

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



MESSAGE FROM THE CHAIRMAN

Dear Valued Stakeholders,

As the Chairman of the Board of Directors, I am proud and humbled to present our Group's 2023 Environmental, Social, and Governance (ESG) report. This year, we've faced significant global changes, most notably climate change, which has profoundly impacted our lives and business.

In 2023, Hong Kong experienced one of the warmest years on record, with an average temperature of 24.5 degrees. This shift is part of a larger global change, moving from global warming to what United Nations Secretary-General António Guterres calls "global boiling".

In response to the escalating global climate emergency, the Group has adopted a proactive approach in identifying and managing ESG risks and opportunities. Recognizing the urgent need for sustainable practices, we have amplified our pledge towards managing long-term sustainability risks. This involves the modernization of our existing policies, setting ambitious yet achievable goals, and amplifying our efforts towards fulfilling our corporate social responsibilities. Furthermore, we have placed a special focus on advocating for a low-carbon transformation and aimed to improve our carbon emission performance.



In Hong Kong, buildings account for 90% of the city's total electricity consumption, leading to 60% of the city's total carbon emissions. This understanding has led us to promote energy-saving retrofit technologies, as a practical and effective solution to reduce our carbon footprint. We believe that these measures will substantially contribute to the fight against climate change, while also ensuring our sustained growth in the future. By integrating forward-thinking and environmentally responsible practices into our operations, we anticipate not only contributing to fighting against climate change, but also enhancing our position within the competitive marketplace.

At the same time, we have also enhanced our talent management strategies to meet changing business needs by recruiting diverse talent, reviewing our employment, remuneration, and welfare policies, and offering training in business ethics and occupational health and safety.

We continue to prioritize customer privacy, product quality, and cybersecurity, building customer satisfaction and trust. We're also dedicated to corporate social responsibility, especially supporting underprivileged and low-income families.

As we look to the future, we remain committed to sustainable development and dedicated to improving our practices through open dialogue and cooperation with our partners, consumers, and the communities we serve. We believe in the power of collective action to create meaningful change. With our shared vision and unwavering commitment, I am confident that our combined efforts will significantly contribute to a healthier and more sustainable living environment for the entire Hong Kong community.

Finally, I want to express my gratitude to our professional team for their dedication and exceptional performance in 2023. We will continue to use our agile operating model and innovative spirit to meet future challenges.

Chan Hing Tat

Chairman

Hong Kong, 20 March 2024



ABOUT THIS REPORT

Soundwill Holdings Limited and its subsidiaries (“Soundwill” or the “Group”) are pleased to present the 2023 Environment, Social and Governance Report (the “Report”). The Report outlines the Group’s management approaches, policies and practices in environmental, social and governance (“ESG”) aspects for its key stakeholders.

Reporting Boundary

The Report highlights the material ESG performance from 1 January 2023 to 31 December 2023 (the “reporting period” or “year”) of the principal operations of the Group’s building management business, leasing business and property development business in Hong Kong. The reporting boundary remains the same as the previous year. Environmental and social key performance indicators (“KPIs”) are reported for the Group’s principal operating properties. The properties covered in this Report include:

Commercial buildings

- Soundwill Plaza (including Headquarter Office)
- Soundwill Plaza II – Midtown
- 10 Knutsford Terrace
- THE SHARP

Residential buildings

- Park Haven
- Warrenwoods

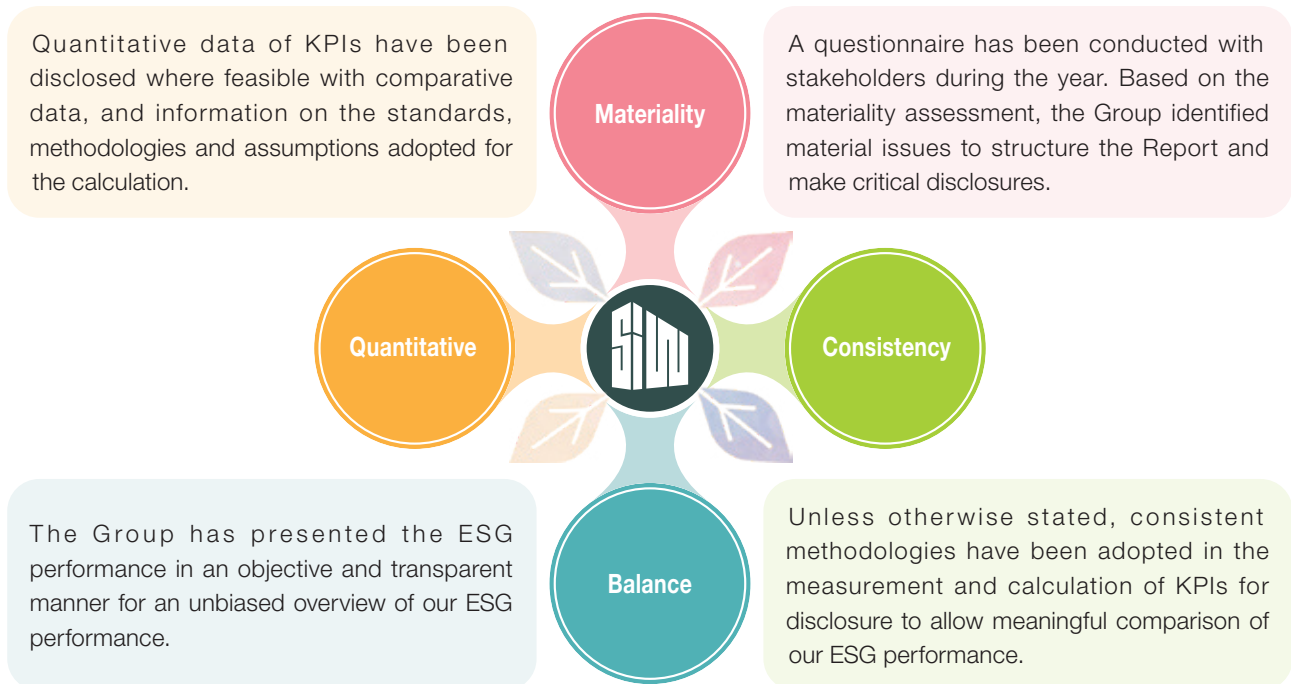
Industrial buildings

- iPLACE
- iCITY



Reporting Standards

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Four reporting principles, including materiality, consistency, quantitative and balance, in the ESG Guide were applied during the preparation of the Report.



Report Approval

The Group acknowledges its responsibility to ensure the accuracy and reliability of the Report. All information in this Report has been sourced from the internal policy documents and statistical data of the Group. The Board has reviewed and approved this ESG Report in April 2024.

Report Publication and Contact

The Report is prepared in both Chinese and English and is available on the websites of Hong Kong Exchanges and Clearing Limited (the “HKEX”) (www.hkexnews.hk) and the Group (www.soundwill.com.hk).

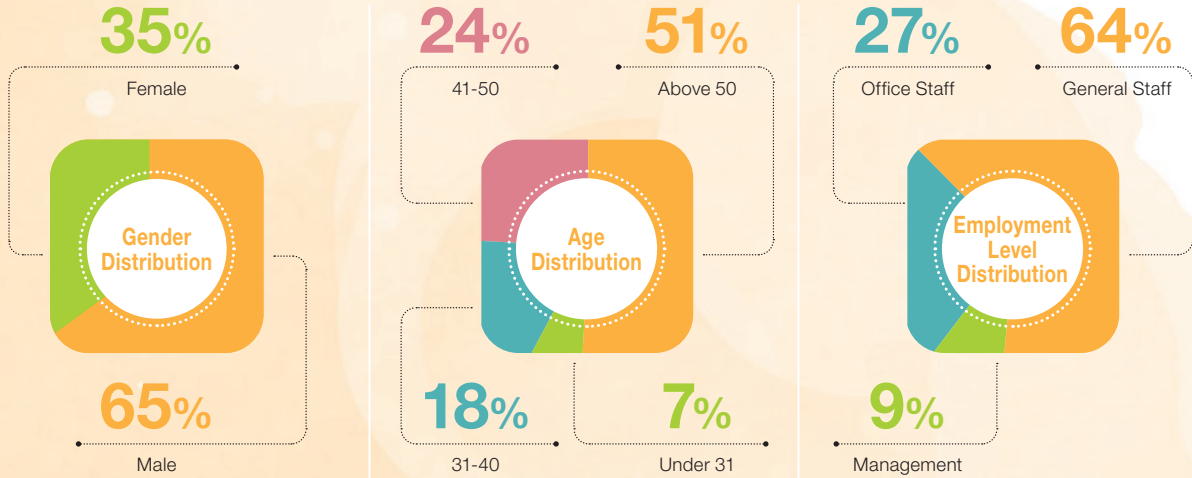
The Group welcomes and values all feedback and suggestions on the Report or its sustainability performance.

