



金朝陽集團有限公司*
SOUNDWILL HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

Stock Code : 0878



ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT 2022



* for identification only

MESSAGE FROM THE CHAIRMAN

Dear Valued Stakeholders,

On behalf of the Board of Directors (the “Board”), I am pleased to present the Group’s 2022 Environmental, Social and Governance (“ESG”) report (the “Report”).

In 2022, the volatile situation of the pandemic continued to ravage the world. Coupled with the impacts of extreme weather events, people’s daily lives and the Group’s business operations were affected to different extents. In the face of a series of issues caused by climate change and the pandemic, the Group has attached greater importance to our long-term sustainability risk management. To fulfil our corporate social responsibilities while mitigating the unpredictable and potentially negative effects of various issues, the Group actively identifies ESG risks and opportunities related to our business, assists in formulating sustainability strategies, and further improves and implements related policies and assisting measures and targets.

To align with the HKSAR Government’s Climate Action Plan 2050, the Group is actively promoting low-carbon transformation and adjusting our business operations to improve our carbon emission performance. The Board has been fully engaged in sharing their aspirations and building alignment for our climate leadership. In addition to the guidance and supervision of the ESG Committee and Energy Saving Team, the Group is setting out a clear pathway and moving towards our vision of sustainable growth. At the same time, the Group maintained our commitment to incorporating sustainability elements into future business operations, intending to reinforce climate resilience in our business.

The Group has also enhanced our talent management to meet business development needs. Recruitment of different talents and continuous review of the employment system, remuneration and welfare policies increased the Group’s overall competitiveness. Moreover, the Group continues to support employees by offering internal and external training courses in business ethics and occupational health and safety, aiming to create a high-quality workforce.

The Group places a high priority on strengthening the management of customer privacy, building quality, and cybersecurity, so as to gain customer satisfaction and confidence. The Group made efforts to ensure a consistent development value with our customers through various channels such as questionnaires and meetings to sustain two-way communication. On the other hand, the Group accelerated the construction of a competent information security management system to prevent data leakage. Training in information technology has also been provided to raise employees’ cybersecurity awareness. With efficient management, the Group is building a stable value chain for customers in the long run.

The Group upholds the spirit of corporate social responsibility and gives back to society under the leadership of the Board and with the support of various stakeholders. The Group adheres to our social responsibility as a corporate citizen, and our dedicated contribution areas are the underprivileged and low-income families. The Group actively promotes various charitable activities and has established a volunteer team comprising employees from different departments to encourage employees to participate in various charitable activities. The Group expects to further enhance our social engagement and influence on the community in different ways and actively cooperate with more charities to expand the beneficiary groups.

In the future, the Group will continue to adhere to the operating philosophy of sustainable development, hoping to improve and innovate our operational practices and policies through communication and cooperation with stakeholders, including shareholders, tenants, partners, suppliers and the public, to fully integrate sustainability considerations into our decision-making process. We are confident that this approach will ensure a healthier and more sustainable living environment for the community in Hong Kong.

On behalf of the Board, I would like to express my sincere gratitude towards our professional team for their devotion and outstanding performance throughout the year. Looking ahead, we will continue to leverage our flexible and responsive operating model as well as the innovative corporate spirit to overcome future challenges while seizing the opportunities created by the low-carbon economy to move towards the goal of sustainable development.

Chan Hing Tat
Chairman

Hong Kong, 23 March 2023

ABOUT THE REPORT

Reporting Period and Scope

Soundwill Holdings Limited and its subsidiaries (“Soundwill” or the “Group”) are pleased to present the 2022 Environment, Social and Governance Report (the “Report”). The Report outlines the Group’s environmental, social and governance (“ESG”) policies and measures. It summarizes relevant performances to facilitate understanding and promote improvement in pursuing sustainable development for our stakeholders and business. The Report covers the Group’s ESG performance from 1 January 2022 to 31 December 2022 (the “reporting period” or “year”). Please refer to the Annual Report’s “Corporate Governance Report” section for more information on the Group’s corporate governance practices.

The Report highlights the material ESG performance of the principal operations of the Group’s building management business, leasing business and property development business in Hong Kong. Environmental and social key performance indicators (“KPIs”) are reported for the Group’s principal operating properties. The properties covered in this Report include 4 commercial buildings: Soundwill Plaza (including Headquarter Office), Soundwill Plaza II – Midtown, 10 Knutsford Terrace, and THE SHARP; 2 residential buildings: Park Haven and Warrenwoods; and 2 industrial buildings: iPLACE and iCITY (under construction).

To improve the comprehensiveness of information reflecting our ESG performance, the Group also included iCITY in our reporting scope, which is a construction site under our construction business and still under construction.

Reporting Standard

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Four reporting principles, namely materiality, consistency, quantitative and balance, that are set out in the ESG Reporting Guide form the cornerstone of the Report.

Materiality

The Group conducted a questionnaire during the year to engage and communicate with stakeholders in the materiality assessment. Based on the results, the Group identified material issues to structure the Report and make critical disclosures.

Consistency

Consistent methodologies have been adopted in the measurement and calculation of key performance indicators (“KPIs”) for disclosure to allow meaningful comparison of our ESG performance.

Balance

The Group reports the ESG performance objectively and unbiasedly to present a fair overview of our ESG performance.

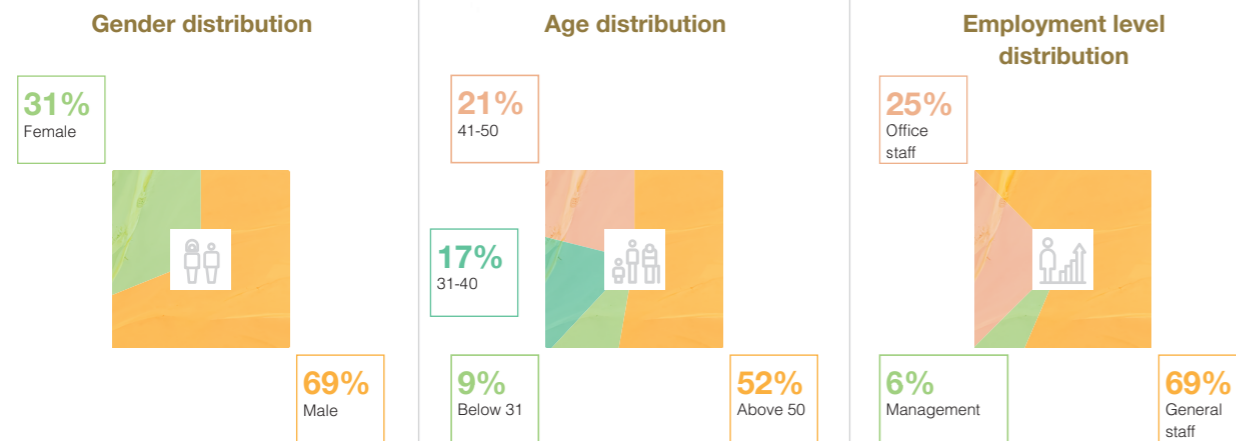
Quantitative

Quantitative data of KPIs are disclosed where feasible with an appropriate comparison with previous years. The report also states the standards, methodologies, and assumptions derived for the calculation.

OVERVIEW

EMPLOYMENT

Workforce distribution



Occupational health and safety

Work-related injuries:
3

Fatalities for 3 consecutive years:
0

CUSTOMERS

Customer Service

Satisfied with tidiness of public area:
98.0%

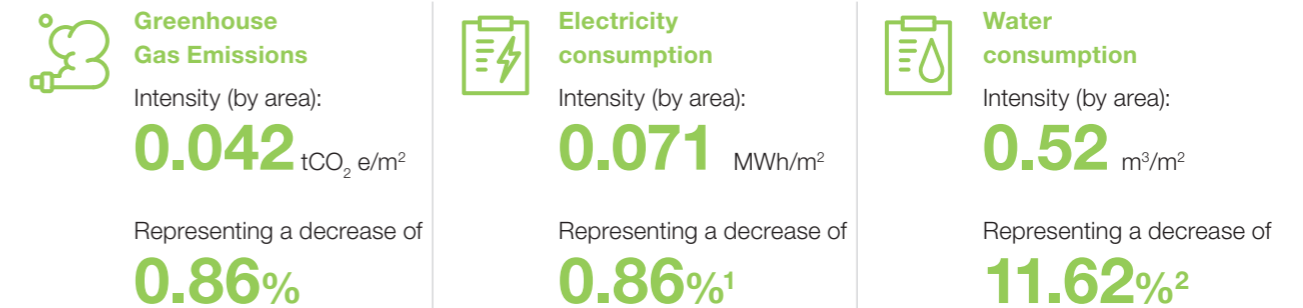
Satisfied with the overall customer service:
95.1%

ENVIRONMENT

Targets Setting (Base year: 2022)

- GHG and air emissions**
 - To ensure their emissions are well-aligned with its business growth by 2027.
- Wastes**
 - To ensure its consumption is well-aligned with its business growth by 2027.
- Energy consumption**
 - To reduce the Group's energy consumption intensity by 6% by 2027.
 - To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027.

