

Governing Our Values



Our commitment to governing the Group with sustainability lays the foundation for our sustainability journey. Sustainability is deeply rooted at all levels of our business, guiding the Group’s governance, day-to-day operations and future growth. Through ESG-driven governance, we strive to realise long-term value creation, which ensures resilience, longevity and continuity of the Group.



79%

Achievement of annual sustainability commitments



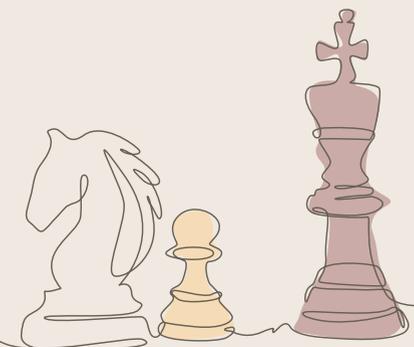
4-star

In Global Real Estate Sustainability Benchmark (“GRESB”) 2023

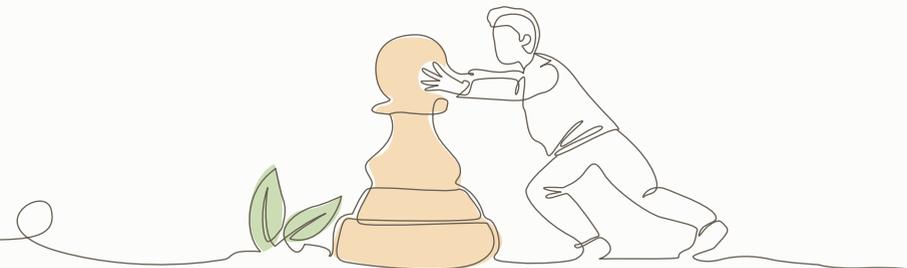


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In CDP’s Climate Change Assessment (2022 and 2023)



Solidifying Our ESG Governance Structure



ESG is the one of the fundamental strategies that guide us to build communities for the future and create places with heart. We have been continuously strengthening the role of sustainability in our governance, as we are actively seeking ways to further integrate sustainability into the core of our business operations and governance. To ensure overall effective ESG governance and knowledge transfer, a comprehensive and robust ESG governance system has been structured covering different aspects of corporate sustainability, with improvements on the governance made during the Reporting Period.



ESG Steering Committee

Chaired by the CEO and reports to the Executive Committee, the ESG Steering Committee is responsible for overseeing the Group's overall ESG strategies, reviewing and endorsing plans and monitoring the progress. The ESG Steering Committee is composed of the leadership team and chairs of ESG Sub-Committees and Working Groups. A Terms of Reference is now being formalised to define its formation, as well as the scope and authority of the ESG Steering Committee, to facilitate effective management and supervision of a specific area of responsibility.

During the reporting period, the ESG Steering Committee conducted three meetings to ensure timely communication on ESG issues.

ESG Sub-Committees

The four ESG Sub-Committees, namely Prosperity, Planet, People and Community, are responsible for formulating strategies and action plans that align with the Group's strategy and subsequent UNSDGs, and dedicating roles and responsibilities to individual departments for achieving the goals set. Comprising representatives from different business units, each of the ESG Sub-Committee has a valid Terms of Reference, which defines its formation and specifies the scope and authority of the ESG Sub-Committee. This facilitates effective management and supervision over specific roles and responsibilities on sustainability subject matters. Moreover, each of the ESG Sub-Committee have established multiple annual commitments for its focus area. More details about the achievement status of these annual commitments established by the ESG Sub-Committees can be found in the "[Our Annual Commitments](#)" section.

To support these initiatives, we have also established an ESG Department in 2022, which provides training and support to the entire organisation to formulate, execute and monitor the sustainability goals, KPIs and action plans, as well as providing support to ESG benchmarking, disclosure and sustainability engagement in all levels. Providing dedicated support for the Group's sustainability journey, the new ESG Department further strengthens our ESG governance and practices.

During the reporting period, each ESG Sub-Committee conducted two meetings.

