

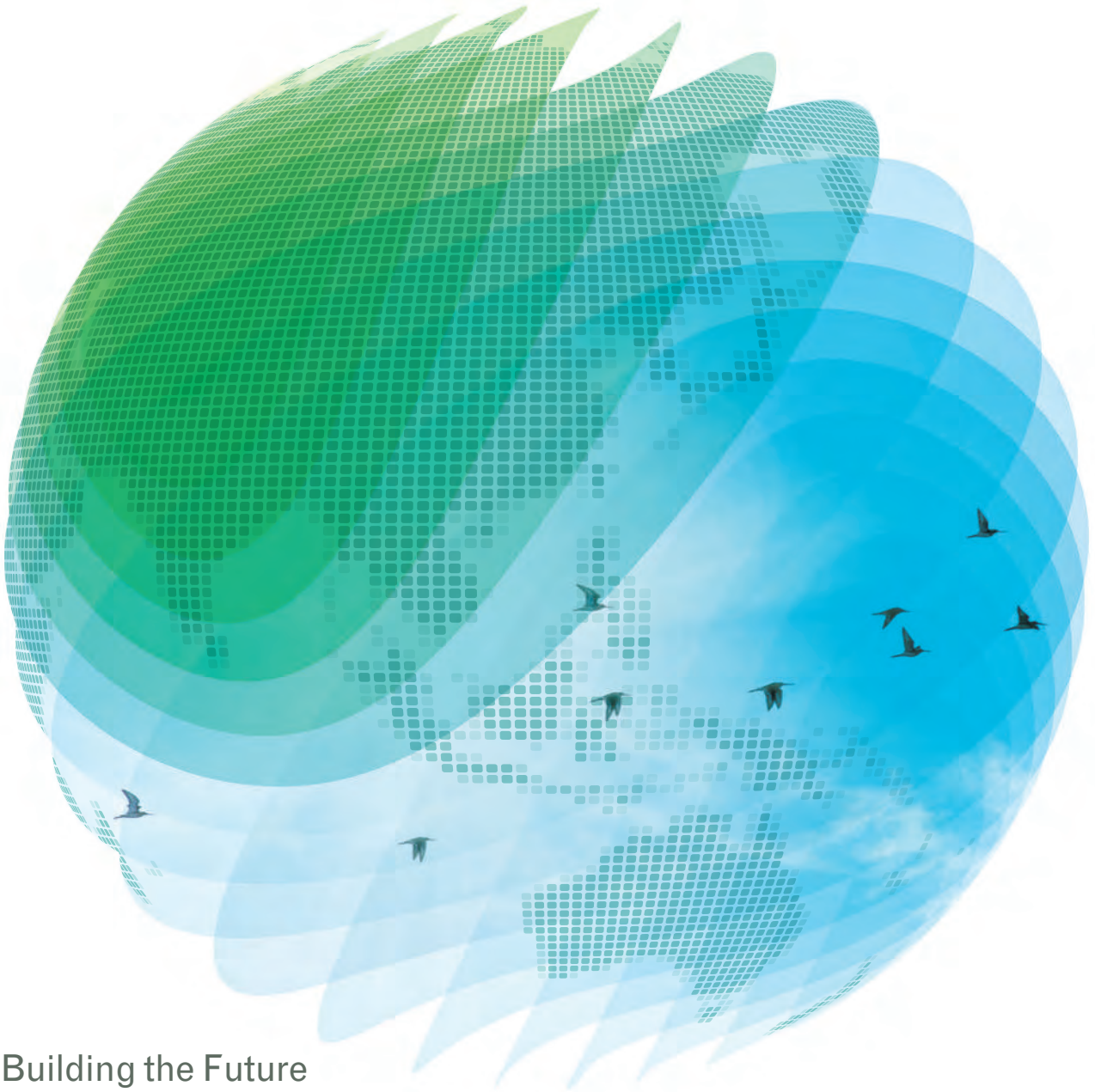


CK ASSET HOLDINGS LIMITED

長江實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 1113



Building the Future
TOGETHER through
Sustainable Opportunities

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Remarks:

1. All projects mentioned in this Report may be subject to any further amendment(s) to the general building plans and/or other plans as well as the final approval(s) or consent(s) of the relevant government and/or other competent authority(ies).
2. Some photos in this Report may feature persons without face masks. Such photos were taken in non-specified public place or in countries where face masks were not mandatory.

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 many. 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, 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.

A pillar 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. 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



PROPERTY DEVELOPMENT

The Group has a strong market share in property development in Hong Kong and the Mainland, and an international presence represented by its operations in Singapore and the United Kingdom (“UK”). As at 31 December 2022, the Group had a development land bank (including developers’ interests in joint development projects but excluding agricultural land and completed properties) of approximately 75 million square feet (“sq.ft.”), of which 7 million sq.ft., 64 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

PROPERTY INVESTMENT

The Group’s property investment includes the development and acquisition of retail, office, industrial and other properties, primarily located in Hong Kong. As at 31 December 2022, the Group had an investment property portfolio of approximately 17.1 million sq.ft. (including share of joint ventures (“JV”) but excluding car parking spaces), of which 13.1 million sq.ft., 1.9 million sq.ft. and 2.1 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

HOTEL AND SERVICED SUITE OPERATION

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

PROPERTY AND PROJECT MANAGEMENT

As at 31 December 2022, the Group managed approximately 266 million sq.ft. of completed properties and this is expected to grow steadily following gradual completion of the Group’s property development projects in the years ahead.

PUB OPERATION

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

INFRASTRUCTURE AND UTILITY ASSET OPERATION

As at 31 December 2022, the Group had interests in the following joint ventures which operate infrastructure and utility asset businesses (the “Infrastructure Investments”): (i) CK William JV (“CK William”) – an owner and operator of energy utility assets in Australia, the United States (“US”), Canada and the UK, (ii) CKP (Canada) JV (“Reliance”) – a building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada, (iii) Sarvana JV (“ista”) – a fully integrated energy management service provider operated by ista Group in Europe, (iv) UK Power Networks JV (“UKPN”) – a power distributor that serves London, the South East and the East of England, (v) Northumbrian Water JV (“Northumbrian Water”) – a regulated water and sewerage company in England and Wales, (vi) Dutch Enviro Energy JV (“AVR”) – an operator of energy-from-waste business in the Netherlands, and (vii) Wales & West Utilities JV (“WWU”) – a gas distributor that serves Wales and the South West of England. The Group has a 40% interest in CK William, a 75% interest in Reliance, a 65% interest in ista, a 20% interest in UKPN, a 27% interest in Northumbrian Water, a 24% interest in AVR, and a 22% interest in WWU.

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



The past year has been a year of challenge. It has reminded us of the importance of building our resilience and accelerating our move towards a more sustainable business. This Report details our key accomplishments and initiatives in 2022 and progress towards the 2030 Sustainability Targets. Understanding the increasing importance of sustainability to our stakeholders, through this Report, we hope to demonstrate our steadfast commitment to sustainable development and showcase the meaningful actions we have taken in turning our sustainability vision into reality.

Central to our business is our strong corporate culture, which is embedded in our daily operations and guides our employees towards creating value for our stakeholders. In 2022, we have adapted and forged ahead in enhancing stakeholders' long-term value whilst also upholding our sustainability principles. Our journey in sustainability is propelled by the Three-Pronged Approach, which emphasises close collaboration among the Board, our employees and the community. The Approach is a synergy of bottom-up, top-down, and horizontal interaction, which drives cultural change at all levels of the Group. Through effective oversight of, support for and collaboration in the Group's sustainability initiatives, we aspire to leverage our global network to create positive contributions in our current businesses and the wider community and to tackle the fast-growing and ever-evolving sustainability concerns, taking into account the unique social, environmental and economic context of each local market in which our businesses operate.

Our Sustainability Committee is supported by the Sustainability Working Group in assisting the Board with the implementation and management of our sustainability strategy in our business units. The Group has put robust sustainability and corporate governance policies in place as guidelines for driving the integration of sustainability and purposeful governance across our businesses. Maintaining close relationships with our stakeholders is one of the Group's key priorities, and we regularly conduct stakeholder engagements to deepen our understanding of their priorities, concerns and expectations.

Recognising the impact of our business operations on climate change and the environment at large, we are determined to minimise our environmental footprint and take measures to help mitigate climate change. Our objectives and directions are outlined in our Environmental Policy, which undergoes regular review and update to respond to the developing regulatory landscape. In 2022, we have taken one step further in our

climate disclosures by adopting the framework recommended by the Task Force on Climate-Related Financial Disclosures ("TCFD"). The TCFD framework enables us to identify climate-related risks and opportunities relevant to our businesses, and incorporate these into our corporate governance and risk management efforts, to make informed decisions that align with our core values. We aim to use scenario analysis to assess our vulnerability to the physical and transition risks associated with climate change. Whilst we seek to mitigate climate change, we look forward to seizing opportunities in the transition to a low-carbon economy. With a clear perspective on the Group's resilience to the impacts of climate change, we will better understand how we can make positive contributions to the planet. In the years to come, we will keep our climate strategy, metrics and targets under regular review.

Innovation plays a significant role in our low-carbon transition. In 2022, we invested and deployed new solutions and technologies in our property development projects to propel our carbon reduction initiatives and improve our environmental performance. The incorporation of advanced technologies and smart systems is part of our efforts to reduce emissions and waste generation further, manage resources better and implement green building principles in more of the properties that we develop or manage. Through these actions, we demonstrate our commitment to climate action and environmental protection in our progress towards the Sustainability Targets we established in 2021.

The Group has a longstanding legacy in the property sector and has been involved in the development of many of Hong Kong's landmark buildings and complexes. We take pride in developing high-quality green spaces and environmentally friendly buildings for a healthy living environment. Our green vision has been implemented in various development projects. We are currently developing Cheung Kong Center II, an office complex development incorporating advanced technologies and green features to maximise energy efficiency, enhance air quality and elevate occupants' experience. Our residential property development projects have been awarded for their exceptional environmental performance: Sea to Sky and Seaside Sonata achieved the BEAM Plus Final Gold Rating. Building upon our past accomplishments, we will make use of every opportunity to incorporate green and low-carbon solutions into our property development to protect the environment and benefit the community as a whole.

People are at the core of the Group's success and resilience. We are dedicated to providing a supportive and collaborative work environment for our capable and diligent employees. We are committed to embedding diversity, inclusivity and well-being in our culture. To maintain a safe and inclusive workplace for our employees, we have robust policies in place for zero tolerance of harassment and discrimination. We actively promote gender diversity and equality. The Group ensures equal opportunities for all our talents through fair employment processes, competitive remuneration strategies, and continuous training and development. In recognition of our efforts to strive for continuous business improvement through close collaboration with our employees, the Group was awarded the "Grand Award of Mission" and "Employer of the Year" under JobsDB – The Hong Kong HR Awards 2021/22.

Employee health and safety is a particular priority for the Group. Amid the COVID-19 outbreak, we have implemented measures to protect the health and well-being of our employees and sustain the stability of our global operations. We have adjusted the operations of our construction sites, managed properties, hotels, offices and pubs to cope with the evolving new normal in compliance with local regulations. We appreciate the difficulties our employees may face in combating and dealing with the effects of the pandemic. As part of our well-being initiatives, we offer our affected employees mental health and caring support.

Over the years, my family has supported societal development through the Li Ka Shing Foundation, with priority given to the advancement of the education and healthcare sectors. These philanthropic efforts are additional to the Group's charitable and sustainability initiatives. Some of the Foundation's latest projects are included at the end of this Report.

On behalf of the Board, I would like to extend our heartfelt gratitude to our stakeholders for their unwavering support and express our appreciation to our colleagues for their dedication and remarkable achievements in 2022. As the Hong Kong and global economies recover from the impact of the pandemic, we are ready to embrace the opportunities and navigate the changes that come along, keeping sustainability at the heart of what we do and working towards a more sustainable future.

Victor T K Li
Chairman
16 March 2023

About This Report

This Sustainability Report ("Report") is prepared with reference to the requirements under the Environmental, Social and Governance ("ESG") Reporting Guide set out in Appendix 27 ("ESG Reporting Guide") to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("SEHK") and the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations for the year ended 31 December 2022 ("Reporting Period").

This Report should be read in conjunction with the Company's Annual Report 2022, which contains a comprehensive review of its financial performance and corporate governance, and with key policies of the Company as published on its website.

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

Materiality

Materiality refers to the key sustainability issues which the Group's activities have a significant impact with respect to the economy, environment, and community and which are of significant interest to stakeholders. Such sustainability issues, and the Group's activities related to them, should be reported on the Sustainability Report to ensure this Report remains pertinent and relevant. The Group has conducted a materiality assessment to prioritise these sustainability issues. Further details on them can be found under the chapter headed "The Governance" in this Report.

Quantitative

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

Consistency

There have been no material changes in the reporting approach and methodologies from those adopted by the Group in the previous reporting year.

Balance

This Report aims to present a holistic and fair view of the sustainability performance of the Group. On this account, the Board of Directors ("Board"), the Sustainability Committee of the Company and the Sustainability Working Group (which consists of the management teams of various departments/business units/operating subsidiaries of the Group) were involved in the reporting process.

This Report is divided into three chapters, focusing on the Company's overall approach to governance, environment, and employees and the community. This Report covers the Group's property development and investment business, hotel and serviced suite operation, property and project management business, and pub operation, unless otherwise specified. Details of the Group's management of relevant ESG issues and related KPIs are presented in this Report.

Please refer to the section titled "Achievements and Innovations of Infrastructure Investments" in "Additional Information" for information on the sustainability performance of the Group's Infrastructure Investments. Relevant details are also available in the 2022 Sustainability Report of CK Infrastructure Holdings Limited.

An independent consultant has been retained, as in the previous reporting years, to provide sustainability advisory service to the Company and to assist it with the compilation of this Report in accordance with the requirements of the ESG Reporting Guide.

This Report is, by default, made available to the Group's stakeholders online unless specific requests are received for hard copies to be provided, in order to reduce paper consumption and promote environmental protection.

Sustainability 2022 Highlights

GOVERNANCE



Board Diversity

- Independent Non-executive Directors (“INEDs”) represent **50%** of the Board (**↑7% vs 2021**)
- Women comprise **31%** of the Board (**↑10% vs 2021**)

Additional Member of Sustainability Committee

- Mr. Stephen Edward Bradley, an INED of the Company, was appointed as a member of the Sustainability Committee, effective from December 2022.
- A majority of the Directors sitting on the Sustainability Committee are INEDs.

Policy Enhancement

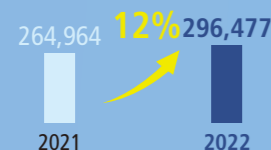
- Policies were reviewed and amended to enhance and reflect our commitment to governance and sustainability, in particular in the area of cybersecurity and green procurement.
- The Company’s Anti-Money Laundering Policy and Sanctions Compliance Policy are published on the Company’s website.

EMPLOYEES AND THE COMMUNITY



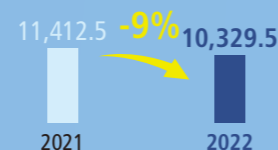
Training and Development

Training hours completed:



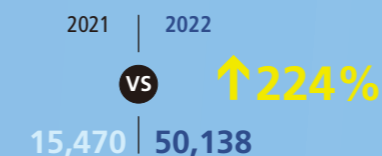
Health and Safety

Lost days due to work-related injuries:

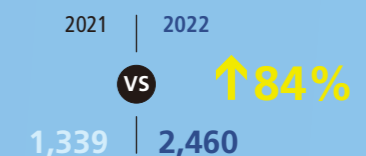


Community Engagement

Hours of volunteer services:



Number of staff participated:



ENVIRONMENT



Decarbonisation Commitment

- The Group has engaged an independent consultant to support it in exploring the feasibility of setting science-based emissions reduction targets according to the SBTi criteria for its property development and related businesses.
- Greene King has pledged to become carbon net zero by 2040. Greene King’s near-term science-based emissions reduction targets have been approved by Science Based Targets Initiative (“SBTi”). These targets are to reduce absolute scope 1 and 2 greenhouse gas (“GHG”) emissions by 50% by 2030 from a 2019 base year and to reduce absolute scope 3 GHG emissions by 50% within the same time frame.
- In its existing Infrastructure Investments portfolio, Northumbrian Water, UKPN, ista, AVR, CK William and WWU have set net zero targets within various timeframes from 2027 to 2050.

Reporting Enhancement

- The Group has started reporting against the TCFD framework, which provides decision-useful climate-related financial information to its stakeholders.

Green Buildings

No. of green building certificate obtained:

45

New Buildings

- 2 BEAM Platinum
- 4 BEAM Plus Gold
- 1 BEAM Plus Provisional Gold

Existing Buildings

- 24 BEAM Plus V2.0 Selective Scheme Excellent
- 10 BEAM Plus V2.0 Selective Scheme Good

Note: The data of pub operation is excluded because we are currently establishing the mechanism to track the figures in a more accurate manner. We aim to complete this exercise and will seek to disclose such data in the next year’s report.

AWARDS, ACHIEVEMENTS AND SUSTAINABILITY RATINGS



CCC B BB BBB **A** AA AAA



Sustainalytics: Low Risk

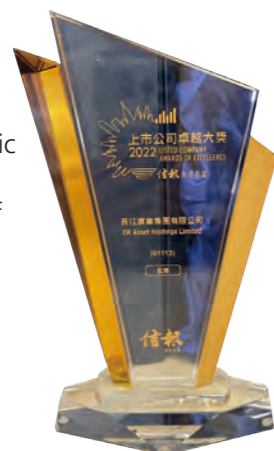


Carbon Neutrality Partnership



Better Society Awards 2022 – Best Scheme to Encourage Staff Fundraising – long-term Partners with Macmillan Cancer Support (Greene King)

Hong Kong Economic Journal – Listed Company Awards of Excellence 2022 (CK Asset Holdings Limited)



Near-term science-based emissions target approved by the Science Based Targets Initiative (Greene King)



World Luxury Hotel Awards (Harbour Plaza Hotel Management Limited – Harbour Grand Hong Kong)



The Hong Kong Institute of Facility Management – Excellence in Facility Management Award (Goodwell Property Management Limited)



CLP – Energy Saving Missions 2022 – Top Saving – Gold; Top Smart Saving – 1st runner up (Citybase Property Management Limited)



ISA Hong Kong Chapter
 • Tree Management Award 2022
 • Platinum Award (Goodwell Property Management Limited – Seanorama)



2022 PropertyGuru Asia Property Award (Perfect Ten)

- Best Luxury Condo Development
- Best Luxury Condo Interior Design
- Best Luxury Condo Architectural Design

Now (Finance) – Leadership Business Award 2022 – Your Own Living Style Award of Excellence (#LYOS)



Remarks:

1. The use by CK Asset Holdings Limited of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of CK Asset Holdings Limited by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
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TCFD REPORTING

The Group recognises the importance of mitigating climate change and managing the associated risks and opportunities that may impact the success and sustainability of its businesses. In 2022, with the objective of acquiring a better understanding of the impact of climate change on the Group, and thus take appropriate steps to mitigate the potential climate-related risks, the Group has engaged an independent consultant to assist it with the evaluation of climate change resilience in the Group under the TCFD framework.

The TCFD was established by the Financial Stability Board in 2015 to develop a standardised climate-related financial disclosure framework that provides decision-useful information to investors, creditors, insurers and other stakeholders. The framework is made up of 11 disclosure recommendations which are grouped into four core elements: Governance, Strategy, Risk Management and Metrics and Targets.

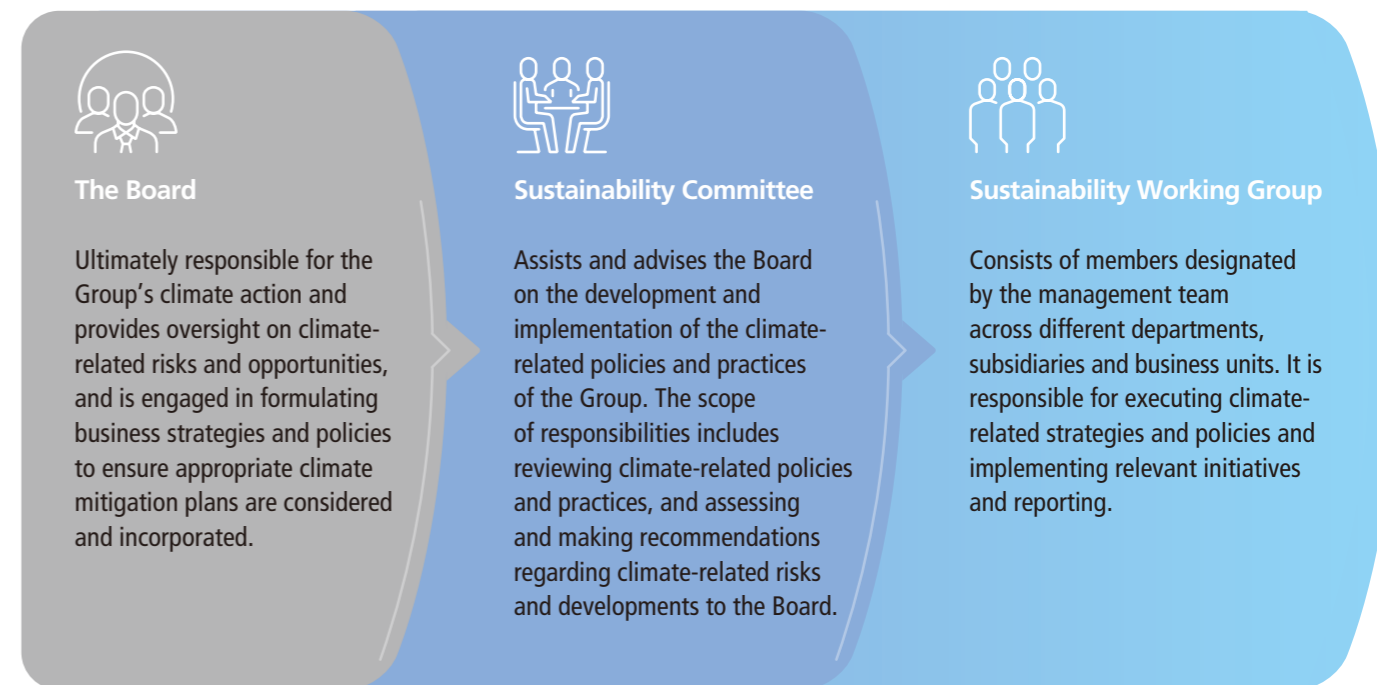
The following sections of this chapter provide disclosures that relate to the recommendations of the TCFD. The Group seeks to enhance the comprehensiveness of its TCFD reporting as the Group's climate strategy develops in 2023 and beyond.



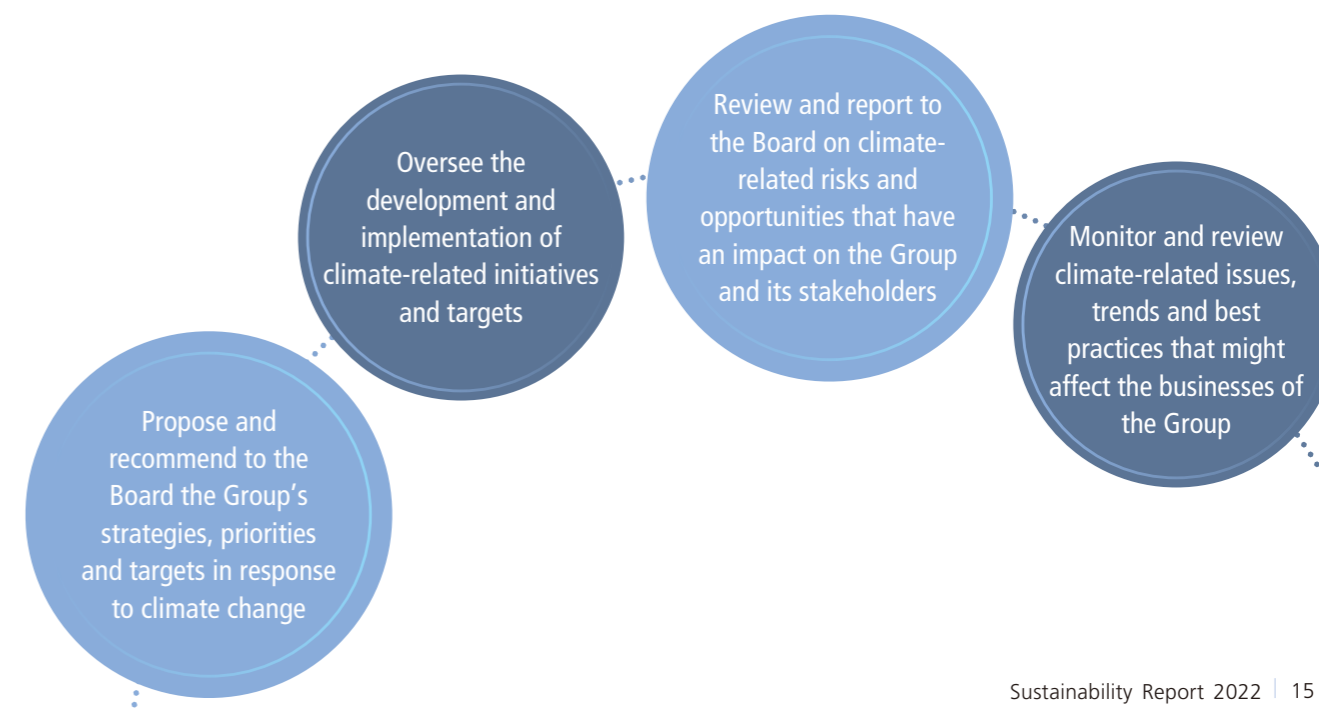
Governance



The Group continues to strengthen its oversight of climate-related issues and its commitment to combating climate change. Climate governance is an integral part of the Group's sustainability governance framework. The Group's climate governance is as follows:



The Sustainability Committee meets at least twice a year to discuss material sustainability and climate change topics. The terms of reference of the Sustainability Committee are available on the Company's website. In summary, the Sustainability Committee has the following responsibilities relating to climate change:



To support the decision-making process, professional advice will be sought from external experts as and when necessary. ESG-related training is provided to members of the Board, the key personnel of the Company and the Sustainability Working Group from time to time to keep them up-to-date with the latest developments in climate or sustainability-related issues.

