



# Sustaining Our Planet



Facing a deteriorating climate and a degrading environment, we strive to create places in harmony with the Earth, minimise our environmental impacts and create benefits for the natural world. Planet holds a prominent position within our triple bottom line, reflecting our deep commitment to environmental responsibility. Envisioning a sustainable Earth, we have been proactively working towards reducing our carbon emission across our entire value chain, enhancing energy efficiency, increasing the adoption of renewable energy, facilitating the circularity of our business operation and collaborating with our stakeholders. Through our continuous efforts, we aspire to create places where both humans and non-humans will co-thrive in the future.



**1,174 tonnes**

Absolute Scope 1 and 2 GHG emission reduction<sup>1</sup>



**23%**

Reduction in 2022's carbon intensity from a 2020 base year



**6.7%**

Reduction in water intensity<sup>1</sup>



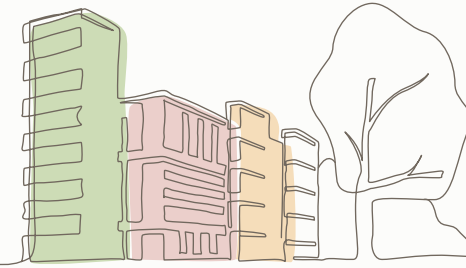
**29 buildings with**

BEAM Plus / LEED / WELL Certifications<sup>2</sup> obtained

<sup>1</sup> Compared to previous fiscal year

<sup>2</sup> Covers the number of Provisional Assessment and Final Assessment certificates for both New Buildings and Existing Buildings as at 30 June 2023.

# Redesigning through Sustainable Building Design



## Demonstrating Green Building Leadership

Building green has been one of the Group’s top sustainability strategies to fulfil its strong commitment to the Planet and environmental sustainability. As we recognise that a large portion of our impact on the environment stem from our construction and property development activities, we make every effort to achieve a high level of resource and energy efficiency and minimise the environmental footprint of our buildings while promoting the well-being of our occupants. Our new projects, designed with sustainability in mind and built with a range of sustainability elements, reflect our strong commitment to the environment.

## Establishment of Sustainable Building Guideline

Our remarkable effort in green building is guided by our Guidelines for Sustainable Procurement which covers and sets clear instructions for every stage of property development, from the selection of service providers to the design and construction phases. The Guideline incorporates pre-qualification and qualification checklists, prioritising tenderers who demonstrate a strong commitment to sustainability through bonus requirements. The Guideline also outlines both mandatory (e.g., adoption of renewable energy, EV chargers and sustainable construction materials) and optional sustainability elements, ensuring that our projects not only meet but surpass sustainable design standards. Together with an incentivised penalty system which designed to encourage service providers to maintain high standards in project delivery and green design performance, we strive to lead our way in green building development.

## Our Commitment

**100%** new major project to attain the 2nd - highest green building certification (e.g., BEAM Plus, LEED and WELL Standards)

## Our Achievements

<b>20</b>	<b>BEAM Plus certified*</b>	<b>5</b>	<b>LEED certified</b>
<b>18</b>	<b>registered under BEAM Plus and WELL</b>	<b>4</b>	<b>WELL certified*</b>
<b>46%</b>	<b>of properties with BEAM Plus/ LEED/ WELL building certificates*</b>		

\*Covering both Provisional and Final Assessment certificates in BEAM Plus and both Pre-certified and Certified projects in WELL as of June 2023.

## Our Featured Green Projects

### Sustainable Water and Wastewater Management

- Installation of water-saving fixtures and dual-flush toilets in residential areas, clubhouse and management office
- Twin-tank design for potable and flushing water



### IN ONE \*

Certifications: Provisional Platinum rating under BEAM Plus New Building Version 1.2 and WELL Building Standard Version 2 Pre-certification

### Efficient Energy Use and Carbon Management

- Mechanical systems to significantly reduce electricity usage compared to standard buildings
- Well-designed building and smart metering system to track electricity usage and develop saving strategies

### Sustainable Site Planning and Design

- More than 30% of the site area containing greenery
- High performance façade, i.e., insulated glazing unit (IGU) with low-e coating

### Waste Management

- Sustainable forest products for temporary construction works
- Reusing temporary wood resources from other construction sites through phased allocations



### Shun Fook Barn

Certifications: Final Platinum rating under BEAM Plus Interiors Version 1.0 and Gold rating under WELL Building Standard Version 2

### Sustainable Building Materials

- Ceiling products with 96% recycled content
- 88% locally sourced ceramic tiles in replacement of wood flooring

### Resources Management

- Installation of high efficient fan coil units, water-conserving water taps and closets and waste recycling facilities
- Ensuring sustainable management of energy, waste and Indoor Environmental Quality ("IEQ")

\* Artist's impression

## Harnessing Technologies for Sustainable Construction Practices

The Group has taken tangible steps to make our construction process more efficient and eco-friendly. We have implemented several technologies, such as the use of concrete Modular Integrated Construction ("MiC") technique, digital inspection systems and BIM. By adopting these technologies, we can ensure better quality control and improve our construction site's sustainability, efficiency and safety.

