

KW 嘉華國際集團有限公司

K. WAH INTERNATIONAL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

Stock code 股份代號 00173

Environmental, Social and Governance Report 2023



*Delivering Value with
Distinctive Quality*

建優創值 力臻恆遠



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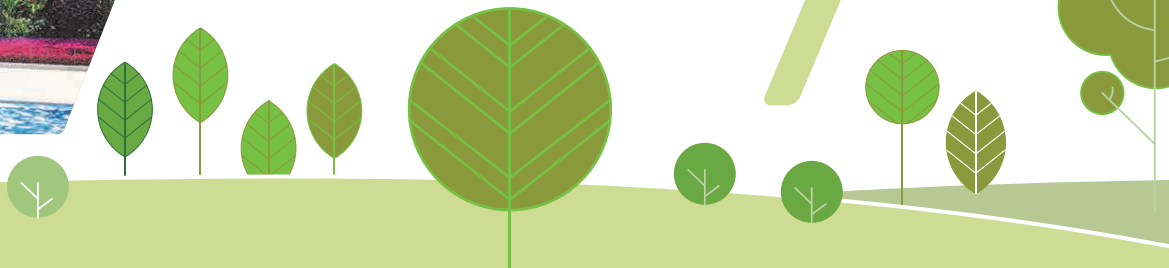
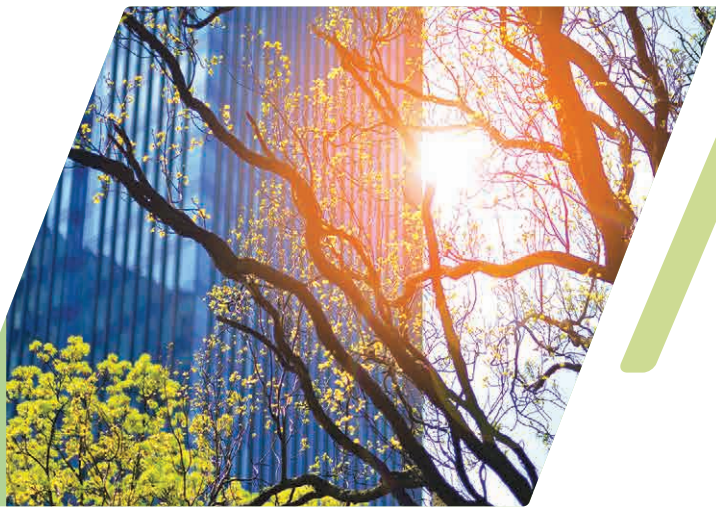
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Our Sustainability Vision

Sustainable development is a core part of the business strategy of K. Wah International Holdings Limited (“KWIH” or “the Group”). To prepare for the transition to a low-carbon economy and enhance our operational resilience to the impacts of climate change, we have focused our efforts on resource efficiency and green building, while continuing to strive to optimise the Group’s environmental footprint.

To effectively execute our sustainability initiatives and steer KWIH towards a path of sustainable development, we understand the importance of actively engaging our employees, as we believe that their collective action is pivotal to laying a solid foundation for organisational excellence. Over the years, the Group has focused on planting seeds to build up an inclusive, people-oriented workplace culture that fosters open and interactive communication, supports professional development, and protects the well-being of our employees.

Looking ahead, we will continue to uphold our commitment of delivering value with distinctive quality, ensuring that our business operations contribute to the creation of long-term benefits for our valued stakeholders and communities. With a strong commitment to excellence and sustainability in our operations, we will continue to strive in the projects we develop and the communities we help grow and cultivate.



About KWIH

With a strong foothold established in Hong Kong, KWIH (stock code: 00173) is the property flagship of K. Wah Group. KWIH is committed to delivering premium projects built to an uncompromising standard of quality, large-scale residential communities, and comprehensive development including premium residential developments, Grade-A office towers, hotel and serviced apartments, and retail premises, with a strategic focus on Hong Kong, and the Yangtze River Delta and Pearl River Delta regions of the Mainland. For additional information on KWIH's business and financial performance, please refer to our Annual Report 2023.

Corporate Governance

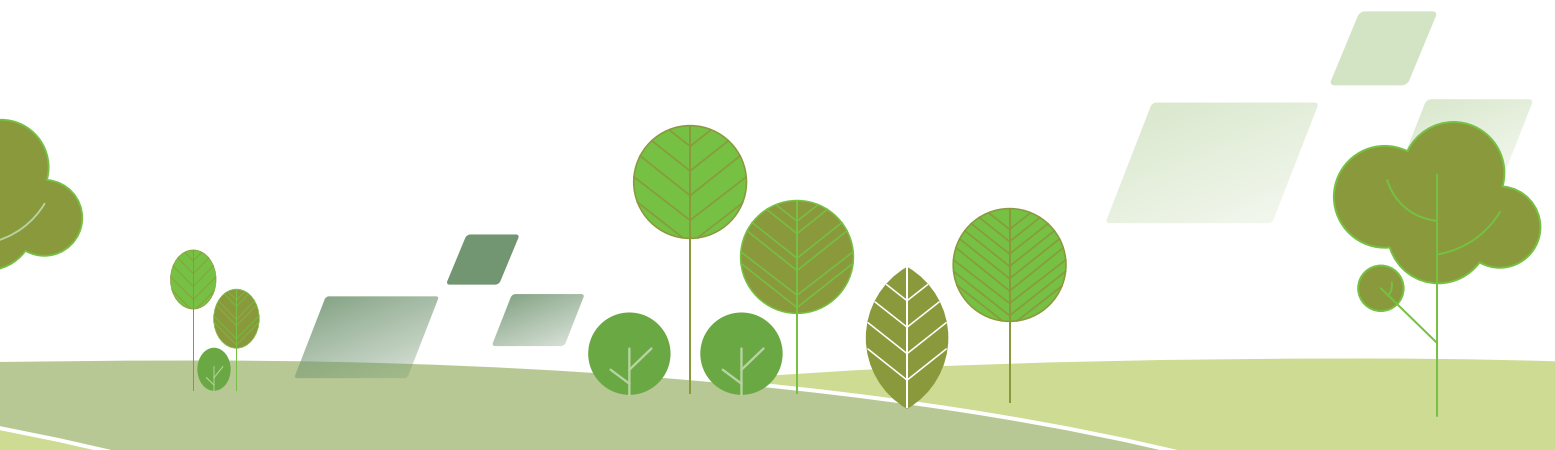
With an unwavering dedication to the welfare of our stakeholders, KWIH upholds the best practices of corporate governance. The Group integrates the management of Environmental, Social, and Governance ("ESG") issues within our corporate governance framework and engages a broad range of internal stakeholders to carry out our sustainability initiatives. To ensure effective daily operations, the Group entrusts the responsibility to four Board-level committees: the Executive Board, the Remuneration Committee, the Nomination Committee, and the Audit Committee. Through a united collaborative effort, these committees offer strategic guidance, thus overseeing the Group's business direction, sustainability practices, corporate governance and financial performance.

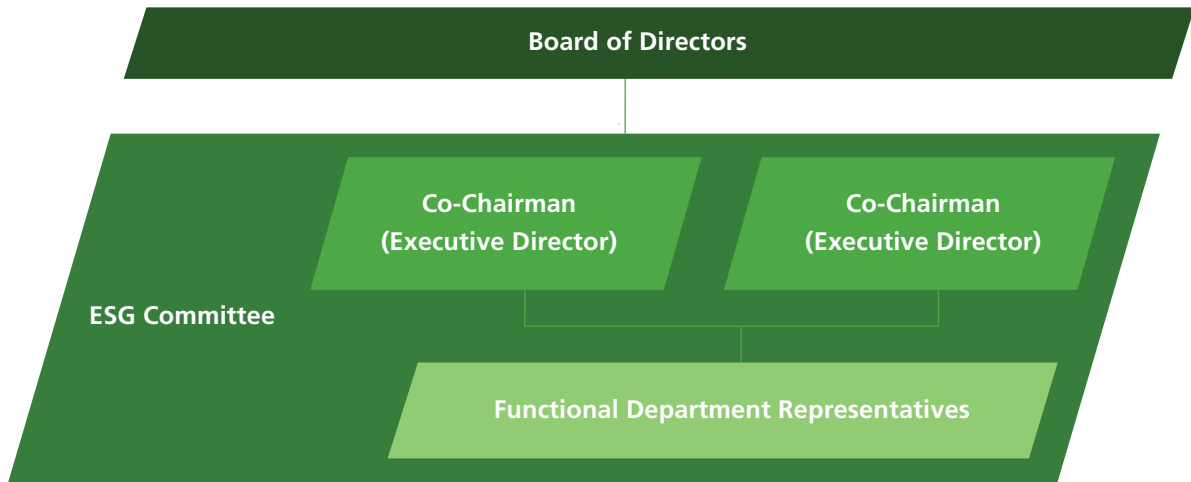
For more information on the Group's corporate governance, risk management and internal control systems, please refer to the "Corporate Governance Report" section and "Biographical Information of Directors" section of KWIH's Annual Report 2023.

Sustainability Governance and Board Statement

The Board of Directors (the "Board") plays an active role in overseeing KWIH's overall ESG strategy and performance. Our ESG Committee, co-chaired by two Executive Directors and comprised of functional department representatives, leads the implementation of ESG initiatives into the Group's daily operations. The ESG Committee is tasked with:

- Supporting the Board in formulating sustainability strategies;
- Overseeing the process used to identify, evaluate, prioritise, and manage material ESG-related issues (including risks to KWIH's operations);
- Reviewing the Group's progress in driving and reporting impact against ESG-related goals and targets, which are under KWIH's ESG strategies;
- Making recommendations to the Board.





The Group seeks out the expertise of an independent consultant to conduct our annual materiality assessment and provide insight into the impact of our operations and our stakeholders’ viewpoints. The results and implications of our materiality assessment are reviewed and approved by the Board. Understanding that the identified material topics may have an impact on our business operations and decisions of stakeholders, the Group has put forward appropriate management approaches and set relevant targets, which can be found in the below sections of our 2023 ESG Report.

Risk Management and Internal Control

The Board provides oversight of the Group’s risk management system, ensuring that appropriate responses to risks and opportunities, including those related to ESG issues, that may impact our business operations are in place. The Audit Committee, which reports directly to the Board and is supported by our Internal Audit Department, is responsible for the monitoring and reviewing of the Group’s risk management and internal control systems to maintain its effectiveness to operational risks; through engaging internal and external stakeholders, the ESG Committee identifies, assesses, and analyses risks relating to sustainability and real estate. The Board is regularly briefed on the consolidated findings, as well as risks that may affect the Group’s strategy or financial performance.



Ethical Business Behaviours

Upholding our commitment to corporate responsibility, KWIH has zero tolerance for any form of corruption or other unethical conduct, as communicated in our Code of Business Conduct under our Human Resources Policy/Guideline. Employees must abide by our Code of Business Conduct and comply with all applicable laws and regulations, and any willful violation of our Code of Business Conduct will result in appropriate disciplinary action. During the reporting period, KWIH recorded no confirmed non-compliance cases with laws and regulations¹ relating to the prevention of bribery, extortion, fraud or money laundering.

To foster a culture of accountability and to promote ethical transparency, we have developed a Whistleblowing Policy and Employee Communications guideline, which may be found in our Human Resources Policy/Guideline. The policy communicates the Group's whistleblowing and grievance mechanisms, which ensure confidentiality while providing stakeholders with a safe platform to voice their concerns regarding corruption or other unethical conduct.

Whistleblowing cases are kept strictly confidential and are specifically handled by designated personnel for further investigation. Any willful violations will be handled in accordance with the level of severity and will result in the disciplinary action of parties involved (up to and including summary dismissal and may be criminally prosecuted under related laws and regulations¹). To ensure the effectiveness of our whistleblowing mechanisms, policies and procedures are regularly reviewed by the Group and updated whenever appropriate.

Promoting an ongoing dialogue, our employees received training sessions from the Independent Commission Against Corruption ("ICAC") that covered best anti-corruption practices, an overview of relevant anti-corruption laws, ways to enhance individual awareness of unethical conduct, and cases of conflicts of interest and integrity. Furthermore, integrity training sessions were arranged in our regional offices, such as integrity and business ethics training on the day of induction for new employees in Shanghai office, and training on integrity culture building for new recruits in Guangzhou Huadu and Jiangmen offices. Through these comprehensive sessions, the Group aims to promote an active and healthy "speak up" culture, wherein our employees are equipped with the appropriate knowledge to identify and report unethical behaviour.