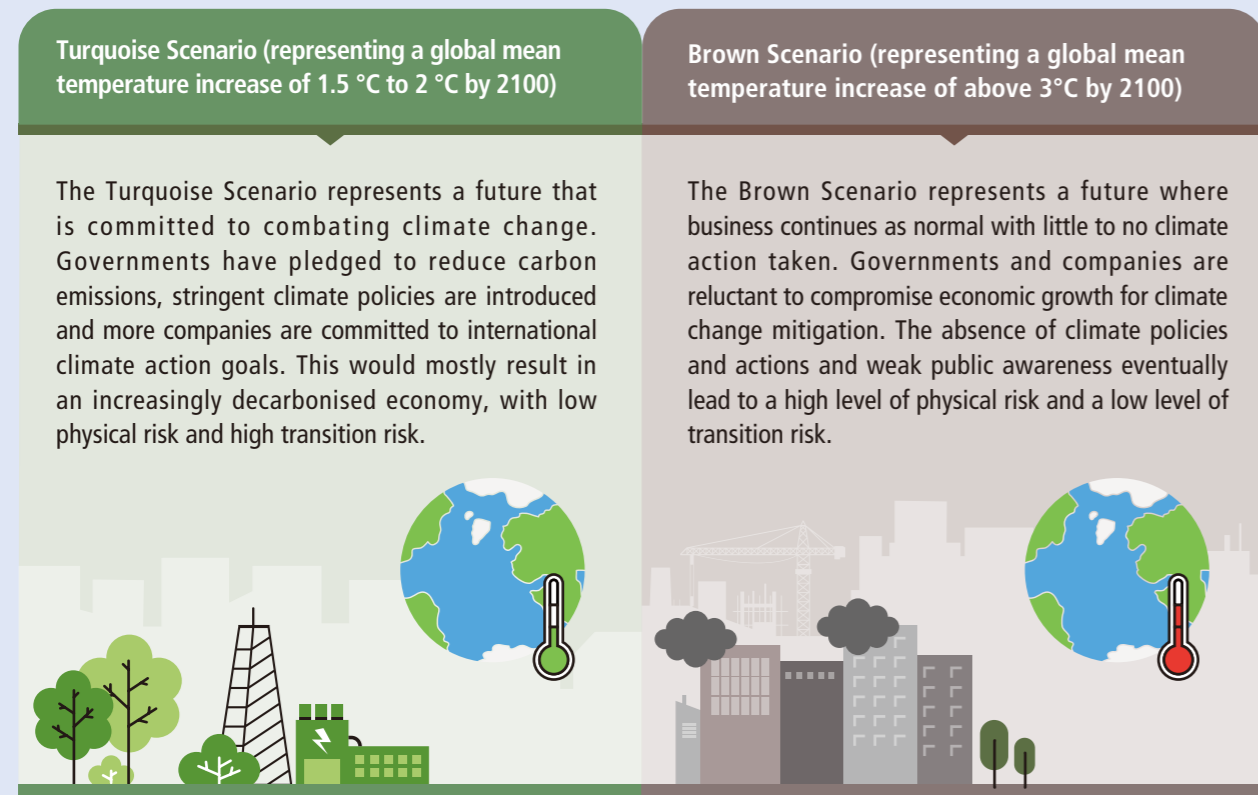
The Group's Environmental Policy sets out its strategy for and approach to managing the direct impacts of climate change and to increasing environmental awareness along its value chain, consisting of suppliers, contractors, business partners, and, where applicable, customers and tenants. In addition, as set out in the Group's Supplier Code of Conduct, the Group encourages its business partners and suppliers to consider risks posed by climate change to their operations and to mitigate adverse environmental impacts from their operations.



Strategy

The Group is committed to identifying and assessing potential climate-related risks and opportunities with a view to ensuring its business strategy and financial position remain robust and resilient to probable changes in the future.

Following the TCFD Recommendations, the Group has selected two climate scenarios, as proposed in the Hong Kong Exchanges and Clearing Limited ("HKEX") Guidance on Climate Disclosures, to use in assessing the impact of climate change on its business operations. The selected scenarios, namely the Turquoise and Brown Scenarios, refer to publicly available pathways formulated by the Intergovernmental Panel on Climate Change ("IPCC"), International Energy Agency ("IEA") and Network for Greening the Financial System ("NGFS"). These pathways facilitate the consideration of a wide range of social, environmental, political and economic issues and provide scientific assumptions and data relevant to or necessary for climate scenario analysis.



The Group has also identified a list of climate-related risks, including both physical and transition risks, that are material to its business and value chain. Taking into consideration the useful life of assets, three time horizons, namely Short-term (2023 to 2025), Medium-term (2025 to 2030) and Long-term (2030 to 2050), have been adopted for identifying climate risks and opportunities.

Physical Risks

Physical risks include acute risks and chronic risks. Acute risks are event-driven, such as extreme weather events. In contrast, chronic risks are caused by long-term shifts in climate patterns, such as rising annual mean temperatures. The Group realises that the impact of physical risks to the Group will increase over time, as suggested by the climate scenarios. For instance, extreme weather events may occur with higher frequency and severity, which might damage its assets or lead to higher financial expenditure on insurance or repair work.

Transition Risks

Transition risks arise when governments and businesses take action to reduce the severity of climate change. They include policy and legal risks, market and technology risks, and reputational risks. For instance, new regulations due to climate change may require the Group to invest additional resources to adopt new mitigation measures. However, the transition to a low-carbon economy presents not only risks but also opportunities. The Group has developed a stronger drive to build greener properties and low-carbon products in response to changes in the regulatory regime, market landscape and customer preferences.

The table below summarises the material climate-related risks and opportunities identified by the Group. The implications of climate-related risks and the Group's mitigation plans for them are being analysed and developed. The Group will share further details when the exercise is completed.

Physical Risks			
Risk Categories	Potential Risks/Opportunities	Potential Impacts	Time Horizon
Acute	Increased occurrence of cold and warm extremes	<ul style="list-style-type: none"> Increased occupational health risks such as heat exhaustion and heatstroke for outdoor workers Prolonged construction periods due to low productivity under hot temperatures Influenced tourists' destination choices and repeat visits due to extreme temperatures Disrupted upstream raw material supply due to extreme temperatures 	Medium-/long-term
	Higher frequency and intensity of storm surges	<ul style="list-style-type: none"> Potential losses due to property and asset damage and business operation disruptions Threats to employees' and visitors' health and safety 	Medium-/long-term
	Increased likelihood of flooding	<ul style="list-style-type: none"> Possible disruption of business operations and supply chains due to damaged infrastructure Potential damage to company assets, resulting in lower business capacity and extra capital expenditure 	Medium-/long-term

Physical Risks			
Risk Categories	Potential Risks/Opportunities	Potential Impacts	Time Horizon
Chronic	Increase in annual mean temperature	<ul style="list-style-type: none"> Potentially lowered worker productivity and increased absenteeism, which could result in losses for the Company Higher chances of extreme weather events leading to increased operational risks 	Medium-/long-term
	Increase in annual mean rainfall	<ul style="list-style-type: none"> Increased likelihood of altered rainfall patterns may cause changes in water availability and more frequent and severe floods Increased safety concerns for sites near landslide and slope 	Medium-/long-term
	Increase in sea level rise	<ul style="list-style-type: none"> Increased risk of floods, leading to operational risks, such as affecting supply chain dependency, and additional costs 	Medium-/long-term
	Decrease in average wind speed	<ul style="list-style-type: none"> Higher accumulation of air pollutants, less dispersion of pollutants in big cities, and consequently intensified air quality and health issues 	Medium-/long-term

Transition Risks			
Risk Categories	Potential Risks/Opportunities	Potential Impacts	Time Horizon
Policy and Legal	Tightening climate policies and regulations	<ul style="list-style-type: none"> Increased compliance costs due to new climate-related regulations (e.g. carbon pricing, green building policy) Increased non-compliance risk due to evolving regulations (e.g. emissions regulations) 	Short-/medium-term
Technology	Emergence of green technologies	<ul style="list-style-type: none"> Additional investment costs for low-carbon technologies to meet market pressure and reduce operating cost Increased capital expenditure for replacing equipment with higher energy efficiency to lower electricity cost Lowered competitiveness for companies failing to adopt low-carbon technologies Additional costs for staff training on new technology 	Short-/medium-term

Transition Risks			
Risk Categories	Potential Risks/Opportunities	Potential Impacts	Time Horizon
Market	Growing consumer awareness on sustainable living	<ul style="list-style-type: none"> Increased consumer demand for green hotels and low-carbon buildings with sustainable products and services Increased costs as consumer pressure for sourcing low-carbon building materials 	Short-/medium-term
Reputation	Market expectation on sustainable products and brand image	<ul style="list-style-type: none"> Damaged brand image if the Company fails to align with the global sustainability trend Improved brand value due to the adoption of sustainable procurement and services 	Short-/medium-term

Risk Management



To manage climate-related risks and opportunities, the Group has embedded climate change into its existing risk management system. The Group's risk management system includes strong oversight by the Board and the Group's Audit Committee, Risk Management Task Force and department heads. This system has been developed with a view to ensure that the Group complies with the Corporate Governance Code under the Listing Rules and the Group's risk management policy. The Group's Internal Audit Department carries out annual risk assessments of the Group's operations with other business units and functional departments. Business units and functional departments are responsible for managing risks (including climate-related and other business risks) in their day-to-day operations in accordance with the Group's risk management policy.

The Group takes a proactive approach to risk management by integrating climate-related risks into its business and decision-making process. The Group will ensure material risks are identified in the formulation of strategic objectives and in business planning, business development and daily operations. These material risks will be assessed by the Group by taking into consideration their impacts and the Group's vulnerability to them. The Group will ensure that such risks are managed by an appropriate risk mitigation plan. For further details, please refer to the section headed "Risk Management and Internal Controls" on pages 36 to 38 of this Report.

In 2022, as the first step to assess the uncertainties of climate change, representatives across various business units and departments were invited to participate in a survey on assessing climate-related risks posed to the Group. The representatives were asked to share their views on the potential impacts of the climate-related risks based on their professional experience. The results of the survey will be reviewed, along with studies and analyses conducted by professional consultants, with a view to further assessing the identified material climate-related risks and the potential impacts of climate change posed to the Group.

Metrics and Targets



The Group strives to identify and disclose emissions metrics and targets in order to provide greater transparency to its investors.

In 2021, the Group set various environmental intensity targets at the group level to demonstrate its commitment to combating climate change and to minimising its environmental impact. The Group has strategically set a focus on three major areas, namely electricity consumption, water consumption, and paper waste. The Group will form plans to achieve the targets with respect to these three major areas. For further details on the targets and the Group's respective performance, please refer to the section headed "Sustainability Targets by 2030" on page 24 of this Report.

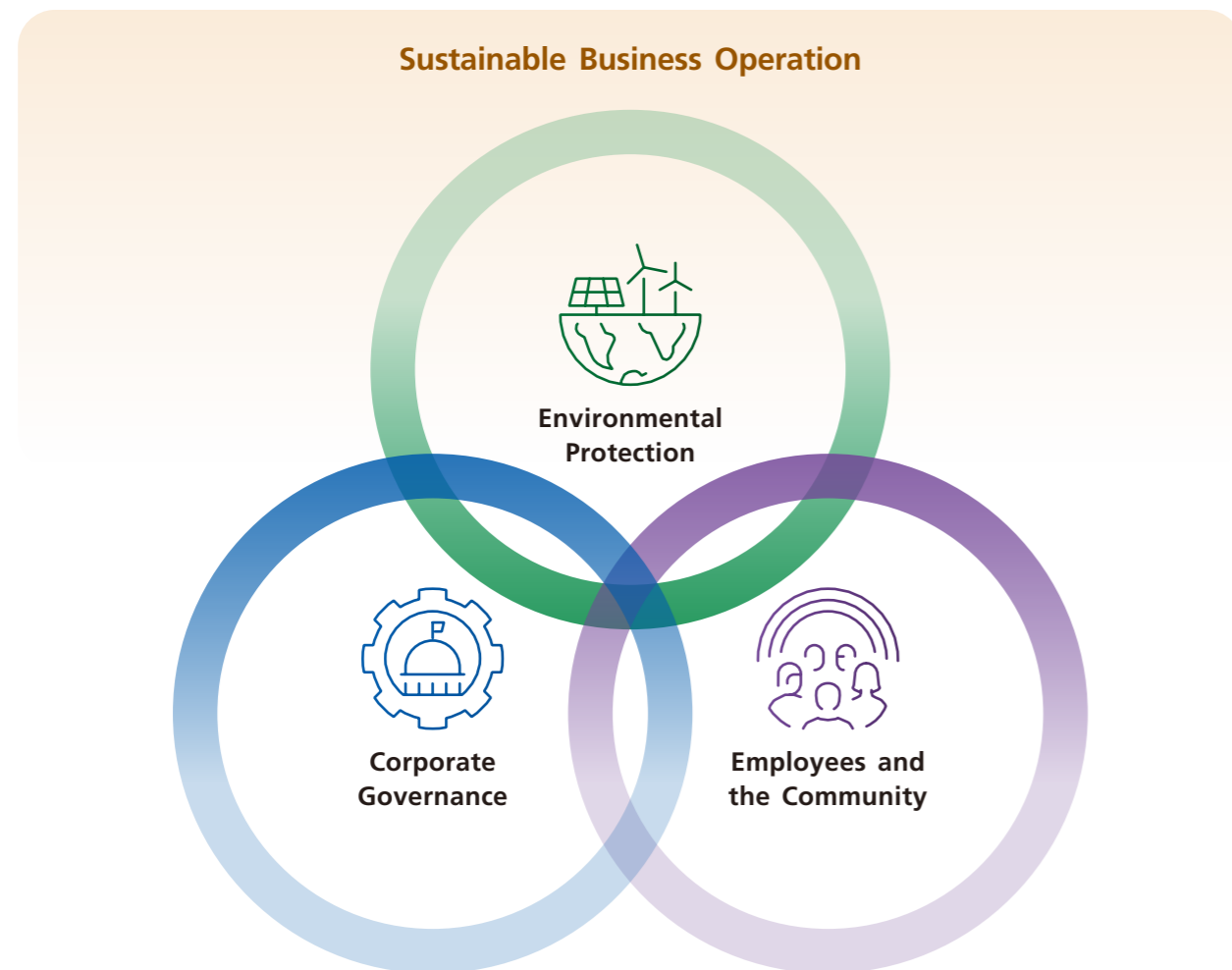


SUSTAINABILITY AT THE COMPANY

APPROACH TO SUSTAINABILITY

In an endeavour to sustain business growth and create long-term value for all stakeholders and the wider community, the Group adopts effective corporate governance and incorporates environmental protection, employees and the community as factors for consideration when making business decisions. Moreover, the Group recognises the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in the transition to a low-carbon economy. Throughout its decarbonisation and sustainable development journey, the Group continues to enhance the social well-being of employees and other stakeholders and respect human rights along its entire value chain.

A three-pronged approach is adopted by the Group to promote and facilitate effective communication between the Board, employees and stakeholders including business partners and customers, in order to drive cultural change in the Group, industry and the wider community.



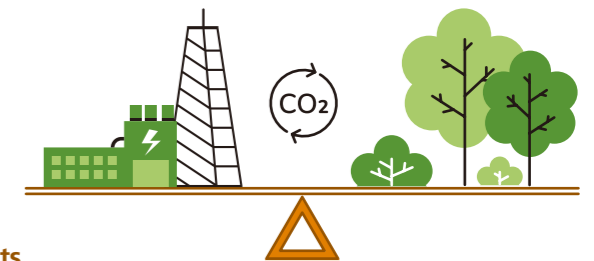
To achieve its sustainability goals, making use of its existing robust corporate governance, the Group has established a sustainability governance structure with defined roles and responsibilities for its constituent parties to enhance and promote trust, transparency and accountability, both externally and internally. Regular monitoring and evaluation of emerging and ongoing ESG issues, trends and best practices that could impact the performance of the Group are conducted across its operations. In addition, sustainability-related, including climate-related, risks and opportunities have been incorporated into the enterprise risk management system ("ERM System") to develop a comprehensive risk programme.

Responsible Investment

The Group is eager to invest responsibly in order to make a positive impact on society and to reduce the ESG-related risks of its underlying investments. As set out in the Company's Corporate Social Responsibility Policy, the Group's Investment Committee incorporates ESG performance as one of the primary factors when considering potential investment opportunities. Relevant ESG aspects and performance criteria are duly considered during the due diligence process, such as compliance with environmental regulations, labour supply and relations, supply chain and customers, environmental and social risks, management capability, integrity and financial management. ESG issues identified are critically assessed and considered as part of overall investment decision-making.

Formal committees are established to monitor the ESG performance of the invested businesses continuously and provide recommendations to improve their ESG performance. The invested companies are required to report and disclose material and relevant ESG information and performance at the businesses' regular board and board committee meetings.

Below are some examples of the Group's investments and their positive impacts:



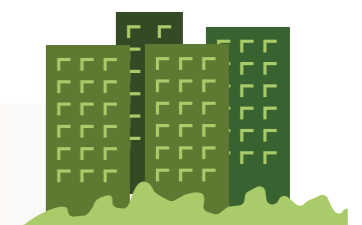
Decarbonisation and Net Zero Targets

The Group's existing infrastructure investments, such as Northumbrian Water, UKPN, ista and AVR, have taken various decarbonisation initiatives for combating climate change. Some of them have even committed to targets that set them on a path to reach net zero ahead of their local government's requirements. The Group will closely monitor global trends in clean energy development and related investment opportunities, given the growing concerns relating to climate change.



Social Housing and Affordable Residential Property

Taking into account the ESG performance and social impact of the investments, the Group has invested in high quality social and care-based community housing, primarily in the UK. In addition, the Group has also participated in Hong Kong's Starter Homes Pilot Project for Hong Kong Residents. Under the project, the Group is set to sell certain units in the development to first-time home buyers at a discount of the market value.



SUSTAINABILITY TARGETS BY 2030

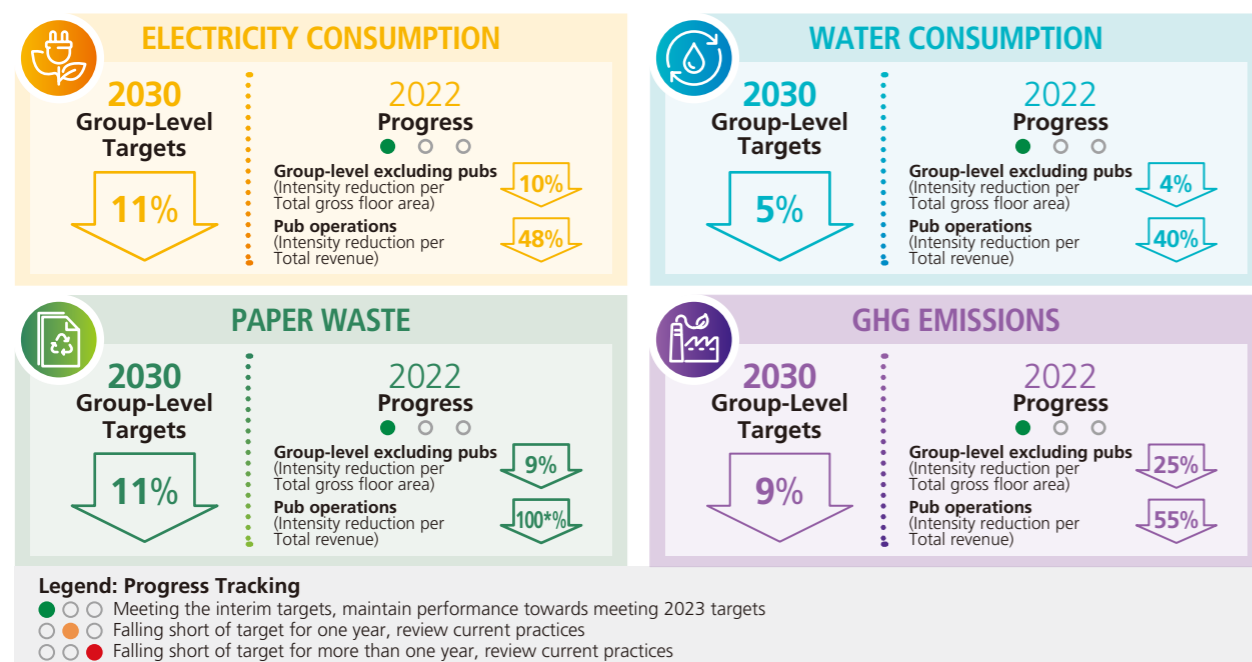
In 2021, as one of the Carbon Neutrality partners of the Government of the Hong Kong Special Administrative Region (the “HKSAR Government”), the Group achieved a significant milestone by setting its environmental targets. The targets, which facilitate the evaluation of the Group’s efforts in combating climate change, affirm the Group’s commitment to supporting the green economy and pursuing decarbonisation.

In 2022, the Group achieved a significant reduction in the intensity of GHG emissions compared to the base year (i.e., 2019/2020), signifying that the Group is making substantial headway towards its targets.

For the Group’s property management business, hotel and services suite operation, and offices, a moderate drop of 10% and 4% in electricity consumption and water consumption intensity by gross floor area was observed. This was attributed to the various effective measures implemented across our business entities (for details, please refer to the relevant chapters), while the changes in emission factors resulted in a further reduction on carbon emissions.

As for the Group’s pub operation business, despite increased business activity as a result of its recovery from the pandemic, the electricity and water consumption for pub operation did not rise accordingly from the base year level due to fixed usage arrangements. The electricity consumption and water consumption intensity by revenue was reduced by 48% and 40%; therefore a 55% reduction in the intensity of GHG emissions was recorded. In practice, the Group has upgraded equipment with higher energy efficiency and implemented a number of other energy- and water-saving measures, demonstrating its determination on carbon reduction with action.

The Group acknowledges the importance of aligning its targets with the latest climate science in order to make significant strides in reducing GHG emissions. The Group will therefore review its targets regularly and as appropriate, and may seek to enhance them in due course. At the same time, the Group is exploring the feasibility of setting Science-Based Targets (“SBTs”) according to the SBTi criteria for its property development and related businesses, which would enhance its current GHG emissions reduction targets to better reflect the Group’s commitment to mitigating its impact on climate change and lead its way towards a zero-carbon economy through innovation and sustainable growth.



Note: The above targets are based on 2019 figures in respect of the Group’s property management operation, hotel & serviced suite operation and offices, and on 2020 figures in respect of the Group’s pub operation. 2019 is adopted as the general base year for all operations except pub operation, as 2019 is considered to be a more representative year not being impacted by the COVID-19 pandemic. 2020 is adopted as the base year for pub operation as this business was not owned by the Group for a full year in 2019. The GHG emissions target is calculated based on the electricity consumption target, as electricity consumption is the major source of the Group’s GHG emissions.

Remark*: All pub operations’ paper waste has been collected and recycled during the year. No paper waste was recorded.

STAKEHOLDER ENGAGEMENT

The Group values stakeholders’ opinions and comments and believes that their views are one of the crucial factors in enhancing its business and sustainability performance. Regular engagement, including social dialogues and negotiations, is conducted with key stakeholders through appropriate communication channels to acquire a better understanding of their priorities, concerns and expectations. These engagements enable us to develop or improve existing strategies to meet the evolving needs of the community, environment and businesses.

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

Employees

- Performance review
- Regular meetings and training
- Emails, notice boards, hotlines, surveys and SMS
- Intranet



Suppliers

- Tendering
- Supplier screening and assessments
- Written comments and responses
- Meetings and onsite visits



Tenants

- Meetings
- Newsletters and emails
- Opinion surveys
- Community events



Customers

- Customer satisfaction surveys
- Customer service hotlines and emails
- Community events



Shareholders and Investors

- Regular reports and announcements
- Regular general meetings
- Official company website
- Regular meetings with key investors
- Attend to individual enquiries from shareholders via telephone/email
- Attend to enquiries/reports from rating agencies via telephone/email



Government Bodies

- Compliance supervision
- Routine reports and paid taxes
- Onsite inspections



Media

- Interviews
- Feedback and responses to media enquiries
- Corporate news releases
- Regular meetings with media



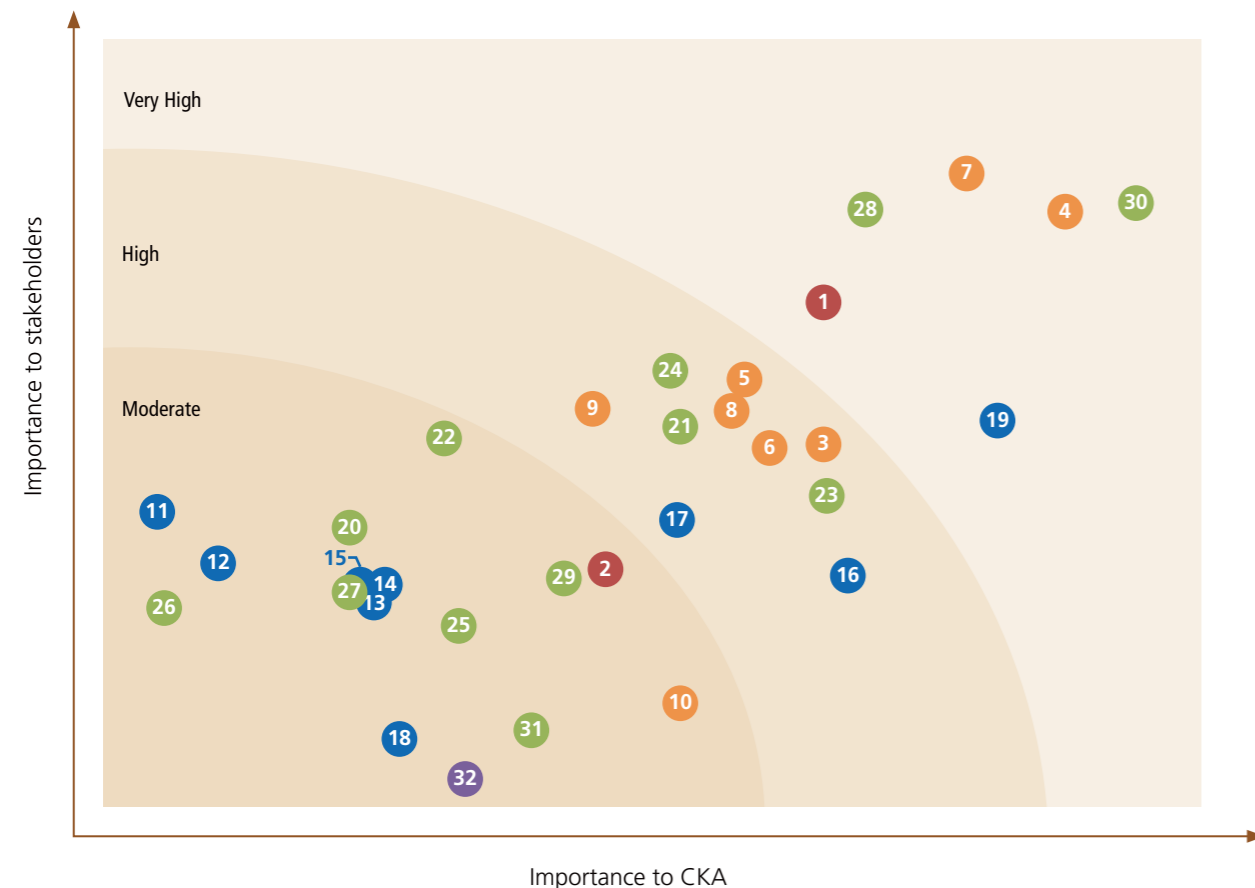
MATERIALITY ASSESSMENT

To understand and keep up with the shifting priorities and expectations of our stakeholders, a materiality assessment was conducted with the support of an independent consultant in 2022. Going forward, the Group will continue to identify key groups of stakeholders and understand their sustainability concerns and expectations.