Performances Highlights



COMMUNITY

Targets Setting (Base year: 2022)

- Engaged with**
10 charitable organisations
- Focused in**
 - Caring for the underprivileged
 - Sponsoring NGOs
 - Engaging the community

¹ Due to the improvement of data collection system, 2021's intensity of greenhouse gas emissions has adjusted to 0.042 tCO₂ e/m².

² Due to the improvement of data collection system, 2021's intensity of water consumption has adjusted to 0.59 m³/m².

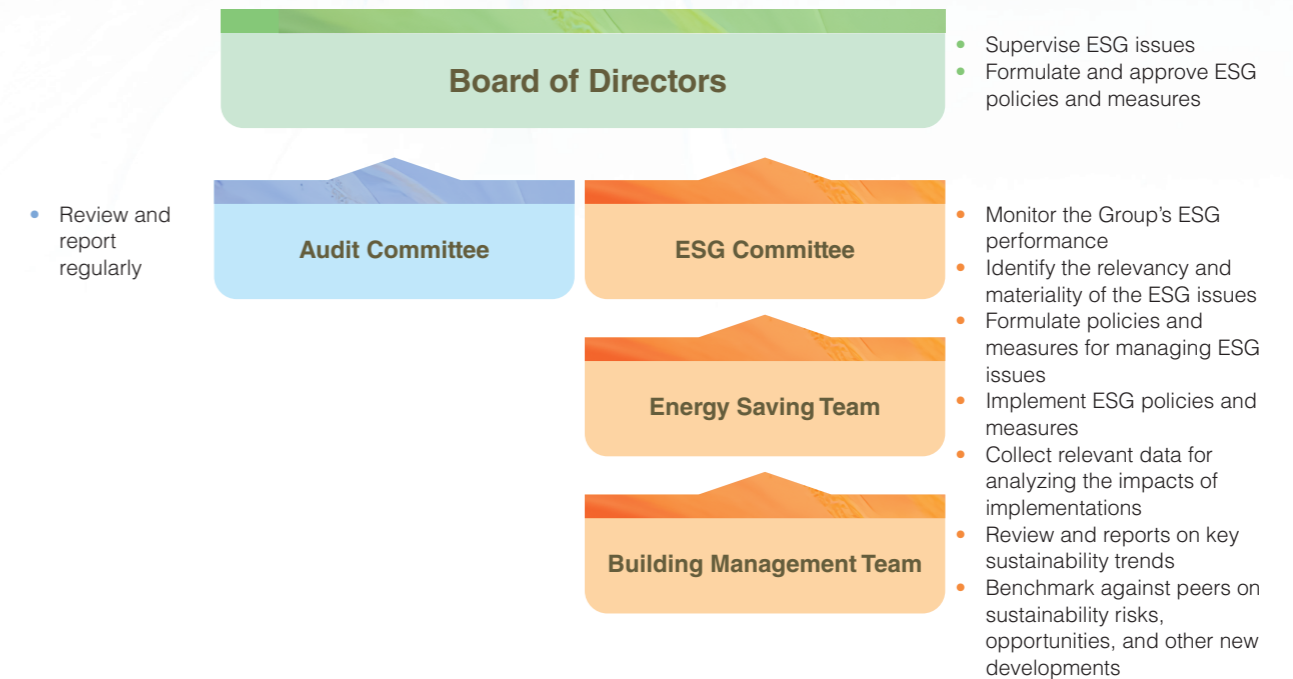
OUR ESG APPROACH

ESG Governance

As a responsible corporate, the Group is committed to pursuing sustainable business development and promoting the interests of various stakeholders and the Group. The Group recognizes the importance of an effective ESG management system in facilitating its strategic and long-term development and strives to improve our ESG performance. Hence, the Board has been receiving training regarding ESG issues and business ethics to keep themselves up-to-date and fully informed about the current strategic issues and business changes that might impact the company and the market in which it operates. In line with this commitment, we have established robust policies for addressing sustainability issues as well as a comprehensive monitoring and reporting process.

The Board's responsibilities include supervising ESG issues and formulating and approving ESG policies and measures. With the stewardship of the Board, the Environmental, Social and Governance Committee (the "ESG Committee") is formed by the management from the Finance & Accounts Department, Legal Department, Property Management Department, Administration & Human Resources Department and Corporate Communications Department. The ESG Committee is accountable for monitoring the Group's ESG performance, identifying the relevancy and materiality of the ESG issues, and formulating policies and measures for managing ESG issues. Furthermore, the ESG Committee conducts regular discussions and reviews on the progress and effectiveness of the work.

On the other hand, the Energy Saving Team is responsible for implementing ESG policies and measures, as well as collecting relevant data for analyzing the impacts of implementations. In addition, together with the Building Management Team, it reviews and reports on key sustainability trends, benchmarking against peers on sustainability risks, opportunities, and other new developments to gradually enhance the sustainability of the Group's business development.



In the future, the Group will continue to maintain and improve our ESG governance in order to integrate sustainable development into its operations and achieve better ESG performance. In this way, we hope to create a more sustainable future for all.

Overview of Work Conducted by the ESG Committee in 2022

ESG Meeting 2022	April	July	November
ESG risk and opportunity	✓		✓
ESG performance review	✓	✓	✓
ESG reporting	✓	✓	✓
Energy saving and environmental KPIs	✓	✓	✓
Vocational training	✓		✓

ESG Strategy

Over the year, the Group has been fulfilling its social responsibilities and supporting sustainable development through its services. We are committed to integrating ESG core pillars: People, Community, Customers, and Environment, across all aspects of our business and operation. During the year, the ESG Committee has reviewed the past ESG performance through industry benchmarking, stakeholder engagement, and internal risk assessment.

With review and approval from the Board, the ESG Committee has established a series of ESG strategies and targets in 4 aspects: "Retaining talents with heart", "Protecting the environment with heart", "Building communities with heart", and "Serving the Public with heart", to illustrate the roadmap for the Group and its employees to enhance its sustainability performance and to assure the allocation of resources for implementations.

People — Retaining talents with heart

Focus areas:

- Health, safety, and well-being
- Training and development

Strategy:

- Promote a self-enriching working atmosphere to boost the work quality and performance
- Maintain a healthy and safe working environment

Target:

- Gradually expand the scale of e-learning

Community — Building communities with heart

Focus areas:

- Business ethics and integrity
- Whistleblowing
- Community investment

Strategy:

- Engage with charitable organizations to organize events for supporting underprivileged families and advocating environmental protection
- Strategically contribute resources to community
- Regularly review the whistle-blowing policy

Target:

- Annually review the strategy and status of community investment

Customers — Serving the Public with heart

Focus areas:

- Customer satisfaction and safety

Strategy:

- Provide high standard of customer service

Target:

- Achieve high satisfaction in major buildings

Environment — Protecting the environment with heart

Focus areas:

- Energy
- Waste
- Supplier chain risk management

Strategy:

- Gradually reduce carbon footprint
- Promote green lifestyle through public channels
- Continue to develop mobile application and implement e-marketing strategies
- Maintain a high standard management system of suppliers

Target:

- Closely monitor the market trend to reduce waste and promote waste production
- Timely review the procedure and criteria of procurement and assessment of suppliers

Ethical Business Practice

The integrity of the Group is paramount and the Board sets up specific integrity standards for all transactions. All employees must uphold the highest ethical values, even in difficult circumstances. The company follows a stringent employee conduct policy to ensure that their reputation is protected. To ensure full compliance, the Group has established clear guidelines for all Board of Directors and employees. It has regularly reviewed them to ensure that the relevant principles and measures are effectively implemented.

