



九龍建業有限公司

KOWLOON DEVELOPMENT COMPANY LIMITED

Stock Code 股份代號: 34



2023

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT







The background features a soft-focus image of a city skyline. Several green leaves are scattered across the top and bottom. On the left, three birds are shown in flight against a bright, hazy sky. At the bottom left, a portion of a globe is visible, showing green grass on top and blue oceans below.

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# BOARD STATEMENT

Dear Stakeholders,

I am delighted to present this Environmental, Social and Governance (“ESG”) Report (the “Report”) of Kowloon Development Company Limited (the “Company” or “KDC”) (Stock Code: 34) for the year ended 31 December 2023 (the “Reporting Year”). As we aim to provide exceptional products and services, our primary focus is on ensuring the well-being of our stakeholders and local communities.

During the Reporting Year, we diligently assessed risks and opportunities related to sustainable development, and focused on improving our performance in terms of ESG. Our managed properties actively participated in diverse activities and established commitments to raise environmental consciousness among residents. The Report emphasises our collaborative endeavours with stakeholders to enhance overall quality of life and well-being.

The board of directors of the Company (the “Board”) believes that incorporating the principle of sustainable development into our operations is the key for long-term growth and benefiting our stakeholders. ESG matters are ultimately under the Board’s decision-making and purview responsibilities. The Board continuously reviews the performance and progress of the Company and its subsidiaries (collectively, the “Group”) against the ESG-related targets. To align with the business development trends of the Group, we have updated our ESG targets towards a practical and precise direction. Based on the Group’s commitments, we have a strong belief that we can make further progress and contribute to building a more sustainable future for both the society and the environment.

Our recent residential development project, namely Manor Hill, in Tseung Kwan O has achieved BEAM Plus New Buildings (V1.2) – Final Silver rating in August 2023. By installing energy meters, energy-saving appliances, and implementing energy management programme, Manor Hill has achieved a 24.0% annual carbon dioxide (“CO<sub>2</sub>”) reduction for residential and a 46.97% annual potable water saving compared to baseline model of the Building Energy Code 2018. The assessment result provides an evaluation of the building project’s environmental sustainability, demonstrating its compliance with BEAM Plus criteria and our commitment to sustainable practices.







## BOARD STATEMENT

In addition, Manor Hill has collaborated with CLP Power Hong Kong Limited (“CLP”) to integrate “All-Electric Home” design concept with 1,556 residential units. In order to cope with climate change and reduce carbon emission, Manor Hill provided energy-efficient appliances such as induction cookers, electric water heaters and thermo ventilators, installed smart meters, as well as equipped parking lots with electric vehicle charging facilities.

In support of the Municipal Solid Waste (“MSW”) Charging Scheme proposed to be implemented on 1 August 2024, the Group actively engages with stakeholders to make sure each party gets prepared with the new regulation. We will conduct measures to motivate tenants and residents to adopt waste reduction and recycling practices.

Since 2022, the Group has been procuring to provide residential properties to support the Lok Sin Tong (“LST”) Social Housing Scheme (the “LST Housing”) at a symbolic rent for two years. These properties, subsidised by the Housing Bureau, are renovated to provide transitional housing for families in need. The Group procured to provide twenty housing units in 2022 and forty-seven housing units in 2023 so as to benefit more underprivileged families. The Group aims to provide approximately one hundred housing units in total, with an annual market rental value exceeding HK\$10 million, to continue aligning with and supporting the Government’s Transitional Housing Policy.

Besides, KDC will conserve and revitalise three Grade II historic buildings of the former St. Joseph’s Home for the Aged, namely Villa, Gate House and Dormitory A, located at our Clear Water Bay Road construction site. The design integrates them as the centerpiece and preserves their heritage.



With our dedication to provide quality property management services, the public housing estates managed by Easy Living Consultant Limited (“Easy Living”) have complied with the requirements of the integrated management system standards including ISO 9001:2015 Quality Management System (QMS), ISO 14001:2015 Environmental Management System (EMS), ISO 10002:2018 Customer Satisfaction Management System (CSMS) and ISO 45001:2018 Occupational Health and Safety Management System (OH&S). In addition, our property management company, namely Country House Property Management Limited (“Country House”), has been awarded the Security Services Best Training Award 2023 (Type1: Bronze Award) in recognition of its dedication in providing security services related trainings to our employees to enhance their professional competence.

Last but not least, I would like to extend my gratitude to our dedicated and skilled management team and workforce for their invaluable contributions and unwavering support during our sustainability journey. The resourcefulness and determination exhibited by each individual enabled us to exceed expectations for all our stakeholders. I am immensely proud of our colleagues’ achievements, and I firmly believe that their resilience and enthusiasm will continue to drive us towards our goals in sustainable development.



**Lai Ka Fai**

*Executive Director*

Hong Kong, 25 April 2024





# INTRODUCTION

## Business Review

The Company 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 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 which produces quality products.

## Reporting Period, Scope, Standard, and Principle

This Report covers the Group’s ESG performance, activities and highlights in 2023, including the following major business operations:

- The Headquarters’ operation in the Pioneer Centre, Hong Kong;
- Property investment and development business in Hong Kong;
- Construction business operated by Kowloon Development Engineering Limited (“KDE”), a wholly-owned subsidiary of the Company, in Hong Kong;
- Property management business operated by Country House, a wholly-owned subsidiary of the Company, in Hong Kong;
- Building surveying, property management and guarding services business operated by Easy Living, a non wholly-owned subsidiary of the Company, in Hong Kong;
- Retail business “Soda Mall”, the Group’s retail brand, in Hong Kong; and
- Property development business in Wuxi and Shenyang, Mainland China.

The reporting scope is determined based on the materiality of each business unit under the Group’s direct operational control. The reporting scope in the Report is slightly smaller than the reporting scope in the Company’s Annual Report 2023 due to the exclusion of property development projects in Mainland China with non-controlling interests and those without material ESG impacts. In Hong Kong, as the construction of one major site was completed in 2022 and other construction projects of the Group were under the preliminary construction stages in 2023, no construction sites were included in the reporting scope in the Reporting Year.





## INTRODUCTION

The Report is prepared in accordance with the ESG Reporting Guide set out in Appendix C2 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”.
- **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”.
- **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 the 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.

Starting from 2023, we reclassified the greenhouse gas (“GHG”) emissions generated by base building energy usage from scope 1 and scope 2 to scope 3 for those properties managed but not owned by the Group, namely residential properties and public housing estates managed by Country House or Easy Living, in which the Group could not exercise full management control over the improvement and usage of base building equipment. This amendment is based on the principle established by the “operational control approach” as suggested by GHG Protocol – A Corporate Accounting and Reporting Standard, stating that operational control exists when an entity has the full authority to introduce and implement its operating policies in the operation. As a result of the reclassification, the energy consumption and GHG emissions data for 2022 in this Report is different from the ESG Report 2022.

Information regarding the Group’s Corporate Governance is addressed more in depth in the “Corporate Governance Report” section of the Company’s Annual Report 2023.

## Governance Structure

In order to align ESG governance with its business strategy and dedication to sustainability, the Group has established an ESG governance framework that incorporates ESG management into its business operations and decision-making procedures.

The Board has overall responsibility for the oversight and decision making of the Group’s ESG matters, including policies, measures, performance and risks. We are committed to incorporating ESG considerations and maintaining a good governance that promotes sustainability development. The Board is diversified in its composition and is considered to have a balance of skills and experience in overseeing the ESG matters of the Group. The Board is in charge of strategising and implementing ESG action plans which include discussing and reviewing target setting, opportunities, performance and risks. The Board reviewed and approved the disclosures in the Company’s ESG reports.








## INTRODUCTION

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. The ESG working group is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, keeping track of and reviewing the progress in achieving the Group's ESG-related targets and ensuring compliance with ESG-related laws and regulations. The ESG working group works with an external ESG consultant to conduct materiality assessment and prepare the Company's ESG reports. The ESG working group also assists in assessing and identifying the Group's ESG risks and opportunities, ensuring the implementation and effectiveness of the risk management and internal control systems. Any findings, decisions and suggestions are reported to the Board by the designated personnel of the ESG working group regularly.


## Stakeholder Engagement

Recognising the key role of stakeholders in the sustainable development journey, the Group attaches great importance to 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.

Stakeholder Groups		Communication Channels
<b>Shareholders and Investors</b>		<ul style="list-style-type: none"> <li>• Shareholders' meetings</li> <li>• Financial reports, announcements, circulars, etc.</li> <li>• Company website</li> <li>• Company enquiry e-mail, facsimile and phone number</li> </ul>
<b>Local Communities and Non-Governmental Organisations ("NGOs")</b>		<ul style="list-style-type: none"> <li>• Volunteer activities</li> <li>• Corporate sponsorships and donations</li> </ul>
<b>Media</b>		<ul style="list-style-type: none"> <li>• Company website</li> <li>• Financial reports, announcements and circulars</li> <li>• Interview with media for launching new properties</li> <li>• Show flat opening and introduction</li> </ul>
<b>Suppliers, Contractors/ Subcontractors and Service Providers</b>		<ul style="list-style-type: none"> <li>• Project collaborations</li> <li>• Company website</li> <li>• Training and briefing talk to KDE's subcontractors before entrance of construction sites</li> <li>• Site visit</li> <li>• External ESG survey</li> <li>• Know Your Client (KYC) review</li> </ul>
<b>Business Partners</b>		<ul style="list-style-type: none"> <li>• Project collaborations</li> <li>• Company website</li> </ul>



# INTRODUCTION

Stakeholder Groups	Communication Channels
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>• Seminars for staff</li> <li>• Financial reports, announcements and circulars</li> <li>• Monthly audit by the Hong Kong Housing Authority</li> </ul>
<b>Customers, Tenants and Residents</b> 	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Opinion box</li> <li>• Enquiry hotline</li> <li>• Visit of show flats and introduction by our salesperson</li> <li>• The Owners' Committee meetings</li> <li>• The Incorporated Owners' meetings</li> <li>• Clubhouse activities</li> <li>• Company website</li> <li>• External ESG survey</li> </ul>
<b>Potential Candidates and Employees</b> 	<ul style="list-style-type: none"> <li>• Career opportunities on company website</li> <li>• Internal referral programme</li> <li>• Recruitment events and career talks</li> </ul>
<b>Employees of the Group</b> 	<ul style="list-style-type: none"> <li>• Staff orientation</li> <li>• Employee notice board</li> <li>• Meeting and performance appraisal with staff</li> <li>• Internal ESG survey</li> <li>• PolyConnect (Intranet of the Group)</li> <li>• Company website</li> <li>• Seminars/workshops</li> <li>• Questionnaire after training</li> <li>• Daily meeting</li> <li>• Staff activities</li> <li>• Memos to employees</li> <li>• Staff opinion box</li> </ul>

