



南 豐 物 業 管 理
NAN FUNG PROPERTY MANAGEMENT

SUSTAINABILITY REPORT

2021/22



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Message from the Steering Committee on Sustainable Development



We are pleased to present our first publicly published Sustainability Report 2021/22 ("the Report") for Nan Fung Property Management ("NFPM"). The Report has been prepared for our stakeholders and the public to show that NFPM is marking a milestone for its sustainability journey. Developed in accordance with Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") 2021, the Report showcases our sustainability progress and achievements during the reporting year, and demonstrates how we embrace sustainability in our business and daily operations to create long-term value for our stakeholders and the wider community.

Sustainability Achievements

Sustainability Framework 2030

"We Improve the Quality of Life" is the core of our business and sustainability visions, and serves as the beacon of our sustainability endeavours. We demonstrate our strong commitment under Sustainability Framework 2030 ("SF2030") which focuses on 10 goals from United Nations Sustainable Development Goals ("UNSDGs") and aligns with Nan Fung Group's sustainability framework, "SEWIT", that engages NFPM and its stakeholders with five strategic pillars: Social Cohesion, Environment, Wellness, Innovation, and Technology.

SUSTAINABLE DEVELOPMENT GOALS



Our SF2030, launched in 2022 encompasses four themes – Environment, People, Partnership and Governance. It articulates our strategic commitment to sustainable development, and sets the tone for formulating 2030 sustainability targets and tracking progress.

All these themes form part of SF2030 to provide clear direction as well as impetus for our teams to take concrete actions and innovative approaches for tackling existing and future sustainability challenges.

Sustainability Framework 2030

» Governance

We strengthen our governance with robust mechanism, policies and Environment, Social and Governance ("ESG") disclosure.

» Environment

We demonstrate our care for the environment by managing carbon and energy, waste and resources as well as working towards circularity.

» People

We show our value to people through community investment, talent development and improvement on well-being.

» Partnership

Through partnership with stakeholders and sustainable procurement efforts, we create synergy to build a better future.

Staff Communications and Engagement

We place great emphasis on caring for our staff who are highly prioritised stakeholders and valued partners. To engage our frontline staff who form the majority of our staff body, a new staff app – "VIVA Connect" has been launched. The app allows frontline staff to access company information to meet operational needs. Alongside, an online learning management system, "VIVA Lab Hall", has also been released to enable staff to enrol in training courses and review training materials online. We recognise the value of in-person connection among internal team members. For the first time since the fifth wave of the pandemic, all senior managers constellated at the "All Hands on Deck" meeting, which was a valuable opportunity for staff members to catch up with their work buddies and keep abreast of NFPM's latest developments.

Recognising that our staff are inevitably affected by the pandemic, we have extended our care to their families throughout the period with different initiatives, including preparation of an EDUTAINMENT kit comprising of a board game set and green handcrafts to provide fun with art and enrich family time, distribution of locally grown fresh vegetables and fruits to colleagues, and launch of "Accommodation Subsidy Scheme" for staff to relieve their concern over the safety of their family members when they need to stay on duty at high-risk workplaces.

Caring Initiatives for Our Community

The wellness of customers is always in our heart, particularly during the pandemic. When residents have undergone home quarantine under the government's mandate, we have distributed caring packs to support their physical and mental health. In addition, we focus on increasing our voluntary service hours and evaluate the social impacts of our community programmes to track our continual growth.

Challenges Ahead and Our Strategies



Facing critical sustainability challenges ahead, such as the global challenge of climate change, as well as local waste issue and the government's upcoming Municipal Solid Waste ("MSW") Charging Scheme, we set up bold targets and took active measures to address the challenges.

Aligning with the HKSAR Government's target, we are following Nan Fung Group's decarbonisation roadmap for our major managed properties towards achieving the Science Based Targets initiative ("SBTi"), including a clearly defined path to reduce greenhouse gas ("GHG") emissions in line with the Paris Agreement goals. In order to achieve such target, we strive to harness the power of technology and

innovation in enhancing the environmental performance of our managed properties, such as adopting artificial intelligence ("AI") technologies and Internet of Things ("IoT") for real-time optimal energy control and maximisation of energy saving.

We actively engage different stakeholders including our tenants. For example, we are developing a tenant portal which allows tracking and sharing of resource utilisation and waste generation data to facilitate GHG emissions and waste reduction. We will further promote the signing of Nan Fung Group's Net Positive Lease among commercial tenants and increase the generation of electricity from renewable sources in the upcoming reporting year.

Moving Forward

Our vision to improve the quality of life could only be fully realised with support from our different stakeholders including our staff, customers, business partners, collaborating organisations and members of the public. We appreciate our staff's dedication and hard work, which ensured the delivery of quality services during these challenging times. We will move forward in more concerted efforts to contribute to the sustainable development of the society.

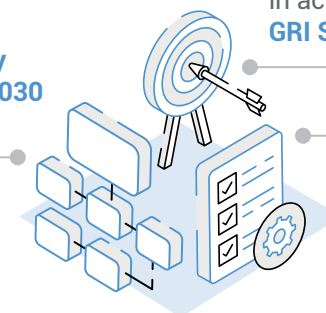


Sustainability Highlights 2021/22

Governance

Sustainability Framework 2030 established

1st Sustainability Report in accordance with GRI Standards published



3 Policies newly established / updated
 > Breastfeeding Friendly Workplace Policy
 > Personal Data Protection Policy
 > Occupational Safety and Health Policy

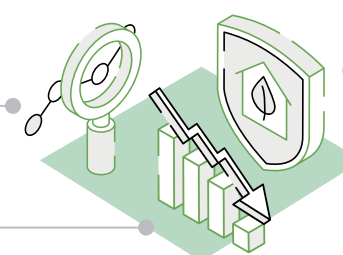
Environment

Phase 1 of "NFPM x CLP Energy Benchmarking System" launched to optimise energy efficiency of operations by using data-driven analysis

> 50% of managed properties have either attained or are under application for green building certifications



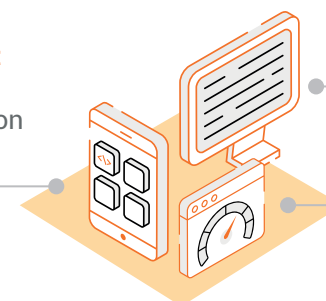
Target to ↓ ≥ 20% electricity consumption as compared with baseline year by 2030



People

VIVA Connect a new staff communication app launched

VIVA Lab Hall a new online learning management system introduced

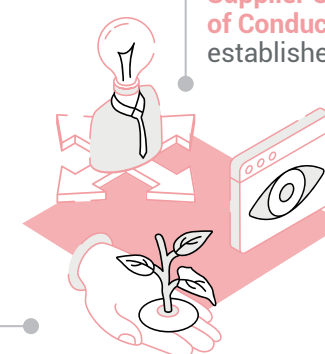


1st time to measure social impact for our community programme

Partnership

11 procurement items are mandated to meet the green specifications recommended by the Environmental Protection Department

Supplier Code of Conduct established



VIVA Xplore an online lifestyle channel for residents and tenants enhanced

About the Report

3.1 Reporting Scope

NFPM is pleased to present this sustainability report covering the period from 1 November 2021 to 31 October 2022, which aligns with our sustainability operation cycle. We will gradually work towards alignment of our sustainability reporting period with our financial reporting period (April to March). We aim to publish

sustainability reports on an annual basis and this is our first annual sustainability report which published publicly in June 2023. The Report covers the sustainability performance and initiatives of all properties managed by NFPM, including residential, commercial and industrial properties as well as shopping arcades.

3.2 Reporting Standard

The Report has been prepared in accordance with GRI Standards 2021. The Report adheres to the reporting principles stipulated in GRI Standards: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. Please refer to Chapter 10 – GRI Content Index for cross-referencing relevant GRI disclosure standards to corresponding sections

of the Report. The Report has been reviewed and approved by the Boards of Directors of the NFPM companies, who provides strategic oversight on ESG related issues, regularly reviews and discuss ESG related risks, and considers advice given by the Steering Committee on Sustainable Development under interested material topics.

3.3 Report Assurance

SGS Hong Kong Limited was engaged to conduct an independent assurance assessment of the Report. The external Verification Statement can be found in Chapter 12.

3.4 Your Feedback

We welcome your feedback and suggestions on the reporting approach and report content, as well as our sustainability performance and progress. Your valuable comments will facilitate our continuous improvement on our sustainable development. For enquiries, please contact us by email at property.mgmt@nanfung.com.

About Nan Fung Property Management

4.1 Our Business

Founded in 1954, Nan Fung Group ("the Group") is a privately-held conglomerate headquartered in Hong Kong with over 65 years of history. With a deeply-rooted presence in the city, the Group now boasts a strong international presence through a diverse portfolio of businesses and investments around the globe. The Group has developed various development projects, including residential estates, offices and shopping malls, contributing to the Hong Kong's unique character.

The Group's property management arm is NFPM, which comprises New Charm Management Limited, Main Shine Development Limited, Hon Hing Enterprises Limited, Vineberg Property Management Limited, and other joint venture

companies including Providence Bay Property Management Company Limited, Providence Peak Property Management Company Limited, The Graces – Providence Bay Property Management Company Limited and Mount Nicholson Property Management Limited. With years of professional experience and expertise, NFPM is committed to providing high quality property management services with a customer focused and value-adding approach.

NFPM's overall footprint covers more than 80 projects in Hong Kong, including luxury properties, large-scale residential estates, shopping malls, offices and industrial buildings, with a total gross floor area ("GFA") of more than 28 million ft².

4.2 Vision, Purpose and Values

Vision	Purpose	Values
We Improve the Quality of Life	Creating Values to People Innovating Impressive Service Fabricating Vibrant Workplace Pursuing Aspiration to Excellence	<ul style="list-style-type: none"> • Customer Focus • Prudent Financial Control • Integrity • Swift Action • Results Driven • Learning and Change • Teamwork and Collaboration • Caring

4.3 Recognitions and Awards

We are honoured that our effort is recognised by the following certificates and awards. These awards exemplify our contributions to sustainable development.

Green Building Certifications

Among our property portfolio, over 50% of our managed properties have either attained or are processing applications for BEAM Plus Assessment for Existing Building Version 2.0 Selective Scheme certification in one or more categories.

The following recently developed properties in our property management portfolio have attained multiple green building recognitions.



>50% managed properties achieved or under applications for green building certifications



Environmental Awards



CLP

Energy Saving Missions Awards

Gold Award

Top Saving in 2022

2nd runner up

Top Smart Saving in 2022

Nan Fung Property Management

Smart Energy Award 2022

Grand Award

Innovation Award

TKO Plaza



GBA Carbon Neutrality Association

GBA Low Carbon Building Top 100 Award

The Mills

International Facility Management Association

IFMA Asia Pacific Awards of Excellence 2021

Certificate of Merit

Excellence in Environmental Stewardship

Nan Fung Tower

Service Awards

The Hong Kong Institute of Housing

HKIH Elite Awards 2022

Merit Award

Outstanding Officer (Private Housing – Residential)

Island Garden (Jessie Chan)

The Hong Kong Association of Property Management Companies and The Hong Kong Institute of Surveyors Property and Facility Management Division

Quality Property and Facility Management Award 2022

Excellence Award

Non-Residential - Industrial & Car Park Building Management

Profit Industrial Building

Certificate of Merit

Non-Residential - Office Building Management

(Small & Medium-Scale Office Building)

Nan Fung Tower

Certificate of Merit

Residential - Small-Scale Residential Property Management

8 Deep Water Bay Drive



International Facility Management Association IFMA Asia Pacific Awards of Excellence 2021

Second Runner Up

Asia Pacific Awards of Excellence in Facility Management Operations

No.8 Wyndham Street

Second Runner Up

Asia Pacific Awards of Excellence in Facility Management Technology

TKO Plaza

Certificate of Merit

Asia Pacific Innovation Award

Nan Fung Tower



The Hong Kong Institute of Facility Management Excellence in Facility Management Award 2022

Gold Award

Outstanding Professional Integrity Award

(Small-scale Residential)

Island Garden

Silver Award

FM People Award (Managerial)

Nan Fung Centre (Henry Ho)

Excellence Award (Small-scale Residential)

8 Deep Water Bay Drive

80 Robinson Road

Island Garden

Mount Nicholson

Queen's Cube

Excellence Award (Office Building)

33 Des Voeux Road West

Nan Fung Tower

Nan Fung Centre

Excellence Award (Retail)

MOS Centre

TKO Plaza

Excellence Award (Industrial)

Golden Dragon Industrial Centre

Marvel Industrial Building

Sun Fung Centre

Merit Award (Large-scale Residential)

Nan Fung Sun Chuen

Merit Award (Small-scale Residential)

7- 15 Mount Kellett Road

Edition 178

Fortuna Court

Grand Garden

Interocean Court

Kam Fung Building

La Place de Victoria

No.5 Mount Austin Estate

Merit Award (Office Building)

No. 8 Wyndham Street

Merit Award (Industrial)

Cheung Fung Industrial Building

Well Fung Industrial Centre

4.4 Memberships and Associations

We strive to foster continuous professional development as it is a crucial element of our culture. NFPM's professional teams of employees have acquired competent academic qualifications and professional memberships of leading industry associations. These include, but are not limited to:

- BEAM Professional;
- Chartered Institute of Housing Asian Pacific Branch;
- Housing Manager Registration Board;
- Hong Kong Institute of Real Estate Administrators;
- Hong Kong Institute of Certified Public Accountants;
- Hong Kong Registered Safety Officers;
- International Facility Management Association;
- Royal Institution of Chartered Surveyors;
- The Association of Chartered Certified Accountants;
- The Hong Kong Registered Safety Auditors Associations;
- The Hong Kong Institute of Housing;
- The Hong Kong Institution of Engineers; and
- The Institute of Internal Auditors;

In addition, NFPM (New Charm Management Limited) is a General Member of the Business Environment Council, a Corporate Member of the Green Council and a Member of the Hong Kong Association of Property Management Companies.