In determining the ESG topics to be included in the assessment, the Sustainability Working Group and designated managers considered various factors, including the nature of the Group’s business, management input, result of past assessments, and universal benchmarking and guidelines, such as the SEHK’s ESG Reporting Guide and the Global Reporting Initiative Standards. After identifying material ESG topics for the assessment, an online assessment survey was issued for our stakeholders to evaluate and prioritise topics that were material to the Group.

In 2022, the Group engaged some stakeholder groups through the online survey. Participants ranked 32 material topics relating to sustainability governance, environment, labour and employment, and operating practices based on their perceived importance. The results of the engagement were reported to the Sustainability Committee and were noted by the Board, and concerns have been addressed through this Sustainability Report and other communication channels, as appropriate.

The following matrix presents the issues that are material to the Group and its stakeholders:



Category	ESG Topics	Corresponding Report Section	
Board/Management Responsibility	1 Board’s governance in sustainability	Sustainability Governance Structure	
	2 Sustainability policies	Sustainability Policies of the Group	
Employment and Labour Practices	3 Fair recruitment and dismissal processes	Talent Attraction and Retention	
	4 Employee remuneration and benefits	Talent Attraction and Retention	
	5 Equality, diversity and inclusion	Equality, Diversity and Inclusion	
	6 Employee well-being	Employee Health and Well-being	
	7 Occupational health and safety	Occupational Health and Safety	
	8 Employee training and development	Training and Development	
	9 Child and forced labour prevention	Human Rights	
	10 Counter-COVID strategy	Health and Safety during COVID-19	
	Operational Practices	11 Supply chain’s environmental and social impact	Managing Supply Chain’s Environmental Impact; Managing Supply Chain’s Social Impact
		12 Supplier selection and management	Supplier Management and Evaluation
13 Green and responsible procurement		Managing Supply Chain’s Environmental Impact	
14 Customer/tenant safety and well-being		Managing Products and Services Safety and Quality	
15 Customer/tenant service quality		Managing Products and Services Safety and Quality	
16 Data privacy and information security		Protecting Personal Data and Intellectual Property	
17 Intellectual property rights		Protecting Personal Data and Intellectual Property	
18 Responsible marketing		Responsible Marketing	
19 Anti-corruption		Business Ethics	
Environment	20 Air pollution reduction	Managing Other Environmental Impacts	
	21 Wastewater management	The Environment	
	22 GHG emissions management	GHG Emissions Management	
	23 Waste management and reduction	Waste Management	
	24 Energy efficiency	Energy Efficiency	
	25 Water efficiency	Water Efficiency	
	26 Packaging materials management	Reducing the Use of Packaging Materials	
	27 Biodiversity conservation	Managing Other Environmental Impacts; Achievements and Innovations of Infrastructure Investments	
	28 Environmental target setting	Sustainability Targets by 2030	
	29 Climate change mitigation	The Environment	
	30 Sustainable building design	Green Buildings	
31 Sustainability qualification or recognition	The Environment; Employees and the Community		
Community	32 Community investment and development	Community Investment and Development	

THE GOVERNANCE



Below are the SDGs and the relevant material ESG topics in this chapter:



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

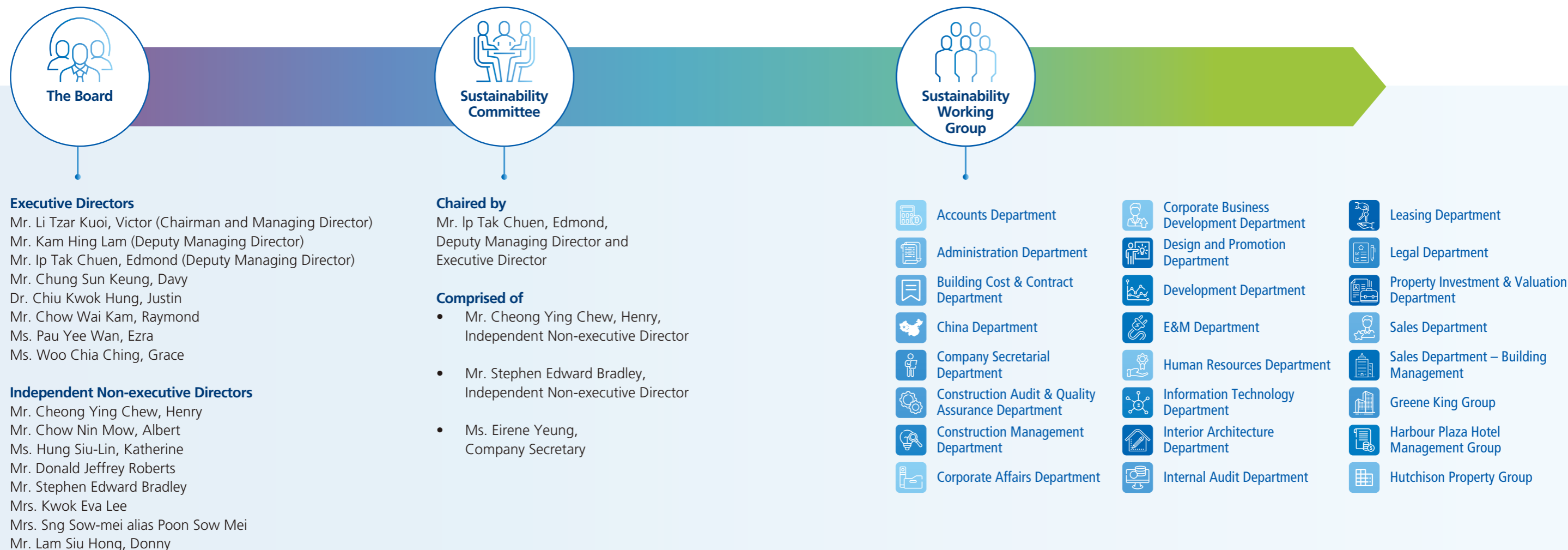
Material ESG Topics:

Board's governance in sustainability

Sustainability policies

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's sustainability governance structure is as shown below:



Sustainability governance, as part of corporate governance, reinforces the focus on the sustainability issues, including climate change, which impact the Group and its stakeholders, including employees, shareholders, local communities and the environment.

The respective roles of the Board, the Sustainability Committee and the Sustainability Working Group are as follows:

- The Board is ultimately responsible for sustainability and is engaged in formulating strategies and policies which provide direction and guidance to the Group. It receives ESG updates at least twice a year, which allows it to oversee sustainability performance. It is also responsible for ensuring effective risk (including ESG and climate-related risks) management and internal controls.

- The Sustainability Committee assists and advises the Board on the development and implementation of the sustainability policies and practices of the Group. The scope of its responsibilities includes reviewing ESG-related policies and practices, and assessing and making recommendations to the Board on matters concerning the Group's sustainable development and ESG risks (including climate-related risks). The Sustainability Committee may delegate certain responsibilities to working groups to discharge the duties of the Sustainability Committee, as stated in its Terms of Reference. Further details regarding the Sustainability Committee's responsibilities are set out in the Terms of Reference of the Sustainability Committee (https://www.ckah.com/eng/about_boardcommittees.html).
- The Sustainability Working Group was set up in 2016 and comprises members designated by the management team across different departments, subsidiaries and business units. It is responsible for executing sustainability-related strategies and policies and implementing relevant initiatives and reporting.

CORPORATE GOVERNANCE AND SUSTAINABILITY POLICIES

The Company has adopted, and regularly reviews its comprehensive set of Corporate Governance Policies and Sustainability Policies, which provide frameworks and directions at the Group level on sustainability-related matters. Under the Group's Policies, the Group's business units/operating subsidiaries may develop additional implementation policies and practices that better suit their specific business and operating circumstances.

In March 2023, various policies were reviewed and amended to enhance and reflect our commitment to governance and sustainability. In particular, the Shareholders Communication Policy was amended to permit hybrid meeting arrangements and to include whistleblowing procedures; the Information Security Policy was amended to include cybersecurity and vulnerability management sections to ensure a prompt response to any cybersecurity incident; and the Environmental Policy was amended to include green procurement sections to support and promote environmental practices in the supply chain.

Further, the Anti-Money Laundering Policy and Sanctions Compliance Policy have been published on the Company's website.

 Corporate Governance Policies of the Group


- ✓ Anti-Fraud and Anti-Bribery Policy
- ✓ Anti-Money Laundering Policy
- ✓ Board Diversity Policy
- ✓ Director Nomination Policy
- ✓ Employee Code of Conduct
- ✓ 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
- ✓ Whistleblowing Policy – Procedures For Reporting Possible Improprieties
- ✓ Procedures for Shareholder to Propose a Person for Election as a Director of the Company

 Sustainability Policies of the Group


- ✓ Corporate Social Responsibility Policy
- ✓ Environmental Policy
- ✓ Health and Safety Policy

- ✓ Human Rights Policy
- ✓ Modern Slavery & Human Trafficking Statement
- ✓ Supplier Code of Conduct

BOARD AND BOARD COMMITTEES

The Board consists of a total of sixteen Directors, comprising eight Executive Directors and eight INEDs. Half of the Board is made up of INEDs, and more than one of them has appropriate professional qualifications or accounting or related financial management expertise. The Board is responsible for directing and guiding the strategic objectives of the Group and for overseeing and monitoring managerial performance.

The Board meets regularly and at least four times a year, with meeting dates for the year scheduled towards the end of the immediately preceding year. Between scheduled meetings, the management of the Group provides Directors with monthly updates and other information relating to the performance, position and prospects of the Group.

Despite the inconvenience of international travel caused by the COVID-19 pandemic, the Directors including those residing overseas might attend all Board and Board Committee meetings during the Reporting Period through electronic communication channels such as video/audio conferencing. The governance activities of the Group have been maintained with no interruption. Arrangements are in place for Board and Board Committee meeting materials to be made available via a secured online platform, resulting in minimal use of paper. Conducting Board and Board Committee meetings virtually has also contributed to a lower carbon footprint with less business travel for in-person meetings.



Board members attending 2022 annual general meeting through electronic communication channels during pandemic

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



Board Composition

Mr. Victor T K Li, the Chairman of the Board (“Chairman”) and Managing Director, determines the broad strategic direction of the Group in consultation with the Board. He is responsible for the high-level oversight of management, and the strategic planning of different business functions and day-to-day management and operation of the Group with the support of the Executive Directors. Although the positions of Chairman and Managing Director are not separately held, all major decisions are made in consultation with members of the Board, relevant Board Committees and key personnel of the Group after thorough discussions. The Board comprises eight INEDs with diverse background, experience and areas of expertise who will continue to provide their views and comments to Mr. Victor T K Li as Chairman and Managing Director, as they have done so over the years. Furthermore, Mr. Li Ka-shing, who has been the Senior Advisor of the Company since his retirement as Chairman, has in that capacity continued to share his wisdom and insights on significant matters of the Group.

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

Biographical details of the Directors and key personnel of the Group are set out under the sections headed “Directors’ Biographical Information” and “Key Personnel’s Biographical Information” on pages 30 to 33 and on pages 34 to 42 of the Annual Report 2022 of the Company, respectively. The Company maintains an updated list of Directors on the websites of HKEX and the Company. 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 others to understand the roles played by those INEDs who serve on the relevant 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 60 to 103 of the Annual Report 2022 of the Company.

The Board and the Nomination Committee evaluate the said mechanisms annually, with reference to the criteria under the Listing Rules. No INEDs of the Company are involved in the daily management of the Company, or 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, skills matrix, as well as diversity profile (including gender, culture, education background, etc.), as set out in the Board Diversity Policy. The Nomination Committee also reviews on a timely basis any changes in the Directors’ professional engagements, as well as other directorships or commitments, to ensure compliance with the independence criteria and their commitment and devotion to the Board.

In terms of gender diversity, with two new female INEDs appointed in May 2022, the Board currently comprises five female Directors, representing about 31% of the Board. The Board is of the view that gender should not be the only driving factor in considering a candidate to the Board. As mentioned above, the Nomination Committee takes into account various diversity aspects when identifying suitable candidates, and may adjust the proportion of female directors as and when appropriate.



Board Committee

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

Audit Committee

The Audit Committee, which comprises only INEDs, is chaired by an INED and has five other INEDs as members, with more than one of the members of Audit Committee having appropriate professional qualifications in accounting or related financial management expertise. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting system, risk management and internal controls systems, review of the Group’s financial information, review of the relationship with the external auditor of the Company 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 Remuneration Committee are INEDs. The Remuneration Committee is chaired by an INED and has one Executive Director and one other INED 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, making recommendations on the remuneration packages of INEDs and, with delegated responsibility, determining the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time. The Remuneration Committee is scheduled to meet once a year.

Nomination Committee

The Nomination Committee, which comprises a majority of INEDs, is chaired by an INED and has one Executive Director and one other INED as members. The principal responsibilities of the Nomination Committee include:

- (1) to review at least once annually the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendations on any proposed changes to the Board to complement the Board to achieve the Group corporate strategy as well as promote shareholder value;
- (2) to identify suitable director candidates and select or make recommendations to the Board on the selection of individuals to be nominated as Directors;
- (3) to assess the independence of INEDs having regard to the criteria under the Listing Rules;
- (4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- (5) to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendations on any proposed revisions to the Board.

The Nomination Committee is scheduled to meet once a year.

Sustainability Committee

The Sustainability Committee is chaired by an Executive Director and comprises two INEDs and the Company Secretary as members. The main duties of the Sustainability Committee are to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group’s sustainability development and ESG risks. It is supported by the Sustainability Working Group which comprises members from various departments, operating subsidiaries and business units of the Group. For details, please refer to the section headed “Sustainability Governance Structure” on pages 30 to 31 of this Report and the Terms of Reference of the Sustainability Committee. The Sustainability Committee is scheduled to meet twice a year.

Executive Committee

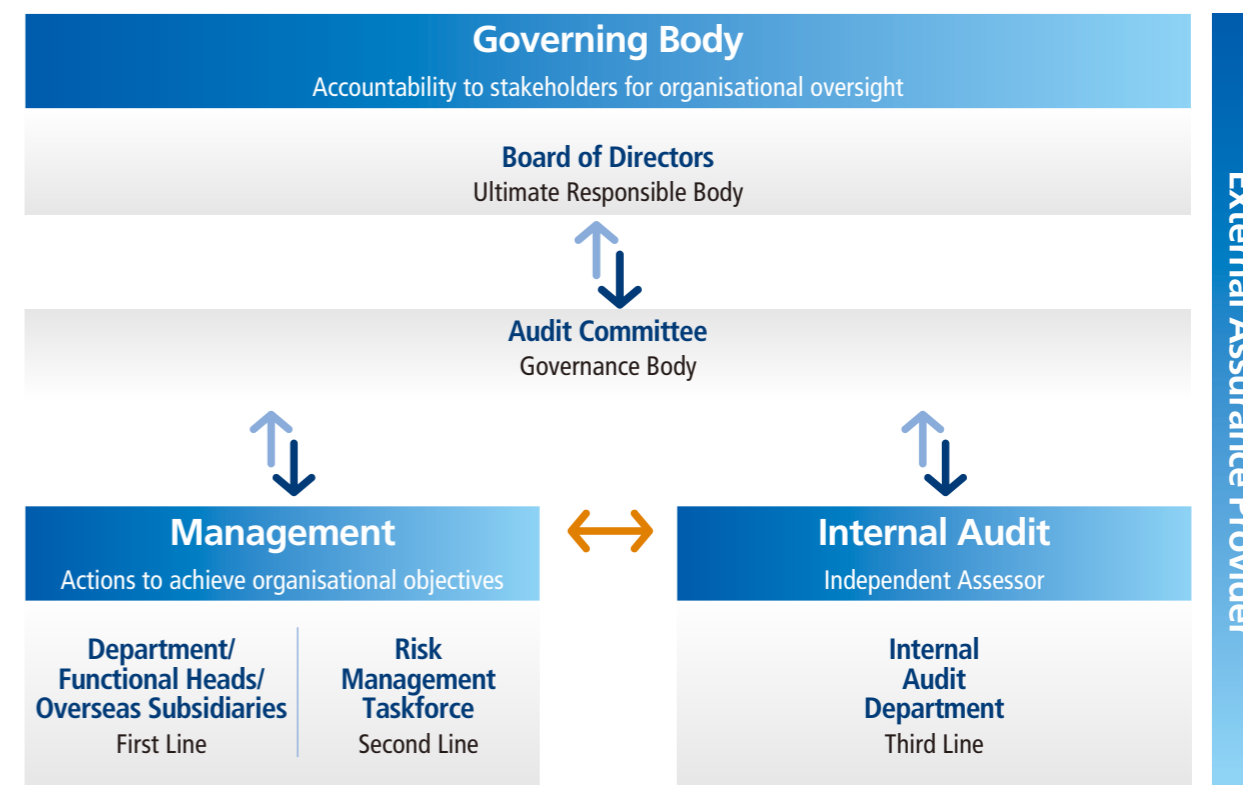
The Executive Committee is chaired by the Group’s Chairman and Managing Director and comprises seven other Executive Directors and six key personnel as members. The Executive Committee is responsible for discussing and making decisions on matters relating to the management and operation of the Company, including but not limited to financial/treasury planning and to formulate strategy; assessing and making recommendations to the Board on acquisitions of or investments in business or projects; and reviewing and discussing any other matters as may from time to time be delegated by the Board.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

The governance structure for the Group’s ERM System



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. It also contains the established protocols for the communication of risks and measures to address them. The Board is ultimately responsible for determining and evaluating the risks it is willing to take in achieving the Group’s objectives, ensuring that the Group establishes and maintains effective risk management and internal controls systems, and overseeing these systems on an ongoing basis. The Audit Committee also plays a vital role in overseeing the ERM System on behalf of the Board. It reviews, on 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 devises 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) for the Group are identified, prioritised and addressed. It also serves to provide continuity in the Group's risk management activities, by facilitating transitioning as turnover of staff may take place.

For further details, please refer to the section headed "Risk management and internal control" on pages 82 to 90 under the Corporate Governance Report in the Annual Report 2022.

Management of sustainability-related risks

Sustainability-related risks are incorporated into the existing ERM System. The Sustainability Committee assists the Board with identifying and evaluating applicable sustainability-related risks, reviewing and reporting on the ESG risks as well as opportunities in the Group's business operations. The Group's management is responsible for designing, implementing and monitoring its risk management and internal controls systems. Sustainability-related topics, such as climate change, compliance, supply chain management, employment practices and information security, are also covered in the Group's risk factors, alongside other enterprise risks.

BUSINESS ETHICS



The Group upholds high standards of business ethics and is committed to conducting its business with uncompromising integrity, honesty and transparency. Any form of bribery and fraud is strictly prohibited in all its business dealings.

The Group has established the Anti-Fraud and Anti-Bribery Policy and the Employee Code of Conduct to set out the minimum standards of ethical conduct to which all directors, officers, employees of the Group, or third-party representatives acting for or on its behalf, are required to adhere. The Board has the overall responsibility for the Group's anti-fraud and anti-bribery framework (including values, code of conduct, risk management, internal controls, communication and training, oversight and monitoring), whilst the Executive Directors of the Company are responsible for ensuring the effectiveness of the Group's anti-fraud and anti-bribery mechanisms and, in particular, for investigating and addressing any material fraudulent activity or bribery committed within the Group. The Internal Audit Department performs regular internal audits on the Group's businesses, including assessing the risk of fraud and bribery.

All employees should always be conscious of the situations described in the Anti-Fraud and Anti-Bribery Policy and the Employee Code of Conduct, including facilitation payments, gifts and hospitality, and procurement of goods and services, to prevent breaches of the relevant laws and regulations. Improper payments, kickbacks and other forms of bribery are strictly prohibited. Employees are required to disclose their interests, including those of their immediate family, in which a conflict of interest may arise, and they should decline advantages offered directly or indirectly in connection with their duties, should the acceptance of such advantages affect, or appear to affect, their objectivity, induce them to act against the Group's best interests or lead to complaints of bias. Employees are encouraged to discuss with their supervisor if they have concerns as to whether any business courtesy lies within the bounds of acceptable business practice, and to report any concerns regarding fraud and bribery. Relevant information on any actual or suspected breach of the Anti-Fraud and Anti-Bribery Policy will be documented for the review and follow-up of the Internal Audit Department.

Members of the Company have also engaged the Independent Commission Against Corruption ("ICAC") for providing the Company's employees with annual anti-corruption training and regular refreshment talks. With the training, employees become acquainted with anti-corruption practices and conflict of interest situations to help them recognise and mitigate the associated risks.

The Directors are also, from time to time, provided with training and materials regarding sustainability and corporate governance (including board diversity); and legal and regulatory requirement updates to furnish the Board with the latest governance- and sustainability-related information.

During the Reporting Period, the Group has provided all Directors with updated anti-corruption training materials in relation to (i) the ethical considerations and internal controls required to address the complexities of digital transformation facilitating remote work; and (ii) ethical values and fraud prevention in relation to digital transformation, to keep them abreast of the most up-to-date laws and regulations. In addition, all new permanent employees are provided with anti-corruption seminars.

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

Whistle-blowing channel

In achieving and maintaining the highest standards of openness, probity and accountability, the Group has established the Whistleblowing Policy to provide clear and confidential reporting channels and guidance on reporting possible improprieties, as well as to reassure any person or entity making a genuine and good faith report that they are safe from any form of reprisal.

Employees and stakeholders who deal with the Group, such as customers, suppliers, creditors and debtors, are encouraged to report any suspected impropriety within the Group, via the Company Secretarial Department and the Audit Committee. Standard procedures are in place to ensure that all reports are properly filed and investigated. Where appropriate, members of the Group have established helplines operated by independent third parties to receive reports confidentially and to follow up with appropriate investigation and necessary action.







Each report will be treated with strict confidentiality and will only be reviewed by the Audit Committee and relevant departments/functions or personnel, as instructed by the Chairman of the Audit Committee. In addition, the identity of the reporter is protected and will not be divulged unless required by law or regulation from governmental or regulatory authorities.

The Group's Anti-Money Laundering Policy, Sanctions Compliance Policy and Whistleblowing Policy are available on the Company's intranet and/or website for stakeholder reference.

THE ENVIRONMENT



Below are the SDGs and the relevant material ESG topics in this chapter:

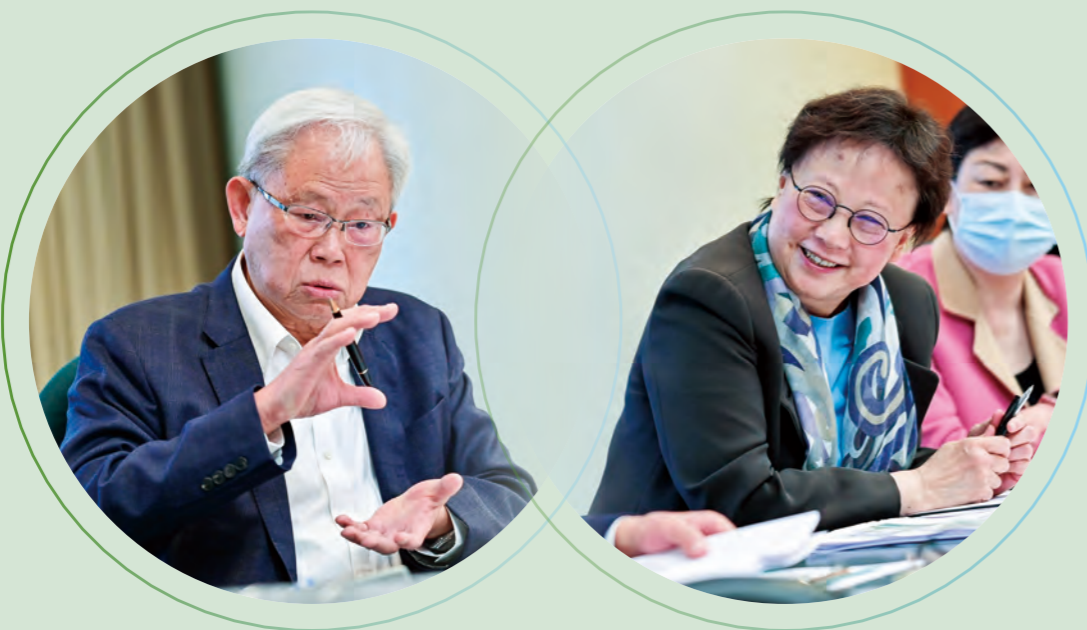
	<p>SDG 6.3: Reducing water pollution and enforcing proper handling of hazardous waste SDG 6.4: Increasing water-use efficiency</p>
	<p>SDG 7.2: Increasing adoption of renewable energy SDG 7.3: Increasing adoption of energy-efficient technology</p>
	<p>SDG 9.4: Increasing resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</p>
	<p>SDG 11.6: Reducing environmental impacts from air pollutants and municipal solid waste</p>
	<p>SDG 12.2: Practicing the efficient use of natural resources SDG 12.5: Reducing waste generation through prevention, reduction, recycling and reuse</p>
	<p>SDG 13.2: Integrating climate change measures into business strategy and planning</p>

Material ESG Topics:

- Sustainable building design
- Wastewater management
- Environmental target setting
- GHG emissions management
- Waste management and reduction
- Climate change mitigation
- Energy efficiency
- Air pollution reduction
-
- Water efficiency



EMBRACING GREEN BUILDING INNOVATIONS



Mr. Chung Sun Keung, Davy
Executive Director and
Executive Committee Member

Ms. Shen Wai Yee, Grace
Executive Committee Member and
General Manager of Construction Management
Department

Property development business has always been a significant part of the Group’s heritage. The Group has developed many of Hong Kong’s most notable landmark buildings and complexes and takes pride in promoting a sustainable living environment. The Group embraces green building innovations and seeks to integrate the latest green technologies and sustainable measures where feasible and practicable throughout the different life cycles of its buildings – from land acquisition, design and construction, management and maintenance, to demolition.

Mr. Chung Sun Keung, Davy, Executive Director, and Ms. Shen Wai Yee, Grace, General Manager of the Construction Management Department, who are both members of the Executive Committee, have been instrumental in leading the Group through its green building journey with their vast industry knowledge and market-savvy perspectives.

OUR GREEN VISION

“In harmony with nature and environment”

The Group recognises the value of innovation in driving sustainability and advancing its transition to carbon neutrality. “Stemming from a design concept that blends natural elements with sustainability and innovation, our projects and buildings are in harmony with nature and environment”, Davy said.

The Group is committed to integrating its green vision into building projects, and driving reduction initiatives in a cost effective manner in line with responsible management principles. Grace added, “We understand the increasing environmental awareness and expectation among homebuyers and tenants. We continue to improve urban liveability and environmental quality by incorporating green elements and intelligent technologies into the building design.”

BUILDING A GREEN ECOSYSTEM

“Cultivate a sustainable and liveable ecosystem for all”

The Group operates under a green and sustainable management model by virtue of a modern intelligent management system. The Group’s green buildings demonstrate its strong commitment to innovation and the environment. Green buildings reduce energy and water usage and costs, improve our well-being, and cultivate a sustainable and liveable ecosystem for all.

