



南 豐 物 業 管 理
NAN FUNG PROPERTY MANAGEMENT

Sustainability Report 2023/24



We Improve the Quality of Life

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1.1

Message from the Chairperson of the Steering Committee on Sustainable Development



Upon the achievements and challenges reflected in 2023, we are delighted to share our second Sustainability Report, reaffirming our unwavering commitments to achieving sustainable development and unveiling our progressive Sustainability Framework 2030 (“SF2030”) targets. Through rigorous monitoring and tracking of sustainability performance metrics, we are dedicated to continuously advancing and excelling in our sustainability performance.

Over the past years, Hong Kong has been subjected to a multitude of extreme weather events, leaving the noticeable impacts on our assets and operations. Nan Fung Property Management (“NFPM”) recognises the paramount importance of climate resilience within the property and facility management industry. We are committed to diligently managing these risks and opportunities to safeguard the properties under our management.

Amidst the rapid advancement of digitalisation and technology, we are thrilled to embrace cutting-edge technologies and innovations. Our aim is to drive and optimise smart operations, streamline processes and deliver outstanding services that exceed customers’ expectations. By leveraging the advantage of environmental technology, we encourage efficient resources and energy management, propelling sustainability development to new heights.

By fostering meaningful connections and unity, we strive to drive sustainable changes. Our commitment extends to actively engaging with our stakeholders, beginning within our organisation. We encourage our employees to contribute their unique perspectives and ideas, fostering a culture of collaboration and innovation. Through survey, open dialogue and collaboration, we work hand in hand with our tenants, suppliers and partners to identify and implement more sustainable solutions. By nurturing these connections, we harness the collective power to drive positive changes and make a lasting impact on the environment and communities we serve.

We would like to take this opportunity to extend our gratitude to our employees, business partners, customers, suppliers and stakeholders for their unwavering support and belief in our commitment and vision. We look forward to our ongoing partnerships as we strive to build a sustainable future.

Calvin LEE

**Chairperson of the Steering Committee on Sustainable Development
Nan Fung Property Management**

1.2 ABOUT THE REPORT

NFPM is pleased to issue the Sustainability Report 2023/24 (“Report”) to demonstrate our ongoing efforts and dedication to integrating sustainability-related practices into our operations for a positive impact on our community. It also serves to showcase the progress we have made since our inaugural Sustainability Report.

We recognise that sustainability is a growing journey, and this Report allows our stakeholders to gain a deeper understanding of NFPM’s sustainability commitment and the significant efforts we have undertaken to contribute to the development of a sustainable city. Through collaborating with our stakeholders, we strive to collectively walk towards a more sustainable future.

1.2.1 Reporting Scope

This Report illustrates the sustainability performance of all properties managed by NFPM including residential, commercial, industrial properties, and shopping malls. The details of our managed properties can be found in [Section 1.3.1 “Our Business”](#). We are delighted to cover the period from 1 April 2023 to 31 March 2024 (“the Reporting Period”) in this Report, which aligns with our financial year.

1.2.2 Reporting Standard

This Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) 2021 and The Stock Exchange of Hong Kong Limited’s (“HKEX”) Environmental, Social and Governance Reporting Guide (“ESG Guide”), and with reference to the relevant United Nations Sustainable Development Goals (“UNSDGs”) and Task Force on Climate-related Financial Disclosures (“TCFD”) to guide the disclosure of our work and strategies in sustainability and climate change.

1.2.3 Reporting Principles

In the preparation of this Report, we defined the content of the report and ensured the quality of the reported information in accordance with the eight GRI reporting principles:

Accuracy

Balance

Clarity

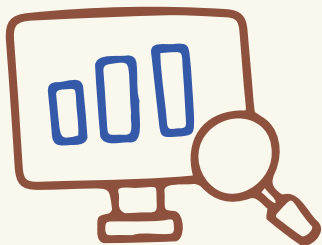
Comparability

Completeness

Sustainability Context

Timeliness

Verifiability



1.2.4 Report Approval and Assurance

The Boards of Directors of the companies comprising NFPM (the “Boards”), who are accountable for our sustainability strategies and overseeing, reviewing, and managing sustainability-related risks while taking the suggestions regarding material sustainability topics of the Steering Committee on Sustainable Development into consideration, have endorsed this Report.

SGS Hong Kong Limited was engaged to conduct an independent assurance assessment of this Report. The External Verification Statement issued by SGS Hong Kong Limited can be found in [Section 7.6 “Verification Statement”](#).

1.2.5 Your Feedback

This Report is available in English and Traditional Chinese, your feedback and enquiries on this Report are welcome. We value and encourage your views and suggestions on our sustainability performance and progress.

Your valuable comments will play a vital role in driving our continuous improvement in sustainable development. For enquiries, please contact us at: property.mgmt@nanfung.com

1.3 ABOUT NAN FUNG PROPERTY MANAGEMENT

1.3.1 Our Business

NFPM is the property management arm of Nan Fung Group (“the Group”), a privately-held conglomerate headquartered in Hong Kong, founded in 1954. The Group has an international and diversified portfolio, covering property development businesses, cultural projects, and investment businesses. Starting from Hong Kong, the Group has expanded its business footprint to mainland China and beyond, bringing sustainability-focused and high-quality developments to a global audience. The Group has developed various development projects, including residential estates, offices and shopping malls, as well as investing in ICE — Innovation, Creativity and Entrepreneurship.

With over 40 years in the industry, NFPM has been committed to providing high quality property and facility management services with a customer focused and value-adding approach. NFPM comprises New Charm Management Limited (C-381994), Hon Hing Enterprises Limited (C-024549), Main Shine Development Limited (C-314914), Vineberg Property Management Limited (C-590461), and other joint venture companies including Providence Bay Property Management Company Limited (C-232844), Providence Peak Property Management Company Limited (C-684704), The Graces – Providence Bay Property Management Company Limited (C-073820) and Mount Nicholson Property Management Limited (C-211955).

NFPM currently manages 81 properties in Hong Kong, including residential properties, shopping malls, commercial and industrial buildings, covering a total gross floor area (“GFA”) of more than 30 million ft².

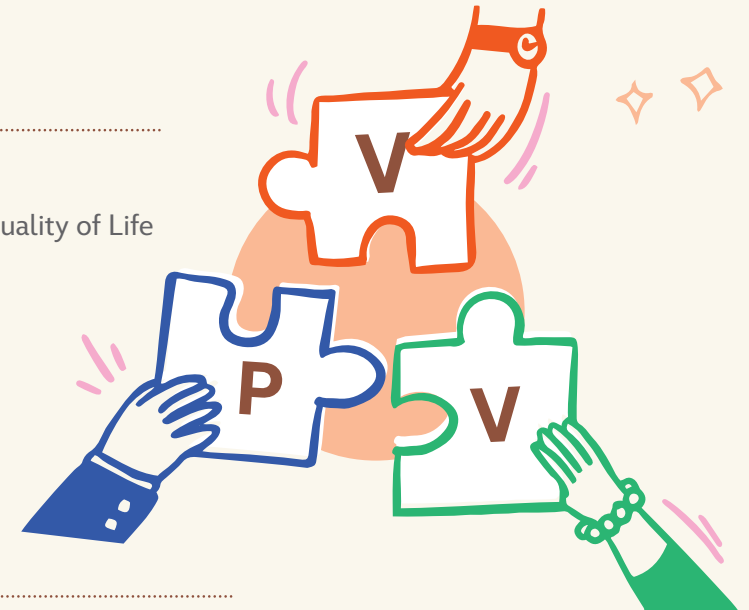


● NFPM Managed Properties

1.3.2 Vision, Purpose, and Values

Vision

We Improve the Quality of Life



Purpose

- Creating **V**alues to People
- Forging **I**mpressive Service
- Fabricating **V**ibrant Workplace
- Pursuing **A**spiration to Excellence

Values

- Customer Focus
- Prudent Financial Control
- Integrity
- Swift Action
- Results Driven
- Learning and Change
- Teamwork and Collaboration
- Caring

1.4 SUSTAINABILITY HIGHLIGHTS 2023/24

Governance



- Established 1st **double materiality matrix**



- Announced **targets and metrics of “SF2030”**



- Published 1st **set of climate-related disclosures** with reference to the Recommendations of TCFD



People



- Launched comprehensive training to strengthen **Vision, Purpose and Values** (“VPV”) for all staff



- Achieved at least a **training exposure rate of 80%** for each operational function



- Participated in the **“Employment Friendly Charter”**



- Achieved **Social Return on Investment** (“SROI”) **ratio of 1:3.3x** for our community programme **Let’s Move for Zero Hunger**



Environment



- Conducted **energy audit** for **61** managed properties as of March 2024



- Generated more than **710,000 kWh renewable energy**



- Harnessed innovative technology such as **“PlantPRO”** with AI-powered solution and **Quantum Optimisation Technology** to strive for optimal energy efficiency and reduce energy consumption



- Established a dedicated taskforce to develop **Waste Zero Strategy**, with comprehensive and holistic waste management actions



- Over **50%** of the managed properties have been certified as **green buildings** by BEAM Plus



Partnership



- Launched the **Sustainability Dashboard** enabling tenants to track and evaluate their sustainability performance



- Supported the Group to launch the **Net Positive Lease**



- Expanded from 11 to **14 procurement items** in Green specifications as recommended by the Environmental Protection Department



- Issued 1st **sustainability assessment form** to eligible suppliers



1.5 AWARDS AND MEMBERSHIPS

1.5.1 Awards and Recognitions

Governance

Award	Organiser(s)
Caring Company Scheme 15 Years Plus Caring Company Logo Nan Fung Property Management	The Hong Kong Council of Social Service
Hong Kong Sustainability Award 2023 Distinction Award Small & Medium-Sized Organisation Category 8 Deep Water Bay Drive	The Hong Kong Management Association
UNSDG Achievement Awards Hong Kong 2023 Sustainable Organisation – Silver Organisation Awards Nan Fung Property Management	Green Council



People

Award	Organiser(s)
IFMA Asia Pacific Awards of Excellence 2022-2023 Certificate of Excellence Asia Pacific Best Facility Management Technology Award Nan Fung Tower & MOS Centre	International Facility Management Association
Certificate of Excellence Asia Pacific Best Facility Management Operation Award No.8 Wyndham Street & 33 Des Voeux Road West	
Certificate of Merit Asia Pacific Best Facility Management Operation Award 8 Deep Water Bay Drive	
Certificate of Merit Asia Pacific Environmental Stewardship Award 8 Deep Water Bay Drive	Green Council
UNSDG Achievement Awards Hong Kong 2023 Individual SDG Award – Goal 2: Zero Hunger Project Award Let's Move for Zero Hunger	



Environment

Award	Organiser(s)
2022 Hong Kong Awards for Environmental Excellence Certificate of Merit Property Management (Commercial & Industrial) Nan Fung Tower	Environmental Campaign Committee
BEAM Plus Existing Buildings V2.0 (Selective Scheme) Excellent Grade, The Greatest Self-Improvement in Energy Consumption Selective Scheme Category TKO Plaza	Hong Kong Green Building Council
Green Building Award 2023 Finalist – Facilities Management Green Building Leadership Category Nan Fung Property Management Finalist – Facilities Management Existing Buildings Category The Mills	Hong Kong Green Building Council and Professional Green Building Council
Hong Kong Green and Sustainability Contribution Awards 2023 Gold Seal for Contribution to Sustainable Property Promote Environmental Protection Nan Fung Centre	Hong Kong Quality Assurance Agency
The Excellent Building Award 2023 Grand Award Existing Building TKO Plaza	The Hong Kong Institution of Engineers – Building Services Division



Partnership

Award	Organiser(s)
Hong Kong Green Shop Alliance Award 2023 Collaborative Project of the Year (Behavioural Change) Project: Net Positive Lease AIRSIDE, Nan Fung Place, The Mills & TKO Plaza	Hong Kong Green Building Council



1.5.2 External Charters and Memberships

We actively engage with professionals, foster knowledge sharing, and strive to drive positive change in our industry. NFPM maintains active membership of multiple organisations and participates in different external charters in the following institutions:

Name of Charter / Pledge	Sponsoring Organisation(s)
#SayYestoBreastfeeding	Hong Kong Committee for UNICEF
4T Charter	Environment and Ecology Bureau and Electrical and Mechanical Services Department
BEC Net-zero Carbon Charter	Business Environment Council
Breastfeeding Friendly Community Initiative	School of Nursing, The University of Hong Kong, Hong Kong Breastfeeding Mothers' Association and Natural Parenting Network
Charter on External Lighting	Environment and Ecology Bureau
Charter for Age-friendly Shopping Malls	The Jockey Club Age-Friendly City Project
ECH ₂ O – Enterprises Cherish Water Charter	Water Supplies Department, Green Council
Employment Friendly Charter	The Hong Kong Council of Social Service
Energy Saving Charter	Environment and Ecology Bureau and Electrical and Mechanical Services Department
Heart Caring Charter	Occupational Safety & Health Council, Labour Department

Membership	Organisation
General Member (New Charm Management Limited)	Business Environment Council
Corporate Member	Green Council
Member (Main Shine Development Limited)	The Hong Kong Association of Property Management Companies

Academic qualifications and professional memberships of leading industry associations (among employees):

- BEAM Society
- Building Services Operation and Maintenance Executives Society
- Chartered Institute of Housing Asian Pacific Branch
- Chartered Institution of Building Services Engineers
- CPA Australia
- Engineering Council
- Engineers Registration Board
- Hong Kong Institute of Certified Property Managers
- Hong Kong Institute of Certified Public Accountants
- Hong Kong Institute of Real Estate Administrators
- Housing Managers Registration Board
- Institution of Mechanical Engineers
- International Facility Management Association
- Royal Institution of Chartered Surveyors
- Society of Operations Engineers
- The Association of Chartered Certified Accountants
- The Hong Kong Institute of Facility Management
- The Hong Kong Institute of Housing
- The Hong Kong Institution of Engineers
- The Institute of Internal Auditors



Sustainability Strategy

2.1 SUSTAINABILITY FRAMEWORK 2030

2.1.1 Sustainability Vision

Embedded at the core of our business and sustainability visions, “We Improve the Quality of Life” serves as the beacon of our sustainability practices and endeavours. We recognise that “the Quality of Life” encompasses various aspects that contribute to the overall well-being and satisfaction of individuals and communities. This includes environmental stewardship, health and wellness and social cohesion. By integrating sustainability practices into our business strategies, we are dedicated to creating a greener future, empowering individuals, fostering an inclusive society, and establishing ourselves as a trustworthy corporation, hence, achieving the overarching goal of improving the quality of life.

As a visionary practitioner, NFPM is empowered to drive sustainable value and create a positive impact, positioning us as pioneers of sustainability initiatives in the industry. To demonstrate our unwavering dedication towards sustainability and our commitment to promoting sustainable development through technology and innovation, we have established the “SF2030” encompassing four fundamental themes – People, Environment, Governance and Partnership.

Our “SF2030” is in alignment with Nan Fung Group’s sustainability framework, “SEWIT”, that integrates NFPM and its stakeholders into the sustainability journey through five strategic pillars: Social Cohesion, Environment, Wellness, Innovation and Technology.

Sustainability Framework 2030

We Improve the Quality of Life

People

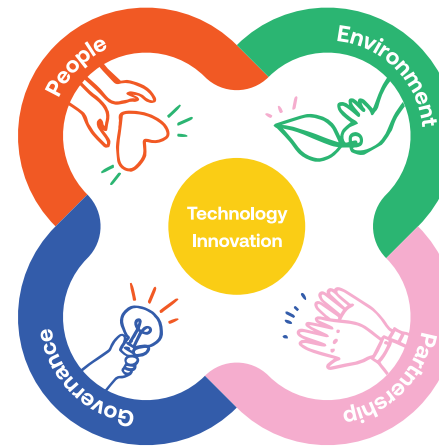
We show our value to people through community investment, talent development and wellness.

Governance

We bolster our governance practices by implementing robust mechanisms and policies, and place a strong emphasis on sustainability disclosure.

Technology & Innovation

Adopting technology and innovation accelerates our dedication towards achieving the four themes outlined in the Sustainability Framework 2030.



Environment

We demonstrate our dedication to the environment through effective management of carbon and energy, water and resources, and by striving towards circularity.

Partnership

By fostering collaborative partnerships with stakeholders and implementing sustainable procurement practices, we actively cultivate a powerful synergy that propels towards building a better future.

“SF2030” articulates NFPM’s strategy for sustainable development and encapsulates the essential themes that are integral to our daily operations. With the formulation of 30 targets, the framework enables us to effectively monitor and keep track of our progress towards our Sustainability Vision. By leveraging “SF2030”, we equip ourselves with a comprehensive roadmap, aligning the concerted efforts of our dedicated teams to drive progress towards the sustainability goals. We strive to remain at the forefront of sustainable development in the industry, continuously adapting and evolving to meet the challenges posed by emerging sustainability issues.

To enhance our staff’s contributions towards “SF2030”, we have introduced an awareness video that provides an overview of our Sustainability Vision and “SF2030” targets. Since its introduction, the video has garnered almost 1,200 views from more than 1,170 employees.



2.1.2 Contribution to UNSDGs

NFPM wholeheartedly supports the United Nations 2030 Agenda for Sustainable Development. We actively participate in the universal call to empower people, protect the planet, promote prosperity, and foster a peaceful and inclusive society. In line with this universal call, we have mapped and prioritised ten out of the 17 UNSDGs that closely align with corresponding targets under the four themes of our “SF2030”.





People

Targets



Community Investment

- Increase service hours by 40% from baseline year
- Increase volunteer participation rate by 40% from baseline year
- Measure social impact of our community programmes

Talent Development

- Achieve at least 70% training exposure rate for each operational function
- Deliver sustainability trainings to all departments and seniority levels

Wellness

- Reduce accident rate of employees to 20 per 1,000
- Maintain a lost time injury rate of 5 or below for employees
- Maintain 0 work-related fatalities for employees
- Seek to achieve 0 discrimination case
- Continuously develop, improve and evaluate wellness programme for our stakeholders



Environment

Targets



Carbon & Energy Management

- Greenhouse gas reduction targets aligned with the Group's science-based targets
- Reduce electricity consumption by at least 20% from baseline years
- Generate more than 489,000 kWh of renewable energy annually
- 100% of properties conduct regular energy audit

Water Management

- At least 75% of properties installed water efficient devices
- At least 90% of properties awarded the Quality Water Supply Scheme for Buildings – Fresh Water Certificate

Resource Management & Circularity

- Divert at least 30% of municipal solid waste from landfills





Governance

Targets



Sustainability-related Governance Structure	Establish a mechanism to identify, review and manage sustainability-related risks Enhance internal engagement to communicate Sustainability Framework 2030 and targets
Sustainability-related Policies	Review and establish policies to address industry-specific sustainability issues
Sustainability Disclosure & Report	Utilise digital technologies to enhance sustainability data collection and reporting Report publicly on sustainability performance in accordance with global standards



Partnership

Targets



Sustainable Procurement	Require all suppliers to comply with Supplier Code of Conduct Establish a mechanism to assess suppliers' sustainability risks and performance Wholly-owned managed properties are governed by sustainable procurement guidelines
Stakeholder Partnership	Continuously collaborate with like-minded business partners / tenants to drive sustainability Implement Sustainability Fit-Out Guide at commercial properties to encourage tenants to incorporate sustainability features during fit-out and renovations



Corresponding UNSDG

Our Contributions in 2023/24



Ensure healthy lives and promote well-being for all at all ages

- Continuously developed, enhanced and evaluated wellness programme for our stakeholders;
- Continuously employed cutting-edge and innovative technologies such as virtual reality (“VR”) technology in our occupational safety and health training modules to enhance the awareness of workplace safety;
- Implemented and maintained ISO 45001:2018 Occupational Health and Safety Management System;
- Promoted the mental wellness of our employees by organising staff activities and supporting programmes regularly;
- Performed annual review on the Occupational Safety & Health Policy and Safety Management System Plan to ensure effectiveness and identify potential hazards.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Established VIVA Lab Hall, a comprehensive training platform to provide multifaceted and tailor-made trainings and development activities to suit our operational needs;
- Offered job tasting opportunities for secondary students in fostering their understanding on the property and facility management industry;
- Participated in HKBN Summer Innovator Programme to support young talents in unlocking opportunities within the property and facility management industry;
- Promoted self-directed learning through the leverage of e-learning materials in the VIVA Lab Hall and mobile learning application.