Governance



We strengthen our governance with robust mechanism, policies and Environment, Social and Governance ("ESG") disclosure.



"We Improve the Quality of Life"



Our strong and effective corporate governance strategies are successful elements for sustainable development. We strive for corporate sustainability management, regulatory and ethical compliance and operational continuity under a range of different circumstances. We also have ongoing engagement with various stakeholder groups to create imperative sustainable value for our stakeholders.

5.1 Our Approach to Sustainability

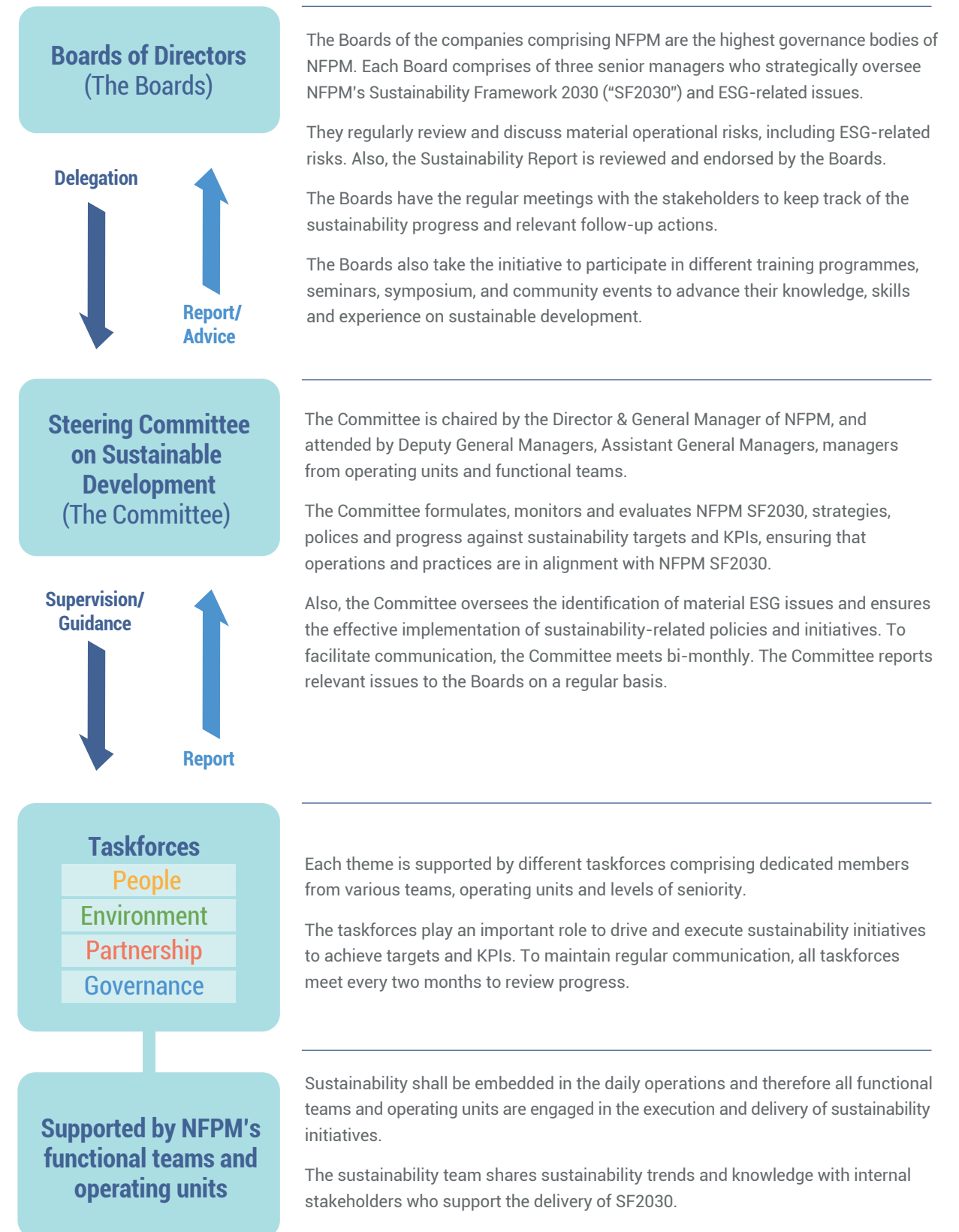
Establishment of the sustainability vision, formation of the governance structure and development of the policy and framework are the foundation of our approach to sustainability.

5.1.1 Sustainability Vision

"We Improve the Quality of Life" is not just our business vision, but also our vision for sustainability. Improving people's quality of life is the key for sustainable development. Quality of life represents the level of well-being and fulfilment that people enjoy from a combination of their economic, social and environment conditions. And thus, achieving quality of life requires our contribution to economic growth, social progress and environmental sustainability. Our ultimate goal is to create a thriving and resilient community where people can enjoy better quality of life, without compromising the quality of life of future generations.

5.1.2 Sustainability Governance Structure

NFPM's sustainability governance structure with detailed roles and responsibilities is summarised as follows:



5.1.3 Sustainability Policies

We have various policy commitments for responsible business conduct, while taking the sustainable development of society and environment into consideration. These include the Breastfeeding Friendly Policy, Customer Care Policy, Environmental Policy, Green Procurement Policy, Occupational Safety & Health Policy and Personal Data Protection Policy.

In addition, we have implemented an Integrated Management System ("IMS") that incorporates requirements of the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 10002:2018 – Quality Management – Customer Satisfaction, ISO 45001:2018 Occupational Health and Safety Management. All staff are required to follow the procedures under the IMS to deliver our services with quality control, legal compliance, environment consideration, safety and customer satisfaction.

5.1.4 Sustainability Framework 2030

To accomplish our sustainability vision, we have developed our sustainability framework with a focus on four themes: People, Environment, Partnership and Governance. Also, innovative approaches and cutting-edge technologies are of paramount importance to our sustainability goals.



Environment



People



Partnership



Governance

5.2 Corporate Compliance

Our ethical culture that encompasses anti-corruption, anti-bribery, anti-money laundering and fair competition is embedded in our business and operation. To deal with any unethical and illegal cases, we have whistleblowing and grievance mechanisms in place for reporting and follow-up.

5.2.1 Ethical Culture

Fairness, honesty and integrity are our important business assets and therefore we require all employees to perform their duties with the highest standards of impartiality, integrity and professionalism, so as to maintain the reputation of NFPM and be free from fraud, illegality and corruption.

All new staff, including members of the Boards, are required to sign the Conflict of Interest Declaration and Declaration of Director's Fee and Other Income Acceptance, to declare any possible or perceived conflict of interest which may arise during their employment. Our Guidelines on Handling Potential Conflicts of Interest provides guidance to employees on how to avoid and manage potential conflicts of interest.

We strictly follow the Prevention of Bribery Ordinance and provide clear instruction to our staff to familiarise themselves with the ordinance. We forbid our staff to accept any advantage and entertainment, provide benefits or forge any documents or records. Our anti-corruption policies and procedures are well-distributed and relevant training is organised by the Independent Commission Against Corruption ("ICAC") for our employees.

5.2.2 Whistleblowing/ Grievance Mechanism

To enhance sound corporate governance, we have a Whistleblowing Policy that allows employees to raise their concerns about any activity within NFPM that is deemed illegal, immoral, illicit, unsafe or fraudulent. All reporting is confidential and our employees will not be exposed in any way to intimidation or retaliation.

Meanwhile, employees can make a complaint if they have been treated unfairly at work, or when they suspect that other employees have violated our code of ethics. All complaints should be made to their immediate supervisor. If an employee is not satisfied with the way the case is handled, appeal can be made to the next supervisor level or directly to the department head. For appropriate cases, complaints can also be lodged directly with the Human Resources Department.

We have established procedures to instruct our staff on handling customer comments, requests and complaints. Effective preventive measures are also in place. All responsible staff members receive training on ISO 10002 and customer service, so they can familiarise themselves with these procedures and measures. In addition, we regularly evaluate our service performance and monitor effectiveness to improve service quality.

5.2.3 Legal Compliance

During the reporting year, three instances of non-compliance with local laws and regulations were reported. The total fines incurred by all the incidents were HKD \$46,859.8 and none of these instances caused non-monetary sanctions. Non-compliance cases were related to wages for statutory holidays, small claims tribunal and occupational health and safety.

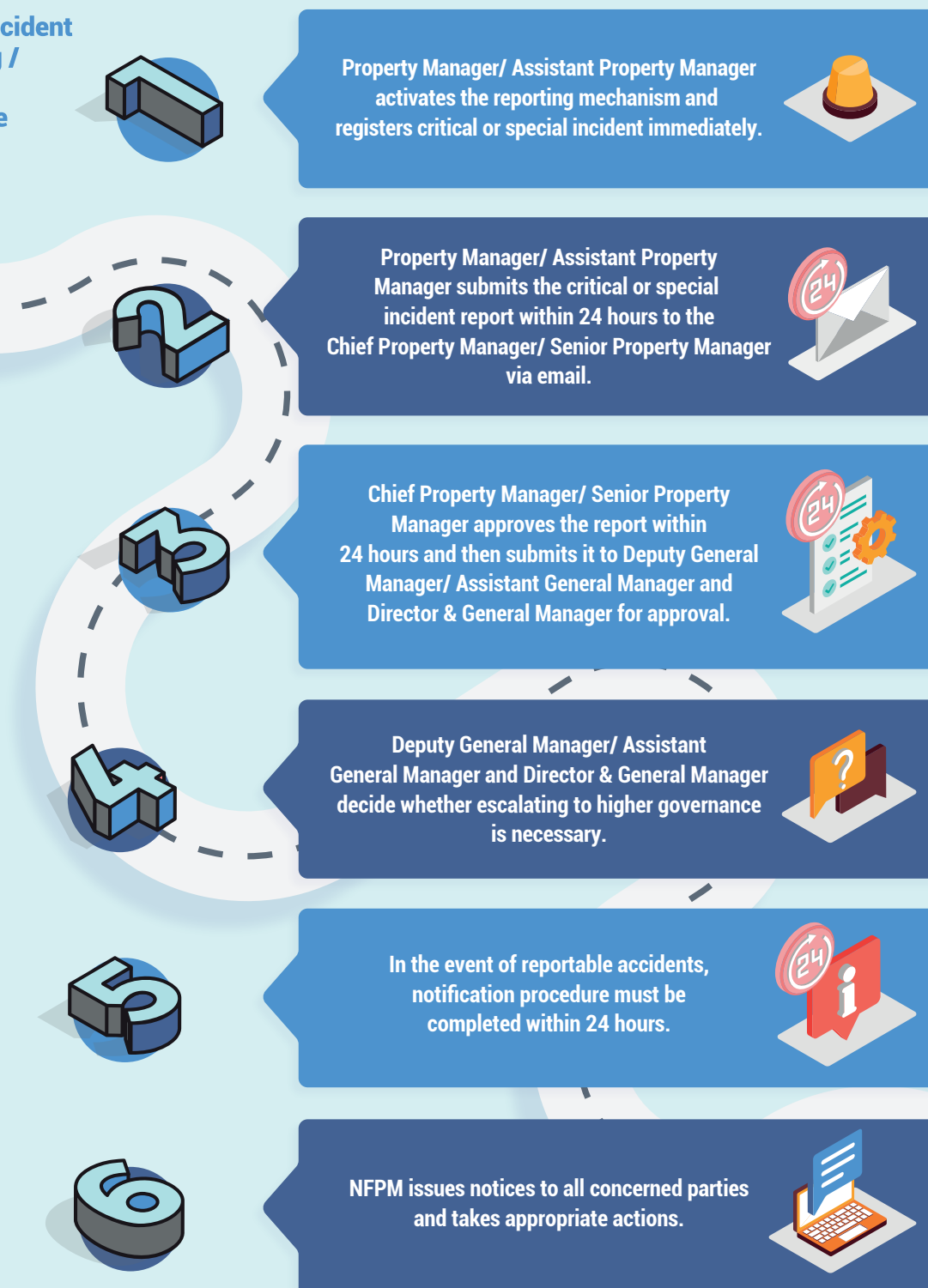


5.3 Business Continuity

To support continuity of operations under a range of different circumstances, such as the ability to respond to risks, automatic adjustment and rapid response to ensure the continuity of critical business functions, standard operational plans and procedures are on board for our facilities and services.

