



CHINACHEM GROUP

華懋集團

# SUSTAINABILITY REPORT

2019-2020









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*“To promote the environmental management in the workplace, we focus on capacity building and awareness raising rather than rigorously enforcing policies and rules.”*

Dear Stakeholders,

On behalf of the Executive Committee, I am honoured to present Chinachem Group’s Sustainability Report 2019-2020. The theme of *“Creating a Liveable and Sustainable City”* reflects our long-standing commitment to shape a liveable and sustainable community in Hong Kong, the root of Chinachem Group.

## STEERING SUSTAINABLE DEVELOPMENT

The end of 2019 marked the 10th year of the 2030 Agenda for Sustainable Development set out by the United Nations (UN). The UN’s 17 wide-ranging Sustainable Development Goals (SDGs) represent a shared vision to build a prosperous and peaceful world. As a diversified corporation with a strong foothold in Hong Kong, celebrating our 60th Anniversary in 2020, we feel a moral obligation to step up our actions in support of realising the SDGs by 2030. To this end, we are developing our own Sustainable Development Framework in alignment with the SDGs and our *Triple Bottom Line: People, Prosperity and Planet*, which epitomises the balance between financial return and community responsibility. As a means of expediting technological advancement worldwide, we aim to leverage digital transformation in facilitating our Sustainable Development Framework in the coming years. We would like to support the global sustainability vision by filling the concrete jungle with colour and warmth and making it more liveable for citizens – a place where they can thrive.



## PEOPLE – REINFORCING AN INCLUSIVE CULTURE

Since our humble origins in the 1960s, the value of teamwork has been deeply rooted in our culture. We hold a strong belief that the first step towards forging the next century of success is bringing together a close-knit and cohesive team of talents. This is why we aim to construct an ideal workplace for promoting the welfare of our employees and providing training and development opportunities, thereby nurturing bonding among them. Alongside our tireless efforts to provide our employees a workplace strive and thrive, we endeavour to make full use of our resources and our passion to meet the needs of society and foster community cohesion.

## PROSPERITY – FOSTERING A MORE LIVEABLE COMMUNITY

Our sustainable investment into the fabric of Hong Kong generates the revenue we need to deliver on our future societal commitments. We are devoted to balancing social, economic and environmental outcomes. We pledge to create shared value that advances the prosperity of all stakeholders through innovative products and service offerings and delivers them safely, reliably and efficiently, eventually to make our city more liveable and sustainable.

## PLANET – GREENING THE HONG KONG LANDSCAPE

Greening not only beautifies our environment, but also benefits building occupants and society at large. In the past decade, greening has become a prevailing consideration in each and every development project of Chinachem Group. By creating a living environment in which humans, architecture and nature coexist in harmony, we aspire to continuously elevate and green the Hong Kong landscape. As the number of green and healthy buildings continues to grow, we look forward to enhancing Hong Kong's hauntingly beautiful skyline in a sustainable way.

I would like to thank all our staff and senior management team for their unfailing support in this endeavour. In line with emerging sustainability trends, we envisage transforming Chinachem Group into a more sustainable organisation by embracing digitalisation, cross-sector collaboration and environment-friendly building designs. Together, we feel hopeful and encouraged that we can build a sustainable future for our home – Hong Kong.

**Donald Choi**

Executive Director and Group Chief Officer  
Chinachem Group

March 2021





**E**stablished in 1960, the Chinachem Group (the “Group”) is a leading private property developer in Hong Kong. We develop and manage residential, commercial, retail and industrial properties, own and manage hotels and run an entertainment business.

With over 3,000 employees, we grow our business under sound corporate governance principles and seek to build a quality lifestyle and environment, provide excellent service to the community, and accumulate resources for charitable and public benefit. We create spaces for people to thrive in and shape cities that make us healthier and happier.

We have established an extensive portfolio of property development, leasing and sales spanning Hong Kong. From residential and commercial buildings to shopping malls, our properties have become local landmarks featuring unique, high-quality and sustainable designs. Our diversified core businesses also include property management and entertainment, catering to day-to-day customer needs.

Our solely-owned Nina Hospitality (formerly known as L’hotel Group) is a contemporary lifestyle hospitality group comprising of two brands, namely Nina Hotels and Lodgewood. We strive to offer world-class and award-winning hospitality services via a chain of hotels, including the 5-star Nina Hotel Tsuen Wan West (formerly known as L’hotel Nina et Convention Centre), Hong Kong’s largest hotel in terms of the number of guestrooms.

Building on our rich heritage, we aim to create positive value for the environment and our community stakeholders. We believe in the *Triple Bottom Line*: People, Prosperity and Planet, and endeavour to achieve the balance of them for long-term and prosperous business development:



## PEOPLE

To engage stakeholders and staff, while respect each other, in contributing to the sustainable development as well as nurturing diversity and culture of inclusiveness in communities



## PROSPERITY

To deliver products and services that meet the community's current and future needs in a safe, efficient and sustainable manner, and to make our city more liveable and sustainable



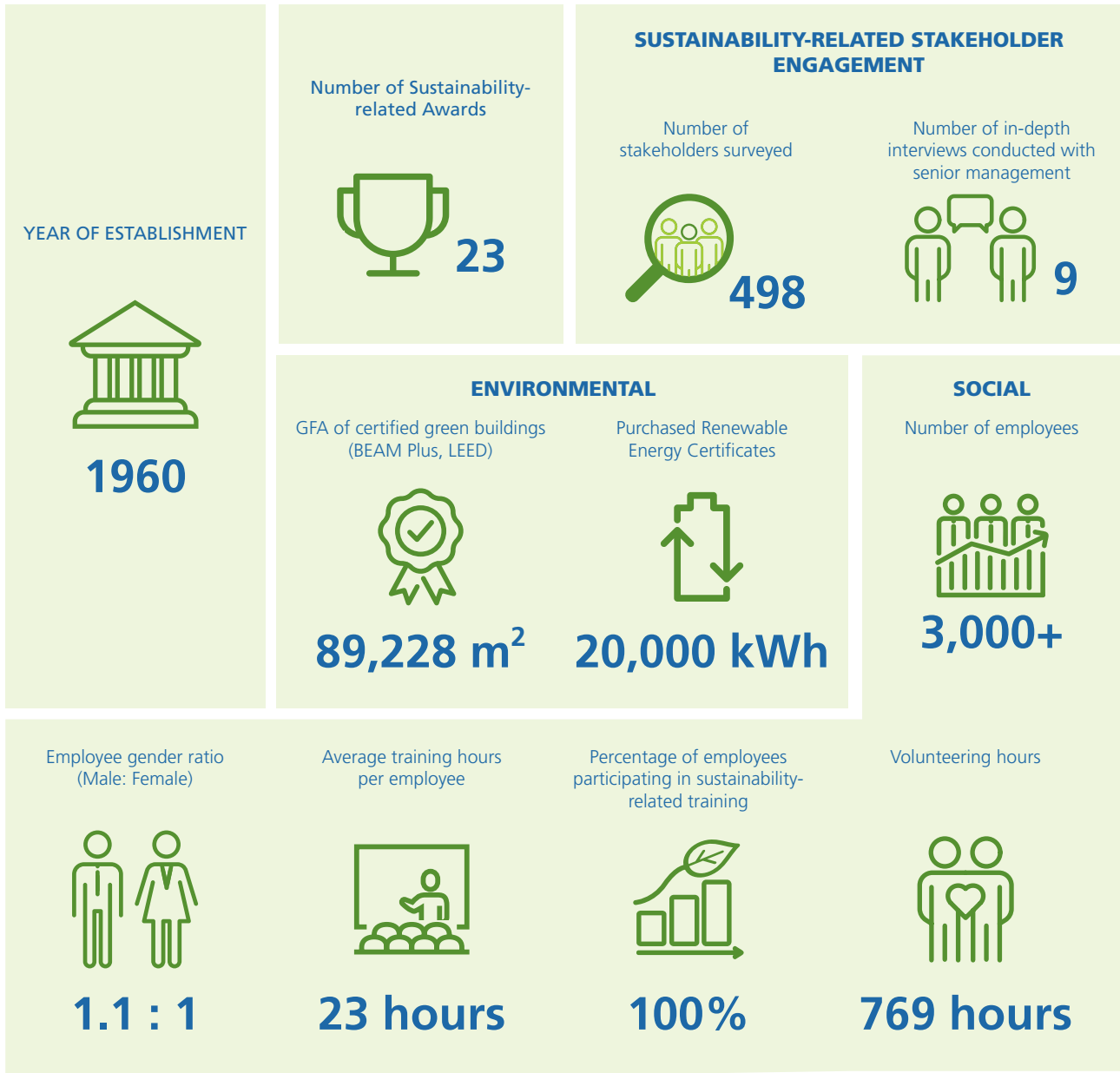
## PLANET

To integrate environmental considerations into all aspects of planning, design and operations for minimising resource and energy consumption as well as reducing the environmental impacts



With the collaborative effort of our employees, we are delighted to share our achievements towards sustainability in the Reporting Period:

## Sustainability Highlights





# ABOUT THIS REPORT

## REPORTING PERIOD AND SCOPE

The Group is pleased to publish the Sustainability Report 2019-2020 (the “Report”), covering the reporting period from 1 July 2019 to 30 June 2020 (the “Reporting Period”). The Report elaborates sustainability commitments, management approach and performance of the Group, including the property management subsidiaries and Nina Hospitality. The scope covers 29 properties that are managed by the Group in Hong Kong. As the Group is currently refining the data collection system of the construction business and other business operations, relevant information of these business segments is not included in the Report. To increase the Group’s transparency, we are progressively enhancing our data collection system and hope to cover relevant disclosures in the future.

## REPORTING STANDARDS

This Report is prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, and with reference to the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx”). The Report adheres to the reporting principles as set out in the respective reporting standards.

## REPORTING THEME

As a developer of homes and communities, the Group takes pride in fostering values of liveability and sustainability from a local standpoint. In this connection, the reporting theme of “*Creating a Liveable and Sustainable City*” is reflected in three main chapters, namely People, Prosperity and Planet. This theme demonstrates our achievements and progress in shaping a liveable and sustainability city in which our valued stakeholders and future generations can thrive.

## CONTACT DETAILS

We value all feedback from our stakeholders to improve our report and sustainability practices. If you have any comments or views on the Report and other sustainability-related issues, please contact us:

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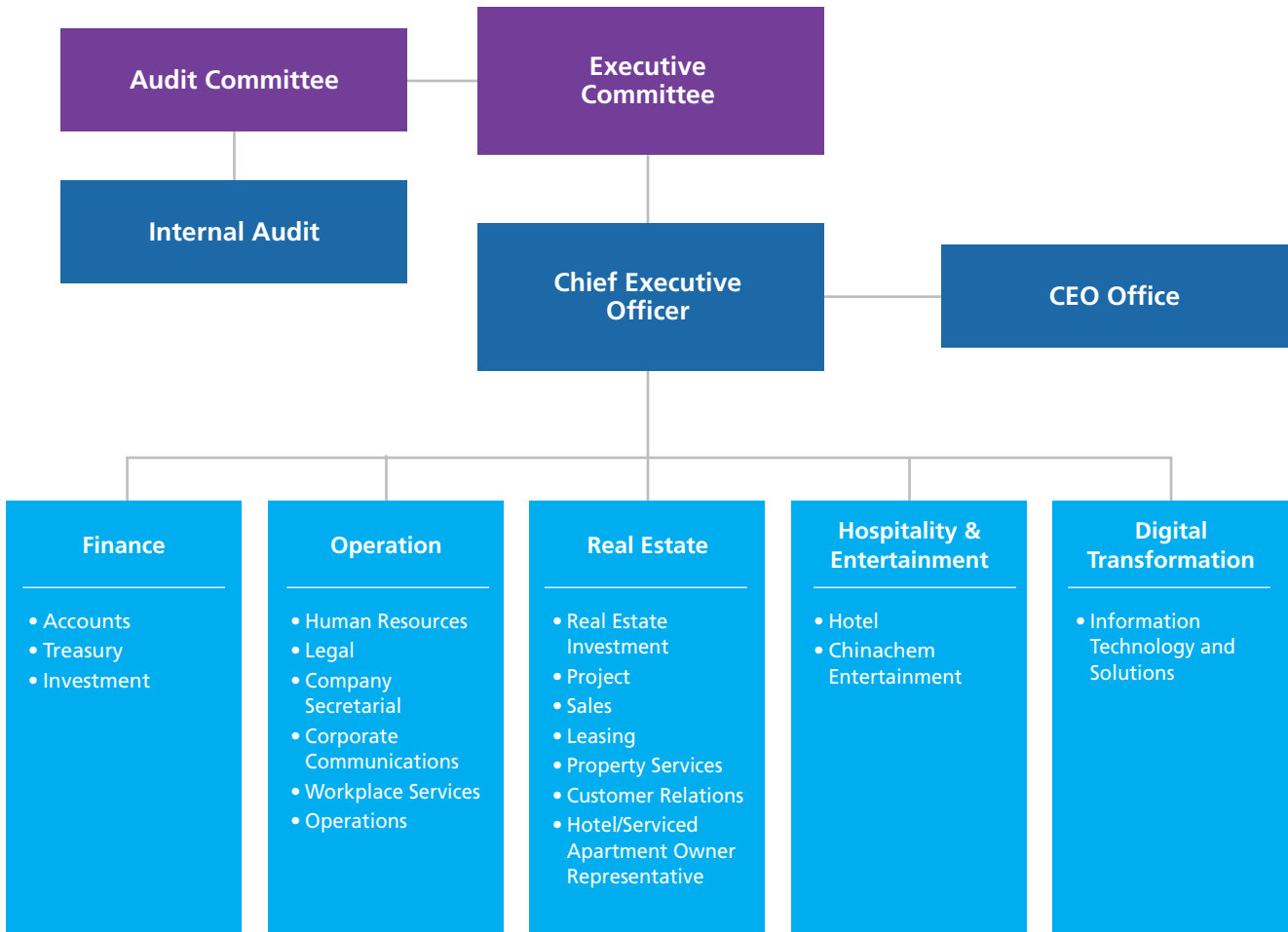
# GOVERNANCE





