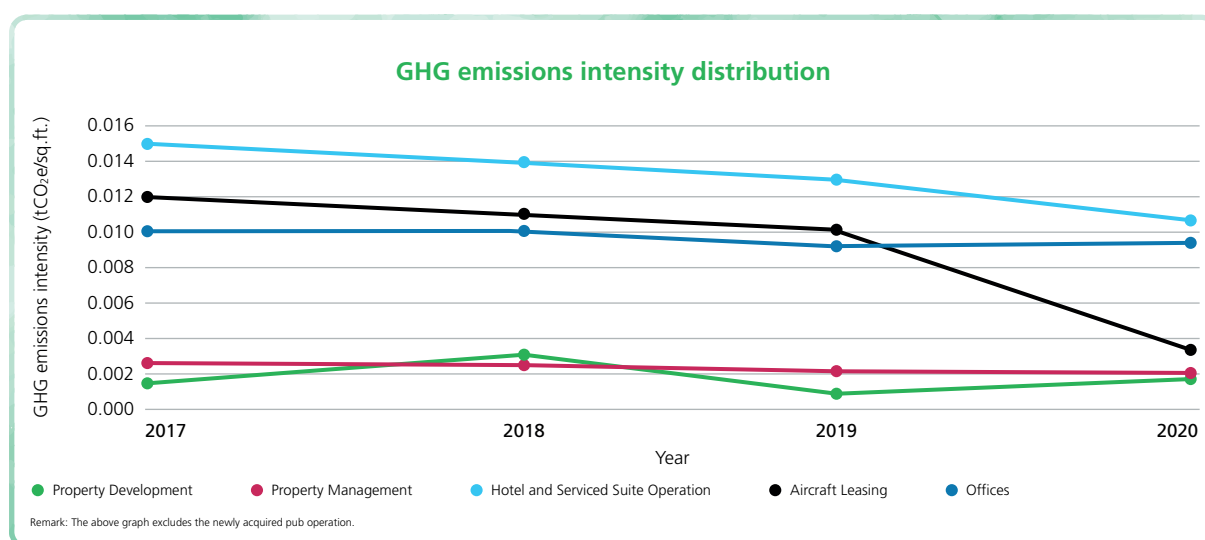
Recycling of peach blossom trees at Fortune City One, Hong Kong



Certification of the Tree Conservation Scheme



In 2020, the Group's total GHG emissions was approximately 555,140 tonnes carbon dioxide equivalent ("tCO<sub>2</sub>e") (2019: 437,908 tCO<sub>2</sub>e). The Group's total GHG emissions increased following the inclusion of emissions from the newly acquired pub operation. Excluding these emissions, the Group's GHG emissions intensity generally improved compared to 2019. Please refer to the following breakdown:



In 2020, the Group received, among others, the following awards and certifications:

- Citybase, Goodwell, Hutchison Property Management Company Limited and Greene King achieved ISO 14001 certification;
- Goodwell and 20 properties managed by Goodwell received the Wood Recycling & Tree Conservation Scheme Certificate from the HKEPA in recognition of its carbon reduction efforts;
- 41 properties managed by Citybase received the Hong Kong Award for Environmental Excellence from the Environmental Campaign Committee; and
- Goodwell received the "BOCHK Corporate Environmental Leadership Awards" from the Federation of Hong Kong Industries and Bank of China (Hong Kong) for the 3rd consecutive year.



BOCHK Corporate Environmental Leadership Awards for Goodwell



The Group places compliance with laws and regulations as a high priority and there are mechanisms to ensure regulatory compliance in various aspects of its operations. The Group keeps abreast of the latest regulatory developments and will provide relevant trainings for relevant personnel. In addition to preventive measures, the Group also ensures there are monitoring and measures to enable regulatory compliance. The Group is not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group during the Reporting Period.

## Resource Management

### Energy Efficiency

The Group's largest energy source was purchased electricity. Others include diesel and petrol, as well as natural gas and town gas. The Employee Code of Conduct and the Environmental Policy support the Group's determination to cultivate awareness and spearhead energy conservation. Relevant energy saving initiatives include:

- Using energy saving office equipment and pantry appliances in selected offices, hotel and serviced suite operation;
- Carrying out routine spot checks on lighting and equipment use after office hours in selected offices and Managed Properties;
- Using natural sunlight for interior lighting in selected property development projects, hotel and serviced suite operation;
- Operating designated lifts for goods delivery in selected hotel and serviced suite operation when necessary, and suspending selected lift operations at night;
- Implementing Building Management Systems ("BMS") for automated facilities and resource allocation in hotel and serviced suite operation and selected Managed Properties; and
- Performing site inspections and training for employees, property service contractors and construction contractors for energy saving in selected Managed Properties and property development projects.

The Group has also participated in the following programmes in its hotel and serviced suite operation and other selected Managed Properties:

- 4Ts (target, timeline, transparency, together) Charter by the Environment Bureau;
- Energy Saving Charter 2020 by the Environment Bureau; and
- Charter on External Lighting by the Environmental Protection Department.



▼ 11%

of total electricity and heat consumption from 2019  
Remark: Excluding the newly acquired pub operation

## Q Energy saving practices at Harbourfront Horizon All-suite Hotel

Energy conservation designs are adopted at the Harbourfront Horizon All-suite Hotel. The hotel lobby is designed to maximise the utilisation of natural light for interior lighting. In addition, LED and fluorescents lamps are installed at the hotel main lobby, the first floor and clubhouse areas. To save further energy at night, some lifts are suspended.



Use of natural lighting and LED lights at the main lobby of Harbourfront Horizon All-suite Hotel

## Q Energy efficient measures at the Group's Shanghai Office

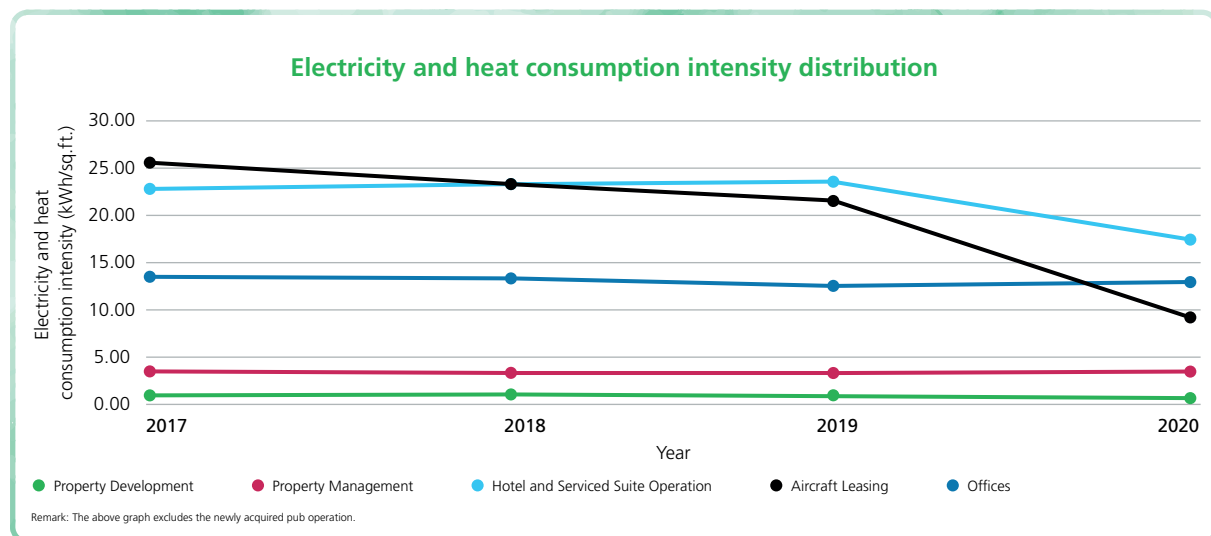
The air-conditioning ventilation in the Group's Shanghai Office is a variable refrigerant volume ("VRV") system, and its intelligent energy-saving mode includes variable frequency settings to reduce power consumption. It also uses refrigerant as a heat transfer medium to reduce transmission energy loss.



Enables a total energy saving in the office of

# 40%

In 2020, total electricity and heat consumption was approximately 886,738,181kWh (2019: 696,204,524 kWh). The increase from 2019 was due to inclusion of the newly acquired pub operation. Excluding this, the Group's total electricity and heat consumption decreased and its intensity improved following the outbreak of COVID-19.



## Use of Water

The Group is committed to reducing the use of water by promoting water conservation amongst its employees, property service contractors, tenants and guests in its hotel and serviced suite operation. Actions taken by the Group include:

- Utilising sea water (instead of potable water) in flushing systems at selected hotel and serviced suite operation;
- Posting environmentally friendly and water saving reminders in selected hotel and serviced suite operation and offices;
- Installing water efficient taps and showers at selected hotel and serviced suite operation;
- Reusing water for plant irrigation and landscaping to minimise freshwater consumption in selected hotel and serviced suite operation;
- Inspecting pipes and carrying out immediate maintenance work at selected hotel and serviced suite operation, offices and Managed Properties; and
- Working with Waterscan to become the first non-household water customer for a self-supply license to reduce water wastage at Greene King.