When critical incidents (e.g. casualties, property damage) occur in our managed properties, we shall follow the prescribed procedures on the next page.

Critical Incident Reporting / Handling Procedure



There were 40 cases of critical concerns during the reporting year. Cases were related to public health (COVID-19-related), emergencies (fire, facility suspension), internal issues (staff physical discomfort, serious staff complaint, staff dispute), crime (burglary, monetary/ facility damage), media inquiries (potential media coverage on incident).

We employ a risk-based thinking approach to prevent or reduce undesired effects and to drive continuous improvement. We identify risks and opportunities in the business environment, company operation, property operation, human resources, financial management and customer service in the IMS manual, and develop a preparedness and response plan for effective risk management.

5.4 Materiality and Stakeholder Engagement

Stakeholder engagement also plays a pivotal role in our governance strategy. We have invited a wide range of stakeholders to participate in our regular engagement activities. We have various communication platforms for stakeholders to discuss the priorities of sustainability topics and provide suggestions for us to make informed decisions and actions for future sustainability challenges.

5.4.1 Materiality Assessment

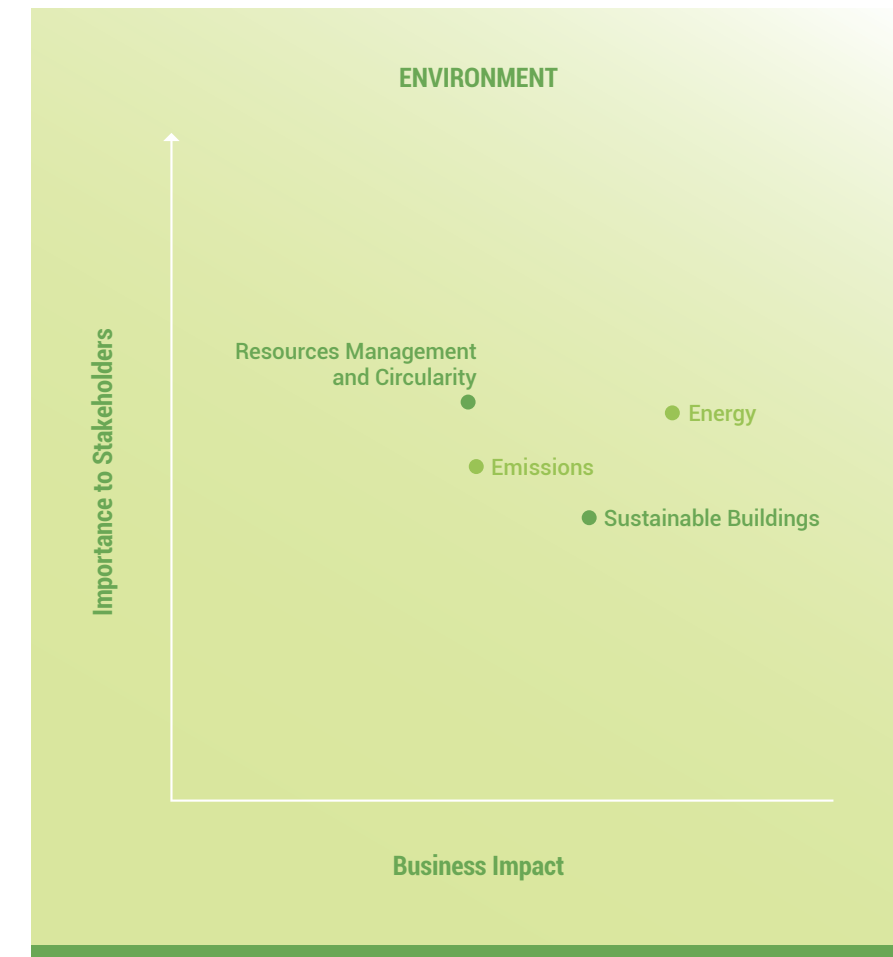
In order to develop this report in accordance with GRI Standards 2021, we have conducted online surveys and interviews to understand the sustainability issues that matter most to our stakeholders and how our economic, social, and environmental impacts are perceived along our value chain. After collecting feedback from stakeholders on our sustainability efforts, we have conducted materiality assessment to prioritise material topics in the environmental, social and governance aspects.

We have identified and engaged various stakeholder groups, including internal staff, business partners, owners' corporation/ owners' committee, customers, suppliers & contractors, industry associations/ government departments and non-governmental organisations. In this reporting year, an independent external consultant was appointed by NFPM to conduct annual stakeholder engagement activities for sustainability reporting.

5.4.2 Materiality Matrix

Results of the above exercise are illustrated in the materiality matrix to provide an overview of the material topics that are relatively important to our stakeholders and business.

We have identified a total of 23 potential topics that are relevant to our business for the reporting year. After the quantitative analysis and discussion with the Boards and Committee, 14 material topics at a high materiality level have been selected.



5.4.3 Material Topics and Corresponding Impact Reporting

List of Material Topics and Corresponding Definitions and Disclosure Items







	Material Topics Identified	Definition	GRI Standards	Chapter
GOVERNANCE				
1	Business Continuity	Maintain our facilities and ensure operational plans are in place to support continuity of operations under a range of different circumstances, such as the ability to respond to risks, automatic adjustment and rapid response to ensure the continuity of critical business functions.	GRI 2-16 Communication of critical concerns	Governance
2	Business Ethics	Maintain high ethical standards when conducting business, including in relation to anti-corruption, anti-bribery, anti-money laundering and fair competition, etc.	GRI 2-15 Conflicts of interest GRI 2-27 Compliance with laws and regulations GRI 205 Anti-corruption GRI 206 Anti-competitive behavior	Governance
3	Corporate Governance	Maintain strong and effective corporate governance, including corporate compliance, internal controls, risk management, etc.	GRI 2-9 Governance structure and composition GRI 2-22 Statement on sustainable development strategy GRI 2-23 Policy commitments GRI 2-24 Embedding policy commitments	Governance
4	Data Privacy and Security	Ensure data privacy and information security of the company, customers and employees.	GRI 418 Customer privacy	People
5	Operational Efficiency and Continuous Improvement	Enhance productivity and increase operational efficiency, and look for ways to drive continuous improvement, such as improving operating models, etc.	GRI 2-25 Processes to remediate negative impacts GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 2-29 Approach to stakeholder engagement	Governance People
ENVIRONMENT				
6	Emissions	Reduce greenhouse gas and air pollutant emissions arising from operational activities, such as carbon dioxide, nitrogen dioxide, etc.	GRI 305 Emissions	Environment
7	Energy	Minimise energy consumption through investment on efficiency practices for operational activities, such as increasing the proportion of renewable energy, energy-saving measures, etc.	GRI 302 Energy	Environment
8	Resources Management and Circularity	Manage resource consumption and minimise waste generated from operations, such as recording and managing the types of waste generated by individual properties, the amount and rate of recycling and reuse, etc.	GRI 306 Waste	Environment
9	Sustainable Buildings	Operate facilities that meet local and international green building standards, including BEAM Plus, LEED, WELL, etc.	NA	About NFPM Environment
SOCIAL				
10	Customer Experience	Deliver a superior customer experience, enhance ongoing communication and engagement with our tenants and customers to drive improvement, and conduct regular customer opinion surveys.	GRI 416 Customer health and safety	People

	Material Topics Identified	Definition	GRI Standards	Chapter
11	Employee Experience and Human Rights	Deliver great employee experience in all stages of an employee's journey, while upholding human rights, such as setting up policies on anti-discrimination, forced or compulsory labour and child labour, etc.	GRI 2-7 Employees GRI 2-19 Remuneration policies GRI 2-20 Process to determine remuneration GRI 2-21 Annual total compensation ratio GRI 401 Employment GRI 405 Diversity and equal opportunity GRI 406 Non-discrimination GRI 408 Child labor GRI 409 Forced or compulsory labor	Governance People
12	Health, Safety and Well-being	Promote the health, safety and well-being of our stakeholders, including employees, customers, suppliers, and neighbours with whom we share local communities, with an aim to prevent fatalities, injuries and harm to health, etc.	GRI 403 Occupational health and safety GRI 416 Customer health and safety	People
13	Learning and Development	Provide learning and development opportunities to equip our people with relevant competencies and skills.	GRI 404 Training and education	People
14	Talent Attraction and Retention	Attract and retain our people to ensure success of their career and our business, such as providing a clear salary and promotional ladder, staff benefits, flexible working environment, occupational safety and health, etc.	GRI 401 Employment	People

5.4.4 Stakeholder Engagement

We actively engage various key stakeholders on diversified platforms to seek their views on important sustainability topics and provide feedback for us to take practical actions to prepare for sustainability challenges. Our wide range of communication platforms for stakeholder engagement are listed below:

List of Stakeholders and Corresponding Communication Channels

<div>Internal Staff</div> <div></div> <div><ul style="list-style-type: none">- Meetings- Intranet- VIVA Connect (staff communication app)- E-newsletter- Annual Survey- LinkedIn- VIVA Lab (staff training institute)</div>	<div>Business Partners</div> <div></div> <div><ul style="list-style-type: none">- Meetings- Survey- LinkedIn</div>	<div>Owners' Corporations/ Owners' Committees</div> <div></div> <div><ul style="list-style-type: none">- Meetings- Survey- Circular- Annual Survey</div>	<div></div> <div><ul style="list-style-type: none">- Meetings- Circular- Hotlines- Suggestion Cards- Annual Survey- VIVA Xplore (online lifestyle channel for residents and tenants)</div>
<div>Suppliers and Contractors</div> <div></div> <div><ul style="list-style-type: none">- Meetings- Survey</div>	<div>Industry Associations/ Government Departments</div> <div></div> <div><ul style="list-style-type: none">- Site Visits- Survey- Seminars</div>	<div>Non-governmental Organisations</div> <div></div> <div><ul style="list-style-type: none">- Survey- Community Events- Joint Projects</div>	

Environment



We demonstrate our care for the environment by managing carbon and energy, waste and resources as well as working towards circularity.



Protecting the environment is one of the key themes of our sustainability vision for both NFPM and Nan Fung Group. Through a holistic environmental management approach for different aspects including carbon, energy, water, resources management, we demonstrate our care for the earth and commitment to stay resilient amid climate change and other environmental challenges. We also implement a range of strategies from greening our operation to raising eco-awareness of our suppliers, tenants and customers.

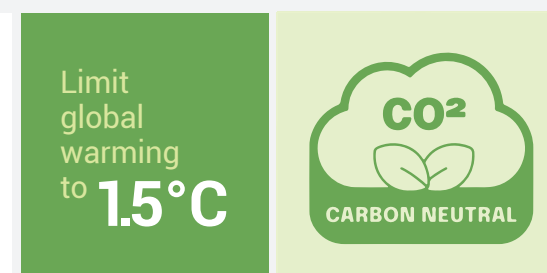
6.1 Environmental Management Approach

With a well-established Environmental Management System based on ISO 14001:2015 standard, NFPM's managed offices and properties regularly track and manage environmental performance. A set of policies and procedures are put in place to guide our personnel with well-defined roles and responsibilities. We also constantly review and update our stakeholder list to ensure that they are effectively engaged in environmental issues. To maintain our ISO certification annually, internal and external audits are conducted regularly to ensure good implementation of processes.