In 2021, the Group was the first in Hong Kong to introduce a Battery Energy Storage System ("BESS") at our construction sites. Unlike traditional diesel generators, BESS offers cleaner energy and is much smaller and quieter. It can reduce carbon emissions by up to 85%, meaning up to 200 tonnes of carbon emissions can be avoided yearly. Furthermore, BESS eliminates the noise and fire risk associated with diesel generators commonly used on construction sites.

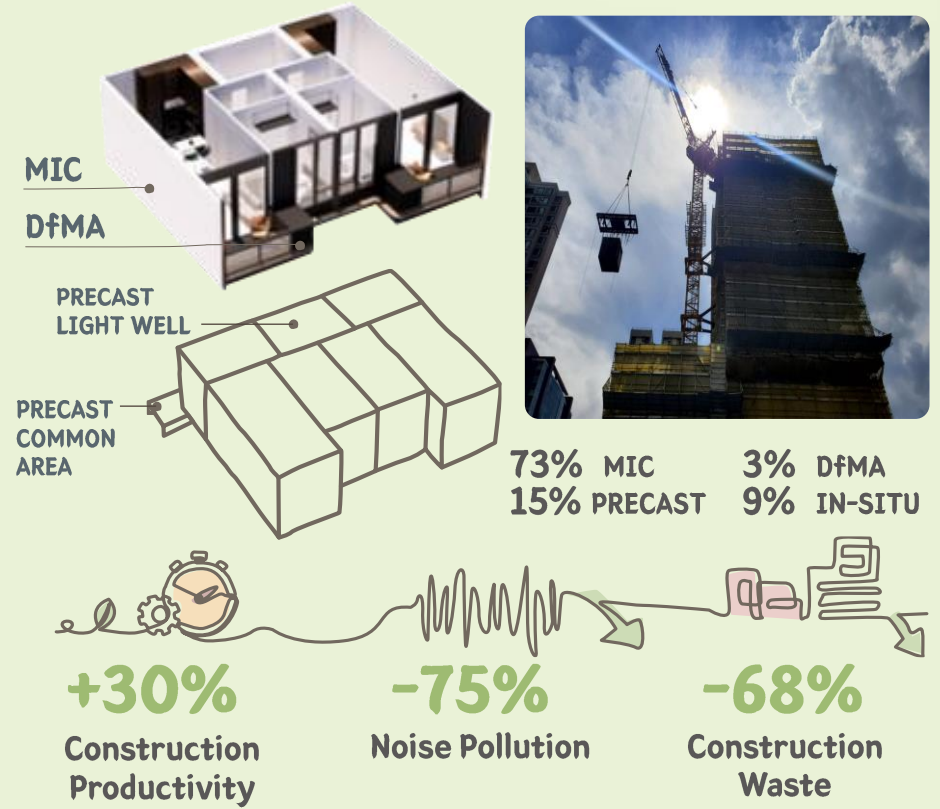
### Case Study

#### Tonkin Street Redevelopment Project – First private residential project in Hong Kong with MiC technique

The Tonkin Street Redevelopment Project, a joint residential development in West Kowloon with the Urban Renewal Authority ("URA") – is the first private residential project in Hong Kong to adopt the MiC technique. The MiC technique is a construction method that employs the technique of manufacturing free-standing modules, including finishes, fixtures and fittings, off-site and then transporting them to the construction site for integration and installation.

The MiC technique brings tangible environmental benefits over conventional methods. It enhances construction safety, quality and productivity, reduces construction waste, decreases traffic loading and minimises nuisances caused by on-site construction work. This MiC technique also speeds up the construction process and ensures high-quality construction by allowing more flexible control of building components.

This Project is also the second pilot project to test and polish the BEAM Plus Compliance Assessment for the Buildings Department ("BD") and BEAM Society Limited ("BSL").



## Sustainable Building Materials

Ensuring our projects are steered by environmentally friendly practices has been our top commitment, as we strive to reduce the noticeable impacts of our embodied carbon and construction materials on the environment and natural resources. We have adopted a design thinking approach that considers the entire life cycle of building materials, from sourcing to disposal, to minimise our ecological footprint. To achieve this, we use materials from renewable and recycled sources, employ energy-efficient technologies and promote waste reduction and recycling. Our commitment to sustainable building practices aligns with our goal of creating properties that are aesthetically appealing, fully functional, cost-effective, environmentally responsible and resilient.

### Case Study

#### One Hennessy – Adoption of low-E curtain wall system

A Grade-A office project that has achieved LEED Platinum Certification, One Hennessy is a result of our relentless effort to build our city sustainably. One Hennessy stands out for its sustainable design features, such as a low-E curtain wall system that minimises the amount of radiation heat gain and maximises the use of natural daylight to reduce the energy consumption from artificial lighting, leading to a lower energy consumption. Moreover, the building's façade and the setback zone on the podium roof allows natural lighting and ventilation to reach the pedestrian level. One Hennessy provides high-quality commercial spaces, which will facilitate the sustainable operation of occupant companies.



