

Growth Through Sustainable Opportunities

Sustainability Report 2021



Contents

About CKA	02
Message From The Chairman	06
Sustainability Highlights	08
About This Report	10
Sustainability at The Company	12
Approach to Sustainability	13
Sustainability Governance	14
Materiality Assessment	15
Stakeholder Engagement	17
Corporate Governance	18
Corporate Governance Policies and Sustainability Policies	19
Board and Board Committees	20
Risk Management and Internal Controls	22
Business Ethics	24
The Environment	26
Climate Change Mitigation and Adaptation	27
GHG Emissions and Waste Reduction	42
Resource Management	51
Managing Other Environmental Impacts	54
Social Impact	56
Our Counter-COVID Strategy	57
Employment and Labour Practices	59
Supply Chain Management	67
Products and Services Responsibilities	69
Community Investment and Development	74
Additional Information	82
Performance Data Summary	83
SEHK ESG Reporting Guide Index	86
Achievement and Innovations of Infrastructure Investments	93
Li Ka Shing Foundation	97

About



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



*Group Structure



CK ASSET HOLDINGS LIMITED

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



* As at 21 April 2022

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 2021, 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 4 million sq.ft., 67 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Property Investment

The Group’s property investment includes retail, office, industrial and other properties, primarily located in Hong Kong. As at 31 December 2021, the Group had an investment property portfolio of approximately 17.6 million sq.ft. (including share of joint ventures but excluding car parking spaces), of which 13.0 million sq.ft., 1.9 million sq.ft. and 2.7 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Hotel and Serviced Suite Operation

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

Property and Project Management

As at 31 December 2021, the Group managed approximately 269 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. The operation of Greene King 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 own breweries.

Infrastructure and Utility Asset Operation

In May 2021, the Group completed the acquisition of (i) a 20% equity interest in UK Power Networks Holdings Limited (“UK Power Networks”); (ii) a 20% equity interest in Northumbrian Water Group Limited (“Northumbrian Water”); (iii) a 10% equity interest in Wales & West Utilities Limited (“Wale & West Utilities”); and (iv) a 10% equity interest in Dutch Enviro Energy Holdings B.V. (“Dutch Enviro Energy”) from Li Ka Shing Foundation Limited for a total consideration of HK\$17 billion. Following the acquisition, the equity interests in Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy are amalgamated with the Group’s economic interests (arising from the respective economic benefits agreements entered into by the respective subsidiaries of the Company, CK Hutchison Holdings Limited, CK Infrastructure Holdings Limited and Power Assets Holdings Limited in August 2018) in these entities.

As at 31 December 2021, the Group has interests in the following joint ventures which operate infrastructure and utility asset businesses (the “Infrastructure Investments”): (i) CK William JV — an owner and operator of energy utility assets in Australia, the U.S., Canada and the UK, (ii) CKP (Canada) JV — a building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada, (iii) Sarvana JV — a fully integrated energy management service provider operated by ista Group in Europe, (iv) UK Power Networks JV — a power distributor that serves London, the South East and East of England, (v) Northumbrian Water JV — a regulated water and sewerage company in England and Wales, (vi) Dutch Enviro Energy JV — an operator of energy-from-waste business in the Netherlands and (vii) Wales & West Utilities JV — a gas distributor that serves Wales and the South West of England. The Group has interests in CK William JV, CKP (Canada) JV, Sarvana JV, UK Power Networks JV, Northumbrian Water JV, Dutch Enviro Energy JV and Wales & West Utilities JV of 40%, 75%, 65%, 20%, 36%, 24% and 22%, respectively.

Interests in Real Estate Investment Trusts (“REITs”)

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





Message From The Chairman

CK Asset Holdings Limited proudly presents our standalone Sustainability Report. This Report contains a review of our sustainability performance in 2021 and a highlight of our key initiatives and achievements. Transparent disclosure has always been one of our top corporate sustainability priorities and we wish to demonstrate to our stakeholders through this Report our unwavering commitment to sustainable growth.

2021 was an eventful year for the Group despite the numerous challenges posed by the pandemic. We remain committed to generating long-term value for our stakeholders and managing our environmental footprint across our global network. As a leading multinational corporation with businesses around the world, we appreciate the unique set of social, environmental and economic considerations in each individual market, and strive to integrate these considerations into our operations for long-term harmony and sustainability.

Our Board-level Sustainability Committee and the Sustainability Working Group which comprise of heads of different departments, assist the Board to oversee the Group's sustainability strategy and drive reduction initiatives among business units in a cost effective manner. The Group's sustainability and corporate governance policies are in place to provide guidance on the integration of sustainability and purposeful governance across businesses. During the year, we updated the Group's whistleblowing policy to strengthen the channel for reporting of possible improprieties relating to the Group. Our corporate governance system remains robust, and the Group received the "Listed Company Awards of Excellence 2021" in Blue Chip category from the Hong Kong Economic Journal for its overall outstanding performance.

Property development has been a significant part of our heritage and we take pride in promoting a sustainable living environment. The Group has developed some of Hong Kong's landmark buildings and complexes over the years, and provided a full range of professional building management services. In 2021, both our residential property development projects Ocean Pride and My Central received BEAM Plus New Buildings Final Gold rating. In addition, 26 existing properties managed by the Group have obtained Good or Excellent rating under BEAM Plus Existing Building Version 2.0 Selective Scheme in 2021. Citybase Property Management Limited was one of the few property management companies that received the "Joint Energy Saving Award" in the Smart Energy Award 2021 organised by CLP Power Hong Kong Limited. We strive to bring quality developments and provide green property management services to our customers and tenants.

The rapid development of green and sustainable finance in Hong Kong offers promising prospects and new opportunities. The Group took a leap forward in 2021 and secured two sustainability-linked loans in the total amount of HK\$5.5 billion. The Group will continue to evaluate a diversified range of financing arrangements and investment products that provide environmental benefits.

The Group has a workforce of over 50,000 people worldwide whose dedication and perseverance had contributed to our stable operation amid the pandemic. We recognise that their performance is linked to the Group's resilience and long term success, and we are committed to creating a supportive and rewarding workplace. We work seamlessly with our local and overseas business units to maintain a balance among people and community, environmental protection and corporate governance. In 2021, Citybase received the Outstanding Award in Joyful@Healthy Workplace Best Practices Award in the 16th Occupational Health Award organised by the Hong Kong Occupational Safety and Health Council. In the UK, Greene King won the Judges' Choice Talent Acquisition Team of the Year Award in the TALiNT International Annual Recruitment Awards 2021, and the prize for best diversity and inclusion initiative in the CorpComms Awards 2021.

As the world continues to grapple with COVID-19, members of society aspire for a healthier and eco-friendly community. In line with this aspiration, the Group endeavours to provide to our stakeholders a safe and smart environment by increasingly embracing technologies. The Group's 2021 Annual General Meeting and Extraordinary General Meeting were convened as hybrid meetings, and shareholders could choose whether to attend and vote in person or through an online platform. The Group has adopted an agile working arrangement since the beginning of the pandemic, and employees have been provided with the equipment they need to perform their role safely and efficiently in different locations. We have upgraded the disinfection procedures and equipment in our properties to better protect the health and safety of our staff, tenant, customers and visitors. In 2021, our offices at Cheung Kong Center received "Excellent Class" certification in the Indoor Air Quality Certification Scheme organised by the Hong Kong Environmental Protection Department. Apart from offering paid leave to our employees for each vaccination against COVID-19, the Group also collaborated with the Li Ka Shing Foundation to provide a HK\$20 million vouchers lucky draw to encourage vaccination.

Realistic and achievable environmental targets were set in 2021 to monitor the Group's impact on electricity consumption, water consumption, paper waste and greenhouse gas emission. These targets will guide our head office and business units in addressing ESG issues that are material to our businesses. As a Carbon Neutrality partner named by the Environment Bureau of the HKSAR Government in 2021, we are set to accelerate our pace in pursuing low-carbon transformation through efficient processes and the best use of resources. We will continue to engage stakeholders in our green vision and cultivate a strong internal awareness on sustainable practices to combat climate change. We take an interest in projects that improve ecosystem performance and drive transformative change to reduce carbon emissions such as regenerative agriculture initiatives. We welcome any research or proposal in this respect that may enhance the collective contribution to the community and the environment at large.

My family has supported projects that propel social progress through the Li Ka Shing Foundation for more than four decades. Priority is given to healthcare and education projects that fit with its philanthropic mission and vision. These initiatives are additional to the Group's charitable and sustainable efforts. Some of the Foundation's latest projects are included at the end of this Report.

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

Victor T K Li

Chairman
17 March 2022



Sustainability Highlights

Combating Climate Change

Target Setting

- Since 2021, the Company has established environmental targets, covering metrics on electricity consumption, water consumption, paper waste and greenhouse gas (“GHG”) emissions

Green Financing

- The Group obtained two sustainability-linked loans in an aggregate amount of HK\$5.5 billion and marked an important milestone in its sustainability journey

Green Buildings

- The Group’s property development projects, “Ocean Pride Development” and “My Central” received **BEAM Plus New Buildings Final Gold rating** for successfully achieving green buildings standards
- 26 of our existing properties obtained **“Good” or “Excellence” ratings under BEAM Plus Existing Building Version 2.0 Selective Scheme**



Corporate Governance

- The Whistleblowing Policy was enhanced to strengthen the channel for reporting of possible improprieties



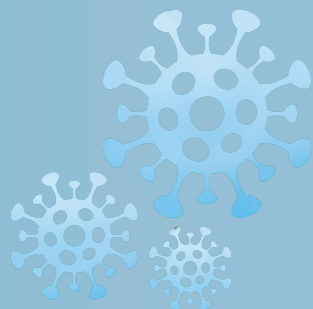
Social Impact

- Safety Month and various health and safety seminars are held to enhance health and safety awareness in the workplace
- As part of the Company’s talent development strategies, the Company grants corporate nominated awards to selected employees who successfully complete a selected Executive MBA Programme



The Environment

- Alternative green energy such as installation of solar panels has been initiated at certain residential, commercial or industrial properties managed by the Group (“Managed Properties”), which are connected to the power companies’ grids for participating in the Renewable Energy Feed-in-Tariff
- Citybase Property Management Limited (“Citybase”) and Goodwell Property Management Limited (“Goodwell”) received the **“BOCHK Corporate Environmental Leadership Awards”** from the Federation of Hong Kong Industries and Bank of China (Hong Kong) Limited



Counter-COVID Strategy

Protecting our People



- Contingency offices and “A-B-C Teams” working arrangements have been created to protect employees
- Providing protective equipment to employees for personal protection
- Special paid leave has been provided to employees to encourage COVID-19 vaccination



Maintaining our Operations

- Utilisation of digital communication channels for business meetings to maintain social distancing and decrease spread of virus
- Special arrangements were made for the Group’s Annual General Meeting 2021. Shareholders were provided with online access to participate and vote in the proceedings



Supporting our Community

- The Group together with CK Hutchison Holdings Limited and the Li Ka Shing Foundation launched a lucky draw that gave away HK\$20 million vouchers to encourage COVID-19 vaccination
- Rambler Garden Hotel has been registered as a “Designated Quarantine Facility” and provided safe quarantine accommodation to foreign domestic helpers
- A brand new flagship channel is launched by our property management company which offers a wide selection of online information and entertainment to enhance the relationship with tenants and occupants

About This Report

This Sustainability Report (“Report”) is prepared with reference to the requirements under the Environmental, Social and Governance (“ESG”) Reporting Guide set out in Appendix 27 (“ESG Reporting Guide”) of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“SEHK”) for the year ended 31 December 2021 (“Reporting Period”).

This Report should be read in conjunction with the Group’s 2021 Annual Report, which contains a comprehensive review of its financial performance and corporate governance, and also key policies published on the Group’s 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 key sustainability issues which are sufficiently important to the Group’s business continuity and development as well as the interests of stakeholders that should be reported in the Sustainability Report. The Group has conducted a materiality assessment to prioritise sustainability issues. Details can be found under the section headed “Sustainability at The Company” in this Report.

Quantitative

The Group has adopted the SEHK’s ESG Reporting Guide and relevant guidelines published by SEHK and other international organisations (such as the Greenhouse Gas 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 has been no material changes in the reporting approach and methodologies from those adopted by the Group in the previous reporting years.

Balance

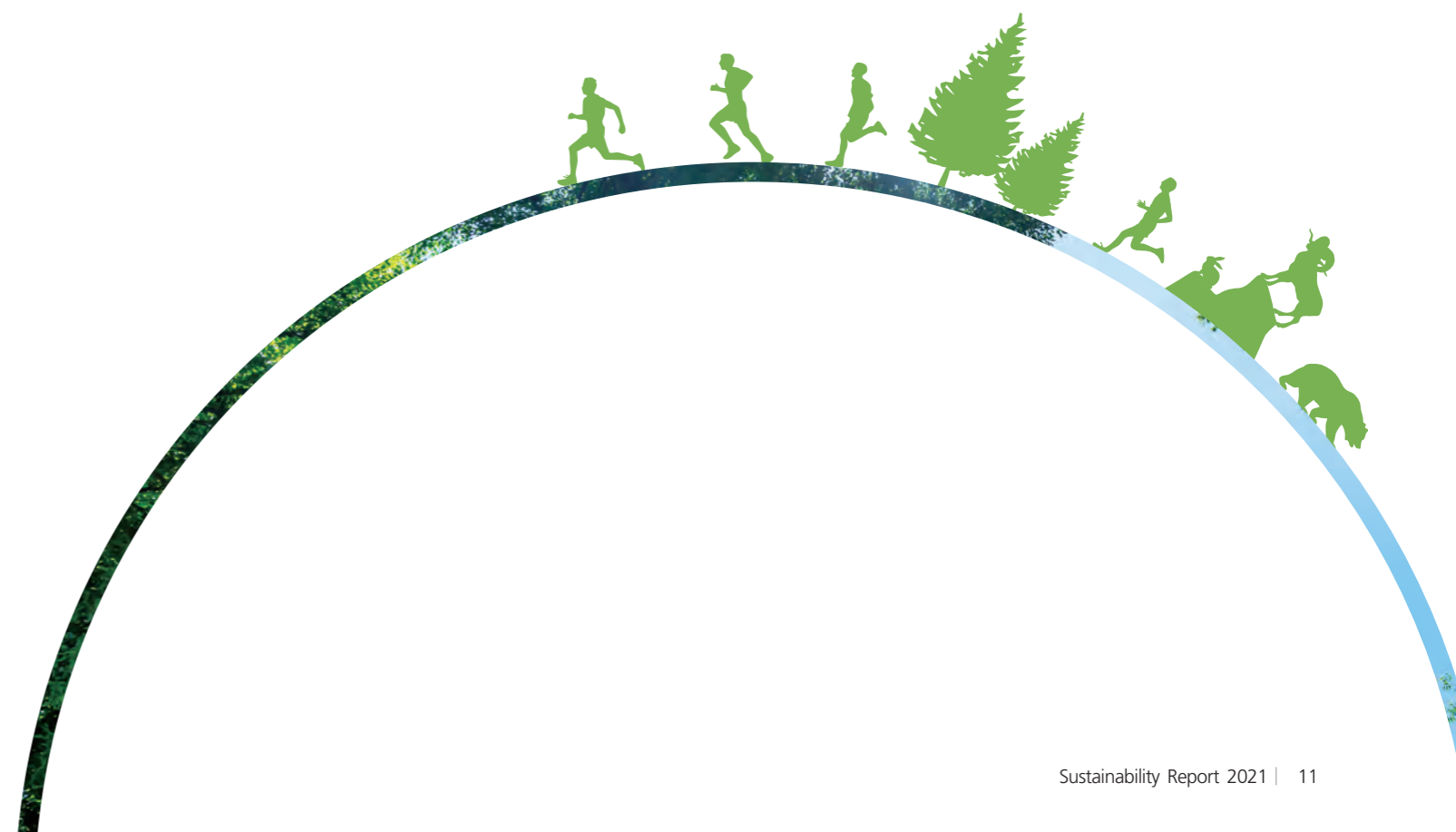
This Report aims to present a holistic and fair view of the sustainability performances of the Group. On this account, the Board of Directors (“Board”) and the Sustainability Committee of the Company and the management teams of various departments/business units/operating subsidiaries of the Group were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

This Report is divided into four sections, focusing on the Company’s overall approach to sustainability of the Company, Corporate Governance, the Environment and Social Impact. This Report covers the Group’s businesses and operations of property development and investment, hotel and serviced suite operation, property and project management and pub operation, unless otherwise specified. Details of the Group’s management of the relevant ESG issues and related KPIs are presented in this Report.

Please refer to Additional Information: Achievement and Innovations of Infrastructure Investment in this Report and relevant sections of the 2021 Sustainability Report of CK Infrastructure Holdings Limited for further details of the efforts and performances in sustainability of the Group’s Infrastructure Investments.

An independent consultant has been retained as in the previous reporting years to provide sustainability advisory services to the Group and to assist with the Group’s compilation of this Report with reference to the requirements of the ESG Reporting Guide.

This Report is by default made available to the stakeholders online unless specific requests for a hard copy are received in order to reduce paper consumption and promote environmental protection.



Sustainability at The Company



Approach to Sustainability

The Group takes environmental protection, people and community into consideration when conducting business. The Group upholds robust corporate governance practices to create long-term value for stakeholders, including but not limited to customers, employees, business partners, shareholders, investors and the wider community.

Sustainable Business Operation



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

ESG as Investment Criteria

As set out in Company’s Corporate Social Responsibility Policy, when the Group’s Investment Committee evaluates new investments, ESG performance and impact are taken into consideration. Due diligence will be conducted on various ESG aspects, such as compliance with environmental regulations, labour supply and relations, supply chain and customers, environmental and social risks, management capability, integrity and financial management. Performance on relevant ESG aspects will be critically assessed and considered as part of the overall investment decision. The Group also closely monitors global trends in clean energy development and related investment opportunities given the growing concerns regarding climate change.

