

HKRI

香港興業國際集團有限公司
HKR International Limited

STOCK CODE : 00480

ESG REPORT 2018/2019



Green Footprint

ACROSS THE REGION



THAILAND



MAINLAND CHINA



HONG KONG

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MESSAGE FROM MANAGEMENT

As part of the community, we are prepared to shoulder our responsibilities to protect our home and create a better living environment for everyone.



2018 was another fruitful year for HKR International Limited ("HKRI" or the "Company"). We shared the joy of 40 years of achievement with different stakeholders and celebrated the completion of our flagship project in mainland China, HKRI Taikoo Hui, with the opening of Cha House and The Sukhothai Shanghai. We are humbled by the faith and trust our customers place in us, and we intend to fulfil our responsibility to serve them with passion and dedication. Forging ahead to our next 40 years, we remain committed to serving the interests of our stakeholders, which includes enhancing our performance in environmental, social and governance ("ESG") aspects and keeping them updated in a thorough and transparent manner with our fourth ESG Report (the "Report"). This year, we further extended the scope of our Report to cover hospitality and property development operations in Thailand to increase our transparency.

Climate change and severe adverse weather conditions have already posed imminent issues to our society. As part of the community, we are prepared to shoulder our responsibilities to protect our home and create a better living environment for everyone. Starting from our home base in Hong Kong, we operate according to the Group's (HKRI and its subsidiaries) *Sustainability Policy* and spread our green footprint across

the region. An exemplary demonstration of this pioneering spirit is HKRI Taikoo Hui, which was constructed using revolutionary and innovative green building designs and garnered the LEED® Certifications and China Green Building Design Label for its office towers and shopping mall. We also stepped up green efforts in our city management and hospitality operations through the introduction of numerous measures, as described in this Report. Our newly-opened hotel in mainland China, The Sukhothai Shanghai, which also earned LEED® Certification, has incorporated a series of sustainable practices in architectural design and material selection to reduce negative environmental impact. With the combined efforts of the different operations, our carbon emissions and electricity consumption in Hong Kong and mainland China have been reduced by approximately 3% and 5%, respectively as compared to 2017/2018.

We believe that respecting and caring for employees is crucial to the long-term success of a company. Cultivating a desirable company culture and providing opportunities for professional and personal development have always been our main objectives. HKRI continues to maintain and promote work-life balance for our employees through staff benefits, initiatives and activities. Recognising the importance of succession planning, we have also focused on attracting the right

people to build a talent pool for future business development. Meanwhile, we maintain comprehensive training programmes to ensure that our current staff members are properly equipped to adapt to changing trends.

As a company with a rich history, we respect heritage and wish to preserve and share the journey of development with the wider community. During the development of HKRI Taikoo Hui, the historical Dazhongli's architectural characteristics were incorporated into the master plan and extensive efforts were taken to preserve trees and a century-old building. I was overjoyed to see the building's re-birth after years of careful planning and meticulous restoration. Now re-named "Cha House", the preserved building symbolises our utmost respect and admiration for HKRI's founder, my late father, The Honourable Dr CHA Chi-ming. The opening exhibition was well received by those in attendance, marking the building's transformation into a destination for local and tourists alike.

We hope that by staying devoted and committed to our core values, we can continue to grow, not only our own business, but also the communities we serve and our valuable stakeholders.

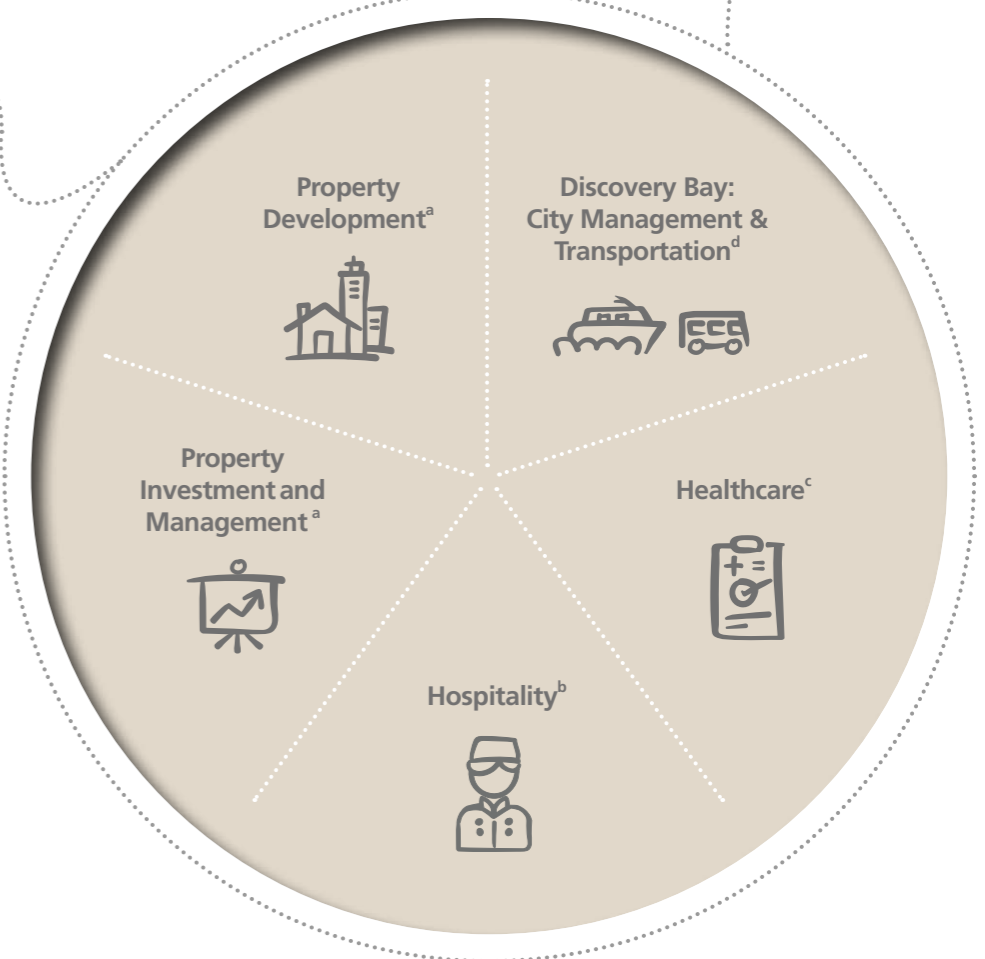
CHA Mou Zing Victor
Deputy Chairman & Managing Director

ABOUT THE REPORT

Reporting Scope and Standard

This Report is produced by HKRI to communicate the Group's sustainability management approach and performance in four key areas: environment, human capital, community and value chain. The Report covers the period from 1 April 2018 to 31 March 2019. HKRI holds diversified business interests across Hong Kong, mainland China and Asia. This year, to further enhance our transparency and reflect our geographic footprint, we have expanded the reporting scope to include operations in Thailand in addition to the businesses, joint ventures and subsidiaries operated by HKRI in Hong Kong and mainland China. Operations listed in the diagram below constitute the scope of the Report:

Operations of the Group



This Report discloses the Group's ESG performance, while details of our corporate governance and financial performance can be found in our Annual Report 2018/2019. To aid readers in navigating the Report content, a Content Index is available for reference on pages 52 to 53.

The Report has been prepared in accordance with the ESG Reporting Guide ("ESG Guide"), Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by Hong Kong Exchanges and Clearing Limited ("HKEx").

Your feedback is valuable to our continuous improvement. Please email your queries, comments or suggestions to info@hkri.com.

^a The reporting scope has been expanded to include the Group's property development projects in Thailand. The Report excludes quantitative disclosures related to HKRI Taikoo Hui, a joint-venture with Swire Properties Limited opened by stage since November 2017 in Shanghai.

^b The reporting scope covers operations based in Hong Kong and Thailand and includes qualitative report from operations in mainland China.

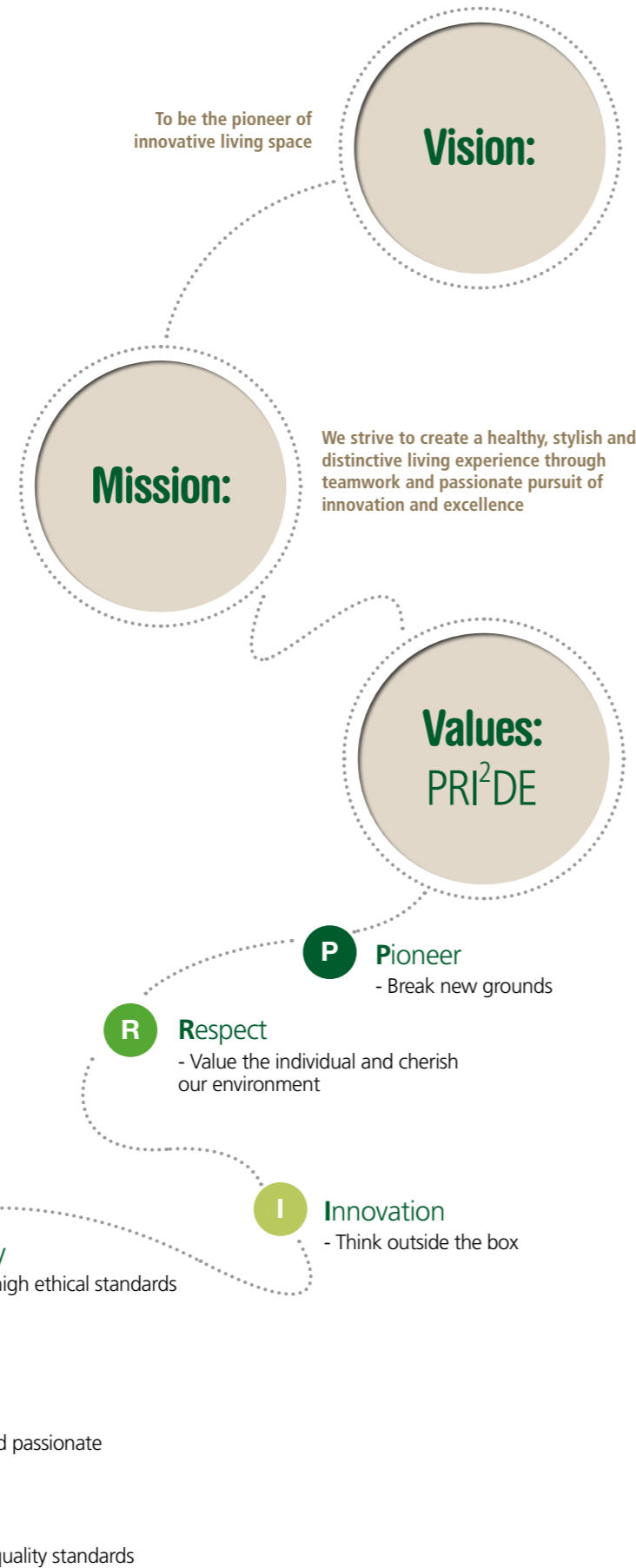
^c The reporting scope is confined to operations based in Hong Kong.

^d Discovery Bay is based in Hong Kong.

ABOUT HKRI

In 1977, the family of Dr CHA Chi-ming, the late founder and chairman of a group of companies whose holding entity later became known as HKRI, acquired the equity interest of Hong Kong Resort Company Limited, the owner and developer of Discovery Bay on Lantau Island. Formed in 1989, HKRI became the holding company of the Group listed on The Stock Exchange of Hong Kong Limited.