# Accelerating Green Transformation



## Managing Our Energy Consumption and Carbon Emissions

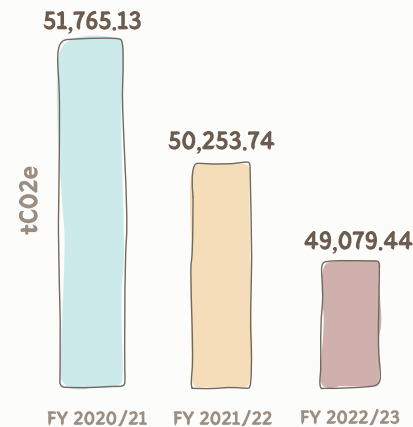
As we recognise the pressing need to address the challenges of climate change and sustainability, we have embarked on an ambitious journey towards a sustainable future. Our target "Chinachem Group Carbon Reduction Roadmap - CCG 3050+" ("CCG 3050+") is aligned with the 1.5°C pathway and approved by Science Based Targets Initiative ("SBTi"). Through CCG 3050+, the Group aims to lower its operational carbon intensity under Scope 1 and 2 by 51.8% and its Scope 3 carbon intensity from capital goods, downstream leased assets and waste generated in operations by 20% by 2030 from the 2020 base year.

During the Reporting Period, we have implemented a range of green initiatives to accelerate our efforts in green transformation. To reduce carbon emissions from electricity consumption, Nina Hotel Kowloon East has newly installed 3 units of water-cooled chiller, connected to 3 cooling towers, and chilled and condenser water pumps with higher efficiency, which reduce approximately 36% of its annual energy consumption. We remain dedicated to pursuing further opportunities for green transformation and reducing our environmental impact.

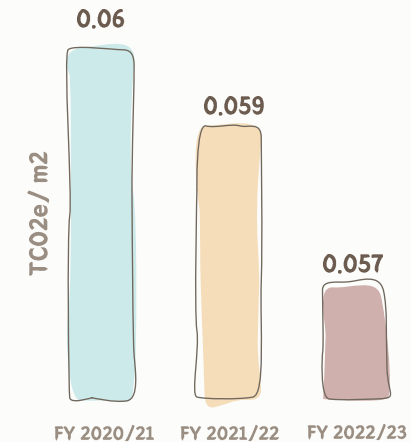


## Performance Highlights

### Total Carbon Emissions (Scope 1 & 2)



### Carbon Emissions Intensity (Scope 1 & 2)



## Increasing the Adoption of Renewable Energy

Decarbonising the energy source is critical to our transition towards low-carbon operations. We are progressively installing renewable energy systems, such as solar photovoltaic (PV) panels, at our properties. For instance, the solar PV panels at Nina Tower generated 10,747 kWh of renewable energy in the reporting period. Additionally, we procured 50,708 kWh of Renewable Energy Certificates ("RECs") from local energy providers, an increase of 44% from the previous year.

To increase our electricity consumption from clean energy sources, we will continue exploring opportunities to expand our renewable energy generation across our portfolio and source off-site renewable electricity, where possible.

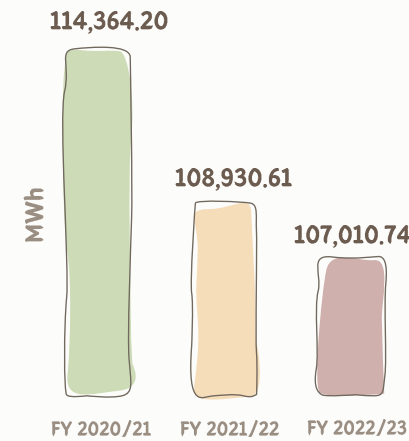
## Supporting Green Transportation

Echoing the Hong Kong SAR Government's Roadmap on the popularisation of Electric Vehicles ("EVs"), we have been taking proactive actions to support the transformation of the city's urban mobility scene by increasing the adoption of EVs in our operations and providing car park lots with EV chargers at our properties. During the Reporting Period, we newly installed 20 EV chargers at our properties.

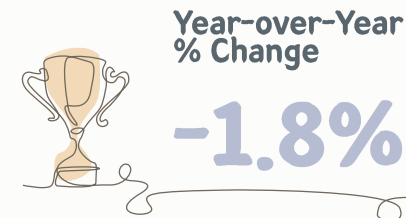
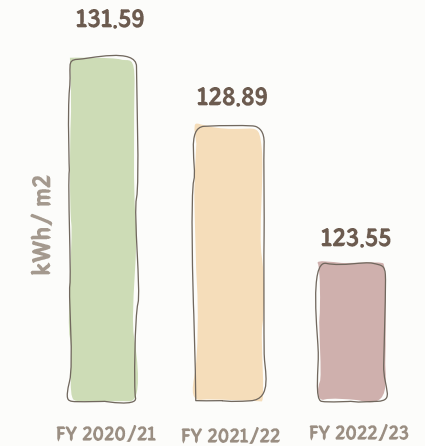


## Performance Highlights

### Total Energy Consumption



### Energy Intensity



## Sustainable Waste Management

### Managing hazardous and non-hazardous waste at our operations

We acknowledge the urgent need to reduce waste generation and are committed to transitioning our business practices towards a circular economy. To achieve this, we are integrating waste prevention measures into our operations and utilising digital tools and technologies to reduce resource consumption and minimise waste proactively.