Ensure availability and sustainable management of water and sanitation for all

- More than 50% of managed properties joined the Enterprises Cherish Water Campaign as of March 2024;
- 70% of the eligible managed properties have completed the installation of water efficient devices as of March 2024.



Ensure access to affordable, reliable, sustainable and modern energy for all

- 13 managed properties installed solar panels and generated a total of 715,000 kWh during the Reporting Period;
- Expanded the electric vehicle (“EV”) charging infrastructure and installed 1,420 EV charging facilities in existing properties;
- Harnessed innovative technology such as “PlantPRO” with AI-powered solution and Quantum Optimisation Technology to strive for optimal energy efficiency and reduce energy consumption.



Corresponding UNSDG

Our Contributions in 2023/24



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Promoted a safe and friendly working environment to our employees by organising regular staff wellness and caring initiatives, such as Heart Caring Campaign and caring gift distributions;
- Created an inclusive workplace against anti-discrimination and advocate gender equality, which achieved a balanced ratio of 1,013: 758 males to females.



Make cities and human settlements inclusive, safe, resilient and sustainable

- 93% managed properties signed the Charter on External Lighting;
- More than 50% of managed properties have attained green building certifications;
- Undergone environmental inspections at all managed properties, no non-conformity was identified under NFPM's Environmental Management System Operating Procedures;
- Developed a customer service handbook on how to interact better with customers who have disabilities and special needs;
- Made our facilities and services accessible for all customers, including those who may need more assistance, such as barrier-free, pet friendly, age friendly and pregnant women facilities & services;
- Installed smart living system – UV-C Vent Guard System at selected managed properties to enhance the air quality, reduce risk of virus transmission & enhance health of building occupants.



Ensure sustainable consumption and production patterns

- Established dedicated taskforce to develop Waste Zero Strategy, implemented various waste management initiatives at all managed properties;
- Expanded from 11 to 14 procurement items in Green specifications as recommended by the Environmental Protection Department.



Corresponding UNSDG

Our Contributions in 2023/24



Take urgent action to combat climate change and its impacts

- Set the roadmap for our major wholly-owned managed properties towards achieving the science-based targets of Nan Fung Group;
- Signed the BEC Net-zero Carbon Charter;
- Installed and implemented different smart technologies to facilitate more sustainable building operations;
- Organised different initiatives (i.e. training, mobile learning application, experience workshops, site visits, etc.) with our stakeholders to raise employee and public awareness on sustainability and foster a low-carbon green lifestyle;
- Conducted climate risk assessment that covers 100% of the managed properties to identify climate-related risks and opportunities;
- Published 1st set of climate-related disclosures with reference to the Recommendations of TCFD.



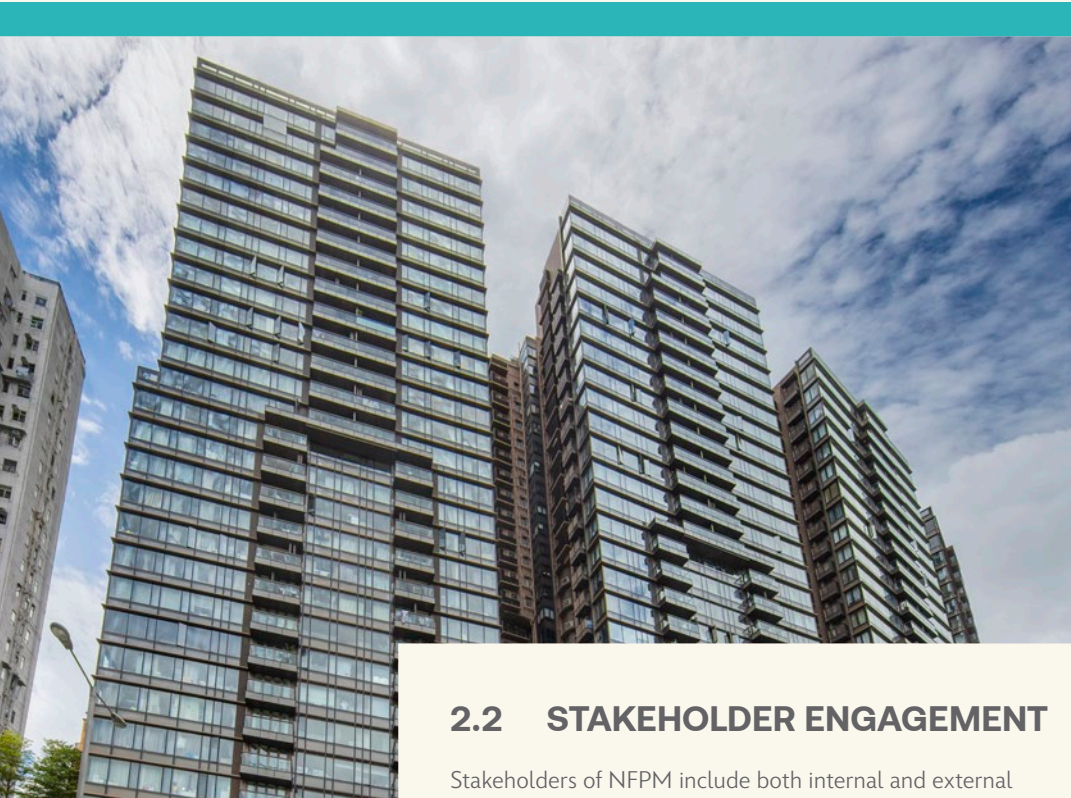
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- Launched the Sustainability Dashboard which allows property managers and tenants' tracking and sharing of resource utilisation and waste generation data to reduce greenhouse gas ("GHG") emissions and waste;
- Enhanced internal engagement by effectively communicating "SF2030" and targets through various channels, including emails, posters and online trainings;
- Organised various types of stakeholder engagement events to facilitate sustainability exchanges among managed properties and foster the adoption of sustainable practices;
- Engaged a third-party to perform independent sustainability assurance on our sustainability data;
- Facilitated internal communication on the Group's sustainability practice and progress to "SF2030" through our Sustainability Hub under VIVA Connect, a staff application for internal communication;
- 100% of employees signed the Disciplinary Code and filled in a Conflict of Interest Declaration Form in order to mitigate the risk of corruption during our daily operations, three anti-corruption and ethics trainings are also provided to our employees.



Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

- 100% of our suppliers signed the Supplier Code of Conduct;
- Established a mechanism to assess suppliers' sustainability risks and performance;
- Wholly-owned managed properties are governed by sustainable procurement guidelines;
- Continuously collaborated with like-minded business partners / tenants to drive sustainability;
- Implemented Sustainability Fit-Out Guide at commercial properties to encourage tenants to incorporate sustainability features during fit-out and renovations.



2.2 STAKEHOLDER ENGAGEMENT

Stakeholders of NFPM include both internal and external parties that have a significant impact on our business or experience significant impacts from our operations. We place high value on the feedback and insights provided by our stakeholders regarding our business sustainability practices. By actively engaging them, we gain a broader understanding of their expectations and their material topics. We utilise various communication channels to reach out and maintain strong relationships with our stakeholders. Through year-round stakeholder engagement, we integrate their needs on the path to sustainability.



List of Key Stakeholders and Corresponding Communication Channels

Key Stakeholders	Communication Channels
External Stakeholders	
Business Partners	<ul style="list-style-type: none"> • Meetings • Social Media • Surveys
Suppliers and Contractors	<ul style="list-style-type: none"> • Meetings • Social Media • Surveys
Industry Associations / Government Departments	<ul style="list-style-type: none"> • Site Visits • Meetings • Seminars • Social Media • Surveys
Non-governmental Organisations	<ul style="list-style-type: none"> • Surveys • Joint Projects • Community Events • Social Media
Owners' Representatives ¹	<ul style="list-style-type: none"> • Meetings • Circulars • Annual Survey • Social Media
Customers (including tenants and visitors)	<ul style="list-style-type: none"> • Meetings • Circulars • Hotlines • Suggestion Cards • Annual Survey • VIVA Xplore (Online lifestyle programme for residents and tenants) • Social Media
Internal Stakeholders	
Employees	<ul style="list-style-type: none"> • Meetings • Intranet • VIVA Connect (Staff communication app) • E-newsletters • Annual Survey • Focus Groups • One-on-One Session with Management • Social Media • VIVA Lab (Staff training institute) • Mobile Learning Application • Exit interview

¹ Owners' Representatives encompass the landlord, Incorporated Owners and Owners' Committees.

2.3 MATERIALITY ASSESSMENT

At NFPM, we recognise the vital importance of integrating sustainability into our business practices. In 2021/22, we engaged with stakeholders to understand their expectations and perceptions of our sustainable development performance through online surveys and one-on-one interviews. To refine the materiality assessment process, we have engaged a third-party consultant this year to conduct a robust materiality assessment in accordance with GRI Standards to identify and prioritise the key material topics that are important to NFPM and our stakeholders. This materiality

assessment allows us to gain valuable insights into the material topics, to prioritise actions and to drive meaningful progress towards a more sustainable future.

The double materiality approach was adopted this year to evaluate the material topics from two perspectives, financial materiality and impact materiality, and assess the interconnectivity between the two. This approach enables us to assess the significance of the material topics based on their potential impact on NFPM's financial

performance and its ability to create value for investors, as well as to assess the significant environmental, social, and governance impacts of NFPM's activities, products, and services.

The materiality assessment follows a four-step process in which we concluded the most critical material topics to NFPM's business operation, financial impact, and effects on communities and the environment.

1

Identify Potential Material Topics

A megatrend analysis was conducted to examine the sustainability trends that affect our industry. We identified 15 material topics, including 14 topics that we confirmed in our previous sustainability report, and one new material topic – Climate Change.

2

Stakeholders Engagement

A third-party consultant was deployed to conduct two in-depth focus group interviews for both external and internal stakeholders to prioritise the material topics and understand stakeholders' concerns.

3

Prioritisation

A double materiality matrix was used to prioritise material topics identified. The material topics were sorted into three categories: internal stakeholders, external stakeholders, and all stakeholders, and ranked by how financially and impactfully material they were, and by their overall materiality.

4

Validation

The result analysed from the focus group interviews were reviewed and validated by the Steering Committee on Sustainable Development and the Boards of Directors.



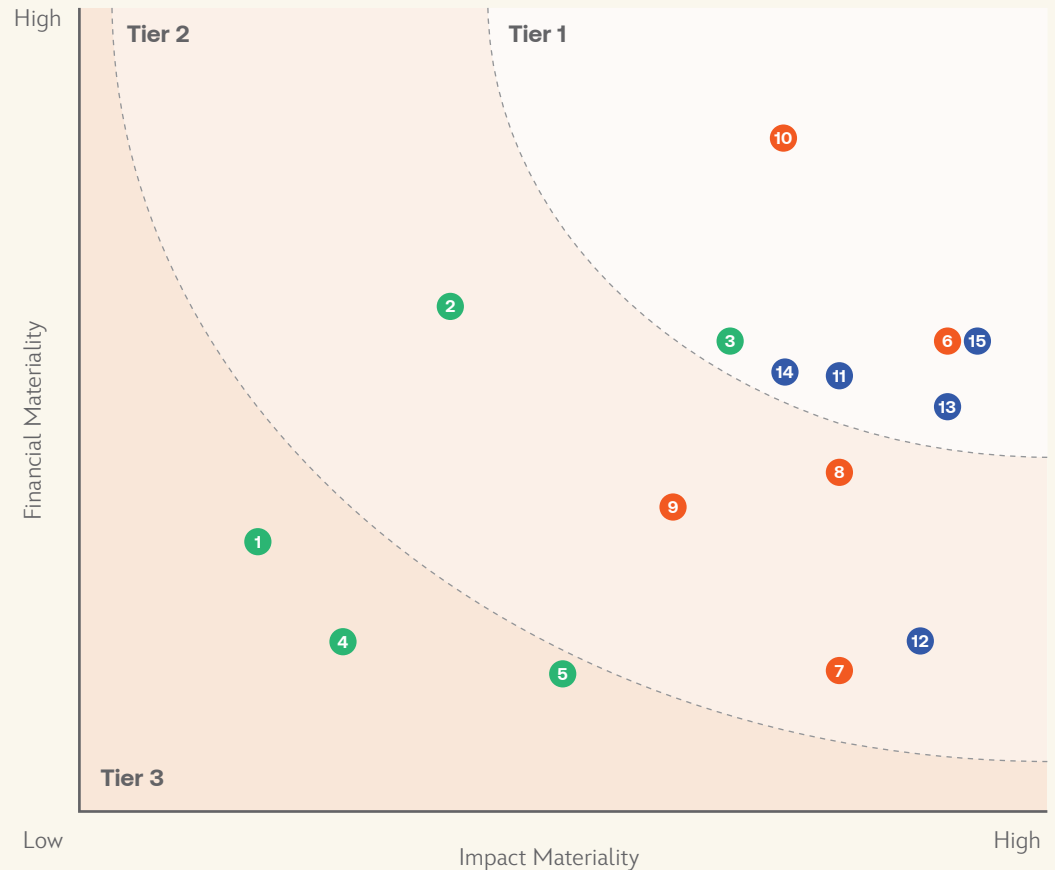
2.3.1 Double Materiality Matrix

The double materiality matrix below shows the financial and business impact of the 15 material topics.

Environment Issues	Social Issues	Governance Issues
<ul style="list-style-type: none"> 1 Emissions 2 Energy 3 Resource Management and Circularity 4 Sustainable Buildings 5 Climate Change 	<ul style="list-style-type: none"> 6 Customer Experience 7 Employee Experience and Human Rights 8 Health, Safety and Wellness 9 Learning and Development 10 Talent Attraction and Retention 	<ul style="list-style-type: none"> 11 Business Continuity 12 Business Ethics 13 Corporate Governance 14 Data Privacy and Security 15 Operational Efficiency and Continuous Improvement

Tier	Definition
Tier 1	Tier 1 consists of the most significant topics that are both highly important in financial materiality and impact materiality. They are considered likely to influence business decisions and is likely to impact the external environment and society.
Tier 2	Tier 2 encompasses important material topics that demonstrate either high financial materiality or high impact materiality. While these topics may not have as significant financial implications or impact materiality as Tier 1, they still possess noteworthy impacts on NFPM’s sustainability.
Tier 3	Tier 3 consists of relatively less significant material topics, indicating that in the stakeholders’ point of view they have relatively less financial and business impact. Although these topics may not be immediately critical, we need to monitor and address them continuously to maintain a comprehensive approach to sustainability.

Double Materiality Matrix



List of Material Topics

Tier 1

Material Topic	Definition	Section
3 Resource 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.	Environment – Resource Management and Circularity
6 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.	People – Enhancing Customer Experience
10 Talent Attraction and Retention	Attract and retain our people to ensure the success of their careers and our business, such as providing a clear salary and promotional ladder, staff benefits, flexible working environment, occupational safety and health, etc.	People – Talent Attraction and Retention
11 Business Continuity	Maintain our facilities and ensure operational plans are in place to support the continuity of operations under various circumstances, such as the ability to respond to risks, automatic adjustment and rapid response to ensure the continuity of critical business functions.	Governance – Business Continuity
13 Corporate Governance	Maintain strong and effective corporate governance, including corporate compliance, internal controls, risk management, etc.	Governance – Sustainability Governance, Business Ethics and Corporate Compliance
14 Data Privacy and Security	Ensure data privacy and information security of the company, customers, and employees.	Governance – Data Privacy and Security
15 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.	Governance – Smart Operation Management People – Enhancing Customer Experience

Tier 2

Material Topic	Definition	Section
2 Energy	Minimise energy consumption through investment on efficiency practices for operational activities, such as increasing the proportion of renewable energy, energy-saving measures, etc.	Environment – Carbon and Energy Management
7 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.	People – Talent Attraction and Retention, Diversity and Inclusion Governance – Business Ethics and Corporate Compliance
8 Health, Safety and Wellness	Promote the health, safety, and wellness of our stakeholders, including employees, customers, suppliers, and neighbours with whom we share local communities, to prevent fatalities, injuries, and harm to health, etc.	People – Enhancing Customer Experience, Occupational Health and Safety
9 Learning and Development	Provide learning and development opportunities to equip our people with relevant competencies and skills.	People – Employee Learning and Development
12 Business Ethics	Maintain high ethical standards when conducting business, including concerning anti-corruption, anti-bribery, anti-money laundering, and fair competition, etc.	Governance – Business Ethics and Corporate Compliance

Tier 3

Material Topic	Definition	Section
1 Emissions	Reduce greenhouse gas and air pollutant emissions arising from operational activities, such as carbon dioxide, nitrogen dioxide, etc.	Environment – Carbon and Energy Management
4 Sustainable Buildings	Operate facilities that meet local and international green building standards, including BEAM Plus, LEED, WELL, etc.	Environment – Carbon and Energy Management
5 Climate Change	Identify, assess, and manage the operational risks and opportunities brought by climate change, such as typhoons and flooding, etc.	Environment – Climate Adaptation and Resilience

Governance



We place a strong emphasis on establishing a robust governance structure, ensuring transparency and accountability while maintaining a proactive and open line of communication with our stakeholders. With our unwavering dedication to excel in the industry, we relentlessly strive for continuous improvement and innovation to stay at the forefront.

Related Material Topics:

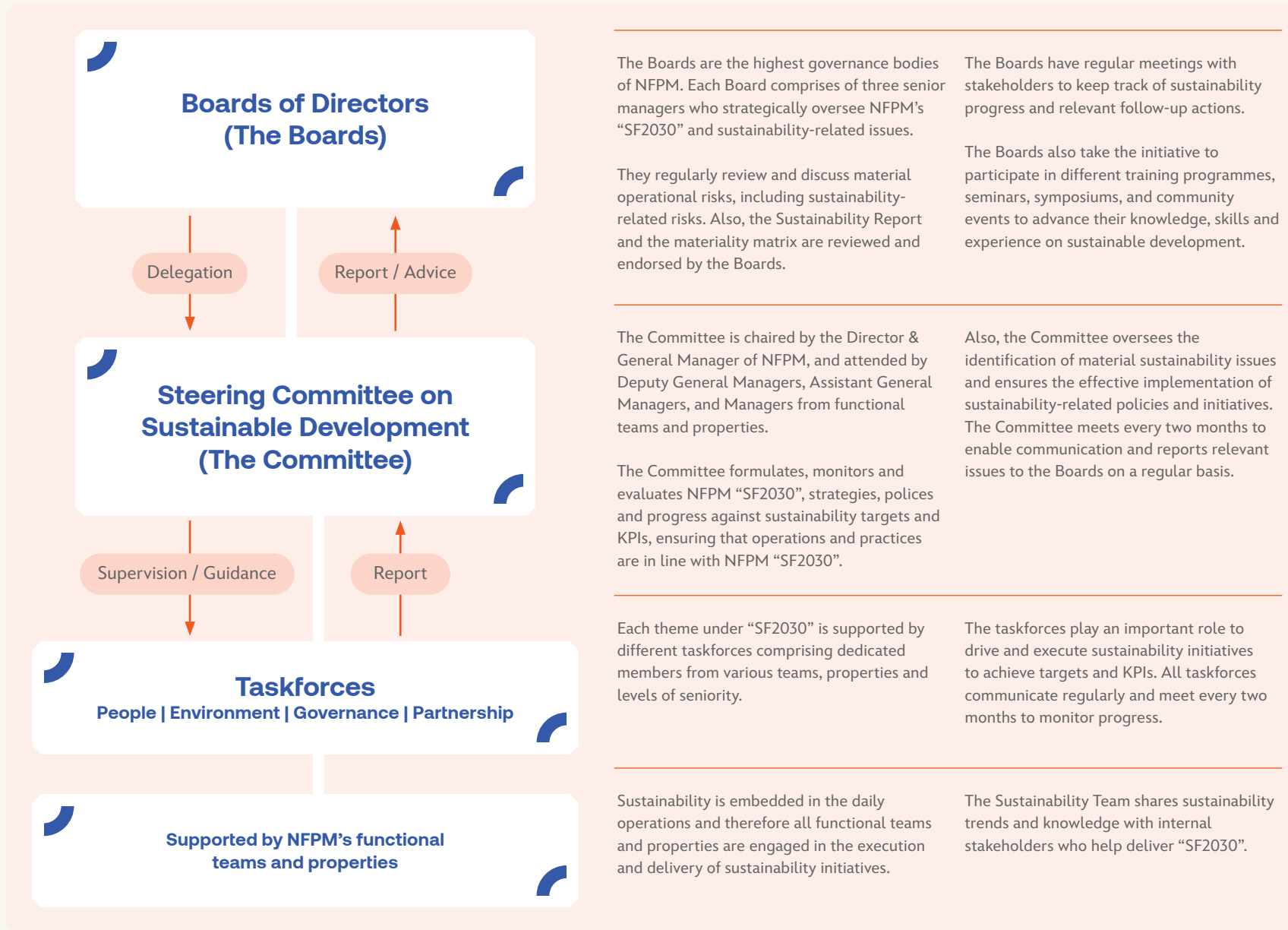
- ✓ Business Continuity
- ✓ Business Ethics
- ✓ Corporate Governance
- ✓ Data Privacy and Security
- ✓ Operational Efficiency and Continuous Improvement



3.1 SUSTAINABILITY GOVERNANCE

NFPM has implemented a potent sustainability governance structure to effectively drive the sustainable development of the companies.