# GOVERNANCE

On the journey to pursuing a sustainable future, the Group has put in place a robust governance structure as well as integrating sustainability governance into the management framework. The Group is committed to maintaining the highest standards of openness, integrity and accountability within the Group to facilitate effective execution of business strategies. The following chart shows the current governance structure of the Group:



## CORPORATE GOVERNANCE

We uphold sound corporate governance and high ethical standards as a foundation of our business and sustainable development. In this respect, the Group is overseen by an Executive Committee (“Exco”), which consists of the Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”), Managing Director of Real Estate, Director of Sales, as well as three representatives from the Joint Administrators. The Exco plays a vigilant role in improving corporate governance by continuously reviewing the Group’s policies and seeking to formulate the best practices for it to follow.

### • Risk Management and Internal Control

Corporate governance is an integral part of our business operations at strategic, departmental and project levels. In this connection, two policies and procedures (“P&P”), *Risk Management P&P* and *Internal Control Framework and Management P&P*, have been established to guide the Group in identifying, assessing and managing the underlying and identified risks of the Group. To implement the *Risk Management P&P*, the Division/ Department Heads are responsible for establishing and defining a risk management process for their operations. The Internal Audit Department carries out independent reviews of the risk management and internal controls in different areas.

Internal Control Framework	
Control Set-up and Preconditions	Set the tone for the discipline and structure of internal control, and the standard of conduct by the Exco and the senior management
Risk Assessment	Incorporate risk management into operations
Control Activities	Implement preventive, detective and corrective control activities (e.g. P&P review, verifications and duty segregation)
Information and Communications	Develop information and communications systems and procedures to identify, capture and report governance-related information
Monitoring	Review and monitor the adequacy and effectiveness of the internal control system to identify control deficiencies

## • Crisis Management

In response to an emergency or sudden event which may potentially lead to serious threats to the Group, the CEO will activate a Crisis Management Team (“CMT”) with an aim to avoid or minimise the adverse impacts. CMT shall evaluate the crisis, identify the required expertise, determine the required measures, co-ordinate the required decisions and decide on communication with internal and external stakeholders.

Crisis Management Team	
Member	CEO, COO, Head of Corporate Communication Department, Head of Human Resources (“HR”) Department and Head of Legal Department. Depending on the nature of the crisis, the CEO may invite other senior management to join the CMT
Objective	Manage all crises of the Group in order to avoid or minimise any potential or real adverse impacts of the crises to the Group
Responsibility	<ul style="list-style-type: none"> <li>• Lead and co-ordinate the management of a crisis</li> <li>• Develop strategies and responses for a crisis</li> <li>• Execute crisis communication with key internal and external stakeholders</li> </ul>

## • Anti-corruption

Our employees’ ethical standards reflect the solidity of our corporate governance. We have established a number of P&P, including but not limited to *Advantage & Entertainment P&P*, *Bribery & Illicit Advantage P&P*, *Conflict of Interest P&P* and *Whistle-blowing P&P* to prevent corrupt behaviour and uphold integrity. Relevant P&P are stipulated in the Code of Conduct distributed to all new recruits so as to communicate our corporate value and zero tolerance for corruption. All employees are forbidden to offer, ask for, or accept bribes or any illicit advantages from or to any parties. As a means to preclude any perception of misconduct and ensure fair and unbiased decision making, all employees are required to declare and avoid any actual or potential conflict of interest situations.

The *Whistle-blowing P&P* provides employees with guidelines and reporting channels on whistleblowing in a further effort to maintain the highest standards of openness, integrity and accountability. Employees who become aware of any suspected misconduct, malpractice or irregularity within the Group, including but not limited to fraudulent and corrupt activities, are obligated to report the cases to the AC. If such report is received, the AC will conduct a preliminary review and investigation. It will also keep the Exco updated on the investigation progress and refer to relevant government authorities if necessary.

During the Reporting Period, no such reports were received or no legal case regarding corrupt practices was found. To maintain a continuous high standard of business ethics, we have invited the Independent Commission Against Corruption (“ICAC”) to host two seminars for our employees during the Reporting Period.





## SUSTAINABILITY GOVERNANCE

To ensure the Group's sustainable development, we are dedicated to incorporating sustainability concepts into all business decision-making processes. Led by the CEO, the Sustainability Steering Committee ("SSC") oversees the Group's development and implementation of ESG strategies. To execute and monitor the sustainability strategies developed by the SSC, a cross-department Sustainability Task Force ("STF") has been established, which drives sustainability management and enacts the operational measures. Some Sustainability Sub-Task Forces are formed from time to time to work on particular tasks or projects in a focused manner, such as "Green Tenancy Sub-Task Force". The chart on the right shows the sustainability governance structure of the Group:



Sustainability Steering Committee	
Member	CEO, COO, CFO and five senior management staff from Asset Management, Corporate Communications, Digital Transformation, Hotel and Building Services
Role	Oversee all sustainability-related issues of the Group
Responsibility	<ul style="list-style-type: none"> <li>Review, suggest and endorse the Group's sustainability strategies, frameworks, policies, action plans and practices</li> <li>Review and evaluate the Group's sustainability-related goals and target setting</li> <li>Review the Group's sustainability performance against the relevant goals and targets</li> <li>Review the Group's Sustainability Report</li> </ul>

Sustainability Task Force	
Convenor	General Manager – Building Services
Members	Representatives of different business units across the Group
Role	Execute the sustainability strategies developed by the SSC
Responsibility	<ul style="list-style-type: none"> <li>Monitor the attainability of the sustainability frameworks</li> <li>Collect information for sustainability disclosure</li> <li>Ensure the sustainability initiatives and practices are well-implemented</li> <li>Incorporate sustainability into the daily operations</li> </ul>









To steer the Group's long-term sustainable development and bolster sustainability governance and management, we formulated a *Sustainability Policy* in early 2020 based on our *Triple Bottom Line* approach. The *Sustainability P&P* expresses our commitment to delivering high-quality and safe products and services in an environmentally responsible manner, while creating shared value for the community, employees and other stakeholders.

Reinforcing the *Sustainability P&P*, we are committed to supporting the SDGs which provide a framework to address different topics of sustainability including but not limited to global health, education, inequality, economic growth, ocean quality, sustainable forests and climate change. As a first step, we have preliminarily matched the Group's material topics and key performance indicators ("KPIs") to the relevant SDG targets and indicators. As we take further steps to build our sustainability framework, we look forward to aligning our sustainability targets with the UN's 2030 Agenda for Sustainable Development.

## STAKEHOLDER ENGAGEMENT

### • Communication Channels

We value views from all of our stakeholders to contribute to our sustainability framework and governance. In order to understand the expectations and priorities of the stakeholders, we have established a number of communication channels to engage different stakeholders:

Stakeholder Groups	Communication Channels
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Chit-chat with CEO and town hall meetings</li> <li>• Digitalised document sharing platforms</li> <li>• E-mail circulation</li> <li>• Employee Recognition Programme</li> <li>• Enterprise-grade social network platform (Yammer)</li> <li>• Feedback collection boxes and online suggestion form</li> <li>• Interviews/focus group/staff surveys</li> <li>• Intranet</li> <li>• Staff activities</li> <li>• Staff handbook and welcome kit to new staff member</li> <li>• SSC and STF meetings</li> <li>• Sustainability surveys</li> <li>• Training</li> <li>• Whistleblowing system</li> </ul>
 <p>Community</p>	<ul style="list-style-type: none"> <li>• Charitable donations</li> <li>• Collaborations with NGOs</li> <li>• Community and volunteering activities</li> </ul>
 <p>Tenants</p>	<ul style="list-style-type: none"> <li>• Chinachem Magazine – LIFE+</li> <li>• Company website</li> <li>• E-Newsletter</li> <li>• Satisfaction surveys/interviews/visits</li> <li>• Smart property service mobile application (FSI Advantage)</li> <li>• Tenant engagement meetings and events</li> </ul>
 <p>Customers/guests</p>	<ul style="list-style-type: none"> <li>• Company website/social media website</li> <li>• Customer service hotlines</li> <li>• eKiosk &amp; Mobile App e.g. Nina Hotel Island South (formerly known as L'hotel Island South) Mobile App</li> <li>• Viva Programme of Nina Hospitality</li> <li>• Satisfaction surveys</li> </ul>
 <p>Supply chain partners</p>	<ul style="list-style-type: none"> <li>• Supplier/ contractor assessment</li> <li>• Sustainability surveys</li> </ul>
 <p>Professional institutions</p>	<ul style="list-style-type: none"> <li>• Conference, exhibition and seminars</li> <li>• Study and Internship programmes</li> </ul>
 <p>Local Government authorities and district councilors</p>	<ul style="list-style-type: none"> <li>• Joint projects</li> <li>• Meetings</li> <li>• Public consultation</li> </ul>
 <p>Media</p>	<ul style="list-style-type: none"> <li>• Chinachem Magazine – LIFE+</li> <li>• Company website and social media</li> <li>• Enquiries</li> <li>• Feedback and responses to media enquiries</li> <li>• Media events, media gathering and luncheons</li> <li>• Media interviews</li> <li>• Press releases</li> </ul>



## MATERIALITY ASSESSMENT

As part of our journey to support sustainable development, we have conducted industry benchmarking and materiality assessment exercises including an online survey with more than 450 internal and external stakeholders, in addition to nine in-depth interviews with senior management of the Group, during the Reporting Period. The assessment has aided us in identifying the sustainability topics material to the stakeholders and the Group, as well as the relevant risks and opportunities of the business in developing the sustainability framework. Based on the results of the materiality assessment, we have identified 22 sustainability topics as being the most material to the Group:

Material Topics	Relevant Section in the Report	GRI Standards
<b>GOVERNANCE</b>		
Anti-corruption	Corporate Governance	GRI 205: Anti-corruption 2016
Economic performance	The relevant information and data are confidential and not disclosed in the Report.	GRI 201: Economic Performance 2016
Stakeholder engagement	Communication Channels	GRI 102: General Disclosures 2016
<b>PEOPLE</b>		
Anti-discrimination	Supporting Diversity and Equal Opportunity	GRI 406: Non-discrimination 2016
Development and training	Cultivating Talents	GRI 404: Training and Education 2016
Diversity and equal opportunity	Supporting Diversity and Equal Opportunity	GRI 405: Diversity and Equal Opportunity 2016
Employment (recruitment and retention)	Attracting Talents	GRI 401: Employment 2016
Labour standards	Attracting Talents	N/A
Occupational health and safety	Safeguarding Talents	GRI 403: Occupational Health and Safety 2018
Community involvement	Serving Local Communities	GRI 413: Local Communities 2016
Socio-economic compliance	Corporate Governance Attracting Talent Supporting Diversity and Equal Opportunity	GRI 419: Socioeconomic Compliance 2016
<b>PROSPERITY</b>		
Indoor air quality control	Reaching Out to Building Occupants	GRI 416: Customer Health and Safety 2016
Green procurement	Creating a Sustainable Value Chain	GRI 204: Procurement Practices 2016
Quality assurance and service standards	Creating a Sustainable Value Chain	N/A
Tenant / guest health and safety	Reaching Out to Building Occupants	GRI 416: Customer Health and Safety 2016
Tenant and guest privacy	Reaching Out to Building Occupants	GRI 418: Customer Privacy 2016
<b>PROSPERITY</b>		
Climate change (GHG emissions and climate risk management are grouped under this material topic)	Managing Energy Consumption and Climate Change	GRI 416: Customer Health and Safety 2016
Energy use and conservation	Managing Energy Consumption and Climate Change	GRI 204: Procurement Practices 2016
Environmental compliance	Establishing a Green Operation	N/A
Sustainable buildings	Establishing a Green Operation	GRI 416: Customer Health and Safety 2016
Waste reduction	Managing Waste	GRI 418: Customer Privacy 2016
Water reduction	Conserving Water Resources	GRI 418: Customer Privacy 2016



**PEOPLE**





People are at the heart of the Group's operations. We endeavour to create shared value for our employees and the wider community. As a responsible employer, we deeply care our staff. We believe that a desirable workplace enables employees to be productive, which in turn translates into a successful business operation. To help employees thrive in a safe, healthy, ethical and inclusive workplace, the Group has nurtured a fair work culture that respects social responsibilities and sustainability. Furthermore, we understand the importance of being inclusive, supportive and sensitive to the needs of our neighbours and communities. We expand our support and bring benefits to the communities through various donation and support programmes.

## ATTRACTING TALENT

We are committed to nurturing a sustainable culture among the teams and building a passionate and high-performing workforce. The Group aims to expand the team of talented staff and has implemented employment and labour policies to protect employees' rights, foster talent development, and promote employee engagement.

### Material Topics

- Employment
- Labour standard

## Welfares and Benefits

To attract high-calibre talent, we offer fair, equitable and competitive remuneration and fringe benefits to our staff members. For example, we provide catering services that offer staff members a healthy and balanced diet. We have also established an Outstanding Employee Performance Award in Nina Hospitality and Long Service Award scheme to recognise individual staff's contributions to the Group.

## Internal Communication and Engagement

We promote team bonding and maintain two-way communications with employees through internal communication channels, employee surveys and staff activities.

We frequently arrange "Chit-chat with CEO" sessions for employees to share their views and obtain feedbacks in an informal setting. This allows them to voice valuable suggestions and exchange ideas with the CEO, who conversely cherishes the opportunity to hear and understand employees' constructive opinions directly. In addition, Nina Hospitality organises focus groups and luncheons between relevant stakeholders and senior management. The Group also conducts internal survey from time to time to collect data on employee engagement and satisfaction. Covering corporate culture, working environment and relationship with their supervisors, the survey aims to improve workplace satisfaction.

In the Reporting Period, the Group shared with employees about the company status updates and the plan of Chinachem Workplace Transformation Project regularly. The activities were supported by staff and management. Different ideas and suggestions were collected and shared in various communication channels.

The Group also uses Yammer, an online social networking platform, to facilitate engagement among employees. All members of the Group, including the CEO, are encouraged to share their thoughts and daily life in the workplace on Yammer. Others can then comment and exchange ideas.

In the Reporting Period, Nina Hospitality organised a Smiling Campaign "Smilespiration!". The campaign was devised to encourage staff to think positively by using warm smiles to relieve stress at work and deliver our brand values. Staff and guests were invited to participate and nominate outstanding team members for recognising the ones who delivered great services with smiles in the hotels.





("Smilespiration!" poster in guest areas)



(Smiling Campaign Winners in January 2020)



(Smiling Campaign Winners in January 2020)

To boost employees' sense of belonging and team dynamics, we organised a number of staff activities in the Reporting Period.







## Labour Practice

We are keen to create an ideal workplace with policies and initiatives in place that exceed statutory standards. Our *Employee Handbook* covers employment and labour related policies. This includes the employment terms and Code of Conduct which set out guidance for cultivating an ethical and dedicated team of employees. In addition, the Group strictly prohibits the employment of any child or forced labour. During recruitment, all candidates are required to provide a valid identification document as a way to prevent any such occurrence.

In the Reporting Period, there was no material non-compliance or violation in relation to labour standards.

## SUPPORTING DIVERSITY AND EQUAL OPPORTUNITY

An equitable and diverse work culture celebrates individual differences and reinforces community cohesion. Thus, we strive to foster a discrimination-free environment, as well as promote diversity and inclusion within the Group.

### Material Topics

- Anti-discrimination
- Diversity and equal opportunity

As stipulated in the *Equal Opportunities P&P*, the Group does not tolerate any form of direct or indirect discrimination against the stakeholders. We also convey anti-discrimination messages to all staff via orientation programmes, internal briefings, training and seminars. Partnering with the Equal Opportunities Commission, we provide relevant training to reinforce non-discrimination in the workplace.

The Group takes necessary actions to prevent and resolve any discrimination, threat, retaliation or harassment in the operations. In this regard, the Group's *Whistleblowing P&P* encourages employees to report any suspected misconduct in relation to discrimination, harassment or victimisation. Investigation would be conducted as appropriate. Mitigation or remediation actions would then be taken.

The Group has implemented multiple measures to ensure equal opportunities during the recruitment process. Regardless of their backgrounds, nationalities or social status, candidates are evaluated on their experience, qualifications, capabilities and attitude that best fits for the position.

The Group is not aware of any material violation in regard to discrimination, harassment or victimisation during the Reporting Period.

## SAFEGUARDING TALENTS

Safeguarding our employees' occupational health and safety ("OHS") is the top priority of our business operations. In addition, we value employees' wellness as a crucial material matter.

### Material Topic

- Occupational health and safety

As well as complying with applicable legal status and regulations, Chinachem Agencies Limited is certified under the ISO 45001:2018 OHS Management System. The Group takes necessary OHS measures and has established an OHS management framework in line with international management practice. It has also set up an OHS Committee to oversee OHS matters in specific workplace locations.

Nina Hospitality has likewise implemented several specific OHS measures. These include:

- Creating Departmental Safety Checklists for housekeeping, kitchen, engineering, lobby and office area
- Organising ISO 22000 Food Safety Management System auditor training
- Meeting with HR and Hotel Safety Committee regularly to discuss and follow-up safety issues
- Conducting face-to-face and online workplace safety training

During the Reporting Period, the Group recorded 97 workplace injuries with no case of work-related fatality. To best safeguard our employees and minimise workplace injury and fatality, we will continue to strengthen our OHS measures.



CASE STUDY

COLLECTIVE EFFORT TO COMBAT CORONAVIRUS PANDEMIC

While the coronavirus pandemic is still ongoing in the city, wearing mask becomes everyone's daily practice, jerking up its continuous demand. As a responsible and caring company, the Group paid close attention to the needs and well being of the employees and offered prompt help when needed.

Since the outbreak of the coronavirus epidemic, the Group has continuously been providing anti-epidemic supplies to the employees, as well as distributing masks and hand sanitisers to each employee for the use of their families.

Besides face mask distribution, the Group also carried out various measures to safeguard the health and safety of the employees:

- Introduce work from home arrangement and preventive measures on Novel Coronavirus infection in office premises
- Arrange additional cleaning of underground air conditioning within offices to ensure good indoor air quality and prevent the spread of germs and dust within the workplace
- Provide UV sterilizers to sterilize all mailing files and documents at mailing center & reception



(Mr. Donald Choi (right) was distributing face masks to the staff.)

- Install protective shelter to reduce face-face contact by front line staff at the check-in counter
- Install AirSteril APCO Advanced Photocatalytic Oxidation Technology Combined with UVC Light in lifts
- Require staff to measure body temperature daily

As a caring employer, the Group would continue to keep close monitoring of the pandemic situation as well as the needs of the employees.

## CULTIVATING TALENTS

The Group recognises the importance of having a capable workforce to achieve the business goals and success. We are committed to providing employees with learning and development (“L&D”) opportunities, believing that they equally benefit the individuals and the Group. We invest in our employees through various learning programmes and rigorous talent management to build their professionalism as well as their personal development.



### Material Topic

- Development and training

Our L&D programmes serve as an ongoing process to develop our employees’ competences through a wide range of activities such as induction training, coaching, e-learning and formal study. The goals of these L&D activities are:

- To maintain and strengthen the knowledge and skills of our employees
- To develop employees’ potential and competencies to meet our future development needs and challenges
- To support the effective implementation of our business strategies and plans

The Group has introduced several measures to support employees’ training and development. For example, it provides subsidies for job-related training programmes or courses of education under the Employee L&D Scheme. This scheme encourages employees to seek improvement by undertaking either employee-initiated or company-initiated programmes. Meanwhile, the Group has set up a *Staff Reward and Grading Policy* and a *Performance Management P&P* to evaluate employees’ performance and incentivise them to greater efforts and achievement. These policies also cover employee performance in relation to the agreed expectations and long-term goals. In addition to the above measures, the Group and Nina Hospitality are committed to enhancing the knowledge and skills required for staff to fulfil their day-to-day operations and develop their careers. Such measures include:

Level	Measures
 Group	<ul style="list-style-type: none"> <li>• Provides feedback through the annual performance appraisal system to ensure fair assessment</li> <li>• Conducts Employee Recognition, Management Trainee and Internship Programmes to nurture talent</li> <li>• Implements succession management through a structured mechanism that identifies and provides successful planning for potential future leaders</li> </ul>
 Hotel	<ul style="list-style-type: none"> <li>• Develops learning programme curriculum covering such topics as Compliance, Customer Services, Communications and Managerial Skills</li> <li>• Offers external training sponsorship to encourage employees’ continuous development</li> <li>• Provides online Learning Management System, launched in the Reporting Period, to encourage self-paced learning whereby staff can learn anytime, anywhere</li> </ul>

To recognise employees’ outstanding performance and boost their morale, Nina Hospitality has launched an Employee Recognition Programme. A “Nina Hotels Star of the Quarter” is nominated every three months based on leadership, work relationships, achievements, performances and commitment to the Group’s development. Outstanding employees are awarded certificates of achievement and incentives, such as buffet or cash coupons.





CASE STUDY

PROFESSIONAL DIPLOMA IN PROPERTY MANAGEMENT PRACTICE

In the Reporting Period, the Group collaborated with the School of Continuing and Professional Education of City University of Hong Kong (“CityU SCOPE”) to launch a professional diploma in property management practices. This initiative is designed to encourage staff to pursue continuing education and prepare for the upcoming licensing scheme.

Outstanding property management is one of the qualities for which the Group has become known. In light of the new property management licensing scheme, we are taking this opportunity to fulfil our L&D goals and support the staff’s professional development. Though this collaboration with CityU SCOPE, we offer a syllabus for staff to meet the qualification for obtaining the license. We have subsidised the tuition fee of HKD10,000 and assisted staff in applying for the Hong Kong SAR Government’s Continuing Education Fund for the remaining portion of the fee.

Foreseeing the growing demand for talent acquisition, we continue to provide tailor-made property management courses for our employees. “The Group will strengthen partnerships with CityU SCOPE and other educational institutions to offer various industry-related programmes, so that our staff will be better prepared for the challenges of the ever-changing property management service environment”, says Samuel Dong, the Group’s Director of Property Services.