### Construction waste recycling

As responsible developers, we prioritise sustainable construction practices to minimise waste through recycling. We recognise that the disposal of construction and demolition ("C&D") materials can strain landfills tremendously. The Group strives to reduce waste generation from its construction sites and recycle the waste it produces. For instance, in our ongoing project in Ho Man Tin, we recycled inert C&D materials through a licensed recycler, achieving an overall recycling rate of over 90%. Additionally, metal waste from demolition was also recycled.



### Case Study

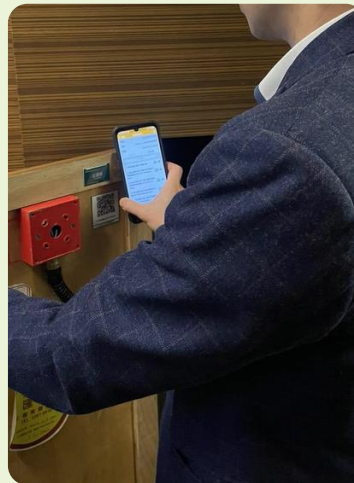
## Our Paperless Initiatives

During a digital transformation journey, the Group has implemented several initiatives to replace conventional paperwork and digitise its work processes to improve productivity and reduce paper usage.

The initiation of "My Places By Chinachem Group" mobile app is one of the major step in the Group's commitment to sustainability. This app reduces paper usage and streamlined homebuying process. Through this eco-friendly digital platform, homebuyers can now easily register their buying intends and stay tuned with latest property news.

In the past, patrolling required recording time and security guard signatures in a physical book at designated checkpoints. By introducing an e-patrol system, we have eliminated the traditional pen-and-paper logbooks and embraced a greener, paperless method that enhances our security measures while conserving the planet.

To reduce paper waste and promote sustainability, Nina Hospitality has taken an eco-friendly approach to serving guests in their food and beverage outlets by replacing traditional paper menus with e-menus on digital devices.





## Case Study

## Material Use and Waste Management in Nina Hospitality

As part of its commitment to reducing our environmental impact, Nina Hospitality practices waste avoidance, reduction, reuse and repurposing throughout its operations. Nina Hospitality reduces its materials used and waste by:

### Blending style and environmental responsibility in uniform



The uniform for RÚ, a Chinese cuisine restaurant at Nina Hotel Tsuen Wan West, is made of eco-friendly materials, such as upcycled polyester blend, wool blend and bamboo fibre. The uniform's charcoal grey colour complements the restaurant's environment and dishes, while the finishing details and micro-elastic elements provide both comfort and durability. The design is versatile enough to be worn by different positions with subtle differentiation, promoting a 'ONE TEAM' concept. The leftover fabric from producing the uniforms is upcycled to create ties, uniform's inner facing and inner trimmings, further reducing production waste.

### Improving menu design and food preparation processes



Nina Hospitality also reduces our food waste by making use of food trimmings. We maximise the use of food trimmings in our menu design, such as using fish scraps to make fish mousse, fish stock, fish head curry sauce and using vegetable trimmings to make vegetable cutlet. This allows us to present food to our customers creatively and reduce food waste.

### Recycling food waste

Food wastage is a significant factor in the waste stream directed to landfills in Hong Kong. Apart from transferring our excess food to O·PARK, we have set up five food waste digesters in our hotels to process and reuse the surplus food. Throughout the reporting period, we prevented over 43 tonnes of food from reaching the landfill, leading to the avoidance of more than one tonne of greenhouse gas emissions.

### Donating edible surplus food to the needy



Nina Hospitality believes in the importance of sustainability and community support. To put this belief into action, we have established a partnership with the Foodlink Foundation since 2017. Our hotels, including Nina Hotel Tsuen Wan West, Nina Hotel Island South and Nina Hotel Kowloon East, work with the organisation to donate surplus food from our restaurants to those in need, aiming to create a positive social impact on the communities we serve.

## Engaging Our Stakeholders in Our Waste Reduction Journey

We are committed to addressing the waste issues that exist in our society. We understand that this effort requires collaboration with the wider community, and we are actively engaging with our stakeholders to achieve this goal.

In March 2023, we partnered with WWF-Hong Kong, an environmental NGO, and organised a beach clean-up session. During the event, we conducted a marine debris survey in the Yuen Chau Tsai area of Tai Po and collected various types of waste, such as plastic bottles, masks and metal cans. The experience was empowering for both our colleagues and community volunteers, who were able to contribute to alleviating environmental challenges first hand.