¹ Including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

About This Report

Our annual ESG Report (the “Report”) provides an overview of KWIH’s ESG management approach and highlights the sustainability-related initiatives that have been undertaken in our entities over the reporting period of 1 January 2023 to 31 December 2023 (the “reporting period” or “2023”).

Reporting Standard and Scope

Our Report has been prepared in compliance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“HKEX”). Unless otherwise stated, the scope of the Report includes the Group’s portfolio in Hong Kong and the Mainland under our operational control, consisting primarily of residential developments, Grade-A office towers, hotel and serviced apartments, and retail complexes. For a full list of ESG Aspects, respective key performance indicators (“KPIs”) and their reference within this Report, please refer to the Hong Kong Stock Exchange ESG Guide Content Index included at the end of the Report.

In the preparation of this Report, we have applied the Stock Exchange’s reporting principles of materiality, quantitative, balance and consistency.



Materiality

Material ESG topics for the reporting period were identified through the annual materiality assessment and reviewed and validated by the ESG Committee and the Board. The relevant management approaches for each material topic are outlined in the “Stakeholder Engagement” and “Materiality Assessment” sections below.



Quantitative

The standards, methodologies and relevant assumptions used in the calculation of KWIH’s key performance indicators (“KPIs”) ensure comparability with historical data.



Balance

This Report provides a balanced overview of our ESG performance over the reporting period.



Consistency

Unless otherwise stated, the calculation and preparation approaches of this Report is consistent with the previous reports, allowing for historical comparisons. Any changes in the scope of disclosure or calculation methodologies in this Report that may affect its measurability with historical data will be supplemented with explanations.



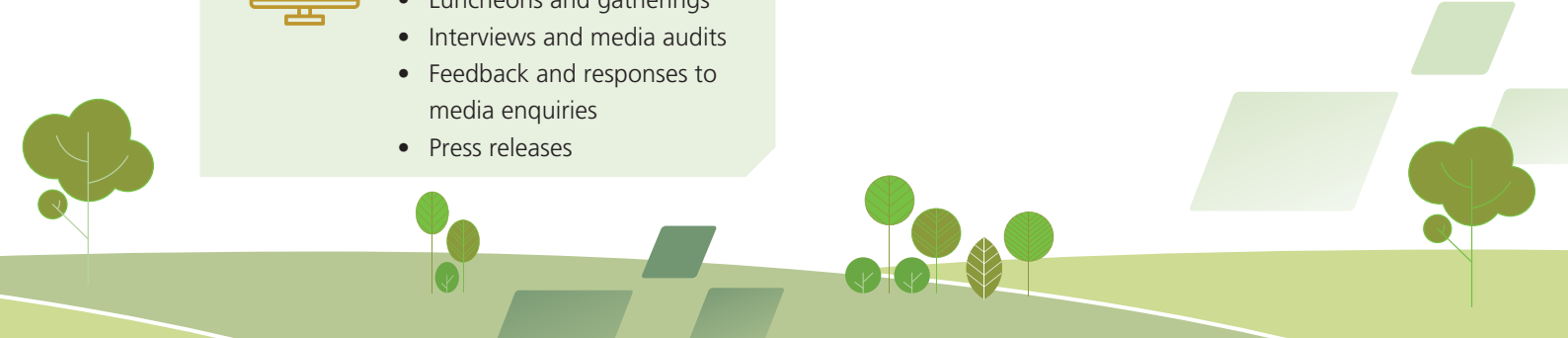
Stakeholder Engagement

The Group understands the importance of developing insights into key stakeholder concerns and expectations to allow the Group to make strategic decisions that address any gaps in our ESG initiatives, performance and strategies. Through engaging relevant internal and external stakeholders and reviewing the market landscape, the Group identifies, evaluates and prioritises material ESG topics.

This year, we engaged multiple stakeholder groups in our materiality assessment process to understand our stakeholders’ concerns and expectations. A comprehensive examination of stakeholder feedback enabled the Group to make well-informed decisions that consider the diverse interests of stakeholders.

Stakeholder Groups and Engagement Channels

 <p>Employees</p> <ul style="list-style-type: none"> • Surveys • Intranet • Newsletters • Training sessions • Team-building activities • Internal mobile app 	 <p>Customers and Tenants</p> <ul style="list-style-type: none"> • Mobile app K. Wah Plus and customised apps for projects • Customer service hotlines
 <p>Banks and Investors</p> <ul style="list-style-type: none"> • Surveys • Annual General Meetings • Annual and interim results announcements • Announcements and circulars • One-on-one meetings • Investor conferences • Analyst briefings • Press releases 	 <p>Shareholders</p> <ul style="list-style-type: none"> • Annual General Meetings • Announcements and circulars • Press releases
 <p>Suppliers, Contractors, Service Providers and Consultants</p> <ul style="list-style-type: none"> • Surveys • Screenings and assessments 	 <p>Community Groups and Non-Governmental Organisations (“NGOs”)</p> <ul style="list-style-type: none"> • Surveys • Community events • Joint partnerships
 <p>Media</p> <ul style="list-style-type: none"> • Surveys • Luncheons and gatherings • Interviews and media audits • Feedback and responses to media enquiries • Press releases 	





Materiality Assessment

KWIH engages an independent consultant to carry out an annual stakeholder engagement and materiality assessment for the Group. To ensure that the Group is assessing relevant topics each year, we kickstart the annual assessment with an initial review of the ESG and industry landscape. In 2023, we have broadened our pool of sustainability topics assessed, from 24 topics in 2022 to 29 topics. The assessment follows the three-step process outlined below.

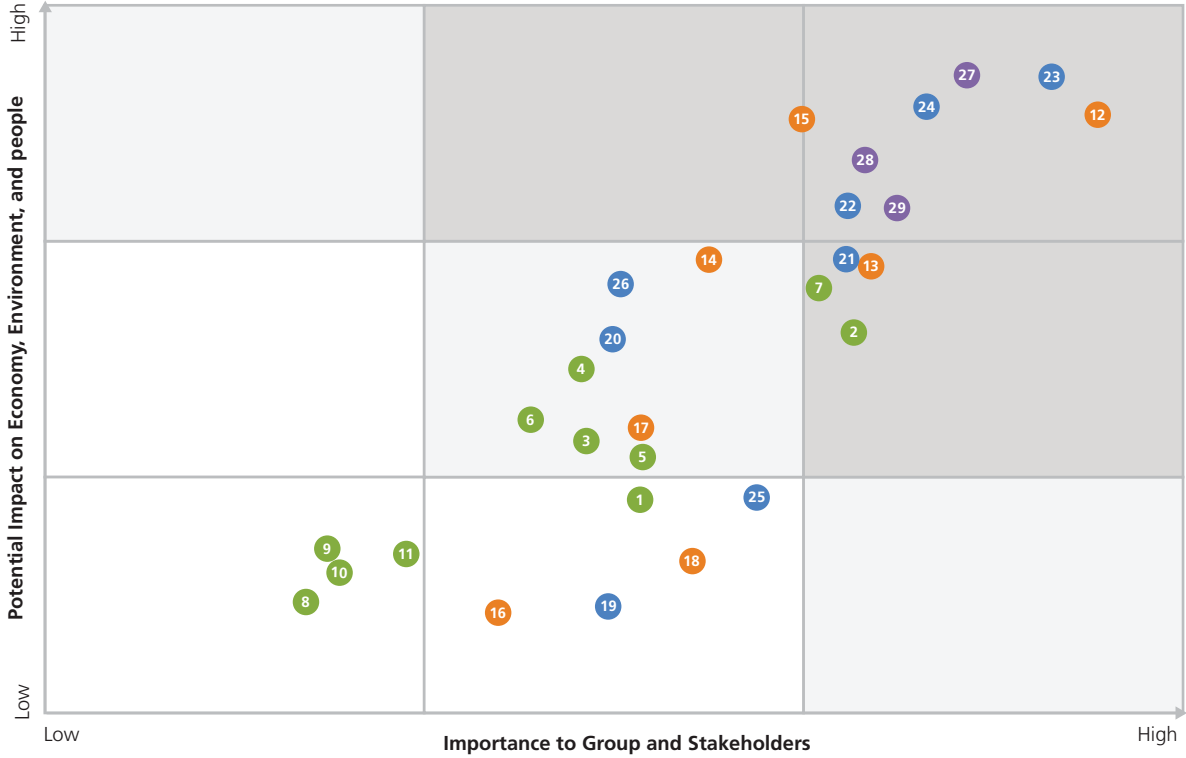


In addition to evaluating ESG topics based on importance to stakeholders, the Group is also evaluating the potential impacts of each topic on the external environment, society and economy to emphasise impact materiality. As a result of the consideration of this new criterion, we noted the emergence of 3 new tier 1 material topics (Air Emissions, Corporate Governance, and Business Ethics and Integrity), and the departure of 5 topics (Green Procurement, Waste Management, Greenhouse Gas Emissions, Occupational Health and Safety, and Diversity and Equal Opportunities) in 2023.





2023 Materiality Matrix



Tier 1 Material Topic
 Tier 2 Material Topic
 Tier 3 Material Topic

Tier 1

- 2 Energy Usage
- 7 Air Emissions
- 12 Employee Well-being
- 13 Recruitment and Retention
- 15 Staff Training and Career Development
- 21 Customer Satisfaction
- 22 Quality Monitoring and Assessment
- 23 Protection of Customer Privacy
- 24 Products and Services Quality Management
- 27 Corporate Governance
- 28 Anti-corruption
- 29 Business Ethics and Integrity

Tier 2

- 3 Waste Management
- 4 Greenhouse Gas ("GHG") Emissions
- 5 Environmental and Natural Resources
- 6 Climate Change Adaptation
- 14 Occupational Health and Safety
- 17 Community Investment
- 20 Supply Chain Management
- 26 Building Design and Lifecycle Management

Tier 3

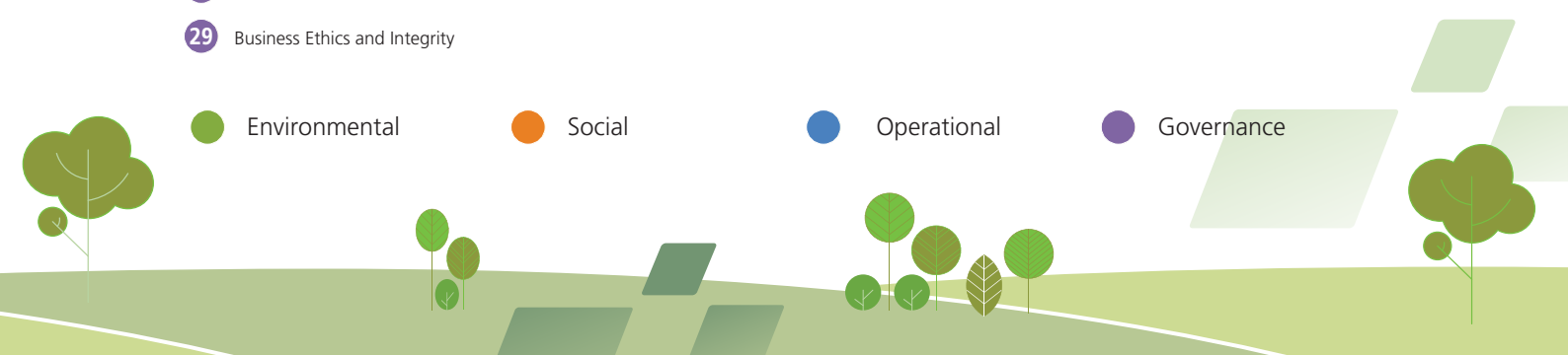
- 1 Green Procurement
- 8 Usage of Packaging Materials
- 9 Waster Usage
- 10 Green Building
- 11 Renewable Energy
- 16 Diversity and Equal Opportunities
- 18 Prevention of Child and Forced Labour
- 19 Innovative Products and Services
- 25 Protection of Intellectual Property Rights

● Environmental

● Social

● Operational

● Governance

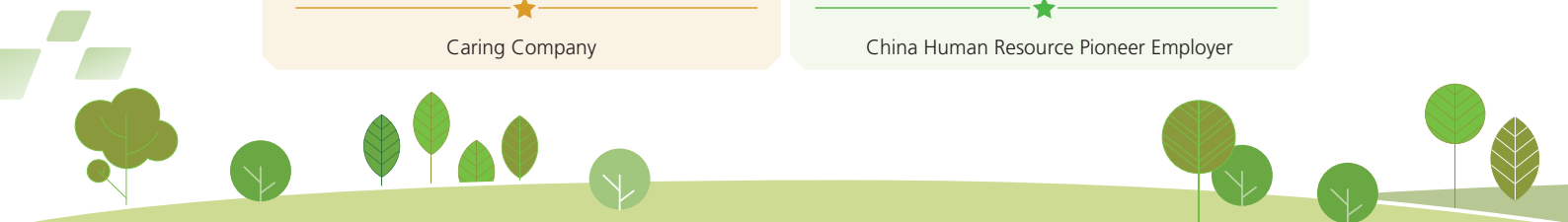


Major Awards and Certificates

In 2023, KWIH's commitment and efforts in different aspects including sustainability, workforce engagement, and quality were widely recognised by local and international institutions. Highlights of the awards and certificates received are presented as below.