Continuous monitoring of the ESG performance of the Group’s various invested infrastructure businesses are conducted through representation on the boards of the businesses. The management teams of the newly invested businesses are required to report and disclose material and relevant ESG information and performance at regular board meetings and board committee meetings of the businesses.

Sustainability Governance

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



The Sustainability Committee, a designated committee focusing on the Group's sustainability, may delegate certain responsibilities to working groups to discharge the responsibilities of the Sustainability Committee as stated in its Terms of Reference.

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 oversees sustainability performance, and is responsible for ensuring effective risk (including ESG risk) management and internal controls.
- The Sustainability Committee, assists and advises the Board on development and implementation of the sustainability policies and practices of the Group. The scope of responsibilities include reviewing the sustainability-related policies and initiatives, assessing sustainability risks and making recommendations to the Board on matters concerning the Group's sustainability development such as ESG-related targets setting. Further details of the Sustainability Committee's responsibilities are set out in the Terms of Reference of the Sustainability Committee (https://www.ckah.com/eng/about_boardcommittees.html).
- The Sustainability Working Group was set up in 2016 and comprises members designated by the management team spanning across different departments, subsidiaries and business units. It executes relevant strategies and policies, and is responsible for the implementation of sustainability initiatives and reporting.

Materiality Assessment

As part of our sustainability governance and reporting process, the Sustainability Working Group and designated managers determined the issues that are material to the Group's businesses and stakeholders. The steps involved are as follows:










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

 <p>Governance</p>	<ul style="list-style-type: none"> • Board's Governance in Sustainability • Sustainability Policies • Business Ethics
 <p>Social</p>	<ul style="list-style-type: none"> • Our Counter-COVID Strategy • Employment and Labour Practices • Human Capital Development • Occupational Health and Safety • Green and Responsible Procurement • Products and Services Responsibilities • Community Investment and Development
 <p>Environmental</p>	<ul style="list-style-type: none"> • Climate Change Mitigation and Adaptation • Green Buildings • GHG Emissions and Waste Reduction • Resource Management • Managing Other Environmental Impacts

Stakeholder Engagement

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

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

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



Corporate Governance

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

Corporate Governance Policies and Sustainability Policies

The Company has adopted a comprehensive set of Corporate Governance Policies and Sustainability Policies for providing frameworks and directions at the Group level on such and other sustainability-related subjects and issues, under which the Group's business units/operating subsidiaries may develop further relevant implementation policies and practices that suit their specific business and operating circumstances.

Corporate Governance Policies of the Group

-  Anti-Fraud and Anti-Bribery 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
-  Whistleblowing Policy — Procedures For Reporting Possible Improprieties (Updated)
-  Shareholders Communication Policy
-  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 fourteen Directors, comprising eight Executive Directors and six Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise. The Board is responsible for directing and guiding strategic objectives of the Group and overseeing and monitoring managerial performance.

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

Due to the ongoing COVID-19 pandemic, Directors were able to attend all Board and Board Committees meetings during the Reporting Period through electronic communication channels such as video/audio conferencing. The governance activities of the Group have been maintained and with little interruption. Arrangement has also been put in place for Board and Board Committees meetings papers to be made available via a secured online platform, resulting in minimum use of paper.

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

8 Executive Directors



6 Independent Non-executive Directors



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 will continue to be made in consultation with members of the Board, relevant Board Committees and key personnel of the Group after thorough discussions. The Board comprises six Independent Non-executive Directors 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 previously. Furthermore, Mr. Li Ka-shing has been the Senior Advisor of the Company following his retirement as Chairman, and has in that capacity continued to contribute to the Group on significant matters.

All Directors have made active contributions to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman meets with the Independent Non-executive Directors twice every year without the presence of other Directors. 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” respectively on pages 32 to 34 and on pages 35 to 43 of the Annual Report 2021 of the Company. Since June 2015, the updated list of Directors has been posted on the website of Hong Kong Exchanges and Clearing Limited (“HKEX”) which has been revised from time to time. The Company has also posted on its website and/or the website of HKEX the Terms of Reference of its Board Committees to enable the shareholders to understand the roles played by those Independent Non-executive Directors who serve on the relevant Board Committees.

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

In identifying suitable candidates for Independent Non-executive Directors, apart from independence, which is one of the key factors, the Nomination Committee also takes into account the Board’s composition as well as the various diversity aspects (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, the Board currently comprises three female Directors, representing 21% of the Board. The Board has already developed a roadmap to achieve greater gender diversity.

Board Committees

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

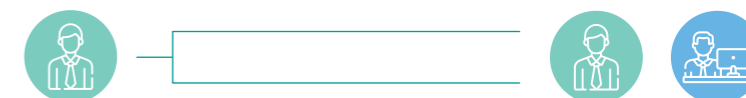
Audit Committee

The Audit Committee, which comprises only Independent Non-executive Directors, is chaired by an Independent Non-executive Director and has five other Independent Non-executive Directors as members. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting system, risk management and internal control systems, review of the Group’s financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board. During the Reporting Period, members of the Audit Committee had examined the Company’s policies and practices on corporate governance and compliance with legal and regulatory requirements including: Corporate Governance Policies, Anti-Money Laundering Policy, Competition Compliance Policy, Model Code for Securities Transactions by Directors, Privacy Policy and Personal Information Collection Statement and Sanctions Compliance Policy. The Audit Committee is scheduled to meet four times a year.



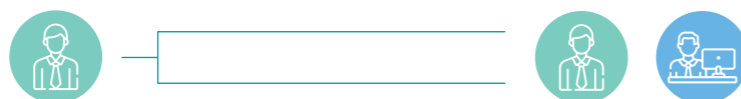
Remuneration Committee

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



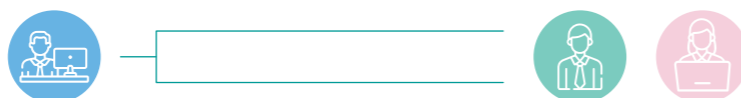
Nomination Committee

The Nomination Committee, which comprises a majority of Independent Non-executive Directors. It is chaired by an Independent Non-executive Director and has one Executive Director and one other Independent Non-executive Director as members. The principal responsibilities of the Nomination Committee include: (1) to review at least once annually the structure, size, diversity profile and skills matrix of the Board and the needs of the Board and make recommendation on any proposed changes to the Board, in order to enhance it, 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 Independent Non-executive Directors having regard to the criteria under the Listing Rules; (4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and (5) to review the Director Nomination Policy and the Board Diversity Policy of the Company periodically and make recommendations on any proposed revisions to the Board. The Nomination Committee is scheduled to meet once a year.



Sustainability Committee

The Sustainability Committee is chaired by an Executive Director and is comprised of one Independent Non-executive Director and the Company Secretary as members. The main duties of the Sustainability Committee are to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group’s sustainability development and ESG risks. It is supported by the Sustainability Working Group comprising members spanning across various departments, operating subsidiaries and business units of the Group. For details, please refer to the section headed “Sustainability Governance” and the Terms of Reference of the Sustainability Committee. 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 is comprised of seven Executive Directors and six key personnel as members. Executive Committee is responsible for: (i) 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 forming strategy; (ii) assessing and making recommendations to the Board on acquisitions of or investments in business or projects; and (iii) reviewing and discussing any other matters, as may from time to time, be delegated by the Board.

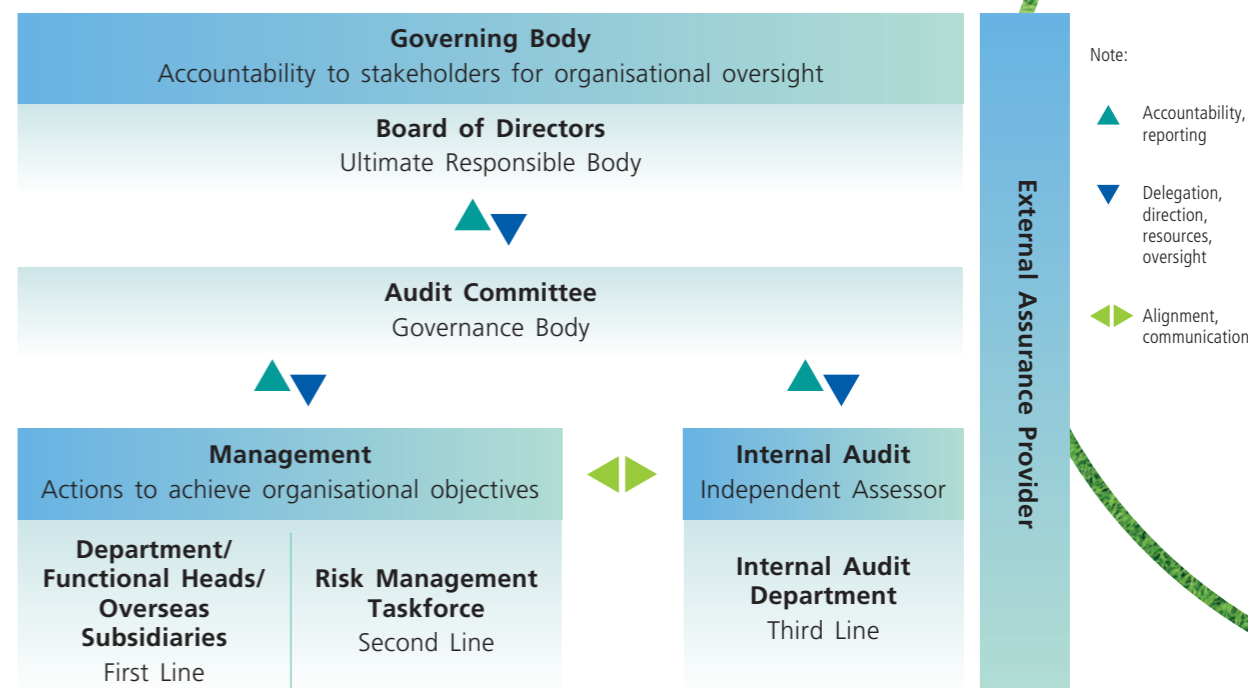


Risk Management and Internal Controls

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 senior management in the establishment and maintenance of the ERM System which is defined in and supported by a risk management policy (“Risk Management Policy”).

The governance structure for the Group’s ERM System



The ERM System defines the roles and responsibilities within the Group for risk management activity and describes the methodology and approach to risk identification and assessment that the Group has adopted. It also contains the established protocols for the communication of risks and measures to address them. The Board is ultimately responsible for determining and evaluating the risks the Group is willing to take in achieving the Group’s objectives, ensuring that the Group establishes and maintains effective risk management and internal controls systems, and overseeing these systems on an ongoing basis. The Audit Committee also plays a vital role in overseeing the ERM System on behalf of the Board. It reviews, on a regular 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.

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

For further details, please refer to the section headed “C.2 Risk management and internal control” on pages 79 to 85 under the Corporate Governance Report in the Annual Report 2021.

Management of sustainability-related risks

Sustainability-related risks are incorporated into the existing ERM System. The Sustainability Committee assists the Board in identifying and evaluating applicable sustainability-related risks, reviewing and reporting on the ESG risks as well as opportunities in the Group's businesses 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 is committed to upholding high standards of business integrity, honesty and transparency in all its business dealings and adopts a "zero tolerance" approach to bribery, corruption and fraud of any kind.

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

The Group has established the Anti-Fraud and Anti-Bribery Policy and Employee Code of Conduct to set out the minimum standards of ethical conduct to which all employees are required to adhere. 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, particularly if the acceptance of advantages could or might appear to affect their objectivity or induce them to act against the Group's best interests or lead to complaints of bias. The Anti-Fraud and Anti-Bribery Policy also covers topics such as facilitation payments, gifts and hospitality, procurement of goods and services by the Group and other business partners and third-party representatives. 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.

Members of the Group continue to co-operate with the Independent Commission Against Corruption ("ICAC") in promoting anti-corruption practices. To familiarise employees with anti-corruption practices and conflict of interest situations, seminars are delivered by the ICAC, which introduce employees to anti-corruption guidelines and practices with an aim of raising their awareness towards those situations.

During the Reporting Period, all Directors were provided with updated training relating to sanctions, anti-money laundering and anti-corruption to keep them abreast of the most up-to-date laws and regulations. All new permanent employees have to participate in anti-corruption seminars when joining the Company.

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

During the Reporting Period, the Group enhanced its Whistle-blowing Policy to strengthen the channel for reporting of possible improprieties. The Group's Anti-Money Laundering Policy, Sanctions Compliance Policy and Whistleblowing Policy are available on the Company's intranet and/or website with a clear confidential reporting channel. Employees are also actively encouraged to report any concerns they have regarding bribery and corruption or suspected related conducts.

In line with the Group's commitment to integrity in business, employees and stakeholders who deal with the Group, including customers, suppliers, creditors and debtors, are encouraged to report any suspected impropriety, misconduct or malpractice that they encounter within the Group. Procedures are in place to ensure that such reports are logged, and investigated, and that appropriate actions will be taken accordingly. The employee making an appropriate report under these procedures is assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the reports are subsequently proven to be incorrect or unsubstantiated. Harassment or victimisation of a genuine reporter is treated as gross misconduct, which if proven, may result in dismissal. In addition, each report will be treated with strict confidentiality and will only be reviewed by the Audit Committee, and the relevant functional/department heads, the Human Resources and Internal Audit departments of the relevant business units/company of the Group as well as the Internal Audit Department of the Company, as determined by the Audit Committee. This is to ensure that these functions are kept fully apprised of the material developments in the case and are able to offer forensic or other assistance as appropriate. Where appropriate, members of the Group have established helplines operated by independent third parties to receive reports confidentially and follow up with appropriate investigation and necessary action.



The Environment



Climate Change Mitigation and Adaptation

The Group is committed to mitigating any impact of climate change on the businesses of the Group. The Board oversees climate-related issues and risks and ensures that they are incorporated into the Group's sustainability strategy, and is supported by the Sustainability Committee and the Sustainability Working Group. Professional advice is sought from external experts, where and when necessary, to better support the decision-making process regarding ESG issues. Training is provided to members of the Board, the key personnel of the Company and the Sustainability Working Group from time to time so as to ensure that they are kept up-to-date with the latest climate or sustainability-related risks and opportunities.

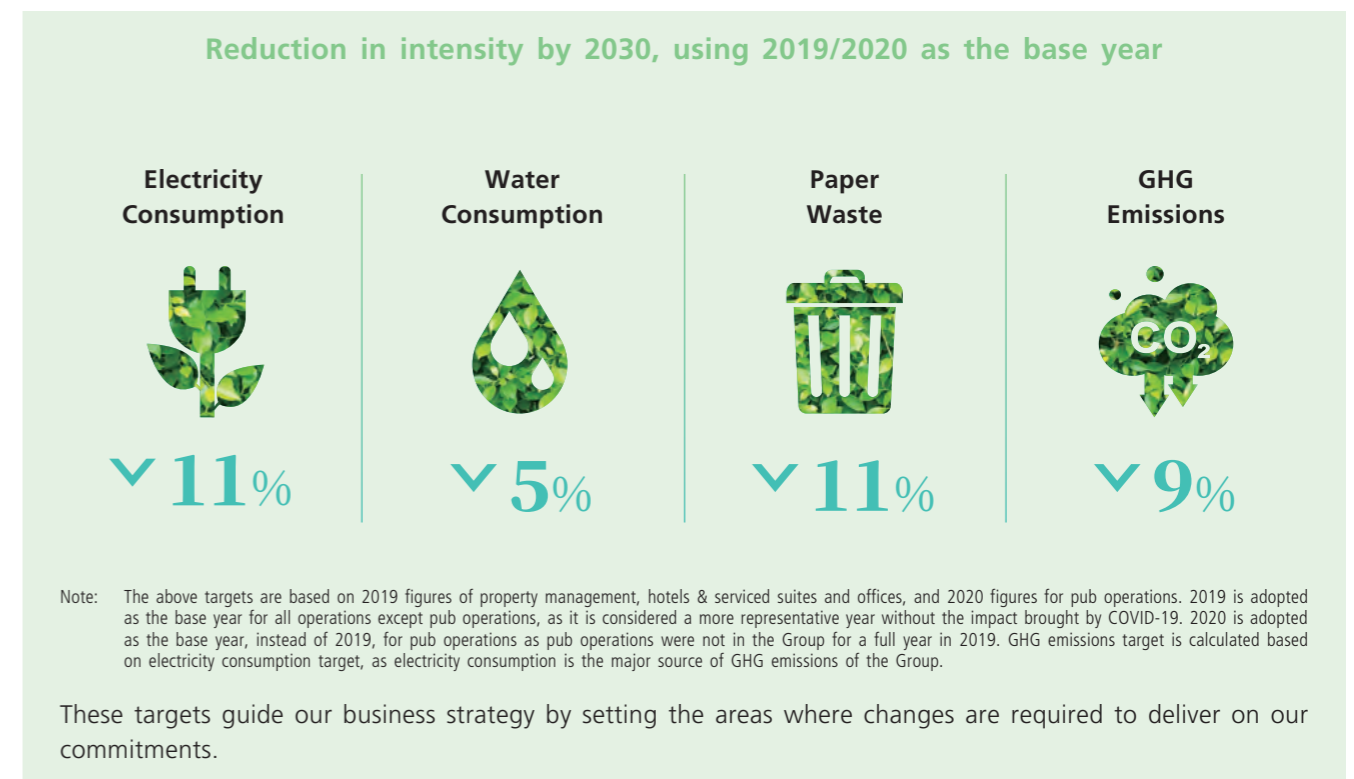
For guidance and direction in managing climate-related risks and opportunities more effectively, the Group has adopted the Environmental Policy and has included climate-related issues in its enterprise risk management system. The Group reviews climate-related risks regularly, which allows it to respond to opportunities swiftly.