Moreover, we have implemented various measures to encourage our tenants, residents of our properties and hotel guests to actively participate in a zero-waste lifestyle. For example, Nina Hospitality offers discounts ranging from \$3 to \$5 (HKD) to customers who bring their own cups/containers to our food and beverage outlets. We have thoughtfully devised initiatives for our residents, such as collecting mooncake boxes for recyclers, with all generated proceeds donated to charity. We have also partnered with our recycling partners to recycle used cloth during Chinese New Year to promote eco-friendly lifestyles.

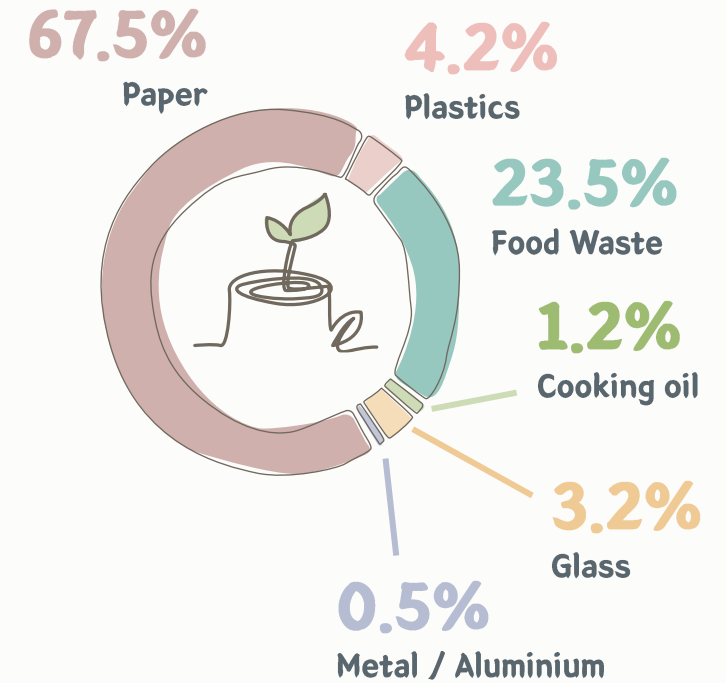


In the coming year, we will install Reverse Vending Machines ("RVMs") at our properties to encourage the public to recycle their plastic bottles with instant rebates as an incentive.



## Performance Highlight

### Composition of Materials Recycled (Non-hazardous waste)



### Total Amount of Materials Recycled



## Conserving Water Resources

Although our business may not significantly impact the water resources available in our community, we believe in the collective responsibility of conserving water and preventing scarcity. Therefore, we closely monitor water consumption in our buildings and have implemented various water saving mechanisms. These include the installation of water meters, water flow regulators, automatic taps and water-saving showerheads, etc. Additionally, we adjust landscape irrigation schedules to minimise evaporation. To foster a culture of water conservation, we have been educating our colleagues, tenants, residents and hotel guests on the importance of water conservation.

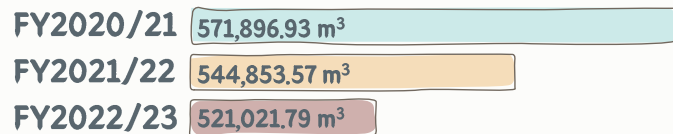
## Enhancing Water Quality

Creating excellent guest experiences is central to our hospitality service, and excellent water quality is undoubtedly essential to enjoyable and safe stay at our hotels. Nina Hospitality has participated in the Hong Kong SAR Government's voluntary "Quality Water Supply Scheme for Buildings - Flushing and Fresh Water" ("the Quality Water Scheme"), guaranteeing excellent water supply across all our hotels. We have implemented control measures, conducted regular inspections, performed maintenance tasks, conducted audits and regular reviews to ensure the optimal functioning of our plumbing systems.

During the Reporting Period, a total of 23 properties were recognised in the Water Quality Scheme. Among these, 11 properties including Nina Tower and The Lily received the highest rating of "Gold" in the Water Quality Scheme.

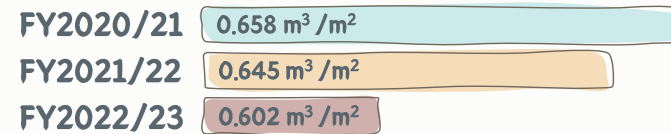
## Performance Highlight

### Total Amount of Water Consumption



Year-over-Year % Change  
**-4.4%**

### Water Intensity



Year-over-Year % Change  
**-6.7%**

## Case Study

### Conveying Water Conservation Messages

Nina Hospitality encourages sustainable stays by providing an Environmental card in hotel rooms. This card informs guests of the hotel's water-saving programme and provides instructions on participating in the linen and towel reuse program. We aim to reduce water and energy consumption and invite guests to join us in our efforts towards sustainability.



