

嘉華國際集團有限公司 K. WAH INTERNATIONAL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

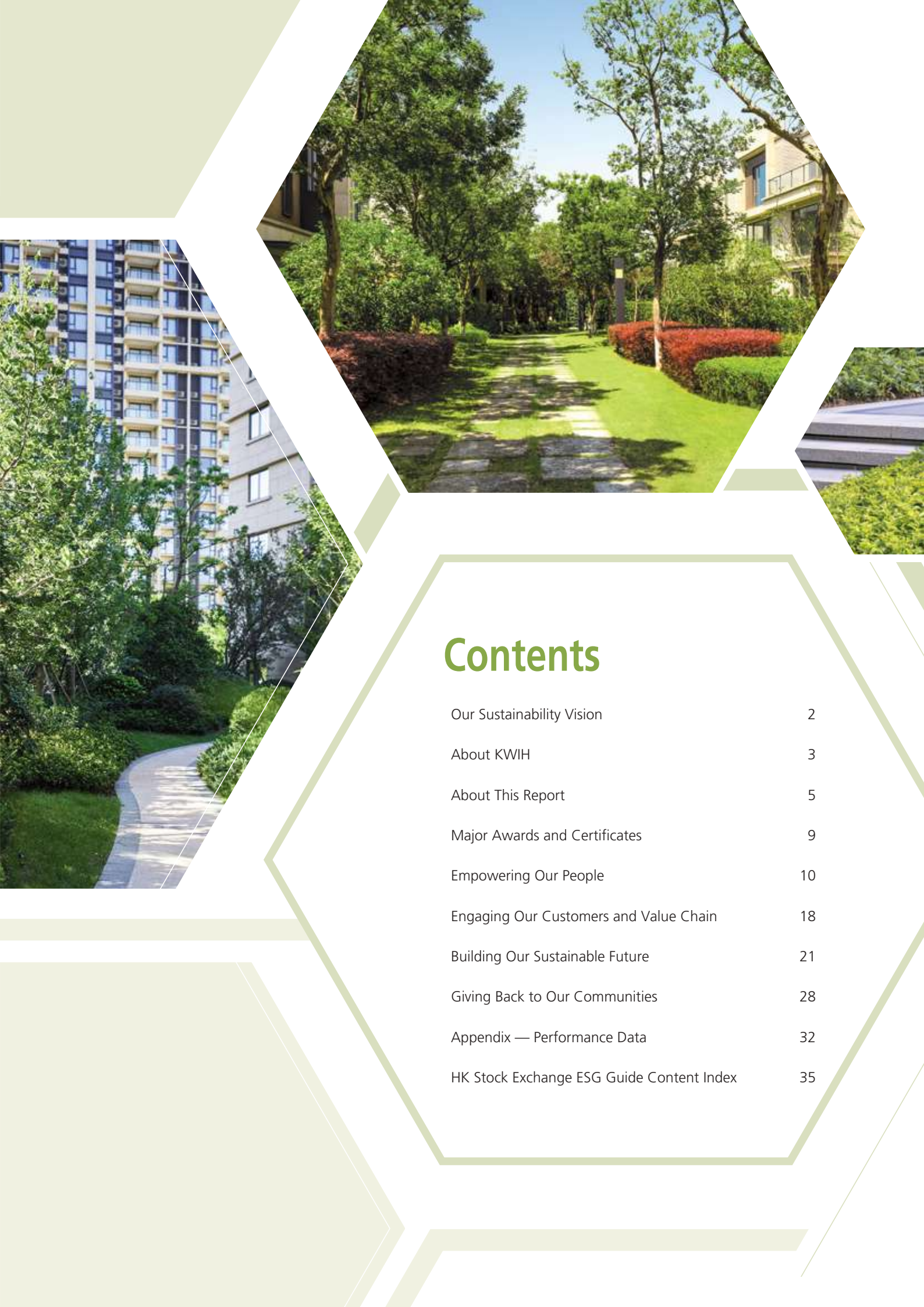
Stock code 股份代號 00173

Delivering Value with Distinctive Quality

建優創值 力臻恆遠



Environmental,
Social and
Governance Report
2022



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Our Sustainability Vision

Sustainable development is a core part of the business strategy of K. Wah International Holdings Limited (“KWIH” or “the Group”). Despite facing the COVID-19 pandemic, the Group continue to ensure sustainability considerations are integrated into our day-to-day operations, from project planning, design and construction to customer services.

To prepare for the transition to a low-carbon economy, we have focused our efforts on resource efficiency, green building and climate resilience while responsibly managing our environmental footprint. In 2022, we reached a new milestone in our sustainability journey by signing our first sustainability-linked syndicated loan. Moving forward, we will continue to explore various green financing means for our development projects and to enhance climate resilience measures in existing properties.

Pushing our sustainability initiatives forward, requires collective action from our employees who lay a solid foundation for organisational excellence. Over the years, we have been building a people-oriented workplace that fosters open and interactive communication, supports professional development and protects the well-being of our employees. Looking ahead, we will continue to uphold our commitment to delivering quality projects and services whilst creating long-term positive value for our stakeholders and communities.



About KWIH

With a strong foothold established in Hong Kong, KWIH (stock code: 00173) is the property flagship of K. Wah Group. KWIH is committed to delivering premium projects built to an uncompromising standard of quality, large-scale residential communities, and comprehensive development including premium residential developments, Grade-A office towers, hotel, serviced apartments and retail premises, with a strategic focus on Hong Kong, and the Yangtze River Delta and Pearl River Delta regions of the Mainland. For further information on the Group's business and financial performance, please refer to KWIH's Annual Report 2022.

Corporate Governance

KWIH is committed to best practices in corporate governance in the interest of all our stakeholders. The Group integrates the management of Environmental, Social and Governance ("ESG") issues throughout the Group's corporate governance structure. Daily management of the Group is executed by four board-level committees, namely, the Executive Board, the Remuneration Committee, the Nomination Committee and the Audit Committee. These committees provide strategic guidance and oversight of the Group's business direction, sustainability approach, corporate governance and financial performance.

For more information on KWIH's corporate governance, risk management and internal control systems, please refer to the "Corporate Governance Report" section and "Biographical Information of Directors" section of KWIH's Annual Report 2022.

Sustainability Governance and Board Statement

The Board of Directors (the "Board") holds overall accountability for KWIH's ESG strategies and performance. On an operational level, an ESG Committee co-chaired by two Executive Directors and comprised by different department representatives has been formed. The duties of the ESG Committee shall be:

- support the Board to formulate sustainability strategies;
- oversee the process used to identify, evaluate and manage material ESG-related issues;
- review the Group's progress in driving and reporting impact against ESG-related goals and targets;
- make recommendations to the Board.

To echo with the Central Government's vision of carbon neutrality and HKSAR Government's Climate Action Plan 2050, the Group identifies, evaluates and prioritises material ESG issues through regular stakeholder engagement exercises and industry landscape review. In partnership with the third-party consultant, the Group conducts an annual materiality assessment to determine the material ESG issues that may have substantial impacts on the environmental and social aspects of the business and decisions of our stakeholders. The outcome of the materiality analysis and associated recommendations are reported to the Board for their review and confirmation.



Risk Management and Internal Control

The Board provides oversight of the Group's risk management system, including risks and opportunities related to ESG issues. Reporting directly to the Board, the Audit Committee is responsible for detailed monitoring and regular updating on the effectiveness of the Group's risk management and internal control systems. While the Audit Committee, supported by our Internal Audit Department, oversees significant risks to the Group's operations, the ESG Committee specifically identifies, assesses, and analyses sustainability and real estate-related risks through regular internal and external stakeholder engagements. The ESG Committee consolidates the findings and advises the Board, on risks of strategic and financial significance. The prioritised risks together with proposed mitigation plans are discussed and endorsed at Board meetings. Appropriate risk mitigation actions are being taken to manage and control individual risks identified.

Ethical Business Behaviours

KWIH upholds the highest ethical standards and accountability throughout our operations and have a clear zero-tolerance approach for any fraudulent or unethical conduct. All employees are required to comply with the Prevention of Bribery Ordinance and to follow KWIH's Code of Business Conduct in Human Resources Policy/Guideline, which details the Group's compulsory expectations for responsible business conduct. During the reporting period, there were no confirmed cases of non-compliance with laws and regulations¹ relating to the prevention of bribery, extortion, fraud and money laundering.