While climate change may lead to medium to long-term impact to the Group, it also creates business opportunities as customer preferences move towards environmentally-friendly products. Adoption of more energy efficient products and the increasing participation in green financing opportunities could also help reduction in operational costs in the long-run.

Target by 2030

Following the 26th UN Climate Change Conference, governments of the countries who are parties to the Conference reaffirmed the Paris Agreement's goal of limiting the increase in the global average temperature to below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C.

The Group is one of the Carbon Neutrality partners named by the Environment Bureau of the HKSAR Government in 2021. In support of the global governments' efforts to combat climate change and to facilitate evaluation of the effectiveness of the Group's strategy and measures to mitigate impact of climate change, various environmental targets are set at group level as shown below:



A Milestone in Green Finance



Mr. Edmond Ip, Deputy Managing Director and Executive Director of the Company

In 2021, the Group obtained two sustainability-linked loans in an aggregate amount of HK\$5.5 billion and marked an important milestone in the Group's strategic partnership with financial institutions in its sustainability journey. The bilateral credit facilities include sustainability development goals to help the Group achieves its greenhouse gas emission targets, with adjustable interest rates taking effect when such goals are met over time. The loan proceeds will support the business requirements and ESG objectives of the Group, creating a positive ESG impact on a global scale. The facilities not only fortify our integration of sustainable practice into our operation, but also highlight the banking community's recognition of our ongoing ESG performance.

As a leading multinational corporation committed to achieving long-term sustainable growth, the Group appreciates the differences in social, environmental and economic needs in each individual market. This appreciation inspires us to pursue a balance among people and community, environmental protection and corporate governance, and to continuously reinforce these considerations into our business operations, in order to achieve sustainability and create long-term value for our stakeholders. We are committed to enhancing our ESG performance and will continue to explore sustainable financing options to drive forward our ESG strategy and made a positive difference in society. The Group looks forward to further collaborate with financial institutions for value generation and a better future.



Green economy has become a worldwide trend. Hong Kong has a well-established financial market and a robust regulatory framework. As an international financial centre, Hong Kong is capable of drawing in reputable financial institutions and transforming into a green finance hub to further attract international investors. The Central Government has reiterated support for developing Hong Kong into a green finance centre in the Greater Bay Area and has announced target to meet net zero by 2060. Hong Kong has a significant role to play in addressing climate change and is striving to achieve carbon neutrality before 2050. The rapid development of green finance in Hong Kong offers promising prospects and new opportunities.

The Directors and the Sustainability Working Group are conscious of the rapid development of green finance and the shifting ESG landscape, and are equipped with the knowledge to evaluate and capture suitable opportunities while identifying and mitigating ESG risks. During the Reporting Period, the Directors and the Sustainability Working Group attended webinar training from distinguished professionals on the evolving development of ESG initiatives including sustainable finance.



Directors and the Sustainability Working Group attended webinar training from distinguished professionals on the evolving development of ESG initiatives.



Build for a Greener Future

The Group strives to attain sustainable green building standards in order to meet the increasing environmental awareness and expectation among customers and tenants. The Group integrate technically feasible and practicable the latest sustainable measures throughout life-cycle of its buildings, from land acquisition, construction, management, maintenance to demolition. The Group's guidance in relation to building, standards is set out in its Environmental Policy.

Properties Development Business

The Group has adopted green building measures and features, and obtained accreditations for its property development projects in response to the market demand for environmentally-friendly products. The green features adopted by the Group's development projects to enhance energy saving without compromising comfort include the use of LED light fittings, photocell sensors for lighting control, double-glazed Low-E glass as well as windows of optimised size.

For example, one of our green building projects, which is targeted to achieved "Gold" rating in BEAM Plus New Buildings, has adopted the following green features:



- planting of trees along the emergency vehicular access;
- implementation of environmental monitoring;
- implementation of construction waste management;
- use of sustainable timber during construction;
- installation of energy efficient air conditioning and lighting system; and
- Good Class Level for Indoor Air Quality.

All of the Group's ongoing property development projects in Hong Kong were registered with BEAM Plus New Buildings during the Reporting Period. Moreover, the Group's property development projects "Ocean Pride Development" and "My Central" received **BEAM Plus New Buildings Final Gold rating** for successfully achieving of green buildings standards. A number of forthcoming property development projects of the Group are also expected to receive the green building certificates with ratings from "Gold" to "Bronze" at completion in the coming years.

Buildings with BEAM/BEAM Plus New Buildings ratings which were developed or are under development by the Group are set out below:



BEAM New Buildings	Platinum	BEAM Plus New Buildings	Gold	Bronze
City Point	✓	Ocean Pride Development	✓	
		My Central	✓	
		Harbour Glory		✓
		La Lumière		✓
Trinity Towers	✓	Seaside Sonata	Provisional Gold	
		Sea to Sky	Provisional Gold	

Properties Management

In line with its environmental policy, the Group adopts and applies relevant practices and standards in its existing buildings and related operations that will help to reduce energy consumption, improve energy efficiency, conserve resources, use renewable or recyclable materials, and dispose of waste in an environmentally responsible manner with a view to enhancing their green standards.

During the Reporting Period, the Group's property management colleagues continued their effort in improving the environment in our existing buildings through its established building management system and enhanced filtration efficiency of air conditioning and ventilation system. A total of 26 existing properties of the Group obtained **"Good" or "Excellent" ratings under the BEAM Plus Existing Building Version 2.0 Selective Scheme**.

In addition, the managed areas in Cheung Kong Center and The Harbourfront received **"Excellent Class"**, while the managed areas in China Building, the public areas of Fashion World, Whampoa Gourmet Place, Treasure World & Home World, Chun Fai Centre and South Horizons received **"Good Class"** in an **Indoor Air Quality Certification** organised by the Hong Kong Environmental Protection Department — Indoor Air Quality Information Centre.

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 greater benefit for the Company, its tenants and the community at large.

Buildings with BEAM Plus Existing Building ratings which are managed by the Group are:

BEAM Plus Existing Building Version 2.0 Selective Scheme	Excellent	Very Good	Good	Satisfactory
China Building			✓	
The Hub			✓	
The Whampoa			✓	
The Harbourfront			✓	
99 Cheung Fai Road			✓	
9 Chong Yip Street	✓			
Fortune City One			✓	
Jubilee Square			✓	
Ma On Shan Plaza	✓		✓	
Metro Town			✓	
New Treasure Centre	✓			
Prosperity Center	✓			
Prosperity Place	✓			
The Metropolis Tower	✓			
Trendy Centre	✓			
Fortune Metropolis	✓			
+Woo			✓	
Belvedere Square			✓	
Centre de Laguna			✓	
Smartland			✓	
Hampton Loft			✓	
Lido Avenue			✓	
Fortune Malls			✓	
Rhine Avenue			✓	
Tsing Yi Square			✓	
Waldorf Avenue			✓	

Green Development



Ocean Pride Development

The Group's green buildings demonstrate our strong commitment to the environment and our dedication throughout the development cycle of property projects. Green buildings reduce energy and water usage, improve our well-being and cultivate a sustainable and livable ecosystem for all. Explore our BEAM and BEAM Plus awarded buildings and be inspired to be a part of the green building movement!



Seaside Sonata



BEAM Plus New Buildings



BEAM Plus New Buildings





Sea to Sky



BEAM Plus New Buildings



La Lumière



BEAM Plus New Buildings





Harbour Glory



BEAM Plus New Buildings



BEAM Plus Existing Buildings



The Whampoa

Connect People for Sustainable Living



Dr. Justin Chiu, Executive Director of the Company, famed by the market as "God of Property"



How does "2021 Love is companion" promote people-oriented and up-to-date environmental, social and governance (ESG) work?

During the fight against COVID-19 in the past 2 years, we may have inadvertently neglected what is important in life while we remain busy with work and with safeguarding the health of our families and ourselves. In this connection, Dr. Chiu Kwok Hung, Justin, Executive Director of the Company, launched "2021 Love is companion" to guide the two property management companies under the Group in their environmental, social and governance (ESG) activities, and to enhance their focus on more people-oriented and holistic services.

Dr. Chiu, how did "Love is companion" fit into environmental work last year?



Re-use and Re-purpose

I always remind my colleagues that we should consider the budget of our occupants as we show our appreciation for the environment. Protecting the environment does not necessarily require significant capital expenditure and large-scale construction. On the contrary, we are truly living out the principal of sustainability if we can re-use and re-purpose existing resources.

Replanting

Our colleagues from several housing estates came up with the idea of replanting seasonal flowers and plants, such as poinsettia (Christmas flower), orchids and Chinese New Year mandarin trees discarded by occupants in the landscaped areas within estates to reduce waste and minimise costs. The landscaped areas in some other estates have been converted into "small farms" for occupants to grow a variety of crops including vegetables, fruits and flowers. The farms not only create greenery in the estates, but also serve as a place for occupants to spend time with their families and cultivate fresh produce for self-consumption.



A synonym for the word "companion" in our "Love is companion" theme is "partner". From time to time, we partner with esteemed organisations in various sectors to achieve synergies. For instance, we have partnered with the Environmental Protection Department and placed their reverse vending machines in several of our housing estates. The machines utilise QR code technology and reward users with credits saved into online accounts for gift redemption. The partnership was very well received by the occupants, especially the children who find the machines very amusing and often remind their families to deposit plastic bottles into the machines. This shows that the initiative has planted sustainable seeds in the minds of the next generation.



In addition, we have teamed up with CLP Group and installed more than 1,600 solar panels in various housing estates which can generate nearly 500,000 kWh of electricity per year. We will continue to promote this initiative in other housing estates and commercial properties.

So, what are the highlights of social work?

3.28 Get Moving

We have witnessed a monumental joint effort in fighting the pandemic over the past year. Our colleagues in property management continued to serve their housing estates and at the same time spared no effort in caring for the grassroots and charitable organisations in society. The online charity walk fundraiser “3.28 Get Moving”, in benefit of Ronald McDonald House deserves a special mention. More than 200 employees participated in the event and took more than 7 million steps and raised HK\$200,000 in total.



“3.28 Get Moving” Online Charity Walk Fundraising

Love Ambassadors

Our colleagues have liaised with our managed wet markets and encouraged their tenants to donate food ingredients, fruits and vegetables to the needy through non-profit organisations. In addition, some colleagues have formed a group called “Love Ambassadors” in various housing estates during the pandemic to support occupants and nearby communities as appropriate, performing acts of kindness in the spirit of “Love is companion” such as food delivery, home visits and check-in service.

Finally, can “Love is companion” be incorporated into governance work?



Yes, of course. I often encourage the management of the two property management companies to “keep pace” with time and avoid complacency. We should embrace new technologies and apply them in our operations to optimise property management services, improve communication with owners’ committees and occupants, and enhance transparency and efficient in all respects.



The rapid development of 5G serves as a catalyst for the realisation of the above governance goal. Many housing estates managed by the two property management companies are now 5G ready. For example, Harbour Glory in Hong Kong Island has started to use 5G applications last year to carry out water seepage and damage inspection tasks which used to be difficult and time consuming. We believe that our scope of services will become more diverse and effective as more related applications are made available.

Housing Estate Management Team Bring People Together



In addition, I noted that many young recruits who have joined the two property management companies are full of innovative ideas and passion for technologies. When we were discussing how to enhance the communication channel between owner’s committee and occupants, they strongly recommended the housing estate management team to form a filming crew and produce short videos using simple equipment and computer programmes which can then be, and uploaded to social media. Many housing estates have launched their own channels since 2021, and they film and upload videos tailored for the related estate on a regular basis. The video content covers health tips, food, lifestyle tips, homemade handicrafts from recycled materials and guests sharing. I was once invited to share my investment experience and tips on maintaining a lifestyle of health and sustainability (LOHAS) on the channel.

Many occupants are glad to see employees from various departments, front-line teams and even the management on screen, and they think the channels are bringing people closer together. The channels are particularly popular during stay home safe period and some occupants take the initiative to provide content or suggestions for improvement from time to time. The channels not only allow us to get in touch with our occupants in a cost-effective manner, they also let us achieve the goal of utilising of people-oriented technology. We also raise environmental awareness through the short videos and realise our mission of giving back to the community.

Potential Impact of Climate Change and Mitigation Measures

The Group's assets, businesses, customers and suppliers may be subject to climate risks in the medium to long-term depending on the location. Climate risks may be realised in various ways, including changing physical conditions and socio-economic environment. The resulting disruption to operations, damage to assets, as well as changes on climate-related regulations, could have a material adverse impact on the Group's businesses as well as its financial and operational performance.

The Group recognises the potential impact of climate change and monitors climate risks and develops response plans accordingly. Sea level rise caused by climate change for instance may lead to more frequent flooding, which may disrupt the operations of some of our pubs in the UK. As such, Greene King has implemented mitigating measures at all sites that are subject to flood risk to minimise any impact to trading.

With an increase in the intensity and frequency of extreme weather events, the Group's hotel and serviced suite operation have established operational procedures/plans in response to the occurrence of storms, typhoons, floods and fires. On-going reviews of crisis management procedures are conducted by hotel management executive committees.

The Group considers the potential transition risks related to the introduction of legislation or requirements to limit emissions, and monitors government policy development continuously and ensures effective responses can be drawn and executed promptly.

GHG Emissions and Waste Reduction

GHG Emissions Management

The Group has established the Corporate Social Responsibility Policy, the Environmental Policy and the Supplier Code of Conduct which provide guidance to the Group's business units and operating subsidiaries on emissions management. The Group is committed towards protecting the environment and supporting sustainable development by managing its environmental footprint across its network of operating markets.



1,346 pcs
Power Generated \wedge 426,032kWh



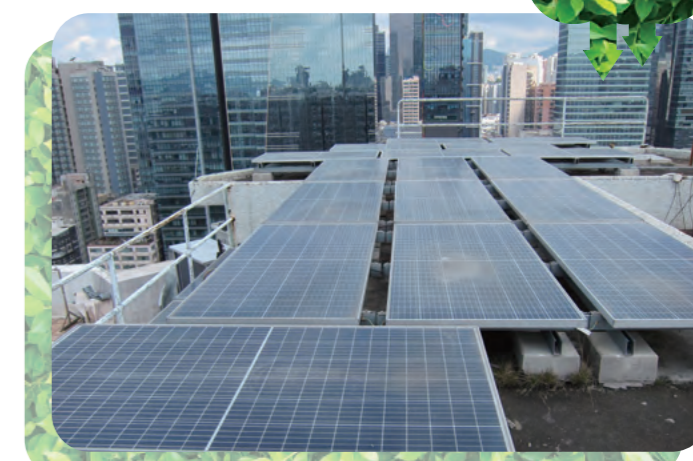
Solar panels installed in Laguna Plaza, one of our Managed Properties

The Group encourages investment in renewable energy and utilises renewable energy in its operations where practicable in its transition to a low carbon economy. In 2021, our properties management companies installed solar panels in selected Managed Properties and took part in the Feed-in Tariff Scheme, a new initiative that promotes the development of renewable energy under the current Scheme of Control signed between the Government of Hong Kong SAR and the power companies in Hong Kong.

CO₂ Reduced ∇ 242,838kg



A total of 1,346 pieces of solar panels have been installed at the rooftop of the Laguna City Phase 1, 2 & 4 and Laguna Plaza. More than 426,032 kWh of power can be generated annually, equivalent to reducing 242,838 kg of CO₂ emissions being released to the atmosphere.



Solar panels installed in Laguna City, one of our Managed Properties

Moving forward, more solar panels will be installed in the Group's Managed Properties where appropriate. Our hotel businesses have also been conducting feasibility studies for solar panel installation, with the aim of reducing our carbon footprint even further.

GHG emission by 2030 ∇ 40%



Replacement of chiller at Cheung Kong Center

Chillers of higher efficiency were upgraded or replaced in the Managed Properties from time to time and where appropriate, these replacements reduced the electricity consumption and GHG emissions. During the Reporting Period, Cheung Kong Center Property Management Limited ("CKCPM") replaced air cooled chillers to water cooler chillers which consumes less electricity and resulted in lower GHG emissions come from electricity generation.

The above replacements were implemented with an aim to reduce its GHG emission by approximately 40% by 2030, compared to 2019 level.

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



Non-construction related measures:

- Charging facilities for electric vehicles (“EV”) are installed at Cheung Kong Center, certain hotels and Managed Properties;
- Participation in the EV-charging at Home Subsidy Scheme;
- Perform GHG emissions audits annually in certain Managed Properties to manage its overall GHG emissions;
- Environmentally-friendly refrigerants for air-conditioners are used in the pub operation, hotel, serviced suite and Managed Properties; and
- Encouraging employees to participate in tree planting activities.



Construction related measures:

- Environmental management system, environmental monitoring committee or similar oversight bodies to manage environmental impacts generated by construction contractors;
- Construction contractors are required to prepare monthly environmental monitoring reports on resources consumption or emissions performance;
- Construction contractors are required to use Quality Powered Mechanical Equipment on construction sites;
- Instructing construction contractors to reduce vehicle speed or turn-off vehicles and equipment when they are not in use;
- Procedures for construction contractors to manage emissions, fossil fuels and energy has been established;
- Energy-friendly construction machinery and vehicles are used by construction contractors; and
- Burning of refuse is prohibited on construction sites.

