

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 2020

Delivering Value
with Distinctive
建優創值 Quality
力臻恆遠





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1. Our Sustainability Vision

K. Wah International Holdings Limited (“KWIH” or “the Group”) believes that our business has an important role in contributing to a better future as we progress along our sustainability journey. The Group takes a holistic approach to integrate sustainability into our day-to-day operations, from project planning, design and construction to customer services. Over the years, we have focused our efforts on resource efficiency and green building development, while keeping abreast of industry best practices to responsibly manage our environmental footprint.

Pushing our sustainability initiatives forward requires collective action from our employees who lay a solid foundation for organisational excellence. To nurture a sustainable talent pipeline, we endeavour to build an attractive people-oriented workplace which fosters open and interactive communication, supports professional development and protects the well-being of our employees.

As we drive sustainable business growth, we uphold our commitment to delivering quality products and services whilst creating long-term positive value for our stakeholders and communities. KWIH has been included as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years since 2018. This inclusion enables us to benchmark our performance against other market leaders as we continue to excel.



2. About KWIH

With a strong foothold established in Hong Kong, KWIH (stock code: 00173) is the listed property arm of K. Wah Group. KWIH has continuously grown and become a leading integrated property developer and investor of exquisite and niche projects, with a strategic focus on Hong Kong, the Yangtze River Delta region and other cities in the Greater Bay Area. For further information on our business operations and financial performance, please refer to our Annual Report 2020.

Governance Structure

KWIH is committed to best practices in corporate governance in the interest of all our stakeholders. The Board of Directors of KWIH (“the Board”), comprising four Executive Directors, one Non-executive Director and three Independent Non-executive Directors, provides strategic guidance to management on operations and oversight over the Group’s business direction, sustainability approach, corporate governance and financial performance.

Responsibility for achieving the Group’s objectives and running day-to-day management is delegated to four respective Board-level committees, namely, the Executive Board, the Remuneration Committee, the Nomination Committee and the Audit Committee.

- **The Executive Board** is responsible for overseeing the implementation of the Group’s strategies set by the Board, monitoring the Group’s investment and operational performances as well as funding and finance requirements.
- **The Remuneration Committee** is responsible for setting policy on Executive Directors’ remuneration and for fixing the remuneration packages for all directors and senior management.
- **The Nomination Committee** is responsible for reviewing the structure, size and composition of the Board and identifying suitable individuals qualified to become members of the Board.
- **The Audit Committee** is responsible for reviewing financial information of the Group and overseeing the Group’s financial reporting process, risk management and internal control systems.

Risk Management and Internal Control

The Board holds overall accountability for the Group’s risk management and internal control systems. Reporting directly to the Board, the Audit Committee is responsible for detailed monitoring and regular updating on the effectiveness of the Group’s risk management and internal control systems. The Audit Committee, with assistance from our Internal Audit Department, identifies and evaluates significant risks to the Group’s operations through undertaking risk assessment exercises. The Audit Committee will report the results to the Board for considering any risk mitigation actions and controls. Appropriate risk mitigation actions are being taken to manage and control individual risks identified.

For more information on our 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 2020.

3. About This Report

This annual Environmental, Social and Governance (“ESG”) Report (the “Report”) provides an overview of KWIH’s ESG management approach as well as sustainability initiatives and performance for the year ended 31 December 2020 (the “reporting period”).

Reporting Standard and Scope

This Report is prepared in accordance with the requirements of the ESG Reporting Guide, Appendix 27 (“ESG Guide”)¹ to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HK Stock Exchange”).

Unless otherwise indicated, the scope of the Report includes our portfolio in Hong Kong and Mainland China under our operational control, consisting primarily residential developments, Grade-A office towers, hotel, serviced apartments and commercial facilities.

For a full list of ESG Aspects, respective key performance indicators (“KPIs”) and their reference within this Report, please see the ESG guide content Index included on P. 25 to 27 of this Report.

Stakeholder Engagement

Ongoing and two-way communication with stakeholders is crucial to understanding their concerns and expectations of our sustainability initiatives, performance and future strategies. This process enables us to make informed decisions and better identify risks and opportunities. Details on our stakeholder groups and engagement channels are provided in the table below.