Living up to the vision and aspirations of the late Dr CHA, the Group has seized opportunities to diversify its business interests in real estate development and investment, property management, luxury hotels and serviced apartments, healthcare services and other investments in Hong Kong, mainland China and across Asia. Throughout the years, we have incorporated a holistic approach to our business that benefits our stakeholders and supports sustainable development in places where we operate. Guided by the Group's vision, mission and values, we extend our mission of creating a healthy, stylish and distinctive lifestyle to other parts in the region and expand our positive influence to the wider community and beyond.



OUR SUSTAINABILITY APPROACH

Corporate Governance

The Group is devoted to adopting best practices in corporate governance and safeguarding the interests of our shareholders and stakeholders. The Board of Directors has the overall responsibility for ensuring effective corporate governance across the Group as well as providing strategic direction and guidance to management on operations, sustainability strategy and reporting. The Board comprises 11 Directors: four Executive Directors and seven Non-executive Directors of whom four are Independent Non-executive Directors, with the latter constituting more than one-third of the Board. Established by the Board, our *Sustainability Policy*

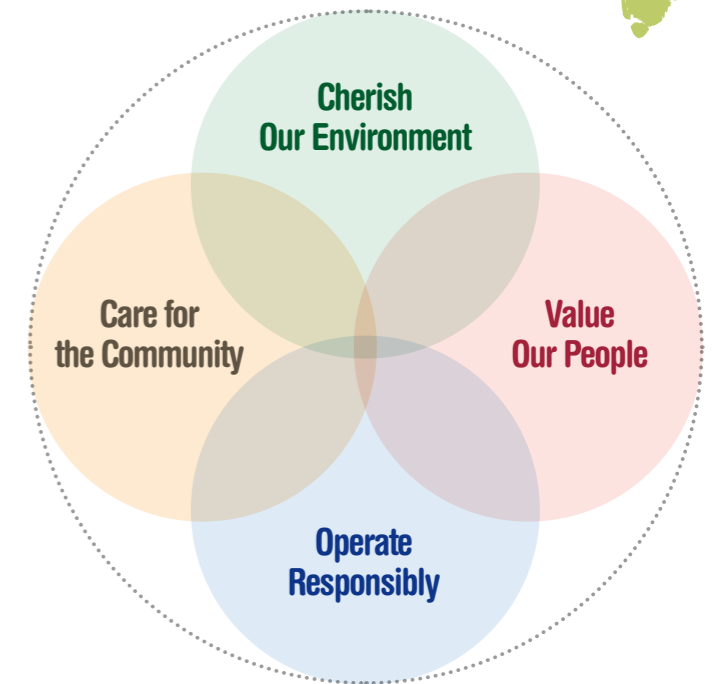
provides guidance for the development and implementation of the Group's sustainability strategies. A cross-departmental sustainability task force is also in place to effectively carry out the sustainable policies and practices decided by the Board.

Under the Board's oversight, key procedures have been developed and implemented to ensure there are appropriate and effective risk management and internal control systems. These are independently reviewed by the Internal Audit Department which regularly presents audit findings to the Audit Committee and the Board. To ensure risk management and internal controls are integrated into normal business processes,

the Group has a sound risk management framework and governance structure, which consists of the Board, the Audit Committee, risk management steering group and business lines. Guided by our *Risk Management Policy*, the risk management steering group identifies, assesses and prioritises risks, establishes risk mitigation plans and assigns risk owners to closely monitor identified risks and implement mitigation plans. Through this established procedure, we work to strategically address and minimise the ESG risks in our operations and supply chains. Further information can be found in the Corporate Governance Report on pages 63 to 82 of the Group's Annual Report 2018/2019.

Sustainability Policy

Sustainable development is fundamental to HKRI's vision, mission and core values. The Group's *Sustainability Policy*^e was established to formalise our longstanding sustainability practices with regards to workplace, environmental protection, value chain and community investment. The *Sustainability Policy* outlines our approach and objectives for sustainable development across all our operations and subsidiaries. These approaches and principles are in line with our sustainable development objectives as well as our corporate governance framework:



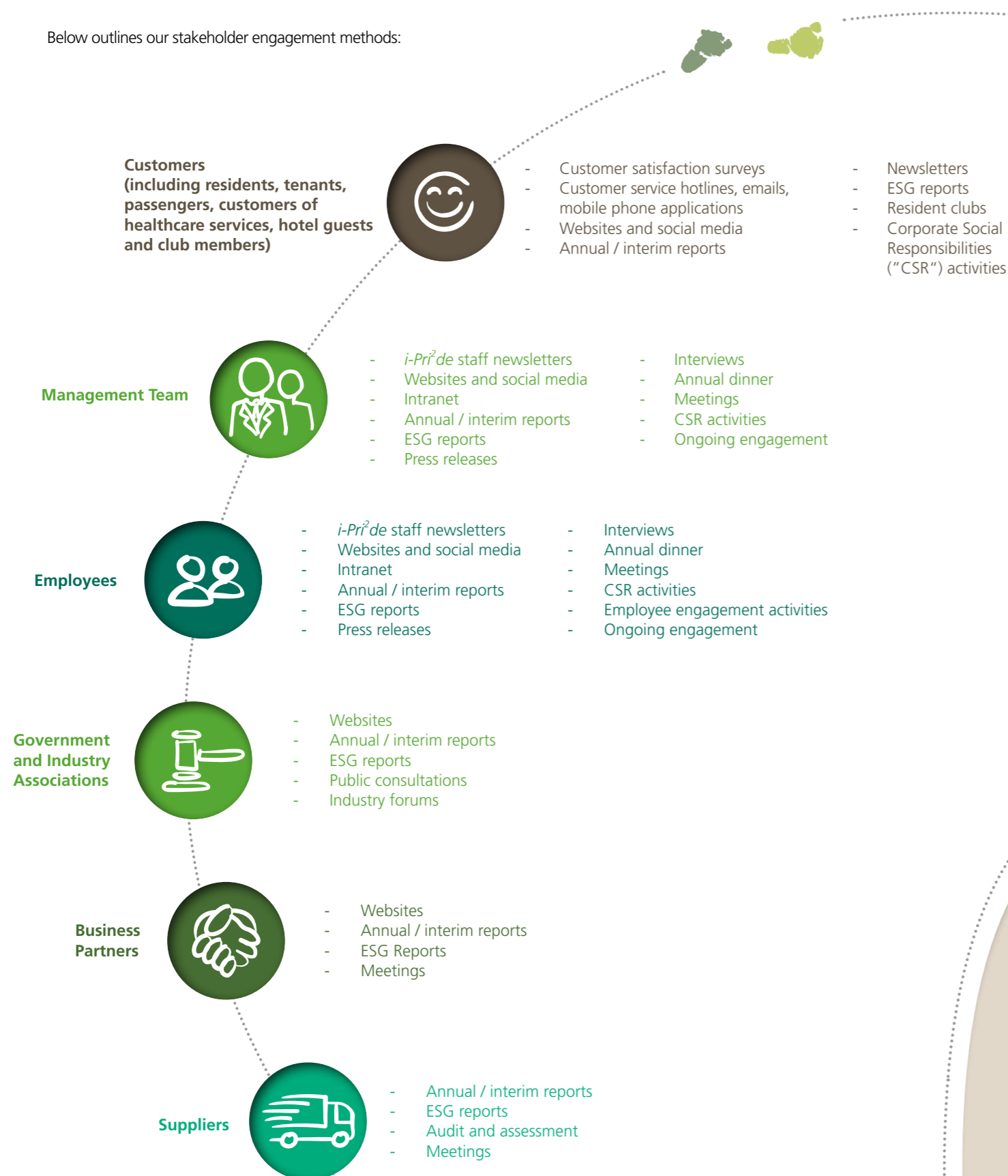
Stakeholder Engagement

Continuous engagement with our stakeholders is important for us to understand their views and expectations with regards to the economic, environmental and social matters related to our operations. The stakeholder engagement process allows us to make informed decisions which contribute to the Group's continued success and sustainable development. Our internal and external stakeholders include customers, the management team, employees, the government and industry associations. We actively engage them and provide updates on our recent developments through diverse channels such as newsletters, surveys and community activities.

^e More information on the *Sustainability Policy* can be found on our website (<https://www.hkri.com/en/csr/sustainability-policy>)

OUR SUSTAINABILITY APPROACH

Below outlines our stakeholder engagement methods:



OUR SUSTAINABILITY APPROACH



To complement these communication channels and supplement the comprehensive engagement exercise completed in 2017^f, we collected feedback from external and internal stakeholders through an online survey during the year. The stakeholders engaged included directors and senior management, contractors, tenants, non-governmental organisations ("NGO") and representatives from the Discovery Bay City Owners Committee.

Materiality Assessment

The results from the stakeholder engagement exercise were incorporated into a structured materiality assessment to identify a list of key material ESG issues to be included in the Report. The materiality assessment process is outlined below:



^f Readers can refer to our ESG Report 2017/2018 for stakeholders' feedback and suggestions.

MEMBERSHIPS AND AWARDS

HKR International Limited

"10 Years Plus Caring Company" Logo

Organiser
The Hong Kong Council of Social Service

Social Capital Builder Logo Award

Organiser
Community Investment and Inclusion Fund of Labour and Welfare Bureau

Hong Kong Community Volunteers (Corporate Member)

- Certificate of Appreciation

Organiser
Agency for Volunteer Service

Bronze Award for Volunteer Service

Organiser
Social Welfare Department

2017/18 Family-Friendly Employers Award Scheme

- Meritorious Family-Friendly Employers

- Special Mention (Gold)

