



九龍建業有限公司

KOWLOON DEVELOPMENT COMPANY LIMITED

Stock Code 股份代號: 34

# 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT







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# INTRODUCTION

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## Business Review

Kowloon Development Company Limited (the “Company” or “KDC”) (Stock Code: 34) was established on 24 January 1961 and was listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 July 1995. The Group (throughout the report, the term “Group” refers to the Company and its subsidiaries unless otherwise stated) is principally engaged in property development, property investment and property management in Hong Kong and Mainland China. It is also engaged in financial investments and investment holding. Besides expanding the existing landbank in an opportunistic manner and building out the present portfolio, the Group is focusing on building a strong brand as a thoughtful developer producing quality products.

In the preparation of this Environmental, Social and Governance (“ESG”) Report (the “Report”), the board of directors of the Company (the “Board”) has reviewed and approved the contents and disclosures. During the year under review, the Group was not aware of any material non-compliance with any local laws and regulations with regard to environment, labour and anti-corruption in all our operational activities. In recognition of the Board’s and senior management’s dedication to drive environmental and social stewardship inside and out, the Group has been promoting sustainability into its operations and working together with its stakeholders to enhance quality and health of life for everyone.



### Reporting Standard, Principle, Period and Scope

The Report is prepared in accordance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the “ESG Reporting Guide”). The Company has adopted the fundamental reporting principles of the ESG Reporting Guide, including:



#### Materiality

The Group conducts stakeholder engagement exercises and materiality assessment regularly to identify the material ESG-related issues to the business operations. For details, please refer to the section of “Materiality Assessment” (page 7).



#### Quantitative

To demonstrate our ESG impact, the Group monitors and records environmental and social performance data. For details, please refer to the section of “Performance Table” (page 43).



#### Consistency

Whenever deemed material, the Report adopts the consistent standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to last report.



#### Balance

The Report presents an unbiased representation of our ESG management approach and performance. It avoids selections, omissions or presentation formats that may inappropriately influence a decision or judgement by the report reader.

Information regarding the Group’s Corporate Governance is addressed more in depth in the Company’s Annual Report 2021.

## INTRODUCTION

The Report covers the Group's ESG performance, activities and highlights from 1 January 2021 to 31 December 2021 (the "Reporting Year") including the following major business operations:



Due to the short ownership period, Easy Living Consultant Limited ("Easy Living"), a subsidiary of KDC principally engaged in the provision of building surveying, property management and guarding services, has been excluded from the reporting scope this year. The Group is enhancing Easy Living's data collection system and plans to expand its reporting scope by considering to include Easy Living in future ESG reports.



## Stakeholder Engagement

Recognising the key role of stakeholders in the sustainable development journey, the Group places high regards on the stakeholders' feedback and opinion to steer its management approach on relevant sustainability issues. To maintain transparent communication with stakeholders, the Group has established whistleblowing channels as foundation of its corporate governance and stakeholder engagement. In order to facilitate communication with different stakeholders, the Group has established a range of communication channels to understand their expectations on the Group's long-term development.



### Shareholders and Investors

- Shareholders' meetings
- Financial reports, announcements and circulars
- Company website
- Company enquiry e-mail, facsimile and phone number



### Local Communities and Non-Governmental Organisations ("NGOs")

- Volunteer activities
- Corporate sponsorships and donations



### Industry Associations

- Representation in industry association



### Media

- Company website
- Financial reports, announcements and circulars
- Interview with media for launching new properties
- Show flat opening and introduction



### Suppliers, Contractors/ Subcontractors and Service Providers

- Project collaborations
- Company website
- Training and briefing talk to KDE's subcontractors before entrance of construction sites
- Site visit
- External ESG survey
- Know Your Client (KYC) review

## INTRODUCTION



### **Business Partners**

- Project collaborations
- Company website



### **Government and Regulators**

- Seminars for staff
- Financial reports, announcements and circulars



### **Customers, Tenants and Residents**

- Customer satisfaction survey
- Opinion box
- Enquiry hotline
- Visit of show flat and introduction by our salesperson
- The Owners' Committee meetings
- The Incorporated Owners' meetings
- Clubhouse activities
- Company website
- External ESG survey



### **Potential Candidates and Employees**

- Career opportunities on company website
- Internal referral programme
- Recruitment events and career talks



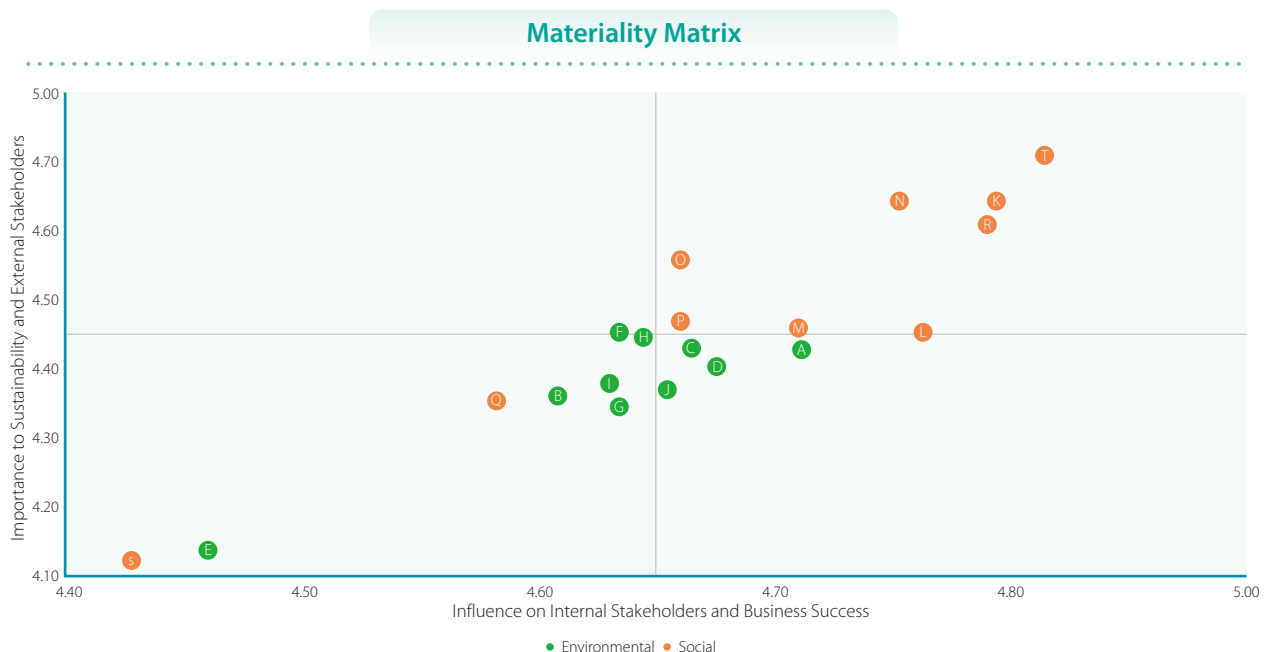
### **Employees of the Group**

- Staff orientation
- Employee notice board
- Meeting and performance appraisal with staff
- Internal ESG survey
- PolyConnect (Intranet of the Group)
- Company website
- Seminars/workshops
- Staff activities
- Memos to employees
- Staff opinion box



## Materiality Assessment

The Group has conducted stakeholder engagement exercises with the aim to identify material environmental and social topics along our value chain and understand the expectations of our stakeholders. An independent consultant was engaged to conduct several internal and external ESG surveys since 2017, where the materiality assessment only counted the data from the last three years. The 3-year cycle of materiality assessment has surveyed different stakeholders including management, employees, suppliers, contractors, subcontractors, service providers and tenants. During the Reporting Year, the Group invited suppliers, contractors, subcontractors and service providers to participate in the stakeholder engagement survey. A total of 313 responses were received in the past three years. Based on the results of the surveys, the following materiality matrix was compiled to identify the material ESG topics to the Group.