The Group's Whistleblowing Policy and Employee Communications in Human Resources Policy/Guideline clearly stated KWIH's whistleblowing and grievance mechanisms, to facilitate the Group's ongoing due diligence against unethical behaviour and provide confidential channels for concerned employees and third parties who deal with the Group such as customers and suppliers to report bribery or malpractice of any form. To ensure whistle-blowers have the freedom to report grievances without fear of reprisal, all cases are treated with strict confidence and submitted to designated personnel for further investigation. Any wilful violation found will result in disciplinary action, up to and including summary dismissal and in some circumstances, may be criminally prosecuted under included but not limited to the Prevention of Bribery Ordinance. The Group regularly review the policy to improve its effectiveness and whistle-blowers confidence in the process and to encourage an internal "speak up" culture.

During the reporting period, for a more in-depth refresher of best anti-corruption practices, KWIH arranged training sessions with speakers from the Independent Commission Against Corruption for our employees to strengthen their understanding of anti-corruption laws and enhance their alertness to corruption, conflict of interest and integrity issues, and to continuously promote a healthy and clean corporate culture.

¹ Including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

About This Report

This annual ESG Report (the “Report”) provides an overview of KWIH’s ESG management approach as well as sustainability initiatives and performance for the year ended 31 December 2022 (the “reporting period” or “2022”).

Reporting Standard and Scope

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEX”) (“Listing Rules”). Unless otherwise indicated, the scope of the Report includes the Group’s portfolio in Hong Kong and the Mainland under our operational control, consisting primarily of residential developments, Grade-A office towers, hotel, serviced apartments and retail complexes. For a full list of ESG Aspects, respective key performance indicators (“KPIs”) and their reference within this Report, please refer to the HK Stock Exchange ESG Guide Content Index included at the end of the Report.

During the preparation for this Report, the Group has applied the following reporting principles mentioned in the above ESG Reporting Guide:



Materiality

Materiality assessment was conducted to identify material issues during the reporting period, thereby adopting the confirmed material issues as the focus for the preparation of this Report. The materiality issues were reviewed and confirmed by the ESG Committee and the Board. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.



Quantitative

The standards, methodologies and applicable assumptions used in the calculation of KPIs data were supplemented by explanatory notes.



Consistency

Unless otherwise stated, the preparation approach of this Report is consistent with the previous reports for comparison. If there are any changes in the scope of disclosure or calculation methodologies in this Report that may affect the comparison with previous reports, explanations will be provided to the corresponding data by the Group.



Stakeholder Engagement

KWIH regularly engages the stakeholders through appropriate channels to understand their concerns and expectations on the Group's ESG initiatives, performance and strategies. Their feedback enable us to identify risks and opportunities, balance different interests and make informed decisions.

Stakeholder Groups and Methods of Engagement



Employees

- Surveys
- Intranet
- Newsletters
- Training sessions
- Team-building activities
- Internal mobile app



Customers and Tenants

- Surveys
- Mobile app K. Wah Plus and customised apps for projects
- Customer service hotlines



Banks and Investors

- Surveys
- Annual General Meetings
- Annual and interim results press conferences
- Announcements and circulars
- One-on-one meetings
- Roadshows
- Investor conferences
- Analyst briefings
- Press releases



Shareholders

- Surveys
- Annual General Meetings
- Announcements and circulars
- Press releases



Suppliers, Contractors, Service Providers and Consultants

- Surveys
- Screenings and assessments



Community Groups and Non-Governmental Organisations ("NGOs")

- Surveys
- Community events
- Joint partnerships



Media

- Luncheons and gatherings
- Interviews and media audits
- Feedback and responses to media enquiries
- Press releases



Materiality Assessment

In preparation for this Report, an independent consultant was appointed to conduct a comprehensive stakeholder engagement and materiality assessment to determine the most material ESG topics to the Group for disclosure by the following three-step process:

Step 1: Identification

- Reviewed ESG disclosures of industry peers to identify a potential list of sustainability issues related to the Group's business continuity and ESG impacts.
- Conducted an online survey with internal and external stakeholders, including employees, customers and tenants, banks and investors, shareholders, suppliers and contractors, service providers and consultants, community groups and NGOs, media, etc., to rank the materiality of different ESG issues.

Step 2: Prioritisation

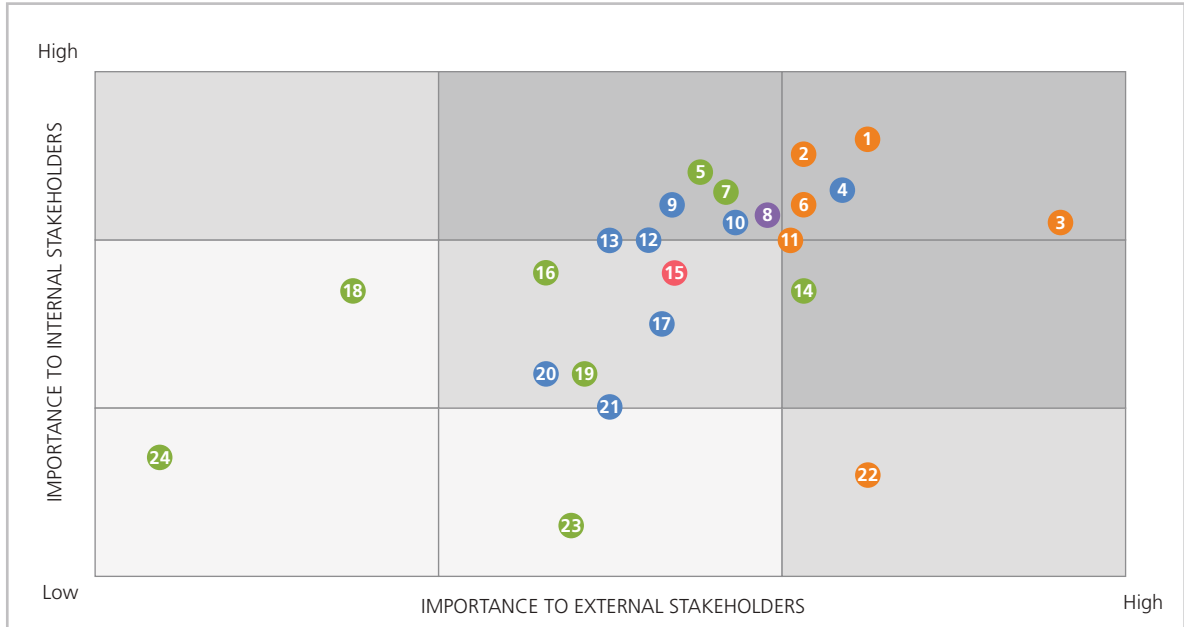
- Combined and analysed the results of the peer benchmarking exercise and stakeholder online survey to develop a prioritised list of ESG issues of varying materiality levels.

Step 3: Validation and Review

- KWIH's ESG Committee convened meetings with the independent consultant to confirm a finalised list of material KPIs for disclosure, with consideration of relevance to the Group's business operations.
- The report of the materiality analysis and associated recommendations are reported to the Board for their review and confirmation.



Materiality Matrix of ESG Issues



Tier 1 issues
 Tier 2 issues
 Tier 3 issues

Corporate Governance

8 Anti-corruption

Our People

1 Employee Well-being

2 Recruitment and Retention

3 Occupational Health and Safety

6 Staff Training and Career Development

11 Diversity and Equal Opportunities

22 Prevention of Child and Forced Labour

Our Customer and Value Chain

4 Protection of Customer Privacy

9 Products and Services Quality Management

10 Quality Monitoring and Assessment

12 Green Procurement

13 Customer Satisfaction

17 Innovative Products and Services

20 Supply Chain Management

21 Protection of Intellectual Property Rights

Our Sustainable Future

5 Energy Usage

7 Waste Management

14 Greenhouse Gas ("GHG") Emissions

16 Environmental and Natural Resources

18 Climate Change

19 Air Emissions

23 Usage of Packaging Materials

24 Water Usage

Our Communities

15 Community Investment



Major Awards and Certificates

Our commitment to sustainability has once again been well recognised in 2022. We are proud to present the below awards and certificates received during the reporting period.