Working Groups

Task-specific working groups will also be formed to further the Group’s ESG journey. During the reporting period, the 3050+ working group and Green Tenancy working group, which report to the ESG Steering Committee, were formed focusing on our decarbonisation target. Formed by subject matter experts of different business units and departments, the 3050+ working group is mainly responsible for tracking the Chinachem Group Carbon Reduction Roadmap - CCG 3050+ (“CCG 3050+”) target performance, whereas the Green Tenancy working group is responsible for the enhancement of tenant engagement and facilitating carbon reduction and sustainability lifestyle, covering our commercial, retail and residential tenants.



Updates on Policies, Procedures and Guidelines

To ensure effective, efficient and stringent corporate governance, we review and update internal policies, procedures and guidelines on a regular and event-trigger basis. During the reporting period, revisions of the following policies, procedures and guidelines were introduced.

Policy / Procedure / Guideline	Status
Equal Opportunities	Updated (May 2023)
Inside Information	New (July 2022)
Information Security	Updated (July 2022)
Information Technology	New (July 2022)
Supplier Code of Conduct	Updated (March 2023)
Procurement Management Framework	Updated (November 2022)

Our Annual Commitments



The four ESG Sub-Committees established 67 annual commitments at the beginning of the Reporting Period, focusing on various areas. These sustainability commitments were then cascaded down to relevant business units, motivating staff members at all levels to work towards achieving these goals and actions. As a result, we achieved an accomplishment rate of 79%. The Group's sustainability performance was regularly reported to the ESG Steering Committee. To maintain equal emphasis on People, Community, Prosperity and Planet, we are actively reviewing these yearly commitments and incorporating new ones.

ESG Sub-Committee : Prosperity

Focus Areas	Annual Commitments	Status
Sustainable Finance & Responsible Investment	Prepare to develop a ESG Due Diligence P&P	Achieved
	Disclose green financing information on corporate website	In Progress
Innovation & Technology	Install motion detectors and timers to reduce unnecessary lighting usage at Nina Tower Office	Achieved
	Provide solution and enable technology for telecommuting / remote work, thus lowering transportation-related emissions	Achieved
	Install 20 charging stations to encourage EV adoption	Achieved
	Review current ESG data and identify room for improvement	Achieved
	Implement innovative solution to streamline the ESG data collection process, i.e., Optical Character Recognition ("OCR") for electricity bill recognition	Achieved
	Upgrade office equipment to standing desk with adjustable height as well as adjustable monitor to promote healthcare	Achieved
	Provide regular safety training and awareness sessions for our colleagues	Achieved
Privacy, Data Rights and Cybersecurity	Establish the Information Security Policy for setting up the baseline protocols for all departments to follow the security standard	Achieved
	Enhance ability of incident response to reduce the impact of data issues and accelerated the response to cybersecurity and data privacy threats	Achieved
	Introduce an online training system to provide cyber security awareness training	Achieved
	Execute one cyber security knowledge sharing activity	Achieved

ESG Sub-Committee : Prosperity

Focus Areas	Annual Commitments	Status
Capacity Building	Offer flexible, on-demand consultative sessions to internal departments on KPI writing and integrating social and environmental parameters for ESG measurement	Achieved
	Hosting two Distinguished Speaker sessions, three to four Interdepartmental Dialogue sessions and two to three Business Networking sessions, as part of our efforts to consolidate our Places with Heart Academy, for ESG knowledge empowerment	Achieved
	Collaborate with at least two universities on four topics of concern to strengthen research and innovation capacity for sustainability	Achieved

ESG Sub-Committee : Planet

Focus Areas	Annual Commitments	Status
Reduction of Operational Environmental Footprint	Install 20 quick charging stations to encourage EV adoption	Achieved
	Implement the Zero-carbon Chiller System Project as part of our progress towards a decarbonised future	Achieved
	Study the feasibility of installing solar panels in at least two hotel properties	In Progress
	Study the feasibility of installing solar panels in buildings managed by Property Services	In Progress
	Study the feasibility of planned enhancement of the Air-Conditioning system at four properties managed by Property Services and get approval on BEAM Plus enhancement works for 19 buildings	In Progress
	Apply for IAQ-related certifications for three buildings managed by Property Services and prepare for applying for the Water Supplies Department's Quality Water Supply Scheme	Achieved
	Identify additional feasible certifications related to sustainable buildings and continue to renew the current certification of hotel properties	Achieved
	Conduct feasibility study on water-saving opportunities and explore collaboration opportunities with third party on improving recycling service	Achieved
	Initiate collection of data of all hotel properties and conduct data analysis	Achieved
Review the effectiveness and progress made by Nina Hospitality against the CCG 3050+ roadmap	Achieved	