### ● Environmental Aspect

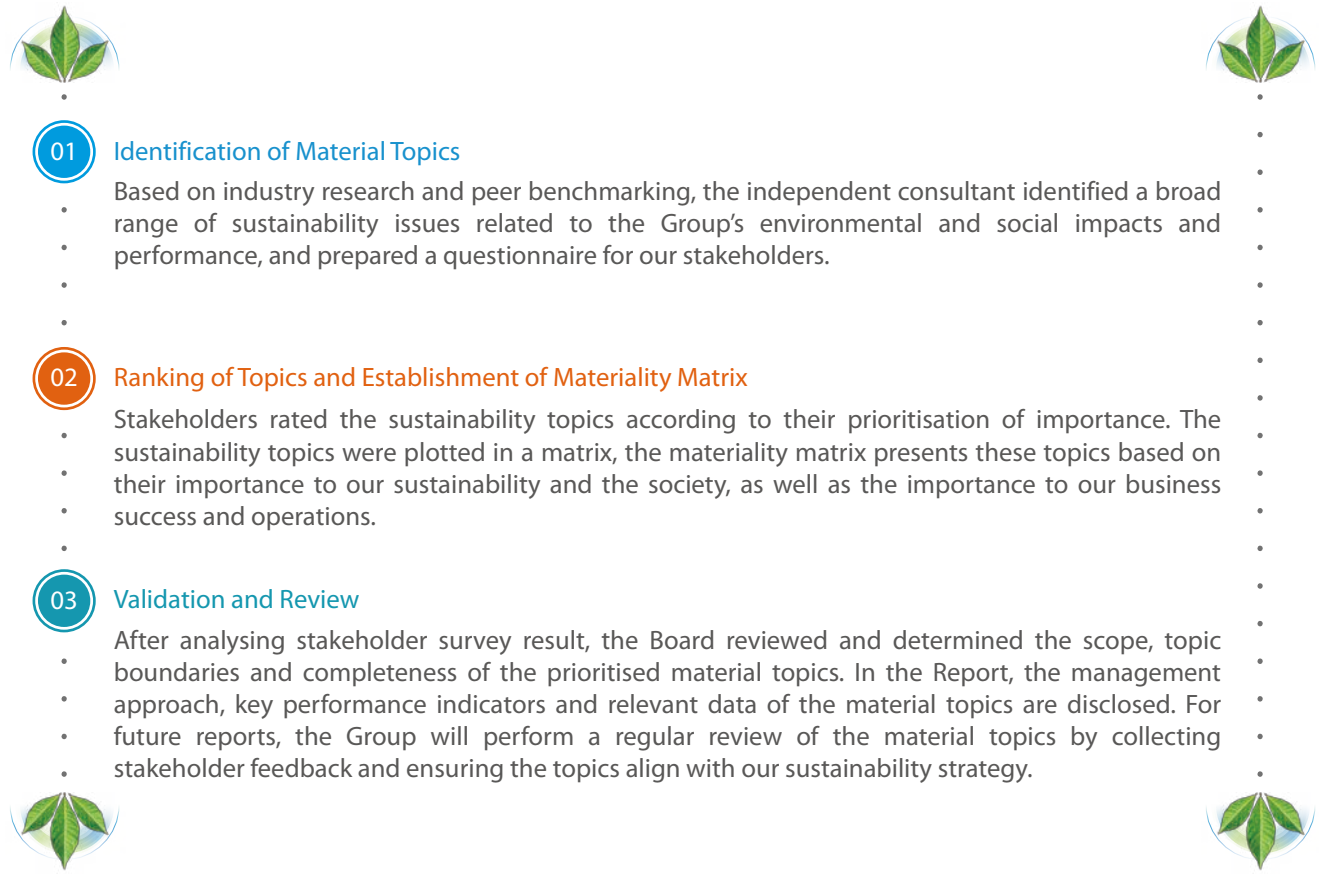
- A Compliance with relevant environmental laws and regulations
- B Climate change and greenhouse gas emissions
- C Air pollutant emissions
- D Efficient use of resource
- E Use of renewable resources
- F Wastewater discharge and management
- G General waste management
- H Efficient use of material
- I Sustainable building
- J Noise pollution and management

### ● Social Aspect

- K Compliance with relevant social laws and regulations
- L Employment practices
- M Diversity and equal opportunities
- N Occupational health and safety
- O Training and development
- P Supply chain management
- Q Procurement practices
- R Customer privacy
- S Community investment
- T Business ethics and integrity

# INTRODUCTION

## Methodology of materiality assessment



The following environmental and social topics have been identified by stakeholders as the top material topics to the Group's long-term business development:







## INTRODUCTION

Based on a holistic understanding of stakeholders' perspective, the Board reviews the management approach and strategies for the material ESG topics. The Group is committed to enhancing the management approach on the material topics and integrating sustainability elements into its business, as well as envisages to develop a more comprehensive sustainability framework. After discussion, hazardous waste management was not regarded as a material topic because there is no hazardous waste generated in KDC's operation during the Reporting Year.

### Contact Details

We welcome any comments or suggestions from our stakeholders. If you have any comments, please contact:

**Kowloon Development Company Limited**

23rd Floor, Pioneer Centre,  
750 Nathan Road,  
Kowloon, Hong Kong

Telephone: (852) 2396 2112

Facsimile : (852) 2789 1370

E-mail : [enquiry@kdc.com.hk](mailto:enquiry@kdc.com.hk)

# WORDS TO STAKEHOLDERS

Dear Stakeholders,

I am pleased to present the Company's ESG Report 2021. Against the backdrop of the ongoing pandemic, we strive to safeguard the health of our employees, customers and communities while providing quality products and services. The Report presents our efforts in working together with our stakeholders to enhance quality and health of life for everyone.

KDC always prioritises the health, safety, and well-being of our employees, customers and the communities we serve. During the Coronavirus Disease 2019 ("COVID-19") pandemic, we have managed the challenges of pandemic by working as one team. We have adopted multiple measures to provide support to our colleagues, customers and the communities to safeguard against infection risks.

We believe that incorporation of the principle of sustainable development into operation is the key to long-term growth and creation of benefits to our stakeholders. The Board has overall responsibility for the oversight and decision making of the Company's ESG matters. Under the leadership of the Board, relevant departments and business units play an important role to ensure the smooth adoption of ESG practice, from policy development to action plan implementation.

During the Reporting Year, while expanding all business segments, we are also actively identifying risks and opportunities in relation to sustainable development, as well as striving to enhance our performance in terms of the ESG. One of our properties, namely Upper East, in Hung Hom achieved several awards such as Energywise Certificate - Excellent Level, Wastewise Certificate - Good Level, Hong Kong Awards for Environmental Excellence ("HKAEE") and Commendation Scheme on Source Separation of Domestic Waste - Certificate of Merit in the Reporting Year. In the middle of 2021, the Group formulated a set of environmental targets to showcase our commitments to protect environment. The Board will review progress made against the ESG-related goals and targets in the coming years. Together with the Group's commitments, we believe we can continue to drive change and deliver a more sustainable future for our society and environment.

With our dedication to provide quality properties and services, KDE has been awarded the ISO 9001:2015(QMS), ISO 14001:2015(EMS) and ISO 45001:2018(OHS) Integrated Management System Certification in 2021. To demonstrate our commitment to reduce the environmental impacts of our residential building and improve environmental quality and user satisfaction, our recent residential development project, namely Manor Hill, in Tseung Kwan O has achieved BEAM Plus New Buildings (V1.2) - Provisional Bronze rating.

Most importantly, I would like to express my appreciation towards our enthusiastic and professional management team and staff members for their efforts and endless support on our sustainability journey. Each individual's ingenuity and resilience are what allowed us to go above and beyond for all our stakeholders. I could not be prouder of what our colleagues achieved and I believe their passion and perseverance will help us to achieve greater success in our future sustainable development.



**Lai Ka Fai**  
*Executive Director*

Hong Kong, 30 May 2022

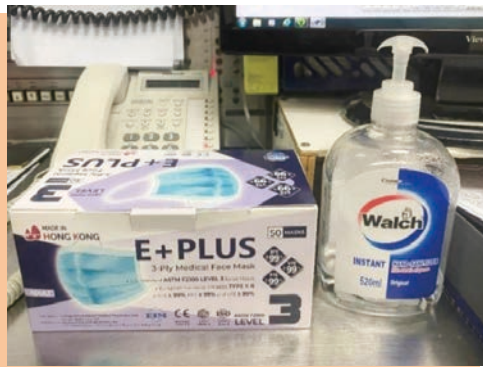




# PROTECTING OUR COMMUNITY DURING THE PANDEMIC

The Group always places its employees and other stakeholders' health and safety as first priority. All necessary measures have been taken to protect the health and safety of KDC employees and all its stakeholders. The following measures have been put in place:

## Prevention Measures for Employees and Other Stakeholders



The Group provided epidemic prevention supplies such as hand sanitisers, gloves and face masks to frontline staff.

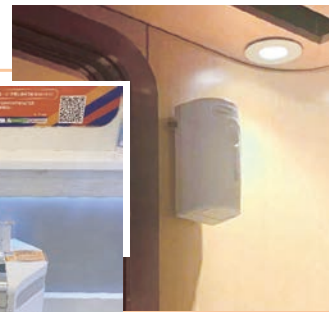
All employees, subcontractors' workers and visitors were required to measure their body temperature before entering offices, property management premises and construction sites. For office and construction sites visitors, they were required to fill in and submit a health declaration form as well.



The Group disinfected the offices, property management premises and construction sites frequently with 1:99 diluted household bleach.

## PROTECTING OUR COMMUNITY DURING THE PANDEMIC

The Group installed air purifiers in some of the property management premises, such as Pioneer Centre, Upper East, Mount East, Padek Palace and One East Coast, to ensure the indoor air quality and protect the health of the customers, tenants and residents.



The Group provided cleaning and disinfecting services for the public area in property management premises regularly. Besides, disinfected carpets are placed at each lobby.






The property management office adopted epidemic prevention measures for the use of gym room, including that the residents are required to register and take body temperature before entering the gym room; residents must wear the face mask while using the facilities; a maximum of 3 users are permitted to use the gym room at any time; and the cleaning staff disinfected the facilities regularly.



The Group adopted special working arrangements, such as work from home or remote work, under the following circumstances: employees' home building block has confirmed case; the living area is blocked; or the employees' close contact has to quarantine.

# FOR OUR CUSTOMER - PROVIDING QUALITY PRODUCTS AND SERVICES



The Group prides itself on delivering properties of exceptional quality and standard. This is ensured through the conduct of a quality assurance system covering the construction process from end to end. KDE has established an Integrated Management System including a Quality Management System (QMS) with reference to the requirements of the ISO 9001:2015(QMS). A set of construction guidelines and procedure handbooks is developed to provide guidelines and procedures for contractors and employees to effectively implement the QMS during all stages of construction projects.

