

**Kerry Properties Limited**  
**Supplementary Information on Selected Material Topics 2024**

## **ENVIRONMENT**

### **Climate Change and Resilience**

We are committed to engaging with stakeholders—including governments, regulators, industry associations, NGOs, suppliers, contractors, and employees—to support a coordinated transition towards a net-zero economy. Our membership in national and international trade bodies allows us to actively support organisations that advance climate mitigation and adaptation. The Climate Change Policy, which is subject to periodic review by the Sustainability Steering Committee, provides a comprehensive framework applicable across all jurisdictions in which the company operates. It provides overarching guidance on corporate strategy, business development, public engagement with industry associations, advocacy efforts, and our positions, pledges, and memberships related to climate change within our operations.

As part of our reviewing and monitoring process, we maintain an up-to-date inventory of all industry groups and trade associations with which the company is affiliated. In addition, we undertake a landscape review to evaluate how each association's climate policy stance aligns with our climate commitments. This includes assessing whether their direct lobbying and public positions support the objectives of Sustainability Vision 2030 Targets and the Paris Agreement.

Additionally, we clearly communicate our expectations and climate commitments to these associations to foster greater alignment. Where misalignment is identified, the matter will be escalated and investigated by the Group, and corrective actions may be taken as appropriate. We have also demonstrated our support for HKEX's market consultations on enhancing climate-related disclosures.

### **Sustainable Buildings**

Our commitment to environmental stewardship begins at the point of property designs. Before every new property development or investment decision, we conduct a rigorous due-diligence process which includes a high-level assessment of potential environmental risks. It is followed by a comprehensive environmental audit based on baseline environmental performance that allows us to regularly monitor and manage the environmental performance of our properties.

In support of an economy that encourages sustainable consumption, we lead by example through our sustainable procurement practices. The timber used in the construction process must be certified by an internationally recognised, globally applicable, and independent certification system for sustainable forest management. Such certification should address environmental, ecological, biodiversity, social, and economic considerations, and may include, but is not limited to, the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). During the reporting period, wood-based flooring products used in property development, materials must either comprise a minimum of 40% recycled wood content or be certified under sustainable forest management schemes such as FSC, PEFC, or an equivalent internationally recognised certification.

## **PEOPLE**

### **Human Capital Management and Development**

Our Employee Handbook outlines essential policies covering compensation, recruitment, promotion, working hours, equal opportunities, diversity, anti-discrimination, and employee welfare. The Group encourages all employees to make full use of their rest days and paid leave entitlements to foster work-life balance. In order to reduce overtime and prevent excessive working hours, the Group has established guidelines for managing overtime. These guidelines involve monitoring hours worked and requiring approval from department heads before assigning overtime.

Additionally, the Group provides benefits and support for its employees beyond mandatory social coverages, such as competitive medical coverage, retirement benefits, training subsidies, overtime pay, and discretionary performance bonuses.

Recognising that attracting and retaining outstanding talent is vital to our long-term success, we have established a talent acquisition framework closely aligned with our business goals. We value and recognise employees for long-term service. Additionally, we offer post-retirement employment opportunities to our employees.

We adhere to a recruitment plan founded on principles of fairness, transparency, and impartiality, covering all employment aspects from hiring and compensation to performance evaluation and rewards. We conduct regular performance reviews with ongoing and multidimensional conversations for employees and teams to identify high achievers, determine compensation based on performance, provide development opportunities, and offer feedback and recognition. Employee contributions to ESG objectives are also incorporated into performance assessments.

### **Labour Practices and Human Rights**

We are committed to upholding human rights across our operations and throughout our value chain. Our practices comply with national laws and international standards, including the ILO Declaration on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the UNSDGs. In alignment with our Human Rights Policy, we engage in human rights due diligence to identify potential risks within our operations and supply chain where relevant. We regularly and systematically monitor our Group's human rights impacts, that encompasses a variety of potential human rights concerns, including discrimination, forced labour, child labour, human trafficking, freedom of association, the right to collective bargaining, and fair compensation for all individuals at risk, covering our all genders and age group among our own employees, third-party employees of our suppliers and contractors, migrant workers, indigenous people and local communities.