In 2021, the Group’s total GHG emissions were approximately 496,663 tonnes carbon dioxide equivalent (“tCO₂e”) (2020: 554,230 tCO₂e). For further details, please refer to the following breakdown:


GHG emissions intensity distribution



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



During the Reporting Period, the Group received, among others, the following awards and certifications:




ISO 14001

港基物業管理有限公司
CITYBASE PROPERTY MANAGEMENT LTD

和記物業管理
Hutchison Property Management


高爾物業管理有限公司
GOODWELL PROPERTY MANAGEMENT LIMITED



Europe Climate Change Leaders 2021

GREENE KING

by The Financial Times and Statista as Europe Climate Change Leaders 2021 in recognition of its reporting on GHG emissions data for the period from 2014–2019




Excellent green management efforts

Certain of Goodwell's properties and Cheung Kong Center

高爾物業管理有限公司
GOODWELL PROPERTY MANAGEMENT LIMITED

by The Hong Kong Green Organisation Certification in recognition of its excellent green management efforts and commitments to the environment.




Hong Kong Award for Environmental Excellence

41 properties managed by Citybase

港基物業管理有限公司
CITYBASE PROPERTY MANAGEMENT LTD

from the Environmental Campaign Committee




Joint Energy Saving Award

41 properties managed by Citybase

港基物業管理有限公司
CITYBASE PROPERTY MANAGEMENT LTD

from The Smart Energy Award programme organised by CLP Power Hong Kong



Wood Recycling & Tree Conservation Scheme

Certain properties managed by Goodwell

高爾物業管理有限公司
GOODWELL PROPERTY MANAGEMENT LIMITED



Citybase received the BOCHK Corporate Environmental Leadership Award from the Federation of Hong Kong Industries and Bank of China (Hong Kong) Limited

Waste Management

As set out in the Environmental Policy, the Group endeavours to reduce hazardous and non-hazardous waste, manage effluent and facilitate ways to encourage more reuse and recycling in its day-to-day operations. At the same time, the Group encourages the use of sustainable materials, the adoption of technologies to streamline production operation processes, thereby enabling better management of the environmental impact of its operations.

Similar to previous years, our operating businesses had organised various environmental publicity or educational activities at its properties or hotels from time to time to promote waste reduction and recycling among stakeholders.

Other non-hazardous waste management initiatives of the Group include:



Our ESG Story: Promotion of Green Living at Our Property Management Companies

Recycling & Replanting

Our property management companies have launched a scheme to replant festive plants to reduce waste after festivals and promote the concept of recycling. The scheme encourages occupants to donate festive plants to their respective management services centres for replanting after festivals to decorate the properties, reduce garden waste through replanting, and convey green concepts to the occupants. By promoting plants recycling and replanting, the Managed Properties' podiums have been transformed into a stunning display of greenery.



Family Farm

"Family Farm" and "Citrus Garden" corner have been set up to invite occupants on greening activities, contributing to building an environmentally-friendly community and encouraging occupants to plant their own vegetables and fruits so that green concepts would be conveyed to the occupants. The campaign was widely welcomed by the occupants and many parents brought their children along to join the activities.



Christmas Tree Recycling

Further, our property management companies have participated in the "Natural Christmas Tree Recycling Programme and Peach Blossom Trees Recycling Programme" which was organised by the Environmental Protection Department. By recycling the Christmas trees and peach blossom trees, the garden wastes can be reduced and reprocessed into organic fertilisers after centralised collection from the estates. Our property management companies will continue fostering the green management culture and applying the concept of sustainable development into daily operation.



Introduction of Smart Recycling Facilities

Our property management companies have cooperated with different organisations for waste reduction and recycling. For instance, Belvedere Square has participated in the "Beverage Carton Smart Recycling Program" organised by the Conservation E3 Foundation to encourage the recycling of beverage cartons. Citybase's Managed Properties have also set up recycling bins for the recycling of glass, paper, plastic and metal as well as clothes.

Fo Tan Industrial Centre, one of Citybase's Managed Properties, has collaborated with Environmental Association and joined the pilot scheme for introducing smart recyclables collection machine at the property. Occupants could apply user accounts online and receive a QR code for earning scores when putting recyclables into the collection machine. The credits earned could be used for gift redemption. The scheme is highly welcomed by the residents and saved the manpower for handling the recyclable on site.

Kingswood Villas (Lynwood Court) has encouraged occupants to exchange their old books for book crossing, giving a second life to the books.

Waste Reduction at Source

In order to promote the green living concept of waste reduction at source, Citybase participated the Environment and Conservation Fund's Reduce Waste and Encourage Recycling Scheme, which is a pioneer scheme for the potential implementation of municipal solid waste charging.



Other non-hazardous waste management initiatives of the Group include:

- Minimisation of waste generation within the property development business through various actions, including inventory planning/procurement management to minimise over-ordering, construction site management, use of prefabricated facades or precast units, and the segregation, recycling and reusing of materials such as timber, rubble, steel and other metals;
- Contractors at property development projects are required to submit a waste management plan;
- Waste monitoring and reporting through the managed estate for refuse league tables to benchmark and create competition for positive performance, both in increasing recycling rates and reducing general waste;
- Containers/recycling bins are provided to collect and separate recyclables such as paper, aluminium cans, plastic bottles, recyclable batteries and food waste at certain offices, hotels of the Harbour Plaza Hotel Management Group, certain Managed Properties and pubs;
- No-straw campaign in the hotels of the Harbour Plaza Hotel Management Group;
- Employees are encouraged to utilise e-platforms for communication and administration work at offices, property management, hotel and serviced suite operation. By 2030, Goodwell is targeting to reduce its purchased paper by 90%;
- Displaying green messages in guestrooms or invoices or other communications with guests of the hotels and displaying "Waste Reduction and Recycling Tips in Office" posters on bulletin boards located in areas accessible to all employees to raise awareness;
- Environmental awareness programmes on waste separation and reduction at certain Managed Properties;
- Activities to promote waste reduction and/or recycling to employees, suppliers and/or contractors;
- Committing to the **Food Wise Charter** and the **Waste Check Charter** to minimise food waste and waste generation at the Sheraton Hong Kong Hotel & Towers;
- New umbrella drying racks at Managed Properties to reduce the use of single-use plastic umbrella bags;
- 22 **Wastewi\$e Certificates** were awarded to certain properties in recognition of their efforts in reducing waste generation;
- Installation of food waste decomposer on transforming food waste into fertilisers at certain of its Managed Properties; and
- All food waste of Greene King is sent to an Anaerobic Digestion facility. By 2030, Greene King's food waste shall reduce by 50%.

The Group has pledged to take necessary steps to ensure the handling and disposal of hazardous materials and waste are in compliance with all regulations at its operations and among its property development contractors. The Group requires construction contractors to establish appropriate practices, supplemented by regular communications to reinforce awareness. Instructions are given to relevant staff for proper labelling of items that are deemed to be hazardous waste. In compliance with the relevant regulations and rules, the Group and its construction contractors have engaged qualified waste collectors to collect hazardous waste produced in our operation.

In 2021, the Group generated approximately 84.8 tonnes (2020: 58.1 tonnes) of hazardous waste and approximately 79,688.2 tonnes (2020: 78,077.9 tonnes) of non-hazardous waste. The Group's total hazardous waste generated in 2021 increased compared to that in 2020, mainly attributed to the increase in waste oils and liquids from pub operations. The increase in non-hazardous waste generation was due to the different stages of the Group's property development projects.



Reducing the Use of Packaging Materials

The use of packaging materials is not considered a material issue for the Group. Nevertheless, the hotel and serviced suite operation and the pub operation of the Group have taken steps to reduce and replace single-use plastics so as to minimise environmental impacts that result from the use of packaging materials in their operation.

Our pub operation in the UK has conducted a full review of packaging used in its operation, and implemented the re-use of produce trays in the supply chain and a closed loop re-usable packaging solution which have produced positive benefits to the environment. The Group's hotel business is also targeting to provide paper shopping bags only and to use biodegradable material laundry or suit bags by 2025.

Other related initiatives include:

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

In 2021, the packaging materials used by hotel and serviced suite operation as well as the pub operation were approximately 10,918 tonnes (2020: 14,089 tonnes). The decrease in the use of packaging materials reflected the reduction efforts made.



Resource Management

Energy Efficiency

The Group is determined to increase the usage of innovative and energy efficient technology to reduce energy consumption arising from day-to-day operations and to track and monitor the use of energy across its operations. Our Employee Code of Conduct also supports the Group's determination to cultivate awareness and spearhead energy conservation.

Purchased electricity accounted for the majority of the energy consumed by the Group if the pub operation is excluded. As for the pub operation, diesel and petrol as well as natural gas and town gas are used as alternative energy sources on top of electricity.

The Group strives to reduce its electricity consumption by:

- Monitoring electricity consumption, performing monthly analysis and designing waste prevention measures in hotel and serviced suite operation;
- Implementing Building Management Systems for automated facilities and resource allocation in hotel and serviced suite operation and selected Managed Properties;
- Utilising energy saving office equipment and pantry appliances in selected offices, hotel and serviced suite operation;
- Operating designated lifts for goods delivery in selected hotel and serviced suite operation when necessary, and suspending selected lift operations at night;
- Using natural sunlight for interior lighting in selected property development projects, hotel and serviced suite operation;
- Carrying out routine spot checks on lighting and equipment use after office hours in selected offices and Managed Properties;
- Placing "Go Green" notices in the hotel rooms to raise the awareness of our guests; and
- Performing site inspections and training for employees, property service contractors and construction contractors for energy saving in selected Managed Properties and property development projects.

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

- **4Ts (target, timeline, transparency, together) Charter** by the Environment Bureau;
- **Energy Saving Charter 2021** by the Environment Bureau; and
- **Charter on External Lighting** by the Environmental Protection Department.

The total electricity and heat consumption of the Group in 2021 was approximately 905,257,359 kWh (2020: 886,738,181kWh). The moderate increase from 2020 was due to recovery of the hotel and serviced suite operation, and the permanent power supply received by more property development projects. Electricity and heat consumption intensity for the hotel and serviced suite operation and offices also increased from 2020, due to improvement in business volume as a result of the stabilising epidemic situation and relaxation of social distancing measures in 2021 while relevant consumption intensity for other operations of the Group remained stable. Please refer to the following breakdown:

Electricity and heat consumption intensity distribution



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



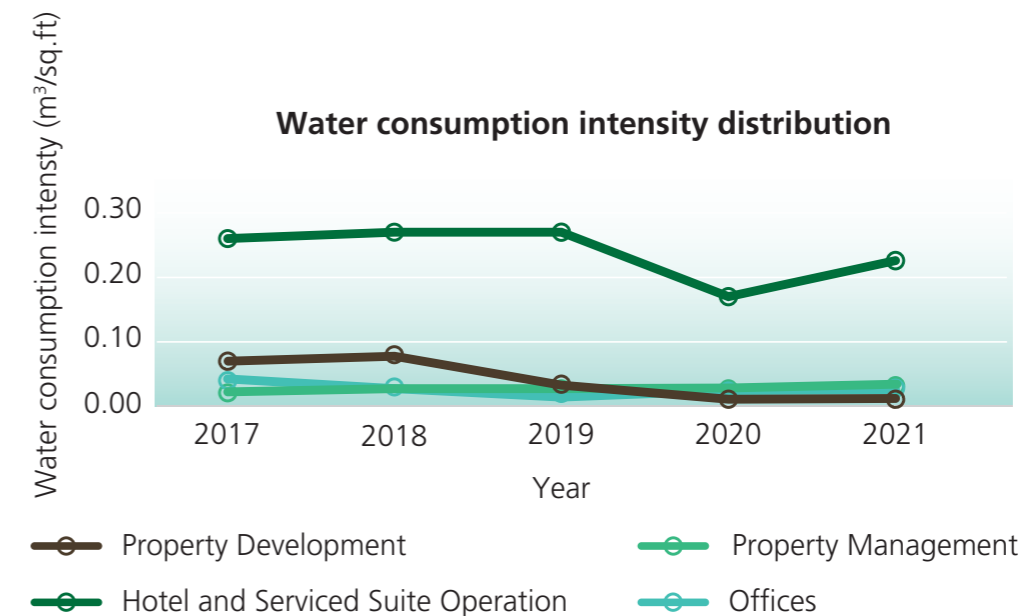
Reduce Use of Water

The Group is dedicated to reducing the use of fresh water by promoting water conservation amongst its employees, property service contractors, tenants and guests in its hotel and serviced suite operation. Sourcing water is not considered to be a material issue to the Group due to its business nature and operation locality.

In order to minimise freshwater consumption, our hotel and serviced suite operation have utilised sea water (instead of potable water) in flushing systems and installed water efficient taps and showers. Environmentally friendly and water saving reminders are also posted to increase the awareness of our guests.

Our properties management companies have also implemented rainwater collection in selected Managed Properties for landscaping or cleaning purposes, and saved in aggregate an estimate of 117,949 litre of water in 2021. Grey water treatment and recycling systems are also in place to collect and treat wastewater for toilet flushing, plant irrigation and/or cooling tower.

In 2021, the Group's total water consumption was approximately 9,785,620m³ (2020: 8,021,997m³). The increase in total water consumption was due to the commencement of new property development projects, and increase in frequency of regular cleaning by property management operations to prevent the spread of COVID-19. Water consumption intensity of the Group remained at similar level as 2020, except for hotel and serviced suite operation which recorded an increase due to higher occupancy rate and hence higher water usage by guests. Please refer to the following breakdown:



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



Managing Other Environmental Impacts

The Group is aware of its ability to influence environmental performance within its value chain and in its investments, and endeavours to embed sustainable considerations in its business activities by raising awareness of environmental issues, ecofriendly practices and professional environmental considerations among its employees and the community.



Our ESG Story: Tree Conservation & Gardening Designs

Tree Conservation

To reduce waste and protect the environment, Citybase has taken tree conservation as an important task when managing its properties. Routine tree inspections and tree risk assessments were undertaken regularly during the Reporting Period to monitor tree health and evaluate growing conditions of trees for the safety of trees and the public.



Gardening Design

A landscape design competition was organised to recognise its Managed Properties for their outstanding performance in gardening design and maintenance, and to encourage our staff to add green elements when planning and managing gardening work so as to improve continuous greening promotion. The winning property management team will represent the property management company to participate in open competition.



In addition, the Group is committed to minimising the potential environmental impacts of its construction projects, occasional renovation activities, and external lightings used in its various premises. The Environmental Policy and Corporate Social Responsibility Policy provide relevant guidance to the Group's business units and operating subsidiaries to address such impacts.

For property development projects, environmental impact assessments were conducted prior to construction. The Group also maintains close dialogue with contractors to ensure that relevant policies and guidelines are complied with, and sustainable measures are implemented. These include installation of water sprays, wheel-washing at construction sites to minimise airborne dust, as well as the development of construction noise management plans and the use of noise reduction barriers to minimise construction noise.

Regarding waste water discharge, the Group monitors waste discharge at its construction sites, Managed Properties and hotels. Temporary site drainage systems with silt traps, sum pits and sedimentation tanks are installed at construction sites while grease traps are installed at its managed shopping malls. Waste water discharge licenses are obtained to meet the regulatory standard.

Guidelines are established for contractors to lessen the disturbance caused by renovation activities. Repair and renovation works are well-planned and arranged in advance to ensure the disturbance to guests in hotel and serviced suites, as well as tenants and employees, is minimised. Construction materials and indoor air quality are monitored, and air purifying systems are installed where appropriate.

Various measures are implemented to manage the external lighting of buildings operated by the Group, which include summer and winter controls. External lightings were switched off at midnight in compliance with local statutory requirements. The Group have pledged to the "Charter on External Lighting" and participated in WWF Hong Kong Earth Hour 2021 ("Earth Hour") which is aimed at increasing public awareness on environmental protection. In 2021, all Harbour Plaza hotels in Hong Kong and our 162 Managed Properties participated in the Earth Hour.

Regulatory Compliance

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





Social Impact

Our Counter-COVID Strategy

2021 marked the second year into the pandemic, and the Group is acutely conscious of the potential health and safety impacts COVID-19 could bring to its employees, tenants, customers and the community. The Group has proactively devised and implemented measures to protect the safety of our people and offer support to the community alongside other stakeholders in the fight against the COVID-19 pandemic, while maintaining normal operations in the interests of the Company.

Protecting our People

The safety of employees, tenants, customers and hotel guests is one of the primary concerns of the Group. In order to ensure their safety, individuals entering the Group's premises would have their body temperature measured and were provided with hand sanitiser. LeaveHomeSafe QR Codes are displayed at the entrance and prominent areas in the premises.

The Group encouraged its employees to utilise digital communication channels for business meetings and has created contingency offices and "A-B-C Teams" working arrangements for employees to maintain social distancing and decrease the risk of spread of the virus across the office.

Various precautionary measures in the office premises to protect employees have been adopted during the pandemic, which include temperature checks, and temporary visitation restrictions at the workplace. Apart from conducting additional sanitation procedures, surgical masks were distributed to employees monthly and air purifiers were placed in shared workspaces. Employees were encouraged and reminded to exercise personal prudence, as well as wear masks and practise social distancing within the office. The Company has also given special paid leave to its employees in order to encourage them to take COVID-19 vaccination. In view of the impacts of COVID-19 on the pub industry in the UK, Greene King launched the 2nd round of employee support fund to help team members who encountered financial difficulties during the pandemic in 2021.

Maintaining our Operations

The Group has adopted various social distancing and preventive measures in line with those introduced by the government authorities to minimise the risks brought about by COVID-19 pandemic in its operating premises.

Similar to previous year, special arrangements were made for the Group's Annual General Meeting in 2021. Shareholders were provided with online access to participate and vote in the proceedings, in order to minimise physical attendance. All Board and Board Committees meetings during 2021 were also conducted through digital communication facilities, including video/audio conferencing, enabling the governance activities of the Group to be maintained with minimal interruption.