ESG Sub-Committee : Planet

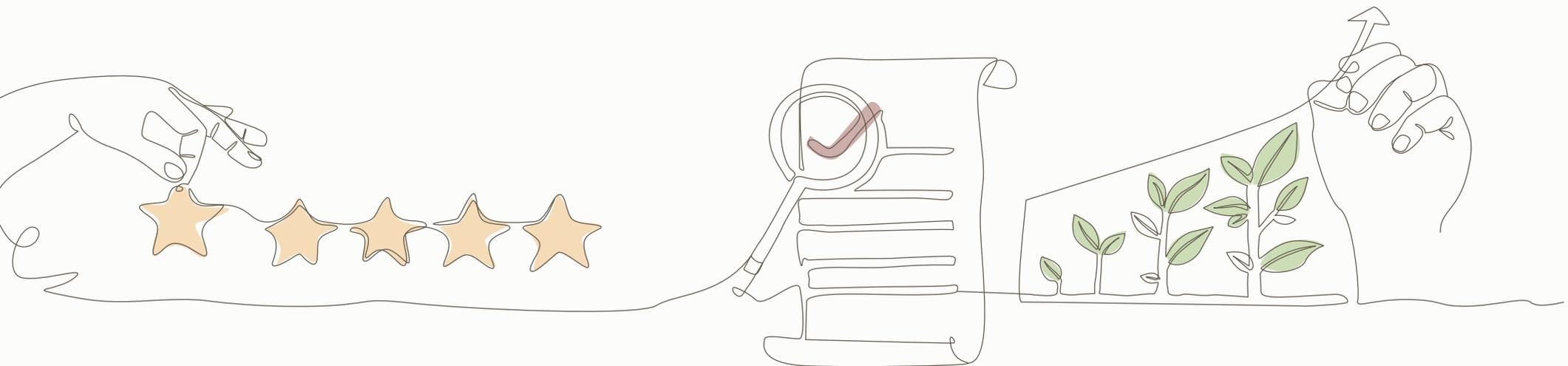
Focus Areas	Annual Commitments	Status
Better Buildings & Healthier Outcomes	Explore opportunities for renovating five properties managed by Properties Services and achieving WELL certification	Achieved
	Conduct preliminary gap analysis to identify hotel properties that are eligible for WELL certification	In Progress
	Require all new major projects to aim for WELL certifications	Achieved
Responding to Climate Change	Conduct a desktop study on the climate risks in new buildings' design	Achieved
	Engage with consultants to conduct a climate risk assessment on properties managed by Properties Services	In Progress
	Review and assess the flooding risks faced by the drainage system and piping of all hotel properties	In Progress
	Review the impacts of climate change on hotel properties, assess the potential climate risks and prepare a work list	In Progress
Responsible & Sustainable Procurement	Revise the original "Guidelines for Sustainable Procurement of Project Department" to "Guidelines for Sustainable Design and Procurement of Project Department"	Achieved
	Incorporate the Group's sustainability philosophy into the Group's revised Supplier Code of Conduct	Achieved
	30% of commonly used items purchased are sustainable	Achieved
	Require new suppliers to provide information on their ESG or sustainability-related certification and internal policies and manuals at Nina Hospitality	Achieved
	Take ESG factors into account to reach sustainable procurement goals by consolidating sustainable requirements from different user departments	Achieved
	Prioritise sustainable sourcing by following our sustainable procurement guidelines, and ensure they are integrated in the procurement process	Achieved
	Abandon single-use plastic items and instead adopt alternative, sustainable products at the Group's hotels	In Progress
Ensuring Sustainable Buildings	Include targets for the revised Guidelines for Sustainable Design and Procurement of the Project Department <ul style="list-style-type: none"> ▪ Energy / electricity consumption ▪ Water use / harvesting ▪ GHG emissions ▪ Renewable energy ▪ Well-being & health 	Achieved