6.2 Carbon and Energy Management

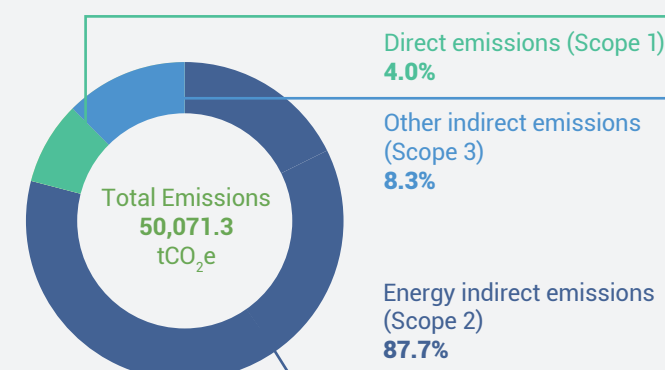
NFPM has actively reviewed the progress and continued to explore energy performance improvement opportunities through enhancing energy efficiency and adopting renewable energy to achieve our energy and carbon targets. As a result of a successful implementation of sustainability measures, our managed properties are recognised by local and international green buildings certifications.

6.2.1 Carbon Target



With the aim to contribute our utmost effort to combat climate change, Nan Fung Group has committed to a Science-Based Targets initiative that aligns with the latest climate science consistent with the Paris Agreement, which aims to limit global warming to 1.5°C and achieve carbon neutrality by 2050. In line with the HKSAR Government's Climate Action Plan 2050 and the Group's target, NFPM has also ramped up its sustainability efforts to accelerate its pathway in the carbon reduction roadmap.

GHG Emissions in 2021/22



6.2.2 Energy Efficiency

NFPM has set a target to reduce electricity consumption by at least 20% as compared with baseline year by 2030. In stepping up our efforts to achieve energy efficiency, we proactively seek the latest technologies and innovative approaches. Smart and artificial technologies are adopted to monitor energy performance of facilities and optimise energy consumption with data analytics.

Case Study

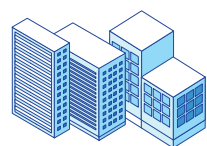


NFPM x CLP Energy Benchmarking System

Since 2022, we have collaborated with China Light and Power Company Limited ("CLP") to launch "NFPM x CLP Energy Benchmarking System" to optimise energy efficiency of operations by using data-driven analysis. 75 of our managed properties have joined in Phase 1. The bespoke platform allows technical teams to monitor the energy performance of each property easily, analyse massive volume of energy data, and review energy usage pattern, therefore facilitating them to identify potential areas for savings and formulate effective energy saving plans. With the launch of system 2.0 and installation of smart meters in 2023, new features including consumption forecasts, benchmarking, carbon footprint calculation, energy consumption alerts would be added, and thus enabling management teams to draw additional insights from the data for future planning and energy management.

In addition to adoption of new technologies, NFPM also looks into its existing operation to gauge the energy consumption patterns and explore room for improvements. We have arranged energy audits for managed properties to keep track of their energy performance and identify energy saving opportunities. During the reporting year, energy audits were arranged for a total of 22 properties. To further promote advantages of energy audits, we are expecting to extend the regular energy audit to 95% of eligible properties by 2025.

22 properties
conducted
energy audit

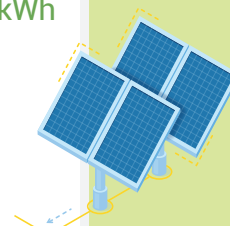


On the operation side, a comprehensive plan has been developed to review the operation of all properties by phases, and the properties will conduct the review according to schedule. We have also implemented retro-commissioning ("RCx") in our managed properties, and 10 technical staff attended RCx training and passed the examination during the reporting year. After equipping our technical staff with professional RCx skills, NFPM can optimise the operational performance of our buildings.

6.2.3 Renewable Energy

Recognising the importance of cleaner energy source, NFPM supports the use of renewable energy by encouraging the installation of solar panels. As of 31 October 2022, a total of 6 managed properties have solar panels installed, generating 288,858 kWh of electricity during the reporting year. To demonstrate our stronger commitment to the wider use of renewable energy, our target is to generate more than 489,000 kWh of renewable energy by 2025.

288,858 kWh
of
renewable energy
generated



Case Study

Solar panels installed at Nan Fung Sun Chuen

Nan Fung Sun Chuen joined the Feed-in Tariff scheme of the HKSAR Government in 2022 for a contract period of 12 years. A total of 240 solar panels have been installed on the rooftop of 12 blocks, yielding multiple benefits including provision of clean energy, cooling effects and better utilisation of rooftop space. It is estimated that 140 MWh will be generated each year, providing long-term benefits to residents while increasing their environmental awareness.



6.2.4 Green Building Certifications

Committed to upholding the best practices in sustainable building, NFPM actively pursued BEAM Plus certification, one of the leading independent assessments of building sustainability in Hong Kong. Among our managed property portfolio, over 50% have either attained or are under applications for BEAM Plus Existing Building Version 2.0 Selective Scheme certification on one or more aspects.

Besides BEAM Plus, our recent developments also attained other international green building recognitions. Details refer to Chapter 4.

6.3 Water Management

Well aware of the global and regional issue of water scarcity and importance of wastewater management, NFPM strives to safeguard the quality of water and effluents in its operation by joining the government's schemes, and also adopting various water saving measures.

6.3.1 Water Saving Measures

Apart from common approaches such as installation of automatic water taps, NFPM has adopted innovative technologies to further reduce water consumption. Two robots have been adopted in Nan Fung Tower to provide efficient cleaning and disinfection services in an environmental-friendly manner. ECOBOT, a cleaning robot, is used to perform floor washing, drying, dirt absorption as well as disinfection function at the office and mall twice a day according to the planned schedule and route. The UV-C Smart Disinfection Station is a robot that adopts a dry and chemical-free disinfection method. By utilising these two robots, 83% of water and 100 Liter/month of disinfectant can be saved.





To further save water resources, one of our managed properties – AIRSIDE has installed the rainwater recycling and stormwater management system which has the largest stormwater storage capacity for a commercial building in Hong Kong. Rainwater is harvested to serve the purposes of both flooding prevention and catering to 80% of the building's irrigation needs. A first-of-its-kind biofiltration system constructed in the form of artificial wetland is also set up in the podium garden of AIRSIDE. This green and innovative system collects greywater from hand washing basin and recycles it for irrigation purpose, thus reducing the amount of freshwater consumption.

6.3.2 Quality Water Supply for Buildings

To encourage continuous good practices of water management among our building management personnel and ensure water safety in our managed properties, NFPM has joined relevant schemes launched by the government. As of October 2022, a total of 42 managed properties have received the Quality Water Supply Scheme for Buildings – Fresh Water (Management System) accreditation and 32 properties have received the Quality Water Supply Scheme for Buildings – Flushing Water accreditation from the Water Supplies Department. We target to obtain the Quality Water Supply Scheme for Buildings – Fresh Water Certificate for at least 85% of our eligible managed properties by 2030.



6.4 Resource Management and Circularity

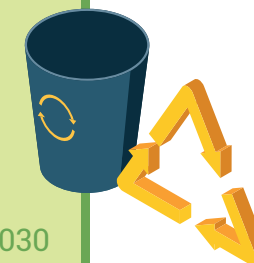
NFPM strives to fully leverage our role to facilitate sustainable use of resources and waste reduction through various measures and initiatives. In addition to the waste management guidelines embedded in our Environmental Management System, we actively promote waste reduction and recycling among our staff, while also embracing new technologies to facilitate waste reduction of our tenants. Through these waste reduction measures, NFPM is anticipated to divert at least 30% of municipal solid waste from landfills by 2030.

6.4.1 Waste Reduction

NFPM has launched different initiatives to encourage waste reduction among staff members. We have set up a co-share online platform which allows our staff members from different properties to exchange the reused festive decorations, encouraging them to avoid unnecessary consumption and promote the awareness of waste reduction.

To further reduce non-biodegradable waste, we have adopted eco-friendly materials. During the fifth wave of the COVID-19 pandemic, an EDUTAINMENT kit was distributed to our staff. Made with corn starch and glycerin, #INVISIBLEPUFF are water-soluble and plastic-free packing peanuts, while the bags for packaging, #INVISIBLEBAGS, are also water-soluble, compostable and biodegradable. Integrating such eco-friendly elements, not only did we extend our care to our staff during the pandemic period, but at the same time this helped spread environmental awareness to our staff and their family members.

Divert at least
30%
of municipal solid waste
from landfills by 2030





6.4.2 Waste Recycling

To facilitate waste recycling, NFPM has set up various kinds of waste recycling bins at our managed properties, and also installed food waste decomposers at some venues. Besides supporting the government's waste reduction targets and initiatives such as the Waste Electrical and Electronic Equipment Recycling and Donation Programme, NFPM has also actively promoted different recycling initiatives organised by the government or non-governmental organisations. For example, we promoted the Natural Christmas Trees Recycling Programme and Peach Blossom Recycling of Y · Park, participated in the mooncake recycling initiative organised by Food Grace, and recycled festive items under the Lai See Recycle and Reuse Programme by Greeners Action. NFPM also partnered with Vitasoy and set up "Beverage Carton Clean" recycling eco corners at our managed properties to promote recycling and increase the awareness of environment protection.

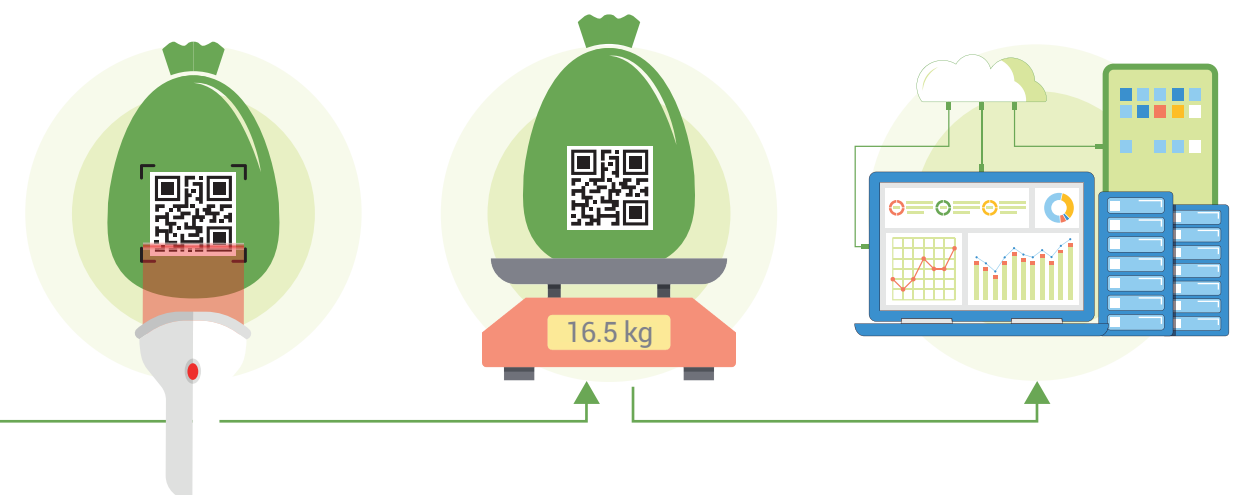
6.4.3 Smart Waste Management

NFPM takes a proactive approach on integrating smart and innovative technologies into our green property management. At AIRSIDE, a built-in Automatic Refuse Collection System has been installed. The waste will be weighted, collected and stored in a centralised and enclosed facility while maintaining hygiene. With this intelligent waste management system, we provide data insights on each tenant's waste disposal through our self-developed tenant portal and allow tenants to monitor their waste reduction progress. Meanwhile, we have been exploring the feasibility of adopting smart bin scales to weigh and record the collected general refuse and recyclables for enhancing accuracy and efficiency of waste data collection, so as to enable tracking of waste data and further facilitate waste reduction.

6.5 Sustainable Procurement

NFPM has established a Green Procurement Policy to guide our procurement practices to minimise the negative impact on the environment. Under the policy, all suppliers are required to comply with social and environmental requirements. In addition, NFPM required 11 procurement items to meet the green specifications issued by the Environmental Protection Department during the reporting year. We have expanded the list of green procurement items from 11 to 14 which was implemented from April 2023.

	Pest control (termiticide)		Fluorescent tube/ Compact fluorescent lamp
	Solvent-based/ Water-based paint for building finish		LED lamp
	Adhesives and sealants		Recycled paper for printing
	All purpose cleaner		Toilet paper & paper towel
	Sanitary detergent		Plastic garbage bag
	Soap toilet liquid		Paper envelope
	Hot/ Cold bottled water dispensers		Glue / Adhesive



6.6 Fostering Environmental Awareness

Environmental protection requires the joint effort of various parties. NFPM spares no effort in raising environmental awareness of our staff and fostering their green habits. To integrate green elements into our daily operations, we endeavour to drive environmental efforts among our people and contribute to sustainable development.

6.6.1 Monthly Environmental E-newsletter

Every month, NFPM prepares and disseminates environmental e-newsletters to our staff members to enhance their environmental knowledge and keep them up-to-date of the latest environmental trends.