<p>2022–2023</p> <p>BCI Asia</p> <hr/> <p>BCI Asia Hong Kong's Top 10 Developers</p>	<p>2023</p> <p>Corporate Brand Awards of Excellence – Hong Kong Economic Journal</p> <hr/> <p>Landscape Design Excellence Award</p>
<p>2020–2025</p> <p>Employees Retraining Board</p> <hr/> <p>ERB Manpower Developer Award</p>	<p>2023</p> <p>HKET Excellence Awards 2023 – Hong Kong Economic Times</p> <hr/> <p>Excellence in Thoughtful and Practical Property Design</p>
<p>2023</p> <p>Hong Kong Institution of Engineers, Building Services Division</p> <hr/> <p>The Excellent Building Award 2023 – Grand Award (K. Summit)</p>	<p>2022–2023</p> <p>Hong Kong Investor Relations Association</p> <hr/> <p>Investor Relations Awards – Best IR Company</p>
<p>2023</p> <p>HRise</p> <hr/> <p>Visionary Employers' Choice ESG Practice Award</p>	<p>2016–2023</p> <p>JobMarket</p> <hr/> <p>Employer of Choice Award</p>
<p>2022–2023</p> <p>Mirror Post</p> <hr/> <p>Outstanding Corporate Social Responsibility Award</p>	<p>2023</p> <p>The Mandatory Provident Fund Schemes Authority</p> <hr/> <p>Good MPF Employer Award</p>
<p>2021–2023</p> <p>The Hong Kong Council of Social Service</p> <hr/> <p>Caring Company</p>	<p>2021–2023</p> <p>TOP HR</p> <hr/> <p>China Human Resource Pioneer Employer</p>





Empowering Our People

Our business success hinges on our talented and innovative workforce, enabling operational excellence. We prioritise an inclusive, supportive work environment that promotes communication, personal development and employee well-being. During the reporting period, we diligently adhered to employment laws, health and safety regulations and labour standards.

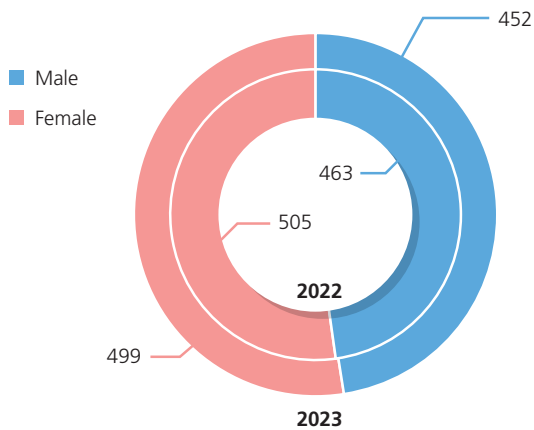
Workforce Profile

KWIH recognises talents as essential to our sustainable development strategy, and has created the Staff Handbook and Code of Business Conduct, detailing employment terms, work regulations, and employee rights. The Group offers promotion and development opportunities for outperforming employees through an open and fair assessment system to explore their competence and contribute to the Group’s sustainable growth.

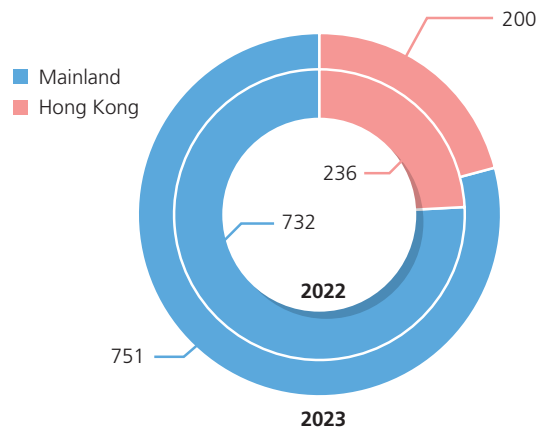
As of 31 December 2023, the Group is comprised of a competent team of 951 employees, with our voluntary employee turnover rate being 18.82%.

Total Workforce Breakdown

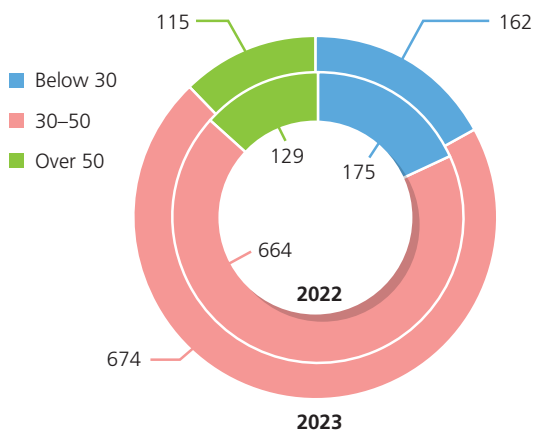
By Gender



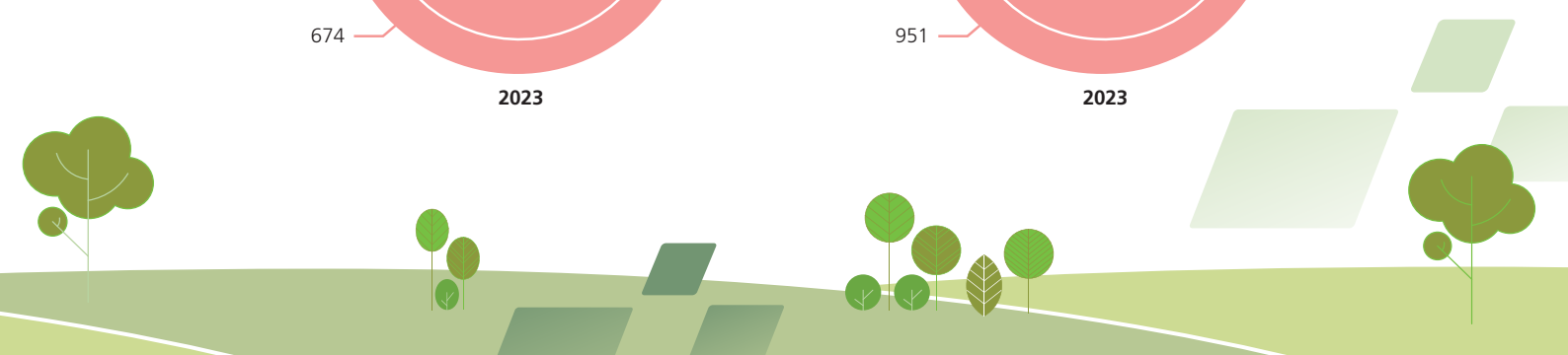
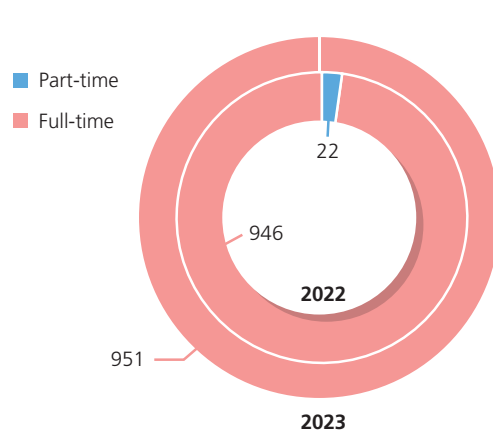
By Geographical Region



By Age Group



By Employment Type





Optimal Employee Recruitment

Our recruitment process emphasises transparency, inclusivity and fairness. We select candidates based on their suitability for the role and potential to meet our present and future needs. We consistently review the Recruitment section in our Human Resources Policy/Guideline to ensure its alignment with our evolving organisational goals and industry best practices. The Group’s Equal Opportunities Legislations Policy emphasises a fair recruitment and promotion process based solely on individual qualifications, experience, and merits. It disregards factors such as gender, age, nationality, ethnicity, religion, disability or sexual orientation.

Furthermore, the Group unequivocally prohibits child and forced labour within both our operational activities and across our supply chain, aligning closely with the pertinent legal obligations in Hong Kong and the Mainland. In the event of any suspected violations related to child and forced labour, a comprehensive investigation will be initiated. In cases where such violations are substantiated, appropriate disciplinary actions, including possible dismissal, will be taken against the staff members responsible for the incident’s occurrence.

We gather personal data during the selection process to assist in the identification of suitable candidates and to verify their eligibility. Our robust recruitment policies guarantee that all employees meet or surpass the minimum legal working age. Moreover, our Human Resources Policy/Guideline contains a Working Hours section that aligns with local employment laws and regulations, ensuring compliance and preventing any instances of forced overtime work.

Proactively recruiting talent within GBA

KWIH actively participated in the “Innovating Hong Kong” event, a professional platform integrating recruitment opportunities with informative forums and discussions which aimed to inspire young individuals to explore career prospects within the Greater Bay Area (“GBA”), attracting talents to have more understanding of the career opportunities offered by KWIH.



Employee Benefits and Investing in Well-being

To establish a steadfast and resilient workforce, we are committed to attracting and retaining individuals who align with our core corporate values. In addition to competitive remuneration packages, we provide employees with a range of fringe benefits, including:



Discretionary annual performance bonuses and the provision of a share option scheme



A range of leave entitlements



Competitive medical insurance, dental plan, medical checkup benefits, personal accident insurance, etc.



Complimentary vaccination schemes against influenza



The benefits stated in the Group’s Retirement Benefits, including Mandatory Provident Fund (“MPF”) and Occupational Retirement Schemes Ordinance (“ORSO”) schemes

Furthermore, to ensure our employees continue to grow with us, we have implemented a Performance Management System for employee feedback on past performance, future performance standards, and personal/professional growth objectives. Appraisal results guide salary reviews and promotions. Furthermore, the Group ensures that any termination of employment contracts adhere to internal policies and are fully compliant with applicable laws and regulations in Hong Kong and the Mainland. The Group emphatically forbids any forms of unfair or illegal dismissals.

KWIH’s excellent talent management strategy and employee-oriented spirit have been well recognised. It was honoured with the “Employer of Choice Award” from JobMarket for eight consecutive years, as well as “Work-Life Balance Award”.

KWIH has also consistently demonstrated our dedication to its employees and corporate responsibility, receiving a range of prestigious awards in recognition of our exceptional efforts. The “Happy Company Award”, bestowed by the Hong Kong Promoting Happiness Index Foundation, applauds KWIH’s commitment to fostering a positive and joyful workplace environment, where employee satisfaction and well-being are paramount.



Furthermore, KWIH’s receipt of the “Good MPF Employer Award”, an annual honour organised by the Mandatory Provident Fund Schemes Authority (“MPFA”), underscores the Group’s commitment to complying with MPF legislation and enhancing retirement benefits for our workforce. This accolade acknowledges KWIH as an exemplary employer that prioritises the long-term financial security of our employees.