ESG Sub-Committee : People

Focus Areas	Annual Commitments	Status
Employee Advancement, Development and Retention	Integrate directions formulated by the ESG Sub-committees or the Working Groups into departmental or individual KPIs, as part of our progress of linking ESG performance with bonus	Achieved
	Roll out Reuters Training programme and develop further staff engagement plan on 3Ps / ESG	Achieved
Diversity, Equity and Inclusion	Sign the Equal Opportunities Commission's "The Racial Diversity and Inclusion Charter for Employers" and develop appropriate targets / programmes	Achieved
	Study of employee well-being benchmarking	Achieved
	Roll out of International Women's Day celebration	Achieved
	Establish relevant DEI metrics	In Progress
Wellness, Health and Safety Enhancement	Review OH&S metrics and governance	Achieved
Sustainable Services and Products for Employees	Develop a working list to reduce wastage and packaging in office events and company gifts	In Progress
Enhancement of Stakeholder Engagement	Identify programme to be incorporated into CCG Hearts to enhance appreciate / recognition culture	Achieved
	Conduct customer satisfaction surveys covering property owners, tenants and hotel customers	Achieved
	Conduct internal employee satisfaction surveys by an independent party	Achieved
	Facilitate regular one-on-one meeting between staff, managers or supervisors via online system	In Progress
Sound and Forward-looking Company Culture	Study the possibility of and identify policies and programmes that enhance employee experience (e.g., No Pay Leave, Smart Casual Dress Code)	Achieved
	Introduce the buddy system designed for new joiners	Achieved
	Conduct research and benchmarking among existing staff members and the Group's competitors as part of the Culture Project	Achieved
	Commence the establishment of the Group's employer value proposition	Achieved
	Formulate an employer branding strategy to enhance the attractiveness of the Group	Achieved
	Design a recruitment journey for job candidates	In Progress

ESG Sub-Committee : Community

Focus Areas	Annual Commitments	Status
Caring for Elderly and Empowering Future Generation	Identify existing donation projects in relation to elderly, youth and intergeneration	Achieved
	Identify potential long-term NGO partners who could deliver programmes effectively on the themes on elderly, youth and intergeneration	Achieved
Encouraging Volunteerism	Prepare proposal for schemes that incentivise volunteerism among colleagues	Achieved
Connecting Like-minded Individual and Organisations	Secure three NGOs for partnership on community activities	Achieved
	Develop and roll out CCG Hearts programme	Achieved
	Organise a signature CSR event in relation to elderly, youth and intergeneration	Achieved
Inspiring Actions and Cultivating Shared Value through Communications	Revamp the Group’s sustainability website to reflect company's latest ESG strategies and goals	Achieved
Assessing and Monitoring Impact	Develop a framework for measuring and attributing positive social impact to CCG activities	In Progress



Stakeholder Engagement and Materiality Assessment



By staying in touch with our stakeholders, we gain valuable insights into their expectations regarding our sustainability efforts. This also helps us pinpoint important matters and evaluate how effective our sustainability measures are.

Channels of Stakeholder Engagement

Stakeholders	Internal stakeholders (Colleagues)	Hotel Guests and Restaurant Diners	Mall Visitors	Property Owners	Tenants
Channels	<ul style="list-style-type: none"> Employee survey Townhall meeting “Chit-chat with CEO” Leadership presentation Intranet and Yammer Company website / Social media postings Life+ Magazine Training sessions Stakeholder engagement exercise Committee / Work Group meetings Colleague engagement events 	<ul style="list-style-type: none"> Company website / Social media postings Front desk and concierge personnel Customer satisfaction survey Loyalty programme Environmental card Life+ Magazine 	<ul style="list-style-type: none"> Concierge personnel Mall events and promotions Loyalty programme 	<ul style="list-style-type: none"> Company website / Social media postings Property management personnel Property owner satisfaction survey 	<ul style="list-style-type: none"> Company website / Social Media postings Training sessions Stakeholder engagement exercise Tenant relationship personnel Tenant satisfaction survey
Banks	Professional Bodies	Supplier and Vendors	NGOs and Community	Government	Media
<ul style="list-style-type: none"> Chinachem sustainable finance framework Sustainability Report Company website / Social media postings 	<ul style="list-style-type: none"> Sustainability conference Regular and special meetings Project collaborations Organisational memberships 	<ul style="list-style-type: none"> Company website / Social media postings Stakeholder engagement exercise Tendering and procurement process Procurement team personnel Sustainability conference 	<ul style="list-style-type: none"> Sustainability conference Community engagement events Company website / Social media postings Organisational memberships Partnering of volunteering events Stakeholder engagement exercise 	<ul style="list-style-type: none"> Sustainability conference Community engagement events Project collaborations Regular and special meetings Signatories of government campaigns 	<ul style="list-style-type: none"> Media tea gathering Company website Press release

