



建業實業有限公司 Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

Stock Code: 216

2019/20

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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About the Company

Founded in 1959, Chinney Investments, Limited (“Chinney Investments” or “Chinney”, which together with its subsidiaries referred to as the “Group” or “We”) (Stock Code: 216) is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Our focus is primarily on property development, property investment and other property related businesses. Our operations are chiefly based in Hong Kong, Shenzhen, Guangzhou, Nanhai and Chongqing of Mainland China. The Group’s property development, property investment and related activities are conducted by Hon Kwok Land Investment Company, Limited (“Hon Kwok”) (Stock Code: 160) and its subsidiaries (collectively known as “Hon Kwok Group”).

We are committed to incorporating sustainability into our business operations. The Group has incorporated strategies and business practices that will ensure financial sustainability while managing the environmental and social risks associated with our business operations. We will capture, review, and disclose our Environmental, Social and Governance (“ESG”) performance, while actively engaging with our stakeholders with a view to assimilating their expectations and opinions into our projects.

About this Report

Reporting Standard

This ESG Report (the “Report”) is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reporting Period

The Report covers the Group’s sustainability approach, ESG performances and achievements for the period from 1 April 2019 to 31 March 2020 (the “Reporting Year”).

Reporting Principles

During the preparation of this Report, the Group adheres to the four fundamental reporting principles outlined in the ESG Reporting Guide when disclosing our ESG performance, which include materiality, quantitative, consistency and balance.

Reporting Scope and Boundary

The scope of this Report covers the Group’s principle business activities and operations in property development, property investment, and property related businesses of which the Group has financial control. Different from last year, this Report no longer covers our garment operation, which was discontinued during the last reporting period. The land in Dongguan, where the garment factory was situated prior to its cessation of operation, will be redeveloped into a commercial or residential project. Construction works have not commenced. The Hilder Centre is included in the reporting scope this year.

The following business activities are included within this year’s report:

Business/Activity	Location
Administration	Chongqing Guangzhou Hong Kong Nanhai Shenzhen
	<ul style="list-style-type: none">Offices

Properties invested/managed	Chongqing	<ul style="list-style-type: none"> • Chongqing Hon Kwok Centre • Chongqing Jinshan Shangye Zhongxin
	Guangzhou	<ul style="list-style-type: none"> • Ganghui Dasha • No. 5 Residence • The Botanica
	Hong Kong	<ul style="list-style-type: none"> • Hon Kwok Jordan Centre • Hilder Centre (whole floor of 8/F & 2 units of 4/F)
	Nanhai	<ul style="list-style-type: none"> • Metropolitan Oasis Phase 1 and 2
	Shenzhen	<ul style="list-style-type: none"> • City Square • City Suites • Hon Kwok City Commercial Centre
Properties under development	Guangzhou	<ul style="list-style-type: none"> • 45-107 Beijing Nan Road development project
	Hong Kong	<ul style="list-style-type: none"> • Kin Chuen Street development project
	Nanhai	<ul style="list-style-type: none"> • Metropolitan Oasis Phase 3

Our construction and trading businesses, which are reported in our Annual Report 2019/20, are operated by Chinney Alliance Group Limited (“Chinney Alliance”) (Stock Code: 385), a 29.1% owned associate. For the ESG information of our construction and trading businesses, please refer to Chinney Alliance’s ESG Report.

Accessibility of the Report

The Report is available on the websites of the Stock Exchange and of Chinney Investments in both Traditional Chinese and English.

Board Approval

This Report has been reviewed and approved by the Board of Directors of Chinney Investments (the “Board”) before publication.

Governing ESG

A sound governance structure is crucial for the effective consolidation of sustainable practices into our business operations. The Board is responsible for steering the overall management direction of ESG risks. ESG related issues are managed and monitored by relevant department heads who handle daily ESG matters and report to the Board regularly to ensure the Group complies with local ESG-related regulations and ordinances. Similarly, our ESG performance is evaluated regularly and reported to our stakeholders in our annual ESG Report to demonstrate our efforts in building a sustainable and better future.

Stakeholder Engagement

Regular engagement with our stakeholders is critical for our advancement towards sustainability. We are committed to building a trusting value-added relationship with our stakeholders. We believe that through continuous and in-depth dialogue, we can assess the opinion and expectation of our stakeholders and ultimately achieve our goal towards sustainable development. Our stakeholders include but are not limited to investors, directors, shareholders, employees, tenants, guests, and owners from properties we manage. Throughout the year, we have maintained a close relationship with our stakeholders through various communication channels including press releases, announcements, promotional materials, and ongoing dialogue. In this Reporting Year, we have conducted several phone interviews with key stakeholders and an online survey covering 17% of our employees to better understand their comments and expectations.