Stakeholder Groups

| Shareholders and Investors | Employees | Suppliers and Contractors | Customers and Tenants | Community Groups and NGOs | Media |
|--|--|---------------------------|---|--------------------------------------|--|
| Activities Annual General Meetings; Annual and interim results press conferences; Announcements and circulars; One-on-one meetings; Roadshows; Investor conferences; Analyst briefings; Press releases | Surveys; Intranet; Newsletters; Training sessions; Team-building activities; KWIH Mobile App | Screening and assessments | Surveys; Customer mobile app; Customer service hotlines | Community events; Joint partnerships | Luncheons and gatherings; Interviews and media audits; Feedback and responses to media enquiries; Press releases |



¹ The Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on HK Stock Exchange is organised into two ESG subject areas — Environmental and Social. There are various aspects under the two subject areas and each aspect sets out general disclosures and key performance indicators for listed companies to disclose to demonstrate their performance.

Materiality Assessment

In preparation for this Report, an independent consultant was appointed to conduct a comprehensive stakeholder engagement and materiality assessment to determine the most material ESG topics to the Group for disclosure by following a three-step process:

Step 1: Identification of Material Topics

- Reviewed ESG disclosures of industry peers to identify a broad range of sustainability issues related to the Group's business continuity and ESG impacts.
- Conducted an online survey with internal stakeholders to rank the materiality of different ESG issues.

Step 2: Prioritisation

- Combined and analysed the results of the peer benchmarking exercise and stakeholder online survey to develop a prioritised list of ESG issues of varying materiality levels for confirmation.

Step 3: Validation and Review

- The Group's senior management convened a meeting with the independent consultant to confirm a finalised list of material KPIs for disclosure, with consideration of relevance to the Group's business operations.

4. Major Awards and Certificates

Acknowledgements were given in recognition of our sustainability efforts. We are proud to present the below awards and certificates received during the reporting period.



| | | | |
|---|---|--|--|
| <p>2020</p> <p>BCI Asia</p> <p>BCI Asia Hong Kong's Top 10 Developers 2020</p> | <p>2020</p> <p>The Hong Kong Council of Social Service</p> <p>Caring Company Logo</p> | <p>2020</p> <p>Capital Weekly</p> <p>Corporate Governance — The Listed Enterprise Excellence Awards 2020</p> | <p>2018–2020</p> <p>Hang Seng Indexes Company Limited</p> <p>Constituent of the Hang Seng Corporate Sustainability Benchmark Index</p> |
| <p>2020</p> <p>JobMarket</p> <p>Employer of Choice Award 2020</p> <p>Work-life Balance Award</p> | <p>2019–2020</p> <p>Employees Retraining Board</p> <p>ERB Manpower Developer Award Scheme 2019–20 — Manpower Developer</p> | <p>2020</p> <p>Labour Department</p> <p>Good Employer Charter</p> | <p>2019–2020</p> <p>Mandatory Provident Fund Schemes Authority</p> <p>Good MPF Employer Award</p> |
| <p>2020</p> <p>Hong Kong Productivity Council and the Promoting Happiness Index Foundation</p> <p>Happiness-at-work Promotional Scheme 2020: "Happy Company" Logo</p> | <p>2020</p> <p>Hong Kong Investor Relations Association</p> <p>HKIRA 6th Investor Relations Awards 2020 — Certificate of Excellence</p> | <p>2020</p> <p>China Tonghai IR Limited</p> <p>Quam IR Awards 2019</p> | <p>2020</p> <p>TOP HR</p> <p>2020 China Human Resource Pioneer Employer</p> |

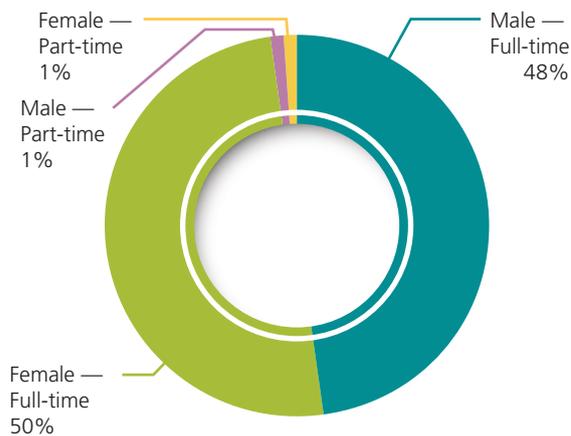
5. Empowering Our People

At KWIH, we are committed to building a sustainable and resilient workforce through our employee pipeline stocked with talented and experienced individuals. In line with our people-oriented approach, we build an inclusive and supportive work environment which encourages participatory communication, facilitates personal development and protects the health and well-being of all employees.