In addition, KWIH has been recognised as a “Manpower Developer (“MD”)” under the ERB Manpower Developer Award Scheme organised by the Employees Retraining Board (“ERB”). The recognition reflects KWIH’s outstanding achievements in manpower training and development, as well as our dedication to nurturing our employees’ skills and professional growth. Being accredited as an MD highlights KWIH’s commitment to investing in our workforce, promoting learning and development, and ultimately contributing to the betterment of the broader community.



Training and Development

The Group has implemented the Financial Assistance Scheme for External Training, both locally and overseas, as outlined in the Human Resources Policy/Guidelines. This scheme offers eligible employees with subsidies for external training opportunities. Furthermore, within the Training and Development section of the Staff Handbook, KWIH actively promotes and encourages employees from diverse departments and at various career stages to enrich their professional expertise and competence through training programmes. These programmes prioritise not only hard skills such as technical knowledge and customer service, but also the development of essential soft skills such as communication and cooperation, as well as learning through digital platforms.

Moreover, leveraging digital platforms more comprehensively in human resource management, including e-Human Resource platforms/systems implemented in various regional offices such as the recent launch of the e-HR system in Nanjing office, have facilitated automation in the workplace, enhancing overall work efficiency and productivity through organisation-wide training initiatives.

86.3%

of total employees trained

19.3

hours of training per employee in average

18,364.3

hours of training completed by employees in total



“K. Wah Seminar” on the Development of China in Support of National Education

KWIH hosted the “K. Wah Seminar”, focusing on China’s latest economic landscape and future trends in our Hong Kong office, featuring guest speaker Professor Terence Chong, Associate Professor of Economics, the Chinese University of Hong Kong. The seminar delved into China’s current economic state, with a specific focus on the property sector. Professor Chong also examined Hong Kong’s role in China’s economic development. The Q&A session allowed for active engagement as participants raised insightful questions, providing staff members with a comprehensive understanding of the nation’s economic situation and its implications for KWIH.



The Group places a strong emphasis on the significance of continuous improvement. It proactively organises and facilitates a variety of training activities for our staff. These meticulously crafted initiatives are aimed at equipping employees with the essential skills, knowledge and resources necessary to excel in their roles, while also encouraging personal and professional development within the organisation.

Driving Collaboration, Skill Enhancement, and Risk Mitigation

Various initiatives aimed at fostering collaboration, skill development, and risk mitigation were spearheaded in the Shanghai office. We organised a cross-office seminar facilitating knowledge exchange on “Dual Carbon” and “Urban Renewal” themes, utilising real projects as case studies.

For comprehensive training, an intensive six-month course empowered managers in apartment management, enhancing leadership and interdepartmental cooperation. Regular legal training sessions also equipped employees with the expertise to navigate legal complexities effectively, fortifying the Group’s ability to mitigate legal risks.





Top Management Leadership Programme

To enhance the leadership skills of middle and senior management personnel, the Nanjing office has initiated a leadership training programme focused on the real estate industry and designed to bolster talent management capabilities. Furthermore, the Nanjing office actively engages in project exchanges and sharing sessions with middle and senior management personnel from the Shanghai office. These sessions encompass various aspects, ranging from project development to operational management, enabling a mutual exchange of experiences and fostering a culture of learning to complement each other's strengths.



Orientation and Internal Trainer Programme

In Guangzhou and Jiangmen offices, we regularly conducted onboarding sessions for our new employees. In addition, experienced employees will have the opportunity to become "internal trainers" and share their knowledge and expertise with newly hired and existing employees through one-on-one coaching and knowledge-sharing sessions.



Prioritising Wellness and Safety

The health and safety of our employees always takes precedence at KWIH. The Safety & Health Ordinance section within our Human Resources Policy/Guideline outlines the Group's standards and expectations regarding the provision and maintenance of a safe and healthy workplace. We take our commitment to employee well-being seriously and have diligently implemented precautionary measures to minimise potential occupational hazards throughout our operations. This includes conducting periodic inspections of safety gear, personal protective equipment, and workplace hygiene to promote proper housekeeping practices. Regular fire drills to bolster fire awareness are conducted in offices, reinforcing the acquisition of fire safety knowledge.

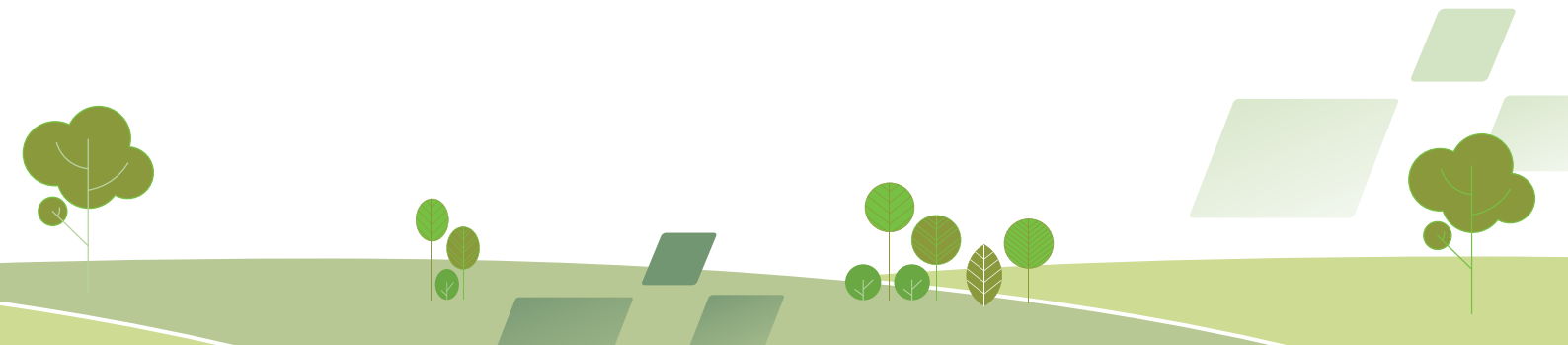
Promoting Excellence and Compliance

Standard Operating Procedures ("SOPs") govern our tendering process in the Mainland, with priority given to contractors who excel in their demonstration of health and safety standards. More information on our supplier and contractor audit process may be found in the Quality Assurance and Responsible Supply Chain Management sections of this Report.

The Group places great importance on the safety of contracted and subcontracted workers, implementing a comprehensive approach to manage site conditions effectively. During the reporting period, there were 1 work injury in Hong Kong office and 1 work injury in Mainland office. Meanwhile, there were no work-related fatalities in the reporting period. In our commitment to preventing any recurrence and further enhancing our safety performance, KWIH diligently investigates all incidents and implements preventive measures as necessary.

Caring for Employees

The Group encourages our employees to practise a healthy work-life balance. Therefore, we have been meticulously organising a diverse range of activities and programmes designed to enhance the overall well-being of our employees, foster teamwork, and nurture a more inclusive and collaborative work culture. These initiatives include weekly Healthy Fruit Day, DIY workshops, festival gatherings, well-being talks, seminars, movie viewings, team building activities and even a scholarship programme for employees' children. Additionally, to enhance internal communication, we consistently utilise platforms such as the K. Wah Social Club, K-Channel and the internal KWIH mobile app.





Steamed Glutinous Rice Cake (Cha Kwo) Workshop



Lemon Eucalyptus Mosquito Balm Workshop



Workshop of Traditional Chinese Medicine Approach to Treating Insomnia



Summer Movie Appreciation



Team Building Day for Shanghai and Nanjing Offices



Employee's Children Scholarship Award Ceremony



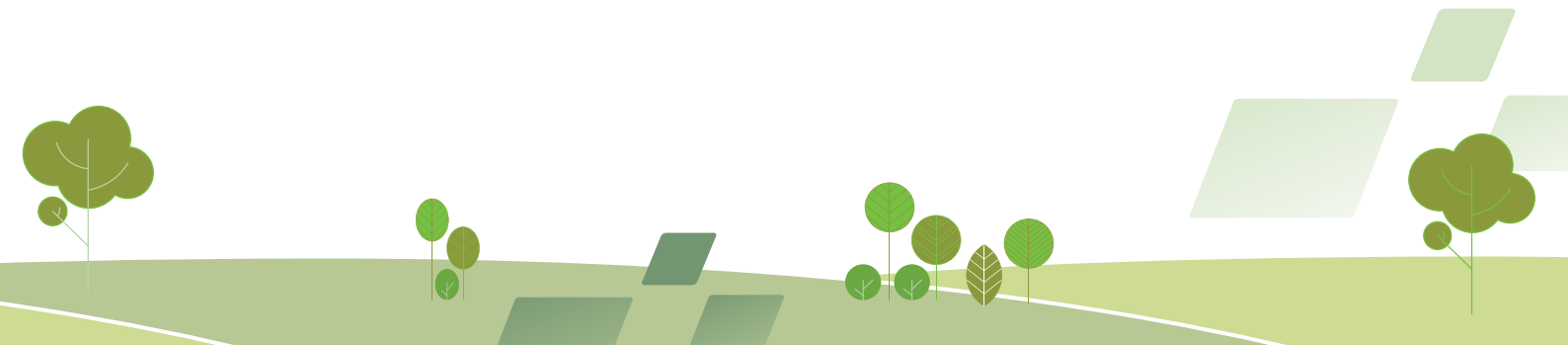


Christmas Handmade Wood
Candle Holder Workshop



New Year Commencement
Ceremony

This year, the Shanghai office was awarded the HRise “2023 Visionary Employers’ Choice ESG Practice Award”, which highlights our remarkable achievements in prioritising the health and safety of our employees. This prestigious recognition underscores our unwavering commitment to ensuring a workplace that prioritises employee well-being through various initiatives. These initiatives include comprehensive occupational health and safety programmes, ergonomic improvements, mental health support, and proactive measures to enhance the overall safety culture within the Group.



Engaging Our Customers and Value Chain

KWIH is committed to providing exceptional projects and services that meet the needs and expectations of our valued customers. We strive for operational excellence by closely overseeing all aspects of our daily operations and fostering strong, proactive partnerships with our value chain collaborators.

Safeguarding Customer and Tenant Experiences

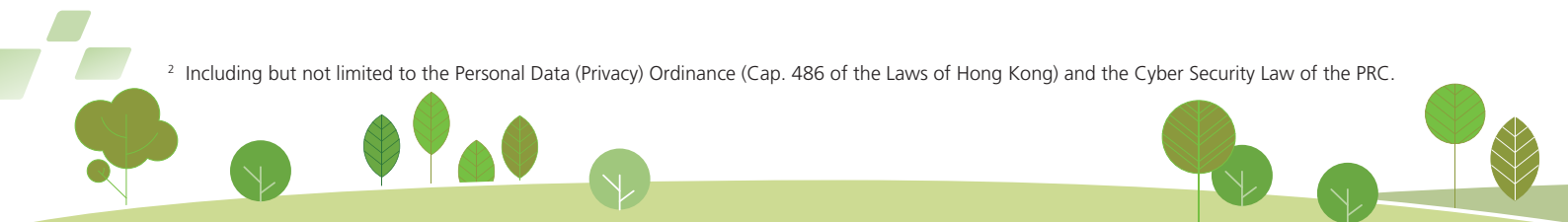
KWIH places utmost importance in safeguarding our customers' and tenants' health and safety, and enforces strict control measures to guarantee a healthy and pleasant environment in all our development projects. To cater to our customers and tenants, the Group engages internal and external stakeholders, including contractors and suppliers, to adhere to all applicable regulations, including those that govern health and safety.

Data Privacy

KWIH complies with relevant data privacy and protection laws², and has put policies in place to govern our data management expectations. All employees are required to follow internal guidelines to handle customer data responsibly and safely, and our data is stored on guarded servers, protected by an up-to-date firewall and anti-virus software, to ensure that we minimise cases of data misuse or leakage. Furthermore, an anti-spam system is in place in offices to protect our employees and enhance our cybersecurity measures by filtering out spam emails from irrelevant advertising contents to emails containing phishing or malicious content and defending against viruses.

Customer data is regarded as highly confidential and can only be accessed by authorised employees on a need-to-use basis. Our data protection expectations are communicated in our Human Resources Policy, which includes a Personal Data (Privacy) Ordinance section that outlines the use of management of data and information in line with regulatory requirements. In addition, our End Users Computer Systems Usage Policy ensures that our internal computer systems are safeguarded. Employees who fail to comply with our computer systems safety and data privacy requirements will face disciplinary action, which may result in employment termination if or when appropriate.