- Awards for Breastfeeding Support

Organiser
Home Affairs Bureau and Family Council

ERB Manpower Developer Award Scheme

- Manpower Developer

Organiser
Employees Retraining Board

Good MPF Employer 2017-18

- Good MPF Employer

- E-Contribution Award

- Support for MPF Management Award

Organiser
Mandatory Provident Fund Schemes Authority

Signatory of the Good Employer Charter 2018

Organiser
Labour Department

Green Office and Eco-Healthy Awards Labelling Scheme

- Green Office and Eco-Healthy Workplace Labels

Organiser
World Green Organisation

Hong Kong Green Awards 2018

- Corporate Green Governance Award

- Corporate Leadership

Organiser
Hong Kong Green Council

2018 Tsuen Wan & Kwai Tsing District

- Caring Shop and Company Award

Organiser
Social Welfare Department

CSR Character 2018

- Mr Victor Cha

Organiser
International Finance News

The Most Influential Enterprise of the Year 2018

Organiser
Guandian

2018 Eco-friendly Showcase Award

- Discovery Bay

2018 Charity Person of the Year

- Mr Victor Cha

Organiser
The China Charity Festival



2GETHER

Hong Kong Professional Building Inspection Academy Awards 2018

- Five Stars Residency

Organiser
Hong Kong Professional Building Inspection Academy

Construction Management Awards 2018

- Certificate of Merit - Excellent Construction Team - New Works

Organiser
Hong Kong Institute of Construction Manager

Discovery Bay Recreation Club

"5 Years Plus Caring Company" Logo

Organiser
The Hong Kong Council of Social Service

Hong Kong Resort Company Limited

CAPITAL The Outstanding Developer Awards 2018

- Urban Design & Master Planning Award - Green Development Award

Organisers
CAPITAL and CAPITAL Weekly magazines

Corporate Partner Award

Organiser
The Neighbourhood Advice-Action Council

Eco-brand Awards 2018

Organiser
East Week magazine

Social Capital Builder Logo Award

Organiser
Community Investment & Inclusion Fund of Labour and Welfare Bureau

Auberge Discovery Bay Hong Kong

Certificate of Excellence 2018

Organiser
TripAdvisor

Partner Employer Award 2018/19

- Outstanding Corporate

Organiser
The Hong Kong General Chamber of Small and Medium Business

2018 Most Liked Wedding Message Awards

- Wedding Category – Most Liked Fairy-tale Wedding

Organiser
Wedding Message magazine

ESDlife Bridal Awards 2018

- Best Wedding Ceremony Venue

Organiser
ESDlife

Customer Review Awards 2018

Organiser
Agoda

Hotels.com 2018 Loved by Guests Award

Organiser
Hotels.com



MEMBERSHIPS AND AWARDS

The Sukhothai Shanghai

2018 China Travel & Meetings Industry Awards

- Best Boutique Hotel of the Year

Organiser
Travel Weekly China magazine

The Hot List 2018

Organiser
Condé Nast Traveler China magazine

AsiaSpa Awards 2018

- Urban Hotel of the Year

Organiser
AsiaSpa magazine

TimeOut Love Shanghai Awards 2018

- New Hotel of the Year

Organiser
TimeOut Shanghai magazine

SLH Awards 2018

- City Hotel of the Year

Organiser
Small Luxury Hotels of the World

HKRI Taikoo Hui

LEED® Platinum and Gold (Core and Shell Version 2.0) Certifications (Office Towers and Shopping Mall)

LEED® Gold and Certified (New Construction and Major Renovations Version 2.2) Certifications (Hotels)

Organiser
U.S. Green Building Council

China Green Building Design Label – 2 Star

Organiser
Shanghai Green Building Council



Discovery Bay Services Management Limited

Hong Kong Green Organisation

- Energywi\$e Certificate

- Wastewi\$e Certificate

Organiser
Environmental Campaign Committee

Energy Saving Charter on "No ILB"

Energy Saving Charter – 4T

Organiser
Electrical and Mechanical Services Department

Commitment Certificate

Organiser
Water Supplies Department

Glass Container Recycling Charter

Organiser
Environmental Protection Department

CLP Smart Energy Award 2018

- Joint Energy Saving Award

Organiser
CLP Power

2018 Hong Kong Awards for Environmental Excellence

- Bronze Award - Property Management (Residential)

Organiser
Environmental Campaign Committee

HKR Limited

Certificate of Commendation

Organiser
People of Fortitude International Mutual-aid Association for the Disabled



The Sukhothai Bangkok

2019 Experts' Choice Award

- Best of Bangkok Award

Organiser
TripExpert

Star Award Winners

- 4 Star Rated Hotels

Organiser
Forbes Travel Guide

Number 1 Restaurants in Bangkok

Certificate of Excellence 2018

Certificate of Excellence 2018

Hall of Fame

Organiser
TripAdvisor

Readers' Choice Awards 2018

- Top 10 Hotels in Bangkok

Organiser
Condé Nast Traveler US magazine

Customer Review Awards

Organiser
Agoda

2018 Marco Polo Club Members' Choice Awards

Best Service: Boutique Hotel Brand

Organiser
Discovery magazine



Professional Memberships

HKRI actively participates as a Corporate Member in the Building Services Operation and Maintenance Executives Society, and the Hong Kong Institute of Human Resource Management, playing our part in key issues relevant to our operations such as climate change, building services and talent acquisition in the property development industry. Our transportation operation has been an organisational member of The Chartered Institute of Logistics and Transport in Hong Kong since 2016. Our city management and property management operations are also on-going members of The Hong Kong Association of Property Management Companies.

To acquire updated knowledge and market information, the majority of our staff members have joined various professional bodies and actively participated in activities organised by these bodies. We recognise the value brought to the Group and highly support our staff in the pursuit of knowledge and professional development.



CHERISHING OUR ENVIRONMENT

-5.6%

Electricity Consumption
in Hong Kong
Compared to 2017/2018

CHERISHING OUR ENVIRONMENT

HKRI is wholly committed to fulfilling the needs of the present without compromising our future. Our Company's values drive us to operate with a sense of pride in what we do, and emphasise sustainable long-term planning and environmental stewardship. We endeavour to create healthy, stylish and distinctive living experiences with a quality that will last well into the future. HKRI's approach to innovation and excellence helps us to continually improve our sustainability performance, allowing us to extend our green footprint across the regions where we operate. During the

year, the city management and hospitality operations particularly enhanced their green measures to promote sustainability.

Designing Green Buildings

Reflecting our holistic approach to sustainable development, we strive to identify and gauge the potential environmental impacts of our projects throughout their lifecycles. During the development of new projects, we adhere to our internal *Project Management Guideline*, which encourages the pursuit

of the Hong Kong Building Environmental Assessment Method ("BEAM") Plus certification and the incorporation of sustainable design features throughout all the phases of development from planning and design, to construction and operation. Our new projects in Hong Kong and mainland China have incorporated green building features, such as LED lighting, low-emissivity glass⁹, diatomite, roof gardens, air-to-water heat pump system, solar hot water system, heat-insulating facade painting, vertical green walls and the adoption of the "Sponge City" concept in landscape design.

S.A.V.E directives in city management operation



Sustainability (S)

1. Convert glass bottles into sand for construction use with glass grinder
2. Upcycle toppled or heavily damaged trees into stools, benches, coasters and other decorations
3. Convert biodegradable food waste into organic compost for gardening
4. 4,520-square-foot roof garden at our workplace

⁹ Low-emissivity glass refers to glass that reflects incoming infrared energy, thus regulating indoor air temperature



Apply Technology (A)

1. Vehicles deployed by contractors must meet Euro V standards or above in order to operate within Discovery Bay
2. Promote the use of electric and solar golf carts as a means of transportation
3. Compress cardboard for recycling



Value Limited Resources (V)

1. Conduct an energy audit to develop energy efficiency plan such as replacement of ageing lamp with LED lamps equipped with motion sensors
2. Collect and donate abandoned bicycles to the Crossroads Foundation for repair and deliver to countries in need



Educate the Community (E)

1. Redevelop an abandoned refuse station to a new environmental exhibition centre, GREEN.Icon@DB, which serves to spread sustainability messages and promote green lifestyle
2. Organise regular eco-tours, school visits and outings

CHERISHING OUR ENVIRONMENT

Green Designs at HKRI Taikoo Hui

HKRI Taikoo Hui is an innovative commercial complex that has been seamlessly integrated with the surrounding community of the Nanjing Road (West) Central Business District in Jing'an District, Shanghai. A premium lifestyle destination, the project's office towers and mall have respectively attained the LEED® Platinum and Gold (Core and Shell Version 2.0) Certifications and the two hotels respectively with Gold and Certified (New Construction and Major Renovations Version 2.2) Certifications as well as China Green Building Design Label - 2 Star. A diverse range of green building technologies and measures were included during the design phase to minimise environmental impacts and ensure eco-conscious operations.

Sustainable Operations:

- High-speed elevators powered by renewable energy
- Smart lighting system and advanced electrical and thermal appliances installed to control energy use and reduce emissions
- 250-metre skylight installed to maximise natural light within the premises
- Rainwater drainage and reclaimed water systems to optimise water use
- Use of environmentally friendly and low-emitting materials
- PM2.5 air filtration system capable of removing up to 80%-90% of smaller particles



Conserving Our Resources

Energy Saving and Emission Reduction

Recognising that the majority of our Greenhouse Gas ("GHG") emissions stem from energy consumption, HKRI has been a signatory of the *Energy Saving Charter* launched by the Government of Hong Kong Special Administrative Region's ("HKSAR") Environment Bureau since 2016. We adopt an integrated approach to energy efficiency

and emission reductions, and work meticulously to promote prudent energy consumption and environmental awareness at every level of our business. In addition to actively incorporating sustainable practices, we continuously seek opportunities to escalate our commitment to reducing our carbon footprint. In particular, to govern the

emissions from our daily operations in a more efficient way, our city management operation introduced the "S.A.V.E" directives and signed numerous charters organised by the Environmental Campaign Committee. Their hard work and effort have earned a variety of green certificates throughout the year.

Through the combined efforts of our staff and partners, and the implementation of innovative technologies, we have been able to reduce our electricity consumption by around 5% in Hong Kong and mainland China as compared to 2017/2018. Our Hong Kong office has garnered the Green Office and Eco-Healthy Workplace Labels

under the Green Office and Eco-Healthy Awards Labelling Scheme hosted by the World Green Organisation during the year.

Our Energy Saving Initiatives in 2018/2019



Property Development and Investment

1. LED lights and insulating glass units are used in our residential and commercial developments, e.g. new developments in Discovery Bay and Tai Po
2. Escalators in our commercial properties, such as DB Plaza, and CDW Building and its shopping mall, 8½, slow down when not in use
3. Low-emissivity glass is used to regulate indoor temperature
4. Implement a sectionalised lighting system with timers and motion sensors in Jiaxing properties
5. Adopt monitored heating, ventilation and air-conditioning systems to optimise energy efficiency at HKRI Taikoo Hui. Electric vehicle charging facilities are available on the premise



Corporate Office

1. Continue to replace ageing fluorescent lamps with LED lights
2. Install motion sensors in all conference rooms to control lighting and air-conditioning systems
3. Office lighting and air-conditioning is turned off in empty rooms across all operations



Hospitality

1. Continue to replace ageing fluorescent lamps with LED lights
2. Install energy efficient electrical appliances as specified by energy labels under the Mandatory Energy Efficiency Labelling Scheme ("MEELS") of the Electrical and Mechanical Services Department ("EMSD")
3. Install Building Management System to control and monitor central air-conditioning system to minimise energy usage
4. Reduce energy wastage in accordance with the Environment Bureau's *Charter on External Lighting* by turning off decorative, promotional, or advertisement lighting installations during at preset time
5. Suspend usage of some lifts overnight
6. Adjust chilled water temperature in accordance with outdoor temperature
7. Regular cleaning and maintenance of fan coils, compressors and chiller condenser tubes
8. Install 3M window films in selected guest rooms to reduce heat
9. A portion of air-conditioning systems are equipped with energy saving devices (e.g. variable frequency drive)



City and Property Management

1. Continue to replace ageing fluorescent lamps with LED lights
2. Install energy efficient electrical appliances as specified by energy labels under the EMSD's MEELS
3. Switch off electrical appliances when not in use
4. Electrical appliances powered by solar energy, such as electric fans inside bus stops, mosquito killers, snake repellents and solar light/solar sensor light along walking paths, are widely used in the Discovery Bay community
5. Set up green roofs for heat insulation and thereby reducing electricity consumption from air-conditioning





The nature of our transportation service operation has potential impacts on air quality and GHG emissions. To mitigate emissions, we have proactively implemented various initiatives, especially within our ferry and bus operations. In addition to using Marine Light Diesel with

a Sulphur content less than 0.05%, we have begun replacing the generators on board with ones with lower emissions. Two of our vessels have completed the replacement and the third vessel is scheduled for replacement in the next financial year.