<p>2022</p> <p>BCI Asia</p> <hr/> <p>BCI Asia Hong Kong's Top 10 Developers 2022</p>	<p>2022</p> <p>Corporate Brand Awards of Excellence 2022 - Hong Kong Economic Journal</p> <hr/> <p>Practical Design Excellence Award</p>
<p>2020-2024</p> <p>Employees Retraining Board</p> <hr/> <p>ERB Manpower Developer Award</p>	<p>2022</p> <p>HRise</p> <hr/> <p>The 2nd China HR Visionaries</p>
<p>2022</p> <p>Job Market</p> <hr/> <p>Employer of Choice Award COVID-19 Caring Employer Employee Communication Award</p>	<p>2022</p> <p>Mirror Post</p> <hr/> <p>Outstanding Corporate Social Responsibility Award</p>
<p>2022</p> <p>Promoting Happiness Index Foundation and The Chinese Manufacturer's Association of Hong Kong</p> <hr/> <p>Happiness at Work Promotional Scheme</p>	<p>2021-2022</p> <p>The Hong Kong Council of Social Service</p> <hr/> <p>Caring Company</p>
<p>2022</p> <p>The Leading 9+2 • The 3rd Greater Bay Area Navigation Award</p> <hr/> <p>Best GBA Property Development Award</p>	<p>2021-2022</p> <p>TOP HR</p> <hr/> <p>China Human Resource Pioneer Employer</p>



Empowering Our People

The success of our business is inextricably tied to our people whose talent, innovation and contribution enable us to drive operational excellence. In line with our people-oriented approach, we place a strong emphasis on building an inclusive and supportive work environment that encourages participatory communication, facilitates personal development and protects the health and well-being of all employees. During the reporting period, the Group has complied with all laws and regulations² relating to employment, employees' health and safety, and labour standards.

Human Capital Profile

KWIH firmly believes that talents are an indispensable element in sustainable development strategy. The Group has established the Staff Handbook and General Conduct which sets out the terms and conditions of employment, work rules, as well as the rights of employees, in order to safeguard the interests of employees, fully respect and value the motivation, initiative and creativity of employees, and strive to build a harmonious labour relationship.

The Group proactively implements strategies for talent recruitment, establishes and continuously reviews of the Recruitment section in the Human Resources Policy/Guideline. Recruitment process is transparent, inclusive and fair with selection criteria based on candidates' suitability for the position and potential to fulfil the Group's current and future needs.

KWIH participates in the Hong Kong Youth Employment Expo

KWIH participated in the Hong Kong Youth Employment Expo organised by the Hong Kong Guangdong Association, the Hong Kong-Shanghai Economic Development Association and various provincial associations to encourage young people to seize the development opportunities in the Greater Bay Area. The fair offered over 4,100 job opportunities to encourage young people to work and develop their careers in cities in the Greater Bay Area and integrate them into national development.



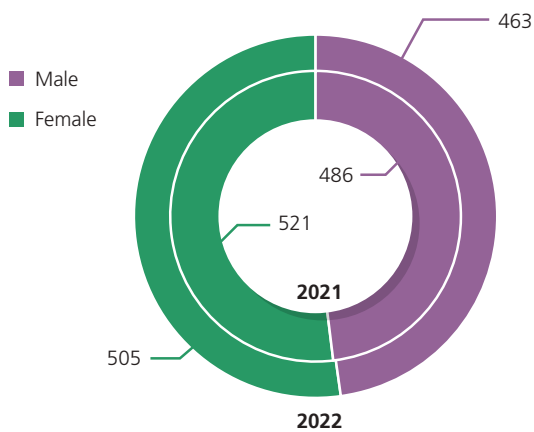
² Including but not limited to the Employment Ordinance (Cap.57 the Laws of Hong Kong), the Occupational Safety and Health Ordinance (Cap.509 the Laws of Hong Kong), the Labour Law of the People's Republic of China ("PRC") and the Provisions on Prohibition of Child Labour of the PRC, etc.

The Group offers promotion and development opportunities for outperforming employees through an open and fair assessment system to explore their competence and contribute to the Group’s sustainable growth. The Group has formulated the Performance Appraisal to provide employees with feedback on past performance, to agree on standards for future performance and to develop goals and objectives for their personal and professional growth. The results of the performance appraisal also facilitate salary review and promotion.

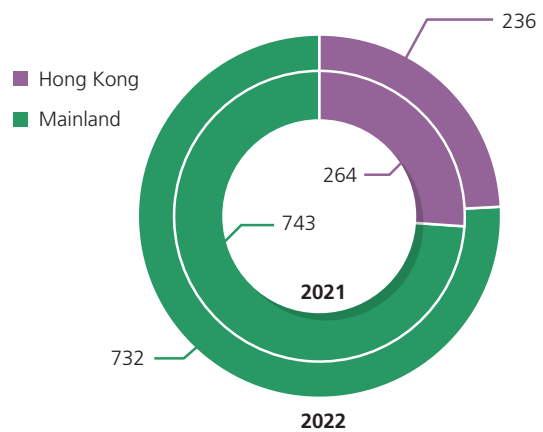
The termination of employment contract is governed by internal policies to ensure all dismissals comply with relevant laws and regulations in Hong Kong and the Mainland. The Group strictly prohibits any kinds of unfair or unlawful dismissals.

As of 31 December 2022, the Group has a competent team of more than 960 talented and experienced employees. In our endeavour to be an employer of choice in the industry, we have stepped up our efforts to nurture a caring and positive work environment. During the reporting period, our voluntary employee turnover rate was approximately 23%.

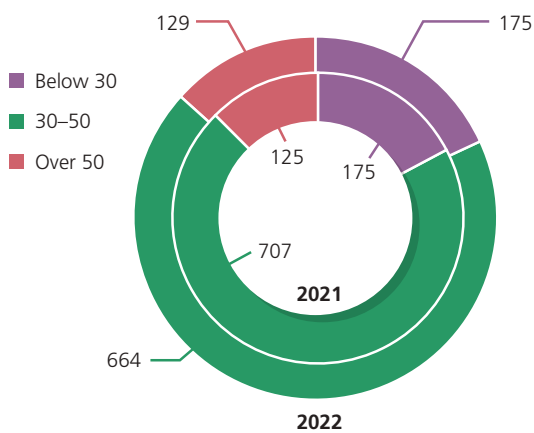
Total Workforce By Gender



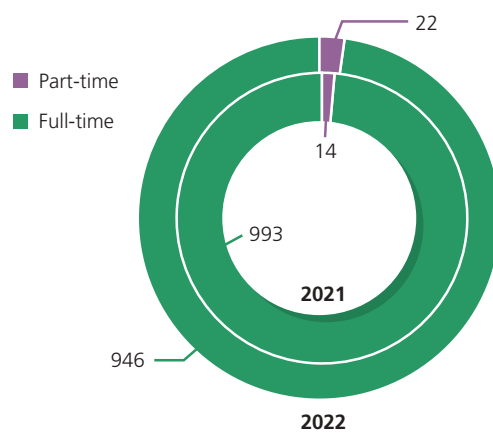
Total Workforce By Geographical Region



Total Workforce By Age Group



Total Workforce By Employment Type



Employee Benefits and Equal Opportunities

To build a stable and resilient workforce, we make every effort in attracting and retaining passionate individual who share our core corporate values. Apart from providing attractive remuneration packages, we offer employees a variety of fringe benefits, including:



Discretionary annual performance bonuses and have share option scheme in place



A range of leave entitlements



Competitive medical insurance, dental plan, medical checkup benefits, personal accident insurance, etc.



Complimentary vaccination schemes against influenza



The benefits stated in the Group's Retirement Benefits Related Legislations Policy

To create an inclusive and supportive working environment, we pay special attention to accommodate the needs of working families. In addition to the provision of a lactation room for working mothers, we have introduced flexible working arrangements to allow employees to balance their work with personal commitments.

Our commitment to providing workplace diversity and equal opportunities are documented in the Equal Opportunities Legislations Policy which sets out a fair recruitment and promotion process based on individual merits, experience, and qualifications regardless of gender, age, nationality, ethnicity, religion, disability, and sexual orientation.

Additionally, child and forced labour are strictly prohibited within the Group's operations and along our supply chain in strict compliance with relevant legislative requirements in Hong Kong and the Mainland. If there is any suspected violation case regarding child and forced labour, the Group will conduct an investigation. When the violation case is confirmed, disciplinary actions or dismissal will be taken against staff members who are responsible for the cause of the incident.

Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' eligibility. Through well-established recruitment policies, the Group ensures that its employees are all above the minimum legal working age. Furthermore, the Group has established the Working Hours section in the Human Resources Policy/Guideline which governs the basic working hours and rest periods for employees according to local employment laws and regulations, to prohibit any forced overtime work.



KWIH received Employer of Choice Award for 7th Consecutive Year

KWIH was honoured to be named the “Employee Communication Award”, the “COVID-19 Caring Employer” and received the “Employer of Choice Award” for the seventh straight year from JobMarket in recognition of our people-oriented approach.



This award scheme recognises well-managed, high-performing, industry-leading organisations that provide a stimulating and supportive workplace. Moving forward, KWIH will continue to improve its employment practices and talent management strategies for our employees.