6.6.2 Green Activities for Staff

Through organising green seminars and visits such as a site visit to Y · Park, we have enriched our staff with environmental related knowledge and fostered their environmental attitude through immersion activities.



6.6.3 Participation in Charter Schemes

NFPM actively participates in different charter schemes organised by the government and NGOs to engage our staff and tenants, while demonstrating our environmental commitments. For example, we joined the "Energy Saving Charter & 4T Charter Schemes 2022" organised by the Environment and Ecology Bureau, "No Air Con Night" organised by Green Sense and the "ECH2O – Enterprises Cherish Water Charter" by the Water Supplies Department.



Besides, NFPM has also staunchly supported the "Charter on External Lighting Campaign" organised by the Environment and Ecology Bureau. As of October 2022, 75 managed properties have signed the charter, with 58 managed properties receiving Platinum Award and 17 managed properties receiving Gold Award.

75 properties signed Charter on External Lighting



People



We show our value to people through community investment, talent development and improvement on well-being.



Adhering to Nan Fung Group's motto of "Care for others as well as you would care for yourself", NFPM attaches great importance to safety, health and wellness of our staff, customers and the community. We have taken proactive measures to take care of our staff and customers, especially during the pandemic. To achieve our sustainability vision, we are committed to providing excellent service to our customers, valuing our staff, and making contribution to the community.

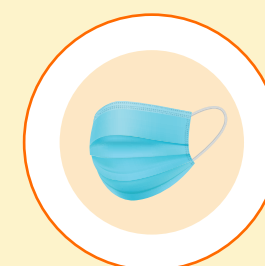
7.1 Caring our people during COVID-19

Since early 2020, the global outbreak of the COVID-19 pandemic has infected millions of people. While the HKSAR Government widely enforced social distancing restrictions in early 2022, we maintained our service operations and at the same time catered to people's health needs. As a socially responsible company, NFPM has put in place measures for our staff and customers to fight against the pandemic together.

7.1.1 Staff

We placed special emphasis on the well-being of our staff and their families. To avoid COVID-19 infection which would endanger the health of our staff and their family members, NFPM launched the "Accommodation Subsidy Scheme" which aimed to relieve our staff's safety concern for their family members when they performed duties at high-risk workplaces.

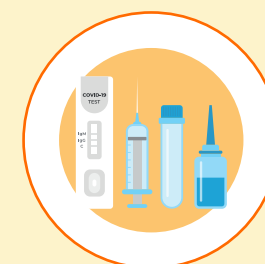
We protected our staff's health by providing protective kits comprising KF94 mask, face shield and rapid antigen test kits, as well as customised INNOTIER masks. To support our staff's mental well-being, a 24-hour counselling hotline with professional emotional support services was set up for our staff and their families.



Masks



Face-shield



Rapid antigen test kits



24-hour counselling hotline

To further promote a healthy lifestyle during the pandemic, more than 5,400 cabbages of fresh vegetables and fruits were prepared for our staff and their families. All grown by local farmers, the wide variety of produce on offer include carrots, papayas, tomatoes, beetroots, celeries, pumpkins, bananas, yams, potatoes, lettuces, etc.

7.1.2 Customers

Hygiene has always been our top priority during the COVID-19 pandemic, and we took additional steps to protect the health of our customers. By adopting stringent hygiene measures, comprehensive and technical disinfection practices, additional infrared body temperature screening instruments, and innovative technologies such as cleaning robots, we have maintained high hygiene standards in our managed properties to care for our customers.

We also prepared special caring cards and packs for residents in our managed properties. The pack consisted of various items to support the physical and mental health of customers who had undergone mandatory home quarantine.

To further extend our care to our employees' families, we distributed EDUTAINMENT kits as a warm gesture. Each kit comprises a board game and a green handcraft pack. In a unique theme of Hong Kong wet markets, the board game is ideal for family fun time, while the green handcraft pack - #INVISIBLEPUFF encourages children to bring creativity to life.



7.2 Customer Focus

"Customer Focus" is a principle we swear by and we endeavour to serve what our customers need. Our commitment to delivering service excellence is the bedrock of business success and contributes to customer well-being.

7.2.1 Customer Experience

NFPM has established the Customer Care Policy to strive to deliver service excellence and exceed our service commitments. Accredited to ISO 10002:2018 - Quality management – Customer Satisfaction, NFPM has developed comprehensive guidelines for employees on risk prevention, handling and monitoring complaints. All required procedures and information are updated periodically as required.



97.52%



Overall
customer
satisfaction
rate

To maintain close communication with customers, NFPM has established various communication channels, including online feedback form, suggestion cards, email feedback and online and physical meetings, to collect customers' opinion and feedback. Annual customer and management service surveys are two of the channels to closely track customer sentiment to ensure prompt response. These surveys focus on various aspects, such as repair and maintenance works, environmental protection measures, clubhouse management, cleaning, security, etc. For the year 2021, our survey result showed a high score of 97.52%. Also, we have established a mystery visitor and caller programme to do sample evaluation on our service quality.

NFPM is devoted to allocating more resources to enrich the customer experience. For example, we have developed "VIVA Xplore", an expansion of VIVA Online. VIVA Xplore is a new initiative launched in 2022 to inspire our customers to embrace wellness and sustainability in their daily lives. VIVA Online is a lifestyle channel offering online workshops and experiences in various aspects for residents, while VIVA Xplore reaches out to both our tenants and residents.

To safeguard the personal data and privacy of our customers, all NFPM employees are required to comply with the requirements under the Personal Data (Privacy) Ordinance, as well as the standards for personal data security and confidentiality. During the reporting year, there were no identified leaks, thefts, or losses of customer data, or any substantiated complaints from regulators.

7.2.2 Customer Wellness

We have ingrained several caring designs in our property facilities to provide a family-friendly shopping experience to our customers. To address the needs of breastfeeding mothers, NFPM has explored different initiatives to create a breastfeeding-friendly mall, such as increasing the number of baby care rooms and lactation rooms, or providing baby bottle warming service. Our managed properties, including AIRSIDE, MOS Centre, Nan Fung Place, The Mills, and TKO Plaza, have been recognised as Breastfeeding-friendly Star Premises by the "Breastfeeding

Friendly Community Initiative" Campaign co-organised by School of Nursing, the University of Hong Kong, Hong Kong Breastfeeding Mothers' Association and Natural Parenting Network. Some of these properties are also certified by Breastfeeding Friendly Premises Gold Label under the "Say Yes To Breastfeeding" campaign organised by the Hong Kong Committee for UNICEF.



To enhance the development of "Age-friendly City" and cater for the needs of customers of all ages, NFPM has optimised age-friendly measures across its managed properties. AIRSIDE, MOS Centre, Nan Fung Place, The Mills and TKO Plaza have signed the "Charter for Age-friendly" under the Jockey Club Age-friendly City Project.

To promote wellness and environmental awareness among customers, we have utilised VIVA Xplore to provide a series of free online talks featuring environmental tips, emotional health and public first aid. The first talk - "Know More About Household Environment Protection" - was held on 26 October 2022 in collaboration with Endeavour Environmental Education Foundation. Participants were provided with tips on waste recycling to prepare for the coming Municipal Solid Waste Charging Scheme.



7.3 Valuing Our Staff

NFPM highly appreciates and values talents. We offer competitive remunerations and various staff benefits, including medical and dental insurances, retirement plans (e.g. MPF and ORSO schemes), education sponsorship, etc., to all employees meeting the eligibility criteria under their contracts. To promote work-life balance, we provide appropriate levels of annual leaves, birthday leaves, maternity leaves, parental leaves, etc.

"Nan Fung Performance Management System 2.0 – NF OKR" has been established to regularly review the work performance and career development of all eligible full-time headquarter staff, including members of the highest management levels. Regarding outposted employees, we have another performance and development system to review their performance. Staff with excellent contributions will be rewarded by various incentives, such as double pay/ discretionary bonus, attendance bonus or performance allowance.

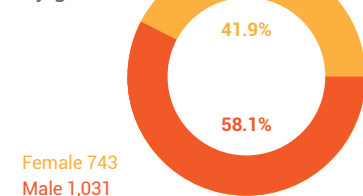
We actively engage our staff to ensure smooth operation of NFPM's managed properties. In addition, we foster a healthy, inclusive and safe working environment for our staff, and provide all employees with opportunities for all-round growth.

7.3.1 Inclusive Workplace

NFPM is committed to creating an inclusive working environment to ensure that every staff member is treated equally and fairly, regardless of gender, pregnancy, disability, marital status, race or family status. During the reporting year, no violation of laws and regulations related to child or forced labour or discrimination was identified in our operations or across our supply chain. We have also developed the Breastfeeding Friendly Workplace Policy and created a breastfeeding-friendly working environment to raise community awareness for the benefits of breastfeeding.

Staff Statistics 2021/22¹

Breakdown by gender



Breakdown by age group

140 (8.7%) Aged under 30
579 (35.8%) Aged 30 – 50
899 (55.6%) Aged over 50

Breakdown by employment category²



Senior Management - 8 (0.5%)
Middle Management - 96 (5.9%)
General Employee - 1,514 (93.6%)

¹ Percentages may not add up to 100% due to rounding.

² Only full-time and contract employees are counted.

7.3.2 Staff Communication and Engagement

Effective workplace communication and engagement is vital for building a cohesive team and achieving productivity. With this in mind, we provide tools and resources to enhance employee experience and corporate culture.

Case Study

VIVA Connect

We place great emphasis on engaging our staff. To enhance internal communication, a new staff app – "VIVA Connect" – has been launched to engage our staff and provide various information, including company updates, for easy access. All employees are now enabled to access company information from anywhere at any time and register for company events via the platform.



For the first time since the fifth wave of the pandemic, all senior managers met face-to-face in the "All Hands on Deck" meeting on 28 October 2022, which was a valuable opportunity for our staff to catch up with their work buddies and learn about the latest development of NFPM.



7.3.3 Staff Wellness

NFPM always ensures a high standard of occupational safety and health ("OSH") at our business operations. We presented seasonal gifts to our staff during the year and formed different sports teams to promote a balanced lifestyle.

7.3.3.1 Occupational Safety and Health

We have developed, implemented and maintained a comprehensive OSH management system, and strive to improve our OSH performance to create a safe and healthy working environment for our staff in accordance with the Factories and Industrial Undertakings (Safety Management) Regulation and ISO 45001:2018 Occupational Health and Safety Management System. NFPM targets to reduce the work-related injury rate to less than 20 per 1,000 employees, and to maintain an employee lost-time injury rate of less than 3 and a record of zero work-related fatalities for employees by 2030.

NFPM's Steering Committee on Sustainable Development is responsible for regular review of OSH policies and annual targets setting. Our Wellness Taskforce under the Committee ensures all employees strictly abide by OSH regulations and ordinances. The Taskforce has implemented all appropriate OSH measures, including frequent OSH training (e.g. short-term classes, seminars, workshops), OSH Quiz and Competitions and monthly issuance of OSH newsletter. The Taskforce has also regularly collected and reviewed constructive suggestions from our staff and encouraged them to actively participate in OSH initiatives. NFPM sets annual targets for OSH performance indicators and keeps track on the progress for continuous improvement.



Case Study

VR Safety Training

To leverage on state-of-the-art technology, since 2021 we have been employing virtual reality ("VR") technology in our OSH training modules. This cutting-edge technique enables colleagues to practise safety procedures by simulating various realistic scenarios, including working on various working platforms, such as gondola, scissor, ladder platform and metal scaffolding. With positive feedback from participants, the use of VR technology has been expanded to security training modules covering topics on daily patrol work, safety use of fire extinguishers, manual handling, etc., with an aim to enhance safety awareness of new frontline security staff.



Our Safety Manager and Senior Security Managers have delivered around 46 classes of VR training on work-at-height procedures and security.

OSH training is also a mandatory training for technical staff. 85% of our technical staff attended the training, contributing 402 training hours as at February 2023. The remaining 15% of technical staff will be arranged to attend training before September 2023. For the security training module, NFPM requires all new security staff to attend and plans to expand this requirement to all security staff within 2 to 3 years.