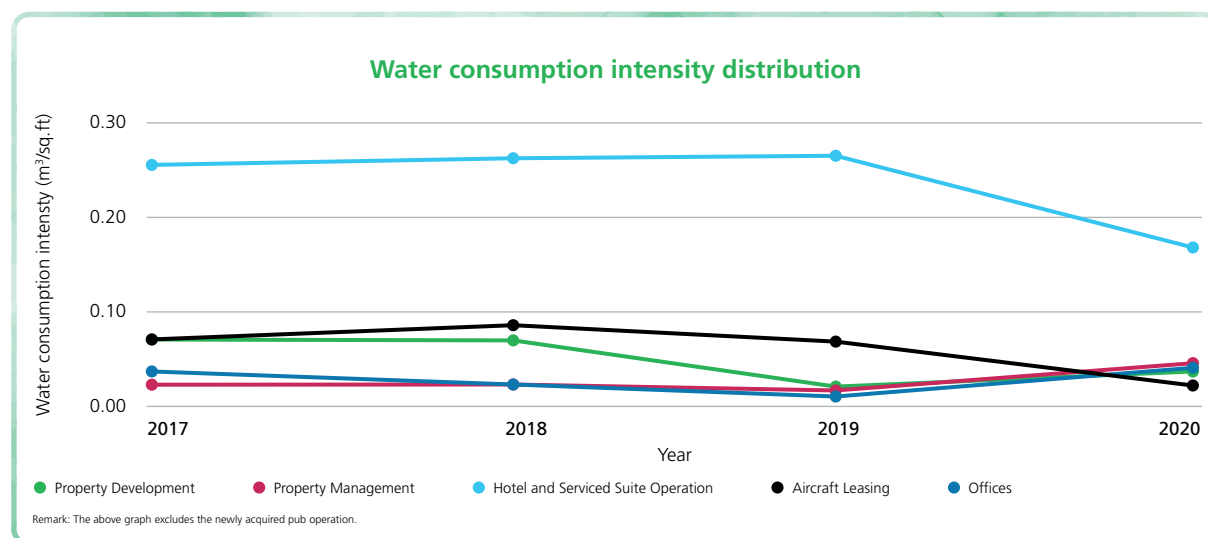


▼ **21%**

of total water consumption from 2019

Remark: Excluding the newly acquired pub operation

In 2020, total water consumption was approximately 8,021,997m<sup>3</sup> (2019: 7,133,564 m<sup>3</sup>). The Group's total water consumption increased due to the inclusion of the newly acquired pub operation. Excluding this, the Group's total water consumption and intensity-level decreased following the outbreak of COVID-19.



## Packaging Materials

Use of packaging materials is not considered to be a material issue for the Group. However, the Group has taken steps to minimise environmental impacts that result from the use of packaging materials in its hotel and serviced suite operation, as well as pub operation, by reducing and replacing single-use plastics. Related initiatives include:

- Providing plastic bags only upon request in the hotel and serviced suite operation;
- Using biodegradable plastics for packaging in the hotel and serviced suite operation;
- Reducing the use of packaging materials for bathroom amenities in the hotel and serviced suite operation;
- Implementing returnable assets to reduce cardboard usage in the pub operation; and
- Replacing plastic straws with compostable polylactic acid ("PLA") straws in the pub operation.

In 2020, packaging materials used by hotel and serviced suite operation as well as the pub operation were approximately 36,124 tonnes (2019: 39 tonnes). The Group's total usage of packaging materials increased due to the inclusion of the newly acquired pub operation. Excluding this, packaging materials usage decreased, as a result of business disruption caused by the outbreak of COVID-19.

### Q Harbour Plaza Hotel Management Group

Harbour Plaza Hotel Management Group reduces excessive packaging by eliminating packaging boxes for guest amenities and using Forest Stewardship Council-certified paper bags for dry food items.



The new simplified packaging of bathroom amenities to reduce packaging waste

## Green Building

The Group has recognised the environmental benefits of green buildings, and has incorporated sustainability or green buildings as a focus areas in the Environmental Policy.

The Group strives to use sustainable building standards in relevant areas of operations and to integrate, where technically feasible, related practicable measures throughout building's life-cycle, from land acquisition and construction to operations, management and maintenance, and demolition.

Priority will be given to sustainable design, materials and construction methods, with the aim of meeting applicable building standards such as BEAM, LEED or similar standards and to obtaining related certifications where practicable. In 2021, Tsuen Wan 5 in Hong Kong received the "Gold" rating in the Final Assessment under BEAM Plus New Buildings.



## Q Oil Street Project received a BEAM Plus "Bronze" rating

The Group conducted the BEAM Plus for New Buildings during construction stage of the project. The project adopted green walls along areas for emergency vehicular access, environmental monitoring and sustainable timber during construction, non-CFC based refrigerants, construction waste management, energy efficient air conditioning and lighting system and achievement of Good Class Level for Indoor Air Quality.



Oil Street Project

## Q Sustainable building design of Chelsea Waterfront in UK

The project is built on former industrial land and the design of the buildings incorporates a wide range of initiatives to meet UK building regulations. The project makes use of energy efficient building design with a community heating system supplied from a low carbon energy source and sited in localised "energy centres" to ensure affordable, efficient and well-maintained services. Water efficient fittings and devices including flow restrictors are adopted to reduce water consumption. Green/Brown roof garden areas are also designed. Bird and bat boxes are placed to help protect local species. In addition, regular contractor meetings are held for all stages of construction to manage the quality of the works.



Chelsea Waterfront in London

The Group is also committed to minimising the environmental impact of its development properties from the planning and design stage through to using environmentally-friendly designs or products, such as lighting and motion detection devices, chillers for air-conditioning with variable speed drives, double-glazing with Low-E glass and insulated window frames, as well as optimising the size of windows. These help to reduce energy consumption without compromising comfort levels.

5 Broadgate in London was rated "Excellent" in the Building Research Establishment Environmental Assessment Method ("BREEAM") 2008: Offices (Shell only). BREEAM is a voluntary green building sustainability rating system established in the UK for assessing the environmental performance of buildings. The assessment takes into consideration of energy and water use, internal environment (health and well-being), pollution, transport, materials, waste, ecology and management processes.

## Managing Other Environmental Impacts

The Group is aware of the potential environmental impacts of its construction projects, occasional renovation activities, and external lightings used in its various premises. The Corporate Social Responsibility Policy provides relevant guidance to the Group's business units/operating subsidiaries to address these impacts.

Environmental impact assessments are conducted and approved prior to construction for development projects. Since most of the Group's construction projects are carried out by contractors, it maintains a close dialogue with them to ensure that sustainable measures are implemented. In addition to addressing emissions, energy and waste mentioned in earlier sections, the Group has implemented initiatives to reduce environmental impacts at construction sites. To minimise airborne dust, water sprays, wheel washing and covered roads are installed at construction sites along with anti-dust nets. To minimise noise, construction noise management plans are developed to meet local regulations, and noise reduction barriers are used.



Regular water spraying at a construction site for dust suppression



To lessen the disturbance caused by renovation activities, guidelines are established for contractors, and the materials used are monitored. Repair and renovation works are planned and arranged well in advance, to minimise disturbance to guests in hotel and serviced suites, as well as tenants and employees. Air purifying systems are installed at selected offices and indoor air quality at selected properties is monitored.

Various initiatives are implemented to manage the external lighting of buildings that the Group operates, including summer and winter controls, turning off external lights at midnight, complying with local statutory requirements, committing to the "Charter on External Lighting" and participating in Earth Hour.



Pledge to support Earth Hour by the Harbour Grand Kowloon

The following highlights a number of awards and achievements during the Reporting Period:

- Managed areas in China Building, Public Areas of Fashion World, Whampoa Gourmet Place, Treasure World & Home World and Chun Fai Centre received "Good Class", The Harbourfront and Cheung Kong Center received "Excellent Class" in an Indoor Air Quality Certification Scheme organised by the Hong Kong Environmental Protection Department – Indoor Air Quality Information Centre; and
- 163 Managed Properties participated in the WWF Hong Kong Earth Hour, aimed at increasing public participation in environmental protection.

## Climate Change Mitigation and Adaptation

The Group recognises that climate change is a growing worldwide concern. The Group strives to further strengthen its resilience against climate change by identifying related challenges and by developing strategies in line with global best practices to mitigate and adapt to the impact of climate change on its operations. In order to manage climate-related risks and opportunities more effectively, the Group has formulated the Environmental Policy and included climate-related topics in its enterprise risk management system.

Some of the Group's assets and businesses, as well as the Group's customers and suppliers are located in areas that would be affected in the medium to long-term by climate change. Disruption and damage, as well as climate-related regulations could have a material impact on the Group's businesses and adversely affect its financial and operational



Typhoon precaution work at Harbour Grand Kowloon

performance. For example, extreme weather could disrupt supply chains, interrupt business operation, and cause financial and physical damage. The Group has property insurance and public liability insurance to protect its interests and reduce potential financial damage. In addition, some hotel and serviced suite operation have established related operational procedures/plans in relation to storms, typhoons, floods and fires. On-going reviews of crisis management procedures are conducted by hotel management executive committees. Considering the potential transition risks posed by the introduction of legislation or requirements to limit emissions, the Group assesses the risks continuously to ensure appropriate strategies are drawn and responsible actions are taken to address the impact of climate change on and caused by its operations.

Climate change also creates business opportunities for the Group which it aims to incorporate into its business strategy. For example, these include potential changes in customer preference for environmentally-friendly products and working with the aircraft leasing business to invest in (and lease to its customers) more fuel-efficient new technology aircraft. With increasing environmental awareness among customers and tenants, the Group strives to maintain its market competitiveness by adopting green building measures and accreditations in our development projects. In addition, the Group's carbon footprint is monitored and related carbon reduction initiatives are implemented, in order to support the global climate mitigation effort. Operational costs can potentially be reduced in the long-run with the implementation of related energy and emission reduction initiatives.



An example of a more fuel-efficient aircraft – the A320neo



# Social Impact



## Response to COVID-19 Outbreak

Following the COVID-19 pandemic, the Group is acutely aware of the potential health and safety impacts brought to its employees, tenants, customers and the community. The Group adopted various social distancing and preventive measures advised or imposed by government authorities to minimise the risk of an outbreak of COVID-19 in its operating premises. To maintain social distancing, special arrangements were made for the Group's annual general meeting in 2020, to minimise the in-person attendance of shareholders and to provide shareholders online access to participate in the proceedings. All Board and Board Committees, meetings during 2020 were conducted through digital communication facilities, including video/audio conferencing, enabling the governance activities of the Group to be maintained with little interruption.



Social distancing arrangements at the annual general meeting in Hong Kong

## Property Management

The safety of tenants and staff is one of the most important concerns of the Group. In addition to daily cleansing and disinfection work within property areas, the Group has also provided personal protective equipment, including masks and disinfection kits to frontline staff. At the same time, the Group and its Managed Properties has provided hand sanitisers and performed body temperature checks for occupants and visitors, to ensure their safety.



Infra-red temperature system installed at a building lobby for temperature screening



Self-sterilisation station at properties managed by Goodwell to provide hand sanitisers for residents and visitors in Hong Kong



Regular sterilisation at a building lift lobby in Hong Kong

COVID-19 health advice was distributed to tenants. Properties managed by Goodwell and Citybase provided WhatsApp stickers with comprehensive "Anti-epidemic Tips" based on the Hong Kong Department of Health's advice. To help prevent the spread of COVID-19, properties managed by Goodwell, such as Sceneway Garden, The Victoria Towers, Celestial Heights and The Legend at Jardine's Lookout also set up "Anti-epidemic Counters" and has distributed sanitisers and related information to residents.

