



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



**SUSTAINABLE LIVING**



for a greener future

Sustainability Report

**2024**

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# About CKA



CK Asset Holdings Limited (“CKA” or the “Company”, together with its subsidiaries, the “Group”) began a new chapter of growth in 2015 following the strategic reorganisation of Cheung Kong (Holdings) Limited. The name “Cheung Kong” originates from the Yangtze River, which aggregates countless streams and tributaries. Inspired by the Yangtze’s unique power of synergy, the Group’s vision is to inspire societal improvement and contribute to the development of a brighter future through the combined efforts of all. This vision has been reinforced over the years by the Group’s founder and the current Chairman together with a dedicated management team whose diligence, perseverance and innovation have collectively contributed to the continuing success of the Group.

With its foundation laid over 70 years ago, the Group is a leading multinational conglomerate that has diverse capabilities with business activities presently encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation, as well as interests in three listed real estate investment trusts. The Group’s purpose is to enrich lives through an array of assets and services it offers in the current and other sectors and geographies in which its businesses operate, and may operate as the opportunity arises, while sharing its corporate and financial successes with shareholders and creating long-term value for stakeholders through the sustainable development of its businesses.

One of the pillars of the strategy of the Group is to “**Embrace Innovation and Sustainability for Long-term Growth**”. The Group recognises the value of innovation and the importance of sustainability in driving corporate values throughout its journey. It makes ongoing efforts to support a strong innovation culture and to integrate environmental, social, and governance principles into its investment decisions and business operations to build an ethical corporate culture at all levels. The Group takes a special interest in social infrastructure investments that generate significant and quantifiable impact benefits as well as projects that improve ecosystem performance and drive transformative change to reduce carbon emissions. It will continue to advance its transition to carbon neutrality and work proactively towards a sustainable future.

## GROUP STRUCTURE



### CK ASSET HOLDINGS LIMITED

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



## BUSINESS ACTIVITIES AND REGIONS

### PROPERTY DEVELOPMENT .....



The Group has a strong market share in property development in Hong Kong and on the Mainland, and an international presence represented by its operations in Singapore and the United Kingdom (“UK”). As at 31 December 2024, the Group had a development land bank (including developers’ interests in joint development projects but excluding agricultural land and completed properties) of approximately 70 million square feet (“sq.ft.”), of which 7 million sq.ft., 60 million sq.ft. and 3 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, social infrastructure and other properties, primarily located in Hong Kong. As at 31 December 2024, the Group had an investment property portfolio of approximately 22.4 million sq.ft. (including share of joint ventures but excluding car parking spaces), of which 13.1 million sq.ft., 4.6 million sq.ft. and 4.7 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

In July 2023, the Group acquired Civitas Social Housing Limited which owns social infrastructure property portfolio in the UK. In 2024, the Group further expanded its social infrastructure portfolio by investing in elderly care and assisted living homes in Germany.

### HOTEL AND SERVICED SUITE OPERATION .....



The Group’s hotel and serviced suite properties are mostly located in Hong Kong, comprising Harbour Plaza Hotels & Resorts, Horizon Hotels & Suites, Sheraton Hong Kong Hotel & Towers and a few others.

### PROPERTY AND PROJECT MANAGEMENT .....



As at 31 December 2024, the Group provided management services to approximately 254 million sq.ft. of completed properties mainly in Hong Kong and on the Mainland.

### PUB OPERATION .....



The Group’s subsidiary, Greene King Limited (“Greene King”), is a leading integrated brewer and pub retailer operating about 2,600 pubs, restaurants and hotels across England, Wales and Scotland. The operation of Greene King comprises three divisions: (i) pub company – Greene King operates food-led and drink-led destination pubs and restaurants and community-focused local pubs; (ii) pub partners – Greene King owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs; and (iii) brewing & brands – Greene King sells and distributes a wide range of beers including ale brands brewed in own breweries.

### INFRASTRUCTURE AND UTILITY ASSET OPERATION .....



As at 31 December 2024, the Group had interests in the following joint ventures which operate infrastructure and utility asset businesses (the “Infrastructure Investments”) primarily across the UK, continental Europe, Australia and Canada.

The Group has:

- (i) 40% interest in CK William JV (“CK William”) – an owner and operator of energy utility assets in Australia, the UK, the United States (“US”) and Canada. In 2024, CK William through its wholly owned subsidiaries acquired (a) Phoenix Energy Group – a gas distribution network operator in Northern Ireland; and (b) a portfolio of operating onshore wind farms in the UK;
- (ii) 75% interest in CKP (Canada) JV (“Reliance”) – a building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada;
- (iii) 65% interest in ista JV (“ista”) – a fully integrated energy management service provider operated by ista Group in Europe;
- (iv) 20% interest in UK Power Networks JV (“UKPN”) – a power distributor that serves London, the South East and East of England. In 2024, UKPN acquired Powerlink Renewable Assets Limited – an owner and operator of a portfolio of renewable power generation assets in the UK;
- (v) 27% interest in Northumbrian Water JV (“Northumbrian Water”) – a regulated water and sewerage company in England and Wales;
- (vi) 24% interest in Dutch Enviro Energy JV (“AVR”) – an operator of energy-from-waste business in the Netherlands;
- (vii) 22% interest in Wales & West Utilities JV (“WWU”) – a gas distributor that serves Wales and the South West of England; and
- (viii) 20% interest in UK Rails JV (“UK Rails”) – a rolling stock operating company in the UK.

The Group also has interests in the economic benefits of other Infrastructure Investments as follows:

- (i) 20% interest in Park’ N Fly – an off-airport car park provider in Canada; and
- (ii) 11% interest in Australian Gas Networks – a distributor of natural gas in Australia.

### 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.



# Message from the Chairman

I am pleased to present our Sustainability Report for 2024 (this “Report”), which highlights the Group’s key progress and achievements during the year in our sustainability journey. The theme “*Sustainable Living for a Greener Future*”, reflects the Group’s ongoing commitment to building a more resilient and sustainable future, in collaboration with and for its stakeholders and the communities in those markets where it operates, and the Group’s determination to making its due contributions to achieve net zero.

## Decarbonising our business towards net zero

The Group has made significant progress in its commitment to reduce GHG emissions by setting science-based targets. Our near-term and net-zero targets were validated by the SBTi in December 2024. This validation is a crucial first step and represents a pivotal milestone in the Group’s decarbonisation journey. We will formulate a roadmap towards achieving these targets and work with customers, tenants, suppliers and other stakeholders to implement measures to reduce emissions across our operations and value chain.

The latest report in 2023 by the Intergovernmental Panel on Climate Change of the United Nations for assessing science for climate change underscores the urgent need to reduce emissions to limit global warming to 1.5°C and achieve the transition to net zero. As a responsible global citizen, the Group is committed to playing its part in the collective effort to combat climate change by monitoring and managing our carbon footprint. We understand the critical importance of sustainable operations and will continue our efforts in decarbonising our operations and value chain to strengthen the resilience of our assets and investments.

## Investing in social infrastructure for social impact

During the year, Civitas has invested in a portfolio of elderly care and assisted living homes in Germany. Green lease obligations have been incorporated with a view to minimising carbon emissions from the operation and occupation of these properties. The portfolio is expected to benefit from a capital investment programme that will facilitate the goal for more than half of the properties to achieve an Energy Performance Certificate rating of A under the Energy



Performance of Buildings Directive of the European Union. The Group’s investments in the Civitas social infrastructure portfolio in the UK and Europe continue to generate significant and quantifiable social impact benefits by providing community-based healthcare housing and specialist education facilities.

We recognise that ESG performance is a major component of long-term value creation and aligns with our vision for a sustainable future. The Group is committed to seeking out sustainability-related opportunities that have meaningful social and environmental benefits for local communities while generating steady financial returns.

## Investing in sustainable projects for a greener future

In 2024, the Group, through CK William UK Holdings Limited, acquired an indirect interest in a portfolio of onshore wind farms located in England, Scotland and Wales, and an indirect interest in Phoenix Energy Holdings Limited, a gas distribution network operator in Northern Ireland. Phoenix Energy targets to support the energy transition by enabling the delivery of renewable gas to replace natural gas through its network.

The Group also acquired, through UK Power Networks Services Holdings Limited, an indirect stake in Powerlink Renewable Assets Limited (previously known as UU Solar), which operates

a renewable energy portfolio that includes solar photovoltaic assets, onshore wind farms and a hydropower plant.

In addition, the Group, through a joint venture with CK Life Sciences Int'l., (Holdings) Inc., entered into an agreement for the acquisition of the pastoral leases and rights of over 350,000 hectares of agricultural land in Australia designated for carbon sequestration. The project comes with carbon credits that are tradeable to the Australian Government and the private sector, in line with the initiatives to facilitate the adoption of international carbon market standards agreed at COP29. This investment demonstrates the Group's efforts to address climate challenges through innovative and sustainable practices.

The Group remains committed to facilitating and supporting the global net-zero transition through investments in renewable energy and low carbon solutions. We are dedicated to reducing our environmental footprint while creating long-term value for our stakeholders.

### Embracing sustainable building for sustainable living

During the year, the Group received several green building certifications and awards for its commitment to sustainable development and environmental stewardship. Cheung Kong Center achieved a final platinum rating under BEAM Plus, a LEED platinum rating for operations and maintenance, and Cheung Kong Center Property Management Limited was recognised as a Hong Kong Green Organisation by the government-appointed Environmental Campaign Committee for the building's excellent indoor air quality and waste reduction efforts. Cheung Kong Center II received a provisional platinum rating under BEAM Plus. The Group's proposed composite development at the Kai Tak waterfront area achieved a provisional platinum rating under BEAM Plus, while Watson Centre received the LEED v4.1 Gold Certification for Operations & Maintenance.

As a property developer, the Group values the importance of sustainable building practices. Green building designs and innovative technologies are integrated into our property development projects and property management operations. These green features contribute to reducing energy and water usage, cultivating a sustainable and vibrant ecosystem, and improving the well-being of our residents, tenants and the wider community. The Group remains steadfast in its commitment to create a healthier living environment and construct a brighter and greener future for generations to come.

### Doubling down on our sustainability priorities

The Group conducted a "double materiality" assessment during the year to identify and evaluate sustainability topics that are both financially material to the Group's businesses and impactful to its stakeholders. We expanded our engagement with internal and external stakeholders through focus groups to better understand their expectations on our sustainability strategies and initiatives. These initiatives enable the Group to sharpen its priorities on sustainability, and more effectively manage sustainability risks and opportunities that are vital to the long-term success and resilience of our businesses.

We recognise the important role that sustainability plays in driving corporate values across the Group's global operation and diverse sector investments. As the ESG landscape continues to be driven by evolving sustainability trends, increasing ESG regulations and heightened investor focus on sustainability, we will refine and align the focus of our sustainability efforts to meet stakeholder expectations.

### Engaging with the community; caring for our employees

The Group's vision is to inspire societal improvement and contribute to the development of a brighter future through the combined efforts of all. During the year, we collaborated with strategic partners to build stronger communities and enhance societal well-being. We actively engaged residents and tenants in food donation drives and supported initiatives for the underprivileged in Hong Kong. We also backed local projects focused on energy efficiency and waste reduction. Additionally, the feature stories in this Report showcase the environmental and social impact work undertaken by the Civitas and property management teams.

Employees are the key drivers of our continued success and are integral to our businesses. We strive to foster an inclusive and respectful work environment for our employees to thrive and excel. We offer benefits and organise programmes to support their mental and physical health and well-being, and provide access to training opportunities to equip them with the requisite skills and capabilities for personal and professional growth and development.

Teamwork and collegiality are important aspects of our working culture. We encourage employees to collaborate effectively, building positive relationships with each other, our Board of Directors and the communities whom we serve, through a top-down, bottom-up and horizontal three-pronged engagement approach.

### Working together for a shared future

Over the years, my family has fostered social and community development through the Li Ka Shing Foundation. In partnership with the Foundation, the Group supports education and healthcare initiatives that promote community well-being, such as the Community Chest Rainbow Fund and the We R Family Foundation. Since 2010, the CK Group and the Foundation have donated over HK\$100 million to support the operation and development of the "333 Learning Companion Leadership Programme". This programme provides academic assistance, moral education and whole-person development programmes free of charge to underprivileged children from low-income families who do not receive government subsidies. Our philanthropic efforts reflect our commitment to addressing community needs for a better future shared by all. Some recent projects undertaken by the Foundation are included in this Report.

### Looking ahead

The Group continues to support efforts that contribute to the development of resilient and sustainable local communities for a better tomorrow. On behalf of the Board, I would like to take this opportunity to thank our customers, partners and other stakeholders for their support and trust, and my colleagues for their dedication to advancing the Group's vision of sustainable living for a greener future.

**Victor T K Li**  
Chairman

20 March 2025



# About this Report

## REPORTING SCOPE AND INDEPENDENT VERIFICATION

This Sustainability Report for 2024 covers the Group's sustainability-related information for the financial year from 1 January to 31 December 2024 ("Reporting Period"). It is published alongside the Group's Annual Report 2024, which includes a review of its financial performance and its corporate governance report, and a review of the Company's key policies that are available on its website. Together, these reports and policies present how the Group integrates financial and environmental, social, and governance ("ESG") considerations into its strategic planning, investment decisions, and risk management processes.

This Report provides an overview of the Group's sustainability strategies and performance, including its governance framework, environmental initiatives, value chain management, and engagement with employees and the broader community. Quantitative data in this Report is consolidated on an operational control basis and includes the Group's business activities in property development, property investment, hotel and serviced suite operation, property and project management, and pub operation. Achievements related to the Group's diverse investments in infrastructure and utility asset operation are detailed in the "Achievements and Innovations of Infrastructure Investments" section. Additional information on the Group's Infrastructure Investments can be found in the 2024 Sustainability Report of CK Infrastructure Holdings Limited, an investment partner of CKA.

The Board of Directors (the "Board") oversees the content of this Report, which has been reviewed by the Board-level Sustainability Committee and approved by the Board.

To further enhance the credibility of this Report, the Company has engaged an independent third party to verify the contents of this Report. Details of the verification scope can be found in the "Verification Statement" section of this Report.

## REPORTING FRAMEWORK AND PRINCIPLES

CKA is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK"). This Report is prepared in compliance with the requirements of the ESG Reporting Guide ("ESG Guide") (the version effective from 31 December 2023, which remains applicable to listed issuer for financial years commencing before 1 January 2025) set out in Appendix C2 to the Rules Governing the Listing of Securities on the SEHK ("Listing Rules"). The Report has also referenced the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") on climate-related financial disclosures.

Over time, CKA has enhanced its climate-related disclosures, incorporating elements of the TCFD recommendations into its sustainability reporting. As a LargeCap issuer, CKA will need to comply with the SEHK's new climate-related disclosure requirements under Part D of the ESG Reporting Code (effective for financial years commencing on 1 January 2025), which align with the International Financial Reporting Standards ("IFRS") S2. These requirements will apply to CKA on a "comply or explain" basis for the financial year 2025 and will become mandatory starting from 2026. CKA remains committed to enhancing its climate-related disclosures to meet these new requirements.

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

### Materiality

"Double Materiality" assessment has been adopted for this Report. Both financial and impact materiality were assessed based on the results obtained from stakeholder engagement. The identified topics were reviewed and approved by the Sustainability Committee.

### Quantitative

Information regarding the standards, methodologies, assumptions, and/or calculation references, and sources of key conversion factors used for these key performance indicators ("KPIs") is stated wherever appropriate.

### Consistency

This Report adopts consistent methodologies to allow a fair comparison of the Group's performance over time. Any changes to the methods or KPIs used have been disclosed, where applicable.

### Balance

This Report discloses information in an objective manner, aiming to provide stakeholders with an unbiased picture of the Group's overall sustainability performance.

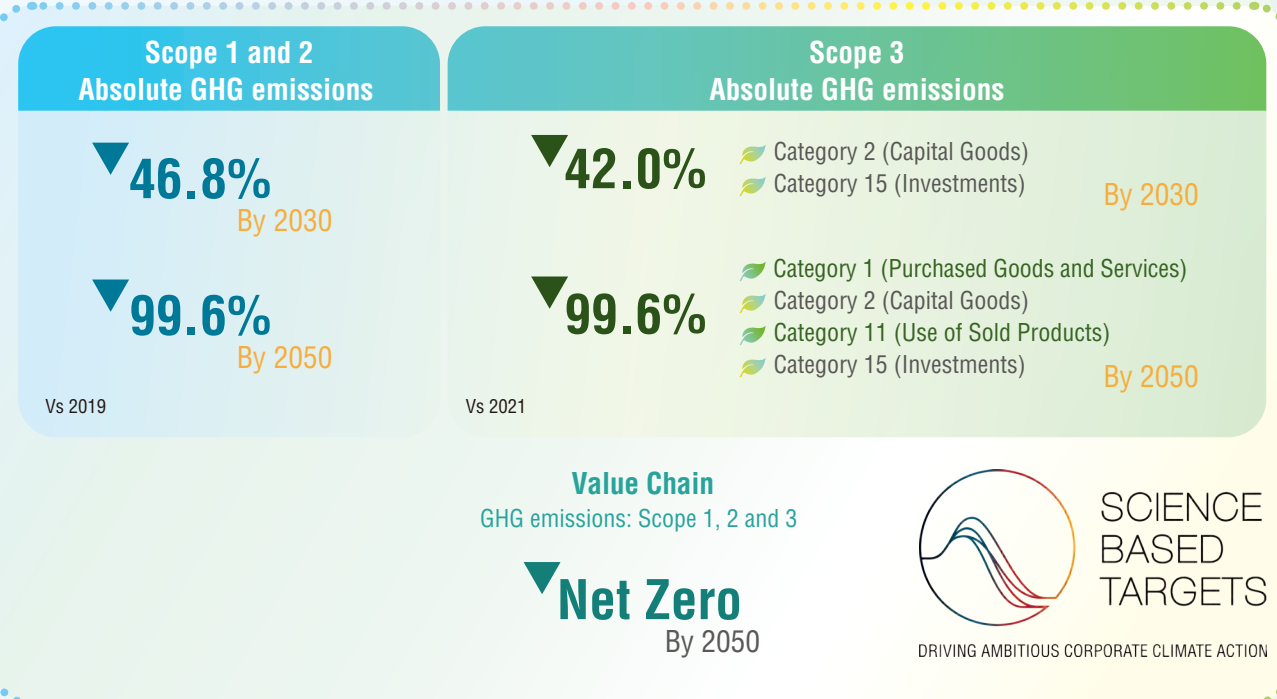


# Highlights 2024

## DECARBONISATION AND THE ENVIRONMENT

Establishing science-based targets to accelerate the reduction of our environmental footprint.

### Science-based Targets




### Environmental Footprint

 ▼ **-31%**  
GHG Emissions

 ▼ **-31%**  
Paper Waste

 ▼ **-17%**  
Electricity Consumption

 ▼ **-3%**  
Water Consumption

### Progress vs 2019

Intensity per total gross floor area  
(excluding Pub Operation)

## GREEN BUILDING

Advancing sustainable building practices while building on the Group's experience in property development.

Final platinum rating  
under BEAM Plus  
Existing Buildings V2.0  
Comprehensive Scheme



Cheung Kong Center



LEED v4.1 Operations and  
Maintenance: Existing  
Buildings – Platinum



Cheung Kong Center



Provisional platinum rating  
under BEAM Plus  
New Buildings V2.0



Cheung Kong Center II



Provisional platinum rating  
under BEAM Plus  
New Buildings V2.0



Victoria Blossom



LEED v4.1 Operations and  
Maintenance: Existing  
Buildings – Gold



Watson Centre





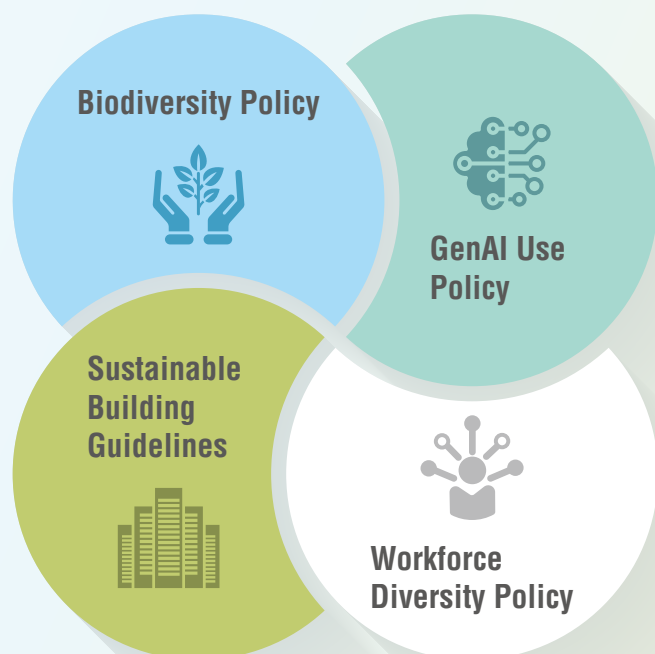
## CORPORATE GOVERNANCE



Enhancing our governance to drive sustainability across all levels of operations and throughout the value chain.

### Policy Enhancement

- Adopted and revised policies to strengthen our governance framework, align with evolving ESG standards and set out clear expectations for our supply chain:



### Double Materiality



First Double Materiality Assessment to identify the sustainability topics that are important to both the Group and broader society

### Directors Training on ESG and Climate



Building capacity for evolving climate disclosure requirements and sustainability management practices

### Board Composition

As at 31 December 2024



#### Gender Diversity

**37.5%**

Six out of the 16 members of our Board of Directors are female



#### Independence

**56.3%**

Nine out of the 16 members of our Board of Directors are Independent Non-Executive Directors

## INVESTMENTS FOR A GREENER FUTURE



Striving to create positive environmental impacts across our investments.



#### Wind energy

A portfolio of 32 onshore wind farms located in England, Scotland and Wales



#### Gas network

A gas distribution network ready for delivering greener gases in Northern Ireland



#### Renewable energy portfolio

A portfolio of renewable assets in the UK, which includes 65 solar photovoltaic installations, four onshore wind farms, and one hydropower plant



#### Regenerative agriculture

Entered into agreement to acquire the pastoral leases and rights of over 350,000 hectares of agricultural land in Australia designated for carbon sequestration

## COMMUNITY



Endeavouring to drive positive social change and create a meaningful impact on both individuals and local communities.

#### Donations HK\$8 million



Education, healthcare and other charitable causes

#### Social infrastructure investments



Civitas has invested in elderly care and assisted living homes in Germany to provide continuous support for care-based community housing

# Awards and Achievements

The Group is honoured to have received a number of awards during the year in recognition of its sustainability achievements. Selected highlights are presented below:



2023–24 Good MPF Employer Award:  
Good MPF Employer  
(CK Asset Holdings Limited)



The Community Chest  
2023/2024 Annual  
Awards: Second  
Top Donor of the  
Year Award  
(CK Group)



Outstanding ESG  
Enterprises Recognition  
Scheme 2024: Outstanding  
ESG Environmental  
Performance Awards,  
Outstanding ESG Social  
Performance Awards  
and ESG Commendation  
Certificate  
(Citybase Property  
Management Limited)



TTG Travel Awards 2024  
– Travel Hall of Fame  
Award  
(Harbour Plaza Hotels &  
Resorts)



Sustainability Award – MCA  
Hospitality Award 2024  
(Greene King)



CLP – Smart Energy  
Award 2024: Joint Energy  
Saving Award  
(5 consecutive years)  
(Citybase Property  
Management Limited)



# Sustainability at CKA

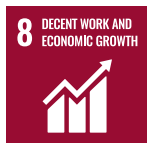
CKA recognises sustainability as a key driver of long-term value creation and integrates sustainability principles into its operations and investment decisions through four core aspects of corporate performance: governance, strategy, risk management, and metrics and targets. This approach has been central to its evolution into a leading multinational conglomerate over the past 70 years, along with a steadfast commitment to creating shared value for stakeholders.





## GOVERNANCE

Set out below are the Sustainable Development Goals (“SDG”) and the relevant material ESG topics in this section.



**SDG 8.7:** Prohibiting child and forced labour, modern slavery and human trafficking

**SDG 8.8:** Protecting labour rights and promoting safe and secure working environments



**SDG 16.5:** Reducing corruption and bribery

**SDG 16.10:** Protecting human rights and freedoms

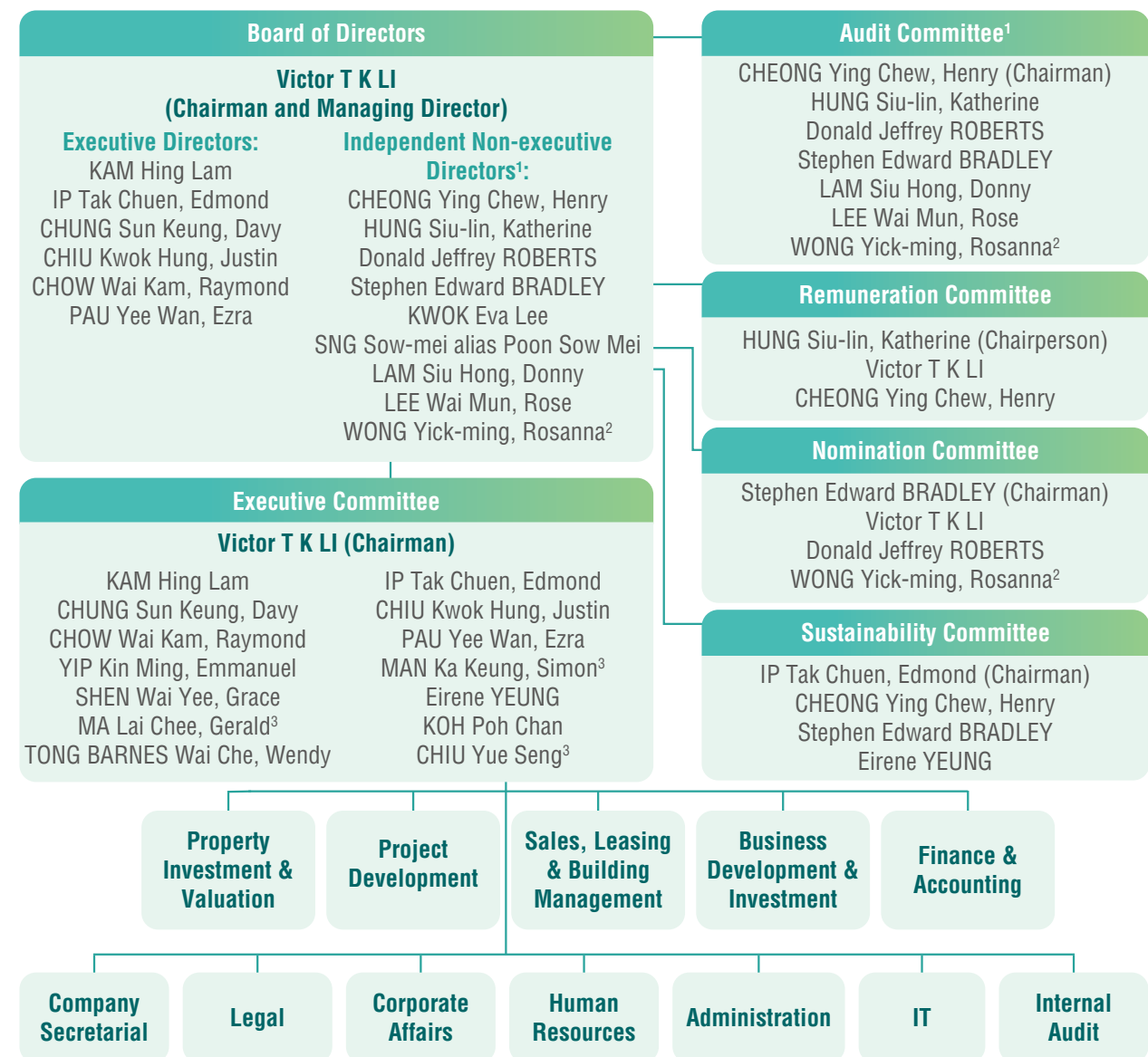
### Material ESG topics:

- ➔ Anti-Corruption
- ➔ Business Ethics and Integrity
- ➔ Innovation
- ➔ Responsible Investment
- ➔ Risk and Crisis Management

## CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Group. The Company acknowledges that a good corporate governance framework is essential for effective management, a healthy corporate culture, business growth and shareholder value enhancement. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

### Management Structure Chart



Notes:

1. Mr. Chow Nin Mow, Albert retired as an Independent Non-executive Director and a member of Audit Committee of the Company with effect from the conclusion of the annual general meeting held on 23 May 2024.
2. Dr. Wong Yick-ming, Rosanna was appointed as an Independent Non-executive Director and a member of Audit Committee of the Company with effect from 1 June 2024, and a member of Nomination Committee of the Company with effect from the conclusion of the Board meeting held on 20 March 2025.
3. Members of the Company's Finance Committee, a working team under the Executive Committee.



## Board and Board Committees

The Board consists of 16 Directors, comprising seven Executive Directors and nine Independent Non-Executive Directors (“INEDs”). More than half of the Board are INEDs and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. The Board is responsible for shaping and monitoring the corporate culture, setting long-term strategic objectives, policies and directions of the Company with appropriate focus on values creation and risk management. The Board evaluates the Group’s operating, financial and sustainability performance and oversees the executive management of the Company with the support of various standing committees, and ensures the Company maintains effective communication with shareholders and appropriate engagement with other key stakeholders. The Board is accountable for its actions or inactions, and where appropriate, the Board takes the shareholders’ and stakeholders’ view into account in its decisions.

The Board meets regularly and at least four times a year at approximately quarterly intervals. The Directors also consider and approve affairs and matters of the Company by way of written resolutions with the support of relevant information and explanatory materials necessary and sufficient for the Directors to make informed decisions. Between scheduled meetings, the management of the Company provides the Directors with monthly updates and other information in order to enable the Directors to keep abreast of the business affairs of the Group.

The Directors, including those residing overseas, were able to attend all Board and Board Committee meetings during the Reporting Period through electronic communication channels such as video/audio conferencing. Arrangements were in place for Board and Board Committee meeting materials to be made available via a secured online platform, resulting in minimum use of paper. Conducting Board and Board Committee meetings in hybrid mode has also led to a lower carbon footprint by minimising the need for business travel associated with in-person meetings.



A hybrid Board Meeting combined virtual and in-person participation to reduce the need for business travel and save carbon emissions.

## Board Composition

The Board, accountable to the shareholders under the leadership of the Chairman, leads, directs and supervises the Company’s affairs to enable the long-term success of the Company. Although the positions of Chairman and Managing Director are held by the same individual, all major decisions are made, in accordance with current practice, in consultation with members of the Board and relevant Board Committees and key personnel of the Group after thorough discussions. As at 31 December 2024 and the date of this Report, the Board has a majority of INEDs. These nine INEDs have a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirement of the Group’s business. The Company’s INEDs will continue to provide views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so over the years.

The Chairman provides leadership for the Board and ensures effective performance of the duties of the Board and that all key and appropriate issues are discussed in a timely manner. The Chairman leads the Board in fostering the Group’s corporate culture in alignment with its purpose, values and strategy set by the Board, to reinforce the Group’s vision and pursuit of success.

All Directors have made active contributions to the Board’s affairs and the Board has always acted in the best interest of the Company. In addition to regular Board meetings, the Chairman meets with the INEDs without the presence of other Directors twice every year. Executive Directors are in charge of different business units and functional divisions of the Group in accordance with their respective areas of expertise.

Biographical details of the Directors and key personnel of the Group are set out under the sections headed “Directors’ Biographical Information” and “Key Personnel’s Biographical Information” on pages 28 to 31 and 32 to 40 of the Annual Report 2024 of the Company, respectively. The Company maintains an updated List of Directors on the websites of the Company and Hong Kong Exchanges and Clearing Limited (“HKEX”). The Company has also posted on its website and/or the website of HKEX the Terms of Reference of its Board Committees, to enable shareholders and other stakeholders to understand the roles played by those INEDs who serve on the Board Committees.

Mechanisms ensuring independent views and input are available to the Board and are set out under the section headed “Corporate Governance Report” on pages 56 to 99 of the Company’s Annual Report 2024. The Board evaluates the said mechanisms annually.

No INEDs of the Company are involved in its daily management, have been financially dependent on the Group or have been in any relationship or circumstances which would materially interfere with their exercise of independent judgment.

In identifying suitable candidates for the appointment to the Board as INEDs, apart from independence, the Nomination Committee takes into account the Board's composition, skill set, experience, expertise and diversity of perspectives (including gender, culture, educational background, etc.) appropriate for the strategies of the Company, pursuant to the Board Diversity Policy and Director Nomination 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.