Davy said, “Take Cheung Kong Center II as an example: the project leverages its green features and modern technology to provide tenants with convenient and worry-free office space.” The building facade has a high-performance coating that minimises ultra-violet (“UV”) penetration to reduce solar heat gain into the interior, while extra wide glass modules maximise natural light. Landscaped greenery covers 20% of the site area to alleviate heat island effects and enhance natural ventilation. An air purification system with bipolar ionisation technology and a high-efficiency filter system, together with constant air purification, minimise airborne viruses, bacteria and pollutants, and provide 30% higher circulation of fresh air than international standards.



Sky garden in Cheung Kong Center II (Artist’s impression)

The project is also equipped with a contactless system and an Internet of Things (“IoT”) intelligent control system. In addition, a sky garden with a landscaped trail of approximately 140 metres resonates with the tranquil Zen garden ambience on the ground floor and provides tenants with a multipurpose zone for jogging, strolls or just relaxing while taking in the picturesque views of the harbour.



Left: Contactless system and IoT intelligent control system equipped in Cheung Kong Center II (Artist’s impression)
Right: Building facade with a high-performance coating (Artist’s impression)





GREEN CONSTRUCTION MODEL

“Early planning minimises abortive materials and works”

The Group is one of the first developers in Hong Kong to use precast units. The use of aluminium formwork, precast facades, lost forms, precast partition in construction helps to make efficient use of resources, minimising waste and the use of timber. “Green construction models and green design concepts were adopted by the Group decades ago. We started to use prefabricated facades for non-structural external walls, lost forms for structural walls, and prefabricated internal partitions to replace brick and concrete block walls many years ago. In our Singapore projects, we also adopted prefabricated bathroom units, completed with finishes and fittings, as early as 2016”, Davy said.

Modern technology such as Building Information Modelling (BIM) is adopted by the Group for design coordination and the production of combined services drawings and combined builder’s works drawings, for the identification of conflicts among building elements, and for the facilitation of early planning to minimise abortive materials and works. The Group adopts e-work flow in construction by moving towards a paperless process in coordination, submission, replies, issuance of instructions and quality control, and utilising online meeting platforms. Drones may also be used for inspection and record taking. Grace said, “The Group will continue to implement green design concepts, apply green construction models, and deploy intelligent technologies as the main elements of project development in the future.”



GREEN BUILDING DESIGN

“The Group’s buildings typically feature an efficient layout with a minimum extent of envelope to reduce heat gain and lower power consumption for cooling. The compact building design minimises the building mass to improve local climate. A combination of vertical green systems with shrubs and climbers is largely adopted by the Group’s projects at pedestrian level to cover hard wall surfaces. The use of solar panel shelter, electric vehicle charging facilities and LED lights are also commonly embodied in our designs”, Davy said.

“Grand Jeté is a project along Castle Peak Road, Tai Lam, with 4 residential towers of 800 units. The compact building form not only allows for wider separation between buildings and adjacent roads, but also minimises the disturbance to the existing natural slopes and maximises the greenery coverage. In the residential development project at Yau Tong Inland Lot No. 45, we introduced the “urban window” design concept to residential towers. A 15-metre wide and 13-metre high opening is created between residential towers at street level to promote cross ventilation and capture natural lighting from public street and residential internal landscaped deck”, Grace elaborated.



Grand Jeté: The development is situated at the Tai Lam section of Castle Peak Road

The Hok Yuen Street project, which is currently under construction, also incorporates many green features. Insulated glass unit and sun shading features in the curtain wall system of the building facade provide better thermal and sunlight control, and help to save energy and improve the thermal comfort of occupants. Furthermore, in the garden area, smart seating that is equipped with a charging dock for mobile devices generates power from solar energy so that occupants can relax and recharge in the shade. An automatic irrigation system is installed for saving water, and a rainwater harvesting system is installed for collecting rainwater at the rooftop for irrigation use. Hybrid lamps for lighting uses solar and wind energy to generate power. The project also features a smart access control system which uses near field communication, mobile application, and a QR code to control access to the building. A touchless smart carpark system allows tenants to book parking spaces and pay parking fees for their guests via the mobile application. Charging facilities for electric vehicles (“EVs”) are installed to promote the use of EVs. Grace added, “The Group is considering a gradual replacement of the fuel vehicles in its fleet with EVs to promote the application of green intelligence technology.”





SMART MANAGEMENT

“Smart management installations promote predictive maintenance and improve efficiency”

“The Hok Yuen Street project is a digitally-connected smart office development that combines optimised building and operational automation with intelligent space management to enhance user experience, increase productivity, reduce costs, and mitigate cybersecurity risks”, Grace continued. In addition to the green features already mentioned, the project also has a range of smart management installations that promote predictive maintenance and improve efficiency, which reduces replacement costs and minimises manpower requirements. Major smart installations at the project include: security devices such as occupancy sensors, video analytics systems, and real time and automatic alert systems; 3D-model digital twin systems integrated with basic individual system and real time alert connected with IoT devices for facilities operation; indoor air quality sensors; water leakage sensors; and occupancy sensors for smart energy control. The project has an eco-friendly and energy saving carpark ventilation system which uses sensors to control the air quality in carpark floors, and a lift car ventilation system that will be automatically shut off when idle to save energy. Service-on-demand escalators are operated under automatic speed reduction mode when traffic demand is low.



AWARDS RECEIVED

As a responsible global citizen, the Group adheres to high standards and is determined to deliver results, quality and value. Notably, in its property development business, the Group strives to attain sustainable green building standards and the BEAM Plus indicators and accreditation for its projects and buildings.

“We understand very well that we need to work hand in hand with our contractors to achieve timely completion of construction projects of high quality. We are in constant dialogue with our contractors regarding our green vision, our building concepts and the BEAM Plus indicators to promote sustainability in the construction phase and in their daily operation”, Davy said.

Grace added, “Recently, the Group’s development projects SEA TO SKY and Seaside Sonata both received the BEAM Plus Final Gold Rating. Taking Seaside Sonata as an example, the Group has increased the minimum building separation from 3 metres to 19 metres to enhance air ventilation and visual permeability at the coastal area. The innovative tower form is meticulously designed to maximise the number of sea view units for the enjoyment of the residents, and to achieve narrower building frontages to reduce the wall effect when viewed from the waterfront promenade.”



Design philosophy of Perfect Ten

AWARDS RECEIVED

“The Perfect Ten project blends luxury and nature”

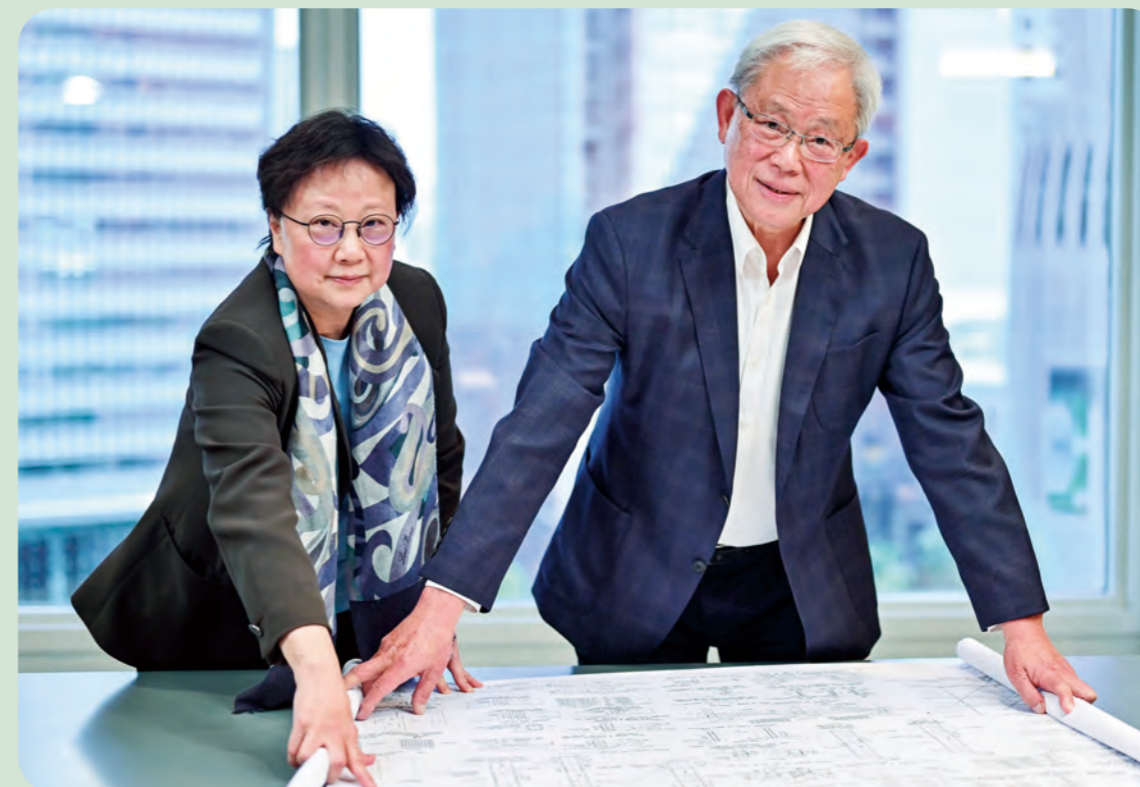
The Perfect Ten project, a Singapore-based property developed by the Group, is a perfect blend of luxury and nature. The project is situated at a vantage location that is bestowed with an unobstructed view of the Bukit Timah Nature Reserve and the city. A pair of twin towers is arranged in a chevron formation that maximises the sweeping view for the units. Physical boundaries between the buildings and neighbours are concealed with greenery permeating throughout the development. Green walls, planters and water features surround the lushly landscaped deck and create a multi-sensory experience akin to walking through a green valley. Davy said, “By virtue of its grandeur design and sustainability elements, the Perfect Ten project was awarded ‘Best Luxury Condo Development’, Best Luxury Condo Interior Design’ and ‘Best Luxury Condo Architectural Design’ at the PropertyGuru Asia Property Awards 2022”.



“Best Luxury Condo Development”, “Best Luxury Condo Interior Design” and “Best Luxury Condo Architectural Design” Awards

OUTLOOK

Davy concluded by noting that, “The Group will continue to promote green building and endeavour to meet social and community needs through design. With each concrete action, the Group strides toward a green and sustainable future.”



GHG EMISSIONS AND WASTE REDUCTION

GHG Emissions Management

The Group strives to develop its business without sacrificing the environment and is committed to improving environmental protection and conservation together with its business partners and customers. The Group has established the Environmental Policy and the Corporate Social Responsibility Policy to demonstrate its environmental commitments and approaches.

The Environmental Policy provides guidance on the reduction and mitigation of the direct and indirect environmental impact arising from the Group's day-to-day operations, and covers topics ranging from climate change management, energy reduction, to waste management. The Corporate Social Responsibility Policy outlines the social responsibility of the Group towards the environment, including its commitment to comply with relevant laws and regulations regarding greenhouse gas emissions, discharges into water and land, and waste generation, to monitor and manage the use of resources, and to minimise its impact on the environment and natural resources.

In response to the Group's environmental commitment, the Company plans to replace its fuel vehicles with electric vehicles gradually, and the subsidiaries of the Group have been trying to increase the use of renewable energy where practicable. Solar panels installed in selected residential, commercial or industrial properties managed by the Group ("Managed Properties") can produce over 400,000 kWh of electricity annually and reduce around 240,000 kg of CO₂ emissions. Our hotel businesses have been conducting feasibility studies for solar panel installation. As part of its commitment to its near term Science-Based Target, Greene King has committed to procure 80% renewable electricity (scope 2) by 2025 and 100% by 2030.

The Group has adopted innovative technologies across its businesses to support its low-carbon transition whenever possible. The Group recognises that the low-carbon transition would gradually require extensive changes in its operations, and will consider providing necessary up-skilling and re-skilling programmes to support its people in achieving a just transition.

Other initiatives implemented by the Group to manage and reduce emissions at its operations during the Reporting Period include:



Construction-related

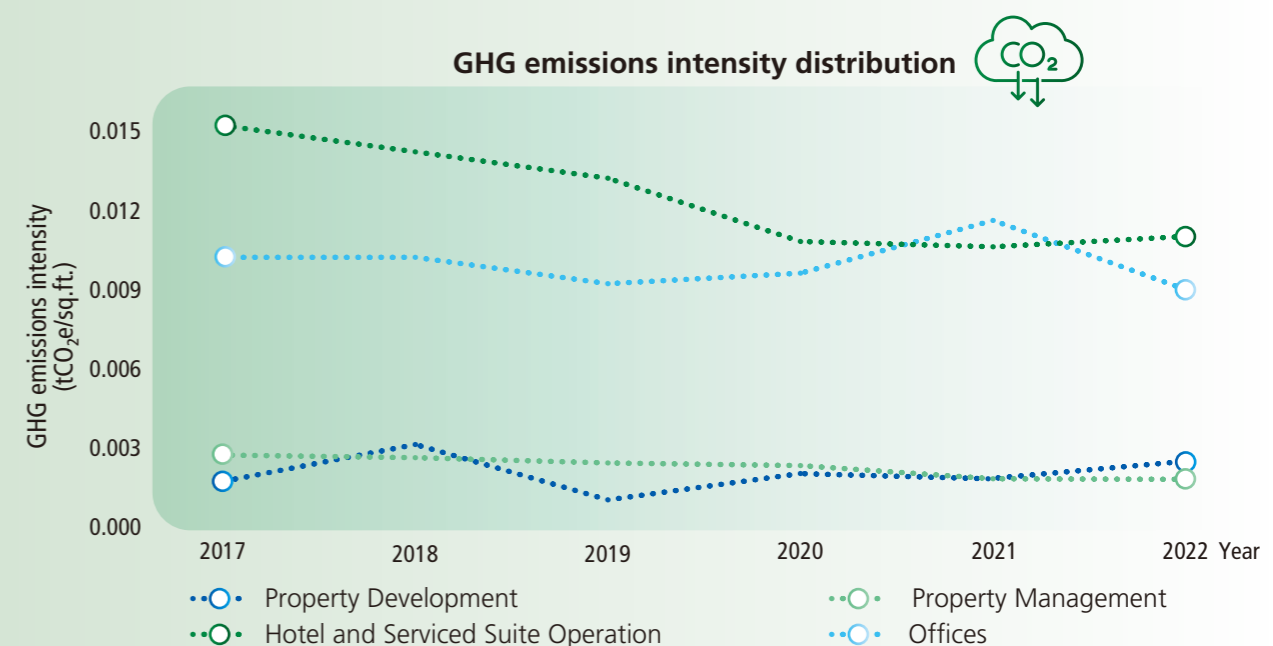
- Engaging consultant to provide oversight on sustainability and environmental issues to ensure sustainability and environmental targets are achieved in accordance with our planning permission requirements and local legislation;
- Requiring construction contractors to prepare monthly environmental monitoring reports on emissions performance;
- Promoting environmental awareness to contractors;
- 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 raise awareness of noise and air pollution, sewage and waste production.



Non-construction-related

- Selecting environmentally-friendly refrigerants for air-conditioners and chillers in pub operations, Managed Properties and hotel and serviced suite operation;
- Setting up the Technical Management Committee for monitoring energy and waste consumption, and establishing an energy-saving policy;
- Conducting carbon audits annually in certain Managed Properties to monitor and manage overall GHG emissions;
- Extending the installation of charging facilities for electric vehicles to construction sites, Managed Properties and pub carparks;
- Encouraging employees to use electronic communication channels, such as online meetings, to reduce carbon footprint from travelling for in-person meetings; and
- Adopting companywide online sustainability training and bi-weekly ESG newsletter.

In 2022, the Group's total GHG emissions were approximately 546,476 tonnes of carbon dioxide equivalent ("tCO₂e") (2021: 496,663 tCO₂e), increased by 10% compared to 2021. The increase in GHG emissions is driven by the global recovery from the pandemic, resulting in higher levels of activity across the Group's business units and departments.



Note: As the GHG emissions intensity of the pub operation is calculated on the basis of per 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.

During the Reporting Period, regarding environmental management, the Group received the following awards and certifications:

ISO 14001

Citybase Property Management Limited (“Citybase”), Goodwell Property Management Limited (“Goodwell”), Hutchison Property Management Company Limited and Greene King have been accredited with the ISO 14001 Environmental Management Systems Certification



Certificate of Merit

50 Managed Properties under Citybase received the Certificate of Merit from the Smart Energy Award Programme to recognise its effort in improving energy efficiency and significantly reducing operating expenses



Energywi\$e Certificates

19 Managed Properties of Citybase and Goodwell received the Energywi\$e Certificates from the Business Environmental Council in recognition of their efforts in saving energy



Europe's Climate Leaders 2022

Greene King has been named as one of the Europe's Climate Leaders 2022 by The Financial Times and Statista in recognition of the great reduction in Scope 1 and 2 GHG emissions intensity over a five-year period – 2015–2020



BOCHK Corporate Environmental Leadership Awards

78 Managed Properties under Citybase and Goodwell received the “BOCHK Corporate Environmental Leadership Awards” from the Federation of Hong Kong Industries and Bank of China (Hong Kong) Limited



Wood Recycling & Tree Conservation Scheme Certificate

15 Managed Properties of Goodwell received the Wood Recycling & Tree Conservation Scheme Certificate from the Hong Kong Environmental Protection Association in recognition of its carbon reduction efforts



Certification by The Hong Kong Green Organisation Certification

10 Managed Properties of Goodwell, Whampoa Garden Management Limited, Hutchison Property Management Company Limited, Cayley Property Management Limited, and Whampoa Property Management Limited received the certification by The Hong Kong Green Organisation Certification in recognition of their excellent green management efforts and commitments to the environment



Waste Management

The Group recognises the impact of waste disposal from its business activities and endeavours to improve its hazardous and non-hazardous waste management performance. As set out in the Environmental Policy, the Group strives to facilitate ways to encourage reuse and recycling in daily operations, explores the use of sustainable materials and adoption of technologies to minimise waste generation, and takes necessary precautions to ensure the handling or disposal of any hazardous materials in operations are in compliance with all related regulations.

Apart from policies and initiatives, members of the Group regularly organise various environmental awareness campaigns at its Managed Properties or hotels to promote waste prevention and reduction. Below are some of the notable waste management initiatives by Citybase, one of the Group's property management companies, and Greene King to illustrate our commitment to minimising waste.



OUR ESG STORY — Utilisation of Technology to Minimise Waste



Adoption of Smart Bins Technology to Recycle Food Waste for Agricultural Use



Fortune Metropolis, one of Citybase's managed shopping malls, encourages tenants to participate in its food waste recycling programme to reduce organic waste in landfills and raise awareness about the need for and benefits of recycling. The collected food waste from the participants will be converted into organic fertilisers and eco-enzymes for cleaning the mall and planting trees in the surrounding area.

In 2022, to expand the food recycling scope, certain Managed Properties under Citybase have applied to participate in the Recycling Fund Project, funded by the Environmental Protection Department (“EPD”), to adopt smart bin technology at residential buildings in order to collect food waste for recycling. In particular, Laguna City has already received the approval and tendering from recycle operators.



Application of Electronic Incident Report (“eIR”) APP

During the Reporting Period, Citybase has set up an eIR APP to enhance the incident reporting system, which, on the one hand, increases the efficiency of incident reporting and, on the other hand, reduces the paper used for reporting.

To ensure a smooth transition, training was conducted to equip our staff, including the front-line staff, staff of officer grade or above and managerial grade staff.

Trial runs have been conducted since September 2022 for a total of 61 sites and we have seen positive outcomes from its application. It is expected that the APP would help us achieve our target in waste reduction.





OUR ESG STORY — Working TOGETHER for Waste Reduction



Supporting CITYWIDE Waste reduction and recycling initiatives

Citybase has participated in the community recycling network developed by the EPD to promote waste reduction and recycling and to instil a green living culture in the community. Recycling booths were set up throughout our Managed Properties to facilitate this. The management staff encourage tenants to practice source separation of waste and clean recycling.

Further, in anticipation of the Municipal Solid Waste Charging Scheme in 2023, Citybase has established a preparatory plan to facilitate the implementation of the initiative, which includes identifying suitable charging modes for its Managed Properties, discussing the adoption of the scheme with cleaning service contractors in their services and advertising the scheme to its tenants.



Kingswood Villas' tenants queue to recycle their waste in recycling stations



EMPLOYEES' ENGAGEMENT: Paper Saving Campaign

Citybase has launched a campaign to encourage support for reducing the use of paper. Every employee has been given a hand towel as a replacement for tissues as a reminder to reduce paper waste in daily life. The campaign also sets out a target to reduce paper consumption by at least 3% in 2022, compared to the base year of 2019, for Managed Properties' reference. Kingswood Villas (Kenswood Court & Maywood Court) has pledged to achieve this target and is committed to reducing its carbon footprint.



Citybase's employees show support for the paper reduction campaign



Greene King creates circular solution with Tub2Pub recycling scheme

Greene King is committed to reducing its impact on the environment and helping its customers do so too. In 2022, it rolled out its recycling scheme, Tub2Pub, following a trial conducted in 2021, to all Greene King pubs.



Tub2Pub

The scheme involves recycling of customers' empty plastic sweets and biscuit tubs after the holiday period. Over 1,600 Greene King pubs act as drop off points for people to leave their empty plastic confectionery and biscuit containers. These containers cannot be easily recycled in council kerbside collections. To prevent such containers from being sent to landfills, Greene King launched the scheme in partnership with recycling specialist, co-cre8, and, in 2022, accumulated 24,000 tubs, saving over three tonnes of plastic from landfills.

Co-cre8 specialises in recycling hard polypropylene plastic which the tubs are made of. Money raised from the sale of the resulting granulated plastic was donated to Greene King's charity partner, Macmillan Cancer Support.

The following additional waste management initiatives have been introduced to support the Group's environmental commitment:

Hazardous waste

- Requiring all hazardous waste to be fully sealed and properly labelled before being collected by a qualified hazardous waste collector;
- Segregating storage area for hazardous waste;
- Establishing standard procedures for hazardous waste management; and
- Requiring contractors for property development projects to establish hazardous waste management procedures and ensure that all hazardous materials are handled properly in a lawful manner and in accordance with contractual requirements.



Non-hazardous waste

- Requiring contractors for property development projects to submit a waste management plan for monitoring waste management procedures and their implementation;
- Sorting and segregating domestic waste into recyclable and non-recyclable bins prior to collection by local authorities or contractors;
- Providing different containers/recycling bins to collect and separate recyclables such as paper, aluminium cans, plastic bottles, recyclable batteries and food waste at different offices, construction sites, hotels of the Harbour Plaza Hotel Management Group, certain Managed Properties and pubs;
- Minimising waste production within the property development business through different actions, including the adoption of strict procurement management to minimise over-ordering of materials; use of prefabricated or precast units; reusing and recycling construction materials such as timber, rubble, steel and other metals;
- Repairing, reusing or donating old fixtures, furniture and computer equipment to sister hotels or charity organisations;
- Monitoring and reporting waste through the managed estate in the pub operation for refuse league tables to benchmark and create competition for positive performance, both in increasing recycling rates and reducing general waste;
- Launching environmental awareness programmes on waste separation and reduction at certain Managed Properties and hotel and serviced suite operation;
- Encouraging employees to utilise e-workflow, FormalDoc and e-mail for communication and administrative work at offices, property management and hotel and serviced suite operation; and
- 13 Wastewi\$e Certificates were awarded to certain properties in recognition of their efforts in reducing waste generation.

In 2022, the Group’s total generated hazardous waste and non-hazardous waste was approximately 71.3 tonnes (2021: 84.8 tonnes) and 120,170.1 tonnes (2021: 79,688.2 tonnes) respectively. Whilst property development projects led to an increase in hazardous waste due to increased construction, the decrease in hazardous waste generation by pub operation, resulting from last year’s extensive drain and interceptor cleaning and the removal of out-of-date chemicals, more than offset the increase. As a result, overall hazardous waste generation decreased despite the increase in hazardous waste from property development projects. In contrast, non-hazardous waste increased due to higher levels of business activity following the global recovery from the pandemic.

Reducing the Use of Packaging Materials



Although packaging materials are not considered the main source of waste for its businesses, the Group takes packaging waste reduction seriously. The hotel and serviced suite operation and the pub operation of the Group have taken initiatives to reduce and replace packaging materials whenever possible in order to minimise their associated environmental impact.

Pub operation in the UK continuously review and report the use of packaging materials in their operation. Since 2020, the pub operation has achieved the Carbon Trust’s Zero Waste to Landfill Standard, diverting all waste produced from landfill. A closed-loop recycling system is adopted to collect, recycle and reuse materials used for packaging, such as takeaway utensils, glass bottles, and aluminium cans. Further, biodegradable materials are also considered as part of the sustainable closed-loop solution whenever practical, such as replacing plastic straws with biodegradable polylactic acid straws.

The Group’s hotel operation also strives to reduce its packaging waste by adopting the initiatives shown below to lower corresponding environmental pollution:

- Reducing the use of disposable items and excessive packaging, such as providing shopping bags only upon request, providing bathroom liquid amenities in large pump bottles instead of small plastic ones, and providing non-liquid bathroom amenities without box packaging;
- Using compostable or biodegradable materials in the production of takeaway food containers, bathroom amenities packaging, laundry and garbage bags; and
- Using paper bags made from Forest Stewardship Council (“FSC”)-certified paper.

In 2022, the total packaging materials used by hotel and serviced suite operation and the pub operation were approximately 14,129 tonnes (2021: 10,918 tonnes). The increase in the use of packaging materials was mainly attributed to the pub operation in the UK. The lifting of restrictions in 2022 resulted in a rebound of consumption to the pre-COVID level.

RESOURCE MANAGEMENT

Resource management is an integral part of GHG emissions management and an essential practice in sustaining and developing the Group’s businesses with optimal resources. The Group continuously tracks and monitors the use of resources and strives to achieve sustainable business growth with the least natural resources and environmental impact.



Energy Efficiency

The Group is committed to tracking and monitoring energy consumption in daily operations and is determined to increase the adoption of innovative and energy-efficient technology, in order to increase energy efficiency and reduce energy consumption. In addition, to build and cultivate awareness along the value chain, the Employee Code of Conduct and Supplier Code of Conduct also reiterate the importance of efficient resource consumption.

The Group has implemented the initiatives below to reduce electricity consumption, which accounts for the most consumed energy of the Group:

- Implementing a Building Management System for automatic control of building facilities, including air conditioners and lighting units, to reduce excessive or unnecessary use of energy in the selected hotel and serviced suite operation and Managed Properties;
- Reviewing, monitoring and performing monthly analysis of electricity consumption in the pub operation, hotel and serviced suite operation, Managed Properties and selected offices;

- Utilising energy-efficient office equipment and appliances, such as using LED lighting instead of fluorescent lamps, and equipping escalators with motion sensors to lower motor speeds when idle in selected Managed Properties and hotels and serviced operation;
- Adopting solar panels and energy-saving lighting in selected Managed Properties;
- Operating service lifts for goods delivery only when necessary, and suspending a portion of guest lifts at midnight in selected hotel and serviced suite operation;
- Carrying out routine spot checks on lighting and equipment use after office hours in the pub operation, Managed Properties and selected offices;
- Placing energy-saving labels and notices, and issuing circulars in selected offices, Managed Properties and hotel and serviced suite operation to encourage energy saving among employees and tenants;
- Providing training to employees on energy-saving practices in the pub operation and selected Managed Properties; and
- Organising activities, such as the Computer Recycling Programme, to promote environmental awareness of tenants in selected Managed Properties.