While we have been progressively upgrading our ferries, our land fleet has also been enhanced in terms of emission reduction. All our Discovery Bay diesel vehicles are currently using Euro V diesel; furthermore, two new buses meeting Euro VI standards were delivered during the year to replace older models. We have also mandated that all new buses and diesel vehicles purchased in 2019 or later will align with the Euro VI standard.

Although we are greatly encouraged by the progress we have made as a result of our fleet upgrades, HKRI strives for greater and more comprehensive emission reduction performance. We believe that behavioural change can have a significant supplemental effect to hardware upgrades by cutting emissions and raising awareness.

By Land or By Sea Additional Emission Reduction Initiatives



Corporate Office

1. Avoid unnecessary travel and business trips through the utilisation of video conference systems
2. Encourage less fuel-intensive modes of commuting (i.e. carpooling and public transportation)



Transportation

1. Continual trial of electric buses
2. Stringent evaluation of fuel consumption performance during tender selection of new bus models
3. Schedule to modify ferry air-conditioning systems to adopt environmental friendly refrigerants
4. Reduce fuel consumption by lowering the water resistance of ferries through the use of hydrophobic bottom paint



Hospitality

1. Use of Diesel Exhaust Fluid to reduce the amount of diesel emissions
2. Implement green initiatives to raise awareness, improve performance and minimise impacts on the environment
3. Steam from laundry and hot water generator is collected and reused in the boiler to reduce usage of liquefied petroleum gas ("LPG") and electricity
4. Replace 80% of refrigerants used in Thailand operation with non-Chlorofluorocarbon ("CFC") type

Water

Freshwater shortage has become a significant global concern. Since our hospitality operation accounts for the majority of our water consumption, we have focused our efforts to improve our water use efficiency and to develop relevant policies around those operations. In the meantime, our other operations in Discovery Bay and managed properties also explored water efficiency opportunities.

Water-use Management:



Each project in Thailand and mainland China collects rainwater for irrigation and cleaning purposes



Discovery Bay draws water from the reservoir for irrigation and flushing purposes to reduce the consumption of municipal water



Hospitality operation and properties we manage utilise water-efficient dual-flush systems, faucets and urinals



Hospitality operations in Thailand utilise recycled water for gardening



Discovery Bay Golf Club installed a weather-driven computerised irrigation system to determine optimal water usage and irrigation frequency, saving an estimated 188,765m³ of potable water during the year



City management operation uses a Water Leakage Detection System, and installed five additional water leakage monitoring devices, to track water flow rates and consumption data

Waste

Managing Hazardous Waste

Although the amount of hazardous waste generated by the Group's operations accounts for only a relatively small percentage of our overall waste production, we understand the potential impacts of such waste, and take all necessary precautions to handle and manage them properly.

The garage in our Discovery Bay transportation operation is registered as a chemical waste producer with the Environmental Protection Department of HKSAR Government in compliance with relevant regulations. All wastewater is properly directed to a treatment plant before discharge, while used engine oil is collected and processed by qualified external waste collectors.

Clinical waste management and disposal within our healthcare

operation are governed by our policies and procedures, which are in accordance with the *Waste Disposal Ordinance* (Cap. 354). We ensure that clinical waste is segregated, and is packaged and labelled properly. A safe and secure temporary storage area is designated for the clinical waste until proper disposal.

Managing Non-hazardous Waste

Following the "3R" principle – Reduce, Reuse, and Recycle, HKRI is committed to identifying areas across our operations where we may improve our waste management and generation performance. Our policies and practices guide the Group to reduce the generation of waste material and recycle usable materials whenever possible in order to reduce our environmental footprint. For instance, our city management operation upcycled fallen tree trunks from the aftermath of Typhoon

Mangkhut into wooden furniture. To further reduce construction waste generated on construction sites, we require our contractors to refer to BEAM Plus certification standard for proper waste management.

Paper accounts for the majority of our non-hazardous waste. Thus, we heavily encourage our employees to adopt paperless communication methods and double-sided printing, and advise consultants to issue soft copies of tender drawings and documentation during the tendering processes. Collection boxes are set in our offices for the separation of recyclable and re-useable waste, including paper, plastic, metals, and ink and toner cartridges, to foster a culture of environmental consciousness within our offices. Internal emails and reminders are also sent to employees regarding reduced use of single-use plastic utensils and bags.

CHERISHING OUR ENVIRONMENT

Our hospitality operations in Discovery Bay and Thailand have taken a comprehensive approach to reduce waste production and established sustainable procurement policies to undertake responsible procurement and equipment disposal as well as reducing excessive purchasing. Moreover, these policies take into account various criteria to evaluate products and services against quality standards such as minimum recycled content and review of certifications.

We have also implemented the use of paper takeaway boxes rather than conventional plastic ones. Single-use plastic utensils have also been replaced with wooden biodegradable options and paper

straws. Styrofoam decorations for festive seasons, such as Christmas and Chinese New Year, are also being phased out in favour of more sustainable materials.

Food waste continues to be an area of focus at HKRI, especially for our hospitality operation. We remain committed to finding new and innovative ways to mitigate its negative impacts on the environment. We carefully monitor and control raw ingredients, and practise stringent labelling and usage policies and manage portion sizes to prevent food spoilage as well as reducing the usage of takeaway boxes.

Apart from our internal efforts, we also encourage the larger community

to participate in activities and events that have positive impacts on the environment. For instance, food waste composters were installed in Discovery Bay to encourage tenants and residents to recycle food waste, which subsequently diverted more than 24,000 kg of food waste away from landfills during the year. Collection boxes for canned and packaged food, used clothes, books and toys were also set up. The donated items were sent to NGOs to help underprivileged families.

During the year, there were no non-compliance cases^h relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

During 2018/2019, we recycled...



180 tonnes
Paper

Building Environmental Awareness

As part of our holistic approach to minimising our environmental footprint, we strive to promote sustainable behaviours and practices, not only within our own organisation, but also to our stakeholders, partners and the residential communities we manage.

Within our offices across the Group, we strengthen our environmental awareness with reminders and notices to our



16 tonnes
Metal cans

employees on green office behaviour and green activities. During the year, a floral jamming workshop with upcycled silk and dried flowers was organised to raise employees' environmental awareness. We also specifically discuss possible opportunities for energy and water saving design provisions with consultants.

We also regularly organise a diverse range of events and activities in Discovery Bay to engage the residents. We continued with



20 tonnes
Plastics



some long-standing favourites, such as the behind-the-scenes tours for schools to visit the DB Nursery and Green.Icon@DB, participation of monthly Earth Hour programme, recycling day and DB flea market. We will continue to enhance Discovery Bay as a green community and strive to stay ahead of environmental trends.



99 tonnes
Glass



24 tonnes
Food waste



5 tonnes
Waste cooking oil

^h The laws and regulations that are most relevant to the Group include, but not limited to, the *Water Pollution Control Ordinance (Cap.358)*, the *Law of the People's Republic of China on Appraising of Environment Impacts*, and the *Promotion and Conservation of National Environmental Quality Act* in Thailand.

CHERISHING OUR ENVIRONMENT

Green Measures in Hospitality

Auberge Discovery Bay Hong Kong:

- Environment-friendly takeaway boxes and wooden spoons are used
- Water stations to reduce single-use plastic bottles are installed



The Sukhothai Shanghai:

- Building materials are carefully chosen to reduce environmental impacts (natural stones, fine woods, polished brass, delicate silks, etc.)
- Walls are fitted with innovative diatomite which helps to regulate indoor room temperature
- Nature-inspired menu at La Scala restaurant features local and sustainable sourcing, low waste, and zero frozen and processed ingredients

The Sukhothai Bangkok:

- Only offer paper straws to reduce single-use plastics
- Bioplastic containers utilised at Thimian
- Eliminate use of plastic laundry covers
- Packaging for bathroom amenities is made from corncobs
- Replace hardcopy paper pay slips with e-pay slips
- Raise environmental awareness with energy saving week and a mangrove forest planting activity
- 80% of paints used is environment-friendly

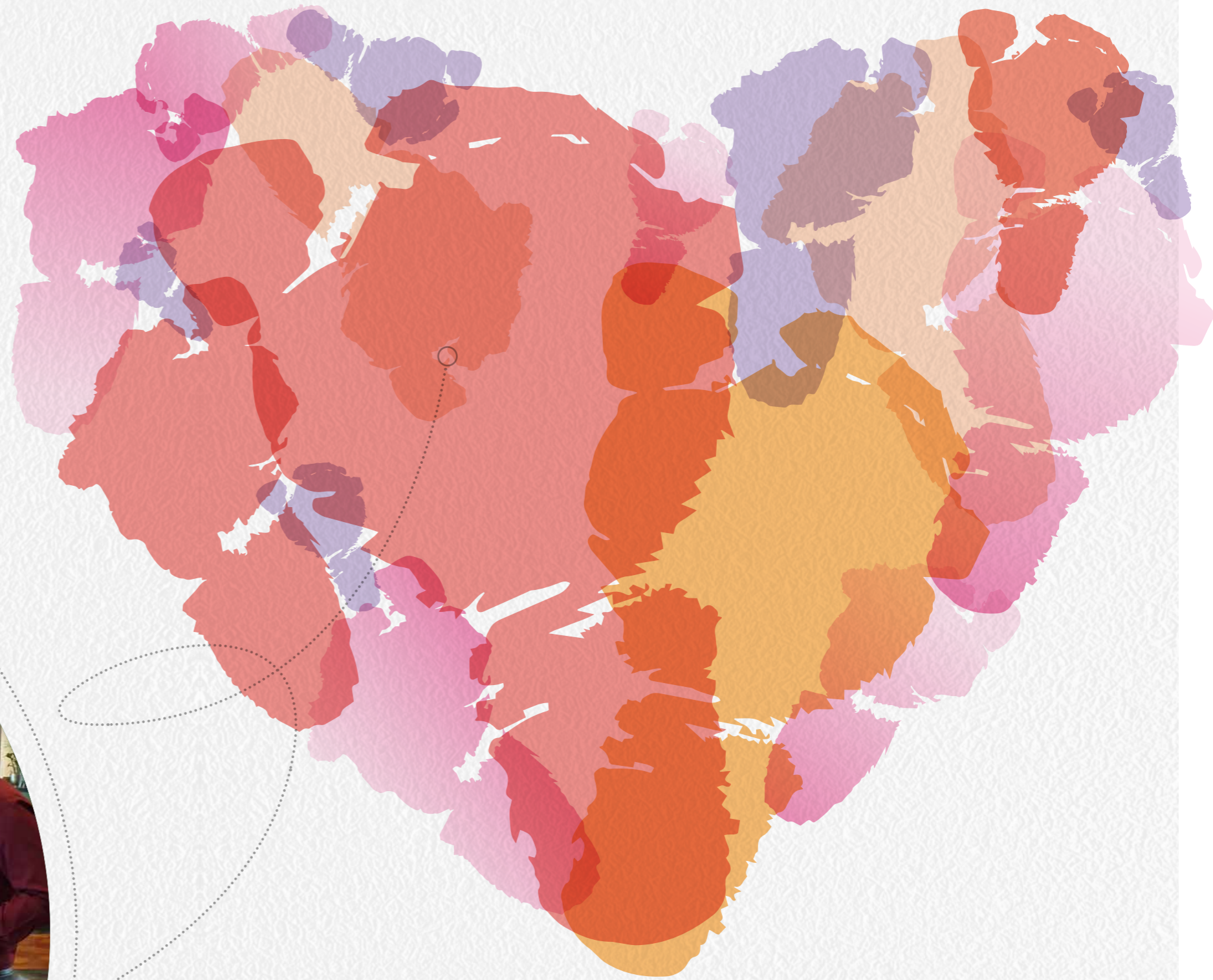
Discovery Bay Ferry – 10 Tonne PET Bottle Collection Challenge



Discovery Bay Ferry has put its full support behind the plastic bottle collection challenge organised by social enterprise, V Cycle. A dedicated collection point was assembled at Central Pier 3 for this campaign. Apart from raising awareness on issues related to plastic waste, this campaign also creates job opportunities for waste pickers and rehabilitated persons during the collecting and recycling processes of these plastic bottles. Once properly treated, the bottles are recycled and turned into multi-functional tote bags for a charity sale in support of the underprivileged. Through the course of this commendable campaign, we helped collect over 1,000 plastic bottles, weighing approximately 26kg.