We value every opinion and feedback that we receive. Please feel free to contact us if you have any comments or suggestions regarding this Report or our ESG performance and practices:

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Materiality Assessment

The Group has engaged a third-party consultant to facilitate dialogue with stakeholders in order to collect their opinions and expectations on our ESG performance. During the Reporting Year, we commissioned industry research reports, an online employee survey and several phone interviews to gain a comprehensive view of common issues faced by the industry to better understand our employees' views on material issues facing the Group; and to collect key stakeholders' expectation on our ESG performance and their comments on ESG risks that may arise from the Group's operations.

Summarizing these stakeholder engagements, we have updated our list of material issues. This Reporting Year, a total of 12 ESG topics are identified as material to the Group, of which seven are continued from the 2018/19 list. "Climate Risk" is newly added to the list as a response to increasing concerns over the impacts of climate change. "Talent Attraction and Retention" from the list in 2018/19 is expanded to "Training and Development" and "Employee Wellbeing" to demonstrate our efforts in cultivating and caring for our employees to retain our talent pool. "Quality Assurance" from the list in 2018/19 is expanded to "Product Safety" and "Customer Satisfaction" to demonstrate the Group's efforts to provide our customers with safe and good quality products and services that satisfy their needs.

The following table summarizes these results and have been reviewed and confirmed by the management. This Report will place emphasis on the following material issues that are considered material to our business.

Key aspects	Material ESG issues identified	Why is it relevant to our operations?
Environment	<ul style="list-style-type: none">• Energy Usage• Greenhouse Gas Emission	<ul style="list-style-type: none">• Buildings consume a significant amount of electricity. Chinney, as a property manager, strives to adopt a low energy operational approach. Various measures have been adopted to improve the energy efficiency of our buildings so as to create a low carbon future.
	<ul style="list-style-type: none">• Waste Management	<ul style="list-style-type: none">• Waste management is a common environmental concern for cities as the capacity of waste landfills is limited. Chinney is pursuing ways to minimize the waste we send to landfills.
	<ul style="list-style-type: none">• Climate Risk	<ul style="list-style-type: none">• In recent years, climate change has led to more frequent natural disasters, such as strong typhoons and rainstorms, which have physical impacts to our buildings and affect our operational environment.

Employment and labour practices	<ul style="list-style-type: none"> • Training and Development 	<ul style="list-style-type: none"> • Employees with better skills and knowledge deliver better quality services to our building users. Providing ample training and development opportunities is also important to maintain a stable workforce.
	<ul style="list-style-type: none"> • Employee Wellbeing 	<ul style="list-style-type: none"> • Promoting employee wellbeing helps attract and retain talent. It also facilitates team building and cultivates our employees' sense of belonging.
	<ul style="list-style-type: none"> • Equal Opportunities 	<ul style="list-style-type: none"> • Providing equal opportunities for our employees creates a fair working environment to recruit and retain talent.
	<ul style="list-style-type: none"> • Safe Working Environment 	<ul style="list-style-type: none"> • Fatalities and injuries can lead to reputation damage and potential legal consequences. The occurrence of accidents also lowers talent morale, thereby affecting talent retention.
Operating practices	<ul style="list-style-type: none"> • Product Safety 	<ul style="list-style-type: none"> • Fatalities and injuries can lead to reputation damage and potential legal consequences. It is also important for providing safe environments for building users so as to retain tenants.
	<ul style="list-style-type: none"> • Customer Satisfaction 	<ul style="list-style-type: none"> • Chinney relies on cash flow generated from leased properties. Tenant satisfaction and retention is therefore critical for our business operations.
	<ul style="list-style-type: none"> • Anti-corruption 	<ul style="list-style-type: none"> • Property development is traditionally considered to have a higher risk of corruption due to the high transaction values. Therefore, we strictly comply with relevant regulations and cooperate with inquiries.
Community	<ul style="list-style-type: none"> • Community Participation 	<ul style="list-style-type: none"> • Community involvement provides the Group with opportunities to contribute to the society and establish a good corporate image.

Caring for the Environment

The Group strives to protect the environment and conserve natural resources. During the last year, we effected environmental-friendly measures as well as formulated policies to regulate our operations, thereby minimizing possible negative impact on the environment.

Reducing Energy Consumption and Greenhouse Gas Emissions

Climate change intensifies typhoon and heavy rains, which in turn creates potential physical risk to our buildings. As a good corporate citizen, we strive to reduce energy consumption and greenhouse gas emissions in our operations by improving energy efficiency. Energy is mainly consumed in the form of electricity in the lighting and air-conditioning in the offices and public areas of our managed properties.

During this period, we completed upgrading our lighting systems. Our City Square and Metropolitan Oasis installed sensors so that lights would only be switched on at the presence of sound or motions. In addition, lights were equipped with timers to automatically switch off during designated hours. Hon Kwok City Commercial Centre has adopted a Building Automation System for the lighting system and has also optimized the performance of air-conditioners, conserving over 310,000 kWh of electricity annually. LED lights have been installed in public areas such as carparks. This change has saved our Chongqing Hon Kwok Centre and Chongqing Jinshan Shangye Zhongxin more than 470,000 kWh of electricity during the Reporting Year. LED lights have also been installed in our offices in Chongqing and Shenzhen, saving up to 19,000 kWh and 5,200 kWh electricity respectively. Guidelines on energy management have been implemented in our Chongqing operations, to promote a culture of energy conversation. For example, air conditioning is only permitted when the temperature reaches 28 °C during summer or drops below 12 °C during winter. In addition, we assign accountable personnel to monitor electricity meters and policies implementation closely, aiming to respond to any abnormal situation promptly.