² Including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and the Cyber Security Law of the PRC.



Advertising Standards and Intellectual Property Rights

Through our frontline employees, who are required to act with due diligence when providing marketing and sales information, the Group ensures that accurate information on our projects and services are delivered to customers. In line with our commitment to responsible marketing, we ensure that all promotional materials released to the public portray our products and services factually and comply with relevant local and national regulations³. As an example, our Guangzhou office is governed by an Internet Advertising Contract that safeguards our advertising activities, and our Shanghai office's Publicity and Promotion Department is in charge of ensuring that its marketing materials abide by all relevant regulations⁴. Furthermore, our Mainland offices in Guangzhou and Dongguan have implemented updated policies for project promotional materials to ensure compliance with relevant laws and regulations, and all relevant materials will undergo a thorough review before printing or distribution.

Quality Assurance

KWIH remains committed to delivering premium projects built to an uncompromising standard of quality. To ensure that our projects and services are in line with all relevant regulatory requirements and meet our quality standards, the Group has enacted stringent mechanisms and measures in Hong Kong and the Mainland that govern our internal standards and supplier and contractor requirements.

Hong Kong Projects

- The Group conducts a pre-qualification screening that assesses contractors based on our quality-related requirements.
- In the construction phase, KWIH commissioned a Clerk of Works to manage the site and to ensure the building workmanship is up to standard. Projects that are assessed under green building standards such as the Building Environmental Assessment Method ("BEAM") will be appropriately monitored by a qualified BEAM coordinator or consultant.

Mainland Projects

- The Group has implemented a quality assurance system, which includes a pre-qualification screening to obtain a list of contractors that meets our standards of quality, knowledge, and safety, and regularly conducts site audits to ensure full compliance with relevant codes and regulations.
- We have SOPs in place to guide the design, tender and quality control phases, which includes guidance on KWIH's principles for material usage in the design phase (e.g., materials that meet national requirements and reflect industry best practices).

³ Including the Residential Properties First-hand Sales Ordinance in Hong Kong and other relevant regulations in the Mainland.

⁴ Including the Advertisement Law of the PRC and the Anti-Unfair Competition Law of the PRC.



Our SOPs outline our methodical tendering and auditing process for the management of our projects in the Mainland. We give precedence to contractors who excel in maintaining health and safety standards, and this commitment extends beyond regulatory compliance. We have implemented a three-level auditing process that includes the site project team, the regional office, and the headquarters to closely monitor and ensure compliance levels are maintained. More information on our supplier and contractor audit process may be found in the Responsible Supply Chain Management section of this Report.

To further ensure quality, the Group’s property management arm in the Mainland, Cresleigh Property, has obtained the ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System, and ISO 14001 Environmental Management System certifications. This showcases the integration of standardised management systems into our daily operational practices and represents a step towards establishing a robust self-regulation mechanism in production. To illustrate, Cresleigh Property has also established appropriate procedures (such as the Property Management and Service Delivery Management, and Performance Monitoring and Measurement Management) to ensure service excellence and to monitor performance.

By proactively identifying sources of hazards and implementing appropriate prevention measures, the Group aims to prevent accidents and effectively control occupational risks. Currently, these three management systems cover service projects including the Grand Summit and EDGE. Simultaneously, it is gradually being introduced into other service projects.

Finally, to obtain a holistic understanding of our quality standards, the Group values and responds to customer feedback in a timely manner. All concerns are addressed following our complaint-handling SOPs, and no substantiated product or service-related complaints were received during the reporting period.

Hong Kong Complaint-Handling System

- Upon receiving a complaint, our customer service offers will record and report the case, following our internal SOPs.
- If applicable, an appointed personnel will oversee the case, ensuring that a formal investigation takes its course and that all appropriate follow-up actions are taken to handle and close the case efficiently.

Mainland Complaint-Handling System

- Our Cresleigh Property entity in the Mainland adopts a similar Customer Complaint Handling System. Upon receiving a complaint, our receptionist will create a comprehensive record of the issue and promptly inform the relevant party involved.
- Subsequently, a customer service representative will conduct a thorough review and investigation, taking necessary actions accordingly, if applicable. A final response addressing the complaint will be provided to the individual within seven days. All complaints related to our property management services are documented internally.



Responsible Supply Chain Management

KWIH understands the importance of integrating environmental and social considerations to manage ESG risks along the supply chain, and contractors and suppliers are expected to abide by the Group's expectations on quality, environmental protection, health and safety requirements and regulatory compliance⁵, as outlined in the tender documents.

To ensure that our expectations are met, the Group has developed policies and procedures to thoroughly assess and evaluate suppliers and potential vendors. In Hong Kong, all potential vendors are required to fill out a Pre-qualification Form, which will consolidate their historical track record, past ESG-related performance, relevant ISO certifications, and past project references for the Group's review and evaluation. Potential vendors in our Mainland offices undergo a three-tier system audit, wherein their performance shall be evaluated by the management team at the project site, members of the regional office, and the Hong Kong headquarters, before they can be officially added to the Group's list of suppliers. Our Shanghai and Suzhou offices have further refined their selection process to meet the near-zero energy consumption requirements of their projects, such that energy efficiency is highly prioritised in the selection of supplies of key items (e.g., air conditioners, water heaters and lights).

For our existing suppliers and contractors, the Group conducts audits, site visits and quality assessments to monitor and assess their performance, and to ensure that they are fully compliant with our stringent requirements. Areas of concern are firstly identified and addressed through developing corrective action plans for suppliers' and contractors' implementation. Suppliers or contractors who consistently fail to meet the Group's expectations will be subject to further action, including contract termination if necessary. Through adopting this robust evaluation process, KWIH ensures that we appropriately manage and mitigate ESG-related risks in the supply chain.

Furthermore, a Group-wide Environmental Policy is applied into our supplier assessment and monitoring workflow, with SOPs guiding the integration of climate change and environmental factors into our procurement decisions. In making decisions, the Group considers both environmental and social impacts within the entire product or service lifecycle, and prioritises those who perform favourably in ESG-related considerations. As a result, locally sourced construction materials and those with a lower carbon footprint are preferred whenever possible. In 2023, we recorded a total of 581 key suppliers⁶, with 150 from Hong Kong and 431 from the Mainland, respectively — all suppliers are subject to the supplier-related policy and procedures above.









⁵ Including but not limited to the Buildings Ordinance (Cap. 123 of the Laws of Hong Kong) and the Fire Safety (Buildings) Ordinance (Cap. 572 of the Laws of Hong Kong).

⁶ Key suppliers are those contracted for projects or subcontracted processes to provide a wide range of construction materials, including concrete, steel, interior decoration materials, as well as a variety of services such as labour, design, and consulting.



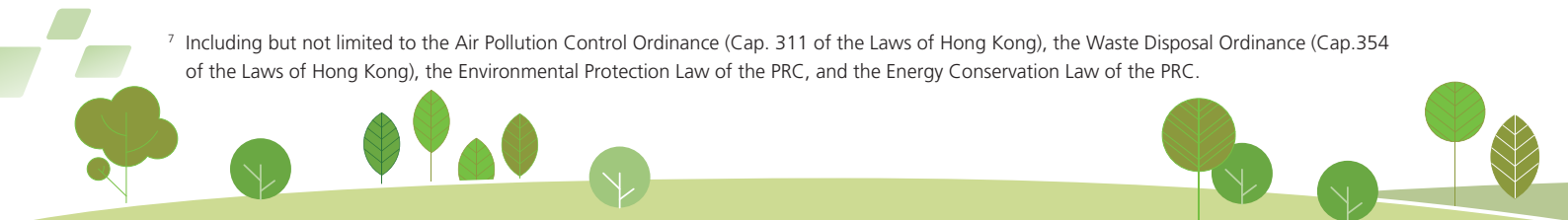
Building Our Sustainable Future

The Group's commitment to environmental responsibility is reinforced by internal guidelines and relevant SOPs in both Hong Kong and the Mainland, with the overarching Environmental Policy guiding KWIH in managing our environmental impacts. The ESG Committee monitors the status of respective offices in Hong Kong and the Mainland, engages with functional teams of the offices to establish objectives, including but not limited to optimising energy consumption and exploring the feasibility of transitioning to electric vehicles in collaboration with the teams. Furthermore, KWIH has established specific measurable, quantitative targets in the following aspects.

Aspect	2025 Targets	2023 Progress
 Greenhouse Gas ("GHG") Emissions Intensity	Reduce GHG emissions intensity by 26% from 2016 baseline	 Achieved 39% reduction in 2023 from 2016
 Energy Intensity	Reduce energy intensity by 39% from 2016 baseline	 Achieved 39% reduction in 2023 from 2016
 Paper Recycling Rate	Maintain paper recycling rate in the Hong Kong office by at least 60% per year	 Achieved 76% recycling rate in 2023
 Sustainable Buildings	For all our new residential developments in Hong Kong and investment properties in the Mainland, we aim to obtain a green building certification	 Achieved

Throughout the reporting period, the Group adhered to all applicable laws and regulations pertaining to environmental protection⁷.






⁷ Including but not limited to the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Cap.354 of the Laws of Hong Kong), the Environmental Protection Law of the PRC, and the Energy Conservation Law of the PRC.

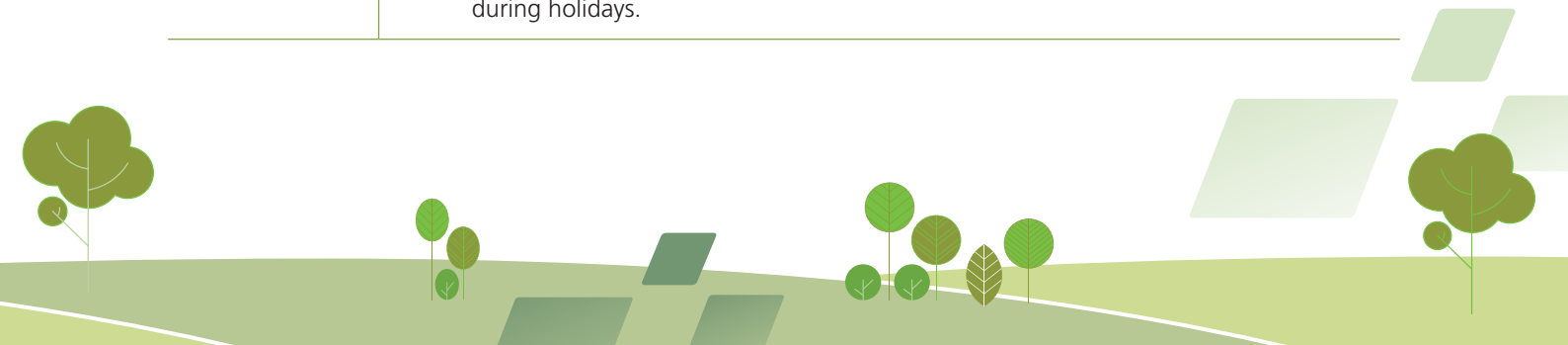




Energy and GHG Reduction

The Group is dedicated to safeguarding the environment by incorporating control measures and monitoring activities into our business operations and workplace. We actively promote a sustainable environment by adopting eco-friendly business practices, educating employees to raise their awareness of environmental protection, and ensuring compliance with applicable environmental laws and regulations.