In June 2024, one additional female INED was appointed to the Board. There are currently six female Directors, representing about 37.5% of the Board. However, the Board is of the view that gender should not be the only driving factor in considering a candidate to the Board. The Company would follow the Board Diversity Policy and the Director Nomination Policy to take into account various factors to identify suitable candidates for appointment to the Board, and may adjust the proportion of female directors over time as and when appropriate.

### 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 comprises seven members, all of whom are INEDs, with more than one of the members possessing appropriate professional qualifications, or accounting or related financial management expertise. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting, risk management and internal control systems, monitoring of the integrity of the Group's financial information, review of the relationship with the Company's external auditor and performance of corporate governance functions delegated by the Board. The Audit Committee is scheduled to meet four times a year.

#### Remuneration Committee

A majority of the members of the Company's Remuneration Committee are INEDs. The Remuneration Committee is chaired by an INED with another INED and the Chairman and Managing 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 on remuneration of INEDs.

The remuneration packages of all Executive Directors and the management are determined with reference to various factors, including individual and the Group's performance, and the corporate goals and objectives of the Board resolved from time to time. The Remuneration Committee has noted HKEX's requirement for listed issuers to disclose whether and how climate-related considerations would be factored into remuneration policies, and evaluates the effectiveness of the remuneration policy of the Company from time to time. The Remuneration

Committee, in assessing remuneration proposals, also takes into account the progress of the Company's performance towards achieving short and long term climate-related sustainability metrics and targets as adopted by the Company, and the Company's progress towards other matters, such as climate and environment, and health and safety, against such applicable metrics and targets. The Remuneration Committee is scheduled to meet once a year.

#### Nomination Committee

A majority of the members of the Company's Nomination Committee are INEDs. The Nomination Committee is chaired by an INED with two other INEDs and the Chairman and Managing Director as members as of 20 March 2025. The principal responsibilities of the Nomination Committee include reviewing at least once annually the structure, size, diversity profile and skills matrix of the Board; identifying suitable director candidates and making recommendation to the Board on the selection of individuals to be nominated as Directors; assessing the independence of INEDs; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and reviewing the Director Nomination Policy and the Board Diversity Policy of the Company periodically. The Nomination Committee is scheduled to meet once a year.

#### Sustainability Committee

The Sustainability Committee comprises three Directors, a majority of whom are INEDs, and the Company Secretary. The main duties of the Sustainability Committee are to oversee the 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 and opportunities. It is supported by the Sustainability Working Group which comprises members from various departments, operating subsidiaries and business units of the Group. For details, please refer to the section below headed "Sustainability Governance" of this Report and the Terms of Reference of the Sustainability Committee. The Sustainability Committee is scheduled to meet twice a year.

#### Executive Committee

The Executive Committee is chaired by the Chairman and Managing Director of the Company and comprises all Executive Directors and eight general managers/business unit heads of the Group. The Executive Committee is responsible for discussing and making decisions on matters relating to the management and operations of the Company, assessing and making recommendations to the Board on acquisitions of or investments in businesses or projects; and reviewing and discussing any other matters as may from time to time be delegated by the Board.

For further information on the Group's corporate governance approach and practices, please refer to the Corporate Governance Report in the Annual Report 2024.



## SUSTAINABILITY GOVERNANCE

### Integrated Governance for Sustainability

CKA integrates sustainability into its governance framework, embedding sustainability considerations into its business strategies and decision-making processes. Through this integrated governance framework, the Group establishes clear accountability for aligning strategic objectives with corporate values while effectively governing sustainability across its operations. Accountability for sustainability is upheld at the highest levels of the Company, with the Board, Executive Committee, and management providing oversight and ensuring seamless integration across all operational levels.

### Group's Integrated Sustainability Governance Structure



### Sustainability Committee and Working Group

The Group's sustainability governance reinforces the Group's commitment to sustainable business development and enhances the Group's ability to manage sustainability issues, including climate-related risks and opportunities, which are relevant to the interests of the Group and its various stakeholders such as employees, shareholders, local communities, and the environment.

The Sustainability Committee, established in 2020, assists and advises the Board on the development and implementation of the Group's sustainability and climate-related policies and practices. The Sustainability Committee oversees, reviews, and evaluates actions taken by the Group to advance its sustainability priorities, goals, and targets. The Committee meets at least twice a year to discuss material sustainability and climate change topics, ensuring alignment with the Group's overall goals and commitments.

The principal responsibilities of Sustainability Committee include:

- to propose and recommend to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives, goals and targets;
- to oversee, review and evaluate actions taken by the Group in furtherance of the corporate social responsibility and sustainability priorities, goals and targets, including coordinating with the business units of the Group and ensuring that their operations and practices adhere to the relevant priorities and goals;
- to review and report to the Board on sustainability and ESG risks and opportunities;
- to monitor, evaluate and review emerging corporate social responsibility and sustainability-related issues, trends and best practices that could impact the business operations and performance of the Group;
- to oversee and review the Group's corporate social responsibility and sustainability and ESG policies, practices, frameworks and management approaches, and to recommend improvements;
- to consider the impact of the Company's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment;
- to review and advise the Board on the Company's public communication, disclosure and publications (including sustainability reports) as regards its corporate social responsibility and sustainability performance; and
- to perform such further functions related or incidental to the foregoing which the Sustainability Committee deems appropriate.

Further details on the Sustainability Committee's responsibilities can be found in the Terms of Reference. As outlined in the Terms of Reference, certain responsibilities of the Committee may be delegated to working groups.

The Sustainability Working Group, established in 2016, consists of members appointed by the management team across departments, subsidiaries, and business units within the Group. It is responsible for executing sustainability strategies and policies, and implementing relevant initiatives, and for reporting.

### Capacity building on sustainability and climate

Each year, Directors are given periodic opportunities to enhance their knowledge of key and specialist topics through dedicated training sessions. Training programmes are carefully tailored to address the specific needs of Directors, with courses designed to align with the Group's strategic goals for the year. The training covers a range of topics, including sustainability, climate-related issues, corporate governance (such as board diversity), business ethics, and the latest legal, accounting, and regulatory developments. Moreover, Directors receive monthly updates on business performance to stay fully informed about the Group's operations.

The Group acknowledges the rapidly evolving nature of sustainability and climate trends. To ensure Board members, key personnel, and the Sustainability Working Group remain well-informed on these topics and issues, external subject matter experts are engaged to provide targeted training.

Outlined below are examples of sustainability topics covered during the annual Directors' training in 2024,

- ✓ The evolving landscape of climate-related disclosure requirements, including IFRS S1 and S2, the Listing Rules, and developments in other jurisdictions; and
- ✓ Broader sustainability disclosure and management practices, with a focus on case studies from multiple sectors.



Directors, senior management and employees participated in the annual training held in November 2024.

## POLICIES, CONDUCT AND BUSINESS ETHICS

The Board, with the support of management, is responsible for cultivating a corporate culture that drives the Group's pursuit of long-term value creation. CKA's governance framework is underpinned by a comprehensive set of Group policies. These policies articulate the desired culture and expected behaviours that align with the Group's core values.

By embedding ethical conduct and sustainability into its policies and practices, the Group strives to uphold its responsibilities to employees, stakeholders, and the broader community, ensuring integrity and accountability across all operations.

### Group Policies

To integrate sustainability into our operations, the Company adopts and regularly reviews its comprehensive set of Corporate Governance Policies and Sustainability Policies, which provide frameworks and directions at the Group level on corporate governance and sustainability-related matters. These policies reflect CKA's strategic commitment to responsible business practices, going beyond regulatory requirements in critical areas such as workplace standards, environmental sustainability, community engagement, and ethical conduct.

These policies are regularly reviewed and updated to ensure they remain aligned with evolving operational conditions and the changing requirements of the regulatory framework. As part of the Company's strong corporate governance framework, the Board, in collaboration with relevant committees and Senior Management, maintains oversight to the Group policies. During the Reporting Period, multiple policies were adopted and revised to strengthen our governance framework, align with evolving ESG standards and set out clear expectations for its supply chain.







## Corporate Governance Policies of the Group

- ✦ Anti-Fraud and Anti-Bribery Policy *(updated)*
- ✦ Anti-Money Laundering Policy
- ✦ Board Diversity Policy
- ✦ Competition Compliance Policy
- ✦ Director Nomination Policy
- ✦ Employee Code of Conduct
- ✦ GenAI Use Policy *(new)*
- ✦ Information Security Policy
- ✦ Media, Public Engagement and Donation Policy
- ✦ Policy on Appointment of Third Party Representatives
- ✦ Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing
- ✦ Sanctions Compliance Policy
- ✦ Shareholders Communication Policy *(updated)*
- ✦ Whistleblowing Policy – Procedures For Reporting Possible Improprieties
- ✦ Procedures for a Shareholder to Propose a Person for Election as a Director of the Company



## Sustainability Policies of the Group

- ✦ Anti-Harassment Policy
- ✦ Biodiversity Policy *(new and updated)*
- ✦ Corporate Social Responsibility Policy *(updated)*
- ✦ Environmental Policy *(updated)*
- ✦ Health and Safety Policy *(updated)*
- ✦ Human Rights Policy *(updated)*
- ✦ Modern Slavery & Human Trafficking Statement *(updated)*
- ✦ Supplier Code of Conduct *(updated)*
- ✦ Sustainable Building Guidelines *(new and updated)*
- ✦ Workforce Diversity Policy *(new)*



To enhance transparency, the Group publicly disclose these policies and guidelines on the Company's website. In alignment with the Group's overarching policies, individual business units and operating subsidiaries also develop additional implementation policies and practices that better suit their specific business and operating circumstances.

## Code of Conduct

The CKA Employee Code of Conduct outlines the ethical and professional standards expected from all employees of CKA and its subsidiaries. It serves as a comprehensive guide to maintaining integrity, compliance with legal requirements, and promoting a respectful, safe, and inclusive workplace. Key principles include honesty, conflict of interest prevention, confidentiality, anti-bribery, and environmental stewardship. The document emphasises accountability, fair dealing, and transparency, ensuring that all business operations align with CKA's commitment to ethical practices and corporate responsibility. This Employee Code of Conduct highlights the company's dedication to fostering trust and professionalism within its workforce and with external stakeholders.

The Employee Code of Conduct establishes clear responsibilities, accountabilities, and reporting lines to ensure consistent adherence across all divisions and the Group companies. Each business unit and subsidiary is required to align its operations with the code's principles, creating a unified framework for ethical and compliant behaviour. The code specifies that employees at all levels, including directors and officers, must comply with it, while supervisors and department heads are accountable for fostering a culture of integrity and addressing any potential violations.

## Business Ethics

The Group upholds high standards of business ethics and is committed to conducting its business with uncompromising integrity, honesty and transparency. The Group strictly prohibits any form of bribery, fraud, or unethical behaviour in all business transactions.

The Anti-Fraud and Anti-Bribery Policy and Employee Code of Conduct outline the minimum ethical standards required of all directors, officers, employees, and third-party representatives acting on behalf of the Group. The Board holds overall responsibility for the anti-fraud and anti-bribery framework, encompassing the Group's values, code of conduct, risk management, internal controls, communication, training, oversight, and monitoring. Executive Directors are tasked with ensuring the effectiveness of these mechanisms and are responsible for investigating and addressing any material fraudulent activities or bribery within the Group.

The Group's Internal Audit Department conducts regular audits across all business units, including assessments of fraud and bribery risks. These audits are conducted in accordance with annual audit plan, ensuring that potential risks are identified and managed effectively.

The Group follows strict guidelines on political contributions, as outlined in its Media, Public Engagement, and Donation Policy. Adopting a politically neutral stance, it does not donate to political associations or individuals. This ensures impartiality and allows the Group to focus on its core business objectives. All requests for political contributions must be submitted to the relevant CKA Executive Director and copied to the Corporate Affairs Department (CAD) for review and approval, ensuring compliance with the Media, Public Engagement and Donation Policy.

### Anti-corruption Training

The Independent Commission Against Corruption has been invited to provide the Company's employees with annual anti-corruption training and refresher talks. With the training, employees have become acquainted with anti-corruption practices and conflicts of interest situations and more vigilant in identifying and mitigating the associated risks.

The Group is committed to providing ongoing training on business ethics, anti-corruption and related topics to Directors and employees. During the Reporting Period, the Group provided updated anti-corruption training materials to all Directors, focusing on the formulation of corporate anti-corruption policies and ethics training programmes. Additionally, orientation programmes for new employees cover critical policies, such as the Anti-Fraud and Anti-Bribery Policy and Employee Code of Conduct, ensuring that every new permanent employee receives anti-corruption training.

### Whistleblowing Channel

The Group encourages employees and external stakeholders – including customers, suppliers, creditors, and debtors – to report any suspected misconduct or legal violations directly to the Audit Committee. The Group's Whistleblowing Policy provides clear and confidential channels for reporting potential improprieties and outlines the procedures for handling and investigating such reports. It also ensures that individuals making genuine, good-faith disclosures are protected from any form of retaliation. The Audit Committee regularly reviews and monitors the Whistleblowing Policy to maintain its relevance and effectiveness.

Employees may report concerns to the Audit Committee using the Whistleblowing Report Form. All complaints are handled promptly and fairly, with the Audit Committee supervising the investigation under its Chairman's direction. The Group is committed to maintaining the confidentiality of whistleblowers' identities and the information they provide, except where disclosure is required by law, regulation, or for legal and audit purposes, or when reporting to regulators or law enforcement authorities.

During the Reporting Period, the Group is not aware of any non-compliance with laws and regulations relating to conflict of interest, corruption or bribery, extortion, fraud and money laundering that would have a significant impact on its operations.

## STRATEGY

With over 70 years of heritage, the Group's culture and values have been fundamental to its vision of inspiring societal improvement and contributing to the development of a brighter future through the combined efforts of many. Sustainability is embedded in the Group's operations, corporate culture, and business model.

As a multinational conglomerate, the Group respects the unique legal, social, environmental, and economic contexts of each market and integrates these considerations into its practices. With a forward-looking approach, the Group remains committed to addressing environmental and social challenges and driving progress toward a sustainable future.

## APPROACH TO SUSTAINABILITY



### The Group's Sustainability Approach

The Group's approach towards its sustainability efforts are centred on the following:

- Corporate Governance – Upholding a governance framework rooted in robust corporate governance practices, integrated with sustainability considerations.
- Employees and the Community – Building and promoting a corporate culture that supports the Group's success while prioritising the well-being of employees and the communities in which it operates.
- Environmental Stewardship – Driven by environmental and decarbonisation commitments to combat climate change and minimise environmental impacts.



The Group's commitment to environmental stewardship, social well-being, and community development underpins its strategic intent. This includes addressing environmental challenges, supporting a just transition of the workforce, creating decent work opportunities and quality jobs, and fostering positive impacts within the communities in which it operates. These efforts reinforce the Group's dedication to social responsibility while embedding these principles throughout its value chain.

To achieve sustainable business operations, the Group has established a robust governance framework built upon its strong foundations of corporate governance. Additionally, the Group employs comprehensive risk management and internal control systems to identify, evaluate, and address emerging ESG issues, trends, and best practices. Sustainability-related risks, including those related to climate change, are integrated into the enterprise risk management system, ensuring a forward-looking and cohesive approach to achieving its sustainability objectives.

### Collaboration Across All Levels

The Group's sustainability engagement is founded on responsibility, transparency, and accountability, and is underpinned by collaboration across all levels of the organisation through the following three-pronged approach:

- 🌱 **Top-Down Leadership** – The Board sets the purpose, values, and strategic priorities that guide the Group's sustainability agenda.
- 🌱 **Bottom-Up Engagement** – Employees actively contribute to sustainability initiatives, fostering a culture of responsibility and collaboration.
- 🌱 **Horizontal Collaboration** – The Group engages closely with key stakeholders, including business partners, customers and communities, to promote shared values and sustainable growth.

This three-pronged approach reinforces a positive and productive culture that embraces diversity, collaboration, and innovation. By leveraging its sustainable business model, the Group drives long-term value creation while promoting sustainable living and shaping a brighter future for the communities it serves.

The Group's sustainability strategy is supported by comprehensive policies and leadership at the Group level, ensuring a unified effort across all business units.

## SUSTAINABLE VALUE CREATION

The Group recognises that sustainability performance is a critical driver of long-term value creation and aligns with its vision for a sustainable future. A core pillar of the Group's strategy, **"Embrace Innovation and Sustainability for Long-term Growth,"** underscores its commitment to fostering a culture of innovation while investing for sustainable value creation. Aligned with its strategy, the Group maintains a high-quality, diversified portfolio across geographies and sectors, balancing fundamentals, growth prospects, and sustainability performance.

The Group adopts a dual approach to sustainable investment: integrating ESG principles into its decision-making processes; and seeking opportunities that deliver meaningful social and environmental benefits for local communities while achieving financial returns. By prioritising investments that enhance ecosystem performance, drive transformative change, and contribute to decarbonisation and societal improvement, the Group remains committed to advancing its transition toward net zero and a more sustainable future. When opportunities arise, the Group engages in strategic collaborations, including partnerships with listed companies within the CK Group, to amplify sustainable value creation, foster innovation, and deliver lasting benefits for all stakeholders.

### Sustainable Investment

The Group is committed to responsible investments that address sustainability risks and deliver long-term sustainable returns. Guided by its Corporate Social Responsibility Policy, sustainability performance is a core component of the Group's investment decisions, with oversight provided by CKA's Investment Committee. This approach promotes the stability of social, environmental, and economic systems, while ensuring medium- and long-term value creation.

#### ESG Integration into CKA's Investment Process



Under its responsible investment framework, the Group evaluates potential investments based on ESG factors. The Investment Committee ensures that new investments are assessed thoroughly for their ESG impact. Key areas reviewed include environmental compliance, labour relations, supply chain practices, customer engagement, and social and environmental risks and opportunities identified in recent investments during due diligence.

To strengthen ESG assessments, the Group has developed specific relevant criteria and has collected detailed performance data from potential investees. These evaluations combine qualitative and quantitative analysis, supplemented by meetings with investee representatives to gain deeper understanding of their ESG performance and associated risks. When necessary, the Group engages third-party experts for independent ESG assessments.

During due diligence, the Group reviews compliance with laws, labour practices, supply chain management, management integrity, and financial responsibility. Any ESG concerns identified are critically assessed and directly influence final investment decisions.

To ensure ongoing ESG performance, the Group actively monitors investees through regular reporting, annual compliance reviews, and incident reporting protocols. Dedicated investment monitoring committees oversee ESG factors throughout the investment lifecycle, holding regular meetings with investees to provide guidance and ensure accountability. The Group encourages investees to disclose key ESG metrics, such as carbon footprints, to promote transparency and align with sustainable practices.

Post-investment, formal committees review ESG performance and recommend enhancements, ensuring consistent application of high standards across investee companies. Through its comprehensive approach to ESG integration, the Group ensures the long-term resilience of its assets while fostering a sustainable and socially responsible business environment.

## Value Creation

Guided by its vision to inspire societal progress and contribute to a brighter future, the Group has built upon its foundation of sustainable business operations to evolve as an investor dedicated to creating long-term value for stakeholders and local communities. The Group actively seeks opportunities that deliver meaningful social and environmental benefits through investments across diverse sectors, including social and affordable housing, REITs, infrastructure, and regenerative agriculture, contributing to the promotion of sustainable living.

Many of the Group's investments generate positive social and environmental benefits. These investments are summarised as follows:

### Social Housing

Through Civitas, the Group strategically invests in high-quality healthcare facilities, care-based housing, and specialist schools. Civitas delivers bespoke community solutions for individuals with long-term care needs, expands access to specialised education for neurodiverse children and young people, through trusted partners and operators.

As part of its commitment to sustainability and transparency, Civitas has adopted the Sustainability Reporting Standard for Social Housing (SRS) in the UK. Civitas actively engage with partners and operators to improve data collection, enhance energy efficiency, and strengthen service delivery, ensuring its investments support high-quality housing solutions and contribute to better resident well-being and long-term housing stability.

### Affordable Housing

The Group delivers affordable housing properties in the UK through its residential projects, including Chelsea Waterfront, Convoys Wharf and Albion Riverside. These properties help addressing unmet housing needs in the open market by supporting first-time homebuyers as well as people on lower incomes. By improving housing accessibility, these properties also foster greater community stability.

### REIT Investments

REITs invested by the Group have achieved multiple prestigious sustainability certifications and awards, including WELL Certification, GRESB 5-Star ratings and green building recognitions, demonstrating leadership in sustainable real estate practices. Pioneered initiatives in emission reduction and green renovations, including setting science-based targets and earning the first green certification for mall renovations in Hong Kong.



## Infrastructure Investments

The Group's infrastructure investments implement decarbonisation and environmental initiatives aimed at achieving net zero emissions and restoring ecological ecosystems, while monitoring sustainability trends. The Group oversees the progress of these initiatives through the CKA Investment Committee, ensuring that the Group remains informed of the latest developments and supports sound decision-making.

## Regenerative Agriculture

The Group entered into an agreement to acquire pastoral leases and rights of over 350,000 hectares of agricultural land in Australia designated for carbon sequestration. This agriculture-related initiative demonstrates the Group's efforts to address climate change challenges through innovative and sustainable practices. Additionally, the project delivers environmental benefits by utilising land management practices, such as controlled grazing, to regenerate native vegetation and forests.

### Positive impacts of the Group's investments



## STAKEHOLDER ENGAGEMENT

As a multinational conglomerate, the Group actively engages with a diverse range of stakeholder groups across its operations and value chain. Stakeholder needs and concerns shape the Group's sustainability approach and guide its future initiatives. This collaborative approach ensures that the Group's business strategy and objectives are aligned with stakeholder expectations, which is integral to building a resilient and sustainable business.

The Group is committed to building trust and fostering meaningful relationships with stakeholders by incorporating their perspectives into business planning processes. This commitment is underpinned by the Group's three-pronged sustainability approach, which promotes collaboration and rapport with our stakeholders across all levels. Guided by its Media, Public Engagement, and Donation Policy, the Group ensures its interactions focus on stakeholders – individuals and groups affected by or influencing its operations and value chain. The policy aims to address environmental, social, and economic concerns while supporting sustainable development.

Recognising that stakeholder needs vary across regions, the Group adopts a tailored approach to engagement. Stakeholders are consulted through daily interactions and regular engagement initiatives, which help the Group identify and address needs and expectations. Insights gained through these engagements shape the Group's sustainability initiatives, ensuring they are responsive and impactful. Consistent with this approach, the Group's business operations actively engage with stakeholders to better understand their priorities and enhance the delivery of products and services.

### CKA's stakeholder engagement channels

At CKA, seven key stakeholder groups are identified, including both internal and external stakeholders. Engagement methods include meetings, surveys, campaigns, and seminars, amongst others, with a focus on clear and accessible communication. The Group leverages these channels to promote feedback and constructive dialogue, reinforcing its belief in collaboration and the power of combined efforts.



Focus group discussion meetings were held to collate feedback from employees on material ESG topics of the Company.

Stakeholder Groups	Importance to CKA	Engagement Channel
<b>Employees</b> 	Employees are key to CKA's success, driving innovation, efficiency, and operational excellence. They shape the organisational culture and play a vital role in the Group's growth.	<ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Regular meetings</li> <li>• Emails, notice boards, hotlines, surveys and SMS</li> <li>• Intranet</li> </ul>
<b>Suppliers and Contractors</b> 	Suppliers and contractors are essential partners in ensuring smooth operations, maintaining quality standards, and embedding sustainability into CKA's supply chain.	<ul style="list-style-type: none"> <li>• Tendering</li> <li>• Supplier screening and assessments</li> <li>• Written feedback and responses</li> <li>• Meetings, training and on-site visits</li> </ul>
<b>Customers and Tenants</b> 	Customers and tenants influence demand for CKA's products and services. Their satisfaction and loyalty are crucial for business performance and future growth.	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Customer service hotlines and emails</li> <li>• Community events</li> <li>• Meetings</li> <li>• Newsletters and emails</li> <li>• Opinion surveys</li> </ul>
<b>Shareholders and Investors</b> 	Shareholders and investors provide financial resources enabling CKA to pursue growth opportunities and achieve long-term objectives.	<ul style="list-style-type: none"> <li>• Regular reports and announcements</li> <li>• Regular general meetings</li> <li>• Official company website</li> <li>• Meetings with key investors</li> <li>• Responding to shareholder enquiries via telephone/email</li> <li>• Engagement with rating agencies</li> </ul>
<b>Government Bodies</b> 	Government bodies set policies, regulations, and industry standards that influence CKA's compliance, operations, and strategic planning.	<ul style="list-style-type: none"> <li>• Compliance supervision</li> <li>• Routine reports and tax submissions</li> <li>• On-site inspections</li> </ul>
<b>Media</b> 	The media shapes public perception, enhances CKA's reputation, and raises awareness of its initiatives, ensuring effective communication with broader audiences.	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Responses to media enquiries</li> <li>• Corporate news releases</li> <li>• Regular meetings with media representatives</li> </ul>
<b>Local Community and NGOs</b> 	Local communities are integral to CKA's operations and reputation. Building trust and supporting community initiatives strengthen relationships, foster goodwill, and contribute to sustainable development.	<ul style="list-style-type: none"> <li>• Public/community events</li> <li>• Community initiatives</li> <li>• Volunteering activities</li> <li>• Feedback through mail or email</li> </ul>

## MATERIALITY ASSESSMENT

At CKA, sustainability is not just a responsibility – it is a strategic driver for long-term value creation. Its sustainable business model focuses on managing the sustainability topics that matter most for its long-term success. As part of these efforts, the Group conducts materiality analysis on an annual basis.

### Embracing double materiality



The Group increasingly recognises the interconnection between sustainability and its enterprise value. For the first time, the Group has adopted the “double materiality” approach, assessing both the external effect of its operations on society and the environment, as well as the internal impact of sustainability on its business. By incorporating these two perspectives, the Group aims to identify critical areas of focus and integrates sustainability considerations into the Group's strategies, objectives, targets, and risk management frameworks.

With support from an independent third party, the Group evaluates sustainability topics across two dimensions:

- ✓ **Financial Materiality:** how sustainability topics create risks or opportunities that affect the Company's financial position, performance, cash flows, access to finance, or cost of capital over the short, medium, or long term.
- ✓ **Impact Materiality:** how sustainability topics impact society and the environment – both positively and negatively – arising from the Company's operations, value chain, products, services, and business relationships.



This approach positions the Group to effectively address evolving sustainability risks and opportunities while driving long-term stakeholder value and enhancing its capacity for sustainable value creation.

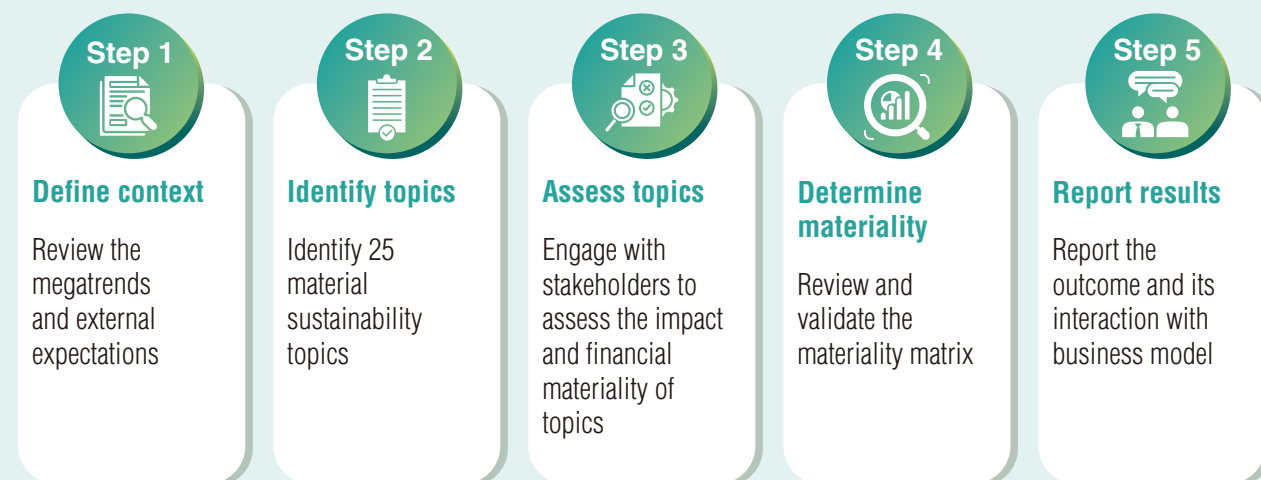


## Assessing materiality



This year's materiality assessment builds upon the analysis conducted in the previous year, incorporating more extensive and in-depth stakeholder engagement to refine the prioritisation of sustainability topics. The process was guided by the materiality assessment framework provided by the European Financial Reporting Advisory Group (EFRAG).

The assessment followed five key steps:



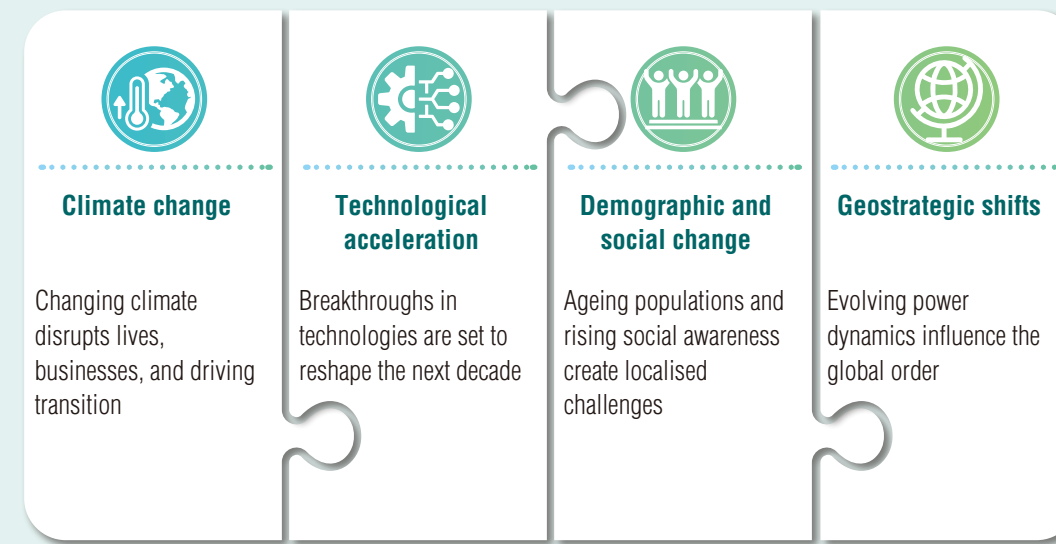
Given the Group's presence across multiple sectors and geographies worldwide, it will continue to engage with stakeholders to identify evolving global and local sustainability trends, and stakeholder expectations. During the year, the Group undertook a review of the external sustainability landscape to identify sustainability topics that are potentially material to the Group. These topics were assessed for their impact and financial materiality, with the findings presented in a materiality matrix. The topics were categorised into three levels of materiality (priority, important and moderate), and the top three material topics were identified.

This process provides the Group with insights into the evolving sustainability landscape, enabling a strategic focus on key priorities. Details of the process and results are provided on the subsequent pages.

## Step 1: Define context



The materiality assessment process began by identifying key global megatrends shaping the world that are relevant to the Group. These trends encompass four core areas: climate, technology, society, and global order. They have implications for long-term value creation across the Group's diverse business activities.



Additionally, it reviewed international standards and market practices relevant to its business sectors. This effort aimed to identify sustainability topics that are material to the Group's current operations and future growth. The review process included the following key considerations:

- Global ESG landscape:** International developments, such as insights from the *Global Risks Report* by the World Economic Forum, and industry trends evaluated by professional associations.
- Sustainability reporting standards:** Global reporting frameworks and standards, including industry-specific metrics sourced from the Sustainability Accounting Standards Board (SASB).
- Benchmarking:** Material topics from peer companies in relevant sectors, including real estate, hospitality, and food and beverage.
- ESG ratings:** Integration of criteria from ESG rating agencies to reflect investor priorities and a financial materiality perspective.

## Step 2: Identify topics



Based on the Group's sustainability context, 25 material sustainability topics were identified, including three newly introduced topics: **Product Quality and Safety, Risk and Crisis Management, and Responsible Investment.** These 25 topics were categorised into five main areas: Environment, Employee Management, Value Chain, Community, and Governance.

With these topics identified, the next step involved evaluating their significance through stakeholder engagement activities.

## Step 3: Assess topics



Both internal and external stakeholders were engaged to assess the impacts associated with each topic. This assessment process included internal focus group discussions and the distribution of questionnaires to gather feedback from multiple stakeholder groups. The engagement channels with these stakeholders are detailed as follows:

**Questionnaires:** Distributed to internal teams, management, and external stakeholders to score the materiality of sustainability topics.