Moreover, the Group has taken a number of measures at our offices to reduce energy consumption. Employees are encouraged to switch off unnecessary office equipment such as computers, photocopiers, printers and air-conditioners when they are not in use. Plus, we procure electronic equipment with energy efficiency labels whenever possible.

During the Reporting Year, there were no reported incidents of non-compliance with relevant environmental laws and regulations, in particular the Environmental Protection Law of the People's Republic of China.

Reducing Waste

To reduce the impact of solid waste on the natural environment, the Group has implemented a series of waste management measures to minimize waste generation in our daily operations.

If waste is generated by the tenants, guests and residents, then we must promote recycling practices in our managed properties. For example, in our Chongqing operations, a waste management policy is in place that details standardised procedures on waste segregation and recycling. According to the policy, domestic waste is classified into four main categories: recyclables, food leftovers, hazardous waste and other waste. The Group has also adopted a series of waste management measures to minimize the environmental impact of waste generated in daily operation. At City Square in Shenzhen, a number of recycling bins have been put in open spaces for collecting used clothing, battery and glass. Our Guangzhou colleagues have held events on recycling and set up recycling bins for used clothing and food leftovers.

A waste management approach following the “producer-pay” principle has been adopted in our Shenzhen operations. Tenants are required to pay for their fair share of renovation waste disposal and their food leftovers. Also, there are waste management guidelines providing details on waste disposal and management, such as waste classification, the time and frequency of clearance, the reporting mechanism, and the roles and responsibility of personnel for tenants to follow.

In our own offices, we encourage employees to use email and electronic systems for communication and print on both sides of paper to reduce paper consumption. Our Guangzhou office has commissioned a third-party waste management company to provide centralised waste disposal services, collecting ink cartridges and damaged parts of copiers and printers. In order to reduce the electronic waste discarded in the landfill, our Hong Kong office donates unwanted electronic equipment to the Salvation Army.

In the Reporting Year, the Group complied with the applicable laws and regulations on waste disposal, including the Waste Disposal Ordinance (Cap. 354) in Hong Kong, and the Prevention and Control of Solid Waste Pollution Law of the People's Republic of China.

Using Water Wisely

The Group does not consume a large amount of water. What we use is mainly for cleaning public areas and the landscaping of managed properties. Although we cannot directly control the water consumption of tenants and residents, we implement policies to raise their awareness of water conservation. Labels and notices promoting water conservations are displayed at the boards of managed properties. We also encourage tenants and residents to contact our maintenance team to repair water leakage when needed.

In addition, the Group takes measures to conserve water in our operations. In our Chongqing operations, we have policies which track water consumption and prevent abnormal use of water. Plus, we have been upgrading facilities to reduce water consumption in operations. For example, we replaced faucets in the Botanica in Guangzhou with water-saving stream patterns, and installed high-efficiency toilet flush and toilet tanks at properties in Shenzhen and Guangzhou.

The Group has adopted measures to promote recycling of water resources. Chongqing Jinshan Shangye Zhongxin in Chongqing and Hon Kwok City Commercial Centre in Shenzhen have collected the condensed water from the air-conditioning system for fire-fighting system, while Botanica in Guangzhou has collected rainwater and has reused it to irrigate plants and greenery in the community area. With these water-saving initiatives, the offices and managed properties in Chongqing and Shenzhen have conserved over 10,000 m³ water during the Reporting Year.

During the Reporting Year, there were no water sourcing issues within the Group.