	<p>Transition to Sustainable Transportation</p> <ul style="list-style-type: none"> ✓ Regularly scheduled checks were conducted to assess and monitor the efficiency standards of vehicles in the fleet. ✓ Mainland offices adopted hybrid vehicles as part of a commitment to greener mobility solutions.
	<p>Smart Lighting Systems Implementation</p> <ul style="list-style-type: none"> ✓ Deployed automated timing controls and sensors for lighting systems to allow automatic adjustments based on occupancy and daylight levels, minimising unnecessary energy consumption. ✓ Ongoing LED light fixture replacement programme. ✓ Solar window film installation to reduce indoor heat gain while maximising natural light. ✓ Replacement of LED tube with motion sensor to reduce power consumption.
	<p>Air Conditioning Efficiency and Zoning</p> <ul style="list-style-type: none"> ✓ Implemented air-conditioning zoning to ensure a comfortable and energy-efficient work environment in the Hong Kong offices. ✓ Stringent air-conditioning temperature settings in Mainland offices.
	<p>Infrastructure Enhancements</p> <ul style="list-style-type: none"> ✓ Recalibrated the operation schedule of the lifts base on demand analysis to optimise energy usage. ✓ Replacement of busbar to enhance efficacy and reliability of the power supply system.
	<p>Employee Engagement and Awareness</p> <ul style="list-style-type: none"> ✓ Internal communications including prominent posters, notices were strategically placed throughout the workplace and up-to-date environmental news via email to encourage employees to adopt eco-friendly behaviours. ✓ Regular reminders to employees to adopt an energy-efficient workplace, such as turning off electric devices and appliances in workstations when not in use, especially during holidays.



Identifying Energy Saving Opportunities

KWIH engaged HK Electric’s Smart Power Energy Audit service to enhance energy efficiency in its Hong Kong offices in K. Wah Centre. This initiative, conducted by a third-party energy consultant, aimed to identify potential energy-saving opportunities. The comprehensive energy audit included a detailed review of the use and operation of energy-consuming equipment within the premises. The findings provided an insightful overview of the current energy efficiency performance, shedding light on the implications of existing practices.

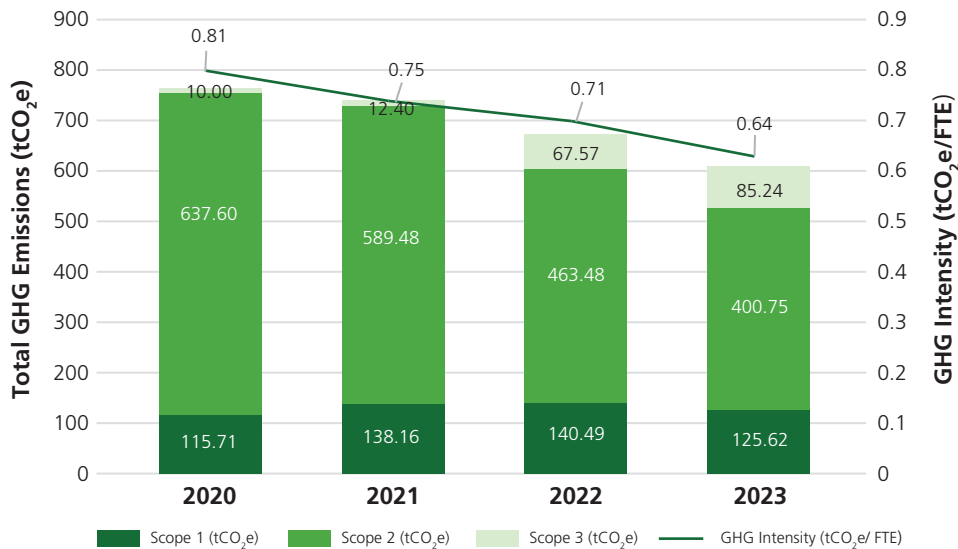
Following the principles and steps outlined in the Code of Practice for Building Energy Audit under the Buildings Energy Efficiency Ordinance (Cap. 610), the audit methodology ensured a standardised and rigorous assessment with a primary focus of identifying feasible Energy Management Opportunities (“EMOs”) that could contribute to improving overall energy efficiency.

Carbon and Energy Performance

Our performance in reducing carbon emissions and energy consumption have witnessed a consistent improvement throughout the years, showcasing the success of our decarbonisation strategy that has been implemented through various energy-saving initiatives.

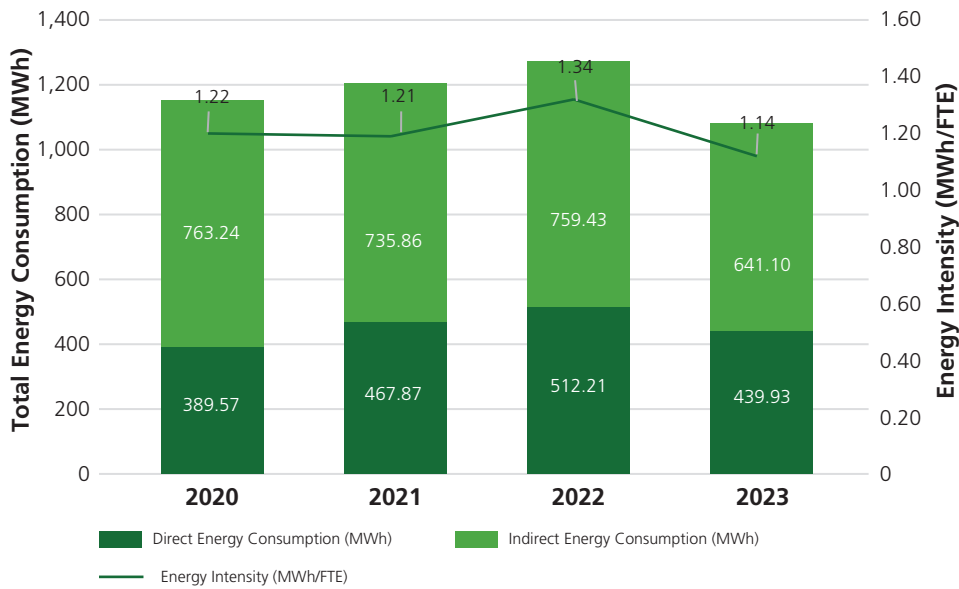
The primary contributors to the Group’s greenhouse gas (“GHG”) emissions were the petrol consumed by vehicles (Scope 1), purchased electricity (Scope 2), and paper and business travel (Scope 3). In the reporting period, KWIH observed a reduction in the Group’s overall GHG emissions consumption, decreasing by approximately 8.9% compared to 2022 emissions. This decline is primarily attributed to the decreased utilisation of purchased electricity, achieved through the implementation of various energy-efficient measures.

GHG Emissions Summary



During the reporting period, KWIH reported a decrease in the Group’s total energy consumption and energy intensity by 15% compared to 2022, highlighting the progress made in our commitment to sustainable practices and energy efficiency.

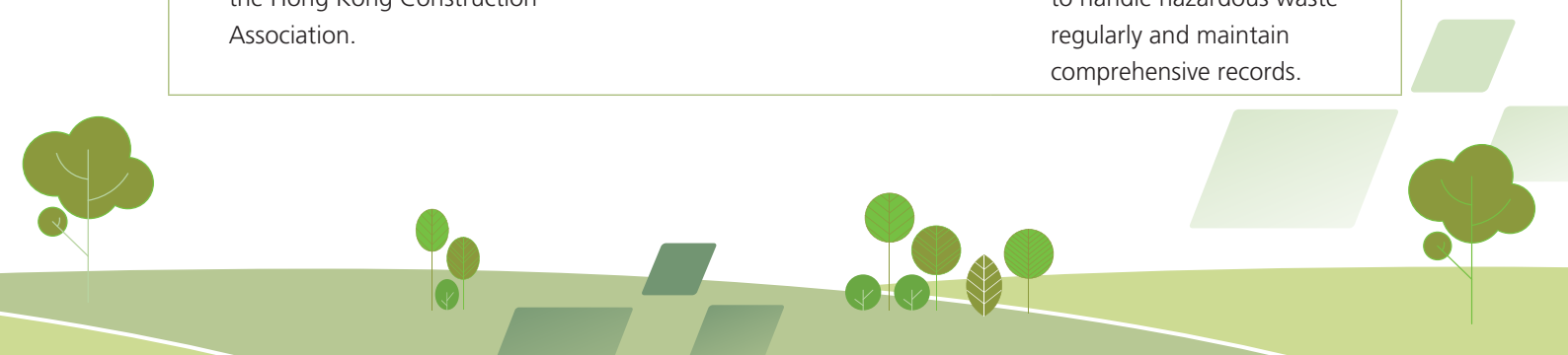
Energy Consumption Summary



Waste Management

The Group’s Environmental Policy mandates the responsible waste management practices. Disposal of all wastes into water and land in compliance with relevant legislation in the regions where the Group operates is ensured. Additionally, the policy emphasises the adoption of best practices and aims to minimise the generation of both hazardous and non-hazardous waste.

Construction Waste	Paper Waste	Hazardous Waste
<ul style="list-style-type: none"> Appointed licensed operators are responsible for the collection and proper management of all generated construction wastes. These operators are obligated to adhere to the guidelines outlined in the “Best Practice Guide for Environmental Protection on Construction Sites” guideline issued by the Hong Kong Construction Association. 	<ul style="list-style-type: none"> Advocated for electronic office practices and reusing single-sided paper among employees to reduce paper printing. Implemented the Electronic Health Record online process for approval workflows in the Nanjing office, gradually achieving paperless office operations. 	<ul style="list-style-type: none"> Implemented centralised collection and classification of daily hazardous waste, such as fluorescent tubes, various types of batteries, ink cartridges, and mercury-containing lamps, in accordance with relevant requirements. Coordinated with outsourced property management units to handle hazardous waste regularly and maintain comprehensive records.





During the reporting period, the Group achieved the following achievements.



Climate Change

The Group acknowledges the potential impacts of climate change on our business operations and services. KWIH has consistently assessed the influence of climate change on operational resilience, and actively managed climate-related risks while exploring opportunities. In line with the Environmental Policy, the Group is committed to managing climate risks across operations and developing mitigation, adaptation, and resilience strategies following industry best practices.

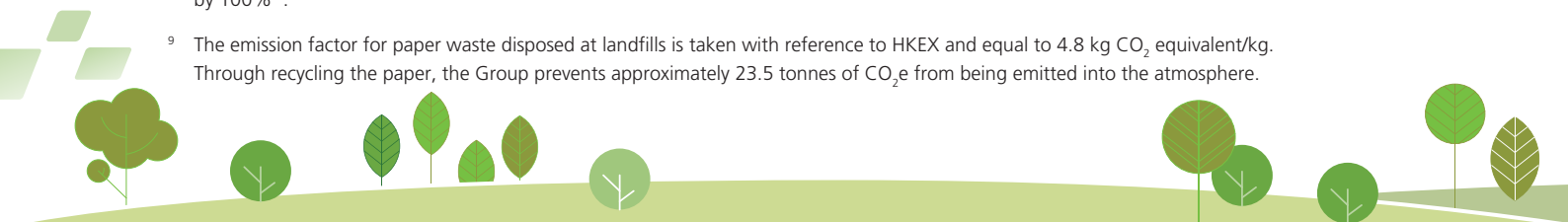
KWIH's operations may face potential vulnerabilities to physical climate risks, such as extreme weather events, which could result in business interruptions, property damage, or the jeopardisation of the safety of various stakeholders. In addition to the strategies and initiatives mentioned earlier, we ensure that necessary information and resources are available to address the physical impacts of climate change and manage potential transition risks, including shifts in customer preferences and climate-related mandates. The Group maintains open communication with stakeholders about climate impacts and actively supports business partners in their efforts to decarbonise.

Green Buildings

The Group is committed to integrating sustainability considerations into building construction and operations, addressing aspects such as material use, energy consumption, water conservation and air quality. New property development projects are designed with sustainability features from the outset, incorporating water-saving devices, monitoring meters, occupancy sensors, light control timers, and more. During the initial construction stages, KWIH prioritises site planning and design to seamlessly integrate projects into the neighbourhood and surrounding environment while minimising disruption.

⁸ The paper recycling rate is calculated as "total paper recycled divided by total paper consumption during the financial year and then multiplied by 100%".

⁹ The emission factor for paper waste disposed at landfills is taken with reference to HKEX and equal to 4.8 kg CO₂ equivalent/kg. Through recycling the paper, the Group prevents approximately 23.5 tonnes of CO₂e from being emitted into the atmosphere.



Prestigious Landscape Design Recognised

In terms of landscape design in residential projects, the Group has devoted its efforts from users' perspectives to adhering to "Commitment to Excellence" to skilfully integrate the natural environment into the landscape design and residents' comfort, creating quality gardens/courtyards that are both fashionable and functional.