Continuous Development and Training

The continued development and personal growth of our workforce are key to the long-term prosperity of the Group. The Group has established the Financial Assistance Scheme for External Training (local & overseas) with details set out in the Human Resources Policy/Guideline to provide eligible employees with external training subsidies. The Group also has in the Training and Development section in the Staff Handbook encouraged employees from different departments and at various career stages to enhance their professional knowledge and competency through training programmes, which emphasise the importance of soft skills such as communication and cooperation in addition to hard skills such as technical knowledge and customer service. Additionally, we leverage digital platforms to promote online courses and e-learning.

Total percentage of employees trained³



75.7%

Average training hours completed per employee⁴



10.6

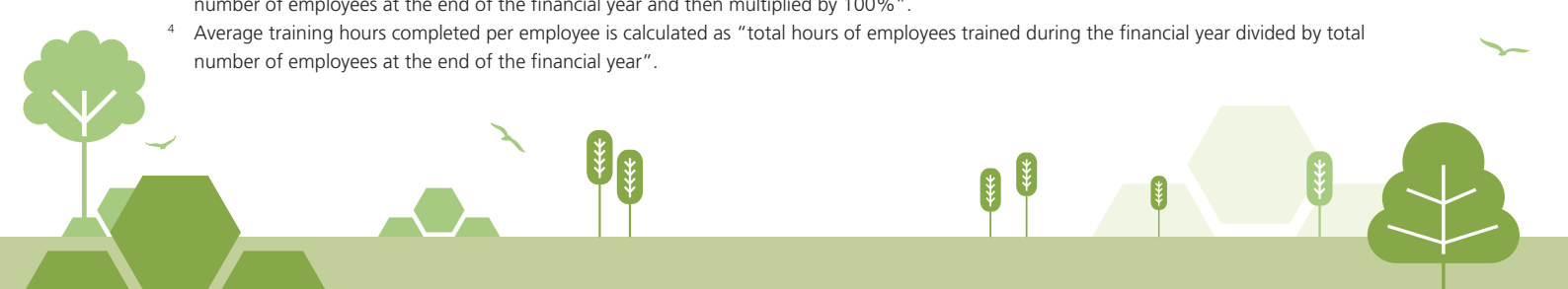
Total training hours completed by employees



10,220

³ Total percentage of employees trained is calculated as “total number of employees trained during the financial year divided by the total number of employees at the end of the financial year and then multiplied by 100%”.

⁴ Average training hours completed per employee is calculated as “total hours of employees trained during the financial year divided by total number of employees at the end of the financial year”.



Environmental Knowledge Quiz Contest

In tandem with the commencement of the National 14th Five-Year Plan — a carbon-centred environmental blueprint, Guangzhou office organised an online Environmental Knowledge Quiz contest with participation of over 140 management and employees. The contest was to promote energy-saving knowledge and strengthen colleagues’ daily environmental protection awareness.



China Human Resource Pioneer Employer 2022

KWIH was awarded the “China Human Resource Pioneer Employer” for the seventh consecutive year at the “2022 China HR Strategic Management Conference” organised by the Mainland leading human resource professional media, TOP HR.

In order to accumulate service experience and operation wisdom of KWIH over the years, and uphold the spirit of “learning to empower growth”, the Group strives to incubate a team of internal trainers. Employees with seasoned expertise and experience are invited to be an “internal trainer” who then share his/her knowledge and experience to newly joined and existing employees through one-to-one coaching and sharing. As such, knowledge from experienced employees can be retained and growth of newly join and existing employees will be accelerated.



Employee Health and Safety

Health and safety of our employees are always KWIH's utmost priority. Safety & Health Ordinance section in the Human Resources Policy/Guideline states the company standards and expectations in providing and maintaining a safe and healthy workplace. The Group worked diligently and implemented precautionary measures to minimise potential occupational hazards across our operation. Periodic inspections of safety gears, personal protection equipment and workplace hygiene are conducted to encourage proper housekeeping.

Our COVID-19 support

The COVID-19 pandemic in 2022 had significantly affected the community. As a caring company, KWIH remains committed to protecting our employees. The Group has implemented a range of preventive measures and have established policies in responding to the COVID-19 pandemic, including the COVID-19 Contingency Plan and Influenza Pandemic Contingency Plan to reduce the transmission risk in offices.

Cleaning and disinfecting

KWIH strengthened the disinfecting procedures during the COVID-19 outbreak, with the emphasis on high-contact within the premises such as door handles, handrails, meeting rooms, lifts and escalators. The Group has placed disinfection diffusers in the workplace, and clean air filters and duct systems to better maintain proper air ventilation and filtration.

Preventive measures

KWIH provided each employee with medical masks. Visitors and face-to-face meetings on the company's premises were restricted. Designated temperature screening stations have been installed at the premises to monitor visitors and employees for the symptoms of fever.

Encouraging vaccination

To echo with the HKSAR Government's "Early Vaccination for All" campaign for building an immune barrier, KWIH has provided employees with vaccination leave for each job to ensure sufficient time to recuperate after getting vaccinated. The Group has also arranged free shuttle services and offered employees and their family members subsidies for pre-vaccination medical check-ups.



The Group is mindful of the safety of the contracted and subcontracted workers. Site conditions are well-managed through a multi-pronged approach.

During the reporting period, there were 5 working days lost due to work injuries reported in a project in the Mainland. Moreover, the Group did not have any accident record of work-related fatalities that occurred in the past three years (including the reporting period) or paid any claim or compensation to employees due to such accidents. To prevent recurrence and improve the Group's safety performance, KWIH investigates all incidents and implemented remedial measures as appropriate.

Projects in Hong Kong

As part of the tendering process, we perform a pre-qualification exercise to screen contractors with good safety records. Going beyond statutory requirements such as periodic site supervision by Authorised Persons and Registered Structural Engineers, we also require our contractors to provide us their proposed Safety Plan and Safety Track Record for our review before tendering.

Projects in the Mainland

Our Standard Operating Procedures ("SOPs") set out a systematic tendering and auditing mechanism to manage our projects in the Mainland. We prioritise contractors who outperform in the health and safety standards. Apart from regulatory compliance, contractors must possess ISO 14001 and GB/T28001 or ISO45001 certificates. A three-level auditing process involving the site project team, the regional office and the headquarters is also in place to monitor the level of compliance.



Caring for Employees

The Group encourages our employees to practise a healthy work-life balance. During the reporting period, we engaged employees through interest classes, festive gatherings, staff outings and team-building activities. Also, to strengthen internal communication, we continue to utilise platforms, such as K. Wah Social Club, K-Channel, and internal KWIH mobile app.

Award Ceremony for Outstanding Employees, Staff Annual Dinner and birthday parties were organised to extend our gratitude to employees' hard work and contribution.



Various workshops like Floral Arrangement and Pastel Painting Workshop were organised to help employees unwind their work pressure.



Engaging Our Customers and Value Chain

KWIH takes pride in delivering high-quality projects and services to the satisfaction of our customers. In pursuit of operational excellence, we monitor every stage of our day-to-day operations and maintain positive long-term relationships with our value chain partners through proactive management.

Customer Health and Safety

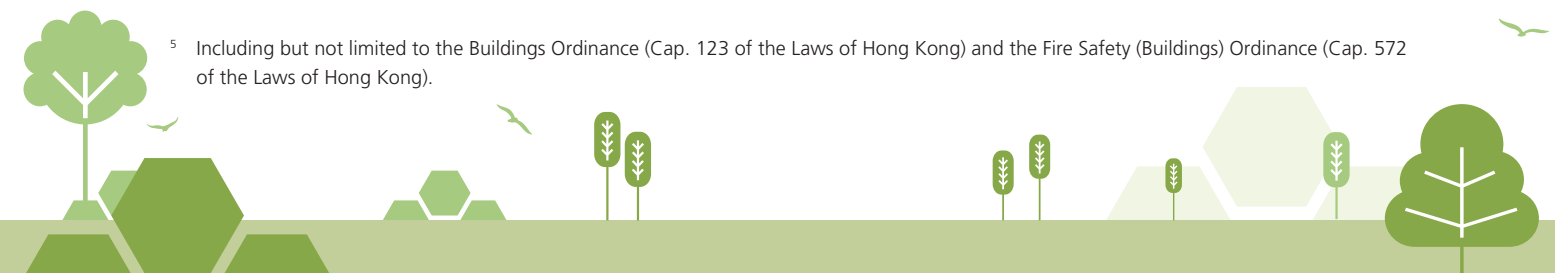
The health and safety of KWIH's customers and tenants remain an important priority across KWIH's operations. From building construction to facility management, the Group takes this responsibility seriously and implements stringent control measures to ensure a healthy and comfortable environment across the Group's development projects. As outlined in the tender documents, KWIH requires contractors to adhere to all applicable regulatory compliance⁵. The Group has also taken a step further by incorporating sustainability elements such as greenery and landscape design into the holistic planning process.

