GOVERNANCE

SDG 5 GENDER EQUALITY · SDG 8 DECENT WORK AND ECONOMIC GROWTH · SDG 10 REDUCED INEQUALITIES · SDG 11 SUSTAINABLE CITIES AND COMMUNITIES · SDG 13 CLIMATE ACTION · SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS · SDG 17 PARTNERSHIPS FOR THE GOALS

For long-term value creation, our corporate governance ensures that material sustainability issues are appropriately integrated at the highest governance level of the Group and considered in decision-making processes.

INTEGRATING ESG FACTORS IN OPERATIONS

Sustainability Governance

Sound sustainability governance directs the Group towards the right and promising road. The Sustainability Steering Committee ("SSC") is chaired by our CEO. Other members are Chief Operating Officer, Chief Financial Officer, Deputy Chief Financial Officer, Chief Business Impact Officer, Director of Business Transformation and Innovation and senior management staff from Hotel and Development.

The SSC oversees the Group's development and implementation of ESG strategies and reviews on an annual basis the performance in achieving reduction targets and other annual commitments. A cross-department Sustainability Task Force executes and monitors the sustainability strategies developed by the SSC and reports the progress to the SSC quarterly. Sustainability Sub-Task Force(s) is formed from time to time to work on particular tasks or projects in a focused manner, such as the "Green Tenancy Sub-Task Force".

The Group has planned to revamp its sustainability governance structure in the near future by forming ESG sub-committees and task-specific working groups to further the Group's ESG credentials and ambitions.

Corporate Governance

The Group is overseen by an Executive Committee ("ExCo"). The ExCo comprises seven executive members. The nomination and selection processes are pursuant to the instruction of Joint Administrators. The Chairman of ExCo shall be elected by a simple majority vote on each occasion by members present at the meeting. The Group is dedicated to the highest standards of openness, integrity and accountability to facilitate effective oversight and execution of business strategies. Colleagues are encouraged to report any suspected misconduct, malpractice and irregularity to the Audit Committee.

Structure of Our Governance
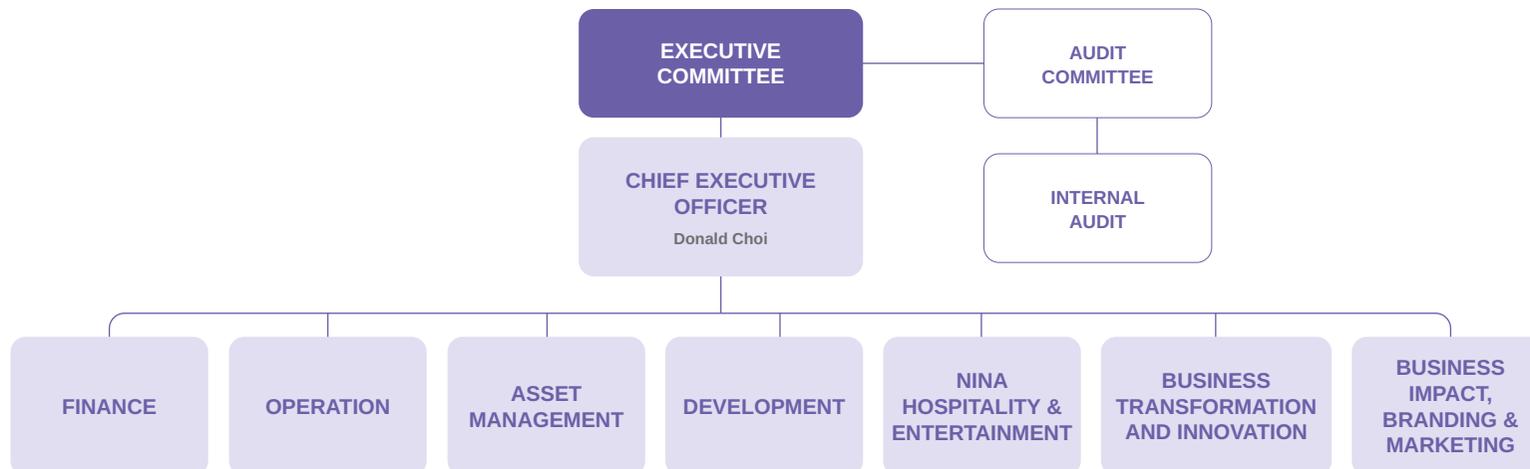
Materiality Assessment

We have undertaken a comprehensive materiality assessment involving engaging stakeholders to identify and prioritise the topics most relevant and important to our sustainability operations. This process helped the Group better understand the risks and opportunities that are aligned with its sustainability vision and the Group's continued growth.

To begin, we identified 27 material topics based on global sustainability trends, the latest reporting guidelines, and industry practices. We then surveyed our internal and external stakeholders to determine their priorities across these topics. Finally, we validated these material risks and opportunities with our management.