The Group believes that upholding high integrity and ethical values ensures its reputation and success. It, therefore, strives to sustain the highest ethical standards in operating its business. The Group's independent internal audit team formulates anti-corruption principles and performs regular checks and audits to minimize the occurrence of bribery, extortion, fraud and money laundering. The Group has zero tolerance for non-compliance behaviors and thus has engaged independent auditors to ensure accounting integrity and impartiality.

Ethical requirements and conducts are also distributed to all employees in the Code of Conduct and the Employee Handbook, which aims to communicate their responsibilities to understand and comply with the Code, as well as to provide clear guidance involving issues like acceptance of advantages, conflict of interest, entertainment, etc. when performing their official duties. All employees will receive regular anti-corruption training to ensure compliance with the Code of Conduct for professional ethics. Employees who violate any provision will be subject to disciplinary action by the Group.

In line with our commitment to upholding high standards of ethical, moral, and legal business conduct, The Company has also enhanced its whistleblower protection policy this year, which encourages any employees as well as relevant stakeholders with knowledge of any non-ethical behavior to come forward and report it. They can reflect or report anonymously or in their real names, with the complainant's identity kept private to avoid harassment or victimization for reporting concerns. Upon receiving such reports or complaints, the Group will take follow-up action to verify the incidents through investigative procedures. The company adheres to all applicable laws, regulations and standards related to its business and encourages suppliers to do the same.

The Group fully complies with the Prevention of Bribery Ordinance and other relevant laws and regulations. During the year, there were no violations of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering. There were also no legal cases of corrupt practices against the Group and its employees.

ESG-related Risk Identification and Management

The Group strives to sustain our business operation with effective risk management and internal control systems that identify, monitor, evaluate and manage risks. The Board is responsible for supervising risk management as well as the management of identified ESG risks. Additionally, the Audit Committee is responsible for reviewing the effectiveness of the Group's risk management and internal control systems, including those applicable to ESG-related risks, with the empowerment of the Board. The Board also oversees the Audit Committee annually to maintain proper and effective risk management.

The following table shows the ESG-related risks that the Group considers to be significant to our business during the year.

Risk factors	Potential impact	Response
Natural Disaster Risk	The risk of extensive damage in properties and facilities caused by extreme weather phenomenon (such as storm, flood, landslide, etc.) due to climate change may impact the Group's ability to manage and sustain operation.	The Group has established business contingency plans and arranged appropriate insurance coverage for different disaster scenarios to manage and sustain its property management and construction businesses.
Employees' health and safety	There are different safety hazards in offices and on sites, which could result in employee injuries or, in severe cases, permanent injury or death especially if a safety incident occurs during the construction process.	To ensure that employees' working environments meet the Group's health and safety standards, the Group has established Occupational Safety and Health Policy Statement. It conducts regular due diligence surveys on environmental and social risks such as working hours, temperature, toxic and hazardous substances, noise, and dust. Moreover, public liability insurance protects the employees' legal liability against body injuries.
Cyber and data security	Our daily operation involves a large amount of confidential information, including financial information, customer personal data, etc., also increases the risks of our systems being attacked by viruses or hackers' networks.	The Group has established a robust cyber and data security risk management and assessment system. The Group adopts cyber security defense equipment such as network monitoring, hacker detection and hardware firewall are installed to prevent corporate data or customer privacy data leakage due to network incidents.
Supply chain management	Overreliance on a single supplier and a limited selection of suppliers may lead to unreasonable purchase prices of the building materials, building services equipment and higher cost of sales.	The Group has developed a diverse and extensive tender and supplier selection process to lower our supply chain risks. In addition, extending the tender list and retendering could foster fair competition.
Environmental legislation related risks	If the Group violates the relevant legal and regulatory requirements, it may face penalties (e.g. suspension of works, fines, etc.) imposed by the government, resulting in financial losses to the Group.	The Group regularly monitors compliance with relevant laws and regulations. For example, Water Pollution Control Ordinance license has been obtained to ensure that the process of sewage discharge complies with the Water Pollution Control Ordinance.

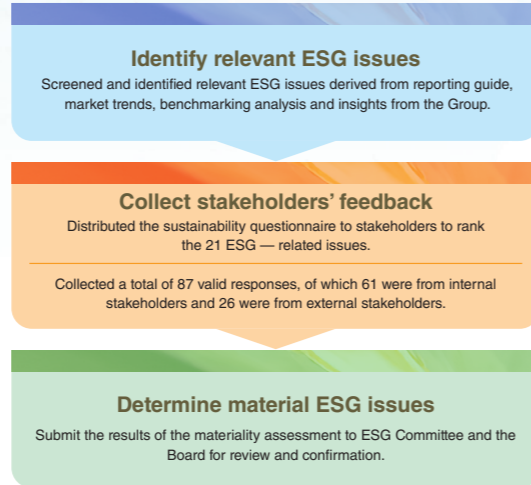
Stakeholder Engagement

The Group recognizes the importance of stakeholder engagement in improving our ESG performance and risk management and further promoting our business and sustainable development. Therefore, the Group regularly engages our stakeholders to understand their aspirations, needs and concerns and consider their opinions during our daily operations. With this in mind, the effectiveness of current measures and strategic priorities could be developed to align our business practices. During the year, the Group continued to interact and communicate with the stakeholder groups through the following communication channels:

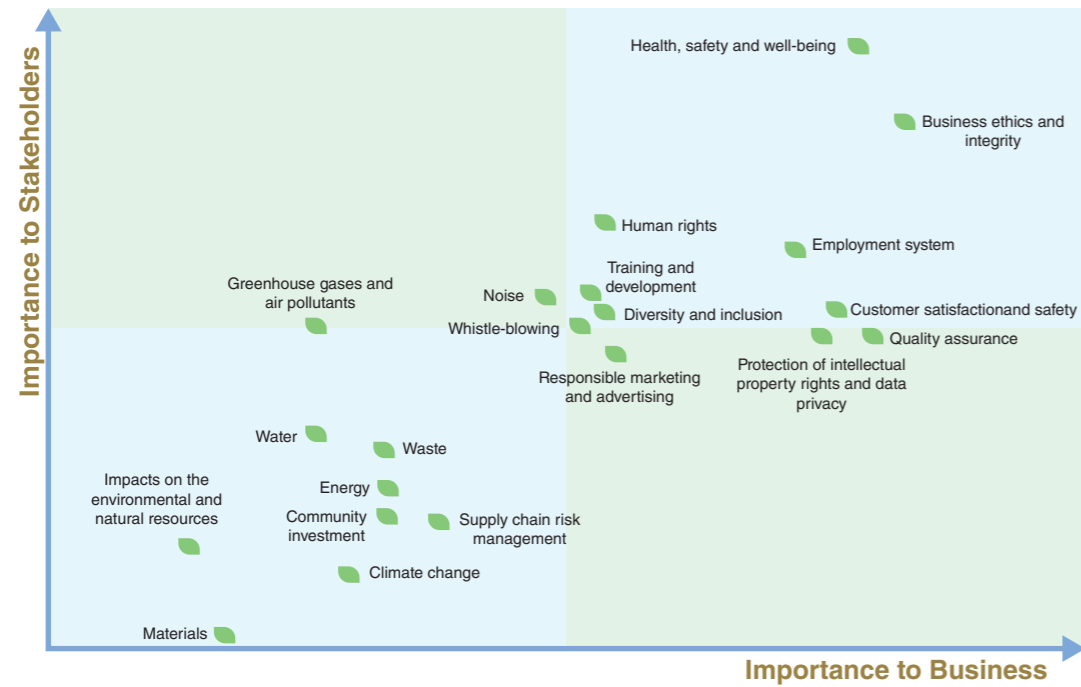
 Shareholders/ Investors	<ul style="list-style-type: none"> • Annual and interim reports, financial statements and announcements • Annual General Meeting • Corporate website • Investor relations enquiry hotline and email • Press releases
 Employees	<ul style="list-style-type: none"> • Annual performance reviews • Employee Handbook and Code of Conduct • ESG surveys • Group activities • Internal newsletters • Intranet • Regular meetings • Email
 Customers	<ul style="list-style-type: none"> • Customer service hotline and email • Direct communication with frontline employees • Satisfaction surveys • The Soundwill Club mobile application and social media
 Tenants	<ul style="list-style-type: none"> • Customer service hotline and email • Direct communication with frontline employees • Meetings • Satisfaction surveys
 Suppliers/ Vendors/ Service Providers	<ul style="list-style-type: none"> • Continuous direct communication • Regular reviews and assessments
 Media	<ul style="list-style-type: none"> • Media enquiry hotline and email • Press conferences • Press releases • Interviews
 Community/ Non- Governmental Organisations	<ul style="list-style-type: none"> • Corporate website • Social media • Press releases and conferences • Events, activities and exhibitions • Sponsorships and donations

Materiality Assessment

The Group believes it is crucial to consolidate and strike a balance among different ESG-related issues promptly. During the year, the Group engaged external consultancy to conduct a sustainability questionnaire and collect internal and external stakeholders' feedback. The questionnaire results were then analyzed to determine the material ESG issues that are vital to our business and stakeholders.