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 Tel: 2916 2823
 Address: 21/F, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong

2023 AT A GLANCE

EMPLOYMENT

Workforce distribution



Occupational health and safety



Work-related injuries:

1



Fatalities for 3 consecutive years:

0

CUSTOMERS

Customer Service



Satisfied with tidiness of public area:

98.8%



Satisfied with the overall customer service:

97.6%



ENVIRONMENT

Targets (Base year: 2022)



GHG and air emissions:

- To ensure their emissions are well-aligned with its business growth by 2027



Wastes:

- To ensure its consumption is well-aligned with its business growth by 2027



Energy consumption:

- To reduce the Group's energy consumption intensity by 6% by 2027
- To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027

Performances Highlights



GHG and air emissions:

3,990.38 tCO₂e



Wastes:

7,764.53 tonnes



Energy consumption:

6,675.69 MWh

COMMUNITY

Targets

Focused in



Caring for the underprivileged



Sponsoring NGOs



Engaging the community

Performances Highlights



Engaged with **12** charitable organisations,

and contributed **454** volunteer hours,

over HK\$ **140,000** cash donations and in-kind donations

Contributed on the areas of “Conserving the Environment”, “Caring for the Needy”, “Aiding the Development of Children and Youth” and “Supporting Social Enterprises and Community Organisations”

OUR APPROACH TO ESG

ESG Governance

As a responsible corporate, the Group is dedicated to pursuing sustainable business growth and supporting the interests of various stakeholders. The Group acknowledges the importance of an effective ESG management system in facilitating its strategic and long-term progress and seeks to enhance its ESG performance.

Governance Structure



The Board

The Board, being the highest governance body of the Group, has the overall responsibility for sustainability and climate-related matters, ensuring they are embedded into governance, strategy, risk management and reporting. The Board oversees sustainability and climate-related matters and approves the relevant major decisions.

The Environmental, Social and Governance Committee

With the stewardship of the Board, the Environmental, Social and Governance Committee (the “ESG Committee”) is responsible for managing the Group’s sustainability and climate-related matters. It comprises the management from the Finance & Accounts Department, Legal Department, Property Management Department, Administration & Human Resources Department and Corporate Communications Department. Its roles and responsibilities include:

- monitoring the Group’s ESG performance
- identifying and reviewing the relevancy and materiality of the ESG issues for the Board’s oversight
- formulating policies and measures for managing ESG and climate-related issues
- conducting regular discussions and reviews of the progress and effectiveness of the work
- provide updates to the Board on key matters

The Energy Saving Team and Building Management Team

The Energy Saving Team is in charge of implementing energy-related ESG policies and measures, as well as gathering relevant data for analysing the impacts of these implementations. Additionally, it collaborates with the Building Management Team to assess and report on important ESG trends, comparing them to industry peers in terms of ESG risks, opportunities, and new advancements in order to progressively improve the Group’s ESG performance.

Overview of Work Conducted by the ESG Committee in 2023

Focus	Jun 2023	Sep 2023
ESG Performance Review	✓	✓
ESG Reporting	✓	✓
Climate Change		✓
Energy	✓	✓
Employee Training	✓	✓
Occupational Health and Safety	✓	
Anti-corruption	✓	✓

Training for Enhanced ESG Knowledge and Expertise

To enhance the overall knowledge, skills, and expertise of the Board on sustainable development, the Board has been undergoing regular training on ESG issues and business ethics. This ensures that the Board remains updated and well-informed about the current strategic matters and business developments that could potentially affect the company and its operating market.

ESG Policies

As part of our dedication, we have implemented a set of ESG policies and have put in place a thorough system for monitoring and reporting. All business operations and employees at all levels are expected to adhere to these policies. These policies are reviewed from time to time by the ESG Committee. For example, the Board has approved the Health and Safety Policy after carefully review to further enhance the employees’ working environment and conditions.

ESG Strategy

We are dedicated to incorporating the ESG into all aspects of our business and operations. A ESG strategy with targets that align our key ESG focuses on People, Community, Customers, and Environment have been established across 4 aspects: “Retaining talents with heart”, “Protecting the environment with heart”, “Building communities with heart”, and “Serving the Public with heart”. This serves as a roadmap that guides the Group and its employees on constant ESG improvement and resources allocation.

Environment — Protecting the Environment with Heart	
<p>Focus areas:</p> <ul style="list-style-type: none"> • Energy • Waste • Supply chain risk management 	<p>Target:</p> <ul style="list-style-type: none"> • Closely monitor the market trend to reduce waste and promote waste production • Timely review the procedure and criteria of procurement and assessment of suppliers
<p>Strategy:</p> <ul style="list-style-type: none"> • Gradually reduce carbon footprint • Promote green lifestyle through public channels • Continue to develop mobile application and implement e-marketing strategies • Maintain a high standard management system of suppliers 	<p>Highlights:</p> <ul style="list-style-type: none"> • Air emissions decreased more than 70% in 2023, compared with that in 2022.

People – Retaining Talents with Heart	
<p>Focus areas:</p> <ul style="list-style-type: none"> • Health, safety, and well-being • Training and development 	<p>Target:</p> <ul style="list-style-type: none"> • Gradually expand the scale of e-learning
<p>Strategy:</p> <ul style="list-style-type: none"> • Promote a self-enriching working atmosphere to boost the work quality and performance • Maintain a healthy and safe working environment 	<p>Highlights:</p> <ul style="list-style-type: none"> • Frequently provided online self-training materials to employees platforms • The Board has been undergoing regular training on ESG issues and business ethics

Customers – Serving the Public with Heart	
<p>Focus areas:</p> <ul style="list-style-type: none"> • Customer satisfaction and safety 	<p>Target:</p> <ul style="list-style-type: none"> • Achieve high satisfaction in major buildings
<p>Strategy:</p> <ul style="list-style-type: none"> • Provide high standard of customer service 	<p>Highlights:</p> <ul style="list-style-type: none"> • In 2023, a customer satisfaction survey at Soundwill Plaza and Midtown yielded 590 valid responses. Around 98% strongly agreed on the cleanliness of public areas and overall satisfaction with customer service.

Community – Building Communities with Heart	
<p>Focus areas:</p> <ul style="list-style-type: none"> • Business ethics and integrity • Whistleblowing • Community investment 	<p>Target:</p> <ul style="list-style-type: none"> • Annually review the strategy and status of community investment
<p>Strategy:</p> <ul style="list-style-type: none"> • Engage with charitable organizations to organize events for supporting underprivileged families and advocating environmental protection • Strategically contribute resources to community • Regularly review the whistle-blowing policy 	<p>Highlights:</p> <ul style="list-style-type: none"> • Continued to work with different NGOs to help the needy in the community • Reviewed the Group’s community investment strategies to ensure positive impacts can be brought to the community effectively

ESG Risk Management

The Board is responsible for maintaining an appropriate and effective risk management and internal control systems to sustain the Group's business operations. With the support of the Audit Committee, the Board has evaluated the annual risk assessment which identified respective strategic risks, operational risks, financial risks, compliance risks, as well as ESG risks, of the Group. The ESG risks identified during the year include:

Risk Factors	Potential Impact	Our Response
Natural Disaster Risk	The risk of extensive damage in properties and facilities caused by extreme weather phenomenon, such as storm, flood, landslide, due to climate change may impact the Group's ability to manage and sustain operation.	The Group has created contingency plans for business continuity and secured suitable insurance coverage for various disaster scenarios. This is to manage and maintain its property management and construction businesses.
Employees' health and safety	There are different safety hazards in offices and on sites, which could result in employee injuries or, in severe cases, permanent injury or death especially if a safety incident occurs during the construction process.	The Group has established an Occupational Safety and Health Policy Statement to ensure that employees' working environments meet its health and safety standards. Regular due diligence surveys are conducted to assess environmental and social risks such as working hours, temperature, toxic and hazardous substances, noise, and dust. Additionally, public liability insurance is in place to protect employees against legal liability for bodily injuries.
Cyber and data security	Our daily operation involves a large amount of confidential information, including financial information, customer personal data, etc., also increases the risks of our systems being attacked by viruses or hackers' networks.	The Group has implemented a robust system for managing and assessing cyber and data security risks. The Group utilises cyber security defense tools such as network monitoring, hacker detection, and hardware firewalls. These measures are designed to prevent corporate data or customer privacy data from being leaked as a result of network incidents.
Supply chain management	Overreliance on a single supplier and a limited selection of suppliers may lead to unreasonable purchase prices of the building materials, building services equipment and higher cost of sales.	The Group has established a diverse and comprehensive tender and supplier selection process to reduce supply chain risks. Moreover, expanding the tender list and re-tendering could promote fair competition.
Environmental legislation related risks	If the Group violates the relevant legal and regulatory requirements, it may face penalties, such as suspension of works, fines, imposed by the government, resulting in financial losses to the Group.	The Group consistently ensures compliance with relevant laws and regulations. As an example, they have obtained a Water Pollution Control Ordinance license. This ensures that their sewage discharge process aligns with the requirements of the Water Pollution Control Ordinance.

Please refer to the Annual Report's "Corporate Governance Report" section for more information on the Group's corporate governance practices.