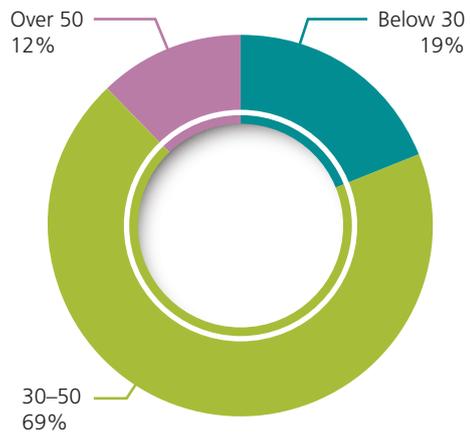
Human Capital Profile

As of 31 December 2020, the Group has a competent team of more than 960 employees² supporting our business operations. In our endeavour to be a preferred employer of choice in the industry, we have stepped up our efforts to nurture a caring and positive work environment. During the reporting period, our voluntary employee turnover rate was 20%, similar to the level in 2019, which was 19%.

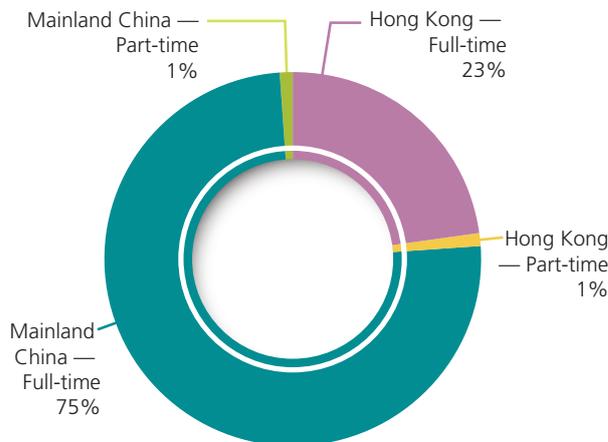
Employment type, by gender



Employees, by age group



Employment type, by region



Employee turnover rate



² This figure reflects full-time and part-time employees in our Hong Kong and Mainland China portfolio.

Continuous Development and Training

To remain agile in an ever-changing business environment, KWIH has tailored our training programmes to cater to the needs of employees from different departments and at various career stages. In partnership with The Hong Kong Management Association, we provided training programme which covered topics such as strategic management, problem solving and innovative culture presented by industry experts and university lecturers. In view of the COVID-19 situation, a majority of the training courses were conducted online.

Percentage of employees trained



82%

Average training hours per employee



19.3

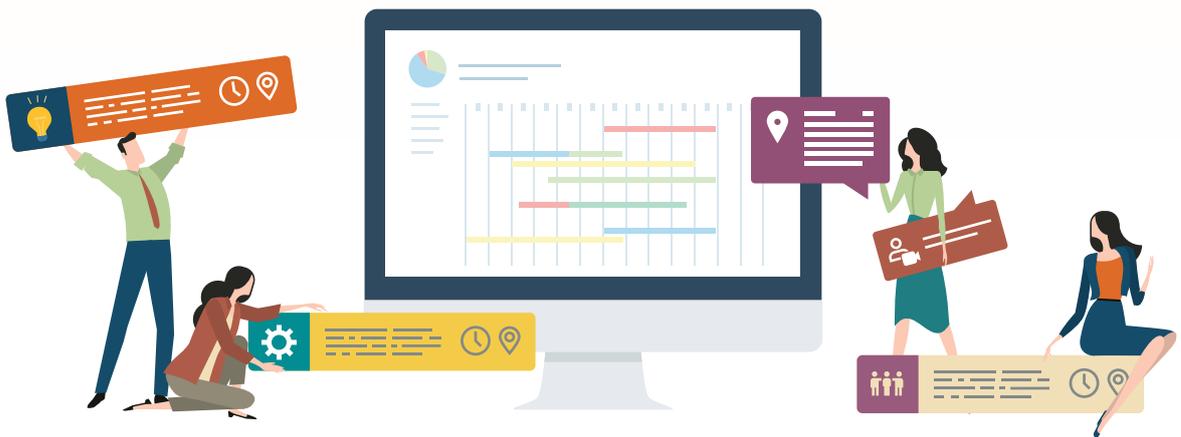
Total training hours completed by KWIH employees



18,644

Suzhou employees keeping abreast of industry best practices

To foster knowledge exchange and experience sharing among industry peers, our Suzhou Project Department held a field trip in August 2020. Employees visited two projects situated in Suzhou National Famous Historical and Cultural Cities Conservation Area and Suzhou Industrial Park. Through the trip, they gained insights into landscape design, architectural planning and interior design while exchanging views with each other.



Employee Health and Safety

Ensuring occupational health and safety of our employees is always our top priority. We have worked diligently and implemented precautionary measures to minimise potential occupational hazards across our operations. Aside from conducting regular fire drills and carpet cleaning, we organised weekly fruit days and arranged a number of health seminars.