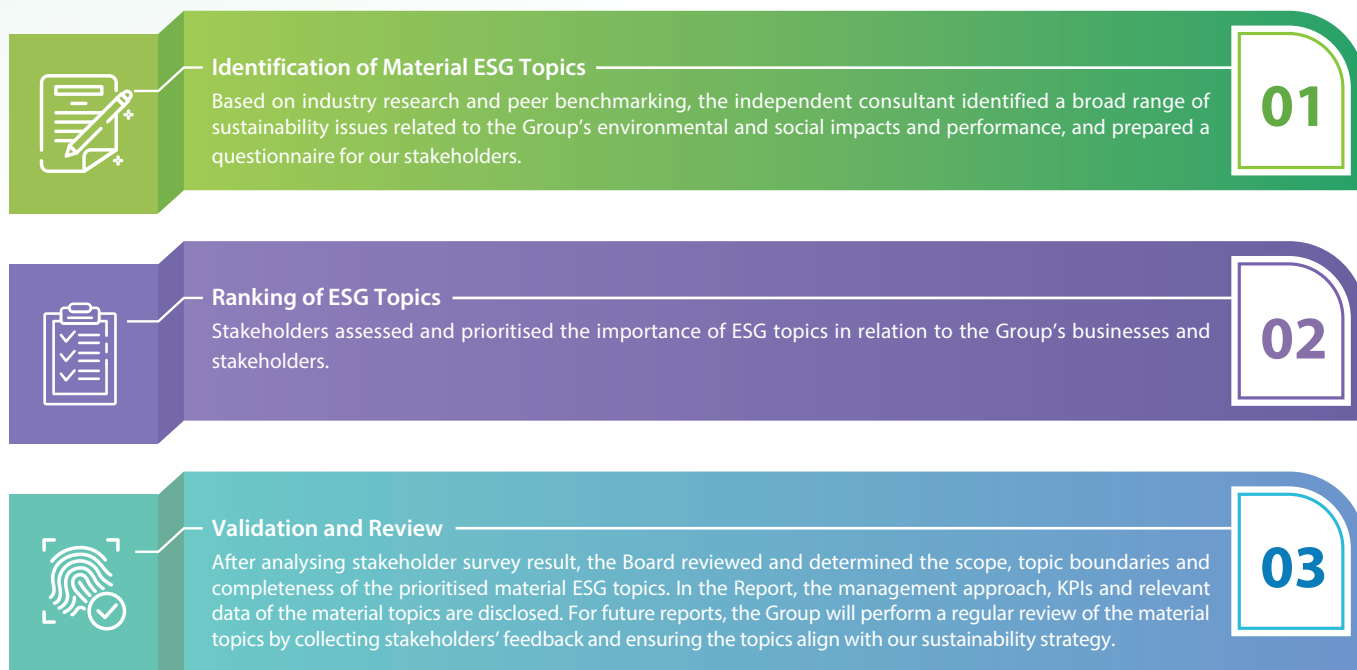
# INTRODUCTION

## 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.

For better stakeholder communication and management, KDC separates its stakeholders into three groups for conducting stakeholder engagement: (i) internal stakeholders – employees; (ii) external stakeholders – tenants; and (iii) other external stakeholders – vendors, suppliers, contractors, subcontractors, etc. Each year, a group of stakeholders is invited to provide their views on the importance of various environmental and social issues for KDC’s long-term business development by rotation. During the Reporting Year, employees under the internal stakeholder group were invited to participate in the materiality survey.

## Methodology of Materiality Assessment





# INTRODUCTION

Based on the respective 2022 and 2023 survey results, tenants and employees had identified the most important topics to the Group’s long-term development. The following matrix provides an overview of the assessment result while right below the matrix is the cross-reference table showing the name and indicator of each topic.

**Materiality Matrix**



**● Environmental Aspect**

- A** Compliance with relevant environmental laws and regulations
- B** Climate change and GHG emissions
- C** Identification and mitigation of physical climate risks
- D** Identification and mitigation of transition climate risks
- E** Air pollutant emissions
- F** Indoor air quality control
- G** Water supply quality control
- H** Efficient use of resources
- I** Use of renewable resources
- J** Wastewater discharge and management
- K** General waste management
- L** Decoration and maintenance waste handling
- M** Hazardous waste management
- N** Efficient use of material
- O** Noise pollution and management
- P** Sustainable building elements

**● Social Aspect**

- Q** Compliance with relevant social laws and regulations
- R** Employment related issues
- S** Diversity and equal opportunities
- T** Occupational health and safety
- U** Customer privacy
- V** Criteria for selecting vendor/supplier/contractor/service provider
- W** Vendor/supplier quality
- X** Contractor/subcontractor quality
- Y** Service provider quality
- Z** Procurement practices
- AA** Community involvement
- AB** Business ethics and integrity
- AC** Proper channels for gathering stakeholders’ feedback and comment
- AD** Whistleblowing policy for employees, clients, and other stakeholders

## INTRODUCTION

Below table summarises the top 3 material topics from the surveys of tenants and employees. 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.

### Top Three Material Topics

Aspect	External Stakeholders – Tenants	Internal Stakeholders – Employees	Overall
<b>Environmental</b>	<ol style="list-style-type: none"> <li>Noise pollution and management</li> <li>Compliance with relevant environmental laws and regulations</li> <li>Air pollutant emissions</li> </ol>	<ol style="list-style-type: none"> <li>Water supply quality control</li> <li>Indoor air quality control</li> <li>Efficient use of resources</li> </ol>	<ol style="list-style-type: none"> <li>Water supply quality control</li> <li>Noise pollution and management</li> <li>Compliance with relevant environmental laws and regulations</li> </ol>
<b>Social</b>	<ol style="list-style-type: none"> <li>Customer privacy</li> <li>Business ethics and integrity</li> <li>Occupational health and safety</li> </ol>	<ol style="list-style-type: none"> <li>Customer privacy</li> <li>Occupational health and safety</li> <li>Employment related issues</li> </ol>	<ol style="list-style-type: none"> <li>Customer privacy</li> <li>Business ethics and integrity</li> <li>Occupational health and safety</li> </ol>

Remark: "Hazardous waste management" was not regarded as a material topic as there is no material hazardous waste generation in the Group'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




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## FOR OUR CUSTOMER — PROVIDING QUALITY PRODUCTS AND SERVICES

The Group prides itself on delivering properties of exceptional quality and standard. It is ensured through the conduct of a quality assurance system covering the construction process from end to end. With our dedication to provide quality properties and services, KDE has established an Integrated Management System including a quality management system with reference to the requirements of 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 quality management system during all stages of construction projects. During the Reporting Year, the Group was not aware of any material non-compliance with applicable laws, regulations and requirements in its business operations in Hong Kong such as Building Management (Amendment) Ordinance and Housing Ordinance. Additionally, there were no cases related to the building works of KDE that resulted in convictions during the Reporting Year.

Stage of Construction	Procedures
<b>Prior to construction</b> 	To illustrate the overall planning and methodology for undertaking construction works, the construction team is required to prepare a project planning handbook according to the Site Operation Manual, and organise pre-construction meetings to ensure the construction site is in an optimal state before construction.
<b>During construction</b> 	<p>To review the overall status of the project from a quality, time, cost, and safety perspective, as well as to discuss on-site issues and mitigation measures, the construction manager schedules routine construction progress meetings with relevant parties, including the project managers and consultants. A site walk is conducted by the project coordinators and quality assurance staff in order to identify quality risks associated with all construction items and to conduct quality checks throughout the construction process. During progress monitoring and reporting, the quality assurance staff witnesses and records any quality non-conformances and communicates with the construction manager on rectification and preventive measures.</p> <p>Furthermore, material quality is tested on-site and meets the consultants' and statutory requirements.</p>
<b>Post construction</b> 	An Electrical and Mechanical ("E&M") team will conduct a series of technical checks to examine the building's E&M equipment and facilities, including Heating, Ventilation, and Air Conditioning ("HVAC"). To further ensure that building quality meets established standards and identified deficiencies have been addressed, quality assurance staff assesses units using an internal rating system prior to handover.

After the construction stage, KDE will hand over the properties to Country House, which 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.

## FOR OUR CUSTOMER — PROVIDING QUALITY PRODUCTS AND SERVICES

### Stage of Service

### Procedures

#### Handover



To ensure the satisfaction of the quality of service in the handover process, Country House establishes a set of guidelines and work processes and provides trainings to ensure that responsible personnel are familiar with the handover procedures.

Once Country House's handover team has taken over the property, we will perform a pre-inspection to ensure the finish meets handover standards. After inspection, the defect report will be sent to KDE for further rectification. Once all rectification works are completed, the property will be accepted by our handover team.

After the handover of the properties to property owners, they can use the mobile application to submit the defect form, then our handover team will follow-up the defects with KDE. If the defect is addressed by KDE and accepted by our handover team, the owner will be informed to conduct acceptance check of rectification items.

To provide warranty on the quality of the properties, a six-month defects liability period will be provided to the owners for defect follow-up works.

Finally, Country House conducts a satisfaction survey with the owners to collect their comments for further improvement.

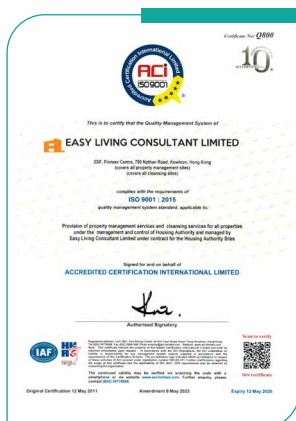
#### Engagement



After the handover, Country House sets up active engagement programmes and continues in communication with tenants and owners. Country House regularly conducts customer surveys to assess their needs, concerns, suggestions and satisfaction with its building and management services. Based on the survey results and feedback, Country House will implement initiatives to ensure tenants and residents' needs and interests are met, which will enhance the Group's reputation and boost its brand recognition.

### ISO 9001:2015 (QMS)

Easy Living has been awarded ISO 9001:2015 (QMS) regarding the provision of property management services and cleansing services for all properties under the management and control of the Hong Kong Housing Authority and managed by Easy Living under contracts for the sites of the Hong Kong Housing Authority.





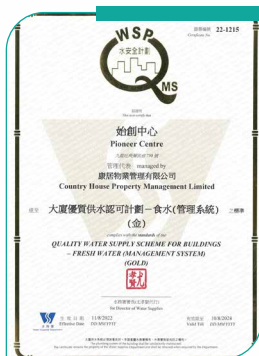
## FOR OUR CUSTOMER — PROVIDING QUALITY PRODUCTS AND SERVICES



### ISO 10002:2018 (CSMS)

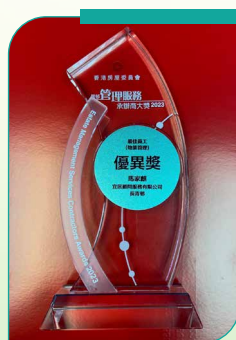
The Group attaches great importance to feedback from tenants and residents. For the properties managed under contracts for the sites of the Hong Kong Housing Authority, Easy Living has implemented ISO 10002:2018 (CSMS) during the Reporting Year. Country House and Easy Living have implemented standardised complaint handling procedures to ensure written requests or complaints to be addressed 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 all complaints received regarding the construction quality, the Group communicated with the contractors to deal with these issues. Due to the Group's business nature, product recall was not relevant to the Group's property development, property construction and property management businesses. During the Reporting Year, the Group did not have any product recall for safety and health reasons from retail business of Soda Mall.



### Quality Water Supply Scheme for Buildings – Fresh Water (Management System): Silver Grade – MacPherson Place Gold Grade – Pioneer Centre NTS Best Security Personnel Awards Presentation Ceremony 2022–2023 The Estate Management Services Contractors Awards 2023

A number of the properties managed by Country House and Easy Living have received various recognitions and awards acknowledging our excellent services rendered, such as Quality Water Supply Scheme for Buildings – Fresh Water (Management System), Kowloon West Best Security Services Awards, Kowloon East Best Security Services Awards, NTS Best Security Personnel Awards, the Estate Management Services Contractors Awards, etc. A full list of the awards received is annexed in Appendix A to the Report.



## FOR OUR CUSTOMER — PROVIDING QUALITY PRODUCTS AND SERVICES



### Project Rampart 2023

In addition, in order to enhance the ability of our property management team to assist in fighting against crime, share information on security matters with relevant stakeholders and participate in holding the exemplary property management personnel award scheme, Easy Living took part in the “Project Rampart 2023” which was jointly organised by the District Fight Crime Committee (Kwun Tong District) and Sau Mau Ping Police District during the Reporting Year. In recognition of our efforts, Easy Living was awarded a certificate of appreciation.

## Protection of Data Privacy

The protection of stakeholders’ confidential data and private information is one of the most essential duties of the Group as it values data privacy in performing business integrity and responsibility. The Code of Conduct clearly sets out regulations and guidelines on how to properly collect customers’ personal data. Employees are required to ensure confidential data are handled by designated employees to avoid unauthorised access, leakage or misuse of such data. During the Reporting Year, the Group was not aware of any material non-compliance regarding data protection laws and regulations such as the Personal Data (Privacy) Ordinance in Hong Kong and the Personal Information Protection Law of the People’s Republic of China.