Stakeholder Engagement

We believe in engaging stakeholders to enhance its ESG performance and risk management, and to advance our business and sustainable development. We consistently involve our stakeholders to comprehend their aspirations, needs, and concerns, and to take their opinions into account in our daily operations. With this in mind, we can refine our strategic priorities and current practices to align with our business practices. Throughout the year, the Group maintained interaction and communication with key stakeholder groups through the different channels.



Employees

- Annual performance review
- Regular meetings
- Surveys
- Employee activities
- Intranet
- Internal publications and newsletters



Shareholders and Investors

- Annual and interim reports, financial statements, and announcements
- Annual General Meeting
- Corporate website
- Investor relations enquiry hotline and email
- Press releases



Customers

- Surveys
- Communication with frontline employees
- Customer service hotline and email
- The Soundwill Club mobile application
- Social media platforms




Tenants

- Meetings
- Surveys
- Customer service hotline and email
- Communication with frontline employees



Suppliers, Vendors and Service Providers

- Surveys
- Continuous direct communication
- Performance review and assessment



Media

- Interviews
- Press releases and conferences
- Media enquiry hotline and email

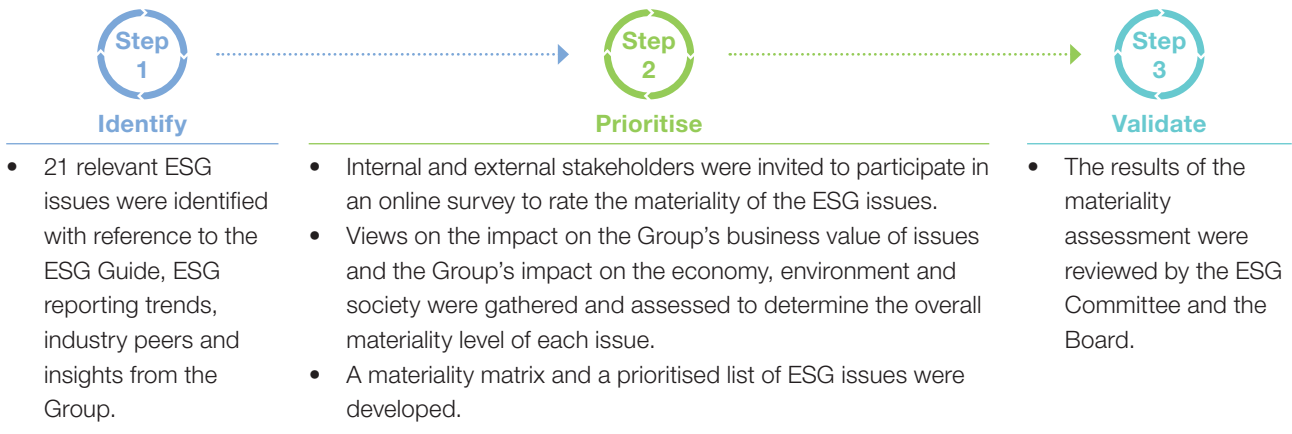


Community and Non-governmental Organisations

- Community investment initiatives
- Events, activities and exhibitions
- Press releases and conferences
- Corporate website
- Social media platforms

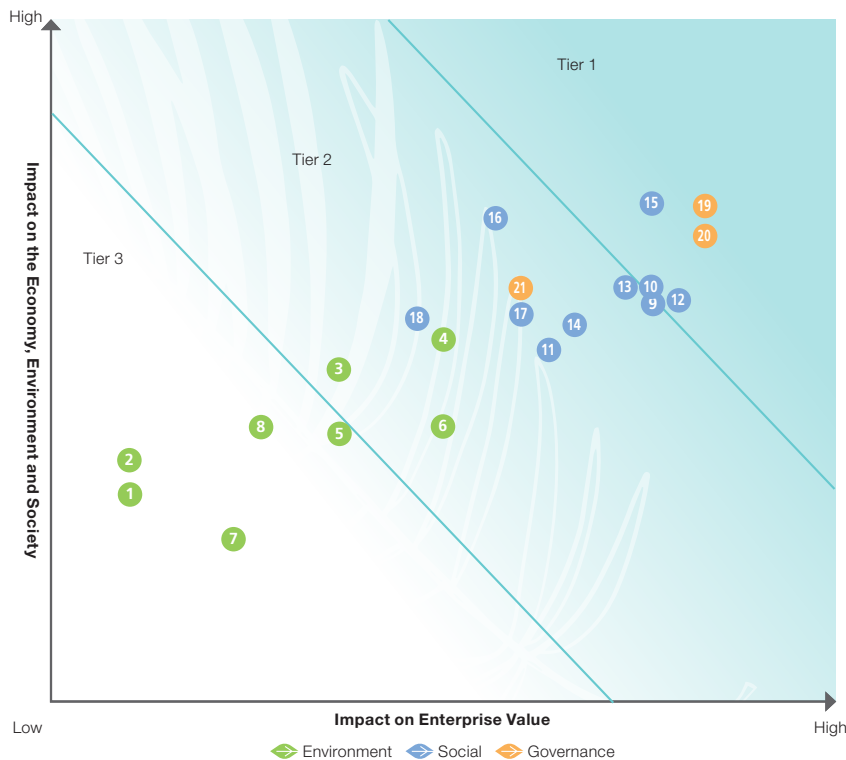
Materiality Assessment

In this year, we adopted a three-step approach to materiality assessment, which was facilitated by an independent third-party consultancy. The approach was refined and applied the concept of double materiality, which takes into account both financial and impact materiality. The results assist us in identifying the ESG issues that are important to our business strategy and decision making.



The matrix below illustrates the overall materiality level of the 21 ESG issues by plotting the views on the impact on the Group’s business value of issues and the Group’s impact on the economy, environment and society. The issues in the top right corner were considered as most material to the Group, and thus were focused for reporting in this Report.

Materiality Matrix



With the new materiality assessment approach, 5 issues were identified as material this year. Business Ethics and Integrity, Compliance Management, Privacy and Data Security, Occupational Health, Safety and Well-being, and Training and Development, were the most material issues.

Issue (in descending order of materiality)		Tier	Materiality
19	Business Ethics and Integrity	1	Material
20	Compliance Management	1	
15	Privacy and Data Security	1	
12	Occupational Health, Safety and Well-being	1	
10	Training and Development	1	
9	Employment Practices	2	Moderate
13	Human Rights and Labour Standards	2	
16	Responsible Marketing and Labelling	2	
14	Product and Service Quality and Safety	2	
21	Protection of Intellectual Property Rights	2	
17	Responsible Supply Chain Management	2	
11	Diversity and Equal Opportunity	2	
4	Energy	2	
18	Community Engagement and Investment	2	
6	Materials	2	
3	Waste	2	
5	Water	3	Monitored
8	Climate Change and Resilience	3	
7	Biodiversity	3	
2	Greenhouse Gas Emissions	3	
1	Air Emissions	3	

Material Issue	Relevant Section in the Report
Business Ethics and Integrity	Business Ethics
Compliance Management	Business Ethics
Privacy and Data Security	Customer
Occupational Health, Safety and Well-being	People
Training and Development	People

ENVIRONMENT



With the ongoing global and local environmental movement, the Group is committed to assessing its role and planning for the significant sustainability challenges faced by the environment. To achieve a sustainable future, the Group pledges to continuously explore solutions to tackle and resolve environmental issues, as outlined in our Environmental Policy Statement. We have implemented several environmental policies and initiatives to address areas such as greenhouse gas emissions (“GHGs”), natural resource usage, and climate change mitigation.

The Group set environmental targets covering a range of aspects to demonstrate and drive its commitment to improving its environmental performance. The environmental targets and progress are shown below:

Aspect	Target	Progress in 2023
GHG and air emissions	<ul style="list-style-type: none"> To achieve 6% reduction in the Group’s GHG emissions intensity by 2027 To closely monitor the amount of GHG and air pollutants generated to ensure their emissions are well-aligned with its business growth by 2027 To incorporate “low carbon” elements into the Group’s investment strategies and criteria by 2027 	<ul style="list-style-type: none"> Air emissions decreased more than 70% in 2023, compared with that in 2022 The total GHG emissions, waste generation and energy consumptions in 2023 are resulted in slight increases, primarily due to the intensive construction activities carried out during the year when construction was at its peak. This is temporary and is expected to decrease in the future
Wastes	<ul style="list-style-type: none"> To closely monitor the amount of waste generated (e.g., paper) to ensure its consumption is well-aligned with its business growth by 2027 	
Energy consumption	<ul style="list-style-type: none"> To reduce the Group’s energy consumption intensity by 6% by 2027 To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027 	

Carbon and Energy Management

According to Hong Kong's Climate Action Plan 2050, electricity consumption is responsible for over 60% of carbon ("greenhouse gas" or "GHG") emissions in Hong Kong, with buildings being the major contributor, accounting for 90% of this consumption. Given the urgency of addressing carbon emissions in the face of climate change, the Group recognises the need for immediate action in tackling the emissions from buildings.