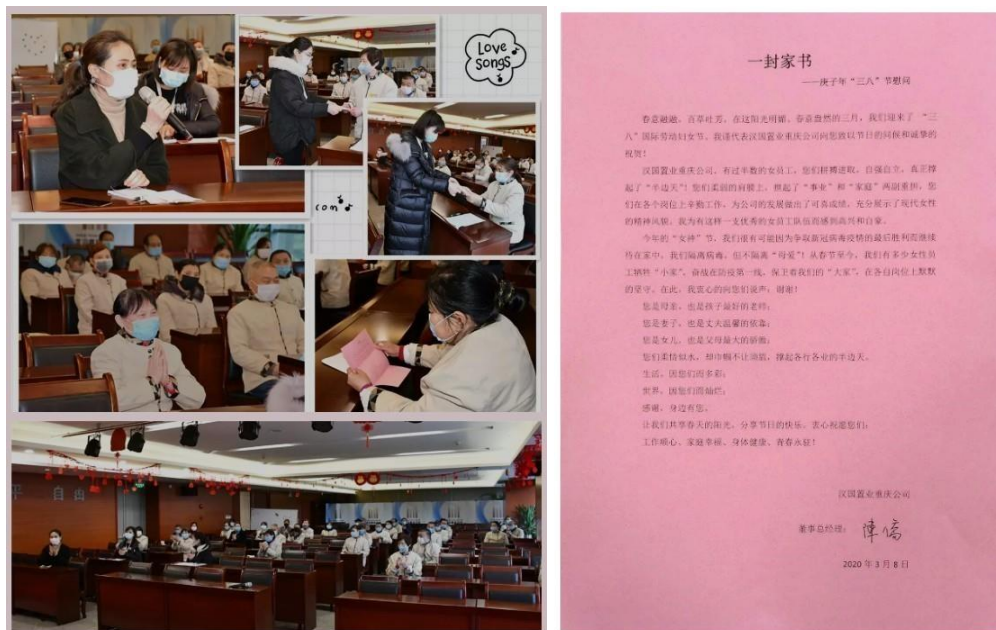
Caring for our Employees

We see motivated employees a valuable asset and are an integral part to our company's success. The Group endeavours to provide our employees with a safe and healthy working environment. With various measures and initiatives implemented, we hope to recruit the best talent, unleash their full potentials, and prevent employees from engaging in any harmful or corrupted activity in the workplace.

Attracting Talent

Recruiting and retaining talent is one of the cornerstones of our business success. To promote the value of diversity, fairness, and the principle of non-discrimination, we strictly abide by relevant laws and regulations including Employment Ordinance (Cap. 57), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) in Hong Kong, as well as the Labour Law and Labour Contract Law of the People's Republic of China.

In 2020, our Chongqing office organized a celebration event on International Women's Day to recognize the endeavours of our female employees, especially for their selfless devotion to duties during the pandemic.



Photos of the International Women's Day celebration event in 2020 and a thank-you letter written by the managing director in our Chongqing office to our female employees

To attract qualified candidates at all levels, we provide staff with competitive salaries and employee benefits. We offer staff in Hong Kong with medical insurance that covers not only ordinary and accident medical expenses but also additional services like partial reimbursement for basic dental care services. In line with national requirements, our medical insurance package provided to our staff in Mainland China include items such as endowment insurance, employment injury insurance, unemployment insurance, medical insurance, maternity insurance and a housing provident fund. In addition, the Group purchases additional accident insurance for employees who may face higher safety risks, such as drivers and employees who make frequent visits to our construction sites.

Retaining Talent

The Group believes that sustainable business development can be achieved only if employees are willing to stay and contribute to the company for the long-term. Therefore, the Group encourages employee work accomplishments, personal development, and a cohesive relationship with other colleagues.

The Group's goal is to make our employee's journeys here rewarding. We use annual salary reviews to ensure our employees receive salary progression or promotion according to their performance. Since we value the contribution of existing employees, we favor internal promotion over external recruitment. Employees with outstanding performance records are encouraged to apply for internal transfer or promotions.

To facilitate employees' knowledge acquisition and personal development, the Group provides employees with a variety of training opportunities. All incoming staff receive on-the-job training. In our Mainland China operations, we organize induction programs for new hires during their onboarding process to familiarize them with our corporate culture and employee's ethics. Also, we organize training activities to sharpen employees' skills and knowledge. In 2020, the Group organized training activities in our offices in Hong Kong and Mainland China.



Training program on “Management & Maintenance of Power Supply Equipment” was organized to cultivate our engineering talent in Chongqing



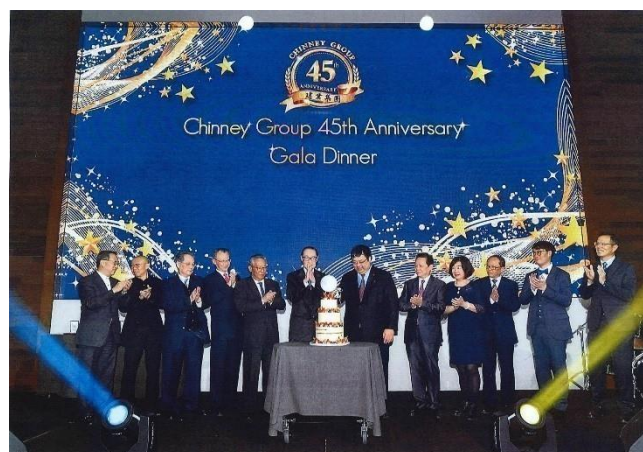
The directors of our Group companies attended the training session on “Hong Kong Listing Rules”



Training session on “The Toyota Way” management approach was delivered to our managerial grade staff from different operating locations by our Group’s director

In addition, the Group offers ample financial resources for employees to apply for membership in recognized technical and professional institutes. Qualified memberships include certified professionals are requirements in, for examples, providing security services, operating high-voltage and low-voltage electrical apparatus or performing accounting and finance duties. Through our sponsorship, we encourage employees to not only develop professional qualifications but also apply their expertise in our business operations.