KWIH x Health Guru: Enhancing employees well-being

The Group pays special attention to help employees manage stress and emotions in challenging times. In 2020, we invited a registered Chinese medicine practitioner to deliver a health talk to share useful tips on healthy work practices and ways to enhance mental resilience. Meanwhile, on-site massages and health-related counselling services were offered to employees.



We are also mindful of the safety of our contracted and subcontracted workers. Site conditions are well-managed through a multi-pronged approach.

During the reporting period, there were two lost days due to work injuries reported from a project in Mainland China. To prevent recurrence and improve our safety performance, we investigated all incidents and implemented remedial measures as appropriate.

Projects in Hong Kong

As part of our tendering process, we perform a pre-qualification exercise to screen contractors with good safety records. Going beyond statutory requirements, we require our main contractors to appoint a full-time Registered Safety Officer ("RSO") who has the experience and expertise to manage onsite safety-related issues. The RSO is responsible for monitoring and maintaining the overall safety of the construction sites according to the approved Safety Plan. Secondary inspections are also conducted by Authorised person and registered structural engineer on a periodic basis.



Projects in Mainland China

Our Standard Operating Procedures ("SOPs") set out a systematic tendering and auditing mechanism to manage our projects in Mainland China. We prioritise contractors who outperform in the health and safety standards. Apart from compliance with relevant local and national regulations, contractors must possess ISO14001 and GB/T28001 or ISO45001 certificates. A three-level auditing process involving the site project team, the regional office and the headquarters is also in place to monitor the level of compliance.



Caring for Employees

The Group encourages our employees to practise work-life balance alongside our effort to nurture a warm and collaborative work culture. While most of the employees activities were suspended due to the COVID-19 pandemic, we continued to leverage our existing platforms, including K. Wah Social Club, K-Channel and KWIH Mobile App, to strengthen internal communication and employees' sense of belonging.

KWIH Mobile App: Bringing employees closer

Following the successful launch of our self-developed KWIH Mobile App, employees can stay updated with corporate news, e-learning opportunities, conduct surveys and participate in online games. As at the end of 2020, more than 95% of our Hong Kong full-time employees have installed the application on their mobile phones.



Our COVID-19 support

Acting swiftly since the initial period of the COVID-19 outbreak, KWIH has remained committed to protecting our employees throughout the pandemic. We have implemented a range of measures to reduce the transmission risk on our premises and provided employees with essential anti-epidemic supplies.

Cleaning and disinfecting: We stepped up our regular disinfecting procedures during the COVID-19 outbreak, increasing our cleansing frequency using a diluted bleach solution with a focus on high contact areas at the offices such as door handles, handrails, meeting rooms, lifts and escalators.



Anti-epidemic supplies: When anti-epidemic supplies were limited and unstable, KWIH provided each employee with a preventive kit containing medical masks, hand sanitisers, disinfectant sprays and nutritional supplements such as Vitamin C tablets.

Temperature checking: We set up a designated temperature screening station at our premises to monitor employees and visitors for the symptoms of fever.



Provision of health tips: KWIH's senior management prepared tailor-made videos to share practical health tips on proper hygienic behaviours such as frequent hand washing and social distancing, and to encourage employees to stay positive in the midst of these difficult times.

6. Engaging Our Customers and Value Chain

KWIH takes pride in the delivery of quality products and services which consistently meet customer expectations. In pursuit of operational excellence, we monitor every stage of our day-to-day operations and maintain positive relationships with our value chain partners through proactive management.

Customer Health and Safety

We understand customers place a great deal of trust in our organisation when it comes to safeguarding their health and safety. We take this responsibility seriously and have implemented stringent control measures to ensure the overall quality of our development projects. As outlined in our tender documents, we require contractors to adhere to all applicable legislation⁴. Taking a step further, we explore ways to better incorporate sustainability elements such as greenery and landscape design into the holistic planning process in order to further uplift residents' quality of life.

Advertising Standards

Providing customers with accurate, transparent and consistent information allows them to make informed decisions and facilitates trust-building. At KWIH, we are committed to responsible marketing by making sure all our advertisements and other promotional materials are in full compliance with relevant local and national regulations, including the Residential Properties First-hand Sales Ordinance in Hong Kong and other relevant regulations in Mainland China.

Data Privacy

We work to ensure the confidentiality of personal data and information collected from our customers. We set out clear privacy guidelines and procedures covering the use and management of data and information in accordance with the relevant regulatory requirements⁵. Only authorised personnel can access customer data on a need-to-know and need-to-use basis. All data is stored in guarded servers which are protected by an up-to-date firewall and anti-virus software.