Energy-Saving Missions programme

OUR ESG STORY — Energy-conservation campaign

Citybase has taken part in the CLP Energy-Saving Mission programme organised by CLP Power Hong Kong Limited to raise the awareness of its tenants with respect to energy-saving.

38 Managed Properties under Citybase were invited to participate in two events under the programme held in July, which provide incentives for its tenants with smart meters to adjust their consumption behaviour and reduce energy use during peak demand periods on hot summer days.



The Pacifica's residents queue to redeem prizes in the energy-saving promotion booth



Earth Hour 2022

In 2022, Managed Properties and hotel and serviced suite operation participated in the Earth Hour 2022 organised by the World Wildlife Fund ("WWF") by switching off non-essential lights for an hour as a gesture of solidarity with the objective of supporting and caring for our planet's future. Our Managed Properties also invited our tenants to take part in this meaningful event by switching off the non-essential lights at their premises for an hour so as to make a joint effort for energy reduction.

Through the event, the participants wish to encourage and remind the public to take action on environmental issues in daily life and protect the planet.



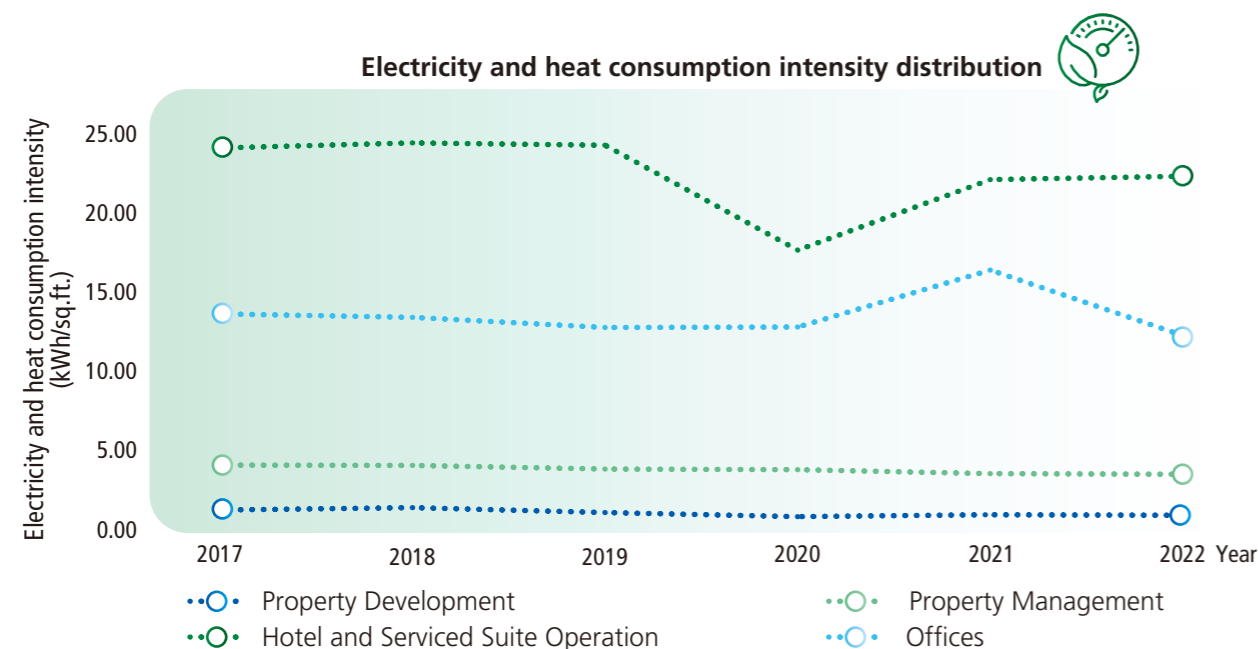
Participating properties switch off non-essential lights during the campaign

Certain subsidiaries of the Group have signed the following charters to signify their support for energy reduction:

- **Charter on External Lighting** by the Environment and Ecology Bureau
- **Earth Hour 2022** by WWF
- **Energy Saving Charter 2022** by the Environment and Ecology Bureau
- **4Ts (target, timeline, transparency, together) Charter 2022** by the Environment and Ecology Bureau
- **Tree Conservation Scheme 2022** by Hong Kong Environmental Protection Association
- **Natural Christmas Trees Recycling Programme 2021–2022** by Environmental Protection Department
- **Peach Blossom Trees Recycling Programme 2022** by Environmental Protection Department



The total electricity and heat consumption of the Group in 2022 was approximately 978,193,576 kWh (2021: 905,257,359 kWh). The increase in consumption of electricity and heat is attributable to the recovery of the Group's business as COVID-19 restrictions were lifted globally, with the highest increase observed in the Group's pub operation in the UK.



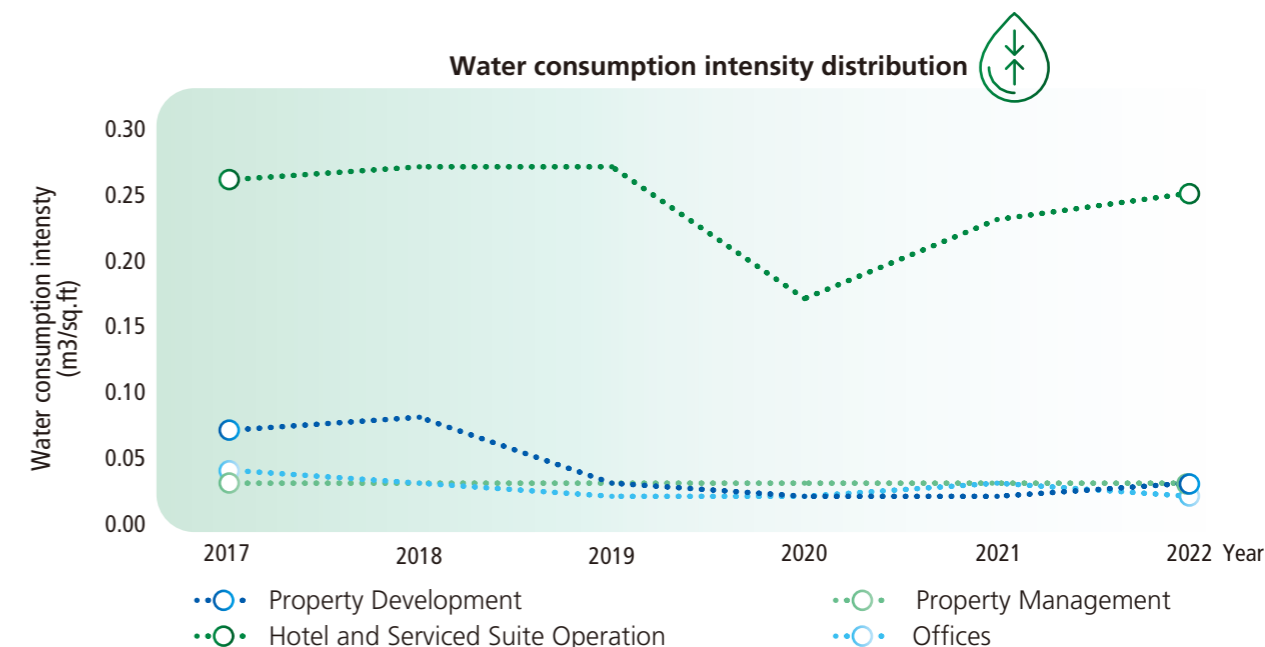
Note: As the electricity and heat consumption intensity of the pub operation is calculated on the basis of per revenue earned, it is not directly comparable to other operations of the Group and therefore is not shown in the above chart. Please see the section, Performance Data Summary, for relevant data.

Water Efficiency

Water saving is one of the critical topics in the Group's resource management strategy. The Group is committed to reducing fresh water consumption and promoting water conservation along its value chain. Sourcing water is not considered to be a material issue to the Group due to its business nature and operating locations.

- Implementing water-saving technology, such as installing water-saving nozzles, taps with automatic sensors, and flow controllers on faucets in hotels and serviced suite operation, selected offices and Managed Properties;
- Installing rainwater collection systems for landscaping or cleaning purposes in pub operations and the selected Managed Properties;
- Using sea water, instead of potable water, in flushing systems in the selected hotel and serviced suite operation and Managed Properties;
- Inspecting pipe leakage on a regular basis in selected offices, hotel and serviced suite operation and Managed Properties;
- Measuring and monitoring water usage through meters installed in the selected Managed Properties and offices; and
- Placing water-saving labels and signs to promote and raise awareness of water conservation in the selected hotel and serviced suite operation and Managed Properties.

In 2022, the Group's total water consumption was approximately 10,341,723 m³ (2021: 9,785,620 m³). Aside from the general recovery of business activities associated with the lifting of the pandemic restrictions, the property development business experienced a particular increase in total water consumption due to enhancements made to dust reduction measures during construction, which involved the increased use of sprinklers.



Note: As the water consumption intensity of the pub operation is calculated on the basis of per 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.

GREEN BUILDINGS

The Group aspires to provide quality buildings to its customers and tenants whilst reducing environmental impact and enhancing the occupants' health and well-being. For this purpose, the Group incorporates green building concepts into new and existing buildings and aims to integrate the latest sustainable measures, innovations, and modern technologies, where feasible.

To make its buildings green, the Group aligns its approach with green building standards, such as BEAM or LEED. In addition, the Group prioritises sustainable design, material and construction approaches for its building projects, as well as adopts and applies relevant practices and standards to help optimise the efficient use of resources and reduce waste production. The Environmental Policy has outlined the Group's approach and commitment to green buildings.

All of the Group's ongoing property development projects in Hong Kong were registered with BEAM Plus New Buildings during the Reporting Period. While our property development projects, "Sea to Sky" and "Seaside Sonata", have achieved final Gold ratings under the BEAM Plus New Buildings (V1.2), our existing buildings, "Laguna Plaza" and "Caribbean Square", attained the Excellent grade in the Management aspect of BEAM Plus Existing Buildings V2.0 Selective Scheme.

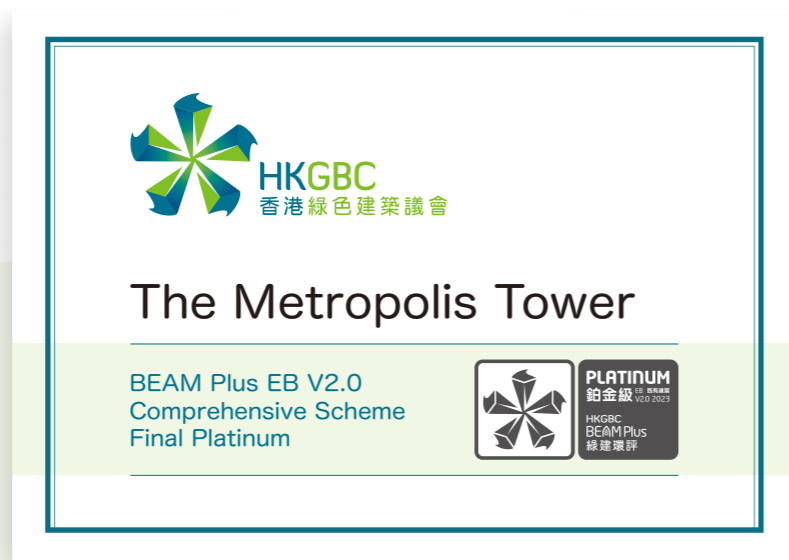
Green Leases

The Group has responded swiftly to the global trend for green leases by incorporating provisions for environmental performance into its leases where appropriate, with a view to complementing its current commercial consideration and creating long-term benefit for the Company, its tenants and the community at large. Examples of such provisions include initiatives on waste disposal and recycling, the provision of information to optimise the use of energy, water and waste on a reasonable endeavour together with advice on reducing the use of electricity, water, heating and air-conditioning.

Below is the list of the buildings that obtained BEAM Plus which were developed by the Group or are managed by it or are currently under development



1. City Point	○	3. Ocean Pride Development	○	
2. Trinity Towers	○	4. My Central	○	
		5. Harbour Glory		○
		6. La Lumière		○
		7. Siu Sau Tsuen Project		Provisional Bronze
		8. Cheung Kong Center II		Provisional Bronze
		9. Seaside Sonata	○	
		10. Sea to Sky	○	
		11. Wong Chuk Hang Station Package 3	Provisional Gold	



BEAM Plus Existing Building Version 2.0 Selective Scheme



	Excellent	Very Good	Good	Satisfactory
12. China Building	○			
13. The Hub	○			
14. The Whampoa	○			
15. The Harbourfront	○			
16. 99 Cheung Fai Road	○			
17. Hutchison Logistics Centre	○			
18. Aberdeen Centre (Commercial)	○			
19. Watson Centre	○			
20. Rambler Plaza (Rambler Crest Commercial)	○			
21. Chun Fai Centre	○			
22. 9 Chong Yip Street	○			
23. Fortune City One	○			
24. Jubilee Square	○			
25. Ma On Shan Plaza	○			
26. Metro Town	○			
27. New Treasure Centre	○			
28. Prosperity Center	○			
29. Prosperity Place	○			
30. Prosperity Millennium Plaza	○			
31. The Metropolis Tower	○			
32. Trendy Centre	○			
33. Fortune Metropolis	○			
34. Laguna Plaza	○			
35. Caribbean Square	○			
36. +Woo			○	
37. Belvedere Square			○	
38. Centre de Laguna			○	
39. Smartland			○	
40. Hampton Loft			○	
41. Lido Avenue			○	
42. Fortune Malls			○	
43. Rhine Avenue			○	
44. Tsing Yi Square			○	
45. Waldorf Avenue			○	



OUR ESG STORY — Bridging Nature with City Life at Perfect Ten



Come Home to Perfect Ten – Come Home to Nature

Perfect Ten is the Company’s luxury condominium development project in Singapore.

The development project features a modern design that combines an urban style with natural elements. It is strategically located between the Bukit Timah Nature Reserve and Orchard Road and incorporates green and sustainable aspects in its design.



A sky-bridge garden connecting the twin towers allows residents to dine and relax in privacy (Artist’s impression)

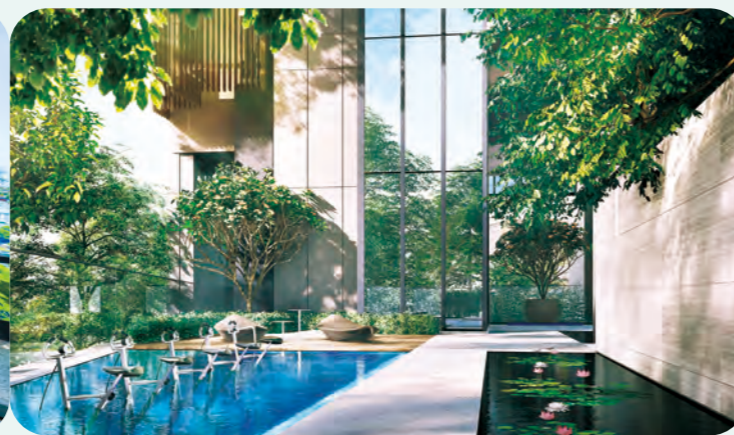


Green spaces in Perfect Ten

The towers are designed with a flowing façade, alluding to a pair of “waterfalls” that cascade down to a landscaped environmental deck. Green walls, planters and water features surround the environmental deck, creating an experience akin to walking through a green “valley”. It also has green walls in common areas for thermal benefits and air pollutant removal.



Perfect Ten’s spectacular views with nature



Perfect Ten is made up of multiple courtyards and roof gardens (Artist’s impression)

Other environmentally-friendly features include:



Energy efficiency

- Low-e/solar reflective glass façade for residential units, reducing the amount of solar heat gain whilst maintaining light transmission levels



Low-e glass façade at Perfect Ten



Smart systems

- Wireless smart home readiness hub facilitating control of home appliances via mobile applications on residents’ smartphones



Perfect Ten received the 2022 PropertyGuru Asia Property Awards

Recognising its exemplary design and unique features, Perfect Ten was awarded at the 2022 PropertyGuru Asia Property Awards:

- Best Luxury Condo Development
- Best Luxury Condo Interior Design
- Best Luxury Condo Architectural Design



Cheung Kong Center II: The Epitome of Workplace Wellness, Sustainability and Innovation

Cheung Kong Center II located at the heart of Central (Artist's Impression)

CKC II is an office complex located in Hong Kong's Central Business District, in close proximity to Victoria Harbour. The design of CKC II incorporates advanced technologies with green and sustainable features to enhance the overall experience for its occupants.

Energy efficiency



- Building façade with high-performance coating to minimise UV penetration to reduce solar heat gain into the interior
- 2.7-metre extra wide glass modules to maximise the transmission of natural light into the office space
- Energy-efficient LED lighting and advanced air handling systems to reduce energy consumption and maximise comfort

Green spaces



- Landscaped greenery covering 20% of the site area to alleviate urban heat island effects and enhance natural ventilation

Indoor air quality



- Air purification system with bipolar ionisation technology (plasma air) and a High-Efficiency Filter system compliant with the EN779 standard to eliminate airborne viruses, bacteria, and pollutants effectively
- Constant air purification provides 30% higher circulation of fresh air than international standards

Smart systems



- Contactless experience through the adoption of touchless features (e.g., automatic doors and sensor buttons)
- IoT applied to lighting panels and air-conditioning fans, enabling remote control via mobile applications
- Personalisation of temperature control with the use of centralised air conditioning system paired with direct digital control
- Strict upkeep of lavatory hygiene through sensor-based sanitary fitments and automatic UV sterilisation system

Resource conservation



- Water conservation system for 30% annual water saving
- Reuse and recycling of 30% of construction waste

Driving environmental action



- Zero use of ozone-depleting refrigerants
- EV charging points in designated parking lots to encourage the adoption of EVs

MANAGING OTHER ENVIRONMENTAL IMPACTS

The Group recognises the importance of protecting the environment together with its value chain, and thus it engages with its value chain on various topics relating to climate change and environmental issues, with the aim of raising awareness and encouraging stakeholders to start or continue protecting the environment through various means.



OUR ESG STORY — Bringing biodiversity into the heart of London

 In April 2022, Greene King set SBTi-approved near-term emissions reduction targets and announced a net zero target year of 2040. Alongside its roadmap to reach this goal, Greene King established a biodiversity workstream within its Environmental, Social and Governance structure. During the year, the first forty-five biodiversity pub garden projects were completed across the estate.

One was at the historic Anchor pub on the banks of the river Thames in the heart of the City of London. Greene King installed a sedum roof, visible to commuters on nearby Southwark Bridge, and terrace planters filled with spring bulbs and plants, such as lavender, rosemary, hydrangeas as well as plum and cherry trees.

Bird boxes and insect hotels were also installed, alongside a living wall, to encourage bee corridors across the skyline of London.



Living wall at Anchor Bankside



OUR ESG STORY — Promoting biodiversity conservation and environmental protection through experiential learning



Environmental protection plays a key role in sustainable development. To nurture the next generation and develop its understanding of environmental protection, the Group's property management company, Goodwell partnered with Ocean Park to organise the "Kid's Go with Goodwell 2022 – Grand Exploration X Ocean Park" event in December 2022. With 300 residents from properties managed by Goodwell, children and their parents learned about nature through interactive games and experiential learning methods.

Customised checkpoints were arranged throughout Ocean Park to provide families with fun-filled and unique experiences on their journey of discovering nature. At each checkpoint, participants were led to an exclusive viewing area where they could get up close with various animals, such as meerkats, pandas and marine animals. With their enthusiasm, participants were able to enhance their understanding of the importance of biodiversity conservation and environmental protection through this unique and rewarding hands-on learning experience.



Goodwell partnered with Ocean Park to organise the "Kid's Go with Goodwell 2022 – Grand Exploration X Ocean Park" event



OUR ESG STORY — Improving living environment for residents

Landscaping in Managed Properties

Our property management companies continue to strive to provide a comfortable environment for their residents and to promote the importance of greening to the public by incorporating more green elements into the planning and management of horticultural activities.

In 2022, our Managed Properties, Laguna City and DeerHill Bay and Cheung Kong Center, received the Best Landscape Award for Private Property Development 2022 from the Leisure and Cultural Services Department as recognition for excellent landscape design and horticultural maintenance.



Award-winning landscaping – Laguna City



Award-winning landscaping – Cheung Kong Center

In addition to external recognition, Citybase continues to host the internal Best Landscape Award to recognise its Managed Properties for designing and maintaining outstanding landscapes and to encourage them to infuse an environmentally-friendly perspective when planning a landscape design.

In addition to the aforementioned environmental impact, the Group is aware of and determined to minimise potential environmental impacts from its daily business operations, construction projects and renovation activities.

The Group has implemented initiatives to manage the external lighting of buildings operated by the Group, which align with the Environment and Ecology Bureau’s Charter on External Lighting. Measures include implementing summer and winter control modes for external lighting, turning off external lights at midnight, and using only lighting designs which comply with local statutory requirements.

Other than complying with applicable laws and regulations and conducting environmental impact assessment prior to construction projects, the Group has also taken preventive and corrective measures to minimise the impact of construction pollution on the environment and public, including:

- Installing water spray and wheel washing facilities at the entrances to minimise airborne dust;
- Covering stockpiles with anti-dust nets during early construction periods;
- Requiring the development of a construction noise permit management plan;
- Using noise barriers to reduce construction noise; and
- Providing noise management training to contractors’ staff.

The Group also strives to minimise the disturbance from renovation works carried out in the offices, pubs operation, hotel and serviced suite operation and Managed Properties. Guidelines are established for contractors when carrying out renovation work. Materials used are monitored and approved by the businesses and the use of eco-friendly materials is preferred. Renovation work is avoided during office hours and is planned and arranged to minimise disturbance to hotel guests, tenants or employees. Further, additional measures, such as installing physical dust barriers, ventilation fans and wooden partitions, are in place, where appropriate, to prevent dust from spreading in renovation work. During the Reporting Period, the managed areas in Cheung Kong Center and The Harbourfront continued to receive “Excellent Class” in the Indoor Air Quality Certification organised by the Hong Kong Environmental Protection Department – Indoor Quality Information Centre.

Regulatory Compliance

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





EMPLOYEES AND THE COMMUNITY

Below are the SDGs and the relevant material ESG topics in this chapter:



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

Material ESG Topics:

Employee remuneration and benefits

Occupational health and safety

Fair recruitment and dismissal processes

Equality, diversity and inclusion

Employee well-being

Employee training and development

Child and forced labour prevention

WE VALUE OUR PEOPLE ESG IS ENTRENCHED IN OUR CULTURE



Mr. Ng Po Lung
Senior Manager of
Administration Department

Ms. Pau Yee Wan, Ezra
Executive Director and
Executive Committee Member

Mr. Tsang Chi Lun, Alan
Senior Manager of
Human Resources Department

Mr. Yip Kim Wing, Kim
Senior Manager of
Human Resources Department

WE STAND TOGETHER IN COVID-19 PANDEMIC

The pandemic had impacted the world on an unprecedented scale. The Group took the opportunity to embrace the ensuing challenges and disruption to operation, and accelerate its environmental, social and governance initiatives amid the pandemic. The management took prompt, proactive and decisive actions in response to the changing uncertainties brought by the outbreak of COVID-19. As Executive Director and the head of the Administration Department and the Human Resources Department of the Group, Ezra led colleagues across departments in the battle against the impact of the pandemic.

SAFEGUARDING THE HEALTH AND WELL-BEING OF OUR PEOPLE



“The COVID-19 pandemic highlighted the interconnectedness and fragility of humankind, calling for immediate attention. During the pandemic, our top priority was to step up our efforts to safeguard the health and well-being of our colleagues. Even as the pandemic recedes, we continue to promote their all-round health and wellness, as they are the Group’s valuable assets”, Ezra said.

Ezra was impressed by the Group’s solidarity during the pandemic. The close cooperation of different teams and business units manifested the core value of collaboration and collegiality embraced by the Group. As early as February 2020, the Group began to implement anti-pandemic measures in alignment with the community to protect the health of our people. Ezra recalled, “At the beginning of the outbreak, there was a rising global demand for anti-pandemic supplies but transportation restrictions interrupted and delayed the supply chain. The Chairman considered it imperative to provide necessary supplies to our colleagues. We leveraged upon the global network of the Group to reach out to reliable suppliers and were grateful we sourced sufficient amount of face masks and hand sanitisers for our colleagues, just in time and before the severe wave in March and April 2020. Caring for our people is part of our corporate social responsibility.”

The pandemic has affected our social life in the past few years. Ezra said, “It was unfortunate that the Group had to cancel its annual dinner for three consecutive years due to the social distancing measures introduced by the government. It was an important annual social event for everyone in the CK Group to meet and mingle and celebrate our accomplishments during the year. The Group therefore offered coupons of double-up value of group companies to our colleagues as a token of appreciation for their dedication and perseverance in the past few years.”

A CONCERTED FIGHT AGAINST COVID-19 PANDEMIC



As a responsible corporate citizen, the Group cares for the community and its people. As waves of COVID-19 unfolded, the Group closely monitored the pandemic situation and continued to improve the effectiveness of its anti-pandemic strategies in line with the regulations and recommendations issued by the government from time to time.

Po Lung said, “The pandemic situation in Hong Kong became very dire in early 2022 and the community testing centres reached their daily capacity for conducting nucleic acid tests. In light of this, the government announced that it would accept registration of positive rapid antigen test results, as well as positive nucleic acid test results, which resulted in a sudden increase in demand for rapid antigen test kits. We promptly took actions to source and provide rapid antigen test kits to our colleagues so that they could conduct daily self-testing. We believe it is our corporate social responsibility to facilitate early detection and prevent the spread of COVID-19 in the workplace. We also adopted comprehensive protective measures, including stringent hygiene procedures and regular cleaning and disinfection at the office, installation of purifiers in common areas, installation of transparent protective shields at receptions, and restrictive guest access to office premises in order to minimise gathering. We treated each confirmed case seriously, and arranged for professional disinfection services to ensure the office was thoroughly sanitised without delay.”



Our colleagues coordinated the internal distribution of face masks in the early days of the pandemic

NO ONE SHOULD FACE THE PANDEMIC ALONE

The Group’s Human Resources Department was one of the departments most challenged by the pandemic. Mounting pressure arose from the rising number of colleagues who fell ill with COVID-19 at the peak of the pandemic. The Human Resources Department had to manage staff resources on a daily basis to satisfy operational needs and to ensure the stable operation of the Group, as well as keeping abreast of the frequently updated anti-pandemic measures.

Kim said, “While most of our efforts are focused on physical health, we understand that mental well-being is equally vital. We were in battle with the pandemic for almost three years, and our moods were inevitably affected by the disruptions. It is common for our colleagues who were tested positive to experience anxiety and stress, especially those in self-quarantine, as being sick and confined to four walls was an isolating and lonely experience.”