## Intellectual Property

Due to the Group’s business nature, intellectual property rights are not material to the Group’s operation so that it is not disclosed in the Report.





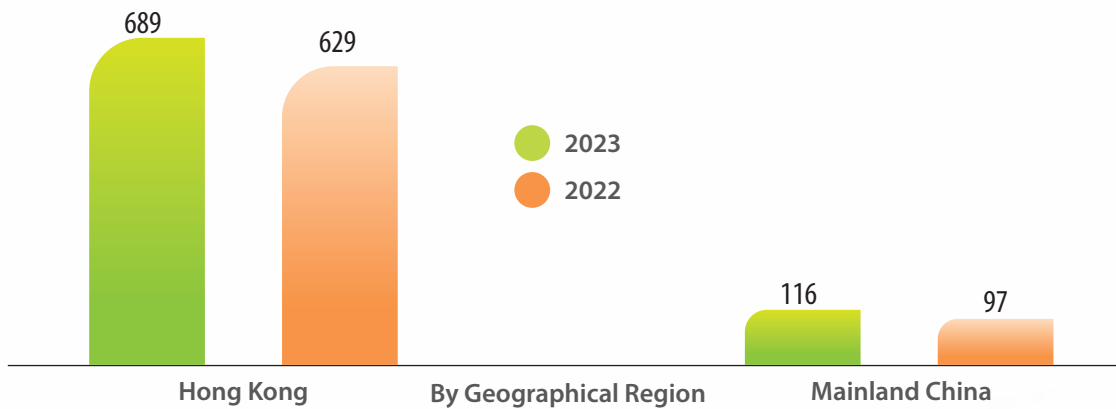
## FOR OUR BUSINESS PARTNER — BUILDING SUSTAINABILITY WITH SUPPLIERS

To deliver sterling properties and services to its customers, the Group not only strictly demands itself in property construction and management, but also expands its standards for sustainability from its own operations to those of our supply chain partners.

Sustainability is the Group's core principle throughout the entire supply chain. The Group actively cooperates with high-quality and responsible contractors for construction works and suppliers of building materials. We evaluate suppliers and tenderers' environmental and social responsibilities during the supplier engagement and tender process in each product development stage. The Procurement Policy sets out the criteria of partner selection during procurement regarding their sustainability performances. The policy encourages our partners to incorporate sustainability into their operations and products, which lowers the risks of adverse impacts from the supply chain to our products, services and reputation.

The Group assesses the reliability and quality of the products and services provided by the suppliers by looking at their levels of experience and financial standings. Priority will be given to the contractors and subcontractors that are aligned with international management system standards during supplier selection. Such standards include ISO 9001 (QMS), ISO 14001 (EMS) and ISO 45001 (OH&S). 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 protection.

### Number of Suppliers, Contractors, Subcontractors and Service Providers





## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

The Group strives to minimise its environmental impacts across operations with the commitment to establish sustainable properties and operations, reflecting the need to safeguard the environment for current and future generations. We advocate for ethical business practices in our interactions with stakeholders and run our operations responsibly. In each of the locations where we conduct business, we make it a priority not only to adhere to all applicable environmental rules and regulations but also to go above and beyond them by implementing best practices that will both lessen our negative environmental impacts and increase climate resilience.



### ISO 14001:2015 (EMS)

For our construction business, KDE makes reference to the requirements of the ISO 14001:2015 (EMS) Standard; while for the properties managed under contracts for the sites of the Hong Kong Housing Authority, Easy Living has implemented ISO 14001:2015 (EMS) in the Reporting Year.

During 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 such as Waste Disposal Ordinance, Water Pollution Control Ordinance, and Noise Control Ordinance. For our property development business in Wuxi and Shenyang, the Group has complied with the relevant environmental standards and regulations of the People's Republic of China, such as the Integrated Emission Standard of Air Pollutants, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant and Noise Limits for Construction Site in the Reporting Year.

The Group is committed to aiding businesses in their journeys towards thriving while transitioning to low carbon emissions. During the Reporting Year, the Group had participated in the Green Deposit Programme for a total of HK\$36,100,000. The green deposits will be used to support accredited green projects such as renewable energy, sustainable waste management, and climate change adaptation.

# FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

## Climate Change

### Governance

Similar to other ESG issues, the Board oversees the climate-related issues while top management monitors and assesses climate-related risks and opportunities as well as develops mitigation and adaptation plans.

### Strategy

The extreme weather events caused by human-induced climate change have become the “new normal”. Typhoons and flooding are therefore considered by the Group to be possible acute physical climate risks that could have a major impact on both the real estate industry and the employee health.

The Group puts in place the necessary measures to lessen any potential effects of the extreme weather. For instance, the Group would send advance alerts to the impacted buildings under our management and recommend relevant actions to be taken. Other precautionary measures during the extreme weather are as follows:



Secure and fasten the works, bamboo scaffolding, working platforms and temporary structures



Fasten all loose materials or move them to a protected area



Inspect the pumping system and remove any blockages to drainage outlets and channels



Pile up sandbags at the entrance



Demobilise mobile cranes



Display a typhoon signal sign in a conspicuous place of the buildings



Paste protective materials to glass windows and glass doors



Remind tenants and residents to shut the windows and lock the doors securely

The Group also takes notice of the latest updates of climate-related regulations, such as the enhancement of climate disclosures of the Stock Exchange to align with IFRS S2 Climate-related Disclosures (IFRS S2) published by the International Sustainability Standards Board (ISSB) of the IFRS Foundation as potential transition climate risks to the Group. To mitigate the risk of reputational damage resulting from a delayed response, the Group will actively monitor both current and emerging climate-related trends, policies, and regulations on a regular basis.





## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

### Risk Management

The Group adopted its first Climate Change Policy since 2020, which outlines the overall governance strategy to manage climate change risks and develop tactics to lessen the impact of climate change on its operations. The Group constantly reviews the policy and continues to update its measures and disclosures. It also entails formulating plans to:

- reduce carbon footprint by enhancing energy efficiency and reducing energy use;
- conduct climate risk assessment during supplier's selection; and
- assess physical and transition climate risk on business operations of the properties.

The Group is aware of the potential climate risk 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 keep updating its policy on climate change, with the implementation of several mitigation plans and initiatives related to enhancing energy efficiency and reducing carbon emission across the properties under our management.

### Metrics and Targets

The Group disclosed the scope 1 and scope 2 GHG emissions in the section of "Performance Table". The Group disclosed its GHG reduction targets in the section of "Energy Consumption and GHG Emissions".

## Energy Consumption and GHG Emissions

Energy use and related GHG emissions make up the majority of the Group's carbon footprint. We pledged to combat climate change by voluntarily reducing the GHG emissions and energy usage that are under our control.

### Existing Targets set in 2021

By the end of 2023, all residential properties under Country House's management in Hong Kong will increase investment in energy-efficient equipment, such as partially installing energy-efficient lighting instead of conventional lighting for all the residential properties.

We will encourage the offices and buildings under our management to sign up for the Energywise Certificate programme, which was established by the Government of the Hong Kong Special Administrative Region, in order to lower energy consumption and increase awareness of energy conservation. By the end of 2023, we hope to be a part of the programme for at least eight of our managed properties.

### Actual Progress

By the end of the Reporting Year, all of our residential properties under Country House's management have partially installed energy-efficient lighting instead of conventional lighting.

As at 31 December 2023, ten of our managed properties have obtained the Energywise Certificate.

## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

### New Targets set in 2023



-  We will partially install electric appliances with Grade 1 energy efficiency label under the Mandatory Energy Efficiency Labelling Scheme (“MEELS”) of the Electrical and Mechanical Services Department (“EMSD”) for all flat units of the new developed properties by the end of 2030.
-  By the end of 2030, all new developed properties in Hong Kong will be partially equipped with energy-efficient equipment, such as energy-efficient lighting instead of conventional lighting.
-  To attain BEAM Plus certification for our new development project at No. 6 High Street.
-  To voluntarily install electric vehicle charging facilities in the carpark of our new development project at No. 35 Clear Water Bay Road.

In order to reduce our carbon footprint and achieve the targets, 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 alongside the Environmental Protection Department (“EPD”) and in conjunction with a number of other organisations. Organisations applying the certificate are required to demonstrate their commitments 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.



The Group encourages the Energywise Certificate programme enrolment at its offices and properties managed by Country House in an effort to reduce energy use and increase energy efficiency. As at 31 December 2023, ten of our managed properties have obtained the Energywise Certificate. More details are set out in the table on page 20 of the Report.

## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

Energywise Certificate for Managed Property	Basic Level	Good Level	Excellent Level
63 Pokfulam			
Cadogan			
MacPherson Place			
Manor Hill			
Mount East			
One East Coast			
Padek Palace			
Pioneer Centre			
Upper East			
Upper West			

### Energy Efficient Appliances and Controls

In order to improve residents' health and well-being, as well as reduce the environmental impact of buildings, efforts have been made to enhance building efficiency and reduce carbon emissions, moving towards a low-carbon net-zero approach.



## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS



### Case Study

#### Manor Hill: BEAM Plus Final Silver Rating



One of the residential properties developed, constructed and managed by the Group, namely Manor Hill, located in Tseung Kwan O, has successfully obtained the Final Silver rating under the BEAM Plus New Buildings (V1.2) certification.

BEAM Plus New Buildings (V1.2) encourages the integration

of environmentally friendly technologies and practices into building projects to reduce GHG emissions and mitigate climate change impacts. The assessment criteria are organised into several categories, including site aspects, materials aspects, energy use, water use, indoor environmental quality, and innovations and additions.

Manor Hill has installed the following equipment in residential units, clubhouse, and parking lots:

- Energy meters to independently monitor the electricity consumption of the HVAC system's air supply in public areas or common spaces; and
- Energy meters to measure the electricity consumption in public spaces or public areas.

The Group provides an "Energy Management Manual" for major building equipment systems to ensure their high-level operational efficiency. Energy-efficient appliances

such as induction cookers, electric water heaters and thermo ventilators are used. CLP has also installed smart meters for residential units, allowing residents to access their electricity consumption data through a mobile application. Additionally, all parking spaces in the parking lot are equipped with electric vehicle charging facilities.

In the 1,556 residential units, 82.1% of the provided electrical appliances are certified under the EMSD's MEELS as having Grade 1 or Grade 2 energy efficiency, as well as water-efficient devices that are certified under the Water Efficiency Labelling Scheme (WELS) as having Grade 1 or Grade 2 water efficiency.

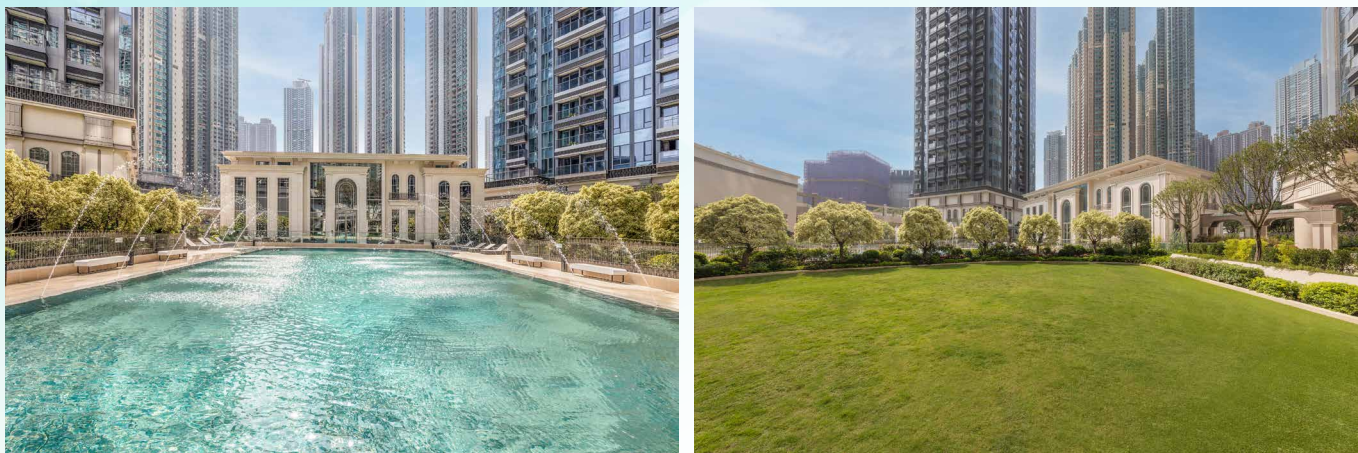
Except for energy saving and water saving measures, the building design incorporates measures to reduce the potential transmission of harmful bacteria, viruses, and odours. The Group conducted additional water sample tests on Legionella bacteria for selected residential units in the property, and all samples passed the test.