Comprehensive Stakeholder Engagement Exercise

To identify both current and potential impacts and to determine the materials topics that may affect the business, during the fiscal year, we commissioned Business Environment Council to carry out a comprehensive stakeholder engagement exercise.

The opinions of its stakeholders are sought through various methods such as online surveys, individual interviews and in-person focus groups. These methods were used to assess the significance of the Group’s impacts, both in terms of quantity and quality.

- An anonymous online survey was conducted aimed to allow stakeholders to rank the level of significance of the Group’s impacts on sustainability topics. In total, 152 completed responses were received from both internal and external stakeholders, accounting for 45% and 55% of total responses respectively.
- Two external focus group discussion sessions were conducted, involving a total of 23 subject matter experts across both sessions; an internal focus group discussion session was conducted, which saw the participation of 19 individuals from different business units and departments.
- One individual interview with a branding company was held, focusing on the value proposition of sustainability.

Materiality Assessment

A comprehensive list of sustainability topics was compiled by gathering information from various sources, including results obtained from the comprehensive stakeholder engagement exercise, the Group’s past sustainability reports, as well as other relevant documents such as the CCG 3050+ roadmap. Additionally, international and local sustainability / ESG reporting frameworks were referenced, including but not limited to the latest ESG Reporting Guide issued by the Hong Kong Exchanges and Clearing Limited. This report is also prepared in accordance with the Global Reporting Initiative (“GRI”) Standards. In order to reflect international best practices in sustainability reporting, the Group has made reference to double materiality concept outlined in GRI, and taken into account both inward and outward impacts within its materiality assessment process. The financially material topics that management deemed most likely to generate or diminish the Group’s enterprise value have been duly acknowledged and thoroughly discussed as part of our enterprise risk management process.

To ensure a thorough analysis, benchmarking against peer organisations was conducted. The materiality assessment process involved context identification, impact prioritisation and validation and the results of the materiality assessment are reflected in the table.

Chinachem Group Sustainability Report Strategic Topics

1	Sustainable Building	7	Water Consumption and Conservation
2	Energy Use and Conservation	8	Development and Training
3	Waste Management	9	Greenhouse Gas Emission
4	Material Management and Selection	10	Corporate Governance
5	Community Involvement	11	Climate Resilience
6	Technology and Innovation	12	Stakeholder Engagement
		13	Tenant and Customer Engagement

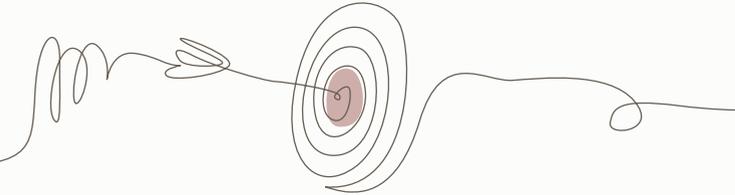
Tenant and Customer Survey

Acknowledging the crucial role that our tenants and customers play in the success of our business, we place a high priority on their feedback and satisfaction. To this end, we consistently engage in gathering their perspectives through regular tenant and customer satisfaction surveys. These surveys are instrumental in capturing their insights, identifying their primary concerns and thereby enabling us to elevate the standard of our services.