In response to the pandemic outbreak, the Group has stepped up the cleaning and disinfection of sales offices and show flats. Automated temperature screening stations were set up with face covering and social distancing policies. Multiple hand sanitiser dispensers have also been installed to enable our customers, tenants and visitors to disinfect their hands frequently.

Advertising Standards and Intellectual Property Rights

Providing customers with accurate, transparent and consistent information on the Group's projects and services helps them make informed decisions and build trust in relationship. The Group's frontline personnel is required to provide accurate information on marketing and sales, and to act with due diligence. For example, the Group's Guangzhou office has Internet Advertising Contract in place to safeguard the Group's advertising rights in the business activities. As part of KWIH's responsible marketing commitment, the Group makes sure all advertisements and other promotional materials are in full compliance with relevant local and national regulations, including the Residential Properties First-hand Sales Ordinance in Hong Kong and other relevant regulations in the Mainland.

⁵ Including but not limited to the Buildings Ordinance (Cap. 123 of the Laws of Hong Kong) and the Fire Safety (Buildings) Ordinance (Cap. 572 of the Laws of Hong Kong).



Data Privacy

KWIH is committed to protecting the privacy of our customers' data. The Personal Data (Privacy) Ordinance section in the Human Resources Policy/Guideline covers the use and management of data and information in accordance with the relevant laws and regulatory requirements⁶. All employees are required to adhere to the internal guidelines in a safe and secure manner when handling customer data. Only authorised personnel can access customer data on a need-to-know and need-to-use basis. All data is stored in guarded servers which are protected by an up-to-date firewall and anti-virus software.

In addition, the Group has established the End Users Computer Systems Usage Policy, to ensure that our computer resources are at all-time properly secured and controlled in accordance with all applicable laws. Employees shall not misuse their authority over the company's computer systems, nor will they allow others to misuse, or otherwise attempt to circumvent any of the security systems in place. Any non-compliance with the internal policy will result in disciplinary action, serious and/or deliberate non-compliance could result in termination of employment.

Quality Assurance

The Group takes full responsibility for its projects and services and follows all relevant regulatory requirements under stringent mechanisms to ensure the promised quality is delivered and to monitor performance.

Projects in Hong Kong

To identify the right contractors for long-term collaboration, KWIH perform a pre-qualification screening against several quality-related criteria. For instance, contractors should obtain the ISO 9000 quality management system certification.

During the construction stage, KWIH commissioned a Clerk of Works to enhance workmanship and site management. For projects which will be assessed under the Building Environmental Assessment Method ("BEAM"), we appoint a qualified BEAM coordinator/consultant to ensure the required green building standards are closely followed.



Projects in the Mainland

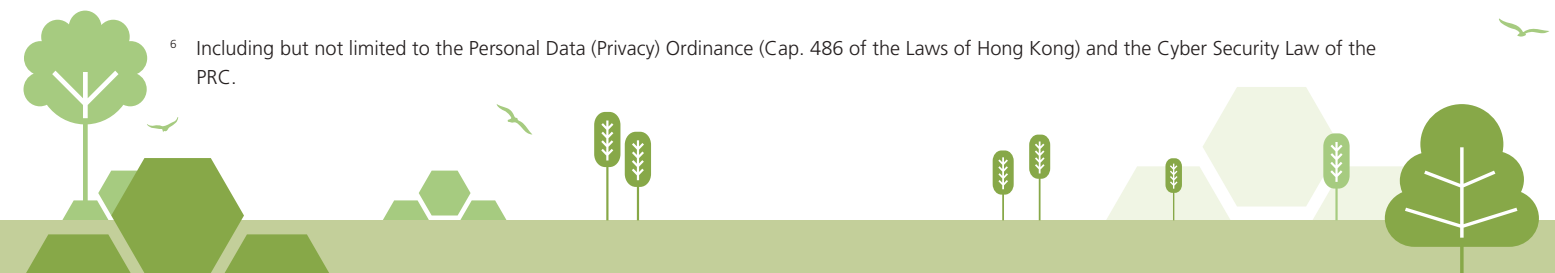
A quality assurance system has been introduced for our projects in the Mainland. Pre-qualification screening generates a list of contractors with satisfactory performance in the areas of quality, knowledge, and safety standards.

The design, tender and quality control stages are managed by respective SOPs. For example, the SOPs of the design stage provide guiding principles for the use of materials based on national requirements and best industry practices. KWIH also conducts regular site audits to ensure full compliance with relevant codes and regulations.



For property management service, KWIH's property management arm, Cresleigh Property, in the Mainland possesses ISO 9001 and ISO 14001 certifications. It has established Property Management and Service Delivery Management Procedures, Performance Monitoring and Measurement Management Procedures to ensure that the quality of services is delivered in accordance with the prescribed methods and requirements.

⁶ Including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and the Cyber Security Law of the PRC.



KWIH highly value feedback collected from customers. To ensure the Group addresses customer concerns in a consistent and efficient manner, we have set out standardised complaint-handling procedures. For Hong Kong operations, once a complaint case is received, the Group's customer service officers will follow a standard procedure to record and report the issue to their supervisor. A designated employee will be appointed to conduct a thorough investigation and follow up with the complainant in a timely manner.

A similar mechanism, Customer Complaint Handling System, is in place at Cresleigh Property in the Mainland. Upon receipt of a written complaint, the receptionist will prepare a detailed log and report the issue to the responsible party and department. The customer service representative will then conduct a review and investigation with follow-up actions implemented as appropriate. A final response is then sent to the complainant within seven days. All complaints associated with our property management services are lodged for internal records. During the reporting period, there were no substantiated product and service-related complaints received.

Supply Chain Management

KWIH is dedicated to integrating environmental and socially responsible practices along the supply chain. For the selection process in Hong Kong, suppliers, contractors, and business partners are assessed through the Pre-qualification Form against their track records, past environmental and safety performance, ISO or relevant certifications and project references. Contractors or suppliers are required to adhere to the Group's expectations on quality, environmental protection, health and safety requirements and regulatory compliance. In addition, qualified parties in Mainland office will have a three-tier system audit by the project site management team, regional office and Hong Kong headquarters before it is officially included on the supplier list. During the reporting period, KWIH has a total of 499 key suppliers⁷, 169 from Hong Kong and 330 from the Mainland respectively, all suppliers are subject to the supplier-related policy above.

As part of the KWIH's monitoring mechanism, the Group conduct audits, site visits and quality assessments on the suppliers or contractors, when appropriate to ensure KWIH's stringent requirements are fully met. Areas of concern are identified and addressed through proactive corrective actions for future improvement. Suppliers or contractors who consistently fail to meet the expected standards may be subjected to contract termination. This approach enables the Group to better manage ESG-related risks arising from the supply chain while building effective long-term relationships with our partners.

The Group's Environmental Policy has been applied throughout the Group, and related SOPs guide KWIH's business operations and employees to integrate climate change and other environmental considerations into the procurement decisions. For instance, whenever possible, local and regional construction materials with a lower carbon footprint are preferred. The Group also considers the environmental and social impacts in the full product and service lifecycle.

⁷ Key suppliers are those contracted for projects or subcontracted processes to provide a wide range of construction materials, including concrete, steel, interior decoration materials, as well as a variety of services such as labour, design, and consulting.

Building Our Sustainable Future

The Group's Environmental Policy is supplemented by internal guidelines and relevant SOPs in Hong Kong and the Mainland, is the overarching policy to guide KWIH's approach to managing its environmental footprint. The Group endeavours to address environmental concerns arising from the Group's business operations, including climate change, resource management, emissions reduction and green building, in an environmentally responsible manner. KWIH has set relevant quantitative targets as below:

GHG Emissions Intensity



-26%

By 2025, reduce GHG emissions intensity by 26% from 2016 baseline

Energy Intensity



-39%

By 2025, reduce energy intensity by 39% from 2016 baseline

Paper Recycling Rate



60%

By 2025, maintain paper recycling rate in the Hong Kong office by at least 60% per year

Sustainable Buildings



For all our new residential developments in Hong Kong and investment properties in the Mainland, we aim to obtain a green building certification

During the reporting period, we complied with all applicable legal and regulatory requirements⁸ regarding environmental protection and there were no non-compliance cases relating to air and GHG emissions, discharges into water and land, and the generation of non-hazardous wastes.

⁸ Including but not limited to the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), the Environmental Protection Law of the PRC, and the Energy Conservation Law of the PRC.