The below materiality matrix is obtained by aggregating the questionnaire results, which reflected the level of concern of the Group's stakeholders on different ESG issues.



21 ESG issues were identified in aspects of which cover four main aspects of "Environment", "People", "Operating Practices", and "Community". For internal stakeholders, the Group identified Health, safety and well-being, Business ethics and integrity, Employment system, Quality assurance, and Human rights are the top 5 material ESG issues, whereas regarding the external stakeholders, Customer satisfaction and safety, Health, safety and well-being, Business ethics and integrity, Protection of intellectual property rights and data privacy and Quality assurance.

On the other hand, to further understand our stakeholders more objectively, the Group has devoted more time and effort to expanding the scale of its survey which leads to a remarkable growth in the number of valid responses collected. Compared to 2021, the backgrounds of external stakeholders during the year are more diverse, which provides greater statistical reliability that allows the Group to address stakeholders' concerned issues more thoroughly. The Group will continue to broaden the coverage of participants to produce a more constructive and representative materiality assessment result that addresses the interests of various stakeholders while promoting our ESG performance.



VALUING OUR TALENTS



A competent talent team is a crucial factor in the success of the Group. The Group attributes its perspective and sustainable development to the efforts and contributions of our employees. On this ground, the Group strives to create an inclusive, diverse, safe and healthy workplace that values respect and care. Employees are also given opportunities to acquire and strengthen new skills to advance their careers.

Material ESG issues covered in this chapter:

- Health, safety and well-being
- Employment system
- Human rights
- Training and development
- Diversity and inclusion

Ensuring the Health and Safety

As a property developer, we value the health and safety of our employees, customers, and site workers. We are committed to providing a safe and healthy environment for all stakeholders. The Group pledges to maintain a high-standard safety management system with regard to the relevant regulatory requirements. Our property management subsidiary, Goldwell Property Management Limited (“Goldwell”), holds ISO 45001 Occupational Health and Safety Management Systems to prevent work-related injury and ill health and proactively improve our health and safety performance. To strengthen our guarantee of employees’ health, the Health and Safety Committee meets every month to follow up on work injury cases, formulate and implement measures to improve occupational safety, and enhance employees’ awareness. The Group regularly holds evacuation drills to practice and keep their eyes peeled.

In addition, our construction subsidiary, Rich Trend Construction Engineering Limited (“Rich Trend”), also performs Emergency Plans, Risk Assessments, Safety Plans, and Heat Stroke Assessments for construction projects. Employees and site workers are provided with information on the potential occupational disease risks, as well as intensive safety

training and protective equipment against hazards. Additionally, quality checks were also conducted during different construction phases. The quality of each procedure was reviewed by actual measurement, and specific improvement suggestions were made so that contractors could make adjustments timely to reduce quality risks.

Besides, mental health is another focus of the Group to encourage positivity in the workplace. The Group has implemented a five-day work week, and overtime work is compensated for in the form of compensatory time off. To further care for the health of our employees, the Group has participated in the Smoking Cessation Program to help employees quit smoking and live more healthily.

The fifth wave of the COVID-19 pandemic was rapid and fierce. It has disrupted the overall social and economic needs of Hong Kong and the well-being of businesses and individuals. As a socially responsible corporation, Group has taken the primary responses and control measures to protect our stakeholders as our obligatory duty, and the details are as follows:

- Provide infection control training and guidelines to all employees and staff of property management offices;
- Maintain social distancing by arranging working from home for office staff;
- Provide disease prevention supplies, such as hand sanitizer, clinical masks and disinfectants where necessary;
- Use remote working tools to avoid in-person meetings.

During the year, the Group complied with all relevant occupational health and safety laws and regulations, with no work-related fatalities recorded in the past three reporting years.

Work-related injuries		Work-related fatalities	
2022	3	2022	0
2022	2	2022	0
2022	1	2022	0

Creating Ideal Workplace

The Group’s business success is on the dedication and the effort of our employees. Hence, protecting the legitimate rights and interests of employees is critical. The Group’s employees are fully protected by laws, including the Employment Ordinance, Employees’ Compensation Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Race Discrimination Ordinance and Family Status Discrimination Ordinance. Our Employee Handbook stipulates the regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and all relevant welfare.

Recruitment and dismissal

Recruitments are carried out based on a fair and open employment system. Save as avoidance of child labour, all applicants and new recruits must provide their identification documents for inspection and verification to ensure their eligibility for work and compliance. A diverse workforce helps overcome challenges and seize opportunities. Discrimination against any applicant or employee, such as race, social class, nationality, religious beliefs, gender, etc., is strictly prohibited.

Remuneration and welfares

The Group reviews and adjusts our remuneration packages based on their performance and abilities. The Group provides remuneration packages according to position, employee performance, and the Group, covering basic salary, allowance and Mandatory Provident Fund (MPF) contribution. The Group offers different welfares to our employees. In addition to statutory holidays, the Group's employees are entitled to a number of paid holidays, including compassionate leave, paternity leave, marriage leave, etc. Furthermore, the Group has also arranged monthly staff birthday parties and Christmas parties to promote close cooperation and effective communication among employees and increase their sense of belonging and productivity.

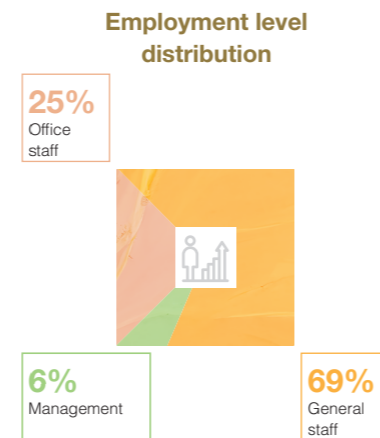
Promotion and development

The Group devotes effort to providing a pleasant working environment that encourages its employees to prompt career development and realise personal growth. The Group offers equal opportunities to employees regarding their qualifications, capabilities, performance, attitude and other relevant criteria.

The Group advocates a healthy and harmonious working environment; by establishing clear, honest, and timely communication, the Group has created channels such as regular meetings, surveys, annual reviews, etc., to understand employees' views and opinions. Besides, the Group always encourages open communication and positive feedback from employees. If employees have any comments about their work, they can submit it to the Group via the current reporting mechanism. To continue making progress, the Group will monitor results, manage criticism fairly and objectively, and look for areas for development. In addition, the Group shares the latest activities and trends through internal e-mails and the Company intranet. Also, the Group publishes an internal quarterly staff newsletter to disseminate the latest news and information about environmentally friendly practices, community services, well-being, and employee activities.

The Group respects human rights and prohibits any engagement or tolerance of using child labour or forced labour in operation. Based on the principles of fairness, openness and willingness, the Group implements our employment system that aligns with the local labour standards. For prevention, the Group adopts legal means when executing the recruitment processes, such as meeting the minimum employment age. To protect the employees and the Group's interests, detailed terms and conditions of employment are listed in the legal contracts of all positions.

During the year, the Group complied fully with all relevant employment laws and regulations, with no prosecution for a violation recorded.



Offering Development Opportunities

Employees must be provided with training and development programs to achieve sustainable business growth. The Group actively invests resources in developing its employees by providing them with diversified opportunities for learning and training, encouraging them to make good use of the Group's resources to stimulate their value and facilitate their competencies when encountering challenges and opportunities in the future.

To ensure that the Group is keeping up with the ever-changing ESG matters and business environment, it provides continuous training for employees to advance their skills and abilities. A series of training programs were organized regarding the positions of its employees to improve employee engagement during the year, including occupational health and safety, information technology, product and service training, etc. The Group has also provided training with various topics related to accounting, ESG, health and safety, product and service, etc., to raise awareness of emergent themes about different issues that align with the Group's corporate strategies, thereby driving the Group to reach sustainable development. The Group also encourages its employees to attend workshops, industry events, and seminars to refresh and develop job-related knowledge and skills outside the Group.