During the Reporting Period, we reached out to a substantial cohort including over 50,000 customers and invited them to evaluate their experiences with us. Over 2,800 and 9,700 valid surveys were received from tenants as well as hotel customers and property owners respectively. The feedback received was affirmatively positive. This feedback is a testament to our commitment to service excellence, yet we recognise that there is always scope for progress. We remain dedicated to continuously refining and enhancing our customer experience, as part of our ongoing commitment to ESG excellence.



Governing a Sustainable Supply Chain



Our sustainability efforts extend beyond our internal operations. To ensure that we are aligned with our values, we have created a specific governance system that enables us to work closely with our value chain partners. The Sustainable Procurement Strategy Committee (“SPSC”) oversees our procurement practices. The SPSC sets high-level project directions and annual objectives and evaluates our performance to ensure that we are aligned with the Group’s overall strategy.

To ensure our suppliers meet our high standards, we conduct thorough due diligence, assessing accuracy, pricing, response time, after-service quality and operational regions. Our supplier screening process includes the completion of assessment questionnaires covering business ethics, regulatory compliance, anti-corruption measures, environmental performance, labour practices (including the prohibition of forced and child labour) and occupational safety and health systems. We will also give preference to suppliers who have obtained sustainability certifications during the supplier selection process.

In March 2022, we introduced enhanced sustainable procurement guidelines that guide our procurement decisions towards maximum sustainability, minimise our environmental impact and help us achieve positive social outcomes. We recognise the significance of comprehensive supply chain management and regularly evaluate our supply chain in accordance with our sustainable procurement commitments and environmental and social standards. To manage supply chain risks and maintain a high level of sustainability performance standards, we refined our Suppliers’ Code of Conduct (“SCOC”) to further integrate ESG considerations into the procurement process. The SCOC defines the Group’s expectations and requirements of its suppliers and the responsibility of suppliers towards their stakeholders, society and the environment. The SCOC was developed in accordance with our business values to promote sustainable development. All registered suppliers are required to comply with the SCOC, and failure to do so may result in penalties such as contract termination. New and existing suppliers may submit relevant environmental and safety certifications or standards during the bidding and submission stage to support their proposals.

For more details about sustainable procurement and our decarbonisation efforts, please refer to the “Sustaining our Planet” chapter.

Suppliers’ Sustainability Commitments

1. Legal and Regulatory Compliance

Adhere to operations, products and services-related laws and regulations

2. Labour Standards

- No forced labour and child labour
- Ensure legal working age
- Comply with the legal limit of compensation and working hours
- Discrimination free and proper labour rights
- Ensure workplace health and safety

3. Ethical Conduct

Zero-tolerance on corruption, collusion, extortion, fraud, bribery, false declarations or counterfeiting

4. Responsibility

- Sustainability policies in place
- Educate employees on ethical practice
- Ensure privacy, data protection and confidentiality
- Maintain transparency on ESG data disclosures
- Obtain verifications

44 Overseas Suppliers

9 Mainland China Suppliers



3,816 Hong Kong SAR Suppliers

Business Ethics and Integrity

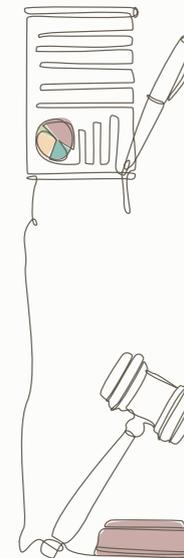


The Group places great importance on upholding a strong sense of integrity and ethical behaviour in all aspects of our business operations. Our longstanding reputation for honesty, trustworthiness and fair play is an asset that contributes to our long-term growth and prosperity. Our company policies address various areas such as fair labour, conflicts of interest, bribery, competition and antitrust, privacy compliance and equal opportunity. Every colleague of the Group is required to fully adhere to the company policies and acknowledge their understanding of its contents in writing upon joining the company.

We are dedicated to maintaining the highest standards of business ethics in order to prevent unethical labour practices, corruption, bribery and conflicts of interest throughout our entire value chain. To ensure this, we have implemented various P&P, such as the Bribery and Illicit Advantage P&P, the Conflict of Interest P&P, the

Advantage Entertainment P&P, the Anti-Money Laundering and Counter-Terrorists Financing P&P and the Whistle-blowing P&P. These policies outline the reporting requirements for handling any issues in a proper and timely manner. They are included in our Code of Conduct and Staff Handbook and are provided to all new hires as a guide for making ethical decisions and to emphasise our zero tolerance for corruption.