## Ensuring Indoor Air Quality (“IAQ”)

Air quality at our properties is another important element of a top experience for our tenants and guests as well as the well-being of our colleagues. We make every effort to maintain a high standard of IAQ, especially in areas with high guest turnover rates and high levels of footfall in common areas such as restaurants, gyms, pools and lobby areas, to achieve operational excellence and customer satisfaction. Nina Hospitality is the only hotel group in Hong Kong that performs IAQ assessments in both public areas and guest rooms, following the Hong Kong SAR Government Environmental Protection Department's ("EPD") IAQ Objectives. During the Reporting Period, all public areas of the hotels received an Excellent rating in the "Indoor Air Quality Certification Scheme for Offices and Public Places" ("the IAQ Certification Scheme"), and 83% of guest rooms also received an Excellent rating in the IAQ Certification Scheme. Furthermore, Nina Hospitality has obtained certification under HKQAA's "Anti-epidemic Hygiene Measures Certification Scheme", ensuring strict hygiene protocols. These certifications reflect our dedication to maintaining clean, hygienic indoor air, providing guests with a comfortable stay. At our headquarters office, there are six IAQ sensors on each floor. The average value of these sensors is displayed on LED panels at the social hubs, providing an overview of the indoor air quality.

### Case Study

#### Green Features at Hotel Guest Rooms

Nina Hospitality has incorporated several sustainable features into its guest rooms to create a greener future with our guests. These enhancements not only support environmental conservation but also prioritise guests' comfort, providing a memorable and homely experience.



Bedrooms

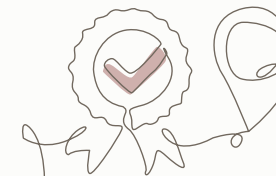
- Maximising natural lighting usage
- LED Lights
- Day and Night Curtain
- Energy efficient appliances
- In-room Air Purifier
- Occupancy sensor in closet
- Environmental reminders and signage
- QR code for hotel service directory
- In-room recycling bins



Bathrooms

- Environmental card to encourage the reuse of towels and linen
- Refillable bottles for wet amenities
- Amenity Kits with soy-ink printed packaging
- Water-efficient sanitary fixtures, including showerheads, faucets and dual flush toilets

#### Performance Highlight



100%

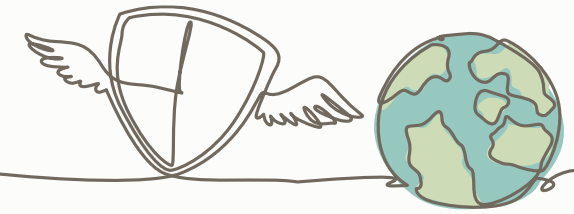
of hotels' public areas with Excellent rating in IAQ Certifications



83%

of hotels' guest rooms with Excellent rating in IAQ Certifications

# Joining Forces to Defend Our Planet



## Embedding Sustainable Procurement

As a community developer with diverse areas of operation, we are aware of the impact throughout our value chain. We collaborate with suppliers and business partners to integrate sustainability at all levels. During the Reporting Period, we have enhanced the Group’s sustainable procurement guidelines to align with EPD’s Green Procurement standard. Alongside departmental Standard Operating Procedures (“SOP”) of Procurement, we aim to improve our sourcing practices in purchasing, design and construction processes, prioritising local suppliers to minimise our carbon footprint.

## Supporting Farm-to-table Ingredients



Food sustainability has been a highly concerned environmental concerns, and the Group is dedicated to providing delicacy with a taste of sustainability. Our Chinese restaurant, RÚ, embraces the sustainable development concept by primarily using local ingredients, supporting efforts to protect the environment.



The menu at the restaurant offers a wide selection of 90 delicately crafted dishes, including sustainable seafood, vegetarian options and farm-to-table creations. We focus on incorporating local ingredients, such as hydroponic vegetables, free-range chicken and eggs, farmed Sabah fish and canned crab meat, which are more eco-friendly food choices. Endangered seafood species are avoided, aligning with the support for sustainable procurement.

## Sustainable Cuisine and Delicacy

We are taking a proactive role in improving the sustainability of our food, by choosing suppliers who offer green and sustainable ingredients. Including sustainable seafood in our menu is one of our major sustainability initiatives that aim to reduce our environmental impacts on life in water. To further strengthen our commitment to sustainable procurement, we have also joined the WWF-Hong Kong Sustainable Seafood Business Membership Programme, which helps us connect with more sustainable seafood suppliers.

### Initiatives on Elevating Cuisine with Sustainable Seafood



**Membership of the WWF-Hong Kong Sustainable Seafood Business Membership Programme**



WWF-Hong Kong

**Prioritising Suppliers with Certifications**

e.g., MSC, ASC, WWF Sustainability Seafood Badge

## Collective Effort for a Greater Impact

Implementing effective sustainability practices requires collective action and collaboration. To engage our stakeholders, we have expanded our green initiatives through education and awareness programmes. These include implementing Green Fit-out Recommendations in tenant spaces, conducting regular workshops and seminars on sustainable living and working environments and providing educational materials on energy conservation, water efficiency, waste reduction and IAQ.

### Case Study

#### Green Activities @ Central Market

##### Low Carbon Living Experience Day



Green Booths for educational activities like Second-hand Clothing Giveaway Party, Plastic Upcycling, "Best Before" Groceries, Leftover Dried Fruit and Low Carbon Living Mini-Game.