Manor Hill has achieved significant results through the aforementioned measures. Significant energy savings are achieved via a more energy efficient air conditioning system and lighting system in the residential and clubhouse portion. While a reduced energy consumption is achieved via the lighting and ventilation system in the carpark areas compared to the baseline case. The following benefits assessment is based on a comparison with the baseline model in accordance with the Building Energy Code 2018 and BEAM Plus requirement, specifically focusing on the Building Energy Efficiency criteria:

Operation	Annual CO <sub>2</sub> Reduction	Peak Electricity Demand Reduction	Annual Potable Water Saving	Annual Sewage Reduction
Residential	24.0%	30.9%		
Clubhouse	23.4%	21.2%	46.97%	50.26%
Carpark	42.7%	42.7%		

Generally, these assessments highlighted the positive environmental impacts achieved by adhering to the BEAM Plus certification programme. The reductions in energy consumption contribute to resource conservation, lower GHG emissions, and a more sustainable built environment.

## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS



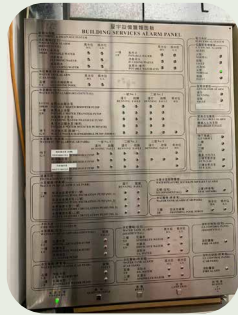
Scenic View of Manor Hill

Besides, several buildings managed by Country House have incorporated timer and motion sensor controls for lighting equipment at typical floor, carpark, and other public spaces to reduce electricity consumption. After regular business hours, lifts and escalators in the buildings under our management are either partially closed or automatically switched to standby mode. In order to facilitate electric vehicle charging, we have also installed electric vehicle charging facilities in some of our parking lots. In addition, Gardenia which is managed by Country House, has joined the Feed-in Tariff (FiT) Scheme launched by CLP and installed a solar photovoltaic (“PV”) system on the rooftop for generating renewable energy. Solar is a clean and renewable source of energy, which can help to reduce the GHG emissions and electricity costs.

Most properties under Country House’s 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.

## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

**Building Management System (BMS)**



**Electric Vehicle Charging Facilities**



**Solar PV System**



**All-Electric Home**

To advance our efforts in reducing energy consumption, Country House has undertaken a significant initiative to enhance energy efficiency by replacing “high-pressure sodium lamps” with “LED canopy lights” along the carriageway of the Pioneer Centre Carpark (from G/F to B3/F). The replacement project commenced in December 2023 and was successfully completed in January 2024. A total of 32 lights were replaced as part of this initiative. The transition to LED lights is expected to achieve the result in fair energy savings, with an estimated monthly reduction of around 2,880 kWh.



## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS



Carriageway of the Pioneer Centre Carpark

In addition, our Wuxi office took a significant step towards sustainability by replacing approximately 560 traditional lights with energy-efficient LED lighting at the common areas and basement of the Group's property development in Wuxi during the Reporting Year. This initiative not only demonstrates our commitment to reducing energy consumption but also contributes to a more environmentally friendly workplace.

For the energy consumption in Hong Kong and Mainland China, as well as the GHG emissions of the Group, please refer to the section of "Performance Table".

# FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

## Noise Control

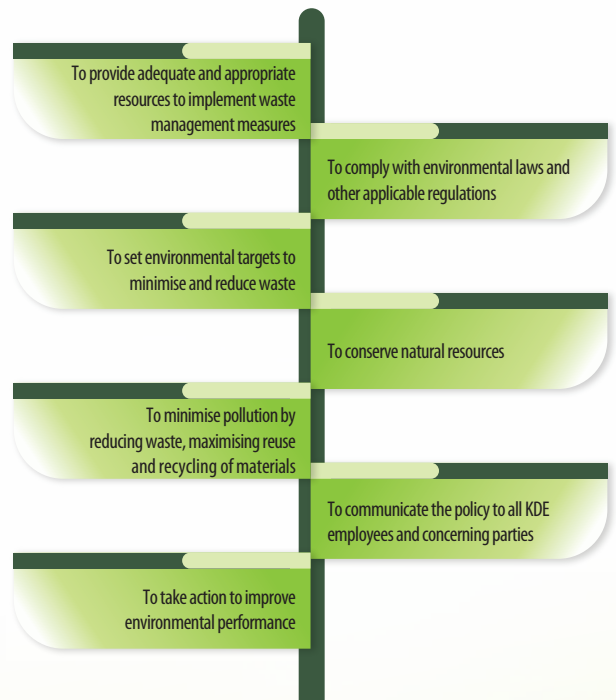
In noise pollution and management aspect, during the construction process, KDE strictly follows its Procedure Handbook on noise pollution control. Relevant licences, including Construction Noise Permit, Quality Powered Mechanical Equipment Registry with the EPD, and Noise Emission Label are obtained to comply with relevant laws and regulations. We identify potential construction noise issues and set up noise monitoring stations during the commencement of the projects. Meanwhile, principles and procedures of mitigation measures, corrective and preventive actions regarding noise control are explicitly stated in the Procedure Handbook for our employees to follow. In addition, we have established a company-wide Noise Control Management System to guide the management of projects in respect of controlling noise from the execution of the construction works.

## Waste Management

Waste stewardship is an important part of our environmental management process and responsible consumption promotion. The Group is dedicated to implementing sustainable waste management practices for our offices, construction sites, retail shops and property management premises. As demonstrated in the Environmental Plan, KDE establishes and implements 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.

With the upcoming implementation of the MSW Charging Scheme on 1 August 2024, Country House, our property management company, will discontinue the distribution of free garbage bags for most of the residential properties under its management, which is previously subsidised through the monthly management fee. The scheme aims at creating a financial incentive for individuals and businesses to reduce waste generation, separating recyclable materials, and adopting more sustainable waste management practices. The Group will stay updated on any changes or updates related to the MSW Charging Scheme through official channels and offer guidance on waste reduction and recycling strategies to encourage residents to adopt sustainable practices.

### KDE Waste Management Policy



## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

### Existing Targets set in 2021

1. 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 of our managed properties to obtain the certificate.
2. We will install and/or provide recycling facilities for at least fourteen properties under the management of Country House by the end of 2023.

### Actual Progress

As at 31 December 2023, nine of our managed properties have obtained the Wastewi\$e Certificate.

During the Reporting Year, fifteen properties under the management of Country House have been installed and/or provided with recycling facilities.

### New Targets set in

# 2023

1. To recycle 15% of the total construction and demolition wastes accumulated throughout our new development project at No. 6 High Street.
2. To achieve at least 50% annual recycling rate of used/waste papers for the Company's headquarters at the Pioneer Centre by the end of 2030.

### 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. As at 31 December 2023, nine of our managed properties have obtained the certificate. More details are set out in the table on page 27 of the Report.



## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

WasteWi\$e Certificate for Managed Property	Basic Level	Good Level	Excellent Level
63 Pokfulam			
Cadogan			
MacPherson Place			
Manor Hill			
Mount East			
One East Coast			
Padek Palace			
Upper East			
Upper West			

### Waste Management Measures



#### Environmental Training



To improve the awareness of waste reduction and recycling, Country House has organised trainings 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 methods and environmental plan guidelines.



#### Office Operations



To promote recycling among the staff, the Group has set up recycling facilities in the workplace. To educate staff about correct recycling techniques, our Hong Kong headquarters has posted relevant posters from the EPD.

In addition, the Group has invited all departments to join a 6-month "Paper Conservation" competition to encourage paper conservation. The top 3 winning departments were awarded recycled tissue paper and invited to participate in environmental workshops.

## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS

### Construction Business



The Group has developed guidelines for contractors to dispose waste in accordance with laws and regulations, separate and recycle as much as possible in order to lessen the impact of construction waste and wastewater. To avoid water contamination, the Group has also installed temporary drainage and sewage treatment systems.



### 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 pockets, mooncake metallic 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);
- “Vitasoy Beverage Carton Clean Recycling Programme 2022” by Vitasoy;
- “Contact Lenses Plastic Case Recycling Programme” by Green Sense;
- “Glass Container Recycling Charter” by the EPD;
- “Red Pocket Recycling Programme” by Greeners Action;
- “Computer & Communication Products Recycling Programme” by the EPD;
- “Rechargeable Battery Recycling Programme” by the EPD;
- “CNY Pot Plant Recycle Programme 2023” by Environmental Association;
- “Fluorescent Lamp Recycling Programme” by the EPD; and
- “New Year Food Drive 2023” by St. James’ Settlement.

## 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.

For the construction waste discharged for Hong Kong construction projects, please refer to the section of "Performance Table".

## Optimising Water Consumption

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

### Existing Targets set in 2021

For the new residential buildings under our development, we will install flow controllers in the water faucets and plumbing fixtures of the restrooms in the communal areas. We will check water pipes for all of the properties under the management of Country House on a monthly basis, and rectify leakage promptly.

### Actual Progress

Our new residential development project, namely Manor Hill, in Tseung Kwan O has achieved the target. Water pipes of all the properties under the management of Country House are checked on a monthly basis and leakages are rectified promptly.

### New Target set in

# 2023

For the new buildings under our development in Hong Kong, we will install flow controllers (e.g. infrared electronic basin mixer) in the water faucets of the restrooms in the communal areas by the end of 2030.

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.

For the water consumption in Hong Kong, please refer to the section of "Performance Table".

## 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



Pioneer Centre, 63 Pokfulam, MacPherson Place and Upper East have signed up for the “Charter on External Lighting” launched by the Environment and Ecology Bureau (“EEB”) to reduce light pollution and energy consumption.



#### Earth Hour 2023



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 25 March 2023 to promote energy conservation and sustainable living.



#### Energy Saving Charter 2023

The Group continues to fulfil its pledge towards energy reduction in all public areas and 23rd Floor of the Pioneer Centre by becoming a signatory of EEB’s Energy Saving Charter 2023.





## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS



### Energy Saving Charter on “No ILB”



One of our managed properties, 63 Pokfulam, had signed up to the Hong Kong Government’s Energy Saving Charter on “No Incandescent Light Bulbs (“ILB”)”. We are committed to promoting greener lighting for conserving energy. We pledge to refrain from procuring targeted ILB for general lighting purposes and to adopt more energy-efficient lighting.



### Green Event Pledge



Upper East, one of the properties under Country House’s management has participated in the EPD’s “Green Event Pledge” and is committed to making reference to the EPD’s “A Waste Reduction Guidebook for Large Scale Event Organisers” when organising, co-organising, sponsoring or providing services to events, so as to enhance the environmental performance of the events, and to encourage other relevant organisations to follow suit.



### Commendation Scheme on Source Separation of Domestic Waste



To encourage more people to separate their waste for recycling, several properties under the management of Country House and Easy Living have participated in the “Commendation Scheme on Source Separation of Domestic Waste” by the EPD to minimise the amount of waste requiring landfill disposal. Upper East, Cadogan, MacPherson Place and Cheung Hang Estate received Certificates of Merit for the scheme.