Harnessing Technology for Carbon and Energy Reduction

The Group is committed to implementing a wide range of energy efficiency strategies, initiatives, and actions aimed at reducing energy consumption, carbon emissions, and air emissions.



Lighting System Upgrade

We are continually improving energy efficiency by upgrading the lighting systems at our properties to LED lights. Upgrades for the Year include:

- Staircase lightings at Soundwill Plaza and Midtown
- Staircase lightings at 10 Knutsford Terrace
- Common corridor lighting of Soundwill Plaza and Midtown



Retro-commissioning (RCx)

To enhance our buildings operates as efficiently as possible, we strive to identify performance issues in the existing buildings and improve the operation, maintenance, and energy efficiency of building systems.

- Install variable frequency drive (VFD) for chillers at Soundwill Plaza
- Undergo investigation for replacing existing passenger lift with high-efficiency model
- Explore and perform pilot energy enhancement upgrades for HVAC System



Energy Efficiency Improvements

- Employ Building Management System (BMS) to individually control the chilled water zone valves on the office floor of Soundwill Plaza
- Adopt timer and occupancy sensor for lighting
- Make use of heat-insulated film for windows in Park Haven to minimise heat absorption and energy consumption
- Apply waterproof coating to windows to reduce the frequency of cleaning and water and energy usage
- Explore the use of Internet of Things (IoT) and Integrated BMS to further improve the energy efficiency and quality of property management

Influencing Our Customers and Tenants

The Group acknowledges the significant importance of improving its energy efficiency and educating employees, customers, tenants, and the public about the profound impact of their daily choices and behaviors. We firmly believe that by implementing energy-saving initiatives, we can encourage and motivate stakeholders to adopt energy conservation practices.

The Group's carbon and energy performance:

Greenhouse Gas Emissions				
Property	Unit	2023	2022	% Change
Soundwill Plaza	tCO ₂ e	1,948.83	1,697.43	14.81%
Soundwill Plaza II – Midtown	tCO ₂ e	807.05	860.05	-6.16%
10 Knutsford Terrace	tCO ₂ e	395.12	369.89	6.82%
THE SHARP	tCO ₂ e	78.05	81.32	-4.02%
Park Haven	tCO ₂ e	252.72	252.33	0.15%
Warrenwoods	tCO ₂ e	233.14	226.37	2.99%
iPLACE	tCO ₂ e	121.01	122.11	-0.90%
iCITY	tCO ₂ e	154.47	187.99	-17.83%
Total GHG emissions	tCO ₂ e	3,990.38	3,797.48	5.08%
GHG intensity	tCO ₂ e/m ²	0.044	0.042	5.08%

Energy Consumption (Electricity)				
Property	Unit	2023	2022	% Change
Soundwill Plaza	MWh	2,846.28	2,372.59	19.97%
Soundwill Plaza II – Midtown	MWh	1,186.84	1,211.33	-2.02%
10 Knutsford Terrace	MWh	1,013.12	999.70	1.34%
THE SHARP	MWh	114.77	114.53	0.21%
Park Haven	MWh	371.64	355.40	4.57%
Warrenwoods	MWh	342.85	318.84	7.53%
iPLACE	MWh	310.29	330.01	-5.98%
iCITY	MWh	320.26	157.57	103.25%
Total energy consumption	MWh	6,506.05	5,859.98	11.03%
Energy intensity	MWh/m ²	0.072	0.064	11.03%

The energy consumption of iCITY has significantly increased compared to 2022. This rise is primarily due to the intensive construction activities carried out during the year when construction was at its peak. This high energy consumption is temporary and is expected to decrease in the future.

Looking into the future, the Energy Saving Team will continue to review the Group's energy efficiency measures and conduct regular inspections to prevent unnecessary energy wastage.

Resources Conservation

Water

Recognising the growing demand for water resources, the Group is actively seeking opportunities to enhance its initiatives in water conservation. To minimise water consumption and encourage the responsible utilisation of water, the Group implemented water-saving strategies and consistently monitored its water management practices.

Strengthening Water-saving Efforts

We employ water-saving mechanisms by installing self-closing water taps with sensor-activated devices and monitoring all drainage systems through regular maintenance to effectively save water and prevent any water leakage. We will consistently track the data and promptly initiate investigations and maintenance as necessary to continually strengthen our water-saving efforts.

Promoting Water-saving Habits

In addition to monitoring water consumption in our properties, we actively engage and educate our employees and tenants on water conservation practices by conducting training sessions and posting informative notices on reducing water usage.

The Group's water performance:

Water Consumption				
Property	Unit	2023	2022	% Change
Soundwill Plaza	m ³	28,040.43	20,558.62	36.39%
Soundwill Plaza II – Midtown	m ³	3,245.14	3,006.30	7.94%
10 Knutsford Terrace	m ³	12,180.73	12,102.53	0.52%
THE SHARP	m ³	N/A	N/A	N/A
Park Haven	m ³	1,425.86	1,866.03	-23.59%
Warrenwoods	m ³	464.39	955.22	-51.38%
iPLACE	m ³	7,557.35	9,068.69	-16.67%
iCITY	m ³	2.63	3.00	-12.34%
Total water consumption	m ³	52,916.52	47,560.39	11.23%
Water intensity	m ³ /m ²	0.58	0.52	11.23%

The Group sourced potable water from municipal supplies and did not encounter any issue in sourcing water that is fit for purpose during the year.

Waste

The Group is dedicated to the promotion and development of sustainable waste management in its managed properties. We firmly adhere to the waste hierarchy principles, known as the “4Rs” (i.e., Reduce, Reuse, Recycle and Replace) principles, with the goal of achieving waste reduction. We actively explore various strategies to encourage reuse and optimise recycling, and ensure that our used materials and resources are effectively reintegrated into nature or the appropriate market for reuse, repair, or recycling. The Group has hired qualified contractors to collect the waste and recyclables for proper disposal and handling.

Leveraging Technologies

Digital technologies play a vital role in enabling the shift towards a net-zero emissions future. Keeping this in mind, the Group has implemented proactive steps to enhance waste management practices and optimize resource utilisation. This involves reducing dependence on paper-based communication and embracing digital transformation initiatives.

Improving Resource Utilisation

“Paper Saving” notices are put on around the printing area to promote double-sided printing among employees. In addition, we distribute e-coupons and offer exclusive updates on the Group’s latest events and promotions through our Soundwill Club application, and purchase FSC-certified products where applicable.

Promoting Recycling

To enhance recycling efforts, we have implemented waste collection facilities in our buildings to incentivise our employees, tenants, and other stakeholders to effectively discard their recyclable materials, including paper, cardboard, plastic bottles, aluminum cans, etc.

The Group’s waste performance:

Non-hazardous Waste Disposal				
Property	Unit	2023	2022	% Change
Soundwill Plaza	tonne	1,030.93	1,138.11	-9.42%
Soundwill Plaza II – Midtown	tonne	961.74	889.27	8.15%
10 Knutsford Terrace	tonne	643.19	643.19	0.00%
THE SHARP	tonne	45.34	27.95	62.22%
Park Haven	tonne	487.57	486.86	0.15%
Warrenwoods	tonne	410.40	317.80	29.14%
iPLACE	tonne	407.33	413.14	-1.41%
iCITY	tonne	3,778.03	1,524.80	147.77%
Total waste generated	tonne	7,764.53	5,441.12	42.70%
Waste intensity	tonne/m ²	0.085	0.060	42.70%

Property	Waste Recycling			
	Unit	2023	2022	% Change
Soundwill Plaza	kg	622.00	946.00	-34.25%
Soundwill Plaza II – Midtown	kg	197.70	165.35	19.56%
10 Knutsford Terrace	kg	1,312.00	1,312.00	0.00%
THE SHARP	kg	230.00	415.50	-44.65%
Park Haven	kg	223.80	328.30	-31.83%
Warrenwoods	kg	258.00	619.20	-58.33%
iPLACE	kg	505.00	557.00	-9.34%
iCITY	kg	0.00	0.00	N/A
Total waste recycled	kg	3,348.50	4,343.35	-22.91%
Waste Intensity	kg/m ²	0.037	0.048	-22.91%

The non-hazardous waste produced by iCITY has seen a substantial increase compared to 2022, largely as a result of heightened construction activities during the year when construction was at its highest. This surge in non-hazardous waste is temporary and is anticipated to reduce in the future.

Climate Action and Resilience

The Group believes that decarbonisation and climate resilience contribute to the long-term sustainability of its business. With this in mind, we aim to continuously improve our management approach and practices for addressing climate risks and opportunities and enhancing resilience.

We disclose our actions on managing climate risks and opportunities following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) in 4 major areas, including “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets”. Moving ahead, we will continue to improve our TCFD reporting to match our performance more closely with what our stakeholders expect.

Governance



Disclose the organisation's governance around climate-related risks and opportunities.

The Board assumes overall responsibility for supervising the management of climate-related risks and opportunities. This includes guiding strategies that propel actions for climate mitigation and adaptation. The ESG Committee, Energy Saving Team, and Building Management Team assist the Board to identify, assess and manage material climate-related matters. Please refer to “Our Approach to ESG — ESG Governance” for more details.