**In-depth Discussions:** Conducted with selected stakeholders to gain insights into the Group's strategy, performance, and sustainability initiatives.

During the evaluation process, stakeholders assessed sustainability topics based on their materiality to both the Group and society and the environment. The assessment criteria are as follows:

**Financial Materiality:** Topics were evaluated based on their potential financial impacts, including the severity (effects on cash flow, access to finance, cost of capital, reputational risks or opportunities, regulatory risks or opportunities), and the likelihood of their impact on enterprise value over time.

**Impact Materiality:** Topics were assessed based on the severity (scale, scope, and irremediability) and likelihood of their effects on people and the environment.

## Step 4: Determine materiality

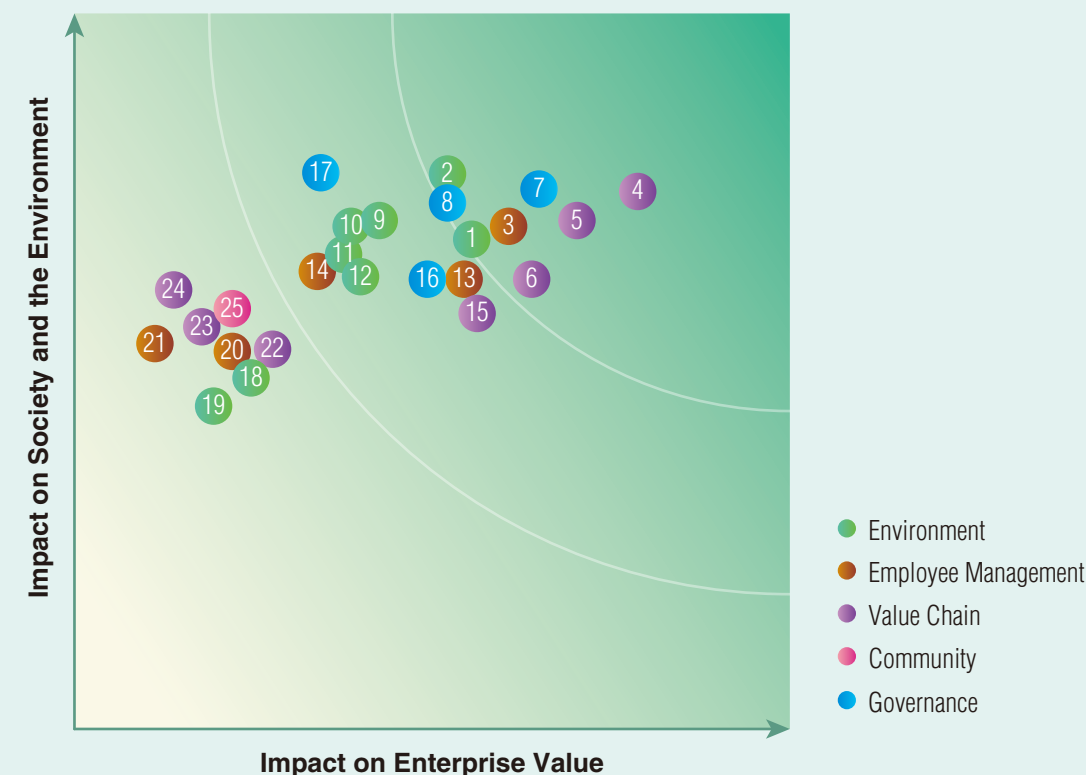


Subsequently, the 25 sustainability topics were ranked based on two materiality dimensions, with the results represented in a materiality matrix. The findings were validated to ensure alignment with the Group's strategic objectives and sustainability context.

The final materiality matrix categorised the 25 sustainability topics into three levels of materiality: **Priority, Important, and Moderate.** Eight topics were identified as priority topics, deemed most material to CKA from a double materiality perspective—considering both impact and financial implications. These priority topics represent the Group's key focus areas for the present and near future.

## Materiality Matrix

Under the new Double Materiality assessment, the Group identified eight topics ("Priority material topics") that are most significant from both impact and financial materiality perspectives. The results are summarised below:



	Environment	Social	Governance
<b>Priority material topics</b>	<ul style="list-style-type: none"> <li>1 GHG Emissions Management</li> <li>2 Energy Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>3 Employee Well-being, Health and Safety</li> <li>4 Data Protection and Cybersecurity</li> <li>5 Product Quality and Safety</li> <li>6 Customers and Tenants Well-being and Engagement</li> </ul>	<ul style="list-style-type: none"> <li>7 Anti-corruption</li> <li>8 Risk and Crisis Management</li> </ul>
<b>Important material topics</b>	<ul style="list-style-type: none"> <li>9 Sustainable Building Design</li> <li>10 Waste Management and Reduction</li> <li>11 Water and Wastewater Management</li> <li>12 Air Pollution Reduction</li> </ul>	<ul style="list-style-type: none"> <li>13 Employee Attraction and Retention</li> <li>14 Employee Training and Development</li> <li>15 Responsible Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>16 Responsible Investment</li> <li>17 Business Ethics and Integrity</li> </ul>
<b>Moderate material topics</b>	<ul style="list-style-type: none"> <li>18 Packaging Materials Management</li> <li>19 Biodiversity Conservation</li> </ul>	<ul style="list-style-type: none"> <li>20 Equality, Diversity and Inclusion</li> <li>21 Human Rights and Labour Practice</li> <li>22 Responsible Marketing</li> <li>23 Intellectual Property Rights</li> <li>24 Innovation</li> <li>25 Community Investment and Development</li> </ul>	



## Step 5: Report results



The materiality findings directly inform the content of this sustainability report, which was reviewed and approved by the Sustainability Committee. This process ensures the report accurately reflects the Group's priorities and commitment to sustainable value creation.

### Understanding what matters

The results revealed a shift in sustainability priorities and the emergence of new material topics. However, the priorities remain aligned with the Group's focus areas, strengthening the Group's confidence in optimising its allocation of resources to the most critical issues.



#### Environment

**GHG Emissions Management** and **Energy Efficiency** have risen in priority, reflecting their growing materiality to the Group from both impact and financial perspectives. Recognising that energy consumption is a driver of GHG emissions, the Group will consider prioritising the sourcing of cleaner energy and implement energy efficiency measures to support its goal of managing GHG emissions effectively.



#### Employee Management

**Employee Well-being, Health and Safety**, previously assessed as separate topics, were consolidated this year due to their interconnected nature. The results suggest the Group should adopt an integrated approach to managing both areas effectively.



#### Value Chain

**Data Protection and Cybersecurity** remains a high-priority topic, reflecting the Group's continued commitment to robust information security and privacy policies. **Customers and Tenants Well-being and Engagement** has risen in priority, driven by the Group's increased awareness of this topic, as evidenced by its enhanced health and environmental initiatives, as well as its focus on sustainable building practices. **Product Quality and Safety**, a new topic this year, has quickly emerged as a priority, highlighting the importance of the Group's stringent procedures and controls to consistently deliver high-quality products and services.



#### Community

**Community Investment and Development** is a material topic for the Group from an impact perspective. Although it is not material from a financial materiality perspective, the Group is committed to fostering sustainable living within the communities in those markets where the Group operates, and to allocating resources to community investment and placemaking initiatives.



#### Governance

**Anti-corruption** remains a priority topic, reflecting the Group's long-standing commitment to integrity and governance principles. The newly introduced topic, **Risk and Crisis Management**, a key element of the Group's corporate governance practices, aligns with the Group's robust enterprise risk management framework and established internal control systems.

## Sharpening the focus on what matters

The Group has identified the top three material topics from a broader list of eight priority topics that are most significant from both impact and financial materiality perspectives. This selection is based on their relevance to material ESG risks, as assessed through the Group's Enterprise Risk Management Framework, and their potential to significantly impact the Group in the near future. The top three material topics are **GHG Emissions Management, Data Protection and Cybersecurity**, and **Employee Well-being, Health and Safety**.

The Group acknowledges the importance of addressing sustainability topics that influence its enterprise value, stakeholders, and the broader environment. By understanding the potential impacts of these topics on the Group and its stakeholders, the Group is able to enhance its strategies to promote sustainable growth for long-term value creation. The Group will continue to monitor the evolving sustainability landscape and the evolution of these topics, including potential impacts, risks, and opportunities.



## Top 3 Sustainability Topics: Importance, Potential Impacts, and the Group's Strategies

Why important	Potential impact	CKA's Strategies
<b>GHG Emissions Management</b> Managing GHG emissions across the Group's operations and value chain is vital for mitigating climate risks, ensuring compliance, meeting stakeholder expectations, and demonstrating its commitment to a greener future.	<b>Impacts to the Group</b> <ul style="list-style-type: none"> <li><b>Negative:</b> Physical climate risks, such as extreme weather and resource shortages, may damage infrastructure and increase costs. Transition risks, like stricter regulations and shifts to low-carbon resources, may raise compliance costs and reduce revenue.</li> <li><b>Positive:</b> Effectively managing GHG emissions can enhance resilience, drive innovation, capture new market opportunities, and reinforce the Group's reputation.</li> </ul> <b>Impacts to stakeholders</b> <ul style="list-style-type: none"> <li><b>Negative:</b> Climate risks can disrupt the Group's supply of products and services to customers, and drive demand for suppliers to manage emissions and resilience, potentially raising their operational costs.</li> <li><b>Positive:</b> Effective management of climate risks can contribute to reliable delivery of products and services to customers, an orderly transition for suppliers, and reduced uncertainty for both customers and suppliers.</li> </ul>	The Group has set science-based targets for GHG emissions reduction. Executive remuneration is linked to climate-related considerations. Details can be found in the Sustainability Governance, and Carbon and Energy Management sections.
<b>Data Protection and Cybersecurity</b> The Group collects, stores, and processes personal data as part of its operations, products, and services. Compliance with evolving privacy regulations and safeguarding data are essential for maintaining trust and regulatory adherence.	<b>Impacts to the Group</b> <ul style="list-style-type: none"> <li><b>Negative:</b> The growing sophistication of cyberattacks threatens the Group's systems and assets, risking breaches that may cause regulatory actions, legal costs, disruptions, and impact financial performance.</li> <li><b>Positive:</b> Strong cybersecurity measures can enhance the Group's resilience, protect critical assets, ensure compliance, and strengthen stakeholder trust.</li> </ul> <b>Impacts to stakeholders</b> <ul style="list-style-type: none"> <li><b>Negative:</b> Failure to protect data or prevent cyberattacks may result in unauthorised access, identity theft, and information or financial losses for the Group's customers and counterparties.</li> <li><b>Positive:</b> Robust data protection can safeguard sensitive information, ensure operational resilience, and mitigate supply chain risks for the Group's customers and partners in the value chain.</li> </ul>	The Group safeguards intellectual property, personal data, and cybersecurity through strict policies, robust measures, and a multi-layered approach. For details, see the Protecting Personal Data and Cybersecurity and Crisis Management sections.
<b>Employee Well-being, Health and Safety</b> Prioritising employee well-being, health, and safety fosters a resilient workforce and ensures smooth operations, even in the face of challenges like a global health crisis or disease outbreak.	<b>Impacts to the Group</b> <ul style="list-style-type: none"> <li><b>Negative:</b> Health crises or unsafe conditions can disrupt operations, increase absenteeism, and raise medical costs, potentially leading to non-compliance and long-term performance impacts.</li> <li><b>Positive:</b> Enhanced well-being can improve productivity, retention, and recruitment while strengthening the Group's reputation.</li> </ul> <b>Impacts to stakeholders</b> <ul style="list-style-type: none"> <li><b>Negative:</b> Declining employee well-being can lead to increased stress and health issues among staff, disrupting operations and negatively affecting customer satisfaction.</li> <li><b>Positive:</b> Enhanced employee well-being can improve staff's mental health, boost productivity, and strengthen confidence, leading to improved customer satisfaction.</li> </ul>	The Group has introduced various initiatives to enhance employees' physical and emotional well-being, including wellness programmes, access to healthcare resources, and workplace safety training. For more information, refer to the Employee Well-being, Health and Safety section.

## CLIMATE SCENARIO ANALYSIS

The Group is committed to proactively identifying and evaluating the potential risks and opportunities associated with climate change. This approach will help to ensure the resilience of its assets and investments, and mitigate the impacts on its business strategy and financial performance in the face of anticipated future climate changes.

During 2022–23, as part of this commitment, the Group identified material climate-related risks and opportunities and conducted scenario analyses to assess their potential financial impacts on its business model and value chain over a time horizon extending to 2050. This analysis encompassed the Group's diverse business activities across different geographies.

The assessment included an evaluation of physical risks, including the impacts of extreme weather events, such as storm surges, and long-term climate changes, such as sea level rise. Additionally, climate-related transition risks and opportunities were analysed in the context of potential socioeconomic changes driven by the global transition to a net-zero economy.

The findings from the 2022–2023 scenario analysis continue to guide the Group's strategy for managing climate-related risks and identifying relevant opportunities. This section outlines the key inputs and findings from the 2022–2023 analysis. For 2024, no material changes in climate-related risks or opportunities were identified.

### Scenarios and assumptions

The Group's selected scenarios, referred to as the Turquoise and Brown Scenarios, draw from publicly available pathways developed by reputable institutions, including the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS). By leveraging these scenarios, the Group incorporates a comprehensive range of social, environmental, political, and economic factors into its climate analysis, supported by detailed, location-specific research assumptions.

#### Turquoise Scenario (Representing a global mean temperature increase of 1.5°C to 2°C by 2100)

The Turquoise Scenario represents a future that is committed to combating climate change. The stringency of climate policies sets a high probability of limiting global warming to below 2°C. The reduction in CO<sub>2</sub> emissions occurs gradually with an accelerated global push for decarbonisation in the current decade by governments and businesses. This is achieved by an immediate and smooth policy reaction decarbonising the energy supply, accelerating electrification and switching to low-carbon fuels in industry, transport and buildings, deploying bioenergy with carbon capture and storage and increasing afforestation and reforestation.

#### Brown Scenario (Representing a global mean temperature increase of above 3°C by 2100)

The Brown Scenario represents a future where business continues as normal with little to no climate action being taken. Only current policies and Nationally Determined Contributions ("NDCs") are implemented with limited investment and climate action. The physical impact of climate change is persistent, severe, and unpredictable due to feedback loops and systemic collapse of the ecosystem. Businesses are focused on climate adaptation and the risk from the transition is limited.





Assessment results

Physical Risk Impacts

Physical risks associated with climate change can be broadly categorised as acute or chronic. Acute risks are event-driven, such as extreme weather events, while chronic risks result from long-term shifts in climate patterns, such as the gradual increase in average annual temperatures. The Group acknowledges that the impacts of physical risks on its operations are expected to intensify over time, as highlighted by climate scenario analyses. For instance, an increase in the frequency and severity of extreme weather events could potentially damage the Group’s assets, disrupt operations, or lead to higher costs related to insurance premiums and repair work.

To better understand the potential impacts of physical risks, the Group conducted a comprehensive risk assessment for key locations, including Hong Kong, Shanghai, Beijing, and the UK. This assessment leveraged the latest publicly available databases from globally recognised climate institutions. The findings are summarised in a heatmap, which highlights material physical risks for the long-term (2050). The heatmap also identifies the geographic areas and industries most affected, as well as the potential high-level business impacts relevant to the Group.

The Group recognises that climate physical risks may pose impacts to our businesses across various regions:

- Acute risks – such as extreme heat, cold, heavy rainfall, dry spells, and storm surges – can disrupt supply chains, delay construction timelines, reduce water availability, impact tourism demand, and cause flooding and property damage.
- Chronic risks – including rising temperatures, increased rainfall, reduced wind speeds, and sea level rise – heighten operational vulnerabilities, disrupt supply chains, lower productivity, worsen air quality, and amplify flooding risks, ultimately threatening its business resilience and sustainability.

The Group’s assets in Hong Kong and on the Mainland face heightened exposure to physical risks, especially storm surges, extreme heat, and heavy rainfall.

Potential Impacts of Physical Risks

Climate Factor		Estimated Impact on Asset Value in 2050	Hong Kong		The Mainland		United Kingdom		World Average Level	
			Brown Scenario	Turquoise Scenario	Brown Scenario	Turquoise Scenario	Brown Scenario	Turquoise Scenario	Brown Scenario	Turquoise Scenario
Acute Risk	Increase in extreme hot weather	<ul style="list-style-type: none"><li>Increased occupational health risks such as heat exhaustion and heatstroke for outdoor workers</li><li>Longer construction period due to low productivity</li><li>Affects tourists' choices of destination and the possibility of repeat visits</li></ul>								
	Storm surge	<ul style="list-style-type: none"><li>Threatens human health and safety</li><li>Results in significant losses due to damage to property</li></ul>								
	Increase in extreme cold weather	<ul style="list-style-type: none"><li>Affects upstream supply chain disrupted by extreme low temperatures</li><li>Affects tourists' choices of destination and the possibility of repeat visits</li></ul>								
	Increase in dry spell days	<ul style="list-style-type: none"><li>Affects water availability for construction and occupants</li><li>Less water for dust suppression during construction</li></ul>								
	Increase in extreme rain days	<ul style="list-style-type: none"><li>Increased flooding risk and losses due to damage to property</li><li>Affects supply chain dependency and increases operational risks</li></ul>								
Chronic Risk	Increase in annual mean temperature	<ul style="list-style-type: none"><li>Increase operational risks</li><li>Lower worker productivity</li><li>Increase absenteeism</li></ul>								
	Increase in total annual rainfall	<ul style="list-style-type: none"><li>Change in water availability</li><li>Safety concerns for sites near landslide</li></ul>								
	Decrease in average wind speed	<ul style="list-style-type: none"><li>Higher accumulation of air pollutants</li><li>Intensified air quality and health issues</li><li>Impact long-term wind power generation</li></ul>								
	Sea level rise	<ul style="list-style-type: none"><li>Increased flooding risks and losses due to damage to property</li><li>Affects supply chain dependency and increases operational risks</li></ul>								

Estimated Impact on **Asset Value** in 2050

Low

Medium

High

Very High



Transition Risk Impacts

Transition risks emerge as governments and businesses take action to mitigate the impacts of climate change. These risks span a variety of areas, including policy and regulation, market dynamics, technological advancements, and reputational factors. However, the low-carbon transition not only introduces challenges but also creates opportunities for the Group. For instance, while new climate regulations may necessitate additional expenditure, they also present opportunities to develop greener, more energy-efficient properties, reduce energy costs, and adapt to the evolving regulatory landscape, market trends, and customer preferences.

In evaluating its exposure to transition risks, the Group took into account the nature and location of its business operation. A business dependency survey was conducted with representatives from the Group’s property development, property management, hotels and serviced suite operation, and pub operation in selected geographies. This survey provided valuable insights into the relevance of various transition risks for each business segment. The survey findings were integrated with qualitative and quantitative analyses, drawing on data from leading global climate research and scenario models, to create heatmaps. These heatmaps are instrumental in assessing the severity of climate-related business risks and identifying opportunities for sustainable growth.

The assessment highlights that transition risks and opportunities can significantly impact our business and value chain:

- Property Development and Property Management in Hong Kong, the Mainland, and the UK: High exposure to carbon emissions and GHG regulations may require adopting low-carbon materials and energy-efficient technologies, increasing compliance costs but also enhancing brand value through sustainability and innovation.
- Hotel and Serviced Suite Operation in Hong Kong: Growing consumer demand for sustainable living may pose challenges, such as higher costs and supply volatility, but creates opportunities to strengthen brand value through green hotels and sustainable services.
- Pub Operation in the UK: Regulatory uncertainty including carbon taxation may increase operating costs, but investing in low-carbon technologies can improve resource efficiency, reduce expenses, and enhance market competitiveness.

Proactively addressing these risks and opportunities allows the Group to align with regulations, meet customer expectations, enhance brand value, and make meaningful progress in sustainability.

Potential Impacts of Transition Risks or Opportunities for Property Development and Property Management

Climate Factor	Estimated Severity of Business Impact in 2050 <i>R = Risk</i> <i>O = Opportunity</i>	Hong Kong		The Mainland		United Kingdom	
		Brown Scenario	Turquoise Scenario	Brown Scenario	Turquoise Scenario	Brown Scenario	Turquoise Scenario
Carbon price	(R) Policy and Legal: <ul style="list-style-type: none"><li>Carbon price is expected to increase significantly under Turquoise Scenario which may lead to increases in operating costs of the business.</li><li>Unexpected changes in the local regulatory landscape and global trends may lead to uncertainties in business.</li></ul> (R/O) Technology; Reputation: <ul style="list-style-type: none"><li>Increased pressure to invest in low-carbon technologies for logistics and operations to lower operating costs.</li><li>Company's competitiveness in the market can be enhanced if it becomes the first mover in the industry, to lower overall carbon emissions.</li></ul>						
Green building policy	(R) Market: <ul style="list-style-type: none"><li>Increasing consumer demand for green buildings may impact costs and revenues and pose supply volatility risks for acquiring green building materials.</li></ul> (R) Reputation: <ul style="list-style-type: none"><li>Lower competitiveness of assets if unable to meet consumers changing demands, which may result in loss of reputation and public trust.</li></ul> (O) Resource Efficiency: <ul style="list-style-type: none"><li>Gain consumer interest by implementing energy efficiency measures to match current demand trends for green building development and management.</li></ul>						
Carbon emissions for building materials	(R) Policy and Legal: <ul style="list-style-type: none"><li>Emissions reduction requirements are expected to be more stringent, which will affect planning and design as well as the construction due to additional considerations for low-carbon building materials, in order to comply with new regulations.</li></ul> (R/O) Reputation: <ul style="list-style-type: none"><li>Increased pressure to procure low-carbon materials (e.g., green steel or cement), to align with social expectations, which may lead to increased costs.</li><li>Improve the Company's brand value through sustainable procurement and manufacturing of materials used in construction.</li></ul>						
Greenhouse gas emissions	(R) Policy and Legal: <ul style="list-style-type: none"><li>Energy efficiency regulations and decarbonisation requirements are expected to become more stringent, which will lead to an increase in operating costs (i.e., cost of upgrading equipment) to comply with new regulations.</li></ul> (R/O) Technology; Reputation: <ul style="list-style-type: none"><li>Increased pressure to invest in advanced technologies to align with social expectations and compete with other market players.</li><li>Improve the Company's brand value by reducing GHG emissions of developed and managed properties, through the adoption advanced technologies or implementing energy efficiency initiatives.</li></ul>						
Investment in energy efficiency	(R) Technology; Reputation: <ul style="list-style-type: none"><li>As investments in energy efficiency increase, new technologies are expected to become more widely adopted, requiring businesses to adjust their capital expenditure to align with market trends.</li><li>Lower competitiveness of products/services if unable to meet consumers changing demands, which may result in loss of reputation and public trust.</li></ul> (R) Market: <ul style="list-style-type: none"><li>The technologies that result from these investments may reduce asset valuations due to assets and technology becoming obsolete.</li></ul>						

Estimated Impact on **Asset Value**:







Potential Impacts of Transition Risks or Opportunities for Hotels and Serviced Suite Operation

Climate Factor	Estimated Severity of Business Impact in 2050 <i>R = Risk</i> <i>O = Opportunity</i>	Hong Kong	
		Brown Scenario	Turquoise Scenario
Consumer awareness of sustainable living	(R) Market: <ul style="list-style-type: none"><li>Consumer pressure for green hotels and low-emission buildings, as well as sustainable services, which may impact costs and revenues, as well as pose supply volatility risk.</li></ul> (O) Product/Services: <ul style="list-style-type: none"><li>Improve brand value by positioning hotel operations as being green and having sustainable procurement and services.</li></ul>		
Electricity price	(R/O) Technology: <ul style="list-style-type: none"><li>Emissions reduction requirements are expected to be more stringent, which will affect planning and design as well as construction due to additional considerations for low-carbon building materials, in order to comply with new regulations.</li></ul> (O) Energy Source: <ul style="list-style-type: none"><li>Adopt the use of renewable energy such as setting up on-site solar panels.</li></ul>		
Carbon price	(R) Policy and Legal: <ul style="list-style-type: none"><li>The carbon price is expected to increase significantly under Turquoise Scenario with may lead to increases in operating costs to the business.</li><li>Unexpected changes in the local regulatory landscape and global trends may lead to business uncertainty.</li></ul> (R/O) Technology; Reputation: <ul style="list-style-type: none"><li>Increased pressure to invest in low-carbon technologies for logistics and operations, to lower operating costs.</li><li>The company's competitiveness in the market can be enhanced if it becomes the first mover in the industry, to lower overall carbon emissions.</li></ul>		

Potential Impacts of Transition Risks or Opportunities for Pub Operation

Climate Factor	Estimated Severity of Business Impact in 2050 <i>R = Risk</i> <i>O = Opportunity</i>	United Kingdom	
		Brown Scenario	Turquoise Scenario
Carbon price	(R) Policy and Legal: <ul style="list-style-type: none"><li>The carbon price is expected to increase significantly under Turquoise Scenario which may lead to increases in operating costs of the business.</li><li>Unexpected changes in the local regulatory landscape and global trends may lead to business uncertainty.</li></ul> (O) Resource Efficiency: <ul style="list-style-type: none"><li>Invest in low-carbon technologies for logistics and operations, to lower operating costs.</li></ul>		
Consumer awareness of sustainable living	(R) Market: <ul style="list-style-type: none"><li>Consumer pressure for sustainable sourcing and processing of material, as well as sustainable services, which may impact costs and revenues, as well as pose supply volatility risk.</li></ul> (R) Reputation: <ul style="list-style-type: none"><li>Lower competitiveness of products/services if unable to meet consumers' changing demands, which may result in loss of reputation and public trust.</li></ul>		
Greenhouse gas emissions	(R) Policy and Legal: <ul style="list-style-type: none"><li>Energy efficiency regulations and decarbonisation requirements are expected to become more stringent, which will lead to an increase in operating cost (i.e., cost of upgrading equipment) to comply with new regulations.</li></ul>		

Estimated Impact on **Asset Value**:      Low      Medium      High      Very High

While scenario analysis provides valuable insights into how climate risks and opportunities may impact the Group's business, it is acknowledged that the analysis is subject to inherent uncertainties and limitations. These arise from underlying assumptions, methodological approaches, and the complexities associated with the net-zero transition. The Group leverages this analysis to inform its business strategy and remains committed to regularly updating it to address evolving needs and circumstances.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group maintains a robust internal controls system that is designed to provide reasonable assurance on 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 department heads in the establishment and maintenance of the Enterprise Risk Management (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



Note:      Accountability, reporting      Delegation, direction, resources, oversight      Alignment, Communication

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. The ERM System also contains the established protocols for the communication of risks and measures to address such risks. The Board is ultimately responsible for determining and evaluating the risks that it is willing to take in achieving the Group’s objectives, ensuring effective risk management and internal controls system are established and maintained, 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 at least an annual basis, 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. 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. It carries out an annual risk assessment of the Group’s operations and derives a yearly audit plan based on the risk ratings of various auditable areas. Audits of all major operations are performed at least once every five years.

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

SUSTAINABILITY RISK AND OPPORTUNITY MANAGEMENT

Sustainability risks are incorporated into the Group’s ERM System, with the Sustainability Committee providing the Board with guidance on sustainability-related risks and opportunities. Management is responsible for addressing sustainability-related risks, such as those related to climate change, compliance, supply chain, employment practices, and information security – alongside other business risks.

These risks are continuously monitored to ensure they are incorporated into the Group’s product development, business decision-making, and approval processes. As part of the Company’s approach, it assesses potential risk drivers, the likelihood of risks occurring, potential consequences, and the mitigating controls in place. This enables the Company to meet stakeholders’ expectations regarding sustainability and climate change. Additionally, it evaluates the impact of emerging risks over a long-term horizon, ensuring that employees at all levels understand and integrate risk considerations into their daily operations.


For details of the Group’s risk management and internal controls regarding emerging risks, as well as the Risk Management Policy, please refer to the Corporate Governance Report in the Annual Report 2024.

METRICS AND TARGETS

SUSTAINABILITY TARGETS

As we progress in our ongoing journey towards greater transparency and accountability in sustainability reporting, the Group has been disclosing a range of metrics to communicate its progress in addressing sustainability issues. Demonstrating its commitment to environmental stewardship, the Group established environmental targets in 2021, which focused on reducing greenhouse gas (GHG) emissions, electricity consumption, water usage, and paper waste. In line with previous performance, the Group has maintained stable progress and achieved the targets in 2024 against the base year of 2019/2020.

The Group’s Sustainability Targets

	GHG Emissions <sup>†</sup>	Electricity Consumption	Water Consumption	Paper Waste
2030 Group-level Targets  (vs 2019/2020)	▼9%	▼11%	▼5%	▼11%
2024 Progress Property management operation Hotel and serviced suite operation Offices (Intensity reduction per total gross floor area) vs 2019	▼31%	▼17%	▼3%	▼31%
2024 Progress Pub operation <sup>*</sup> (Intensity reduction per total revenue) vs 2020	▼74%	▼58%	▼50%	▼100% <sup>*</sup>

Note: The above targets are based on 2019 figures for the Group's property management operation, hotel and serviced suite operation and offices, and on 2020 figures for the Group's pub operation. 2019 was adopted as the general base year for all operations except pub operation and has been revised to enhance data accuracy, as 2019 is considered to be more representative of a year that was not impacted by the COVID-19 pandemic. 2020 was adopted as the base year for pub operation as this business was not owned by the Group for the full year in 2019. The 2024 performance of pub operation contributes to achieving the Group-level target for water consumption.

<sup>†</sup> The GHG emissions intensity covers Scope 1, 2 and 3 emissions. Scope 2 emissions are calculated using the market-based method, as defined by the Greenhouse Gas Protocol. This method uses emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

<sup>\*</sup> All paper waste from pub operation has been collected and recycled during the year. No paper waste was recorded.

<sup>^</sup> 2020 (base year) intensity figures of pub operation were impacted by the COVID-19 pandemic.



## ADVANCING CLIMATE TARGETS

The Group remains steadfast in its commitment to addressing climate change, aligning with global trends in climate action and the Paris Agreement to drive meaningful progress. The most recent COP29 emphasised the critical need to accelerate decarbonisation across key sectors, including the built environment, food systems, and energy systems.

The Group has strengthened its decarbonisation commitment by integrating international best practices. In December 2024, the Group's science-based targets were validated and approved by the Science Based Targets initiative (SBTi), confirming their alignment with the SBTi Corporate Net Zero Standard. Notably, the Group's Scope 1 and 2 targets for 2030 and 2050 are consistent with a 1.5°C decarbonisation pathway, reflecting its resolute commitment to supporting ambitious global climate goals. The new target to achieve net-zero GHG emissions across its value chain by 2050 presents opportunities for the Group to contribute to the net-zero transition through stakeholder collaboration, including customers, tenants, and suppliers, to adopt sustainable practices and collectively reduce emissions.