Emissions Reduction

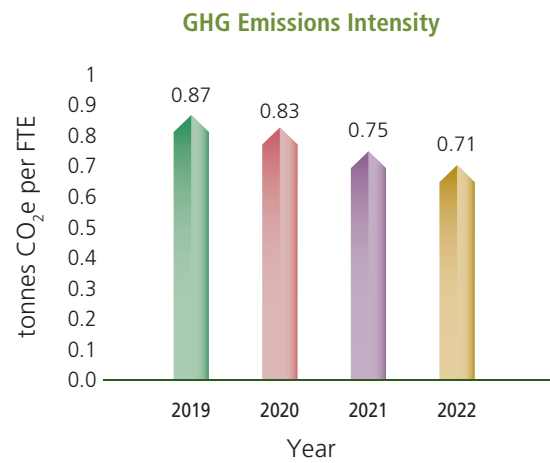
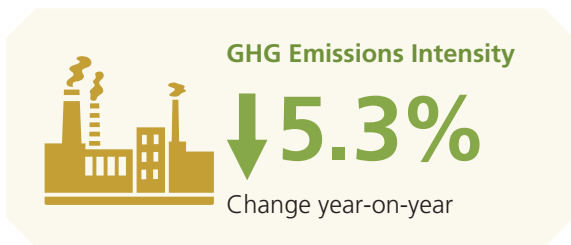
The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. The Group is committed to promoting a green environment by introducing environmentally friendly business practices, educating its employees to enhance their awareness on environmental protection and complying with the relevant environmental laws and regulations.

During the reporting period, the Group’s air emissions were mainly contributed through petrol consumed by the Group’s vehicles. To reduce KWIH’s environmental impact, the Group has implemented emissions reduction measures, such as adopting to hybrid vehicles in the Mainland offices, to enhance fuel efficiency and lower roadside emissions.

In addition, the Group’s main sources of GHG emissions are petrol consumed by vehicles, and diesel generated by genset regular testing (Scope 1), purchased electricity (Scope 2) and paper and business travel (Scope 3). During the reporting period, KWIH reported a decrease of the Group’s overall GHG emissions intensity by approximately 5.3%, from 2021 levels. The drop is mainly due to the decreased use of purchased electricity by the implementation of various energy-efficient measures.

Active Emissions Reduction Initiatives





	<p>Prominent posters and notices to remind employees to practice environmentally friendly behaviours including turning off electrical appliances when not in use</p>		<p>Continued roll-out of automated timing controls and sensors on lighting systems</p>
	<p>Regularly scheduled energy performance checks on company fleet to monitor efficiency standards</p>		<p>Reduced business travel through video conferences and meetings</p>



Energy Optimisation

The Group’s objective is to actively promote the efficient use of resources and monitor potential environmental impacts of its operations in a timely manner, promoting a green office and operating environment, and minimise the environmental impact of the Group’s operations. KWIH has put in place Environmental Policy and clear guidelines to effectively manage the use of resources in its operations. In addition, employees are committed to KWIH’s environmental philosophy, voluntarily and consciously conserving electricity, petrol, and diesel resources.

KWIH remains attentive to any potentially feasible energy-efficiency measures which can be implemented throughout the Group. Our ongoing initiatives include optimising efficiency and encouraging employees to practise resource conservation within the Group.

Active Energy Optimisation Initiatives	
 Ongoing LED light fixture replacement programme	 Solar window film installation to reduce indoor heat gain whilst maximising natural light
 Prominent posters and notices to remind employees to practice environmentally friendly behaviours including turning off electrical appliances when not in use	 Adoption of air-conditioning zoning to maintain a comfortable and energy-efficient work environment

During the reporting period, KWIH reported an increase in the Group’s overall energy intensity by approximately 10.7%, from 2021 levels. It is mainly due to the increased use of company’s vehicles, as the Group is gradually resuming normal business activities in 2022.



Waste Management

The Group's Environmental Policy governs the waste management and promotes proper waste handling. Within our offices, employees are encouraged to adopt double-sided printing and reuse office supplies whenever possible. Recycle bins with clear signage are placed to collect wastepaper and other recyclables. KWIH's commitment to cultivating resource use awareness helped to divert approximately 8,738 kg of paper from landfills in 2022 through office recycling at the Hong Kong offices.



All development projects in Hong Kong are conducted in strict adherence to the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). All construction wastes produced are collected and handled by appointed licensed operators who are also required to comply with the "Best Practice Guide for Environmental Protection on Construction Sites" issued by the Hong Kong Construction Association. Similar requirements are imposed on Mainland contractors who are required to comply with national laws and regulations regarding waste disposal.

Green Buildings

The Group is dedicated to incorporating sustainability considerations regarding, inter alia, the use of materials, energy consumption, water conservation and air quality into building construction and operations.

The new property development projects are designed with sustainability features from the onset including, water-saving devices, monitoring meters, occupancy sensors and light control timers, etc. KWIH make efforts in the initial construction stages of site planning and design to ensure the projects are well integrated into the neighbourhood and the surrounding environment with minimal disturbance. In addition to local and national green building standards, KWIH designs, build and retrofit our properties in accordance with the requirements of internationally recognised rating schemes such as the Leadership in Energy and Environmental Design ("LEED") to manage significant impacts of the buildings on the environment and natural resources.

⁹ Paper recycling rate is calculated as "total paper recycled divided by total paper consumption during the financial year and then multiplied by 100%".

¹⁰ 8,738 kg of paper disposed in landfills emits an estimated approximately 41.9 tCO₂e.

KWIH's Green Building Portfolio

Region	Project Name	Assessment Standard and Rating
Hong Kong	30 Po Shan Road Project	U.S. LEED v4 Silver precertification
	Villa Garda	BEAM Plus New Buildings v1.2 Provisional Gold
	KT Marina	BEAM Plus New Buildings v1.2 Provisional Gold
	Kai Tak NKIL 6554	BEAM Plus New Buildings v1.2 Provisional Gold
	Grand Mayfair	BEAM Plus New Buildings v1.2 Provisional Gold
	Grand Victoria	BEAM Plus New Buildings v1.2 Provisional Gold
	K.SUMMIT	BEAM Plus New Buildings v1.2 Gold
	K.CITY	BEAM Plus New Buildings v1.2 Unclassified
	Solaria	BEAM Plus New Buildings v1.2 Unclassified
	The Spectra	BEAM Plus New Buildings v1.1 Gold
	Twin Peaks	BEAM Plus New Buildings v1.1 Bronze
Shanghai	EDGE	U.S. LEED Gold Certification



K. Summit and Solaria Received Best Landscape Award

KWIH is committed to delivering premium projects by adhering to the “K. Wah Plus” motto, incorporating innovative designs with high practicality and excellent quality. The Group’s attention to detail is demonstrated in the landscape design of its residential projects, creating lush green areas to enhance residents’ quality of life. Residential developments K. Summit in Kai Tak and Solaria in Tai Po were awarded Gold and Merit for “The Best Landscape Award for Private Property Development 2022” under the Medium-scale Domestic Property Category (Properties under 6 years old), organised by the Leisure and Cultural Services Department.

K. Summit awarded with Gold for its “Spacious yet Intimate” Design Concept

In K. Summit, green areas comprise over 30% of the development. Waterscapes, vertical greens, and various species of flowers and plants come together to create a harmonious environment. The colourful hues, layers of fragrances, and contrasting textures bring an aesthetic, comfortable, and functional living environment for its residents.

A luscious grass lawn is located in the centre of the development. The lawn has the same grass species and landscaping standards as a Golf Course turf, providing residents with a luxurious and rejuvenating space while acting as grounds for an opulent sculptural landmark of the development.



Experience “Living in a Garden” with Solaria

Evoking a feeling of being enveloped by greenery, the landscape in Solaria incorporates over 100,000 plants of 120 different species, including types rarely found in residential developments, such as *Barringtonia racemosa*, *Prunus speciose* ‘Xiaoqiao’, and *Plumeria rubra*. At the same time, the view of water features and mood lighting accent the garden area, enriching the overall landscape and offering a peaceful and welcoming environment.

To ensure the health and vitality of the plants, K. Summit and Solaria have appointed qualified professionals for maintenance and regular risk assessment for tree pruning.



Climate Change

The Group recognises climate change as highly significant to business operations and services. KWIH has made continuous efforts to assess climate impacts on operational resilience while proactively managing climate risks and considering ways to capture opportunities. As outlined in the Environmental Policy, the Group strive to manage climate risks across business operations and develop mitigation, adaptation and resilience strategies in line with industry best practices.

KWIH's operations could be vulnerable to climate physical risks such as extreme weather events. These might impact business whether through business interruption, property damages from flooding or by putting the safety of the Group's employees, customer, and tenants at risk. Apart from the approach and initiatives disclosed in the above sections, we ensure that necessary information and resources are available for coping with the physical impacts of climate change and managing potential climate transition risks such as changes in customer preferences, climate-related mandates, etc. The Group also maintains ongoing communications with the stakeholders regarding climate impacts and works to support business partners to decarbonise.