The Boards assume the role of the highest governing bodies, overseeing the comprehensive sustainability strategy of NFPM and addressing sustainability-related matters. Delegated by the Boards, the Steering Committee on Sustainable Development (the “Committee”) is responsible for formulating, monitoring and evaluating the sustainable strategies and policies. To further facilitate the implementation of “SF2030”, specific taskforces are established to support various themes.



The Boards are the highest governance bodies of NFPM. Each Board comprises of three senior managers who strategically oversee NFPM’s “SF2030” and sustainability-related issues.

The Boards have regular meetings with stakeholders to keep track of sustainability progress and relevant follow-up actions.

They regularly review and discuss material operational risks, including sustainability-related risks. Also, the Sustainability Report and the materiality matrix are reviewed and endorsed by the Boards.

The Boards also take the initiative to participate in different training programmes, seminars, symposiums, and community events to advance their knowledge, skills and experience on sustainable development.

The Committee is chaired by the Director & General Manager of NFPM, and attended by Deputy General Managers, Assistant General Managers, and Managers from functional teams and properties.

Also, the Committee oversees the identification of material sustainability issues and ensures the effective implementation of sustainability-related policies and initiatives. The Committee meets every two months to enable communication and reports relevant issues to the Boards on a regular basis.

The Committee formulates, monitors and evaluates NFPM “SF2030”, strategies, polices and progress against sustainability targets and KPIs, ensuring that operations and practices are in line with NFPM “SF2030”.

Each theme under “SF2030” is supported by different taskforces comprising dedicated members from various teams, properties and levels of seniority.

The taskforces play an important role to drive and execute sustainability initiatives to achieve targets and KPIs. All taskforces communicate regularly and meet every two months to monitor progress.

Sustainability is embedded in the daily operations and therefore all functional teams and properties are engaged in the execution and delivery of sustainability initiatives.

The Sustainability Team shares sustainability trends and knowledge with internal stakeholders who help deliver “SF2030”.

3.2 BUSINESS ETHICS AND CORPORATE COMPLIANCE

Fairness, honesty and integrity are our important business assets. We place strong emphasis on maintaining our firm’s reputation and ensuring a work environment that is free from fraud, illegal activities, and corruption. To uphold these values, we expect all employees to carry out their duties with the utmost impartiality, integrity, and professionalism.

To enhance transparency and accountability, 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 identify and disclose any potential or perceived conflicts of interest that may arise during their employment.

To provide guidance and support in effectively managing potential conflicts of interest, we have established Guidelines on Handling Potential Conflicts of Interest for all employees. By actively promoting an ethical culture with transparency and proactive conflict management, we uphold our reputation as a trusted organisation committed to fair and ethical business practices. A series of training videos were published and provided to our staff to promote our corporate Vision, Purpose, and Values (“VPV”), meanwhile, multiple in-person communication sessions “Living out our VPV” were held to strengthen the employee’s understanding of NFPM’s VPV and ensure the integration of ethical culture in our work environment.

3.2.1 Legal Compliance

During the Reporting Period, three cases of non-compliance with local laws and regulations were reported, with HKD 20,040 of total fines incurred by all the incidents, while no cases are related to non-monetary sanctions, the non-compliance cases include personnel injury and license expiration.

Business ethics is essential for building trust, reputation, and long-term success in our business. It aims to create a positive working environment, fosters good relationships with stakeholders, and contributes to the overall wellness of society.

3.2.2 Anti-corruption Management

NFPM has implemented anti-corruption policies and procedures that apply to both employees and business partners. We adhere strictly to the Prevention of Bribery Ordinance and ensure that our personnel well understand the Ordinance and their responsibilities. Risks related to corruption have been included in the Integrated Management System (“IMS”) risk register since March 2023 which covers all managed properties. No significant risks related to corruption have been identified through the risk assessment.

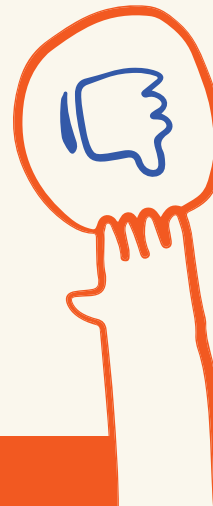
To ensure widespread awareness and understanding of our anti-corruption measures, we organised relevant training sessions conducted by the Independent Commission Against Corruption (“ICAC”)

and launched the corresponding e-learning module for our employees. During the Reporting Period, 100% of Middle & Senior Management and General Employee have received related training.

3.2.3 Whistleblowing / Grievance Mechanism

As an integral part of our anti-corruption management, we encourage our employees to report issues about any suspected cases of misconduct, such as illegal, immoral, illicit, unsafe or fraudulent activities etc., through our confidential reporting channels. We have a well-established whistleblowing procedure that guides the actions to be taken when such activities are identified while protecting the identity of the whistleblower and preventing any intimidation or retaliation against them. We take all reports seriously and ensure that they are thoroughly investigated and appropriate actions are taken to address any identified violations or misconduct. Reported cases are assessed and well documented by our Internal Audit Manager and investigation team, and are handled with utmost care and diligence by our Director & General Manager.

At the same time, we place great emphasis on fostering an ethical company culture by addressing any suspected unethical matters within the organisation efficiently as needed. We have a clear grievance procedure in our Staff Handbook for reporting any suspected violations of our code of ethics or instances of unfair treatment. Employees are encouraged to report such concerns to their immediate supervisors or the Human Resources Department who will handle the cases accordingly. To ensure the effectiveness and fairness of our grievance mechanism, if employees are dissatisfied with the handling or believe there has been mishandling, they have the option to appeal to the next level of supervision or the relevant department head.



3.3 BUSINESS CONTINUITY

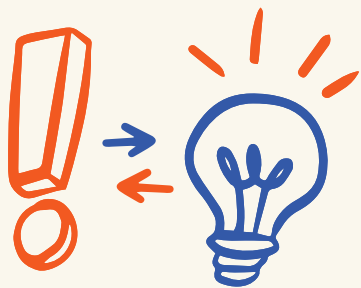
3.3.1 Risk Management

We have implemented Integrated Management System (“IMS”) and corresponding policies to ensure the continuity of business functions and support ongoing operations under various circumstances. These policies and system are designed to enable us to respond effectively to risks and provide rapid response when necessary. We have the following policies for responsible business conduct:

- Customer Care Policy;
- Environmental Policy;
- Green Procurement Policy;
- Integrated Management System Policy;
- Occupational Safety & Health Policy; and
- Personal Data Protection Policy

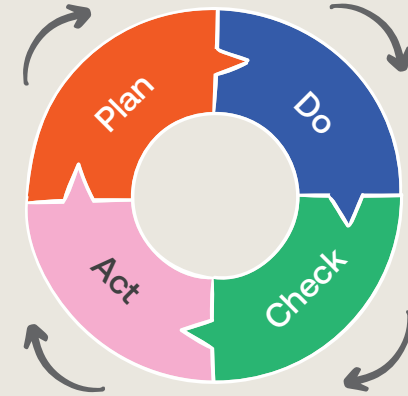
The IMS that incorporates various ISO requirements are as follow:

- ISO 9001:2015 Quality Management System;
- ISO 14001:2015 Environmental Management System;
- ISO 45001:2018 Occupational Health and Safety Management System; and
- ISO 10002:2018 Customer Satisfaction Management System



“Plan-Do-Check-Act” Four-Step Procedure

- Plan** Possible risks to the business operation shall be fully considered in the planning stage
- Do** Relevant procedures shall be executed
- Check** Operations shall be monitored
- Act** Applicable measures shall be taken to control the risk appearing

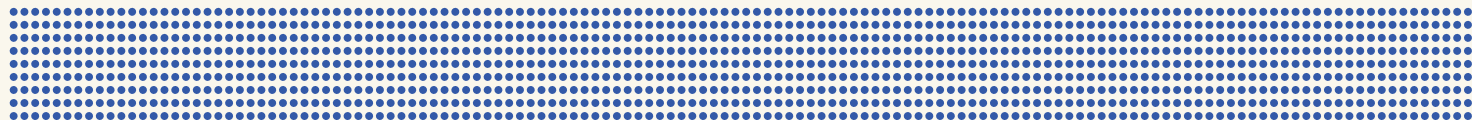


The overall approach for risk management is based on a “Plan-Do-Check-Act” four-step procedure – (i) possible risks to the business operation shall be fully considered in the planning stage, (ii) relevant procedures shall be executed, (iii) operations shall be monitored and (iv) applicable measures shall be taken to control the risk appearing. 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.

Critical incident report is an important tool for managing risks on critical incidents that happen in managed properties or at NFPM

customer service centres. The report aims to collect key information about the incident within 24 hours of the event, including its nature, impact, estimated repair cost and any actions taken in response, etc.

During the Reporting Period, 17 cases of critical concerns were reported. The cases involved property / infrastructure maintenance issues, crime cases, emergency incident (fire incident, facility suspension) and media arrival or enquiry (potential media coverage on incident). The report can be used to identify areas for improvement, enhance safety protocols, and ensure appropriate measures are in place to mitigate or prevent future incidents.



3.4 DATA PRIVACY AND SECURITY

3.4.1 Customer Privacy Protection

All personnel of NFPM shall comply with the Personal Data (Privacy) Ordinance (Cap. 486) and relevant laws, as well as our Company's Personal Data Protection Policy and the associated rules / guidelines / code of conduct. Personal data should be collected on a need basis, only where necessary and not excessive, and through lawful and fair means. In addition, we have established Data Breach Handling Procedure for handling suspected breach of data security of personal data. The data breach notification will be launched immediately upon any breach of data. Any personnel who violates the Personal Data Protection Policy will be subject to internal disciplinary action including written warning, termination of appointment, or even referral to relevant law enforcement agencies.

During the Reporting Period, there were no reported cases related to data leaks, thefts or relevant complaints.

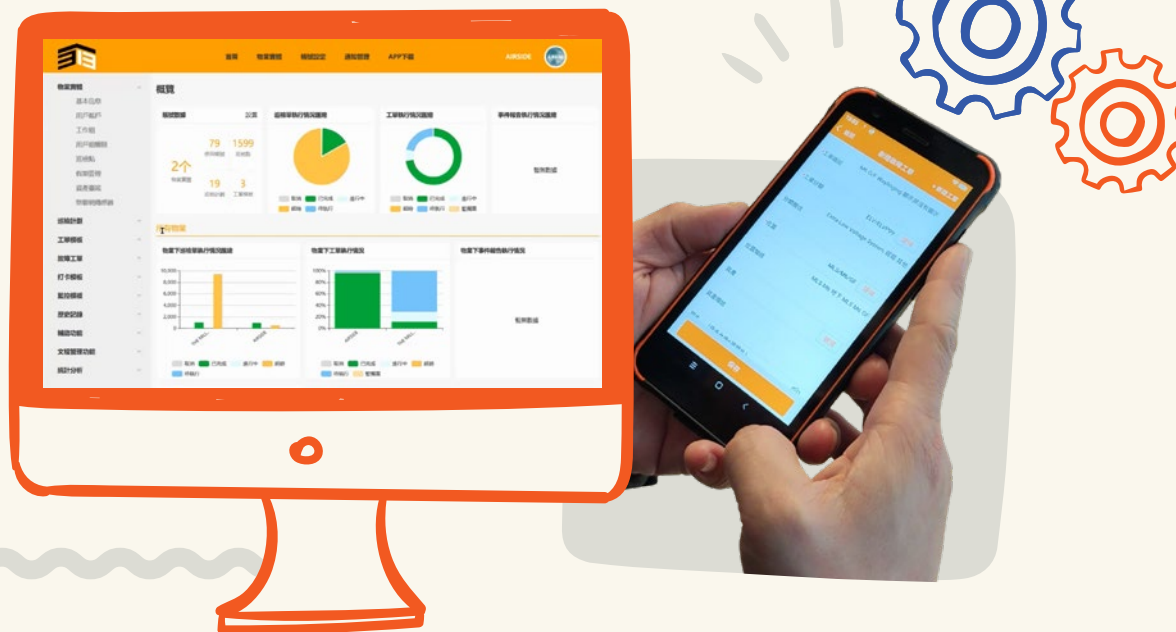
3.4.2 Responsible Marketing

According to our Guidelines on responding to external inquiries, before publishing a video, an article or a comment on the social media platforms of NFPM, other organisations or partners, all contents must be reviewed by corresponding property manager, and approved by corresponding Deputy / Assistant General Manager and Marketing & Communications Team. All contents must adhere to the principles of accuracy, consistency, appropriateness, legal compliance and avoidance of sensitive issues.

3.5 SMART OPERATION MANAGEMENT

NFPM is keen to adopt smart operation management to optimise and streamline the operations. We are pursuing and developing innovative management methods for higher productivity and efficiency, such as the use of cleaning robots, A.I. chiller plant control, IoT applications in lighting control and toilet management, smart metering, and BIM-AM system. By leveraging advanced technologies, data analytics, and intelligent systems, we can boost customer experience, optimise resources efficiency, while increasing the reliability of our operations.

We have also set up dedicated taskforces to explore and develop innovative management methods for higher productivity and efficiency. Launched in October 2023, our Facility Management System has been adopted by 95% of our managed properties. Utilising a cloud-based infrastructure, this system provides a one-stop platform for facility management. For instance, patrol inspection can be recorded and work orders can be created via a mobile app. This system not only assists our teams in identifying potential failures and issues in our managed properties while increasing the reliability of our operation, but it can also help us contribute to our environmental targets by reducing paper usage during site inspections.



People



We instill purpose and values in our people, so that the team takes pride in providing genuine and hassle-free services to elevate the quality of life of our customers.

Related Material Topics:

- ✓ Customer Experience
- ✓ Employee Experience and Human Rights
- ✓ Health, Safety and Wellness
- ✓ Learning and Development
- ✓ Talent Attraction and Retention



4.1 ENHANCING CUSTOMER EXPERIENCE

Central to our value of “Customer Focus”, we aspire to understand and fulfil the individual needs of our customers. Our relentless pursuit of service excellence forms the foundation of our achievement and directly enhances the overall satisfaction and well-being of our valued customers.



4.1.1 Quality Management

NFPM is devoted to delivering service excellence and exceeding our customers’ expectation. We have implemented a Customer Care Policy that serves as a comprehensive guide for our staff, enabling them to execute customer-related tasks with utmost proficiency. The policy not only establishes clear expectations in terms of risk prevention, complaint handling and monitoring, but also sets a solid framework for customer satisfaction. Under our unwavering dedication to service quality management, NFPM is proud to be accredited to the integrated System of ISO 9001:2015 Quality Management, ISO 14001:2015 Environmental Management, ISO 45001:2018 Occupational Health and Safety Management, and ISO 10002:2018 Customer Satisfaction Management. To stay at the forefront of industry standards, regular and diligent reviews are conducted to ensure that all procedures and information outlined in our policies remain current and up to date.

We prioritise the active contribution of our frontline staff in realising our values of “Customer Focus” and “Caring”. To ensure their engagement, we have developed comprehensive training programmes that leverage a combination of online and in-person learning formats. Our online learning platform, VIVA Lab Hall, serves as a valuable resource, offering a series of web-based courses. These courses cover various topics, our eight values as well as subjects like anti-corruption, integrity and cyber security to provide the necessary wisdom and skills in executing job duties. Additionally, we organise workshops that provide opportunities for deeper exploration of these subjects. These workshops foster an environment where staff can actively participate in discussions, exchange ideas and learn from their colleagues.



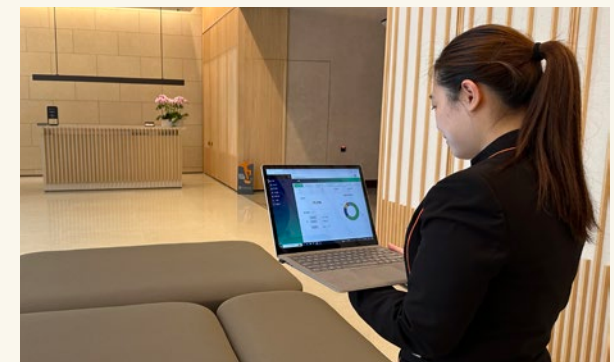
Following the evolution of the digital landscape, we have proactively deployed innovative technologies to optimise service quality and enhance customer satisfaction. One key area of focus is the integration of IoT applications within the building management system. By collecting real-time data on parameters such as temperature, indoor air quality, and stock levels of amenities, we can closely monitor the changing conditions of our managed properties. The adoption of robotic solutions is also effective in freeing front-line staff from demanding tasks while dedicating more time to providing personalised support to our customers. For instance, ECOBOT is applied to perform floor washing, drying, dirt absorption as well as disinfection duties in offices and malls according to the schedule and route set.

Case Study



Best Managed Property Award

The Property Operation Targets (“POT”) framework in place encompasses six key dimensions that are essential for delivering exceptional service quality – customer experience, financial performance & experience, productivity & efficiency, employee experience, branding & communications, and sustainability. The POT framework guides the performance evaluation process for our managed properties, fosters accountability of the property and facility managers, and ensures everyone within NFPM is placing customers at the heart of everything they do. To show appreciation to and celebrate excellence with the team, we present the Best Managed Property Award to the top-tier managed properties that attain the highest score on an annual basis.



4.1.2 Communication and Feedback

To maintain effective communication with our valued customers, NFPM has implemented a diverse range of channels aimed at providing convenient avenues for feedback. These channels include an online suggestion form, suggestion cards, designated email, and both online and physical meetings. To diligently monitor customer sentiment and provide timely responses, we actively conduct annual customer experience and management service surveys. Through the implementation of a diverse range of communication channels and feedback mechanisms, we listen to our customers and continuously enhancing our service quality based on their valuable inputs.

During the Reporting Period, we arranged a focus group exclusive to residents and tenants for dialogues on customer experience, talent attraction and retention, business continuity, and more. All these valuable insights serve as a solid foundation for our ongoing strategic planning.