### The Group's Science-based Targets

#### Near-Term Target

##### Scope 1 and 2

- Reduce absolute Scope 1 and 2 GHG emissions **46.8%** by 2030 from a 2019 base year

##### Scope 3

- Reduce absolute Scope 3 GHG emissions from Category 2 (Capital Goods) and Category 15 (Investments) **42.0%** by 2030 from a 2021 base year

#### Long-Term Target

##### Scope 1 and 2

- Reduce absolute Scope 1 and 2 GHG emissions **99.6%** by 2050 from a 2019 base year

##### Scope 3

- Reduce absolute Scope 3 GHG emissions from Scope 3 Category 1 (Purchased Goods and Services), Category 2 (Capital goods), Category 11 (Use of Sold Products), and Category 15 (Investments) **99.6%** by 2050 from a 2021 base year

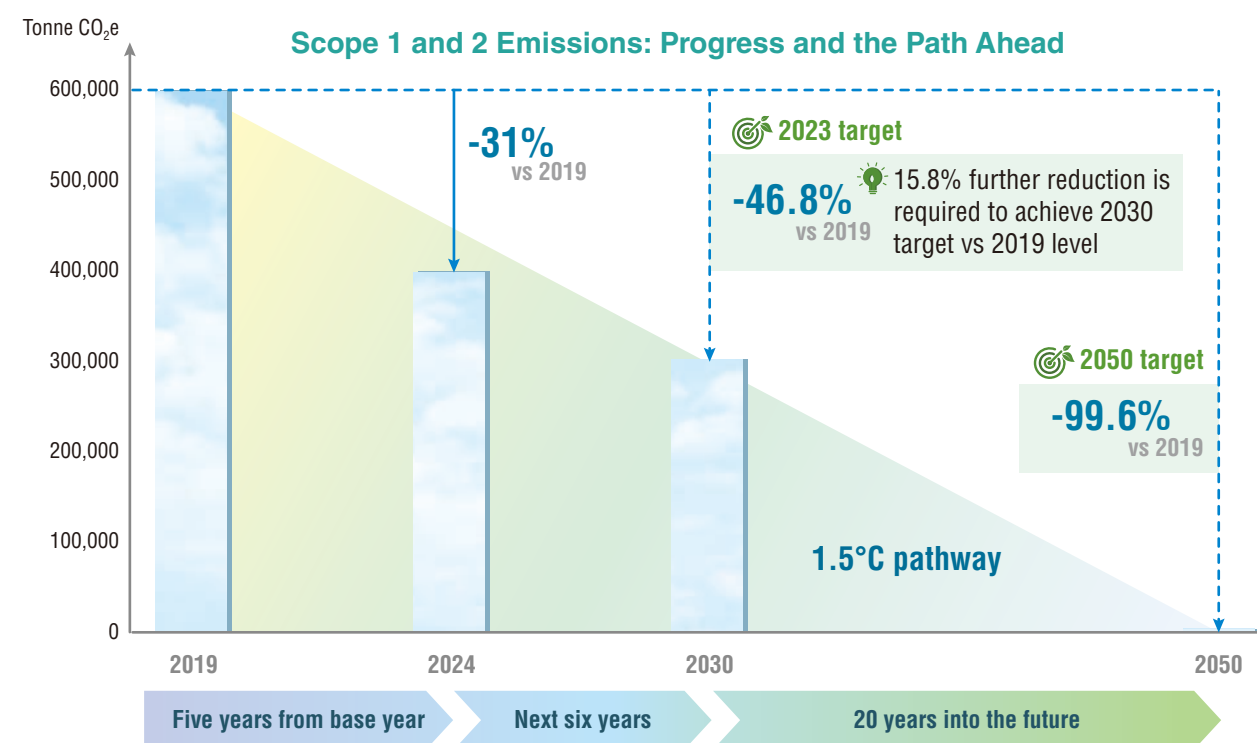
#### Overall Net-Zero Target

Reach net-zero greenhouse gas emissions across the value chain by 2050

Please refer to SBTi's website at <https://sciencebasedtargets.org/target-dashboard#dashboard> for validation details.

In parallel, Greene King, the Group's pub operation, has also had its near term SBTs validated by SBTi, committing to reduce absolute Scope 1 and 2 GHG emissions by 50% and Scope 3 GHG emissions by 50% by 2030, using 2019 as the base year, reinforcing the Group's commitment to climate action.

Over the past five years, the Group has made significant strides in decarbonising its Scope 1 and 2 emissions, achieving a 31% reduction in 2024 compared to 2019 levels – demonstrating the effectiveness of its emissions management strategy. To meet its 2030 target, the Group will need to achieve an additional 15.8% reduction from 2019 levels, with the ultimate target of achieving near-total decarbonisation by 2050. To ensure it remains on track, the Group is developing a comprehensive climate transition plan to identify scalable and practical solutions for decarbonising its operations and value chain. Furthermore, the Group is committed to reviewing and updating its targets at least once every five years to remain agile and responsive to advancements in climate science and policy.



Beginning with the 2025 Sustainability Report, the Group will report its progress toward achieving the science-based targets as part of its ongoing commitment to environmental sustainability and transparency. These science-based targets will replace the Group's existing GHG emissions reduction targets, providing an opportunity to holistically review and update its commitments in alignment with its overarching sustainability priorities.

When setting targets, the Group considered factors such as the GHG emissions reduction potential of business units, national climate action plans in its operating jurisdictions, business planning assumptions, investment strategy, and other relevant considerations. The transition to a net-zero economy remains fluid, influenced by policy shifts, market conditions, technological advancements, and societal expectations. Achieving these targets depends on the effective implementation of net-zero goals in these jurisdictions. Despite uncertainties, the Group remains committed to proactive planning and informed decision-making to navigate the evolving landscape.



# Environment

At CKA, sustainable living defines how we operate, collaborate, and engage with our operating units and the communities. Aligned with our theme, Sustainable Living for a Greener Future, we are dedicated to reducing our environmental footprint. Our focus is on lowering greenhouse gas (GHG) emissions, enhancing energy efficiency, and fostering partnerships with tenants, suppliers, and stakeholders to drive meaningful climate action. Through innovative technologies and data-driven strategies, we aim to build resilient, energy-efficient environments that support both present and future generations.

Set out below are the SDGs and the relevant material ESG topics in this section.



**SDG 6.3:** Reducing water pollution and enforcing proper handling of hazardous waste

**SDG 6.4:** Increasing water-use efficiency



**SDG 7.2:** Increasing adoption of renewable energy

**SDG 7.3:** Increasing adoption of energy-efficient technology



**SDG 9.4:** Increasing resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes



**SDG 11.6:** Reducing environmental impacts from air pollutants and municipal solid waste



**SDG 12.2:** Practicing the efficient use of natural resources

**SDG 12.5:** Reducing waste generation through prevention, reduction, recycling and reuse



**SDG 13.2:** Integrating climate change measures into business strategy and planning

## Material ESG Topics:

- Air Pollution Reduction
- Biodiversity Conservation
- Energy Efficiency
- GHG Emissions Management
- Sustainable Building Design
- Packaging Materials Management
- Waste Management and Reduction
- Water and Wastewater Management

Den Brook Wind Farm, with an installed capacity of 18 megawatts, generates enough renewable electricity to meet the annual energy needs of approximately 13,000 homes in the UK.



## CARBON AND ENERGY MANAGEMENT

The Group is committed to advancing its efforts to combat climate change. It has strengthened its climate targets and continues to implement initiatives aimed at reducing GHG emissions and energy consumption, working collaboratively with its tenants and suppliers to support its decarbonisation commitments.

### Commitments and Approach

The Group's carbon and energy management efforts are guided by its Environmental Policy, which emphasises climate change mitigation, energy efficiency, and waste reduction. Complementing this, the Corporate Social Responsibility Policy ensures compliance with regulations related to GHG emissions, waste management, and pollutant discharge. Together, these policies form the foundation of our environmental stewardship, addressing key sources of emissions and resource consumption across our operations.

To effectively manage environmental impacts, the Group's operations strive to adopt Environmental Management System (EMS) certified to the ISO 14001 standard by an independent third party, where applicable. This certification provides a systematic framework for identifying, monitoring, and mitigating significant environmental risks. 64% of the Group's managed properties ("Managed Properties") hold ISO 14001 certification. The property management operation has set up different committees to develop energy-saving policies and monitor the implementation of ESG initiatives.

The Group has identified material climate-related risks and opportunities and conducted scenario analysis to assess the potential impacts on its business. For details, please refer to the content in "Climate Scenario Analysis" section on pages 49 to 54.

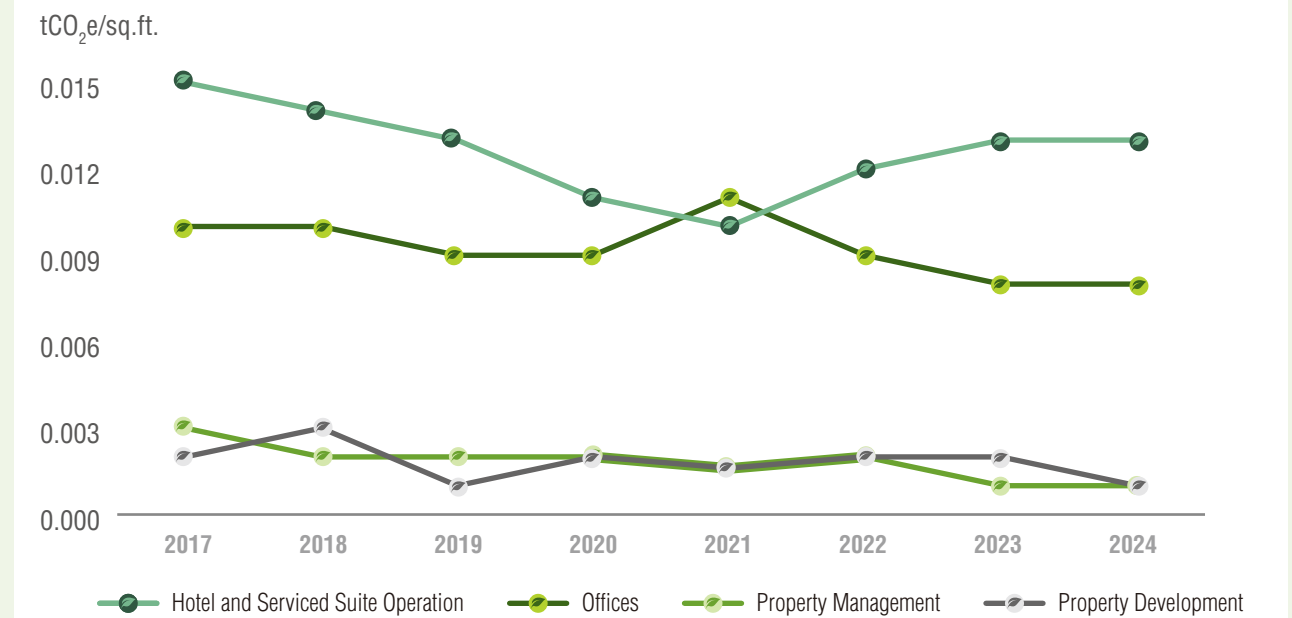
In 2024, the Group strengthened its commitments by setting science-based targets validated by the SBTi. For details on the targets, please refer to the "Metrics and Targets" section on pages 57 to 59.

### Progress and Initiatives

The Group's intensities of GHG emissions and energy use have stayed the same or decreased since 2023, demonstrating the effectiveness of its efficiency measures across business operations.

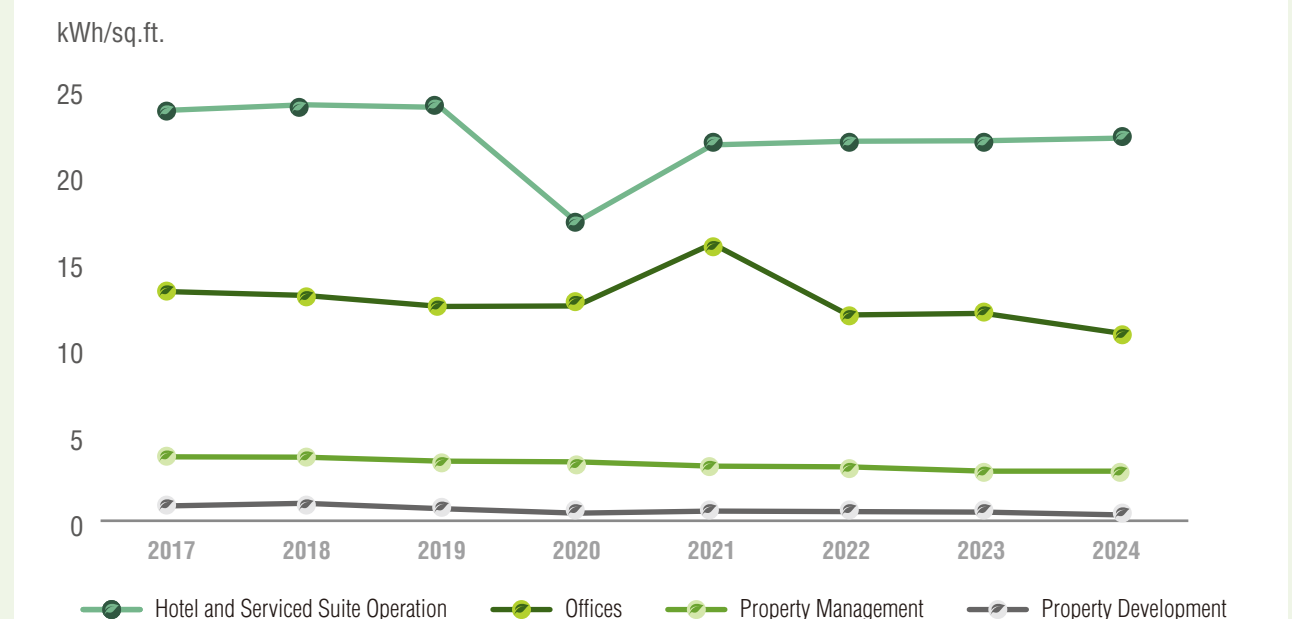
To support our decarbonisation goals, we have implemented a range of initiatives focused on improving energy efficiency, optimising resource use, and integrating renewable energy solutions. These efforts contribute to emissions reduction while enhancing operational efficiency and building resilience against climate-related challenges. The charts provide an overview of the Group's GHG emissions performance, highlighting our progress in reducing environmental impacts over the years.

## GHG emissions intensity distribution



Note: As the GHG emissions intensity of the pub operation is calculated on the basis of revenue earned, it is not directly comparable to other operations of the Group and therefore is not shown in the above chart. Please see the section "Performance Data Summary" for relevant data.

## Electricity and heat consumption intensity distribution



Note: As the electricity and heat consumption intensity of the pub operation is calculated on the basis of revenue earned, it is not directly comparable to other operations of the Group and therefore is not shown in the above chart. Please see the section "Performance Data Summary" for relevant data.

The Group is committed to strict compliance with laws and regulations across its operations. It has implemented mechanisms to monitor adherence, track regulatory updates, and provide staff with relevant training to ensure ongoing compliance. During the Reporting Period, the Group was not aware of any non-compliance with the Group of such laws or regulations in relation to GHG emissions or energy management, or of any significant negative environmental impacts within its supply chain, that would have a material adverse effect on the Group.

## Energy Saving and Renewable Energy

Given the materiality of Scope 2 emissions to the Group, it will seek to prioritise energy efficiency measures and the adoption of renewable energy sources. In the property sector, it has introduced targeted initiatives aimed at achieving this goal. These initiatives focus on energy conservation and the adoption of innovative solutions, ensuring a more sustainable and efficient approach to reducing the operational emissions of buildings.



EV chargers are installed in car parks of Cheung Kong Center to advance the sustainability initiatives.



## Energy-saving measures of the Group



The Group's social housing investment, Civitas, is making progress in enhancing the energy efficiency of its social housing portfolio. This includes a programme to retrofit existing homes with energy-saving measures. During the year, Civitas has invested in a portfolio of elderly care and assisted living homes in Germany. The portfolio is expected to benefit from a capital investment programme that will facilitate the goal for more than half of the properties to achieve an Energy Performance Certificate rating of A under the Energy Performance Buildings Directive of the European Union.



Additionally, the Group actively promotes renewable energy adoption to reduce its operational carbon footprint. Key initiatives include integrating solar photovoltaic systems into new developments and exploring renewable electricity procurement for sites with limited solar potential. For example, Greene King's pubs have installed solar panels capable of generating over 110,000 kWh of electricity annually, resulting in an estimated reduction of approximately 22,000 kg of CO<sub>2</sub> emissions per year. Solar-powered lighting has also been implemented at selected properties managed by the Group. Additionally, our hotel businesses are conducting feasibility studies for the installation of solar panels.

In 2024 Greene King joined RE100 global initiative, which brings together the world's most influential companies leading the transition to 100% renewable electricity. Greene King has committed to using 100% renewable electricity by 2030. This commitment aligns with its broader GHG reduction targets, including halving its GHG emissions by 2030 (using 2019 as the base year) and its public pledge to achieve net zero emissions by 2040. These initiatives reinforce the Group's dedication to using sustainable energy across its operations.



Greene King is committed to drive down its carbon footprint through technology solutions including deploying solar panels.

### Greener Transport

The Group recognises the importance of electric vehicles (EVs) in shaping a greener way of living. To enhance accessibility and convenience for EV users while supporting the Government's EV-charging at Home Subsidy Scheme. EV charging stations have been installed across various property types, including managed residential properties, commercial buildings, shopping malls, and some hotels. The Group is actively expanding its network of EV charging to support the transition toward greener mobility.

In its pub operation, Greene King has made strides in promoting sustainable transport. By 2024, it had installed over 1,200 EV charging bays at pubs and support centres nationwide, including the introduction of its first super-fast EV charging facility at one of its pubs. This not only supports the shift towards cleaner transportation but also offers added convenience for customers and communities to embrace a green lifestyle.



Greene King's New super-fast EV chargers at Hobby Horse Farm.

These initiatives go beyond reducing environmental impact – they also help lower energy costs for stakeholders and demonstrate the Group's commitment to sustainability, innovation, and the development of greener communities.

### Construction Management

Engagement with construction contractors is key to achieving the Group's environmental sustainability goals. To minimise environmental impacts, the Group has implemented programmes to enhance contractor performance through raising awareness, promoting best practices, and providing the necessary tools and knowledge. These efforts help ensure that sustainability principles are embedded throughout the construction process, contributing to a greener future.

- Engaging consultants to provide oversight on sustainability and environmental issues to ensure environmental targets are met in accordance with the Group's planning permission requirements and local legislation;
- Requiring construction contractors to submit monthly environmental monitoring reports on emissions performance;
- Promoting environmental awareness among contractors through regular communication and initiatives;
- Establishing an Environmental Management Plan to educate staff and contractors on related environmental regulations, potential environmental impacts and control measures; and
- Providing environmental training to contractors to increase awareness of issues related to noise and air pollution, sewage management, and waste reduction.

### Green Lease

The Group is dedicated to reducing the carbon footprint of its buildings through collaborative sustainability efforts that support green living. To advance this goal, a green lease clause has been incorporated into standard leases of its investment properties where feasible, encouraging the adoption of eco-friendly practices such as energy conservation, waste recycling, and water-saving measures. This approach fosters a shared responsibility for sustainability while aligning environmental goals with commercial objectives.

To further assist tenants during fit-out works, Cheung Kong Center Property Management Limited has developed a Green Fit-out Guideline for tenants, which provides practical advice on sustainable design and renovation practices. This promotes a collaborative approach to minimising the environmental impact of building operations, contributing to healthier and more sustainable living and working environments.

Additionally, Greene King engages tenants through sustainability programmes, including a carbon footprint calculator that helps measure emissions and offers practical solutions for reducing them. These initiatives not only reduce environmental impacts but also inspire a culture of sustainability among tenants, supporting the broader goal of greener communities.

These initiatives reflect the Group's commitment to fostering partnerships that promote sustainable practices and reduce environmental impacts for the benefit of all stakeholders.

## NATURAL RESOURCES AND BIODIVERSITY

The Group is dedicated to sustainable water and waste management as well as biodiversity conservation. It works to minimise its impact on natural resources while supporting ecosystem resilience through efficient water use, responsible waste reduction, and biodiversity protection initiatives. By embracing innovative solutions and engaging stakeholders, the Group aligns its operations with global sustainability goals, fostering a greener future.



Under the arrangement of South Horizons Management Limited, residents participated in an eco tour at the Hong Kong Wetland Park Tour organised by The Conservancy Association.

## Water Consumption

### Commitments and Approach

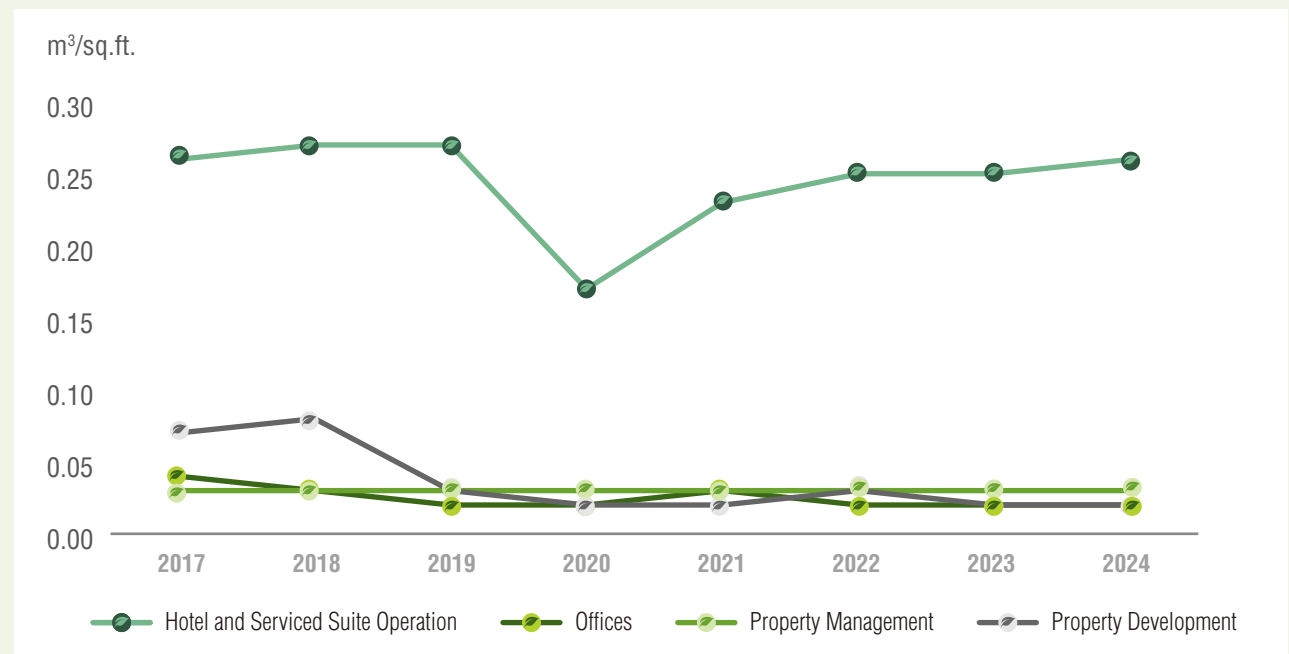
Recognising the importance of conserving water resources, the Group is committed to enhancing water efficiency and reducing consumption across its operations. Guided by its Environmental Policy, the Group promotes the efficient and sustainable use of water resources prioritising the reduction of freshwater consumption, continuous monitoring usage, and proactive management of water scarcity risks. This approach reflects the Group's commitment to long-term water stewardship and contributes to creating more resource-efficient environments.

To address the risk of using water from water stressed areas, the Group adopts a targeted water management approach based on site-specific assessments. The property management operation is the Group's largest water consumer, followed by pub operation, and hotel operation. Using the World Resources Institute's Aqueduct Water Risk Atlas, the Group evaluated baseline water stress across its operational locations. The analysis indicated that its operations in Hong Kong experience low-to-medium baseline water stress, allowing the Group to tailor its water management strategies accordingly. While some operations are located in water-stressed regions, the Group has not encountered significant issues in securing water. Property management operation, hotel operation and property development business primarily rely on municipal water supplies, with minimal dependence on alternative water sources.

## Progress and Initiatives

The Group has maintained stable levels of water consumption intensity over the past three years, reflecting the effectiveness of its water efficiency initiatives across its business operations.

### Water consumption intensity distribution



Note: As the water consumption intensity of the pub operation is calculated based on revenue earned, it is not directly comparable to other operations of the Group and therefore is not shown in the above chart. Please see the section "Performance Data Summary" for relevant data.

The Group prioritises efficiency, resilience, and the long-term value of water resources to ensure a reliable and sustainable supply. By implementing effective practices across its operations, it enhances efficiency, reduces costs, and protects the environment, showcasing its commitment to sustainability and excellence.





To reduce water consumption and optimise usage, the Group has implemented several initiatives, including:

#### Water-Saving Technologies

Installing water-saving nozzles, automatic sensor taps, and flow controllers in hotels, serviced suites, selected offices and Managed Properties.

#### Rainwater Collection

Using rainwater for landscaping and cleaning in selected Managed Properties.

#### Sea Water for Flushing

Replacing potable water with sea water in flushing systems at selected hotels, serviced suites and Managed Properties.

#### Leakage Inspections

Conducting regular pipe leakage inspections in hotels, serviced suites, selected offices and Managed Properties.

#### Water Monitoring

Measuring and monitoring water usage through meters installed in selected offices and Managed Properties.

#### Awareness Campaigns

Promoting conservation by displaying water-saving signs to promote conservation in hotels, serviced suites and selected Managed Properties.

#### Water Audits

Identifying inefficiencies in water usage to further reduce consumption in selected Managed Property.

During the Reporting Period, the Group was not aware of any non-compliance with laws or regulations applicable to the Group in relation to water management in its operations, or of any significant negative environmental impacts within its supply chain, that would have a material adverse effect on the Group.



## Waste Management

### Commitments and Approach

The Group recognises the environmental impact of waste generated by its business activities and is committed to enhancing waste management practices as part of its efforts to support more sustainable operations.

Guided by its Environmental Policy, the Group promotes effective waste management through practices such as waste reduction, reuse, recycling, and the adoption of sustainable materials in daily operations. The Policy also encourages the use of advanced technologies to minimise waste at its source, ensuring that processes from sorting to disposal meet regulatory standards and contribute to reducing the overall environmental footprint.

To manage hazardous waste, the Group enforces stringent requirements for safe handling and disposal, ensuring full compliance with relevant laws. All hazardous waste must be securely sealed and accurately labelled before being collected by qualified hazardous waste collectors. Designated storage areas are used to safely store these materials, and standardised procedures are implemented. For property development projects, contractors are required to establish their own hazardous waste management procedures, ensuring that responsible handling of hazardous materials in line with legal standards and contractual obligations. Regular reviews are conducted to monitor compliance and assess performance of contractors, reinforcing consistent and safe waste management practices.

In addition to operational measures, the Group organises environmental awareness campaigns to promote waste prevention and reduction among stakeholders. These initiatives encourage a culture of resource efficiency and responsible consumption, supporting the broader goal of sustainable living across the communities the Group serves.



Recycling Event by Christian Action – a monthly recycling activity at Whampoa Garden, one of the properties managed by Whampoa Garden Management Limited, that contributes to environmental protection by making good use of resources.

## Progress and Initiatives

In 2024, the Group generated a total of 33,528 tonnes of non-hazardous waste and 1,047 tonnes of hazardous waste, representing a decrease of 79% and an increase of 12%, respectively, compared to the previous year. The decrease in non-hazardous waste is attributed to lower levels of construction activities in 2024, leading to less general construction waste being sent to landfill. The Group's hazardous waste increased due to higher amounts of waste oil, paint, and chemical waste being generated by brewery activities in its UK pub operation.

The Group implements effective waste management practices across its operations, with the goal of meeting local regulatory requirements and striving to exceed them where possible. These efforts reflect the Group's commitment to responsible resource use and environmental sustainability, contributing to greener operations across diverse business activities. Key waste management practices implemented across different sectors of the Group are outlined on the next page.

During the Reporting Period, the Group was not aware of any non-compliance with laws or regulations applicable to the Group in relation to waste management in its operations, or of any significant negative environmental impacts within its supply chain, that would have a material adverse effect on the Group.

## The Group's Waste Management Practices

### General Practices Across Business Operations



- Environmental Awareness:** Programmes on waste separation and reduction are implemented at Managed Properties and hotels to raise awareness.
- Digital Workflows:** Offices, property management, and hotel operation promote digital workflows to reduce paper usage.
- Recyclables Segregation:** Recyclable waste is sorted by material types such as paper, plastic, glass, aluminium/metal, etc. before collection by the contractors of the respective recycling programmes.

### Pub Operation



- Closed-Loop Recycling:** Materials like glass, aluminium cans, and utensils are recycled and reused through a closed-loop system.
- Biodegradable Tableware:** Polylactic acid (PLA) disposable tableware and cutlery are provided, with paper straws available upon request.
- Eliminating Single-Use Plastics:** Single-use plastics are being replaced with biodegradable takeaway containers, cutlery, laundry bags, and rubbish bags.

### Hotels and Serviced Suite Operation



- Charitable Donations:** Reusable fixtures and furniture are donated to charities or sister hotels.
- Encouraging Reusables:** Guests are encouraged to bring their own personal care items.
- Sustainable Materials:** FSC-certified paper packaging is used for slippers and room amenities.
- Transition to Pump Bottles:** Single use toiletries have been replaced with multi-use pump bottles.
- Food Waste Recycling:** Food waste are converted into biogas for electricity generation with the residual being used as compost.

### Construction Sites



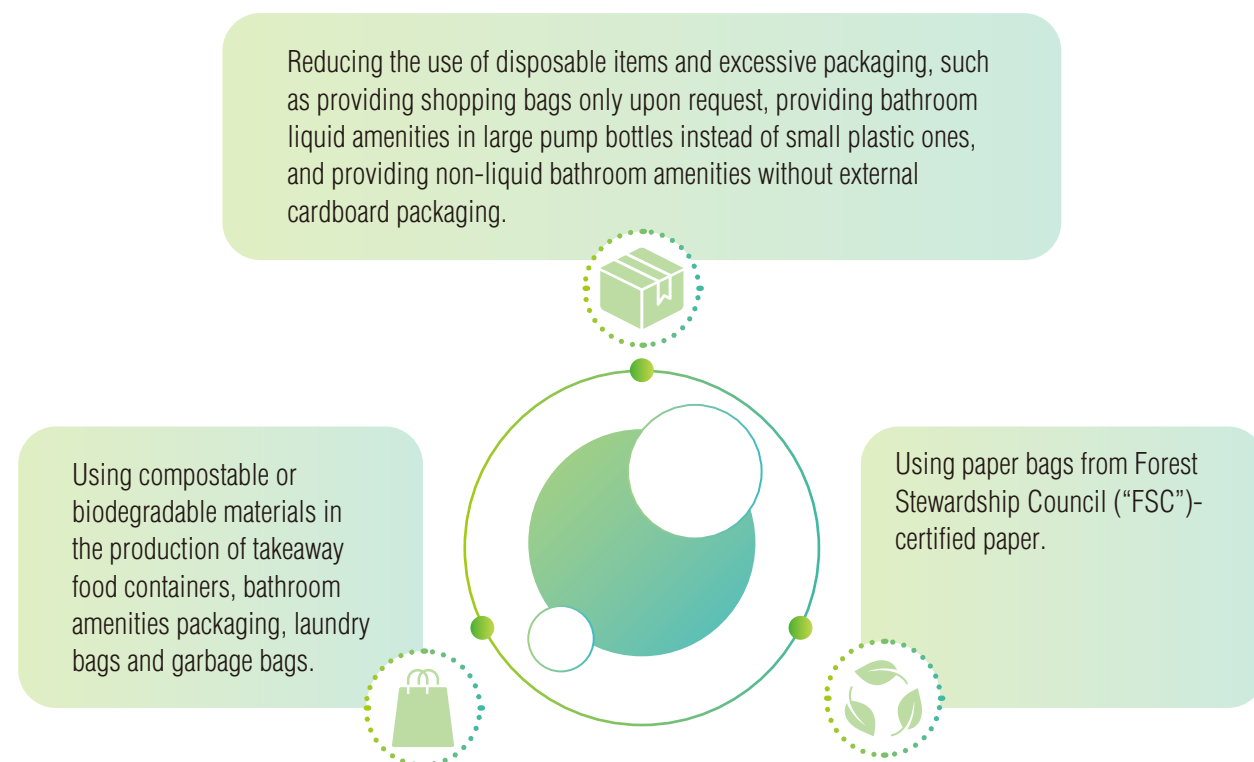
- Waste Management Plans:** Contractors are required to develop and implement waste management plans for property development projects.
- Reducing Construction Waste:** Practices such as prefabrication, recycling, and reuse are employed to minimise construction waste.



## Reducing the use of packaging materials

Although packaging materials are not the primary source of waste for the Group's businesses, reducing packaging waste remains a key priority. This effort reflects the Group's broader goal of minimising environmental impact and supporting more sustainable consumption patterns across its operations.

The Group's hotel and serviced suite operation have implemented measures to reduce and substitute packaging materials wherever possible. These initiatives are designed to not only reduce waste but also promote resource efficiency, contributing to more sustainable living environments. The graphic below illustrates the hotel operation's approach to managing packaging materials, highlighting key strategies that support waste reduction and a greener future.



In the UK, Greene King, the Group's pub operation, has achieved the Carbon Trust's Zero Waste to Landfill Standard since 2020, ensuring no waste goes to landfills. This achievement was made possible through a closed-loop recycling system, where items like takeaway utensils, glass bottles, and aluminium cans are collected, recycled, and reused, supporting a circular economy. Greene King has also transitioned to using more sustainable alternatives, including replacing plastic straws with biodegradable Polylactic Acid (PLA) straws, reinforcing its commitment to eco-friendly practices. To support industry-wide sustainability efforts, Greene King is a proud signatory of the UK Food and Drink Pact, aiming to reduce food waste by 50% by 2030. As part of this initiative, the company donates high-quality food to food banks and recycles remaining food waste into energy, which is fed back into the electricity grid. These actions not only reduce environmental impact but also promote a culture of sustainability, contributing to a greener future for the communities Greene King serves.