### GREEN COLLECT



To enhance the current recyclable collection services at housing estates to further facilitate residents in practising waste reduction at source and resource recycling, the EPD has launched by phase a one-stop reliable recycling service called “GREEN COLLECT”, for housing estates in 9 districts. Cadogan, one of the properties under Country House’s management, participated in this recycling scheme since 2022, while Sau Mau Ping South Estate and Shun Lee Estate, being the housing estates under Easy Living’s management, received certificates of participation in 2023.

## FOR OUR ENVIRONMENT — MANAGING ENVIRONMENTAL IMPACTS



### Hong Kong Green Organisation Certification

Upper East, one of the properties under Country House's management, was recognised as Hong Kong Green Organisation due to the demonstrated achievements in waste and energy management.



### Umbrella Bags Reduction Accreditation Programme (Gold Level)



Aiming to solve the environmental problem caused by single-use plastic umbrella bags in Hong Kong, we provide umbrella wipers at the entrance of the Pioneer Centre to substitute for the use of plastic umbrella bags in rainy days.



### ESG Pledge Scheme



We had signed the ESG pledge with The Chinese Manufacturers' Association of Hong Kong to make improvement in performance related to environment, social responsibility and governance by making action commitments and working together to create a sustainable future.



### BOCHK Corporate Low-Carbon Environmental Leadership Awards – EcoPartner



Upper East, a property managed by Country House, has obtained the recognition of "EcoPartner" from the BOCHK Corporate Low-Carbon Environmental Leadership Awards 2022, organised by the Federation of Hong Kong Industries (FHKI) and sponsored by Bank of China (Hong Kong) Limited (BOCHK). This recognition highlights our commitment to promoting eco-friendly practices among businesses in Hong Kong to minimise environmental impact.



## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

KDC regards its employees as a cornerstone of its sustainable development. The Group is committed to securing employee rights, fostering employee capacity building, and creating a harmonious and safe working environment.

### Employment Practices

The Group takes a series of measures for anti-discrimination in the workplace. In accordance with applicable local employment laws, the Group has established relevant employment policies based on the principles of integrity, equality and fairness. In terms of recruitment, promotion, internal transfer and resignation, we adopt a merit-based approach to assess employees and each employee is given equal access to opportunities irrespective of gender, religion, race, family status, disability or age. During the Reporting Year, the Group was not aware of any material non-compliance regarding discrimination laws and regulations such as the 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.

The Group promotes respect for labour rights. The employment of child, forced or other illegal forms of labour is strictly forbidden. The Human Resources Department will verify the identification documents of candidates and new joiners before the official appointment. In the Reporting Year, the Group was not aware of any material non-compliance regarding labour laws and regulations such as the Employment Ordinance in Hong Kong and Provisions on the Prohibition of Using Child Labour of the People's Republic of China and Labour Law of the People's Republic of China .

The Group regards the welfare of each employee as the key to promoting employees' productivity and loyalty. In view of this, the Group has been stipulating policies, measures and activities to perpetuate a close-knit culture. The Group offers competitive remuneration packages and fringe benefits to employees. For instance, employees can take out insurance and order food and beverages with staff discount, as well as to enjoy parking privilege on 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 organising staff activities. During the Reporting Year, the Group has arranged various staff activities to reinforce staff connectedness and collaboration. The Mainland China team organised year-end party to celebrate the Spring Festival and gave away gifts for female employees during the International Women's Day.



International Women's Day

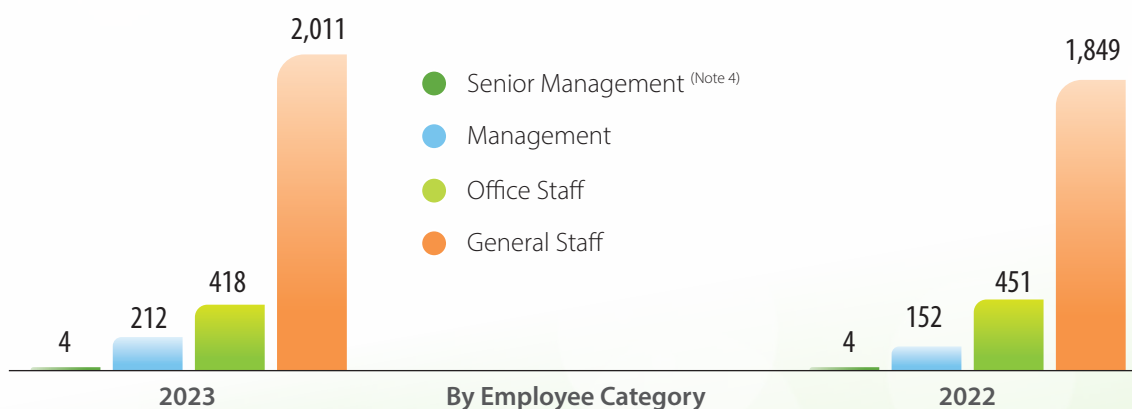
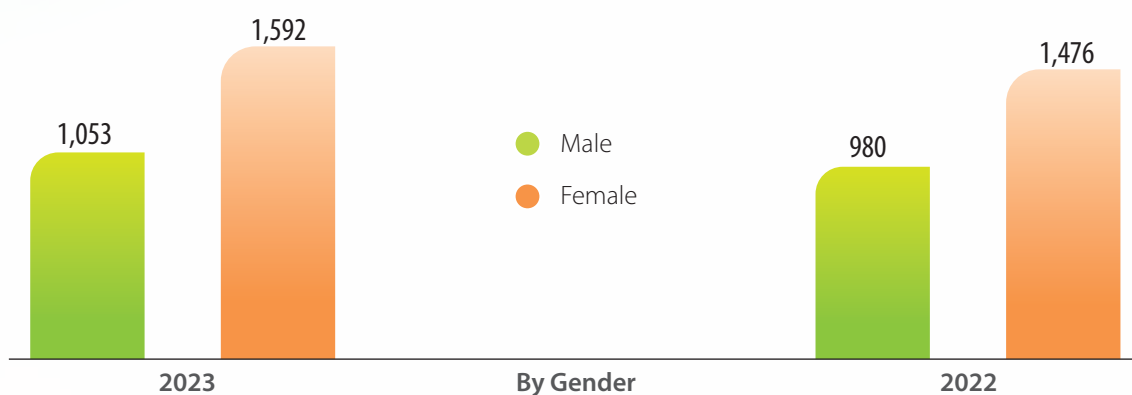
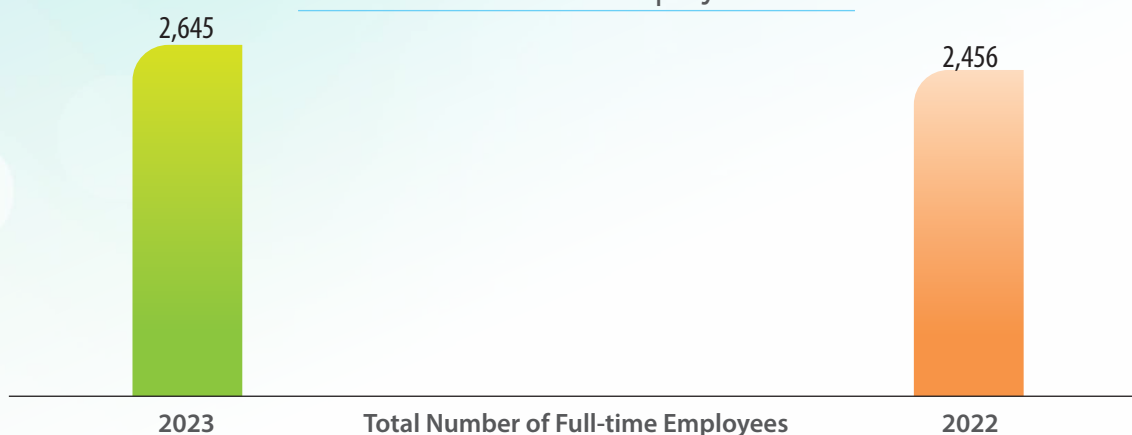


Year-end Party

## 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 2,645, while there were 22 part-time employees <sup>(Note 1)</sup>. During the Reporting Year, the overall turnover rate of full-time employees was 37%. Below is a breakdown of the Group's workforce as at 31 December 2023 and turnover rate <sup>(Note 2)</sup> by gender, age group and geographical region:

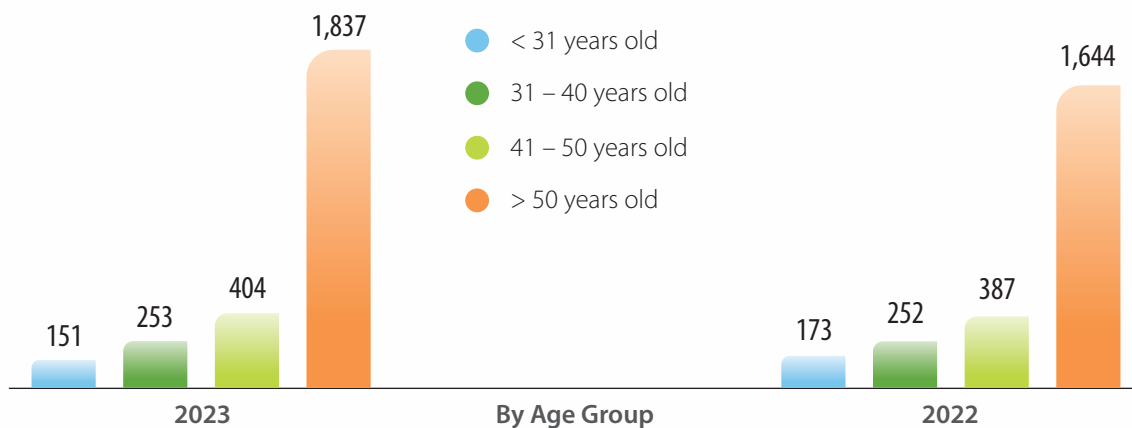
Number of Full-time Employees <sup>(Note 3)</sup>





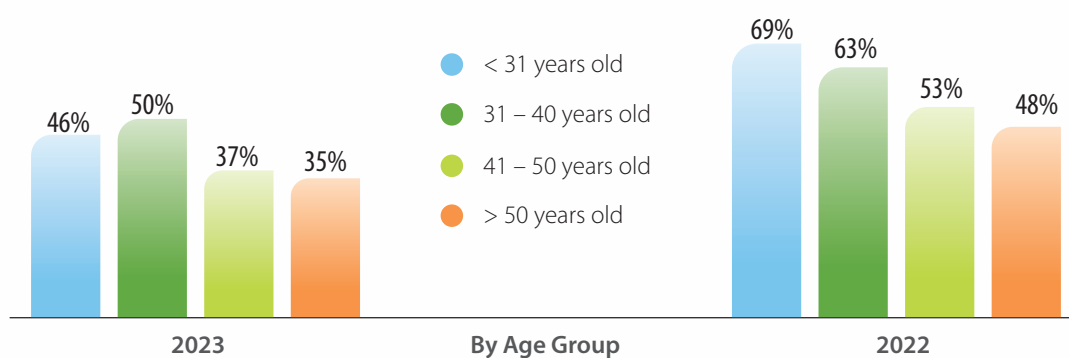
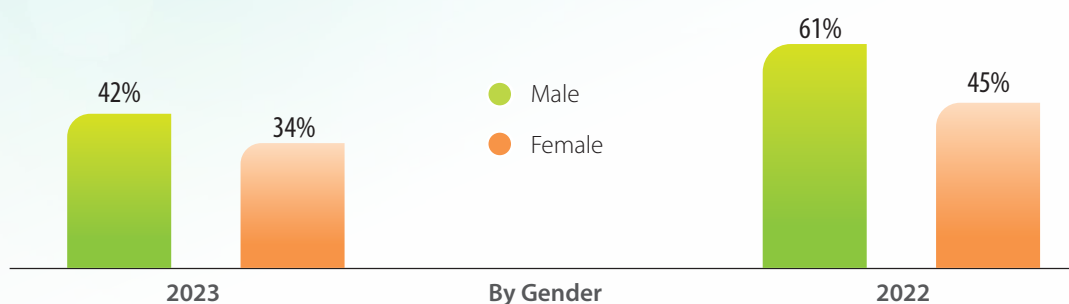
## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

Number of Full-time Employees <sup>(Note3)</sup>



## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

### Turnover Rate





## 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 per 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 2023.

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

Note 5: Shenyang and Wuxi offices are combined as Mainland China.