OSH Statistics 2021/22

Number of recordable work-related injuries

22

Rate of recordable work-related injuries/
Lost time injury frequency rate
(per 1,000,000 hours worked)

5.0%

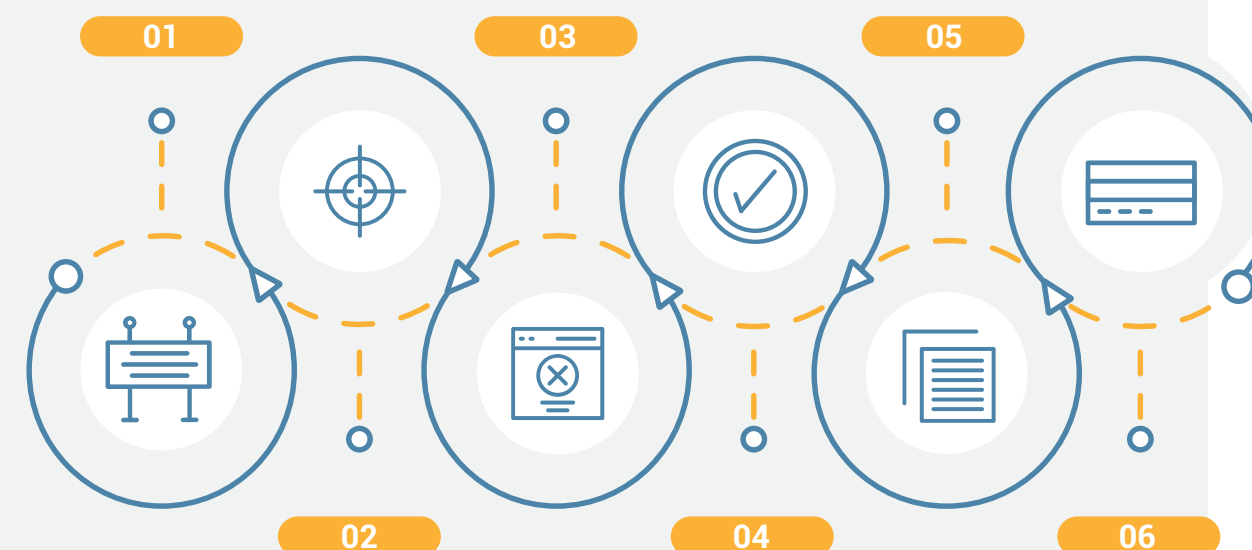
Number and rate of fatalities as a result of work-related injury
(per 1,000,000 hours worked)

0

Number and rate of high-consequence work-related injuries
(per 1,000,000 hours worked)

0

Risk Assessment and Risk Control Procedures



NFPM has assigned the Registered Safety Officer and Registered Safety Auditor as Safety Managers to drive and develop our OSH efforts, ensure excellent safety performance by developing an annual safety plan, review our OSH Policy, lead the Taskforce and supervise the implementation of all safety initiatives. In addition, NFPM follows the procedure below to identify hazards, assess risks and investigate incidents.

01 Classify Work Activities

02 Identify Hazards

03 Determine Risks

04 Decide if Risks are Acceptable

05 Develop and Implement Risk Control Plan/
Safety Procedure

06 Review Safety Action Plan/ Safety Procedures

To embed OSH into our daily operations, NFPM has also introduced OSH labels and QR codes at facilities and workplaces, with standardised forms and warning signage. During the reporting year, staff members from across NFPM were featured in a series of OSH posters highlighting best practices in manual lifting, work-at-height safety, electrical safety and proper handling of chemicals. We have properly maintained OSH reference documents on-site at managed properties. These references familiarise our staff with all serious industrial accidents across the city for a better understanding of risks.

In addition to OSH, to increase the prevalence of life-saving automated external defibrillators ("AED") and educate the public that "anyone can use an AED", we have joined the "AED Anywhere for Anyone" campaign organised by the Hong Kong Fire Services Department. By doing so, we are creating a community-based safety net to protect people who suffer from cardiac arrest. 28 properties managed by NFPM have had AEDs installed, which are easily accessible via the "Centralised AED Registry for Emergency (CARE)" online platform.



7.3.3.2 Staff Well-being

To express deep gratitude for the dedication of our frontline staff, we distributed healthy gifts during mid-autumn festival, and provided them with mosquito repellent bricks handmade by members of St. James' Settlement – Hong Kong.



NFPM won several awards organised by Occupational Safety & Health Council in recognition of our performance on OSH, including the following:

Safety Quiz 2022 (Community/ Union category) – First runner-up	Nan Fung Property Management
14th Hong Kong Outstanding OSH Employee Award (Organization/ Enterprise Front-line worker) – Merit award	Profit Industrial Building
9th Best Property Safety Management Award Best Property Management Award in Occupational Safety – Merit award	Nan Fung Tower
Health & Safety Culture Award – Merit Award 20th Hong Kong Occupational Safety and Health Award Safety Culture Award – Outstanding award	Marvel Industrial Building
17th Occupational Health Award Joyful@Health Workplace Best Practices Award (Enterprise/ Organisation Category) – Innovative Measures Award – Merit Award	Asia Trade Centre, TKO Plaza, Treasure Centre
Innovative Measures Award (Branch/ Small and Medium Enterprise Category) – Innovative Measures Award – Outstanding Award	Pei Ho Building, San Po Kong Plaza, Wonder Building
Innovative Measures Award (Branch/ Small and Medium Enterprise Category) – Innovative Measures Award – Merit Award	7-15 Mount Kellett Road, 8 Deep Water Bay Drive, Cheung Fung Industrial Building, Florient Rise, Fook Tin Building, Golden Dragon Industrial Centre, Green Park, Interocean Court, Island Garden, Kwai Chung Plaza, La Place De Victoria, Lever Building, Nan Fung Commercial Centre, No. 84 Peak Road, No. 21 Coombe Road, No. 5 Mount Austin Estate, Pao Yip Building, Profit Industrial Building, Ricky Centre, Tai Fung Industrial Building, Tak Fung Industrial Centre, The Grandville, Wah Fung Garden, Wang Yip Industrial Building, Winfield Building



NFPM also encourages staff to form various sports teams for their wellness. We have three sports teams for running, basketball and football respectively and they organise regular activities to promote a balanced lifestyle. The sports teams have also actively participated in society competitions, such as HKAPMC Football Challenge Tournament 2022, ASICS Hong Kong Half Marathon Challenge 2022 and the Shanghai Commercial Bank x Silver Lining Foundation Charity Basketball Tournament.



HKAPMC Football Challenge Tournament 2022



ASICS Hong Kong Half Marathon Challenge 2022



Shanghai Commercial Bank x Silver Lining Foundation Charity Basketball Tournament



7.3.4 Advocating “Learning and Change”

Learning is a key element for building our staff’s competencies in a dynamic and fast-changing industry. NFPM aims to achieve at least a training exposure rate of 70% for each operational function, and introduce ESG-related training for all departments and seniority levels by 2030.

NFPM has established VIVA Lab (formerly named as NFPM Institute) to provide multifaceted and tailor-made training and development activities to suit our operational needs. For example, we have organised photo-taking classes to assist staff to take photo for customers and visitors. A seminar on animal handling in collaboration with the Society for the Prevention of Cruelty to Animals have also been organised to cultivate a pet-friendly culture.



Case Study

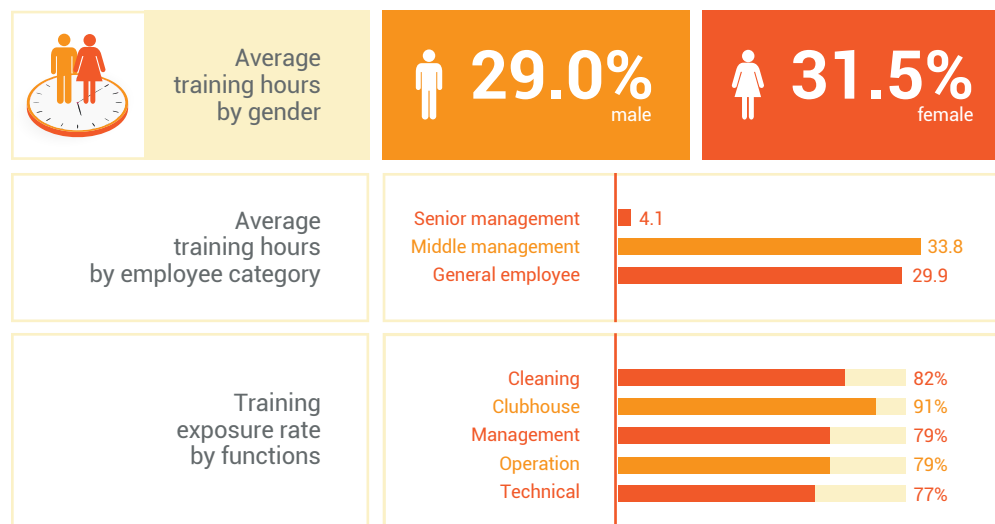
Making Impactful Presentations through Storytelling Workshop

To enhance our managers' capabilities to plan and deliver an effective and engaging presentation in daily operations, a TedX speaker and professional trainer was invited to conduct the "Making Impactful Presentations through Storytelling Workshop" in September 2022. Through a 2-day interactive workshop, our 40 senior management and middle management staff equipped with the knowledge and skills to excel in high impact presentation.



Leveraging e-learning technology to promote self-directed learning, we have also launched the VIVA Lab Hall and Atiom e-learning platform - a reactive game-based mobile app to enrich the learning experience for our staff.

Training Statistics 2021/22



7.4 Contributing to Our Community

While caring for the wellness of our staff, we also encourage employees to furnish the well-being of the community. Community engagement is indispensable for NFPM to play a meaningful role in society and to meet its social responsibilities as a corporate citizen. In the reporting year, we participated in a number of volunteering activities and campaigns.



7.4.1 NFPM Volunteer Team

NFPM have participated in a number of fundraising and volunteering activities, such as tree planting and beach clean-up. By lending a hand to our community and actively encouraging our staff to participate in community events, we target to increase both service hours and volunteer participation rate by 40% as compared with baseline year by 2030.

Case Study

In collaboration with FOODSPORT, NFPM organised a social campaign – "Let's Move for Zero Hunger" – to encourage staff to participate in sports activities, pursue a healthy lifestyle and raise food for those in need. 37 enthusiastic teams with 185 colleagues have raised a total of 800,000 kcal in food in this 10-day campaign.

A Sports Day was also organised on 23 September where staff participated in various kinds of mini sports games hosted by our volunteers and sport team members. Through this fun-filled day, participants had a chance to exercise in a fun and engaging way while making positive impact to the community.

The campaign enjoyed tremendous result, with more than 210 foodie bags converted from burnt calories and delivered to YWAM Tuen Mun Hong Kong.

Furthermore, collaborating with Nan Fung Group's SEWIT Department, Social Return on Investment was calculated as NFPM's first attempt to measure the programme's impact resulted from the above campaign. Pre and post surveys were conducted with 80 and 110 responses received respectively during the programme period to assist calculation.

Let's Move for Zero Hunger



185
colleagues

800,000
kcal

210
foodie bags

7.4.2 NGO Campaign Promotion

We continue to support our partnered NGOs and actively encourage our staff to participate in their campaigns. For example, we have promoted the first Bored Ape Yacht Club charity project launched by the Neighbourhood Advice-Action Council.

Partnership



Through partnership with stakeholders and sustainable procurement efforts, we create synergy to build a better future.



Building a growing and better future with our partners is core to the Group's and NFPM's sustainability vision. From suppliers to tenants, our mission is to engage all partners along the supply chain to achieve our sustainable development. The strong partnership we have built allows us to extend our ambition to a broader context and to promote sustainability throughout the entire value chain.

8.1 Supply Chain Management

We recognise that sustainability can bring values to our partners, benefiting the entire supply chain. We therefore actively engage our suppliers and contractors by keeping close communication and providing them with relevant guidance. Green Procurement Policy and Supplier Code of Conduct are put in place to promote best practices in supplier selections and procurement procedures. We aim to assess environmental and social risks and opportunities in a pre-emptive way, and ultimately contribute to a sustainable and resilient supply chain.

8.1.1 Supplier Code of Conduct

To ensure business operation in our supply chain is environmentally, legally and ethically responsible, since 2022 NFPM has enclosed Supplier Code of Conduct ("Code") in prequalified standard and tendering documents. The Code details guiding principles regarding to labour and human rights, legal compliance, occupational health and safety, environmental issues, anti-bribery, and anti-corruption, etc. We expect all suppliers on our approved supplier/ contractor list to fully comply with the Code. Violations to the Code could jeopardise their on-going partnership with NFPM.

8.1.2 Green Procurement Policy

Our Green Procurement Policy integrates environmental and social considerations into suppliers and contractors selection, procurement process and activities. The Policy encourages all operating units and teams to prioritise procuring sustainable items such as eco-friendly building materials, reusable products, and goods that require minimal packaging, whenever practicable. To further advance our sustainable procurement, since April 2023 we have mandated 14 procurement items commonly used in our daily operations to meet the green specifications recommended by the Environmental Protection Department.