Social distancing arrangements at the Annual General Meeting



CK Group/Li Ka Shing Foundation Lucky Draw to encourage the public to vaccinate for COVID-19

Supporting our Community

Various health authorities have advised that population wide vaccination is critical measure towards curbing the further spread of COVID-19. The Group together with CK Hutchison Holdings Limited and the Li Ka Shing Foundation launched a lucky draw that gave away a total of HK\$20 million of CK vouchers to raise public awareness of the importance of vaccination and encourage the public to vaccinate against COVID-19 with a view to achieving a safer environment for all. The grand prize of the Lucky Draw was HK\$5 million of CK Group vouchers.

The prize of the Lucky Draw can be applied as payment for a new residential property in Hong Kong of CKA or its joint venture, spending at designated outlets at selected CKA shopping malls, dining or staying at Harbour Plaza Hotels and Resorts and purchase of products and services at CK Group retail stores. The Lucky Draw received an overwhelming response from the general public and has contributed to promoting vaccination in the community.

In support of the Hong Kong Government's quarantine policy, Rambler Garden Hotel has registered as a "Designated Quarantine Facility" ("DQF") for crew of cruise ships as well as for foreign domestic helpers. During the designated period, the Hotel allocated 500 rooms to provide safe quarantine accommodation to the foreign domestic helpers upon their arrival at Hong Kong.

During the Reporting Period, with a view to enhance the relationship with our tenants and occupants of our Managed Properties amid the pandemic, one of our property management companies launched a new online channel which offered a wide selection of online information and entertainment on topics such as lifestyle, trendy to chic and healthcare. It allowed occupants of our Managed Properties to be entertained at home through our online programs in times of prolonged epidemic.

Employment and Labour Practices

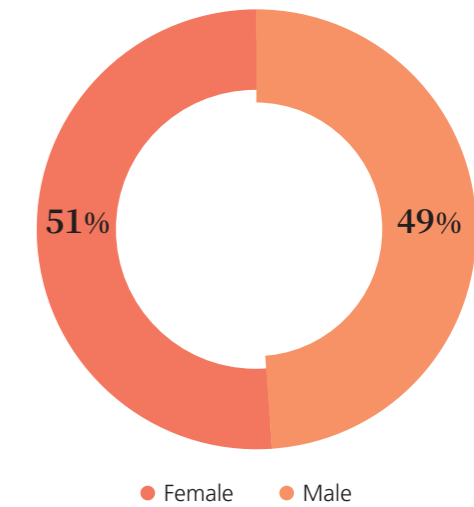
The Group's success through excellence is dependent on the performance of its employees at every level. The values the Group inculcates in its employees are: candour, courtesy, integrity, an ability to deal with changes and respect for humanity, personal dignity and privacy. The standards for our employees have been set out in the Employee Code of Conduct, which has been published on the intranet and website of the Company to ensure that everyone is well aware of the Company's policy.

Diversity and Equal Opportunities at Workplace

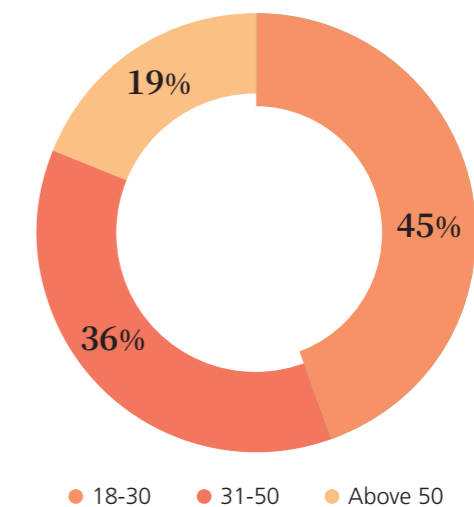
The Group is committed to providing a positive, diverse and inclusive work environment to foster individual growth of our employees. We value the wide ranging perspectives inherent in our diverse workforce that lead to improved decision making and better achievement of business goals.

Respect for human rights is a fundamental value of the Group. As a responsible employer, the Group adheres to non-discriminatory employment practices and procedures. The Group strives to create a workplace that is free from discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability or sexual preference or status. It is the Group's policy to provide equal opportunity to all employees with regard to hiring, pay rates, training and development, promotions and other terms of employment. In addition, Greene King has established policies on gender pay gap monitoring and commitment to gender pay equality. It has conducted global gender pay gap audits or compensation reviews so as to set up suitable initiatives to close the gender pay gap. Review results have also been published regularly to the public. Its race manifesto, which sets out our commitments, was published in 2021. Furthermore, initiatives such as employee affinity groups, diversity councils and networking groups, mentorship programmes, training and guidance regarding diversity have been implemented to further cultivate awareness on diversity.

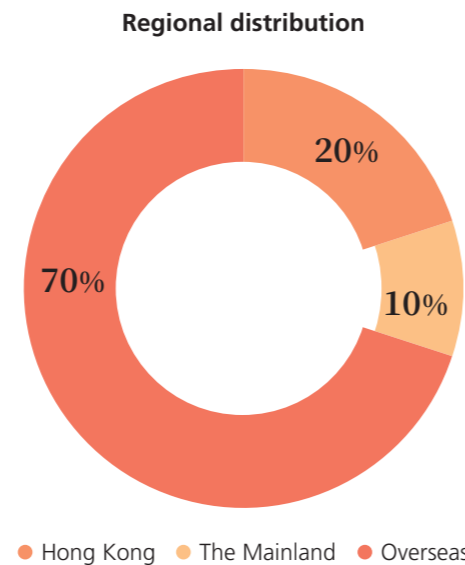
Gender distribution



Age distribution



Gender diversity is demonstrated by the Group's director and employee profile of approximately 78.57% male directors and 21.43% female directors, 49% (2020: 49%) male employees and 51% (2020: 51%) female employees. The age distribution of the Group's employees is approximately 45% (2020: 47%) for 18-30, 36% (2020: 36%) for 31-50 and 19% (2020: 17%) for above 50 and the regional distribution of the Group's employees is approximately 20% (2020: 19%) for Hong Kong, 10% (2020: 10%) for the Mainland and 70% (2020: 71%) for overseas. The employee turnover rate among the Group's full-time employees by gender is approximately 18% (2020: 11%) for male and 18% (2020: 10%) for female, while this rate by age is approximately 36% (2020: 20%) for 18-30, 15% (2020: 8%) for 31-50 and 9% (2020: 6%) for above 50.



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

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

Anti-child and Forced Labour

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

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

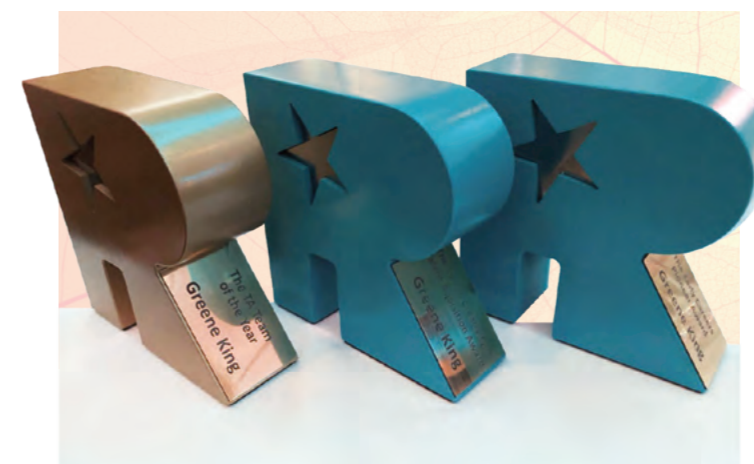
Talent Attraction and Retention

The Group adopts a robust and transparent recruitment process based on merit and has maintained proper systems to ensure equity and competitiveness of staff remuneration and recognition.

All recruitments and promotions are based on suitability for the position and potential to fulfil the Group's current and future needs. There are standardised procedures for reviewing employees' performance and contribution on an ongoing basis. The process is designed to meet the business needs and align expectations of managers and staff and to ensure that all employees have the opportunity to develop and succeed in his or her career. Communication channels are also provided to employees at all levels for expressing their opinions and giving suggestions. For the purpose of promoting a speak-up culture, employee surveys have been conducted by the Company to gather staff comments on areas such as training or employee benefits. Our subsidiaries, where appropriate, also conducted monthly engagement surveys for employees.



Harbour Plaza Internship Programme organised by Harbour Plaza Hotel Group



Greene King was awarded "The Tiara Talent Acquisition Team of the Year", "The Lorien Creativity in Talent Acquisition Award" and "The Early Careers Pioneer Award" by Tiara Talent Acquisition Awards

During the Reporting Period, our subsidiaries organised various **apprenticeships or internship programmes**, which offered students valuable work experience and provide opportunities to the Group to attract talent. One of the internship programmes organised was "Student Internship Programme", which was co-organised by Harbour Plaza Hotel Group, colleges in Hong Kong and overseas to provide job experience to students and industrial placements for them in order to fulfill the requirement of their undergraduate education as well as foster learning in a planned and supervised environment.

In the year 2021, one of our Hotels, Sheraton Hong Kong Hotel & Towers, continued to be a signatory to the **Good Employer Charter** and pledged to adopt employee-oriented good human resource management practices.

Greene King was recognised as the overall best UK company for talent acquisition and was also awarded **“The Tiara Talent Acquisition Team of the Year”, “The Lorien Creativity in Talent Acquisition Award” and “The Early Careers Pioneer Award”** by the Tiara Talent Acquisition Awards, in recognition of its efforts and methods in talent acquisition, as well as the support it offered to young people on career.

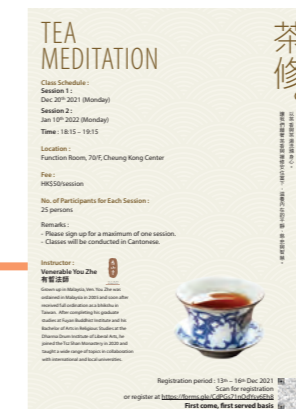
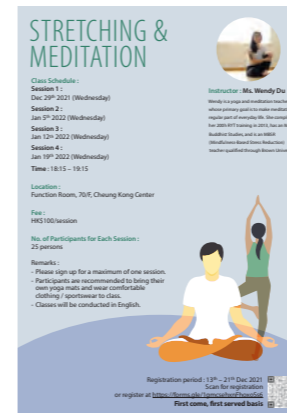
Remuneration and Benefits

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

The Group **cares about the physical and mental wellbeing of its employees**. From time to time, the Company and its subsidiaries organise various health talks with topics ranging from dieting, mental health and prevention of chronic diseases. During the Reporting Period, the Company organised a trip to Tsz Shan Monastery, the natural environment of which provides visitors with a tranquil and uncontaminated sanctuary for spiritual purification. Besides health talks, leisure classes and sport activities have also been held. Fresh fruit and nutritional soup are regularly provided. Our employees also enjoy discounted services and products offered by Group entities and affiliates.

In 2021, the Company, Cheung Kong Center Property Management Limited, Hui Xian Asset Management Limited, Citybase, Goodwell, E-park Parking Management Limited, Horizon Hotels & Suites Limited, e-Smart System Inc. and Resort Clubs Limited continued to be awarded **Good MPF Employer Award and MPF Support Award** by the Mandatory Provident Fund Schemes Authority in recognition of their efforts into enhancing the retirement protection of employees.

Leisure Classes in the Office



Occupational Health and Safety

Occupational health and safety is a top priority of the Group. The Group is committed to providing a safe workplace for all its employees. To this end, the Group strives to comply with or exceed applicable health and safety laws and regulations. The integration of safety and health considerations in the design, maintenance and operation of the Group's facilities are emphasised in the Corporate Social Responsibility Policy. The Employee Code of Conduct outlines the Group's expectations on health and safety for employee's work and practices within the workplace. The Health and Safety Policy further provides the framework and sets out minimum requirements on health and safety that each Group operating company shall adopt.

Occupational Health and Safety at Construction Sites

In order to provide a safe working environment at the construction sites, regular meetings and site inspections are conducted to ensure contractors meet the Group's safety standards. Appropriate safety trainings are provided to employees and ensure they are competent to carry out their safety duties and responsibilities. Contractors are requested to conduct regular risk assessments of construction activities and determine the preventive or protective measures required to address them. They are required to implement safety management systems with regular performance review. Further, all construction works were required to comply with the statutory regulations and requirements.

For the Group to maintain the standard, periodic safety audits were conducted to assess and verify the efficiency, effectiveness and reliability of the safety management system. The safety audit also includes action plans for improvement. The safety audits were provided to the Labour Department.

Occupational Health and Safety at Office

To provide a safe working environment for employees in the office, risk assessments of workstations, equipment and tools are performed on a regular basis. The Group's offices are equipped with first aid boxes, defibrillators and firefighting equipment. Carts, trolleys, step stools, ladders and gloves are provided to reduce risks from carrying heavy loads and reaching items at height in offices. In case that office staff need to work on construction sites, appropriate personal protective equipment (e.g. safety helmets, dust masks, goggles, etc.) will be provided to them.

Safety committees have been established for managing and monitoring health and safety at various operation businesses, including our property management companies, hotel and serviced suite operation as well as pub operation. The Group's property management companies have also been accredited **ISO 45001 Occupational Health and Safety Management Certification** for their health and safety system.

Health and safety guidance advising appropriate working postures and handling of heavy weights and on kitchen safety are provided to employees so as to minimise the risk of work injuries. Greene King has implemented BEST (Behavioural Engagement Safety Tours), which is a behavioural safety programme that involves small teams of management and employees carrying out safety tours in each work area. The team tours the areas they work in to observe staff behaviour, engaging with them on health and safety issues and identifying potential hazards that may cause an accident or incident if left unchecked. Targets have also been implemented by the Company for reducing the number of lost days due to work injury. In order to ensure necessary health and safety measures are provided to staff, Goodwell has conducted an annual staff safety, health and environmental management survey and has set a target for work injuries, whereby there should be no more than 20 (work injury rate per 1000 employees taking more than 3 consecutive days for work injury leave).

For the measures implemented by the Group to protect employees during the COVID-19 pandemic, please refer to the section "Our Counter-COVID Strategy" for details.





Our ESG Story: Safety Month

In order to promote the knowledge on health and safety, Citybase organised a series of activities on health and safety (known as "Safety Month") for its employees between November and December 2021. The aim of Safety Month was to enhance the employee awareness in the workplace and minimise the injury risk. Safety Month focused on three aspects, namely, (i) work at height; (ii) personal protective equipment; and (iii) staff caring. As one of the activities, an e-Quiz was provided on each topic related to daily working procedures or regulatory requirements. During the activities, a total of 26 winners have been awarded supermarket coupons.

During the Reporting Period, there were 11,412.5 lost days (2020: 10,347.5 lost days) due to reported work-related injuries for employees directly employed by the Group. There were no work-related fatalities during the Reporting Period.

In 2021, various operations of the Group participated in the **Joyful@Healthy Workplace Charter, Happiness-at-work Promotional Scheme, Safe and Healthy Estate Accreditation Scheme and Mental Health Workplace Charter** demonstrating its commitment to creating a joyful, healthy and safe working environment for its employees. Employees are also encouraged to seek professional advice, where necessary.

Goodwell and Hutchison Property Management Company Limited received the **Best Property Safety Management Award**. In recognition of their outstanding achievements in promoting occupational health and safety, Citybase received the Outstanding Award under The 16th Occupational Health Award (**Joyful @ Healthy Workplace Best Practices Award — (Enterprise / Organisation) — Outstanding Award**) from Hong Kong Occupational Safety and Health Council.



Outstanding Award from Hong Kong Occupational Safety and Health Council received by Citybase

Human Capital Development

The Group aspires to develop employees by providing them with opportunities to advance their careers. It encourages employees to take part in internal and external training courses, to continually enhance knowledge in their respective functions, by providing sponsorship or offering special leave where employees are eligible. As part of the Company's talent development strategies, it has granted corporate nominated awards to selected employees if they successfully complete a selected Executive MBA Programme.

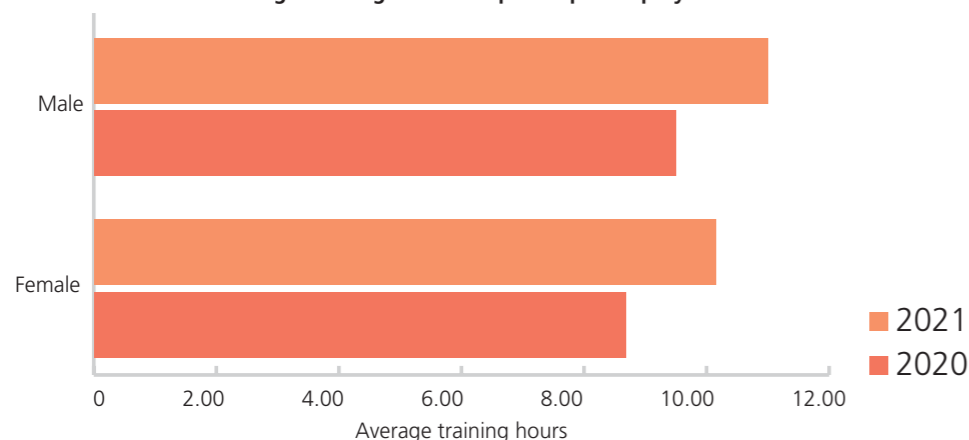
Our subsidiaries have set their own training targets for their employees. Goodwell plans to provide at least 20,600 training hours to its employee annually, among which certain amount should be related to environmental practices. In 2021, the target was achieved by Goodwell providing over 33,169 hours to its employees, including on topics relating to ESG. All Greene King's employees have received training, which includes waste and sustainability process information.