## **COMMUNITY and VALUE CHAIN**

### **Community Engagement, Development and Investment**

We actively consider the sustainability and strategic concerns of our stakeholders. We regularly conduct assessment among our operations and supply chain to identify our relevant stakeholders especially local stakeholders. For example, we recognise the significance of cultural heritage to the local community. In Shanghai, we played a pivotal role in the urban regeneration of Jinling Road, engaging stakeholders through urban planning, and connecting key cultural and commercial hubs. We prioritise vulnerable stakeholders, especially people in need, such as the disabled and pregnant women, to ensure we pursue ethical operations. We believe that our stakeholders have significant potential effect on our business, thus we have established dedicated strategy in terms of stakeholder engagement. We employ a comprehensive approach to ensure timely and effective communication with each stakeholder group, integrating their feedback into our overall risk management. To enhance stakeholders' communication with us, we will regularly review the perceptions of our local stakeholder on the engagement strategy, with a whistleblowing and complaint mechanism available for the stakeholders. Through collecting customers' and local stakeholders' feedback through annual satisfaction surveys and Social Impact Assessment, we improve our offerings and optimise the allocation of resources among our local stakeholders.

### **Collaborative Tenant Partnership**

To ensure the health and wellbeing of our tenants, we regularly conduct assessment via different channels, such as stakeholder engagement and satisfaction survey, to identify potential risks and opportunities that may have a significant impact on our tenants. We have implemented a range of measures focusing on key aspects of their living environment. Recognising the ten concepts of WELL Building Standard, which encompass indoor air quality, water quality, nourishment or healthy food, visual comfort of daylight, physical activity, thermal comfort, acoustical comfort, mental health, accessibility, biophilic design or connection to environment. For example, we optimise water quality through rigorous monitoring and filtration systems, enhance the visual comfort of daylight through strategic architectural designs and window placements, and ensure acoustical comfort by thoughtful spatial planning. These efforts collectively aim to create living spaces that promote the holistic health and well-being of our tenants, fostering a harmonious and nurturing environment for all.

## **GOVERNANCE**

### **Risk and Crisis Management**

The Group maintains a robust risk management process that integrates top-down and bottom-up approaches. Departments perform quarterly reviews of risk registers and matrices, including risk mapping to identify potential and emerging risks, including those associated with human rights. Financial incentives incorporating key risk management metrics, such as health and safety risks and climate risks, are given to targeted employees for reaching specific milestones and performance targets to promote risk management among our operations. We also organise dedicated workshops and seminars on risk management to our non-executive directors (including INEDs) on a regular basis, and provide trainings on risk management principles to all our employees within the Group.

### **Business Ethics and Integrity**

We uphold the highest ethical standards and have implemented control measures to ensure fair and transparent decision-making. All employees are required to strictly adhere to the Company's Code of Conduct to safeguard both personal and corporate integrity. During this reporting year, the Group did not make any political contributions to and spending for political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups.

### **Cybersecurity**

The Audit and Corporate Governance Committee treats cybersecurity as a standing agenda item. Our Technology Risk Committee operates under the Corporate Governance Committee to review cybersecurity and technology risk programmes and measures. The Technology and Innovation (T&I) Department develops relevant frameworks and implements corresponding actions, where these frameworks and actions are reported to the Committee and Senior Management Team by the Vice President of the T&I Department. We have implemented Information Security related policies which apply to employees, 3rd party contractors and agents. These policies govern the regular review, monitoring and continuous improvements of information security of our systems, including the identification and resolution of potential breaches. All security-related activities involving the Group and its IT resources are promptly recorded and evaluated to ensure the integrity and protection of data. The End User Resource Usage policy and Incident Management Policy also help guide employees on the proper response to, and the efficient and timely reporting of, computer or system-related incidents, such as application or system abnormal, hardware failure, computer viruses, unauthorised user activity, and suspected compromise of data. When employees notice anything suspicious, they are required to report the incident in accordance with our escalation procedures.