## ESG Story

### Harbour Plaza Metropolitan Shanghai: Upcycling over 5,000 Discarded Water Bottles into a Christmas Tree

As part of its sustainability efforts, the Group's Harbour Plaza Metropolitan Shanghai showcased the art of upcycling by transforming 5,046 discarded mineral water bottles into a visually stunning 3.45-meter-tall Christmas tree. This creative project reflects the hotel's commitment to reducing waste while promoting environmental awareness.

The upcycled Christmas tree was crafted using cleaned and sorted empty plastic water bottles, which were arranged and decorated with energy-saving lights. The tree was unveiled during a Christmas Lighting Ceremony, serving as both an artistic display and an educational platform to showcase the potential of repurposing waste into something beautiful and functional.

This initiative engaged employees and guests alike, fostering a culture of environmental responsibility. Employees actively participated in the upcycling process, from collecting and preparing the materials to assembling the final design. Guests praised the tree as a creative and meaningful symbol of sustainability, showcasing the potential of repurposing waste into something beautiful and functional.



A visually stunning 3.45 meters tall Christmas tree crafted using cleaned and sorted empty plastic water bottles.



Employees participated in transforming discarded water bottles into a Christmas tree.

By embracing upcycling, the hotel demonstrated its leadership in environmental stewardship within the hospitality industry. This project not only reduced waste but also inspired collective action and highlighted how innovative design can drive awareness and sustainable practices. The upcycled Christmas tree stands as a testament to the hotel's dedication to sustainability and creative environmental solutions.



## ESG Story

### Greene King: Reusable Bottle Scheme to Cut Solid Waste and Carbon Emissions

Greene King is piloting a reusable bottle scheme across 22 pubs in north-west England in partnership with a sustainability start-up. The initiative aims to reduce single-use glass bottles by collecting used beer, cider, spirits, wine, and soft drink bottles for cleaning and refilling, instead of recycling.

Integrated into Greene King's existing delivery and collection system, the scheme is expected to recover up to 22,000 bottles weekly, with the reuse rate projected to increase from 27% in August 2024 to 55% by the end of 2024. This approach reduces waste and lowers Scope 3 carbon emissions from suppliers, supporting Greene King's goal of achieving net-zero emissions by 2040.

The initiative also offers practical benefits, such as quieter collections that eliminate the disruptive noise of glass bin emptying, improving conditions for staff and customers.

Part of Greene King's broader sustainability strategy, the scheme reflects the company's commitment to reducing environmental impact through circular economy practices. By prioritising reuse over single-use materials, Greene King demonstrates leadership in sustainable operations within the hospitality sector.



The reusable bottle in a box needs to be transferred for cleaning and refilling.

## Community-wide waste management

The property management operation of the Group actively participates in community-based waste management programmes, such as the Tree Conservation Scheme by the Hong Kong Environmental Protection Association and the Natural Christmas Trees Recycling and Peach Blossom Trees Recycling Programmes run by the Environmental Protection Department. Additionally, 44 Wastewi\$e Certificates have been awarded to certain Managed Properties, recognising their achievements in waste reduction and their ongoing commitment to improving waste management practices.

These initiatives demonstrate the Group's commitment to reducing waste and supporting a circular economy, contributing to greener communities and promoting sustainable living practices. By implementing proactive measures and setting long-term targets, the Group continues to advance its sustainability efforts, fostering environmental responsibility both within its operations and across the broader community.

## Biodiversity

### Commitments and Approach

CKA is dedicated to protecting natural habitats and preserving biodiversity. Guided by its Biodiversity Policy, the Group integrates biodiversity considerations into all aspects of its operations, supporting healthier ecosystems that contribute to sustainable living environments.

Before starting any property development, the Group conducts required Environmental Impact Assessments to evaluate potential environmental impacts and its dependence on natural ecosystems. This process addresses concerns about biodiversity loss and climate change. By identifying environmental risks early, the Group can implement mitigation measures to protect sensitive ecosystems. These measures are complemented by close collaboration with stakeholders to promote environmental protection and biodiversity conservation.

Through proactive engagement and awareness initiatives, the Group aims to inspire collective efforts to safeguard the environment. These actions not only preserve natural ecosystems but also contribute to creating greener, more resilient communities.

### Progress and Initiatives

The Group actively seeks opportunities to preserve and restore biodiversity. In 2024, it ventured into regenerative agriculture, offering dual benefits for both the climate and ecosystem restoration.

## ESG Story

### Advancing Climate Action Through Regenerative Agriculture

The Group is addressing climate change by investing in regenerative agriculture, deploying carbon sequestration to capture and store atmospheric carbon emissions.

Through a joint venture, the Group has entered into an agreement to acquire pastoral leases and rights of over 350,000 hectares of agricultural land in Australia designated for carbon sequestration. The project adopts the Human-Induced Regeneration method, which utilises land management practices, such as controlled grazing, to help regenerate native vegetation species and forests and promote ecosystem restoration and resilience. This initiative is expected to sequester approximately one million tonnes of CO<sub>2</sub> equivalent. The project, which comes with carbon credits that are tradeable to the Australian Government and the private sector, will position the Group as a serious player in the growing carbon market.



Agricultural land in Australia.



## SUSTAINABLE BUILDINGS

### Commitments and Approach

Sustainability underpins CKA's property development and property management operations, from designing and constructing new projects to managing existing properties. By leveraging advanced green technologies, sustainable materials, and innovative design practices, the Group delivers buildings that are energy-efficient, environmentally responsible, and adaptable for the future. These efforts not only reduce environmental impact but also support healthier, more sustainable living environments for communities.

Aligned with its Environmental Policy, CKA focuses on resource efficiency, waste reduction, and minimising environmental impact throughout a building's life cycle. The Group's commitment to sustainability is demonstrated through its active participation in leading green certification schemes, setting benchmarks for sustainable building practices and contributing to greener urban landscapes.

CKA's Sustainable Building Guidelines ensure sustainability and biodiversity considerations are integrated into every stage of property development. This approach aligns with its business goals while creating long-term value for customers and fostering environmentally conscious communities. To reinforce these commitments, CKA integrates its Environmental and Biodiversity Policies into each project, helping to reduce environmental impact, enhance the quality of life for building occupants, and promote sustainable living within the broader community.

Innovation and technology are central to improving efficiency and upholding the highest standards of quality and safety. By integrating advanced technologies into construction processes and collaborating closely with partners, the Group drives sustainable practices that minimise environmental and operational impacts across its value chain.

Recognising the value of partnerships in fostering innovation, the Group actively engages with industry organisations and builds strong relationships with business partners. These collaborations encourage knowledge sharing and the development of forward-thinking solutions, helping to promote sustainability and best practices across all initiatives.

## Sustainable Building Guidelines

1

**Land Acquisitions and Site Selections:** Environmental and ecological assessments are conducted to select suitable sites, with mitigation plans implemented as needed to minimise ecological impact.

2

**Planning and Design:** Smart technologies, such as Building Information Modelling, are used to optimise resource efficiency and reduce waste.

3

**Material Sourcing:** The use of sustainable building materials are encouraged, with a preference for local suppliers.

4

**Construction:** Efforts are made to minimise environmental disruption, promote material reuse and recycling, and reduce public disturbances during construction.

5

**Suppliers and Contractors Collaboration:** Suppliers and contractors are required to meet CKA's sustainability standards, with regular training and monitoring to ensure compliance and continuous improvement.

### Progress and Initiatives

In 2024, the Group achieved sustainable building certifications, including LEED, BEAM, and WELL, across its portfolio of buildings that are developed, managed, or currently under development. These certifications reflect the Group's ongoing commitment to integrate sustainable practices into its property development and property management operations.

Cheung Kong Center II, which obtained the BEAM Plus Provisional Platinum certification, serves as a prime example of the Group's commitment to integrating sustainability into property redevelopment. Completed in May 2024, the project demonstrates how redevelopment initiatives can incorporate innovative building design principles.



The Group’s Green Building Certifications

BEAM New Buildings

No.	Property Name	Platinum
1	City Point	✓
2	Trinity Towers	✓

BEAM Plus New Buildings

No.	Property Name	Platinum	Gold	Bronze
3	Ocean Pride Development		✓	
4	My Central		✓	
5	Seaside Sonata		✓	
6	Sea to Sky		✓	
7	Harbour Glory			✓
8	Cheung Kong Center II	Provisional Platinum		
9	Blue Coast		Provisional Gold	
10	Grand Jeté			✓
11	Victoria Blossom	Provisional Platinum		

LEED Operations and Maintenance/WELL Certification: Existing Buildings

No.	Property Name	Platinum	Gold
12	Cheung Kong Center (LEED)	✓	
13	Prosperity Millennia Plaza (WELL)	✓	
14	Watson Centre (LEED)		✓

BEAM Plus Existing Buildings V2.0 Comprehensive Scheme

No.	Property Name	Platinum
15	The Metropolis Tower	✓
16	Ma On Shan Plaza	✓
17	Cheung Kong Center	✓
18	Prosperity Place	✓

BEAM Plus Existing Buildings V2.0 Selective Scheme

No.	Property Name	Excellent	Very Good	Good	Satisfactory
19	China Building	✓			
20	The Hub	✓			
21	The Whampoa	✓			
22	The Harbourfront	✓			
23	99 Cheung Fai Road	✓			
24	Hutchison Logistics Centre	✓			
25	Aberdeen Centre (Commercial)	✓			
26	Watson Centre	✓			
27	Rambler Plaza	✓			
28	Chun Fai Centre	✓			
29	9 Chong Yip Street	✓			
30	Fortune City One	✓			
31	Jubilee Square	✓			
32	Ma On Shan Plaza	✓			
33	Metro Town	✓			
34	New Treasure Centre	✓			
35	Prosperity Center	✓			
36	Prosperity Place	✓			
37	Prosperity Millennia Plaza	✓			
38	The Metropolis Tower	✓			
39	Trendy Centre	✓			
40	Fortune Metropolis	✓			
41	Laguna Plaza	✓			
42	Caribbean Square	✓			
43	+Woo			✓	
44	Belvedere Square			✓	
45	Centre de Laguna			✓	
46	Smartland			✓	
47	Hampton Loft			✓	
48	Lido Avenue			✓	
49	Fortune Malls			✓	
50	Rhine Avenue			✓	
51	Tsing Yi Square			✓	
52	Waldorf Avenue			✓	



## ESG Story

### Cheung Kong Center II – A Landmark in Sustainable Urban Development

Cheung Kong Center II (“CKC II”) exemplifies CKA’s dedication to sustainable development and corporate responsibility. Transforming the iconic Hutchison House, the project integrates advanced green technologies and innovative designs to minimise environmental impact while enhancing functionality, aesthetics, and community value.

CKC II represents a significant step forward in urban design, embedding sustainability principles to prioritise energy efficiency, resource conservation, and indoor air quality. The building’s expansive glass panels maximise natural light and offer stunning harbour views, creating a bright and productive workspace. Its high-performance façades, featuring advanced coatings, optimising light transmission while reducing solar heat gain, improving both energy efficiency and occupant comfort.



Cheung Kong Center II.

Smart technology plays a key role in enhancing the building’s efficiency. IoT-enabled systems allow users to control lighting and air conditioning via mobile apps, while an advanced air purification system circulates 30% more fresh air than international standards. This system removes viruses, bacteria, and pollutants, ensuring exceptional indoor air quality.

CKC II also supports sustainable transport by offering dedicated EV charging stations, encouraging the use of clean energy vehicles. The building’s carbon reduction initiatives aim to cut annual energy consumption by 19%, demonstrating a strong commitment to energy efficiency and carbon neutrality. Water conservation systems reduce annual water use by 30%.

The project has earned BEAM Plus Provisional Platinum certification, reflecting the Group’s commitment to environmentally responsible redevelopment. With its innovative features and eco-friendly design, CKC II enhances operational efficiency and underscores CKA’s commitment to environmental stewardship. This redevelopment redefines urban sustainability, setting new standards for greener cities and inspiring future generations to adopt sustainable development practices.

## Feature Story

# PROPERTY MANAGEMENT – GREEN LIVING: OUR JOURNEY TOWARDS SUSTAINABILITY

Since the 1980s, Citybase Property Management Limited (“Citybase”), and Goodwell Property Management Limited (“Goodwell”) have been dedicated to delivering high quality property and facilities management services across a diverse range of real estate in Hong Kong. Their portfolio includes large-scale residential properties, luxurious residential developments, commercial buildings, industrial buildings, shopping malls, car parks and clubhouses. On the other hand, Cheung Kong Center Property Management Limited (“CKCPM”), stands out by exclusively managing the prestigious Cheung Kong Center. CKCPM ensures that this iconic building operates seamlessly, providing unparalleled management services.



Dr. Justin Chiu, Executive Director and Executive Committee Member of the Company, at the award-winning landscape of 21 Borrett Road.



Dr. Chiu Kwok Hung, Justin, Executive Director and Executive Committee Member of CKA, has been leading Citybase, Goodwell and CKCPM (the “team”) through various challenges, such as promoting sustainable living. The team is committed to achieving net zero carbon emissions by working closely with the tenants and residents. This commitment resonates deeply within the team’s practices, which involve implementing energy-efficient technologies, recycling and reusing materials, and fostering a culture of sustainability within the stakeholders, particularly tenants and residents.

## Leveraging on Technologies to Reduce Our Carbon Footprint

By leveraging on technology, the team significantly reduces the carbon footprint and promotes a more sustainable environment for tenants and residents. At CKCPM, Citybase and Goodwell, a building management system has been implemented to control facilities, such as air conditioners and lighting units, to reduce excessive or unnecessary use of energy. Utilising technology and conducting carbon or energy audits allow the team to assess energy consumption and identify areas for sustainable improvements in energy efficiency. This approach helps to mitigate the carbon footprint and also fosters a culture of sustainability within the properties, benefiting both the environment and community.

In early 2024, Cheung Kong Center implemented an energy management system to monitor and control power usage for chiller plants, lifts, escalators, and other facilities, ensuring optimal efficiency. Real time data is collected and analysed to identify and explore

further energy-saving opportunities. Having retro-commissioned the chiller plant, the system’s performance is maximised, leading to substantial energy savings. Nonetheless, maintaining indoor air quality is equally important. Cheung Kong Center has an indoor air quality monitor which has been integrated into CKCPM’s e-directory providing real-time data on indoor temperature, humidity, PM2.5 levels, Total Volatile Organic Compounds levels, and CO<sub>2</sub> levels. This ensures a healthy and safe environment for all stakeholders in Cheung Kong Center.

On the other hand, Citybase and Goodwell have implemented different initiatives to reduce their carbon footprint, including the integration of renewable solar



CHEUNG KONG CENTER  
PROPERTY MANAGEMENT LIMITED  
長江集團中心物業管理有限公司



The chiller plant was retro-commissioned, resulting in substantial energy savings.



Deployment of AI cleaning robot.

energy and the replacement of traditional lighting with LED lighting. The replacement of a more energy efficient chiller plant at +Woo has significantly reduced electric energy consumption. As a result of the Group’s commitment to reduce energy consumption resulted in it has received over 90 Hong Kong Green Organisation Certifications issued by the government-appointed Environmental Campaign Committee.

## Waste Management and Recycling

By promoting the 3 Rs (Reduce, Recycle and Reuse) among residents and tenants, the goal of minimising waste becomes more attainable. The team facilitates this by providing easy

access to recycling facilities and encouraging a sustainable lifestyle by arranging different green activities. Together, they can significantly reduce waste and foster a more environmentally friendly community.



A Waste Reduction and Recycling Outreach Activity of Goodwell.

Mr. Kenneth Wan, General Manager of CKCPM, shared an interesting fact: “Between July 2023 and November 2024, approximately 60 tonnes of food waste were recycled. Guess what constitutes the majority of this waste? It’s coffee grounds! Over 21 tonnes of coffee grounds

were recycled during this period. This shows people in Hong Kong really enjoy drinking coffee! It’s amazing to see how our daily habits contribute to sustainability in unexpected ways.” Looking ahead, CKCPM plans to develop a rainwater harvesting system, similar to Citybase and Goodwell, to collect rainwater for water features and irrigation. Such systems adopted by both Citybase and Goodwell have significantly reduced water consumption, aiding in landscaping and cleaning purposes at residential site operation and selected Managed Properties. They were even awarded with the Water Efficiency Labelling Scheme issued by Water Supplies Department.

Citybase and Goodwell have created an ESG platform to collect data on waste management, tracking metrics like total waste per resident, food waste, and recycling figures. The convenient access to recycling facilities have further encouraged them to recycle and improve the data collection. Other Initiatives, including the installation of food waste collectors, reverse vending machines, and canned food donation machines are part of the broader strategy to enhance waste management through big data.



## Stakeholders Engagement

By adopting the 3Es approach (Engagement, Encouragement, and Education), this helps create a community that values and practises green living. By educating the residents and tenants, particularly the children, the team empowers them to make environmentally conscious decisions, fostering a sustainable mindset and promoting long-term environmental responsibility.

The teams are committed to promoting sustainable living among the tenants and the broader community through various initiatives, for instance green talks help tenants to gain a clear understanding of the recycling programs and encourage their active participation, recycling activities, such as the 'Let's Recycle Red Packets' event, which successfully collected around 17,000 red packets for recycling by charitable organisations. Other initiatives include the 'Mooncake Madness' donation drive, food pick-up corners, and food drives to raise awareness about reducing food waste and ensuring food reaches those in need. These initiatives are recognised by Feeding Hong Kong for CKCPM's valuable contributions.



Citybase and its committed team of volunteers.

Citybase and Goodwell are well-known for their volunteering team and commitment to promote sustainable living among residents. Goodwell's ESG initiative "Project LEAF (Love•Earth@Future)" launched in March 2024, engages residents with activities like environmental catwalk shows, charity carnivals, and upcycling workshops. Over 350 LEAF Ambassadors from 20 Managed Properties have been recruited. Citybase Volunteer Team also has nearly 500 members, dedicated more than 10,000 hours of service annually. Other activities organised by Citybase includes tree planting to educate children about the importance of nature and environmental responsibility. Citybase also held



energy conservation lectures, helping residents secure first place in the CLP's Summer Saver Rebate Programme and boosted their enthusiasm for energy conservation through simple reward activities.

## Advancing Towards a Green Living Future



The team is committed to enhancing the environment of its Managed Properties through comprehensive landscape planning and management. This year, Sceneway Garden in Lam Tin and 21 Borrett Road received the Merit Award for Large-scale Domestic Property and Medium-scale Domestic Property, respectively, in "Best Landscape Award – Private Property Development" organised by the Leisure and Cultural Services Department.

Looking ahead, the team will continue to implement various measures and activities to promote sustainability. CKCPM has established a Resource Collection and Recycling Centre (RCRC) to store recyclables before delivery to collection points. Citybase and Goodwell will persist in fostering a green lifestyle within their communities by engaging tenants and residents in green initiatives. These efforts will include organising educational workshops, community clean-up events, and energy conservation programs to further instill environmental responsibility and sustainable practices among all community members.

Dr. Chiu acknowledges that the team's goal is to create a green community, promote sustainable living, and progress towards carbon neutrality to achieve net-zero by 2050 together with its stakeholders.



Award-winning landscaping at Sceneway Garden.



# Our People

With over 50,000 employees worldwide, the Group recognises that effective people management is both a business imperative and a social responsibility. We are dedicated to fostering a supportive environment where our people feel valued, empowered, and inspired to embrace sustainable living. Our initiatives place professional growth and employee well-being at the core of our operations. Through proactive engagement and targeted programmes, we aim to build a strong sense of belonging, enhance organisational capabilities, and uphold the Group's commitment to creating a positive social impact.

Set out below are the SDGs and the relevant material ESG topics in this section.



**SDG 3.4:** Promoting mental health and well-being

**SDG 3.9:** Reducing work-related injuries and fatalities from hazardous chemicals and air and water pollution



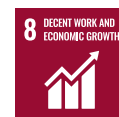
**SDG 4.1:** Facilitating free, equitable and quality education opportunities for children and young people

**SDG 4.4:** Equipping youth and adults with technical and vocational skills



**SDG 5.1:** Eliminating all forms of discrimination against women and girls

**SDG 5.5:** Providing equal job opportunities to women



**SDG 8.5:** Providing decent work for women and men

**SDG 8.8:** Protecting labour rights and promoting safe and secure working environments



CK Group colleagues and their families gave their all in a social badminton competition and demonstrated their unified team spirit.

#### Material ESG Topics:

- ➔ Equality, Diversity and Inclusion
- ➔ Employee Training and Development
- ➔ Employee Well-being, Health and Safety
- ➔ Employee Attraction and Retention
- ➔ Human Rights and Labour Practice



## EMPLOYEE MANAGEMENT AND DEVELOPMENT

### Talent Attraction and Retention

#### Commitments and Approach

Employees are the cornerstone of the Group’s success, contributing diverse skills and perspectives that drive innovation and operational excellence. Recognising the strategic value of talent, the Group attracts and retains top performers through competitive remuneration and benefits, including medical insurance, life insurance, personal accident insurance, pension plans, and staff discounts, available to both permanent and contract employees.

The Group adheres to all applicable employment laws and has established policies covering recruitment, compensation, dismissal, working hours, rest periods, and employee welfare. Equal opportunities and non-discriminatory practices are prioritised across employment procedures, with policies regularly reviewed to create a fair, inclusive, and supportive work environment.

Employee performance is assessed through a fair and transparent process that aligns individual goals with the Group’s objectives. Performance reviews are complemented by open feedback channels, such as suggestion boxes, one-on-one check-ins between employees and managers, and employee engagement surveys, enabling the Group to gather valuable feedback from its employees to help identify areas of improvement in the work environment and provide a reference for decision-making processes.



Harbour Plaza Hotels & Resorts participating in The Hong Kong Polytechnic University School of Hotel and Tourism Management Career Day.

The Group also promotes career advancement and internal mobility through diverse recruitment initiatives. These efforts include job fairs, internal job postings, referral programmes, and internship and apprenticeship schemes across sectors such as hospitality, pub operation, and property management. By providing practical experience and fostering professional growth, these initiatives serve as critical talent pipelines, driving long-term growth and workforce development.

### Progress and Initiatives

The Group provides a wide range of staff benefits to foster a sense of belonging and ensure employees feel valued. By regularly reviewing workforce composition, compensation, and benefits in line with market trends, the Group demonstrates its commitment to motivating and retaining talent. Employee contributions are recognised and appreciated, which helps to cultivate a supportive and rewarding work environment.

The table below outlines key staff benefits offered at the Company:

Staff Benefits		
Paid Leaves	Medical Care	Appreciation and Recognition
<ul style="list-style-type: none"><li>✓ Quarter Day Leave</li><li>✓ Maternity and Paternity Leave</li></ul>	<ul style="list-style-type: none"><li>✓ Medical Insurance</li><li>✓ Employees' Compensation Insurance</li><li>✓ Free Annual Health Check-up</li><li>✓ Life and Personal Accident Insurances</li></ul>	<ul style="list-style-type: none"><li>✓ Long Service Award</li></ul>
Perks and Bonus		
<ul style="list-style-type: none"><li>✓ Discretionary Bonus</li><li>✓ Employee Discount</li></ul>		

The Group introduces flexibility initiatives to create a workplace that values and supports the diverse needs of its employees, enhancing overall job satisfaction and productivity. The table below highlights key flexibility initiatives implemented:

Flexibility Initiatives		
Support for Working Parents	Leave Policy	Employee Engagement and Well-being
<ul style="list-style-type: none"><li> Provides 14 weeks of maternity leave and up to five days of fully paid paternity leave</li><li> Offers dedicated facilities such as breastfeeding room and exclusive-use refrigerator</li></ul>	<ul style="list-style-type: none"><li> Quarter Day Leave enables employees to better manage personal and family commitments alongside work</li></ul>	<ul style="list-style-type: none"><li> Organises regular social, recreational, and interest-based activities for employees and their families</li></ul>

## “Good MPF Employer” Award

The Group has been honoured with the “2023–24 Good MPF Employer” Award by the Mandatory Provident Fund Schemes Authority, recognising its unwavering commitment to employee welfare and retirement security. The Company and seven of the Group’s subsidiaries have achieved this prestigious accolade, reflecting their consistent efforts to meet MPF requirements while offering additional retirement benefits to employees.



Good MPF Employer Award: Good MPF Employer.



## Talent Development

### Commitments and Approach

The Group is dedicated to fostering the professional growth of its workforce through comprehensive learning and development programmes that promote a positive workplace culture and enhance its appeal as an employer of choice.

The Group helps employees grow and succeed by offering training aligned with career progression. These programmes empower employees at every stage of their journey – supporting seamless onboarding for new hires, upskilling current staff, and nurturing young talent with practical experience. These initiatives not only drive individual success but also reinforce the Group’s long-term competitiveness and growth.

## Talent Development Initiatives



### New Joiners

The Group runs orientation programmes to help new employees settle into their roles, understand the Group’s culture, and ensure a smooth transition to their new journey.



### General Staff

The Group offers a variety of training sessions to help employees build important skills and knowledge. These include job-specific courses, professional seminars, certification training, and technical skills like data protection and engineering. Employees can also develop soft skills such as leadership, communication, and customer service. Additionally, programmes on mental health and workplace safety support employees’ well-being.



### Young Talents

The Group provides internship opportunities for young people to gain hands-on experience across diverse industries. These programmes help participants develop practical skills, broaden their knowledge, and enhance their job prospects, while also preparing them future leaders for the Group.

The Group supports continuous learning by providing financial assistance for professional qualifications and access to flexible e-learning platforms. For instance, Greene King uses online portal to deliver compliance training and a variety of courses aimed at enhancing both individual and team performance.





Key areas of talent development:



### Information Security

Training on key information security topics, including security awareness, recognising insider threats, and avoiding phishing scams, to strengthen employees' ability to safeguard sensitive data.



### Sustainability

Greene King offers online training and regular internal communications to engage and educate employees on sustainability, fostering awareness and embedding environmental stewardship into operations while encouraging sustainable living practices.



### Job-specific skills development

The Property Management delivers targeted training programmes for employees, covering topics such as improving property management quality and security guard training, to enhance job-specific expertise and upskill the workforce.

In the hotel and serviced suite operation, development programmes are designed to shape a skilled and capable workforce for the future. These initiatives focus on equipping students and young people with practical knowledge, boosting their confidence, and enhancing their employability. Key examples include:



### Sunnyway – On-the-Job Training Programme

*Harbour Plaza Hotel Management Group*

- ✓ Provides internship opportunities for students to gain hands-on-experience, improving their work readiness and employability



### Youth Employment and Training Programme

*Harbour Plaza Hotel Management Group*

- ✓ Helps young people better understand their skills and work aptitudes while enriching their job skills and experience, thereby enhancing their career prospects

By investing in professional development, the Group not only enhances employee satisfaction but also builds a capable, agile workforce that drives long-term organisational success.

## Human Rights and Labour Practices

### Commitments and Approach

The Group is dedicated to respecting and promoting fundamental human rights in the communities where it operates. It strictly prohibits all forms of child or forced labour, including prison labour, bonded labour, slavery, and human trafficking, throughout its value chain. Guided by principles of ethical conduct and integrity, the Group ensures alignment with internationally recognised human rights standards and upholds its employees' freedom to participate in collective bargaining and join labour unions.

To support these commitments, the Group has implemented key policies such as the Human Rights Policy, the Modern Slavery and Human Trafficking Statement, and the Supplier Code of Conduct. These policies establish clear ethical expectations for business partners, suppliers, and contractors and are guided by international frameworks, including the United Nations Declaration on Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Group enforces a zero-tolerance approach to child and forced labour through stringent policy implementation and monitoring.

During the Reporting Period, the Group is not aware of any reported cases of any non-compliance with human rights and labour practices that would have a significant impact on its operation. This reflects the effectiveness of the Group's measures and its dedication to maintaining ethical and responsible operations.

## EQUALITY, DIVERSITY AND INCLUSION

### Commitments and Approach

The Group recognises equality, diversity and inclusion as essential to building a collaborative and thriving workplace. These principles are central to its ethical values and business success, creating an environment where employees feel valued, respected, and empowered to contribute fully.

The Group values the diverse perspectives and strengths of its workforce, regardless of race, ethnicity, religion, age, gender, sexual orientation, disability, or political views. Its Human Rights Policy enforces a zero-tolerance approach to discrimination and harassment, with strict disciplinary measures, including termination, for violations.

Equal opportunities are also promoted through fair and transparent practices in recruitment, promotion, and compensation, as outlined in the employee handbooks.

The Anti-Harassment Policy defines unacceptable behaviours, including sexual harassment, and sets clear behavioural expectations to maintain a safe and respectful workplace. Confidential procedures for reporting incidents ensure issues are addressed while upholding dignity, fairness, and equality.

The Workforce Diversity Policy demonstrates the Group's dedication to gender equality and fostering diversity at all organisational levels, while respecting employees' cultural values and beliefs. To support this, the UK office of Hutchison Property Group Limited provides regular training on anti-discrimination and effective communication, combining legal knowledge with practical strategies to create an inclusive workplace.

Equal opportunity for all employees regarding hiring, pay rates, training and development, promotions and other terms of employment are highlighted in the Employee Code of Conduct. In particular, in improving gender equality, Greene King has established policies and issues reports every year on gender pay gap monitoring. It has also conducted global gender pay gap audits or compensation reviews to set up suitable initiatives, such as creating employee affinity groups, diversity councils and networking groups, hosting mentorship programmes, and providing training and guidance regarding diversity, to promote and maintain a diverse workforce.

The Group recognises the importance of fostering gender diversity across all levels of the Company. The following metrics for 2024 demonstrate the Group's the effectiveness of its initiatives in promoting gender equality, and attracting and retaining female talent.

  
**51%**  
of female in the workforce






  
**46%**  
of new hires are female

During the Reporting Period, the Group is not aware of any reported cases of workplace harassment or non-compliance with our Anti-Harassment Policy that would have a significant impact on its operation. This reflects the effectiveness of the Group's policies and training programmes in maintaining a safe, respectful, and equitable environment for all employees.

## Workplace Relation Training

In the property development sector, the Group's operation in the UK provides workplace relation training to ensure staff understand their responsibilities under the UK Equality Act and to promote a culture of fairness and respect. The training also focuses on addressing instances of unfair treatment, empowering staff to recognise and report issues. By integrating such principles into workplace practices, the Group reaffirms its commitment to eliminating abusive behaviour, such as bullying, and fostering a diverse, harmonious work environment for all employees.

Key elements of the training include:

-  **Protected Characteristics:** Explanation of the nine protected characteristics under the Equality Act, ensuring clarity on the legislation's scope.
-  **Prohibited Conduct:** Guidance on identifying and preventing discrimination, harassment, and victimisation to maintain a respectful workplace.
-  **Disability Inclusion:** Emphasis on employers' duty to make reasonable adjustments, enabling equal opportunities for individuals with disabilities and long-term illnesses.
-  **Positive Action:** Promotion of measures to increase diversity, including initiatives for under-represented groups.
-  **Unconscious Bias:** Raising awareness of implicit biases and encouraging decisions based on objective criteria.

## ESG Story Greene King Earns Bronze Inclusive Employers Standard

Greene King has been awarded the Bronze Inclusive Employers Standard in recognition of its commitment to fostering an inclusive workplace culture. This achievement highlights the company's efforts to promote diversity and inclusion across all organisational levels.

The company has been commended for actively involving team members in these initiatives, ensuring their alignment with and contribution to its inclusivity goals. Using feedback from the Inclusive Employers report, Greene King aims to further enhance its strategies to create a workplace where every employee feels a sense of belonging.

This accolade positions Greene King as a leader in the hospitality sector and reinforces its dedication to valuing and supporting every team member.





## EMPLOYEE WELL-BEING, HEALTH AND SAFETY

### Commitments and Approach

The Group places a strong emphasis on the health, safety and wellness of its employees, recognising that their well-being is essential to organisational success. To uphold this commitment, it has introduced a range of initiatives aimed at enhancing employees' physical, mental, and emotional well-being.

To further support this priority, the Group has established a robust occupational health and safety framework, supported by clear guidelines and a proactive management system. By addressing workplace hazards, promoting a safety-conscious culture, and adhering to industry standards, the Group ensures a secure and supportive work environment.

### Safety Management System

The Group's Health and Safety Policy establishes clear internal standards for safe working practices and ensures compliance with relevant laws and regulations. The policy's effectiveness is regularly reviewed through internal audits across all operations, while the Employee Code of Conduct defines expected health and safety behaviours in the workplace.

Committees operate actively across subsidiaries, including property management, hotel operation, and pub operation. These committees oversee health and safety performance, drive initiatives, and address workplace risks specific to their operations. Regular meetings ensure alignment with safety goals, while external safety consultants conduct inspections and training to enhance safety practices.

The Group's property development business work closely with contractors and sub-contractors to uphold stringent health and safety standards on construction sites. Regular safety audits and risk assessments are conducted to maintain compliance and prevent hazards.