To encourage residents to stay at home, clubhouses at some Managed Properties launched online classes and self-learning videos, covering topics such as epidemic prevention at home, indoor exercise, handicrafts and cooking.

## Property Development

The Group recognises the potential risks of COVID-19 outbreaks at its construction sites. As a matter of precaution, the Group has issued guidance to contractors on work arrangements for social distancing at its sites. Related guidance includes avoidance of organising large events on premises, mandatory body temperature checks prior to entry at construction sites, using face masks and filling in health declaration forms regularly. The Group also encourages contractors and staff to participate in voluntary COVID-19 testing if they have a high risk of exposure or are experiencing mild discomfort.



Distribution of sanitisers at Perfect Ten development project in Singapore



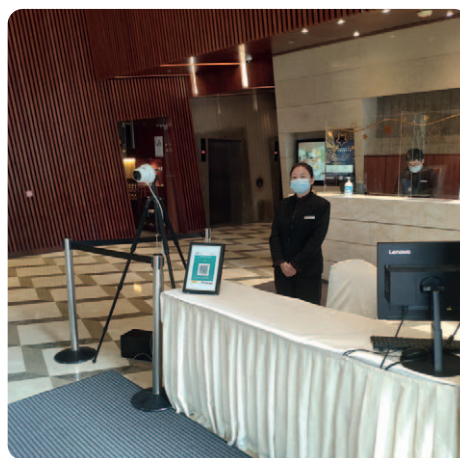


## Hotel and Serviced Suite Operation

All guests and visitors are required to put on a surgical mask at all public areas of the Group's hotel and serviced suite operation including the shuttle bus. It is also mandatory for all staff members to wear a surgical mask when carrying out work duties. Upon entering the hotel and serviced suite premises, all guests, visitors, staff members and contractors are required to have their body temperature measured and clean their hands with hand sanitiser available at the main entrance. All guests and visitors are also asked to complete a health declaration form including recent travel history. Visitors to hotel and serviced suite guest rooms must be pre-registered at the check-in desk. All guests with suspicious symptoms will be asked to go to the nearest hospital for a medical check prior to checking in. Main entrance carpets are disinfected and cleaned every hour, and all lift buttons are cleaned and sterilised every hour. In addition, restaurants comply with the Hong Kong government's social distancing measures during the required time frames.



Special seating arrangements at Harbour Grand Hong Kong's restaurant for social distancing



Temperature screening at Harbour Plaza 8 Degrees, Hong Kong

## Pub Operation

In response to COVID-19, Greene King implemented various measures to protect and support its 38,000 employees and its leased and tenanted partners.

Prior to the UK government-imposed pub closures, Greene King purchased a significant amount of hand sanitiser to distribute to all its pubs for team members and customers. Ahead of their reopening in July, Greene King introduced "Pub Safe", a series of five promises to teams and customers, to keep them and the managed pubs COVID-19 Safe. It pledged to (i) implement a safe socialising layout; (ii) look after its teams so they can look after its customers; (iii) minimise contact, (iv) provide hand sanitising; and (v) introduce hygiene and pub safe monitors. Extra cleaning and sanitising measures were put in place in addition to the routine disinfection of equipment, in accordance with Greene King's Housekeeping and Hygiene Policy.

Moreover, Greene King launched its virtual pub, The Lock Inn, to help fight loneliness, encourage interaction and provide entertainment during the lockdown. The free virtual pub was hosted on the Greene King Brewery Facebook Page and featured weekly entertainment with a pub quiz every Wednesday and Rock and Roll Bingo every Friday. Customers could also make donations to Greene King's charity partner, Macmillan Cancer Support.





Pub Safe measures at Greene King

A team member support fund of £650,000 was set up to support those who were in greatest financial need. Greene King's chief executive recorded weekly video updates and there were frequent live video conferences to update employees on the latest information at Greene King.

Greene King also offered rent discounts of up to 90% to support approximately 1,000 pub tenants across England, Scotland and Wales. In addition, around £25,000,000 was invested in supporting its tenants, primarily through rent concessions but also through credits on beer purchased from Greene King, purchasing personal protective equipment for each pub and replacing unopened beer that went out of date during lockdowns with fresh stock.

## Offices

Precautionary measures, such as contingency offices and "A-B Team" work arrangement, temperature checks of staff, temporary visitation restrictions at the workplace, were implemented to combat the risk of COVID-19 within the Group's office premises. Apart from conducting additional sanitation procedures, face masks and hand sanitiser were made available and the Group replenished sterilising tissue paper for staff in need. In addition, employees were encouraged to exercise personal prudence, as well as wearing masks and practising social distancing. To help maintain social distancing, nearly all business meetings were conducted through digital communication channels.



Social distancing setup in workplace (left) and preparation of face masks to employees (right)

## Employment and Labour Practices

The Group recognises that its success depends on the contribution and performance of every employee. The Group has established the Employee Code of Conduct to set standards for its employees. The Group has maintained proper systems to ensure equity and competitiveness of staff remuneration and recognition, and it has also provided channels of communication for employees at all levels who are encouraged to express their opinions and give suggestions.

The following awards demonstrate the Group's success:

- CKA, Hui Xian Asset Management Limited, Citybase Property Management Limited, Goodwell Property Management Limited, Cheung Kong Center Property Management Limited, E-park Parking Management Limited, Horizon Hotels & Suites Limited, e-Smart System Inc. and Resort Clubs Limited were awarded Good MPF Employer Award and MPF Support Award from the Mandatory Provident Fund Schemes Authority in recognition of their efforts to enhance the retirement protection of employees;
- Sheraton Hong Kong Hotel & Towers has been a Signatory of the Good Employer Charter since 2018 and pledges to adopt employee-oriented good human resource management practices; and
- Greene King was awarded "Leadership of the Year" by the UK Social Mobility Awards for its commitment to social mobility as well as highlighting the support offered by Greene King to communities during the COVID-19 pandemic.



Good MPF Employer Awards

## Fair Recruitment, Promotion and Dismissal

The Group adopts a robust and transparent recruitment process based on merit. The recruitment and promotion of individuals are based on their suitability for the position and potential to fulfil the Group's current and future needs.

Standardised procedures are established to review employees' performance and effectiveness on an ongoing basis. The process is designed to meet the needs and align expectations of both managers and employees and to ensure that all employees have the opportunity to develop and succeed in his or her career. Dismissal process will only proceed with a reasonable basis.

## Remuneration and Benefits

To motivate and retain talent, the Group offers competitive remuneration which is reviewed annually to reflect each employee's performance and contribution as well as market developments. Permanent and contract employees are also provided with other benefits such as medical, life and disability insurance coverage and marriage leave. Retirement schemes are included as part of their remuneration packages. The Group has also formulated policies in determining working hours and rest periods in accordance with local employment laws and Group regulation. A five-day working week policy has also been adopted in most of its business sectors. Attendance and working hours of employees are recorded to ensure appropriate reimbursement is provided for overtime working.

The Group also cares about the physical and mental wellbeing of its employees. Fresh fruit as well as nutritional soup are regularly provided. Recreational activities such as health talks, conferences and sports activities are organised. Employees can also enjoy discounted services and products offered by Group entities and affiliates. Regarding the outbreak of COVID-19, special support was provided to employees including "Anti-epidemic Hardship Allowance" under the "Enhanced Anti-epidemic Support Scheme for Property Management Sector" for eligible staff and reimbursing COVID-19 testing fee for employees in hotel and serviced suite operation and Managed Properties.

## Diversity and Equality Opportunities at Workplace

The Group adheres to non-discriminatory employment practices and procedures and is committed to providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce and fosters individual growth and achievement of business goals.

Respect for human rights is a fundamental value of the Group. The Group is committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability or sexual preference or status. It is the Group's policy to provide equal opportunity to all employees with regard to hiring, pay rates, training and development, promotions and other terms of employment.

Gender diversity is demonstrated by the Group's employee profile of approximately 49% (2019: 58%) male and 51% (2019: 42%) female. The age distribution of the Group's employees is approximately 47% (2019: 19%) for 18 - 30, 36% (2019: 51%) for 31-50 and 17% (2019: 30%) for above 50 and

Gender distribution



Age distribution



the regional distribution of the Group's employees is approximately 19% (2019: 64%) for Hong Kong, 10% (2019: 36%) for the Mainland and 71% (2019: 0.4%) for overseas. The changes were due to the Group's acquisition of its pub operation. The employee turnover rate among the Group's full-time employees by gender is approximately 11% (2019: 11%) for male and 10% (2019: 13%) for female, while this rate by age is approximately 20% (2019: 25%) for 18 - 30, 8% (2019: 9%) for 31-50 and 6% (2019: 8%) for above 50.

The Group has zero tolerance of discrimination of any form and will not tolerate any kind of harassment that consists of unwelcome and offensive conduct (whether verbal, physical or visual) which is based upon a person's sex, marital status, disability or otherwise. Any act of discrimination or harassment when dealing with employees, customers and/or suppliers will not be tolerated and the offender will be subject to severe disciplinary action, including possible termination of employment.

Individuals who believe they have been subjected to discrimination or harassment should immediately report the incident to their supervisors and/or the Human Resources Departments of their respective employing companies. All complaints will be promptly and thoroughly investigated. No retaliation will be taken against any employee because he/she reports a problem concerning acts of discrimination or harassment. Employees can raise concerns and make reports without fear of reprisal. Employees who observe or become aware of harassment are encouraged to immediately advise their supervisors and/or their respective Human Resources Departments.

### Anti-child and Forced Labour

As stated in the Human Rights Policy and the Modern Slavery and Human Trafficking Statement, the Group prohibits the use of all forms of child labour or forced labour, including prison labour, bonded labour, any form of slavery and any form of human trafficking. Procedures are established to ensure that no child or forced labour is engaged. The Group is committed to ensuring there is transparency in its own business and in its approach in tackling modern slavery throughout its supply chains. Contractors and sub-contractors are required to declare that they have not engaged and will not engage in child or forced labour. Where appropriate, the Group conducts due diligence as part of its initiative to identify and mitigate risk, such as when identifying potential new suppliers and protecting whistle-blowers.