(Dr. Louis CK MA (left), Director of CityU SCOPE, presented a souvenir to Mr. Donald Choi at a launch ceremony for the professional diploma)

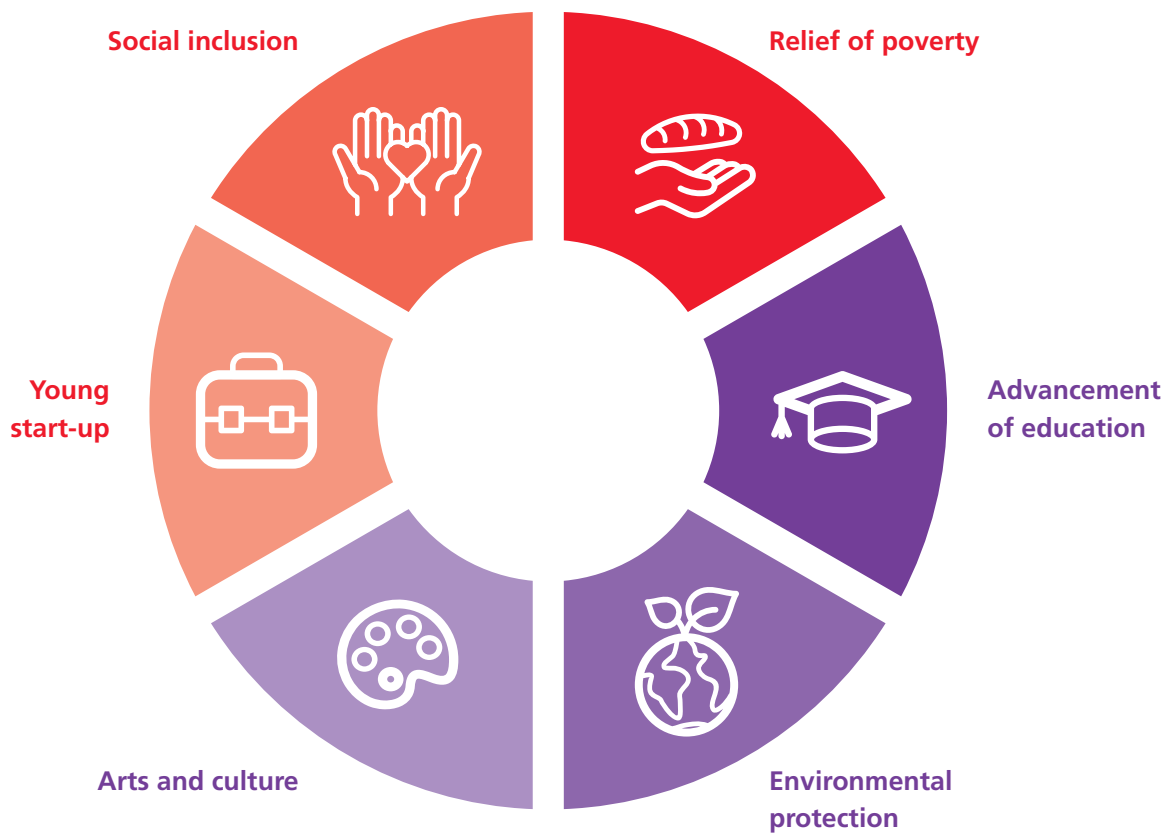
**SERVING LOCAL COMMUNITIES**

Alongside our tireless efforts to provide our employees a workplace to strive and thrive, we endeavour to create shared value with the communities we serve. Making full use of our resources and our passion, we work to meet the needs of society and foster community cohesion.

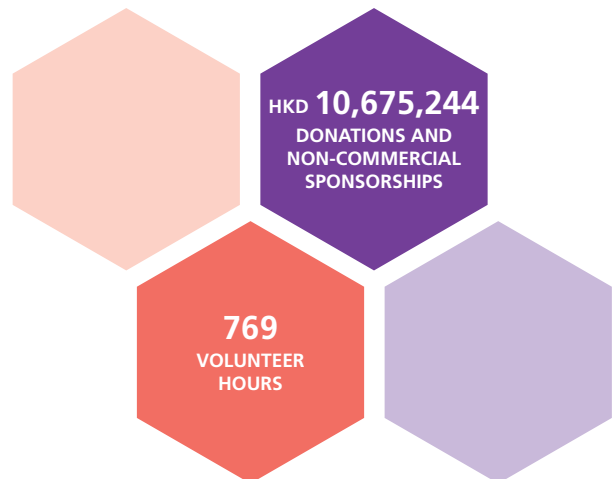
**Material Topic**

- Community involvement

In line with the Group's *Donations and Non-commercial Sponsorship P&P*, we are dedicated to giving back to society through donations, financially and/or in kind, spanning various focus areas:



Besides making financial and in-kind contributions to charitable organisations and the underprivileged, we scale up these philanthropic efforts by joining hands with our employees. The Group has set up a Volunteer Team to encourage staff to initiate impactful community outreach projects and provide benefits to society. Employees are entitled to two days of paid volunteer leave per year, enabling them to carry out community services for charitable organisations approved by the Group. During the Reporting Period, a total of HKD10,675,244 donations and non-commercial sponsorships were made, while 769 hours of staff volunteering were recorded across the Group.



### Age-friendly Community

Responding to the continuous growth of Hong Kong's elderly population, the Group strives to shape an inclusive and sustainable built environment for residents of all ages by incorporating age-friendly design features into future development projects. We aim to play a key role in catalysing the development of age-friendly communities by hosting public events and building homes that help the elderly to enjoy a dignified retirement.



CASE STUDY

### CHINACHEM SUSTAINABILITY CONFERENCE 2019

Under the theme of "How to Foster Age-Friendly Developments", the fourth edition of the Chinachem Sustainability Conference ("Conference") was held in 2019 with the support of the Hong Kong Green Building Council ("HKGBC"). Experts ranging from government and the construction industry to social enterprises and green groups were invited to take part in an interactive panel discussion.

The Group is conscious that elderly-friendly design guidelines for the local private building sector are currently inadequate. In view of this, we have initiated a project with Hong Kong Institute of Urban Design and other organisations to establish the first age-friendly building guidelines for private housing in Hong Kong.

There are four major design characteristics relevant to age-friendly buildings, namely space planning, barrier-free facilities, building height and accessibility of community facilities. We intend to take a lead in incorporating these people-centric and senior-friendly building design features into our future development projects. In this way, we can continue our efforts to help create a more age-friendly and sustainable society.



(A full house of 240 industry professionals and experts attend the Chinachem Sustainability Conference 2019 to share views on promoting age-friendly communities.)





CASE STUDY

DECENT HOME FOR THE ELDERLY

We strongly believe that besides designing age-friendly buildings and facilities to serve the daily needs of the elderly and increase their convenience, we must also pay heed to their long-term spiritual support.

Echoing our commitment to foster respect for the elderly, the Society for the Promotion of Hospice Care provides quality hospice and palliative care. It enables elderly people with terminal illnesses to live a full and positive life with dignity at its Jockey Club Home for Hospice. We are the founding sponsor of an initiative that helps 50 under-resourced families enjoy the Hospice facilities.



(The Group has made donation to the Jockey Club Home for Hospice to improve palliative care for elderly people with terminal illnesses.)

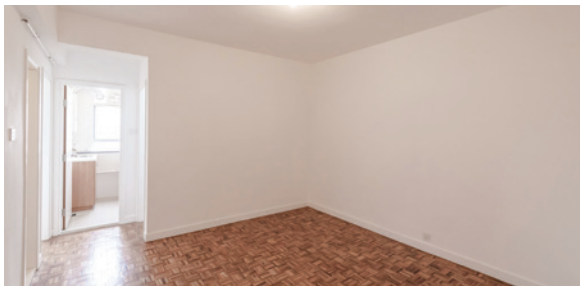
Community Involvement

As a socially responsible organisation, the Group is dedicated to engaging and investing in the communities it serves. We see this as a cornerstone for the sustainable development of our business, and are committed to creating positive value and sustainable outcomes for all.



CASE STUDY

COMMUNITY HOUSING MOVEMENT



(The Group has contributed 16 housing units in support of the Community Housing Movement after making renovations and installing air-conditioning.)

Numerous low-income families live in cramped conditions owing to the local housing shortage. In an effort to improve the livelihoods of some of these families, the Group has contributed 16 residential units to the Community Housing Movement, a scheme organised by the Hong Kong Council of Social Service (“HKCSS”), over the course of three years.

These units are leased at half the rateable value to provide affordable housing to underprivileged families.

Before releasing the units to the HKCSS, we provided basic renovations and air-conditioning so as to enhance the living quality of the families in need. In the longer term, we also hope to promote the emerging concept of shared accommodation by supporting the Community Housing Movement.



CASE STUDY

CHILD DEVELOPMENT MATCHING FUND

Supported by the Child Development Matching Fund of the Hong Kong Federation of Youth Groups (“HKFYG”), *Fly High with Us* is a three-year project that offers help to the city’s disadvantaged youth. In particular, the programme is aimed at nurturing their money management skills by arranging mentorship and assisting them to track their savings. During the Reporting Period, we supported underprivileged teenagers living in Tsuen Wan and Kwai Tsing through donations. In this way, we can promote the under-resourced teens’ personal development and help them overcome generational poverty for a brighter future.



(“Fly High with Us” promotional poster)

During the Reporting Period, we proactively reached out to different communities through supporting a wide variety of charitable programmes. In particular, we look to promote social integration and inject positive energy into all aspects of community life, especially for the elderly and underprivileged.



**200,000 masks donated to the Hong Kong Council of Social Service**

In March 2020 when Hong Kong was facing an urgent shortage of mask supplies which has driven up prices that put our grass-roots citizens in difficult positions, the Group did not hesitate to respond. Through tireless efforts from our staff, the Group was able to source a supply of 200,000 masks, which were then donated to the Hong Kong Council of Social Service.



**Tuen Ng Festival Greetings to the underprivileged families amid COVID-19**

In order to deliver festive warmth to the people in need, the Group’s volunteer team joined hands with Foodlink Foundation, a local charity, to deliver 100 food packs to low-income residents in Tsuen Wan. With unemployment rate hitting a record high in 15 years, our staff sought to be, albeit small, a source of moral support to our society’s most vulnerable group. In total, the Group sponsored 2,500 food packs that were delivered to 11 non-profit organisations.





*Home Visit to the Elderly*

Our Volunteer Team co-organised a home visit to the elderly with Yan Chai Hospital Chinachem Care and Attention Home. Participants handed out gift packs of food and other daily necessities. Additionally, they played games, prepared Chinese snacks and tasted floral tea together. It was an enjoyable afternoon for both the volunteers and the elderly.



*Summer Day Trip with 100 Children*

Partnering with SKH St. Christopher's Home, our Volunteer Team convened 50 volunteers and 100 children to join a summer event, at which they watched the movie Toy Story 4 at the Group's cinema and enjoyed a lunch buffet together at Nina Hotel Tsuen Wan West.



*Power of Creativity in Architecture*

To help nurture the city's creativity in architectural design, the Group fully supported and sponsored Island\_Peninsula, the first exhibition hosted by Hong Kong Institute of Architects in Los Angeles. It showcased Hong Kong-style architecture. The event also allowed the Hong Kong team to exchange valuable insights with their Los Angeles counterparts.





# PROSPERITY





The Group believes that there are two major spheres of influence, namely building occupants, such as tenants and guests, and suppliers. We listen to the needs of our stakeholders. We are devoted to balancing the protection of our environment and community with our financial bottom line. We aim to create a harmonious, sustainable and healthy community that supports the dreams of the many and enhance the social value throughout. Our sustainable investment into the fabric of Hong Kong generates the revenues we need to deliver on our future societal commitments.

## REACHING OUT TO BUILDING OCCUPANTS

Satisfaction of building occupants is integral to the Group's reputation and sustainable business growth. In fulfilling our mission of creating quality spaces with high service standards, we care about the health and well-being of the building occupants and value our ongoing communication with them.

### Material Topics

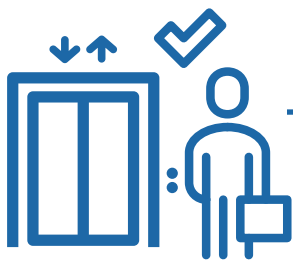
- Tenant and guest health and safety
- Indoor air quality control
- Tenant and guest privacy
- Quality assurance

### Health and Safety

The Group is committed to promoting the safety, health and well-being of building occupants in all of the operations. Adopting a preventive management approach, we allocate ample resources to keep equipment and the indoor environment in good condition, and continuously monitor each building's performance to ensure it can contribute to a healthy and liveable built environment.