⁴ 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).

⁵ 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.

Quality Assurance

In our endeavour to pursue quality products and attentive services, stringent mechanisms and procedures have been put in place to monitor performance and deliver the promised quality.

Projects in Hong Kong

To identify the right contractors for long-term collaboration, we perform a pre-qualification screening against several quality-related criteria. For instance, contractors should obtain the ISO 9000 quality management system certification.

During the construction stage, we commission a Clerk of Works to enhance workmanship and site management. For projects which will be assessed under the Building Environmental Assessment Method (“BEAM”), we appoint a qualified BEAM coordinator/consultant to ensure the required green buildings standards are closely followed.

Projects in Mainland China

A quality assurance system has also been introduced for our projects in Mainland China. Pre-qualification screening generates a list of contractors with satisfactory performance in the areas of quality, knowledge and safety standards.

The design, tender and quality control stages are managed by respective SOPs. For example, the design SOPs provide guiding principles for the use of materials based on national requirements and best industry practices. Additionally, we conduct regular site audits to ensure full compliance with relevant codes and regulations.



We highly value feedback collected from our customers as they help us to identify opportunities for continuous improvement. To ensure we address customer concerns in a consistent and efficient manner, we have set out standardised complaint-handling procedures. For our Hong Kong operations, once a complaint case is received, our customer service officers will follow a standard procedure to record and report the issue to their supervisor. A designated employee will be appointed to conduct a thorough investigation and follow up with the complainant in a timely manner.

A similar mechanism is in place at Cresleigh Property, our property management arm in Mainland China. Upon receipt of a written complaint, the receptionists will prepare a detailed log and report the issue to the responsible party and department. The customer service representative will then conduct a review and investigation with follow-up actions implemented as appropriate. A final response is then sent to the complainant within seven days. All complaints associated with our property management services will be lodged for internal record.

Ethical Business Behaviours

We uphold the highest ethical standards and accountability throughout our operations and have zero-tolerance towards bribery or malpractice of any form. All employees are required to follow our Code of Business Conduct which details our expectations for responsible business conduct. In support of our policies on ethical behaviours, the Group's whistle-blowing policy and grievance mechanism are in place to enable employees at all levels to raise concerns regarding any misconduct. To ensure whistle-blowers have the freedom to report grievances without fear of reprisal, all cases are treated with strict confidence and submitted to designated personnel for further investigation. During the reporting period, there were no confirmed cases of non-compliance with the relevant laws and regulations⁶ relating to corrupt practices.

Supply Chain Management

As our operations connect us to a wide range of stakeholders along the value chain, we leverage the opportunity to extend our sustainability considerations to our suppliers and business partners by encouraging environmentally and socially responsible practices. During the tendering stage, partners are carefully assessed against their track records, past ESG performance and project references. We also conduct regular audits and assessments on suppliers to ensure their performance is up to standard. This holistic approach enables us to better manage ESG-related risks arising from our supply chain while building effective long-term relationships with our partners.



⁶ Including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

7. Building Our Sustainable Future

KWIH has consistently demonstrated our commitment to the sustainable management of our environmental impacts throughout our operations. We adhere to stringent regulatory standards and internal guidelines to bolster our efforts in resource conservation, emission reduction and green building developments in Hong Kong and Mainland China.

During the reporting period, we complied with all applicable legal and regulatory requirements⁷ regarding environmental protection and there were no non-compliance cases relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes.

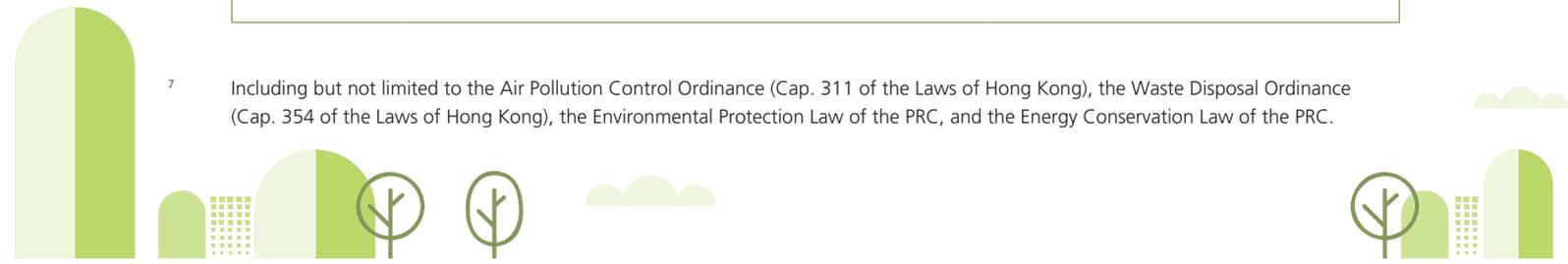
Energy Optimisation and Emission Reduction