### Regional distribution



Remark: The total workforce and employee turnover rate data include the newly acquired pub operation



Total employee number reached

# 58,014

after the acquisition of pub operation



## Talent Development

The Group aspires to develop employees by providing them with opportunities to advance their careers. Employees of the Group are encouraged to take part in internal and external training courses to continually enhance and update knowledge and information in their respective functions. Directors of the Group are provided with continuous professional development training to develop and refresh their knowledge and skills and are also updated on the latest legal and regulatory issues. With the outbreak of COVID-19 and to maintain social distancing, some of the training programmes were arranged in forms of webinar and webcast as well as video conferences.

Training programmes covering technical training (data protection, engineering, building design, quality control and compliance), soft skills (customer services, leadership, communication and engagement) and well-being (mental health, occupational health and safety) were carried out during the Reporting Period. Special trainings on COVID-19 related topics (such as communication skills and household drainage systems and cross contamination) were also carried out during the Reporting Period. Sponsorship on obtaining qualifications (certification on vocational education and obtaining diploma in business-related studies) were also provided to employees to support them in enhancing their skillset and professionalism in service delivery. Corporate orientation programmes are held for new staff to assist them with adapting to the Group's corporate culture. Approximately 53% (2019: 59%) of the Group's male employees and 51% (2019: 61%) of the Group's female employees participated in the training organised by the Group in 2020. The average training hours completed per employee by gender is 9.50 hours (2019: 8.75 hours) for male and 8.68 hours (2019: 9.69 hours) for female; and by employee category is 5.87 hours (2019: 6.11 hours) for managerial grade or above and 9.41 hours (2019: 9.37 hours) for non-managerial grade.

### Average training hours per employee by gender

2020

**Male**

9.50 hours

**Female**

8.68 hours

### Average training hours per employee by employee category

2020

**Managerial grade or above**

5.87 hours

**Non-managerial grade**

9.41 hours

Remark: The above percentage of employees trained and average training hours completed per employee data exclude the newly acquired pub operation.

In 2020, the Group received, among others, the following awards in relation to training and development:

- Cayley Property Management Limited was awarded the 2019 Security Services Best Training Award from the Vocational Training Council and Hong Kong Police Force Crime Prevention Bureau for its training initiatives offered to employees in enhancing their professional competence; and
- Harbour Grand Hong Kong received the honor of Manpower Developers ("MDs") and Goodwell Property Management Limited received the honor of Super MD in the ERB Manpower Developer Award Scheme from the Employees Retraining Board in recognition of its outstanding achievements in manpower training and development as MD. Current MDs that have been granted the award status for 10 consecutive years will be acknowledged as "Super MDs".



Goodwell Property Management Limited received the honor of Super MD in the ERB Manpower Developer Award Scheme

## Occupational Health and Safety

In 2020, the Group focused on minimising the risk of COVID-19 outbreak within the workplace as it poses health risks to our employees. Please refer to the section "Response to COVID-19 Outbreak" for details of the various measures implemented by the Group for the different business operations.

The Group places the highest importance in potential occupational health and safety matters in its operations. The integration of safety and health considerations in the design, maintenance and operation of the Group's facilities are emphasised in the Corporate Social Responsibility Policy. The Employee Code of Conduct also outlines the expectation on health and safety for employee's works and practices within the workplace. The Health and Safety Policy further provides the framework and sets out minimum requirements on health and safety that each Group operating company shall adopt. A wide range of safety products (e.g. helmets, dust masks, goggles, etc.) are provided to office staff who need to work on construction sites.

Regular inspections of construction sites are conducted to ensure contractors meet the Group's safety standards. Contractors are requested to conduct risk assessments of each construction activity and determine the preventive or protective measures required to address them.

To provide a safe working environment for employees in the office, risk assessments of workstations, equipment and tools are performed on a regular basis. The Group's offices are equipped with a first aid box, defibrillator and firefighting equipment. Carts, trolleys, step stools, ladders and gloves are provided to reduce risks from carrying heavy loads and reaching items at height in offices.

Safety committees at the properties managed by Citybase, Goodwell, Cheung Kong Center Property Management Limited and Hutchison Property Management Company Limited, some hotel and serviced suite operation as well as Greene King have been established for managing and monitoring health and safety. Guidance on appropriate working gestures and handling heavy weights are provided to employees. Specific guidance for kitchen safety is also included in certain hotel and serviced suite operation's Employee Safety and Health Handbook. Greene King also implements BEST (Behavioural Engagement Safety Tours), which is a behavioural safety programme that works with a small team of management and employees in each area, walking the areas they work in observing behaviours of everybody, engaging with them on health and safety and spotting any potential hazards that may cause an accident or incident if left unchecked.

During the Reporting Period, including the newly acquired pub operation, there were 10,347.5 lost days (2019: 11,699.0 lost days) due to reported work-related injuries for employees directly employed by the Group. There were no work-related fatalities during the Reporting Period.

In 2020, the Group received, among others, the following awards and certifications:

- Citybase, Goodwell, Hutchison Property Management Company Limited and Whampoa Property Management Limited received the ISO 45001 Occupational Health and Safety Management Certification; and
- Certain properties managed by Citybase, Goodwell, Hutchison Property Management Company Limited and Estoril Court Management Company Limited received the Best Property Safety Management Award from the Hong Kong Occupational Safety & Health Council in recognition of their outstanding achievements.

The Group recognises the importance of regulatory compliance and has established preventive, monitoring and controlling measures to ensure compliance with relevant employment and labour laws and regulations. The Group is not aware of (i) any material non-compliance with laws and regulations relating to employment and labour practices, occupational health and safety that has a significant impact on the Group during the Reporting Period; or (ii) any incident that has a significant impact on the Group relating to the use of child or forced labour during the Reporting Period.



Proper use of protective equipment in workplace to reduce risk from safety hazards

## Green and Responsible Procurement

The Group has an extensive supplier base providing a variety of products and services for its businesses and operations. It strives not to over-rely on a specific supplier, to ensure the stability of the supply chain. During the Reporting Period, 38% (2019: 27%) of the Group's purchases were attributable to the Group's five largest suppliers, of which 26% (2019: 19%) were in Hong Kong, 6% (2019: 8%) in the Mainland and 6% (2019: N/A) in the UK.

In line with its commitment to business integrity, the Group has established an open and fair procurement process. There are internal written records of the reasons for any non-inclusion or suspension of contractors and suppliers. Regular meetings are conducted with suppliers and contractors to ensure a close communication and identification of key issues.

Besides, the Supplier Code of Conduct has been developed and adopted by the Group, taking into consideration a number of international charters and conventions such as the United Nation's Declaration on Human Rights and the International Labour Organisation's 1998 Declaration on Fundamental Principles and Rights at Work. The Group evaluates and monitors the performance of its suppliers to ensure their compliance with service standards, contract conditions and quality provisions.



## Managing Environmental Risks and Promoting Environmentally Preferable Products in Supply Chain

The Group is aware of the indirect impact arising from its ability to influence environmental performance within its value chain and in its investments. As part of the Environmental Policy, the Group is committed to continuing to raise awareness of environmental issues and promote eco-friendly practices in the communities that the Group operates in by partnering with industry groups and environmental organisations as appropriate. In the procurement processes, the Group puts higher preferences for products that are eco-friendly or with environmental certifications, such as organic fertilisers, pesticides, Programme for the Endorsement of Forest Certification ("PEFC") certified copy paper.

The Group promotes sound environmental performance, social well-being and governance practices amongst its business partners and suppliers and the Supplier Code of Conduct serves as guidelines for their compliance. It encourages its business partners and suppliers to consider the risks posed to their operations from climate change and to actively mitigate their environmental impacts, and also the value brought to the Group's business in terms of more efficient resource consumption and monitoring of wastage. The Group also advocates the use of environmentally friendly technology that can reduce resources consumption, and promote the use of environmentally friendly, recycled and/or sustainable materials and products in business partners' and suppliers' operations. Any breach of the Supplier Code of Conduct may result in its business relationship with the Group being terminated.

### Supplier management practices at Harbour Plaza Hotel Management Group

Supplier Performance Evaluation Survey is conducted periodically within the Harbour Plaza Hotel Management Group. It aims to conduct business continuously with suppliers that exceed expectations and works closely with suppliers that meet expectations to improve their performance. If any supplier's performance is determined to be below expectations, it will receive a Supplier Performance Evaluation Report which is a formal notice of poor performance with the intention of terminating the supplier's contract. Such supplier would not be re-invited to future bids or tenders.

Harbour Plaza Hotel Management Group purchases from suppliers with environmental certificates, such as wood or paper certified by Forest Stewardship Council ("FSC"), frozen Canadian lobsters and snow crabs certified by Marine Stewardship Council ("MSC") and chilled Norwegian salmon certified by Aquaculture Stewardship Council ("ASC").

In addition, the Harbour Plaza Hotel Management Group's operation team will conduct monthly meetings with service providers (e.g. cleaning, pest control etc.), to ensure service quality meets the Harbour Plaza Hotel Management Group's standard.



ASC certification for Norwegian Salmon served at Harbour Plaza Hotel Management Group

## Managing Social Risks in Supply Chain

The Group expects its business partners and suppliers to act in accordance with the highest standards of ethical conduct and professionalism. In particular, the Group's business partners and suppliers are required to implement anti-corruption policies and programmes, and to verify that such policies and programmes are complied with. Bribery or corruption in any form is strictly and expressly prohibited in the tendering process for construction projects. Employees are reminded to avoid situations that may lead to or involve a conflict or potential conflict of interest. To ensure fairness in the tendering process, a Tender Committee has been formed to monitor the supplier and contractor selection process. The Tender Committee makes use of analyses and recommendations made by external consultants and internal project staff when awarding contracts to bidders.

The Group encourages its business partners and suppliers to abide by the standards and conditions in ensuring a fair and equitable workplace environment that is free from any form of harassment or discrimination; implementing clear, uniformly applied disciplinary practices and grievance procedures that include provisions prohibiting corporal punishment (including mental, physical or verbal abuse); providing a work environment that pays due consideration to safety and minimises any health hazards or harm to employees; complying with regulation or legislation on working hours and minimum wage payments; and ensuring that employees are provided with freedom of association and the right to collective bargaining. Where no such legislation on collective bargaining exists locally, appropriate channels should be made available for discussion and recourse on labour related issues.

In addition, the Group has established the Modern Slavery and Human Trafficking Statement and is committed to ensuring that there is no slavery or human trafficking in any part of its business or in its supply chains.

## Products and Services Responsibilities

The Group places high importance on relevant regulatory compliance concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress.