Kim added, “The challenge for the Human Resources Department is that mental well-being is still a foreign concept to many people. Some may feel ashamed about their struggles and are reluctant to speak about it. With the help of our employee relations officer, we call our colleagues who are tested positive to let them know they and their families are in our thoughts. We also provide them with support and help them on their road to recovery. We also encourage our colleagues to seek professional help through online webinars and mental health resources. Sharing information on how to take care of our emotions could hopefully prevent someone from slipping into a downward spiral.”



WORKPLACE FLEXIBILITY MADE POSSIBLE BY TECHNOLOGY

Alan said, "Our people is a pillar of the Group's success. We put equal emphasis on our people and operational stability amid the pandemic. In addition to complying with anti-pandemic requirements, we set up a flexible workplace with A-B-C split office teams to protect our colleagues. We took the opportunity to transition to the use of laptop computers in collaboration with the Information Technology Department, so that colleagues could work from home in accordance with the work-from-home policy and take care of family members if necessary. The Human Resources Department encouraged colleagues to monitor their body temperature and submit rapid antigen test result on a daily basis to safeguard the health of our colleagues and stakeholders. We also issued COVID-related information to colleagues via electronic means from time to time. Suggestion boxes have been set up to facilitate communication between the Company and its people, with a view to fostering trust, building morale and retaining workforce stability. We will continue to prioritise collaboration and collegiality through our people-oriented approach and all-round employee wellness programme."



Our unsung pandemic heroes who worked around the clock to support the prompt implementation of A-B-C split office teams

LOOKING AHEAD

The acute and unprecedented challenges posed by the pandemic in the past few years have revolutionised people's priorities in the new normality, and renewed the Group's focus on corporate governance and crisis management in operations. The pandemic presented both challenges and opportunities for creativity and accelerated transformation by leveraging the use of technology, and our team is now better equipped to manage contingencies. With the combined efforts of a dedicated management team and employees, the Group will continue to be resilient and demonstrate its commitment to sustainable development by maintaining an overall balance between the stability of its operations and the wellness of its employees and stakeholders.

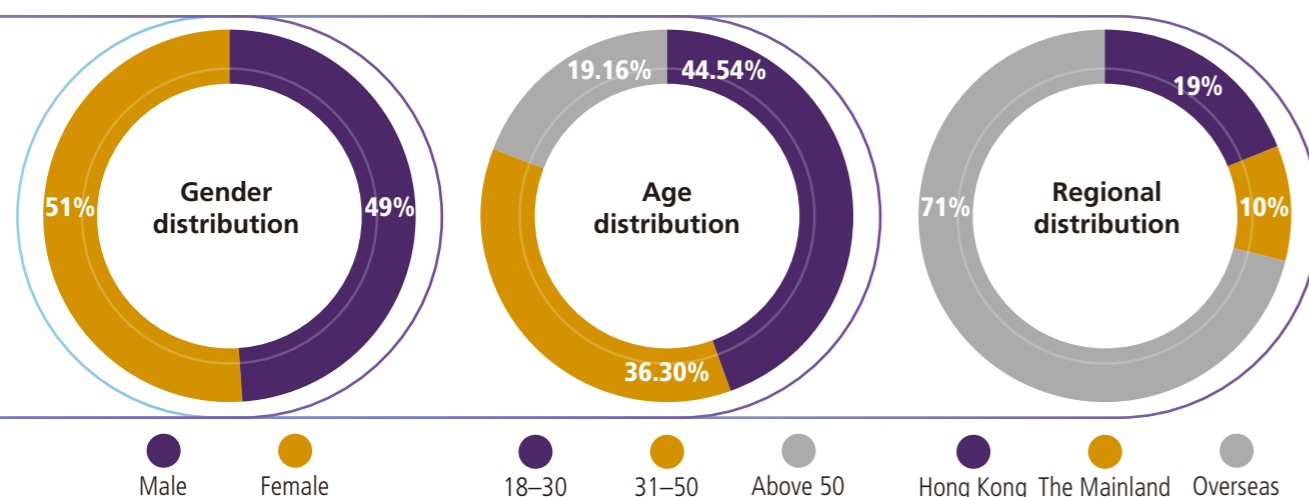


The flexible work arrangement helped to prevent the spread of COVID-19

EMPLOYMENT AND LABOUR PRACTICES

The continuous success of the Group relies on its devoted employees at every level. The values the Group encourages in its employees are: candour, courtesy, integrity, an ability to deal with change and respect for humanity, personal dignity and privacy.

The Employee Code of Conduct is established to support the Group's values by setting standards for its employees and promoting an appropriate course of conduct. The document is available on the intranet and Company's website for every individual's ease of reference.



Equality, Diversity and Inclusion

The Group strives to build a diverse and inclusive culture in the workplace and is committed to providing an environment in which every employee feels respected, valued and heard.

The Human Rights Policy affirms the Group's commitment to providing equal opportunities and zero tolerance of harassment and discrimination, and to maintaining harassment- and discrimination-free workplace, regardless of race, ethnicity, gender, creed, religion, age, disability, sexual preference or status. Any form of discrimination or harassment will not be tolerated and will be subject to serious disciplinary action, including dismissal. The Group encourages individuals to report suspected discrimination and harassment to their supervisors and/or the Human Resources Department for a prompt and thorough investigation.

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 supports and promotes gender diversity. In May 2022, the Group appointed two additional female directors, thus further improving the gender ratio of the Group. The director and employee profile, by gender, are approximately 69% male directors and 31% female directors; and 49% (2021: 49%) male employees and 51% (2021: 51%) female employees.

The employee turnover rate among the Group's full-time employees by gender is approximately 18% (2021: 18%) for male and 17% (2021: 18%) for female, while this rate by age is approximately 35% (2021: 36%) for 18-30, 15% (2021: 15%) for 31-50 and 10% (2021: 9%) for above 50.

Human Rights

In addition to diversity and inclusion, the Human Rights Policy and the Modern Slavery and Human Trafficking Statement extend the Group's commitment to protecting and respecting human rights within the communities in which it operates, and prohibits the use of forced, prison, bonded and child labour, and any form of slavery and human trafficking. The Group is committed to acting ethically and with integrity, and to implementing and enforcing effective procedures and controls to ensure that no aforementioned labour issues, slavery and human trafficking occur in its supply chain. Respective standards are also listed in the Supplier Code of Conduct to guide our business partners and suppliers. Contractors and sub-contractors are also prohibited from engaging in child or forced labour.

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

Talent Attraction and Retention

The Group values talent and strives to attract and retain employees with a comprehensive and competitive benefits package, which includes medical, life and disability insurance, marriage leave and retirement fund schemes for permanent and contract employees. The remuneration is reviewed annually to be in line with the employee's performance and the market.

Furthermore, the Group has also established policies and guidelines, and adheres to local employment laws and regulations, on recruitment, compensation and dismissal, and employee benefits and welfare, such as working hours, rest periods and equal opportunities, to assure and protect the rights of the Group and its employees. A five-working week policy has been adopted in most of its business sectors. Attendance and working hours of employees are also recorded to ensure appropriate reimbursement is made for overtime work. As a responsible employer, the Group practices non-discriminatory employment and procedures. From time to time, the Group reviews its policies and arrangements to improve the working environment whenever applicable. For instance, agile working policies and flexible working arrangements are in place to promote work-life balance in Greene King. To further support female employees, Greene King has revised the maternity policy in 2022 to extend the maternity pay leave to 26 weeks and 13 weeks full pay for full-time and part-time employees on top of the 13 weeks statutory requirement, ahead of the industry performance.

Employee performance and contributions are assessed by a fair, consistent and open procedure on a regular and ongoing basis. The process is designed to align employee performance with business needs, as well as to provide support to our employees in their career development. The performance review is complemented by open feedback channels, such as a one-to-one conversations between employees and managers, and employee surveys, to allow employees at all levels to express opinions and give recommendations. The speak-up culture enables the Group to collect staff comments on their areas of concern, providing precious information for the Group to improve the work environment.




Employer of the Year

In 2022, the Company was named the Employer of the Year by the Hong Kong HR Awards. The awards recognise the best employers in Hong Kong by assessing over 40 large corporates in HK, the result of which was determined by the votes of thousands of employees and the general public. The Company was also awarded the "Grand Award of Mission" to recognise its excellence in multiple aspects, including ESG strategy, diversity and inclusion, branding, and community engagement.



Good MPF Employer Award

In 2022, nine companies under the Company, including CK Asset Holdings Limited, Hui Xian Asset Management Limited, Citybase, Goodwell, Cheung Kong Center Property Management Limited, E-park Parking Management Limited, Horizon Hotels & Suites Limited, e-Smart System Inc., and Resort Clubs Limited, continue to receive the "Good MPF Employer Award" presented by the Mandatory Provident Fund Schemes Authority. The awards recognise compliance with the requirements of the MPF and the effort in providing additional retirement protection for employees.



Sheraton Hong Kong Hotel & Towers received the Good Employer Charter signatory certificate from the Labour Department

OUR ESG STORY — A recognised employer



CKA was awarded "The Employer of the Year", "Grand Award of Mission" by the Hong Kong HR Awards organised by JobsDB



CKA and a number of its subsidiaries received the "Good MPF Employer 5 Years+" Awards



Good Employer Charter

In 2022, Sheraton Hong Kong Hotel & Towers, one of the Hotels under the Group, has continued to be a signatory to the Good Employer Charter and has pledged to adopt employee-oriented and improve human resource management practices and to create a family-friendly workplace by supporting employees to fulfil their work and family needs simultaneously.



Greene King received the Supportive Employers Award from the Better Society Awards 2022



Supportive Employers Award 2022

Greene King has received the Supportive Employers Award, which recognises its effort in taking concerted and effective steps to ensure that its workplace, employment practices and recruitment policies are fair and equal. In particular, Greene King has demonstrated its inclusiveness through its gender ratios, board composition and supportive initiatives inside and outside of the workplace.




Partner Employer Award

Goodwell, one of the property management companies under the Group, was awarded the Partner Employer Award by the Hong Kong General Chamber of Small and Medium Businesses to recognise its effort in promoting an inclusive and harmonious community and corporate social responsibilities by actively offering internships to students and employment opportunities to the disabled, ethnic minorities, rehabilitated persons, re-trained persons and retirees.

Goodwell received the Partner Employer Award from the Hong Kong General Chamber of Small and Medium Businesses

OUR ESG STORY — Hiring the disadvantaged groups



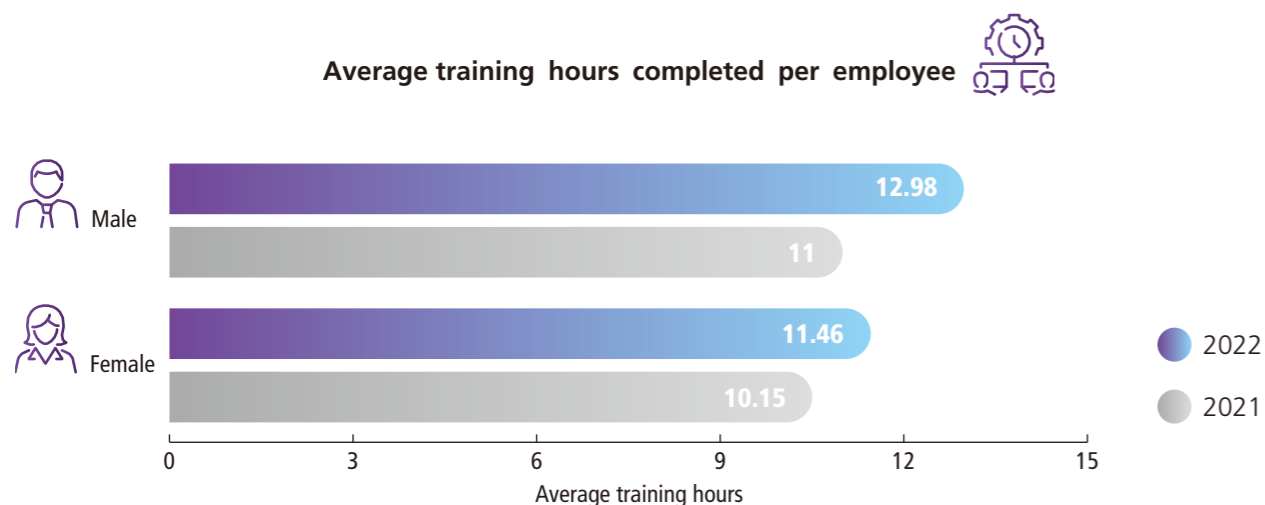
During the Reporting Period, members of the Group have organised various internships, placements or apprenticeship programmes covering a wide range of industries, including hotel hospitality, pub operation, and property management, which provide opportunities for students to gain practical and valuable work experience and for the Group to attract talent.

Training and Development

Training equips our employees with the necessary skills to excel at day-to-day work and provide the foundation to advance their careers. The Group supports employees' development through planning and organising training courses and, where they are eligible, providing sponsorship or offering training or examination leave to employees who participate in any external training courses, professional seminars or exams.

During the Reporting Period, diverse training programmes were provided to support employees' business needs and career development, which cover technical training (data protection, engineering, building design, quality control and compliance), soft skills (customer services, leadership, communication and engagement) and well-being (mental health, occupational health and safety). Sponsorships were provided to our employees to obtain qualifications (certifications for vocational education and obtaining diplomas in business-related studies) in improving skillsets and professionalism in their respective areas. Corporate orientation programmes were held to help new joiners to adapt their job and the Group's corporate culture.

The Group keeps exploring the use of e-learning platforms to provide various training programmes online. A group subsidiary, Greene King, has leveraged its internal online portal for learning, which assigns compliance learning to employees based on their role and makes various learning courses available online, including technical skills, leadership and personal and team well-being.



Note: Approximately 67% (2021: 67%) of the Group's male employees and 64% (2021: 71%) of its female employees participated in training organised by the Group in 2022 (excluding employee data of pub operations).

The average training hours completed per employee by gender are 12.98 hours (2021: 11.00 hours) for males and 11.46 hours (2021: 10.15 hours) for females; and by employee category 7.12 hours (2021: 8.35 hours) for managerial grades or above and 12.78 hours (2021: 10.84 hours) for non-managerial grades.

Employee Health and Well-being

The Group cherishes its employees and strives to improve their health and well-being with a wide range of events and activities. The Company and its subsidiaries have organised various activities to support the physical and mental wellness of their employees, including sports activities, leisure classes and health talks to help de-stress and prevent chronic diseases. Furthermore, fruits and nutritional soups as well as refreshments, such as healthy snacks and beverages, are regularly served at the office to provide a welcome break for employees during their working day. Our employees can also enjoy discounted services and healthy products offered by Group entities and affiliates.

In 2022, our property management companies have participated in various charters and schemes, including the Happiness-at-work Promotional Scheme, Mental Health Workplace Charter, and Joyful@Healthy Workplace Charter, to promote the importance of mental well-being at the workplace and demonstrate their commitment to providing their employees with a cheerful and positive environment. Furthermore, Citybase has been awarded the Joyful@Healthy Workplace Best Practices Award by the Hong Kong Occupational Safety and Health Council ("OSHC") to recognise its outstanding achievement in promoting a mentally healthy workplace.



The Joyful@Healthy Workplace Best Practices Award



Snacks and beverages are provided in the pantry for our employees' enjoyment



OUR ESG STORY — Recreational activities and health talks



Leisure classes

In 2022, the Company has organised leisure classes, such as Stretching & Meditation, which are aimed to benefit its employees' emotional well-being and overall health by reducing stress and developing concentration through meditation.

From time to time, our subsidiaries also organise different interest classes and sports activities for their employees to help them relieve stress and anxiety at work and discover new hobbies, such as classes in photography, culture, jogging, etc.



The Company provided tickets to employees to visit Tsz Shan Monastery



Health Talk

In 2022, the Company and its subsidiaries have organised a variety of health talks to sensitise and educate its employees about the issues that affect their health and share optimal ways in improving their health.

The Company has encouraged and invited its employees to attend wellness webinars organised by AXA. In 2022, the Company hosted seven wellness webinars, covering a range of topics relating to emotional well-being and physical health.

Other subsidiaries in property management and hotel and serviced suite operation have also invited the Labour Department and professionals, such as dietician and consultant, to give health talks on occupational health and safety, which include health tips for using computer, chemical and occupational health in their industry, infection control in the workplace, etc.

Occupational Health and Safety

The Group puts occupational health and safety first and is committed to providing a safe and healthy environment for its employees, contractors and customers. The Health and Safety Policy sets standards for each Group operating company and employee on health and safety, in order to comply with all applicable health and safety laws and regulations. Regular reviews and internal audits are conducted to ensure that sufficient and proper health and safety measures are implemented in the Group's operations. Further, the Employee Code of Conduct sets norms on health and safety to guide employees' work and practices within the workplace.

Safety Committees are established under the subsidiaries across businesses, including property management companies, hotel and serviced suite operation, and pub operation. The Safety Committees meet regularly to monitor and review the health and safety performance and discuss relevant issues arising from their respective businesses. Greene King has also implemented a behaviour safety programme to observe employee behaviour and engage them on health and safety issues and identify impacts from potential accidents. During the Reporting Period, the Group's property management companies have been accredited under the ISO 45001:2018 Occupational Health and Safety Management System Standard.

Health and safety measures are implemented in every office and construction site to provide optimal protection to our employees and contractors.

To minimise the health impacts arising from office operations, first aid boxes, fire extinguishers, and defibrillators are equipped for an emergency. Mechanical aids, such as trolleys, carts, ladders and step stools are provided for manual handling and assessing high-up locations to prevent injuries. When entering construction sites, employees are provided with appropriate personal protective equipment, such as safety helmets, dust masks, and goggles.

Our property development companies work closely with its contractors to foster a safe work environment at the construction sites and comply with all statutory requirements. Regular inspections and risk assessments are conducted to ensure construction projects meet the Group's safety standards and to minimise potential hazards arising from the construction activities. Contractors are also required to establish a safety management system with regular oversight. Work-related fatalities and injuries for employees of contractors are also measured and reported. To ensure a safe working environment at the construction site, regular safety audits were conducted to assess and verify the efficiency, effectiveness and reliability of the safety management system. Action plan for improvement is prepared when necessary.

Regular technical safety training and toolbox talks are provided to both contractors and office staff for maintaining their safety awareness and equipping them with the essential knowledge to minimise acute occupational hazards. The Company and its property management companies have set up targets or KPIs for reducing the number of lost days due to work injury and maintaining zero work-related fatalities.

During the Reporting Period, there were 10,329.5 lost days (2021: 11,412.5 lost days) due to work-related injuries for employees directly employed by the Group. There were no work-related fatalities in each of the past three years including the Reporting Period.



Goodwell receives the Gold Award of Safety Culture Award in the 9th Best Property Safety Management Award

In 2022, our property management companies have participated in Heart Caring Charter and Charter on Preferential Appointment of OSH Star Enterprise, to reaffirm its commitment to providing a safe and healthy work environment to its employees. Furthermore, Citybase, Goodwell and Hutchison Property Management Company Limited have received the Best Property Safety Management Award from the OSHC for their outstanding achievement in occupational safety and health.

SUPPLY CHAIN MANAGEMENT

The Group works together with its suppliers to provide high-quality and sustainable products and services for different businesses and operations. In order to better manage a wide range of business partners and suppliers, the Supplier Code of Conduct is established to provide the standards and quality requirements, covering laws and regulations, health and safety, labour practices, environmental protection, human rights, and promote sound environmental performance, social well-being and governance practices, to all business partners and suppliers of the Group.

Business partners and suppliers of the Group are also encouraged to take reference from other Group's policies, including the Environmental Policy, Modern Slavery and Human Trafficking Statement, and Human Right Policy, which demonstrates the Group's commitment to managing the environmental and social risks in its supply chain. The Group recognises and strives to avoid the risk of over-reliance on any suppliers to ensure supply chain stability.

During the Reporting Period, 51% (2021: 53%) of the Group's purchases were attributable to the Group's five largest suppliers, of which 37% (2021: 42%) were in Hong Kong, 2% (2021: 2%) in the Mainland and 12% (2021: 9%) in the UK.

Health and Safety during COVID-19



The Group implemented health and safety measures to protect our employees, tenants, and customers, during COVID-19. In 2022, in addition to complying with local government's safety requirements, every individual entering property areas or hotel and serviced suites premises were required to have their body temperature measured, and were provided with hand sanitiser. Additional sanitation procedures, such as applying anti-virus coating to all door handles and lift buttons, placing air purifiers in common areas, and regular disinfections and cleaning are conducted in the premises to decrease the risk of infection.



Individuals getting their body temperature measured and hands sanitised before entering the office



Conducting regular disinfections and cleaning in the office



Intending to reduce the risk of spreading the virus, contingency offices were set up and split-office arrangements (A-B-C teams) were adopted to reduce the impact of potential infection. Digital business meetings were encouraged to minimise face-to-face contact and maintain social distancing. All Board and Board Committees meetings in 2022 were conducted in digital form. Employees were reminded to maintain good personal hygiene, and comply with local regulations relating to COVID-19. Face masks and rapid antigen test kits were distributed to our employees for health and safety control purposes.

As the COVID-19 pandemic turns stable, more local governments have announced the lifting of restrictions in 2022. The Group continues to monitor closely and react accordingly to all kinds of changes that are going to have an impact on its businesses.

Supplier Management and Evaluation

The Group has established policies and procedures for the selection, approval and evaluation of suppliers to ensure the selected suppliers have the capacity to fulfil the Group's standard and quality requirements. For the Group's hotel and property management business, the established procedures allow a fair and open tendering and procurement process to provide equal opportunities to all potential suppliers. Regular evaluation and monitoring of the performance of our suppliers are conducted to ensure their compliance with the product and service standards and contract conditions. Unsatisfactory performance or any breach of the Supplier Code of Conduct may lead to disciplinary actions, such as the issuance of warning letters, or termination of the business relationship.

To ensure a bias-free tendering process for construction projects, a Tender Committee has been established to monitor the supplier and contractor selection process. The Tender Committee considers analyses and recommendations made by external independent consultants and internal project staff when evaluating bids. Regular meetings are conducted with suppliers and contractors to identify and discuss key issues in the supply chain.

Managing Supply Chain's Environmental Impact

The Group recognises the importance to amplify its role in environmental protection and work collaboratively with its value chain to address environmental concerns. And thus, the Group is committed to raising awareness of environmental issues and promoting eco-friendly practices across the value chain by partnering with industry groups and environmental organisations as appropriate.

To minimise environmental impact, the Group adopts green and sustainable procurement, including procuring eco-friendly products, and sourcing materials from suppliers with environmental certificates. For instance, property development projects have sourced timber certified by the FSC for construction work; offices have sourced papers that are certified by the FSC and the Programme for the Endorsement of Forest Certification ("PEFC"), and computer equipment that are certified by the Electronic Product Environmental Assessment Tool ("EPEAT"); and Harbour Plaza Hotel Management Group purchased frozen Canadian lobsters and snow crabs certified by the Marine Stewardship Council ("MSC").

In addition, business partners and suppliers are encouraged to identify and manage the impact of climate change on their operations, as well as to actively reduce their environmental impact, including efficient resource consumption and waste management.

Managing Supply Chain's Social Impact

The Group extends its influence to the business partners and suppliers in the social aspect and encourages them to act in accordance with the highest standards of ethical conduct and professionalism and to uphold the human rights guiding principles.

As set out in the Supplier Code of Conduct, the Group requires its business partners and suppliers to implement and ensure compliance with anti-corruption policies and programmes, to comply with all local and national regulations and legislations and to avoid all forms of bribery, fraud and corruption. All business partners and suppliers are expected to promote and educate the requirements of the Supplier Code of Conduct to their employees, agents, sub-contractors, and suppliers.

Furthermore, the Group also encourages business partners and suppliers to abide by the Group's standards to safeguard the rights and dignity of all employees and to provide them with a safe, equitable and open workplace. Business partners and suppliers should strive to minimise harassment and discrimination, minimise any health hazards arising from the operation, prohibits any illegal labour issues, and ensure the freedom of association and right to bargaining of their employees. To reaffirm the commitment to protect the employee's collective bargaining power, Greene King has established a Collective Bargaining Agreement which covers around 400 people across its operational areas.

PRODUCT AND SERVICE RESPONSIBILITIES

The Group is committed to providing high-quality products and services in compliance with relevant government laws and regulations and, more importantly, to satisfy customers' needs.

Recognising our continuing outstanding contributions to Hong Kong, including not only economic growth but also social development, we were awarded the "香港回歸25周年企業貢獻大獎(地產商)", which was co-organised by Metro Broadcast and Hong Kong Coalition to celebrate the 25th Anniversary of the Establishment of the HKSAR.

During the Reporting Period, the Group is not aware of any incidents of non-compliance with relevant laws and regulations in relation to health and safety, advertising, labelling and privacy matters relating to the products and services provided by the Group that could have a significant impact on the Group.



The Company was awarded the "香港回歸25周年企業貢獻大獎(地產商)"

Maintaining Products and Services Safety and Quality

The Group has adopted different procedures and controls tailored to its businesses to assure high-quality products and services are delivered to customers consistently.

For its property development business, project teams are primarily responsible for supervising and monitoring construction works performed by contractors. The Development Department, Construction Management Department and Construction Audit & Quality Assurance Department are involved in quality assurance and control in different stages of the construction process. Construction audits are conducted regularly by the audit team of the Construction Audit & Quality Assurance Department, referencing contract specifications, international standards, local statutory requirements and industry best practices. When sourcing raw materials for property development projects, the Group's architects and consultants would specify their requirements in the construction contracts before raw materials are sourced. The sourcing process was supervised and certified by the relevant employees of the Group to ensure that the raw materials meet the Group's quality standards before they are used in property construction. Contractors are required to rectify the issues found in the audit promptly. At the handover stage, cross-departments including the Customer Service Department re-examine and re-inspect all units before handover to purchasers. Related quality policies are set up by management and a series of checklists are in place to ensure the units are up to standards, including checking over for any missing or damaged items, and equipment for errors, and confirming the workmanship is up to standards. Follow-up services, such as setting up utilities, telecommunications and other services, are provided to purchasers to help them settle in.

For its property management business, a code of practice and work instructions for its employees are established and implemented to set out the standard for quality services. Regular internal meetings and mystery customer engagement are conducted to evaluate and review the quality delivery process. Regular internal audits are conducted to reassure compliance with the Group's standards.

Customer opinions are valued and collected through various communication channels, including opinion boxes, regular tea gatherings, hotlines, or formal and informal meetings, to continuously enhance our service quality. Furthermore, annual customer satisfaction surveys are conducted to gather customer feedback. In 2022, most of our property management companies reached an average of 95% overall satisfaction rate in the annual customer satisfaction survey hosted among the Managed Properties.

For its hotel and serviced suite business, regular inspections are conducted by department heads of the different sections, including hotel rooms, public areas, and restaurants and kitchens, to ensure products and services meet safety and hygiene standards. In addition, to maintain food safety and quality, suppliers are required to submit a health certificate to the receiving department when delivering high-risk food products. Customers' opinions and comments are received and handled through a standard procedure, and all complaints received are logged and passed to the responsible department heads for rectification and improvement as applicable.