Strategy



Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

The Group firmly believes that climate adaptation and resilience play a crucial role in ensuring the long-term sustainability of its business. Keeping this in mind, we are determined to conduct a more comprehensive assessment to identify climate-related risks and opportunities that are relevant and material to our business operations, and the associated actual and potential impacts. Additionally, we will formulate appropriate responses and implement effective mitigation measures to address these risks and capitalise on the opportunities.

Risk Management



Disclose how the organisation identifies, assesses, and manages climate-related risks.

The Board takes on the responsibility of maintaining an appropriate and effective risk management system and internal controls, essential for the ongoing operations of the Group. Reporting to the Board, the Audit Committee assesses and monitors the risks of the Group, including ESG and climate-related risks.

Climate-related risks identified for the property leasing and management segment:

Climate Risk	Potential Impact	Response
Physical risk More frequent extreme weather events, such as heat waves, typhoons, heavy rains, floods, and rise in average temperature	<ul style="list-style-type: none"> • Depreciation of equipment • Increase in the use of air-conditioning for cooling and operational cost for charge of utilities • Higher risk of work injury due to heat stress-related illnesses of employees (i.e., heat stroke and heat rash) • Temporary suspension or closure of operations • Increased investment on upgrading or reinforcing equipment to withstand extreme weather events • Drop in business performance due to operation disruption and loss of reputation 	<ul style="list-style-type: none"> • Introduce energy-efficient equipment and carry out retrofitting for buildings • Implement practices to prevent water damage, such as installing flood gates and alarm systems • Formulate an emergency plan and guidelines for extreme weather events • Enhance staff preparedness by conducting regular emergency drills • Regularly review occupational health and safety guidelines and practices in offices and construction sites for improvement
Climate Risk	Potential Impact	Response
Transition risk Tightened regulatory requirements on energy management	<ul style="list-style-type: none"> • Sudden and unexpected increase in energy costs • Loss of competitive edge comparing to more sustainable competitors • Higher operational and energy costs caused by early retirement of equipment and additional costs in developing low-carbon practices/processes • Loss of ability to achieve the market share target and/or sales revenue target in the future 	<ul style="list-style-type: none"> • Plan for and implement energy-efficient practices and equipment in operations • Formulate and implement a comprehensive sustainability strategy • Explore and invest in low-carbon practices and equipment

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Our climate-related metrics primarily include Scope 1 and 2 GHG emissions, waste generation and energy consumption figures, as well as our environmental goals and reduction strategies. Looking ahead, we strive to extend our disclosure of GHG emissions to Scope 3.

For more details on the environmental KPIs, targets and reduction strategies, please refer to the “Carbon and Energy Management”, “Resources Conservation”, and “Appendix — Key Performance Indicators Summary”.



Umbrella Bags Reduction Accreditation Program — Diamond Level
Greener Action



Indoor Air Quality Certificate (Good Class)
Environmental Protection Department



Energywi\$e Certificate (Basic Level)
Environmental Campaign Committee



PEOPLE



Having a capable team is vital to the Group's success. We credit our forward-thinking and sustainable growth to our employees' hard work and dedication. With this in mind, the Group is committed to fostering an inclusive, diverse, safe, and healthy work environment where respect and care are paramount. We also provide our team with opportunities to learn and enhance new skills, promoting professional growth.

Safeguarding Health and Safety

As a property developer, we place a high importance on the health and safety of our employees, customers, and site workers. It is our aim to ensure a secure and healthy environment for everyone involved, as outlined in our Health and Safety Policy.

Management System

The Group is committed to upholding a high-standard safety management system, in line with the necessary regulatory requirements. Our property management subsidiary, Goldwell Property Management Limited ("Goldwell"), is certified under ISO 45001 Occupational Health and Safety Management Systems. This helps us to prevent work-related injuries and ill health, while also actively enhancing our health and safety performance.

Our Health and Safety Committee meets monthly to bolster our commitment to employee health. We regularly track work-related injuries, develop and put into action plans for boosting workplace safety, and work on increasing awareness among our workforce.

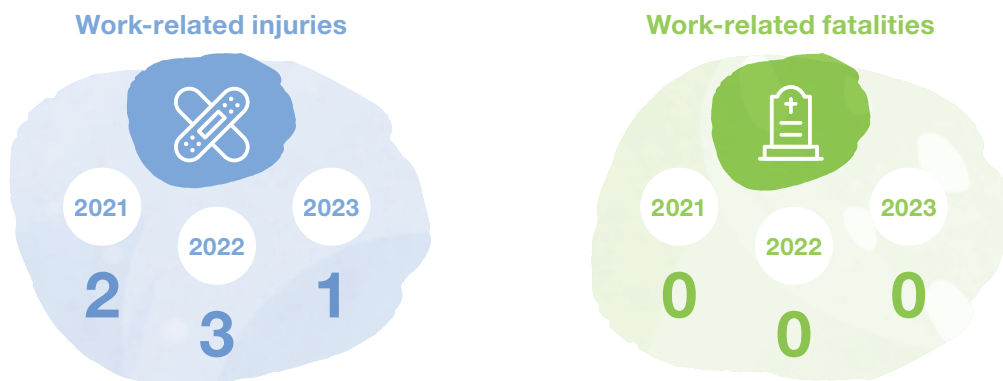
Risk and Awareness Management

Our construction subsidiary, Rich Trend Construction Engineering Limited ("Rich Trend"), carries out emergency plans, risk assessments, safety plans, and heat stroke assessments for construction projects. We ensure that our employees and site workers are well-informed about potential occupational disease risks. Additionally, we provide comprehensive safety training and essential protective equipment to mitigate any hazards. The Group routinely conducts evacuation drills to ensure preparedness and maintain vigilance.

Employee Well-being

Mental health is a key priority for us — we believe in fostering a positive work environment. As part of this commitment, we have implemented a five-day work week, and any extra hours worked are compensated with time off. We are also dedicated to the physical health of our team. To this end, we have joined the Smoking Cessation Program, offering support to those who wish to quit smoking and lead healthier lives.

There were no work-related fatalities recorded in the past three reporting years.



Valuing Our People

The sustained success of the Group depends greatly on the commitment and hard work of its employees. Therefore, it is crucial to prioritise the safeguarding of employees' rightful rights and interests. We have implemented a set of human resources policies, procedures and practices pertaining to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, labour standards, and benefits and welfare. Human resources arrangements are clearly stated in the Employee Handbook and Code of Conduct and communicated to all our employees.

Talent Attraction and Retention

Talent Recruitment

Recruitments are conducted through a fair and transparent employment system, where decisions are made based on objective selection criteria such as personal capability and qualifications. The Group strictly adheres to appropriate and lawful procedures for resignation and termination to ensure equitable treatment of employees.

Talent Compensation and Retention

We evaluate and modify our compensation packages based on individual performance and capabilities. We offer compensation packages that are tailored to each position, taking into account factors such as employee performance and the Group's overall performance. These packages include a basic salary, allowances, and contributions to the Mandatory Provident Fund (MPF). We also provide various benefits to our employees. In addition to statutory holidays, our employees are entitled to a range of paid leave options, such as compassionate leave, paternity leave, and marriage leave.

Diversity, Equity and Inclusion

A diverse team is essential in successfully navigating obstacles and capitalising on opportunities. We are dedicated to promoting equal opportunity in all aspects of employment, including recruitment, termination, training, compensation, advancement, and disciplinary actions, taking into account employees' skills, abilities, performance, attitude, and other relevant factors. We strive to establish an equitable work environment with a strong stance against any types of discrimination and harassment, such as gender, race, nationality, and religious belief.

Labour Standards

The Group values and upholds human rights, strictly prohibiting any involvement or acceptance of child labour or forced labour in its operations. We have implemented an employment system that complies with local labour standards. To ensure compliance and eligibility for work, all applicants and new recruits are required to provide their identification documents for inspection and verification. To safeguard both the employees and the Group's interests, detailed terms and conditions of employment are outlined in the legal contracts for all positions.

Employee Engagement

The Group strives to promote a positive and balanced work atmosphere. We value our employees' thoughts, suggestions, and feedback. To foster open, transparent, and prompt communication, we have established a range of communication channels, such as regular meetings, surveys, and annual reviews to capture our employees' perspectives.

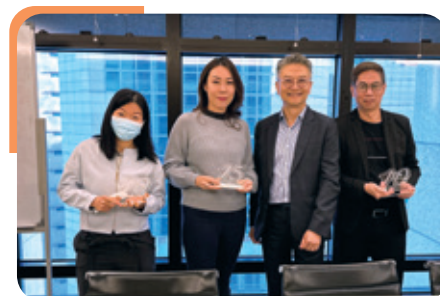
If employees have any feedback regarding their work, they are encouraged to share it with the Group through our established reporting channel. In our ongoing effort to improve, we'll responsibly track the results, handle feedback in an unbiased manner, and identify opportunities for advancement.