In 2020, the Group received the Listed Company Awards of Excellence 2020 from Hong Kong Economic Journal and Listco Excellence Awards 2020 from am730 in recognition of its outstanding performance.

The Group is not aware of any incidents of material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress, that has a significant impact on the Group during the Reporting Period.



Listco Excellence Awards 2020 from am730

## Maintaining Products and Services Quality

The Group is committed to delivering superior customer services and handling queries from customers in a timely and efficient manner. For the property development business, Development Department, Construction Management Department and Construction Audit & Quality Assurance Department are involved in quality assurance and control in different stages of construction process. Our project teams continuously supervise and monitor construction works performed by contractors. Construction audits are conducted regularly by audit team of Construction Audit & Quality Assurance Department, referencing to contract specifications, international standards, local statutory requirements and industry best practices. Contractors should rectify the issues noted in the audits timely. At handover stage, cross-department including Customer Service Department re-examine and re-inspect all units before handover to purchasers. Related quality policy are set up by the management and a series of checklists are in place for reference in order to ensure no missing or damaged items, equipment are in proper order of operation as well as the workmanship are up to standard. Follow-up services are provided to purchasers to assist them with setting up connections to utilities, telecommunications and other services.

In order to enhance the services of its property management on a continuous basis, customers are encouraged to provide feedback on their experience and annual customer satisfaction survey and mystery calls were conducted. Employees of certain Managed Properties may also share their experience in resolving customers' queries during training sessions.

Besides, the hotel and serviced suite operation of the Group also endeavours to provide an excellent experience to its guests and has established standard procedures on handling guests' opinions and comments. All complaints received are logged and passed to the relevant department head for review and response. Management is responsible for reviewing and ensuring that the matters are properly handled and corrective actions are taken if applicable.

Moreover, the Group takes seriously its responsibility to provide a safe, affordable and convenient experience for its guests. The Group aims to serve quality food and to give customers a wide range of options that supports a healthy balanced diet, and many of the menus at Greene King offer at least ten dishes that are under 500 calories.



Harbour Grand Hong Kong received the 2020 Bridal Award - Best Hotel Wedding Banquet - Hong Kong Island (Supreme Choice) from ESDlife for outstanding services





Food served at restaurants of Greene King



Food safety in kitchens and within our supply chain is of vital importance to the Group, therefore food products supplied to the Group must meet its strict labelling requirements. For instance, all Greene King's suppliers either have a British Retail Consortium or a Safe and Local Supplier Approval accreditation. To provide a pleasant customer experience, the Group takes into consideration guests with allergies and intolerance in food choices at pubs and restaurants. Allergen information is provided so that customers can make more informed meal choices. The Group also explores opportunities to cooperate with local authorities on food safety issues and regular trainings are provided to staff on food safety and kitchen standards.

In 2020, including the newly acquired pub operation, the Group received a total of 10,749 written complaints in relation to products or services provided, and they were handled according to relevant policies and procedures. There were no products sold or shipped subject to recalls for safety and health reasons. The Group received the following awards and certifications:

- Citybase, Goodwell, Hutchison Property Management Company Limited, Hutchison Logistics Centre Management Limited, Whampoa Garden Management Limited and Whampoa Property Management Limited obtained ISO 9001 Quality Management Certification;
- Harbourfront Landmark Premium Services Ltd. received the Excellence in Facility Management Award - Excellence Award from the Hong Kong Institute of Facility Management in recognition of its quality facility management to Harbourfront Landmark;
- Harbour Plaza 8 Degrees received the "Best Mid-range Hotel in Hong Kong" TTG China Travel Awards 2020 for the recognition of its services by fellow trade professionals and readers of TTG through online and printed voting; and
- Harbour Grand Hong Kong received the Continent Winner in Luxury Harbour Hotel at the 2020 World Luxury Hotel Awards for its outstanding services.



Continent Winner in Luxury Harbour Hotel for Harbour Grand Hong Kong



## Protecting Personal Data Privacy and Intellectual Property

The Group is committed to safeguarding and protecting the personal data of its customers and employees and its intellectual property rights. Relevant privacy policies, including but not limited to the Employee Code of Conduct and the Information Security Policy, and measures regarding the protection, collection and usage of personal data and protection of intellectual property are in place. Review and revision of the personal data and privacy protection practices are carried out to ensure compliance with relevant laws.

To protect the Group's intellectual property rights, trademarks and domain names are registered in various jurisdictions. Action will be taken immediately if scam or infringing articles or materials in relation to the Group are discovered.

To protect personal data of buyers, clients and hotel and serviced suite guests, policies with respect to the collection, use, retention, disclosure, transfer, security and access of personal data are in place. A Personal Data Statement to Customers prepared for the purpose of allowing any person to ascertain the Group's general policies and practices in relation to personal data has been made available on the hotel and serviced suite operation's websites. Prior consent from customer is required to use personal data for direct marketing. Access to personal data in whatever format is restricted to authorised employees who need to know the information to carry out their duties within the business unit. Personal data is permanently destroyed in a secure manner after use and in compliance with the applicable laws.

Trainings are provided to relevant employees regarding the protection of personal data. For example, personal data related policies and practices are briefed during orientation for new staff which also covers protection of personal data for their awareness at Horizon Hotels & Suites Limited.

## Cybersecurity

With the fast expanding adoption of internet and networking operational technology, cyberattacks around the world are occurring at a higher frequency and intensity. Firewall and anti-virus software are deployed in the office network and data centres to minimise the risk of cyberattack (e.g. Distributed Denial of Service "DDOS") or virus/malware infection that might lead to service disruption, mass data leakage or destruction of business and personal data. As stated in the Information Security Policy, any exception to the restriction requires prior approval from the person in charge of the business unit on the advice and approval from the Group's designated personnel. In addition, policies and procedures relating to computer hardware and software management are in place.

## Q Cybersecurity measures at Harbour Plaza Hotel Management Limited

Requisition of any software in the Harbour Plaza Hotel Management Limited must follow proper procurement procedure for management approval. Any software purchased must be installed and configured by the responsible IT staff. External software cannot be installed by any person (including IT staff or external vendor) unless with prior approval from the person in charge of the business unit. Also, all staff in Harbour Plaza Hotel Management Limited are restricted to read-only access to USB and portable drives. Authorised staff granted with USB write access must use company provided USB memory thumb drive that is password-protected.

## Responsible Marketing

To ensure the market receives timely and accurate information about the Group, it has established the Media, Public Engagement and Donation Policy. Approaches for engagement with media and the public, usage of the Group logo and information on company websites are covered in the policy to ensure we have the best image and profile in our key markets and that we communicate effectively our corporate messages to key stakeholders. Employees are welcome to check with marketing or administrative departments of the relevant business units for the guidelines when necessary.

For the Sales Department which mainly involves in the sales and marketing of properties, sales staff should observe and comply with Residential Properties (First-hand Sales) Ordinance and the Personal Data (Privacy) Ordinance. Sales staff perform their work in accordance with the guidelines and requirements of the Ordinances. The Group also seeks advice from its Legal Department and legal compliance checker in the preparation of marketing materials and sales documents. Sales staff or marketing letters reach only those buyers indicating their consent for the Group to use their personal data for direct marketing.

## Community Investment

The concept of creating value to the community is demonstrated in the Corporate Social Responsibility Policy and Media, Public Engagement and Donation Policy. As a good corporate governance practice, donations and contributions are subject to internal compliance guidelines and controls so as to safeguard stakeholder and shareholder interests. A common and coherent approach among the Group is important to ensure that resources are deployed fairly and effectively, contributed to the development of communities that the Group operates, complies with all applicable laws, and reflects the Group's values and sustainability objectives. Focuses of the Group's community initiatives include employee volunteerism, education, medical, health and elderly care, arts and culture, as well as sports and disaster relief. The Group also encourages its employees to play a positive and active role in the communities where they live and work, and in cities and towns around the world.

## Charitable Donation

The Group, together with its affiliates ("CK Group") is a donor to the Community Chest of Hong Kong ("Community Chest"), which raises funds through community wide appeals on behalf of member social welfare agencies, and provides rapid response to people who find themselves in an emergency financial crisis. CK Group was named one of the top three donors of the Community Chest for 21 consecutive years. Such consistent and long-term commitment to the Community Chest demonstrate the Group's care to the underprivileged and its response to the needs of society. In 2020, the Company made donation to The Community Chest Anti-NCP Rainbow Fund to support individuals and families who suffer from sudden hardship inflicted by COVID-19. Target beneficiaries include breadwinners from the hotel, tourism, catering, transportation and retail sectors, as well as people whose livelihood are affected by quarantine.

AMCK Aviation Holdings Ireland Limited ("AMCK") signed up as a Founding Partner of the Dublin City University Centre of Excellence for Diversity and Inclusion to support their "Year of Inclusion in Aviation 2020" and as a sponsor of their Women in Aviation Leadership Development Programme. To support these projects, AMCK has donated €25,000. In addition, AMCK organised a health and exercise initiative at the beginning of lockdown in March 2020. The goal was to cover the distance from Dublin to Tokyo in kilometres and the company would match the amount in Euros. This was very successful and the journey continued from Tokyo to Irvine. The Group donated €20,000 which was apportioned between three charities (Temple Street Children's Hospital in Dublin, CHOC Children's Foundation in the USA and Katariba in Japan).

As part of Greene King's longstanding relationship with the Prince's Trust, it donated £20,000 to its Young Persons' Relief Fund to support young people facing uncertainty in work and careers right now. Moreover, Greene King donated approximately £404,500 of food to Fareshare, the Felix Project and, Bread & Butter charity, as well as local foodbanks and the National Health Service after pub closes in March 2020 and gave food away for free again in November 2020 when pubs were forced to close again in England. Since 2012, Greene King worked closely with Macmillan Cancer Support as a charity partner. Unable to hold the usual Macmillan May fundraiser in 2020, Greene King instead moved it to September and October 2020 and its team members smashed all previous records by raising a staggering £1,000,000 for the charity.



Donation to the Prince's Trust Young Persons' Relief Fund by Greene King





## Community Support

Apart from making donations to charitable organisations, members of the Group also took the initiative to support local communities and promote youth development. Hotel visits and hotel operation sharing were arranged to students at Harbour Plaza Resort City, allowing them to further understand the operations within a hotel. Internship programmes were launched at various operations to provide industry placement for students to fulfil their mandatory or elective requirements of undergraduate education.