The Group acknowledges that an ideal working environment should not only offer satisfactory career development, but more importantly foster a friendly workplace culture between co-workers. The Group organizes welcome and farewell lunches for newly joining and leaving staff respectively. Plus, employees are regularly invited to participate in corporate events like Christmas Lunch, Chinese New Year Lunch, and Annual Dinners as well as other leisure activities. For instance, our Guangzhou office organized free Ping Pong and yoga classes for employees during the Reporting Year to promote exercising. Our Shenzhen office also organized a tea-tasting workshop and family-visit activities to local museums for our employees. Through engaging our employees in different activities, the Group hopes to enhance their sense of belonging and foster a people-oriented workplace culture.



The Group’s Annual Dinner



Christmas & Thankful dinner for staff and family of Shenzhen office

Safeguarding Occupational Health and Safety

A responsible company should provide its employees with a safe working environment that is free from occupational hazards. To shoulder our responsibilities, the Group strictly abides by relevant laws and regulations in our operating locations, including Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong, Work Safety Law, and Prevention and Control of Occupational Diseases Law of the People's Republic of China.

The Group incorporates Office Health and Safety guidelines into the Employee's Handbook. Whenever our employees are experiencing any health-related issue or concern that may affect their work performance, such as becoming pregnant, taking prescribed medication or suffering any injury, they are required to report their health situation immediately. Based on their situations, the company may come up with a better work arrangement that is suitable for their health needs. More importantly, we require our staff to report any injuries, strains or illnesses they might have suffered as a result of their work.

To raise employee awareness of workplace safety, we incorporate safety guidance into our Employee's Handbook. The safety guidance provides precautionary and mitigation measures for emergency situations like fire hazards and electricity overloading. Whenever employees notice any potential fire risk, they are required to report to the Administration Department without hesitation. Examples of potential risks include any blockage of escape routes, damage or dilapidation of firefighting equipment, improper use of office equipment or electrical appliances, or inappropriate working practices that might cause fire risks or electricity shocks. Moreover, the Group organises fire safety and emergency care training sessions regularly to ensure all employees are well-informed on how to handle emergency situations.



Fire safety training held in our Chongqing office

In addition to workplace safety, the Group has also promoted employee well-being. To maintain a hygienic working environment, we have installed water filters and air purifiers in our Hong Kong office. We are also constantly reminding our employees to keep the office premises clean and tidy. For operations in Mainland China, we have implemented different initiatives to encourage our staff to become more health-conscious. In the Shenzhen office, we provide employees with ergonomic chairs in office areas. In the Chongqing office, a seminar on short-sightedness prevention was organized during the Reporting Year to remind our staff about the importance of eye care.

Anti-corruption

Business integrity is the foundation of our company reputation and maintains trust among our business partners. Hence, the Group strictly abides by the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong, the Anti-Money Laundering Law and the Criminal Law of the People's Republic of China. Through establishing a group-level anti-corruption policy, we set out the types of prohibited behaviours and prevent employees from engaging in activities that are considered as corrupt.

In addition to proactively curbing corruption, we adopt a zero-tolerance approach to any corrupted practice. To encourage employees to report suspicious misconduct and malpractice, the Group has a whistle-blowing policy with designated and anonymous reporting channels. The policy sets out possible criteria for corrupted behaviour that should be reported and gives a detailed definition on the responsibilities of the Group and our Audit Committee in handling these complaints. To ensure transparency and an effective follow-up process, the policy also states clearly how employee complaints will be investigated and handled. For informants making appropriate complaints, the policy assures them of protection against unfair dismissal, victimization or unwarranted disciplinary action, even if the concerns are eventually proven to be unsubstantiated.

During the Reporting Year, there was no reported legal cases regarding the corrupt practices of our employees relating to bribery, extortion, fraud and/or money laundering.

Caring for our Customers

The Group's businesses include property development and investment, property management, serviced apartment management, and office leasing. Creating a harmonious and joyful living and working experience for our residents and tenants is the core belief of our business operations. Putting this into practice, we adopt various measures and approaches to ensure high product and service quality, which in turn builds strong and trustful relationships with our residents and tenants.

Providing High-quality Services

The Group believes that high-quality service is a key to enhance customer satisfaction and to create business success. During our daily operations, we value the needs of our customers and utilize our expertise in the real estate industry to create a people-oriented environment to further enhance customer satisfaction. To ensure our services are constantly of the highest quality, the Group has implemented internal quality assurance policies that are applicable to respective businesses to monitor and review the quality of our services regularly. At the same time, we have also implemented quality assurance processes in property management and serviced apartment. For example, to provide the tenants at the Hon Kwok Jordan Centre with a tranquil business environment, we have prohibited other tenants of certain business types. In addition, the Group also engages experienced contractors to further enhance the quality of our property management services.

Customer safety is our highest priority. Dedicated to our strong belief in creating a safe and harmonious living and working environment, we have implemented a variety of measures to ensure the safety of our tenants and customers. Adequate attendants and security guards are deployed at our premises to ensure all tenants and residents always receive immediate care and security. Regular fire drills are also held to upskill our staff to assist our tenants and residents to effectively exit in the event of any accidents or emergencies.