4.1.3 Customer Wellness

Wellness is the basis of a thriving community. As such, NFPM is deeply committed to safeguarding and enhancing the health and safety of customers within the properties we manage. For example, the installation of UV-C Vent Guard system helps disinfect the air circulating through the building’s vent pipe to minimise the risk of virus transmission. Moreover, we conduct regular on-site audits to identify potential high-risk areas within the properties, proactively addressing any safety concerns and implementing necessary remedial actions to mitigate risks effectively. Annual fire system inspections and fire drills will also be conducted at our managed properties, ensuring that the necessary fire safety measures are in place, and both our staff and tenants are well-prepared in the event of an emergency. Moreover, we participated in the “AED Anywhere for Anyone” Programme to enhance our emergency response capabilities with the provision and use of automated external defibrillator (“AED”) within our managed properties.



In an effort to further promote wellness among our tenants and residents, we have curated a series of webinars regarding physical and mental health on “VIVA Xplore”, including “Caring for Emotions and Self-Love”, “Circle of Security and Parenting Tips”, “Summer Wellness and Heat Relief” and “Proper Posture in Reducing Pain”.



Case Study

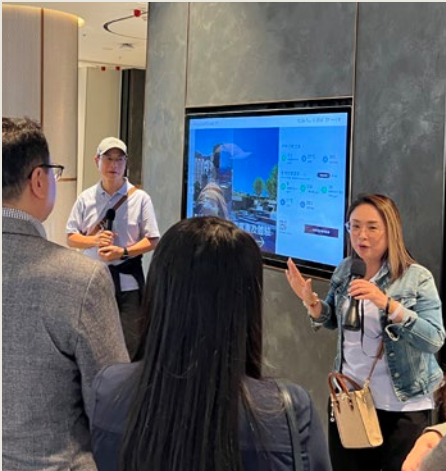
TKO Plaza “The Guardians of the Christmas Coral”

TKO Plaza is an avid supporter of environmental conservation and local art. This year, we have embraced a unique Christmas theme titled “The Guardians of the Christmas Coral”, which not only promotes sustainability but also showcases Hong Kong’s creative talents. At the heart of this theme is a captivating upcycled sculpture, crafted from abandoned fishing nets, commonly known as “ghost nets” that are abandoned in the sea. We collaborated with two esteemed local architects and partnered with the A Plastic Ocean Foundation to ignite conversations about sustainability and the preservation of our precious marine ecosystems. By repurposing these discarded fishing nets, we aim to raise awareness about the impact of marine pollution and the importance of preserving our oceans.



Case Study

AIRSIDE Wholeness Tour



AIRSIDE has established a distinguished reputation for embracing a revolutionary urban lifestyle concept focused on wholeness, aiming to cultivate a harmonious environment encouraging individuals and the community to unite, fostering a sense of authenticity and connection to others and nature. Weekly tours led by dedicated senior docents from The Jade Club are organised to showcase innovative and pioneering sustainability features in Hong Kong while advocating for an environmentally conscious lifestyle. The tours also serve as a platform for dialogue and engagement, encouraging visitors to join forces with us to contribute to a more sustainable future.

4.1.4 Customer Satisfaction

Through implementing programmes for performance evaluation, we continuously strive to identify areas for improvement and surpass customer expectations with our services. One such programme is the Mystery Visitor and Caller Programme (“MVP”), which facilitates an independent quarterly assessment by a third-party evaluator to assess various aspects such as service quality, grooming presentation and physical environment. Based on the MVP results and discoveries, we customise staff training sessions to enhance service quality and uplift overall customer satisfaction. Additionally, we conduct an annual customer experience survey to gather feedback and opinions directly from our customers.

Every single comment and complaint from customers received are treasured. In response, we have established comprehensive procedures for promptly handling comments, requests, and complaints from our customers. Our established guidelines provide clear instructions and responsibilities for the staff members involved throughout the investigation process, ensuring accountability at every step.



Overall Customer Satisfaction Rate

87.4%

Case Study

Spreading Kindness with Smile

In October 2023, we participated in World Smile Day and World Mental Health Day to spread happiness and kindness within our managed properties. We placed giant smiley faces with different expressions at AIRSIDE and The Mills to encourage our customers, tenants and colleagues to embrace emotions and cultivate happiness in their daily lives. Our dedicated frontline staff played a vital role, who wholeheartedly engaged by sharing their genuine smiles and distributing Smiley Face balloons in residential properties. Through these heartwarming celebrations, we aimed to remind our frontline staff of the crucial role they play in bringing happiness to our customers and creating a welcoming whilst uplifting environment across our managed properties.



4.2 TALENT ATTRACTION AND RETENTION

Talented workforce is the cornerstone of our long-term business success. We prioritise creating a people-centric and harmonious workplace culture that not only attracts but also retains top talent. By nurturing and empowering our employees, we strive to build a high-calibre team that delivers outstanding services to our customers.

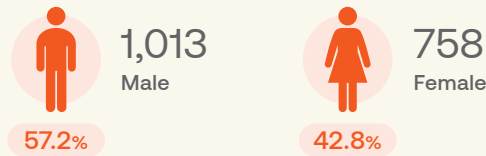
4.2.1 Talent Attraction

In attracting and retaining talent, we offer competitive remuneration packages and a variety of staff benefits, including medical benefits, and retirement plans such as MPF and ORSO schemes. Our employees are also entitled to annual leaves, birthday leaves, compassionate leaves, marriage leaves, study leaves, examination leaves, maternity leaves, and parental leaves according to their employment package to maintain a balance between work and personal life.

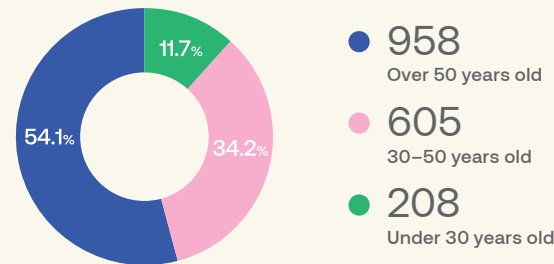
We are committed to full compliance with all relevant laws and regulations in the jurisdictions where we operate, including the Employment Ordinance in Hong Kong. Our Staff Handbook is guided by applicable employment laws and regulations which covers various aspects of the employment lifecycle, including recruitment, dismissal, retirement, remuneration, and other pertinent issues. Additionally, our dedication lies in upholding ethical standards and promoting respect for human rights throughout our recruitment and employment processes. We strictly prohibit child and forced labour and take proactive measures to prevent any violations of human rights. Through meticulous screening of candidates during the hiring process, we ensure that no human rights issues arise throughout their employment with us.

Staff Statistics 2023/24

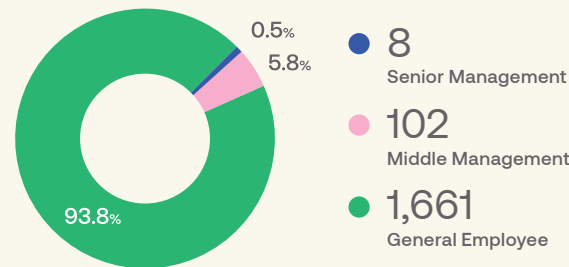
Breakdown by gender



Breakdown by age group



Breakdown by grade²



Besides, we shape a performance-driven culture where employees are recognised and rewarded for their contributions. “Nan Fung Performance Management System 2.0 – NF OKR” is used to regularly assess the work performance and career development of all eligible full-time headquarter staff, including the highest management levels, providing a systematic and fair mechanism for measuring and evaluating employee performance. Another performance and development system is applied to assess the performance of our outpost staff. To recognise and reward outstanding contributions, we also offer double pay or discretionary bonuses, attendance bonuses, or performance allowances as incentives to deserving staff members.

Case Study

“Dai2 Jaan3” Appreciation Ceremony



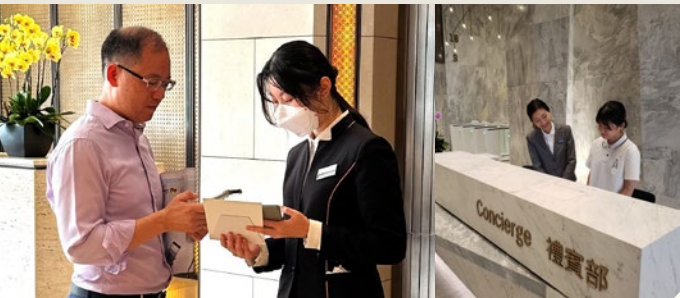
NFPM highly values the dedication and diligence of our staff in delivering exceptional customer experiences. To express our gratitude and recognition for their dedicated efforts, we organised the “Dai2 Jaan3” appreciation ceremony. During the event, we shared compliments from customers to showcase the positive impact they have had on their experiences and best practices within the team. By celebrating the achievements, we aim to instill a deep sense of pride and motivation among our staff, serving as a powerful inspiration for them to continue delivering exceptional service.

² Percentages may not add up to 100% due to rounding.

Case Study

Job Tasting Programme “I am...”

NFPM is committed to developing future leaders and demonstrating our industry expertise in the job market. To this end, we participated in the “I am...” Youth Portal developed by St James’ Settlement and offered internship experiences to secondary school students. As part of the programme, students got a taste of the day-to-day operations alongside our concierge service team, enabling them to gain a firsthand understanding of the industry and explore new interests within the dynamic field of property and facility management.



A strong talent reserve is of paramount importance to NFPM in fostering sustainable business growth and development. To nurture our talent pipeline through campus recruitment, we actively seek collaboration with local educational institutions to create opportunities for young talents. The internship and job tasting opportunities we offered provide these young talents with valuable hands-on experience and deepen their understanding towards the property and facility management industry.

4.2.2 Employee Care

Our success is driven by a motivated and cohesive team with a high degree of enjoyment in the workplace. The monthly Wellness e-newsletter is specifically curated to cover time-worthy information and practical tips on embracing a wide range of aspects, including physical, emotional, social, occupational, digital and environmental wellness. Apart from information sharing, a diverse array of activities for staff and their families were organised to build team spirit and promote a balanced lifestyle.

Staff Activities in 2023/24



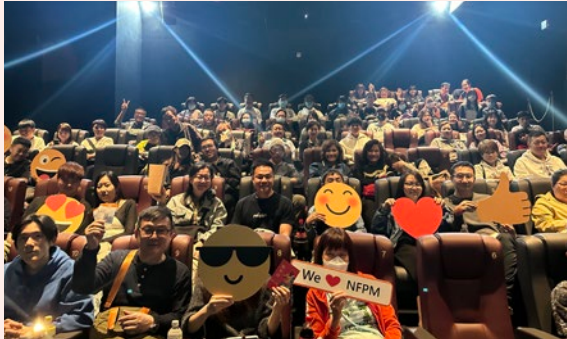
Being a Happy Working Carer

In collaboration with Big Silver, we hosted a workshop dedicated to fostering an inclusive and supportive culture of working carers. By sharing the valuable resources and practical guidance in the workshop, we aim to empower our employees to thrive both personally and professionally.



Caring Gifts Distribution

In partnership with Gingko House, a social enterprise advocating senior employment, we distributed homemade soup packs and sweet treats for our colleagues during the Mid-Autumn Festival and Hong Kong Security Personnel Day, and homemade organic drinks during the “Aloha Summer • Stay Refreshed” campaign.



Movie Day

The Movie Day brought over 800 staff and their family members for a day of joy and togetherness, while enjoying the cutting-edge shopping experience at AIRSIDE.



Disney Night

As an annual staff activity, the Disney Night provided our staff with a golden opportunity to immerse themselves in the joy and wonder at Disneyland Hong Kong, creating lasting memories and fostering camaraderie while celebrating their hard work and contributions.

Staff Activities in 2023/24



Massage Therapy Sessions

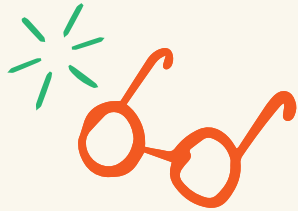
We arranged massage therapy sessions for staff to unwind and rejuvenate during working hours. In addition to thanking our staff, we have sought to improve social cohesion by supporting the visually-impaired professionals from the Hong Kong Society for the Blind.



Sports Team

Various sports teams are formed to encourage employees to engage in regular physical activities such as jogging, basketball, and football.

4.3 EMPLOYEE LEARNING AND DEVELOPMENT



NFPM recognises that learning is a crucial element in building the competencies of our staff, especially in a dynamic and fast-changing industry. As clearly outlined in “SF2030”, NFPM aims to achieve at least a training exposure rate of 70% for each operational function and introduce sustainability-related training for all departments and seniority levels. The new joiners will first uncover the essential knowledge and skills for them to thrive in their roles through the mandatory “New Employee Training Programme”.

To promote continuous learning, we tailor on-the-job training that suits the operational needs of our colleagues. This includes training sessions on management skills for new supervisors to equip them with the necessary knowledge and skills to lead and manage their teams, generative AI applications to improve workplace efficiency, and social cohesion training series to foster a positive working environment. We also arranged a visit to Occupational Health and Safety Academy for our colleagues to enhance their safety consciousness with the interactive training experience.



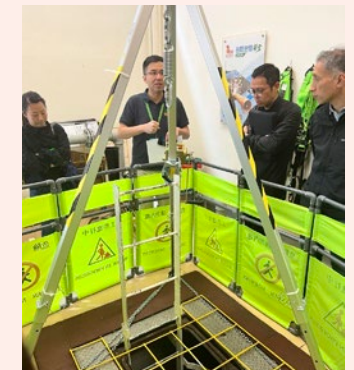
The Making of a New Supervisor in One Day Workshop



Animal Rice Dumplings and Traditional Pastries Workshop

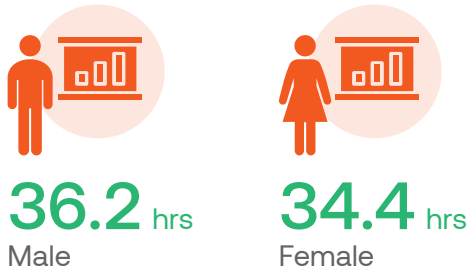


Half Day Tour to The Occupational Safety and Health Academy

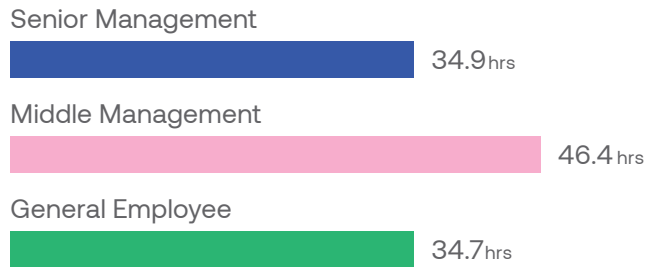


Training Statistics 2023/24

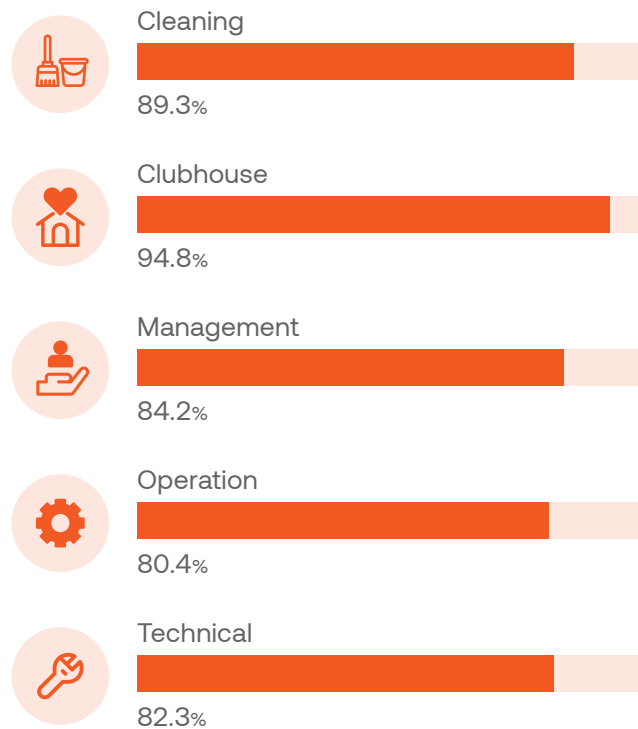
Average training hours by gender



Average training hours by grade



Training exposure rate by functions



Leveraging the e-learning technology to promote self-directed learning, we have also launched the VIVA Lab Hall and mobile learning application to safeguard each of our team member has access to a wide range of resources and tools for skill enhancement. Furthermore, we demonstrate our support by sponsoring our employees to participate in external training programmes and courses. This enables them to develop competencies and remain competitive in their roles while making valuable contributions to the success of NFPM.

4.4 OCCUPATIONAL SAFETY AND HEALTH

Employees’ health and safety are of paramount importance at NFPM. We consistently uphold a high standard of occupational safety and health (“OSH”) across all our business operations. In addition to complying with essential safety protocols, we take the extra mile to cultivate a positive working environment by implementing a range of initiatives. One example of elevating our appreciation to our staff is gift giving with the seasons such as portable fans.

NFPM places a strong emphasis on OSH by developing, implementing, and maintaining a comprehensive OSH management system that complies with relevant laws, regulations, and contractual requirements.

Our focus on safety drives us to maintain an impeccable record of zero work-related fatalities while paving the way to zero work-related injuries among our employees. With the “SF2030” ambition in place, it directs us to reduce the work-related injury rate to 20 per 1,000 employees, while maintaining an employee lost-time injury rate of less than 5 by 2030.

Supporting our management approach is the Safety Management System Plan, which was built upon the industry-leading safety management system. We define the elements of the management system, including the OSH Policy based on the Factories and Industrial Undertakings (Safety Management) Regulation and ISO 45001:2018 Occupational Health and Safety Management System, safeguarding the occupational health and safety of all employees and individuals with international best practices. An integral part of the Plan is hazard elimination, which is also the best method of controlling occupational hazards. That said, we follow the Risk Assessment and Risk Control procedures to identify and mitigate the potential hazards in the first place at regular intervals according to the project scope.

Risk Assessment and Risk Control





By setting up a sound safety governance structure, we ensure that the Safety Management System Plan is integrated into the planning, execution, and operation of the maintenance activities of our managed properties. The Steering Committee on Sustainable Development (“the Committee”) is responsible for regular policy reviews and setting annual targets related to OSH. Within the Committee, the dedicated Wellbeing Taskforce diligently enforces compliance with OSH regulations and ordinances throughout the organisation and actively reviews suggestions from employees. Following that, the Safety Team comprised of Registered Safety Auditor and Officers, co-works with the Wellbeing Taskforce to monitor the performance of employees and contractors, and also conduct regular reviews of the Company’s OSH management approach and performance. This collaborative approach ensures that our OSH measures are continuously improved based on real-time feedback and insights from individuals they impact.

Additionally, the Wellbeing Taskforce held a series of initiatives, including comprehensive OSH training programmes in the format of short-term classes, seminars, and workshops. During the Reporting Period, we joined the “Heart Caring Campaign” led by the Labour Department and the Occupational Safety and Health Council. As part of the campaign, we set up health check equipment such as blood pressure monitors and measuring tapes at our office to encourage staff to adopt a healthy lifestyle and prevent cardiovascular and cerebrovascular diseases.

OSH Statistics 2023/24

Number of recordable work-related injuries

23

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

5.0

Number of high-consequence work-related injuries

3

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

0.65

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

0



4.5 DIVERSITY AND INCLUSION

4.5.1 Promoting Inclusive Workplace and Community

We promote fair treatment and full participation of all members in the community as we value the contributions and talents of every employee, regardless of their gender, ethnicity, marital status or disability. Creating an inclusive environment where all individuals feel valued, respected, and empowered is not only crucial for employees’ wellness but is also imperative for long-term success. In demonstrating our active advocacy of inclusive employment and social inclusion, we participated in the Jockey Club Collaborative Project for Inclusive Employment: Inclusive Education & Employment – Business & School Partnership Award Scheme by the Centre for Civil Society and Governance at The University of Hong Kong.