At our hotels and properties, we appoint licensed engineers and professionals to perform regular inspections in compliance with local statutory regulations. The Property Services Department ("PSD") has formulated a holistic building management and maintenance programme that sets out periodic operational and maintenance requirements and procedures.

We arrange routine examination of elevators and escalators at our properties every two weeks to detect any deficiencies and carry out necessary rectification. On top of the routine inspections, we strive to modernise ageing lifts that are not up to current technical standards.



Every two weeks, we arrange routine examination of elevators and escalators of our properties to detect any deficiencies, and carry out necessary rectification.



On top of the routine inspections, we strive to modernise ageing lifts that are not up to current technical standards.



CASE STUDY

BUSINESS RESILIENCE AMID COVID-19

The safety of our guests and visitors to our managed hotels and properties is of paramount importance. We have not shied away from embracing new technological innovations to better protect our guests against the COVID-19 outbreak.

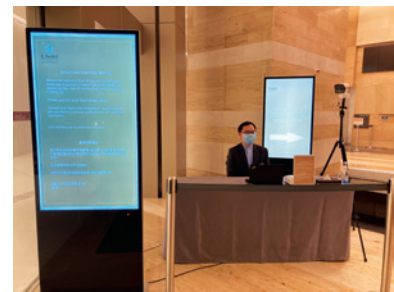
At Nina Mall 1 & 2, the Group adopted the 'kNow Touch' technology, developed by the Hong Kong Productivity Council, in our elevators. The contactless panel device allows visitors to activate elevator buttons without risking virus transmission. Besides bringing visitors a safer shopping and dining experience, the partnership has brought support to the homegrown innovation market.

At all of our managed properties and hotels, we have implemented the following measures:

- Conduct more frequent disinfection in public areas and ventilation systems, as well as make hand-sanitizing products available for guest use

- Check the body temperature of guests and visitors, as well as require the use of a face mask at all times
- Install protective transparent shields for staff at check-in counters at our hotels
- Use UV sanitization technology to disinfect room cards prior to guest use at our hotels
- Require visitors to submit Health Declaration Form at our workplace services segment when visiting to our offices

In terms of business continuity, the Group's Crisis Management Team ensures we respond to any emergencies in a systematic manner. We have also integrated pandemic risks into our risk management mechanism. For our hotel operations, we are to launch 'Immaculate Hotel' as a long-term branding strategy to communicate our safety priority to guests.





**CASE STUDY**

**INDOOR ENVIRONMENTAL QUALITY MANAGEMENT**

From water quality to indoor air quality (“IAQ”), the Group is dedicated to shaping an ideal and liveable built environment for the occupants. Cleaning of water tanks and the sampling and monitoring of fresh water are included in our routine operations. In addition, Nina Hotels inspect kitchen ventilation systems and air filters regularly to ensure effective indoor air pollution control. Our work in enhancing indoor environmental quality has been widely recognised by various organisations.

In total, 14 of our properties have been certified by the Hong Kong Water Suppliers Department (“WSD”) under the Quality Water Supply Scheme. Meanwhile, Nina Tower and Conference Lodge by Nina Hospitality (formerly known as Conference Lodge by L’hotel), two of the Group’s properties, have attained the IAQ Certificate Excellent Class and Good Class Standards respectively, issued by the EPD.

Understanding the necessity of ensuring occupants’ health and well-being, and the benefits that result, we aim to achieve further wellness-related building certification standards in our future projects, such as the WELL Building Standard of the International WELL Building Institute™.



(IAQ Certificates issued by the EPD)

**Data Security and Privacy**

We attach great importance to the responsible use and protection of personal and other information under our care. To ensure rigid adherence to local data privacy laws and regulations, employees are required to be vigilant in handling the personal data of tenants and guests. A *Personal Information Collection Statement* must be provided to individuals prior to collecting personal data from them, stipulating the purpose and use of the personal data, confidentiality and retention period.

In line with the Group’s *Personal Data Privacy P&P*, access to any personal data collected is restricted to authorised personnel having a specified purpose. We conduct regular staff training on personal data protection, as well as periodic reviews of our data privacy measures to ensure their effectiveness and consistency. During the Reporting Period, the Group was not made aware of any major complaints or losses of occupants’ data and there was no material non-compliance in relation to data protection. In addition, relevant staff received training on the latest regulatory updates on the Personal Data (Privacy) Ordinance and its applicability to the Group’s operations, such as in terms of direct marketing, data analytics, and cross-border transfer of personal data.

### Occupant Experience and Satisfaction

The Group believes that service quality, occupant satisfaction and brand image are intertwined. In this regard, we put great value on enhancing experience and relationship with the occupants of our properties. The Group's property management services are certified under the ISO 9001:2015 Quality Management System ("QMS") which provides assurance of the high quality of building services catering for occupants' daily needs.

In response to evolving trends in information technology, we strive to digitise our properties under management to further improve their service standards. For example, the Group has installed people-counting sensors in commercial buildings, automatically monitoring the flow of visitors in an accurate and real-time manner. The use of digital technologies serves to elevate occupant experience and promote connectivity between tenants.



CASE STUDY

#### DIGITALISED TENANT COMMUNICATION

In an initiative to foster cohesive dialogue with tenants and disseminate information on a regular basis, the Group has launched FSI Advantage, a property management smartphone app exclusively for tenants. With pilot tests rolled out in Nina Tower, Chinachem Golden Plaza and 3 MacDonnell Road, this user-friendly app features a broad array of customised services:

##### Built-in Chatbot

- Issues automatic replies to common enquiries and provides basic information

##### Tenant-to-tenant Trading Platform

- Builds a market place for tenants from the same property to trade second-hand goods

##### Latest News and Events

- Provides information about upcoming tenant activities with locations displayed on Google Maps

##### Smart Information Sharing

- Sends instant e-notices and e-reminders such as lift maintenance and fire alarm tests to tenants

##### QR Code-enabled Visitor Management

- Allows visitors of tenants to access the property with pre-registered QR code



We value our customers' feedback, which enables us to keep refining our management approaches and services. To gauge building users' satisfaction levels concerning our services, facilities management and environment, we conduct satisfaction surveys for guests and tenants on a regular basis. During the Reporting Period, 60% of tenants of 21 managed properties took part in the satisfaction surveys, yielding an average satisfaction score of 77%. Their opinions helped facilitate our monitoring of current practices and put in place improvements. For example, we have established plans to replace ageing lifts and escalators in response to tenants' feedback.

In addition, we have established standardised customer complaint handling procedures, which have been certified under the ISO 10002:2014 Standard Customer Satisfaction and Complaints Handling Management System. The procedures encompass the following key elements:

 <p><b>Listen and Understand Patiently</b></p>	<p><b>1</b></p> <ul style="list-style-type: none"> <li>• Listen to customers in a courteous and professional manner</li> <li>• Record details of the complaint and identify the problem</li> </ul>
 <p><b>Follow Up Expediently</b></p>	<p><b>2</b></p> <ul style="list-style-type: none"> <li>• Classify nature of complaint and refer it to responsible department</li> <li>• Conduct investigation and analysis of the incident</li> </ul>
 <p><b>Reply Professionally</b></p>	<p><b>3</b></p> <ul style="list-style-type: none"> <li>• Keep the customer informed of the handling progress</li> <li>• Respond to the complaint and offer solutions as far as possible</li> </ul>
 <p><b>Record Comprehensively</b></p>	<p><b>4</b></p> <ul style="list-style-type: none"> <li>• Log the complaint in detail including the description and remedial actions</li> <li>• Share as case studies to increase employees' responsiveness</li> </ul>

## CREATING A SUSTAINABLE VALUE CHAIN

Conscious of the potential impact of the Group's supply chain on the environment, society and the economy, we take great care to manage our environmental and social impacts in a responsible way, pursuing a variety of strategies to embed sustainability into our supply chain management.







### Material Topics

- Green procurement
- Quality assurance and service standards

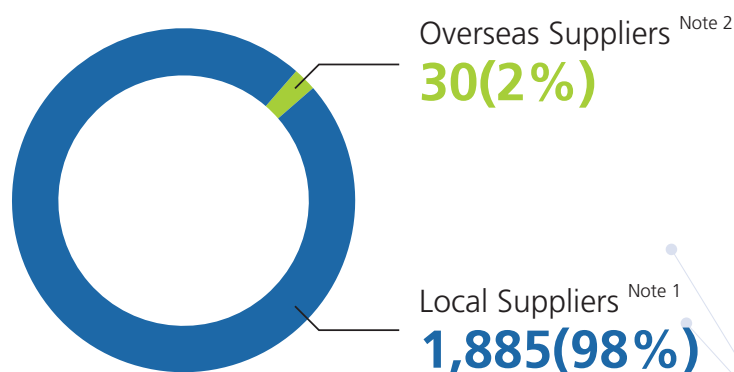
### Procurement Practices

To meet the needs of our property management, hotel and office operations, we commission a wide range of suppliers and contractors providing services and products such as food and beverages (“F&B”), cleaning services, guest supplies and electrical appliances. The Group’s *Procurement Management Framework P&P* and *Standard Operating Procedures (SOP) - Group Central Procurement Manual* lay out systematic procedures for Group-level purchases, while each business segment adheres to its tailored policy versions.

Adopting a holistic approach to achieve a sustainable supply chain, we stringently assess, review and select suppliers and contractors with reference to the following key guiding principles stated in the Group’s procurement policies.

Key Guiding Principles	Description
 Quality and Delivery Capacity	1 Consider quality of services and products, including delivery date and return services
 Transparency and Fairness	2 Ensure tendering and procurement processes are conducted in an open and objective manner
 Ethical Conduct	3 Adhere to the highest professional and ethical standards in all procurement activities
 Sustainability Commitment	4 Prioritise suppliers with sustainability policies, as well as certified management systems e.g. ISO 14001 Environmental Management System (“EMS”) and ISO 45001 OHS Management System certification
 Regulatory Compliance	5 Require all suppliers and contractors to comply with all applicable laws and regulations
 Price Competitiveness	6 Negotiate to achieve reasonable tender prices to safeguard the Group’s interest

Apart from the above, another key sustainability element we prioritise is the supplier’s region of operations. We give preference to local suppliers to reduce the carbon footprint from the transportation of goods and materials, as well as to support the local economy. The following table presents the number of suppliers engaged by the Group’s business segments under PSD and Hotel, as well as the Group’s Central Procurement Section.



Note 1: Local suppliers refer to suppliers located in Hong Kong  
 Note 2: Overseas suppliers refer to suppliers located outside of Hong Kong

Moreover, as a testament to our relentless drive for improvement, the Group's Project Department is in the process of developing a *Guidelines for Green Procurement* that takes on a more holistic approach to ensure our entire value chain upholds eco-friendly practices for the design and construction projects. The Guidelines will outline the minimum pre-qualification and tender submission requirements for consultants, contractors and suppliers seeking engagement, such as provision of green specialists and software. In addition, the policy will specify both basic and optional provisions for selection of contractors and electronic & mechanical equipment.

To facilitate informed decision-making during the procurement process, factory visits and interviews are arranged as far as practicable. The assessment results are then detailed in reports for the relevant department's consideration.

During the Reporting Period, a total of 256 suppliers were newly commissioned to provide products and services in such areas as F&B, maintenance, security and cleaning.

In addition, we conduct reviews of our suppliers' performance every half year, in terms of their product/service specification accuracy, price, response time, as well as any after-service quality. Results of the appraisals are clearly documented for the approver's consideration and future reference.

### Quality Assurance and Service Standards

As part of the corporate strategies for sustainable development, the Group is dedicated to delivering high-quality services and products through rigorous quality assurance. Under the frameworks of ISO 9001:2015 QMS, the PSD works to enhance the sustainability performance of suppliers. For instance, suppliers of chemical materials are required to provide Material Safety Data Sheets to ensure occupational and product safety. During the Reporting Period, the Group was not aware of any incidents of non-compliance concerning the health and safety impacts of the services.