Case Study: City Suites



City Suites is a serviced apartment property in Shenzhen. To create a safe living experience at City Suites, we have adopted a comprehensive safety management approach.

- Access to residential floors at City Suites are limited to prevent outsiders from trespassing residential apartments.
- Anti-slip mats are provided in bathtubs to enhance slip resistance and prevent shower-related injuries.
- First-aid training is provided to all employees to equip them with knowledge of providing urgent medical care to residents.

We are open to feedback and comments from our tenants, residents and visitors. The Group has established multiple complaint channels and standard complaint handling procedures at all our properties. Tenants and residents can write down their comments on the notice boards in public areas. They can also choose to talk to security guards or concierges directly in person or through hotline services to voice out their complaints. Once a complaint is received, it is responded immediately. Valid complaints are then recorded for follow-up. For example, at Metropolitan Oasis, all complaint handling staff are required to handle every complaint within eight hours. Moreover, the local property management team will conduct tenant satisfaction surveys every year to evaluate customer satisfaction and service performance.

Promoting Better Accessibility and Inclusiveness for the Disabled

The Group believes that a good building design should be socially inclusive, where the needs of different people are taken into considerations. As such, we provide universal access for all at our properties by installing barrier-free facilities. For instance, ramps are provided to facilitate access for physically impaired individuals and for those who are pushing baby carriages.



Ramp installed at City Square (left) and Metropolitan Oasis (right)

Protecting Customer Data Privacy

The Group believes that protecting customer data privacy is particularly important in maintaining long-term client relationship. To this end, we attach great importance to customer data privacy, and comply with the Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong. In accordance to the Ordinance, the Group has established guideline for the safe custody of documents in our Employees' Handbook that defines the types of documents that need to be stored safely and separately. In Hong Kong, the personal information of individual visitors to Hon Kwok Jordan Centre will only be stored for one month. While for our operations in China, all tenants' key personal information is documented in hard copy only and are locked up in our offices with restricted access for only designated staff.

Managing Contractors and Suppliers

Our pursuit of high service quality and goal of building a vibrant living experience would not be possible without the cooperation and collaboration of our contractors. As such, we have partnered with our contractors and suppliers to achieve this goal together.

For the construction activities of our properties, we ensure that our main contractors abide by all relevant local laws and regulations. We have maintained a long-term partnership with our main contractor who has strictly integrated OHSAS 18001:2007 Occupational Health and Safety Management System into its construction works and organized regular onsite safety training for its employees to build a safety-first culture. Our main contractor has also developed its environmental policies in compliance with ISO 14001:2015 Environmental Management System and ISO 50001:2011 Energy Management System. Our construction sites have measures in place to minimize environmental impact, including dust and emissions prevention and control, noise mitigation and

wastewater management. We also encourage our contractors to implement water saving measures to prevent freshwater wastage at construction sites.

In our property management and serviced apartment businesses, the landscaping and cleaning are conducted by experienced contractors. To ensure the quality of their services, the Group continuously monitors and reviews their performance and service quality. For instance, the service provider of Metropolitan Oasis submits reports summarizing the greenery and cleaning work every month, and the property management team will then review their report to evaluate the quality of their work against a checklist.

Due to the nature of our business, it is not common for our operations to perform regular bulk purchases. Therefore, we have not established any formal policies on selecting suppliers based on environmental and social risk considerations.

Caring for the Community

The Group strives to create an inclusive and harmonious environment for different stakeholders in the community. As such, the Group continues to promote public health, and community cohesion. To achieve these goals, the Group regularly organizes various community programs, such as blood donation drives and elderly visits.

Participating in Nation-wide Efforts to Combat the COVID-19 Pandemic

Since the beginning of 2020, we have joined community efforts to combat the COVID-19 pandemic. For instance, we set up a volunteer employee team and donated RMB100,000 to help with the pandemic prevention work in the Liangjiang New Area, Chongqing. Besides putting in place of different measures like disinfection and temperature checks at our properties, our volunteers helped manage the transportation, storage and distribution of different pandemic prevention supplies to more than 20 local property management companies, helping the entire community enhance its pandemic readiness.



*Daily disinfection duties were performed by our employees
in the properties in Chongqing*

Moreover, the Group granted one-month rental waivers to tenants whose businesses were deeply affected by the pandemic in Chongqing Hon Kwok Centre and Chongqing Jinshan Shangye Zhongxin. With effective pandemic prevention controls, majority of our tenant companies have successfully resumed their normal work routine since the beginning of March 2020. In the future, we will continue to participate in this nation-wide effort to combat the global pandemic.

Caring for Patients Requiring Blood Transfusion

In the summer and winter months, blood donation at fixed locations tend to drop off, so the Chongqing City government offers mobile blood donation services to increase the blood supply. During the Reporting Year, a mobile blood donation event was organized at the Chongqing Hon Kwok Centre, with the support of medical professionals and our employees.