Through the careful monitoring of our GHG emissions over the years, we have recognised that energy use is among the most significant contributors to the carbon footprint arising from our operations. KWIH has remained attentive to any potentially feasible energy-efficiency measures which may be implemented throughout the Group. We take a holistic approach to our energy-saving opportunities. Our ongoing initiatives include both hardware upgrades to optimise efficiency and behavioural changes to instil a culture of resource conservation within the Group.

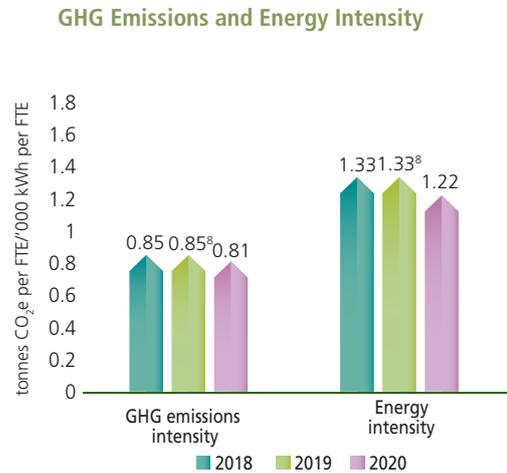
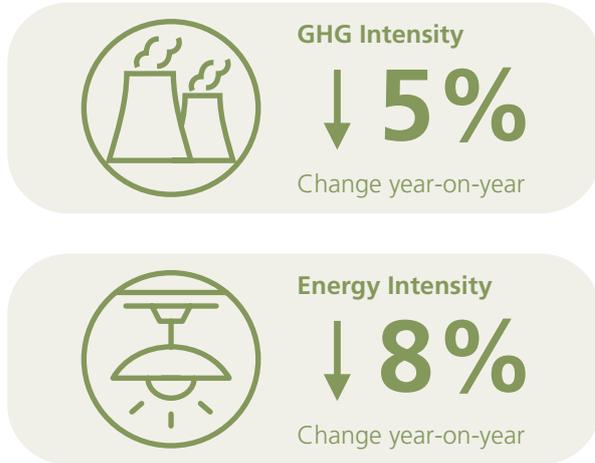
Active Energy Optimisation and Emission Reduction Initiatives

| | |
|--|--|
|  <p>On-going LED light fixture replacement programme</p> |  <p>Solar window film installation to reduce indoor heat gain whilst maximising natural light</p> |
|  <p>Promote electric vehicles at EDGE, our Suzhou Creek office project in Shanghai, to enhance fuel efficiency and lower roadside emissions</p> |  <p>Prominent posters and notices to remind employees to practice environmentally friendly behaviours including turning off electrical appliances when not in use</p> |
|  <p>Continued roll-out of automated timing controls on lighting and air conditioning systems</p> |  <p>Regularly scheduled energy performance checks on company fleet to monitor efficiency standards</p> |
|  <p>Reduced business travel through digital video conferences and meetings</p> | |

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.

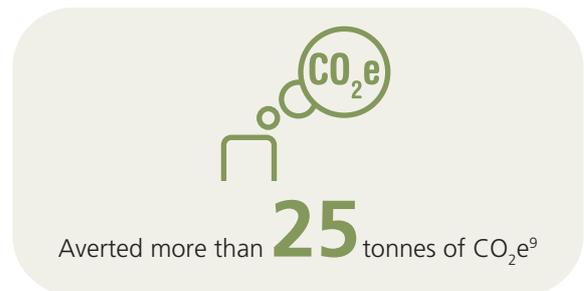


Our continual efforts alongside the implementation of environmental initiatives resulted in a decrease of the Group’s overall GHG intensity and energy intensity by 5% and 8%, respectively, from 2019 levels.



Resource and Waste Management

Through our waste management practices and initiatives KWIH has worked to reduce our waste generation and augment our resource efficiency. Within our offices, we stress the importance of environmentally conscious habits and encourage employees to print double-sided and reuse office supplies whenever possible. Our commitment to cultivating resource use awareness helped to divert 5,386 kg of paper from landfills in 2020 through our office recycling at our Hong Kong offices. At our Mainland China offices, we collect and recycle plastic bottles, aluminium cans, and other recyclables such as non-confidential documents through designated recycling vendors to ensure the materials are properly treated.