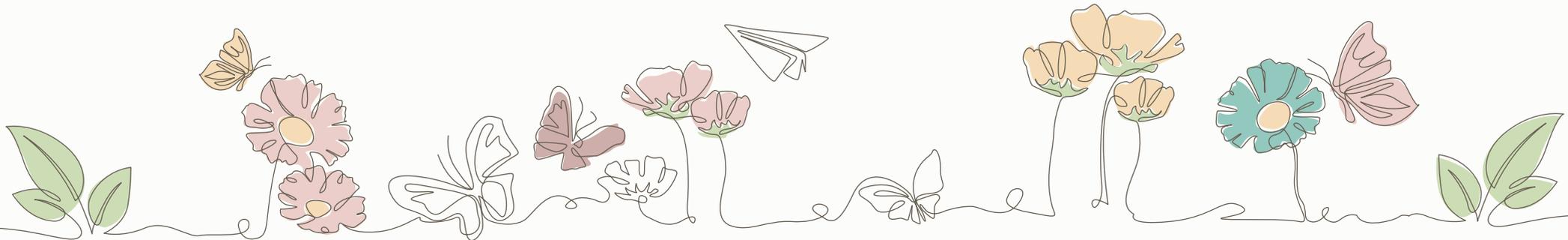
During the Reporting Period, we dedicated 993 hours to compliance and anti-bribery training for our colleagues, reinforcing our firm stance against bribery and no material non-compliance incidents regarding corrupt practices were identified. The Group was also not aware of any violations of regulations on child and forced labour, bribery, extortion, fraud and money laundering, including, but not limited to, the Employment of Children Regulations and the Prevention of Bribery Ordinance.



790

Colleagues Completed
the Anti-corruption
Training

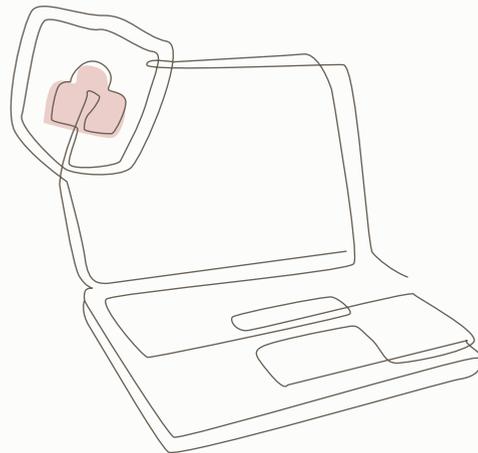
0 Non-compliance
Number of Significant
Fines or Non-Monetary
Sanctions for Non-
compliance with
Environmental, Health and
Safety Laws and
Regulations



Cybersecurity

Ensuring the safety and efficiency of our business operations is our utmost priority, which is why we prioritise cybersecurity. Our Information Security P&P is designed to assist colleagues in protecting information from unauthorised access and guaranteeing its confidentiality. According to our Information Security P&P, all colleagues, including third parties, have a responsibility to safeguard our information and assets. Managers are also responsible for implementing appropriate control measures, both physically and electronically, to ensure information security aligns with the required levels.

During the Reporting Period, we provided 2,034 hours of online Information Technology ("IT") security training sessions to our colleagues to enhance their awareness of cybersecurity. No incidents about material cybersecurity failure were identified.



Data Privacy & Intellectual Property

Under the Group's Personal Data Privacy Policy and Procedures, any inquiries or requests related to personal data and privacy, our business units should reach out to the designated Personal Data Officer. The Personal Data Officer will then coordinate with the Legal Department for necessary review and advice. Additionally, when collecting personal data, business units must provide a Personal Information Collection Statement ("PICS") to ensure customer privacy. In addition, we fully comply the Personal Data (Privacy) Ordinance and any other regulation on data privacy, with which the Group was unaware of any non-compliance.