During the Reporting Period, training programmes covering technical training (data protection, engineering, building design, quality control and compliance), soft skills (customer services, leadership, communication and engagement) and well-being (mental health, occupational health and safety) were carried out. Sponsorship for obtaining qualifications (certifications for vocational education and obtaining diploma in business-related studies) were also provided to employees to support them in enhancing their skillsets and professionalism in service delivery. Corporate orientation programmes were held for new staff to assist them with adapting to the Group's corporate culture.



One of the training courses provided during the Reporting Period

Average training hours completed per employee



Note: Approximately 67% (2020: 53%) of the Group's male employees and 71% (2020: 51%) of its female employees participated in training organised by the Group in 2021 (excluding employee data of pub operations).

The average training hours completed per employee by gender are 11.00 hours (2020: 9.50 hours) for males and 10.15 hours (2020: 8.68 hours) for females; and by employee category 8.35 hours (2020: 5.87 hours) for managerial grades or above and 10.84 hours (2020: 9.41 hours) for non-managerial grades.



Supply Chain Management

Green and Responsible Procurement

The Group has an extensive supplier base providing a variety of products and services for its businesses and operations. Aware of its influence on suppliers, the Supplier Code of Conduct, has been developed and adopted, with reference to a number of international charters and conventions such as the United Nation's Declaration on Human Rights and the International Labour Organisation's 1998 Declaration on Fundamental Principles and Rights at Work. The Supplier Code of Conduct acts as a guide to its business partners and suppliers with a view to bringing broader improvements in sustainability practices and performance on the part of its business partners and suppliers and for the benefit of the communities the Group serves.

Supply chain management practice is also reflected across the policies, including the Environmental Policy or the Modern Slavery and Human Trafficking Statement, which demonstrate the commitment to managing the environmental and social risks in its supply chain. The Group endeavours to avoid over-reliance on any particular supplier in order to ensure the stability of the supply chain.

During the Reporting Period, 53% (2020: 38%) of the Group's purchases were attributable to the Group's five largest suppliers, of which 42% (2020: 26%) were in Hong Kong, 2% (2020: 6%) in the Mainland and 9% (2020: 6%) in the UK.

Managing Environmental Risks and Promoting Environmentally Preferable Products

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

The Group promotes sound environmental performance, social well-being and governance practices amongst its business partners and suppliers with the Supplier Code of Conduct serving as the guideline for their compliance. Business partners and suppliers are encouraged to consider the risks posed to their operations from climate change and to actively mitigate their environmental impacts, and also the value brought to the Group's business in terms of more efficient resource consumption and monitoring of wastage. The use of environmentally-friendly technology that can improve efficiency promoting the use of environmentally-friendly, recycled and/or sustainable materials and products in business partners' and suppliers' operations are advocated to the business partners and suppliers.

Such dedication is also shown in the sourcing practices in the Group's subsidiaries. For example, when sourcing a supplier, Goodwell considers whether such supplier will use environmentally-friendly raw materials and the availability of environmentally-friendly products. Harbour Plaza Hotel Management Group purchases from suppliers with environmental certificates, such as wood or paper certified by the Forest Stewardship Council ("FSC"), frozen Canadian lobsters and snow crabs certified by the Marine Stewardship Council ("MSC") and chilled Norwegian salmon certified by the Aquaculture Stewardship Council ("ASC").



Managing Social Risks

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

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

In line with its commitment to business integrity, the Group has an open and fair procurement process. Internal written records of justifications for any exclusion or suspension of contractors and suppliers are maintained. Regular meetings are conducted with suppliers and contractors to ensure a close communication and identification of key issues. The Group evaluates and monitors the performance of its suppliers to ensure their compliance with service standards, contract conditions and quality provisions. Any breach of the Supplier Code of Conduct may result termination of its business relationship with the Group.

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



Products and Services Responsibilities

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

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

The Group received the **"Listed Company Awards of Excellence 2021"** in Blue Chip category from the Hong Kong Economic Journal for its overall outstanding performance.

Maintaining Products and Services Safety and Quality

The Group is committed to delivering superior customer services and handling queries from customers in a timely and efficient manner. For its property development business, 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. The project teams continuously supervise and monitor construction works performed by contractors. 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 were supervised and certified by the Group staff to ensure it meets the Group's quality standards before they are used in property construction. 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 for reference in order to ensure that there are no missing or damaged items, equipment is in proper order of operation and the workmanship is up to standard. Follow-up services are provided to purchasers to assist them with setting up utilities, telecommunications and other services.

In order to enhance the services of its property management on a continuous basis, customer feedback is collected via opinion boxes, regular tea gatherings, formal and informal meetings or hotlines. Moreover, annual customer satisfaction survey and mystery calls are conducted to gather response from customers. The overall satisfaction rate relating to our property management companies reached 98% in the annual customer satisfaction survey of Managed Properties. Employees of certain Managed Properties may also share their experience in resolving customers' queries during training sessions.

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

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

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

In 2021, a total of 18,983 written complaints were received in relation to products or services provided, and they were 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.

The Group received the following awards and certifications:

EXCELLENCE AWARD

from the Hong Kong Institute of Facility Management in recognition of their quality facility management



Member of CK Asset Group 長江實業集團成員

和記物業管理
Hutchison Property Management

Member of CK Asset Group 長江實業集團成員

黃埔花園
Whampoa Garden

Member of CK Asset Group 長江實業集團成員

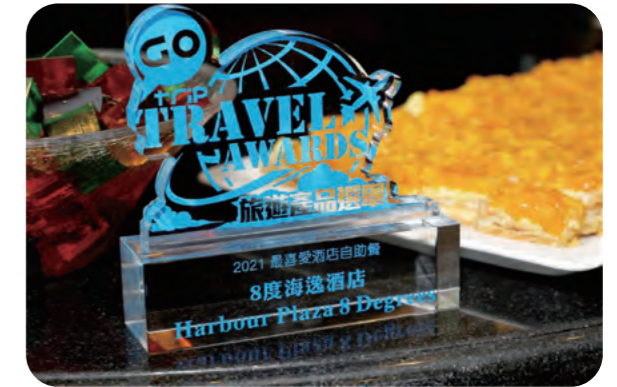
2021 WORLD LUXURY HOTEL AWARDS



the Continent Winner in Luxury Harbour Hotel at the 2021 World Luxury Hotel Awards for its outstanding services



TOP 10 MASTER CHEF Recommendation Restaurant 2021



The Best Hotel Buffet Award 2021

from Gotrip, one of Hong Kong's most popular travel digital platform

ISO 9001



South Horizons
海怡半島

Member of CK Asset Group 長江實業集團成員

和記物業管理
Hutchison Property Management

Member of CK Asset Group 長江實業集團成員

黃埔花園
Whampoa Garden

Member of CK Asset Group 長江實業集團成員



QTS SCHEME CERTIFICATION MARK (RESTAURANT CATEGORY)



OUTSTANDING QTS MERCHANT MERIT AWARD



from Hong Kong Tourism Board to recognise the city's Quality Tourism Services accredited restaurateurs for their sustained excellent performance

SUPERB WEDDING BANQUET (HOTEL) BEST POOL SIDE CIVIL CELEBRATION





Protecting Personal Data Privacy and Intellectual Property

The Group is committed to safeguarding the personal data of its customers and employees and protecting its intellectual property rights. Relevant privacy policies, including but not limited to the Employee Code of Conduct and the Information Security Policy, are available in its intranet and/or website. Measures regarding the protection, collection and usage of personal data and protection of intellectual property have also been established. Review and revision of the personal data and privacy protection practices when required are carried out to ensure compliance with relevant laws. Trainings are provided to relevant employees regarding the protection of personal data. For example, personal data related policies and practices are discussed during orientation for new staff.

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

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



Cybersecurity and Crisis Management

With the rapid expanding and adoption of internet and networking operational technology, cyberattacks around the world are occurring at a higher frequency and intensity. Firewall and anti-virus software are deployed in office networks and data centres to minimise the risk of cyberattack (e.g. Distributed Denial of Service (DDOS)) or virus/malware infection that might lead to service disruption, mass data leakage or destruction of business and personal data. Regular vulnerability assessments have been conducted by third party professional IT service vendors to ensure resilience. Meanwhile, cybersecurity awareness training is available on company intranets to facilitate self-learning. As stated in the Information Security Policy, any exception to the restrictions requires prior approval from the person in charge of the business unit on the advice of and approval from the Group's designated personnel. In addition, policies and procedures relating to computer hardware and software management are in place.



Responsible Marketing

The Group has established a Media, Public Engagement and Donation Policy to provide a framework for handling corporate communication, donation and sponsorship activities. We adopt a common and coherent approach among the group companies in relation to media and public engagement, usage of brands and logos, and disclosure of information on company websites. This ensures that we communicate with our stakeholders effectively and the market receives timely and accurate information. Employees are encouraged to seek guidance from the corporate affairs department, marketing or administrative departments of the relevant business units as and when the need arises.

The Sales Department, which is responsible for the sale and marketing of properties, has provided training to sales staff to comply with the Residential Properties (First-hand Sales) Ordinance and the Personal Data (Privacy) Ordinance. Sales staff perform their work in accordance with the guidelines and requirements of the Ordinances. The Group also seeks advice from its Legal Department and legal compliance checker in the preparation of marketing materials and sales documents. Sales staff or marketing letters reach only buyers who consent for the Group to use their personal data for direct marketing. In-house training on responsible marketing and advertising practices is also provided.

Community Investment and Development

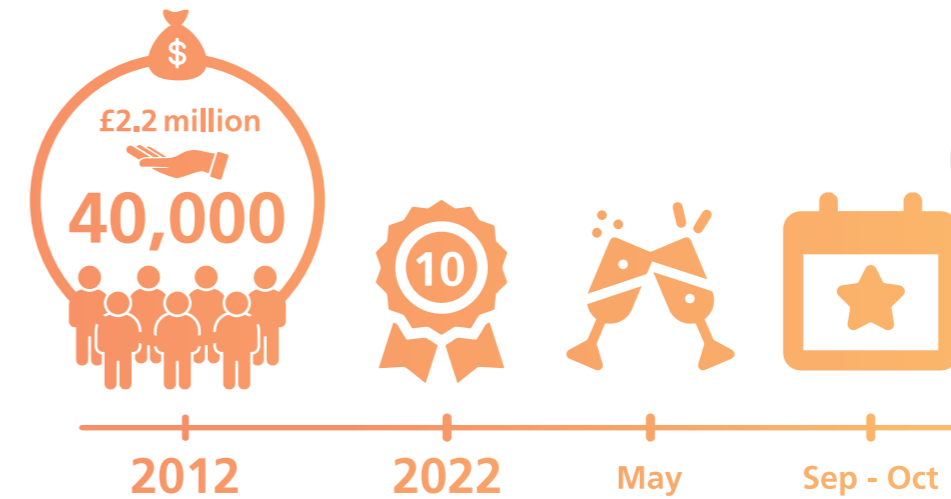
The commitment to creating value to the community is demonstrated in the Corporate Social Responsibility Policy and the Media, Public Engagement and Donation Policy. As a good corporate governance practice, donations and contributions are subject to internal compliance guidelines and controls so as to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

Charitable Donation

The Group, together with its affiliates ("CK Group") is a donor to the Community Chest of Hong Kong ("Community Chest"), which raises funds through community wide appeals on behalf of member social welfare agencies, and provides rapid response to people who find themselves in an emergency financial crisis. CK Group has been named as one of the top three donors of the Community Chest for 22 consecutive years. Such consistent and long-term commitment to the Community Chest demonstrates the Group's care to the underprivileged and its response to the needs of society. In 2021, CK Group, together with Li Ka Shing Foundation, continued to support and take part in a matching donation programme with the Community Chest, which encouraged the public to make donations via the programme by tripling the effect of every dollar they donated.



CK Group was named as one of the top three donors to the Community Chest for 22 consecutive years



Greene King participated in Macmillan Cancer Support's fundraising activity and raised £2.2 million.

Besides the Company, the Group's subsidiaries have also provided support to different charities. For example, since 2012, Greene King and Macmillan Cancer Support have worked closely as charity partners. During the Reporting Period, over 40,000 employees of Greene King have participated in Macmillan Cancer Support's fundraising activity raising £2.2 million and were the top corporate partner for Macmillan Cancer Support. In 2022, Greene King will be celebrating its 10th year in partnership with Macmillan and has extensive plans for the year including community celebrations during May 2022 in all its pubs and Go Big for Macmillan September and October campaign.

Citybase, together with its employees, have, in aggregate donated HK\$200,000 under the "3.28 Get Moving" programme to Ronald McDonald House, which strives to be part of the solution in improving the lives of children and their families, providing programs that strengthen families in need.

During the Reporting Period, the Group made donations totalling approximately HK\$10 million to various charitable organisations.

Community Enrichment

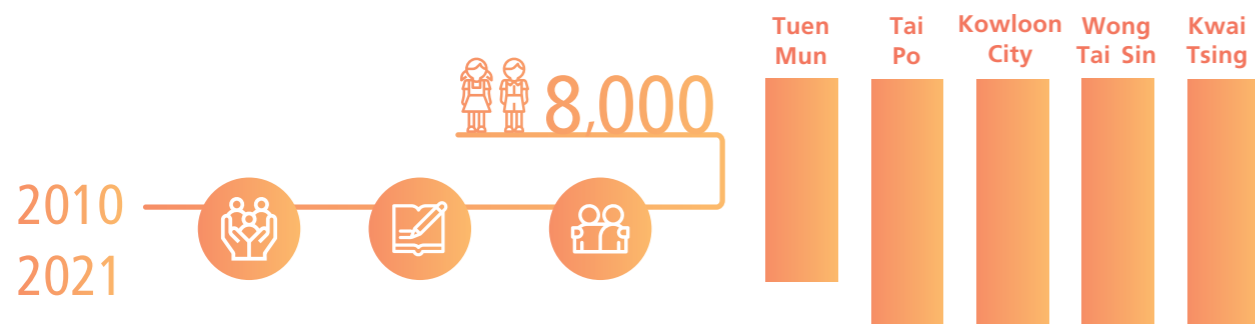
Apart from making donations to charitable organisations, members of the Group also took the initiative to support local communities and promote youth development.

Build Hope through Education and Inclusion

The Group continues to support the “333 Learning Companion Leadership Programme” (“333 Programme”) under the We R Family Foundation. Nearly 8,000 underprivileged students and their families have benefited from the 333 Programme since it was launched in 2010. The 333 Programme provides free academic assistance, moral education and professional support to advance the whole person development and competitiveness of children and youth of underprivileged families. Not only have their socio-emotional skills and academic results improved, the 333 Programme also helps them to foster positive relationship with peers and families. In 2021, a new 333 Programme centre was set up in Tuen Mun and started serving students in that area, adding to the existing 4 centres that have been serving districts including Tai Po, Wong Tai Sin, Kowloon City and Kwai Tsing. In 2021, the 333 Programme continued to receive matching funds from the Government’s Partnership Fund for the Disadvantaged.



333 Learning Companion Leadership Programme supported by the Group



Our ESG Story: Greene King’s Releasing Potential Programme to support ex-offenders

When Greene King launched Releasing Potential, a social mobility programme to support ex-offenders into employment, no one could have envisioned how quickly it would expand. Since its inception, Greene King now works with 39 prisons across England and Wales and has offered employment to 89 candidates.

Ian joined Greene King’s Releasing Potential programme through the ‘Released on Temporary Licence’ scheme which is available to prisoners who are completing a sentence in an open prison. He was able to work at the pub during the day returning to custody at the end of each shift. He joined as a kitchen porter and very quickly moved to a line chef role. Living close to the pub when he was released, he progressed to a Team Leader role before being appointed acting Assistant Manager. Ian says: “From my own personal experience, one of the most beneficial things I found about the Releasing Potential programme was the opportunity to get rid of the stigma in my own mind about being an ex-offender and the possibilities of getting back into the community. The building of self-esteem to know that you can succeed and can be a normal member of society — it’s one of the most important things I’ve found.”

Another team member who joined through Releasing Potential added: “When I was sat in jail I wondered what I was going to do out there, no one was going to see any potential in me. Greene King came in and gave me an opportunity. They didn’t look at what I had done, but what I can do now.”

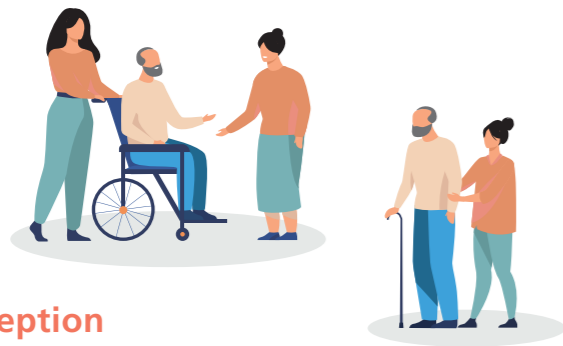
In 2022 Greene King will be extending the programme thanks to a new partnership with the Scottish Prison Service.



Foster Social Well-being

The Harbour Plaza Hotel Management Group continues to participate in a mixed plastic recycling programme and soap recycling programme in 2021 to collect, sanitise and recycle minimally used soaps and bathroom amenities which will be distributed to underprivileged families and schools in disadvantaged communities around the world, particularly in Asia. Employees of Sheraton Hong Kong Hotel & Towers have also participated in the volunteer service in Dignity Kitchen, a Singapore social enterprise with a food center in Mong Kok manned by disadvantaged servers offering free meal boxes to those in need.

The Group cares for the well being of the elderly. Citybase and Goodwell have organised and participated in events of the community, which include The Community Chest Virtual Walk for Millions, Love Around Fai Ming — Toys & Books Fun Sharing and the The Community Chest Skip Lunch Day. Citybase and Goodwell also organised or participated in visits to the Elderly home annually.