RESPECTING OUR PEOPLE -36%

Lost Days Due to Work Injury
Compared to 2017/2018



RESPECTING OUR PEOPLE

Employees are our greatest asset contributing to the success and longevity of the Group. Dedicated to integrating PRI²DE values into daily operations, we work meticulously to build a supportive, inclusive, healthy and rewarding workplace where staff members can embrace their innovation. Our highly motivated staff also serves as the foundation to delivering excellent services to our customers while upholding a high standard of business ethics.

Talent Attraction and Retention

As of 31 March 2019, we had a strong and competent team of 1,896 employees supporting our diverse operations in Hong Kong, mainland China and Thailand. Acquisition of the right talent fuels the growth of the Group. Our continual success depends on our ability to attract and retain every passionate individual who shares our corporate values.

To acquire the right talent and build a professional team, we have produced a brand-new recruitment video and organised a summer internship programme for multiple years. Under the theme "SMILE@HKRI", which represents our effort to build a Smiley, Memorable, Inspiring, Loving and Energetic workplace, 28 interns joined the programme and gained valuable first-hand job experience during the ten-week programme.

We are committed to providing equal opportunities and working environment which values and respects employees and is free from discrimination and harassment at all times. All employees are protected by our policies on non-discrimination, anti-harassment and racial equality. Furthermore, we ensure a fair recruitment and promotion process based on experience and individual merits regardless of gender, race, age, religion, pregnancy, disability, family status or sexual orientation. As a responsible employer, child and forced labour are strictly prohibited within the Group's operations and supply chain in accordance with relevant regulations. A grievance mechanism is in place for employees to raise and report concerns to senior management through a

confidential channel.

We continue to offer attractive remuneration packages and comprehensive fringe benefits, which include medical insurance, discretionary bonus and a range of leave entitlements such as marriage leave, maternity and paternity leave, and sporting competition leave. To ensure our packages are competitive compared to industry standards, we regularly review and enhance our staff benefits and policies. This year, our health check plan has been enhanced as we continue to collaborate with different business partners and subsidiaries to offer employees product and service discounts.

The Group has been recognised for its ongoing efforts in enhancing work conditions throughout the years. We have received a number of awards over the years, including the "Meritorious Family-Friendly Employers Award" by the Home Affairs Bureau and the Family Council.

During the year, there were no cases of non-compliance with relevant laws and regulations¹ relating to compensation and dismissal,

RESPECTING OUR PEOPLE

recruitment and promotion, child and forced labour, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

Training and Development

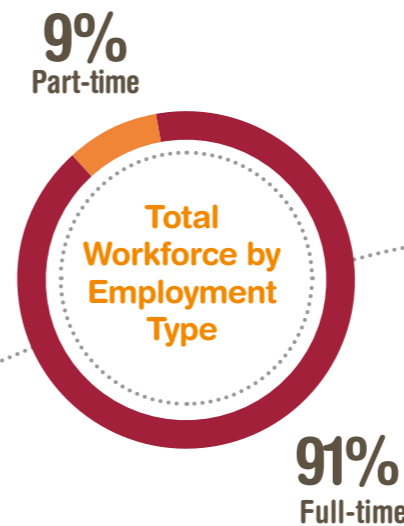
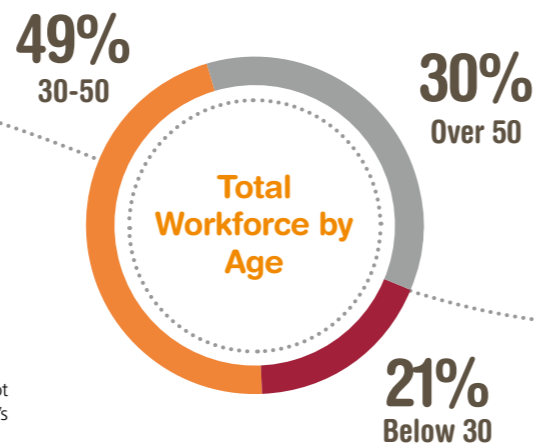
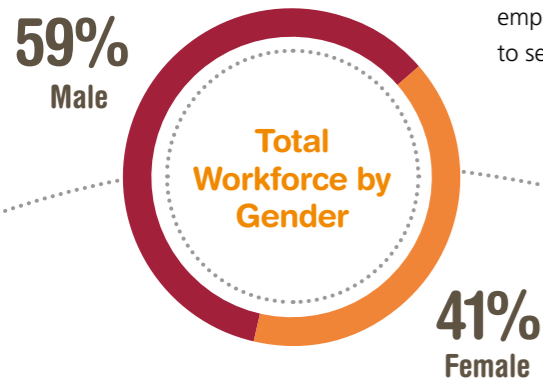
We believe a competitive and resilient team thrives in an ever-changing business environment. As such, we continuously invest in improving the skills of our employees by providing a wide range of in-house training and offering education allowances and tuition reimbursement to full-time employees who attend external courses. The external and in-house training programmes held during the year covered a number of topics, such as driving, project management, rental management, leadership skills, coaching skills, presentation skills, legal compliance, customer service, and occupational safety and health. These training programmes are tailored to meet the diverse needs of each



operation. The "HKRI Employees Learning & Development Faculty" established in 2016 continues to regularly review the learning and development programmes to ensure they are aligned with the Group's overall business needs and direction.

As our service quality directly affects guest satisfaction, we aim to enhance the skills and knowledge of our

employees at healthcare, commercial property management and hospitality operations in customer service. At The Sukhothai Bangkok, we organise training programmes in three major categories, namely Generic Training, Technical Training and Legal Compliance Training, to enable staff development in a comprehensive and systematic way.



¹ The laws and regulations that are the most relevant to the Group include, but not limited to, the *Employment Ordinance (Cap. 57)*, the *Labour Law of the People's Republic of China*, and the *Labour Protection Act* in Thailand.

Customer Service Development Programme

As a core value deeply embedded in our operations, our commitment to service excellence enables us to sustain our business growth. Following the previous year's success, we extended the Customer Service Development Programme to our healthcare and commercial property management operations this year. Two training classes, namely "Coaching for Professional Services Training" and "Professional Frontline Services Workshop"

were organised for clinic supervisors and frontline staff respectively. The classes strengthen our staff's skills to further enhance customer satisfaction. Furthermore, we arranged a "Commercial Property Management Service Excellence Workshop" in November 2018 with the aim of equipping our employees to handle challenging situations and complaints in a proactive and courteous manner.



Succession Planning

Recognising the importance of succession planning to the stability and continuity of our business, The Sukhothai Bangkok implemented a talent cultivation plan - the Sukhothai Leadership Development Programme ("SLDP"). SLDP serves to provide our talented employees with an array of trainings tailored to meet specific needs in relation to their positions and operations. Diverse topics such as leadership skills, revenue management and business writing in English are covered for their professional development.

Occupational Safety and Health

Ensuring occupational safety and health ("OSH") is of paramount importance to HKRI. As we have diverse business portfolios, besides attending OSH training arranged by the Group, our business units have established their own OSH management committees which develop and review guidelines tailored to their unique workplace conditions.

Our construction projects require all contractors to strictly follow a set of OSH requirements that comply with relevant regulations. Moreover, to ensure all safety measures are properly implemented, regular site monitoring is conducted, while a designated safety inspection officer submits bi-weekly safety reports.

Our operations in Discovery Bay, which constitutes an important part of our business, make every effort to nurture a safety-first culture. Set up in 2015, a cross-departmental OSH Committee in Discovery Bay serves to provide guidance on safety matters and advice on risk mitigation. Safety awareness is promoted through regular refresher meetings and specific training sessions, poster displays and safety checks. This year, a safety management system based on ISO 45001 was developed for ten business units in Discovery Bay. Our city management operation collaborated with OSH consultants to further enhance its OSH policies and manuals. Prompted by the aftermath of Typhoon Mangkhut, a specific training and workshop was arranged for the team to better prepare for the next strong typhoon.

Special attention is given to employees who carry out relatively higher risk job duties. At our healthcare operation, full compliance with the *Radiation Ordinance (Cap. 303)* is considered a prerequisite. Every employee who comes into contact with radiation is required to wear a radiation dosimeter



at all times and undertake annual medical examinations in Occupational Health Clinics. We also monitor the radiation doses of each worker on a monthly basis through the monitoring services provided by the Radiation Health Unit of the Department of Health.

Our commitment to building a safe and healthy work environment extends to operations beyond Hong Kong. In mainland China and Thailand, we organise free physical check-ups for office staff and conduct periodic workplace inspections to ensure office equipment is up to the prevailing health and safety standards. Strict protocols and regular site visits are also in place to safeguard construction site safety. To ensure a pleasant and healthy working environment, we engaged qualified specialists to monitor indoor air quality regularly and brought in carbon bags and leafy plants for air purification in our office in mainland China.



RESPECTING OUR PEOPLE

At The Sukhothai Bangkok, a safety manual was published for every department to uphold a high standard. The safety committee also conducts inspections at different areas such as the kitchen and laundry to ensure a safe and healthy environment. Staff accidents are brought up during monthly committee meetings to explore ways to further strengthen workplace safety. At The Sukhothai Residences, we arranged fire safety training for all staff, equipping them with evacuation procedures and fire extinguishing techniques. Additionally, protective gear is provided to employees who carry out job duties with relatively higher risks.

During the year, there were no cases of non-compliance relating to providing a safe working environment and protecting employees from occupational hazards.

A Compassionate Workplace

Staff engagement is essential to cultivating positive and harmonious work relations. We foster two-way communication with our employees through regular meetings, internal newsletters and performance reviews. We value all feedback and suggestions received, and regularly review and address their concerns. To safeguard the physical and mental well-being of our employees, we continue to organise different leisure activities, including our "PRI²DE Wellness", festive celebrations, outings, team building workshops and interest classes. In The Sukhothai Bangkok, a 24-hour gym and weekly badminton sessions are arranged for employees to promote physical well-being. Outstanding employees and teams were recognised and shown appreciation at our Annual Dinner.