Stage of Construction	Procedures
<div></div> <div>Prior to construction</div>	<p>According to the Site Operation Manual, the construction manager and his team shall prepare a project planning handbook to illustrate the overall planning and methodology to undertake the construction works, and organise pre-construction meetings to ensure the status is optimal for the commencement of construction works.</p>
<div></div> <div>During construction</div>	<p>The construction manager arranges routine construction progress meetings with relevant parties, including the project manager and consultants, to review the overall status of the project in terms of quality, time, cost and safety, and discuss on-site issues and mitigation measures. While the project coordinators and quality assurance staff conduct site walk to identify quality risk of all construction items and carry out quality check during the course of construction. Through progress monitoring and reporting, the quality assurance staff witness and record any quality non-conformance and liaise with the construction manager on rectification and preventive measures.</p> <p>In addition, material testing and a series of on-site testing are conducted to ensure material quality meets the consultants' and statutory requirements.</p>
<div></div> <div>Post construction</div>	<p>During this stage, the Electrical and Mechanical ("E&amp;M") team performs a series of technical checks to examine the building E&amp;M equipment and facilities, such as Heating, Ventilation, and Air Conditioning (HVAC) system. The E&amp;M team is also responsible for ensuring the equipment and facilities comply with contract requirements and safety standards. To further ensure building quality has met the predetermined standards and any identified defects have been rectified, before handover, the quality assurance staff utilises an internal rating system to conduct unit assessment.</p>



## FOR OUR CUSTOMER - PROVIDING QUALITY PRODUCTS AND SERVICES

After the construction stage, KDE will hand over the properties to Country House, who will be responsible for the handover and engagement process. To ensure that the property quality and service quality meet the expectations of the owners, Country House develops and follows a series of standard handover and engagement procedures.

Stage of Service	Procedures
 <p>Handover</p>	<p>To ensure the satisfaction on the service quality on handover procedure, Country House prepares a set of guidelines and workflows and provides training for the responsible staff to get familiar with the handover procedures.</p> <p>Once the handover team of Country House takeover the properties, it will carry out pre-handover inspection to ensure workmanship meets handover standards. After the inspection, defect report will be submitted to KDE for further rectification. The properties will be accepted by the handover team when all the rectification works completed.</p> <p>After handover the properties to property owners, they can use mobile app to submit defect form. Then the handover team will follow-up the defects with KDE. If the defect is addressed by KDE and accepted by handover team, owner will be informed to conduct acceptance check of rectification items.</p> <p>To provide warranty on the quality of the properties, six months defects liability period will be provided to the owners for defect follow up works.</p> <p>Finally, Country House will carry out satisfaction survey with the owners to collect their comments for further improvement.</p>
 <p>Engagement</p>	<p>After the handover, Country House establishes active engagement programmes and continues to maintain communication with tenants and owners. Country House conducts regular customer surveys to evaluate their needs, concerns, suggestions and satisfaction on building and management services. Based on the results and feedback, Country House implements initiatives to ensure tenants and residents' needs and interests are met, which help to improve brand reputation.</p>

During the Reporting Year, there were 4 convicted cases related to the building works of KDE. KDE has made rectification in accordance with the requirements of relevant Government Departments and prevented such incidents from happening again. Beyond that, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to health and safety, advertising and labelling in the products and services provided by the Group.

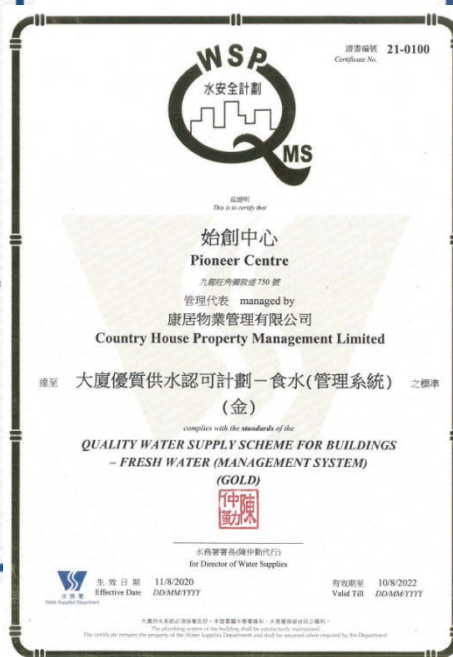
The Group places great importance on feedback from tenants and residents. Country House implements a standardised complaint handling procedure to ensure written requests or complaints to be answered in a timely manner. Formal review is undertaken for each complaint we received and improvement plan is provided to prevent similar occasions. In the Reporting Year, there were no substantiated complaints received relating to products and services.

## FOR OUR CUSTOMER - PROVIDING QUALITY PRODUCTS AND SERVICES

In acknowledgement of the collective efforts in advancing property management, Pioneer Centre, MacPherson Place (Tower 1A and 1B) and Upper West have attained a “Gold” and two “Blue” grades respectively through participation in the Water Supplies Department (“WSD”)’s “Quality Water Supply Scheme for Buildings – Fresh Water (Management System)” in the Reporting Year.



MacPherson Place  
(Tower 1A and 1B)



Pioneer Centre



Upper West

Due to the Group’s business nature, product recall is not relevant to the Group’s operation. In addition, intellectual property rights are not material to the Group’s operation. Therefore, these two issues are not disclosed in the Report.

## FOR OUR BUSINESS PARTNER - BUILDING SUSTAINABILITY WITH SUPPLIERS

The Group remains steadfast in its commitment to the quality of our properties and services which meet customer expectations. The success of the Group depends on maintaining close relationship with business partners in the supply chain, including the contractors for construction works and suppliers of building materials.

The Group is dedicated to promoting sustainable practices throughout its entire supply chain. During the supplier engagement and tender process, the Group places the environmentally and socially responsible practices into each product development stage. The Group has updated its Procurement Policy, which defines how we integrate sustainability principles into the procurement process. It serves to expand our standards for sustainability from our own operations to those of our supply chain partners. We have set high expectations for our partners such that the adverse environmental and social impacts of any products and services that we procure are minimised.

The Group conducts qualification assessments to ensure the reliability and quality of suppliers' products and services, which include evaluating their level of experience and financial standing. In our suppliers, contractors and subcontractors' selection process, the Group gives preference to those who have made international management system, such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. All our suppliers, contractors and subcontractors are required to comply with applicable local laws and regulations related to quality control, employment and labour practices, occupational health and safety, as well as environmental control.

.....  
**Number of Suppliers, Contractors,  
Subcontractors and  
Service Providers in 2021**



📍 **Hong Kong**

**616**



📍 **Mainland China**

**158**



## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

Reflecting the need to protect the planet for present and future generations, the Group endeavours to minimise its environmental impacts across operations with the commitment to develop sustainable properties and operations. We conduct business in an environmentally conscious manner and advocate for good practices in our relationships with stakeholders. In each of the properties where we operate, we strive not only to comply with all environmental laws and regulations but to exceed these requirements and adopt best practices in order to both mitigate our impacts and build climate resilience.

### Acting on Climate Change

#### Climate Change Resilience

The Group recognises the potential risk of climate change to its operation, and hence takes into consideration of future planning, with the formulation of respective mitigation and adaptation measures. For instance, the Group will continue to enhance its policy on climate change, with the implementation of several mitigation plans and initiatives related to enhance energy efficiency and reduce emission across the properties under our management.

The Group has adopted its first Climate Change Policy since last year, which sets out the overall governance approach to manage climate change risks and formulate strategies to mitigate the impact of climate change on its operations. This includes establishing strategies to:

reduce carbon footprint  
by enhancing energy  
efficiency and reducing  
energy use

conduct climate risk  
assessment during  
supplier's selection

assess physical and  
transition climate risk  
on business operations  
of the properties

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

The Group will constantly review the policy and continue to update its measures and disclosures.

Extreme weather and climate change present risks to our staff, buildings and operation. As a result, the Group has regarded typhoon and flooding as the potential physical climate risks that could have significant impact to its business. Appropriate measures will be implemented by the Group to mitigate the possible impacts brought by the extreme weather. For instance, the Group would send advance alerts to identify all possible contingencies of the affected buildings and suggest corresponding measures to be taken. Other precautionary measures during the extreme weather were as follows:



- Secured and fastened the works, bamboo scaffolding, working platforms and temporary structures;
- Fastened all loose materials or moved them to a protected area;
- Inspected the pumping system and removed any blockages to drainage outlets and channels;
- Piled up sandbags at the entrance;
- Demobilised mobile cranes;
- Displayed a typhoon signal sign in a conspicuous place of the buildings;
- Pasted protective materials to glass windows and glass doors; and
- Reminded tenants and residents to shut the windows and lock the doors securely.

The Group will also take notice of the latest updates of climate change-related regulations, such as the new ESG requirements of the Stock Exchange, as potential transition climate risks to the Group.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Energy Consumption and Greenhouse Gas Emissions

The primary source of the Group's carbon footprint is its energy consumption and subsequent greenhouse gas ("GHG") emissions. We committed to responding to climate change by implementing voluntary reductions of the greenhouse gases (GHGs) and energy consumption within our control.

#### Our targets include:

- To reduce unavoidable emissions, we are looking to increase investment in energy-efficient equipment, such as at least partially installing energy-efficient lighting instead of conventional lighting for all the residential properties under Country House's management in Hong Kong by the end of year 2023.
- To reduce energy consumption and raise awareness of energy conservation, we will encourage the offices and properties under Country House's management to join the scheme of Energywise Certificate established by the Government of the Hong Kong Special Administrative Region. Our target is to join the scheme for at least eight properties under our management by the end of year 2023.



In order to reduce our carbon footprint, the Group has adopted a series of energy management measures in the following aspects:

### Energywise Certificate Scheme

The Energywise Certificate is one of the certificates of the Hong Kong Green Organisation Certification ("HKGOC") scheme, which is led by the Environmental Campaign Committee ("ECC") alongside the Environmental Protection Department ("EPD") and in conjunction with a number of other organisations. Organisations applying the certificate are required to demonstrate their commitment to and efforts in environmental protection through energy conservation. Participants are required to demonstrate their compliance with the related requirements according to the level of certificate.

To reduce energy consumption and improve its energy efficiency, the Group encourages its offices and properties under Country House's management to join the Energywise Certificate scheme. In the Reporting Year, Upper East, one of the properties under our management has been awarded the highest level Energywise Certificate - Excellent Level. In addition, five other properties under our management have been planned to join the scheme in the forthcoming year.



## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Energy Efficient Appliances and Controls

To reduce electricity consumption, several buildings under Country House's management have installed motion sensor control and timer control for lighting equipment at typical floor, carpark and other public areas. Lifts/escalators in the buildings under our management are partially closed after normal office hour or automatically operated with standby mode when they are not in use. In addition, we also installed EV chargers at some of our carpark to facilitate the charging of electric cars.

Most properties under our management have integrated an automatic Building Management System (BMS) to monitor and analyse the performance of various building systems, including the chiller plants, primary air handling unit (PAU) system, water leakage detector and PM2.5 sensors. The Group has also been replacing the existing conventional lighting fixtures by energy saving lighting fixtures in the buildings under our management. During the Reporting Year, there were a total of 724 conventional lighting fixtures replaced by energy saving lighting fixtures at the Pioneer Centre and KDC's headquarters.

Our actions have enhanced the operational efficiency by 70% and is expected to save an approximate total of 33,565 kWh and HK\$44,308 of electricity charge per year.



..... Building  
Management  
System



..... EV chargers



## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS



### Energy Consumption in Hong Kong <sup>(Note 1)</sup>

	Unit	2021	2020
<b>Total electricity consumption</b>	kWh	<b>16,482,530</b>	<b>16,126,870</b>
	Gigajoules ("GJ") <sup>(Note 2)</sup>	<b>59,337</b>	<b>58,057</b>
<b>Total fuel consumption</b> <sup>(Note 3)</sup>	Diesel, Litres ("L")	<b>226,686</b>	<b>248,180</b>
	Diesel, GJ	<b>8,975</b>	<b>9,826</b>
	Petrol, L <sup>(Note 4)</sup>	<b>14,503</b>	<b>9,036</b>
	Petrol, GJ	<b>496</b>	<b>309</b>
<b>Total energy consumption</b>	GJ	<b>68,808</b>	<b>68,192</b>
<b>Total energy intensity</b>	GJ/Total floor area (m <sup>2</sup> ) <sup>(Note 5)</sup>	<b>0.26</b>	<b>0.27</b>

Note 1: The 2021 data consists of the headquarters in the Pioneer Centre, thirteen other property management premises, one construction site and five retail shops. The 2020 data consists of the headquarters in the Pioneer Centre, thirteen other property management premises, two construction sites and four retail shops.

Note 2: 1 kWh = 0.0036 GJ.

Note 3: Fuel consumption is inclusive of construction machinery and company-owned mobile vehicles, conversion rates for diesel used for construction, diesel used for mobile vehicles and petrol used for mobile vehicles are 39.6 Megajoules ("MJ")/L, 38.6 MJ/L and 34.2 MJ/L respectively.

Note 4: The increase of petrol consumption in 2021 was contributed by using one more private car for business use.

Note 5: Total floor area represents the sum of (i) gross floor area ("GFA") of the properties under our management and (ii) the estimated construction floor area of the construction projects in Hong Kong in the respective years.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS



Energy Consumption in Mainland China <sup>(Note 1)</sup>			
	Unit	2021	2020
Total electricity consumption <sup>(Note 2)</sup>	kWh	829,481	675,192
	GJ	2,986	2,431
Total fuel consumption <sup>(Note 3)</sup>	Petrol, L	21,128	22,700
	Petrol, GJ	723	776
Total energy consumption	GJ	3,709	3,207
Total energy intensity	GJ/GFA (m <sup>2</sup> ) <sup>(Note 4)</sup>	0.64	0.56

Note 1: Data is inclusive of two offices in Shenyang and one office in Wuxi.

Note 2: As the sales office in Shenyang was closed in most of time during 2020 due to the outbreak of COVID-19 and re-opened to public in 2021, and an office for Wuxi's sales staff was also in use in 2021, which contributed the increase in electricity consumption during the Reporting Year.

Note 3: Fuel consumption is inclusive of company-owned mobile vehicles.

Note 4: The denominator represents the total GFA of Shenyang and Wuxi offices.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS



GHG Emissions within the Group <small>(Notes 1 &amp; 2)</small>			
	Unit	2021	2020
<b>Direct GHG emissions (Scope 1)</b> <small>(Note 3)</small>	Tonnes CO <sub>2</sub> equivalent ("tCO <sub>2</sub> e")	<b>690</b>	<b>735</b>
<b>Energy indirect GHG emissions (Scope 2)</b> <small>(Note 3)</small>	tCO <sub>2</sub> e	<b>7,612</b>	<b>7,094</b>
<b>Total GHG emissions</b>	tCO <sub>2</sub> e	<b>8,302</b>	<b>7,829</b>
<b>Total GHG emissions intensity</b>	tCO <sub>2</sub> e/Total floor area (m <sup>2</sup> ) <small>(Note 4)</small>	<b>0.03</b>	<b>0.03</b>

Note 1: Calculation standards and methodologies for carbon emissions are as follows:

- (a) Methodologies of data collection, calculation and reporting are referenced to "How to prepare ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs" available in the website of Hong Kong Exchanges and Clearing Limited;
- (b) Emission factors for Hong Kong based operations are referenced to the respective sustainability reports of the local power companies;
- (c) Methodologies for calculating emissions in Mainland China are referenced to "Emission Factors for purchased electricity in Mainland China" available in the website of Ministry of Ecology and Environment of the People's Republic of China.

Note 2: The emission of air pollutants, such as particulate matters, nitrogen oxides and sulphur dioxides, is insignificant to the Group. Therefore, relevant figures are not disclosed.

Note 3: Scope 1 GHG emissions refer to direct emissions of GHG resulting from the business operations as described under the ESG reporting scope, which include (i) vehicular transportation and (ii) construction machinery usage; Scope 2 GHG emissions refer to energy indirect GHG emissions resulting from the generation of the electricity purchased by the business operations as described under the ESG reporting scope.

Note 4: Total floor area represents the sum of (i) GFA of the properties under our management in Hong Kong, (ii) the estimated construction floor area of the construction projects in Hong Kong and (iii) the total GFA of Shenyang and Wuxi offices in the respective years.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Managing Waste

Waste stewardship is integral to environmental consciousness and responsible consumption. The Group is dedicated to implementing sustainable waste management practices for our offices, construction sites, retail shops and property management premises. In particular, KDE has formulated an Environmental Plan in July 2021, which demonstrates the method to establish and implement effective and efficient environmental protection procedures in order to eliminate the potential environmental impacts, as well as minimise nuisance to the public arising from execution of the construction works. A Waste Management Policy is included in the Environmental Plan to reduce waste production and enhance waste recycling.

#### KDE Waste Management Policy

- Provide adequate and appropriate resources to implement waste management measures
- Comply with environmental laws and other applicable regulations
- Set environmental targets to minimise and reduce waste
- Conserve natural resources
- Minimise pollution by reducing waste, maximising reuse and recycling of materials
- Communicate the policy to all KDE employees and concerning parties
- Take action to improve environmental performance



#### Waste Reduction Target

- The Group has set its first waste reduction targets. By the end of 2023, at least eight of our managed properties will obtain the Wastewi\$e Certificate of the HKGOC scheme. We also encourage all our managed properties to obtain the certificate.
- We will install and/or provide recycling facilities for at least fourteen of our managed properties by the end of 2023.





## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Wastewi\$e Certificate Scheme

Similar to the Energywi\$e Certificate, the Wastewi\$e Certificate is another certificate of the HKGOC scheme. To be successfully certified, the participants need to implement a set of required measures and the level of the Wastewi\$e Certificate is attained depending on the extent of achievement of the measures.

The Group actively encourages our managed properties to join the Wastewi\$e Certificate to demonstrate their efforts and achievements to reduce, reuse and recycle waste in daily operations. By the end of the Reporting Year, Upper East, one of the properties under Country House's management, was honoured with a Wastewi\$e Certificate - Good level. Four other properties under our management are in the evaluation stage of certification or are planned to join the scheme in the forthcoming year.



### Environmental Training

To improve the awareness of waste reduction and recycling, Country House has organised training and activities for our staff, tenants and residents respectively to enhance their knowledge about waste management. Training topics include green recycling guidelines, food waste recycling method and environmental plan guidelines.



### Office Operations



The Group has installed recycling facilities in the office to raise employee awareness of recycling. Our Hong Kong headquarters has posted the posters from the EPD, to educate employees about proper recycling methods.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Construction Business

To mitigate the impact of construction waste and wastewater, the Group has formulated guidelines for contractors to dispose waste in compliance with laws and regulations, and recycle as far as possible. The Group has also set up temporary drainage and water treatment systems to prevent water contamination.



### Property Management Business

For domestic waste, the Group has introduced recycling facilities for take-away containers, plastic bottles, paper, glasses, food, computers and communication products, red packets, mooncake boxes, hangers and clothing items in most of our managed properties. Country House has also participated in various recycling programmes organised by government bodies and NGOs, such as:

- "Peach Blossom Trees Recycling Programme" after Chinese New Year by the EPD;
- "Waste Electrical and Electronic Equipment Recycling Scheme" by the EPD;
- "Used Clothes Recycling Programme" by Friends of the Earth (HK);
- "Glass Container Recycling Charter" by the EPD;
- "Red Packets Recycling Programme" by Greeners Action;
- "Food Recycling Programme" by St. James Settlement People's Food Bank;
- "Computer & Communication Products Recycling Programme" by the EPD;
- "Rechargeable Battery Recycling Programme" by the EPD;
- "Save Chinese New Year Tangerine Plants 2021" by Environmental Association; and
- "Mooncake Box Recycling Programme" by Green@Yue Man Square operated by Christian Family Service Centre.



## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Retail Business

To minimise the negative impact to environment, our retail shops use biodegradable plastic packaging bags instead of traditional plastic bags.