On 26th December 2019, around 100 people including our volunteers, tenants and residents, donated their blood. These generous blood donors not only save lives, but also create good health benefits for themselves. Moreover, through organizing blood donation programs we hope to spread the message of being socially responsible and compassionate to other members in society.



Our volunteers participated in the mobile blood donation programme



Blood donors donating their blood inside a mobile vehicle

Giving Love and Care to Seniors in the Community

The Group believes that seniors in our community should be treated with care and respect, not only because they belong to one of the vulnerable groups in society, but more importantly for honouring all the hardships they endured to contribute to our society. Hence, the Group has been active in providing elderly support to local communities.

In Guangzhou, we organized home visits to solitary elders during the Mid-autumn Festival and Chinese New Year. Through the visits, we hope to ease the feeling of loneliness and share the joy of festival celebration with them. Moreover, groceries such as rice, cooking oil and fruits were distributed to ensure that they do not have to struggle for basic necessities in their daily lives.



*Grocery items like rice, cooking oil and fruits
were distributed by our volunteers to solitary elders in Guangzhou*

In Hong Kong, our volunteer team also organized visits to neighbourhood elderly centres such as BMCPC Life Education and Elderly Support Centre of Po Leung Kuk and Olive Nursing Home of Oasis Group, Hong Kong. During our visits, we distributed anti-pandemic kits to the elders to protect them from the COVID-19 infection.



Our volunteers visited Olive Nursing Home and distributed anti-pandemic kits to the elders

Key Performance Tableⁱ

Environmental Performance			
	Unit	2019/20 ⁱⁱ	2018/19 ⁱⁱⁱ
Emission			
Greenhouse gas (GHG) emissions			
Direct GHG emissions (scope 1)	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	28	26
Indirect GHG emissions (scope 2)	tonnes CO ₂ e	12,200	9,091
GHG emission intensity			
Offices	tonnes CO ₂ e/m ² GFA	0.0446	0.0424
Property management	tonnes CO ₂ e/m ² GFA	0.0111	0.0092
Serviced apartment	tonnes CO ₂ e/room night	0.0006	0.0006
Garment business	tonnes CO ₂ e/HKD 1 million revenue	/	12
Waste generation			
Hazardous waste	tonnes	0.44 ^{iv}	Insignificant amount
Non-hazardous waste	tonnes	2,624 ^v	1,628 ^{vi}
Energy consumption			
Petrol consumption			
Offices	L	10,215	8,967
	kWh	95,167	83,536
Garment business	L	/	767
	kWh	/	7,146
Electricity consumption			
Total	kWh	23,112,319	17,258,697
Offices ^{vii}	kWh	420,023	311,301
Property management	kWh	22,668,207	16,479,488
Serviced apartment	kWh	24,089	24,721
Garment business	kWh	/	443,187
Energy consumption intensity			
Offices	kWh/m ² GFA	87	83
Property management	kWh/m ² GFA	21	17
Serviced apartment	kWh/room night	1	1
Garment business	kWh/HKD 1 million revenue	/	22,517
Water consumption			
Total water consumption	m ³	236,376	202,649
Offices	m ³	2,423 ^{viii}	839 ^{ix}
Property management	m ³	230,272	179,017
Serviced apartment	m ³	3,681	3,859
Garment business	m ³	/	18,934
Water intensity			
Offices	m ³ /m ² GFA	0.8770 ^{viii}	0.7057 ^{ix}
Property management	m ³ /m ² GFA	0.2142	0.1896

Serviced apartment	m ³ /room night	0.1647	0.1741
Garment business	m3/ HKD 1 million revenue	/	947

- i. The reporting scope does not include properties under development
- ii. The reporting scope expands to cover Hon Kwok City Commercial Centre in 2019/20, accounting for the increase in waste generation, electricity consumption, and water consumption compared to 2018/19
- iii. The reporting scope in 2018/19 covers the garment business, which was discontinued during 2018/19
- iv. This covers hazardous waste collected from Chongqing office and Hon Kwok City Commercial Centre only
- v. This covers non-hazardous waste collected from rented or sold premises in our portfolio; it does not include Hong Kong office and Shenzhen operations, except Hon Kwok City Commercial Centre
- vi. This covers non-hazardous waste collected from rented or sold premises in our portfolio and the garment business; it does not include Hong Kong office and Shenzhen operations
- vii. The increase in electricity consumption is mainly because Shenzhen has moved to a larger office in 2019/20
- viii. This covers Chongqing and Shenzhen Offices only
- ix. This covers Chongqing Office only