All development projects in Hong Kong are conducted in strict adherence to the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). All construction wastes produced are collected and handled by appointed licensed operators which are also required to comply with the “Best Practice Guide for Environmental Protection on Construction Sites” issued by the Hong Kong Construction Association. Similar requirements are imposed on our Mainland China contractors who are required to comply with national laws and regulations regarding waste disposal.

⁸ The data has been adjusted to reflect the actual situation in 2019.

⁹ 5,386 kg of paper disposed in landfills emits an estimated 25.8 tonnes of CO₂e.

Green Buildings

The Group takes great care to incorporate sustainability into the construction and operation of our buildings, including aspects regarding use of materials, air quality, energy usage and water conservation. We are committed to operating under industry best practices which are beyond environmental regulatory compliance. Project contractors are obliged to adopt our SOPs which also set out clear guidelines to maintain environmental standards. New property development projects are designed with sustainability features as far as practicable from the onset including, water-saving devices, monitoring meters, occupancy sensors and light control timers. Through the initial construction stages of site planning and design, we make efforts to ensure our projects are well integrated into the neighbourhood and the surrounding environment with minimal disturbance. In addition to national green building requirements, we also assess our properties under regional and international green building rating schemes such as the Leadership in Energy and Environmental Design (“LEED”) to further enhance our sustainability efforts.

| Location | Project Name | Assessment Tool and Rating |
|-----------|----------------|--|
| Hong Kong | K.SUMMIT | BEAM Plus New Buildings v1.2 Provisional Gold |
| | Solaria | BEAM Plus New Buildings v1.2 Unclassified |
| | K.CITY | BEAM Plus New Buildings v1.2 Unclassified |
| | The Spectra | BEAM Plus New Buildings v1.1 Gold |
| | Twin Peaks | BEAM Plus New Buildings v1.1 Bronze |
| | Grand Victoria | BEAM Plus New Buildings v1.2 Provisional Gold |
| Shanghai | EDGE | LEED Gold Certification |



8. Giving Back to Our Communities

COVID-19 had presented unprecedented challenges to the world. KWIH had spared no effort in supporting the community, assuring the safety of the community by leveraging its unique strengths, dealing with the adverse epidemic situation with positive energy and courage in solidarity with its principle of “giving back to the society from which one has benefited”.

Our contributions to benefit the community through our projects have once again been recognised with the “Caring Company Logo” awarded by the Hong Kong Council of Social Service.

Response to COVID-19

Support TWGHs in setting up a medical mask production cleanroom

In support of all those affected directly or indirectly by the COVID-19 pandemic, KWIH has leveraged our resources to provide funds and volunteer services. KWIH donated HK\$3.7 million through the “KWIH Anti-Epidemic Fund” to help Tung Wah Group of Hospitals (“TWGHs”) set up a medical mask production cleanroom. TWGHs’ cleanroom successfully obtained ISO14644-1 Class 8 certification and accredited to produce medical masks at ASTM Level 1, 2, and 3. The Group hopes that this project can help alleviate the financial and manpower burden on the social welfare sector so that resources can be directed to serve the underprivileged.



Dr Lui Che-woo, Chairman of KWIH (right) and Ginny Man, 2020/2021 Chairman of TWGHs (left)

As an organisation providing medical care, education and social services, medical masks are essential for supporting the daily operation of TWGHs. However, the massive demand for masks after COVID-19 means that the procurement of masks has become a burden for non-profit organisations. The Group has therefore decided to support TWGHs to set up a mask production cleanroom so that these masks will go towards fulfilling the daily demand for masks for workers. In addition to supplying masks to service units of TWGHs, it supplies masks to other non-profit organisations.



Alexander Lui, Executive Director (centre), and Oliver Lam, Chief Financial Officer of KWIH (right), attending the Plaque Unveiling Ceremony for the TWGHs Medical Mask Production Cleanroom.

The project also provides job training opportunities for persons with disabilities. Mask production has become an emerging business because of the pandemic. The job training prepares them for employment and helps them integrate into the society. Furthermore, it also offers part-time positions to home makers and retirees.

In addition, KWIH joined hands with TWGHs to donate 140,000 pieces of medical masks produced by the cleanroom to vulnerable members of the community through seven medical and social welfare organisations.



Representative of TWGHs and Terry Wong (left), Project Director (Hong Kong Properties) of KWIH helped prepare materials including the ASTM III medical masks to be donated.

Contribute to the national fight against the COVID-19 pandemic

KWIH has proactively supported pandemic control and preventive measures in Guangdong and Shanghai. For instance, the Group distributed preventive kits with medical masks and other appropriate personal protective equipment to the elderly in Jingan, Beizhan and Changning Districts in Shanghai.