Anti-Deception Chinese Opera Show

Harbourfront Horizon All-suite Hotel has supported the Hong Kong Police — West Kowloon by participating in and donating approximately HK\$54,000 to the “Anti-Deception Chinese Opera Show” that educates elderly on anti-deception through Chinese opera performances



The Community Chest Virtual Walk for Millions

“The Community Chest Virtual Walk for Millions” organised by the Community Chest



Citybase volunteer team provided more than 10,000 hours volunteer services in 2021

During the Reporting Period, Citybase and Goodwell continued to provide volunteer services exceeding 10,000 hours, which is their respective annual target for volunteer service hours.



Goodwell volunteer team “Love Around Fai Ming — Toys & Books Fun Sharing” event

Love Around Fai Ming

“Love Around Fai Ming — Toys & Books Fun Sharing” organised by Hong Kong Lutheran Social Service



The Community Chest Skip Lunch Day

“The Community Chest Skip Lunch Day” organised by the Community Chest



"Living Water@Workplace" Christmas Carol live streaming

Togetherness amid the Pandemic

As part of the Group's social engagement, Cheung Kong Center Property Management Limited jointly organised with Cheung Kong group's Christian fellowship "Living Water@Workplace" Christmas Carol via live streaming on 24 December 2021 to share the Good News of Christmas and the joy and peace that one could attain in Jesus Christ amid the pandemic with the colleagues and the tenants. This marked the 8th year of the caroling ministry.

Recognising the effort of the Group in integrating corporate social responsibility into its businesses through caring for the community, employees and the environment, CK Group was awarded a total of 161 "Caring Company" logos under the "Caring Company Scheme" by the Hong Kong Council of Social Service in 2021, the highest number of awards received by a commercial entity for 18 consecutive years.



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

Additional Information



Performance Data Summary

Social KPIs ^(Note 1)	Unit	The Group	
		2021	2020
Workforce profile			
Total workforce	Number	54,525	58,014
By gender			
Male	Percentage	49%	49%
Female	Percentage	51%	51%
By employment type			
Permanent	Percentage	44%	43%
Part time & Temporary	Percentage	55%	56%
Contract	Percentage	1%	1%
By age group			
18-30	Percentage	45%	47%
31-50	Percentage	36%	36%
Above 50	Percentage	19%	17%
By geographical region			
Hong Kong	Percentage	20%	19%
The Mainland	Percentage	10%	10%
Overseas	Percentage	70%	71%
Turnover rate among full-time staff			
By gender			
Male	Percentage	18%	11%
Female	Percentage	18%	10%
By age group			
18-30	Percentage	36%	20%
31-50	Percentage	15%	8%
Above 50	Percentage	9%	6%
By geographical region			
Hong Kong	Percentage	17%	10%
The Mainland	Percentage	8%	6%
Overseas	Percentage	25%	14%
Health and Safety			
Lost days due to reported work-related injuries for employees directly employed by the Group	Lost days	11,412.5	10,347.5
Number of work-related fatalities ^(Note 2)	Number	—	—
Training and development ^(Note 3)			
Percentage of employees trained by gender			
Male	Percentage	67%	53%
Female	Percentage	71%	51%
Percentage of employees trained by employee category			
Managerial grade or above	Percentage	64%	41%
Non-managerial grade	Percentage	69%	53%
Average training hours per employee by gender			
Male	Hours	11.00	9.50
Female	Hours	10.15	8.68
Average training hours per employee by employee category			
Managerial grade or above	Hours	8.35	5.87
Non-managerial grade	Hours	10.84	9.41
Product Responsibility ^(Note 4)			
Number of products and service related written complaints received	Number	18,983 ^(Note 5)	10,749 ^(Note 5)

Notes:

- (1) Social data of 2020 and 2021 include the property development, project management, hotel and serviced suite operation, offices and pub operation that are operated by the Group.
- (2) In 2019, an employee under the property management company in the Mainland passed away from a stroke due to sudden illness at work, which was regarded as a work-related fatal accident under the law of the Mainland. The government authorities of the Mainland confirmed that there is no issue of non-compliance with any relevant rules and regulations in relation to the death, after inspection, and that the death has no connection with the workplace.
- (3) 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.
- (4) There were no products sold or shipped subject to recalls for health and safety reasons in 2020 and 2021.
- (5) Mainly represent the reported cases from pub operation. The increase in number of complaints received in 2021 was mainly from pub operation, following the recovery from COVID-19 and resumption of business activities.

Performance Data Summary

Environmental KPIs (Note 1)	Unit	Property Development (Note 2)		Property Management (Note 3)		Hotel and Serviced Suite Operation (Note 4)		Aircraft Leasing (Note 5)		Offices		Pub Operation (Note 6)	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
GHG emissions (Note 7)													
Total GHG emissions	tCO ₂ e	61,227	46,974	243,014	296,019	80,144	75,738	78.5	78	4,472	5,218	107,728	130,203
Direct GHG emissions (Scope 1)	tCO ₂ e	—	—	10,364	15,677	5,132	5,931	—	—	510	305	56,834	65,226
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	—	—	229,728	276,500	73,565	68,784	78.4	77	3,608	4,481	49,804	62,383
Other indirect GHG emissions (Scope 3) (Note 8)	tCO ₂ e	61,227	46,974	2,922	3,842	1,447	1,023	0.1	1	354	432	1,090 (Note 13)	2,594
Total GHG emissions intensity (Note 9)	tCO ₂ e/sq.ft.	0.0016	0.0018	0.0016	0.0021	0.0105	0.0106	0.0033	0.0033	0.0115	0.0094	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	N/A	N/A	0.01	0.01
Waste generated													
Non-hazardous waste	tonnes	77,382.8	75,915.3	115.0	111.5	95.5	67.5	—	0.6	73.2	87.8	2,021.6	1,895.2
Hazardous waste	tonnes	18.5	25.8	4.6	4.8	—	—	—	—	0.1	0.4	61.7 (Note 14)	27.1
Waste recycled													
Concrete, steel and metals, mixed rock and soil and other construction waste	tonnes	339,310.7 (Note 10)	164,005.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paper	tonnes	N/A	N/A	6,414.6	5,517.9	58.9	46.4	0.2	0.5	53.5	70.4	3,095.8	2,734.7
Glass bottles	tonnes	N/A	N/A	141.3	99.0	32.2	28.5	—	—	0.083	0.004	14,192.2	14,209.1
Aluminium cans	tonnes	N/A	N/A	206.3	198.3	0.3	0.1	—	—	0.003	0.04	111.6	98.8
Plastic bottles	tonnes	N/A	N/A	354.4	318.2	8.7	1.1	0.7	0.8	0.04	0.3	137.5 (Note 15)	67.7
Food	tonnes	N/A	N/A	0.5	10.0	—	—	—	—	6.3	4.9	6,797.5	7,749.8
Other wastes recycled	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,609.8	12,186.7
Energy consumption													
Total energy consumption	kWh	76,468,349	26,907,377	486,216,719	483,094,030	167,893,654	125,064,484	241,325	222,440	7,761,484	7,017,569	516,229,484	606,704,169
Direct energy consumption													
Gasoline/Petrol (Note 12)	kWh	1,004,348	N/A	7,592	N/A	114,636	N/A	N/A	N/A	1,201,245	333	1,298,285	913,345
Diesel (Note 12)	kWh	53,738,672 (Note 11)	14,817,612	194,026	N/A	22,256	N/A	N/A	N/A	215,754	8,601	21,779,777	24,865,141
Natural gas and town gas	kWh	N/A	782,690	10,195,568	6,045,710	1,416,200	1,403,773	N/A	N/A	109,801	87,899	243,182,175	297,802,844
Other fuels (Gas oil, Kerosene, LPG)	kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15,073,320	15,543,940
Indirect energy consumption													
Electricity and heat consumed	kWh	21,725,329 (Note 11)	11,307,075	475,819,533	477,048,320	166,340,562	123,660,711	241,325	222,440	6,234,683	6,920,736	234,895,927	267,578,899
Total energy consumption intensity (Note 9)	kWh/sq.ft.	0.69	0.49	3.23	3.45	21.95	17.49	10.27	9.47	19.95	12.60	N/A	N/A
	kWh/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36.14	63.66
Direct energy consumption intensity	kWh/sq.ft.	0.13	0.05	0.07	0.04	0.20	0.20	N/A	N/A	3.93	0.17	N/A	N/A
	kWh/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.70	35.58
Indirect energy consumption intensity	kWh/sq.ft.	0.56	0.44	3.16	3.41	21.75	17.29	10.27	9.47	16.03	12.43	N/A	N/A
	kWh/HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16.44	28.08
Water consumption													
Total water consumption	m ³	775,957	581,294	4,864,738	3,803,106	1,728,673	1,238,295	316	266	11,009	13,194	2,404,927	2,385,842
Water consumption intensity (Note 9)	m ³ /sq.ft.	0.02	0.02	0.03	0.03	0.23	0.17	0.01	0.01	0.03	0.02	N/A	N/A
	m ³ /HK\$'000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.17	0.25
Packaging material (Note 16)													
Total packaging material used for finished products	tonnes	N/A	N/A	N/A	N/A	49	17	N/A	N/A	N/A	N/A	10,869	14,072

Notes:

- Environmental data of 2020 include 18 construction sites, 205 Managed Properties, 15 hotels and serviced suites in Hong Kong, all pubs, breweries and self-occupied offices. Environmental data of 2021 include 25 construction sites, 205 Managed Properties, 15 hotels and serviced suites in Hong Kong, all pubs, breweries and self-occupied offices. "—" represents 0 in value for the KPI, and "N/A" 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.
- The data for the aircraft leasing business cover only consumption and emissions relating to the office space occupied by the business because the Group does not operate the aircraft that it owns and has no direct control over the consumptions and emissions of the aircraft operated by its airline customers. The Group agreed in December 2021 to dispose of its remaining interest in its fleet of aircraft and the aircraft leasing operation have discontinued following the completion of the transaction.
- Due to the outbreak of COVID-19 and related restrictions imposed by the U.K. government, pub operation encountered considerable disruption and difficulties in collecting data for waste, recycling and packaging materials in 2020, resulting in discrepancies arising between the data collected and actual performance data. Following comprehensive review, relevant 2020 data (including Scope 3 GHG emissions resulting from waste disposal) have been restated to allow more meaningful analysis of performance over time.
- Carbon emissions are calculated with reference to the Greenhouse Gas Protocol published by the World Resources Institute ("WRI") and the World Business Council on Sustainable Development ("WBCSD"), the Global Warming Potential Values from the IPCC Fifth Assessment Report published by the Intergovernmental Panel on Climate Change, the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, published by the Environmental Protection Department and the Electrical and Mechanical Services Department, UK Government GHG Conversion Factors for Company Reporting published by the Department for Business, Energy & Industrial Strategy in the UK, and other national and local grid emission factors. Emission factors are updated on an annual basis, in order to reflect the actual situation regarding emissions.

Notes:

- 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;
 - Hotel and Serviced Suite Operation: Total gross floor area of hotels and serviced suites;
 - Aircraft Leasing: Total gross floor area of self-occupied offices;
 - Offices: Total gross floor area of self-occupied office; and
 - Pub Operation: Total revenue of pubs and breweries. Intensity figures of 2020 have been restated to align with the calculation methodology of 2021 figure to allow for meaningful comparison of data over time.
- The increase is attributable to the commencement of new property development projects in 2021, which involved foundation works and resulted in recycling of rock and soil.
- The increase is attributable to more active construction activities in 2021, with the commencement several new property development projects.
- With the aim to improve transparency, fuel consumption data generated by vehicle used in the Group's operations was widely collected across different operations and reported in 2021 resulting in the general increase in fuel consumption.
- The decrease is attributable to the lower water consumption-related emission factors (as published by the UK Government) for 2021.
- The increase is attributable to a greater amount of waste oil being generated and paint being used, as a result of an increase in refurbishment activity taking place in the pub operation.
- The increase is attributable to an improvement in the performance of the pub operation in 2021, following the recovery from COVID-19.
- Packaging material data of 2020 and 2021 included 11 hotels of the Harbour Plaza Hotel Management Group and all pubs and breweries.

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 Sustainability at the Company Corporate Governance
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
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 being immaterial to the Group’s direct operations.
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 Target 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 Target 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).	Reduce Use of Water Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency Target 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.	Reduce Use of Water Due to the nature of the Group's business and its operating locations, the issue in sourcing water that is fit for purpose is not relevant to the Group. Target 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.	Build for a Greener Future 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.	Build for a Greener Future Managing Other Environmental Impacts
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Mitigation and Adaptation
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Mitigation and Adaptation

B. Social		
Employment and Labour Practices		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Diversity and Equal Opportunities at Workplace Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Diversity and Equal Opportunities at Workplace Performance Data Summary
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	On Counter-COVID Strategy Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety Performance Data Summary Due to the low risk and rare occurrence of work-related fatalities for direct employees, given the nature of the Group's business, the rate of work-related fatalities is 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.	Human Capital Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Human Capital Development Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Human Capital Development Performance Data Summary
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Labour Practices Anti-Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Anti-Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Anti-Child and Forced Labour
Operation Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Green and Responsible Procurement
KPI B5.1	Number of suppliers by geographical region.	Green and Responsible Procurement 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.	Green and Responsible Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Green and Responsible Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green and Responsible Procurement

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.	Products and Services 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 Privacy 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 Privacy 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 whistle-blowing 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



Achievement and Innovations of Infrastructure Investments

Achievement and Innovations of Infrastructure Investments

The Group is committed to protecting the environment and mitigating its effect to the global climate change. It recognises the society's transition towards low carbon economy. The transition will require structural changes to the business operation of the Group, and also the society. During the Reporting Period, the Group expanded its investment in infrastructure and utility asset operations. As at 31 December 2021, the Infrastructure Investments of the Group includes, CK William JV ("CK William"), CKP (Canada) JV ("Reliance"), Sarvana JV ("ista"), UK Power Networks JV ("UKPN"), Northumbrian Water JV ("Northumbrian Water", Dutch Enviro Energy JV ("AVR") and Wales & West Utilities JV ("WWU").

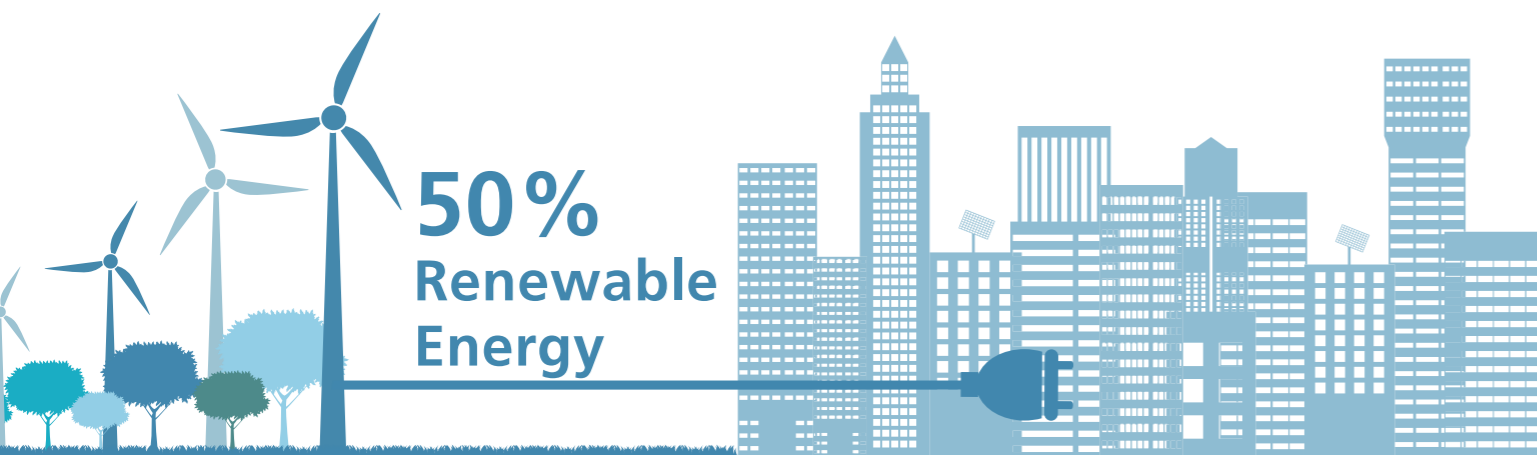
The Group's commitment to environmental protection is not only demonstrated in the previous sections but also reflected in the sustainability efforts and achievements of its Infrastructure Investments, ranging from expanding investment in green and renewable energy, reducing carbon emissions to protecting and enhancing biodiversity.

Green and Renewable Energy



EDL's new Jabiru Hybrid Renewable Power Station.

The Group's Infrastructure Investments are investing in green energy and innovative solutions to support the fight against the climate change. One of the Infrastructure Investments under CK William, namely, EDL, has contracted in 2021 by the Government of the Northern Territory of Australia to deliver the Jabiru Hybrid Renewable Project to power the remote, off-grid township of Jabiru. The project will integrate a solar farm and battery with a diesel power station to balance sustainability with reliability. Completed in early 2022, the hybrid renewable power station provides Jabiru with at least 50% renewable energy over the long term, helping the remote township transition to a tourism and services hub and contributing to the Northern Territory's 2030 50% renewable energy target.



UKPN's Envision project is developing a software-based machine learning tool to model demand and enhance the visibility of the low voltage network — analysing how power is flowing through the network to where demand for electricity is high and at what times of the day. As more renewable energy sources connect to the network, having exact data and forecasting tools allows UKPN to plan ahead and invest strategically to more efficiently manage the network and connect more low-carbon technologies such as electric vehicle chargers and heat pumps. The Envision project is a key step to widening network flexibility and building a smart grid that enables cleaner, greener energy resources to connect quicker and at a lower cost. It is anticipated the Envision project can help release almost 70 MW of electricity capacity by 2028, which is equivalent to providing 1,371 new rapid electric car chargers.