Social Performance			
	Unit	2019/20 (As of 31 March 2020)	2018/19 (As of 31 March 2019) ^x
Workforce profile			
Total workforce	no. of people	402	409
Total workforce by gender			
Male	no. of people	224	255
Female	no. of people	178	154
Total workforce by employment type			
Full time	no. of people	400	407
Part time	no. of people	2	2
Total workforce by age group			
Under 30	no. of people	85	82
30 – 50	no. of people	249	273
51 or above	no. of people	68	54
Total workforce by geographical region			
Mainland China	no. of people	362	380
Hong Kong	no. of people	40	29
Employee turnover^{xi}			
Employee turnover rate	%	16.58	21.05
Employee turnover rate by gender			
Male	%	20.13	23.60
Female	%	11.48	16.78
Employee turnover rate by age group			
Under 30	%	26.35	42.86
30 – 50	%	16.18	16.45
51 or above	%	4.92	12.84
Employee turnover rate by geographical region			
Mainland China	%	17.86	19.84
Hong Kong	%	2.90	35.48
Occupational health and safety			
Injury rate	per 1,000 full-time-equivalent (FTE) workers	0	0
Lost days due to work injury	days	0	0
Work-related fatalities	number	0	0

Development and training			
Percentage of employees trained	%	75	68
Percentage of employees trained by gender			
Male	%	79	60
Female	%	70	82
Percentage of employees trained by employee category			
Senior management	%	57	64
Managers	%	67	71
Frontline and general staff	%	79	67
Average training hours completed per employee by gender			
Male	hours	12	12
Female	hours	13	14
Average training hours completed per employee by employee category			
Senior management	hours	6	4
Managers	hours	10	10
Frontline and general staff	hours	14	14
Supply chain management			
Number of suppliers by geographical region			
Mainland China	number	99	89
Hong Kong	number	7	18
Products responsibility			
Products and service-related complaints	number	0	0
Anti-corruption			
Concluded legal cases	number	0	0

^{x.} Data in 2018/19 are adjusted to reflect the actual situation

^{xi.} The garment business which was discontinued during 2018/19 is excluded; 135 employees were dismissed in 2018/19 as the business was discontinued

Appendix – HKEx ESG Reporting Guide

Content Index

General Disclosures and KPIs		Reference / Remarks
A. Environmental		
Aspect A1 Emissions		
General Disclosure		Caring for the Environment – Reducing Energy Consumption and Greenhouse Gas Emissions Caring for the Environment – Reducing Waste
KPI A1.1	The types of emissions and respective emissions data.	Not disclosed. The Group generated no significant emissions during the Reporting Year.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Key Performance Table – Environmental Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Key Performance Table – Environmental Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Key Performance Table – Environmental Performance
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Caring for the Environment – Reducing Energy Consumption and Greenhouse Gas Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Caring for the Environment – Reducing Waste
Aspect A2 Use of Resources		
General Disclosure		Caring for the Environment – Reducing Energy Consumption and Greenhouse Gas Emissions Caring for the Environment – Using Water Wisely
KPI A2.1	Directed and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Key Performance Table – Environmental Performance
KPI A2.2	Water consumption in total and intensity.	Key Performance Table – Environmental Performance
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Caring for the Environment – Reducing Energy Consumption and Greenhouse Gas Emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Caring for the Environment – Using Water Wisely
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The use of packaging material is not material to the Group's property and management operations.
Aspect A3 Environment and Natural Resources		
General Disclosure		Not disclosed. We do not consider our operations to have significant impact on the environment and natural resources.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage	

General Disclosures and KPIs		Reference / Remarks
	them.	
B. Social		
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure		Caring for our Employees – Attracting Talent Caring for our Employees – Retaining Talent
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Key Performance Table – Social Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Table – Social Performance
Aspect B2 Health and Safety		
General Disclosure		Caring for our Employees – Safeguarding Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Key Performance Table – Social Performance
KPI B2.2	Lost days due to work injury.	Key Performance Table – Social Performance
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for our Employees – Safeguarding Occupational Health and Safety
Aspect B3 Development and Training		
General Disclosure		Caring for our Employees – Retaining Talent
KPI B3.1	The percentage of employees trained by gender and employee category.	Key Performance Table – Social Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Table – Social Performance
Aspect B4 Labour Standards		
General Disclosure		The issue of child and forced labour is not material to the Group’s property investment and management operations.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure		Caring for our Customers – Managing Contractors and Suppliers
KPI B5.1	Number of suppliers by geographical region.	Key Performance Table – Social Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Caring for our Customers – Managing Contractors and Suppliers
Aspect B6 Product Responsibility		
General Disclosure		Caring for our Customers – Providing High-quality Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not disclosed. We do not produce products that can be recalled.

General Disclosures and KPIs		Reference / Remarks
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Caring for our Customers – Providing High-quality Services Key Performance Table – Social Performance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not disclosed. This is not identified as a material topic by the Board of Directors.
KPI B6.4	Description of quality assurance process and recall procedures.	Caring for our Customers – Providing High-quality Services We do not have any product recall procedures.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Caring for our Customers – Protecting Customer Data Privacy
Aspect B7 Anti-corruption		
General Disclosure		Caring for our Employees – Anti-corruption
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.	Caring for our Employees – Anti-corruption Key Performance Table – Social Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Caring for our Employees – Anti-corruption
Community		
Aspect B8 Community Investment		
General Disclosure		Caring for the Community
KPI B8.1	Focus areas of contribution.	Caring for the Community
KPI B8.2	Resources contributed to the focus area.	Caring for the Community