We understand supplier and contractor engagement is crucial to minimising the impacts of our procurement activities. We are committed to communicating our Green Procurement Policy with all relevant stakeholders. Also, suppliers who fail to attain the required environmental and social standards with no remedial action taken are liable to be terminated.

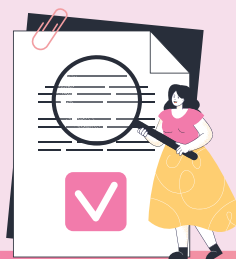


8.1.3 Supplier Assessment and Evaluation

To integrate sustainability into the selection of new suppliers and contractors, we embedded ESG requirements into our selection process. New suppliers and contractors are assessed and evaluated by a range of pre-determined criteria, including company organisation structure, technical and financial capacity, environmental as well as occupational safety and health performance. Assessment results are submitted to a panel for review on a regular basis. Preference would be given to those who have implemented OSH and environmental policies certified by the internationally recognised management systems. Also, contractors adopting sustainable practices in construction projects and suppliers providing environmental-friendly products are highly desirable.

Journey to supply chain sustainability requires continuous engagement and robust risk management, from pre-onboarding assessment to post-onboarding monitoring. As part of the onboarding procedure, contractors are required to submit their safety policy and plan before the commencement of a contract. In addition, we conduct regular reviews on approved suppliers in accordance with our ISO certified Integrated Management System to ensure that their performance meet NFPM's requirements. Specifically, NFPM has requested certain suppliers to perform environmental and safety audits on a biennial basis, and conducted post contract evaluation for high-spending suppliers and contractors. If the performance of supplier or contractor is unsatisfactory, further actions include suspending tender invitation for six months and removing the supplier or contractor from the approved supplier/ contractor list.

To ascertain alignment of sustainable goals, current assessment mechanism will be enhanced to facilitate evaluation suppliers' ESG performance and identify their ESG risks at an earliest possible time.



Prequalification & selection

Suppliers/ contractors are assessed and evaluated by a range of pre-determined criteria, including environmental and safety performance. Suppliers/ contractors who adopt sustainable practices are highly desirable.



Onboarding

Suppliers/ contractors are required to submit documents, e.g. safety plan and acknowledge NFPM policies and guidelines.



Monitoring

High risk and high-spending suppliers/ contractors are required to perform environmental and safety audits on a biennial basis.



Evaluation

Post contract evaluation is conducted for high-spending suppliers and contractors.



8.2 Supporting our Partners

Going beyond a business relationship, we strive to make it our responsibility to support our partners and community, especially in the difficult time during the COVID-19 pandemic. Echoing with the Group's "Nan Fung Compassionate Anti-Epidemic Circuit" project, our gift sets for staff and their families are packed with products from our tenants, social enterprises and local stores, to support the local economy.

Ever mindful of the importance of collective efforts, NFPM actively supports and engages our partners in making sustainable business practice a commonplace. Acting as a beacon of green business, we have planned to provide commercial tenants with a Sustainability Fit-out Guide to incorporate sustainability features into their office designs and renovations. Looking to the future, with collaborative partnership and continuous endeavour, we are transforming towards a greener commercial portfolio by promoting the signing of Nan Fung Group's Net Positive Lease among commercial tenants and offer support to tenants to achieve their sustainability goals.

Underpinned by the Group's SEWIT (Social Cohesion, Environment, Wellness, Innovation and Technology) Sustainability Framework, the Net Positive Lease ("NPL") is set to be a tenant engagement platform which provides consultation, guidelines solutions and rewards for tenants to achieve their environmental and societal goals together with Nan Fung Group.

NPL brings together office, F&B, and retail tenants to improve energy and water efficiency of their leased premises; reduce waste generation & facilitate circularity; promote social cohesion and enhance employee wellness.

Net Positive means give back more than you take from the environment or society. Adhering the Group's vision, we strive to build a socially cohesive and resilient community and to partner with our stakeholders to work towards a better tomorrow.



Performance Data

9.1 Environmental

Indicator	Unit ¹	2021/22	Sub-total	GHG intensity ²
Greenhouse Gas ("GHG") Emissions ³				
Direct emissions (Scope 1)				
Fuel	tCO ₂ e	24.1	1,984.4	0.07 tCO ₂ e/1,000ft ²
Refrigerant		1,959.4		
Towngas		0.94		
Energy indirect emissions (Scope 2)				
Electricity purchascd	tCO ₂ e	43,935.3	43,935.5	1.5 tCO ₂ e/1,000ft ²
Towngas		0.22		
Other indirect emissions (Scope 3)				
Fresh water and sewage processing	tCO ₂ e	269.1	4,150.4	0.14 tCO ₂ e/1,000ft ²
Waste disposal at landfills		3,881.3		
Total emissions	tCO ₂ e	50,071.3		1.7 tCO ₂ e/1,000ft ²
Emissions ⁴ by type				
Nitrogen oxides (NOx)	g	0.86	-	-
Sulfur oxides (SOx)		0.01		
Particulate matter (PM)		0.04		

¹ Abbreviations of units: tonnes of CO₂ equivalent ("tCO₂e"), gigajoules ("GJ"), litre ("L"), kilowatt hours ("kWh"), grams ("g").

² The total gross floor area in 2021/22 is 30,295,668.34 ft².

³ The calculation standards and methodologies for GHG emissions refer to the following:

• Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department and the Electrical and Mechanical Services Department of the HKSAR Government and the GHG Protocol. GHG types include CO₂, CH₄, N₂O, HFCs and PFCs.

• The sources of emissions factors for the calculation of GHG emissions include Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition), How to Prepare an ESG Report – Appendix 2 published by Hong Kong Exchanges and Clearing Limited, Annual Report of Water Supplies Department. The source of Global Warming Potential rates is from the IPCC Fifth Assessment Report (AR5) and Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong published by The University of Hong Kong and City University of Hong Kong.

⁴ The calculation methodologies and emission factors are referenced from How to Prepare an ESG Report – Appendix 2 published by Hong Kong Exchanges and Clearing Limited.

Indicator	Unit	2021/22	Sub-total
Energy consumption ⁵			
Direct energy consumption by type			
Diesel	GJ (L)	245.4 (6,816.3)	354.6 GJ
Gasoline	GJ (L)	20.8 (628.1)	
Liquefied petroleum gas	GJ (L)	70.7 (1,536.0)	
Towngas	GJ (Unit)	17.7 (368.0)	
Indirect energy consumption by type			
Purchased electricity	GJ ('000 kWh)	341.9 (94,982.1)	-
Purchased electricity consumption intensity	GJ/1,000ft² (kWh/1,000ft²)	0.01 (3.1)	
Total energy consumption	GJ	696.5	
Energy consumption intensity	GJ/employee	0.40	
Energy generation			
Renewable electricity generated from solar photovoltaic system ⁶	GJ (kWh)	1,039.9 (288,858.0)	-
Water consumption			
Fresh water	m³	423,409.1	-
Waste management			
Waste Disposed			
General waste	tonne	2,587.5	-
Waste Recycled			
Waste paper	tonne	470.8	682.5
Metal		50.3	
Plastic		85.9	
Glass		72.0	
Beverage carton		3.5	

⁵ Conversion factors used to standardise the units to gigajoules (GJ): diesel (0.036GJ/L), gasoline (0.033GJ/L), towngas (0.048GJ/unit), LPG (0.046GJ/kg) and electricity (0.0036GJ/kWh).

⁶ The renewable energy generated is sold to the power company.

9.2 Social

Indicator	Unit	2021/22	Sub-total
Workforce profile			
Total workforce	Number	1,744	
By gender			
Male	Number (Percentage)	1,031 (58.1%)	-
Female		743 (41.9%)	
By employment type ⁷			
Permanent - Male	Number (Percentage)	909 (56.3%)	1,616
Permanent - Female		707 (43.8%)	
Contract - Male	Number (Percentage)	122 (77.2%)	158
Contract - Female		36 (22.8%)	
By age group ⁸			
Aged over 50	Number (Percentage)	899 (55.6%)	-
Aged 30 – 50		579 (35.8%)	
Aged under 30		140 (8.7%)	
By employment category ⁹			
Senior management	Number (Percentage)	8 (0.5%)	-
Middle management		96 (5.9%)	
General employee		1,514 (93.6%)	

⁷ Percentages may not add up to 100% due to rounding.

⁸ Percentages may not add up to 100% due to rounding.

⁹ Only full-time and contract employees are counted. Senior management refers to Assistant General Manager or above, middle manager refers to Assistant Manager or above and General employee refers to all other employees.

¹⁰ New hires rate is calculated by the total number of new employee hires during the reporting period divided by the total number of full time and contract staff at the end of the reporting period, and then multiplied by 100%.

¹¹ New hires rate by gender and age group is calculated by the total number of new employee hires (per each gender type and age group) during the reporting period divided by the total number of full time and contract staff (per each gender type and age group) at the end of the reporting period, and then multiplied by 100%.

¹² Turnover rate is calculated by the total number of employee turnover during the reporting period divided by the total number of full time and contract staff at the end of the reporting period, and then multiplied by 100%.

¹³ Turnover rate by gender and age group is calculated by the total number of employee turnover (per each gender type and age group) during the reporting period divided by the total number of full time and contract staff (per each gender type and age group) at the end of the reporting period, and then multiplied by 100%.

Indicator	Unit	2021/22
Composition of senior management	Number	3
By gender		
Male	Number (Percentage)	2 (66.7%)
Female		1 (33.3%)
By age group		
Aged over 50	Number (Percentage)	3 (100%)
Aged 30 – 50		0 (0%)
Aged under 30		0 (0%)
New hires	Number	629
New hire rate ¹⁰	Percentage	38.9%
Total number and rate of new hires by gender ¹¹		
Male	Number (Percentage)	385 (39.7%)
Female		244 (37.6%)
Total number and rate of new hires by age group ¹¹		
Aged over 50	Number (Percentage)	284 (31.6%)
Aged 30 – 50		223 (2.1%)
Aged under 30		104 (74.3%)
Turnover	Number	646
Turnover rate ¹²	Percentage	39.9%
Total number and rate of turnover by gender ¹³		
Male	Number (Percentage)	386 (39.8%)
Female		260 (40.1%)
Total number and rate of turnover by age group ¹³		
Aged over 50	Number (Percentage)	319 (35.5%)
Aged 30 – 50		221 (38.2%)
Aged under 30		106 (75.7%)

Indicator	Unit	2021/22
Occupational health and safety ¹⁴		
Fatalities	Number (Rate)	0 (0%)
High-consequence work-related injuries ¹⁵	Number (Rate - number per 1,000,000 man hours)	0 (0%)
Recordable work-related injuries ¹⁶	Number (Rate - number per 1,000,000 man hours)	22 (5.0%)
Number of hours worked ¹⁷	Hour	4,363,200
Parental leave ¹⁸		
Total employees entitled to parental leave by gender		
Male	Number	968
Female		642
Total employees who took parental leave by gender		
Male	Number	10
Female		9
Total number of employees who returned to work in the reporting period after parental leave ended by gender		
Male	Number	10
Female		9
Total number of employees who returned to work after parental leave ended and were still employed 12 months after returning to work by gender		
Male	Number	10
Female		9
Return to work rates by gender ¹⁹		
Male	Percentage	100%
Female		100%
Retention rates by gender ²⁰		
Male	Percentage	100%
Female		100%

Indicator	Unit	2021/22
Training and education		
Total training hours	Hour	48,520.4
Average training hours ²¹ by gender		
Male	Hour	29.0
Female		31.5
Average training hours by employee category		
Senior management	Hour	4.1
Middle management		33.8
General employee		29.9

¹⁴ Occupational health and safety data only included direct staff employed by NFPM.

¹⁵ High-consequence work-related injuries (excluding fatalities) refers to work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

¹⁶ Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

¹⁷ Total worked hours are calculated by estimations.

¹⁸ Parental leave is for full time staff only.

¹⁹ Return to work rate is calculated as the total number of employees who did return to work after parental leave divided by the total number of employees due to return to work after taking parental leave, and then multiplied by 100%.

²⁰ Retention rate is calculated as the total number of employees retained for 12 months after returning to work following a period of parental leave divided by total number of employees returning from parental leave in the prior reporting period(s), and then multiplied by 100%.

²¹ Training data only included full time and contract staff.


GRI Content Index

NFPM has reported in accordance with the GRI Standards 2021 for the period from 1 November 2021 to 31 October 2022.