Apart from the training provided by the Group, our construction subsidiary, Rich Trend supports employees and sub-contractors to receive safety training and toolbox talk every week, topics varying from emergency response under severe weather, working at height, bamboo or metal scaffolding and light and ventilation, which aims to reduce work-related injury cases.

The Recognitions

The Group's contributions to creating an inclusive workplace, promoting employees' well-being and facilitating their well-round development have earned widespread recognition. Relevant awards are as follows:



CREATING VALUE FOR THE PUBLIC



The Group is devoted to upholding the highest standards of corporate integrity and complying with internal and external policy measures. We are committed to making a positive impact in business, taking accountability seriously, and striving for excellence in customer engagement as well as product responsibility practices.

We are determined to provide the highest professional excellence and customer service standards in our field. Our commitment towards achieving this goal is unwavering; hence, we are committed to creating public value by incorporating a wide range of ESG elements in enhancing customer satisfaction and safety, quality assurance, marketing and advertising, the protection of intellectual property rights and data privacy, and business ethics and integrity. By adhering to our corporate values, we can bring together our shared vision for a better tomorrow today.

Material ESG issues covered in this chapter:

- Customer satisfaction and safety
- Quality assurance
- Responsible marketing and advertising
- Protection of intellectual property rights and data privacy

Engaging with Customers

The Group values customers' opinions and ensures their opinions and complaints are handled to maintain two-way communication between customers and the Group. The Group upholds the philosophy of catering to customer needs and has established various feedback channels, including a customer service hotline, customer satisfaction surveys, email, direct communication with frontline employees, Soundwill Club mobile application, and social media platform.

To enhance mutual understanding and trust between the Group and its customers, the Group believes that it is essential to establish good customer service. We aim to optimize customer experience and satisfaction levels by promoting a positive, helpful, and friendly environment that delivers the highest service standards. To understand our customers' needs and concerns more effectively, the Group invited customers to share their thoughts by completing customer satisfaction surveys through its Soundwill Club mobile application. The survey scored 603 customers regarding the overall service quality, the usability of and activities held by Soundwill Club, the environmental hygiene of Soundwill Plaza and Soundwill Plaza II – Midtown etc. This survey allows the Group to gather feedback and provides insights into the areas in which the Group can process improvements. The Group promises to follow up with customers' enquiries, analyse the results, and devise strategies and plans accordingly to ensure that customers' opinions are reflected. During the year, no material complaints on customer service and property management were received.

Delivering Quality Services

In terms of complaints about property management services, Goldwell will handle them in accordance with ISO 9001. The Property and Facilities Manager holds regular meetings with residents and the management committee of the property to understand their needs and expectations in order to deliver the most appropriate and high-quality services. Upon receipt of a complaint or inquiry, it will be reported to the property manager or other responsible management within 24 hours and followed up on within 12 hours to avoid the recurrence of similar issues. Complaints about hygiene issues will be handled within 4 hours of receipt by the property manager. Furthermore, our employees are provided with customer service codes, operational process guidelines and training to sustain service quality and consistency when handling customer complaints and conducting investigations.

As a responsible corporate, the Group has implemented operational guidance on a set of infection control and prevention actions and guidelines to its staff for maintaining access to essential quality services for its customers and lowering the risk of spreading infectious diseases that may lead to poor quality services during COVID-19.

In addition, the Group is devoted to creating a friendly environment that satisfies every need of customers. We have enhanced the inclusion during the reporting period especially in Soundwill Plaza II – Midtown, where we offer barrier-free facilities for all customers to enjoy the prestige consumer experiences by facilitating them with wheelchair borrowing, electrical wheelchair charging, barrier-free taxi booking, and public barrier-free washrooms. We have also been promoting age-friendly management culture by implementing age-friendly measures, establishing staff training to support different customer groups, and providing products and services that cater for all ages. During the year, the Group has been listed in the "List of Barrier-free Companies" by The Hong Kong Council of Social Service and "Charter for Age-friendly Shopping Malls" by The Hong Kong Jockey Club Charities Trust.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group believes that maintaining our buildings and services' high quality is paramount to retaining reputation and gaining long-term customer trust. Hence, our experienced handover team serve to maintain quality assurance. They inspect and examine the buildings' quality and safety before delivering them to owners and tenants. Besides, new customers will receive a two-year maintenance warranty and credible post-sales experience. With the oversight of the building management team, the Group strictly controls the building quality and ensures continual improvement.



Ensuring Network Resilience

The Group prioritises safeguarding data privacy and is committed to protecting intellectual property rights in our business operations. The Group adheres to the Trade Marks Ordinance, Copyright Ordinance, Personal Data (Privacy) Ordinance of Hong Kong and other relevant laws and regulations. Any inadvertent leakage of customers' personal information in operation will significantly impact the Group's reputation and procedures and may even bring financial losses.

The Group has established internal procedures to provide adequate protection and encryption for all data and information upon operation to secure the data collected. As stipulated in the Employee Handbook, employees shall respect intellectual property rights and promise that no intellectual property rights violations will happen in conducting business. For instance, the Group would back-up critical data and system configurations regularly and store the data in a separate location, with periodic tests and reviews to ensure effectiveness. The Group strives to protect customer data obtained from all channels and eliminate the risk of information leakage. The Group's Privacy Policy is available on the Group's website for customers to access anytime.

Since establishing Soundwill Club, the Group has implemented measures to uphold confidentiality and prevent security risks. For example, member data is encrypted, and the server only allows access to data from specific locations to protect customer data from loss, misuse, unauthorized access, disclosure, alteration and destruction. Moreover, a hardware firewall and monitoring program were installed to monitor data access.

During the year, the Group complied fully with all relevant product liability and data privacy-related laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SAFEGUARDING THE ENVIRONMENT



With the global and local environmental movement in full swing, the Group is determined to take stock of its role and plan for reducing unprecedented sustainability challenges towards the environment. To achieve a sustainable future, the Group promises to continue to seek ways to address and resolve environmental issues; hence, we establish a number of environmental protection policies and initiatives regarding the reduction of greenhouse gas ("GHG") emissions, the use of natural resources, and the mitigation of climate change.

During the year, the Group has set the following environmental targets in driving its ESG commitment and enhancing its sustainability performances. The Group will do its best to reach those targets and review the results regularly with an effective monitoring system.

Environmental Aspects	Targets (Setting the base year at 2022)
GHG and air emissions	<ul style="list-style-type: none"> To closely monitor the amount of GHG and air pollutants generated to ensure their emissions are well-aligned with its business growth by 2027. To incorporate "low carbon" elements into the Group's investment strategies and criteria by 2027.
Wastes	<ul style="list-style-type: none"> To closely monitor the amount of waste generated (e.g. paper) to ensure its consumption is well-aligned with its business growth by 2027.
Energy consumption	<ul style="list-style-type: none"> To reduce the Group's energy consumption intensity by 6% by 2027. To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027.

Material ESG issues covered in this chapter:

- Greenhouse gases and air pollutants
- Energy
- Climate change
- Water
- Waste
- Materials
- Impacts on the environmental and natural resources
- Supply chain risk management

Achieving a low-carbon transition

To achieve a low-carbon transition, the Group understands that it must optimize its energy efficiency and raise awareness among staff, customers, and the general public about the impacts of GHG emissions. Hence, the Group is committed to implementing various energy efficiency plans, strategies, and measures that aim to reduce its energy consumption, GHG and air emissions, and facilitate behavioural changes of its stakeholders in conserving energy.

Recognizing that our daily behaviours and choices are important drivers of energy consumption, the Group has carried out a series of energy-saving measures to ensure more efficient use of energy. We hope that energy-saving measures can help to adjust our tenants' behaviours in reducing energy consumption and lowering GHG and air emissions that yield substantial energy savings over time, and details are as follows:

- Giving priority to energy-efficient equipment and electrical appliances with energy labels;
- Providing maintenance, repair, and overhaul services regularly to optimize the effective use of electricity;
- Implementing the re-commissioning (RCx) of the MVAC system;
- Suspending the usage of air-conditioning, lighting, lift, and escalator according to tenants' business hours;
- Reducing the running time of pool pumps;
- Installing solar panels on the rooftops of the warehouse to increase the use of renewable energy;
- Encouraging our employees, customers, suppliers, and other stakeholders to adopt an energy-efficient lifestyle.