During the Reporting Period, the Legal Department reviewed and advised on one PICS submitted by business units regarding their collection and use of personal data and no incidents of material non-compliance were identified. We will continue handling our customers' data with great care and working relentlessly to protect their privacy.

In addition, we are committed to safeguarding our intellectual property. Our colleagues are required to follow the Information Security policy, which outlines the proper and safe way of utilising information technologies, when using and handling any mobile devices that contain any intellectual property of the Group. We have also established the IT Policy and Procedure for the operations of Nina Hospitality, and it mandated how licensed software should be used, processed and managed. Our colleagues are required to report any non-compliance cases or infringement of intellectual property to the relevant departments.

Ensuring High-Quality Products and Services

We are highly committed to delivering products and services of high quality, as maintaining great customer satisfaction has always been our top mission. A set of rigorous quality assurance procedures have been established for many of our products and operations. We have implemented the "Minimum Quality Service Standards" to ensure the operations and handling of our hospitality and catering services would follow predefined criteria that covered, e.g., front desk, guest rooms, recreational facilities, catering and restaurant operations, and meet a consistently high level of quality. We have also adopted a series of service pledges that ensure the delivery of excellent property management services in regards to utilities, repairment, responses to emergencies and other aspects.

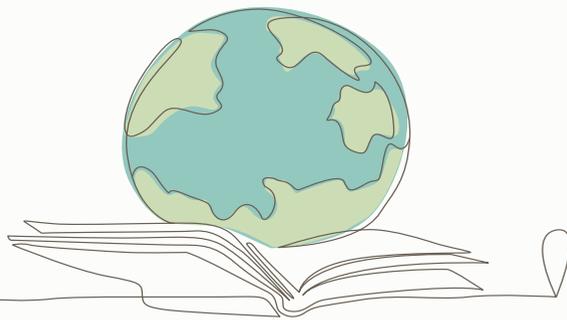


Risk Management and Internal Control



Risk management is an integral part of the Group’s operations at every level. We prioritise the timely identification and mitigation of risks, as it forms the foundation of our risk management approach. With a comprehensive risk management framework, policies and procedures safeguarding group-level and departmental-level operations, we conduct risk management workshops regularly to ensure the concept of risk management is properly cascaded.

In November 2022, a half-day Chinachem Group Business Strategy Risk Management Offsite Retreat was held, with 98 participants from all business and supporting units joined.



To ensure the sustainable development of the Group, we are actively addressing the increasing number of risks arising in the rapidly changing environment by establishing a comprehensive risk management mechanism. At the corporate level, we have implemented the Enterprise Risk Management (“ERM”) framework, which enables us to effectively identify, analyse and manage risks. To ensure comprehensive risk assessment, we have formed an ERM working group leading by the Chief Operating Officer and Chief Financial Officer. This group is responsible for supporting departments to identify and prioritise known and emerging risks, and evaluating the existing controls and appropriate further risk mitigation measures. Annual review is conducted by the ERM working group and enterprise top risks are reported to the Executive Committee.

At Group level, we have established, we have implemented the Risk Management P&P and the Internal Control Framework and Management P&P to support our departments in identifying, evaluating and handling risks.

- The Risk Management P&P outlines the responsibilities of our Division / Department Heads in establishing and defining the risk management process for their respective divisions/departments.
- Our Internal Control Framework and Management P&P align with the Internal Control - Integrated Framework (“COSO Framework”) issued by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”). This framework provides a robust internal control structure adopted by our Group. Additionally, our Internal Audit Department conducts independent reviews of the internal control system across the Group and reports their findings and relevant remediations to the Audit Committee.

The risk control mechanism extends its coverage to development and construction projects as well. Each project is assigned a risk controller who incorporates a risk assessment register (“register”) into the implementation plan. This register comprehensively documents the potential risks, their probabilities and impacts, risk control and mitigation measures, as well as the designated colleague responsible for overseeing each risk item. The register undergoes annual updates until the project is transferred to the project owners.

Recognising the significance of climate change in presenting both risks and opportunities, we have further strengthened our climate risk assessment. For more information, please refer to the “Climate-related Financial Disclosures” section of this Report.