During the Reporting Period, we collaborated with a third-party consultant to conduct workshops and online surveys with 147 stakeholders, including customers, tenants, suppliers, and colleagues at various levels. The results of the materiality assessment are reflected in the table.

Sustainability Focuses	Strategic Topics	How We Address Them (relevant sections in this Report)
People	Development and Training	Unleashing the Potential of Our Talents
	Community Involvement	Building Liveable and Vibrant Communities; Caring the Communities during COVID-19
	Tenant and Customer Engagement	Delivering the Best Experience through Service Excellence and Customer Engagement
Prosperity	Technology and Innovation	Developing Technologies for the Evolving Communities' Needs
Planet	Sustainable Building	Building Sustainable Places with Heart
	Energy Use and Conservation	Accelerating Low-carbon Transformation; Building Sustainable Places with Heart; Climate-related Financial Disclosures
	Waste Management	Valuing Our Resources
	Water Consumption and Conservation	Valuing Our Resources
	Material Management and Selection	Fostering Sustainable Procurement
	Greenhouse Gas Emission	Accelerating Low-carbon Transformation
	Climate Resilience	Climate-related Financial Disclosures
Governance	Corporate Governance	Governance
	Stakeholder Engagement	Delivering the Best Experience through Service Excellence and Customer Engagement; Materiality Assessment

PERFORMANCE SUMMARY OF OUR ANNUAL COMMITMENTS

Our sustainability strategy defines ambitious annual commitments that align with 3Ps and United Nations Sustainable Development Goals (UNSDGs), material topics and management tools to create Places with Heart. The Group's progress and the department's target achievement are reported to the SSC. In the Reporting Period, 37 Group annual commitments and 68 departmental annual commitments were developed, with an overall achievement rate of 84%.

We are actively reviewing these annual commitments and introducing new commitments to ensure that equal emphasis is placed on People, Prosperity and Planet (3Ps).

People

Categories	Annual Commitments	Achievement Status
Employee Advancement	Provide two sustainability training to 10% of the Group's colleagues.	Achieved
	Provide one to two anti-corruption training(s) to cover 5% of the Group's colleagues.	Achieved
	Provide one to two awareness training(s) about gender equality and reducing inequalities to cover 5% of the Group's colleagues.	Achieved
	Provide one to two anti-discrimination and non-harassment training(s) to cover 5% of the Group's colleagues	Achieved
Wellness	Two health talks/training /workshops to promote human health, well-being, and Occupational Health and Safety to 5% of the Group's colleagues.	Achieved
	Seven properties to obtain Indoor Air Quality (IAQ) Certification in Excellent Class.	In Progress
	Install a hygiene management system/ equipment in eight properties that were not covered in previous annual commitments	Achieved
Stakeholder Engagement	90% of new tenants and self-fitting-out projects receive our Sustainable Fitting-out Guideline.	Achieved
	Participate in four external engagement programmes and conduct four stakeholder engagements to enhance public, public-private and civil society partnerships.	Achieved
	Implement Green Tenancy for at least 50% of the new tenants / renewed tenants within two buildings.	In Progress
	Organise two educational events (e.g., workshops, exhibitions or campaigns) under the theme of sustainable development and/or climate change.	Achieved

Prosperity

Categories	Annual Commitments	Achievement Status
Green Finance and Responsible Investment	Set up a Green Finance Framework and conduct a feasibility study for green financing for projects.	Achieved

Planet

Categories	Annual Commitments	Achievement Status
Energy Efficiency and Carbon Emissions	Connect five buildings to a Centralised Building Management Platform (CBMP).	In Progress
	Install Buildings Management System (BMS) for 100% of buildings that are newly built/ under major renovation within the Reporting Period.	Achieved
	Install electricity sub-meters in six buildings to monitor tenants' energy consumption.	Achieved
	At least three existing sites will install at least 25 new 50Kw quick EV chargers and 13A or above EV chargers for all car parking spaces for new residential projects.	Achieved
	14.3% energy intensity reduction (kWh / m^2) comparing to 2015-2016 (average).	Achieved
	20,000 kWh energy generated by renewable energy ("RE") system (e.g., PV, regenerative lift, heat recovery, etc.), and conduct RE feasibility study.	Achieved
	Conduct a feasibility study of energy improvement measures for three more existing buildings that previous annual commitments did not cover.	Achieved
	Purchase 60,000 kWh of Renewable Energy Certificates (RECs).	Achieved
	14.3% carbon intensity reduction (tCO$_2$e / m^2) comparing to 2015-2016 (average).	Achieved
Green and Sustainable Building	100% of new major projects adopt Building Information Modelling (BIM) throughout the lifecycle.	Achieved
	100% new major project to target the second-highest green building certification (e.g. BEAM Plus).	Achieved
	One project to target the highest-level green building certification rating (BEAM Plus/ LEED/ WELL Certification).	Achieved
	Four existing buildings that were not covered in the previous annual commitments are to achieve the green building certification (e.g., BEAM Plus Existing Buildings).	In Progress