The Harbour Plaza Hotel Management Group continues to participate in a plastic bottle recycling programme and soap recycling programme in 2020 to collect, sanitise and recycle minimally used soaps and bathroom amenities which will be distributed to underprivileged families and schools in disadvantaged communities around the world. Sheraton Hong Kong Hotel & Towers has donated hotel amenities to Hong Chi Association, a non-profit making organisation in Hong Kong dedicated to serving people with intellectual disabilities, for its mock up hotel housekeeping training room and hostel for providing job training to students before graduation.

The Group also cares for the elderly in the community. Harbourfront Horizon All-suite Hotel has supported the Hong Kong Police – West Kowloon by participating in and donating approximately HK\$11,000 to the "Anti-Deception Chinese Opera Show" that educated elderly on anti-deception through Chinese opera performances. Citybase has organised volunteer services of more than 10,000 hours for over 10 years. In 2020, Citybase organised events such as Rice Dumplings for the Elderly, Visit to the Elderly Home and Mooncake Giving to share the joy of the festivals with elderly in the community.



Hotel visits arranged to college students to introduce hotel facilities at Harbour Plaza Resort City, Hong Kong in January 2020



Student Internship Program at Sheraton Hong Kong Hotel & Towers, Hong Kong



Walkathon participated by Citybase in 2019



Charity sale organised by Citybase in 2020

As part of the Group's social engagement, our property management company Goodwell participated in the "2019/2020 Hong Kong & Kowloon Walk for Millions" organised by The Community Chest, and launched "Loving Home • Sharing Joy 2020" to share love and care to the community in times of epidemic. Also, Cheung Kong Center Property Management Limited jointly organised with the office Christian fellowship "Living Water@Workplace" Christmas Carol via live streaming on 24 December 2020 to share the joy and peace of Christmas with the tenants and visitors amid the pandemic. This marked the 7th year of such joint initiatives. Previous years of Christmas Carol were held at the G/F lobby of Cheung Kong Center.



Mr. Victor T K Li, Chairman and Managing Director, joined the 2020 Christmas Carol organised by Cheung Kong Center Property Management Limited and the office Christian fellowship "Living Water@Workplace" via Zoom to provide encouragement and support to the team.





In the UK, during the first lockdown, a number of Greene King's team members used their time while furloughed to volunteer as telephone buddies for the charity. The aim of the initiative was to alleviate loneliness and social isolation during the COVID-19 pandemic, with their team members receiving training from the charity before being matched to one or two people living with cancer so they could speak to them once a week and help deliver 12 weeks of emotional support. Furthermore, Greene King team members supported their communities locally, whether by making personal protective equipment at home, looking after vulnerable customers, donating additional food or supporting the National Health Service. With the closure of pubs, Greene King donated 3,000 litres of hand sanitiser purchased earlier to the Leonard Cheshire Disability, a charity organisation in the UK, allowing the immediate use of the sanitisers among the community.

Recognising the effort of the Group in integrating corporate social responsibility into its businesses through caring for the community, employees and the environment, members of the Group (including property management services centres) were awarded a total of 117 "Caring Company" logos under the "Caring Company Scheme" by the Hong Kong Council of Social Service in 2020.



Volunteer services organised by Goodwell

# Li Ka Shing Foundation

## Developing a Better Society, Inspiring Societal Improvement

Established in 1980, the Li Ka Shing Foundation ("LKSF") has invested over HK\$27 billion to support education and healthcare initiatives in over 27 countries and regions. More than 80% of the Foundation's projects have benefited people in the Greater China region.

Below are some of LKSF's major initiatives in 2020:

### Coronavirus Support

#### Relief Fund and Donation of Protective Supplies of HK\$200 million

In February 2020, the LKSF donated HK\$100 million in support of frontline medical staff in Wuhan for their unwavering commitment in battling the COVID-19 outbreak.

During the early days of the pandemic, Hong Kong faced critical supply issues in securing surgical masks and personal protective equipment ("PPE"). The LKSF sourced and donated surgical masks and other supplies to underprivileged communities. The Foundation also sent high-quality PPE to healthcare professionals from both the public and private sectors through the Hospital Authority and the Hong Kong Medical Association.



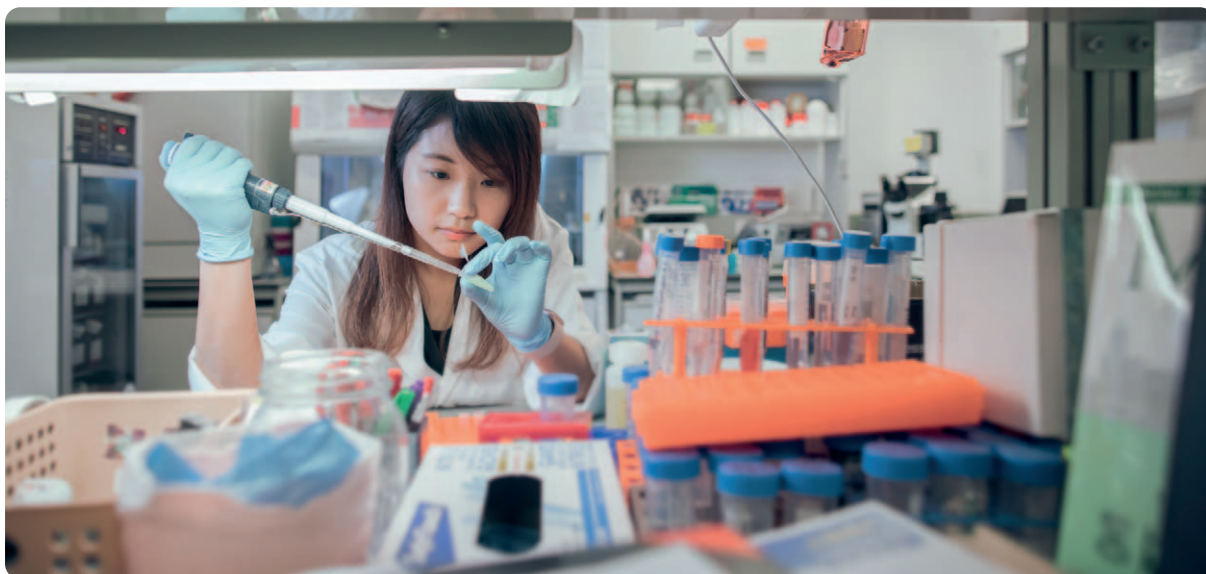
Fight Against Virus - Together as One. Donation of protective gears and funding which worth almost HK\$200 million to support frontline medical staff and the community in Mainland China and Hong Kong.

In February 2021, the Foundation presented gift cards to all 97,000 medical and supporting staff of the Hospital Authority before Chinese New Year to thank them for their unwavering commitment and dedication while protecting the well-being of the people of Hong Kong. Each gift card contained PARKnSHOP gift coupons with a face value of HK\$200.

### Medical Support in Hong Kong

Following the success of "Love Can Help I" Medical Assistance Programme in 2019, the LKSF announced "Love Can Help II" in July 2020. The second phase made available another HK\$101 million to support medical and welfare services. The donations included: HK\$48 million to support Hospital Authority's heart surgeries; HK\$20.8 million to support the LKS Career Seeding Fund for medical graduates of the University of Hong Kong ("HKU") Li Ka Shing Faculty of Medicine, encouraging more graduates to stay and serve Hong Kong; HK\$10 million additional funding to support the Hong Kong Sanatorium & Hospital's "Transcatheter Cardiovascular Interventions Subsidy Scheme"; HK\$22 million to support the operations of 12 non-governmental organisations providing various services to the underprivileged amid funding and operational challenges during COVID-19.





For the first time the LKSF has donated to four local universities simultaneously to boost Hong Kong's competitiveness.

## A Vision for the Future – Donation to Four Local Universities

In September 2020, the LKSF for the first-time donated HK\$170 million to four universities simultaneously to support multiple scientific research projects that could boost Hong Kong's competitiveness. The grant included HK\$100 million to establish the Cryo-electron Microscope Unit at the HKU Li Ka Shing Faculty of Medicine; HK\$35 million to build the world's foremost translational biomedical research platform at the Chinese University of Hong Kong Faculty of Medicine; HK\$30 million to support the launch of a new Synthetic Biology initiative at the Hong Kong University of Science and Technology; and HK\$5 million to introduce innovative AI educational solutions to enhance student learning and quality teaching at the Education University of Hong Kong.

## Emergency Relief

In November 2020, a fire broke out in a residential building in Yau Ma Tei, Hong Kong, resulting in eight deaths and nine other people injured. The LKSF donated HK\$3 million to victims of the incident and their impacted family members.

## The Publication of Hong Kong Chronicles

HK\$5 million financial support was devoted for the publication of Hong Kong Chronicles. This multi-volume compendium will detail aspects of Hong Kong's major development and evolution in terms of society, economy, people and vistas.

## Chiu Chow Chamber of Commerce Centennial

LKSF donated HK\$1.5 million to support the Chiu Chow Chamber of Commerce's centennial celebratory initiatives in caring for the underprivileged community and recovery of the Hong Kong economy.



## Caritas Family Crisis Hotline

Founded by the Catholic Diocese, the Caritas Family Crisis Hotline and Education Centre offers 24 hours counselling hotline services, crisis prevention and intervention services for individuals and families in distress. In 2020 alone, the centre handled over 36,400 cases. Since 2008, the LKSF has donated HK\$61.9 million, helping the centre to serve a total of more than 626,000 cases.

## Tsz Shan Monastery – Offline Appreciation and Online Meditation

Since the inception of the Tsz Shan Monastery, the LKSF has granted HK\$3.1 billion to support land acquisition, development and operations. The Monastery has welcomed more than 1.3 million visitors as of December 2020. The Tsz Shan Monastery Buddhist Art Museum has welcomed about 123,000 visitors since its opening in May 2019.

From March till December 2020, the Monastery launched an e-learning platform comprising 350 online spiritual, experiential and learning programmes to a public struggling with the global pandemic. The platform has achieved 3.8 million views and engagements. The Tsz Shan Institute tailored a set of systematic teaching materials for the body and mind that supports distance learning. The Buddhist Spiritual Counselling Centre also overcame barriers in time and space imposed by the pandemic response including multiple online courses and e-counselling services launched providing for continuous public access.