Moreover, all our hotel properties operate in accordance with the internally established Minimum Quality Service Standards ("MQSS") and Standard Operating Procedures. The MQSS comprises clear standards and procedures for different roles such as front desk, security and housekeeping. The department heads are responsible for conducting regular inspections at least once a month, and assist in annual audits. We constantly explore other opportunities to refine our quality management approach and



**PLANET**





Integrating sustainability practices into the Group’s strategies and operations contributes to the well-being of the environment and community it serves, as well as the long-term sustainability of the business. In this connection, the Group takes pride in promoting environmental stewardship by implementing diverse sustainable and innovative technologies and exceeding minimum compliance with relevant environmental legislations, standards and regulations. The Group looks into the details of the environmental consequences of how we operate. We set ourselves demanding annual targets for improvements and have committed to a number of bold initiatives over the longer term. We strive for putting sustainability into practice and improving our environmental credentials.

## ESTABLISHING A GREEN OPERATION

The Group recognises rigorous environmental stewardship as being the foundation of a sustainable business operation, as well as benefiting the community. As such, we take initiatives to align our management approach on environmental issues with ISO 14001:2015 EMS. Alignment with this certified EMS framework drives the improvement of our environmental performance and ensures compliance with environmental laws and regulations.

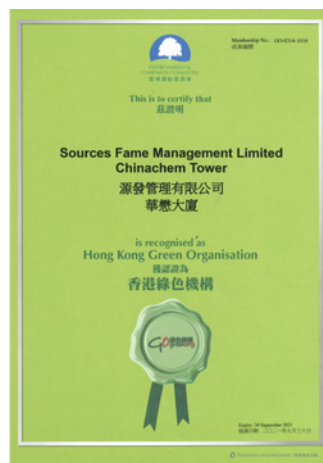
### Material Topic

- Sustainable buildings

We work tirelessly to integrate and upgrade facilities in our buildings to make them more energy-efficient. In recognition of our efforts in translating green thinking into action, we have received several industry awards in the environmental sector. In the Reporting Period, the Group’s subsidiaries Sources Fame Management Limited and Together Management Company Limited obtained HKAEE certificates. The Group was also granted and certified as a Hong Kong Green Organisation (“HKGO”) under the Hong Kong Green Organisation Certification (“HKGOC”) scheme run by the ECC alongside the EPD.



(Hong Kong Awards for Environmental Excellence)



(Hong Kong Green Organisation)

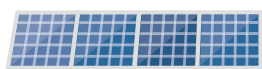

Our efforts to build a portfolio of greener and more sustainable buildings have also been well recognised. Recently 3 MacDonnell Road, a prominent new residential development in Mid-Levels, achieved Gold rating under the LEED Core & Shell certification.

## GREEN BUILDING ACHIEVEMENTS AT 3 MACDONNELL ROAD



**MATERIALS AND RESOURCES**

- Using 50% of Forrest Stewardship Council (“FSC”) certified wood materials
- Using 20% recycled building materials
- Sourcing 20% of regionally extracted, harvested, recovered and/or manufactured materials
- Promoting on-site recycling to achieve 75% diversion of construction and demolition debris


**ENERGY AND ATMOSPHERE**

- Performing enhanced energy commissioning
- Enhancing daylighting
- Purchasing 35% green power
- Achieving 16% improvement on baseline building performance rating



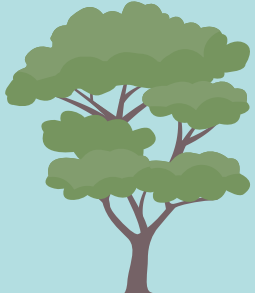
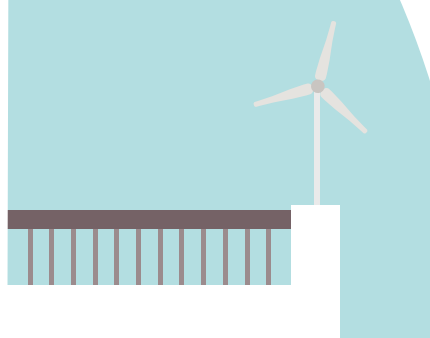
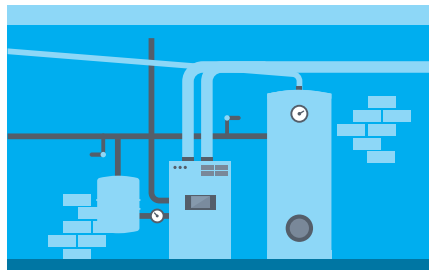
**INDOOR ENVIRONMENTAL QUALITY**

- Establishing construction IAQ management plan
- Sourcing materials with lower IAQ impact (such as low-emitting paints/coatings)
- Enhancing thermal comfort and IAQ performance
- Allowing direct views to the outdoor environment in 90% of occupied space

**WATER EFFICIENCY**

- Developing water-efficient landscape
- Installing water-efficient fixtures
- Achieving 50% reduction in potable landscape water use
- Achieving 30% reduction in baseline indoor water use



## MANAGING ENERGY CONSUMPTION AND CLIMATE CHANGE

Recognising the growing global concerns about climate change, the Group is committed to energy savings to reduce greenhouse gas (“GHG”) emissions and help drive climate action. The Group has developed a number of energy-saving strategies and measures.

### Material Topics

- Energy use and conservation
- Climate change

### Energy Management

The major source of energy use for the Group is electricity for maintaining daily operations. At Nina Hospitality in particular, Towngas is consumed as a stationary fuel for cooking, while petroleum is widely used as a mobile fuel for transportation.

In setting our targets for energy saving, we align our properties with the ISO 50001:2018 Energy Management System. Nina Hotel Kowloon East (formerly known as L’hotel élan) is certified under the Energy Management System. The Group has made commitments to conserve energy by signing the Environment Bureau’s Energy Saving Charter and Charter on External Lighting. Reflecting the Group’s efforts, more than half of the properties and hotels under management, including Chinachem Exchange Square and Nina Hotel Kowloon East, have attained Energywi\$e certification under the HKGOC.

Seeking continuous improvements in energy reduction, the Group is currently developing both overall and individual energy reduction targets for the properties and other operations. Using the performance data of the previous year as a baseline, we are able to identify the scope for improvements, with the aim of progressively reducing energy consumption in the upcoming years.

The Group has also implemented several measures to improve energy efficiency. Taking into consideration building type, age, condition and location, the Group devises customised energy-saving measures for each of the properties and hotels under management. Common energy-saving measures implemented in the majority of our buildings are summarised below:

### Energy saving measures

- Replace existing light system with LED lighting fixtures
- Install motion and daylight sensors or timer control in low traffic areas
- Promote passive design by maximising natural daylight harvesting
- Set average room temperature between 24 and 26°C in summer while maintaining thermal comfort
- Participate actively in energy saving schemes
- Retrofit aged equipment such as central Air Conditioning systems
- Provide EV Charger for electric vehicles

We have also collaborated with external institutions and organisations to improve energy efficiency in buildings. In terms of smart building, CLP Holdings Limited (“CLP”) assisted Nina Tower in the deployment of various smart and green technologies such as smart meters, smart electric kitchens and smart chargers for electric wheelchairs. As a first step, we have installed the CLP Smart Enterprise app for three of the meeting rooms and the Smart Fan Coil Unit (“FCU”) Control System in Nina Tower. With this app installed in gadgets such as smartphones and tablets, the control and monitoring of air conditioning and lighting systems is just one click away that helps us attain intelligent energy management.



(Energywise certificate)

The Group also participates in the “ACT-Shop” scheme organised by the HKGBC, which helps optimise building energy management performance. Through these schemes, we have adopted a knowledge-based energy management model to reassess energy efficiency and optimise energy usage in our buildings.

Plans are in hand to further improve energy efficiency in the future, continuously driving energy reductions. These plans cover replacement with highly-efficient active systems as well as retro-commissioning on existing facilities.

### Climate Action

Realising the urgency and severity of climate risks, we are committed to reducing the carbon footprint of our business operations. In the Reporting Period, the Group has participated in the “Advancing Net Zero” (“ANZ”) Project, organised by HKGBC and the World Green Building Council (“World GBC”), and committed to both the Low Carbon Charter of the Business Environment Council Limited (“BEC”) and the 4T Charter of the Government’s Environment Bureau. Our active participation in these initiatives has allowed to exchange insightful information with other companies in the industry and together drive innovation in this field.

Meanwhile our hotels have offset a total 20,000 kWh of energy by purchasing Renewable Energy Certificates from Hong Kong Electric and CLP to further support the local generation of local renewable energy in the Reporting Period.

To support Hong Kong Climate Action 2030+, the Group is eager to establish science-based targets for GHG reduction in 2021. Through setting a clearly defined pathway to reduce GHG emission in line with climate science scenarios, we are contributing to helping the city align with the global target set out in the Paris Agreement of keeping the global temperature rise within 1.5 °C. We will develop further climate mitigation measures to meet the reduction targets. This is a testimony to our strong commitment towards climate change.

### MANAGING WASTE

As a responsible and environmentally-conscious organisation, the Group attaches high importance to relieve the burden on Hong Kong’s landfills and support the Government’s tightening waste management regulations.

#### Material Topic

- Waste reduction

Given our business nature, the majority of waste generated in our operations comes from the premises under management. Such waste includes paper, plastic, batteries, glass and small amounts of e-waste. Food waste is also a significant issue in our hotels owing to the need to provide an extensive choice of dining services to our guests and customers.

The Group follows the Reduce, Reuse and Recycle Principles (“3R Principles”) to minimise resources consumption and waste generation. Under the 3R Principles, we take initiatives to reduce waste at source by regularly reviewing the consumption of materials as well as prioritising the selection of eco-friendly materials in our operations. In this regard, PSD was awarded the Wastewi\$e certificate under the HKGOC and Nina Hospitality had committed to the Food Wise Charter established by the EPD during the Reporting Period.

At the Group’s offices, green office measures have been implemented to reduce office waste and ultimately go paperless. Dysfunctional electronic appliances are repaired to reduce the amount of e-waste generated to the landfill. The Group uses online tools to manage and process most documents. Besides digitising the majority of document submissions, tenders and business communication, the Group has installed an electronic dashboard that serves to track progress of the projects in a real-time manner. An online Human Resources Information System (“HRIS”) has been set up for the HR Department. By automating various aspects of HR management such as leave applications, staff administration and tax reporting, the HRIS enables more productive and effective operations, thereby reduces paper usage.



At the buildings under our management, we have installed hand dryers in toilets to minimise the use of paper towels. In addition, we have installed umbrella dryers in some properties to reduce the need for single use of umbrella bags. Recycling bins have been placed at convenient locations to encourage segregation into different types of general waste including plastic, paper, aluminium cans and glass bottles. We also collect other recyclable materials such as used lamps, festive decorations and rechargeable batteries.

Promoting environmental awareness in our hotels, we provide recycling bins inside each of the guest rooms in Lodgewood by Nina Hospitality Mong Kok (formerly known as Lodgewood by L'hotel Mongkok Hong Kong) and Nina Hotel Kowloon East. Additionally, our hotels use recyclable or biodegradable packaging for amenities as more eco-friendly alternatives to reduce the disposable waste generated from the hotels.

Food waste is a major source of waste generated by hotels. As such, our hotels have committed to the Food Wise Charter and have installed food waste liquefiers to minimise food waste being sent to landfills. In addition to reducing food waste and waste cooking oil, our hotels donate surplus food to Non-Governmental Organisations (“NGOs”), such as Foodlink Foundation and Food for Good, to help them provide nutritious meals for underprivileged people in the community. In view of our hotels, as well as our F&B tenants, being significant sources of food waste, we look forward to extending our efforts in this area across our properties.

We also collaborate with external organisations in promoting recycling practices. For example, Chinachem Exchange Square and Two Chinachem Exchange Square have participated in the EPD’s “Programme on Source Separation of Commercial & Industrial Waste” project by recycling batteries, toys, books, mooncake containers and red packets. These two properties have also signed EPD’s “Glass Container Recycling Charter for Glass Recycling”. Through active collaboration with NGOs and the Government, we aim to make use of our buildings to promote recycling habits among members of the public.

## CONSERVING WATER RESOURCES

We understand that water is a valuable natural resource. As a responsible global citizen, we recognise the threat of water scarcity in the world. Therefore, we closely monitor and optimise water consumption within our business operations, with an aim to achieve environmental sustainability.