Categories	Annual Commitments	Achievement Status
Materials and Resources Management	Set a baseline for waste disposal amount and establish a "waste reduction proposal" to facilitate waste reduction.	Achieved
	Donate food surplus to an NGO.	Achieved
	30% recycling rate for non-inert construction waste.	Achieved
	50% paper recycling rate (wastepaper/purchased paper) for all departments (except Nina Hospitality), and 10% paper recycling rate for Nina Hospitality; reduce plastic consumption and facilitate plastic recycling.	Achieved
	12 properties to obtain Quality Water Supply Certificate.	Achieved
	Reduce 10.7% water intensity compared to 2015-2016 (average).	Achieved
Sustainable Procurement	Develop and implement the Group Sustainable Procurement Policy and develop/ upgrade and implement four departmental Sustainable Procurement Guidelines.	Achieved
	35% of timber products are purchased from sustainable sources for new major projects.	Achieved

Governance

Categories	Annual Commitments	Achievement Status
Sustainability Governance	Revisit the Sustainability Policies & Procedures ("P&P") and revise it if necessary.	In Progress
	Organise four promotional programmes to promote the Group's branding in sustainability.	Achieved
	Revisit our Climate Change Policy/ P&P and revise it if necessary	Achieved
	Review and revise relevant P&P to reinforce equal opportunity and reduce inequalities, including gender equality and non-discrimination.	Achieved

RISK MANAGEMENT

Risk management is integrated into our corporate, departmental and project operations. Timely identification and mitigation of risks constitute the cornerstone of our risk management.

At the corporate level, we have introduced the Enterprise Risk Management ("ERM") framework to identify, analyse and manage business risk. In addition, an ERM working group composed of Chief Operating Officer, Chief Financial Officer and division heads has been established to identify enterprise risks and emerging risks and assess the risk and mitigation measures. The ERM working group periodically reviews the risks and reports any high-risk issues to the ExCo.

At the departmental level, we have established the Risk Management P&P and the Internal Control Framework and Management P&P to assist the departments in identifying, assessing, and managing the underlying risks.

- Our Risk Management P&P explain the responsibilities of the Division/Department Heads while establishing and defining the risk management process for their respective divisions/departments.

- Our Internal Control Framework and Management P&P adhere to the Internal Control – Integrated Framework ("COSO Framework") issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and sets out a sound internal control framework adopted by the Group. In addition, our Internal Audit Department conducts independent reviews and internal control system across the Group and then reports their findings and relevant remediations to the Audit Committee and the ExCo.

Our risk control mechanism also covers development and construction projects. A risk controller is assigned to each project, where a risk assessment register ("register") is included in the implementation plan. The register documents the possible risks, their likelihoods and impacts, risk control and mitigation measures and the employee responsible for overseeing each risk item. The register is updated annually until the project is handed over to the project owners.

Climate change poses material risks and opportunities, and therefore we have expanded our climate risk assessment. Details are available in Section "Climate-related Financial Disclosures" of this Report.

UPHOLDING OUR INTEGRITY

Eradicating Corruption and Conflicts of Interest

We are committed to upholding the highest standards of business ethics to prevent corruption, bribery, and conflict of interest along the value chain. We have established the Bribery and Illicit Advantage P&P, the Conflict of Interest P&P, the Advantage & Entertainment P&P, the Anti-Money Laundering and Counter-Terrorists Financing P&P, and the Whistle-blowing P&P to lay down reporting requirements for proper and timely handling. These P&P are stipulated in the Code of Conduct and provided to new hires as a guide for ethical decision-making and to emphasise zero tolerance for corruption. During the Reporting Period, the Group provided 6,054 hours of compliance and anti-bribery training for colleagues to reinforce the Group's zero-tolerance approach against bribery.

During the Reporting Period, no material non-compliance incidents regarding corrupt practices were identified.

Safeguarding Cyber Security and Protecting Data Privacy

We view cybersecurity as our top priority to ensure the safety and efficiency of our business operations. The Information Security P&P help colleagues ensure that information will be protected against any unauthorized access and confidentiality of the information will be guaranteed.

As stated in our Information Security P&P, all colleagues are obligated to protect our information and information assets. This obligation also extends to third parties. Managers should ensure adequate control measures, physically and/or electronically, exist in their operations regarding information security and in line with the security levels.

Business units should direct all inquiries and requests related to personal data and privacy to the designated Personal Data Officer. The Personal Data Officer will convey these communications to the Legal Department for review and advice as needed. When collecting personal data, business units ensure Personal Information Collection Statement ("PICS") concerning customer privacy being provided. During the Reporting Period, the Group's Legal Department has reviewed and advised 11 PICS submitted by business units regarding their collection and use of personal data.

With most of our colleagues working from home during the COVID-19 pandemic, we offered 1,943 hours of online IT security training sessions to strengthen cybersecurity awareness and improve cybersecurity culture.

During the Reporting Period, no material non-compliance incidents regarding information and cyber security were identified.