PRI²DE Wellness

This year, the Group launched a brand new corporate wellness programme, "PRI²DE Wellness," which aims to strengthen staff engagement and promote work-life balance. Taking three key aspects, physical, spiritual and fun, into account, this programme offers diverse well-being activities, including fitness training, yoga classes, a mindfulness workshop, coffee classes and a bowling day. Ultimately, by providing employees with a variety of activities, we aspire to foster stronger team spirit, enhance their sense of belonging and encourage a healthy lifestyle among employees.



RESPECTING OUR PEOPLE



Valentine's Love Express

Valentine's Day is not only a day for lovers. The Sukhothai Bangkok seized this opportunity to promote a friendly and harmonious workplace on that day. Under our "Love Express Fundraising Campaign", we arranged a charitable rose delivery service enabling our staff members to express their feelings and kind messages to their loved ones using handwritten cards whilst raising funds for charity. We also encouraged employees to express their gratitude to their colleagues with these roses. This festive event was a resounding success with an active participation of more than 300 employees.

RESPECTING OUR PEOPLE

The following staff activities were held during the year:



HKRI Annual Dinner
HONG KONG



Festive Celebration
HONG KONG



Floating Kratong Making
THAILAND



Nanshan Zhuhai Scenic
Outing
MAINLAND CHINA



Monthly Birthday Party
MAINLAND CHINA



Field Trip to Ayudhaya
THAILAND



Staff Annual Party
THAILAND



Presentation of
Long Service Awards
THAILAND

RESPECTING OUR PEOPLE



**CARING FOR
OUR COMMUNITY**
+9%

**In-kind Sponsorships & Donations
Compared to 2017/2018**



CARING FOR OUR COMMUNITY

CARING FOR OUR COMMUNITY

In-kind Sponsorship and Donations
Over HK\$4,247,730

Steered by our long-standing corporate commitment, we are dedicated to contributing positively to the communities we serve. Along our sustainability journey towards an inclusive society, we continually reach out to serve the needy, in particular the elderly and underprivileged families, and work closely with NGOs through volunteering and provision of in-kind sponsorships and donations.

As we recognise creativity and innovation are two fundamental elements sustaining our business growth, we are keen to invest in arts development and youth cultivation.

In the long run, we aspire to practise good citizenship with our employees and communities we manage through extensive community activities.

Our ongoing community investment has been well recognised. We were awarded the "10 Years Plus Caring Company" logo by the Hong Kong Council of Social Service, the "Bronze Award for Volunteer Service" by Volunteer Movement under Social Welfare Department in Hong Kong and "Certificate of Appreciation" under the category of Hong Kong Community Volunteers (Corporate Member) by Agency for Volunteer Service.

Volunteer Service Hours Contributed
2,074



Minibus Signage Workshop

To promote one of the local heritages, minibus signage, we joined hands with Life Workshop to organise a workshop for new immigrant children from remote areas. Over 40 children and volunteers learnt the history of Hong Kong's minibuses and traditional calligraphy under the guidance of Mr Mak Kam Sang, Hong Kong's last minibus sign-writer.

Serving the Needy

Our corporate volunteer team, HKRI Care & Share, and volunteer teams within other operations, actively teamed up with NGOs and other external parties to serve the needy in the regions we operate. Our partners include The Neighbourhood Advice-Action Council ("NAAC"), Food Grace, Tung Wah Group of Hospitals ("TWGHs"), Life Workshop, Outlying Islands Women's Associations ("OIWA"), Asbury Methodist Social Service, The Hong Kong Society for the Aged, United Nations Development Programme ("UNDP"), Bangkok Metropolitan Administration – Tourism Division and HiveSters. This



Food Collection Experience and Volunteer Day

Cultivating the virtue of cherishing food and reducing waste at the source, a food collection experience and volunteer day was co-organised with Food Grace in November 2018. Volunteers collected leftover vegetables at Tai Yuen Estate Market and prepared a low-carbon vegetarian meal for singleton elders.

year, HKRI Care & Share adopted the theme, "Pay it Forward", for its year-around campaign to promote rich local heritage and volunteerism to staff and the next generation. To promote our volunteer spirit, we encouraged our staff to invite their family members to join our volunteering activities. During the year, our volunteers and their families in Hong Kong, mainland China and Thailand contributed a total of 2,074 service hours. In addition, we continue to provide sponsorships and donations to NGOs and charitable groups such as Hong Kong Arts Festival, Koh San Chao community and Yuhang Community Service Centre. Moreover, we actively promoted a healthy lifestyle to the needy. Three health talks and assessment days were held during the year, allowing the elderly to enjoy free consultations.



Supporting Arts Development and Talent

We see creativity and innovation as the drivers of our continued business success. To this end, we actively extend our support to arts development and provide extensive opportunities to nurture young talents. We encourage creativity by organising numerous art workshops and drawing competitions. The winning works of Graffiti Design Competition were painted on the gate of Green.Icon@DB while others were displayed for public appreciation. Meanwhile, we are also an active supporter of Hong Kong Arts Festival and have sponsored its programmes for 11 consecutive years, inviting overseas artists to perform and promote arts and cultural development among local audiences and establish Hong Kong as a city of arts. This year, we sponsored a piano recital by Russian piano titan Denis Matsuev on 7 March 2019.



Floral Jamming Workshop

To promote art appreciation and encourage social interaction, a floral jamming workshop was conducted in partnership with the TWGHs Rinato Eco Floral Shop. Using a variety of silk and dried flowers, elders and volunteers collaboratively designed creative and unique Chinese New Year floral arrangements to decorate their home.

Pay It Forward

To cultivate the virtues of compassion in the future generation with our experiences and resources gained in the past 40 years, we embraced "Pay It Forward" as our CSR theme this year, encouraging actions to take care of the needy whilst passing on our rich local heritage and nurturing art appreciation.

CARING FOR OUR COMMUNITY

The Opening of Smart-Space 8

Supporting the HKSAR Government's initiative "Space Sharing Scheme for Youth", HKRI leased out 20,000 square feet of office space at CDW Building to Hong Kong Cyberport Management Company Limited at one-third of the market rent to set up its first off-site

Smart-Space office, Smart-Space 8. This space has been designated to support technology development and encourage youth entrepreneurship. Officially opened in July 2018, Smart-Space 8 provides comprehensive training programmes and services to facilitate innovations and business expansion.



Rejuvenating a City Landmark

In our property development business, it is not uncommon to come across buildings that have historic value or are culturally important to the community. We strive to preserve and rejuvenate these cultural assets to achieve the goal of sustainable development.

Building a Loveable Community

In parallel with our enduring efforts to build infrastructure, we also aim to leverage our resources to build cohesive and harmonious communities in the areas we operate. Our Love.Together@DB serves as a dedicated caring and volunteering

Sponsorship of the Filipino Dynamo Dragonboat Team

In Discovery Bay Dragon Boat Race 2018 hosted by city management operation, besides providing sponsorship to the event, Hong Kong Resort Company Limited and Love.Together@DB also sponsored the Filipino Dynamo Dragonboat Team to make their debut in the race to recognise the huge contributions of the Discovery Bay domestic helpers to the families and the community.



CARING FOR OUR COMMUNITY

Bangkok Uncovered

Since 2017, The Sukhothai Bangkok has co-organised a fundraising charity event, Bangkok Uncovered, with UNDP, Bangkok Metropolitan Administration – Tourism Division, HiveSters, hostel partners and local communities to support social development projects in six endangered communities in Bangkok. This social development project aims to preserve disappearing

local communities and culture through sustainable tourism. The six endangered communities included Koh San Chao, Bang Lamphu, Hua Takhe, Bang Kradi, Ban Bu and Nang Loeng. It is the first public-private partnership to develop sustainable travel activities in Bangkok and to improve the livelihoods of local people, enabling them to "appear" again.



platform for the Discovery Bay community. This year, we continued to organise and support different community outreach programmes, including behind-the-scenes tours, go green graffiti design competition, visits to elderly homes, family workshops, Cantonese Opera Training Programme and family farm.

In mainland China and Thailand, our staff's volunteering spirit generates positive impact in local communities. For instance, our Shanghai office arranged interview skill courses for the underprivileged and paid numerous visits to Children's Hospital of Shanghai, delivering care and love to children who were suffering from long-term

diseases. We also kick-started our first CSR programme in mainland China, "HKRI • Design with Love", with China Social Welfare Foundation to provide better learning environment for underprivileged students. At The Sukhothai Bangkok, more than 200 staff participated in a charity yard sale to raise funds for the Koh San

Chao community. Furthermore, Magic Box Season 2, a CSR festive charity event, benefitted around 200 children from the Baan Mahamek home for underprivileged boys. The children were invited to dinner and Christmas tree lighting ceremony, and were given a gift box to celebrate the festive season.



Cha House – Restoration

Cha House is a century-old historical building in HKRI Taikoo Hui, our flagship project in Shanghai. During the development of HKRI Taikoo Hui, in order to preserve this building and accommodate the construction of the subway, the whole building was relocated and had undergone meticulous restoration. The authenticity of this historical building's classic architecture was diligently preserved, while concurrently developing and enriching the urban landscape in a sustainable manner.

The rejuvenated Cha House was opened in May 2018. The opening exhibition displayed the changes, transformations and redevelopments of Shanghai's old city, and the history and development of "Shanghai Culture" in the Jing'an District. The building is a vivid demonstration of the Group's core value of respecting the individual and cherishing the environment.



Cantonese Opera Training Programme

To promote Chinese culture, a weekly Cantonese Opera Training Programme is co-organised with Sing for Love to offer classes to adults and kids at Discovery Bay. This year, the trainees staged an annual performance at Discovery Bay Community Hall in July 2018 with an audience of 400. The performance was a record-breaking achievement in terms of audience figures and number of performing Discovery Bay residents. The audience was so impressed by their amazing talent and glamorous costumes.

Additionally, trainees regularly volunteer to visit elderly homes to put on charitable performance.

COMMUNITY EVENT HIGHLIGHTS

COMMUNITY EVENT HIGHLIGHTS

Green



Eco-tour
Love.Together@DB and city management operation



Family Handcraft Workshop
Love.Together@DB and OIWA

Healthy Lifestyle



Lucky Messages for the Year of the Pig
Love.Together@DB and OIWA



DB Family Farm
Love.Together@DB



DB I Love Mama Carnival
Love.Together@DB and OIWA



Discovery Bay Dragon Boat Races 2018
City management operation



DB Cultural Art Carnival
Love.Together@DB and NAAC

Harmonious Family



Mooncake Collection
HKRI Care & Share and Food Grace



DB Basketball Tournament Community Health Cup 2018
Love.Together@DB and city management operation

Cultural Heritage



Behind-the-scenes Tours
Love.Together@DB, city management and transport operations

Youth Education



Joint School Gardening Workshop
Love.Together@DB and city management operation



Laughter Yoga
Love.Together@DB and NAAC

COMMUNITY EVENT HIGHLIGHTS

Serving the Needy



Flag Selling Day
Auberge Discovery Bay Hong Kong and OIWA



Lanterns Making with Primary Students
Auberge Discovery Bay Hong Kong and OIWA



Senior Home Visit
Auberge Discovery Bay Hong Kong and the Hong Kong Society for the Aged; Love.Together@DB and NAAC



Blood Donation
Mainland office and Shanghai Blood Centre



Fundraising by Selling Hand-made Kratong
The Sukhothai Bangkok and Baan Nok Khamin Foundation



Donating Gifts to Children
The Sukhothai Bangkok and The Sukhothai Residences, and Thungmahamek Police Station, Sathorn District and Gift of Happiness Foundation



Bangkok Chef Charity
The Sukhothai Bangkok and Gourmet One



Visits to the Children's Hospital
Mainland office and Children's Hospital of Shanghai

COMMUNITY EVENT HIGHLIGHTS



Training on Interview Skills
Mainland office and Renyu Social Affairs Service Centre



Fundraising by Selling Teddy Bears
The Sukhothai Residences



Stationery Collection
HKRI Care & Share and Asbury Methodist Social Services



Education Trips
The Sukhothai Bangkok and Baan Mahamek

Community Empowerment



New Year New Dreams Drawing Competition
Love.Together@DB and AroundDB Magazine



Those Were the Days: Hard Rain Drama Performance
Love.Together@DB and NAAC

Art Support



**MANAGING
OUR VALUE CHAIN**
over 90%

Transport Services Ran
on Schedule



MANAGING OUR VALUE CHAIN



As our business spans diverse areas and operations, our value chain is an important component towards the realisation of our commitment to quality products and services. Comprehensive procedures and policies are available to provide guidance to the management of our value chain to ensure we are able to meet the needs and expectations of our customers in a sustainable and responsible manner while minimising the impact on the environment and the wider community.