KWIH Tapping into Green Financing

KWIH signed a HK\$8 billion sustainability-linked revolving credit and term loan facility (the "Facility") with a consortium of nine banks, which was oversubscribed, representing the banking community's strong confidence in the Group's solid financial standing, prudent financial management and development prospects.

The Facility, being the Group's first sustainability-linked syndicated loan, marked an important milestone for the Group's advancement toward its sustainable development goals and its implementation of sustainability initiatives. The Group will continue to explore various green financing means for our development projects and actively bring in more environmentally friendly features in future projects to mitigate climate change impacts on our communities.



Giving Back to Our Communities

KWIH upholds the long-standing belief of “giving back to society from which one has benefited” by devoting the Group’s dedication to making positive impacts through community programmes. The Group has established Corporate Communications Handbook to ensure the community activities take into consideration the communities’ interest. Due to the COVID-19 pandemic, out of an abundance of caution, some of the regularly planned community programmes were suspended, however, over the past year, KWIH kept its community spirit through contributions in Hong Kong and the Mainland.

Response to COVID-19

Supporting the Healthcare Sector Against COVID-19

In view of the severity and rapid spread of COVID-19 pandemic, KWIH donated Rapid Antigen Test kits to Tung Wah Group of Hospitals (TWGHs) through the “KWIH Anti-Epidemic Fund”, for frontline staff and service users including elderly and families in need, aiming to alleviate the pressure on the healthcare system. KWIH also provided accommodation for frontline healthcare workers and caretakers, enabling them to have quality rest during the critical period in combating the pandemic.

Contribute to the national fight against the COVID-19 pandemic

Apart from stepping up anti-pandemic measures in its properties, KWIH proactively supported pandemic control and preventive measures in Shanghai and Guangzhou. Employees actively volunteered by helping with community tests, procuring and distributing supplies, retrieving medicine for the elderly, and taking care of their underprivileged neighbours.



Mrs. Paddy Tang Lui Wai Yu, Executive Director of KWIH (centre) and Mr. Eugene Tang, General Manager — Development and Operations (Yangtze River Delta) of KWIH (right) present cheque to Mr. Philip Ma, 2022/2023 Chairman of TWGHs (left)

Arts & Culture

Sponsorship in Hong Kong Palace Museum Volunteer Programme

KWIH co-sponsored, the Hong Kong Palace Museum Volunteer Programme which provided various training courses and work opportunities to increase the public's appreciation for the Chinese culture, especially among the younger generation. It aims to nurturing talents for the heritage industry and arts and culture sector, and to fortify Hong Kong's status as a hub for cultural and artistic exchange between the Mainland and the rest of the world.

Around 500 volunteers enrolled in the inaugural programme and subsequently participated in a month-long series of diverse and professional training sessions covering Chinese art and culture and an introduction to museum operations. These training sessions helped them develop in-depth understanding of Chinese culture and the heritage industry. Upon completion of the training programme, volunteers are assisting the Museum with educational activities, exhibition planning, research, relics restoration and museum operations.



Community Empowerment

Driven by our people-oriented spirit, KWIH strive to support different segments of the society, including the elderly and underprivileged groups, to promote social inclusion and develop stronger community bonds.

Home Visits to the Elderly

Since 2018, KWIH has established the “Guangzhou Huadu K. Wah Huicheng Charity Fund” to support families in need in Huadu District, Guangzhou. During Mid-Autumn Festival, more than 20 volunteers from Huicheng and Dongguan offices visited elderlies with special needs in Huadu District. Daily necessities with warm greetings were delivered.



Participation in Community Chest's Walk for Millions 2022

KWIH joined the Walk for Millions at Tseung Kwan O's Cross Bay Link to raise fund for “Family and Child Welfare Services” supported by the Community Chest.



Youth Development

KWIH have been nurturing the young generation, the future leaders by unlocking their full potential and empowering them to create a brighter future for themselves and the shared communities.

Participation in Strive & Rise Programme

The Strive & Rise Programme, led by the Chief Secretary for Administration, aims to support junior secondary school students who are in need of societal support for upward social mobility. KWIH actively supports the programme, a number of employees joined the programme and shared their experiences and insights related to their professional fields with the participants to explore their possibilities, so as to help them establish and attain personal goals with a positive attitude.

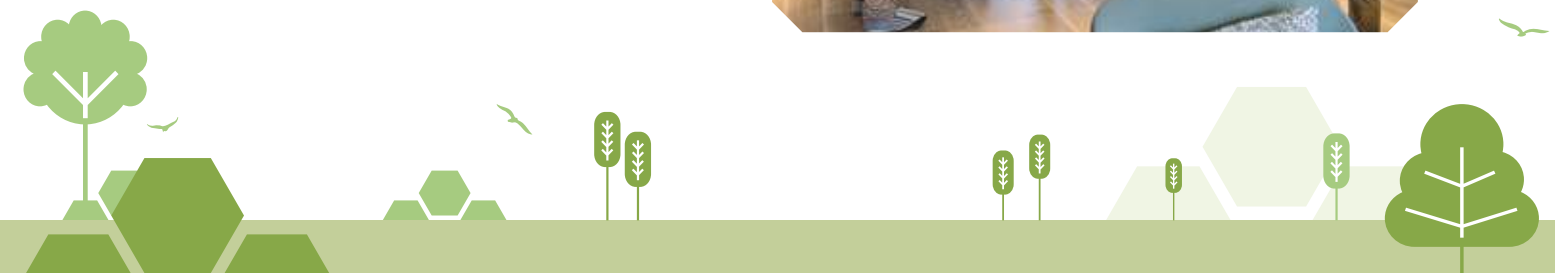


Summer Internship programme

KWIH recruited university students to intern at Hong Kong offices in 2022 summer. During the one-month internship programme, eleven university students gained valuable working experience in different departments and better understanding of the competitive edge and work culture in the property development sector.

Management Trainee Programme

In 2022, Management Trainee Programme was held in Shanghai, Nanjing and Guangzhou to cultivate talents and provide proper training and knowledge required for career development. During the two-and-a-half-year training period, management trainees rotate across KWIH's departments to familiarise themselves with all aspects of the Group's operations and acquire the necessary skills to fast track into managerial roles.



Appendix — Performance Data

Environmental

Types of air emissions ¹¹	Unit	2021	2022
Nitrogen oxides (NO _x)	Kg	N/A	61.93
Sulphur oxides (SO _x)	Kg	N/A	0.78
Particulate matter (PM)	Kg	N/A	5.29
Types of GHG emissions ¹²	Unit	2021	2022
Direct GHG emissions — Scope 1	tCO ₂ e	138.16	140.49
Energy indirect GHG emissions — Scope 2	tCO ₂ e	589.48	463.48
Other indirect GHG emissions — Scope 3	tCO ₂ e	12.40	67.57
Total GHG emissions — Scope 1, 2 and 3	tCO₂e	740.04	671.54
Intensity	tCO₂e/FTE¹³	0.75	0.71
Types of non-hazardous waste ¹⁴	Unit	2021	2022
Paper to landfill	Tonnes	N/A	13.33
Total non-hazardous waste	Tonnes	N/A	13.33
Intensity	Tonnes/FTE	N/A	0.01
Types of energy ¹⁵	Unit	2021	2022
Direct energy consumption	MWh	467.87	512.21
Petrol ¹⁶	MWh	N/A	508.09
Diesel ¹⁶	MWh	N/A	4.12
Indirect energy consumption	MWh	735.86	759.43
Purchased electricity	MWh	735.86	759.43
Total energy consumption	MWh	1,203.73	1,271.64
Intensity	MWh/FTE	1.21	1.34

¹¹ The Group will disclose the types of air emissions and respective emissions data starting in 2022.

¹² GHG Sources GHG emissions data are presented in terms of CO₂ equivalent, with reference to, including but not limited to, the reporting requirements of the “GHG Protocol: A Corporate Accounting and Reporting Standard” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare on ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEX, “China’s Regional Grid Baseline Emission Factors for Emission Reduction Projects 2019” issued by the Ministry of Ecology and Environment of the PRC, “2021 Sustainability Report” issued by the CLP Holdings Limited, “Sustainability Report 2021” issued by the HK Electric Investment Limited, and “Global Warming Potential Values” from the IPCC Fifth Assessment Report.

¹³ As of 31 December 2022, the Group’s full-time employees are 946 (2021: 993 employees). This data will also be used for the calculation of other intensity data.

¹⁴ The Group will disclose the type of non-hazardous waste and respective emissions data starting in 2022.