Note 6: Six management contracts for Easy Living's managed properties ended in 2022 whereas only one management contract for Easy Living's managed property ended during the Reporting Year, the overall turnover rate of the Group decreased in 2023.

Note 7: In Mainland China, the Group underwent the trimming of manpower in 2022 whereas no such exercise was undertaken in 2023 which contributed to the decrease in turnover rate.

### Anti-corruption

With a commitment to business integrity, the Group has established a stringent corporate governance framework. Under the framework, the Code of Conduct has been established to provide guidelines for employees to prevent misconduct such as bribery, extortion, fraud and money laundering. The Group has also adopted the policy on Prevention of Bribery Ordinance to provide sufficient guidance to its employees. In circumstances such as dealing with conflict of interest or acceptance of advantages in any form when they are performing their job duties, the guidelines act as powerful tools and criteria to instruct employees to conduct business integrity. To strengthen employees' anti-corruption awareness and professional ethics, the Group has also conducted approximately 321 hours of anti-corruption training and played an anti-corruption video broadcast for all newly joined employees and provided a training and shared anti-corruption training materials to the directors and department heads of the Company in the Reporting Year.

To further prevent, deter and eradicate unethical behaviours, the Group has established a whistleblowing channel for stakeholders including but not limited to employees and suppliers. The stakeholders are encouraged to report any suspected business misconduct, malpractice or impropriety via the whistleblowing channel. The case nature and personnel involved will be recorded for further investigation and 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 the Prevention of Bribery Ordinance in Hong Kong and the Criminal Law of the People's Republic of China.

## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

### Development and Training

Employee development is highly valued by the Group as it plays an important role in maintaining business momentum and lays the foundation for long-term development. Therefore, the Group offers internal training programmes on various topics and provides subsidies to encourage employees to take external courses.

Apart from regular training, the Group has also provided special training courses that correspond to employees’ interests and roles. During the Reporting Year, our employees have dabbled in the training topics including but not limited to:

Business Nature	Training Topics
<p><b>Property Management</b></p>	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Customer Services</li> <li>• Property Security</li> <li>• Infection Control</li> <li>• Rodent Prevention and Control</li> <li>• Emergency Response</li> <li>• Building Management System</li> <li>• Environmental issues</li> <li>• Personal Data and Privacy</li> <li>• Anti-corruption</li> <li>• Human Resources</li> </ul>
<p><b>Property Development</b></p>	<ul style="list-style-type: none"> <li>• On-site Training</li> <li>• Quality Assurance</li> <li>• Infection Control</li> <li>• Health and Safety</li> <li>• Environmental Recycling</li> <li>• Customer Service</li> </ul>



In recognition of the Group’s achievement in manpower development and training, the Group has obtained the “Manpower Developer” status of the “ERB Manpower Developer Award Scheme” issued by the Employees Retraining Board (ERB) since 2018.

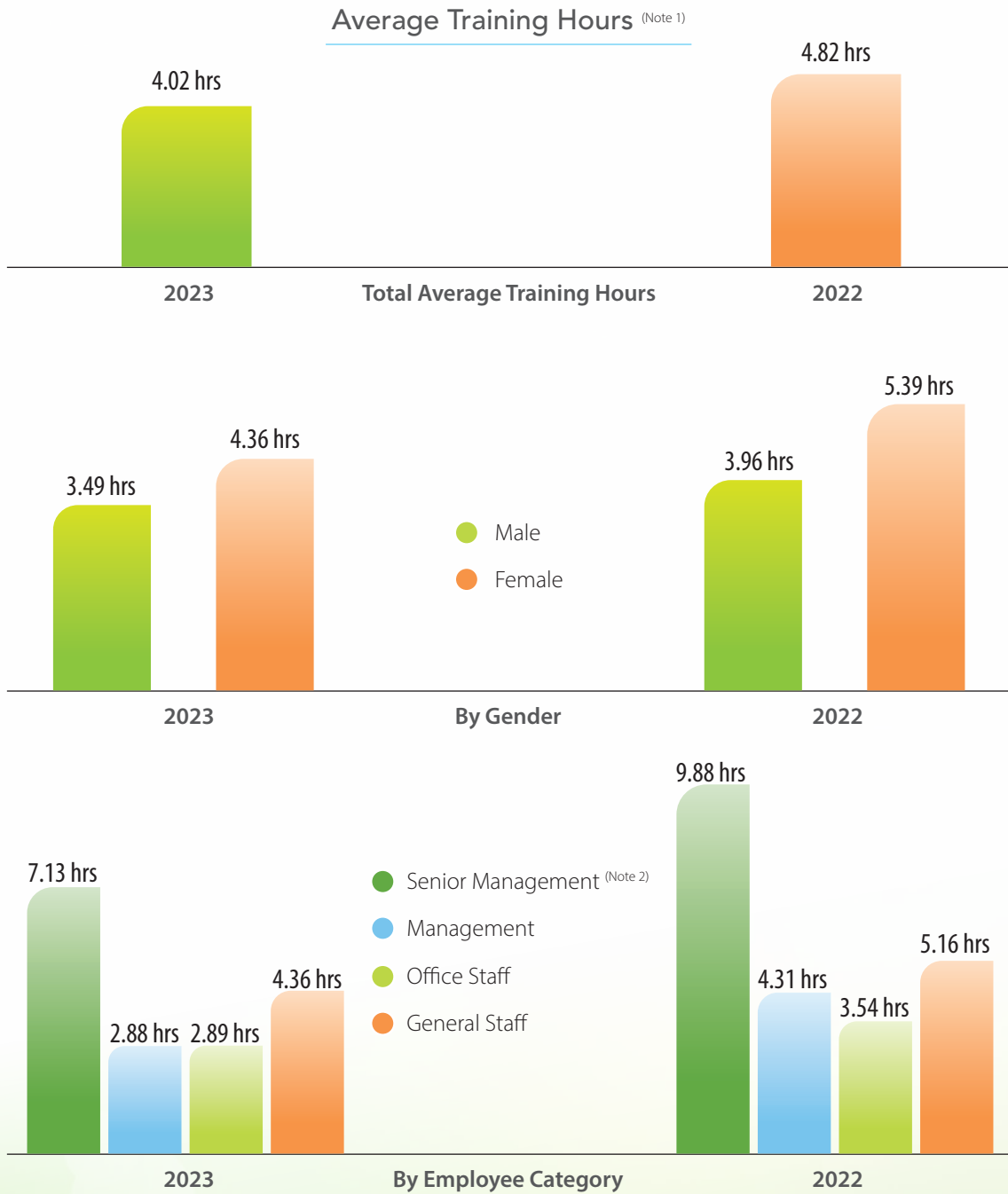
Throughout the Reporting Year, our employees have received an average of **4.02 hours** of training, where **55%** of employees were trained.





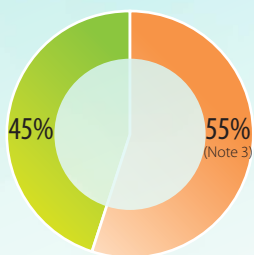
# FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

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



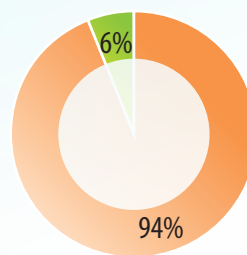
## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

Percentage of Employees Trained <sup>(Note 1)</sup>



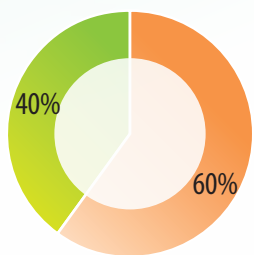
2023

- Untrained
- Trained



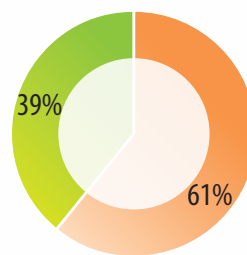
2022

Overall Percentage of Employees Trained



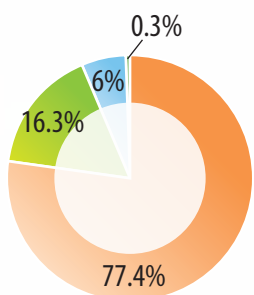
2023

- Male
- Female



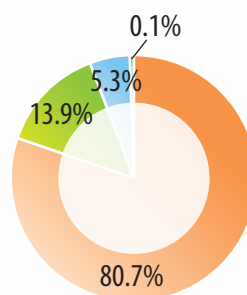
2022

By Gender



2023

- Senior Management <sup>(Note 2)</sup>
- Management
- Office Staff
- General Staff



2022

By Employee Category



## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY

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.

Average training hours for employees in relevant categories =  $TH(x)/E(x)$   
*TH(x) = Total number of training hours for employees in the specified category*  
*E(x) = Number of employees in the specified category*  
Percentage of employees trained =  $T(x)/T * 100\%$   
*T(x) = Employees in the specified category, x, who took part in training*  
*T = Employees who took part in training*

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

Note 3: During the 5th wave of Coronavirus Disease 2019 ("COVID-19") pandemic in 2022, Easy Living provided various training sessions to its frontline property management staff related to pandemic prevention. As the pandemic had already alleviated, fewer pandemic-related training sessions were provided to the frontline staff in 2023.

### Employee Health and Well-being

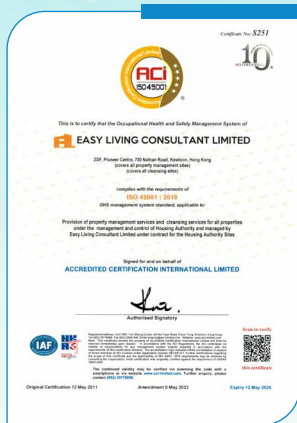
Employees' health and safety is the top priority of the Group. Aiming to minimise potential occupational health and safety hazards, the Group has implemented a range of safety policies, procedures and measures.

KDE makes reference to the requirements of the ISO 45001:2018 (OH&S) that go beyond statutory requirements to effectively manage and reduce the risks associated with the construction site's operations. As stated in the Health and Safety Policy for the construction business, all employees and contractors are required to comply with the statutory requirements to minimise potential occupational hazards. KDE continues to solidify its commitment to occupational health, safety and welfare of all employees, and will review the policy at least annually or when necessary.

Given a relatively higher risk of workplace safety hazards at construction sites, KDE pays particular attention to employees working on construction sites by establishing robust management and control procedures. Striving to provide a safe working environment for employees, KDE sets up the Site Safety Committee (the "Committee") to monitor the health and safety performance across all construction sites. The Committee develops the Accident Improvement Plans to mitigate the incidence of safety hazards. It is also responsible for reviewing the operation procedures and occupational safety management system regularly. All site workers and subcontractors are required to follow the operation procedures. Moreover, all new employees and subcontractors are required to undergo site safety trainings to promote safety awareness. Safety audits are conducted periodically to ensure the safety management systems and safety measures are well-implemented to meet the safety level in the construction sites. During the Reporting Year, the new construction sites of the Group in Hong Kong were under the preliminary foundation stage and had not yet been passed to KDE for management, therefore no safety audit was conducted.

In terms of the office and property management staff, the Group also takes a series of measures to ensure health and safety. The Group has performed regular cleaning and maintained indoor air quality to protect both office-based staff and property management staff. Furthermore, the Group also arranges relevant health and safety trainings for the property management teams. Easy Living has also implemented ISO 45001:2018 (OH&S) in their properties managed under contracts for the sites of the Hong Kong Housing Authority.