Tsz Shan Monastery holds the “New Year Bell Ringing Ceremony 2021” on New Year’s Eve, presenting more than 25,000 lanterns in front of the Guan Yin statue and ringing the bell to bring blessings to the new year. Broadcast online, the event has attracted a viewership of over 440,000.



Shantou University is co-developed under a tripartite agreement between The Ministry of Education, the Guangdong Provincial Government and the Li Ka Shing Foundation. It is a platform to instigate reforms in higher education in China. To date, Shantou University has educated 160,000 students.

## Shantou University

Shantou University ("STU"), co-developed by the Ministry of Education ("MOE"), the Guangdong Provincial Government and LKSF, is a platform for instigating educational reform in China. LKSF has made grants and contributions of over HK\$12 billion to support the University. STU has nurtured over 160,000 students to date, including over 50,000 medical school students.

In the face of COVID-19, STU made great efforts to provide a hybrid of online and offline teachings and achieved good results. The University has remained highly placed in authoritative world university rankings for consecutive years and entered Times Higher Education World University Rankings 2021, ranking No 51 among the listed universities in Mainland China. Five STU courses are accredited by the MOE as national-level First-class. The Practice of Community Service course was selected as an exemplary case by the MOE and was featured in a special report by China Education Daily. Three programmes, namely Clinical Medicine, Engineering and Chemistry, were ranked in the top 1% on a global list of programmes based on Essential Science Index ("ESI") data. The School of Public Health was also established.

In 2020, all freshmen recruited in Guangdong province chose STU as their first preference and the overall employment rate of graduates reached 91.82%.



## Shantou University Medical College

For 23 consecutive years, 100% of all incoming students have selected Shantou University Medical College ("SUMC") as their first choice. For nine consecutive years, the Clinical Medicine major has been in the world's top 1% of ESI (Essential Science Index). The clinical simulation and learning centre is one of the teaching curricula being listed as a national world-class undergraduate course. The Nursing major has been recognised as a provincial professional highlight and listed in the provincial plan to develop as a first-class undergraduate course.



The First Affiliated Hospital and the Second Affiliated Hospital of Shantou University Medical College send medical teams to Wuhan to provide medical assistance during the COVID-19 pandemic in 2020.

The COVID-19 research studies conducted by the 52 research teams from SUMC have received funding support from the Guangdong Provincial Emergency Project, including one program tackling the coronavirus, five addressing prevention and control technology and products, and 20 developing the first and second phases of Shantou's prevention and control plan. Medical students received a total of four first and second prizes at the Fourth National Life Sciences Experiment Contest for College Students. A total of 21 presentations received recognition at the Second Five-Minute Research Presentation Competition, representing one-eighth of all recognitions awarded at the competition.

The Shantou International Eye Center ranked fourth in the National Eye Specialist Hospital rankings in 2018. The Guangdong-Hongkong Joint Laboratory of Emerging Infectious Diseases published research findings in the authoritative scientific journal, *Nature*.

## Guangdong Technion Israel Institute of Technology (Joint venture between STU and Technion)

LKSF donated US\$130 million to Technion in 2013 to drive the co-establishment of Guangdong Technion Israel Institute of Technology ("GTIIT"). In 2020, GTIIT enrolled 185 incoming students, taking the total student body to 958. GTIIT students are active in national and provincial contests. Achievements included winning the third prize of the Writing Group at the 2020 "FLTRP · ETIC" National English Speaking, Writing and Reading Contest and numerous honourable prizes in the Guangdong provincial contests.

## Cheung Kong Graduate School of Business

Since its founding in 2002, the Cheung Kong Graduate School of Business ("CKGSB") has aimed to build a global business school for the new era. CKGSB now has about 50 world-class full-time professors. In its 18-year history, CKGSB has developed a growing network of 16,000 alumni. Twelve alumni placed on Harvard Business Review's 2019 Top 100 Best-Performing CEOs in China. The business school is recognised as a "2020 Chinese Philanthropic Enterprise" by the Ministry of Civil Affairs.



## Free Medical Services in the Mainland

Over the years, LKSF has contributed over RMB1 billion to support free medical care services, including the “Heart of Gold” Nationwide Hospice Care Services; Nationwide Medical Relief for the Poor; and the Kumbum Tibetan Medical Hospital Aid Programme. Tens of millions of patients have benefitted.

## International Medical and Scientific Research

### Nobel Prizes in Medicine and Chemistry

Mr Li Ka-shing has always believed that science will reshape human destiny. Two Li Ka Shing Chair Professors, namely Professor Michael Houghton at the University of Alberta and Professor Jennifer Doudna at the University of California, Berkeley have been awarded the 2020 Nobel Prize in Medicine and Chemistry respectively. At the two virtual celebrations in December 2020, the two Nobel laureates presented replicas of their Nobel medals to Mr Li.

Mr Li also honoured Professor Houghton’s co-investigators at Chiron’s Hepatitis C Research team, each with the same Nobel prize money of USD\$380,000, to recognise their contributions to the discovery. The two virologists, Dr Qui-Lim Choo and Dr George Kuo shared in the discovery with Professor Houghton but did not receive the Nobel Prize.

## Pallium Canada

The need for rapid upskilling of Canada’s frontline health care professionals in palliative care is more important than ever under the COVID-19 pandemic. The Foundation donated C\$500,000 and collaborates with Pallium Canada in a palliative care skills development project to build palliative care capacity among Canada’s frontline health care professionals.

Mr Li Ka-shing describes his philanthropic effort as akin to having another son in the family. He calls for a paradigm shift in our Asian culture of giving through apportioning more of our wealth and means towards social capital so that we could bring forth great hope and promise for the future. It is the Foundation’s imperatives to foster change, to empower people and to honouring an unchanging promise in a changing world.



# Performance Data Summary

Environmental KPIs <sup>(Note 1)</sup>	Unit	Property Development <sup>(Note 2)</sup>		Property Management <sup>(Note 3)</sup>		
		2020	2019	2020	2019	
GHG emissions <sup>(Note 7)</sup>						
Total GHG emissions	tCO <sub>2</sub> e	46,974 <sup>(Note 8)</sup>	27,136	296,019	310,303	
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	-	-	15,677	17,591	
Energy indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	-	-	276,500	288,629	
Other indirect GHG emissions (Scope 3) <sup>(Note 9)</sup>	tCO <sub>2</sub> e	46,974	27,136	3,842	4,083	
Total GHG emissions intensity <sup>(Note 10)</sup>	tCO <sub>2</sub> e/sq.ft.	0.0018	0.0008	0.0021	0.0022	
	tCO <sub>2</sub> e/HK\$'000	N/A	N/A	N/A	N/A	
Waste generated						
Non-hazardous waste	tonnes	75,915.3 <sup>(Note 8)</sup>	40,814.0	111.5	112.9	
Hazardous waste	tonnes	25.8	24.7	4.8	6.6	
Waste recycled						
Concrete, steel and metals, mixed rock and soil and other construction waste	tonnes	164,005.2 <sup>(Note 8)</sup>	12,608.8	N/A	N/A	
Paper	tonnes	N/A	N/A	5,517.9	6,014.2	
Glass bottle	tonnes	N/A	N/A	99.0	106.7	
Aluminium can	tonnes	N/A	N/A	198.3	196.8	
Plastic bottle	tonnes	N/A	N/A	318.2	337.6	
Food	tonnes	N/A	N/A	10.0	N/A	
Energy consumption						
Total energy consumption <sup>(Note 11)</sup>	kWh	26,907,377	24,044,444	483,094,030	493,229,967	
Direct energy consumption						
Gasoline/Petrol	kWh	N/A	N/A	N/A	N/A	
Diesel	kWh	14,817,612	N/A	N/A	N/A	
Natural gas and towngas	kWh	782,690	N/A	6,045,710	N/A	
Other fuels (Gas oil, Kerosene, LPG)	kWh	N/A	N/A	N/A	N/A	
Indirect energy consumption						
Electricity and heat consumed	kWh	11,307,075 <sup>(Note 12)</sup>	24,044,444	477,048,320	493,229,967	
Total energy consumption intensity <sup>(Note 10)</sup>	kWh/sq.ft.	0.49	0.70	3.45	3.45	
	kWh/HK\$'000	N/A	N/A	N/A	N/A	
Direct energy consumption intensity	kWh/sq.ft.	0.05	N/A	0.04	N/A	
	kWh/HK\$'000	N/A	N/A	N/A	N/A	
Indirect energy consumption intensity	kWh/sq.ft.	0.44	0.70	3.41	3.45	
	kWh/HK\$'000	N/A	N/A	N/A	N/A	
Water consumption						
Total water consumption	m <sup>3</sup>	581,294 <sup>(Note 12)</sup>	1,168,446	3,803,106	4,048,152	
Water consumption intensity <sup>(Note 10)</sup>	m <sup>3</sup> /sq.ft.	0.02	0.03	0.03	0.03	
	m <sup>3</sup> /HK\$'000	N/A	N/A	N/A	N/A	
Packaging material <sup>(Note 14)</sup>						
Total packaging material used for finished products	tonnes	N/A	N/A	N/A	N/A	

## Notes:

- (1) Environmental data of 2019 include 20 construction sites, 211 Managed Properties, 15 hotels and serviced suites in Hong Kong and self-occupied offices. Environmental data of 2020 include 18 construction sites, 205 Managed Properties, 15 hotels and serviced suites in Hong Kong, all pubs, breweries and self-occupied offices. "-" represents 0 in value for the KPI, and "N/A" represents the KPI is not relevant for reporting in the operation or reported in previous financial year.
- (2) The data of property development business are provided by contractors of the property development projects.
- (3) The data of property management business only include consumptions and emissions in common areas and air-conditioning systems in Managed Properties which are under the control of the Group.
- (4) The data of hotel and serviced suite operation include consumptions and emissions from tenants and hotel and serviced suite guests.
- (5) The data for the aircraft leasing business cover only consumptions and emissions relating to the office space occupied by the business because the Group does not operate the aircraft that it owns and has no direct control over the consumptions and emissions of the aircraft operated by its airline customers. In 2019 personnel and operations were transferred to AMCK Aviation Ireland Holdings Limited, which is an indirectly wholly-owned subsidiary of a joint venture of the Company, Mitsubishi Corporation and the Li Ka Shing (Global) Foundation. In 2019, the environmental data only covered the office in Ireland. In 2020, the scope was expanded to cover the offices in Ireland, Japan and the US.
- (6) Pub operation was acquired in October 2019, therefore 2019 data was not available for reporting.
- (7) Carbon emissions are calculated with reference to the Greenhouse Gas Protocol published by the World Resources Institute ("WRI") and the World Business Council on Sustainable Development ("WBCSD"), the Global Warming Potential Values from the IPCC Fifth Assessment Report published by the Intergovernmental Panel on Climate Change, the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, published by the Environmental Protection Department and the Electrical and Mechanical Services Department, UK Government GHG Conversion Factors for Company Reporting published by the Department for Business, Energy & Industrial Strategy in the UK, and other national and local grid emission factors. Emission factors are updated on an annual basis, in order to reflect the actual situation of emissions.