During the reporting year, the Group was awarded "Landscape Design Excellence Award" for Corporate Brand Awards of Excellence 2023 organised by Hong Kong Economic Journal, as well as "Outstanding Landscape Design Enterprise" award from 01 Gold Medal Awards 2022 organised by HK01. From its prestigious landscape design in residential developments, including K. Summit in Kai Tak and Solaria in Pak Shek Kok, Tai Po, the Group's customer-centric innovations ultimately create a comfortable yet aesthetic living environment for its residents. In addition, the excellent landscape design of KT Marina was recognised by "Garden in the City Residential Design Award of Excellence" for Leadership Business Award 2023 organised by Now TV.



KT Marina



Solaria



K. Summit

Beyond local and national green building standards, KWIH adheres to recognised rating schemes such as BEAM Plus and Leadership in Energy and Environmental Design (“LEED”) in designing, building, and retrofitting properties. This approach aims to effectively manage the significant impacts of buildings on the environment and natural resources. The following awards reflect our efforts in prioritising sustainable practices in existing construction/completed projects.

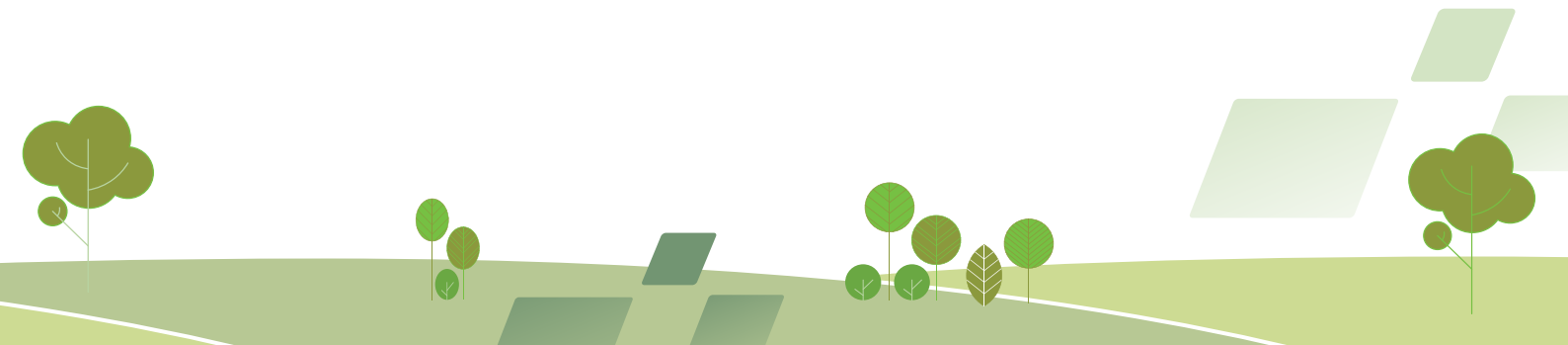
KWIH’s Green Building Portfolio

Region	Project Name	Assessment Standard and Rating
Hong Kong	LOHAS Park Package 13	BEAM Plus New Buildings v2.0 Provisional Gold
	30 Po Shan Road Project	U.S. LEED v4 Silver Precertification
	Villa Garda	BEAM Plus New Buildings v1.2 Provisional Gold
	KT Marina	BEAM Plus New Buildings v1.2 Provisional Gold





Region	Project Name	Assessment Standard and Rating
	Kai Tak NKIL 6554	BEAM Plus New Buildings v1.2 Provisional Gold
	Grand Mayfair	BEAM Plus New Buildings v1.2 Provisional Gold
	Grand Victoria	BEAM Plus New Buildings v1.2 Provisional Gold
	K. Summit	BEAM Plus New Buildings v1.2 Gold
	K.CITY	BEAM Plus New Buildings v1.2 Unclassified
	Solaria	BEAM Plus New Buildings v1.2 Unclassified
	The Spectra	BEAM Plus New Buildings v1.2 Gold
	Twin Peaks	BEAM Plus New Buildings v1.2 Bronze
Nanjing	P20 Project	China Green Building 2 Stars (Precertification) China Green Building 3 Stars (Precertification) U.S. LEED CS Platinum (Planning stage) U.S. LEED CS Gold (Planning stage) U.S. LEED CS Silver (Planning stage) U.S. WELL CORE Gold (Planning stage)
Shanghai	P18 Residential Building	Ultra Low Energy Building (Construction stage)
	P18 Office Tower	China Green Building 2 Stars (Drawing review stage) China Green Building 3 Stars (Drawing review stage) U.S. LEED CS Gold / WELL Gold (Registration stage completed)
	EDGE	U.S. LEED Gold Certification



Giving Back to Our Communities

Standing by our belief of “giving back to society from which one has benefited”, KWIH has developed a Corporate Communications Handbook to ensure that the community activities of the Group can bring benefits to the community, so as to enhance the Group’s overarching positive impact. Over the reporting period, our community engagement areas of focus can be categorised under three main themes: Arts and Culture, Community Empowerment and Youth Development.

Arts and Culture

Sponsorship in Hong Kong Palace Museum Volunteer Programme

KWIH and LUI Che Woo Prize Limited have jointly sponsored Hong Kong Palace Museum (“HKPM”) Volunteer Programme, with the aim to introduce Chinese art and culture to the public, especially the younger generation, whilst also strengthening Hong Kong’s position as a hub for cultural and artistic exchange between the Mainland and the rest of the world. The programme offered training courses and work opportunities to nurture talent for the heritage industry.

Since its launch in July 2022, the volunteer programme saw an overwhelming response. Over 670 volunteers, including 470 inaugural volunteers, have dedicated 1.5 years of service, contributing close to 37,000 hours. All volunteers underwent comprehensive training on Chinese culture, art, exhibitions and museum operations, and they assisted HKPM in a wide range of tasks, including educational activities such as workshops for children utilising Chinese arts and crafts, and visitor services.



Culture and Art Exhibition of Drago Cavallo (“DC”) Dragon Horse

In December 2023, to promote art education in Jiangmen, KWIH held a culture & art exhibition of DC Dragon Horse with the Jiangmen Government, inviting local artists and children to create dragon horses together, so as to promote artistic education and children’s artistic creativity in Jiangmen.

Community Empowerment

The Group strives to promote social inclusion and build closer bonds with the community, and has launched a series of care activities for elderly and underprivileged groups in 2023 to provide our society with a diverse range of support.

“Gift for Love” Charity Sales

KWIH adheres to the corporate spirit of “One K. Wah” and sponsored the “Gift for Love” charity cookies sales organised by the Hong Kong Federation of Handicapped Youth. The event aims to assist underprivileged communities in society and promote the positive message of “Striving for PHAB (Physically Handicapped and Able-Bodied) Integration”.



Caring for Sanitation Workers

During summer time, staff representatives of KWIH’s Shanghai regional office for Suzhou project, with the coordination of district officials where VETTA locates, carried out a public welfare activity of “Caring for sanitation workers, providing coolness amidst the summer heat” to distribute cool drinks to sanitation workers and promote healthy messages under hot weather.

Realising Wishes

With its participation in the joint development project of Huajing Town, Xuhui District, Shanghai, KWIH’s Shanghai Jialonghui Real Estate Co., Ltd. joined hands with the Party Group Service Centre of Huajing Town to carry out an activity with the theme of “gathering micro power to realise small wishes”, helping the elderly, children facing difficulties, disabled people and other groups through donating daily necessities to the groups and thus building a harmonious community by reigniting one’s passion to achieve wishes.



Youth Development

KWIH believes that nurturing our youth will play a key role in development of our society, and attaches great importance to the nurturing of young people. In light of our commitment to developing our youths, KWIH has initiated several programmes to cultivate young leaders, firmly believing in the potential of the younger generation.

Participation in Strive and Rise Programme

In a strong response to the “Strive and Rise Programme” led by the Chief Secretary for Administration, KWIH has been actively supporting the programme that a number of employees joined as mentors, assisting secondary students from underprivileged families in building self-confidence and providing them with diverse learning opportunities. Accompanied by our mentors, the student participants visited the K. Wah Headquarters to learn about the mentors’ daily duties and the nature of different businesses under the job shadowing programme.



Furthermore, the Group arranged a visit to the InterContinental Grand Stanford Hong Kong for the participants to learn about the hotel’s operations and daily practices. They also had the opportunity to shadow the housekeeping department, allowing them to gain a comprehensive understanding of the hotel’s operating model. An Executive Chef from the hotel was further invited to join the participants for afternoon tea and to share their work experience, helping youths interested in the hotel industry to plan their careers and discover more possibilities.



Support Student Study Tour to Shanghai Jiaotong University

Sponsored by KWIH, the “KWIH and TWGHs Study Tour at Shanghai Jiao Tong University 2023” offered opportunities for 50 promising young students with a passion for STEM (“Science, Technology, Engineering and Mathematics”) from secondary schools under TWGHs (Tung Wah Group of Hospitals), to participate in an exchange program in Shanghai and experience cutting-edge science and technology development. The students also had the privilege of attending the naming and inauguration ceremony of Lui Che Woo Science Park, witnessing the establishment of an innovative research hub and the cultivation of a dynamic talent pool to drive scientific breakthroughs. In addition, they had the chance to visit KWIH’s Shanghai office to gain insights into the Group’s services and development in Shanghai.



Summer Internship Programme

In collaboration with prominent universities and the Shanghai-Hong Kong Youth Association, our Shanghai office participated in the “Tomorrow’s Leaders Internship Programme”, offering eight-week internship opportunities to university students. They gained valuable work experience through mentorship, internal training, project visits and discussions with management trainees, deepening their understanding of the real estate industry, while also attracting more young talents to KWIH.



KWIH Management Trainee Programme

KWIH actively engages management talents for the Group’s future development, and has launched a management trainee programme in Shanghai and Nanjing to nurture young professionals in the region. In the Shanghai office, the implementation period of the management trainee programme is 30 months and is divided into three phases, with the programme held for three consecutive years. Our trainees undergo mentorship, on-the-job learning, project visits, internal training sharing, online learning and job rotation practice.

Appendix I — Performance Data Summary

Environmental

Air emissions	Unit	2022	2023
Nitrogen oxides (NO _x)	Kg	61.93	16.51
Sulphur oxides (SO _x)	Kg	0.78	0.56
Particulate matter (PM)	Kg	5.29	1.22
Non-hazardous waste (landfilled)	Unit	2022	2023
Paper to landfill	Tonnes	13.33	13.76
Total non-hazardous waste	Tonnes	13.33	21.05
Non-hazardous waste intensity	Tonnes/FTE¹⁰	0.01	0.02
Hazardous waste	Unit	2022	2023
Total hazardous waste	Tonnes	N/A	0.09
Hazardous waste intensity	Tonnes/FTE	N/A	0.00¹¹
Energy consumption	Unit	2022	2023
Direct energy consumption	MWh	512.21	439.93
Petrol	MWh	508.09	439.93
Diesel	MWh	4.12	0
Indirect energy consumption	MWh	759.43	641.10
Purchased electricity	MWh	759.43	641.10
Total energy consumption	MWh	1,271.64	1,081.02
Energy consumption intensity	MWh/FTE	1.34	1.14
GHG emissions ¹²	Unit	2022	2023
Direct GHG emissions — Scope 1	tCO ₂ e	140.49	125.62
Energy indirect GHG emissions — Scope 2	tCO ₂ e	463.48	400.75
Other indirect GHG emissions — Scope 3	tCO ₂ e	67.57	85.24
Total GHG emissions — Scope 1, 2 and 3	tCO₂e	671.54	611.61
GHG emissions intensity	tCO₂e/FTE	0.71	0.64
Water consumption	Unit	2022	2023
Water consumption	Tonnes	N/A	2,683.00
Water consumption intensity	Tonnes/FTE	N/A	2.82

¹⁰ As of 31 December 2023, the Group's full-time employees are 951 (2022: 946 employees). This data will also be used for the calculation of other intensity data.

¹¹ The actual figure for hazardous waste intensity is 0.0001 tonnes/FTE but is represented as 0.00 for the sake of consistency in data presentation.