Reducing Carbon Emission

On top of investing in innovative renewable energy, our Infrastructure Investments have investigated ways to reduce the release of CO₂ into the atmosphere. AVR, one of the Group's Infrastructure Investments, is on the way to being energy neutral by processing residues and rejects from the recycling industry and turning them into electricity and heat for companies and households. This energy replaces energy that would have been generated by burning gas and coal and prevents the CO₂ emissions from these fossil fuels. AVR also avoids CO₂ emissions by recovering raw materials such as the metals and minerals from the bottom ashes, TopCrete from the paper sludge processing, and packaging material from the separation plant. In addition to CO₂ reduction, AVR's Waste-to-Energy Plant in Duiven has included a unique CO₂ capture plant for recovering CO₂ from the flue gases released during incineration of residual waste and using the captured CO₂ as a raw material for sustainable concrete or as a coolant in fire extinguishers. Currently, AVR supplies the captured CO₂ to local greenhouse horticulture companies, which need CO₂ to grow their plants, fruit and vegetables.



AVR's Waste-to-Energy Plant in Duiven

Northumbrian Water has made major investments to upgrade and purify biogas into biomethane, which can be directly injected into the national gas grid. Northumbrian Water's sludge treatment centres at Howdon and Bran Sands sites currently process 100% of the sewage sludge arising from within its operating region, using an advanced anaerobic digestion ("AAD") process. The raw biogas produced by the AAD process at the Howdon and Bran Sands typically contain 61% methane with the remainder comprising CO₂ and trace amounts of other gases. Subsequently, CO₂ and other unwanted components are removed to produce purified biomethane that is suitable to be injected directly into the grid, providing green renewable energy to the homes and businesses in the local regions. The two plants together are expected to provide renewable gas at a rate equivalent to around 134,500 MWh per year, which is making a significant contribution towards Northumbrian Water's target of being carbon neutral by 2027.



Northumbrian Water's Sludge Treatment Centre at Howdon.

ista has implemented a 10-year plan to switch over its entire fleet of vehicles to electric cars, and replace business trips, anywhere where possible, with digital alternatives.

Protecting and Enhancing Biodiversity

WWU has a long-term ambition to achieve a biodiversity net gain ("BNG") by 2039, with an interim goal of achieving no net loss on designated products within 2021 and 2026. In conjunction with this, WWU has also embedded BNG principles into WWU's policies, strategies and everyday business activities. Additionally, WWU is looking to implement biodiversity and ecosystem enhancements into its long-term assets.

To ensure the integrity of the network, WWU is sometimes required to remove trees that present risks to its pipelines and local communities. However, the company recognises that this has a negative impact on biodiversity and therefore, is committed to addressing this impact by collaborating with stakeholders within Wales and the South West to support afforestation across the network in long-term managed schemes, in which five trees will be planted for every tree cut down.

For further details, please refer to the relevant sections of the 2021 Sustainability Report of CK Infrastructure Holdings Limited.

Li Ka Shing Foundation



LI KA SHING FOUNDATION 李嘉誠基金會

Mr. Li Ka-shing, founder of the CK Group and Senior Advisor of CK Asset Holdings Limited and CK Hutchison Holdings Limited, founded the Li Ka Shing Foundation (**the Foundation**) in 1980. Over the years, he has contributed over HK\$30 billion to support educational, medical and charitable initiatives, with 80% of the funds going to projects in Mainland China and Hong Kong.

Mr. Li refers the Foundation as his third son, stating that assuming social responsibility to promote social welfare is equally important as passing wealth and means through lineage. With this in mind, donating wealth would be very much the same as distributing wealth to heirs.

Mr. Li calls upon other capable individuals in Asia to cultivate a philanthropic culture, building a sustainable and uninterrupted charitable model to help those in need. Our reorientation of perspective today could bring forth great hope and promises for the future.

While the COVID-19 variants have ebbed and flowed in 2021, the Foundation has remained steadfast in providing suitable support for anti-pandemic efforts. At the same time, the Foundation has remained committed to the long-term development of society by providing support for education, healthcare, and other charitable initiatives.



Mr. Li Ka-shing, Chairman and Founder of Li Ka Shing Foundation

Community

The Foundation attaches great importance to charitable initiatives, including emergency relief and counselling assistance. These initiatives promote solidarity, enhance community awareness for the benefit of social development.

Tsz Shan Monastery

It is with the blessing of its phenomenal natural environment that Tsz Shan Monastery conveys its message of Buddhism and transforms its visitors' spirit. Preservation and care are thus at the cornerstone of everything we do at Tsz Shan. To date, the Foundation has contributed around HK\$3.2 billion to the Monastery.

As much as it is blessed with the treasure of nature, in return the Monastery makes a continuous effort in protecting and preserving its biodiversity. From its early stage of planning and construction, energy saving and emission reduction have been among the key considerations of Tsz Shan Monastery. High windows are installed under the eaves of the halls to invite natural light and save energy. Water offering is adopted in lieu of incense burning to avoid air pollution. Vigilant in its water conservation efforts, Tsz Shan Monastery adopts a closed-circuit circulation system connecting the water offering system and the water fountains, as well as to collect rainwater for irrigation and floor cleaning. As a strong advocate for vegetarian and plant-based diets, Tsz Shan Monastery also contributes to the reduction of greenhouse gas emissions, and promotes healthy diets and lifestyles.

In 2021, the Monastery held 40 ritual ceremonies offered regular meditation retreats, community practices and Buddhist precept & practice classes, and launched "Forest Therapy Programme" for the first time. Tsz Shan Monastery also contributes to the society by co-organising activities with various organisations. More than 48,000 people have participated in these activities in 2021.

Tsz Shan Monastery has been responding actively to the grim situation under the pandemic through the Buddhist Spiritual Counselling Centre by providing online and offline counselling services for the community. In 2021, nearly 3,910 counselling services sessions were provided. The centre has established a "Warm-hearted Anti-epidemic Platform" and the "Anti-epidemic Mental Health Scheme" to provide spiritual care services for hospitals, elderly homes, rehabilitated and institutional youths. Together with volunteer training, online and public education to public, the total attendance of activities and counselling services provided by the Centre has reached 248,000 in 2021.



Tsz Shan Monastery launched the "Forest Therapy Programme" in 2021. More than 5,000 people joined the programme between July and December.

HK\$20 Million Voucher Vaccination Lucky Draw

The Foundation joined hands with the CK Group to give away a series of vouchers worth HK\$20 million as part of a lucky draw. This effort was undertaken to support HKSAR government's COVID-19 Vaccination Programme and encourage vaccination.

Contribution to The Community Chest of Hong Kong

The Foundation and CK Group each donated HK\$3 million, or HK\$6 million in total in May 2021, to "The Community Chest Pandemic Rainbow Fund" to support those who were affected by the pandemic.

Caritas Family Crisis Hotline and Education Centre

During the pandemic, the Caritas Family Crisis Hotline and Education Centre overcame the challenges brought on by social distancing restrictions to support service users. Apart from the hotline service, it also launched various online services and served over 60,000 people. Also, community education activities and professional training work pivoted to the virtual mode to overcome social distancing restrictions. These measures helped increase the number of beneficiaries.

From 2008 to December 2021, the centre received donations of HK\$67 million from the Foundation, which helped over 640,000 people.

Thanks to All Staff Members of the Hospital Authority for Safeguarding Hongkongers' Health

Right before the Lunar New Year in February 2021, the Foundation presented HK\$200 PARKnSHOP vouchers to each of the staff members of the Hospital Authority. The gift, valued at about HK\$20 million in total, was a gesture of appreciation by the Foundation to all staff members of the Hospital Authority for their professionalism and contribution in safeguarding Hong Kong people amid the pandemic.



The Foundation presented thank you cards to all staff members of the Hospital Authority.

Sailability

To promote barrier-free sports in Hong Kong, the Foundation granted HK\$5.6 million to Sailability Hong Kong Limited for the purchase of a big boat so that people with disabilities could have opportunities to learn sailing and take part in sailing competitions. The number of beneficiaries is expected to reach 3,200 within two years.

Henan Floods Relief

Henan province was affected by severe flooding in July 2021. Mr. Li Ka-shing reacted quickly to the disaster on 26 July and donated HK\$20 million through the Foundation to the Liaison Office of the Central People's Government in the Hong Kong SAR to support the flood relief efforts.

Healthcare

Comprehensive medical development helps maintain the health of the community and buttress continued social development. The Foundation is committed to advancing medical research and exploring new knowledge so as to support medical services and help the sick.

Total Knee Replacement Programme by Precious Blood Hospital (Caritas)

According to data from the Hospital Authority, until September 2021 the number of people waiting for knee replacement surgery exceeded 30,000, and the waiting period for out-patient specialist consultation with surgery could take up to seven years. The Precious Blood Hospital (Caritas) was granted HK\$40 million funding from the Foundation and launched the "Total Knee Replacement Subsidy Programme" in 2021. The programme shortened the patients' waiting time and relieved their anguish, allowing them to return to work and normal living. Over 500 patients will benefit from this programme



Doctor performs pre-surgery examination on a patient who has applied for total knee replacement.
Photo provided by Precious Blood Hospital (Caritas)

"Home Nocturnal Haemodialysis" Programme by Hong Kong Kidney Foundation

The "Home Nocturnal Haemodialysis" programme by Hong Kong Kidney Foundation provides haemodialysis machines allowing patients to perform haemodialysis at home for three or four nights per week. This enables patients to continue to work as usual during the day, which in turn is conducive to their recovery and social involvement. The Foundation granted HK\$4 million to the programme in April 2021 for a service period of two years.

The University of Hong Kong Li Ka Shing Faculty of Medicine Radiological Examination Programme

A donation of HK\$4.1 million was made in February 2021 to support the Li Ka Shing Faculty of Medicine at The University of Hong Kong to provide free MRI, CT and PET-CT scans to those patients with gastrointestinal and liver problems at Queen Mary Hospital for timely treatment. An additional donation of HK\$5 million was made in December 2021 to provide coronary computed tomography angiography (CCTA) for patients with chest pain for early diagnosis. Around 2,200 patients will be supported in these programmes.

Free Medical Services in Mainland China

- **"Heart of Gold" Nationwide Hospice Service Programme**

In 1998, the Foundation made a grant to Shantou University Medical College for its hospice care services, where impoverished advanced cancer patients with pain could complete their final journey with love and care. The service was extended nationwide in 2001. To date, the Foundation has committed over RMB900 million for the service, and over 220,000 patients have benefitted. The year 2021 saw the service enter its 20th year. There are now 32 hospices in operation in the mainland due to this funding effort.



Student volunteers from the Shantou University Medical College providing free medical services

- **"Li Ka Shing Foundation Shantou University Medical College Charitable Healthcare Project"**

Started in 1998, the project integrates medical services with humanity in medicine. So far, the Foundation has committed RMB52.7 million. The number of surgeries performed has exceeded 14,000 cases, benefiting over 700,000 rural residents.

- **"Kumbum Tibetan Medical Hospital Medical Aid Project"**

This project began in 2005. The accumulated contribution by the Foundation reached RMB28 million by the end of 2021. Free medical services have reached 228 poor and rural Tibetan regions and benefitted over 220,000 people.

- **University of Ottawa's Research in Spinal Cord Injuries**

In 2019, the Foundation contributed C\$1 million to the University of Ottawa in support of its research in biomaterials. The research looked into harnessing plant tissues to regenerate animal cells. This could lead to a medical advancement through transdisciplinary thinking. The Foundation committed an additional C\$1 million donation in 2021 to support further research through experiments with rats and monkeys. The objective was to explore the possibility of treating spinal cord injuries with the implantation of plant-based scaffolds in animals.



Researchers at University of Ottawa Research producing plant tissues through 3D bioprinting. Photo Provided by University of Ottawa.

Education

Education is essential to the long-term development of society. The Foundation supports education initiatives to promote talent cultivation for our country and society. The Foundation also believes that education initiatives will help facilitate advanced planning for the future by nurturing the next generation’s leadership skills, vision, creativity, and compassion.



With the generous support of Li Ka Shing Foundation, the Li Ka Shing Institute of Health Sciences at The Chinese University of Hong Kong was established in 2007 at Prince of Wales Hospital. Photo Provided by The Chinese University of Hong Kong

Upgrade of Research Facilities in the Li Ka Shing Institute of Health Sciences at The Chinese University of Hong Kong

The Foundation contributed HK\$30 million in April 2021 to upgrade the research facilities in the Li Ka Shing Institute of Health Sciences. The funding was made in response to the rapid development in medical research and education, helping the university to recruit more leading medical researchers worldwide and to provide the required research and animal experimentation facilities.

Li Ka Shing Medical Fellowship for Internal Medicine at The University of Hong Kong

A grant of HK\$10 million was given to the Department of Medicine of the Li Ka Shing Faculty of Medicine at The University of Hong Kong in July 2021 to set up the Li Ka Shing Medical Fellowship for Internal Medicine. Fellowships will be provided to physicians from the Hospital Authority who are clinically competent in their specialties and are determined to pursue an academic career. Up to three fellowships will be awarded each year, and the programme will last for six years.

Shantou University

Year 2021 marked the 40th anniversary of the founding of Shantou University (**STU**). Over the years, Mr Li has contributed HK\$12 billion in support of STU which has nurtured over 170,000 students. As a university that receives grants under the Guangdong Funding Program for Developing High-level Universities, as well as the first approved Higher Education Institutional Reform Experiment Demonstration University in Guangdong, STU focuses on the future and actively takes part in building the Guangdong-Hong Kong-Macao Greater Bay Area. It has already established research institutes in Foshan, Shenzhen, and Guangzhou. In August 2021, the Shantou University GTP Business School in Guangzhou was inaugurated, jointly established by Shantou University and Grand Tech Park. The business school aimed at cultivating more innovative talents to facilitate high-level regional development.

To promote the legacy and development of traditional culture and overseas Chinese culture, STU established the Chaoshan Intangible Cultural Heritage Practice Base, developed the community service platform for supporting peasants, and co-organised training courses in partnership with the All-China Federation of Returned Overseas Chinese.



Shantou University commencement 2021 and 40th anniversary celebration

STU continued to be listed in authoritative world university rankings. In the Times Higher Education World University Rankings 2022, the university was ranked 50 among the listed Mainland China universities. Five disciplines, including clinical medicine, engineering, chemistry, and environment studies and ecology, biology and biochemistry entered the top 1% of Essential Science Indicators (ESI) worldwide.

Shantou University Medical College

With the mission of nurturing high-level medical scientists and clinicians with best medical ethics and skills, and to serve society with compassion and care, Shantou University Medical College (**SUMC**) strives to integrate quality medical education and medical services for the community. The five affiliated hospitals and the dental out-patient clinic serve patients in Chaoshan region. The total number of out-patient visits exceeded 261 million in 2021, and 76,000 surgeries were performed. Both staff and students of SUMC participated actively in charitable healthcare programmes — 107 students provided services to hospice patients and families, while over 1,000 doctors and students delivered medical care and provided health education and first aid trainings to rural residents in Chaoshan district.

Entrusted by the Shantou city government, the Shantou University-Chinese University of Hong Kong Joint Shantou International Eye Center was tasked with screening primary and secondary students’ vision, as part of the central government’s programme in prevention and control of myopia. The first round of vision test has been provided to over 720,000 students at ages six to twenty during September 2020 to June 2021, and a file has been created for each one for follow-up. The second round of vision test started in September 2021. As on 31st December 2021, over 450,000 students from 528 schools have been tested.

For the first time in 2021, colleges and universities in Mainland China began recruiting prospective freshmen based on the applicants’ preferred disciplines. SUMC added three new disciplines in 2021 to a total of seven. SUMC fulfilled its admission quotas in the first round. Also, Basic Medicine was approved by the Ministry of Education as a doctoral programme.

Guangdong Technion Israel Institute of Technology

Guangdong Technion Israel Institute of Technology (**GTIIT**) is committed to innovation in education and teaching in order to cultivate outstanding engineers and sci-tech talents with innovative ability, as well as expanded worldviews and humanistic qualities. In 2021, GTIIT welcomed its first graduating class. Among the graduates, more than 10% had achieved a GPA of 90 or over, and over 70% had received offers from world-class universities.

Cheung Kong Graduate School of Business

Established with generous support from the Foundation in 2002, the Cheung Kong Graduate School of Business (**CKGSB**) has been innovating beyond the traditional boundaries of business education. CKGSB has 50 world-class professors and more than 17,000 alumni. Social innovation is one of CKGSB's core values. The school is one of the first business schools in the world to systematically incorporate social innovation courses into its business curricula.

CKGSB has been working with the China National MBA Education Supervisory Committee on a training programme for MBA professors in western China since 2007. The School was nominated as a finalist for the Equality in Education Award at the 2021 China Social Impact Award hosted by the United Nations and the British Chamber of Commerce in China. Twenty-three CKGSB alumni were listed on Forbes' 2021 China Philanthropy List, accounting for nearly a quarter of the nominees. In 2021, enterprises related to CKGSB alumni donated RMB4 billion for COVID-19 pandemic alleviation measures.

Epilogue

Sustainability has not only become a megatrend in the development of human societies but also a critical measurement in determining the quality of that development. Sustainability is not limited to conserving the environment, cherishing resources, and recycling; it is also applied in advancing mutual support and assistance in society for a better life. The Foundation stands ready to do more for sustainability through continued contributions for the betterment of education, healthcare, and charity. Please refer to www.lksf.org for further details.

CK ASSET HOLDINGS LIMITED

7th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

Tel : +852 2128 8888
Fax : +852 2845 2940

www.ckah.com