Quality Assurance and Customer Satisfaction

We strive to build upon our reputation as a high-quality organisation through our unwavering commitment to the pursuit of excellence and customer satisfaction. Customer feedback is important for perfecting our service quality. Across our operations, we have established

communication channels and feedback systems to gather our stakeholders' thoughts and expectations as well as their views on our performance. We have also developed a comprehensive quality assurance process which draws from industry best practices, relevant regulations and voluntary codes.

Resident feedback is a critical part of our city management operation. Therefore, we have established convenient and direct lines of communication through a 24-hour customer service hotline, suggestion boxes, and our business centre and local management offices. Concerns raised by the residents are logged and tracked in a centralised electronic system for timely resolution and follow up. As part of our two-way engagement approach, we continue to hold regular meeting sessions with the City Owners Committee and the Village Owners Committee.

Same as our city management operation, our transportation operation in Discovery Bay also endeavours to maintain a reliable, effective and efficient transport network, and collect passengers' feedbacks via the quarterly Passenger Liaison Group meetings and other channels. Comments will then be thoroughly reviewed by the relevant operational units to further enhance our services. During the year, our buses and ferries ran on schedule for over 90% of service days. Service interruptions were primarily due to factors outside of our control, such as adverse weather conditions, traffic incidents and road works. Our transportation operation also continued to optimise their service. During the year, five new hire cars, including some with disability-friendly features, were in service.

MANAGING OUR VALUE CHAIN

Our commercial property portfolio is growing following the opening of CDW Building and HKRI Taikoo Hui. To strive for service excellence, our leasing and property management teams of CDW Building and Discovery Bay optimised their service through training courses while HKRI Taikoo Hui, which was just opened in November 2017, undertook their first customer research exercise to

better gather views from our tenants and customers. Knowing customers' needs can help develop strategic plans to enhance their experience as well as fine-tuning our market positioning.

Our development projects in Hong Kong are governed by technical specifications to ensure construction and installations meet our stringent expectations for

safety and quality. Onsite staff, including architects, consultants and members of our own staff, monitors materials and workmanship to identify any cases of non-compliance. Any instances or defects found will be rectified accordingly.



Bravery and Selflessness during Typhoon Mangkhut

During the year, Hong Kong was severely hit by a super typhoon Mangkhut which caused damage to our managed properties. Upholding our commitment to serve, our staff from CDW Building property management as well as city management, transportation and hospitality operations in Discovery Bay remained steadfast and demonstrated remarkable dedication and selflessness in their efforts to minimise damage. Thanks to their prompt

actions in removing fallen trees, cleaning and repairing community facilities, transportation and community services were able to resume promptly. Our staff's professionalism was highly praised by residents and guests.

After the storm, we realised we had an opportunity to extend the lifecycle of the fallen trees at Discovery Bay, and subsequently upcycled them into stools, benches and tables.

Our customer service taskforce committee at the hospitality operation continuously explores opportunities to further enhance the customer experience throughout the year. For instance, at The Sukhothai Bangkok, we diligently collect and analyse guest satisfaction surveys and provide guests with a 24-hour customer service hotline. Any complaints received through our official channels will be thoroughly investigated by operational units, and formal replies will be provided to the complainant. At The Sukhothai Residences, to augment communications with our residents, we created Line@, a mobile application, as an additional way for residents to voice their thoughts.

Further to customer satisfaction, our hospitality operation also ensures food quality and safety are in compliance with relevant legal requirements. All food deliveries are thoroughly checked and inspected, through which any shipments that fail to meet our standards will be immediately sent back to suppliers. Once the inspection is completed, we have procedures in place to clearly and properly label and store delivered food. Our “first-in, first-out” policy also ensures that our food and beverage inventory is systematically rotated so that our ingredients remain fresh and safe to consume.

Our healthcare operation has been assessed and certified under the ISO 9001:2015 Quality Management Systems. Additionally, we invite our patients to complete feedback cards after their visit so that we may monitor our own performance against their expectations. Any complaints received from our patients will be addressed and handled by our well-established customer complaint handling procedures.

During the year, there were no cases of non-compliance relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress¹.

Supply Chain Management

Suppliers’ performance may impact our service and production quality as well as customer satisfaction. Thus, we have well-established *Tender and Procurement Policies* for selecting suppliers and contractors. We maintain clear lines of communication to convey expectations and other critical information. Upholding the virtues of social responsibility and high ethical standards, all employees must strictly comply with relevant anti-corruption regulations and related policies as outlined in the Group’s *Employee Handbook* and *Code of Conduct*. During the procurement process, fair competition and strict compliance with stipulated policies are observed. Suppliers are selected impartially based on competence, quality, experience, track record and our operational needs. Once contracted, regular meetings and audits are conducted to track and monitor progress.

Monitoring and control mechanisms are integrated into our practices and procedures to detect and prevent bribery, fraud, or other forms of malpractice. Any gifts received from business partners or suppliers must be reported through designated forms. Employees must also declare any forms of conflicts of interest before the start of their employment. To ensure we remain updated and fully understand the details of anti-corruption legislation and practices, representatives from the Independent Commission

Against Corruption (“ICAC”) are invited to deliver workshops for our staff annually. Any employee who wishes to report any cases of misconduct may do so through the procedures set forth in our *Reporting and Handling Process for Concern about Possible Improprieties Policy*.

During the year, there were no cases of non-compliance with laws and regulations related to bribery, extortion, fraud and money laundering.



A Responsible Supply Chain

We strongly believe that suppliers’ performance can affect our product and service quality. As such, we include contractors’ sustainability performance in our contractor services scoring criteria. Our procurement process encourages the implementation of sustainable practices, such as the minimisation of packing materials and the use of recycled materials wherever possible. Our internal guidelines also require that effective and reliable energy saving and green products should be used if available. For instance, during the purchase of new vehicles, we consider energy efficiency and emission

performance as part of the selection criteria throughout the tender process. We also encourage local procurement in order to reduce our environmental footprint and support the local economy.

Data Privacy

HKRI respects the right to privacy and the confidentiality of our customers’ personal information. The Group’s stringent policies on the handling of and access to customer personal data and other related confidential information clearly lays out the proper procedures and guidelines to protect our customers’ interests. All personal information must be collected

with the consent of our customers and used for stated purposes only. Data is stored in central locations with restricted access and all authorised users are reviewed on a regular basis. Documents containing confidential information must be shredded prior to disposal. Customer records such as Octopus and T-card transactions collected through the daily operation of our transportation services are strictly protected within our internal systems and disclosure to any private entity is prohibited.

During the year, there were no cases of non-compliance with relevant laws and regulations, including, but not limited to the *Personal Data (Privacy) Ordinance (Cap. 486)*.

¹ Including but not limited to *Sales of Goods Ordinance (Cap.26)*, *Consumer Goods Safety Ordinance (Cap. 456)*, and *Consumer Protection Act of Thailand*.

PERFORMANCE DATA SUMMARY

| HKEx KPI | Unit | Hong Kong | | Mainland China | | Thailand | |
|---|--|---------------------------|-------------------------------------|------------------------|----------------------------------|------------------------|-----------|
| | | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 |
| A. Environmental | | | | | | | |
| A1.1 The types of emissions and respective emissions data | | | | | | | |
| NOx ^l | Tonnes | 1,022.97 | 2.01 | 0.040 | 0.0050 | 0.090 | / |
| SOx ^m | Tonnes | 11.81 | 5.83 | 0.00016 | 0.00013 | 0.00044 | / |
| PM ⁿ | Tonnes | 0.34 | 0.11 | 0.0020 | 0.00037 | 0.0014 | / |
| A1.2 Greenhouse gas emissions in total and intensity^o | | | | | | | |
| Direct Emissions (Scope 1) | Tonnes of CO ₂ e | 26,570.33 | 26,803.11 | 29.19 | 24.21 | 2,620.74 | / |
| Energy Indirect Emissions (Scope 2) | Tonnes of CO ₂ e | 18,849.94 | 19,940.83 | 168.50 | 65.33 | 4,533.85 | / |
| Other Indirect Emissions (Scope 3) | Tonnes of CO ₂ e | 70.80 | 114.27 | 0 | 2.05 | 35.20 | / |
| Total Intensity | Tonnes of CO ₂ e / Full-time Employee (FTE) | 45,491.07 | 46,858.21 | 197.70 | 91.59 | 7,189.79 | / |
| | | 36.75 | 36.30 | 2.57 | 1.12 | 17.24 | / |
| A1.3 Total hazardous waste produced and intensity | | | | | | | |
| Clinical Waste ^p | kg | 363.00 | 395.00 | / | / | / | / |
| | kg/FTE | 3.49 | 3.06 | / | / | / | / |
| Used Engine Oil | kg | 13,024.00 ^q | 13,006.00 ^q | / | / | 416.00 ^r | / |
| | kg/FTE | 19.24 | 13.97 | / | / | 1.14 | / |
| Lube Oil | Litre | 400.00 ^s | 600.00 ^s | / | / | 22.00 ^r | / |
| | Litre/FTE | 1.00 | 1.45 | / | / | 0.06 | / |
| Batteries | kg | 5,635.00 ^t | 8,874.00 ^s (restated) | / | / | 300.00 ^r | / |
| | kg/FTE | 10.63 | 21.49 | / | / | 0.82 | / |
| Fluorescent Tubes ^t | kg | 842.00 | / | / | / | / | / |
| | kg/FTE | 1.59 | / | / | / | / | / |
| Wastes from Electrical and Electronic Equipment ^s | kg | 100.00 | / | / | / | / | / |
| | kg/FTE | 0.25 | / | / | / | / | / |
| A1.4 Total non-hazardous waste produced and intensity | | | | | | | |
| Recycled Paper Waste | kg | 176,710.00 ^{u,v} | 115,811.90 ^t | / | / | 2,760.00 ^r | / |
| | kg/FTE | 205.96 | 179.83 | / | / | 7.56 | / |
| | | | | (restated) | (restated) | | |
| Recycled Carton Box Waste | kg | / | 10,380.00 ^s | / | / | / | / |
| | kg/FTE | / | 25.13 | / | / | / | / |
| Recycled Plastic Waste | kg | 18,845.40 ^v | 15,587.00 ^t | / | 84.00 ^w (restated) | 1,440.00 ^r | / |
| | kg/FTE | 21.96 | 24.20 | / | 3.23 (restated) | 3.95 | / |