##### Designing Circularity - Design for the Circular Economy in the Netherlands and Hong Kong Exhibition



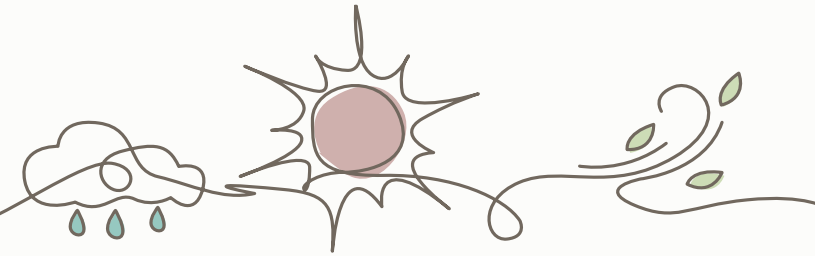
The Netherlands Consulate General in Hong Kong presented the exhibition highlighting innovative sustainable designs from the Netherlands in three areas: Built Environment, Fashion and Everyday Goods.

##### Hong Kong UNESCO Global Geopark Roving Photo Exhibition



It featured 100 photographs and videos of Hong Kong Geopark, including the winning entries from the Hong Kong Geopark 10th Anniversary Photo and Video Competition, the Hong Kong Geopark x Kelvin Yuen Series and the Hong Kong Geopark collection.

# Climate Adaptation and Resilience – Our response to TCFD Recommendations



We acknowledge the potential risks and opportunities climate change poses to our business. Our disclosures align with the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) across the four essential pillars: governance, strategy, risk management and metrics and targets.



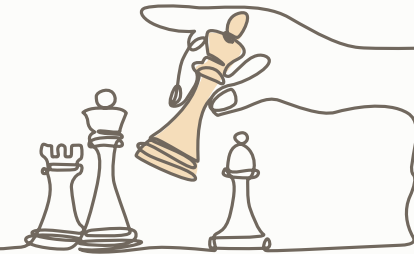
## Governance



The ESG Steering Committee, which is chaired by our CEO and reports to the Executive Committee, has been formed to enhance our governance on ESG issues. The ESG Steering Committee is responsible for overseeing the Group’s ESG strategies, reviewing and endorsing plans and evaluating and monitoring the progress. The Group has four ESG Sub-Committees to ensure that climate-related considerations are effectively integrated into its strategic decision-making and daily operations.

The ESG Department is responsible for steering Group-wide initiatives. The Department also coordinates business units to assess and monitor the climate risks and opportunities for strategic planning, contributing to sustainable property lifecycles.

## Strategy



Climate change presents both physical and transition risks that businesses must reckon with, and our Group is not exempt from these challenges. The escalating frequency and severity of extreme weather events, including cyclones, floods and prolonged temperature increases, have the potential to negatively impact our properties, operations, supply chain and the safety of our colleagues. Our Climate Change Policy serves as our guideline to integrate climate change considerations into the decision-making process of the Group’s businesses, activities, supplies, products and services and mitigate the impacts of our business operations on the climate.

To mitigate potential disruptions and bolster our resilience against these physical risks, the Group has diligently devised tailored contingency arrangements to address extreme weather scenarios. These robust measures are aimed at minimising potential losses and fortifying our ability to adapt to the evolving risks posed by climate change. We have identified and responded to climate-related physical and transition risks that could bring potential impacts to our business and operations:

## Strategy (Continued)

### Transition Risks

#### Technology and Innovation

Emerging technologies in building construction and property management are anticipated to cater to the requirements of climate transition, with a focus on leveraging smart technologies to enhance energy efficiency.

#### Policies and Regulations

At present, climate litigation and the accompanying legal risks are relatively minimal. However, an increased emphasis on this domain is expected in the future.

#### Market

The rising demand from customers for environmentally friendly and energy-saving properties necessitates the implementation of innovative strategies, systems and innovations to maintain or enhance rents and property value.

#### Reputation

The growing awareness among customers about climate change has been impacting their preferences and demands. It is imperative for the Group to effectively safeguard its brand reputation and prevent potential harm posed by climate change.

### Physical Risks

#### Acute

The heightened frequency and intensity of extreme weather events, such as powerful typhoons and heavy rainfall, have the potential to disrupt construction activities and result in damage to construction sites, residential properties, managed offices and retail operations.

#### Chronic

Rising temperatures: Heat stress can potentially disrupt construction activities and diminish the productivity of workers.

Rising average sea levels: Hong Kong, as a coastal city, is increasingly susceptible to climate risks due to the rising sea levels, which makes properties in these areas more vulnerable.