For its pub business, Hazard Analysis Critical Control Point System and Quality Management System are implemented to ensure the raw ingredients used and food produced is safe to consume, and to maintain a high quality of their products and services.

In addition, its pub business continues to improve and adjust according to the changing customers' needs. For example, many of the Greene King's menu offers at least ten dishes under 500 calories to provide healthy options to its customers. Allergen information is provided on the menu to cater for the needs of guests with allergies or intolerance. The Group continuously explores opportunities to cooperate and discuss with local authorities on food safety issues.

In 2022, a total of 25,004 written complaints were received in relation to products or services provided, and were properly handled according to relevant policies and procedures. There had been no products sold or shipped that were subject to recalls for safety and health reasons.

During the Reporting Period, regarding products and services, the Group received the following awards and certifications:

- Citybase, Goodwell, Hutchison Property Management Company Limited, Cayley Property Management Limited, Hutchison Logistics Centre Management Limited, South Horizons Management Limited, Whampoa Garden Management Limited and Whampoa Property Management Limited have been accredited ISO 9001 Quality Management System Certification for consistently providing services that meet customer and regulatory requirements;
- 2 Managed Properties under Citybase have been awarded the Safe & Healthy Estate with Outstanding and Good Performance by the Hong Kong Occupational Safety & Health Council in the Hong Kong Safe & Healthy Estate Accreditation Scheme;
- Hutchison Property Management Company Limited and Whampoa Garden Management Limited (Commercial) have received the Excellence in Facility Management Award – Excellence Award from the Hong Kong Institute of Facility Management in recognition of their outstanding facility management;

- Harbour Grand Hong Kong received the Continent Winner in Luxury Harbour Hotel at the 2022 World Luxury Hotel Awards for its outstanding services;
- Harbour Plaza Metropolis-Senzuru Japanese Restaurant and Promenade Restaurant received the "QTS Scheme Certification Mark (Restaurant category)" and "Outstanding QTS Merchant Merit Award" from Hong Kong Tourism Board to recognise the city's Quality Tourism Services accredited restaurateurs for the sustained excellent performance; and
- Harbour Plaza 8 Degrees and Kowloon Harbourfront Hotel have received the "Quality Wedding Merchant" qualification from ESDlife in recognition of their quality wedding services.

Responsible Marketing

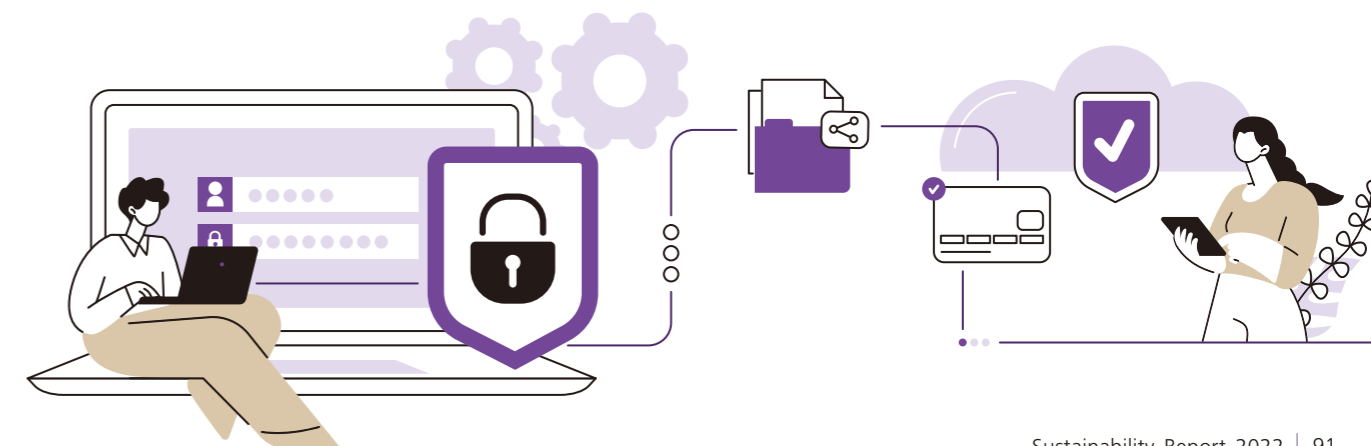
The Group is committed to providing accurate and up-to-date information to the public and ensuring marketing and sales materials comply with relevant statutory requirements and guidelines, including the Residential Properties (First-hand Sales) Ordinance and the Personal Data (Privacy) Ordinance.

Media, Public Engagement and Donation Policy is established for handling corporate communication, donation and sponsorship activities. The engagement approach with the media and public, usage of the Group logo and information on the Company website are regulated, to ensure corporate messages are effectively and coherently communicated to its key stakeholders. Employees are encouraged to seek guidance and support from the corporate affairs department, marketing or administrative departments of the relevant business units as and when the need arises.

In addition, the Group also seeks advice from its Legal Department and legal compliance checker in the preparation of marketing and sales materials. Sales staff or marketing letters reach only buyers who have given consent for the Group to use their personal data for direct marketing. In-house training on responsible marketing and advertising practices is also provided to relevant staff regularly.

Protecting Personal Data and Intellectual Property

The Group is committed to protecting the personal data of its customers and employees and its intellectual property rights. Relevant privacy policies, including but not limited to the Employee Code of Conduct and the Information Security Policy, and measures regarding the protection, collection and usage of personal data, and protection of intellectual property are in place. The subsidiaries of the Company may establish additional policies or statements to provide further protection for personal data. For instance, its hotel and serviced suite business have established their Privacy Policy to protect the personal data of customers relating to data collection, use, retention, disclosure, transfer, security and access. A Personal Data Statement is also prepared and made available on their website to inform their customers of the policies and practices on data protection.



Measures will be reviewed from time to time to ensure compliance with relevant data privacy laws and regulations. Employees are provided with training regarding the protection of personal data. For example, personal data-related policies and practices are discussed during orientation for new staff of members of the Company. Access to personal data in any format is restricted to authorised employees on a need-to-know basis. Personal data is permanently destroyed and erased securely after use and in compliance with the applicable laws.

In protecting the Group’s intellectual property rights, trademarks and domain names are registered in various jurisdictions. Action will be taken immediately if scams or infringing articles or materials concerning the Group are discovered. Software will only be installed by authorised IT officers, but not other employees, upon receipt of written approval from the respective department head. Annual checking of unauthorised software installation is conducted.

Cybersecurity and Crisis Management

With the growing adoption of digital technology in the Group, cybersecurity has become vital to protect valuable and vulnerable data assets. The Group has adopted a multi-layered security approach to protect its IT systems. Preventive, detective and corrective control measures are implemented, including firewall and anti-virus deployment, access control management, data encryption, and patch updates, to prevent and minimise the impact of potential cyberattacks (e.g. Distributed Denial of Service “DDOS”) which might lead to major business disruption and data breach. Regular vulnerability assessments have been conducted by third-party professional IT service vendors to ensure system resilience. The standards of the implementation of cybersecurity measures are included in the Information Security Policy. In addition, cybersecurity awareness training is available on the Company’s intranet for all employees’ self-learning.

The Group has established a business continuity and incident response plan to provide clear procedures and guidance to help identify, respond to, and recover from cybersecurity incidents and minimise the associated business disruption.

COMMUNITY INVESTMENT AND DEVELOPMENT

It is the Group’s aspiration to foster a positive relationship and grow together with the community. The Group and its employees are dedicated to investing their time and resources to create and maintain a lasting improvement in the quality of life for the community.

Demonstrating its commitments to community investment and development, the Group has outlined its principle and a coherent approach to charitable contributions and donations in the Corporate Social Responsibility Policy and the Media, Public Engagement and Donation Policy, to reflect Group value and sustainability objectives. The Group’s community initiatives include employee volunteerism, education, medical, health and elderly care, arts and culture, sports and disaster relief. The Group also encourages and facilitates its employees to give, as well as play an active and positive role in the communities where they live and work, in cities and towns around the world.

The Group, together with its affiliates (“CK Group”), was awarded a total of 163 “Caring Company” logos under the “Caring Company Scheme” by the Hong Kong Council of Social Service in 2022, in recognition of the Group’s effort in practicing corporate social responsibility in its businesses through caring for the community, employees and the environment, the highest number of awards received by a commercial entity for 19 consecutive years.

Charitable Donation

The Group engages with various charities across the world to make a tangible and direct impact in their respective local communities. Set out below are highlights of some of the donation made in 2022:

The CK Group, continues to support the Community Chest of Hong Kong (“Community Chest”) and has been named as one of the top three donors for 23 consecutive years. The consistent and long-term support to the Community Chest demonstrates the Group’s commitment and eagerness to address the imminent needs of society. In 2022, amid the fifth wave of the COVID-19 pandemic, the CK Group, together with the Li Ka Shing Foundation, decided to support and participate in the matching donation programme “The Community Chest Pandemic Rainbow Fund” with the Community Chest for the second consecutive year. The CK Group and the Li Ka Shing Foundation have tried to encourage public donations to support those whose livelihoods were affected by the pandemic by tripling every dollar they have donated to the programme.

In addition, the subsidiaries under the Group have also shown their support by participating in various activities and raising funds for the Community Chest for the needy, including The Community Chest Virtual Walk for Millions, The Community Chest Skip Lunch Day, and the Love Teeth Day.

2022 marks the tenth anniversary of the charity partnership between Greene King and Macmillan Cancer Support, which aims to support people living with cancer. Instead of solely providing financial support, a fundraising plan is developed with Macmillan Cancer Support to organise set-piece events and activities that support fundraising across the business. Greene King and Macmillan Cancer Support have also been awarded the “Best Scheme to Encourage Staff Fundraising – long term partners” by the Better Society Awards 2022 in recognition of the effective charity scheme. During the Reporting Period, about 30,000 employees of Greene King participated in the fundraising activity with a total of £3.0 million being raised.



The CK Group, together with the Li Ka Shing Foundation, participated in the matching donation programme “The Community Chest Pandemic Rainbow Fund” with the Community Chest for the second consecutive year

Citybase has held its first online sports charity fundraising event, "Gym Comes True". More than just encouraging employees to donate to their selected charity, the participants are also required to complete at least one sports event for the campaign to promote the importance of physical wellness. The event is supported by over 200 employees and raised over HK\$150,000 for the five selected charities.



Citybase held its first online sports fundraising event

During the Reporting Period, the Group made donations totalling approximately HK\$6 million to various charitable organisations.

Community Enrichment and Support

In addition to financial donations, the Group and its subsidiaries have also engaged in various initiatives, charitable events, and volunteer service intending to give back to its community.



333 Learning Companion Leadership Programme supported by the Group

underprivileged children from low-income families. The 333 Programme has also helped to foster harmony between peers and their families, other than solely focusing on conduct and academic performance. In 2022, the Group donated in total HK\$6.7 million in supporting the 333 Programme, which has already served and supported nearly 9,000 children and 8,500 families with 142 participating primary schools in 9 service districts.

Furthermore, the Harbour Plaza Hotel Management Group have participated in the soap recycling programme for the third consecutive year, since 2020, to collect, sanitise, and recycle lightly used soap and bottled amenities from hotels and distribute them to disadvantaged communities around the world, particularly in Asia. Sheraton Hong Kong Hotel & Towers and its employees have also contributed to support the impoverished by participating in the Bread Run by Foodlink, in which its employees gather surplus bread from the bakeries along the MTR line, which will be processed and distributed to those in need.

Supporting the disadvantaged community

With the aim to support the education of underprivileged children, since the establishment of the We R Family Foundation, the Group and Li Ka Shing Foundation have donated over HK\$85 million and have been providing professional advice to support the operation and development of the "333 Learning Companion Leadership Programme" ("333 Programme"). The 333 Programme provides academic assistance, moral education and family and emotional support to encourage the whole person development and to develop the competitiveness of



As part of its journey towards 'Everyday Inclusion' Greene King is committed to sharing the awareness and lived experiences of its minority populations across the organisation.

One programme to facilitate this is called Reverse Mentoring and launched in 2022. Now in its 3rd cohort, this initiative flips the normal hierarchy of mentoring and partners senior leaders who hold a wide influence over the organisation with members of the diverse communities that the company is working hard to support and increase representation of.

Greene King's strategic intent is to create an environment where everyone, customers and team members alike, can belong and thrive.

The executive board and senior leaders across the business embarked on the scheme with thirty partnerships undertaken in 2022. Each programme lasts seven months and encourages positive, challenging and engaging conversations, all designed to inspire and to support leaders across the business to understand their role in making marginal gains in changing Greene King's culture for the better. Nick Mackenzie, Greene King's CEO, described his experience on the programme as 'life changing'.



I & D Reverse Mentoring

Volunteering

In 2022, the Group and its employees continue to provide various volunteer services, intending to make the local community a better place for all stakeholders. During the Reporting Period, a total of 2,460 employees have spent more than 50,000 hours in different volunteer services. In particular, Citybase has continuously been awarded the 10,000-Hour Volunteer Service Award and The Gold Award for Volunteer Service from the Social Welfare Department since 2008. The growing numbers of volunteers and time spent have demonstrated the ongoing passion and commitment of its employees to contribute to society.



Citybase Volunteer Team was formed in 2005 with the belief of "Caring the Community and Supporting Self-Reliance"



For the well-being of the elderly, the Citybase volunteer team have participated in elderly visits to keep them engaged and provide emotional support, while Harbourfront Horizon All-suite Hotel and Harbourview Horizon All-suite Hotel have supported the "Anti-Deception Chinese Opera Show" by participating in and donating approximately HK\$60,000 to educate elderlies on anti-deception through china opera activities.

Visiting elderlies and offering festive food

CHRISTMAS CAROL VIA LIVE STREAMING

SHARE of Love and Fun

“Living Water@Workplace” Christmas Carol, jointly organised by Cheung Kong Center Property Management Limited and Cheung Kong Group’s Christian Fellowship, was held to spread the Good News of Christmas with our colleagues and tenants, and to celebrate the joy and peace in Jesus Christ. 2022 marked the 9th year of the caroling ministry and the 3rd year of the caroling via live streaming for reaching wider society.



“Living Water@Workplace” Christmas Carol live streaming



The CK Group was awarded "Caring Company" logos under the "Caring Company Scheme" by the Hong Kong Council of Social Service

Recognising the effort of the Group in integrating corporate social responsibility into its businesses through caring for the community, employees and the environment, the CK Group was awarded a total of 163 "Caring Company" logos under the "Caring Company Scheme" by the Hong Kong Council of Social Service in 2022, the highest number of awards received by a commercial entity for 19 consecutive years.



OUR ESG STORY — Sharing Love with the Elderly Community



Goodwell has been actively engaging with the community as part of its social responsibility. Continuing its annual tradition, on the Senior Citizen's Day in November, Goodwell hosted the "Loving Home•Sharing Joy" 2022 charity event with the participation of 600 elderly occupants. The theme Connecting Together•Warming Home (連成一線•家添暖意) was chosen in 2022, with the aim of fostering positivity and togetherness in the community.

Collaborating with over 20 properties under its management, Goodwell organised handicraft workshops where all handmade products were used for charity purposes in order to widen the community impact.

An online carnival show is special addition to this year's event, aiming to enhance real-time online interactions among the senior residents. A lucky draw was held with a range of exciting prizes, and clown performance was held to elevate the lively atmosphere of the event. With these exciting elements, the online carnival successfully contributed to the vibrancy of the event, and has received positive feedback from the participants.

Participants also received gift bags jointly sponsored by Goodwell, Fortune REIT, and Prosperity REIT. The gift bags contained nourishing food supplies to ensure everyone returned home full of warmth and joy.

In addition to hosting the "Loving Home•Sharing Joy" event, Goodwell collaborated with the New Life Psychiatric Rehabilitation Association to organise a Food Sharing Project for the elderly community in Wong Tai Sin. Mr. Chua, the General Manager of Goodwell, together with a group of Goodwell volunteers, distributed food and daily necessities to over 100 seniors in the district.

Goodwell hopes to carry forward its caring culture and continue to deliver positive energy, happiness, and warmth to benefit the community.

Goodwell's "Loving Home•Sharing Joy" Activities and "Food Sharing Project"





ADDITIONAL INFORMATION

PERFORMANCE DATA SUMMARY

The Group observed a general increasing trend in the key Environmental KPIs. The increase was mainly attributed to business recovery from the COVID-19 pandemic in 2022. For property development, the lifting of pandemic restrictions allowed for a higher level of construction activities, while the resumption of dine-in services in our pub operations led to an increased number of patrons across the pubs. These resulted in increased energy and water consumptions, leading to higher GHG emissions.

Environmental KPIs ^(Note 1)	Unit	Property Development ^(Note 2)		Property Management ^(Note 3)		Hotel and Serviced Suite Operation ^(Note 4)		Offices		Pub Operation	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
GHG emissions ^(Note 5)											
Total GHG emissions	tCO ₂ e	89,363	61,227	240,901	243,014	82,531	80,144	4,606	4,472	129,075	107,728
Direct GHG emissions (Scope 1)	tCO ₂ e	-	-	7,198	10,364	6,395	5,132	699	510	68,262	56,834
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	-	-	231,038	229,728	74,476	73,565	3,590	3,608	59,271	49,804
Other indirect GHG emissions (Scope 3) ^(Note 6)	tCO ₂ e	89,363	61,227	2,665	2,922	1,660	1,447	317	354	1,542	1,090
Total GHG emissions intensity ^(Note 7)	tCO ₂ e/sq.ft.	0.0022	0.0016	0.0016	0.0016	0.0108	0.0105	0.0088	0.0115	N/A	N/A
	tCO ₂ e/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.01	0.01
Waste generated											
Non-hazardous waste	tonnes	116,470.5	77,382.8	125.6	115.0	108.5	95.5	65.5	73.2	3,400.0	2,021.6
Hazardous waste ^(Note 8)	tonnes	41.6	18.5	5.2	4.6	-	-	0.9	0.1	23.6	61.7
Waste recycled											
Concrete, steel and metals, mixed rock and soil and other construction waste	tonnes	^(Note 10) 96,605.63	339,310.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paper	tonnes	N/A	N/A	6,255.0	6,414.6	43.9	58.9	22	53.5	^(Note 14) 63.5	3,095.8
Glass bottles	tonnes	N/A	N/A	150.2	141.3	24.9	32.2	0.097	0.083	21,077.8	14,192.2
Aluminium cans	tonnes	N/A	N/A	301.3	206.3	0.02	0.3	0.001	0.003	175.0	111.6
Plastic bottles	tonnes	N/A	N/A	332.6	354.4	7.3	8.7	0.013	0.04	144.9	137.5
Food	tonnes	N/A	N/A	^(Note 13) N/A	0.5	92.1	-	1.9	6.3	10,849.8	6,797.5
Other wastes recycled	tonnes	N/A	N/A	8.5	N/A	N/A	N/A	5.4	N/A	18,266.8	12,609.8
Energy consumption											
Total energy consumption	kWh	^(Note 11) 110,214,384	76,468,349	486,161,853	486,216,719	170,434,411	167,893,654	7,657,673	7,761,484	646,752,451	516,229,484
Direct energy consumption											
Gasoline/Petrol	kWh	2,437,610	1,004,348	7,524	7,592	85,751	114,636	1,089,558	1,201,245	2,477,273	1,298,285
Diesel	kWh	86,514,685	53,738,672	172,574	194,026	24,515	22,256	247,619	215,754	32,217,098	21,779,777
Natural gas and towngas	kWh	N/A	N/A	9,809,855	10,195,568	2,390,187	1,416,200	79,559	109,801	289,400,400	243,182,175
Other fuels (Gas oil, Kerosene, LPG)	kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,072,988	15,073,320
Indirect energy consumption											
Electricity and heat consumed	kWh	21,262,089	21,725,329	476,171,900	475,819,533	167,933,958	166,340,562	6,240,937	6,234,683	306,584,692	234,895,927
Total energy consumption intensity	kWh/sq.ft.	2.77	^(Note 12) 1.98	3.19	3.23	22.29	21.95	14.59	19.95	N/A	N/A
	kWh/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30.89	36.14
Direct energy consumption intensity	kWh/sq.ft.	2.24	^(Note 12) 1.42	0.07	0.07	0.33	0.20	2.70	3.93	N/A	N/A
	kWh/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16.25	19.70
Indirect energy consumption intensity	kWh/sq.ft.	0.53	0.56	3.12	3.16	21.96	21.75	11.89	16.03	N/A	N/A
	kWh/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14.64	16.44
Water consumption											
Total water consumption	m ³	^(Note 11) 1,074,264	775,957	4,180,847	4,864,738	1,933,224	1,728,673	9,569	11,009	3,143,819	2,404,927
Water consumption intensity	m ³ /sq.ft.	0.03	0.02	0.03	0.03	0.25	0.23	0.02	0.03	N/A	N/A
	m ³ /HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.15	0.17
Packaging material ^(Note 9)											
Total packaging material used for finished products	tonnes	N/A	N/A	N/A	N/A	63	49	N/A	N/A	^(Note 15) 14,066	10,869

Notes:

- Environmental data of 2021 include 25 construction sites, 205 Managed Properties, 16 hotels and serviced suites in Hong Kong, all pubs, breweries and self-occupied offices. Environmental data of 2022 include 25 construction sites, 202 Managed Properties, 16 hotels and serviced suites in Hong Kong, all pubs, breweries and self-occupied offices. The 2021 figures have been revised. "-" represents 0 in value for the KPI, and "N/A" means that the KPI is not relevant for reporting in the operation concerned or was not reported in the previous financial year.
- The data of property development business are provided by contractors of property development projects.
- 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.
- The data of hotel and serviced suite operation include consumption and emissions from tenants and hotel and serviced suite guests.
- Carbon emissions are calculated with reference to the Greenhouse Gas Protocol published by the World Resources Institute ("WRI") and the World Business Council on Sustainable Development ("WBCSD"), the Global Warming Potential Values from the IPCC Fifth Assessment Report published by the 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.
- All property development projects were undertaken by contractors. Therefore, the related GHG emissions are reported under Scope 3 Other indirect GHG emissions.
- Intensities are calculated using the following metrics according to the nature of each business segment:
 - Property Development: Total gross floor area of construction projects;
 - Property Management: Total gross floor area of Managed Properties;

Notes:

- Hotel and Serviced Suite Operation: Total gross floor area of hotels and serviced suites;
 - Offices: Total gross floor area of self-occupied office; and
 - Pub Operation: Total revenue of pubs and breweries.
- The increases in hazardous waste across the Group's businesses are due to two additional streams of hazardous waste, namely electrical waste and cleaning chemicals, which are included in this report for the first time to present a more comprehensive picture. For property development, the increase is due to different stages of construction in 2022 compared to 2021, leading to increased generation of hazardous waste.
 - Packaging material data of 2021 and 2022 included 12 hotels of the Harbour Plaza Hotel Management Group and all pubs and breweries.
 - The decrease in recycled construction materials is due to different stages of construction in 2022 compared to 2021.
 - The increase is attributable to more active construction activities in 2022 following the lift of COVID-19 restrictions.
 - The figures for total and direct energy consumption intensity in 2021 have been revised because an issue regarding the units used in the calculation was corrected.
 - The food court was under renovation from November 2021 to March 2022. After the renovation, food recycling was suspended due to defective food recycling equipment. In December 2022, Citybase joined the EPD's Pilot Scheme on Food Waste Collection to continue tackling the challenge of food waste. Monthly reports will be provided by EPD and the Group will disclose its performance in next year's report.
 - The decrease in the volume of recycled paper was caused by a reduction in the amount of confidential documents shredded in 2022 compared to 2021.
 - In 2021, most pubs were closed and the brewery was not operating at full capacity due to COVID-19 restrictions. With the lifting of restrictions in the UK in 2022, the pub operation has resumed business as usual, resulting in a relatively higher consumption.

Social KPIs ^(Note 1)	Unit	The Group	
		2022	2021
Workforce profile			
Total workforce	Number	54,677	54,525
By gender			
Male	Percentage	49%	49%
Female	Percentage	51%	51%
By employment type			
Permanent	Percentage	44%	44%
Part time & Temporary	Percentage	55%	55%
Contract	Percentage	1%	1%
By age group			
18-30	Percentage	45%	45%
31-50	Percentage	36%	36%
Above 50	Percentage	19%	19%
By geographical region			
Hong Kong	Percentage	19%	20%
The Mainland	Percentage	10%	10%
Overseas	Percentage	71%	70%
Turnover rate among full-time staff			
By gender			
Male	Percentage	18%	18%
Female	Percentage	17%	18%
By age group			
18-30	Percentage	35%	36%
31-50	Percentage	15%	15%
Above 50	Percentage	10%	9%
By geographical region			
Hong Kong	Percentage	15%	17%
The Mainland	Percentage	5%	8%
Overseas	Percentage	27%	25%
Health and Safety			
Lost days due to reported work-related injuries for employees directly employed by the Group	Lost days	10,329.5	11,412.5
Number of work-related fatalities ^(Note 2)	Number	-	-
Training and development ^(Note 3)			
Percentage of employees trained by gender			
Male	Percentage	67%	67%
Female	Percentage	64%	71%
Percentage of employees trained by employee category			
Managerial grade or above	Percentage	60%	64%
Non-managerial grade	Percentage	67%	69%
Average training hours per employee by gender			
Male	Hours	12.98	11.00
Female	Hours	11.46	10.15
Average training hours per employee by employee category			
Managerial grade or above	Hours	7.12	8.35
Non-managerial grade	Hours	12.78	10.84
Product Responsibility ^(Note 4)			
Number of products and service related written complaints received	Number	^(Note 5) 25,004	^(Note 5) 18,983

Notes:

- Social data of 2021 and 2022 include the property development, project management, hotel and serviced suite operation, offices and pub operation that are operated by the Group.
- Number of work-related fatalities of the Group for the year 2020 is zero.
- 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 & 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.
- There were no products sold or shipped subject to recalls for health and safety reasons in 2021 and 2022.
- Mainly represent the reported cases from pub operation. The increase in number of complaints received in 2022 was mainly from pub operation, following the recovery from COVID-19 and resumption of business activities.