Due to the Group's business nature, it did not generate any hazardous waste during the Reporting Year and packaging material is not material to the Group's operation.



### Waste Discharged for Hong Kong Construction Projects (Notes 1 & 2)

	Unit	2021	2020
<b>Construction and demolition waste disposed to landfill</b>	Tonnes	<b>7,512</b>	<b>5,598</b>
<b>Construction and demolition waste recycled</b>	Tonnes	<b>987</b>	<b>586</b>
<b>Total construction and demolition waste</b>	Tonnes	<b>8,499</b>	<b>6,184</b>
<b>Total construction and demolition waste intensity</b>	Tonnes/Floor area (m <sup>2</sup> ) (Note 3)	<b>0.36</b>	<b>0.38</b>

Note 1: The 2021 construction and demolition waste figures included the waste generated by the subcontractors working in one construction site in Hong Kong, while 2020's figures included waste generated in two construction sites in Hong Kong. The increase in construction and demolition waste was mainly due to the larger construction floor area in 2021, and more relevant waste was produced.

Note 2: Office and property management waste figures are not available for disclosure as the Group currently does not have an established mechanism for gathering the statistics of all the waste data at its headquarters, offices and property management premises in Hong Kong and Mainland China.

Note 3: Floor area represents the estimated construction floor area of the construction projects in Hong Kong in the respective years.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS


### Optimising Water Consumption

The Group strives to improve water efficiency and has set water efficiency targets to work towards this goal.

#### Our targets include:

- For our new residential properties, we will install flow controllers in water taps/plumbing fixtures of washrooms in the common areas. For all our managed properties, we will inspect water pipes every month and rectify leakage promptly.



Water Consumption in Hong Kong <small>(Notes 1 &amp; 2)</small>					
	Unit		2021	2020	
Water consumed	m <sup>3</sup>		85,003	83,770	
Water intensity	m <sup>3</sup> /Total floor area (m <sup>2</sup> ) <small>(Note 3)</small>		0.32	0.33	

Note 1: Water consumption data in the offices in Mainland China is not material to the Group. Moreover, water cost/consumption of the property development projects in Mainland China is paid/monitored by the main contractors. Therefore, the relevant figures are not disclosed.

Note 2: The Group sourced its water from the WSD and has no issue in sourcing water.

Note 3: Total floor area represents the sum of (i) GFA of the properties under our management and (ii) the estimated construction floor area of the construction projects in Hong Kong in the respective years.

The Group has implemented several mitigation measures and water reduction initiatives. Regarding domestic water consumption, water consumption at our managed properties is monitored and analysed. In addition, Country House conducts routine maintenance on the plumbing and flushing system to prevent water leakage and ensure water quality.

Since construction activities account for a major portion of the Group's water usage, contractors and subcontractors are required to recycle and reuse water on-site as much as possible. The Group will continue looking for opportunities to minimise wastage and improve water efficiency at construction sites and our managed properties.

In the Reporting Year, the Group was not aware of any material non-compliance with applicable and relevant environmental laws, regulations and requirements in its business operations in Hong Kong and Mainland China.



## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Environmental Charters/Awards

#### WWF-Hong Kong Corporate Pearl Member

In support of sustainability and conservation, the Group is actively cooperating with different organisations and has been a corporate member of WWF-Hong Kong since 2007 to support their work in conservation and educational programmes.



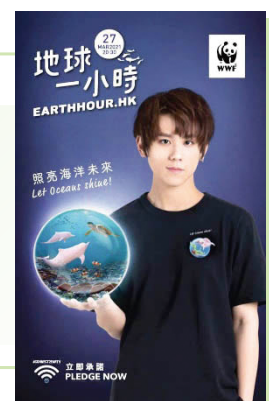
#### Charter on External Lighting



The Group has signed up for the "Charter on External Lighting" launched by the Environmental Bureau ("ENB") and received Platinum Award to reduce light pollution and energy consumption.

#### Earth Hour 2021

The Group has continuously supported the "Earth Hour" event organised by WWF-Hong Kong. All properties under Country House's management switched off the non-essential electric lights for one hour on 27 March 2021 to promote energy conservation and sustainable living.



## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS



### Energy Saving Charter 2021

The Group continues to fulfil its pledge towards energy reduction in all areas and 23rd Floor of the Pioneer Centre by becoming a signatory of ENB's Energy Saving Charter 2021.

### Peak Demand Management Programme

The programme encourages business customers of local power companies to reduce electricity consumption during peak demand hours by offering rebates. Country House has participated in the programme in the Reporting Year to reduce overall electricity charges.



### HKAEE

Upper East, one of the properties under Country House's management was honoured with the HKAEE, which is led by the ECC. The award is a recognition of our property's outstanding performance in environmental management.

## FOR OUR ENVIRONMENT - MANAGING ENVIRONMENTAL IMPACTS

### Commendation Scheme on Source Separation of Domestic Waste

To encourage more people to separate their waste for recycling, the properties under Country House's management have participated in the "Commendation Scheme on Source Separation of Domestic Waste" by the EPD to minimise the amount of waste requiring disposal. Upper East and MacPherson Place received Certificates of Merit for the scheme.



### BEAM Plus New Buildings (V1.2) - Provisional Bronze Rating

The Group's recent residential development, namely Manor Hill, in Tseung Kwan O has achieved BEAM Plus New Buildings (V1.2) - Provisional Bronze rating for its efforts on promoting green construction, improving the utilisation efficiency of operating resources, ensuring the coordination and synergy between business and ecology, and reducing the negative impact of operations on the environment.



FOR OUR PEOPLE -

## PROMOTING DECENT EMPLOYMENT AND DIVERSITY

KDC regards its employees as a cornerstone of its sustainable development. The Group is dedicated to creating a harmonious and safe working environment to enable its employees to thrive in the workplace.

### Employment Practices

In accordance with applicable local employment laws, the Group envisages maintaining a discrimination-free workplace. In this regard, the Group has established relevant employment policies based on the principles of integrity, equality and fairness. Employees are given equal access to opportunities irrespective of gender, religion, race, family status, disability or age. Recruitment, promotion, internal transfer and resignation are fairly based on employees' performance and aptitude. During the Reporting Year, the Group was not aware of any material non-compliance regarding discrimination laws and regulations such as Sex Discrimination Ordinance and Disability Discrimination Ordinance in Hong Kong and the Law of the People's Republic of China on the Protection of Rights and Interests of Women.

As a supporter of human rights, the employment of child, forced or other illegal forms of labour is strictly banned. Candidates and new joiners' identification documents are verified by the Human Resources Department before official appointment. In the Reporting Year, the Group was not aware of any material non-compliance regarding labour laws and regulations such as Employment Ordinance in Hong Kong and Law of the People's Republic of China on the Protection of Minors.

In endeavour to encourage employees' productivity and loyalty, the Group values the welfare of each employee. In view of this, the Group has been stipulating policies, measures and activities to perpetuate a close-knit culture. The Group offers competitive remuneration package and fringe benefits to employees. For instance, employees can buy insurance and order food and beverages with staff discount, as well as to enjoy parking privilege in the weekdays. To further boost the staff's sense of belonging, the Group ceaselessly strengthens internal communication and team bonding through news sharing via the "PolyConnect" portal and organisation of staff activities. During the Reporting Year, the Group has arranged various staff activities to reinforce staff connectedness and collaboration.



To demonstrate commitment to employee-oriented human resource management, the Group has become the signatory of the Good Employer Charter 2020 of the Labour Department.



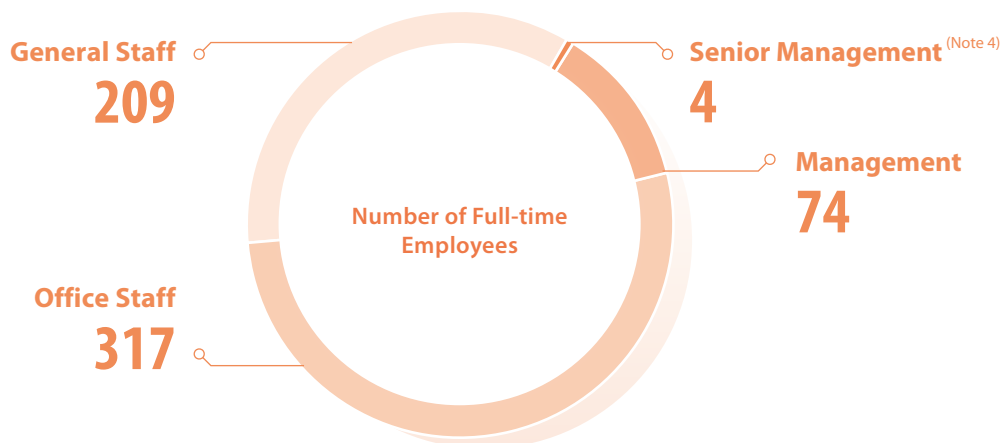
## FOR OUR PEOPLE - PROMOTING DECENT EMPLOYMENT AND DIVERSITY

As at the end of the Reporting Year, the total number of full-time employees under the ESG reporting scope in Hong Kong and Mainland China was 604, while there were 17 part-time <sup>(Note 1)</sup> employees. During the Reporting Year, the total turnover rate of full-time employees was 25%. Below is a breakdown of the Group's workforce as at 31 December 2021 and turnover rate <sup>(Note 2)</sup> by gender, age group and geographical location:

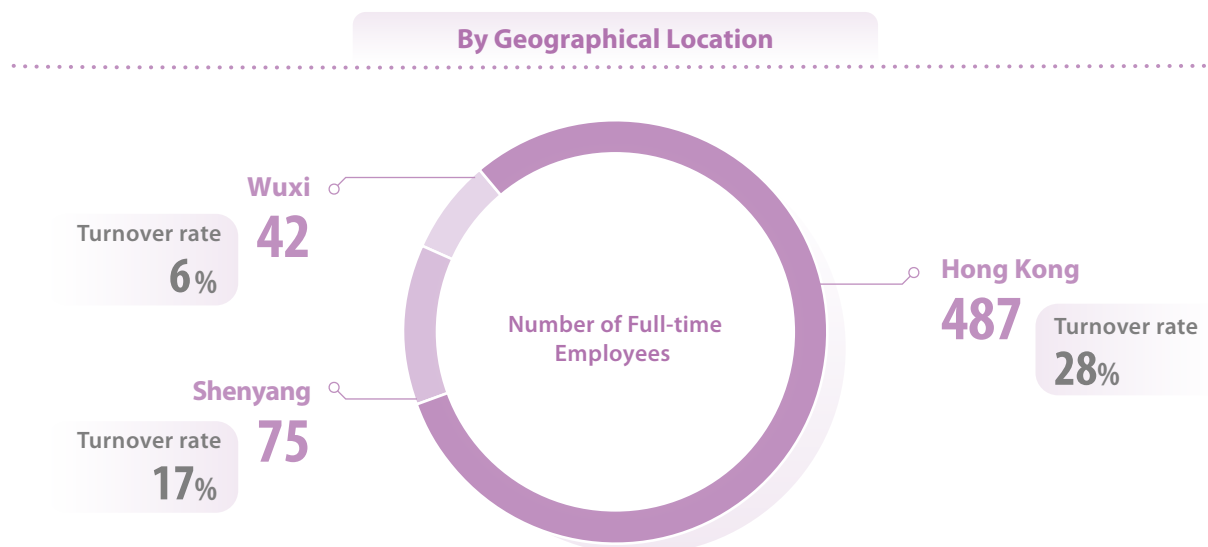
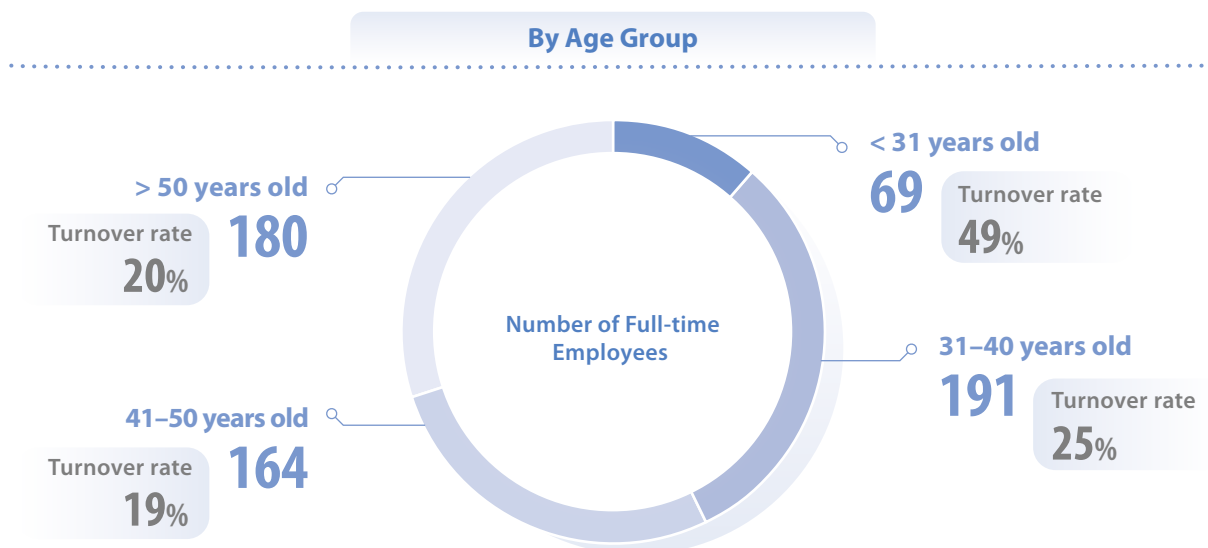
### By Gender



### By Employee Category



## FOR OUR PEOPLE - PROMOTING DECENT EMPLOYMENT AND DIVERSITY



Note 1: Part-time employee is one who is under a contract of service to work less than 5 days or 30 hours a week.

Note 2: The turnover headcount and turnover rate apply to full-time employee who has passed his/her probation period only. The calculation of turnover rate is shown as below:

$$\text{Turnover rate} = L/E * 100\%$$

L = Number of employees leaving employment during the Reporting Year

E = (Number of employees at the beginning of the Reporting Year + Number of employees at the end of the Reporting Year)/2

Note 3: The disclosed number of employees in the Report only covers the business operations described under the ESG reporting scope. Hence, the disclosed number of employees in the Report is different from that in the Company's Annual Report 2021.

Note 4: Senior management of the Group is the Executive Directors of the Company.

## FOR OUR PEOPLE - PROMOTING DECENT EMPLOYMENT AND DIVERSITY

### Anti-corruption

With commitment to business integrity, the Group has established a stringent corporate governance framework. Under the framework, Code of Conduct has been established to provide guidelines for employees to prevent misconduct such as bribery, extortion, fraud and money laundering. The policy guides employees in circumstances such as dealing with conflict of interest or acceptance of advantages in any forms when they are performing their job duties. To strengthen employees' anti-corruption awareness and professional ethics, the Group also conducts approximately 101 hours of anti-corruption training and plays an anti-corruption video broadcast for all new joined employees in the Reporting Year.

To further enhance our development of integrity governance, the Group has established a whistleblowing channel for stakeholders including but not limited to employees and suppliers. The Group encourages our stakeholders to report any suspected business misconduct, malpractice or impropriety via the channel. The case nature and personnel involved will be recorded in the investigation report for informing corresponding authorities where necessary. During the Reporting Year, the Group was not aware of any material non-compliance regarding anti-corruption laws and regulations such as Prevention of Bribery Ordinance in Hong Kong and Criminal Law of the People's Republic of China.

### Protection of Data Privacy

The Group is dedicated to performing business integrity and responsibility, where protecting stakeholders' confidential data and private information are the top priorities. Employees are required to ensure confidential data are handled by designated employees to avoid unauthorised access, leakage or use of such data. According to the Code of Conduct, the Group has provided clear guidelines to all employees regarding the collection of customers' personal data. Employees are required to handle the personal data in accordance with the standard procedure to avoid data breach.

### Training and Development

The Group truly believes that employee growth is the key to long-term business development so the Group dedicates itself to offering training programmes to support employee development. In addition to internal training, the Group encourages its staff to learn continuously by providing subsidies for continuous education.

Taking its diverse business character into account, the Group has offered special training courses that correspond to the employees' interests and role needs. During the Reporting Year, our employees have attended to the training topics including but not limited to:

#### Property Management

- Health and Safety
- Customer Services
- Property Security
- Infection Control
- Emergency Response
- Building Management System



#### Property Development

- On-site Training
- Quality Assurance
- Infection Control

## FOR OUR PEOPLE - PROMOTING DECENT EMPLOYMENT AND DIVERSITY

In recognition of the Group's achievement in manpower training and development, the Group has obtained the "Manpower Developer" status of the "ERB Manpower Developer Award Scheme" issued by the Employees Retraining Board (ERB).

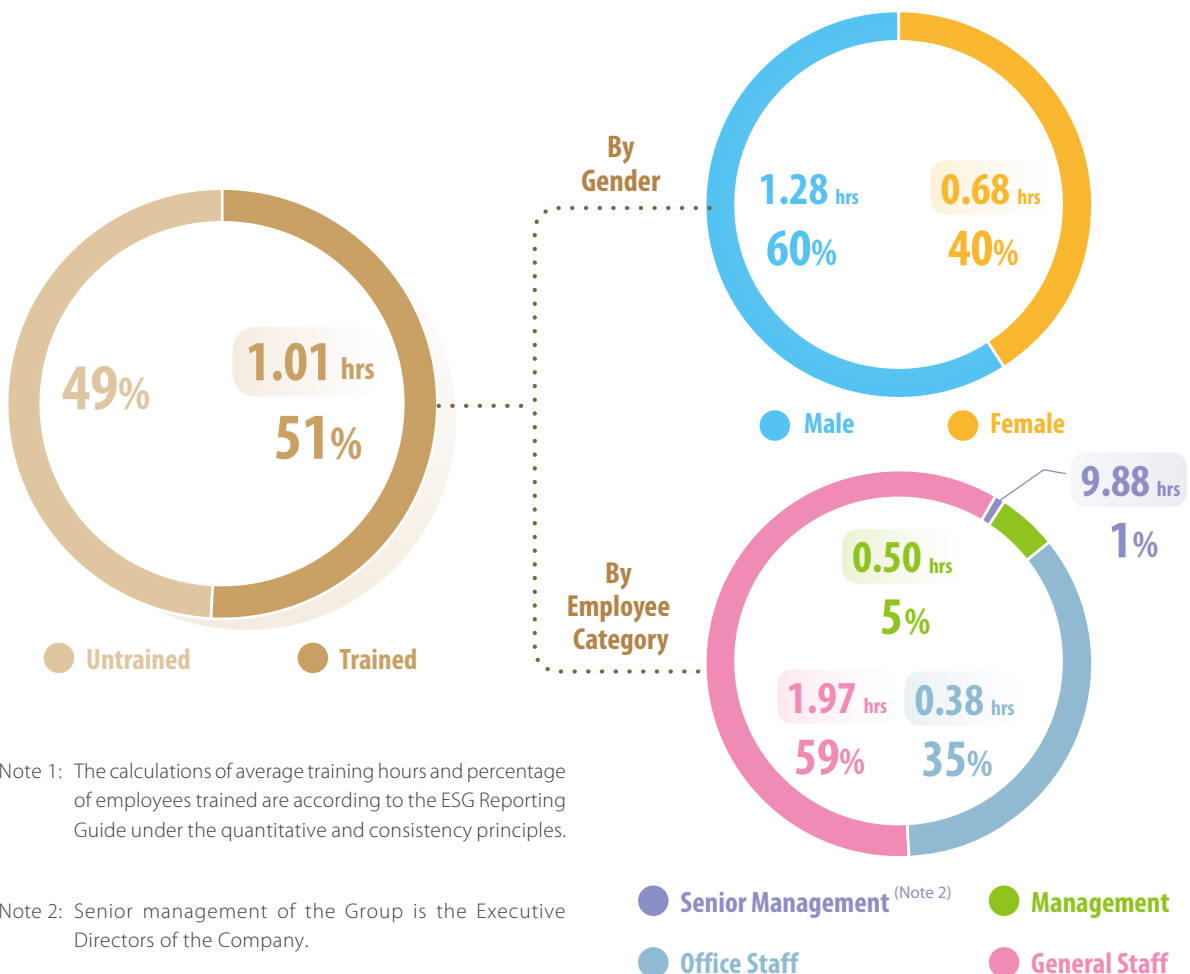


Throughout the Reporting Year,  
the Group has provided an average of  
**1.01 hours** of training to its employees,  
where **51%** of employees were trained.