To protect the workforce, health and safety protocols are enforced across offices and construction sites:

#### Offices

Equipped with emergency tools such as first aid kits, fire extinguishers, and defibrillators, as well as mechanical aids like trolleys and ladders for safe manual handling.

#### Construction sites

Employees, contractors, sub-contractors are provided with personal protective equipment, including helmets, dust masks, and goggles, to safeguard their health and safety.

### Health and Safety Training



Employees and contractors participated in safety, environmental and quality training.

The Group provides regular safety training and toolbox talks for employees, contractors, and sub-contractors involved in the property development to improve safety awareness and minimise occupational risks. Special emphasis is placed on construction-related risks through contractor and sub-contractors briefings and workplace safety webinars. These sessions cover key topics such as safety rules, proper use of personal protective equipment, and safe working practices under varying conditions, including different weather scenarios.

### Incident Management System

In the event of an accident or incident, the Group conducts a thorough investigation to determine the cause and prevent recurrence. Measures include reviewing and improving safety protocols, providing additional training to employee, contractors and sub-contractors if necessary, and implementing new procedures to strengthen its commitment to safety and compliance.

### Incident Handling Procedures



### Progress and Initiatives

The Group continues to implement initiatives addressing key focus areas such as occupational health and safety and employee well-being. These efforts are designed to safeguard employees' physical and mental health, while also supporting their personal and professional growth.



## Safety System Certification and Training

The Group's proactive approach to health and safety was further reinforced through obtaining safety certifications among its operations and comprehensive safety training programmes.

In 2024, the Group's key health and safety achievements include:

- ★ Accreditation under the ISO 45001:2018 Occupational Health and Safety Management System Standard for property management subsidiaries.
- ★ Greene King's compliance with the UK Health and Safety Executive's HSG65 guidance and ISO 45001:2018 standards.
- ★ Greene King's recognition with the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction for 19 consecutive years, reflecting sustained excellence in safety management.

In 2024, the Group maintained zero fatal accidents across operations and reported a total of 9,528 lost days due to work related injuries. The Group continues to foster a secure and well managed workplace.

## Employee Well-being



Tsz Shan Monastery – Spring Festival Peach Blossoms Offering tickets were provided to employees and families.

The Group is committed to promoting a balanced and healthy lifestyle for its employees. To encourage physical health, it organises activities such as visits, sports events, and health workshops, encouraging employees to adopt active and sustainable habits.

The Group also seeks to prioritise employees' mental health and well-being by fostering a culture of open communication, trust, and respect, ensuring they feel valued and supported personally and professionally. Targeted initiatives are implemented within our operations to address the specific needs of employees.



Colleagues celebrated the Chinese New Year with traditional calligraphy.

The Group actively collaborates with its business units to identify employee well-being needs and implement targeted initiatives.

Recognising fertility as an increasingly important focus area, the Group's pub operation has introduced a dedicated initiative to support employees navigating fertility challenges, helping them balance their professional and personal lives. Greene King has launched a Fertility and IVF Treatment Policy, offering up to five days of paid leave per treatment cycle and support through its Employee Assistance Programme. The policy includes guidance for managers to ensure sensitive support and reflects the company's commitment to employee well-being and an inclusive workplace.



# Value Chain

The Group is committed to building a sustainable value chain by integrating environmental, social and governance principles across its operations and processes. It collaborates with suppliers, customers, tenants, and partners to promote responsible practices, ethical sourcing, and the sustainable use of resources. By fostering innovation and encouraging sustainable living, the Group aims to make a positive and lasting impact on all stakeholders while building a greener, more resilient future.



Two WWU employees working on site.

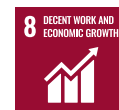
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**SDG 3.4:** Promoting mental health and well-being  
**SDG 3.9:** Reducing work-related injuries and fatalities from hazardous chemicals and air and water pollution



**SDG 5.1:** Eliminating all forms of discrimination against women and girls  
**SDG 5.5:** Providing equal job opportunities to women



**SDG 8.5:** Providing decent work for women and men  
**SDG 8.8:** Protecting labour rights and promoting safe and secure working environments

## Material ESG Topics:

- ➔ Customers and Tenants Well-being and Engagement
- ➔ Data Protection and Cybersecurity
- ➔ Intellectual Property Rights
- ➔ Product Quality and Safety
- ➔ Responsible Supply Chain Management
- ➔ Responsible Marketing

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

### Commitments and Approach

Responsible supply chain management is a priority for the Group. The Group works closely with employees and suppliers to maintain high standards of quality and sustainability across its operations. It encourages suppliers to comply with relevant laws and standards, fostering long-term, mutually beneficial partnerships.

The Group's Supplier Code of Conduct guides ethical and sustainable practices, addressing areas such as compliance, safety, labour standards, environmental stewardship, and human rights. In 2024, the Group expanded the code to include direct and indirect suppliers, as well as contractors and sub-contractors. The updated code now addresses a wider range of sustainability issues, including pollution prevention, biodiversity, anti-competitive behaviour, and quality assurance.

The Group encourages its partners to align with key policies, such as the Environmental Policy, Human Rights Policy, and Modern Slavery and Human Trafficking Statement, which address environmental and social risks in the supply chain. The Environmental Policy promotes sustainable procurement practices, while the Group prioritises reducing dependency on individual suppliers to enhance resilience. Diversifying the supplier base further strengthens the stability and sustainability of the supply chain.

### Supplier Management and Evaluation

The Group places sustainability at the core of its risk management strategy, addressing both emerging environmental challenges and traditional issues such as global raw material shortages. This proactive approach supports the development of a comprehensive supply chain strategy and an effective ESG framework, overseen by the Board to minimise risks and potential losses. By implementing a strong response strategy, the Group ensures it can manage global supply chain challenges effectively while continuing to deliver high-quality products and services.

Supplier selection and evaluation are guided by clear, transparent policies that promote fair competition and ensure compliance with high-quality standards. Environmental and social considerations are integrated into the procurement process, while supplier training and evaluations help ensure alignment with the Group's expectations. Compliance is reinforced through binding agreements with suppliers.

### Managing the Environmental and Social Impact of the Supply Chain

The Group is committed to reducing its environmental footprint and driving sustainable practices across its supply chain. Through collaboration with stakeholders, the Group continually improves environmental performance and promotes responsible practices. This commitment is guided by the Group's Environmental Policy and Biodiversity Policy, which fosters partnerships with industry groups and environmental organisations to achieve sustainability goals.

In addition to environmental stewardship, the Group is committed to managing the social impact of its supply chain. The Supplier Code of Conduct sets clear expectations for suppliers and partners to uphold anti-corruption standards, prevent anti-competitive practices, comply with laws, and maintain integrity in their operations. Suppliers are required to share the code with their employees, agents, sub-contractors, and suppliers, ensuring accountability for any violations. Any non-compliance cases would be investigated and corrective actions are required, and termination of partnerships is considered if issues remain unresolved.

The Group also promotes social responsibility by encouraging compliance with internationally recognised human rights principles, such as the UN (United Nations) Universal Declaration of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work. As outlined in the Supplier Code of Conduct, suppliers and business partners are expected to create safe, inclusive, and equitable workplaces, prevent harassment and discrimination, address health and safety risks, prohibit unlawful labour practices, and respect workers' rights to freedom of association and collective bargaining.

### Progress and Initiatives

In the Reporting Period, 38% (2023: 50%) of the Group's purchases were attributed to its five largest suppliers, with 19% in the United Kingdom, 14% in Hong Kong, 4% on the Mainland and 1% in Singapore.

The Group implements robust supply chain practices across its operations to ensure high standards of quality, safety, and environmental sustainability, fostering a more sustainable value chain across its diverse business activities.

The Group regularly reviews supplier performance to ensure they meet required product and service standards, with disciplinary action taken when necessary. Subsidiaries, including those involved in property management, hotel and serviced suite operation, and pub operation, set clear tender criteria and specific health, safety, and environmental guidelines for contractors.

For construction projects, the Group's property development business has established a dedicated Tender Committee to ensure fairness in contractor selection. The Committee conducts thorough reviews of bids, incorporating input from external consultants and internal project teams. To address supply chain challenges, the Group maintains regular dialogue with suppliers and contractors. Safety and quality are prioritised through training sessions for suppliers, contractors and sub-contractors, focusing on safety, quality standards, and environmental stewardship, with 70 participants attending in 2024.



Our pub operation, Greene King, has launched Greene King Engage, a collaborative platform designed to foster innovation and teamwork among suppliers in support of achieving sustainability targets and goals. This platform provides access to policies and sustainability goals, while also enabling suppliers to share their initiatives. By encouraging collaboration, Greene King Engage strengthens collective efforts to create a greener, more sustainable supply chain.

The Group continues to implement green and sustainable procurement. This includes reducing single-use items, minimising packaging, and sourcing certified sustainable materials. For example, the Group's property development projects uses FSC-certified timber, and its office and property management operation use PEFC certified paper and FSC certified paper respectively. In the hotel operation, the Group sources certified sustainable seafood, including seafood certified by the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC), and ensures its computer equipment meets the standards of the Electronic Product Environmental Assessment Tool (EPEAT).

The Group continues to engage with suppliers and partners to address climate change by promoting efficient resource use and waste management.

## PRODUCT AND SERVICE RESPONSIBILITIES

### Commitments and Approach

As sustainability becomes a mainstream priority, the Group is committed to providing high-quality products and services that meet evolving customer expectations. By complying with relevant laws and regulations, the Group ensures its offerings adhere to strict standards of safety, quality, and transparency.

### Maintaining Products and Services Safety and Quality

The Group has established robust procedures and controls across its businesses to ensure the consistent delivery of high-quality products and services. This approach not only enhances customer satisfaction but also strengthens the Group's competitive edge.

In its property development business, the Group adopts a vertically integrated development model to maintain quality and sustainability throughout all stages of its projects. From land acquisition and project planning to material sourcing, construction, marketing, sales, and property management, each stage is guided by core values of quality, efficiency, and speed.

To ensure all units meet the required standards, our project teams conduct professional handover inspections and regular audits. These efforts ensure compliance with contract specifications, local and international regulations, and industry best practices. Departments such as Development, Construction Management, and Construction Audit & Quality Assurance work collaboratively to monitor and oversee the construction process, ensuring quality is upheld throughout the project lifecycle.

The Group reinforces consistent quality by incorporating specific requirements into construction contracts and carefully oversees the procurement process to ensure materials meet stringent standards. During the handover stage, detailed inspections by various departments confirm that units meet all necessary specifications. Additionally, follow-up services, such as setting up utilities and telecommunications, are provided to ensure a smooth transition for property buyers.

The Group's commitment to maintaining high standards is further demonstrated through training sessions on safety and quality assurance for employees, suppliers, contractors, and sub-contractors regularly throughout the year. These sessions promote a culture of excellence across its property development projects. Employees are required to complete training on quality control and product safety, ensuring they remain well-informed about the latest safety protocols and best practices.

### Customer-centric Service Quality

The Group's approach to service quality is driven by robust management practices, strict adherence to international standards, and a commitment to continuous improvement. A code of practice and detailed work instructions provide employees with clear guidelines and benchmarks for delivering exceptional service. To ensure compliance, the Group conducts regular internal reviews, mystery customer evaluations, and routine audits. These measures reinforce the Group's dedication to delivering outstanding service and fostering a culture of continuous improvement.



Customer feedback plays a critical role in identifying areas for improvement. Regular satisfaction surveys covering customer service, facility management, maintenance, security, safety, and sanitation are conducted. Feedback is collected through various channels, including opinion boxes, informal gatherings, hotlines, and meetings. Based on the feedback, the Group proactively implements enhancements to its services.

In the hotel and serviced suite operation, regular inspections are carried out in guest rooms, public areas, restaurants, kitchens, and other key spaces to ensure compliance with safety and hygiene standards. Suppliers are required to provide health certificates, particularly for high-risk food products, to uphold stringent food safety standards. The Group has also implemented standard procedures for handling customer feedback, ensuring all complaints are logged, forwarded to the relevant department, and resolved promptly.

To uphold food safety in its pub operation, Greene King follows the Hazard Analysis Critical Control Point (“HACCP”) system and a comprehensive Quality Management System. These systems help to ensure the safety of raw ingredients and final food products. Greene King is strengthening its resolve to help customers with food allergies as it becomes the first UK pub company and brewer to form a strategic partnership with The Natasha Allergy Research Foundation. The Natasha Allergy Research Foundation is focusing on medical research, law and policies, and educating and raising allergy awareness to bring about positive change for people with food allergies. The Group also works closely with local authorities to address food safety concerns and continuously improve standards, ensuring consistent quality across its offerings.



Goodwell was recognised for its remarkable performance in customer service at the Hong Kong Association for Customer Service Excellence Award Presentation Ceremony in May 2024.

## Progress and Initiatives

In the property development business, robust practices are implemented to ensure quality throughout the building life cycle:

### Construction



- Conduct audits with reference to contract specifications, local/international standards, local statutory requirements and industry best practices
- Address customer needs and potential environmental impacts at project design stage

### Sourcing Raw Materials



- Ensure that raw materials adhere to the Group's stringent quality standards
- Carefully source and select materials, and strictly supervise construction to maintain a high level of safety and quality

### Handover



- Thoroughly re-examine and inspect all units before they are handed over to purchasers

### Supplier Training



- Organise regular training on product quality to ensure suppliers, contractors and sub-contractors are aware of the Group's standards

68% of the Managed Properties are certified with **ISO 9001**, reflecting its dedication to maintaining high standards of quality across its operations.

In 2024, customer satisfaction surveys conducted by certain Managed Properties revealed an impressive overall satisfaction rate of over 90%. These results reflect the Group's commitment to consistently exceeding customer expectations while recognising opportunities to further enhance service quality in specific areas.

During the Reporting Period, the Group received 18,354 written complaints related to its products and services. The number should be viewed in the context of the Group's extensive multinational operations and the substantial volume of customer interactions it handles. Each complaint was handled in accordance with established policies and procedures to ensure timely and appropriate resolution. The Group views customer concerns as opportunities for improvement, addressing them promptly and conducting follow-ups to ensure effective resolution. This proactive approach has consistently resulted in positive feedback from customers.

During the Reporting Period, the Group was not aware of any non-compliance with such laws or regulations in relation to health and safety, advertising, labelling, and privacy matters related to its products and services that would have a material adverse effect on the Group.



## Awards and Recognition: Property Development and Property Management

In 2024, the Group was honoured with several awards and certifications that recognise its achievements and excellence in service delivery. These accolades include, but are not limited to, the following:

**Corporate Brand Awards of Excellence 2024:** CK Asset Holdings Limited was honoured with the **顯卓多元地產業務大獎** on 30 May 2024, presented by the Hong Kong Economic Journal. This recognition reflects the Company's exceptional performance in real estate business development.



**Outstanding Corporate Strategy Awards 2024:** CK Asset Holdings Limited received the **Outstanding Corporate Strategy Award** on 3 September 2024 from East Week. This accolade acknowledges the Company's exemplary performance in corporate strategy execution.



**My Favourite Global Gourmet Shopping Mall:** Managed by Whampoa Garden Management Limited, The Whampoa was honoured with this title for its extensive selection of international cuisines, including Chinese dim sum and Michelin-recommended restaurants, making it a favourite destination among food enthusiasts.



**Top 20 Favourite Shopping Mall Event:** Under the management of Whampoa Property Management Limited, Aberdeen Centre was awarded for its Korean Selfie Studio promotion. This initiative created a vibrant hub by showcasing ten must-visit photo spots infused with Korean trends. Highlights included popular Korean foods and K-drama-inspired scenes, resulting in a substantial turnout of shoppers and K-style fans who engaged in the unique experience.



**10th CREDAWARD:** Hutchison Property Group (UK) Limited was awarded the Gold Award in Planning and Design (10 hectares – 50 hectares) at the 10th CREDAWARD for its project, Chelsea Waterfront.



**Architizer A+ Awards:** Hutchison Property Group (UK) Limited was awarded the **2024 Jury Winners for Urban and Masterplan and Architecture + Urban Transformation** for its project Chelsea Waterfront in June 2024. This recognition highlights the project's excellence in urban planning and transformation.



**Rethinking The Future Awards:** Hutchison Property Group (UK) Limited also achieved the **Runner-up (Second Award) in Urban Design (Built)** for Chelsea Waterfront on 19 June 2024. This accolade was voted on by industry professionals, recognising the project's outstanding contribution to urban design.



## CUSTOMER AND TENANT WELL-BEING AND ENGAGEMENT

### Commitments and Approach

The Group values its tenants as essential partners in creating sustainable and vibrant shopping environments that benefit both the community and shoppers. By working collaboratively, the Group supports tenants in key environmental and social initiatives, such as enhancing energy efficiency, reducing waste, donating food, and promoting local employment opportunities. This partnership not only helps create thriving retail spaces but also advances sustainability goals, contributing to the well-being of the broader community.

Open and regular communication with tenants enables the Group to better understand their needs and identify opportunities for joint action in building a more sustainable retail ecosystem. By actively supporting tenant growth, especially for those who share its commitment to sustainability, the Group provides insights and resources to encourage the adoption of environmentally and socially responsible practices. This collaborative approach strengthens both tenant success and the Group's broader sustainability objectives.

### Progress and Initiatives

As expectations around work, health, and well-being continue to evolve, the Group supports a healthy balance by offering lifestyle programmes and activities. These initiatives aim to enrich daily life and create meaningful experiences for its tenants and the wider community.



A "Green Talk" was held by CKCPM in August 2024 to encourage tenants to categorise recyclable items.

### Improving Indoor Air Quality

Indoor air quality is critically important for the health and well-being of building occupants. Maintaining high air quality is not only as a fundamental aspect of CKA's environmental sustainability efforts but also as a key measure in preventing the spread of airborne diseases. This focus on air quality reflects the Group's commitment to creating a safe and healthy environment, reflecting its proactive approach to public health and its dedication to sustainable building practices.

By prioritising clean indoor air, the Group enhances the daily experience of all users, fostering a healthier, more productive community while supporting its broader environmental objectives.

To achieve this, Cheung Kong Center and Cheung Kong Center II have implemented the following measures:

- ★ **Real-Time Air Quality Monitoring:** Indoor Air Quality (IAQ) monitoring has been integrated into the e-directory system of Cheung Kong Center, providing real-time updates on air quality metrics such as temperature, humidity, PM2.5, TVOC, and CO<sub>2</sub> levels. This ensures a safe and healthy environment for all users.
- ★ **Plasma Ionisers in Lifts:** Compact plasma ionisers have been installed in all lift cars at Cheung Kong Center. These ionisers emit negative ions that bind to airborne contaminants, such as particulates, tobacco smoke, bacteria, and mould, ensuring a clean and healthy space for lift users.
- ★ **Advanced Air Purification Systems:** Air purification systems with bipolar ionisation technology (plasma air) and high-efficiency filters compliant with the EN779 standard have been installed at Cheung Kong Center II. These systems effectively eliminate airborne viruses, bacteria, and pollutants.
- ★ **Increased Fresh Air Circulation:** Fresh air circulation levels at Cheung Kong Center II are maintained above international standards, ensuring continuous air purification and optimal indoor air quality.



## Ensuring Occupant's Safety

The safety of building occupants remains the Group's top priority. A comprehensive fire safety strategy is in place, which includes strict compliance with safety protocols and the conduction of regular fire drills to ensure tenants are well-prepared for emergencies. Each floor is fitted with clearly marked fire escape routes and advanced firefighting equipment.



Annual fire drill was arranged in 2024 in Cheung Kong Center.

Tenants are required to appoint fire marshals who collaborate with the management office of Cheung Kong Center to ensure safety measures are clearly communicated and effectively implemented. This collaboration ensures that all occupants are aware of emergency procedures and can respond appropriately in critical situations.

Additionally, the Building Management System is designed to provide a swift and efficient response in emergencies, leveraging advanced technology to safeguard the well-being of building at all times. This proactive approach reflects the Group's unwavering commitment to safety and preparedness.



## ESG Story

### Harbour Plaza Hotels & Resorts Enhances Customer Engagement with Digital Award

Harbour Plaza Hotels & Resorts has been awarded the 2024 Annual Digital Enterprise Award by Tencent WeChat Mini Program, recognising its innovative approach to customer engagement through digital transformation.

By leveraging the WeChat Mini Program, the hotel group has created a seamless and intuitive one-stop booking platform for its hotel brands, including Harbour Grand, Harbour Plaza, Hotel Alexandra, and Rambler. This platform allows guests to explore room options, make reservations, and receive instant confirmations, all from their smartphones. The streamlined process not only saves time but also enhances the overall guest experience by delivering convenience and efficiency.

The digital platform has redefined customer engagement by providing a personalised and user-friendly interface that meets the evolving expectations of modern travellers. In addition to improving customer interactions, the platform's real-time functionality enables the hotels to better understand guest preferences, improve services, and ensure a more tailored experience for their customers.



## RESPONSIBLE MARKETING AND INTELLECTUAL PROPERTY RIGHTS

### Responsible Marketing

#### Commitments and Approach

Responsible marketing is vital to the Group as it not only promotes transparency but also empowers customers to make informed decisions while meeting applicable statutory requirements and guidelines. By adhering to these principles, the Group upholds its commitment to trust and integrity in all communications.

The Group adopts a responsible approach to ethical and transparent marketing practices, ensuring that all information provided is accurate and complies with relevant laws and regulations. Marketing materials are developed in line with established guidelines and expert advice, with a strong focus on key areas such as health and safety, advertising, labelling, and privacy.

To manage corporate communications, donations, and sponsorship activities effectively, the Group has implemented a Media, Public Engagement, and Donation Policy. This policy governs media and public interactions, regulates the appropriate use of the Group's logo, and ensures accurate disclosure of information on the Company's website. By maintaining clear and consistent messaging, the Group strengthens its engagement with stakeholders, enhances its public image, and demonstrates its commitment to transparency and accountability.

## Progress and Initiatives

The Group has implemented a robust internal controls system to ensure the preparation of marketing and sales materials adheres to the high standards of integrity. This process includes a comprehensive review mechanism, where all promotional content is rigorously vetted and requires approval from both external legal counsel and relevant internal departments such as the Legal Department. These measures ensure that materials not only comply with regulatory requirements but also align with brand values. By maintaining these safeguards, the Group communicates its value proposition professionally and responsibly.

To uphold consumer trust and privacy, sales representatives of the Group's sales operation are instructed to engage only with buyers who have explicitly consented to the use of their personal data for direct marketing purposes. Additionally, the Group provides ongoing training for relevant team members, equipping them with the knowledge to navigate marketing and advertising ethically.

## Protecting Personal Data and Intellectual Property

### Commitments and Approach

The Group is committed to safeguarding its intellectual property ("IP") rights and respecting those of third parties. Strict policies are in place to prevent misuse or infringement, with employees required to protect company resources and adhere to local laws and licensing agreements. This approach fosters a culture of respect for intellectual property, ensures legal compliance, and upholds the Group's integrity in all business operations.

Protecting personal data is equally prioritised. The Group has implemented comprehensive privacy policies, including the Employee Code of Conduct and the Information Security Policy, which clearly outline data handling procedures. Transparency is ensured through a publicly available personal data statement, while subsidiaries are encouraged to develop their own tailored policies, such as the Privacy Policy for the hotel and serviced suite operation. By embedding a culture of data protection, the Group strengthens trust and security for all stakeholders.

## Progress and Initiatives

To uphold data privacy standards, the Group conducts regular reviews through its Information Technology and Internal Audit Departments to ensure compliance with relevant laws. Employees receive ongoing training to understand their responsibilities in handling personal data. Access to sensitive information is strictly limited to authorised personnel, and data is securely destroyed or erased when no longer required, ensuring robust data protection.

The Group's Privacy Management Programme ("PMP") aligns with best practices set out by the Office of the Privacy Commissioner for Personal Data in Hong Kong, reinforcing accountability in data handling. The Company's subsidiaries are encouraged to establish supplementary policies or statements to enhance their protection of personal data. In addition, strong IP safeguards are in place, including global trademark and domain name registrations. Proactive measures are taken to address infringements and prevent unauthorised software use, with annual assessments conducted to maintain compliance. These efforts demonstrate the Group's commitment to protecting personal data, securing intellectual property, and maintaining the highest standards of integrity and security.

The PMP consists of three essential elements:

- 1 Organisational Commitment:**  
Establishes a strong governance framework to support data protection efforts;
- 2 Programme Controls:**  
Involves the development of policies, procedures, tools and mechanisms designed to protect personal data effectively;
- 3 Ongoing Assessment and Revision:**  
Promotes ongoing oversight and feedback mechanisms to enhance the programme's overall effectiveness.



## Cybersecurity and Crisis Management

### Commitments and Approach

The Group places a high priority on cybersecurity as it protects the Group's technological advancements and safeguard sensitive information. By implementing robust measures, the Group defends against cyber threats, protects employee and stakeholder data, and builds trust in its digital solutions. As reliance on digital technology grows, strong cybersecurity practices remain essential.

The Group employs a multi-layered security approach, incorporating preventive, detective, and corrective controls. Key measures include firewalls, antivirus software, access controls, data encryption, and regular patch updates, all designed to prevent and minimise the impact of cyberattacks, such as Distributed Denial of Service (DDoS) attacks. Regular vulnerability assessments are also performed by third-party IT experts to ensure the resilience of the Group's systems.

The Group's Information Security Policy sets the framework for these measures, outlining standards to guide implementation. To further mitigate risks, the Group has developed a comprehensive Business Continuity and Incident Response Plan, which provides clear procedures for identifying, addressing, and recovering from cybersecurity incidents, ensuring minimal disruption to operations.

### Progress and Initiatives

In strengthening defences against cyber attacks, the Group provides annual cybersecurity training for employees. This training equips staff with practical knowledge, such as recognising cyber threats, avoiding phishing scams, understanding ransomware, CEO fraud, and securing mobile devices. By fostering awareness and vigilance, the Group reinforces its cybersecurity efforts and ensures all employees play an active role in maintaining digital security.

### ESG Story

#### Harbour Plaza Hotels & Resorts Wins Platinum Award for Cyber Security Awareness

Harbour Plaza Hotels & Resorts has received the Platinum Level Award at the inaugural Cyber Security Staff Awareness Recognition Program, recognising the hotel group's commitment to enhancing staff awareness of cyber security risks.

The Program, co-organised by the Hong Kong Internet Registration Corporation (HKIRC) and the Information Systems Audit and Control Association (ISACA) Hong Kong Chapter, honours businesses that prioritise staff training and robust security practices. Harbour Plaza Hotels & Resorts earned the Platinum Award by meeting key requirements, including regular cyber security training, phishing exercises, policy implementation, and effective communication to keep staff informed and prepared.

The award highlights the hotel group's robust approach to cybersecurity, emphasising staff awareness as the first line of defense against growing cyber threats. This aligns with the Group's commitment to staying updated on the latest cybersecurity trends to further strengthen its defences.





# Community

The Group is dedicated to promoting sustainable living within the community. In addition to offering products and services that are closely connected to daily life, the Group actively invests in diverse community initiatives. By fostering sustainable and inclusive economic growth through collaboration with local stakeholders, the Group strives to co-create a prosperous and equitable, and greener future for the community.

Set out below are the SDGs and the relevant material ESG topics in this section.



**SDG 3.4:** Promoting mental health and well-being



**SDG 4.1:** Facilitating free, equitable and quality education opportunities for children and young people

## Material ESG Topics:

➔ Community Investment and Development



EDL's CEO James Harman and various members of the project delivery team were put through their paces at pre-season training with the local Australian Football League (AFL) team (the Jabiru Bombers) while visiting our Jabiru Hybrid Renewable Power Station in the Northern Territory, Australia.



## COMMUNITY INVESTMENT

### Commitments and Approach

Community investment is a cornerstone of the Group's efforts to strengthen relationships, build trust, and create shared value with the communities it serves. By addressing local needs and priorities, the Group contributes to a more resilient, inclusive, and sustainable society, aligning with its commitment to responsible corporate citizenship.

The Group adopts a structured and transparent approach to community engagement, guided by its Corporate Social Responsibility Policy and Media, Public Engagement, and Donation Policy. Through active engagement with community stakeholders, the Group identifies and understands their needs and priorities. It leverages its resources and networks to address these needs by participating in, and providing donations and sponsorships, for various community initiatives.

The Group focuses its investments on key areas of concern for the community, including the environment, education, healthcare, elderly care, arts and culture, sports, and disaster relief. Furthermore, the Group encourages and supports its employees to make a positive impact in their local communities through volunteering and other meaningful initiatives.

### Progress and Initiatives

In 2024, 171 member companies of the CK Group were named "Caring Company" under the "Caring Company Scheme" by the Hong Kong Council of Social Service. This recognition highlights the CK Group's commitment to corporate social responsibility through its care for the community, employees, and the environment, marking the highest number of awards received by a commercial entity for 21 consecutive years.



Members of CK Group were awarded a total of 171 "Caring Company" logos in 2024.



## Feature Story

# CIVITAS – MAKING A DIFFERENCE



The Group invests in high-quality healthcare facilities, care-based housing, and specialist schools through its social housing investment portfolio. The portfolio delivers bespoke community solutions for individuals with long-term care needs, expands access to specialised education for neurodiverse children and young people, through trusted partners and operators.



From left to right: Mr. Tom Pridmore, Founding Partner of Civitas, Mr. Chiu Yue Seng, Executive Committee Member and Head of Special Projects of CKA, and Mr. Andrew Dawber, Founding Partner of Civitas.

Civitas Investment Management (“CIM”), under the leadership of co-founders Mr. Andrew Dawber and Mr. Tom Pridmore, has taken on the role of investment adviser and manager, ensuring seamless day-to-day management of the portfolio.

CIM’s mission is to make a difference through sustainable investments. By providing high quality energy efficient care-based housing, the Civitas portfolio can foster a greener future and generate sustainable returns. CIM has assembled a dedicated asset management team within the supported housing and specialist healthcare sectors. This team conducts detailed monitoring across the portfolio and provides support to housing partners when needed. It also offers specialist support which allows the asset management team to ensure the portfolio’s ongoing sustainability and identify necessary future-proofing strategies to support the needs of complex and vulnerable residents.

## How does that create a social impact?

The imbalance between supply and demand for healthcare real estate assets is a growing concern, especially with a rising and ageing population. Mr. Tom Pridmore said “Civitas provides a critical and long-term local social infrastructure, and the only other alternative is the National Health Service (NHS) hospital where there is already a lack of available beds in the system.” Civitas addresses these issues by increasing the supply of properties through new acquisitions and adapting the properties to meet community needs, thereby creating a positive social impact.

Every property of Civitas in the UK is bespoke, designed specifically for the individuals living there and their unique conditions. CIM collaborates with stakeholders such as housing associations and care providers to ensure the delivery of



Property in London showcases that every Civitas property is bespoke and designed for the individual in need.



high-quality care and housing, making a significant difference in the lives of those Civitas serves. Once the modifications are completed, they remain in place indefinitely. Residents will always be able to reside in these properties throughout their lives, enjoying environments tailored to their needs, and staying close to their loved ones. For example, the team might include a sensory room for individuals with learning disabilities, while features for wheelchair users could include adjustable sinks and worktops, as well as widened corridors. The alternative for some of these individuals is living in a hospital setting, which is far less conducive to a fulfilling life. By providing tailor-made support to the residents, the residents usually live in the properties for many years.

### Ensuring Quality Assurance

CIM places a high priority on the wellbeing of residents, the quality of properties, and the care provided. The Quality Assurance Board (the “QAB”), established in 2023, aims to provide clinical and quality oversight of the health and social care provision within Civitas’ properties. The QAB is composed of experienced professionals dedicated to maintaining high standards in healthcare and social services. It includes Mr. Mark Jackson, Chairman, who brings substantial healthcare experience and leadership; Ms. Carol Haynes, Quality Director, with a strong background in clinical compliance and quality enhancement; and Ms. Sheila Hendy, Clinical Consultant, who has extensive experience in clinical governance and risk management. The QAB meets monthly to evaluate new care providers for potential investments and monitor existing care providers as well as new ones. In 2024, Ms. Carol Haynes conducted



Property comprises of 27 self-contained studios in the heart of the Islington community close to public transport links and local amenities.

over 100 visits and reviews of care services in Civitas’ residential care portfolios, covering over 50% of the services. Ms. Carol Haynes said, “An essential element of my role involves establishing or deepening relationships with our prospective, new, and existing care and education providers to support the understanding of their services and the quality of service they provide.” This enables the QAB to gain a clearer understanding of the quality of care and education provided within the portfolio of properties, allowing for additional measures to be implemented to address any needs. In return, care providers have warmly welcomed this quality assurance approach, appreciating the additional support and advice it offers.