### Material Topic

- Water reduction

The Group has implemented various measures to improve water efficiency in the daily operations. The following are common practices carried out in our properties:

#### Water saving measures

- Installing sensory water taps
- Widely promoting water saving practices
- Installing dual-flush toilets
- Monitoring water consumption patterns through metering
- Checking water leakage in the toilet regularly

In addition to the above, Nina Hospitality has implemented specific measures such as providing “Linen/Towel Changing” cards in the hotel rooms, inviting guests to request linen or towel changes only when necessary. In this way, we are able to promote eco-friendly messages to them. Moreover, we only operate laundry machines at full capacity.

To further conserve water resources, we have installed rainwater harvesting systems in our buildings. Rainwater is collected and treated for reuse at the premises. For instance, in Chinachem Leighton Plaza, condensate water from the central air conditioning system is collected and filtered for flushing use.

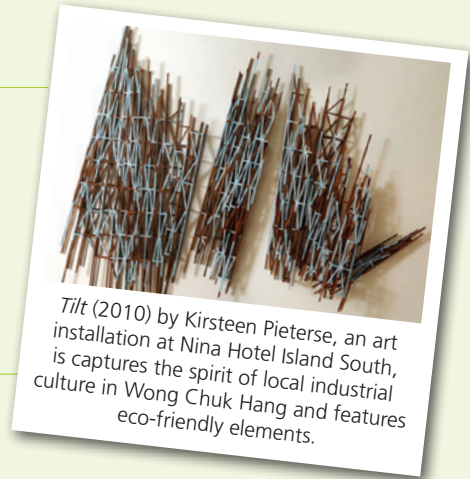


CASE STUDY

NATURAL CONSERVATION: GEOPARK HOTELS

In partnership with the Hong Kong United Nations Educational, Scientific and Cultural Organisation (“UNESCO”) Global Geopark, we have established two Geopark hotels, namely Nina Hotel Island South and Nina Hotel Kowloon East. Our Geopark hotels aspire to support natural conservation and cultural heritage through science transfer, exhibitions and “geolicious” menus.

These two hotels introduce Hong Kong as a world-class geopark destination with information displays in the lobbies and fossil displays in the guest rooms. This helps raise guest awareness about how geoparks play a crucial role in protecting the city’s spectacular geological features, and highlights the importance of treasuring this precious natural heritage.



*Tilt* (2010) by Kirsteen Pieterse, an art installation at Nina Hotel Island South, captures the spirit of local industrial culture in Wong Chuk Hang and features eco-friendly elements.



Hotel staff visit to High Island Reservoir Geopark

The Geopark hotels also organise capacity-building programmes and field studies on a regular basis for staff to ensure that the information they share with visitors is up-to-date. Renowned artists and designers have been invited to create artworks and decorations on a nature and geopark theme for display inside the hotels. The hotel chefs have even designed dishes inspired by the geopark attractions, such as the hexagonal columns at Sai Kung.



"Meaty Columns"

The Meaty Columns was inspired by the spectacular hexagonal columnar rock found in Sai Kung area.



Geopark feature: hexagonal columnar rock



"Devil's Fist"

Devil's Fist was inspired by "Devil's Fist" - the sedimentary rock along Bluff Head in Wong Chuk Kok Tsui.



Geopark feature: "Devil's Fist" in Wong Chuk Kok Tsui



CASE  
STUDY

## GREEN CHRISTMAS

Launched in the Reporting Period, the Group's "Light Upcycled Art-for-All" campaign was a large-scale Christmas public art programme aimed at bringing positive change to the community. It included a used light bulb collection campaign, large-scale upcycled Christmas decorations, outdoor light displays, public art projects encompassing a pop-up Upcycling Art Exhibition, and a diverse range of workshops with a focus on educating and engaging the public about upcycling.

### "Mission 50000" - Citywide Light Bulb Collection Campaign



("Mission 50000")

The "Mission 50000" initiative was aimed at collecting 50,000 used light bulbs or "Mission 50000" pledges. For every used bulb or "Mission 50000" pledge received, the Group would donate HKD10 to St. James Settlement for their "Home Improvement Project for Deprived Elderly" programme. The programme helped to increase the energy efficiency of household lighting for seniors. In total, 53,315 "Mission 50000" pledges were received through the programme.

### "Wish to be – Renaissance of Used Lights" - Upcycled Art Exhibition

The "Wish to be – Renaissance of Used Lights" upcycled art exhibition was curated by accomplished artist and architect Dr. Chan Lai Kiu and was a key component of the "Light Upcycled Art-for-All" programme. She co-created the exhibition with 12 local artists and produced nine sets of art pieces which preserved the inherent shape or form of recyclable material while turning it into thoughtful art works. Each centred around a thought-provoking theme, creating probing environmental questions to stimulate careful consideration from viewers. Environmentally sustainable elements were incorporated into the art works, adding an extra layer of meaning to them, and inspiring curiosity among the 2,981 visitors to the exhibition.



(Celebration of a green Christmas)

During the Reporting Period, the Group implemented various environmental measures to improve the sustainability performance. Looking forward, we will endeavour to focus more strongly on mitigating our environmental impacts and the associated risks, such as climate risks, resource depletion and overflowing landfills. The Group will seek persistent improvements and upgrade the current systems to further enhance the environmental performances.





The Group sees corporate social responsibility as an ongoing and rewarding journey. We never cease to implant sustainability in the locations where we operate, and we take a long-term view of the role of our business operation plays in the community.

In 2019, we led our sustainability efforts to spur positive impacts on the environment, people and communities we serve. Stepping into our 60th Anniversary in 2020, we look forward to embedding sustainability into our value chain through the establishment of our sustainability framework, and strengthening our company culture by enhancing our corporate brand. We are currently in the process of developing a *Guidelines for Green Procurement* for design and construction projects to take on a more holistic approach to ensure our entire supply chain upholds eco-friendly practices. We recognise our shared responsibility as a global citizen and are eager to support various sustainability initiatives – for example, supporting the SDGs, developing our own science-based targets and adopting the Global Real Estate Sustainability Benchmark (“GRESB”) to drive corporate sustainability. As a non-listed company, we hope to take this extra step in enhancing our corporate transparency and sharing our fruitful achievements with all stakeholders by publishing our first Sustainability Report.

In response to the COVID-19 pandemic, we have proactively taken on the responsibility to help Hong Kong overcome such difficult situations, both now and in the future. We will continue to stay vigilant in exploring mitigation measures to promote health and wellness at both corporate and property levels through healthy and sustainable building designs and features, as well as implementing comprehensive virus-fighting arrangements. Joining hands, we will weather the storm with Hong Kong.

As we enter a new era with looming challenges but exciting opportunities, we aim to establish a brand new image for the Group that reflects our vision, mission and core values. We are a purpose-driven developer. We operate not solely for profit, but with the higher purpose of contributing to the society and creating positive value at social, economic and environmental levels, thereby achieving the *Triple Bottom Line* of People, Prosperity and Planet. These values are woven into our core businesses. In terms of digital transformation, we will forge ahead to adopt innovative technology and smart solutions, such as Artificial Intelligence (“AI”) technology and Internet of Things (“IoT”), in our new development projects.

With a new and exciting decade ahead, we will make the *Triple Bottom Line* a focal point of our sustainability strategies, aiming to paint a greener landscape and create a more harmonious community in Hong Kong, the root of the Chinachem Group.





# APPENDICES

## SUSTAINABILITY RECOGNITIONS AND INDUSTRY PARTNERSHIPS

### Awards

Awards	Organisers	Entities and / or properties
5 Years Plus Caring Company	The Hong Kong Council of Social Service	Chinachem Group; Nina Hospitality Company Limited; Sources Fame Management Limited; Together Management Company Limited
Certification of Appreciation - In recognition for the support to the CIC Carbon Assessment Tool	Construction Industry Council	3 MacDonnell Road
Certificate of Excellence 2019	TripAdvisor	Nina Hotel Kowloon East; Nina Hotel Island South; Lodgewood by Nina Hospitality Mong Kok
CLP Smart Energy Award 2019 – Peak Demand Management Excellence Award (Corporate/Government Bodies)	CLP Group	Chinachem Group
Ctrip Best City Hotel 2019	Ctrip	Nina Hotel Causeway Bay
Ctrip Best Selling Hotel Award	Ctrip	Nina Hotel Island South
Customer Review Awards 2019	Agoda	Lodgewood by Nina Hospitality Mong Kok
ESD Life Bridal Award – Best Hotel Wedding Banquet - New Territories (Preferred Choice)	ESD Life	Nina Hotel Tsuen Wan West
Gold Circle Award 2019	Agoda	Nina Hotel Tsuen Wan West
Golden Pearl Awards 2019 – Good Progress Hotel of the Year	GHM (Guangdong, Hong Kong, Macao) Hotel General Managers Society	Nina Hotel Causeway Bay
Hong Kong Awards for Environmental Excellence	Environmental Campaign Committee	Sources Fame Management Limited; Together Management Company Limited; Nina Hotel Kowloon East; Lodgewood by Nina Hospitality Mong Kok
Hong Kong Best Employer Brand Awards	Employee Branding Institute	Nina Hotel Tsuen Wan West
Hong Kong Green Organisation	Environmental Campaign Committee	Sources Fame Management Limited; Together Management Company Limited
Hong Kong Green Organisation Certification – Energywi\$e Certificate	Environmental Campaign Committee	Lodgewood by Nina Hospitality Mong Kok; Nina Hotel Tsuen Wan West; Nina Hotel Causeway Bay; Lodgewood by Nina Hospitality Wan Chai; Nina Hotel Kowloon East
Hong Kong Green Organisation Certification – Wastewi\$e Certificate	Environmental Campaign Committee	Nina Hotel Island South; Nina Hotel Causeway Bay; Nina Hotel Tsuen Wan West; Lodgewood by Nina Hospitality Wan Chai
Loved by Guest Award 2019/2020	Hotels.com	Nina Hotel Kowloon East; Lodgewood by Nina Hospitality Mong Kok
Masterchef Recommendation Restaurant 2019	Asia Art of Cuisine Society	Nina Hotel Tsuen Wan West

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Awards	Organisers	Entities and / or properties
Platinum Award of the Charter on External Lighting	Environment Bureau	Chinachem Group
Recommended Hotel 2020	Forbes Travel Guide	Nina Hotel Kowloon East; Nina Hotel Island South
T.Dining Best Restaurants Awards	Tatler Hong Kong	Lodgewood by Nina Hospitality Wan Chai
Top 10 Wine Pairing Restaurants 2019	Wine.Luxe	Lodgewood by Nina Hospitality Wan Chai
Traveller Review Awards	Booking.com	Lodgewood by Nina Hospitality Mong Kok

## External Charters and Pledges

Name of Charters and Pledges	Organisations
Advancing Net Zero Programme forerunner	World Green Building Council
Charter on External Lighting	Environment Bureau
Cyber Security (Economic and Social)	Smart City Consortium
Earth Hour Pledge	World Wildlife Fund
Energy Saving Charter	Environment Bureau
Food Wise Charter	Environmental Protection Department
Good Employer Charter	Labour Department
Glass Container Recycling Charter	Environmental Protection Department
Green Event Pledge	Environment Protection Department
Green Pledge	Green Council
Green Restaurant	Green Council
Hong Kong Green Shop Alliance	Hong Kong Green Building Council
Low Carbon Charter	Business Environment Council Limited
No Sharks Fin Pledge	World Wildlife Fund

## Memberships

Nature of Memberships	Organisations
Council Member	Business Environment Council Limited
Gold Level Member	U.S. Green Building Council
Member	Green Council
Member	Hong Kong General Chamber of Commerce
Member	Hong Kong Hotels Association
Member	The Federation of Hong Kong Hotel Owners
Platinum Patron Member	Hong Kong Green Building Council