Case Study

EMPLOYMENT FRIENDLY CHARTER

Our participation in the “EMPLOYMENT FRIENDLY CHARTER” launched by The Hong Kong Council of Social Service has reaffirmed our dedication to cultivate a diverse and inclusive workplace that values and embraces individuals from all backgrounds.

As a participating organisation, we have opened up new opportunities and provided platforms for talented ethnic minority backgrounds to unleash their potential across our portfolios to daily operations such as security and cleaning. Signing the Charter signifies our strong commitment to strengthening employability of the ethnic minorities and building an inclusive society for all.



Case Study

“#SayYesToBreastfeeding” Campaign

Our Breastfeeding Friendly Workplace Policy in place demonstrates our support to colleagues who continue breastfeeding after returning to work. In a proactive move towards cohesive society, we have worked closely with UNICEF Hong Kong and other stakeholders to implement breastfeeding-friendly measures within our workplace and premises. As an Effective Outreach Partner in UNICEF Hong Kong’s “#SayYesToBreastfeeding” Campaign, we designated breastfeeding areas equipped with comfortable seating, privacy screens, and amenities for mothers to breastfeed in a welcoming and comfortable space. Through these measures, we seek to enhance the wellness of mothers and children who enjoy our facilities and ultimately hope breastfeeding in public spaces becomes mainstream.

AIRSIDE

Breastfeeding Friendly Workplace
Breastfeeding Friendly Premises – Gold Label

Ma On Shan Centre (Residential)

Breastfeeding Friendly Premises – Blue Label

The Mills

Breastfeeding Friendly Pioneer



Case Study

Pet-friendly Shopping Malls

AIRSIDE and The Mills are our managed shopping malls that welcomes domesticated pet visits, in line with NFPM’s ambition to build a pet-friendly community.

The malls have designated Pet Zones and have reinvented the retail experience with pet services, including the lending service of pet drinking bowls and strollers, and the provision of pet diapers and waste bags, offering conveniences to pet owners. To effectively advocate for the pet-friendly concept within our community, visiting guides for pet owners are in place to make the shopping mall a safe and relaxing place to visit alongside pets.

We hope this inclusivity strengthens social cohesion by uniting people from diverse backgrounds who share a mutual love for animals.



Case Study

Charter for Age-friendly Shopping Malls

Through participating in the “Charter for Age-friendly Shopping Malls” initiated by the Jockey Club Age-Friendly City Project, we aim to provide accessible and convenient environments in our managed properties that cater for the needs of all ages.

In line with the Charter, we prioritise the acquisition of age-friendly features and services within our shopping malls. This includes equipping clear signage, convenient seating areas, accessible restrooms, and well-designed walkways to optimise the experiences of senior citizens and people with differing abilities.



4.6 CONTRIBUTING TO OUR COMMUNITY

As a driving force for a thriving society, it is indispensable for NFPM to operate responsibly and create social impact through investing in volunteering campaigns. Our Volunteer Team is instrumental in planning and executing initiatives, such as tree planting, charity drives, and other community-oriented projects. As outlined in “SF2030”, we target to increase both service hours and volunteer participation rate by 40% as compared with the baseline year by 2030.

Case Study

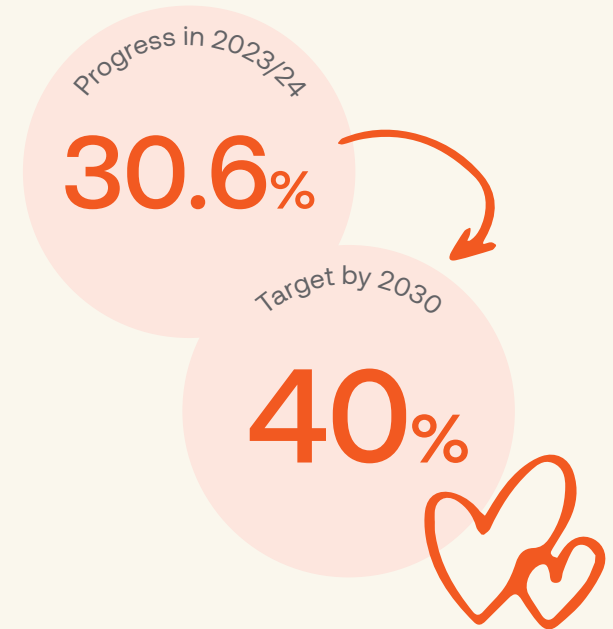


Let's Move for Zero Hunger

In collaboration with FOODSPORT, NFPM has organised the social campaign “Let's Move for Zero Hunger” for the third consecutive year. The campaign was designed to motivate our staff to participate in sports activities for a healthy lifestyle, while raising food for those in need.

All through the 14-day campaign, the calories burnt from exercising were converted into the equivalent number of calories worth of food for donations to those in need. 43 enthusiastic teams with 215 colleagues accumulated a total of 1,045,970 kcal, resulting in raising 100 foodie packs for the beneficiaries from FOOD-CO and achieved Social Return on Investment (“SROI”) ratio of 1:3.3x. In addition, we arranged a series of indoor exercises and nutrition talks for the colleagues to encourage healthy lifestyles.

Volunteer Participation Rate



To mobilise our staff to make positive impact in the community collectively, we have launched the “ngo5 mun4 gwan2 dung6”, a volunteer service award programme, to motivate and recognise staff members who actively participate in volunteering activities. The top 10 colleagues who have accumulated the highest number of volunteer service hours will be honoured with the “Volunteer Service Hours Award”.

Throughout the year, we gave back to our community through a range of volunteering activities including beach cleaning up, charity walk and flag day. In June 2023, we joined hands with The Conservancy Association to plant 100 samplings along the Cheung Sheung Country Trail in Sai Kung. The event not only allowed us to participate in the forest regeneration process, but also gave our colleagues a chance to gain insights into tree planting methods and conservation efforts.



Environment



Striving to be at the forefront of sustainable property and facility management, we proactively pursue actions to address climate change, reduce operational carbon and preserve natural resources. In addition to reducing the carbon footprint, we are dedicated to inspiring our stakeholders in shaping a green and desirable community that we all share.

Related Material Topics:

- ✓ Climate Change
- ✓ Emissions
- ✓ Energy
- ✓ Resource Management and Circularity
- ✓ Sustainable Buildings



5.1 ENVIRONMENTAL MANAGEMENT APPROACH

Meeting the standards and all relevant requirements of the Environmental Management System (“EMS”) and Environmental Policy are integral to our business strategy. The EMS manual outlines the management structure, environmental management plan, environmental impact assessments, stakeholder engagement approach, and operating procedures in accordance with ISO 14001:2015 requirements. Implementation of the EMS is overseen by the Steering Committee on Sustainable Development (the “Committee”) chaired by the Director & General Manager, whilst the management structure ensures a systematic approach to the management of environmental impacts across our operations.

As governed by the EMS, we regularly evaluate our management approach and fulfilment of the corresponding requirements through the annual internal and external audits.

Integration of EMS into daily operations, processes and decision-making requires commitment at all levels of the organisation. To engage staff to build an environmentally conscious workplace, we curate and disseminate the monthly environmental e-newsletter, organise training sessions and formulate interactive workshops for staff of all seniority. We boosted employee engagement and uncovered respective concepts through varying initiatives, including climate risk awareness training and the Chinese New Year citrus plants upcycling workshop.



EMS

Environmental Management System

In accordance with ISO 14001:2015 requirements

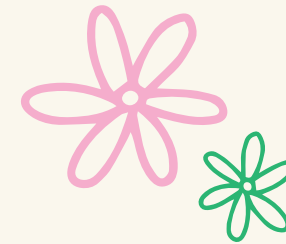
Management structure

Environmental management plan

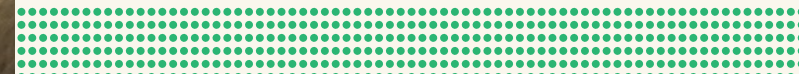
Environmental impact assessments

Stakeholder engagement approach

Operating procedures



To make sustainability concepts accessible and actionable to all, we enriched the staff communication app “VIVA Connect” through the addition of the Sustainability Hub. The hub serves as a centralised and real-time platform for sustainability-related information sharing and capacity building with the introduction of “SF2030”, such as guidelines, best practices, and the latest sustainability trends. A notable example is the addition of the Recycling eDirectory to brush up recycling practices in our managed properties. We believe the visualisation of sustainability performance across NFPM could encourage the concerted participation of our staff in driving positive changes.



5.2 CLIMATE ADAPTATION AND RESILIENCE



As climate change continues to make its impact felt across the globe, it poses increasing significance for property and facility management business. To safeguard the managed assets and enhance the operation, NFPM has put emphasis on addressing the potential climate-related risks and seizing the opportunities along the net-zero journey.

In 2023, NFPM appointed a third-party consultant to conduct a Climate Risk Assessment to identify and assess the potential physical and transition risks and opportunities, and formulate strategies for enhancing the climate resilience of our managed properties. Following the assessment, the Climate Change Policy will be crafted to guide the continuous identification and management of climate change-related risks and opportunities. In addition to the climate risk assessment, we have made our first response to the TCFD recommendations, including disclosing information on governance, strategy, risk management, and metrics and targets related to climate change.

To further strengthen our dedication to climate resilience, we have set Scope 1, 2, and 3 carbon emissions targets on our major wholly-owned managed properties. These targets are aligned with the 1.5°C-aligned near-term science-based targets (“SBTs”) established by the Nan Fung Group. The targets will guide our actions and drive continuous improvement in our carbon management strategies to achieve a sustainable and resilient future.

For details on both our climate adaptation and resilience measures and our response to the TCFD recommendations, please refer to the [Section 7.4 “Response to Task Force on Climate-related Financial Disclosures Recommendations”](#).



5.3 CARBON AND ENERGY MANAGEMENT

With reference to the World Green Building Council, buildings currently account for 39% of energy-related carbon emissions globally, with 28% coming from operational carbon emissions. Thus, implementing a strong carbon and energy management system is crucial in reducing our carbon footprint and optimising energy usage, as well as over the globe. Our Environmental Policy outlines our approach to energy conservation in daily operations, fostering alignment and commitment from all staff towards our carbon targets. By prioritising efficient practices and transitioning to renewable sources, we aim to achieve our carbon goals while promoting sustainability and environmental responsibility.

Target by 2030

20%

reduction in electricity consumption by 2030 from baseline years



5.3.1 Pathways to Decarbonisation

Our approach to sustainability starts from benchmarking our managed properties portfolio and setting environmental targets. Aligned with the Group's science-based targets, we strive to contribute to the Paris Agreement's objective of limiting global warming to 1.5°C and achieving net-zero emissions by 2050. We have conducted a comprehensive review of current carbon emissions across all managed properties and established reduction targets for selected wholly-owned managed properties. Additionally, electricity consumption is identified as one of our major emission sources during operation, an electricity consumption target has been set for NFPM's core operations, incentivising eligible properties to decrease electricity usage and enhance overall sustainability performance.



Case Study

Being an Action Signatory of the BEC Net-zero Carbon Charter

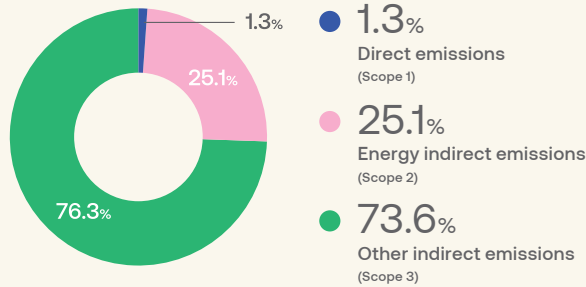
NFPM has signed the BEC Low Carbon Charter since 2019, pledging to set a clear decarbonisation pathway and target.

In 2024, as one of the pioneering action signatories of the rebranded BEC Net-zero Carbon Charter, we regularly report progress towards the net-zero target, utilise the capacity building platform for knowledge exchange and collaborate with the business community to drive interventions.

Having signed the rebranded charter, NFPM is dedicated to advocating target setting and accelerating our net-zero actions along the decarbonisation journey.



GHG Emissions in 2023/24



5.3.2 Energy Efficiency

Echoed with our Environmental Policy, we strictly adhere to all relevant regulations while incorporating industry best practices into our operations and services. This ensures that our management practices prioritise energy efficiency, considering factors such as equipment upgrades, operational processes, and system optimisation.

As part of our intensified efforts to achieve energy efficiency, we focus on leveraging PropTech solutions and innovative approaches and conducting regular auditing and retro-commissioning.

By adopting smart and artificial intelligence technologies, we can effectively monitor the energy performance of our facilities and optimise energy consumption. Transforming from labour-intensive operation strategies, this integration of PropTech enables us to effectively gather valuable insights, identify areas for improvement, and make data-driven decisions to enhance energy efficiency across our managed properties.



Total Energy Consumption Intensity

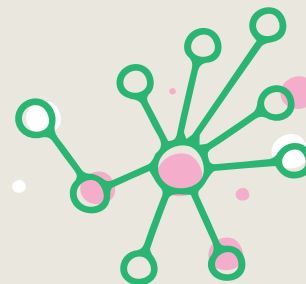
12.0 GJ/1,000ft²

Case Study

Application of Quantum Optimisation Technology (“QOT”) across Residential Properties

Quantum Optimisation Technology (“QOT”) revolutionises the power distribution process by applying the principles of quantum physics to regulate the flow of electrons in the power lines, and thus reduce the energy loss, increase the transmission efficiency, and improve the power quality. Therefore, this breakthrough innovation can enhance the performance and the reliability of the power grid.

Being easily retrofitted to existing power distribution systems without requiring major modifications or replacements, QOT has implemented across 5 residential properties, including 80 Robinson Road, Island Garden, Mount Nicholson, Nan Fung Sun Chuen and The Visionary, which has contributed to more than 10% of energy reduction and substantial savings in utility expenses.



Case Study

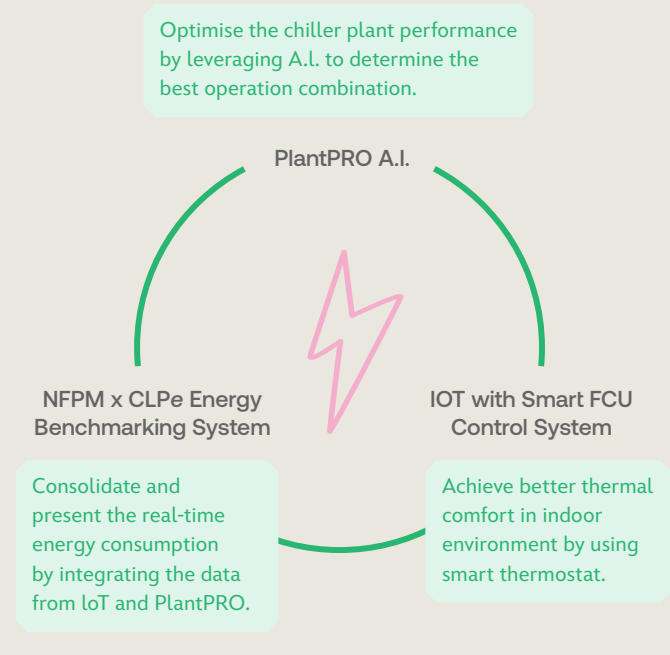
Implementation of AI-powered Energy Management in MOS Centre

The AI-powered PlantPRO system provided by CLPe in MOS Centre integrates machine learning algorithms to calculate optimal equipment combinations and temperature set-points. As such, we can streamline the operation of centralised air-conditioning with less manpower and maximise the operational efficiency through automations.

Pioneering in adopting the Smart A.I. FCU's thermostat control, we can review the real-time cooling load control by comparing the actual cooling load demand with indoor environment condition. Fresh air control and/or other air-side control strategies are easily applied accordingly.

The energy performance of MOS Centre is then tracked and monitored in the bespoke "NFPM x CLPe Energy Benchmarking System", which centralises and visualises the energy consumption data across 75 managed properties. The platform consolidates real-time critical energy use data and provides advanced analytics, such as consumption forecast, Energy Use Index, CO₂ emissions, which is crucial to facilitate decarbonisation.

The integrated solution showcases a cutting-edge energy management approach to transform localised control to intelligent control for properties, with 31.7% of energy saving arising from the air-conditioning system against 2016/17 baseline.



In line with our "SF2030", we aim to achieve 100% of our managed properties undergo regular energy audits by 2030. As of March 2024, we have arranged energy audits for 61 managed properties, in addition to complying the mandatory requirement for commercial buildings. These audits provide a comprehensive assessment of our energy usage and serve as a basis for implementing targeted measures to reduce energy consumption and maximise efficiency. Further, we have completed operation schedule reviews in 42 of our managed properties for identifying conservation opportunities to optimise the mode of operations and thus reduce the electricity consumption. The potential energy-saving initiatives will then be deliberated in the Committee meetings.



31.7%

reduction in energy consumption on centralised air conditioning against 2016/17 baseline



61

of the managed properties have conducted voluntary energy audit as of March 2024



Photos by courtesy of Vanessa Ma



710,000 kWh
of renewable energy generated in 2023/24

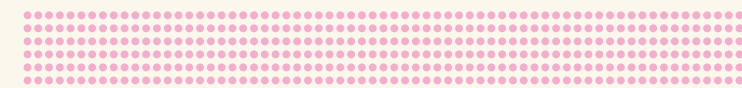
5.3.3 Renewable Energy

To pave the way towards our carbon reduction ambition, NFPM actively accelerates the green energy transition across our portfolio by amplifying on-site renewable energy generation.

The energy management-focused target within the “SF2030” demonstrates our commitment to generating more than 489,000 kWh of renewable energy annually. To this end, the carbon emissions can be reduced by approximately 342 tonnes annually – equivalent to planting more than 14,000 trees³. During the Reporting Period, a total of 13 managed properties have collectively generated over 710,000 kWh of electricity through the deployment of solar panel systems, which has already surpassed our target.

One of the managed properties – AIRSIDE has installed the first and largest office building monocrystalline PV farm and walkable PV in Hong Kong to date. The 1,350 m² PV farm is estimated to generate 270,000 kWh/ year, which is equivalent to the monthly average electricity consumption of 700 local residential flats of 2 to 3 occupants. By installing solar panels on the managed properties, we reduce our reliance on traditional energy sources and lower the carbon emissions. The solar panels not only provide green energy for our own operations but also contribute to the overall grid and support of our stakeholders with the transition to a more sustainable energy landscape.

³ Territory-wide default GHG emission factor 0.7kg/kWh and removal Factor of 23kg CO₂ per tree planted from the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for buildings (Commercial, Residential or Institutional Purpose) in Hong Kong” were applied.



5.3.4 Green Mobility

To support Hong Kong Roadmap on Popularisation of Electric Vehicles and curbing reliance on fossil fuel, we have been expanding the EV charging infrastructure across our portfolios. As of March 2024, we have installed a total of 1,420 EV charging facilities in our managed properties.