SEHK ESG REPORTING GUIDE INDEX

Mandatory Disclosure Requirements

Description	References and Remarks
Governance Structure	
A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Message From The Chairman About This Report The Governance Sustainability at the Company
Reporting Principles	
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report Materiality Assessment Stakeholder Engagement
Reporting Boundary	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

“Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs	Description	References and Remarks
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	GHG Emissions and Waste Reduction Regulatory Compliance
KPI A1.1	The types of emissions and respective emissions data.	Considering the nature of the Group’s business, besides GHG emissions, other air emissions were identified as immaterial in the Group’s direct operation.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GHG Emissions Management Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GHG Emissions Management Sustainability Targets by 2030
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.	Waste Management Sustainability Targets by 2030

Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ‘000s) and intensity (e.g. per unit of production volume, per facility).	Energy Efficiency Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Efficiency Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency Sustainability Targets by 2030
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.	Water Efficiency Due to the Group’s business nature and operation locations, the issue in sourcing water that is fit for purpose is not relevant to the Group. Sustainability Targets by 2030
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Reducing the Use of Packaging Materials Performance Data Summary
Aspect A3		
The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Green Buildings Managing Other Environmental Impacts
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Buildings Managing Other Environmental Impacts
Aspect A4		
Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	The Environment TCFD Reporting
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.	The Environment TCFD Reporting

B. Social		
Employment and Labour Practices		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Equality, Diversity and Inclusion Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Equality, Diversity and Inclusion Performance Data Summary
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment and Labour Practices Employee Health and Well-being Occupational Health and Safety Health and Safety during COVID-19
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety Performance Data Summary Due to the low risk and rare occurrence of work-related fatalities for direct employees, given the Group's business nature, the rate of work-related fatalities was not disclosed.
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development Performance Data Summary
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Practices Human Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Human Rights
Operation Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management For consistency in reporting practices with the Group's Annual Report, the Group only reports on data related to the five largest suppliers.
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.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Managing Supply Chain's Environmental Impact Managing Supply Chain's Social Impact
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Managing Supply Chain's Environmental Impact







Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product and Service Responsibilities
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Maintaining Products and Services Safety and Quality Performance Data Summary
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Maintaining Products and Services Safety and Quality Performance Data Summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Personal Data and Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Maintaining Products and Services Safety and Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Personal Data and Intellectual Property Cybersecurity and Crisis Management

Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No concluded legal cases regarding corrupt practices brought against the Company or its employees during the Reporting Period.
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment and Development
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment and Development
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment and Development

ACHIEVEMENTS AND INNOVATIONS OF INFRASTRUCTURE INVESTMENTS

The global transition towards a low-carbon economy requires structural transformations in society. Recognising the influence of its business operations on climate change, as well as the important role of infrastructure in the pathway to decarbonisation, the Group is committed to leveraging its investments in the Infrastructure Investments to advance the transition. As at 31 December 2022, the Group's Infrastructure Investments include CK William, Reliance, ista, UKPN, Northumbrian Water, AVR and WWU.

The Group's commitment to environmental protection, climate change mitigation, and long-term sustainable development are demonstrated in the Infrastructure Investments' bio-diversity activities, decarbonisation strategy, pursue of innovative technology and net zero targets.

Net Zero Targets		NET ZERO
		Achieving net zero by
	Northumbrian Water	2027
	UKPN	for its business carbon footprint by 2028
	ista	2030
	AVR	2050
	Dampier Bunbury Pipeline & Multinet Gas (Infrastructure Investments under CK William)	2050
	WWU	2050

Decarbonising generation portfolio

Decarbonisation cannot be completed by one single initiative. The heat sector must decarbonise to enable the UK to achieve net zero by 2050 and UKPN plays a vital role in facilitating this. A core pillar of our heat strategy is to inform heat decarbonisation policy development through research, data and evidence. As proposed by the UK Government, UKPN is utilising the opportunities of a blended pathway – decarbonising heat through hydrogen and electricity for our customers. UKPN engaged with 1,000 customers across Great Britain to explore attitudes and barriers to adopting hybrid heating and found that comfort and reliability are key concerns in making the switch. Almost 60% of respondents also said they had little to no understanding of heat pumps and even fewer understood other low carbon heating technologies. Therefore, UKPN expanded the range of heat guidance to give customers more information. UKPN then engaged with manufacturers to combine the gas boiler and heat pump into a first-of-a-kind hybrid unit and install these in customers' homes, significantly reducing the space requirements and installation disruption compared to existing separate-unit alternatives.

Embracing Innovation Technology for Low Carbon Economy



In transition towards a low-carbon economy, employment of low-carbon technology could help to accelerate our sustainability journey to carbon neutrality.

Using a multi-strand approach to green energy and through the adoption of a wide range of innovative practices, Northumbrian Water is planning to achieve net zero in 2027. Having led the industry on creating "gas-to-grid" technology, Northumbrian Water's Organics Ammonia Recovery project will recover ammonia from wastewater and directly convert it into green hydrogen for beneficial use in the emerging hydrogen economy, for fuel cell powered business, heavy goods vehicles and trains. Traditional wastewater treatments are energy-intensive and only produce nitrogen which, though harmless, wastes the intrinsic value in ammonia. By converting the recovered ammonia into hydrogen fuel, this will contribute to the UK Government's green gas and renewable fuel agenda and help Northumbrian Water accelerates towards net zero.



Northumbrian Water aims to achieve net zero in 2027 through innovative practices, including the Organics Ammonia Recovery project that converts recovered ammonia into green hydrogen

AVR commenced the operation of its new back-pressure turbine at the Rozenburg facility to deliver electricity, process steam and district heat. The new turbine also ensures that far less energy is discharged unused as the hot, high-pressure steam drives the turbine, which produces electricity, is still hot enough for district heat. Operating at full power the turbine will enable AVR to supply process steam to businesses in its immediate vicinity and, at the same time provide 60,000 households with electricity and 100,000 households with heat. The new turbine has also given AVR more possibilities to respond flexibly to customers' heat demands.



ista adopted a new company car policy to speed up the transition to electric vehicles across all international locations

Committed to be operating net-zero by 2030, ista has been developing clear ways to produce and deliver its products and services. Started in Germany, ista adopted a new company car policy to speed up the transition to electric vehicles across all international locations. It is anticipated that the share of electric vehicles will continue to grow with the entire fleet entirely replaced with electric vehicles at the latest by 2030. By the beginning of 2023, ista will be purchasing electricity from renewable energy at 95% of all its German locations. Meanwhile, the company continues to carry out energy-efficient refurbishment of its properties by improving the insulation on the buildings and installing new lighting systems. Moreover, the company devises many ways to help its employees take actions by organising join-in campaigns and activities to raise awareness of sustainability and motivate its employees to use less electricity and water.



Cooperation and Collaboration for Biodiversity

Recognising the prevalence and urgency of biodiversity in recent years, our Infrastructure Investment WWU is working closely with local ecologists to undertake a variety of biodiversity net gain (“BNG”) enhancements at the new depot at Bristol. The site is part of the Bristol wildlife Network Sites, which provide wildlife corridors in designated areas in the region. The enhancements may potentially attract and home a range of species such as bats, reptiles, great crested newts and specially protected birds. It is the long-term ambition of WWU to achieve BNG across all activities by 2039.

In addition, on the recent Jabiru solar project in the Northern Territory Australia, EDL engaged the local Djurrubu Rangers to manage site clearing and wildlife relocation during construction. The Jabiru site is adjacent to the environmentally sensitive, World-Heritage listed Kakadu National Park, and the partnership both enhanced biodiversity protection and provided an opportunity for EDL to learn more about local culture, flora and fauna from the traditional custodians of the land. This activity aligns with the objectives of EDL’s Innovate Reconciliation Action Plan, which describes EDL’s goals, targets and approaches in the reconciliation journey.

For further details, please refer to the relevant sections of the 2022 Sustainability Report of CK Infrastructure Holdings Limited.



EDL partnered with local Djurrubu Rangers for site management and wildlife relocation in the Jabiru solar project, enhancing biodiversity protection and learning about local culture



LI KA SHING FOUNDATION

李嘉誠基金會

LI KA SHING FOUNDATION

In today’s rapidly changing world with evolving technologies, the Li Ka Shing Foundation (“LKSF”) is committed to playing a proactive role in society to build a better social environment that enables people to live better lives.

LKSF is constantly attentive and focused on responding to some of the most pressing needs in society. For example, LKSF took the initiative to lessen the pressure on the public healthcare system and to support non-governmental organisations’ anti-pandemic work as COVID-19 raged through Hong Kong in 2022. In terms of society’s long-term development, LKSF tirelessly promotes advances in medicine and education to create ever-improving conditions for social development. These include enhancing teaching facilities and nurturing talent through numerous donations to Hong Kong and mainland educational institutions, as well as funding charitable healthcare and medical research programmes.

LKSF was established in 1980 by Mr. Li Ka-shing with a focus on education and healthcare initiatives. To date, Mr. Li has contributed over HK\$30 billion in projects covering education, healthcare and charity programmes. LKSF will continue the unchanging promise of bringing forth a more hopeful and promising future.

1. Tsz Shan Monastery

With an enlightened spirit, Tsz Shan Monastery strives to facilitate real change in the world. As a Chinese Buddhist monastery, it addresses transcendent natural and social needs and circumstances, and toward this effort LKSF has contributed approximately HK\$3.3 billion.

Tsz Shan Monastery continues to optimise energy saving, emission reduction, and water conservation measures. Water offering is adopted in lieu of incense burning to avoid air pollution. Home to a countless number of plants, the monastery fosters an ecosystem of biodiversity and conveys the message of Buddhism through nature, while guiding its visitors to connect with nature, actively promotes vegetarian and plant-based diets, adhering to carbon reduction and sustainable healthy diet.

Tsz Shan Monastery is committed to promote the physical, mental and spiritual health of people from all walks of life. Regular rituals and activities such as water offering, Zen calligraphy, and walking meditation are held to calm the minds and bodies of believers and to allow participants to regain inner peace and cultivate positive energy. The monastery also collaborates with international and local universities to offer interdisciplinary Buddhist courses and meditation practices, providing ways for the public to take care of their own physical, mental and spiritual aspects.

Tsz Shan Monastery Buddhist Spiritual Counselling Centre offers professional counselling service to the general public based on the principles of Buddhist Dharma, embodying the spirit of Avalokitesvara Bodhisattva's compassion in the world. Being the first such model in Hong Kong, the centre aims to help those who suffer to cultivate their minds, apply Buddhist wisdom to their lives, manage distress, and regain peace of mind. The Centre offers constant counselling service to the public throughout the pandemic through online and offline courses and activities, and to promotes holistic health and wellbeing to help the people of Hong Kong restore peace and balance. With the centre's "Life Companion Project", over 100 volunteers have been trained to provide continuous support regarding mental and spiritual wellbeing for those in need from various social welfare and medical institutions. Meanwhile, "Metta Scheme" offers financial support to patients to relieve their stress during treatment and subsidises hearing aids for seniors. In 2022, the total number of beneficiaries exceeded 180,000.

The volunteers of Tsz Shan Monastery and Tsz Shan Monastery Buddhist Spiritual Counselling Centre offered a range of social services to the public, and received numerous "Hong Kong Volunteer Awards" in 2022 from the Hong Kong Agency for Volunteer Service. The awards included "Top 10 Highest Volunteer Hours (Non-Commercial Organisation Award)", "Corporate & Non Commercial Organisation Award", "Individual Outstanding, Gold, Silver, and Bronze Awards" (411 volunteers in total).



Tsz Shan Monastery connects visitors with mother nature through its phenomenal natural environment

2. Support Local Anti-Pandemic Work

The instability created by the COVID-19 pandemic brought challenges to the public healthcare systems and the society. LKSF extended a helping hand and rode out the difficult times with the public by making donations to support private hospitals, elderly homes, and social welfare agencies.

Support Private Hospitals to Admit Non-COVID-19 Patients from Public Hospital

In February 2022, LKSF donated nearly HK\$70 million and initiated an emergency scheme for the transfer of non-COVID-19 patients from public hospitals to private hospitals in an effort to ease pressure on the public healthcare system and maintain day-to-day services for patients in public hospitals. Over 800 patients from public hospitals were transferred to 7 participating hospitals, namely the Hong Kong Sanatorium & Hospital, Gleneagles Hospital Hong Kong, the CUHK Medical Centre, St. Teresa's Hospital, Precious Blood Hospital (Caritas), Hong Kong Adventist Hospital, and Hong Kong Baptist Hospital.

Under the scheme, the private hospitals admitted patients from public hospitals who had acute or chronic conditions such as coronary heart disease, colorectal cancer (surgery, radiotherapy, and chemotherapy), labour and delivery, acute/chronic care, neonatal jaundice and other acute conditions, nuclear medicine, and positron emission tomography (PET) scans.

Support Food Angel's Free Meals Service

During the pandemic, Food Angel suffered a sudden staff shortage, and its food recycling operation came to a near standstill. Yet, it managed to maintain 70% service every week to continue serving meals free of charge to the elderly and the underprivileged. To ensure that the service would not be disrupted, LKSF donated HK\$4 million in March 2022 to Food Angel to purchase food and meals.

Food Angel continues to provide free meals for the underprivileged during the pandemic

Support Local Elderly Homes to Purchase Anti-pandemic Supplies

To help elderly homes to cope with the surge in expenses and get through the sudden outbreak of the fifth wave of COVID-19, LKSF donated a total of HK\$5 million in March 2022 to six elderly homes for purchasing anti-epidemic supplies and funding other emergency programmes to protect the health of the elderly. The beneficiaries included the Buddhist Li Ka Shing Care And Attention Home For The Elderly, the Buddhist Li Chong Yuet Ming Nursing Home For The Elderly, the Buddhist Po Ching Home For Aged Women, the Caritas Li Ka Shing Care And Attention Home, the SKH Li Ka Shing Care And Attention Home For The Elderly, and the Buddhist Po Ching Care And Attention Home For The Aged.



Teaming up with CK Group in support of The Community Chest Pandemic Rainbow Fund

LKSF joined hands with CK Group to raise funds for the Community Chest Pandemic Rainbow Fund. Through the *Community for the Chest* TV fundraising show aired in May 2022, LKSF and CK Group matched public donations and each donated HK\$3 million to support the Chest’s anti-pandemic work.

3. Education Projects

LKSF’s commitment to education is long-term, and it sees education as the driving force of human civilisation and technological advancement, as well as the cornerstone of social well-being and economic prosperity. In 2022, LKSF continued to support various educational institutions to lay a solid foundation for cultivating future talent.

The Chinese University of Hong Kong – Medical Research and Development

Biomedical research and biotechnology development lead to new inventions and applications, which can improve the quality of life and contribute to greater social well-being and economic prosperity in Hong Kong, China, and the world, at large. In response to the rapid development of medical research and education, LKSF donated HK\$150 million to the Faculty of Medicine of the Chinese University of Hong Kong to strengthen its innovative biomedical research and to promote translational scientific research. The donation was also used in the development of practical diagnostic tools or therapeutic approaches and to accelerate the translation of basic research outputs into clinical applications at its existing clinical trial centre. The project promotes sustainable development of the local medical industry while enabling different sectors of society to benefit from cutting-edge scientific and technological achievements.



LKSF donated HK\$150 million to support the CUHK’s research and development in biomedical technology

The Education University of Hong Kong – AI Literacy Programme

In 2020, a donation was made to the Education University of Hong Kong (“EdUHK”) to provide courses in artificial intelligence (“AI”) for university and secondary school students, and to promote the popularisation of AI education. Building on the success of the programme, LKSF has further supported EdUHK in 2022 with a donation of HK\$4.2 million to launch the second phase of the programme, to further explore and develop AI education. In addition to university and secondary school students, seminars were provided to school management and educators to enhance their understanding and application of AI.

The Hong Kong Academy of Nursing – Continuing Nursing Education in Hong Kong

Nursing staff are the pillars of healthcare system and are closely related to the health and well-being of citizens. Their contributions to society throughout the fight against the pandemic are well recognised. To further their work, LKSF donated HK\$5 million to the Hong Kong Academy of Nursing to support its campus expansion and the provision of specialist training courses to ensure that nurses can continue to receive professional training and development. With the support of LKSF, the Hong Kong Academy of Nursing, along with its 14 faculties, will continue to promote continuing education in nursing to nurture and train more nursing specialists in Hong Kong. It will further work on optimising the patient care model and enhancing the efficiency and effectiveness of the local healthcare system.

TWGHs Li Ka Shing College – Facilitating IT Teaching and Learning

Secondary education is an important stage for students to expand knowledge and establish their values which will have a profound impact on their future development. With the rapid development of information technology, schools must keep pace with the times. To assist in that effort, LKSF donated more than HK\$5 million in May 2022 to the Tung Wah Group of Hospitals Li Ka Shing Secondary School. The money is targeted for facilities and equipment upgrade so that it can implement “blended learning”, which combines face-to-face teaching and distance learning. The equipment upgrades also include setting up an immersive virtual reality system to enhance learning outcomes.

Shantou University

Shantou University (“STU”) is a comprehensive campus of higher education co-developed by the Ministry of Education, Guangdong Province, and LKSF – a pilot site for higher education institutional reform in mainland China. Over the years, LKSF has contributed HK\$12 billion in support of STU, which has more than 19,000 full-time students currently and has thus far educated over 180,000 students with different talents.

In 2022, STU continued to create excellent learning environment for students and an ever-expanding development blueprint for the university. The East Coast Campus was officially opened in October, which facilitated the development of regional educational facilities. STU was selected as an independent pilot for the “one-stop” student community comprehensive management model facility by the Ministry of Education. The College of Chemistry and Chemical Engineering (College of Carbon Neutral Future Technology) was established to further consolidate the foundation of scientific and technological innovation. Seven disciplines are now in the Essential Science Indicators (“ESI”) global top 1%. The Key Guangdong Provincial Laboratory of Marine Disaster Warning and Protection co-built by Guangdong Province and Shantou City was recently established. In the Times Higher Education World University Rankings 2023, STU ranked 49th among listed universities in Mainland China. A number of faculty members were in the top 2% of the world’s leading scientists, while the performance of its students

remained at high levels. STU also collaborated with the Chaoshan Cultural Research Center to organise several projects, such as “The Training Programme for Successors of Chinese Intangible Cultural Heritage: The First International Chaozhou Opera Culture Workshop”, contributing to the conservation of the Chaoshan culture.



The opening of the East Coast Campus of Shantou University marks the further development of a high-level university

Shantou University Medical College (“SUMC”) is committed to cultivating innovative high-quality medical professionals with “medical ethics, integrity and skills”. Its Clinical Medicine major has remained in the ESI global top 1% for 11 consecutive years and, in 2022, it ranked 22nd among its peers in Mainland China by Alumni Association. Its Nursing major was selected as a first-class national undergraduate programme for continuing development. Moreover, a number of SUMC professors were in the top 2% of the 2021 Distinguished Global Scientist List, the world’s top 100,000 scientists, and the “Alumni Association’s List of Scholars with Great Contribution in China 2022”.

Five Affiliated Hospitals of SUMC continue to serve the community and among them, three are already “Triple A” hospitals. In the 2021 national public tertiary hospital performance appraisal: The First Affiliated Hospital, the Mental Health Center, and the Joint Eye Center all achieved the highest A grade. A tailored surgical knowledge/skill transfer project from the Joint Eye Center to grassroots hospitals was also chosen as a case study in the 5th Precise Assistance by Provincial Universities organised through the Ministry of Education. Being the only selected project in Guangdong province, this achievement is also first of its kind for STU.

Cheung Kong Graduate School of Business

With generous funding of LKSF, the Cheung Kong Graduate School of Business (“CKGSB”) was established in 2002. It aims to cultivate transformative business leaders with a global vision, social responsibility, innovative mindset, and ability to lead with empathy and compassion. Today, CKGSB has 56 world-class professors, and has cultivated more than 20,000 management talents, more than half of whom are at the chairman or CEO level in the business sector.

So far, 544 alumni have served as founders, chairmen, or presidents of companies listed on stock markets such as China’s A-shares, the Hong Kong Exchanges and Clearing, and the New York Stock Exchange. According to CB Insights (2017–2022), 41 unicorn companies have been founded, co-founded, or led by CKGSB alumni, accounting for 18% of China’s unicorn companies on the list. Twelve CKGSB alumni were named by Fortune China as “China’s 50 Most Influential Business Leaders 2022”, being 24% of the list.

In 2022, the school launched programmes and events in collaboration with influential organisations and institutions like UNESCO, the Dubai Executive Committee, the University of California, Berkeley, and IMD. These projects seek to establish a global platform that fosters a new generation of economic leaders, especially unicorn and unicorn-to-be companies, with a renewed and enhanced emphasis on global responsibility, social purpose, and a long-term perspective. By cultivating these “new forces” through economic developments, CKGSB is meant to provide new channels for young people around the world, and to solve the major problems in global development, such as class solidification, in order to strengthen the soft power of China. Since 2007, the business school has been working with the China National MBA Education Supervisory Committee to provide annual training for more than 500 MBA professors from China’s least developed provinces. In 2022, CKGSB launched a programme to develop and train more than 60 socially innovative organisation leaders in the Guangdong, Hong Kong, and Macau Greater Bay Area.

4. Healthcare Projects

Healthcare services and medical research are indispensable to the health and well-being of the community. Maintaining adequate and effective healthcare services, as well as assisting the disadvantaged to live a normal life, are essential to the functioning of society and the advancement of social development. As such, promoting far-sighted medical research is conducive to the creation of a quality environment for healthy living, thus paving the way for society’s long-term development.

Precious Blood Hospital (Caritas) “Total Knee Replacement Surgery” Programme

LKSF and Precious Blood Hospital (Caritas) launched the “Total Knee Replacement Surgery” programme in 2021, to shorten the waiting time of surgeries for patients from public hospitals who are suffering from knee problems, so that the working patients and breadwinners will be able to resume activities, or return to work as soon as possible. The response was overwhelming and LKSF provided further support to launch a third phase of the programme in 2022. LKSF has contributed HK\$60 million to this programme, and the project is expected to benefit 780 patients.



The third phase of the Total Knee Replacement Surgery Programme was launched in July 2022

The University of Hong Kong Li Ka Shing Faculty of Medicine – Research on Obstructive Sleep Apnea and Lung Cancer Screening Programme

In recent years, LKSF has supported numerous healthcare projects to benefit patients in public hospitals through the Li Ka Shing Faculty of Medicine of the University of Hong Kong. These projects include providing computer imaging services for patients with liver, stomach, and heart disease in an effort to reduce waiting times for needy patients in public hospitals. In 2022, LKSF made another donation of HK\$4 million to the Li Ka Shing Faculty of Medicine of the University of Hong Kong to support its sleep apnea research and lung cancer screening programme. Recent studies by its research team have shown that sleep apnea is quite common among adult Chinese in Hong Kong. In addition to research, the project also provides monitoring and treatments for sleep apnea patients. Part of the donation subsidises patients with lung nodules at the Queen Mary Hospital to undergo further diagnosis through computer scan, so that diseases such as cancer can be diagnosed earlier for patients to receive timely treatment.

Free Healthcare Services in the Mainland China

For many years, LKSF has been providing free healthcare initiatives to the Mainland to support the vulnerable. To date, its cumulative contribution is over RMB1 billion, benefitting tens of millions of people. The scale and depth of the support continues to increase, and major initiatives include:

“Heart of Gold” Nationwide Hospice Service Programme

The hospice service helps terminal cancer patients experience love and kindness during the last phase of their life journey. It provides free home visits for impoverished terminal cancer patients, offering services that include pain treatment, nursing care, psychological and grief support, bringing in social resources, volunteer service, and educating the public about hospice care. Due to pandemic control measures, some of hospice centres had to provide phone consultation and online support services for cancer patients instead of home visits.

The Hospice Service Programme started in 1998, and was extended to cover the entire country in 2001. To date, LKSF has contributed RMB1 billion approximately to its support, and over 3.5 million service sessions have been provided for more than 230,000 patients, and volunteers have contributed close to 640,000 hours of assistance. To date, 32 hospice centres are operating across 29 provinces (including autonomous regions and direct-administered municipalities) throughout the country.



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

Launched in 1998, and coordinated by the Shantou University Medical College as part of service learning for students, the project has received an accumulated donation of over RMB55 million from LKSF. More than 14,000 free surgeries were offered and 700,000 consultations have been provided to rural residents. In addition to the delivering of free medical services in rural districts and educating medical students, this project also organises other activities such as physician development in township hospitals and the rehabilitation programme.



Students from Shantou University Medical College explain healthcare knowledge to children at rural areas

Besides, a new 10 million RMB initiative was started in 2022 to support kidney patients receiving dialysis treatment in Shantou University Medical College Affiliated First and Second Hospitals. This assistance enables the financially-needy patients to continue dialysis treatment and improve their quality of life.

Kumbun Tibetan Medical Hospital Free Medical Aid Project

Since its launch in 2005, the project has provided over 220,000 free medical consultation sessions to herders, with a cumulative donation from LKSF of RMB28 million. Despite the pandemic in 2022, the Kumbun Tibetan Medical Hospital offered free consultation services in remote areas. It also managed to organise a Phase 2 training programme in Tibetan medicine to enhance the skills and capacity of Tibetan medical practitioners so that patients living in remote areas can receive better treatment.

5. Community Projects

Over the years, LKSF has supported various social welfare projects to serve people with different needs throughout society. Since the COVID-19 outbreak in 2020, many social welfare agencies have faced operational and fundraising challenges. LKSF launched a series of projects through the “Love Can Help” Campaign to support social welfare agencies that provide service for those in need. Among the many projects, LKSF assisted with services for the visually impaired, the disabled, children with autism, the elderly, and grassroots families. Here are some of the community projects supported by LKSF:

Caritas Family Crisis Line and Education Centre

Despite the most serious challenges brought by the pandemic, the Caritas Family Crisis Line and Education Centre (“CFCLEC”) maintained round-the-clock crisis support and provided essential follow-up service to its users in need. Community education also closely follows the needs of society, such as media campaigns to raise public awareness of the post pandemic conditions and scam crisis, as well as online public education talks on dealing with extra-marital affair crises and parenting stress. It also delivered bespoke school talks regarding crisis education. In 2022, more than 30,000 users received direct services and attended CFCLEC community education events, and its multimedia education platform recorded over 220,000 hits. Since 2008, LKSF’s cumulative donation of over HK\$72.8 million has supported the operations of the centre, and as of the end of 2022, the centre has handled more than 550,000 calls and served over 660,000 individuals.

Construction Industry Casualty Assistance Programme

LKSF funded the Construction Industry Casualty Assistance Programme launched by the Construction Charity Fund Integrated Service Centre in June 2022. The Programme aims to provide emergency financial assistance to victims of construction work injury cases or their families, to help them get through difficult times. Since its launch, the programme has handled a number of construction work injury cases, providing support for the injured workers or their families.

SAHK Sensory Integration Training and Professional Development Centre

LKSF gave support to The Spastics Association of Hong Kong in 2020 and 2022, providing a total donation of HK\$4 million to establish the first “Sensory Integration Training and Professional Development Centre” in Hong Kong, which aims to improve service levels for people with autism, as well as to promote the development of sensory integration training. Due to the pandemic, some face-to-face sensory integration training sessions were switched to online mode so that students can continue training at home with their parents. In addition, the centre produced a series of videos on sensory integration training at home for parents and kids to learn interesting sensory integration activities. Total number of views reached 5,000. The Centre also invited mainland and overseas experts to provide training and seminars for local industry workers and parents. The events accumulated more than 750 participants in two years.

TREATS Inclusive Sports for ALL Project

TREATS enables people with intellectual, physical, emotional, and social disabilities to learn and enjoy sports with the community so they can develop self-confidence, problem-solving and resilience, and social skills while promoting an inclusive society. Since 2020, TREATS has received a total donation of HK\$3 million from LKSF, and the number of beneficiaries is expected to reach nearly 20,000 in the next two years.



TREATS Inclusive Sports for ALL Project promotes an inclusive society through sports



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