### Engaging with Local Communities and Stakeholders

By working closely with local stakeholders, CIM ensures that the initiatives are not only sustainable but also tailored to the specific needs of the communities they serve. This collaborative approach helps to create lasting positive impacts and foster supportive environments for all residents.



Dr. Tayo Bilewu, Director, ESG & Impact and Ms. Carol Haynes, Quality Director.

CIM is dedicated to creating a positive impact through active engagement with charitable organisations. In June 2024, CIM sponsored the Care Home Open Week, a nationwide initiative where care homes across the country open their doors to the public. This event provides an opportunity for people to visit, learn about the services provided, meet the staff and residents, and see the facilities. This open week focuses on transparency, education, and fostering a sense of community. Over 5,000 care services engaged with the event, involving collaborations with 24 different organisations.



In addition, CIM works closely with all key stakeholders, including housing associations, care providers and local authorities to ensure properties meet the quality needs of residents and commissioners. For instance, in partnership with the relevant local authority and a national care provider, the Holloway Road scheme in Islington was repurposed to provide specialist-supported accommodation with 24/7 on-site support. Similarly, CIM supported the management team of the Windrush Housing Association by advising on best practices to improve working relationships with care providers, commissioning bodies, and local authorities.

### Sustainable Living for Residents with the Community

CIM is committed to improving resident wellbeing, positively impacting the environment, and delivering investor returns. Civitas promotes sustainable living by providing community-based housing within easy walking distance of essential amenities. This proximity enhances social connectivity, promotes independence and offers convenience for residents. It also supports sustainable living by integrating residents into the community but makes the properties more appealing for care staff, aiding recruitment, and retention efforts to ensure high-quality support.

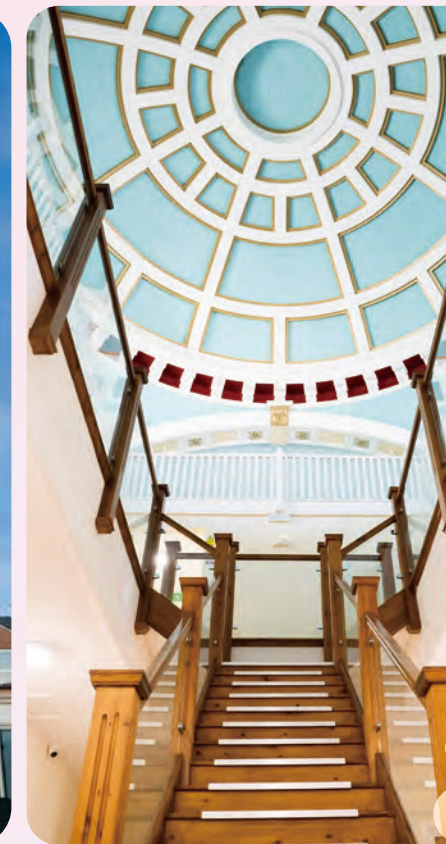
For instance, one of Civitas' supported living schemes in Bolton showcases the collaborative efforts with trusted housing and care provider partners. This iconic building, featuring a stunning centrally located dome, has undergone extensive refurbishment to meet the needs of residents requiring special care. The property includes 11 high-quality, self-contained apartments with newly fitted kitchens and staff facilities, enabling 24-hour on-site care and support.

In line with the environmental commitment and UK Government targets, CIM aims to achieve net zero carbon emissions across the portfolio. CIM ensures that properties acquired, regardless of age, either already meet the standard of an Energy Performance Certificate rating of C or above or there is a plan in place for them to achieve this within required

timeframes. Meanwhile, CIM is making a difference by scaling renewable energy projects, expanding solar panel installations, improving insulation, piloting heat pump technology, and, where available exploring the use of government grants.

In 2024, CIM received several accolades, including Health Investor Awards – Property Investor of the Year, LaingBuisson Awards – Investor of the Year (finalist), Real Deal ESG Awards – Sector Specialist (finalist), Property Week ESG Edge Awards – ESG Investors of the Year (finalist), and Property Week Awards – Deal of the Year – Commercial Property (finalist).

The Group is diligently expanding its portfolio to enhance impact investing and drive meaningful change. "CIM continues to work tirelessly to deliver high quality specialist facilities that benefit local communities. We remain dedicated to supporting our local authority, care and education partners to provide the highest quality care and education to our residents and pupils, bettering their quality of life and delivering strong environmental and social impact." Mr. Andrew Dawber concluded.



Civitas' Supported Living schemes in Bolton. The property comprises 11 high-quality self-contained apartments with newly fitted kitchens and staff facilities allowing for 24-hour on-site care and support for the residents.



## Donations and Volunteering



In 2024, CKA donated HK\$8 million to various charitable causes, enhancing the support the Group provides to communities. Additionally, the Group's employees contributed over 30,000 hours to volunteer activities, reflecting its ongoing dedication to making a positive impact.

### ESG Story Supporting Community Well-Being Through Charitable Contributions

The CK Group was honoured to be recognised as the second-highest fundraising organisation in the 2023/2024 Community Chest campaign, marking its 25th consecutive year as one of the top three contributors in the fundraiser. Over its 20-year partnership with the Community Chest, the CK Group has sponsored the "Cheung Kong Donation Hotline" during the televised fundraiser, matching public pledges to the Rainbow Fund with the equivalent donations.

The CK Group, together with the Li Ka Shing Foundation ("LKSF"), introduced a matching fund sponsorship model for three consecutive years, where every HK\$1 donated by the public is matched with HK\$2 from the CK Group and LKSF. This has set a record for the highest charity funds raised through the Cheung Kong Donation Hotline's history. This model was also applied to support the Rainbow Fund – Medical Assistance Fund in 2024 to provide assistance to individuals excluded from public healthcare services or other assistance schemes.



In addition to the hotline, the CK Group participated in a range of other Community Chest events in 2023/2024, including the 55th Anniversary Walk for Millions, Dress Casual Day, BEA Charity Golf Day, and Corporate and Employee Contribution Programme. These initiatives reflect the CK Group's commitment to supporting diverse community needs and fostering a culture of giving.



The CK Group received the "Second Top Donor of the Year Award" from the Community Chest.

### ESG Story Citybase – Fundraising Fair 2024

The Citybase Volunteer Team hosted the 10th annual Citybase Fundraising Fair at Fortune Metropolis mall, raising a record-breaking HK\$150,000. Over the past decade, the event has generated over HK\$1.15 million in donations to support community needs.

This year's Fair saw widespread support from the community, with generous sponsorships from organisations providing items such as clothing, toys, books, and food. Employees were also encouraged to donate unused items for the charity sale. The event brought together 40 children and parent volunteers as well as 80 volunteers from Citybase who assisted the sale and performed a play themed around "Hope". The play was warmly received and fostered a strong sense of community for the volunteers and attendees.

All proceeds from the event will be donated to the social welfare organisations to support those in need. Representatives from five beneficiary organisations, namely Fu Hong Society, Caritas Hong Kong, Hong Chi Association, Evangelical Lutheran Church of Hong Kong, and Ronald McDonald House Charities Fund, were in attendance and supported the opening ceremony.



10th annual Citybase Fundraising Fair at Fortune Metropolis Mall.



A total of 40 children and parent volunteers as well as 80 volunteers from Citybase.



## ESG Story

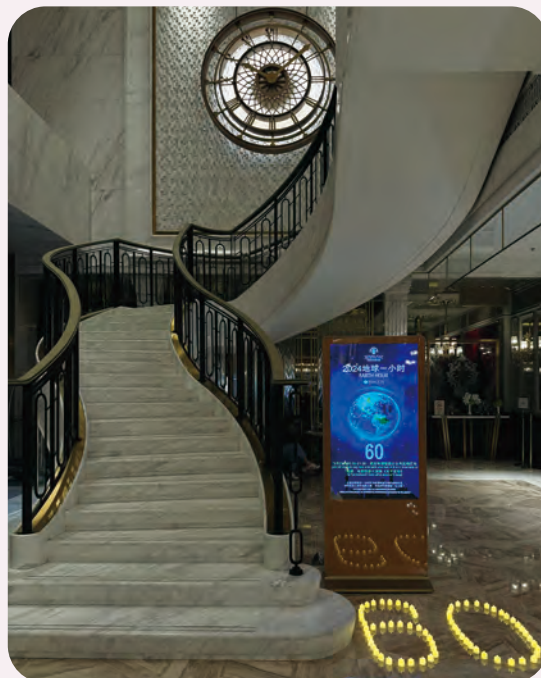
### Harbour Plaza Hotel Management Group – Supporting Communities

Harbour Plaza Hotel Management Group is committed to social responsibility and environmental sustainability. It actively supports different initiatives that address community needs and encourage sustainable practices.

To support vulnerable groups, Harbour Plaza Hotel Management Group participated in Skip Lunch Day to raise funds for the “Services for Street Sleepers, Residents in Cage Homes and Cubicles” initiative, supporting services for some of the most disadvantaged individuals in society. The company also participated in Dress Casual Day, with the proceeds directed towards helping underprivileged communities in Hong Kong.

Harbour Plaza Hotel Management Group supported events like Green Low Carbon Day and Earth Hour 2024, raising awareness for environmental-related issues and projects while encouraging participants to take up eco-friendly habits. Additionally, Harbour Plaza Hotel Management Group participated in Love Teeth Day, with contributions used to improve the well-being of underprivileged groups in Hong Kong.

Through these initiatives, Harbour Plaza Hotel Management Group works to make a positive impact on the community while advancing its environmental and social governance objectives. These efforts reflect its dedication to fostering a culture of care, sustainability, and meaningful change.



Harbour Plaza Metropolitan Shanghai participated in Earth Hour 2024.

## ESG Story

### Community Care and Volunteerism

Citybase established the Citybase Volunteer Team in 2005 with the philosophy of “Caring for the Community, Helping People to Help Themselves”. Guided by the core value of “Love”, the team delivers diverse social services to promote a caring and inclusive society.

Citybase’s commitment to volunteering has received significant recognition. At the Hong Kong Volunteer Award, the company received over 80 accolades, including the “10,000 Hours Volunteer Service Award” for the 15th consecutive year since 2008.



Share your Love: Little Volunteers Award Ceremony of Citybase.

The company’s also engages with employees’ families, friends as well as residents from the estates it manages, encouraging them to volunteer. Ten estates were honoured as “Caring Estates” for their contributions, while 62 employees received individual awards for volunteer hours, including the Outstanding Gold Award, Gold Award, Silver Award, and Bronze Award.

The Citybase Volunteer Team continues to come up with innovative corporate social responsibility initiatives to support individuals across all margins of society. Recent projects include the “Knitting with Love, Warming Hearts” campaign, where volunteers knitted handmade scarves and gifts. These items were distributed during the “Warm Winter Visit”, with volunteers personally delivering them to elderly people, spreading warmth and care in the winter.



Hong Kong Volunteer Award Ceremony held on 3 January 2024.

Volunteering is an integral part of Goodwell’s corporate social responsibility and community well-being initiatives. In 2023 and 2024, Goodwell supported two Flag Day campaigns organised by the Neighbourhood Advice-Action Council (NAAC) and the New Life Psychiatric Rehabilitation Association (NLPCA), raising funds for elderly services and holistic well-being programmes while increasing awareness for these issues. 200 volunteers, including employees, their families, and occupants from Vista Paradiso, Sceneway Garden, and Harbour Glory participated in these initiatives. Senior management, led by General Manager Mr. Vincent Chua, also participated to support volunteers.





Goodwell participated in New Life Psychiatric Rehabilitation Association's Flag Day.

Goodwell's sustained dedication to volunteering earned it the "20 Years Plus Caring Company" Logo from The Hong Kong Council of Social Service and the "Corporate Award (Volunteer Hours) – Gold Award (10,000 hours or above)" in Hong Kong Volunteer Award from the Home and Youth Affairs Bureau and the Agency for Volunteer Service. Additionally, resident volunteers from Vista Paradiso received the Silver Award for Volunteer Hours (Individual) and the JC VOLUNTEER TOGETHER Evergreen Volunteer Award – Excellence Award, recognising the efforts of Goodwell and its stakeholders in contributing to community.

Goodwell continues to foster a culture of care, create shared value, and contribute to the well-being of the wider community through these initiatives.



Goodwell employees, residents and their families and friends volunteered to clean the shoreline in Nai Chung.

## Community Activities

The Group has organised various community activities aimed at strengthening community ties, supporting vulnerable groups, and promoting sustainability. These initiatives reflect the Group's commitment to fostering a sense of care, collaboration, and responsibility within the communities it serves.

### Cookie Giveaway Workshop



#### ♥ Hutchison Property Group Limited

Sharing cookies with rehabilitation hostel members, underprivileged children, and isolated elders in the community.

### LOVE & JOY Luncheon



#### ♥ Hutchison Property Group Limited

Hosted the LOVE & JOY Luncheon, bringing together eight community service organisations and 200 guests. Featuring entertaining performances and fostering meaningful connections, the event celebrated community spirit and demonstrated the business's commitment to corporate social responsibility, guided by the spirit of 'We serve with Heart, We strive for Excellence.'



### Share Your Love: Little Volunteers Award Ceremony



#### Citybase Property Management Limited

Encouraging children and their parents from Managed Properties to participate in community service initiatives.

### Lunch Banquet for Seniors 2024



#### Goodwell Property Management Limited

Approximately 500 elderly residents came together and participated in the banquet, strengthening community ties within estates and enhancing customer engagement.

### Blood Donation Day at Cheung Kong Center



#### Cheung Kong Center Property Management Limited

Engagement with tenants in participation of community service event – blood donation.

### The Big Lunch



#### Greene King

Sponsorship of a national event bringing communities together to create social connections and reduce isolation.



## Elderly Fun Photo Studio



♥ **Harbour Plaza Hotels & Resorts**  
Hotel staff helping elderly to dress up for fun and take photos.

## Christmas Carol 2024



♥ **"Living Water@Workplace" Christmas Carol 2024**  
Marked the 11th year of the annual carolling events.



## Social and Affordable Housing

The Group is committed to supporting both social and affordable housing. Through Hutchison Property Group, it delivers affordable housing through its residential projects in the UK, such as Chelsea Waterfront, Convoys Wharf, and Albion Riverside, which improves housing accessibility and promotes community stability.

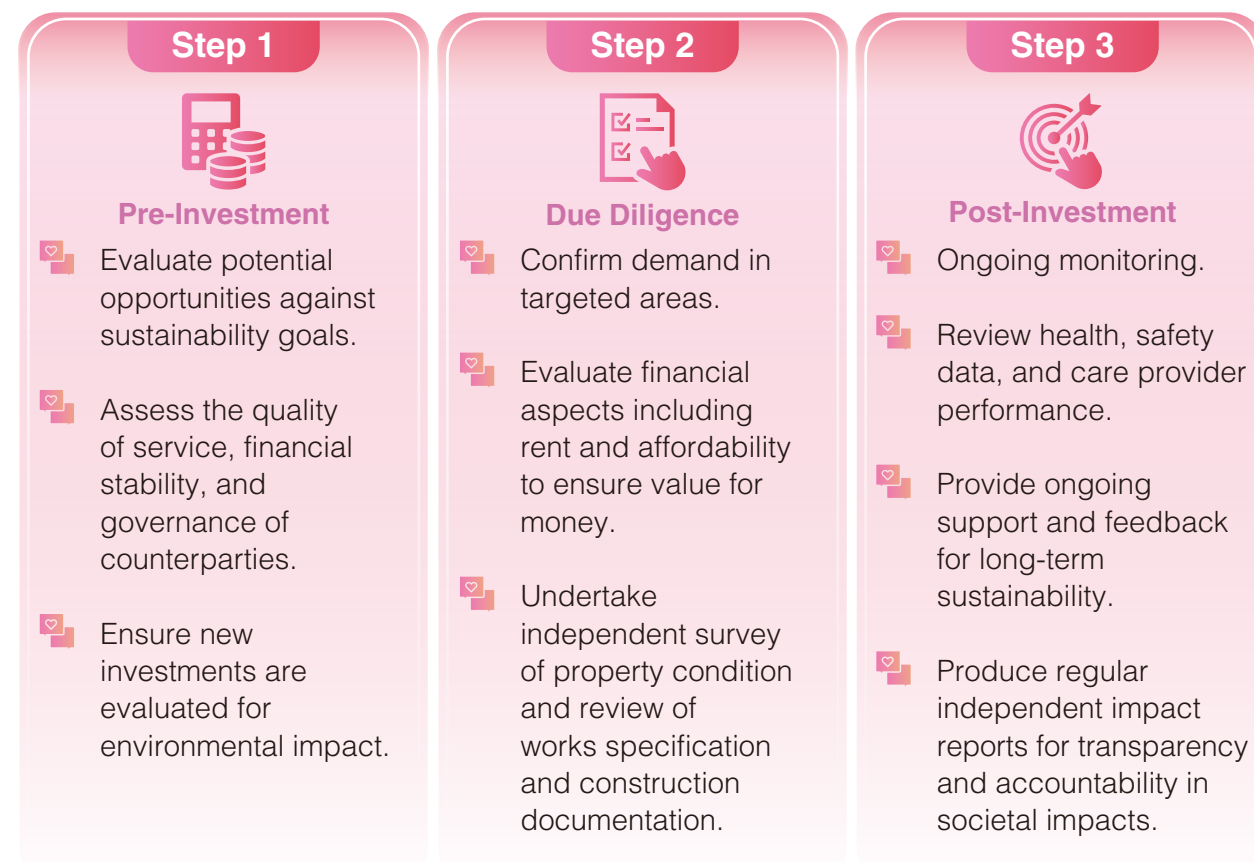
In addition, Civitas positions itself as a leading investor in specialist community-based care real estate in the UK and Europe. Civitas addresses growing demand for high-quality care facilities for vulnerable populations, including older people and those needing assisted living. By leveraging private capital, Civitas is helping to bridge the gap in social infrastructure in the UK and Europe, delivering sustainable and impactful solutions.

Civitas integrates sustainability goals into its investment strategy to maximise positive social impact:

- ♥ Increase supply
- ♥ Build quality partnerships
- ♥ Promote positive environmental impact
- ♥ Strong community and social engagement
- ♥ Provide value for money

## Civitas' ESG Impact Measurement and Management

Sustainability is a fundamental component of Civitas' investment strategy:



## Supporting Children Education

Since the establishment of the We R Family Foundation in 2010, the CK Group and Li Ka Shing Foundation have been supporting the education and well-being of underprivileged children through the "333 Learning Companion Leadership Programme" ("333 Programme"). The CK Group and the Li Ka Shing Foundation have donated over HK\$100 million of funding to the 333 Programme and provided professional advice to support the 333 team. The 333 Programme provides academic assistance, moral education, family and emotional support to encourage whole-person development and development of the competitiveness of children from underprivileged families. The 333 Programme has also designed activities to foster harmony between peers of these children and their families, in addition to focusing on personal conduct and academic performance. In 2024, the CK Group donated in total HK\$8.9 million in support of the 333 Programme. As of 2024, the program has supported over 10,300 children and 9,600 families in 140 participating primary schools in 10 service districts.



333 Learning Companion Leadership Programme supported by the Group.



## Providing Employment Opportunities

Greene King is dedicated to creating opportunities for people to build long-term careers regardless of their background, rewarding employment within local communities. Through its Releasing Potential Programme, Greene King has helped over 290 prison leavers find employment since 2019 as they aim to hire 400 by 2025. Greene King also delivers a Supported Internship Programme to those with special education needs and offers over 35 different apprenticeships to its employees. To date, over 18,000 apprentices have gone through its apprenticeship programme.

Similarly, Harbour Plaza Hotel Management Group has introduced a programme to help refugees enter the workforce. This initiative offers opportunities for employment, training, and mentorship to equip refugees with essential skills for the workplace and everyday life. In 2024, the Harbour Plaza Hotel Management Group welcomed four refugees as part of this programme.

## COMMUNITY PLACEMAKING

### Commitments and Approach

Community placemaking is essential for creating vibrant, inclusive, and sustainable spaces where people feel safe, connected, and valued. It enhances accessibility, preserves cultural heritage, and addresses urban challenges, fostering a sense of belonging and improving quality of life.

The Group is committed to creating sustainable and inclusive communities. By preserving each community's unique qualities and character, the Group strives to develop these areas into regional hubs, fostering a sense of belonging while ensuring the safety and well-being of all residents. Through property redevelopment, the Group also strives to support communities that have been marginalised or disadvantaged, promoting equity and long-term opportunities for all.

### Improving Accessibility and Connectivity

The Group promotes sustainable living through innovative design, going above and beyond to improve the community's well-being through thoughtful design and sustainably operated spaces.

One of its core priorities is improving community well-being through innovative and accessible designs. Barrier-free access is a standard feature in the Group's malls and buildings, ensuring safe and comfortable navigation for all stakeholders, including people with disabilities, the elderly, and families with young children. To enhance accessibility further, many of the Group's commercial, retail, and office spaces are strategically located within walking distance of transportation hubs making them convenient and interconnected.

## Urban Renewal and Cultural Heritage Preservation

The Group plays a part in supporting the urban renewal in Hong Kong, addressing challenges such as aging infrastructure and high population density through revitalisation initiatives. These initiatives aim to:

- ♥ Improve residents' quality of life by creating sustainable, modern, and functional living spaces;
- ♥ Optimise land use to enhance the efficiency and livability of urban areas;
- ♥ Revitalise the local economy by supporting businesses and fostering growth opportunities; and
- ♥ Preserve cultural heritage to maintain the unique identity and traditions of communities.

### Progress and Initiatives

Property redevelopment presents the Group with opportunities to support community placemaking and promote sustainable and inclusive communities.

### Heritage-Led Redevelopment in the UK

In the UK, Greene King intends to take a heritage-led approach to redeveloping its historic brewery, which has been located on its current site since 1799. Greene King plans to build a brewery near its distribution centre in Bury St Edmunds. Greene King has entered into a collaborative agreement with West Suffolk Council, setting out their commitment to working closely with key stakeholders and members of the local community to develop a masterplan for the Westgate site. While still in the early stages, the redevelopment will focus on thoughtful, long-term planning to benefit the local community and enhance the overall character and vibrancy of the area.



The historic Greene King brewery on Westgate Street, Bury St Edmunds.



## Urban Renewal and Redevelopment in Hong Kong

In Hong Kong, the Group is working on two iconic property redevelopment projects aimed at addressing urban challenges and promoting sustainable living. These initiatives reflect the Group's holistic approach to urban renewal, which focuses on creating modern, functional, and community-oriented spaces while preserving the city's cultural heritage.

### ESG Story Enhancing Land Use and Connectivity of In Ku Lane



Original view of the Queen's Road West/In Ku Lane Development. (Source: Urban Renewal Authority)

The redevelopment project in In Ku Lane aims to improve the area's connectivity and open spaces. This includes the redesign of nearby public open spaces, upgrading its refuse collection point and public toilets. These upgraded facilities will offer improved functionality and accessibility for the neighbourhood.

The redevelopment is part of a wider programme to enhance the public open space along Queen's Road West. This redesign will prioritise better connectivity, safety, and comfort for users.



### ESG Story Revitalising and Preserving Nga Tsin Wai Village

Nga Tsin Wai Village, a historic walled village located in the historical neighbourhood of Wong Tai Sin, has deteriorated after decades of neglect. Poor maintenance, inadequate sanitation, and unauthorised constructions have caused two-thirds of its houses demolished and the remaining structures falling into disrepair.

The Group's redevelopment project aims to enhance living conditions for residents while safeguarding the village's rich historical and cultural significance. A "Conservation by Design" approach was adopted to preserve the village's heritage. Key historical features such as the village gatehouse, the embedded stone tablet, the Tin Hau Temple, as well as the central axis connecting them, are carefully conserved while revitalisation works takes place.

The foundations of the village's four watchtowers and sections of its wall will be preserved on-site, while some wall sections will be relocated for display. These heritage elements will be integrated into a Conservation Park, designed to recreate the traditional village atmosphere while supporting modern residential redevelopment. This project balances the need for urban renewal with the need to preserve the area's unique cultural heritage, ensuring the village's legacy can be experienced by future generations.



Original view of Nga Tsin Wai Village. (Source: Urban Renewal Authority)



# Additional Information



EDL employees onsite at Jabiru Hybrid Renewable Power Station in the Northern Territory, Australia.



## ACHIEVEMENTS AND INNOVATIONS OF INFRASTRUCTURE INVESTMENTS

As a responsible investor, the Group understands the critical importance of environmental stewardship and the necessity of structural transformations in the global low-carbon transition. The Group is committed to accelerating the transition through its Infrastructure Investments, aiming to contribute to a more environmentally friendly and resilient future.

As at 31 December 2024, the Group's Infrastructure Investments include CK William, Reliance, ista, UKPN, Northumbrian Water, AVR, WWU, and UK Rails – some of which have committed to net zero targets with various timeframes. As part of the strategy for sustainable value creation, the Group's Infrastructure Investments identified and pursued opportunities that help combat climate change, including:

### Modernising and digitalising electricity networks

#### UKPN

Since launching its Distribution System Operator (DSO) in April 2023, UKPN has provided significant benefits to stakeholders. Customers have experienced economic advantages from the network's capacity flexibility, while reduced curtailment of low-carbon generation has lowered carbon emissions. The latest Unlocking Generation Capacity Programme aims to unlock 1.1 GW of generation capacity during the RIIO-ED2 period (2023–2028) through network analysis and new technology deployments. UKPN is on track to deliver an additional 350 MW in 2024/25.

On track to unlock

**1.1GW**

of generation capacity during 2023-2028

#### United Energy

United Energy's investment in solar enablement has exceeded solar export performance targets, thanks to early investments in both advanced voltage control systems and network augmentation. This has led to the increase of approvals for solar export from 62% to 96%. Additionally, improvements in solar inverter compliance have boosted new connections from under 30% in 2021 to over 90% by the end of 2024.

Total Installed Capacity of Renewable Energy Generation

**830MW**

### Promoting the reduction and recovery of methane and carbon dioxide

#### EDL

EDL is one of the largest landfill gas-to-energy companies in the U.S., converting methane from landfills into renewable natural gas and electricity. In Australia, in addition to converting methane from landfills to electricity, EDL is the market leader in capturing waste coal mine gas for electricity generation.

Total Installed Capacity in 2024

**1.2GW-e**

increased by 27% since acquisition

#### Northumbrian Water

Northumbrian Water is leading the way in methane recovery and utilisation with its "Gas to Grid" plants at Bran Sands Sewage Treatment Works and Howdon Sewage Treatment Works. These facilities process 100% of the sewage sludge generated in the region through advanced anaerobic digestion, converting the resulting renewable biogas into biomethane for export to the grid.

First and only water company to achieve **100% conversion** of sewage sludge into green energy in the UK

#### AVR

AVR is advancing decarbonisation with a CO<sub>2</sub> capture facility at Rozenburg, set to capture 440 tonnes annually. Half of the captured CO<sub>2</sub> will support local horticulture, while the rest will be stored in North Sea gas fields via an external partnership. After selecting technology in 2023, AVR entered the Front-End Engineering and Design (FEED) phase in early 2024, aiming for operation by 2028.

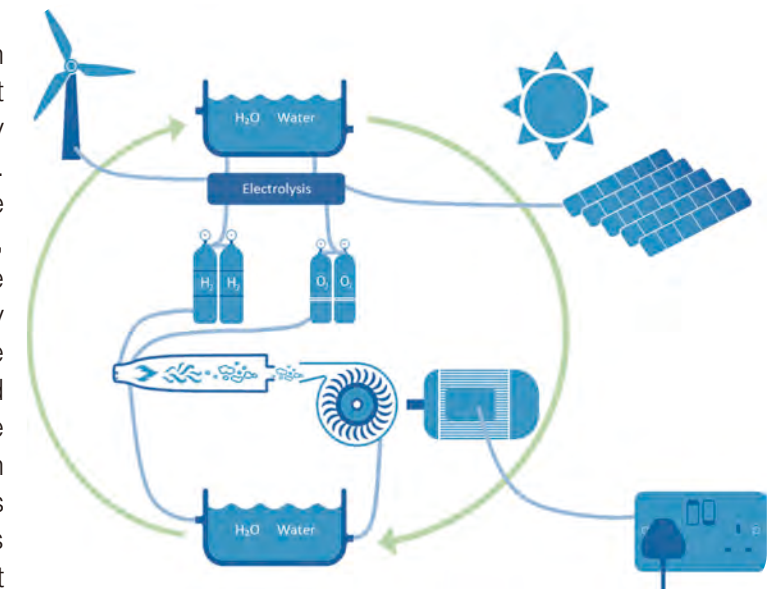
#### WWU

WWU connects 21 biomethane production sites to its network, supplying green gas to around 151,000 homes. It is trialing a Smart Pressure Control system with UtonomyOne technology. This system optimises network pressure, enabling efficient biomethane use and maximising renewable gas benefits.

### Embracing the hydrogen economy

#### UK Rails

UK Rails has partnered with organisations in the H2Steam Project to evaluate green steam technology to eliminate freight train emissions. While electrification remains the most efficient option for railways, many rail networks in the UK are still unelectrified due to difficulty in establishing infrastructure. The project will use Steamology's patented technology to generate high-pressure steam from hydrogen and oxygen with zero carbon emissions. UK Rails continues to work with its partners to explore options to help its freight customers meet their carbon reduction targets.

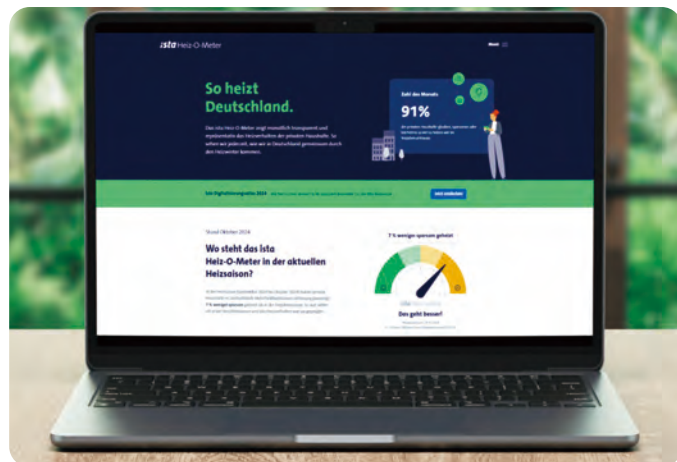


Green steam technology generates high pressure steam without carbon emissions by burning hydrogen in oxygen inside small modular steam generators.



## Facilitating customers decarbonisation by introducing energy-efficient products and green services

### ista



The ista “Heiz-O-Meter” (Heating-O-Meter) helps tenants understand their heating behaviour by tracking general consumption trends, providing users with reliable insights into energy consumption in the apartment. This enhanced transparency supports the heating transition by encouraging individuals to save energy and reduce CO<sub>2</sub> emissions. Additionally, ista offers EcoTrend, a service that delivers monthly consumption information to residents via app or email, compliant with the new Heating Cost Ordinance

(HKVO) and the EU’s Energy Efficiency Directive (EED). EcoTrend allows residents to monitor their heating energy, hot water usage, and cost trends, empowering them to make informed energy-saving decisions.

## Water stewardship and biodiversity commitments

### Northumbrian Water

Northumbrian Water is transforming water infrastructure by integrating sustainable practices and leveraging natural landscapes to enhance biodiversity and water management. From creating thriving ecological habitats in County Durham to employing woody dams and site-sourced materials at Milkwellburn Wood, the company demonstrates how innovative approaches can address infrastructure challenges while benefiting communities and the environment.

### Transforming Poor-Quality Grassland into a Biodiversity Haven

Northumbrian Water has set new standards for integrating biodiversity with infrastructure by transforming 15 hectares of low-diversity grassland into a thriving ecological habitat. As part of the £155 million Project Pipeline investment in County Durham and Tees Valley, this initiative embraces Biodiversity Net Gain principles to leave the natural environment in a measurably better state.

Situated along the River Gaunless between Shildon and Bishop Auckland, the site will be enhanced over a 31-year lease. Key developments include 11 hectares of species-rich grassland, over 1,000 metres of native hedgerows, and new woodland areas. Aquatic



habitats will also benefit from pond restoration and the creation of three new water bodies alongside 140 metres of rehabilitated hedgerows to strengthen ecological connectivity. This project boosts biodiversity and showcases how infrastructure can support long-term environmental resilience.



Northumbrian Water is set to transform an area of poor quality grassland in County Durham into a thriving habitat for flora and fauna. The transformation of this area will deliver “Biodiversity Net Gain” as part of a project to upgrade the water supply network, leaving the local environment in a better state than it was before construction began. The County Durham and Tees Valley project, one of the company’s largest in recent years, enhances the resilience of the network connecting water treatment in Teesdale with customers across the south of the county and into the Tees Valley. Some sections of the network have been in service for over 100 years.