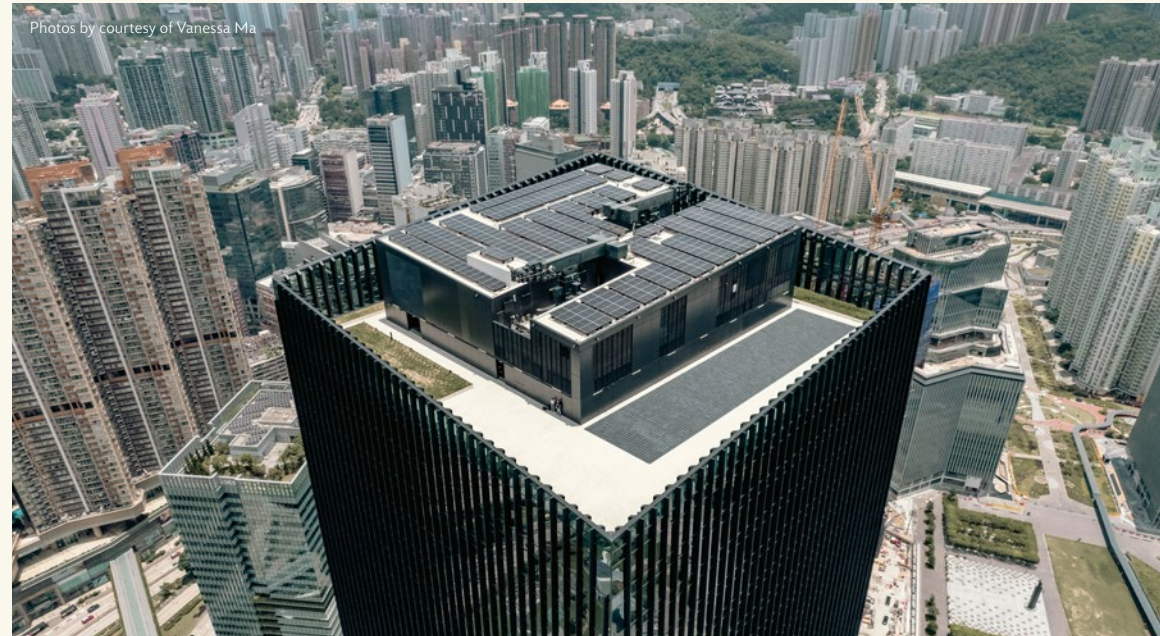
In addition to promoting EV adoption, we have also taken steps to encourage cycling as an alternative low-carbon transportation means. At AIRSIDE, which is also home to our headquarters offices, we have introduced Hong Kong's first-ever smart bicycle parking system. The system enables our staff and visitors to enjoy smooth park-in and retrieval experiences with 48 weather-proof underground parking spaces available. Strategically located near the planned public cycling track "GreenWay" in Kai Tak, the system offers accessible and intelligent options to reduce the carbon footprint of our community members.

5.3.5 Green Building

Green buildings are a priority for NFPM, as they are vital to a resilient and human-centric community. To this end, we are dedicated to providing spaces that support community wellness and create positive environmental spaces, in line with local and global green building standards.

During the Reporting Period, more than 50% of our managed properties achieved at least one green building certificate, including BEAM Plus, The WELL Building Standard, LEED for Building Design and Construction (BD + C), etc.

Recognising that a building's sustainability is closely tied to our occupants, we have curated and provided a Sustainability Fit-Out Guide with references to various green certification standards, to the commercial tenants to expand our downstream impacts. The framework enables our tenants to adopt sustainable materials and energy-efficient systems within their leased areas, ultimately contributing to a more sustainable and high-quality work environment.



Photos by courtesy of Vanessa Ma



>50%

of managed properties are certified as green buildings



Gross floor area covered by managed properties that have obtained green building certificate

>19,000,000 sq. ft.



Case Study



Demonstration of Green Building Leadership in TKO Plaza

TKO Plaza is pioneering sustainable operation in threefold – dynamic tenant engagement, extensive promotion and education, and oriented energy efficient measures implementation. These have been recognised with its superlative performance by green building certificates.



In 2023, TKO Plaza achieved the Excellent Rating in Energy Use Aspect under the BEAM Plus Existing Buildings V2.0 which emphasises the building's low energy design, energy efficiency practices and adoption of renewable energy.

Key features:

- Variable speed chillers with AI-powered Chiller Plant Control and AC Control
- VSD driven chilled water pumps
- Efficient LED lightings and IoT Lighting Control System
- Lift and Escalator System with Variable Voltage Variable Frequency (“VVVF”) drives



Additionally, TKO Plaza also remains a Good Rating in Management Aspect under BEAM Plus Existing Buildings V2.0 (MAN), which concerns the responsible management practices and the provisions to encourage sustainable management of occupied areas.

Key features:

- Optimise the operation schedule for lighting control and prioritise the use of natural sunlight to reduce reliance on artificial lighting. In vacant shops, we control air-conditioning and lighting to minimise energy consumption.
- Establish easily accessible collection points of recyclables, including batteries, plastic bottles, paper, and metal, to encourage tenants joining us in recycling practices.
- Support various green initiatives including Earth Hour, No Air Con Night, and Enough Plastic Campaign.

5.4 WATER MANAGEMENT

5.4.1 Water Saving Measures

NFPM places great emphasis on water stewardship and endeavours to preserve water quality. We actively explore innovative technologies in enhancing water use efficiency and reducing the overall water consumption.

Since 2021, 50% of our managed properties have joined the Enterprises Cherish Water Campaign (“ECH₂O”), fostering joint efforts and encouraging tenant participation in cherishing our precious water resources. To achieve our targets of installing water efficient devices in over 75% of eligible managed properties by 2030, we continue putting the installation of water flow restrictors, sensor-type water taps and low flow dual-flush fittings in practice. As of March 2024, 70% of the eligible managed properties have completed the installation of water efficient devices.

In addition, NFPM is devoted to implementing various measures to monitor water consumption. For example, we have introduced smart water meters that enable us to track and monitor tenants’ consumption patterns, enabling us to identify areas for water usage optimisation, and plan to expand its coverage.



50%
of managed properties joined the ECH₂O



70%
of eligible managed properties installed water efficient devices



5.4.2 Quality Water Supply

Considering the wellness of occupants, NFPM has always been a strong advocate of the government’s initiatives in quality water supply, promoting responsible water management practices while safeguarding the water quality in our managed properties, and our dedication has been recognised.

As outlined in our “SF2030”, we aim to obtain the Quality Water Supply Scheme for Buildings – Fresh Water Certificate for at least 90% of our eligible managed properties. As of March 2024, the Water Supplies Department has awarded the Quality Water Supply Scheme for Buildings – Fresh Water (Management System) accreditation to 48 and the Quality Water Supply Scheme for Buildings – Flushing Water accreditation to 43 of our managed properties respectively.



48
managed properties received the Quality Water Supply Scheme for Buildings – Fresh Water (Management System) accreditation



43
managed properties received the Quality Water Supply Scheme for Buildings – Flushing Water accreditation



5.5 RESOURCE MANAGEMENT AND CIRCULARITY

Common among the property and facility management industry, handling the waste generated at the managed properties day in and day out is a priority focus area at NFPM. Our waste management approach is overseen by the Resource Management & Circularity Taskforce and governed by our EMS, ensuring all our waste is handled by licensed vendors and recycling facilities.

The most effective approach to waste management is the reduction of waste generation itself and the circulation of the materials within the loop. To this end, we allot our efforts towards empowering smart

solutions, enhancing data transparency and driving behavioural change to achieve our goal of diverting at least 30% of municipal solid waste from landfills by 2030.

In supporting the Hong Kong government's measures on resolving the challenges arisen from municipal solid waste, a dedicated taskforce has been set up to formulate Waste Zero Strategy, striving to improve the waste diversion rate while promoting awareness and encouraging waste reduction among stakeholders.



5.5.1 Waste Management Protocol

In addition to complying with our EMS, protocol with the concept of waste-less operation is developed to standardise the operating procedures across different managed properties through liaising with owners' representatives, tenants' representatives, and stakeholders. The protocol encompasses waste collection and handling procedures and monitoring measures in public waste collection points, aiming to provide clear guidance to NFPM's front-line staff, tenants, residents and other stakeholders.

Integration of smart solutions is pivotal for NFPM to the transition from long-winded manpower-intensive process to digitalised waste management. To go beyond mere data collection and reporting, and more importantly, to make our waste management approach accessible and actionable, we introduced the First-in-Hong-Kong Automatic Refuse Collection System with waste sorting and weighing system at AIRSIDE and Smart Scale Solution across the portfolio to streamline the entire waste handling and data collection process.

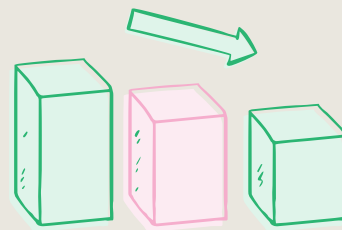
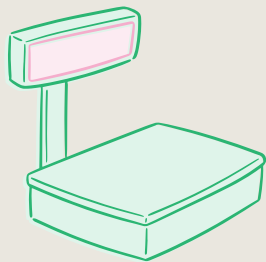
Case Study

Impactful Smart Waste Management via Smart Scale Solution

The multifaceted Smart Scale Solution embrace digitalised waste management, help create lines of communication to foster behavioural change. Thus far, onboarding the technology-driven smart scale system in six commercial projects, including the flagship projects AIRSIDE and The Mills, have established inspirational connections with property managers and tenants.

1 Data collection

Smart Scale Solution supports day-to-day operations such as weight measurement and segregating waste data based on the source and type of waste. Real-time waste data is automatically uploaded onto the system once measured which eliminates the need for manual data entry and reduces human errors and inaccuracies.



2 Data analytics and visualisation

Leveraging highly scalable Structured Query Language (“SQL”) Database and Data Analytic Platform, the Smart Scale Solution has the ability to run large scale of waste data, perform real-time data analytics and transform waste data into easy-to-understand, multi-dimensional visualisations.

3 Insight in strategic planning

With access to analyses across various properties, we, as the property operator, are capable of accommodating informed waste strategies and unlocking new opportunities to achieve waste minimisation.



A step further to the implementation in six commercial developments, NFPM has accelerated the applications to residential properties to embrace data-driven waste management.



5.5.2 Waste Reduction

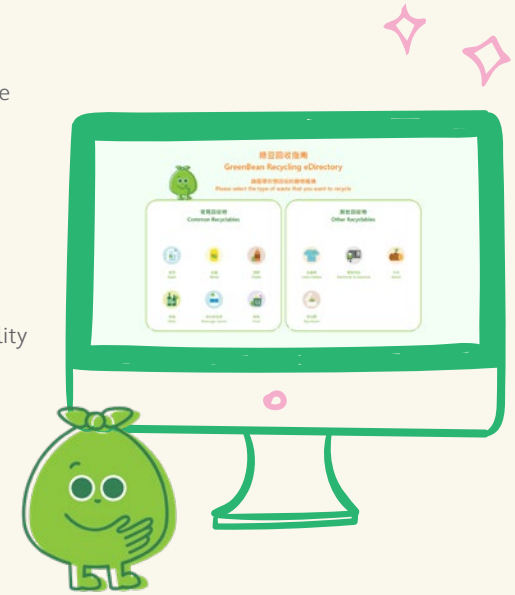
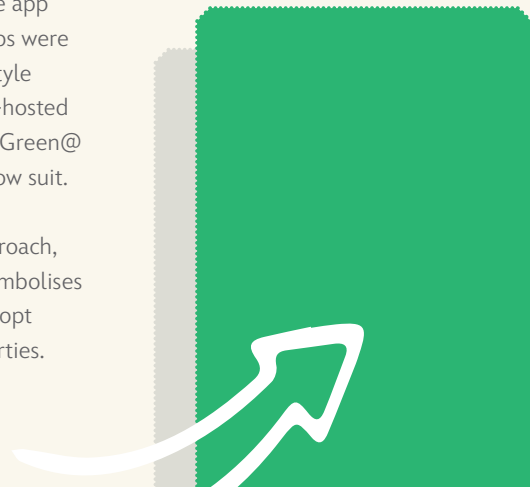
When it comes to conveying our waste management approach, it remains the most effective way to empower stakeholders along the value chain to reduce waste generation. Per our engagement exercises with tenants and internal waste surveys to staff, it has come to our attention that a significant number of stakeholders lack awareness of the waste separation procedures and wavered in transforming to waste-less practices.

To better communicate the best possible waste reduction solutions, NFPM is driven to find creative ways to enable sustainable action and help stakeholders find embracing sustainability concepts realisable. As part of the GreenBean promotion campaign, we have also curated a series of property-categorised education materials, in the form of introductory animation and posters, which will be circulated to equip our customers in different needs with cost-effective, sustainable and smart living ideas to eliminate waste.



To assist our stakeholders of all kinds in adapting to the new practices, various awareness-raising drives have been introduced. For instance, a survey was distributed to staff to identify knowledge gaps and training needs; engaging online training materials were crafted for staff to revisit through our game-based mobile app Atiom; online workshops featuring waste management tips were tailored to residents and tenants through our online lifestyle channel VIVA Xplore; and interactive workshops were co-hosted with the Environmental Protection Department (“EPD”), Green@Community and NGOs to advertise the easy steps to follow suit.

To provide a more positive outlook on our revamped approach, we developed the lively character “GreenBean”, which symbolises the start of a greener future, to nudge stakeholders to adopt environmentally friendly practices at our managed properties.



5.5.3 Waste Recycling

For unavoidable waste materials, we minimise our impacts along value chain by introducing a myriad of recycling initiatives. During the Reporting Period, we zealously engaged in the EPD-launched recycling programmes, such as the “Pilot Programme on Smart Recycling Systems”, the “Pilot Scheme on Food Waste Smart Recycling Bins”, and the “Pilot Scheme on Food Waste Collection”.

Acknowledging the challenge of identifying credible recyclers at the property level, a department-wide Recycling eDirectory, as a handy tool with recommendations and contacts, will be launched soon as part of the Waste Zero Strategy. The web-based feature facilitates our delegated staff to divert various types of recyclables, ranging from paper, metal, and plastic, to glass, beverage cartons and more to the reliable downstream facilities. We have also established partnerships with the like-minded recycling partners, providing value-added recycling and repurposing services and collaborative workshops to our eligible properties.

To be listed in our eDirectory as GreenBean Partners, the recyclers have completed a robust screening process, where they are encouraged to be ISO-certified and/or endorsed by the EPD. Their service quality will then be reviewed regularly via surveys and site visits, assuring their tailored service could strictly adhere to local and NFPM-specific requirements.

In recognition of a more accessible solution to drive collective efforts with our tenants and residents, a recycling facility map, another deliverable of the Waste Zero Strategy, is in the pipeline to further facilitate our managed properties to map out the recycling bins and collection points in close proximity.

Additionally, NFPM endeavours to partner with various social enterprise / NGOs and engage our customers, to recycle and divert waste from landfills and create resource circularity.

Case Study

Tai O Fei Mao Li “Art Like” Festival 2023

NFPM strives to identify opportunities that advance the shift to circularity, by utilising waste as an input for new products as well as our connection to the community. As part of the successful effort to drive source separation and recycling in our managed properties, we contributed around 1,000 plastic bottles collected from our tenants and visitors at AIRSIDE to the Tai O Fei Mao Li “Art Like” Festival during the Mid-autumn Festival in 2023. These bottles were then ingeniously repurposed and transformed into art decorations resembling fishing nets, showcasing the history and culture of Tai O and the vitality of light and shadow art.



Case Study

School Bag Recycling Programme



While helping to live up to our social objectives, our partnership with Silver Lining Foundation in the “Second-hand School Bag Recycling Programme 2023” also realised circularity in our operations. With joint effort from 30 residential properties and shopping malls, we collected over 400 pre-loved bags from customers for benefit claiming students. The school bags were disinfected and packed with care by our Volunteer Team prior to the redistribution to the mountainous areas in Myanmar and Vietnam. The programme has given the school bags their second lives and turned them into treasure again.

Partnership

Modern partnership exemplifies the elements of communication and collaboration that will be required to address sustainability challenges today and in the future. At the heart of the city, we offer our managed properties as platforms for reinventing connections with customers, suppliers and like-minded partners, while cultivating sustainable yet resilient ecosystems to live and work.

Related Material Topics:

- ✓ Business Continuity
- ✓ Customer Experience
- ✓ Operational Efficiency and Continuous Improvement



6.1 SUPPLY CHAIN MANAGEMENT

To deliver a truly sustainable service, we recognise it is not enough for us to solely focus on our operations but to assure the stakeholders along the value chain are also operating in a responsible way that aligns with our purposes, values, and sustainability vision. As such, it is our responsibility to maintain high environmental and social standards within the supply chain and build capacity among our business partnerships.



6.1.1 Supplier Monitoring and Evaluation

Sustainability is ingrained in our entire supply chain management process, reflecting our dedication to incorporating sustainability practices from scratch. It begins with the prequalification and selection of suppliers and extends to ongoing monitoring and evaluation.

1

Prequalification



NFPM has established a database of suppliers and contractors who prioritise legal compliance, ethical practices, and environmental preservation. When a referral is received, potential suppliers/contractors are provided with an application form to undergo a thorough compliance check. This process includes declaring any conflicts of interest and submitting relevant documents such as ISO certifications and safety policies. Suppliers and contractors who successfully submit all the required documents and meet the predetermined criteria will be added to the Suppliers / Contractors List upon management’s approval. The Procurement & Administration Team regularly monitors and updates the database.

2

Selection & Onboarding



When soliciting bids from service providers, the Suppliers / Contractors List serves as a database for the team to identify qualified organisations to participate in the tendering process. In line with our dedication to advocating environmentally, legally, and ethically responsible business practices throughout our supply chain, NFPM has meticulously crafted the Supplier Code of Conduct (“Code”). The Code outlines the basic standards for all the suppliers, including contractors, sub-contractors and service providers, and encompasses specific expectations and guiding principles on various aspects, including labour and human rights, legal compliance, occupational health and safety, environmental concerns, anti-bribery, and anti-corruption measures. NFPM holds all suppliers on the Suppliers / Contractors List accountable for full compliance with the Code. Non-compliance or violations may result in the potential jeopardisation of their ongoing partnership with NFPM.

3

Monitoring & Evaluation

As part of our commitment to upholding the quality of our service, we conduct post-contract evaluations for the awarded service based on the scale and nature of each project. The evaluation process follows a comprehensive assessment criterion as specified in our operating procedure. Failure to meet the satisfaction may result in suspension of their qualifications from the Suppliers / Contractors List in the procurement system or even removal from all procurement, bidding, or service qualifications. These actions are subject to a thorough review and endorsement process by the management team.

100%

of suppliers signed the Supplier Code of Conduct

0

confirmed cases of suppliers breaching the Supplier Code of Conduct

The Code has been included in our tendering documents since 2022, ensuring that suppliers fully understand and comply with our sustainability operation standards.

Since 2023, the shortlisted suppliers for bulk purchase orders are required to complete the sustainability assessment form. The evidence-based assessment evaluates their performance on company structure, regulatory compliance, environmental and OSH performance, helps us learn about the sustainability practices of our suppliers and encourages them to make ongoing improvement.



6.2 SUPPORTING OUR PARTNERS

Our dedication to creating a thriving and resilient community cannot be achieved in isolation, so our “SF2030” encapsulates our ambition to collaborate with like-minded partners and tenants in driving sustainability efforts. As a community-focused business, we have always encouraged our staff to convene strategic partnership and create shared value with our customers and partners of all kinds through the initiation of engagement programmes.



Case Study

Net Positive Lease

Net Positive Lease is a tenant engagement initiative that launched in 2023. It aims to make tenants from different sectors work together for the good of the environment and society, and to build stronger ties between the landlord, property management team, tenants and stakeholders in neighbouring communities.

Under Net Positive Lease, tenants are offered a series of incentives, including management fee incentives, marketing exposure, priority access to eco-provisions and programmes, to achieve sustainability goals alongside the Group.

Within the context, NFPM plays a part in supporting our tenants to create plans that align with the sustainability priorities on both sides. For instance, visualising tenants’ environmental performance and generating actionable insights through digital tenant portal and building management technologies, accelerating sustainable actions within the leased area by adopting the Sustainability Fit-Out Guide during fit-out and renovations, and providing on-site support and staying connected with the participating tenants.

Our affirmation of stimulating behavioural change and driving sustainable practices led to the prestigious recognition as the Collaborative Project of the Year (Behavioural Change) at the Hong Kong Green Shop Alliance Award 2023 organised by Hong Kong Green Building Council. This accolade not only showcases the effectiveness of the programme but also highlights our dedication to inspiring and supporting our stakeholders to make progress towards a community with quality of life.