Hotel and Serviced Suite Operation <sup>(Note 4)</sup>		Aircraft Leasing <sup>(Note 5)</sup>		Offices		Pub Operation <sup>(Note 6)</sup>
2020	2019	2020	2019	2020	2019	2020
75,738	94,717	78	94	5,218	5,658	131,113
5,931	6,027	-	-	305	332	65,226
68,784	87,254	77	92	4,481	4,858	62,383
1,023	1,436	1	2	432	468	3,504
0.0106	0.0130	0.0033	0.0100	0.0094	0.0090	N/A
N/A	N/A	N/A	N/A	N/A	N/A	0.14
67.5	111.5	0.6	1.1	87.8	131.9	3,881.9
-	-	-	-	0.4	0.5	27.1
N/A	N/A	N/A	N/A	N/A	N/A	N/A
46.4	48.6	0.5	1.1	70.4	75.7	96.7
28.5	-	-	0.2	0.004	0.02	79.6
0.1	-	-	-	0.04	0.1	17.7
1.1	24.8	0.8	-	0.3	0.4	47.5
-	N/A	-	N/A	4.9	N/A	8.5
125,064,484	171,075,216	222,440	210,329	7,017,569	7,644,568	606,704,169
N/A	N/A	N/A	N/A	333	N/A	913,345
N/A	N/A	N/A	N/A	8,601	N/A	24,865,141
1,403,773	N/A	N/A	N/A	87,899	N/A	297,802,844
N/A	N/A	N/A	N/A	N/A	N/A	15,543,940
123,660,711	171,075,216	222,440	210,329	6,920,736	7,644,568	267,578,899
17.49	23.92	9.47	21.82	12.60	12.40	N/A
N/A	N/A	N/A	N/A	N/A	N/A	641.15
0.20	N/A	N/A	N/A	0.17	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	358.38
17.29	23.92	9.47	21.82	12.43	12.40	N/A
N/A	N/A	N/A	N/A	N/A	N/A	282.77
1,238,295	1,902,086	266 <sup>(Note 13)</sup>	642	13,194	14,238	2,385,842
0.17	0.27	0.01	0.07	0.02	0.02	N/A
N/A	N/A	N/A	N/A	N/A	N/A	2.52
17	39	N/A	N/A	N/A	N/A	36,107

(8) The increase is attributable to the different stages of the property development projects. Some of the sites have proceeded to clearance process for site opening and superstructure work.

(9) All property development projects were undertaken by contractors. Therefore, the related GHG emissions are reported under Scope 3 – Other indirect GHG emissions.

(10) Intensities are calculated using the following metrics according to the nature of each business segment:

- Property Development: Total gross floor area of construction projects;
- Property Management: Total gross floor area of Managed Properties;
- Hotel and Serviced Suite Operation: Total gross floor area of hotels and serviced suites;
- Aircraft Leasing: Total gross floor area of self-occupied offices;
- Offices: Total gross floor area of self-occupied office; and
- Pub Operation: Total revenue of pubs and breweries.

(11) In 2019, electricity accounted for over 95% of energy consumed by the Group. Other energy consumed by the Group was insignificant. In 2020, due to the Group's acquired pub operation, electricity only accounts for around 70% of energy consumed by the Group. Other major sources of energy consumed by the Group are disclosed.

(12) 5 property development projects were completed in 2020, resulted in the decreases in resource consumptions.

(13) The decrease resulted from the work-from-home arrangements due to COVID-19.

(14) Packaging material data of 2019 included 11 hotels of the Harbour Plaza Hotel Management Group. Packaging material data of 2020 included 11 hotels of the Harbour Plaza Hotel Management Group and all pubs and breweries.

Social KPIs <sup>(Note 15)</sup>	Unit	The Group	
		2020	2019 <sup>(Note 16)</sup>
Workforce profile			
Total workforce	Number	58,014	17,986
By gender			
Male	Percentage	49%	58%
Female	Percentage	51%	42%
By employment type			
Permanent	Percentage	43%	90%
Part time & Temporary	Percentage	56%	6%
Contract	Percentage	1%	4%
By age group			
18-30	Percentage	47%	19%
31-50	Percentage	36%	51%
Above 50	Percentage	17%	30%
By geographical region			
Hong Kong	Percentage	19%	64%
The Mainland	Percentage	10%	36%
Overseas	Percentage	71%	0% <sup>(Note 17)</sup>
Turnover rate among full-time staff			
By gender			
Male	Percentage	11%	11%
Female	Percentage	10%	13%
By age group			
18-30	Percentage	20%	25%
31-50	Percentage	8%	9%
Above 50	Percentage	6%	8%
By geographical region			
Hong Kong	Percentage	10%	14%
The Mainland	Percentage	6%	8%
Overseas	Percentage	14%	16%
Health and Safety			
Lost days due to reported work-related injuries for employees directly employed by the Group	Lost days	10,347.5	11,699.0
Number of work-related fatalities <sup>(Note 18)</sup>	Number	-	1 <sup>(Note 19)</sup>
Training and development <sup>(Note 20)</sup>			
Percentage of employees trained by gender			
Male	Percentage	53%	59%
Female	Percentage	51%	61%
Percentage of employees trained by employee category			
Managerial grade or above	Percentage	41%	52%
Non-managerial grade	Percentage	53%	60%
Average training hours per employee by gender			
Male	Hours	9.50	8.75
Female	Hours	8.68	9.69
Average training hours per employee by employee category			
Managerial grade or above	Hours	5.87	6.11
Non-managerial grade	Hours	9.41	9.37
Product Responsibility <sup>(Note 21)</sup>			
Number of products and service related written complaints received	Number	10,749 <sup>(Note 22)</sup>	N/A

Notes:

(15) Social data of 2019 include the property development, project management, hotel and serviced suite operation and offices that are operated by the Group. Social data of 2020 include the property development, project management, hotel and serviced suite operation, offices and pub operation that are operated by the Group.

(16) Pub operation was acquired in October 2019, therefore 2019 data was not available for reporting.

(17) There were 83 overseas employees, which contributed to 0.4% of total workforce.

(18) No work-related fatality was reported in 2018.

(19) In 2019, an employee under the property management company in the Mainland passed away from a stroke due to sudden illness at work, which was regarded as work-related fatal accident under the law of the Mainland. The government authorities of the Mainland confirmed that there is no issue of non-compliance with any relevant rules and regulations in relation to the death after inspection and the death has no connection with the workplace.

(20) Training data of pub operation is excluded.

(21) There were no products sold or shipped subject to recalls for safety and health reasons in 2019 and 2020.

(22) Mainly represent the reported cases from pub operation.



# SEHK ESG Reporting Guide Index

## Mandatory Disclosure Requirements

Description	References and Remarks
<b>Governance Structure</b>	
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.	<b>Message From The Chairman</b>  <b>About This Report</b>  <b>Sustainability At the Company</b>  <b>Corporate Governance</b>
<b>Reporting Principles</b>	
<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> 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.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<b>About This Report</b>  <b>Materiality Assessment</b>  <b>Stakeholder Engagement</b>
<b>Reporting Boundary</b>	
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.	<b>About This Report</b>

## “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs	Description	References and Remarks
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Waste and Emission Reduction
KPI A1.1	The types of emissions and respective emissions data.	Considering the nature of the Group's business, besides GHG emissions, other air emissions were identified as immaterial in the Group's direct operation.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GHG Emissions Management  Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management  Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management  Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GHG Emissions Management As the Group's Sustainability Committee is newly established, related emissions target(s) are currently evaluating and it will be reported when it is available.
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management As the Group's Sustainability Committee is newly established, related waste reduction target(s) are currently evaluating and it will be reported when it is available.

Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Efficiency Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Water Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency As the Group's Sustainability Committee is newly established, related energy use efficiency target(s) are currently evaluating and it will be reported when it is available.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Water Due to the Group's business nature and operation locations, the issue in sourcing water that is fit for purpose is not relevant to the Group. As the Group's Sustainability Committee is newly established, related water efficiency target(s) are currently evaluating and it will be reported when it is available.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials Performance Data Summary
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Building Managing Other Environmental Impacts
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Building Managing Other Environmental Impacts

Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Mitigation and Adaptation
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Mitigation and Adaptation

B. Social		
Employment and Labour Practices		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Diversity and Equal Opportunities at Workplace  Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Diversity and Equal Opportunities at Workplace  Performance Data Summary
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Response to COVID-19 Outbreak  Occupational Health and Safety



KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety  Performance Data Summary Due to the low risk and rare occurrence of work-related fatalities in relation to the Group's business nature, the rate of work-related fatalities was not disclosed.
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety  Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development  Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development  Performance Data Summary
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Practices  Anti-Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Anti-Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Anti-Child and Forced Labour

Operation Practices		
Aspect B5	Supply Chain Management	
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	<b>Green and Responsible Procurement</b>
<b>KPI B5.1</b>	Number of suppliers by geographical region.	<b>Green and Responsible Procurement</b> For consistency in reporting practices with the Group's Annual Report, the Group only reports on data related to the five largest suppliers.
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<b>Green and Responsible Procurement</b>
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<b>Green and Responsible Procurement</b>
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<b>Green and Responsible Procurement</b>
Aspect B6	Product Responsibility	
<b>General Disclosure</b>	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.	<b>Products and Services Responsibilities</b>
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<b>Maintaining Products and Services Quality</b>  Performance Data Summary
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	<b>Maintaining Products and Services Quality</b>  Performance Data Summary

KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Personal Data Privacy and Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Maintaining Products and Services Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Personal Data Privacy and Intellectual Property Cybersecurity
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Conducts
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No concluded legal cases regarding corrupt practices brought against the Company or its employees during the Reporting Period.
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Ethical Conducts
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Conducts
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment



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