### Leveraging Natural Landscapes for Sustainable Water Management

Northumbrian Water’s Bluespaces programme makes improvements to the water environment, with a target of improving 250 km by 2025 and 500 km by 2030. One of these projects was at Milkwellburn Wood near Gateshead in collaboration with Durham Wildlife Trust. Work at the site replaced traditional artificial infrastructure with interventions like leaky woody dams, sustainable willow fencing, and habitat-friendly drainage designs. Using site-sourced materials, these measures control water flow, reduce bank erosion, and create microhabitats for wildlife. Enhanced public access, including improved footpaths and signage, connects the community with the project’s environmental benefits.

This project has improved 3.8 km of blue spaces, fostering biodiversity and engaging local communities through 11 volunteering sessions, contributing over 548 service hours. The Bluespaces programme highlights Northumbrian Water’s commitment to sustainable development, combining innovative environmental practices with community involvement to create lasting benefits for people and nature.







PERFORMANCE DATA SUMMARY

Environmental KPIs <small>(Note 1)</small>	Unit	Property Development <small>(Notes 2, 10)</small>			Property Management <small>(Note 3)</small>		Hotel and Serviced Suite Operation <small>(Note 4)</small>		Offices		Pub Operation	
		2024	2023		2024	2023	2024	2023	2024	2023	2024	2023
<b>GHG emissions</b> <small>(Note 5)</small>												
Total GHG emissions (location-based method) <small>(Note 6)</small>	tCO <sub>2</sub> e	29,247	107,550		237,637	244,596	99,377	95,672	3,665	4,062	148,996	147,319
Total GHG emissions (market-based method) <small>(Note 7)</small>	tCO <sub>2</sub> e	29,247	107,550		237,637	244,596	99,377	95,672	3,665	4,062	<small>(Note 12)</small> 88,967	147,147
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	0	0		5,624	9,154	19,454	15,414	518	557	72,737	71,289
Energy indirect GHG emissions (Scope 2) (location-based method)	tCO <sub>2</sub> e	0	0		229,276	232,630	78,193	78,637	2,869	3,226	60,134	62,244
Energy indirect GHG emissions (Scope 2) (market-based method)	tCO <sub>2</sub> e	0	0		229,276	232,630	78,193	78,637	2,869	3,226	106	62,071
Other indirect GHG emissions (Scope 3) <small>(Note 8)</small>	tCO <sub>2</sub> e	29,247	107,550		2,737	2,811	1,730	1,621	277	279	16,125	13,787
Total GHG emissions intensity (location-based method) <small>(Note 9)</small>	tCO <sub>2</sub> e/sq.ft.	0.0009	0.0023		0.0014	0.0015	0.0121	0.0125	0.0081	0.0085	N/A	N/A
	tCO <sub>2</sub> e/HK\$'000	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	0.0061	0.0063
Total GHG emissions intensity (market-based method)	tCO <sub>2</sub> e/sq.ft.	0.0009	0.0023		0.0014	0.0015	0.0121	0.0125	0.0081	0.0085	N/A	N/A
	tCO <sub>2</sub> e/HK\$'000	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	0.0036	0.0063
<b>Energy consumption</b>												
Total energy consumption	kWh	42,660,964	70,319,713		493,819,811	492,140,919	236,066,550	223,428,762	6,550,715	7,283,419	322,726,236	627,098,904
Direct energy consumption												
Gasoline/Petrol	kWh	279,440	1,266,861		904	5,364	61,393	118,877	985,465	1,168,838	4,228,138	5,267,978
Diesel	kWh	29,923,324	45,407,686		140,407	146,677	30,986	26,886	295,532	278,380	6,853,694	17,739,205
Natural gas and towngas	kWh	0	0		7,417,396	11,977,495	66,683,137	55,115,000	89,851	86,725	289,038,270	281,247,113
Other fuels (Gas oil, Kerosene, LPG)	kWh	972,678	7,423		N/A	N/A	N/A	N/A	N/A	N/A	22,147,473	23,159,377
Indirect energy consumption												
Non-renewable electricity and heat purchased	kWh	11,485,523	23,637,743		484,444,503	480,011,383	169,291,033	168,167,999	5,179,867	5,749,477	458,661	299,685,231
On-site renewable electricity generated	kWh	0	0		1,816,600	0	0	0	0	0	112,901	4,050
Off-site renewable electricity purchased	kWh	0	0		0	0	0	0	0	0	289,923,545	831,567
Total energy consumption intensity	kWh/sq.ft.	1.26	1.48		2.92	2.95	28.77	29.22	14.50	15.21	N/A	N/A
	kWh/HK\$'000	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	13.21	27.01
Direct energy consumption intensity	kWh/sq.ft.	0.92	0.98		0.04	0.07	8.14	7.23	3.04	3.20	N/A	N/A
	kWh/HK\$'000	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	13.19	14.10
Indirect energy consumption intensity	kWh/sq.ft.	0.34	0.50		2.87	2.87	20.63	21.99	11.47	12.00	N/A	N/A
	kWh/HK\$'000	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	11.89	12.91
<b>Waste generated</b>												
Non-hazardous waste	tonnes	29,475.7	155,161.4		109.3	110.2	108.9	111.8	57.5	57.7	3,056.2	3,171.6
Hazardous waste	tonnes	12.9	46.2		6.0	6.3	0	0	1.5	1.0	1,026.9	881.0
<b>Waste recycled</b>												
Concrete, steel and metals, mixed rock and soil and other construction waste	tonnes	65,580.34	176,936.85		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paper	tonnes	2.1	3.20		5,881.6	5,980.3	<small>(Note 11)</small> 108.6	63.1	87.2	35.9	390.6	4,321.4
Glass bottles	tonnes	0	0		123.2	131.6	<small>(Note 11)</small> 49.6	42.3	0.5	0.492	22,134.8	21,346.0
Aluminium cans	tonnes	0.0025	0.0017		693.9	493.4	<small>(Note 11)</small> 0.9	0.3	0.1	0.001	159.4	272.0
Plastic bottles	tonnes	0.0080	0.0065		351.7	357.8	<small>(Note 11)</small> 33.6	16.8	0.2	0.015	150.5	255.5
Food	tonnes	0	0		49.4	16.6	<small>(Note 11)</small> 497.6	297.9	2.1	1.9	10,652.5	10,176.0
Other wastes recycled	tonnes	0	0		132,345.2	25.5	<small>(Note 11)</small> 123.8	0	3.4	3.7	44,356.4	39,634.7
<b>Water consumption</b>												
Total water consumption	m <sup>3</sup>	618,021	986,530		4,802,740	4,909,501	2,022,620	1,909,529	10,479	10,423	3,065,347	3,125,838
Water consumption intensity	m <sup>3</sup> /sq.ft.	0.02	0.02		0.03	0.03	0.25	0.25	0.02	0.02	N/A	N/A
	m <sup>3</sup> /HK\$'000	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	0.13	0.13
<b>Packaging material</b>												
Total packaging material used for finished products	tonnes	N/A	N/A		N/A	N/A	48	35	N/A	N/A	200	6,312





Notes:

- (1) Environmental data of 2024 include 26 construction sites, 208 Managed Properties, 18 hotels and serviced suites, all pubs, breweries and self-occupied offices. Environmental data of 2023 include 27 construction sites, 199 Managed Properties, 16 hotels and serviced suites, all pubs, breweries and self-occupied offices. "N/A" means that the KPI is not relevant for reporting in the operation concerned or was not reported in the previous financial year.
- (2) The data of property development business are provided by contractors of property development projects.
- (3) The data of the property management business only include consumptions and emissions in common areas as well as air-conditioning systems in Managed Properties which are under the control of the Group.
- (4) The data of hotel and serviced suite operation include consumption and emissions from tenants and hotel and serviced suite guests.
- (5) Carbon emissions are calculated with reference to the Greenhouse Gas Protocol published by the World Resources Institute and the World Business Council on Sustainable Development, the Global Warming Potential Values from the IPCC Fifth Assessment Report published by the IPCC, 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 regarding emissions.
- (6) Location-based method for Scope 2 emissions is defined by the Greenhouse Gas Protocol as a method for quantifying Scope 2 emissions using the average emissions intensity of grids on which energy consumption occurs (using mostly grid average emission factor data).
- (7) Market-based method for Scope 2 emissions is defined by the Greenhouse Gas Protocol as a method for quantifying Scope 2 emissions based on the electricity that companies have chosen to purchase. This method uses emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.
- (8) All property development projects were undertaken by contractors. Therefore, the related GHG emissions are reported under Scope 3 Other indirect GHG emissions.
- (9) Intensities are calculated using the following metrics according to the nature of each business segment:

a. Property Development: Total gross floor area of construction projects;

b. Property Management: Total gross floor area of Managed Properties;

c. Hotel and Serviced Suite Operation: Total gross floor area of hotels and serviced suites;

d. Offices: Total gross floor area of self-occupied office; and

e. Pub Operation: Total revenue of pubs and breweries.
- (10) The general reduction in data related to property development environmental KPIs is attributed to a higher number of property development projects completed in 2024, along with the transition of construction stage from foundation work to superstructure work for currently active projects.
- (11) The amount of recycled paper, glass bottles, aluminium cans, plastic bottles, food and other wastes recycled increased in 2024 compared to 2023 as more hotels managed by the Group participated in recycling programmes for respective materials.
- (12) The significant decrease in Scope 2 for Pub Operation is arising from the purchase of energy certificates matching their energy consumption with sources of renewable energies in 2024.

Social KPIs <small>(Note 1)</small>	Unit	The Group	
		2024	2023
Workforce profile			
Total workforce	Number	55,268	56,972
By gender			
Male	Percentage	49%	49%
Female	Percentage	51%	51%
By employment type			
Permanent	Percentage	41%	42%
Contract	Percentage	1%	1%
Part time and Temporary	Percentage	58%	57%
By age group			
18–30	Percentage	45%	45%
31–50	Percentage	35%	36%
Above 50	Percentage	20%	19%
By geographical region			
Hong Kong	Percentage	21%	19%
The Mainland	Percentage	8%	9%
Overseas	Percentage	71%	72%
Turnover rate among full-time staff			
By gender			
Male	Percentage	13%	16%
Female	Percentage	13%	15%
By age group			
18–30	Percentage	26%	31%
31–50	Percentage	11%	13%
Above 50	Percentage	7%	9%
By geographical region			
Hong Kong	Percentage	11%	14%
The Mainland	Percentage	5%	7%
Overseas	Percentage	19%	22%
New employee hires (excluding Pub Operation & Civitas)			
Total number of new employee hires	Number	3,182	3,548
By gender			
Male	Number	1,715	1,984
Female	Number	1,467	1,564
By age group			
18–30	Number	720	852
31–50	Number	1,355	1,519
Above 50	Number	1,107	1,177
By employee category			
Managerial grade or above	Number	68	98
Non-managerial grade	Number	3,114	3,450
By level of experience			
Fresh graduates	Number	165	241
Experienced hires	Number	3,017	3,307



Social KPIs <sup>(Note 1)</sup>	Unit	The Group	
		2024	2023
Health and safety			
Lost days due to reported work-related injuries for employees directly employed by the Group	Lost days	9,527.8	9,364.0
Lost day rate <sup>(Note 2)</sup>	Percentage	0.18%	0.17%
Number of work-related fatalities <sup>(Note 3)</sup>	Number	0	0
Training and development <sup>(Note 4)</sup>			
Percentage of employees trained by gender			
Male	Percentage	84%	88%
Female	Percentage	81%	88%
Percentage of employees trained by employee category			
Managerial grade or above	Percentage	79%	92%
Non-managerial grade	Percentage	83%	87%
Average training hours per employee by gender			
Male	Hours	18.90	17.90
Female	Hours	17.80	16.43
Average training hours per employee by employee category			
Managerial grade or above	Hours	12.72	10.22
Non-managerial grade	Hours	18.89	17.87
Average amount spent per full-time employee for training and development	HKD	104.22	108.71
Product responsibility <sup>(Note 5)</sup>			
Number of product-and service-related written complaints received	Number	<sup>(Note 6)</sup> 18,354	27,743

Notes:

(1) Unless otherwise specified, social data of 2023 and 2024 include property development, property management, hotel and serviced suite operation, offices and pub operation that are operated by the Group.

(2) Lost day rate refers to the number of lost days due to reported work-related injuries for employees directly employed by the Group per the scheduled work days of the total number of all such employees.

(3) Number of work-related fatalities of the Group for the year 2022 is zero.

(4) Training data of pub operation is excluded. Due to the nature of food and beverage industry, pub operation employs a significant portion of part-time and temporary staff in its workforce, the composition of which is considerably different from that of other operations of the Group. Therefore, training data of pub operation are not directly comparable to, and may not be meaningfully consolidated with other operations of the Group.

(5) There were no products sold or shipped subject to recalls for health and safety reasons in 2023 and 2024.

(6) Mainly represents reported cases from pub operation. The decrease in number of complaints in 2024 was mainly from the customer satisfaction in pub operation improved, as evidenced by higher Net Promoter Scores compared to the previous year.



Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by CK Asset Holdings Limited (“CKA”) to conduct an independent verification for its Sustainability Disclosures (the “Selected Disclosures”) stated in its Sustainability Report 2024 (“the Report”). The selected disclosures covered the period from 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024 and represented the sustainability performance of CKA.

The objective of this verification is to provide an independent opinion with a limited level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

The verification team also reviews the disclosures in the Report by making reference to the following disclosure frameworks, as the Report has been prepared with references to:

- the TCFD recommendations on climate-related financial disclosures (“TCFD recommendations”)

Level of Assurance and Methodology

HKQAA’s verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a limited level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

CKA is responsible for the organization’s information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by CKA for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the CKA and HKQAA.





### Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and CKA that would affect the impartiality of the verification.

### Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. This Sustainability Information may be subject to inherent uncertainty.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

### Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a limited level of assurance, nothing has come to the team's attention that the Report has not been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

In addition, the verification team reviewed the Report with reference to the TCFD recommendations and considered that the Report has been prepared by making reference to the contents or parts of the contents of the aforementioned disclosure frameworks.

### Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham  
Head of Audit  
April 2025  
Ref: 14942255-OTH

## SEHK ESG Guide Content Index

Mandatory Disclosure Requirements	Description	References and Remarks
Governance Structure 13	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(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</li> <li>(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.</li> </ul>	<p>Message from the Chairman</p> <p>Sustainability at CKA &gt; Governance, Strategy, Risk Management, Metrics and Targets</p>
Reporting Principles 14	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose:</p> <ul style="list-style-type: none"> <li>(i) the process to identify and the criteria for the selection of material ESG factors;</li> <li>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</li> </ul> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>Sustainability at CKA &gt; Strategy &gt; Stakeholder Engagement, Materiality Assessment</p> <p>About This Report</p> <p>Performance Data Summary</p>
Reporting Boundary 15	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About This Report</p>



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.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Environment
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Sustainability at CKA > Metrics and Targets  Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment > Natural Resources and Biodiversity > Waste Management

Subject Areas, Aspects, General Disclosures, and KPIs	Description	References and Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environment > Natural Resources and Biodiversity > Water Consumption  Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainability at CKA > Metrics and Targets  Environment > Carbon and Energy Management
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.	Sustainability at CKA > Metrics and Targets  Environment > Natural Resources and Biodiversity > Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	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.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment



Subject Areas, Aspects, General Disclosures, and KPIs	Description	References and Remarks
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Sustainability at CKA > Strategy > Climate Scenario Analysis
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.	Sustainability at CKA > Strategy > Climate Scenario Analysis
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Our People
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our People > Employee Management and Development  Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics

Subject Areas, Aspects, General Disclosures, and KPIs	Description	References and Remarks
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our People > Employee Well-being, Health and Safety
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People > Employee Management and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Our People > Employee Management and Development
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People > Employee Management and Development
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People > Employee Management and Development
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Value Chain > Responsible Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary

Subject Areas, Aspects, General Disclosures, and KPIs	Description	References and Remarks
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Value Chain > Responsible Supply Chain Management Performance Data Summary
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Performance Data Summary
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Value Chain > Responsible Supply Chain Management Environment
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Value Chain > Product and Service Responsibilities, Responsible Marketing and Intellectual Property Rights
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Performance Data Summary
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Performance Data Summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Value Chain > Responsible Marketing and Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Value Chain > Product and Service Responsibilities
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Value Chain > Responsible Marketing and Intellectual Property Rights

Subject Areas, Aspects, General Disclosures, and KPIs	Description	References and Remarks
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Performance Data Summary  Annual Report 2024 – Corporate Governance Report
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.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Annual Report 2024 – Corporate Governance Report
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Sustainability at CKA > Governance > Policies, Conduct and Business Ethics  Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community > Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community > Community Investment



## TCFD CONTENT INDEX

TCFD Recommendations		Section
<b>Governance</b>		
Disclose the organisation's governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>Describe the board's oversight of climate-related risks and opportunities.</li> <li>Describe management's role in assessing and managing climate-related risks and opportunities.</li> </ul>	Sustainability at CKA > Governance > Sustainability Governance
<b>Strategy</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none"> <li>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</li> <li>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</li> <li>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li> </ul>	Sustainability at CKA > Strategy > Climate Scenario Analysis
<b>Risk Management</b>		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> <li>Describe the organisation's processes for identifying and assessing climate-related risks.</li> <li>Describe the organisation's processes for managing climate-related risks.</li> <li>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</li> </ul>	Sustainability at CKA > Risk Management
<b>Metrics and Targets</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> <li>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.</li> <li>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</li> </ul>	Sustainability at CKA > Metrics and Targets

## LI KA SHING FOUNDATION



The Li Ka Shing Foundation (the “Foundation”) continues to inspire societal improvement through the support of education, healthcare and community projects. It aims to lead social development with advanced technology while responding to the needs of the general public.

In 2024, in addition to providing care for the physical and mental health of people through multiple long-term support projects such as the Tsz Shan Monastery (“the Monastery”), the Foundation also focused on supporting several key medical projects, which include bringing state-of-the-art equipment to medical schools and hospitals. Through contributing to breakthroughs in medical treatment, as well as assisting local healthcare providers in reaching new heights, the Foundation hopes to bring about cost-effective and quality medical services and to promote medical development and research. At the same time, the Foundation continues to promote the spirit of compassion and relief for economically disadvantaged individuals and families through the delivery of social services and medical subsidy schemes to offer immediate care and relieve pressure on the public healthcare system.

The Foundation was established by Mr. Li Ka-shing in 1980 and he has invested more than HK\$30 billion to education, healthcare and community projects thus far, with over 80% of its philanthropy going to Hong Kong and the Mainland. Mr. Li views establishing social responsibility and sustainable development as equally important and believes that Asia needs to make breakthroughs in its culture of philanthropy to encourage donations that drive social progress. As part of its mission, the Foundation proclaims Mr. Li's vision and mission to address the needs of the general public and the long-term welfare of humanity, which is his unchanging commitment to the ever-changing society. In the future, the Foundation will continue to do its utmost to lead social development with advanced technology, benefiting the communities.



## I. Hong Kong

### Tsz Shan Monastery

In 2024, the Foundation's cumulative support for the Monastery exceeded HK\$3.3 billion. As part of its mission, the Monastery strives for sustainable development and harmonious coexistence with nature. Toward this end, a major initiative was the planting of 2,000 trees within the Monastery, and to create dense mangrove near the root of the mountain that attracts 78 species of colourful birds such as blue whistling thrush, red-billed blue magpie and white-bellied sea eagle. Approaching a decade, the Monastery has published a book to record every flower, tree, insect and bird within the monastery as a token of gratitude and respect to all sentient beings. The book, Tsz Shan Nature, aspires to compile and promote the wisdom of nature, to disseminate inspiration and knowledge, as well as engender awareness and compassion to all.

The Monastery advocates vegetarianism, carbon reduction, and the protection of nature. With this aim, it opts for water offerings instead of incense burning as a mindful practice to pay tribute to Buddhas and Bodhisattvas. The Monastery is also equipped with water recycling and rainwater collection systems to facilitate recycling of water from the water offerings and provide irrigation to plants. Energy consumption is further lowered by incorporating efficient power sources designed with principles of quantum physics to enhance air conditioning, aligning with the sustainability strategy.

More than 320,000 visitors were welcomed to the Monastery in 2024 to participate in traditional ritual ceremonies and meditation practices, as well as systematic Buddhist spiritual education, forest therapy experience, and youth programmes – each reaching out to individuals from all walks of life. In addition, throughout the nine years of operation, the Monastery has collaborated with the Red Cross to organise blood donation activities driven to assist those in need and promote sustainable living.



The Tsz Shan Monastery Buddhist Spiritual Counselling Centre combines “Buddhist wisdom” with modern therapeutic practices to provide in-depth therapies for those in need, identifying the root causes of problems, alleviating suffering, embodying the service philosophy of “healing the deluded mind through perfect integration of compassion and wisdom”, and to practice the compassionate wisdom of Avalokitesvara Bodhisattva. The Centre is committed to supporting and promoting a range of critical services including the “Life Care Project”, which actively trains volunteers to make regular “spiritual care” visits to social welfare, healthcare, and rehabilitation organisations. Likewise, the “Metta Scheme” offers short-term financial support for patients and caregivers facing urgent economic needs through its “Patient Subsidy” and “Emergency Short-term Subsidy for Caregivers” programmes. In 2024, a total of 350,000 individuals benefited from the various services provided by the centre.

The volunteers of the Monastery and Tsz Shan Monastery Spiritual Counselling Centre continue to offer a range of social services to the public and received numerous awards in 2024 from the Hong Kong Agency for Volunteer service. These included the Outstanding Non-commercial Organization-Merit Award, Non-commercial Organization Award for Excellence (volunteer hours) and many individual awards. In total, 971 volunteers were recognised.





## Healthcare

### Donation of Innovative Histotripsy Device to Local Universities and Hospitals

The Foundation has donated the Histotripsy systems to the University of Hong Kong, the Chinese University of Hong Kong, and the Hong Kong Sanatorium & Hospital in 2024 respectively. This system adopts a new tissue fragmentation technology that accurately destroys cancer cells with painless, scar free and non-invasive procedures involving no radiation. The treatment is more targeted, effective and will be applied in the treatment of liver cancer in the first phase. This gift makes Hong Kong the first region in Asia to provide this advanced therapy and supports the Foundation's goal to assist local medical development in reaching new milestones through innovative medical technologies. Besides, the Foundation also supported the training of doctors and radiation therapists to master their skills and sponsored cancer patients to participate in clinical trials at the medical schools of the University of Hong Kong and the Chinese University of Hong Kong. In addition to the collaborations with local universities and hospitals, the Foundation also plans to donate this device to medical schools and institutions overseas to extend benefit of the technology worldwide.



### Healthcare Subsidy Programmes

The Foundation remains attuned to the healthcare needs of the public and never hesitates to aid disadvantaged individuals in need of medical care. Due to the increasing demand for various services in public hospitals, many patients are faced with long waiting times for healthcare services. To address this situation, the Foundation subsidises a range of healthcare services in hope that patients can receive more timely treatments while relieving pressure on the public healthcare system.

In addition to continuing some ongoing healthcare subsidy programmes, the Foundation launched several new medical projects in 2024. The target beneficiaries of these projects are low-income individuals or breadwinners of families in need of assistance to alleviate financial burdens.



**Precious Blood Hospital (Caritas)'s "Cataract Surgery Subsidy Programme"**, providing subsidies to cataract patients with financial difficulties. It is expected that 400 patients will benefit from the programme. (Donation of HK\$2 million)



**CUHK Medical Centre's "Urolithotripsy Surgery Subsidy Programme"**, subsidising patients with urinary stones to undergo surgery at the CUHK Medical Centre. It is expected that around 200 patients will benefit from the programme. (Donation of HK\$2 million)



**Project Concern Hong Kong's "Dental Treatment Subsidy Programme"**, providing outpatient dental services for low-income individuals or people with special needs, such as the mentally or physically disabled, and elderly. The programme also offers mobile dental services for people with limited mobility. In total, more than 2,600 patients will receive benefits. (Donation of HK\$2 million)



**Hong Kong Sanatorium & Hospital's "Transcatheter Cardiovascular Interventions Subsidy Scheme"**, providing subsidies to heart disease patients in financial need, allowing them to undergo surgeries such as coronary stenting, transcatheter aortic valve implantation, mitral or tricuspid clip for valve repair, and left atrial appendage occlusion treatments. The scheme has supported over 100 cases since it began in 2018. (Cumulative Donation of HK\$30 million)



**The University of Hong Kong Li Ka Shing Faculty of Medicine Gastrointestinal (GI) and Liver Scan Subsidy Programmes**, facilitating medical imaging services for patients with GI and liver diseases since 2021, providing multiphasic cross-sectional imaging such as Magnetic Resonance Imaging (MRI) and Computed Tomography (CT) Scans. The programmes shorten waiting time for patients at public hospitals, allowing them to receive timely diagnoses and treatments. To date, the programmes have supported more than 1,000 patients. In 2024, the Foundation continued its support, bringing the total grants over HK\$17 million.





## Community Services

### Supporting the Hong Kong Community Chest Medical Assistance Fund

The Foundation and CK Group joined hands for the 19th time in June 2024 to support the “Cheung Kong Donation Hotline” on the Community Chest TV fundraising show to raise funds for the “Community Chest Medical Assistance Fund”. The Foundation and CK Group each donated HK\$3 million, for a total of HK\$6 million, doubling the amount of public donations. The “Community Chest Medical Assistance Fund” has launched the third phase of the programme “The Community Chest Subsidy Scheme of Community Memory Clinic for People with Dementia” in April 2024. Through the Hong Kong Alzheimer’s Disease Association, the programme enables people with signs and symptoms of dementia who experience financial difficulties to receive timely diagnosis, allowing intervention to begin early.

### Caritas Family Crisis Line and Education Centre

In response to the growing societal concern over mental health and student suicides, Caritas Family Crisis Line and Education Centre increased its focus on crisis prevention and education activities in 2024. In addition to continuing love and parent-child emotional learning, the Centre launched crisis prevention education activities themed “Bad Day” in communities and schools, reaching more than 10,000 people. The Centre hopes to connect people of different ages through these activities, popularise emotional education from a young age, encourage the public to accept and share crisis emotions, and build a support network to overcome difficulties. Since 2008, the Foundation has donated over HK\$84 million, and the Centre has provided more than 590,000 dedicated hotline services, serving more than 740,000 attendances.

### Construction Industry Casualty Assistance Programme

Launched in 2022, through the Construction Industry Casualty Assistance Programme of the Hong Kong Construction Industry Care Centre, the Foundation provides emergency financial assistance to injured workers and families of deceased workers who have been victims to construction accidents, helping them overcome financial challenges. In addition, the Foundation also provides relevant support to workers or families affected by the accidents. To date, the Foundation has supported more than 40 cases.

### TREATS Sports For All Project

Once again, the Foundation has granted HK\$1 million to social welfare organisation TREATS, to support students with special educational needs (SEN) from low-income families to integrate into society and help disadvantaged children to improve social skills and self-confidence through sport activities such as dragon boating, sailing and rugby. The project also promotes an inclusive society, diversity and non-discrimination. The number of beneficiaries of the project is expected to reach 10,000.

## II. Mainland China



### Shantou University

Established in 1981, Shantou University (“STU”) continued to receive support from the Foundation in 2024 with a cumulative commitment of HK\$12 billion. To date, STU has nurtured more than 210,000 students, 22,000 of whom are currently enrolled full-time.

In 2024, STU continued to expand its international influence. The University ranked 52<sup>nd</sup> among the list of universities from mainland China in the Times Higher Education World University Rankings and established academic relationships with 132 universities across 30 countries and regions. Currently, STU has 18 programmes recognised as national first-class programmes and 13 courses on the national first-class undergraduate course list. Twelve disciplines ranked in the top 1% on a global list based on Essential Science Indicators (ESI) data. Nine faculty members were included on the list of “Highly Cited Chinese Researchers 2023” published by Elsevier Data Repository. Thirty-two faculty members made the list of the World’s Top 2% of Scientists 2023, and five university scientific achievements won the 2023 Guangdong Provincial Science and Technology Award.





Shantou University Medical College (“SUMC”) adheres to the educational philosophy of moral cultivation and is committed to training medical professionals with excellent ethics and skills. The Clinical Medicine discipline continued in the top 1% on a global list based on ESI data for its 13th consecutive year and ranked in the global top 2.39‰ in September 2024. Nine disciplines at SUMC were included in the 2024 Shanghai Ranking’s of Chinese Universities Majors. The overall pass rate, written exam pass rate, and clinical skills pass rate of medical graduates who participated in the 2023 National Medical License Examination were all among the top 5% nationwide. The pass rate for the United States Medical Licensing Exam Step 1 Exam was 94.12% in 2024. In addition, SUMC students have actively participated in numerous national competitions and achieved multiple outstanding awards.

With 4 Triple A affiliated hospitals, SUMC healthcare professionals continue to improve the quality of medical care. The new affiliated Cancer Hospital is now operational, and the construction of the new Joint Shantou International Eye Center has been completed. The Center’s national eye health initiative also won recognition for the Best Voluntary Service Project from the China Association for Science and Technology in 2023.

### Cheung Kong Graduate School of Business

Cheung Kong Graduate School of Business (“CKGSB”), established in 2002 with the generous support of the Foundation, is dedicated to building itself into a next-generation business school that cultivates world-class business leaders, integrating Western management research findings with Chinese business practices. To date, CKGSB has nurtured more than 23,000 management professionals, many of whom are founders of companies. In 2024, a number of alumni’s businesses were on the lists of China’s Top 500 Manufacturing Enterprises, China’s Top 500 Private Enterprises, Fortune Global 500 Companies, as well as Hurun China Top 500 Enterprises. Ten female alumni were among the 2024 Forbes China 100 Outstanding Business Women.

In 2024, CKGSB set off for a new journey, launching the Global Unicorn Programmes in collaboration with partners including Columbia University; University of California, San Diego; Stanford University; and ESCP Business School. In December, CKGSB partnered with Shantou University and the China National MBA Education Supervisory Committee to deliver the MBA Professor Training Programme to 60 MBA professors from Central and Western China.

### Free Healthcare Services

For the past two decades, the Foundation has continued to support numerous free healthcare services in mainland China, with donations exceeding RMB 1.1 billion. These programmes have benefitted more than 10 million people across the country. The Foundation considers healthcare, professional integrity, service and training to be invaluable in the lives of individuals, families and communities.



#### “Heart of Gold” National Hospice Service Programme

Since 1998, the Foundation has committed donations of over RMB 1 billion to the “Heart of Gold” National Hospice Service Programme, serving more than 260,000 terminal cancer patients. This Programme provides free home-based pain relief treatment, nursing care, psychological and grief support to impoverished terminal cancer patients and their families, and facilitated their access to community resources and volunteer services so that these patients can live with dignity. By the end of 2024, patient service has reached over 4 million person-time, whilst volunteers have provided a total of 670,000 hours of services. There are currently 33 hospices in operation in mainland China.



#### Li Ka Shing Foundation Shantou University Medical College Free Medical Aid Project

Launched in 1998, the Li Ka Shing Foundation Shantou University Medical College Free Medical Aid Project combines healthcare services with medical ethics education. In the past two decades, the project has provided free medical services to rural areas, providing approximately 720,000 free consultations and more than 14,300 free surgeries. To date, the Foundation has contributed nearly RMB 58 million to this project.

The project organises volunteers and medical students to improve the healthcare standards in rural villages through the provision of medical aid, while at the same time nurturing medical students with high moral values. Courses are also provided to improve professional skills of rural doctors. Children with special needs are subsidised to rehabilitate in a township hospital in Eastern Guangdong. The project also offers financial assistance to renal patients undergoing dialysis treatment, as well as to needy patients with other illnesses.



### **Kumbum Monastery Tibetan Medical Hospital Free Medical Aid Project**

Since 2005, the Foundation has provided funding to the medical team of Kumbum Monastery Tibetan Hospital to support free medical services and medications at remote areas in Qinghai and Sichuan, as well as to promote health education on disease prevention and treatment to the public, and to hold regular training courses to improve the standard of Tibetan medical practitioners. To date, the Foundation has donated more than RMB 32 million to this project and provided free medical consultation and treatment in 253 remote and impoverished Tibetan areas, benefiting more than 240,000 farmers and herdsmen.



## **III. Overseas**

### **University of Michigan Professorships in Hepatology and Biomedical Engineering**

Firm in its belief that science can change human understanding of the world and reshape human destiny, the Foundation focuses on world-class innovation around the world, and donated a total of US\$6.5 million to the University of Michigan for the establishment of professorships in Hepatology and Biomedical Engineering and related research funds in 2024. The donations support the advancement of knowledge and vanguard technologies for diseases, including understanding the underlying factors and causes of cancer, as well as non-invasive treatment technologies – all to improve the quality of life and longevity for patients.





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