## FOR OUR PEOPLE — PROMOTING DECENT EMPLOYMENT AND DIVERSITY



### ISO 45001:2018 (OH&S)

As a result of the effective safety management system for regular monitoring, the Group was not aware of any material non-compliance regarding safety and health laws and regulations such as Occupational Safety and Health Ordinance and Construction Sites (Safety) Regulations 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 4,329 lost days due to 75 work injury cases in the Reporting Year were recorded.

## Response to COVID-19 Pandemic

Following the substantial relief to the COVID-19 pandemic in 2023, most of the local anti-pandemic measures have been lifted and the social and economic activities have been resuming gradually. Despite that, the Group will remain vigilant on any potential outbreak of pandemic diseases and implement responsive measures promptly in order to safeguard the health of our stakeholders.





## FOR OUR COMMUNITIES — SUPPORTING LOCAL COMMUNITIES

In addition to KDC's own community, the Group places a significant emphasis on local community care. The Group has donated HK\$613,398 in Hong Kong and RMB30,000 in Mainland China to several non-profit organisations to promote ecological conservation and assist those in need.

The Group also supports and contributes to a variety of community events and charitable activities.

### Dress Casual Day 2023



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 2023/2024

"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 2023

The Group joined the Skip Lunch Day 2023, which aims to help and bring hope to the needy 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".



### Flag Day 2023



The Group has participated in WWF-Hong Kong's Flag Day 2023 on 24 June 2023, which aims to promote the message of nature conservation. The donations were allocated to protect the precious wetland habitats.

## FOR OUR COMMUNITIES — SUPPORTING LOCAL COMMUNITIES

### Face Mask Donation

Soda Mall had donated 290 boxes of face masks to Hong Kong Student Aid Society in early of 2023 which provides support for children’s residential care services during the COVID-19 pandemic.



### Sponsor for The Hong Kong Institute of Planners (“HKIP”) Awards Presentation Ceremony



As the gold sponsor of HKIP 44th Anniversary Dinner cum HKIP Awards Presentation Ceremony, we wish to raise public awareness in good planning principles and practice, and to encourage pursuit of excellence amongst planners in Hong Kong and Mainland China.

### Bringing Care and Warmth to Lonely Elderly People



Our volunteer team of Wuxi office has been established since 2019, engaging in various community activities. During the Reporting Year, the volunteers prepared heartfelt gifts, provided psychological counselling, and conducted inspections of electrical appliances and wiring in the homes of elderly living alone.

### Warming Hearts Sincerely, Igniting Small Wishes



Volunteers from our Wuxi office collaborated with the Liangxi District – Red Cross Society to facilitate the replacement of stoves for low-income and disadvantaged residents, expediting the replacement of aging gas pipes and stoves for those in need. They also raised awareness about gas safety and encouraged residents to use gas appliances safely.

### Outstanding Contribution Unit for Charitable Donations



In 2023, our Wuxi office was honoured as an “Outstanding Contribution Unit for Charitable Donations” by the Liangxi District Charity Association to highlight the participation in the 2022 charity event co-organised by the Liangxi District Committee and Government.

## FOR OUR COMMUNITIES — SUPPORTING LOCAL COMMUNITIES



### Case Study

#### Lok Sin Tong Social Housing Scheme

Apart from the above community investment activities, KDC supports the LST Housing in the Western District. It aims to provide social housing units with affordable rent and family supporting services for low-income families who are waiting for Public Rental Housing and living in dismal conditions. In 2022, driven by the Housing Bureau with funding, the Group has successfully procured to provide the first twenty housing units with a lease term of two years for the LST Housing. To help more families to have a spacious and warm new home enhancing their standard of living, family harmony and happiness, an additional forty-seven housing units have been passed to LST Housing in 2023.

One of the residents of these units used to live in a cramped 100-square-foot space with her family members in Shau Kei Wan. Sharing a small bunk bed and living nearby a noisy market caused problems and arguments among the siblings. As her children grew up, the living conditions became increasingly unsuitable. Therefore, with assistance from LST, the resident and her family members were able to move into a newly renovated and independent unit in a tenement building. The resident sincerely appreciates the timely help from LST, which brought back the smiles that had been missing for a long time to the faces of the resident and her family members.



To showcase the wide array of social services provided by LST, the inauguration ceremony for the LST Directors was taken place during the Reporting Year. This event included projects we have been involved, such as the LST Housing on Hong Kong Island and the “Tong Lau” project in Kowloon.



Inauguration Ceremony of the LST Directors

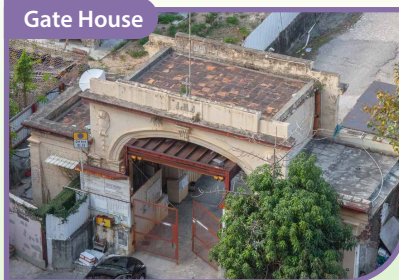
## Historic Buildings Conservation

KDC will undertake the conservation and revitalisation of three Grade II historic buildings of the former St. Joseph’s Home for the Aged, namely Villa, Gate House, and Dormitory A, with a history of 90 to 100 years located at the Group’s Clear Water Bay Road construction site. The design aims to integrate these three historic buildings as the centerpiece of the development, incorporating a semi-circular layout and blending with public recreational spaces. Conservation and revitalisation works will be conducted to preserve the built heritage and social values of the above historic buildings.

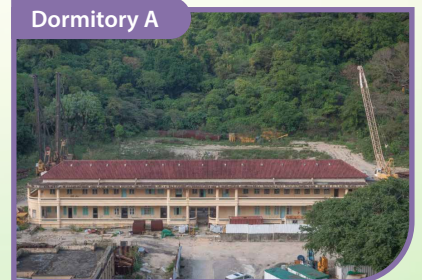
Villa



Gate House



Dormitory A





# FOR OUR COMMUNITIES — SUPPORTING LOCAL COMMUNITIES

## Caring Company

As a testament to our effort on social involvement, each of KDC, KDE, Country House and Easy Living has been awarded the “Caring Company” logo for the fifteenth, fifth, fourteenth and eighth consecutive years respectively. Furthermore, three employees are being nominated as Caring Ambassadors, who actively support and participate in community activities organised by Country House.



**KDC – Caring Company**



**KDE – Caring Company**



**Country House – Caring Company**



**Easy Living – Caring Company**



**Luk Wing Pui – Caring Ambassador**



**Liang Zhi Heng – Caring Ambassador**



**Poon Wai Yee – Caring Ambassador**





# LOOKING FORWARD

As we reflect on our past achievements and the progress we have made in ESG practices, we eagerly turn our gaze to the future. Our unwavering commitment to sustainability drives us as we navigate the challenges and opportunities that await us.

As we embark on this transformative journey towards a sustainable and resilient future, we maintain a steadfast dedication to monitoring and reporting our progress. Through transparent and comprehensive reporting, our aim is to inspire others, share our best practices, and contribute to the collective efforts in constructing a better world for future generations.

Together, let us shape a brighter and more sustainable future, where our actions today lay the foundation for a prosperous tomorrow.



## ENVIRONMENTAL PERFORMANCE DATA

Indicator	Unit	2023	2022
<b>Energy Consumption in Hong Kong</b> <sup>(Note 1)</sup>			
Total electricity consumption	kWh	9,116,110 <sup>(Note 2)</sup>	10,868,117
	Gigajoules ("GJ") <sup>(Note 3)</sup>	32,818 <sup>(Note 2)</sup>	39,125
Total fuel consumption	Diesel, Litres ("L") <sup>(Note 4)</sup>	0 <sup>(Note 5)</sup>	6,360
	Diesel, GJ	0 <sup>(Note 5)</sup>	250
	Petrol, L <sup>(Note 4)</sup>	12,666	11,098
	Petrol, GJ	433	380
Total energy consumption	GJ	33,251	39,755
Total energy intensity	GJ/Total floor area (m <sup>2</sup> ) <sup>(Note 6)</sup>	0.74	0.70
<b>Energy Consumption in Mainland China</b> <sup>(Note 7)</sup>			
Total electricity consumption <sup>(Note 8)</sup>	kWh	865,829	653,817
	GJ	3,117	2,354
Total fuel consumption <sup>(Note 9)</sup>	Petrol, L	19,837	19,023
	Petrol, GJ	678	651
Total energy consumption	GJ	3,795	3,005
Total energy intensity	GJ/Gross Floor Area ("GFA") (m <sup>2</sup> ) <sup>(Note 10)</sup>	0.55	0.50
<b>GHG Emissions of the Group</b> <sup>(Notes 11, 12 &amp; 13)</sup>			
Direct GHG emissions (scope 1) <sup>(Note 14)</sup>	Tonnes CO <sub>2</sub> equivalent ("tCO <sub>2</sub> e")	87	97
Energy indirect GHG emissions (scope 2) <sup>(Note 14)</sup>	tCO <sub>2</sub> e	4,127	4,670
Total GHG emissions	tCO <sub>2</sub> e	4,214	4,767
Total GHG emissions intensity	tCO <sub>2</sub> e/Total floor area (m <sup>2</sup> ) <sup>(Note 15)</sup>	0.08	0.08
<b>Waste Discharged for Hong Kong Construction Projects</b> <sup>(Notes 16 &amp; 17)</sup>			
Construction and demolition waste disposed to landfill	Tonnes	214	1,155
Construction and demolition waste recycled	Tonnes	208	318
Total construction and demolition waste	Tonnes	422	1,473
Total construction and demolition waste intensity	Tonnes/Floor area (m <sup>2</sup> ) <sup>(Note 18)</sup>	0.01	0.12
<b>Water Consumption in Hong Kong</b> <sup>(Notes 19 &amp; 20)</sup>			
Water consumed	m <sup>3</sup>	107,405	110,956
Water intensity	m <sup>3</sup> /Total floor area (m <sup>2</sup> ) <sup>(Note 21)</sup>	0.09	0.09



## PERFORMANCE TABLE

- Note 1: We have reclassified the energy consumption for 2022 based on the “operational control approach” from GHG Protocol – A Corporate Accounting and Reporting Standard, excluding all energy consumptions from the property management premises which the Group could not exercise full management control over the improvement and usage of base building equipment. Data for both 2022 and 2023 consist of the Pioneer Centre (including the headquarters), office of Easy Living, the public spaces of the Elgin (property management premise of Country House that is wholly-owned by KDC), one construction site and five retail shops.
- Note 2: Electricity consumption in 2023 experienced a significant decrease due to the completion of major construction works in Hong Kong and the cessation of operations at two retail shops during the Reporting Year.
- Note 3: 1 kWh = 0.0036 GJ, which is referenced to the Energy Statistics Manual from the International Energy Agency (Annex 3 Units and Conversion Equivalents).
- Note 4: Fuel consumption is inclusive of construction machinery and company-owned mobile vehicles. The 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 5: Diesel consumption in the construction site significantly decreased in 2023 as the main construction works has reached the completion stage by the end of 2022.
- Note 6: Total floor area represents the sum of (i) GFA of the properties under our management with full management control; (ii) the estimated construction floor area of the construction projects; (iii) GFA of the office of Easy Living; and (iv) GFA of the five retail shops in Hong Kong in the respective years.
- Note 7: Data is inclusive of two offices in Shenyang and one office in Wuxi.
- Note 8: In 2022, the operation of offices in Shenyang was affected by the local government’s lockdown policy due to the COVID-19 pandemic, resulting in significantly lower electricity consumption. However, during the Reporting Year, operations resumed to normal, leading to a significant increase in electricity consumption.
- Note 9: Fuel consumption is inclusive of company-owned mobile vehicles.
- Note 10: The denominator represents the GFA of Shenyang and Wuxi offices.
- Note 11: Calculation standards and methodologies for carbon emissions are as follows:
- (a) Methodologies of data collection, calculation and reporting are referenced from “How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” available on the website of Hong Kong Exchanges and Clearing Limited;
  - (b) Emission factors for Hong Kong based operations are referenced from the respective sustainability reports of CLP and HK Electric Investments and HK Electric Investments Limited; and
  - (c) Methodologies for calculating emissions in Mainland China are referenced from the “Regional Baseline Grid Emissions Factor for Emission Reduction Projects in China” issued by Ministry of Ecology and Environment of the People’s Republic of China.