Apart from implementing various energy-saving measures, the Group continued to purchase renewable energy credits from Hong Kong Electric during the year to drive a clean energy future. A total of 11,000 kWh of renewable energy was purchased, which was 450% more compared to the renewable energy credits purchased last year. The Group will continue to support renewable energy in Hong Kong and put more effort into leading its stakeholders in enhancing their energy efficiency and conservation through different projects. During the year, the Group's environmental performances are as follows:

Overview of Electricity Consumption and GHG Emissions

Energy Consumption				
Indirect energy (Electricity)				
Property	Unit	2022	2021 ³	% Change
Soundwill Plaza	MWh	2,372.59	2,692.20	-11.87%
Soundwill Plaza II – Midtown	MWh	1,211.33	1,143.74	5.91%
10 Knutsford Terrace	MWh	999.70	1,028.17	-2.77%
THE SHARP	MWh	114.53	123.82	-7.50%
Park Haven	MWh	355.40	349.98	1.55%
Warrenwoods	MWh	318.84	337.41	-5.50%
iPLACE	MWh	330.01	345.92	-4.60%
iCITY ⁴	MWh	157.57	N/A	N/A
Total consumption	MWh	5,859.98	6,021.24	N/A ⁵
Intensity	MWh/m ²	0.064	0.068	-4.67%

Greenhouse Gas Emissions				
Property	Unit	2022	2021 ⁶	% Change
Soundwill Plaza	Tonnes of CO ₂ equivalent (tCO ₂ e)	1,697.43	1,911.46	-11.20%
Soundwill Plaza II – Midtown	tCO ₂ e	860.05	812.06	5.91%
10 Knutsford Terrace	tCO ₂ e	369.89	380.42	-2.77%
THE SHARP	tCO ₂ e	81.32	87.91	-7.50%
Park Haven	tCO ₂ e	252.33	248.49	1.55%
Warrenwoods	tCO ₂ e	226.37	239.56	-5.50%
iPLACE	tCO ₂ e	122.11	127.99	-4.60%
iCITY ⁷	tCO ₂ e	187.99	N/A	N/A
Total emissions	tCO ₂ e	3,797.48	3,807.89	N/A
Intensity	tCO ₂ e/m ²	0.042	0.043	-2.31%

³ Due to the improvement of data collection system, 2021's electricity consumption of all properties have adjusted accordingly.

⁴ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

⁵ As the scope and boundary of 2022 ESG Report is different from that of 2021 ESG Report, no direct comparison will be provided on the total consumption of electricity in 2022 and 2021.

⁶ Due to the improvement of data collection system, 2021's GHG emissions of all properties have adjusted accordingly.

⁷ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

Looking ahead, the Energy Saving Team will continue to review the Group's energy efficiency measures and conduct inspections regularly to avoid energy wastage. To further assess the feasibility of developing longer-term targets for our operations, we target to reduce the Group's energy consumption and GHG emissions intensity by 6% by 2027 in long-run.

Identifying climate-related risks and opportunities

The Group believes that identifying climate-related risks and opportunities can help to strengthen the sustainability of the Group's business. To progress adaptation responses and enhance resilience towards climate change, the Group has adopted an Environmental Policy Statement since 2021 and has considered climate-related issues while formulating the operation of the Group's business. We have developed a systematic approach that manages our climate-related risks and opportunities. The following table illustrates the Group's framework of disclosing climate-related risks and opportunities following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) in 4 major areas, which include "Governance", "Strategy", "Risk Management", and "Metrics and Targets", and details are as follow:

Disclosure area	TCFD recommended disclosure	Information disclosed by Soundwill	References
Governance	Disclose the organization's governance around climate-related risks and opportunities.	A robust governance structure that concentrates on directing and executing the Group's sustainable development that targets to manage climate-related risks and opportunities. The ESG Committee, Energy Saving Team, and Building Management Team assist the Board to identify, manage, and benchmark material climate-related risks and opportunities.	ESG Governance; ESG — related Risk Identification and Management

Disclosure area	TCFD recommended disclosure	Information disclosed by Soundwill	References
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	The Group has been integrating ESG elements across all aspects of its business and operation. The Board will develop a strategic plans and measures in disclosing the actual and potential impacts of climate-related risks and opportunities. The ESG Committee has reviewed the past ESG performance through industry benchmarking, stakeholder engagement, and internal risk assessment. It has identified some climate-related risks for the Group's major business, i.e. property leasing and management.	ESG Strategy; Identifying climate-related risks and opportunities
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	The Audit Committee is authorized by the Board to evaluate and monitor risks.	Identifying climate-related risks and opportunities
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	The consumption data of energy and the key metrics of waste management are disclosed every year for analysis of performance and trend. Scope 1 and 2 greenhouse gas emission data as well as related reduction strategies and targets are disclosed.	Achieving a low-carbon transition; Utilizing water resources; Managing and reducing waste

During the year, the Group conducted a climate-related risk review from the Group's perspective and identified the following physical and transition risks of its property leasing and management segment.

We believe that the top physical risk the Group currently faces is extreme weather, such as heat waves, typhoons, heavy rains, floods, etc. These extreme weather events could pose material impacts to our business operations such as the depreciation of equipment, the increased use of air-conditioning for cooling, and the increased chances of employees who may suffer from heat stress-related illnesses (i.e. heat stroke and heat rash). These may cause the temporary suspension or closing of operations, higher operation and electricity costs, increased investment for upgrading or reinforcing our equipment to withstand extreme weather events, and impact the Group's reputation and business performance.

On the other hand, amid the external and internal pace of change to reduce the environmental impacts, several transition risks associated with climate change have correspondingly raised. Those transition risks include tightened regulatory requirements on energy management, the sudden and unexpected increases in energy costs, the loss of competitive edge to more sustainable competitors, etc., which all lead to a result of the higher operation and electricity costs, caused by early retirement of equipment and additional costs in developing low-carbon practices/ processes, thereby impacting the Group's ability to achieve the market share target and/ or sales revenue target in the future.

The group is dedicated to preserving the well-being of our environment and, therefore, will continue to question, discuss, and formulate policies and measures that are necessary to adopt in order to mitigate the climate risks faced by our planet. We recognize the importance of addressing these changing conditions and remain committed to proposing ideas and actions that will help ensure our future.

Utilizing water resources

Understanding there is an ever-increasing water demand for water resources, the Group is looking for ways to expand its efforts in water conservation. To reduce water usage and promote the sustainable use of water, the Group deployed water-saving measures and regularly monitored its water management. During the year, the total water consumption of the Group year was 47,560 cubic meters, which had a significant reduction of 9.78% compared to last year's result.

We utilize water-saving mechanisms by installing self-closing water taps with sensor-activated devices and monitoring all drainage systems with regular maintenance to save water and prevent water leakage. Apart from monitoring water consumption in our properties, we also actively encourage our employees and tenants to conserve water by providing training and posting notices on how to lower their water consumption. We will continue monitoring the data and arranging investigations and maintenance promptly as follow-up actions to further enhance our water-saving measures.

Overview of Water Consumption

Water Consumption				
Property	Unit	2022	2021 ⁸	% Change
Soundwill Plaza	m ³	20,558.62	24,520.58	-16.16%
Soundwill Plaza II – Midtown	m ³	3,006.30	3,309.26	-9.15%
10 Knutsford Terrace	m ³	12,102.53	14,173.68	-14.61%
THE SHARP	m ³	N/A	N/A	N/A
Park Haven	m ³	1,866.03	750.59	148.61%
Warrenwoods	m ³	955.22	1,307.99	-26.97%
iPLACE	m ³	9,068.69	8,651.82	4.82%
iCITY ⁹	m ³	3.00	N/A	N/A
Total consumption	m ³	47,560.39	52,713.90	-9.78%
Intensity	m ³ /m ²	0.52	0.59	-11.62%

Managing and reducing waste

The Group strives to promote and develop sustainable waste management; hence, it has been actively seeking ways to maximize recycling, minimize waste, reduce consumption, and ensures that its used materials and resources are made to be reused, repaired, or recycled back into nature or the suitable marketplace. During the year, the Group generated 5,441.12 tonnes of non-hazardous waste and has hired qualified contractors to collect the waste for proper disposal.