¹⁵ The calculation of unit conversion refers to the “Energy Statistics Manual” issued by the International Energy Agency.

¹⁶ The Group will disclose the type of direct energy consumption and respective emissions data starting in 2022.

Social

Workforce profile¹⁷	2021	2022
Total workforce	1,007	968
By gender		
Male	486	463
Female	521	505
By employment type		
Full-time	993	946
Part-time	14	22
By age group		
Below 30	175	175
30–50	707	664
Over 50	125	129
By geographical region		
Hong Kong	264	236
Mainland	743	732
Turnover rate¹⁸		
Total employee turnover rate	26.0%	23.2%
By gender		
Male	26.0%	23.3%
Female	26.0%	23.2%
By age group		
Below 30	60.0%	59.4%
30–50	19.0%	15.5%
Over 50	18.0%	14.0%
By geographical region		
Hong Kong	32.0%	42.0%
Mainland	24.0%	17.2%

¹⁷ Workforce profile reflects KWIH's human capital portfolio as of 31 December 2022.

¹⁸ Turnover rate is calculated as "total number of employees leaving employment during the financial year divided by total number of employees at the end of the financial year and then multiplied by 100%".

Occupational health and safety		2021	2022	
Number of lost days due to work injury		2	5	
Number of work-related fatalities		0	0	
Rate of work-related fatalities ¹⁹		0	0	
Training	2021		2022	
	The percentage of employees trained ²⁰	Average training hours completed per employee ²¹	The percentage of employees trained ²⁰	Average training hours completed per employee ²¹
Total	95.0%	14.9	75.7%	10.6
By gender				
Male	91.0%	14.9	76.5%	10.9
Female	99.0%	14.9	75.1%	10.3
By employee category				
Senior management ²²	83.0%	14.9	63.9%	4.1
Middle management ²³	99.0%	14.9	85.2%	7.4
General ²⁴	94.0%	14.9	73.2%	11.9
Supply Chain		2021	2022	
Total key suppliers		903	499	
By geographical region				
Hong Kong		330	169	
Mainland		573	330	
Anti-corruption		2021	2022	
Concluded legal case		0	0	

¹⁹ There were no work-related fatalities in the past 3 years including the reporting period.

²⁰ The percentage of employees trained is calculated as "total number of employees trained during the financial year divided by total number of employees at the end of the financial year and then multiplied by 100%".

²¹ Average training hours completed per employee is calculated as "total hours of employees trained during the financial year divided by total number of employees at the end of the financial year".

²² Senior Management refers to employees at General Manager or above level.

²³ Middle Management refers to employees at Deputy General Manager, Assistant General Manager, Senior Manager and Manager level.

²⁴ General refers to employees at Assistant Manager or below level.

HK Stock Exchange ESG Guide Content Index

Mandatory disclosure provisions	Section/Declaration
Governance structure	About KWIH — Corporate Governance, Sustainability Governance and Board Statement, and Risk Management and Internal Control
Reporting principles	About This Report — Reporting Standard and Scope
Reporting scope	About This Report — Reporting Standard and Scope

HK Stock Exchange KPI	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Building Our Sustainable Future
A1.1	The types of emissions and respective emissions data.	Building Our Sustainable Future — Emissions Reduction, Appendix — Performance Data
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Emissions Reduction, Appendix — Performance Data
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to the nature of KWIH's business nature, this KPI is considered not material.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Waste Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Building Our Sustainable Future
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Building Our Sustainable Future

HK Stock Exchange KPI	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Building Our Sustainable Future
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Energy Optimisation, Appendix — Performance Data
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Due to the nature of KWIH's business nature, this KPI is considered not material.
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Building Our Sustainable Future
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Due to the nature of KWIH's business nature, this KPI is considered not material.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the nature of KWIH's business nature, this KPI is considered not material.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Building Our Sustainable Future
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Building Our Sustainable Future — Green Buildings
Aspect A4: Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Building Our Sustainable Future
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Building Our Sustainable Future — Climate Change



HK Stock Exchange KPI	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Empowering Our People
B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Empowering Our People — Human Capital Profile, Appendix — Performance Data
B1.2	Employee turnover rate by gender, age group and geographical region.	Empowering Our People — Human Capital Profile, Appendix — Performance Data
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Empowering Our People — Employee Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Empowering Our People — Employee Health and Safety, Appendix — Performance Data
B2.2	Lost days due to work injury.	Empowering Our People — Employee Health and Safety, Appendix — Performance Data
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Empowering Our People — Employee Health and Safety

HK Stock Exchange KPI	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Our People — Continuous Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Empowering Our People — Continuous Development and Training, Appendix — Performance Data
B3.2	The average training hours completed per employee by gender and employee category.	Empowering Our People — Continuous Development and Training, Appendix — Performance Data
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Empowering Our People — Employee Benefits and Equal Opportunities
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Empowering Our People — Employee Benefits and Equal Opportunities
B4.2	Description of steps taken to eliminate such practices when discovered.	Empowering Our People — Employee Benefits and Equal Opportunities

HK Stock Exchange KPI	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Engaging Our Customers and Value Chain
B5.1	Number of suppliers by geographical region.	Engaging Our Customers and Value Chain — Supply Chain Management, Appendix — Performance Data
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Supply Chain Management



HK Stock Exchange KPI	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Engaging Our Customers and Value Chain
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the nature of KWHI's business nature, this KPI is considered not material.
B6.2	Number of products and service related complaints received and how they are dealt with.	Engaging Our Customers and Value Chain — Quality Assurance; During the reporting period, there were no substantiated product and service-related complaints received.
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Engaging Our Customers and Value Chain — Advertising Standards and Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Engaging Our Customers and Value Chain — Quality Assurance
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Data Privacy

HK Stock Exchange KPI	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	About KWIH — Ethical Business Behaviours
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	About KWIH — Ethical Business Behaviours, Appendix — Performance Data
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	About KWIH — Ethical Business Behaviours
B7.3	Description of anti-corruption training provided to directors and staff.	About KWIH — Ethical Business Behaviours
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Our Communities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to Our Communities
B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to Our Communities



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All photos, images, drawings or sketches in this Environmental, Social and Governance Report represent artists' impressions of the respective developments or the part of the respective developments concerned only. They are not drawn to scale and/or may have been edited and processed with computerized imaging techniques. In respect of any design concept drawings of the respective residential developments contained in this Environmental, Social and Governance Report, they are products of computer renderings. Pipes, conduits, air-conditioners, grilles etc. which might exist on the external walls, flat roofs or roofs, etc. of the respective developments, and the surrounding environment and buildings of the respective developments have been simplified or omitted. The respective renderings do not simulate or reflect the actual appearance and the surrounding environment of the respective developments. The respective design concept drawings do not simulate or reflect the view from any part of the respective developments and the present or future condition of the surrounding environment and buildings of the respective developments. The layout, partition, specifications, dimensions, colour, materials, fittings, finishes, appliances, equipment, furniture, household accessories, display, decorations, signs, clubhouse facilities, sculptures, models, artwork, plant, trees, landscape design, lighting features and lightings, etc. shown in the respective design concept drawings might be different from those, if any, to be actually provided in the respective developments and that they might not appear in the part of the developments concerned. The respective Vendors reserve the right to alter, increase and reduce the above items and clubhouse and recreational facilities, which are subject to the agreements for sale and purchase. The respective Vendors reserve the right to alter the design of the landscaping and the water features of the respective developments and the species and quantity of flowers and plants provided. The respective Vendors reserve the right to alter the building plans and other plans from time to time, which are subject to the final approvals of the relevant Government authorities. The provision of clubhouses and recreational facilities are subject to the terms and conditions of the agreements of sale and purchase and the final approvals of the relevant Government authorities. The opening time and use of different clubhouses and recreational facilities are subject to the relevant laws, land grant conditions, terms of the deed of mutual covenant and the actual conditions of the facilities. The use and operations of some parts of the facilities and/or services may be subject to the consents or permits to be issued by the relevant Government authorities. The respective Vendors reserve the right to amend the use of the facilities and/or services which are shown or not shown or not specified in the design concept drawings. Such facilities (including clubhouse and ancillary recreational facilities, etc.) may not be in operation when the respective developments can be occupied. The respective Vendors reserve the rights to alter the clubhouse and recreational facilities and the partition, design, layout and use thereof. Fees may be separately charged on the use of the clubhouse(s) and different recreational facilities. The existing, future or proposed buildings and facilities, etc. as shown in this Environmental, Social and Governance Report (if any) are subject to changes from time to time, and may not be completed or ready for operation when the relevant developments can be occupied, and their physical state after completion may be different from those as stated or shown in this Environmental, Social and Governance Report, and are for reference only.

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