# APPENDICES

## PERFORMANCE TABLE

Performance indicators	2019-2020		
	Unit	Properties under management	Hotels
<b>ENERGY CONSUMPTION</b>			
Purchased electricity	kWh	40,807,411	59,513,173
Towngas	kWh	--	5,032,644
Total energy consumption	kWh	40,807,411	64,545,817
<b>Total energy intensity</b>	kWh / m <sup>2</sup>	86.80	333.82
<b>GREENHOUSE GAS (GHG) EMISSION</b> <sup>Note 1 &amp; 2</sup>			
Scope 1 Direct emissions	tCO <sub>2</sub> e	--	964
Scope 2 Indirect emissions	tCO <sub>2</sub> e	22,936	34,144
Total GHG emissions	tCO <sub>2</sub> e	22,936	35,333
<b>Total GHG emissions intensity</b>	tCO <sub>2</sub> e / m <sup>2</sup>	0.049	0.18
<b>AIR EMISSION</b> <sup>Note 3</sup>			
Sulphur oxides (SO <sub>x</sub> )	kg	--	3.62
Nitrogen oxides (NO <sub>x</sub> )	kg	--	724.70
<b>WATER CONSUMPTION</b>			
Total water usage	m <sup>3</sup>	192,343	292,547
<b>Total water intensity</b>	m <sup>3</sup> / m <sup>2</sup>	0.41	1.51
<b>WASTEWATER DISCHARGE</b>			
Wastewater discharged	m <sup>3</sup>	--	369,793
Total wastewater discharged intensity	m <sup>3</sup> / m <sup>2</sup>	--	1.91
<b>NON-HAZARDOUS WASTE DISPOSAL</b> <sup>Note 4</sup>			
General waste	tonnes	993	N/A
Total non-hazardous waste disposal intensity	tonnes / m <sup>2</sup>	0.0021	N/A
<b>NON-HAZARDOUS WASTE RECYCLING</b>			
Recycled waste	kg	155,880	260,476
Total non-hazardous waste recycling intensity	kg / m <sup>2</sup>	0.33	1.35

Note 1: Emission factor, calculation standards and methodologies for carbon emissions:

- i. Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings ("Commercial, Residential or Institutional Purposes") in Hong Kong" published by the EPD and the Electrical and Mechanical Services Department ("EMSD") of the Hong Kong Government
- ii. Sustainability reports of the local utility companies including CLP's 2019 Sustainability Report, Hong Kong Electric's Sustainability Report 2019 and The Hong Kong and China Gas Company Limited ESG Report 2019

Note 2: Carbon dioxide ("CO<sub>2</sub>"), methane ("CH<sub>4</sub>") and nitrous oxide ("N<sub>2</sub>O") are included in GHG emission calculations.

Note 3: Calculation standards and method for air emissions:

- i. "The Clean Air Charter - A Business Guidebook" published by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment

Note 4: Chinachem is optimising the waste data collection system of Nina Hospitality and hopes to disclose the general waste of Nina Hotels in future sustainability reports.

# APPENDICES

	2019-2020	
Performance Indicators	No. of people	%
<b>Total Workforce</b>	3136	N/A
<b>BY GENDER</b>		
Male	1645	52.5
Female	1491	47.5
<b>BY EMPLOYEE CATEGORY</b>		
Senior management	76	2.4
Management	233	7.4
Frontline and general staff	2827	90.1
<b>BY AGE GROUP</b>		
Under 30	409	13
30-50	1226	39.1
51 or above	1501	47.9
<b>BY EMPLOYMENT CONTACT</b>		
Permanent	3055	97.4
Temporary	81	2.6
<b>BY GEOGRAPHICAL REGION</b>		
Hong Kong	3136	100
Others	0	0
<b>Turnover</b>		
<b>BY GENDER</b>		
Male	464	26.8
Female	425	28.9
<b>BY AGE GROUP</b>		
Under 30	171	43.3
30-50	274	22.8
51 or above	444	26.9
<b>BY GEOGRAPHICAL REGION</b>		
Hong Kong	889	17.4
Others	0	0



# APPENDICES

Performance Indicators	2019-2020
<b>Average no. of training hour</b>	
Overall	23.0
<b>BY GENDER</b>	
Male	17.6
Female	29.0
<b>BY EMPLOYEE CATEGORY</b>	
Senior management	41.4
Management	34.1
Frontline and general staff	21.6

Performance indicators	Unit	2019-2020
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
Total number of work-related fatalities	No. of incident(s)	0
Fatality rate	%	0
Total number of injuries	No. of incident(s)	97
Lost day(s) due to injuries	Day(s)	3347
Injury rate <sup>Note 1</sup>	%	3.09

Note 1: Injury rate represents the percentage of number of injuries in total number of employees.

## CONTENT INDEX

Disclosure of the GRI Standard		General Disclosure ("GD") and Key Performance Indicator ("KPI") of the HKEx ESG Guide	Section/Statement
<b>102: GENERAL DISCLOSURES</b>			
<b>ORGANIZATIONAL PROFILE</b>			
102-1	Name of organisation	N/A	Business Review Sustainability Highlights The Group is a Hong Kong-based and non-listed property developer with over 3,000 employees. For details on the Group's core businesses, please visit: <a href="#">Chinachem Group - Our places</a>
102-2	Activities, brands, products, and services	N/A	
102-3	Location of headquarters	N/A	
102-4	Location of operations	N/A	
102-5	Ownership and legal form	N/A	
102-6	Markets served	N/A	
102-7	Scale of the organisation	N/A	
102-8	Information on employees and other workers	KPI B1.1	Performance Table
102-9	Supply chain	KPI B5.1	Creating a Sustainable Value Chain
102-10	Significant changes to the organisation and its supply chain	N/A	Creating a Sustainable Value Chain
102-11	Precautionary Principle or approach	N/A	Corporate Governance
102-12	External initiatives	N/A	Serving the Local Communities Sustainability Recognitions and Industry Partnerships
102-13	Membership of associations	N/A	Sustainability Recognitions and Industry Partnerships
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	N/A	CEO Statement
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behaviour	KPI B7.2	Sustainability Governance
<b>GOVERNANCE</b>			
102-18	Governance structure	N/A	Governance
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	N/A	Communication Channels
102-41	Collective bargaining agreements	N/A	Within the reporting scope, there are no formal collective bargaining agreements in place in the Reporting Period.
102-11	Precautionary Principle or approach	N/A	Corporate Governance
102-42	Identifying and selecting stakeholders	N/A	Communication Channels
102-43	Approach to stakeholder engagement	N/A	Communication Channels
102-44	Key topics and concerns raised	N/A	Materiality Assessment

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Disclosure of the GRI Standard		General Disclosure ("GD") and Key Performance Indicator ("KPI") of the HKEx ESG Guide	Section/Statement
<b>REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	N/A	Reporting Period and Scope
102-46	Defining report content and topic Boundaries	N/A	Reporting Period and Scope
102-47	List of material topics	N/A	Materiality Assessment
102-48	Restatements of information	N/A	Not applicable
102-49	Changes in reporting	N/A	Not applicable
102-50	Reporting period	N/A	Reporting Period and Scope
102-51	Date of most recent report	N/A	Not applicable
102-52	Reporting cycle	N/A	Reporting Period and Scope
102-49	Changes in reporting	N/A	Not applicable
102-53	Contact point for questions regarding the report	N/A	Contact Details
102-54	Claims of reporting in accordance with the GRI Standards	N/A	Reporting Standard
102-55	GRI content index	N/A	Content Index
102-56	External assurance	N/A	Not applicable
<b>200: ECONOMIC</b>			
<b>201: ECONOMIC PERFORMANCE</b>			
103	Management approach	N/A	The relevant information and data are confidential and not disclosed in the Report.
201-1	Direct economic value generated and distributed	N/A	
<b>205: ANTI-CORRUPTION</b>			
103	Management approach	GD B7 KPI B7.2	Reporting Period and Scope
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Corporate Governance
<b>300: ENVIRONMENTAL</b>			
<b>302: ENERGY</b>			
103	Management approach	GD A2 GD A3	Reporting Period and Scope
302-1	Energy consumption within the organisation within the organisation	KPI A2.1	Managing Energy Consumption and Climate Change
302-3	Energy intensity	KPI A2.1	Managing Energy Consumption and Climate Change
302-4	Reduction of energy consumption	KPI A2.3	Managing Energy Consumption and Climate Change

Disclosure of the GRI Standard		General Disclosure ("GD") and Key Performance Indicator ("KPI") of the HKEx ESG Guide	Section/Statement
<b>303: WATER AND EFFLUENTS</b>			
103	Management approach	GD A2	Reporting Period and Scope
303-1	Interactions with water as a shared resource	KPI A2.2 KPI A2.4	Conserving Water Resources Performance Table The Group did not encounter any issues of sourcing water in the Reporting Period.
<b>305: EMISSIONS</b>			
103	Management approach	GD A1 GD A3 KPI 1.5 KPI A3.1	Managing Energy Consumption and Climate Change
305-1	Direct (Scope 1) GHG emissions	KPI A1.1 KPI A1.2	Performance Table
305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.1 KPI A1.2	Performance Table
305-4	GHG emissions intensity	KPI A1.2	Performance Table
305-7	NOx, SOx, and other significant air emissions	KPI A1.1	Performance Table
<b>306: EFFLUENTS AND WASTE</b>			
103	Management approach	GD A1 GD A3 KPI A1.6	Managing Waste
306-2	Waste by type and disposal method	KPI A1.3 KPI A1.4	Performance Table Due to the Group's business nature, the Group did not generate significant hazardous waste. Therefore, the relevant hazardous waste data are not disclosed in the Report.
<b>307: ENVIRONMENTAL COMPLIANCE</b>			
103	Management approach	GD A1	Establishing a Green Operation
307-1	Non-compliance with environmental laws and regulations	GD A1	During the Reporting Period, the Group did not identify any significant fines sanctions for non-compliance with such laws or regulations.



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Disclosure of the GRI Standard		General Disclosure ("GD") and Key Performance Indicator ("KPI") of the HKEx ESG Guide	Section/Statement
<b>400: SOCIAL</b>			
<b>401: EMPLOYMENT</b>			
103	Management approach	GD B1	Attracting Talents
401-1	New employee hires and employee turnover	KPI B1.2	Performance Table
<b>403: OCCUPATIONAL HEALTH AND SAFETY</b>			
103	Management approach	GD B2 KPI B2.3	Safeguarding Talents
403-9	Work-related injuries	KPI B2.1 KPI B2.2	Safeguarding Talents Performance Table
<b>404: TRAINING AND EDUCATION</b>			
103	Management approach	GD B3	Cultivating Talents
404-1	Average hours of training per year per employee	KPI B3.1 KPI B3.2	Cultivating Talents Performance Table
<b>405: DIVERSITY AND EQUAL OPPORTUNITY</b>			
103	Management approach	GD B1	Supporting Diversity and Equal Opportunity
405-1	Diversity of governance bodies and employees	KPI B1.1	Supporting Diversity and Equal Opportunity Performance Table
<b>406: NON-DISCRIMINATION</b>			
103	Management approach	GD B1	Supporting Diversity and Equal Opportunity
406-1	Incidents of discrimination and corrective actions taken	GD B1	Supporting Diversity and Equal Opportunity
<b>408: CHILD LABOUR</b>			
103	Management approach	GD B4	Attracting Talents
408-1	Operations and suppliers at significant risk for incidents of child labour	KPI B4.1 KPI B4.2	Attracting Talents
<b>409: FORCED OR COMPULSORY LABOUR</b>			
103	Management approach	GD B4	Attracting Talents
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	KPI B4.1 KPI B4.2	Attracting Talents
<b>413: LOCAL COMMUNITIES</b>			
103	Management approach	GD B8	Serving the Local Communities
413-1	Operations with local community engagement, impact assessments and development programmes	KPI B8.1 KPI B8.2	Serving the Local Communities

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Disclosure of the GRI Standard		General Disclosure ("GD") and Key Performance Indicator ("KPI") of the HKEx ESG Guide	Section/Statement
<b>414: SUPPLIER SOCIAL ASSESSMENT</b>			
103	Management approach	GD B5	Creating a Sustainable Value Chain
414-1	New suppliers that were screened using social criteria	KPI B5.2	Creating a Sustainable Value Chain
<b>416: CUSTOMER HEALTH AND SAFETY</b>			
103	Management approach	GD B6	Reaching Out to Building Occupants Creating a Sustainable Value Chain
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	KPI B6.1 KPI B6.4	Creating a Sustainable Value Chain
<b>418: CUSTOMER PRIVACY</b>			
103	Management approach	GD B6	Reaching Out to Building Occupants
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	Reaching Out to Building Occupants
<b>419: SOCIOECONOMIC COMPLIANCE</b>			
103	Management approach	N/A	Corporate Governance
419-1	Non-compliance with laws and regulations in the social and economic area	N/A	During the Reporting Period, the Group did not identify any significant fines or sanctions for non-compliance with such laws or regulations.



CHINACHEM GROUP

華懋集團