Below is a breakdown of the Group's average training hours and percentage of employees trained by gender and employment category:

### Average Training Hours and Percentage of Employees Trained (Note 1)



Note 1: The calculations of average training hours and percentage of employees trained are according to the ESG Reporting Guide under the quantitative and consistency principles.

Note 2: Senior management of the Group is the Executive Directors of the Company.



## FOR OUR PEOPLE - PROMOTING DECENT EMPLOYMENT AND DIVERSITY

### Employee Health and Well-being

Safeguarding the health and safety of employees has always been a priority to the Group. The Group has implemented a range of safety policies, procedures and measures to minimise potential occupational health and safety hazards.

During the Reporting Year, the Group has updated its Health and Safety Policy for the construction business to solidify its commitment to occupational health, safety and welfare of all employees. Under the policy, all employees and contractors are required to comply with the statutory requirement to minimise potential occupational hazards. The policy will be reviewed at least annually or when necessary.

Through robust management and established control procedures, we strive to provide a safe working environment for our employees, especially those who work on construction sites. In effort to achieve this target, the Group's Site Safety Committee (the "Committee") monitors the health and safety performance across all construction sites. The Committee is responsible for developing Accident Improvement Plans to mitigate the incidence of safety hazards. Furthermore, the Committee reviews the operation procedures and occupational safety management system regularly. It is mandatory for all site workers and subcontractors to follow the operation procedures. Additionally, the Group requires all new employees and subcontractors to undergo site safety training to promote safety awareness. During the Reporting Year, the Group has provided safety training to 18 employees and 2,359 subcontractors' workers. The Group has conducted a safety audit periodically to ensure the safety management systems and safety measures are well-implemented to meet the safety level in the construction sites. The Group has achieved satisfactory results in the audit, demonstrating that a safety management system is in place in the construction sites.

On the other hand, the Group also attaches high significance on the health and safety of office and property management staff members. The Group has performed regular cleaning and maintenance of indoor air quality to protect both office-based staff and property management staff. Furthermore, the Group also arranges relevant health and safety training to the property management teams.

As a result of the effective safety management system for regular monitoring, the Group was not aware of any material non-compliance regarding labour laws and regulations such as Occupational Safety and Health Ordinance in Hong Kong during the Reporting Year. There were no work-related fatalities for our employees in each of the past three years including the Reporting Year and 154 lost days due to four work injury cases in the Reporting Year was recorded.



# FOR OUR COMMUNITIES - SUPPORTING LOCAL COMMUNITIES

In addition to KDC's own community, the Group embraces local community care in high regard. This is reflected in our continuous support and contribution of various community events and charity activities especially under the poor economy and COVID-19 pandemic.

## Community Activities

### Donate Red Packets 2021

In celebration of the Chinese New Year, the Group engaged "Donate Red Packets 2021" to encourage the community and our employees to donate their packets. All proceeds were contributed to support Fu Hong Society's non-subservated service - "By Your Side - Family Support Pilot Project". This project assists with the life planning for persons with disabilities and takes some pressure off caregivers.



### Fu Hong Society Territory-wide Flag Day 2021 and "Zero to Hero" Fu Hong Charity Special Screening

The Group continuously supports Fu Hong Society for the development of their non-subservated services and providing different opportunities to the persons with disabilities.



### Charity Cookies

The Group partnered with Madam Hong's Bakery (established by Ngai Shing Workshop of Fu Hong Society) and organised the annual charity cookies fundraising. All proceeds were contributed to Fu Hong Society for their operation.



## FOR OUR COMMUNITIES - SUPPORTING LOCAL COMMUNITIES

### Dress Casual Day 2021



In support of The Community Chest, the Group has donated the same amount of funds raised by employees during the Dress Casual Day Campaign.



### Love Teeth Day 2021/2022

"Love Teeth Day" launched by The Community Chest aims to arouse public awareness on dental care and oral health whilst raising funds for the needy. The donations were allocated to support "Oral Health Services for the Needy".



### Skip Lunch Day 2021

The Group joined the Skip Lunch Day 2021, which aims to help and bring hope to the less fortunate by donating lunch fees to The Community Chest. All donations received were allocated to support the "Services for Street Sleepers, Residents in Cage Homes and Cubicles".



## FOR OUR COMMUNITIES - SUPPORTING LOCAL COMMUNITIES

### Green Low Carbon Day

The Group joined the "Green Low Carbon Day" held by The Community Chest, which aims at promoting public awareness and understanding of the concept of sustainable development while helping those in need. The Community Chest allocated all donations to support "Green Related Projects" provided by social welfare member agencies.



### Construction Industry Meal Distribution Campaign and Construction Industry Lo Pan Rice Campaign

KDE joined The Hong Kong Construction Association, Limited (HKCA) SME – Construction Industry Meal Distribution Campaign and Construction Industry Lo Pan Rice Campaign during the Reporting Year. It aims to support the restaurants affected by COVID-19 and help those in need in the pandemic. Free meal boxes were given to disadvantage groups like single elderly people, unemployed people, low-income groups, people with disabilities, underprivileged families, etc.





## FOR OUR COMMUNITIES - SUPPORTING LOCAL COMMUNITIES

Apart from the above community investment activities, the Group has donated HK\$117,700 in Hong Kong and RMB220,000 in Mainland China to several non-profit organisations to promote ecological conservation and assist those in need. In addition, the Group has donated foods to a charitable food bank during the Reporting Year in support of the underprivileged. As a testament to its effort on social involvement, KDC, Country House and KDE has been recognised as a "Caring Company" for the thirteenth, twelfth and third consecutive years respectively. Furthermore, three employees are being nominated as Caring Ambassador, who actively support and participate in community activities organised by Country House.

### Caring Company



KDC



Country House



KDE

### Caring Ambassador



Chu Kit Ngan



Deng Zhifen



Lau Ching

The background of the page is a photograph of a dirt road winding through a lush green field. A large white circle is superimposed on the sky, which is blue with some clouds. The title 'LOOKING FORWARD' is centered within this circle.

# LOOKING FORWARD

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Amid the challenges of pandemic, the Group has been standing with our stakeholders and supporting them. Moving forward, the Group will continue to carry on our values to the society meanwhile promoting the sustainable development of our operation and properties.

To ensure we have continuous improvement in the sustainable development, the Group will continue to set practical targets and review the actual progress regularly, and adjust our plan if necessary.



# PERFORMANCE TABLE

## ENVIRONMENTAL PERFORMANCE DATA

Indicator	Unit	2021	2020
<b>Energy Consumption in Hong Kong</b> (Note 1)			
<b>Total electricity consumption</b>	kWh	<b>16,482,530</b>	<b>16,126,870</b>
	GJ (Note 2)	<b>59,337</b>	<b>58,057</b>
<b>Total fuel consumption</b> (Note 3)	Diesel, L	<b>226,686</b>	<b>248,180</b>
	Diesel, GJ	<b>8,975</b>	<b>9,826</b>
	Petrol, L (Note 4)	<b>14,503</b>	<b>9,036</b>
	Petrol, GJ	<b>496</b>	<b>309</b>
<b>Total energy consumption</b>	GJ	<b>68,808</b>	<b>68,192</b>
<b>Total energy intensity</b>	GJ/Total floor area (m <sup>2</sup> ) (Note 5)	<b>0.26</b>	<b>0.27</b>
<b>Energy Consumption in Mainland China</b> (Note 6)			
<b>Total electricity consumption</b> (Note 7)	kWh	<b>829,481</b>	<b>675,192</b>
	GJ	<b>2,986</b>	<b>2,431</b>
<b>Total fuel consumption</b> (Note 8)	Petrol, L	<b>21,128</b>	<b>22,700</b>
	Petrol, GJ	<b>723</b>	<b>776</b>
<b>Total energy consumption</b>	GJ	<b>3,709</b>	<b>3,207</b>
<b>Total energy intensity</b>	GJ/GFA (m <sup>2</sup> ) (Note 9)	<b>0.64</b>	<b>0.56</b>
<b>GHG Emissions within the Group</b> (Notes 10 & 11)			
<b>Direct GHG emissions (Scope 1)</b> (Note 12)	tCO <sub>2</sub> e	<b>690</b>	<b>735</b>
<b>Energy indirect GHG emissions (Scope 2)</b> (Note 12)	tCO <sub>2</sub> e	<b>7,612</b>	<b>7,094</b>
<b>Total GHG emissions</b>	tCO <sub>2</sub> e	<b>8,302</b>	<b>7,829</b>
<b>Total GHG emissions intensity</b>	tCO <sub>2</sub> e/Total floor area (m <sup>2</sup> ) (Note 13)	<b>0.03</b>	<b>0.03</b>