In line with the Group's goal of integrating sustainability into every aspect of our business, it strictly follows the "4R" principles of waste hierarchy in hopes of achieving waste reduction. To improve recycling efforts, we have installed waste collection facilities in our buildings to encourage our employees, tenants, and other stakeholders to properly dispose of their recyclable wastes such as paper, cardboard, plastic bottles, aluminium cans, etc.

In addition, knowing that digital technologies play an important role in the transition to a net-zero emissions future, the Group has been proactively enhancing its waste management and maximizing its resource utilization by lowering reliance on paper-based communication and moving towards digital transformation. For instance, we issue e-coupons and share first-hand information on the Group's latest events and promotions through our application Soundwill Club. We also give preference to environmentally friendly and sustainable products, e.g. FSC-certified papers and put on "Paper Saving" notices around the printing area to promote double-sided printing and place used paper collection boxes for recycling.



⁸ Water consumption of all properties in 2021 has renewed using the same estimation method as that in 2022.

⁹ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

The overall performance of waste disposal and recycling is as follows:

Overview of Waste Disposal and Recycling

Non-hazardous Waste Disposal				
Property	Unit	2022	2021 ¹⁰	% Change
Soundwill Plaza	tonne	1,138.11	1,021.81	11.38%
Soundwill Plaza II – Midtown	tonne	889.27	795.27	11.82%
10 Knutsford Terrace	tonne	643.19	577.65	11.35%
THE SHARP	tonne	27.95	24.14	15.79%
Park Haven	tonne	486.86	526.50	-7.53%
Warrenwoods	tonne	317.80	394.09	-19.36%
iPLACE	tonne	413.14	446.46	-7.46%
iCITY ¹¹	tonne	1,524.80	N/A	N/A
Total waste	tonne	5,441.12	3,785.92	N/A
Intensity	tonne/m ²	0.060	0.043	40.78%

Waste Recycling				
Property	Unit	2022	2021	% Change
Soundwill Plaza	kg	946.00	1,393.00	-32.09%
Soundwill Plaza II – Midtown	kg	165.35	150.07	10.18%
10 Knutsford Terrace	kg	1,312.00	831.00	57.88%
THE SHARP	kg	415.50	633.00	-34.36%
Park Haven	kg	328.30	374.60	-12.36%
Warrenwoods	kg	619.20	719.90	-13.99%
iPLACE	kg	557.00	202.57	174.96%
iCITY ¹²	kg	0.00	N/A	N/A
Total waste	kg	4,343.35	4,304.14	N/A
Intensity	kg/m ²	0.048	0.048	-1.15%

¹⁰ All non-hazardous waste data all properties in 2021 have renewed using the same estimation method as that in 2022.

¹¹ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

¹² iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

Achieving sustainable supply chains

The Group strives to build a supply chain that incorporates the perspective of sustainability that can minimize the social and environmental risks along the supply chain. Hence, the Group has established Sustainable Procurement Policy to guide and oversee all relevant procurement activities undertaken by the Group, in which all suppliers and contractors (“suppliers”) must comply with the Group’s requirements on sustainability performances, such as the protection of natural resources, reduction of environmental impact, health and safety of workers, respect for human rights, anti-corruption, and anti-competitive behaviours. Suppliers who fail to meet our requirements may be excluded from future tendering or even terminated from their contract.

To ensure the sustainability performances of suppliers meet the Group’s expectations, the Group only selects suppliers based on a formal assessment and interview to confirm that their performances adhere to our selection principles. For instance, every new supplier must fill in the Consultant/Contractor/Supplier Application Form and submit all required documents and certificates to prove that they have integrated environmentally and socially responsible practices into their business operations. In addition, to further safeguard the quality of suppliers and reduce supply chain risks, Goldwell conducts assessments and performance reviews of all suppliers every half year to monitor and assess their work, which contractors will be evaluated and classified into different grades according to their company’s structure, previous service or construction records, anti-corruption and anti-competitive practices, professional licenses and permits and insurance provided to employees, etc. The Group will also give priority to business partners with outstanding performance and with ISO Certification in Environmental Management (e.g. ISO 14001), Quality Management (e.g. ISO 9001), and Occupational Health and Safety (e.g. ISO 45001 and OHSAS 18001).

Apart from identifying the social and environmental risks along the supply chain, the Group also highlights the importance of anti-corruption and competition in its supply chain and operations; hence, it has been adopting a sustainable procurement policy that embeds anti-corruption and anti-competitive practices to promote a sustainable, prudent, and just supply chain management in its business operations. The Group will continue to tighten its sustainable procurement process, consider all types of risks in its supplier selection and monitoring processes, and give preferences to those environmentally friendly and sustainable suppliers who follow those policies and measures undertaken by the Group.

To uphold values for social responsibility, the Group promises to keep moving forward to engage more suppliers and contractors on resources conservation and sustainability, as well as exploring possibilities in developing a more comprehensive approach to identify and manage potential environmental and social impacts across its supply chain.

The Recognitions

Our efforts and achievements in enhancing the environment have been widely recognized, which include the following awards:



Umbrella Bags Reduction Accreditation Program – Diamond Level
Greener Action



Indoor Air Quality Certificate (Good Class)
Environmental Protection Department



Energywise Certificate (Good Level)
Environmental Campaign Committee

GIVING BACK TO THE SOCIETY



The Group concerns our performance beyond mere profit-making and business growth, but also shoulder social responsibility to care for the underprivileged and create a better community. The Group actively promotes a wide range of charitable activities and has established a volunteer team comprising employees from different departments to encourage employees to create values for the community. The Group has also been committed to understanding the community's daily needs and has cooperated with 10 charitable organizations during the year.

Material ESG issues covered in this chapter:

- Community investment

Caring for the underprivileged

The Group understands that the majority of the underprivileged lack necessities for daily living. As one of the developers in prime locations in Hong Kong, the Group is dedicated to fulfilling its social responsibilities by utilizing our convenient location and a board of customer network to promote charitable campaigns, which included the PeaceBox Campaign, which aims to bless underprivileged communities with useful supplies and gifts. Not only does the campaign could provide material support to the needy, but it is also an embodiment of caring love.



Nurturing young talents is crucial for the growth and development of a healthy industry. The Group continued to partner with Project WeCan to provide a two-week job-tasting programme to secondary school students who are disadvantaged in learning. They got the opportunity to learn about the workplace, daily routines and job duties through mentoring, practical work, hands-on training and workshops. The Group hopes that the programme can offer the ideas and experience of the industry to the participating students; and can be a reference for their future studies and career development.

Sponsoring NGOs

The Group is committed to understanding the needs of communities. Through charitable donations and sponsorships, the Group supports and leverages its professionals and resources in serving different organisations, such as green groups, social service organisations, and NGOs. During the year, we have supported the Skip Lunch Day organised by the Community Chest, fundraising for the street sleeper, people living in cage homes and cubicle apartments. In addition, One Storage Management, a subsidiary of the Group, other than providing the Public Service Centre with free mini storage for the temporary storage of supplies for distribution, the Group also deliver free storage to Praxis (HK) Charity Limited to support their ministries in helping families in need.

On the other hand, the Group has also donated to charities to support sustainable communities and promote the harmonious and friendly co-existence between the corporate and the community. To contribute to the sustainable development of community the Group has held the Receipts spread Love campaign, in which we have set up collection boxes in the lobby of Midtown to collect customers' receipts and donate 1% of the total amount to charities.



Engaging the community

The Group places priority on promoting community well-being. In contributing to society, the Soundwill Volunteer Team has participated in several volunteering services. During the year, we delivered rice and sent love and blessings to the elderly. Moreover, we were giving out products produced by social enterprise, which cares for and supports the underprivileged to bring across the message of inclusiveness to the community.

To extend our support to people facing challenges from the pandemic, Soundwill Plaza II Midtown has collaborated with Greeners Action, Food Grace and Green Toys Land to collect used red pockets, festive food, mooncake boxes and toys for recycling and to bring love and positive energy to people in need during the pandemic.

The Group is dedicated to supporting the development of the community and constructing an inclusive society. The Group will continue to review and perfect the management and strategies for positively impacting our culture and community development.