GRI Standards	General Disclosures		Reference/*Direct Answer or Reason for Omission	Section No.
GRI 1: Foundation 2021				
General Disclosures				
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organisational details	Chapter 4: About Nan Fung Property Management	4.1
	2-2	Entities included in the organisation's sustainability reporting	Chapter 3: About the Report Chapter 4: About Nan Fung Property Management	3.1 4.1
	2-3	Reporting period, frequency and contact point	Chapter 3: About the Report	3.1 & 3.4
	2-4	Restatements of information	<i>*Reason for omission: Not applicable</i> <i>This is the first report published to the public so this item is considered as not applicable.</i>	-
	2-5	External assurance	Chapter 3: About the Report Chapter 12: Verification Statement	3.3 12
	Activities and workers			
	2-6	Activities, value chain and other business relationships	Chapter 4: About Nan Fung Property Management Chapter 8: Partnership <i>*NFPM has engaged in both long-term and short-term business relationship with various contractors, depending on the scale and nature of business activities, ranging from providing construction materials and office equipment to project-based landscape design and consultancy services.</i> <i>All NFPM's suppliers and downstream entities are from Hong Kong. Our downstream entities consist of residential and commercial tenants.</i>	4.1 8.1

			Corporate Website: https://www.nanfung.com/en/our-business/property-management/ <i>This is the first report published to the public so there is no comparison with the previous reporting period.</i>	
2-7	Employees	Chapter 7: People Chapter 9: Performance Data		7.3.1 9.2
2-8	Workers who are not employees	<i>*Reason for omission: Information unavailable/incomplete</i> <i>NFPM is under the process of data collection for disclosed items of workers who are not employees. Associated information will be disclosed in the future report.</i>		-
Governance				
2-9	Governance structure and composition	Chapter 5: Governance Chapter 9: Performance Data		5.1.2 9.2
2-10	Nomination and selection of the highest governance body	<i>*Potential new Directors are identified and considered by the Boards/ Companies based on a range of objective criteria, including gender, age, cultural diversity, educational background, professional knowledge, skills and experience which, in the opinion of the Directors, will enable them to make positive contribution to the performance of the Boards.</i>		5.1.2 9.2
2-11	Chair of the highest governance body	Chapter 5: Governance		5.1.2 & 5.2.1
2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 5: Governance		5.1.2
2-13	Delegation of responsibility for managing impacts	Chapter 5: Governance		5.1.2
2-14	Role of the highest governance body in sustainability reporting	Chapter 3: About the Report Chapter 5: Governance		3.2 5.1.2

	2-15	Conflicts of interest	Chapter 5: Governance	5.2.1
	2-16	Communication of critical concerns	Chapter 5: Governance	5.2.2 & 5.3
	2-17	Collective knowledge of the highest governance body	Chapter 5: Governance Chapter 7: People	5.1.2 7.3.4
	2-18	Evaluation of the performance of the highest governance body	Chapter 7: People	7.3
	2-19	Remuneration policies	Chapter 7: People	7.3
	2-20	Process to determine remuneration	Chapter 7: People	7.3
	2-21	Annual total compensation ratio	<i>*Reason for omission: Confidentially constraints</i> <i>Compensations of employees are confidential and protected under our human resources practices.</i>	-
Strategy, policies and practices				
	2-22	Statement on sustainable development strategy	Chapter 1: Message from the Steering Committee on Sustainable Development	1
	2-23	Policy commitments	Chapter 4: About Nan Fung Property Management Chapter 5: Governance Chapter 6: Environment Chapter 7: People <i>*Policy commitments are not publicly available as NFPM does not have company website.</i>	4.2 5.1 6.1 7.2 & 7.3
	2-24	Embedding policy commitments	Chapter 5: Governance Chapter 6: Environment Chapter 7: People	5.1 6.1 7.2 & 7.3
	2-25	Processes to remediate negative impacts	Chapter 4: About Nan Fung Property Management Chapter 5: Governance Chapter 7: People	4.2 5.2.2 7.3.2
	2-26	Mechanisms for seeking advice and raising concerns	Chapter 5: Governance Chapter 7: People	5.2.2 7.3.2





	2-27	Compliance with laws and regulations	Chapter 5: Governance	5.2.3
	2-28	Membership associations	Chapter 4: About Nan Fung Property Management	4.4
Stakeholder Engagement				
	2-29	Approach to stakeholder engagement	Chapter 5: Governance	5.4
	2-30	Collective bargaining agreements	<i>*There are no formal collective bargaining agreements within the NFPM. However, all our employees are free to engage in trade unions and collective bargaining agreements.</i>	-
Material Topics 2021				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Chapter 5: Governance	5.4
	3-2	List of material topics	Chapter 5: Governance	5.4.3
Governance				
Anti-corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance	5.2 & 5.4
GRI 205: Anti-corruption 2016 	205-1	Operations assessed for risks related to corruption	<i>*Risks related to corruption has been included in the IMS risk register since March 2023. This will cover all managed properties. No significant risks related to corruption has been identified through the risk assessment.</i>	-
	205-2	Communication and training about anti-corruption policies and procedures	<i>*NFPM's anti-corruption policies and procedures have been communicated to all employees and business partners.</i> <i>Total number and percentage of employees that have received training on anti-corruption during the reporting year:</i> <i>Middle Management: 22.5 hours (22.1%) General Employee: 79.5 hours (77.9%)</i>	-
	205-3	Confirmed incidents of corruption and actions taken	<i>*No confirmed incidents of corruption were reported by the NFPM during the reporting year.</i>	-

Anti-competitive Behavior




GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance	5.2 & 5.4
GRI 206: Anti-competitive Behavior 2016 	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<i>*No cases regarding anti-competitive behavior and violations of anti-trust and monopoly legislation were identified by the NFPM during the reporting year.</i>	-



Environment






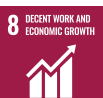
Energy



GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 6: Environment	5.2 & 5.4 6.1 & 6.2
GRI 302: Energy 2016    	302-1	Energy consumption within the organisation	Chapter 9: Performance Data	9.1
	302-2	Energy consumption outside of the organisation	<i>*Not applicable to the NFPM's operations.</i>	-
	302-3	Energy intensity	Chapter 9: Performance Data	9.1
	302-4	Reduction of energy consumption	Chapter 6: Environment <i>*Comparison with the baseline year and reduction in energy consumption are not applicable as this year is the first report published to the public.</i>	6.2
	302-5	Reductions in energy requirements of products and services	<i>*Reason for omission: Not applicable</i> <i>This item is considered as not applicable to the NFPM's operations.</i>	-




Emissions




GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 6: Environment	5.4 6.1 & 6.2
GRI 305: Emissions 2016   	305-1	Direct (Scope 1) GHG emissions	Chapter 9: Performance Data	9.1
	305-2	Energy indirect (Scope 2) GHG emissions	Chapter 9: Performance Data	9.1
	305-3	Other indirect (Scope 3) GHG emissions	Chapter 9: Performance Data	9.1

	305-4	GHG emissions intensity	Chapter 9: Performance Data	9.1
	305-5	Reduction of GHG emissions	Chapter 6: Environment <i>*Comparison with the baseline year and reduction GHG emissions are not applicable as this year is the first report published to the public.</i>	6.2
	305-6	Emissions of ozone depleting substances (ODS)	<i>*Reason for omission: Not applicable</i> <i>Production, imports, and exports of ODS are considered as not applicable to the NFPM's operations.</i>	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Chapter 9: Performance Data	9.1
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 6: Environment	5.4 6.1 & 6.4
GRI 306: Waste 2020  	306-1	Waste generation and significant waste-related impacts	Chapter 6: Environment	6.4
	306-2	Management of significant waste-related impacts	Chapter 6: Environment	6.4
	306-3	Waste generated	Chapter 6: Environment Chapter 9: Performance Data <i>*NFPM is under the process of data collection for all hazardous wastes and some non-hazardous wastes. Associated information will be disclosed in the future report.</i>	6.4 9.1
	306-4	Waste diverted from disposal	Chapter 6: Environment Chapter 9: Performance Data <i>*NFPM is under the process of data collection for all hazardous wastes and some non-hazardous wastes. Associated information will be disclosed in the future report.</i>	6.4 9.1
	306-5	Waste directed to disposal	Chapter 6: Environment Chapter 9: Performance Data	6.4 9.1

			*NFPM is under the process of data collection for all hazardous wastes and some non-hazardous wastes. Associated information will be disclosed in the future report.	
Social				
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3
GRI 401: Employment 2016  	401-1	New employee hires and employee turnover	Chapter 7: People Chapter 9: Performance Data	7.3.1 9.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 7: People	7.3
	401-3	Parental leave	Chapter 7: People Chapter 9: Performance Data	7.3 9.2
Labor/Management Relations				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3
GRI 402: Labor/Management Relations 2016 	402-1	Minimum notice periods regarding operational changes	*Minimum notice periods can be found in employment contracts. No collective bargaining agreements were signed between NFPM and worker's organisation.	-
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3
GRI 403: Occupational Health and Safety 2018   	403-1	Occupational health and safety management system	Chapter 7: People	7.3.3
	403-2	Hazard identification, risk management, and incident investigation	Chapter 7: People	7.3.3
	403-3	Occupational health services	Chapter 7: People	7.3.3

	403-4	Worker participation, consultation, and communication on occupational health and safety	Chapter 7: People	7.3.3
	403-5	Worker training on occupational health and safety	Chapter 7: People	7.3.3
	403-6	Promotion of worker health	Chapter 7: People	7.3.3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 7: People	7.3.3
	403-8	Workers covered by an occupational health and safety management system	Chapter 7: People	7.3.3
	403-9	Work-related injuries	Chapter 7: People Chapter 9: Performance Data *NFPM is under the process of data collection for disclosed items of workers who are not employees. Associated information will be disclosed in the future report.	7.3.3 9.2
	403-10	Work-related ill health	Chapter 7: People Chapter 9: Performance Data *NFPM is under the process of data collection for disclosed items of workers who are not employees. Associated information will be disclosed in the future report.	7.3.3 9.2
Training and Education				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3
GRI 404: Training and Education 2016  	404-1	Average hours of training per year per employee	Chapter 7: People Chapter 9: Performance Data	7.3.4 9.11
	404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 7: People	7.3.4

	404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 7: People	7.3
Non-discrimination				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3
GRI 406: Non-discrimination 2016 	406-1	Incidents of discrimination and corrective actions taken	Chapter 7: People	7.3.1
Child Labor				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3
GRI 408: Child Labor 2016 	408-1	Operations and suppliers at significant risk for incidents of child labor	Chapter 7: People Chapter 8: Partnership	7.3.1 8.1
Prevent Forced or Compulsory Labour				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People Chapter 8: Partnership	5.4 7.3 8.1
GRI 409: Forced or Compulsory Labour 2016 	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Chapter 7: People Chapter 8: Partnership	7.3.1 8.1
Customer Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.3

GRI 416: Customer Health and Safety 2016  	416-1	Assessment of the health and safety impacts of product and service categories	Chapter 7: People	7.2
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 5: Governance	5.2.3
Customer Privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chapter 5: Governance Chapter 7: People	5.4 7.2
GRI 418: Customer Privacy 2016 	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 7: People	7.2.1

Disclaimer

This Report was prepared solely for reference only. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the accuracy, fairness, completeness, reasonableness or correctness of the information or opinions presented herein or any verbal or written communication in connection with the contents contained herein. Neither NFPM nor any of its affiliates, directors, officers, employees, agents, advisers or representatives shall have any responsibility or liability whatsoever, as a result of negligence, omission, error or otherwise, for any loss howsoever arising in relation to any information presented or contained in this Report.

This Report may contain certain forward-looking statements that reflect NFPM's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on assumptions, current predictions and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond NFPM's control. The actual results or outcomes may differ materially and/or adversely due to a number of factors. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither NFPM nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

Verification Statement



ASSURANCE STATEMENT

SGS HONG KONG LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SUSTAINABILITY REPORT 2021/22 OF NAN FUNG PROPERTY MANAGEMENT

NATURE OF THE ASSURANCE/VERIFICATION

SGS Hong Kong Limited (hereinafter referred to as SGS) was commissioned by Nan Fung Property Management (hereinafter referred to as NFPM) to conduct an independent assurance of the "Sustainability Report 2021/22" (hereinafter referred to as the Report). The reporting period of the Report is 1 November 2021 to 31 October 2022.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all NFPM's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors, governing body and the management of NFPM. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all NFPM's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised reporting and assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manage each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000).

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	ISAE 3000	Limited

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information and evaluation of adherence to the following reporting criteria:

Reporting Criteria

GRI Standards 2021 (In Accordance with)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, documentation and record review as well as data validation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitations.

Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from NFPM, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors and sustainability professionals specializing in the Environmental, Social and Governance (ESG), environmental and carbon fields.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

We believe that NFPM has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS Hong Kong Limited

Miranda Kwan
Director
Knowledge Solutions
9th June 2023

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