## Strategy (Continued)



With the urgency of combating climate change, the Group proactively responds to protect our environment. In January 2022, the Group received validation from the Science Based Targets Initiative (“SBTi”) that the Group’s carbon reduction targets - CCG 3050+ fulfil the conditions for limiting global warming to 1.5°C. SBTi is the globally most recognised organisation for evaluating and approving scientifically based reduction goals pledged by businesses without considering any CO<sub>2</sub>-compensating climate projects. The Group is the second real estate developer in Hong Kong to complete this validation. These approved SBTs are:

- Reduce operational carbon intensity under Scope 1 and 2 by 51.8% by 2030 from a 2020 base year; and
- Reduce Scope 3 carbon intensity from capital goods, downstream leased assets and waste generated in operations by 20%

The Group has allocated sufficient time and resources in the coming years to effectively mitigate the impacts of identified climate risks. The Group has executed an extensive array of climate mitigation measures to enhance sustainability, including chiller replacement, retro-commissioning, lift replacement, heat pump installation, enhancements in the energy efficiency of mechanical and electrical equipment and optimisation of operation and maintenance practices. Feasibility studies were conducted to explore cutting-edge technologies for further decarbonisation efforts.

In addition, we are also committed to targeting the 2nd highest green building certification (e.g., BEAM Plus, LEED and WELL Standards) for 100% new major projects to ensure that our developments are energy-efficient and low-carbon through enhanced design and operation. In 2022/23, 46% of properties with BEAM Plus/LEED/WELL building certificates\*. We will also explore opportunities to improve wellbeing and sustainability performance of our existing properties.

To reduce embodied carbon from our development projects and construction activities, we have a Sustainable Building Guideline (“the Guideline”), which covers every stage of property development, from selecting service providers to the design and construction phases. The Guideline incorporates pre-qualification and qualification checklists, prioritising tenderers who commit to sustainability through bonus requirements. The Guideline also outlines mandatory and optional sustainability elements, ensuring that our projects meet and surpass sustainable design standards. With an incentivised penalty system designed to encourage service providers to maintain high standards in project delivery and green design performance, we strive to lead our way in green building development.

Since 2021, the Group has implemented a Green Finance Framework to leverage sustainable financing for eligible green and social projects that support its business strategy and vision. As of 30 June 2023, we have secured more than \$17.3 billion (HKD) of sustainable financing, including three green loans and two sustainability-linked loans.

\*Covering both Provisional and Final Assessment certificates in BEAM Plus and both Pre-certified/ Certified projects in WELL as of June 2023.

## Future Plan for Climate Change Mitigation and Adaption

### Carbon Neutrality

- Develop a roadmap in line with the SBTi's Corporate Net-Zero Standard to establish long-term targets that achieve net-zero emissions by 2050

### Renewable Energy

- Conduct feasibility studies for the selected properties to explore opportunities to boost the Group's overall renewable energy capacity
- Procure Renewable Energy Certificates to support renewable energy initiatives

### Energy Management

- Establish partnerships with local institutes to enhance the Group's energy strategies
- Accelerate the electrification of our operations to improve productivity and mitigate emissions

### Tenants Engagement

- Strengthen engagement efforts with tenants and relevant stakeholders in climate resilience and sustainability to foster the decarbonisation of our operations

### Climate Risk Management

- Conduct a comprehensive study on Internal Carbon Pricing ("ICP") to explore the conceptual framework of ICP and details on implementation to advance our climate transition
- Conduct a climate scenario analysis to assess the exposures and vulnerabilities of our portfolio against identified physical climate hazards/perils and quantify financial impacts

### Innovation Championship

- Leverage partnerships with different stakeholders to drive innovative solutions for sustainable development of the Greater Bay Area
- Proactively support Tech Ventures to translate research outcomes into real-world solutions to foster the Group's climate and energy transition capabilities

### Green Building

- Aim to attain the 2nd highest green building certification (e.g., BEAM Plus, LEED and WELL Standards) for 100% new major project
- Reduce embodied carbon from our development projects and construction activities by prioritising service providers and materials that have greener designs and lower emissions

## Risk Management

A robust climate risk management strategy is crucial for a successful journey towards decarbonisation. Our Group has adopted an active approach to ensure accurate identification of climate risks based on the latest scientific research, and we are making significant progress towards achieving our climate goals. During the Reporting Period, the Group initiated a Physical Climate Risk Assessment study for our building portfolio, comprising both existing buildings and new construction project sites. In the study, we will assess the exposures and vulnerabilities of our portfolio against identified and agreed physical climate hazards/perils, including both acute and chronic hazards, defined by financial impacts, through qualitative screening and risk ranking exercise. In addition, a comprehensive climate scenario analysis of the portfolio will also be carried out, along with an assessment of the potential implications of climate-related risks and opportunities. We will also explore ways to enhance the climate resilience of our portfolio.

In addition, climate-related consideration has been fully integrated into the Group’s Enterprise Risk Management (“ERM”) framework. As part of this framework, we will identify, assess and address the potential impacts of climate-related risks on our operations, supply chain and business model, alongside other risks. This holistic approach will enhance the management of climate-related topics and improve our overall resilience against the changing climate. The Group’s ERM framework undergoes an annual review.

## Metrics and Targets

To address climate change risks, we have set ambitious climate-related targets - CCG 3050+ to define our pathway to reduce carbon emissions in line with the Paris Agreement goals to help limit the global temperature increase to 1.5°C above pre-industrial levels.

## Performance Highlights

### Trends of Scope 1 & 2 Emission

We target to lower our operational carbon intensity under Scope 1 and 2 by 51.8% by 2030 from a 2020 base year.