## PERFORMANCE TABLE

- Note 12: The emission of air pollutants, such as particulate matters (PM), nitrogen oxides and sulphur oxides, is insignificant to the Group. Therefore, relevant figures are not disclosed.
- Note 13: We have reclassified the GHG emissions for 2022 based on the “operational control approach” from GHG Protocol – A Corporate Accounting and Reporting Standard. For all property management premises that are not under full management control of the Group, GHG emissions data were reclassified from scope 1 and scope 2 to scope 3.
- Note 14: 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 15: Total floor area represents the sum of (i) GFA of the properties under our management with full management control; (ii) the estimated construction floor area of the construction projects; (iii) GFA of the office of Easy Living; and (iv) GFA of the five retail shops in Hong Kong; as well as (v) GFA of Shenyang and Wuxi offices in Mainland China in the respective years.
- Note 16: The construction and demolition waste figures for 2022 included the waste generated by subcontractors working at a construction site in Hong Kong, while the construction waste figures in 2023 represent waste resulting from defect rectification in each flat unit after it was handed over to the property buyer following the completion of construction by the end of 2022. This difference contributed to the significant decrease as observed.
- Note 17: Office and property management waste figures are not available for disclosure as the Group is currently developing the data collection mechanism to wholly cover all the waste data at its headquarters, offices and property management premises in Hong Kong and Mainland China.
- Note 18: Floor area represents (i) the estimated construction floor area of the construction projects for 2022; and (ii) the GFA of the newly developed properties for 2023 in Hong Kong.
- Note 19: 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 20: The Group sourced its water from the Water Supplies Department (“WSD”) and has no issue in sourcing water in Hong Kong.
- Note 21: 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	2023	2022
<b>Number of full-time employees <sup>(Note 1)</sup></b>			
<b>Overall</b>	Persons	<b>2,645</b>	2,456
<b>By Gender</b>			
<b>Male</b>	Persons	<b>1,053</b>	980
<b>Female</b>	Persons	<b>1,592</b>	1,476
<b>By Employee Category</b>			
<b>Senior Management <sup>(Note 2)</sup></b>	Persons	<b>4</b>	4
<b>Management</b>	Persons	<b>212</b>	152
<b>Office Staff</b>	Persons	<b>418</b>	451
<b>General Staff</b>	Persons	<b>2,011</b>	1,849
<b>By Age Group</b>			
<b>&lt; 31 years old</b>	Persons	<b>151</b>	173
<b>31–40 years old</b>	Persons	<b>253</b>	252
<b>41–50 years old</b>	Persons	<b>404</b>	387
<b>&gt; 50 years old</b>	Persons	<b>1,837</b>	1,644
<b>By Geographical Region</b>			
<b>Hong Kong</b>	Persons	<b>2,539</b>	2,355
<b>Mainland China <sup>(Note 3)</sup></b>	Persons	<b>106</b>	101
<b>By Employment Type</b>			
<b>Full-time</b>	Persons	<b>2,645</b>	2,456
<b>Part-time <sup>(Note 4)</sup></b>	Persons	<b>22</b>	23

## PERFORMANCE TABLE

Indicator	Unit	2023	2022
<b>Turnover Rate <sup>(Note 5)</sup></b>			
Overall	%	37	52
<b>By Gender</b>			
Male	%	42	61
Female	%	34	45
<b>By Age Group</b>			
< 31 years old	%	46	69
31–40 years old	%	50	63
41–50 years old	%	37	53
> 50 years old	%	35	48
<b>By Geographical Region</b>			
Hong Kong	%	38 <sup>(Note 6)</sup>	52
Mainland China <sup>(Note 3)</sup>	%	25 <sup>(Note 7)</sup>	51
<b>Average Training Hours <sup>(Note 8)</sup></b>			
Total average training hours	Hours	4.02	4.82
<b>By Gender</b>			
Male	Hours	3.49	3.96
Female	Hours	4.36	5.39
<b>By Employee Category</b>			
Senior Management <sup>(Note 2)</sup>	Hours	7.13	9.88
Management	Hours	2.88	4.31
Office Staff	Hours	2.89	3.54
General Staff	Hours	4.36	5.16

## PERFORMANCE TABLE

Indicator	Unit	2023	2022
<b>Percentage of Employees Trained <sup>(Note 8)</sup></b>			
<b>Overall</b>	%	<b>55 <sup>(Note 9)</sup></b>	94
<b>By Gender</b>			
<b>Male</b>	%	<b>40</b>	39
<b>Female</b>	%	<b>60</b>	61
<b>By Employee Category</b>			
<b>Senior Management <sup>(Note 2)</sup></b>	%	<b>0.3</b>	0.1
<b>Management</b>	%	<b>6.0</b>	5.3
<b>Office Staff</b>	%	<b>16.3</b>	13.9
<b>General Staff</b>	%	<b>77.4</b>	80.7
<b>Health and Safety</b>			
<b>Work-related fatalities</b>	Case(s)	<b>0</b>	0
<b>Lost days due to work injury</b>	Days	<b>4,329</b>	3,194
<b>Number of Suppliers, Contractors, Subcontractors and Service Providers (By Geographical Region)</b>			
<b>Hong Kong</b>	Number	<b>689</b>	629
<b>Mainland China</b>	Number	<b>116</b>	97
<b>Anti-corruption</b>			
<b>Anti-corruption training hours</b>	Hours	<b>321.0</b>	124.5
<b>Number of concluded legal cases regarding corrupt practices</b>	Case(s)	<b>0</b>	0

## PERFORMANCE TABLE

- 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 2023.
- Note 2: Senior management of the Group is the Executive Directors of the Company.
- Note 3: Shenyang and Wuxi offices are combined as Mainland China.
- Note 4: Part-time employee is one who is under a contract of service to work less than 5 days or 30 hours per week.
- Note 5: 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 =  $L/E * 100\%$   
 $L = \text{Number of employees leaving employment during the Reporting Year}$   
 $E = (\text{Number of employees at the beginning of the Reporting Year} + \text{Number of employees at the end of the Reporting Year})/2$
- Note 6: Six management contracts for Easy Living's managed properties ended in 2022 whereas only one management contract for Easy Living's managed property ended during the Reporting Year, the overall turnover rate of the Group decreased in 2023.
- Note 7: In Mainland China, the Group underwent the trimming of manpower in 2022 whereas no such exercise was undertaken in 2023 which contributed to the decrease in turnover rate.
- Note 8: The calculations of average training hours and percentage of employees trained are according to the ESG Reporting Guide under the quantitative and consistency principles.  
Average training hours for employees in relevant categories =  $TH(x)/E(x)$   
 $TH(x) = \text{Total number of training hours for employees in the specified category}$   
 $E(x) = \text{Number of employees in the specified category}$   
Percentage of employees trained =  $T(x)/T * 100\%$   
 $T(x) = \text{Employees in the specified category, } x, \text{ who took part in training}$   
 $T = \text{Employees who took part in training}$
- Note 9: During the 5th wave of COVID-19 pandemic in 2022, Easy Living provided various training sessions to its frontline property management staff related to pandemic prevention. As the pandemic had already alleviated, fewer pandemic-related training sessions were provided to the frontline staff in 2023.



## APPENDIX A – AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/ Personnel	Award
<b>Kowloon West Best Security Services Awards 2022 (received in September 2023)</b>	Kowloon West Regional Crime Prevention Office, Security and Guarding Services Industry Authority ("SGSIA") and The Hong Kong Association of Property Management Companies ("HKAPMC")	Country House	Upper East	Outstanding Managed Property Award
			Upper East Carpark	Outstanding Managed Public Carpark Award
			Yan Ting Hin	Outstanding Security Personnel Award
			MacPherson Place	Star Managed Property Award
			Gardenia	Star Managed Property Award
			Gardenia Carpark	Best Managed Public Carpark Award
			Padek Palace	Honorable Managed Property Award
			Padek Palace Carpark	Outstanding Managed Public Carpark Award
			Upper West	Double-Star Managed Property Award
			Upper West Carpark	Best Managed Public Carpark Award
<b>Security Services Best Training Award 2023</b>	Security and Disciplined Services Training Board of Vocational Training Council, Hong Kong Police Force and SGSIA	Country House	—	Type 1: Bronze Award
			<b>Kowloon East Best Security Services Awards 2022–2023</b>	Kowloon East Regional Crime Prevention Office, SGSIA and HKAPMC
Ng Wing Kin	The Best Security Guard			

## APPENDIX A — AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/ Personnel	Award
<b>NTS Best Security Personnel Awards 2022–2023</b>	New Territories South Regional Crime Prevention Office, SGSIA, The Hong Kong Security Association and HKAPMC	Easy Living	Kwong Yiu Kwong	The Outstanding Award (Residential)
			Chik Yin Ping	The Outstanding Award (Residential)
			Chin Wai Ming	The Outstanding Award (Residential)
			Li Kuen	The Outstanding Award (Residential)
			Tam Ying Kum	The Outstanding Award (Residential)
			Lam Po Tuen	The Outstanding Award (Residential)
			Lau Yu Kam	The Excellent Award (Residential)
			Pang Kwai Chun	The Excellent Award (Residential)
Chan Yin	The Excellent Award (Residential)			
<b>Kwai Tsing District Outstanding Security Personnel Awards 2023</b>	District Fight Crime Committee (Kwai Tsing District), Kwai Tsing Regional Crime Prevention Office and Kwai Tsing District Office	Easy Living	Mong Siu Ying	Outstanding Security Personnel Award

## APPENDIX A — AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/ Personnel	Award
<b>The Estate Management Services Contractors Awards 2023</b>	Hong Kong Housing Authority	Easy Living	Wu Kim Hung, Bosco	Best Estate Manager (Property Management): Bronze Award
			Ma Ka Ki	Best Property Management Staff (Estate Management): Merit Award
			Lau Kam Chun	Best Property Management Staff (Cleansing): Gold Award
			Hung Yin Fong	Best Property Management Staff (Cleansing): Merit Award
<b>Quality Water Supply Scheme for Buildings — Fresh Water (Management System)</b>	WSD	Country House	Pioneer Centre	Gold
			MacPherson Place	Silver

## APPENDIX A — AWARDS RELATING TO PROPERTY MANAGEMENT SEGMENT

Award Name	Issuing Authority	Awarded Company	Awarded Property/ Personnel	Award
Quality Water Supply Scheme for Buildings — Fresh Water (Management System)	WSD	Easy Living	Cheung Ching Estate (8 buildings and 1 shopping centre)	Blue
			Cheung Hang Estate (6 buildings)	Blue
			Choi Wan (II) Estate (10 buildings)	Blue
			Chuk Yuen (South) Estate (8 buildings)	Blue
			Kin Ming Estate (10 buildings)	Blue
			Ko Cheung Court (5 buildings)	Blue
			Lower Wong Tai Sin (II) Estate (15 buildings)	Blue
			Sau Mau Ping (South) Estate (5 buildings)	Blue
			Shek Mun Estate (6 buildings)	Blue
			Shun Lee Estate (7 buildings)	Blue
			Shun On Estate (3 buildings)	Blue
			Yau Lai Estate (14 buildings)	Blue
Umbrella Bags Reduction Accreditation Program	Greeners Action	Country House	Pioneer Centre	Gold
			MacPherson Place	Merit
Commendation Scheme on Source Separation of Domestic Waste	EPD	Country House	Upper East	Merit
			Cadogan	Merit
		Easy Living	Cheung Hang Estate	Merit