The Recognitions

Our efforts and achievements in community service have been widely recognized, which include the following awards:



Social Capital Builder Awards 2022 — Logo Awards
Community Investment & Inclusion Fund



Caring Company 2022/23
The Hong Kong Council of Social Service



Heart to Heart Company 2022-2023
The Hong Kong Federation of Youth Groups



Industry Cares 2022
Federation of Hong Kong Industries

Key Performance Indicators Overview

Environmental Performance

Key environmental performance indicators	2022			2021	Unit
	Nitrogen oxides (NOx)	Sulfur oxides (SOx)	Particulate matters (PM)		
Air emissions¹³					
Commercial buildings	1.45	0.07	0.11	N/A	kg
Residential buildings	0.00	0.00	0.00	N/A	kg
Industrial building	0.00	0.00	0.00	N/A	kg
Construction site	3,621.40	238.14	254.57	N/A	kg
Total air emissions	3,622.86	238.21	254.67	N/A	kg
Greenhouse gas (GHG) emissions¹⁴					
Commercial buildings		3,008.68		3,191.86	tCO ₂ e
Residential buildings		478.70		488.05	tCO ₂ e
Industrial building		122.11		127.99	tCO ₂ e
Construction site		187.99		N/A ¹⁵	tCO ₂ e
Total GHG emissions		3,797.48		3,807.89	tCO ₂ e
GHG intensity (by area)		0.042		0.043	tCO ₂ e/m ²
Non-hazardous waste¹⁶					
Commercial buildings		2,698.52		2,418.87	tonne
Residential buildings		804.66		920.59	tonne
Industrial building		413.14		446.46	tonne
Construction site		1,524.80		N/A ¹⁷	tonne
Total amount of non-hazardous waste disposed		5,441.12		3,785.92	tonne
Intensity of non-hazardous waste (by area)		0.060		0.043	tonne/m ²
Waste recycled¹⁸					
Commercial buildings		2,838.85		3,007.07	kg
Residential buildings		947.50		1,094.50	kg
Industrial building		557.00		202.57	kg
Construction site		0.00		N/A ¹⁹	kg
Total amount of waste recycled		4,343.35		4,304.14	kg
Intensity of waste recycled (by area)		0.048		0.048	kg/m ²

Key environmental performance indicators	2022	2021	Unit
Energy Consumption			
<i>Direct energy (Diesel and petrol)²⁰</i>			
Commercial buildings	46.95	N/A	MWh
Residential buildings	0.00	N/A	MWh
Industrial building	0.00	N/A	MWh
Construction site	530.47	N/A	MWh
<i>Indirect energy (Electricity)²¹</i>			
Commercial buildings	4,698.16	4,987.93	MWh
Residential buildings	674.23	687.39	MWh
Industrial building	330.01	345.92	MWh
Construction site	157.57	N/A ²²	MWh
Total energy consumption	6,437.40	6,021.24	MWh
Energy intensity (by area)	0.071	0.068	MWh/m ²
Water Consumption			
Commercial buildings	35,667.45	42,003.51	m ³
Residential buildings	2,821.25	2,058.57	m ³
Industrial building	9,068.69	8,651.82	m ³
Construction site	3.00	N/A ²³	m ³
Total water consumption	47,560.39	52,713.90 ²⁴	m ³
Water intensity (by area)	0.52	0.59 ²⁵	m ³ /m ²

¹³ The Group did not generate air emissions in 2021.

¹⁴ Due to the improvement of data collection system, all GHG emissions data of 2021 have adjusted to accordingly.

¹⁵ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

¹⁶ Due to the improvement of data collection system, all non-hazardous waste data of 2021 have been adjusted accordingly.

¹⁷ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

¹⁸ Due to the improvement of data collection system, all waste recycling data of 2021 have been adjusted accordingly.

¹⁹ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

²⁰ The Group did not have direct energy consumption in 2021.

²¹ Due to the improvement of data collection system, all indirect energy data of 2021 have adjusted to accordingly.

²² Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

²³ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

²⁴ Due to the improvement of data collection system, 2021's total water consumption has adjusted to 52,714 m³.

²⁵ Due to the improvement of data collection system, 2021's total water intensity has adjusted to 0.59 m³/m².

Social Performance

Key Performance Indicators		2022	2021
Total employees			
By gender	Male	262	248
	Female	119	128
By age group	Under 31	36	55
	31–40	66	58
	41–50	79	71
	Above 50	200	192
By employment type	Full time	302	302
	Part time	79	74
By geographical region	Hong Kong	381	376
By employment level ²⁶	General staff	261	245
	Office staff	96	99
	Management	24	28
Total		381	376
Employee turnover rate			
By gender	Male	60.3%	15.7%
	Female	89.1%	23.4%
By age group	Under 31	83.3%	29.1%
	31–40	53.0%	27.6%
	41–50	60.8%	29.6%
	Above 50	75.5%	8.3%
By geographical region	Hong Kong	69.3%	18.4%
Total		69.3%	18.4%
Health and safety²⁷			
Work-related injuries		3	2
Lost days due to work-related injuries		294	5
Work-related fatality		0	0

²⁶ Information regarding senior management can be found from Corporate Governance Report.

²⁷ There were 0 case of work-related fatality in the past three years.

Percentage of employees trained		2022	2021
By gender	Male	37%	13%
	Female	39%	22%
By employment level ²⁸	General staff	33%	3%
	Office Staff	46%	39%
	Management	58%	46%
Total		37.8%	18.9%
Average training hours		2022	2021
By gender	Male	3.08	0.96
	Female	3.18	1.66
By employment level ²⁹	General staff	2.71	0.02
	Office Staff	3.77	2.33
	Management	4.80	4.09
Total		3.11	1.20
Total number of suppliers		2022	2021
By geographical region	Hong Kong	335	89
	China	1	—
Total		336	89
Anti-corruption training		2022	2021
Total hours of employees receiving anti-corruption training		24	4
Total hours of directors receiving anti-corruption training		49	2

²⁸ Information regarding senior management can be found from Corporate Governance Report.

²⁹ Information regarding senior management can be found from Corporate Governance Report.

ESG Reporting Guide Content Index

Aspects	Description	Page/Remark
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.	22–30 In the year, the Group was not aware of any material non-compliance with relevant laws and regulations that had a significant impact on the Group.
A1.1	The types of emissions and respective emissions data.	33
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	33–34
A1.3	Total hazardous waste produced and intensity.	N/A The Group did not produce any hazardous waste.
A1.4	Total non-hazardous waste produced and intensity.	33
A1.5	Description of emission target(s) set and steps taken to achieve them.	22–25
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.	28–29
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	22–30
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	33–34
A2.2	Water consumption in total and intensity.	34
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	22–25
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.	N/A The Group did not have any issues sourcing water. However, the Group has been actively engaging employees on water conserving practices.
A2.5	Total packaging material used for finished products and per unit produced.	N/A The Group did not use any packaging materials for finished products.

Aspects	Description	Page/Remark
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	22–30
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	22–30
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.	25–27
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.	25–27
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.	15–18 The Group complied fully with all relevant employment laws and regulations, with no prosecution for a violation recorded.
B1.1	Total workforce by gender, employment type, age group and geographical region.	35
B1.2	Employee turnover rate by gender, age group and geographical region.	35
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.	15–18 The Group has complied with all local occupational health and safety laws and regulations related to the building management and leasing businesses. In the year, there was no violation regarding any occupational hazards.
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	35
B2.2	Lost days due to work injury.	35
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	15–18

Aspects	Description	Page/Remark
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	15–18
B3.1	The percentage of employees trained by gender and employee category.	36
B3.2	The average training hours completed per employee by gender and employee category.	36
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.	15–18
B4.1	Description of measures to review employment practices to avoid child and forced labour.	17
B4.2	Description of steps taken to eliminate such practices when discovered.	17
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	30
B5.1	Number of suppliers by geographical region.	36
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.	30
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	30
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	30
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.	19–21 The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. In the year, there was no material non-compliance with relevant laws and regulations that had a significant impact on the Group.

Aspects	Description	Page/Remark
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A The Group did not sell or ship any products.
B6.2	Number of products and service-related complaints received and how they are dealt with.	19–20
B6.3	Description of practices relating to observing and protecting intellectual property rights.	21
B6.4	Description of quality assurance process and recall procedures.	20–21
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	21
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.	10 The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. In the year, there were no corruption-related violations of any form.
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.	10
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	10
B7.3	Description of anti-corruption training provided to directors and staff.	36
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.	31–32
B8.1	Focus areas of contribution.	31–32
B8.2	Resources contributed to the focus area.	31–32



金朝陽集團有限公司*
SOUNDWILL HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

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