¹² GHG emissions data are presented in terms of tonnes of CO₂ equivalent, with reference to, including but not limited to, "How to prepare on ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX, "China's Regional Grid Baseline Emission Factors for Emission Reduction Projects 2022" issued by the Ministry of Ecology and Environment of the PRC, "2022 Sustainability Report" issued by the CLP Holdings Limited, "Sustainability Report 2022" issued by the HK Electric Investment Limited, and "Global Warming Potential Values" from the IPCC Fifth Assessment Report.

Social

Workforce profile	2022	2023
Total workforce	968	951
By gender		
Male	463	452
Female	505	499
By employment type		
Full-time	946	951
Part-time	22	0
By age group		
Below 30	175	162
30–50	664	674
Over 50	129	115
By employment category		
Senior management ¹³	N/A	32
Middle management ¹⁴	N/A	227
General ¹⁵	N/A	692
By geographical region		
Hong Kong	236	200
Mainland	732	751
By education level		
High school diploma or below	N/A	276
Undergraduate	N/A	511
Postgraduate	N/A	97
Others	N/A	67

¹³ Senior Management refers to employees at General Manager or above level.

¹⁴ Middle Management refers to employees at Deputy General Manager, Assistant General Manager, Senior Manager and Manager level.

¹⁵ General refers to employees at Assistant Manager or below level.

Turnover rate ¹⁶	2022	2023
Total employee turnover rate	23.20%	18.82%
By gender		
Male	23.30%	21.46%
Female	23.20%	16.43%
By age group		
Below 30	59.40%	46.30%
30–50	15.50%	14.54%
Over 50	14.00%	5.22%
By geographical region		
Hong Kong	42.00%	31.00%
Mainland	17.20%	15.58%

Occupational health and safety	2022	2023
Number of lost days due to work injury	5	26
Number of work-related fatalities	0	0
Rate of work-related fatalities	0	0

¹⁶ Turnover rate is calculated as “total number of employees leaving employment during the financial year divided by total number of employees at the end of the financial year and then multiplied by 100%”.

Training	2022		2023	
	The percentage of employees trained ¹⁷	Average training hours completed per employee ¹⁸	The percentage of employees trained	Average training hours completed per employee
Total	75.70%	10.6	86.33%	19.3
By gender				
Male	76.50%	10.9	86.95%	20.1
Female	75.10%	10.3	85.77%	18.6
By employee category				
Senior management	63.90%	4.1	90.63%	22.4
Middle management	85.20%	7.4	92.51%	15.6
General	73.20%	11.9	84.10%	20.4
Supply chain			2022	2023
Total key suppliers			499	581
By geographical region				
Hong Kong			169	150
Mainland			330	431
Anti-corruption			2022	2023
Concluded legal case			0	0

¹⁷ The percentage of employees trained is calculated as "total number of employees trained during the financial year divided by total number of employees at the end of the financial year and then multiplied by 100%".

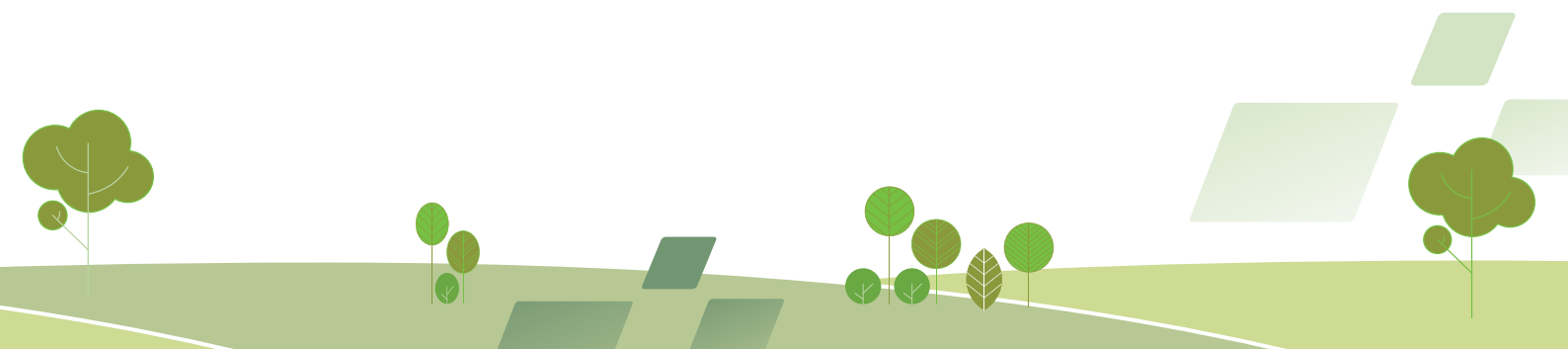
¹⁸ Average training hours completed per employee is calculated as "total hours of employees trained during the financial year divided by total number of employees at the end of the financial year".

Appendix II — Hong Kong Stock Exchange ESG Guide Content Index

Mandatory disclosure provisions	Section/Declaration
Governance structure	About KWIH — Corporate Governance, Sustainability Governance and Board Statement, Risk Management and Internal Control
Reporting principles	About This Report — Reporting Standard and Scope
Reporting scope	About This Report — Reporting Standard and Scope

Hong Kong Stock Exchange KPI	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Building Our Sustainable Future
A1.1	The types of emissions and respective emissions data.	Building Our Sustainable Future — Carbon and Energy Performance, Appendix I — Performance Data Summary
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Carbon and Energy Performance, Appendix I — Performance Data Summary
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Waste Management, Appendix I — Performance Data Summary
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Waste Management, Appendix I — Performance Data Summary
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Building Our Sustainable Future
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.	Building Our Sustainable Future — Waste Management

Hong Kong Stock Exchange KPI	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Building Our Sustainable Future
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Building Our Sustainable Future — Carbon and Energy Performance, Appendix I — Performance Data Summary
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I — Performance Data Summary
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Building Our Sustainable Future
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.	Due to the nature of KWIH's business operations, this KPI is considered not material.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the nature of KWIH's business operations, this KPI is considered not material.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Building Our Sustainable Future
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Building Our Sustainable Future — Green Buildings
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.	Building Our Sustainable Future
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.	Building Our Sustainable Future — Climate Change



Hong Kong Stock Exchange KPI	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Empowering Our People
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Empowering Our People — Workforce Profile, Appendix I — Performance Data Summary
B1.2	Employee turnover rate by gender, age group and geographical region.	Empowering Our People — Workforce Profile, Appendix I — Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Prioritising Wellness and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I — Performance Data Summary No reported cases of work-related fatalities over the past three years including the reporting year.
B2.2	Lost days due to work injury.	Appendix I — Performance Data Summary
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Prioritising Wellness and Safety

Hong Kong Stock Exchange KPI	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Our People — Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle, management).	Empowering Our People — Training and Development, Appendix I — Performance Data Summary
B3.2	The average training hours completed per employee by gender and employee category.	Appendix I — Performance Data Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Empowering Our People — Optimal Employee Recruitment
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Empowering Our People — Optimal Employee Recruitment
B4.2	Description of steps taken to eliminate such practices when discovered.	Empowering Our People — Optimal Employee Recruitment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Engaging Our Customers and Value Chain — Responsible Supply Chain Management
B5.1	Number of suppliers by geographical region.	Engaging Our Customers and Value Chain — Responsible Supply Chain Management, Appendix I — Performance Data Summary
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.	Engaging Our Customers and Value Chain — Responsible Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Responsible Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Responsible Supply Chain Management

Hong Kong Stock Exchange KPI	Description	Section/Declaration
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.	Engaging Our Customers and Value Chain — Safeguarding Customer and Tenant Experiences, Data Privacy, Advertising Standards and Intellectual Property Rights, Quality Assurance
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the nature of KWIH's business operations, this KPI is considered not material.
B6.2	Number of products and service-related complaints received and how they are dealt with.	Engaging Our Customers and Value Chain — Quality Assurance During the reporting period, there were no substantiated product and service-related complaints received.
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Engaging Our Customers and Value Chain — Advertising Standards and Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Engaging Our Customers and Value Chain — Quality Assurance
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Engaging Our Customers and Value Chain — Data Privacy



Hong Kong Stock Exchange KPI	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	About KWIH — Ethical Business Behaviours
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.	About KWIH — Ethical Business Behaviours, Appendix I — Performance Data Summary
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	About KWIH — Ethical Business Behaviours
B7.3	Description of anti-corruption training provided to directors and staff.	About KWIH — Ethical Business Behaviours
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.	Giving Back to Our Communities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to Our Communities
B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to Our Communities

The information, drawings (including design concept drawings) and/or photos of the developments in Hong Kong (inclusive of the developments under construction) as provided in this Environmental, Social and Governance Report are for the purpose of the Environmental, Social and Governance Report of K. Wah International Holdings Limited ("KWIH") (please refer to the sales brochures for details of the respective developments) and are not and do not form part of any advertisement purporting to promote the sale of any residential property, and do not constitute and shall not be construed as constituting any offer, representation, warranty, covenant or contractual term whether expressed or implied (whether related to the development, any residential property in the development, the standard provisions, fittings, finishes and appliances, etc. of any residential property, appearance, view, surrounding environment and facilities, and clubhouse facilities, etc. or not). No publishing or transfer to any third party is allowed without the prior written consent of KWIH and the respective vendors as stated in the sales brochures of the respective developments (each a "Vendor"). For some of such developments or projects, permission for promotional activities and/or pre-sale consent is/are not yet applied for and/or issued and the time of issue of such permissions and pre-sale consents are not certain. All time schedule of sales launch set out herein are of the tentative sale schemes and are for reference only. KWIH and the respective Vendors do not represent or warrant the time of issue of such permissions and/or consents. KWIH and the respective Vendors shall not be liable for any reliance of these information, drawings and/or photos by any party for his/her decision on purchase of any residential property in the respective developments or otherwise.

All photos, images, drawings or sketches in this Environmental, Social and Governance Report represent artists' impressions of the respective developments or the part of the respective developments concerned only. They are not drawn to scale and/or may have been edited and processed with computerized imaging techniques. In respect of any design concept drawings of the respective residential developments contained in this Environmental, Social and Governance Report, they are products of computer renderings. Pipes, conduits, air-conditioners, grilles etc. which might exist on the external walls, flat roofs or roofs, etc. of the respective developments, and the surrounding environment and buildings of the respective developments have been simplified or omitted. The respective renderings do not simulate or reflect the actual appearance and the surrounding environment of the respective developments. The respective design concept drawings do not simulate or reflect the view from any part of the respective developments and the present or future condition of the surrounding environment and buildings of the respective developments. The layout, partition, specifications, dimensions, colour, materials, fittings, finishes, appliances, equipment, furniture, household accessories, display, decorations, signs, clubhouse facilities, sculptures, models, artwork, plant, trees, landscape design, lighting features and lightings, etc. shown in the respective design concept drawings might be different from those, if any, to be actually provided in the respective developments and that they might not appear in the part of the developments concerned. The respective Vendors reserve the right to alter, increase and reduce the above items and clubhouse and recreational facilities, which are subject to the agreements for sale and purchase. The respective Vendors reserve the right to alter the design of the landscaping and the water features of the respective developments and the species and quantity of flowers and plants provided. The respective Vendors reserve the right to alter the building plans and other plans from time to time, which are subject to the final approvals of the relevant Government authorities. The provision of clubhouses and recreational facilities are subject to the terms and conditions of the agreements of sale and purchase and the final approvals of the relevant Government authorities. The opening time and use of different clubhouses and recreational facilities are subject to the relevant laws, land grant conditions, terms of the deed of mutual covenant and the actual conditions of the facilities. The use and operations of some parts of the facilities and/or services may be subject to the consents or permits to be issued by the relevant Government authorities. The respective Vendors reserve the right to amend the use of the facilities and/or services which are shown or not shown or not specified in the design concept drawings. Such facilities (including clubhouse and ancillary recreational facilities, etc.) may not be in operation when the respective developments can be occupied. The respective Vendors reserve the rights to alter the clubhouse and recreational facilities and the partition, design, layout and use thereof. Fees may be separately charged on the use of the clubhouse(s) and different recreational facilities. The existing, future or proposed buildings and facilities, etc. as shown in this Environmental, Social and Governance Report (if any) are subject to changes from time to time, and may not be completed or ready for operation when the relevant developments can be occupied, and their physical state after completion may be different from those as stated or shown in this Environmental, Social and Governance Report, and are for reference only.

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