We share the latest happenings and trends via internal emails and our company intranet. Additionally, we publish a quarterly staff newsletter to keep everyone updated on green practices, community service initiatives, wellness tips, and employee activities.

Throughout the year, we organised a variety of engagement activities, such as monthly employee birthday parties and festive parties. These events not only served as great social gatherings, but also boosted our overall employee engagement.

Unleashing Employee Potential

The Group is committed to creating a workplace that empowers its employees to drive their career progression and achieve personal growth. We strive to provide equal opportunities to all of our employees when it comes to training, as outlined in the Employee Handbook. We actively invest in employee development by offering a variety of learning opportunities, and training and development programs. We encourage our employees to leverage these resources to enhance their value and abilities, preparing them to effectively handle future challenges and opportunities. The Group also promotes the idea of its employees participating in workshops, industry events, and seminars. This is to enhance and build upon their work-related knowledge and skills outside the Group.



Long Service Award Ceremony



Staff Workshop

Program and Activity	Audience	Objectives	Focus
Orientation Training	New employees	<ul style="list-style-type: none"> Provide understanding of the Group’s mission, vision, values, and culture Familiarise new employees with their job roles, responsibilities, the expectations set, and business ethics 	<ul style="list-style-type: none"> Corporate policies and procedures Employee benefits and resources Anti-corruption and business ethics
Themed Training	All employees	<ul style="list-style-type: none"> Enhance employees’ skills and competencies related to their job roles Increase employee productivity, efficiency, and job satisfaction Ensure employees understand and adhere to the Group’s policies and guidelines 	<ul style="list-style-type: none"> Occupational health and safety Information technology Product and service ESG Anti-corruption and business ethics
Management Training	Managers and employees of other management-relevant positions	<ul style="list-style-type: none"> Prepare future leaders for higher management roles Enhance the skills and competencies of managers to effectively lead their teams Provide managers with the tools and knowledge to make strategic decisions 	<ul style="list-style-type: none"> Management skills and tactics Decision making

In addition to the training provided by the Group, our construction subsidiary, Rich Trend, encourages both employees and sub-contractors to participate in weekly safety training and toolbox talks. These sessions cover a range of topics, including emergency response during extreme weather, safe practices for working at height, bamboo or metal scaffolding techniques, and proper lighting and ventilation. The goal of these trainings is to minimise work-related injuries.

Awards

		
<p>Happiness at Work Promotion Scheme 2023 – Happy Company Hong Kong Productivity Council</p>	<p>Good MPF Employer 5 Years+ Mandatory Provident Fund Schemes Authority</p>	<p>Smoking Cessation Programme in Workplace The Lok Sin Tong Benevolent Society, Kowloon</p>

CUSTOMER



We are keen on making a positive contribution in business, holding ourselves accountable, and aiming for the best in product and service responsibility and customer engagement. We are dedicated to delivering top-notch professionalism and customer service in our field. We are focused on generating public value by boosting customer satisfaction and safety, guaranteeing quality and data privacy, and practising responsible marketing and advertising. We will regularly review and, when necessary, adjust our internal policies and procedures to better serve our customers.

Delivering Quality Services

We believe that upholding the high quality of our buildings and services is key to preserving our reputation and earning the trust of our customers over the long haul. We have implemented quality checks at various stages of construction. Each procedure's quality is measured in real-time, and we provide targeted recommendations for improvement. This allows contractors to make necessary adjustments promptly, mitigating any potential risks to quality.

Our skilled handover team is committed to maintaining quality assurance. This involves a thorough inspection and evaluation of the buildings' quality and safety before handover to owners and tenants. In addition, new customers benefit from a reliable maintenance warranty and post-sales service. Under the oversight of the building management team, we maintain a strict control of building quality, striving for ongoing improvement.



Repair and Maintenance

Our experienced engineers are ready on-site, offering 24-hour technical support. They perform routine maintenance and address urgent repairs in the shortest possible time.



Safety and Security

Our well-trained security guards conduct regular checks to assess any property damage and guarantee the safety of the premises.



Cleaning and Environmental Hygiene

Our skilled cleaning team provides thorough cleaning services for all managed buildings.



Equipment Improvement

We leverage advanced market technology to enhance our service quality.



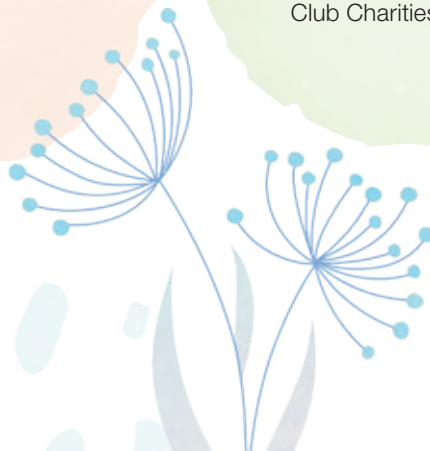
Enhancing Inclusion and Accessibility

The Group is committed to cultivating a welcoming environment that caters to our customers' every need. At Soundwill Plaza II — Midtown, we have increased accessibility through providing barrier-free amenities such as wheelchair rentals, electric wheelchair charging stations, barrier-free taxi booking services, and public barrier-free restrooms, ensuring customers can enjoy a premium experience without obstacles.



Promoting an Age-Friendly Management Culture

We have been advancing an age-friendly management culture by introducing measures that cater to all age groups, setting up staff training for diverse customer support, and offering products and services that suit all ages. The Group has been listed in the "List of Barrier-free Companies" by The Hong Kong Council of Social Service and "Charter for Age-friendly Shopping Malls" by The Hong Kong Jockey Club Charities Trust.



Engaging with Customers

Building a strong relationship with our customers is key for us, and we believe that excellent customer service is the foundation of this. Our goal is to elevate the customer experience and satisfaction by fostering an environment that is not only positive and helpful, but also committed to delivering top-notch service standards.

In the realm of property management services, the Property and Facilities Manager routinely meets with residents and the property’s management committee. This allows for a clear understanding of their needs and expectations, paving the way for delivering services of the highest quality and relevance.

The Group fosters an environment where customer feedback is valued and addressed, ensuring that communication flows both ways. With a philosophy centered on serving customer needs, we have established multiple channels for feedback.





Customer Satisfaction Survey

To gain a deeper understanding of our customers' needs and concerns, we invited them to express their views via customer satisfaction surveys available on our Soundwill Club mobile app. Through this survey, we gathered the insights of 590 customers on various aspects, including our overall service quality, the usability and events of the Soundwill Club, as well as the cleanliness of locations, such as Soundwill Plaza and Midtown.

This survey helps us collect customers' valuable feedback and gain insights into where we can make improvements. We commit to addressing customer concerns, analysing the feedback, and developing strategies that incorporate their viewpoints.

For any grievances regarding property management services, Goldwell handles them following the ISO 9001. Upon receiving a complaint or inquiry, the property manager or relevant authority is notified within 24 hours, and a follow-up is initiated within 12 hours to prevent similar issues in the future. Any complaints concerning hygiene are addressed within 4 hours by the property manager. Additionally, our team is equipped with customer service codes, operation process guidelines, and appropriate training to ensure a high standard and uniformity in service quality when addressing customer complaints and conducting investigations.

During the year, no material complaints on customer service and property management were received.

Safeguarding Data Privacy and Intellectual Property Rights

Accidental exposure of our customers' personal information could seriously damage our reputation and operations, possibly even resulting in financial loss. We place a high priority on data privacy and are dedicated to protecting intellectual property rights in all aspects of our business. In line with the Employee Handbook, we require all employees respect intellectual property rights and ensure that no violations occur while conducting business.

The Group's Privacy Policy is readily accessible for customers on our website anytime. We strive to safeguard customer data across all channels, eradicating any risk of information leakage. Robust internal procedures are in place to ensure optimal protection and encryption of all data during operations. We have installed a hardware firewall and monitoring program to meticulously oversee data access. We make regular backups of critical data and system configurations, storing them securely in a separate location. Periodic tests and reviews are conducted to ensure the effectiveness of our security measures.

From the establishment of Soundwill Club, we have instated measures to ensure confidentiality and mitigate security threats. This includes encrypting member data and restricting server access to certain locations. These actions are taken to shield our customers' data from potential loss, misuse, unauthorised access, exposure, modification, and destruction.

COMMUNITY



The Group aims to do more beyond generating profits and expanding its business. We are deeply committed to social responsibility, focusing on supporting those in need and fostering a better community. We actively engage in diverse charitable endeavors, striving to understand and respond to our community's needs. We have set up a Soundwill Volunteer Team comprising employees from various departments, as we believe in empowering our employees to contribute to community enrichment. We will consistently review and adjust our community investment strategies, policies and procedures as needed to better serve our community.

During the year, the Group focused on the following areas, contributing 454 volunteer hours, over HK\$140,000 cash donations and in-kind donations:



Conserving the Environment

We strive to promote awareness and understanding of environmental conservation among our employees, customers, and the broader community. By engaging them in various activities, we hope to provide insights into daily actions that can bring positive impacts to the environment. This is achieved by utilising the prime locations of our properties and broad customer networks to support the efforts of non-governmental organisations focused on environmental conservation.