Green Procurement



To guide NFPM operations in acquiring materials or services that have less impact on the environment, we have a Green Procurement Policy in place to encourage all operating units to prioritise products or services that cause minimal adverse environmental impacts. Under the policy, we consider factors such as circularity, durability, choice of packaging and transportation footprint when making procurement decisions. Starting from April 2023, we have taken further steps to motivate green procurement by increasing the number of mandated commonly used items in our daily operations from 11 to 14, ensuring they meet the green specifications issued by the EPD.



Case Study



Partnership in Supporting Young Talents

Partnering with the Hong Kong Broadband Network Summer Innovator Programme in 2023, NFPM helped young talents unlock opportunities within the property and facility management industry. Themed after “Empower Your Bright Tech Future”, the programme concentrated on the exploration of the latest innovations and technology developments in the market. During the visit, the participants had the opportunity to delve into cutting-edge solutions and property management services in AIRSIDE, gaining a deeper understanding of how these advancements contribute to NFPM’s sustainability journey. The reverse mentorship is another highlight of the interactive programme where NFPM could gain insights from future leaders on approaches to attract more talents to join the industry.



Sustainability Dashboard

To entice staff and tenants to own and contribute to the sustainability ambition, we built a sustainable data ecosystem through the Sustainability Dashboard to streamline the process and raise awareness within. This integrated platform encompasses three main stages: data capturing, data processing and insight sharing, enabling real-time tracking and monitoring of sustainability performance.

The dashboard is connected to various IoT applications such as smart meters, smart scales and sensors to capture the environmental performance within the property. The collected data is then centralised and classified onto the platform. The visualisation of carbon emissions serves not only as a reporting tool but also provides actionable insights for tenants to develop impactful decarbonisation strategies.



1

Data Capturing

- Smart energy meter
- Smart water meter
- Smart scale
- IAQ sensors

2

Data Processing

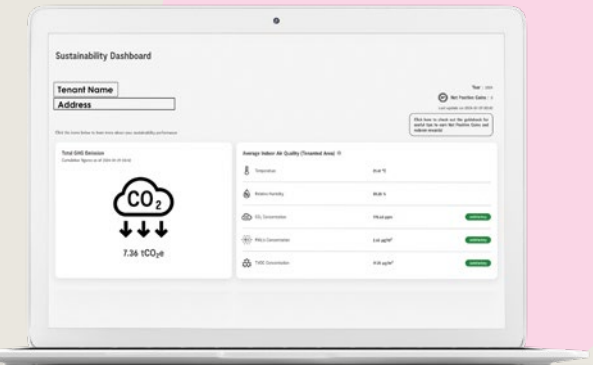
- Data centralisation and classification
- Data visualisation

3

Insights Sharing

- Overview of carbon emission
- Achievement progress
- Strategic planning
- Sustainability reporting

Case Study



Furthermore, the platform facilitates day-to-day operations such as weighing and segregating waste data based on the source and type. Real-time data is automatically uploaded onto the system once the staff measures waste through the smart scale. The data-driven analysis enables the facility managers and tenants to track and share data on resource utilisation and waste generation hotspots, which could facilitate Scope 3 emissions and waste reduction.



Appendices



7.1 PERFORMANCE DATA

Environmental

Indicator	Unit ¹	2023/24 ²
EMISSIONS		
Greenhouse Gas Emissions^{3,4}		
Total GHG emission	tCO ₂ e	171,212.8
GHG emissions intensity	tCO ₂ e/1,000ft ²	6.0
Direct emissions (Scope 1)	tCO ₂ e	2,221.2
<i>Fuel</i>	tCO ₂ e	8.0
<i>Refrigerant</i>	tCO ₂ e	2,211.4
<i>Towngas</i>	tCO ₂ e	1.8
Energy indirect emissions (Scope 2)	tCO ₂ e	42,971.4
<i>Electricity purchased</i>	tCO ₂ e	42,971.0
<i>Towngas</i>	tCO ₂ e	0.39
Other indirect emissions (Scope 3)	tCO ₂ e	126,020.2
<i>Fresh water and sewage processing</i>	tCO ₂ e	327.2
<i>Waste disposal at landfills</i>	tCO ₂ e	125,693.0
Type of Emissions⁵		
Nitrogen oxides (NOx)	kg	0.14
Sulphur oxides (SOx)	kg	-
Particulate matter (PM)	kg	-

Indicator	Unit ¹	2023/24 ²
ENERGY		
Energy Consumption⁶		
Total energy consumption	GJ	341,681.9
Total energy consumption intensity	GJ/1,000ft ²	12.0
Direct energy consumption	GJ	151.6
<i>Diesel</i>	GJ	117.8
<i>Towngas</i>	GJ	33.9
Indirect energy consumption ⁴	GJ	341,530.3
<i>Purchased electricity</i>	kWh	94,869,600.0
<i>Purchased electricity</i>	GJ	341,530.3
Energy Generation⁷		
Renewable electricity generated from solar photovoltaic system	GJ	2,572.1
WATER^{8,9}		
Fresh water	m ³	445,166.6
Fresh water intensity	m ³ /1,000ft ²	15.6

Environmental

Indicator	Unit ¹	2023/24 ²
WASTE		
Waste Disposed		
General waste	tonne	83,795.4
General waste intensity	tonne/1,000ft ²	2.9
Waste Recycled		
Waste recycled	tonne	965.1
Waste recycled intensity	tonne/1,000ft²	0.03
Total non-hazardous waste	tonne	950.5
<i>Wastepaper</i>	<i>tonne</i>	<i>584.8</i>
<i>Metal</i>	<i>tonne</i>	<i>44.8</i>
<i>Plastic</i>	<i>tonne</i>	<i>81.5</i>
<i>Glass</i>	<i>tonne</i>	<i>88.4</i>
<i>Beverage carton</i>	<i>tonne</i>	<i>2.2</i>
<i>Food waste</i>	<i>tonne</i>	<i>85.1</i>
<i>Used clothes</i>	<i>tonne</i>	<i>45.6</i>
<i>Others</i>	<i>tonne</i>	<i>18.1</i>
Total hazardous waste	tonne	14.6
<i>Rechargeable battery</i>	<i>tonne</i>	<i>0.33</i>
<i>LED / light bulb</i>	<i>tonne</i>	<i>0.86</i>
<i>Toner / inkjet cartridge</i>	<i>tonne</i>	<i>0.04</i>
<i>Electronic & electrical waste</i>	<i>tonne</i>	<i>13.4</i>

Social

Indicator	Unit	2023/24
EMPLOYMENT		
Total Workforce		
Total number of employees	number	1,771
By gender	Male	number (percentage) 1,013 (57.2%)
	Female	number (percentage) 758 (42.8%)
By employment type	Permanent	number 1,562
	Male	number (percentage) 861 (55.1%)
	Female	number (percentage) 701 (44.9%)
	Contract	number 209
	Male	number (percentage) 152 (72.7%)
	Female	number (percentage) 57 (27.3%)
By age group	Under 30 years old	number (percentage) 208 (11.7%)
	30 – 50 years old	number (percentage) 605 (34.2%)
	Over 50 years old	number (percentage) 958 (54.1%)

Indicator	Unit	2023/24
By grade ^{10,11}	Senior Management	number (percentage) 8 (0.5%)
	Middle Management	number (percentage) 102 (5.8%)
	General Employee	number (percentage) 1,661 (93.8%)
Total number of Senior Management		number 8
By gender	Male	number (percentage) 6 (75.0%)
	Female	number (percentage) 2 (25.0%)
By age group	Under 30 years old	number (percentage) 0 (0%)
	30 – 50 years old	number (percentage) 4 (50.0%)
	Over 50 years old	number (percentage) 4 (50.0%)
New Hires		
Total number of new hires		number 706
Total new hires rate¹²		percentage 44.9%
By gender ¹³	Male	number (percentage) 415 (45.6%)
	Female	number (percentage) 291 (43.9%)

Social

Indicator	Unit	2023/24
By age group ¹³	Under 30 years old	number (percentage)
	30 – 50 years old	number (percentage)
	Over 50 years old	number (percentage)

Turnover

Total employee turnover	number	693
Total employee turnover rate¹⁴	percentage	44.0%
By gender ¹⁵	Male	number (percentage)
	Female	number (percentage)
By age group ¹⁵	Under 30 years old	number (percentage)
	30 – 50 years old	number (percentage)
	Over 50 years old	number (percentage)

OCCUPATIONAL HEALTH AND SAFETY¹⁶

Work-related Fatalities and Injuries		
Number of work-related fatalities	number	0
Rate of work-related fatalities	number per 1,000,000 hours worked	0
High-consequence work-related injuries ¹⁷	number	3
Rate of high-consequence work-related injuries	number per 1,000,000 hours worked	0.65

Indicator	Unit	2023/24
Recordable work-related injuries ¹⁸	number	23
Rate of recordable work-related injuries	number per 1,000,000 hours worked	5.0
Total hours worked ¹⁹	hour	4,589,576

Work-related Ill Health

Number of fatalities as a result of work-related ill health	number	0
Number of cases of recordable work-related ill health	number	0

TRAINING AND EDUCATION²⁰

Breakdown of Employee Trained

By gender	Male	percentage	58.9%
	Female	percentage	41.1%
By grade	Senior Management	percentage	0.1%
	Middle Management	percentage	6.3%
	General Employee	percentage	93.6%

Training Hours

Total training hours	hour	55,767.5	
Average training hours	hours/employee	61.2	
By gender	Male	hours/employee	36.2
	Female	hours/employee	34.4
By grade	Senior Management	hours/employee	34.9
	Middle Management	hours/employee	46.4
	General Employee	hours/employee	34.7

Social

Indicator	Unit	2023/24
PARENTAL LEAVE²¹		
Total employees entitled to parental leave	number	1,322
By gender	Male	number 816
	Female	number 506
Total employees who took parental leave	number	5
By gender	Male	number 2
	Female	number 3
Total number of employees who returned to work in the Reporting Period after parental leave ended	number	6
By gender	Male	number 2
	Female	number 4
Total number of employees who returned to work after parental leave ended and were still employed 12 months after returning to work	number	3
By gender	Male	number 1
	Female	number 2
Return to work rates of employees that took parental leave²²		
By gender	Male	percentage 100%
	Female	percentage 100%
Retention rates of employees that took parental leave²³		
By gender	Male	percentage 10.0%
	Female	percentage 22.2%

Governance

Indicator	Unit	2023/24
ANTI-CORRUPTION		
Total number of anti-corruption training²⁰		
Employee trained	number	1,574
Trained hours	hour	795
Percentage of employee trained	percentage	100%
Middle & Senior Management		
Employee trained	number	110
Trained hours	hour	61
Percentage of employee trained	percentage	100%
By grade	General Employee	
	Employee trained	number 1,464
	Trained hours	hour 734
	Percentage of employee trained	percentage 100%
Total confirmed anti-corruption case	number	0
Total anti-competitive behaviour and violations of anti-trust and monopoly legislation case	number	0

- 1 Abbreviations of units: tonnes of CO₂ equivalent (“tCO₂e”), gigajoules (“GJ”), kilowatt hours (“kWh”).
- 2 The calculation of the intensity of each environmental indicator is based on the total gross floor area 28,458,408.76 ft² managed by NFPM (excluding AIRSIDE) as of the end of the Reporting Period.
- 3 The standard and methodology adopted for calculating and reporting on GHG emissions is based on the 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 – A Corporate Accounting and Reporting Standard published by World Business Council for Sustainable Development and World Resources Institute. 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 : Reporting Guidance on Environmental KPIs published by HKEX, Annual Report of Water Supplies Department, Sustainability Reports of CLP Holdings Limited, Hongkong Electric Company Limited and The Hong Kong and China Gas Company Limited. The source of Global Warming Potential is from HKEX – How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs.
- 4 The electricity consumption of AIRSIDE is not included in the reporting scope as AIRSIDE is not in the condition of fully operation during the Reporting Period.
- 5 The calculation methodologies and emission factors are referenced from How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs published by HKEX.
- 6 Conversion factors used to standardise the units to gigajoules (GJ): diesel (0.039GJ/L), towngas (0.048GJ/unit) and electricity (0.0036GJ/kWh).
- 7 The renewable energy generated is sold to the power company.
- 8 The water consumption of AIRSIDE is not included in the reporting scope as AIRSIDE is not in the condition of fully operation during the Reporting Period.
- 9 Water consumption data of the 19 managed properties remains unavailable from the Water Supplies Department at the time of the Report publication, thus the corresponding water consumption is estimated.
- 10 Senior Management refers to Assistant General Manager or above, Middle Management refers to Assistant Manager to Senior Manager and General Employee refers to all other employees.
- 11 Percentages may not add up to 100% due to rounding.
- 12 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%.
- 13 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%.
- 14 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%.
- 15 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%.
- 16 Occupational health and safety data only includes direct staff employed by NFPM.
- 17 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.
- 18 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.
- 19 Total worked hours are calculated by estimations.
- 20 Training data only includes full time and contract staff.
- 21 Parental leave is for full time staff only.
- 22 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%.
- 23 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%.

7.2 GRI CONTENT INDEX

NFPM has reported in accordance with the GRI Standards 2021 for the period from 1 April 2023 to 31 March 2024.

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission	
GRI 1: Foundation 2021			
General Disclosures			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1	Organisational details	Introduction – About Nan Fung Property Management
	2-2	Entities included in the organisation’s sustainability reporting	Introduction – About the Report Introduction – About Nan Fung Property Management
	2-3	Reporting period, frequency and contact point	Introduction – About the Report
	2-4	Restatements of information	*There are no restatements of information in this Report.
	2-5	External assurance	Introduction – About the Report Appendices – Verification Statement
Activities and workers			
2-6	Activities, value chain and other business relationships	Introduction – About Nan Fung Property Management Partnership – Supply Chain Management	
		*NFPM has engaged in both long-term and short-term business relationships 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.	
		All of NFPM’s suppliers and downstream entities are from Hong Kong. Our downstream entities consist of residential and commercial tenants. There were no significant changes in the organisation’s sectors, value chain and other business relationships compared to previous Reporting Period.	
2-7	Employees	People – Talent Attraction and Retention Appendices – Performance Data	
2-8	Workers who are not employees	*Contractors are major workers who are not employees in NFPM. We are under the process of data collection for disclosed items of workers who are not employees. Associated information will be disclosed in the future report.	

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission	
GRI 2: General Disclosures 2021	Governance		
	2-9	Governance structure and composition	Governance – Sustainability Governance Appendices – Performance Data
	2-10	Nomination and selection of the highest governance body	*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 contributions to the performance of the Boards.
	2-11	Chair of the highest governance body	Sustainability Strategy – Materiality Assessment Governance – Sustainability Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance – Sustainability Governance
	2-13	Delegation of responsibility for managing impacts	Governance – Sustainability Governance
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Strategy – Materiality Assessment Governance – Sustainability Governance
	2-15	Conflicts of interest	Governance – Business Ethics and Corporate Compliance
	2-16	Communication of critical concerns	Governance – Whistleblowing / Grievance Mechanism Governance – Business Continuity
	2-17	Collective knowledge of the highest governance body	Governance – Business Ethics and Corporate Compliance People – Employee Learning and Development
	2-18	Evaluation of the performance of the highest governance body	People – Talent Attraction and Retention
	2-19	Remuneration policies	People – Talent Attraction and Retention
	2-20	Process to determine remuneration	People – Talent Attraction and Retention
	2-21	Annual total compensation ratio	*Compensations of employees are confidential and protected under our human resources practices.

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission	
GRI 2: General Disclosures 2021	Strategy Policies and Practices		
	2-22	Statement on sustainable development strategy	Introduction – Message from the Chairperson of the Steering Committee on Sustainable Development
	2-23	Policy commitments	Governance – Business Ethics and Corporate Compliance Governance – Business Continuity Governance – Data Privacy and Security People – Talent Attraction and Retention People – Occupational Safety and Health Environment – Environmental Management Approach Partnership – Supply Chain Management *Policy commitments are not publicly available as NFPM does not have company website.
	2-24	Embedding policy commitments	Governance – Business Ethics and Corporate Compliance Governance – Business Continuity Governance – Data Privacy and Security People – Talent Attraction and Retention People – Occupational Safety and Health Environment – Environmental Management Approach Partnership – Supply Chain Management
	2-25	Processes to remediate negative impacts	Governance – Business Ethics and Corporate Compliance Governance – Business Continuity People – Enhancing Customer Experience People – Employee Learning and Development People – Occupational Safety and Health Environment – Climate Adaptation and Resilience
	2-26	Mechanisms for seeking advice and raising concerns	Governance – Sustainability Governance Governance – Business Ethics and Corporate Compliance
	2-27	Compliance with laws and regulations	Governance – Business Ethics and Corporate Compliance
	2-28	Membership associations	Introduction – Awards and Memberships
	Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	Sustainability Strategy – Stakeholder Engagement
2-30	Collective bargaining agreements	*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.	

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission
Material Topics 2021		
GRI 3: Material Topics 2021	3-1	Process to determine material topics Sustainability Strategy – Materiality Assessment
	3-2	List of material topics Sustainability Strategy – Materiality Assessment
Governance		
Anti-corruption		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment Governance – Business Ethics and Corporate Compliance
	GRI 205: Anti-corruption 2016	205-1
	205-2	Communication and training about anti-corruption policies and procedures Governance – Business Ethics and Corporate Compliance
	205-3	Confirmed incidents of corruption and actions taken *No confirmed incidents of corruption were reported by the NFPM during the Reporting Period.
Anti-competitive Behaviour		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment Governance – Business Ethics and Corporate Compliance
	GRI 206: Anti-competitive Behaviour 2016	206-1
Environment		
Energy		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment Environment – Environmental Management Approach Environment – Carbon and Energy Management

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission
GRI 302: Energy 2016	302-1	Energy consumption within the organisation Appendices – Performance Data
	302-2	Energy consumption outside of the organisation *Not applicable to the NFPM’s operations.
	302-3	Energy intensity Appendices – Performance Data
	302-4	Reduction of energy consumption *Comparison against the baseline year and reduction in energy consumption are not applicable this year due to the change in Reporting Period, data comparison will be available in the next reporting cycle.
	302-5	Reductions in energy requirements of products and services *Not applicable to the NFPM’s operations.
Emissions		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment Environment – Environmental Management Approach Environment – Carbon and Energy Management
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions Appendices – Performance Data
	305-2	Energy indirect (Scope 2) GHG emissions Appendices – Performance Data
	305-3	Other indirect (Scope 3) GHG emissions Appendices – Performance Data
	305-4	GHG emissions intensity Appendices – Performance Data
	305-5	Reduction of GHG emissions *Comparison against the baseline year and reduction in carbon emissions are not applicable this year due to the change in Reporting Period, data comparison will be available in the next reporting cycle.
	305-6	Emissions of ozone-depleting substances (ODS) *Production, imports, and exports of ODS are considered as not applicable to the NFPM’s operations.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions Appendices – Performance Data
Waste		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment Environment – Environmental Management Approach Environment – Resource Management and Circularity

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts Environment – Resource Management and Circularity
	306-2	Management of significant waste-related impacts Environment – Resource Management and Circularity
	306-3	Waste generated Appendices – Performance Data
	306-4	Waste diverted from disposal Appendices – Performance Data *Non-hazardous waste generated by NFPM was diverted to the landfills in Hong Kong.
	306-5	Waste directed to disposal Appendices – Performance Data *Recyclable non-hazardous waste and hazardous waste generated by NFPM were collected by qualified contractors.
Social		
Employment		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment People – Talent Attraction and Retention
GRI 401: Employment 2016	401-1	New employee hires and employee turnover People – Talent Attraction and Retention Appendices – Performance Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees People – Talent Attraction and Retention
	401-3	Parental leave Appendices – Performance Data
Labour / Management Relations		
GRI 3: Material Topics 2021	3-3	Management of material topics Sustainability Strategy – Materiality Assessment People – Talent Attraction and Retention
GRI 401: Labour / 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.