PERFORMANCE DATA SUMMARY

| HKEx KPI | Unit | Hong Kong | | Mainland China | | Thailand | |
|--|---------------------|--------------------------|-------------------------|------------------------|----------------------|--------------------------|-----------|
| | | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 |
| A1.4 Total non-hazardous waste produced and intensity | | | | | | | |
| Recycled | kg | 15,502.50 ^{v,x} | 14,935.00 ^y | / | / | / | / |
| Metal Cans | kg/FTE | 18.07 | 64.65 | / | / | / | / |
| Recycled Waste | Litre | 4,721.60 | 9,336.00 | / | / | / | / |
| Cooking Oil ^s | Litre/FTE | 11.77 | 22.61 | / | / | / | / |
| Recycled Food Waste ^y | kg | 24,084.00 | 25,650.50 | / | / | / | / |
| Food Waste | kg | / | / | / | / | 58,000.00 ^r | / |
| | kg/FTE | / | / | / | / | 158.90 | / |
| Recycled Wood | kg | / | / | / | / | 50.00 ^r | / |
| | kg/FTE | / | / | / | / | 0.14 | / |
| Recycled Glass Bottle Waste | kg | 98,664.00 ^z | 83,501.00 | / | / | 170.00 ^r | / |
| General Waste | kg | 584,082.00 ^{aa} | 684,836.00 ^s | 26.40 ^w | 3.00 ^w | / | / |
| | kg/FTE | 826.14 | 1,063.41 | 1.20 | 0.12 | / | / |
| A2.1 Energy consumption by type and intensity | | | | | | | |
| Electricity | '000 kWh | 26,887.32 | 28,486.90 | 239.52 | 92.86 | 7,799.50 | / |
| | '000 kWh/FTE | 21.72 | 22.07 | 3.11 | 1.13 | 18.70 | / |
| LPG | '000 kWh | 816.47 ^s | 1,728.24 ^s | / | / | 5,171.79 ^r | / |
| | '000 kWh/FTE | 2.04 | 4.18 | / | / | 14.17 | / |
| Unleaded Petrol | '000 kWh | 347.21 ^q | 1,112.02 ^q | 98.19 ^{bb} | 81.41 ^{cc} | 14.16 ^r | / |
| | '000 kWh/FTE | 0.51 | 1.19 | 1.28 | 1.45 | 0.04 | / |
| Euro V Diesel ^q | '000 kWh | 13,464.29 | 18,157.61 | / | / | / | / |
| | '000 kWh/FTE | 19.89 | 19.50 | / | / | / | / |
| Marine Light Diesel ^{dd} | '000 kWh | 68,152.27 | 69,256.29 | / | / | / | / |
| | '000 kWh/FTE | 246.93 | 133.13 | / | / | / | / |
| Diesel | '000 kWh | 5,704.87 ^{q,ee} | 551.58 ^q | / | / | 118.11 ^r | / |
| | '000 kWh/FTE | 8.43 | 0.59 | / | / | 0.32 | / |
| Towngas ^s | '000 kWh | 681.21 | / | / | / | / | / |
| | '000 kWh/FTE | 1.70 | / | / | / | / | / |
| Kerosene ^r | '000 kWh | / | / | / | / | 12.05 | / |
| | '000 kWh/FTE | / | / | / | / | 0.033 | / |
| Charcoal ^r | '000 kWh | / | / | / | / | 78.67 | / |
| | '000 kWh/FTE | / | / | / | / | 0.22 | / |
| A2.2 Water Consumption in total and intensity | | | | | | | |
| Total | m ³ | 451,646.00 ^{ff} | 346,644.00 ^s | 387.52 ^{gg} | 277.59 ^{gg} | 141,897.00 ^{hh} | / |
| Intensity | m ³ /FTE | 1,126.30 | 839.33 (restated) | 7.05 | 4.96 (restated) | 370.49 | / |

PERFORMANCE DATA SUMMARY

| HKEx KPI | Unit | Hong Kong | | Mainland China | | Thailand | |
|------------------|--|------------------------|-----------|------------------------|-----------|------------------------|-----------|
| | | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 |
| B. Social | | | | | | | |
| B1.1 | Total workforce by gender, employment type, age group and geographical region | | | | | | |
| | By gender | | | | | | |
| Male | No. of people | 835 | 841 | 29 | 30 | 254 | / |
| Female | No. of people | 555 | 572 | 48 | 52 | 175 | / |
| | By age group | | | | | | |
| Under 30 | No. of people | 222 | 261 | 10 | 14 | 163 | / |
| 30-50 | No. of people | 649 | 644 | 61 | 59 | 216 | / |
| Above 50 | No. of people | 519 | 508 | 6 | 9 | 50 | / |
| Total | No. of people | 1,390 | 1,413 | 77 | 82 | 429 | / |
| | By employment type | | | | | | |
| Full-time | No. of people | 1,238 | 1,291 | 77 | 82 | 417 | / |
| Part-time | No. of people | 152 | 122 | 0 | 0 | 12 | / |
| B1.2 | Employee turnover rate by gender, age group and geographical region | | | | | | |
| | By gender | | | | | | |
| Male | % | 19.76 | 22.95 | 13.79 | 16.67 | 27.17 | / |
| Female | % | 30.81 | 28.50 | 14.58 | 26.92 | 28.00 | / |
| | By age group | | | | | | |
| Under 30 | % | 53.60 | 45.59 | 20.00 | 28.57 | 26.99 | / |
| 30-50 | % | 20.96 | 23.60 | 13.11 | 22.03 | 31.94 | / |
| Above 50 | % | 15.61 | 16.73 | 16.67 | 22.22 | 10.00 | / |
| Overall | % | 24.17 | 25.19 | 14.29 | 23.17 | 27.51 | / |
| B2.1 | Number and rate of work-related fatalities | | | | | | |
| By number | No. of people | 0 | 0 | 0 | 0 | 0 | / |
| By rate | % | 0 | 0 | 0 | 0 | 0 | / |
| B2.2 | Lost days due to work injury | | | | | | |
| Total | Days | 1,464 | 2,273 | 0 | 0 | 7.5 | / |
| B3.1 | The percentage of employees trained by gender and employee category | | | | | | |
| | By employee category | | | | | | |
| General | % | 78.85 | 79.09 | 38.33 | 41.27 | 98.81 | / |
| Middle Managers | % | 76.78 | 82.71 | 18.75 | 23.53 | 93.33 | / |
| Senior Managers | % | 100.00 | 45.00 | 0 | 0 | 100.00 | / |
| | By gender | | | | | | |
| Male | % | 76.35 | 72.19 | 31.03 | 33.33 | 99.19 | / |
| Female | % | 82.81 | 89.94 | 35.42 | 38.46 | 95.86 | / |
| Overall | % | 78.84 | 79.16 | 33.77 | 36.59 | 97.84 | / |

PERFORMANCE DATA SUMMARY

| HKEx KPI | Unit | Hong Kong | | Mainland China | | Thailand | |
|-----------------|--|-------------------------|-----------|------------------------|-----------|------------------------|-----------|
| | | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 | 2018/2019 ^k | 2017/2018 |
| B3.2 | The average training hours completed per employee by gender and employee category | | | | | | |
| | By employee category | | | | | | |
| General | Hours | 9.08 | 7.83 | 1.92 | 2.06 | 23.86 | / |
| Middle Managers | Hours | 14.38 | 9.19 | 0.94 | 1.18 | 69.38 | / |
| Senior Managers | Hours | 20.81 | 1.78 | 0 | 0 | 239.46 | / |
| | By gender | | | | | | |
| Male | Hours | 9.86 | 8.87 | 1.55 | 1.67 | 32.60 | / |
| Female | Hours | 10.68 | 6.55 | 1.77 | 1.92 | 40.18 | / |
| Overall | Hours | 10.17 | 7.96 | 1.69 | 1.83 | 35.67 | / |
| B6.2 | Number of service related complaints received | | | | | | |
| Total | No. of cases | 627ⁱⁱ | 534 | 1 | 0 | 1 | / |
| B7.1 | Number of concluded cases regarding corrupt practices brought against HKRI | | | | | | |
| Total | No. of cases | 0 | 0 | 0 | 0 | 0 | / |

^k The 2018/2019 data reporting scope is extended to Thailand.

^l Due to the enhanced data collection capacity, the 2018/2019 data scope of NOx emissions has expanded to include the vessel emissions in Hong Kong and vehicular emissions in Hong Kong, mainland China and Thailand.

^m This data is confined to the emissions from the towngas and LPG use in Hong Kong, the vessel emissions in Hong Kong and the vehicular emissions in Hong Kong, mainland China and Thailand.

ⁿ This data is confined to the vessel emissions in Hong Kong and vehicular emissions in Hong Kong, mainland China and Thailand. Due to the enhanced data collection capacity, we have extended the reporting scope to include vessel PM emissions.

^o Scope 1 emissions include combustion of LPG, Euro V diesel, diesel, unleaded petrol, marine light diesel, Towngas, kerosene and charcoal, and fugitive emissions from refrigerant. Scope 2 emissions include indirect emissions from electricity and Towngas purchased. Scope 3 emissions include emissions from business air travel.

^p This data is confined to our healthcare operation in Hong Kong.

^q This data is confined to our transportation and hospitality operations in Hong Kong.

^r This data is confined to our hospitality operation in Thailand.

^s This data is confined to our hospitality operation in Hong Kong.

^t This data is confined to our Discovery Bay city management and hospitality operations in Hong Kong.

^u Data increase is due to the expansion of data scope to leasing/ property management. In addition, the recycling company measured the weight of recycled carton box and paper waste altogether, which also results in the data increase.

^v This data is confined to our Discovery Bay city management, leasing/ property management and hospitality operations in Hong Kong.

^w This data is confined to our Shanghai office.

^x Data increase is due to the expansion of data scope to leasing/ property management and hospitality operations in Hong Kong.

^y This data is confined to Discovery Bay city management. The achievement of this recycling effort is contributed collectively by our tenants and residents.

^z All of our operations, tenants and residents in Discovery Bay contributed to achieve this great amount of recycled glass bottles, saving earth resources.

^{aa} This data is confined to our hospitality operation and our corporate office in Hong Kong.

^{bb} Data increase is due to the expansion of data scope to include all three offices in mainland China.

^{cc} This data is confined to our company fleet in Jiaxing and Hangzhou.

^{dd} This data is confined to our transportation operation.

^{ee} Data increase is due to the increased data collection scope within our transportation and hospitality operations in Hong Kong.

^{ff} This data is confined to our hospitality operation in Hong Kong. Data increase is due to the expansion of data scope and a repair work conducted on a small pond at Discovery Bay Golf Club.

^{gg} This data is confined to our Jiaxing and Hangzhou offices.

^{hh} This data is confined to our project construction and hospitality operations in Thailand.

ⁱⁱ Increase in complaints were due to the renovation of Discovery Bay Marina Club during the year.

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HKRI

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