Key Activities in 2023

Lai See Reuse and Recycle Program

Organised by Greeners Action

Encouraged people to reuse and recycling lai see packets through distributing reborn lai see packets and set up collect boxes as an easy and accessible way for recycling at the lobby of Soundwill Plaza II — Midtown.

Collected a total of 70 kg packets for reuse.



Chinese New Year Food Recycle Program

Organised by Food Grace

Set up collection boxes at Soundwill Plaza II — Midtown for the early donation of surplus unopened packaged food and gift boxes and pass them on to those in need, helping to turn waste into love and create a leftover-food-free society.



Green Mid-Autumn Festival

Organised by Food Grace



Collected a total of 7 kg mooncakes for donation.

Tetrapak Clean Recycling Program

Organised by Greeners Action



Collected Tetrapak for recycling at 5 of our properties.

Caring for the Elderly and the Needy

We are firmly dedicated to standing with the underprivileged, giving them the help they need in a society where such support is often in high demand. We achieve this through various ways, from providing material support to those in need, to conducting personal home visits to provide comfort and reassurance to those feeling isolated.

Key Activities in 2023

Neighbourhood First · Rice- Giving Scheme

*Organised by The
Hong Kong
Federation of
Youth Groups*



Mobilised our volunteers to distribute rice packs to the elderly and those in need within the community and show care.

Mooncake Distribution in the Community

*Organised by
People Service
Centre*



In addition to sponsoring the activity, we organised our volunteers to prepare food with community neighbours and distribute it to the elderly with love and blessings.

Love in Action: Community Ambassador Service

*Organised by
Praxis (HK)
Charity*



Mobilised volunteers to participate in the scheme, where they can acquire and practice the skills and mindset required for community service that focus on serving the homeless, underprivileged and poor families and individuals at all ages.

Oxfam Rice Event

Organised by Oxfam Hong Kong

Participated in this fundraising event, themed "Fight climate change, empower smallholder farmers" in 2023, to support smallholder farmers in some countries whose livelihoods were affected by climate change.

Aiding the Development of Children and Youth

Investment in the youth today will help shape a skilled and educated workforce for our future, and more importantly, a healthier and prosperous community. As a member of the community, we are committed to contributing to the development of children and youth in society through multiple corporate social responsibility initiatives.

Key Activities in 2023



Job Tasting Program

Organised by Project WeCan Foundation

We offered a two-week workplace experience in our marketing and accounting departments to 4 participating secondary school students. It included mentoring, practice work, interview coaching, and job skills training. Our goal is to help them explore their vocational choices and prepare them for future job hunting.



Charity Sale

Organised by The Society for the Relief of Disabled Children

We arranged employee volunteer teams to participate in the charity sale to support organisation in serving children in need.



Supporting Social Enterprises and Community Organisations

Believing in the power of social enterprises and community organisations to make a positive impact on our society, we are dedicated to providing them with the resources they need to achieve their goals. In addition to participating in fundraising events that unite caring individuals ready to make a change, our support extends beyond financial contributions; we also offer our time, expertise, and network to help these organisations thrive. We strive to foster a corporate culture that values social responsibility and encourages all our employees to engage with and support these organisations.

Key Activities in 2023

Promotion of Ethical Consumption

Delivered products from a local fair trade social enterprise to customers, promoting fair trade organic products and ethical consumption

Complimentary Mini Storage

One Storage Management, a subsidiary of the Group, provides free storage facilities to 3 NGOs, considering that NGOs typically operate with limited resources.

Awards



Heart to Heart Company
2023–2024
The Hong Kong Federation of Youth Groups



Industry Cares
2023
Federation of Hong Kong Industries



Caring Company
2023/24
The Hong Kong Council of Social Service

BUSINESS ETHICS



Compliance Management

Non-compliance with laws and regulations can have adverse impacts on our business operations, performance, financial position, and reputation. The Group has put in place internal policies, guidelines, and procedures to ensure that it operates in line with all applicable laws and regulations and upholds ethical business practices.

During the year, the Group did not have any cases of non-compliance with the laws and regulations related to ESG aspects, nor did it receive any legal cases regarding corrupt practices brought against the Group or its employees.

Aspect	Major Laws and Regulations
Emissions	<ul style="list-style-type: none"> Waste Disposal Ordinance (Cap. 354)
Employment and Labour Standards	<ul style="list-style-type: none"> Employment Ordinance (Cap. 57) Employees' Compensation Ordinance (Cap. 282) Sex Discrimination Ordinance (Cap. 480) Disability Discrimination Ordinance (Cap. 487) Family Status Discrimination Ordinance (Cap. 527) Race Discrimination Ordinance (Cap. 602)
Occupational Health and Safety	<ul style="list-style-type: none"> Occupational Safety and Health Ordinance (Cap. 509)
Product Responsibility	<ul style="list-style-type: none"> Personal Data (Privacy) Ordinance (Cap. 486) Copyright Ordinance (Cap. 528) Trade Marks Ordinance (Cap. 559)
Anti-corruption	<ul style="list-style-type: none"> Prevention of Bribery Ordinance (Cap. 201)

Ethical Business Practices

We firmly believe that maintaining high integrity and ethical values is the cornerstone of our reputation and success. Therefore, we make every effort to uphold the highest ethical standards in conducting our business. We have zero tolerance for any forms of corrupt practices, including bribery, extortion, fraud, money laundering. For this purpose, we work with independent auditors to ensure the utmost accounting integrity and fairness. Our independent internal audit team sets forth the anti-corruption principles and carries out routine checks and audits to minimise the instances of non-compliance.

The Group has set clear policies and guidelines to assure compliance, which are designed for all Directors and employees. These ethical expectations and behaviours are communicated through the Prevention of Fraud and Corruption Policy, Code of Conduct, and the Employee Handbook. Newcomers and existing employees are required to acknowledge these policies. The goal is to help them understand their responsibilities in adhering to the Group's requirements. It also serves to offer clear guidance on matters such as accepting advantages, managing conflicts of interest, handling entertainment, conducting transactions, etc., while carrying out their official duties.

Employees who fail to comply with any provision will face disciplinary action from the Group. Our policies and guidelines are regularly reviewed to ensure that they are effectively implemented. All employees take part in regular anti-corruption training to stay aligned with the Code of Conduct for professional ethics.

As part of our dedication to maintaining strong ethical, moral, and legal business practices, we have a Whistleblowing Policy. This policy encourages employees and relevant stakeholders to report any unethical behaviour they are aware of. Reports can be made anonymously or by name, with the reporter's identity kept confidential to prevent any potential harassment or victimisation. Upon receiving such reports, we'll take necessary steps to verify and investigate the incidents. We comply with all relevant laws, regulations, and standards in our industry, and we encourage our suppliers to uphold the same standards.



Sustainable Supply Chain

The Group is committed to building a supply chain that embraces the concept of sustainability, aiming to minimise any social or environmental risks. As such, we have implemented a Sustainable Procurement Policy. This policy guides and supervises all procurement activities within the Group, ensuring that all our suppliers and contractors (collectively as “suppliers”) adhere to our standards on ESG performance. Understanding the importance of anti-corruption and competition in our operations, the policy includes anti-corruption and pro-competitive principles and approaches. This helps us manage our supply chain more sustainably, wisely, and fairly across all our business operations.

Supplier Selection	<p>We strictly select suppliers who align with our principles. We use a combination of assessments and interviews to ensure that they meet the Group’s ESG standards and selection principles. For example, every new supplier needs to fill out our Consultant/ Contractor/Supplier Application Form and provide all necessary documents and certificates to prove that they have incorporated environmentally and socially responsible practices into their business operations. The Group prioritises suppliers with environmentally friendly and sustainable practices, especially those with outstanding ESG performance, ISO Certifications in Environmental Management, Quality Management, and Occupational Health and Safety.</p>
Supplier Engagement	<p>Suppliers are required to meet the Group’s expectations on their ESG performance outlined in the Sustainable Procurement Policy, including protection of natural resources, reduction of environmental impacts, health and safety of workers, respect for human rights, anti-corruption, and pro-competitive behaviours.</p>
Supplier Evaluation	<p>Goldwell carries out assessments and performance reviews every six months as part of our commitment to maintaining high-quality suppliers and minimising supply chain risks. During these reviews, we closely monitor and evaluate the work of our contractors. Factors considered in our evaluation process include the contractor’s company structure, past service or construction records, compliance with anti-corruption and pro-competitive practices, professional licenses and permits, and employee insurance provisions, among others. Based on these criteria, contractors are then graded accordingly. Suppliers who are not up to our standards might be excluded in future tender processes or even terminated from their contract.</p>

The Group is committed to strengthening our sustainable procurement process, carefully considering all risks when selecting and monitoring suppliers. We are looking into ways we can develop a more holistic approach for identifying and managing potential environmental and social impacts across our supply chain. Concurrently, we will continue working to involve more suppliers and contractors in our efforts to conserve resources and promote sustainability.