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment People – Occupational Safety and Health
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	People – Occupational Safety and Health
	403-2 Hazard identification, risk assessment, and incident investigation	People – Occupational Safety and Health
	403-3 Occupational health services	People – Occupational Safety and Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	People – Occupational Safety and Health
	403-5 Worker training on occupational health and safety	People – Occupational Safety and Health
	403-6 Promotion of worker health	People – Occupational Safety and Health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People – Occupational Safety and Health
	403-8 Workers covered by an occupational health and safety management system	People – Occupational Safety and Health
	403-9 Work-related injuries	People – Occupational Safety and Health Appendices – 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.
	403-10 Work-related ill health	People – Occupational Safety and Health Appendices – 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.

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment People – Employee Learning and Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People – Employee Learning and Development Appendices – Performance Data
	404-2 Programmes for upgrading employee skills and transition assistance programmes	People – Employee Learning and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	People – Talent Attraction and Retention
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People – Talent Attraction and Retention Appendices – Performance Data
	405-2 Ratio of basic salary and remuneration of women to men	*Compensation information of employees are confidential and protected under our human resources practices.
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment People – Talent Attraction and Retention People – Diversity and Inclusion Partnership – Supply Chain Management
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	*No violation of laws and regulations related to discrimination was identified in our operations or across our supply chain.
Child Labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment People – Talent Attraction and Retention Partnership – Supply Chain Management
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	People – Talent Attraction and Retention Partnership – Supply Chain Management

GRI Standard	Disclosure	Reference / *Direct answer or reason for omission
Prevent Forced or Compulsory Labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment People – Talent Attraction and Retention Partnership – Supply Chain Management
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	People – Talent Attraction and Retention Partnership – Supply Chain Management
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment People – Enhancing Customer Experience
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	People – Enhancing Customer Experience
	416-2 Incidents of noncompliance concerning the health and safety impacts of products and services	Governance – Business Ethics and Corporate Compliance
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Strategy – Materiality Assessment Governance – Data Privacy and Security
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance – Data Privacy and Security

7.3 HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Reference / Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure Information on:		
a.	the policies; and	Governance – Risk Management
b.	compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment – Environmental Management Approach Environment – Carbon and Energy Management
KPI A1.1	The types of emissions and respective emissions data.	Appendices – Performance Data
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Appendices – Performance Data
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Appendices – Performance Data
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Appendices – Performance Data
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environment – Carbon and Energy Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment – Resource Management and Circularity
Aspect A2: Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Governance – Risk Management Environment – Environmental Management Approach Environment – Carbon and Energy Management Environment – Water Management
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Appendices – Performance Data
KPI A2.2	Water consumption in total and intensity.	Appendices – Performance Data
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment – Carbon and Energy Management

Subject Areas, Aspects, General Disclosures and KPIs		Reference / Remarks
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<u>Environment – Water Management</u> *Given that water efficiency is not a material issue for NFPM during the Reporting Period, we have not made any disclosures on this matter. We will continue to monitor the situation and report on it as appropriate. There were no issues related to sourcing water that was fit for purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	*Not applicable to the NFPM's operations.
Aspect A3: The Environment and Natural Resources		
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		<u>Environment – Environmental Management Approach</u>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<u>Environment – Carbon and Energy Management</u> <u>Environment – Water Management</u> <u>Environment – Resource Management and Circularity</u>
Aspect A4: Climate Change		
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		<u>Environment – Climate Adaptation and Resilience</u> <u>Appendices – Response to Task Force on Climate-related Financial Disclosures Recommendations</u>
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	<u>Environment – Climate Adaptation and Resilience</u> <u>Appendices – Response to Task Force on Climate-related Financial Disclosures Recommendations</u>

Subject Areas, Aspects, General Disclosures and KPIs		Reference / Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure		
Information on:		
a.	the policies; and	Governance – Risk Management
b.	compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People – Talent Attraction and Retention People – Diversity and Inclusion
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendices – Performance Data *100% of NFPM workforce is based in Hong Kong.
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendices – Performance Data *100% of NFPM workforce is based in Hong Kong.
Aspect B2: Health and Safety		
General Disclosure		
Information on:		
a.	the policies; and	Governance – Risk Management
b.	compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People – Occupational Safety and Health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendices – Performance Data *Corresponding number and rate in the past three years (excluding reporting year) are not applicable this year due to the change in Reporting Period, data comparison will be available in the next reporting cycle.
KPI B2.2	Lost days due to work injury.	Appendices – Performance Data
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People – Occupational Safety and Health

Subject Areas, Aspects, General Disclosures and KPIs		Reference / Remarks
Aspect B3: Development and Training		
General Disclosure		
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		People – Employee Learning and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendices – Performance Data
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendices – Performance Data
Aspect B4: Labour Standards		
General Disclosure		
Information on:		
a. the policies; and		People – Talent Attraction and Retention
b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People – Talent Attraction and Retention
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People – Talent Attraction and Retention

Subject Areas, Aspects, General Disclosures and KPIs		Reference / Remarks
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.		Governance – Risk Management Partnership – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	*NFPM is under the process of data collection. Associated information will be disclosed in the future report.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Partnership – Supply Chain Management *NFPM is under the process of data collection. Associated information will be disclosed in the future report.
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Partnership – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Partnership – Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Governance – Data Privacy and Security People – Enhancing Customer Experience
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	*Not applicable to the NFPM’s operations.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Governance – Data Privacy and Security People – Enhancing Customer Experience
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	*Not applicable to the NFPM’s operations.
KPI B6.4	Description of quality assurance process and recall procedures.	People – Enhancing Customer Experience *Recall procedures are not applicable to the NFPM’s operations.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Governance – Data Privacy and Security

Subject Areas, Aspects, General Disclosures and KPIs		Reference / Remarks
Aspect B7: Anti-corruption		
General Disclosure		
Information on:		
a.	the policies; and	Governance – Business Ethics and Corporate Compliance
b.	compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Appendices – Performance Data
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Governance – Business Ethics and Corporate Compliance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Governance – Business Ethics and Corporate Compliance Appendices – Performance Data
Community		
Aspect B8: Community Investment		
General Disclosure		
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		People – Contributing to Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	People – Contributing to Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	People – Contributing to Our Community

7.4 RESPONSE TO TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES RECOMMENDATIONS

Our response to TCFD, with reference to the recommendations published in 2017, demonstrates our emphasis on managing and reporting on climate-related risk. We disclose our approach to adapting to climate change in four pillars: Governance, Strategy, Risk Management and Metrics and Targets.

7.4.1 Governance

Boards Oversight

At the top level, the Boards of Directors have the highest level of responsibility and strategic direction for “SF2030” and all climate-related issues. They regularly review and discuss material operational risks, including climate risks and opportunities, during their regular meetings from the Steering Committee on Sustainable Development (the “Committee”). To stay abreast of the latest development, climate-related training is also provided to member of the Boards.

Role of Management

Chaired by the Director & General Manager of Property Management and consisting of Deputy General Managers and Assistant General Managers, managers from functional teams and properties, the Committee is responsible for identifying material sustainability issues and ensuring the effective implementation of sustainability-related policies and initiatives to manage risks and opportunities. Regular meetings have been organised and are integrating climate-related issues in our usual risk management. Our upcoming Climate Change Policy will specifically address the climate-related risk and opportunities which allows us to prepare for the possible future challenges as a property operator.

7.4.2 Strategy

NFPM has established guidelines and procedures for dealing with climate physical risks such as typhoon, flooding, and rainstorm. Trainings are also provided to the relevant staff and an immediate report of the incident shall be made. Resilience measures are set out for the on-site staff to implement when these extreme weather events occur, such as placing sandbags and flood gate at the main entrance of the building. NFPM also takes prevention measures to avoid or minimise the impact brought by climate physical risks, for instance, regular checks on the slopes or retaining walls in the site premises to prevent collision and maintain good condition of drainage system to avoid backflow of stormwater.

In addition to physical risks like flooding, rising temperatures, and sea level rise that can disrupt our business, we also realise the potential business impacts arising from transition risks. NFPM has engaged a third-party consultant to assist us in analysing the potential physical and transition risks and opportunities as a result of climate change.

To manage the policy and legal transition risk where the climate-related policies may change while the society move towards a low-carbon economy, NFPM sets out policies to make sure its business operations comply with all legal requirements. The policies and procedures of NFPM shall be updated accordingly.

Scenario Analysis

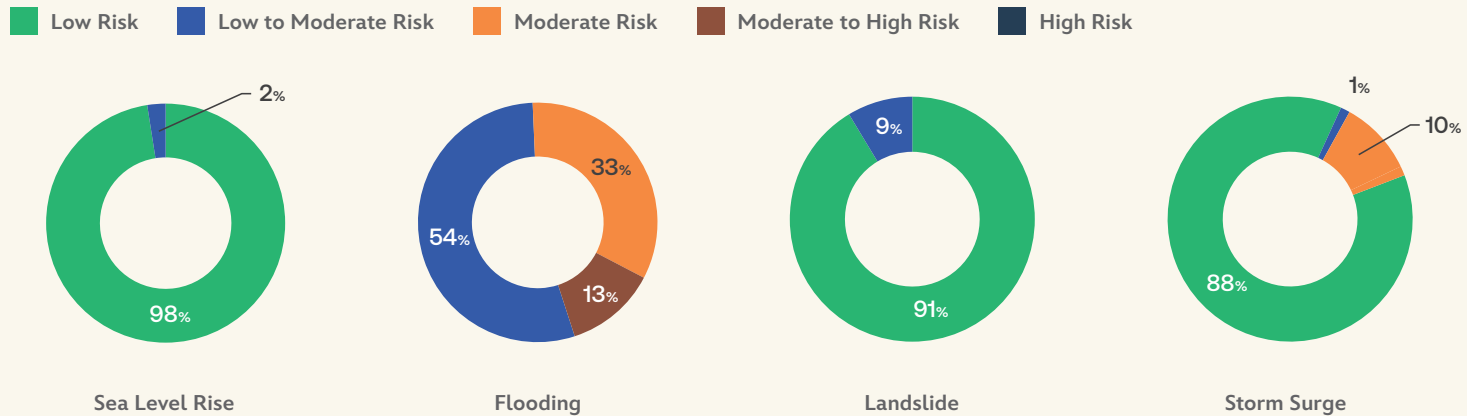
Climate-related risks to our managed properties were assessed under multiple time horizons to understand how risks change over time as well as possible intervention points for adaptation measures. The analysis of climate-related risks against three-time horizons, 2030, 2050 and 2100, supports an improved understanding of the future performance and resilience of NFPM’s operations.

Physical Risk

Referencing to International Panel on Climate Change (“IPCC”), our asset level analysis is associated with three coupled reference scenarios of Shared Socioeconomic Pathways (“SSPs”) and Representative Concentration Pathways (“RCPs”): SSP1-2.6, SSP2-4.5, and SSP5-8.5.

Scenarios	SSP1-2.6 Global temperature stays below 2°C warming with implied net zero CO ₂ emissions in the second half of the century.
	SSP2-4.5 CO ₂ emissions hover around current levels before starting to fall mid-century but fail to reach net-zero, resulting in a best estimate warming around 2.7°C by end of the 21 st century.
	SSP5-8.5 Increased fossil-fueled economic and social development with no additional climate policy. As such, CO ₂ emissions roughly double from current levels by 2050, leading to a global average temperate increase of 4°C or more by end of the 21 st century.
Time Horizons	<p>Short term: 2030</p> <p>Medium term: 2050</p> <p>Long term: 2100</p>

Material Physical Risk For Managed Properties Under SSP2-4.5 Scenario in 2030



Transition Risks and Opportunities

By reviewing the policies and market trends and analysing them against NFPM’s portfolio, we have identified certain transition risks including those that relate to policy, legal, technology, market, and reputation that might pose a risk to NFPM while the world transits to a low carbon economy.

The scenarios used by NFPM have been informed by several internationally recognised scenarios from authorities including the International Energy Agency (“IEA”), IPCC and the Network for Greening the Financial System (“NGFS”).

Scenarios	1.5 °C Scenario
	<ul style="list-style-type: none"> • Limiting global temperature rise to 1.5°C through immediate and ambitious climate policies • Reaching net-zero CO₂ emissions around 2050 • Rapidly increasing the proportion of renewable energy in the energy mix • Substantial investment in green technologies to support decarbonisation
	2 °C Scenario
	<ul style="list-style-type: none"> • Limiting the global temperature rise to below 2°C appears feasible • CO₂ emissions declining to zero around 2070 • Climate policies are expected to become increasingly stringent over time • Global investment in green technology increasing gradually and moderately
	3 °C Scenario
	<ul style="list-style-type: none"> • Emissions grow until 2080 leading to about 3°C of warming • Global efforts are insufficient and only currently implemented policies or actions are preserved
Time Horizons	<p>Short term: 2030</p> <p>Medium term: 2050</p> <p>Long term: 2100</p>

Type of Risk / Opportunity	Description	Potential Business Impact	Our Response
Policy and Legal	Building Codes and Standards	<ul style="list-style-type: none"> Higher compliance costs induced by more stringent requirements on energy audits Increased operating costs to fulfil the higher demand for internal capacity building 	<ul style="list-style-type: none"> Keep abreast of the latest policy and regulations development Regularly review and update the Operating Procedures and Work Instructions per changes and amendments to laws and regulations
	Sustainability-related Policy	<ul style="list-style-type: none"> Increasing ambition of waste management regulations 	<ul style="list-style-type: none"> Increased cost from handling non-compliance issues Additional expenditure on creating knowledge and competence among employees, tenants and visitors through training and promotional materials
Technology	Sustainable Technology Adoption	<ul style="list-style-type: none"> Increased investment in transitioning to energy-saving or renewable energy technologies Higher operating costs to deploy new technology and practices, i.e. building internal awareness and arranging training for employees Reduced operating costs through efficiency gains Improved business efficiency and reduced OSH-risk incurred by labour-intensive tasks 	<ul style="list-style-type: none"> Gradual deployment of energy-efficient technologies such as PropTech and District Cooling System Increase employees' competence to identify, procure and adopt low-carbon practices through internal training
	Energy Transition	<ul style="list-style-type: none"> Capturing opportunities to shift from fossil fuel-based sources to renewable energy sources 	<ul style="list-style-type: none"> Increased expenditures on research and development activities for alternative technologies Enhanced energy security by diversifying the energy sources
Market and Reputation	Market Demand for a Climate-resilient Community	<ul style="list-style-type: none"> Increased investment in adopting sustainable solutions and technologies Reduced revenue due to losing the social license to operate, resulting from inadequate preparedness for climate events Greater variety of initiatives and services to safeguard the resilience of the managed properties, reducing rectification costs and business interruption induced by climate-related incidents Enhanced readiness to penetrate new markets and attract tenants that have a positive sentiment on sustainability, resulting in increased revenues 	<ul style="list-style-type: none"> Formulate the Climate Change Policy Regularly review the Environmental Policy and property-specific resilience measures to enhance preparedness to extreme weather events Nudge and facilitate tenants to adopt more sustainable practices and features in the leased areas through the Net Positive Lease Programme and provision of the Sustainable Fit-Out Guide Continue to obtain green building certifications across our managed properties

7.4.3 Risk Management

In order to identify the risks posed by climate change and its implications to our managed properties and business, we have engaged an independent consultant to conduct a comprehensive assessment of physical and transition risks by considering the corresponding time horizons and scenarios, from short-term to long-term and from low emission scenario to high emission scenario. Combining our existing climate-related risks measures, the changes in regional climate, and the regulations, we have spotted the material climate risks. Concurrently, we stay abreast of the market trends and proactively participate in sustainability conference and workshops, to facilitate exchange of views and pinpoint climate-related risks and opportunities.

Our EMS and Environmental Policy sets the foundation for developing the strategies in combating climate change, and we conform to the IMS and the “Plan-Do-Check-Act” four-step procedures to manage the identified climate risks. Our managed properties are certified to ISO 14001 and ISO 45001 management systems. The Committee shall keep up on the changes in climate policy and update the management system and policy if applicable. The Sustainability Team is positioned as a catalyst, bridging the gap between the overarching management system and its effective on-the-ground implementation across Committee, taskforces and the managed properties. Meanwhile, the onsite staff shall follow the standard managing procedures during operation. With the assistance of our Quality Assurance Team, the execution in our managed properties is closely monitored via auditing. As such, the Committee could ensure the risk management system is effectively in place to cope with the climate risks.

In all aspects of risk management, the Committee, functional teams and onsite staff have been applying the risk-based thinking to consider the risks and opportunities associated with various internal and external environmental factors related to the business operations. As part of the IMS, our Quality Assurance Team has established a Risk Factors Register to set out the risks and opportunities, as well as the related measures for the business and climate change is considered as one of the external risk factors during the risk identification and assessment process. To identify the risks associated with laws and regulations, NFPM has also developed a set of procedures with a reference list of applicable regulatory requirements, including climate-related and environmental-related laws and regulations, ensuring they are taken into account in our daily operations.

7.4.4 Metrics & Targets

We are committed to enhancing NFPM’s sustainability performance and reducing our impact to the environment. To this end, we diligently track, monitor, and manage our greenhouse gas emissions on a regular basis. We have established GHG reduction targets that align with the Nan Fung Group’s science-based targets in “SF2030”, with the intention of reaching these goals and making significant progress in emission reduction by 2030. In 2023, we have set a clear roadmap for our major wholly-owned managed properties towards achieving the science-based targets to propel our advancement in reducing greenhouse gas emissions and reinforcing our commitment to sustainability.

Metrics: GHG Emissions

Our targets in Scope 1, 2, and 3 of carbon emission are suggested based on 1.5°C-aligned near-term science-based targets (“SBTs”) established by the Nan Fung Group, as stated in “SF2030”.

Indicator	Target Unit	Near Term Target
Carbon emissions (Scope 1: Direct emissions Scope 2: Energy indirect emissions)	tCO ₂ e	To reduce carbon emissions by 46.2% in eight managed properties ⁴ from a 2022 baseline
Carbon emission (Scope 3: Other indirect emissions)	tCO ₂ e	To reduce carbon emissions by 46.2% in eight managed properties ⁴ from a 2022 baseline

⁴ The eight managed properties include 33 Des Voeux Road West, AIRSIDE, The Mills, Ma On Shan Centre, Nan Fung Tower, On Lan Centre, Ori and TKO Plaza.

7.5 DISCLAIMER

The information, statements, analyses, views, opinions and conclusions contained in this Report and any related materials are intended solely for reference. They are not intended to constitute advice of any kind or the rendering of legal, consulting or other professional services.

No warranty, representation or undertaking (express or implied) is given, and no reliance should be placed on, the accuracy, fairness, completeness, suitability or reliability of the data, information, contents or opinions represented in this Report or any verbal or written communication in connection with this Report (collectively, the “Contents”). No responsibility or liability is assumed by NFPM or by any of its agents, directors, employees, advisers, representatives or by any person giving or providing any Content in respect of any losses, claims, costs or expenses, including indirect or consequential damages or lost of profit, arising in any way from or in connection with any Content. All Content found in this Report and any related materials including figures, tables, charts, texts, images, audio, recording or in any other format were created for information purposes only.

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In case of discrepancies between the English version and Chinese version in respect of all or any part of this Report, the English version shall prevail.

7.6 VERIFICATION STATEMENT



ASSURANCE STATEMENT

SGS HONG KONG LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SUSTAINABILITY REPORT 2023/24 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 2023/24" (hereinafter referred to as the Report). The reporting period of the Report is 1 April 2023 to 31 March 2024.

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 Options
1 GRI Standards 2021 (In Accordance with)

2 Stock Exchange of Hong Kong Limited, Environmental, Social and Governance Reporting Guide

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
Business Assurance
10th September 2024

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