## PERFORMANCE TABLE

Indicator	Unit	2021	2020
<b>Waste Discharged for Hong Kong Construction Projects</b> (Notes 14 & 15)			
<b>Construction and demolition waste disposed to landfill</b>	Tonnes	<b>7,512</b>	<b>5,598</b>
<b>Construction and demolition waste recycled</b>	Tonnes	<b>987</b>	<b>586</b>
<b>Total construction and demolition waste</b>	Tonnes	<b>8,499</b>	<b>6,184</b>
<b>Total construction and demolition waste intensity</b>	Tonnes/Floor area (m <sup>2</sup> ) (Note 16)	<b>0.36</b>	<b>0.38</b>
<b>Water Consumption in Hong Kong</b> (Notes 17 & 18)			
<b>Water consumed</b>	m <sup>3</sup>	<b>85,003</b>	<b>83,770</b>
<b>Water intensity</b>	m <sup>3</sup> /Total floor area (m <sup>2</sup> ) (Note 19)	<b>0.32</b>	<b>0.33</b>

Note 1: The 2021 data consists of the headquarters in the Pioneer Centre, thirteen other property management premises, one construction site and five retail shops. The 2020 data consists of the headquarters in the Pioneer Centre, thirteen other property management premises, two construction sites and four retail shops.

Note 2: 1 kWh = 0.0036 GJ.

Note 3: Fuel consumption is inclusive of construction machinery and company-owned mobile vehicles, conversion rates for diesel used for construction, diesel used for mobile vehicles and petrol used for mobile vehicles are 39.6 MJ/L, 38.6 MJ/L and 34.2 MJ/L respectively.

Note 4: The increase of petrol consumption in 2021 was contributed by using one more private car for business use.

Note 5: Total floor area represents the sum of (i) GFA of the properties under our management and (ii) the estimated construction floor area of the construction projects in Hong Kong in the respective years.

Note 6: Data is inclusive of two offices in Shenyang and one office in Wuxi.

Note 7: As the sales office in Shenyang was closed in most of time during 2020 due to the outbreak of COVID-19 and re-opened to public in 2021, and an office for Wuxi's sales staff was also in use in 2021, which contributed the increase in electricity consumption during the Reporting Year.

Note 8: Fuel consumption is inclusive of company-owned mobile vehicles.

Note 9: The denominator represents the total GFA of Shenyang and Wuxi offices.

## PERFORMANCE TABLE

Note 10: Calculation standards and methodologies for carbon emissions are as follows:

- (a) Methodologies of data collection, calculation and reporting are referenced to “How to prepare ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” available in the website of Hong Kong Exchanges and Clearing Limited;
- (b) Emission factors for Hong Kong based operations are referenced to the respective sustainability reports of the local power companies;
- (c) Methodologies for calculating emissions in Mainland China are referenced to “Emission Factors for purchased electricity in Mainland China” available in the website of Ministry of Ecology and Environment of the People’s Republic of China.

Note 11: The emission of air pollutants, such as particulate matters, nitrogen oxides and sulphur dioxides, is insignificant to the Group. Therefore, relevant figures are not disclosed.

Note 12: Scope 1 GHG emissions refer to direct emissions of GHG resulting from the business operations as described under the ESG reporting scope, which include (i) vehicular transportation and (ii) construction machinery usage; Scope 2 GHG emissions refer to energy indirect GHG emissions resulting from the generation of the electricity purchased by the business operations as described under the ESG reporting scope.

Note 13: Total floor area represents the sum of (i) GFA of the properties under our management in Hong Kong, (ii) the estimated construction floor area of the construction projects in Hong Kong and (iii) the total GFA of Shenyang and Wuxi offices in the respective years.

Note 14: The 2021 construction and demolition waste figures included the waste generated by the subcontractors working in one construction site in Hong Kong, while 2020’s figures included waste generated in two construction sites in Hong Kong. The increase in construction and demolition waste was mainly due to the larger construction floor area in 2021, and more relevant waste was produced.

Note 15: Office and property management waste figures are not available for disclosure as the Group currently does not have an established mechanism for gathering the statistics of all the waste data at its headquarters, offices and property management premises in Hong Kong and Mainland China.

Note 16: Floor area represents the estimated construction floor area of the construction projects in Hong Kong in the respective years.

Note 17: Water consumption data in the offices in Mainland China is not material to the Group. Moreover, water cost/consumption of the property development projects in Mainland China is paid/monitored by the main contractors. Therefore, the relevant figures are not disclosed.

Note 18: The Group sourced its water from the WSD and has no issue in sourcing water.

Note 19: Total floor area represents the sum of (i) GFA of the properties under our management and (ii) the estimated construction floor area of the construction projects in Hong Kong in the respective years.

## PERFORMANCE TABLE

### SOCIAL PERFORMANCE DATA

Indicator	Unit	2021	2020
<b>Number of Full-time Employees</b> <sup>(Note 1)</sup>			
<b>Overall</b>	Persons	<b>604</b>	<b>598</b>
<b>By Gender</b>			
<b>Male</b>	Persons	<b>328</b>	<b>332</b>
<b>Female</b>	Persons	<b>276</b>	<b>266</b>
<b>By Employment Category</b>			
<b>Senior Management</b> <sup>(Note 2)</sup>	Persons	<b>4</b>	<b>4</b>
<b>Management</b>	Persons	<b>74</b>	<b>71</b>
<b>Office Staff</b>	Persons	<b>317</b>	<b>311</b>
<b>General Staff</b>	Persons	<b>209</b>	<b>212</b>
<b>By Age Group</b>			
<b>&lt; 31 years old</b>	Persons	<b>69</b>	<b>91</b>
<b>31 - 40 years old</b>	Persons	<b>191</b>	<b>184</b>
<b>41 - 50 years old</b>	Persons	<b>164</b>	<b>158</b>
<b>&gt; 50 years old</b>	Persons	<b>180</b>	<b>165</b>
<b>By Geographical Location</b>			
<b>Hong Kong</b>	Persons	<b>487</b>	<b>497</b>
<b>Shenyang</b>	Persons	<b>75</b>	<b>77</b>
<b>Wuxi</b>	Persons	<b>42</b>	<b>24</b>
<b>Number of Part-time Employees</b> <sup>(Note 3)</sup>			
<b>Part-time</b>	Persons	<b>17</b>	<b>23</b>

## PERFORMANCE TABLE

Indicator	Unit	2021	2020
<b>Turnover Rate</b> <small>(Note 4)</small>			
Overall	%	25	32
<b>By Gender</b>			
Male	%	27	30
Female	%	23	35
<b>By Age Group</b>			
< 31 years old	%	49	44
31 - 40 years old	%	25	27
41 - 50 years old	%	19	37
> 50 years old	%	20	27
<b>By Geographical Location</b>			
Hong Kong	%	28	35
Shenyang	%	17	28
Wuxi	%	6	0
<b>Average Training Hours</b> <small>(Note 5)</small>			
Total Average Training Hours	Hours	1.01	1.85
<b>By Gender</b>			
Male	Hours	1.28	1.92
Female	Hours	0.68	1.77
<b>By Employee Category</b>			
Senior Management <small>(Note 2)</small>	Hours	9.88	6.75
Management	Hours	0.50	5.18
Office Staff	Hours	0.38	1.55
General Staff	Hours	1.97	1.09



## PERFORMANCE TABLE

Indicator	Unit	2021	2020
<b>Percentage of Employees Trained</b> (Note 5)			
<b>Overall</b>	%	<b>51</b>	<b>37</b>
<b>By Gender</b>			
<b>Male</b>	%	<b>60</b>	<b>63</b>
<b>Female</b>	%	<b>40</b>	<b>37</b>
<b>By Employee Category</b>			
<b>Senior Management</b> (Note 2)	%	<b>1</b>	<b>2</b>
<b>Management</b>	%	<b>5</b>	<b>13</b>
<b>Office Staff</b>	%	<b>35</b>	<b>26</b>
<b>General Staff</b>	%	<b>59</b>	<b>59</b>
<b>Health and Safety</b>			
<b>Work-related fatalities</b>	Cases	<b>0</b>	<b>0</b>
<b>Lost days due to work injury</b>	Days	<b>154</b>	<b>269</b>
<b>Number of Suppliers, Contractors, Subcontractors and Service Providers (By Region)</b>			
<b>Hong Kong</b>	Number	<b>616</b>	<b>483</b>
<b>Mainland China</b>	Number	<b>158</b>	<b>209</b>
<b>Anti-corruption</b>			
<b>Anti-corruption training hours</b>	Hours	<b>101</b>	<b>32</b>
<b>Number of concluded legal cases regarding corrupt practices</b>	Cases	<b>0</b>	<b>0</b>

Note 1: The disclosed number of employees in the Report only covers the business operations described under the ESG reporting scope. Hence, the disclosed number of employees in the Report is different from that in the Company's Annual Report 2021.

Note 2: Senior management of the Group is the Executive Directors of the Company.

## PERFORMANCE TABLE

Note 3: Part-time employee is one who is under a contract of service to work less than 5 days or 30 hours a week.

Note 4: The turnover headcount and turnover rate apply to full-time employee who has passed his/her probation period only. The calculation of turnover rate is shown as below:

Turnover rate =  $L / E * 100\%$

L = Number of employees leaving employment during the Reporting Year

E = (Number of employees at the beginning of the Reporting Year + Number of employees at the end of the Reporting Year)/2

Note 5: The calculations of average training hours and percentage of employees trained are according to the ESG Reporting Guide under the quantitative and consistency principles.