APPENDIX

Key Performance Indicators Summary

Environmental KPIs

Key Performance Indicators	Unit	2023	2022	2021 ¹
GHG Emissions				
Scope 1 – Direct GHG emissions	tCO ₂ e	42.93	N/A	N/A
Scope 2 – Energy indirect GHG emissions	tCO ₂ e	3,947.45	N/A	N/A
Total GHG emissions	tCO ₂ e	3,990.38	3,797.48	3,807.89
GHG intensity (by area)	tCO ₂ e/m ²	0.044	0.042	0.043
Air Emissions²				
Nitrogen oxides (NOx)	kg	827.41 ³	3,622.86	N/A
Sulphur oxides (SOx)	kg	54.37	238.21	N/A
Particulate matter (PM)	kg	58.17	254.67	N/A
Waste Generated				
Total non-hazardous waste generated	tonne	7,764.53 ⁴	5,441.12	3,785.92
Non-hazardous waste intensity (by area)	tonne/m ²	0.085	0.060	0.043
Waste Recycled				
Total waste recycled	kg	3,348.50	4,343.35	4,304.14
Waste recycled intensity (by area)	kg/m ²	0.037	0.048	0.048
Energy				
Direct energy consumption (Diesel and petrol)	MWh	169.64	577.42	N/A
Indirect energy consumption (Electricity)	MWh	6,506.05	5,859.98	6,021.24
Total energy consumption	MWh	6,675.69	6,437.40	6,021.24
Energy intensity (by area)	MWh/m ²	0.073	0.071	0.068
Water				
Total water consumption	m ³	52,916.52	47,560.39	52,713.90 ⁵
Water intensity (by area)	m ³ /m ²	0.58	0.52	0.59 ⁶

¹ Construction site was not included in the reporting scope of 2021 ESG Report of the Group. Due to the improvement of data collection system, data of GHG emissions, non-hazardous waste, waste recycled, and energy consumption of 2021 were adjusted.

² The air emissions in 2023 were mainly contributed by combustion of diesel of tower crane and burning of gasoline from vehicles.

³ The significant reduction of air emissions in 2023 was mainly caused by the reduction of fossil fuels used in construction sites.

⁴ The amount of non-hazardous waste in 2023 was larger than that in 2022 as the construction work was at peak at iCity and larger amount of wastes were generated.

⁵ Due to the improvement of data collection system, 2021's total water consumption has adjusted to 52,714 m³.

⁶ Due to the improvement of data collection system, 2021's total water intensity has adjusted to 0.59 m³/m².



Social KPIs

Key Performance Indicators		2023	2022	2021
Total Employees⁷				
By gender	Male	258	262	248
	Female	137	119	128
By age group	Under 31	27	36	55
	31–40	72	66	58
	41–50	93	79	71
	Above 50	203	200	192
By employment type	Full time	317	302	302
	Part time	78	79	74
By geographical region	Hong Kong	395	381	376
By employment level ⁸	General staff	251	261	245
	Office staff	107	96	99
	Management	37	24	28
Total		395	381	376
New Employee Rate⁹				
By gender	Male	30.6%	—	—
	Female	32.1%	—	—
By age group	Under 31	55.6%	—	—
	31–40	40.3%	—	—
	41–50	34.4%	—	—
	Above 50	23.2%	—	—
By geographical region	Hong Kong	31.1%	—	—
Total		31.1%	—	—

⁷ Total number of employees at the end of the year.

⁸ Information regarding senior management can be found from Corporate Governance Report.

⁹ New employee rate = number of new employee of the category/total number of employees of the category at the end of the year x 100%.

Employee Turnover Rate ¹⁰		2023	2022	2021
By gender	Male	84.5%	60.3%	15.7%
	Female	69.3%	89.1%	23.4%
By age group	Under 31	88.9%	83.3%	29.1%
	31–40	76.4%	53.0%	27.6%
	41–50	58.1%	60.8%	29.6%
	Above 50	88.7%	75.5%	8.3%
By geographical region	Hong Kong	79.2%	69.3%	18.4%
Total		79.2%	69.3%	18.4%

Health and Safety		2023	2022	2021
Work-related injuries		1	3	2
Lost days due to work-related injuries		17	294	5
Work-related fatality		0	0	0

Employee Trained Rate ¹¹		2023	2022	2021
By gender	Male	42%	37%	13%
	Female	36%	39%	22%
By employment level ¹²	General staff	27%	33%	3%
	Office Staff	61%	46%	39%
	Management	65%	58%	46%
Total		40%	37.8%	18.9%

¹⁰ Employee turnover rate = number of turnover of the category/total number of employees of the category at the end of the year x 100%.

¹¹ Employee trained rate = number of employees trained in the category/total number of employees of the category at the end of the year x 100%.

¹² Information regarding senior management can be found from Corporate Governance Report.

Average training hours ¹³		2023	2022	2021
By gender	Male	1.87	3.08	0.96
	Female	1.55	3.18	1.66
By employment level ¹⁴	General staff	1.27	2.71	0.02
	Office Staff	2.69	3.77	2.33
	Management	2.31	4.80	4.09
Total		1.76	3.11	1.20

Suppliers		2023	2022	2021
By geographical region	Hong Kong	425	335	89
	Mainland China	1	1	0
By category	Office supplies	50	—	—
	Property management related	271	—	—
	Construction	105	—	—
Total		426	336	89

Anti-corruption Training		2023	2022	2021
Total number of employees receiving anti-corruption training		94	—	—
Total number of directors receiving anti-corruption training		7	—	—
Total hours of employees receiving anti-corruption training		80	24	4
Total hours of directors receiving anti-corruption training		21	49	2

¹³ Average training hours = total hours of training received by employees of the category/total number of employees of the category at the end of the year.

¹⁴ Information regarding senior management can be found from Corporate Governance Report.

HKEX ESG Guide Content Index

Aspects, General Disclosure and KPIs		
Aspects, General Disclosure and KPIs	Description	Page/Remark
Mandatory Disclosure Requirements		
Governance Structure	<p>(i) A disclosure of the board's oversight of ESG issues.</p> <p>(ii) The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses).</p> <p>(iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	40–47
Reporting Principles	<p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	37
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	36
A1 Emissions		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	48–50, 52–53 In the year, the Group was not aware of any material non-compliance with relevant laws and regulations that had a significant impact on the Group.
A1.1	The types of emissions and respective emissions data.	72
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	72



Aspects, General Disclosure and KPIs		
Aspects, General Disclosure and KPIs	Description	Page/Remark
A1.3	Total hazardous waste produced and intensity.	N/A The Group did not produce any hazardous waste.
A1.4	Total non-hazardous waste produced and intensity.	72
A1.5	Description of emission target(s) set and steps taken to achieve them.	48–50
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	52–53
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	48–51
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	72
A2.2	Water consumption in total and intensity.	72
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	48–50
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A The Group did not have any issues sourcing water. However, the Group has been actively engaging employees on water conserving practices.
A2.5	Total packaging material used for finished products and per unit produced.	N/A The Group did not use any packaging materials for finished products.
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	48–53
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	48–53

Aspects, General Disclosure and KPIs		
Aspects, General Disclosure and KPIs	Description	Page/Remark
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	53–55
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	53–55
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	56–58 The Group complied fully with all relevant employment laws and regulations. The Group was not aware of any material non-compliance regarding employment and labour practices during the year.
B1.1	Total workforce by gender, employment type, age group and geographical region.	73
B1.2	Employee turnover rate by gender, age group and geographical region.	74
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	56–57 The Group has complied with all local occupational health and safety laws and regulations related to the building management and leasing businesses. The Group was not aware of any material non-compliance regarding occupational health and safety during the year.
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	74
B2.2	Lost days due to work injury.	74
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	56–57



Aspects, General Disclosure and KPIs		
Aspects, General Disclosure and KPIs	Description	Page/Remark
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	58–59
B3.1	The percentage of employees trained by gender and employee category.	74
B3.2	The average training hours completed per employee by gender and employee category.	75
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	58
B4.1	Description of measures to review employment practices to avoid child and forced labour.	58
B4.2	Description of steps taken to eliminate such practices when discovered.	58
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	71
B5.1	Number of suppliers by geographical region.	75
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	71
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	71
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	71

Aspects, General Disclosure and KPIs		
KPIs	Description	Page/Remark
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	60–63 The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. In the year, there was no material non-compliance with relevant laws and regulations that had a significant impact on the Group.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A The Group did not sell or ship any products.
B6.2	Number of products and service-related complaints received and how they are dealt with.	62–63
B6.3	Description of practices relating to observing and protecting intellectual property rights.	63
B6.4	Description of quality assurance process and recall procedures.	60–61
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	63



Aspects, General Disclosure and KPIs	Description	Page/Remark
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	69–70 The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. In the year, there were no corruption-related violations of any form.
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	69
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	70
B7.3	Description of anti-corruption training provided to directors and staff.	75
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	64–68
B8.1	Focus areas of contribution.	64–68
B8.2	Resources contributed to the focus area.	64–68