Support those in need with non-profit organisations

To help fight against the spread of COVID-19 and to put the community at ease, KWIH worked with the World Green Organisation to arrange free professional sanitisation services for over 120 solitary elderly households in Wong Tai Sin, Tsuen Wan and So Uk Estate. During the sanitisation process, KWIH volunteer team handed out handmade preventive kits containing medical masks, hand sanitiser and alcohol wipes. KWIH volunteers also spent some time speaking with the elderly citizens to explain the sanitisation process and to provide some socially distanced interaction and support during these trying times.



Environmental Protection

KWIH takes action to promote zero waste living while spreading a positive spirit to the community. Guided by the representatives from the World Green Organisation, KWIH volunteers upcycled food waste into eco-enzyme cleansers which are gentle on the skin and environmental-friendly. These natural cleansers were then distributed to the needy by our volunteer team to share love and blessings to our community.



Youth Development

To develop the next generation of business leaders, KWIH developed its first Management Trainee (“MT”) programme to cultivate talents and provide the proper training and knowledge required for success. During the two-year training period, MTs will rotate across KWIH’s departments to familiarise themselves with all aspects of the Group’s operations and to acquire the necessary skills to fast track into managerial roles. In 2020, we witnessed the fruits of our MT’s labour

as they won the 2nd runner-up prize at the Hong Kong Management Game organised by the Hong Kong Management Association. The competition, a simulation of running a company to compete for highest profit and market share, gave our MT’s a chance to apply the analytical skills they gained through their experiences in the programme.



9. Appendices — Performance Data

Workforce by employment contract, gender, and age group

| | | Total | Gender | | Age Group | | |
|---------------------------|------------------|------------|------------|------------|------------|------------|------------|
| | | | Male | Female | Below 30 | 30–50 | Over 50 |
| Hong Kong | Full-time | 223 | 110 | 113 | 28 | 145 | 50 |
| | Part-time | 14 | 7 | 7 | 8 | 4 | 2 |
| Mainland China — Property | Full-time | 502 | 243 | 259 | 58 | 409 | 35 |
| | Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Mainland China — Hotel | Full-time | 222 | 109 | 113 | 85 | 110 | 27 |
| | Part-time | 7 | 3 | 4 | 7 | 0 | 0 |
| Total | Full-time | 947 | 462 | 485 | 171 | 664 | 112 |
| | Part-time | 21 | 10 | 11 | 15 | 4 | 2 |

Employee turnover rate¹⁰ by region, gender, and age group

| | Total | Gender | | Age Group | | |
|---------------------------|------------|------------|------------|------------|------------|------------|
| | | Male | Female | Below 30 | 30–50 | Over 50 |
| Hong Kong | 32% | 33% | 30% | 83% | 26% | 13% |
| Mainland China — Property | 8% | 10% | 6% | 10% | 8% | 0% |
| Mainland China — Hotel | 35% | 43% | 28% | 62% | 16% | 22% |
| Group-wide average | 20% | 24% | 17% | 50% | 13% | 11% |

Percentage of employees trained by gender and employee category

| | Total | Gender | | Employee Category | | |
|---------------------------|------------|------------|------------|---------------------------------|---------------------------------|-----------------------|
| | | Male | Female | Senior Management ¹¹ | Middle Management ¹² | General ¹³ |
| Hong Kong | 38% | 19% | 57% | 27% | 70% | 27% |
| Mainland China — Property | 94% | 91% | 97% | 77% | 88% | 97% |
| Mainland China — Hotel | 100% | 100% | 100% | 100% | 100% | 100% |
| Group-wide average | 82% | 75% | 88% | 47% | 84% | 83% |

¹⁰ Employee turnover rate = Total number of employees leaving the company in 2020/Total workforce in 2020

¹¹ Senior Management refers to employees at General Manager or above level.

¹² Middle Management refers to employees at Deputy General Manager, Assistant General Manager, Senior Manager and Manager level.

¹³ General refers to employees at Assistant Manager or below level.

Average training hours completed per employee by gender and employee category

| | Total | Gender | | Employee Category | | |
|---------------------------|-------|--------|--------|-------------------|-------------------|---------|
| | | Male | Female | Senior Management | Middle Management | General |
| Hong Kong | 4.0 | 1.5 | 6.5 | 1.8 | 8.4 | 2.6 |
| Mainland China — Property | 3.9 | 4.1 | 3.8 | 5.0 | 4.3 | 3.7 |
| Mainland China — Hotel | 68.7 | 66.6 | 70.7 | 40.2 | 73.5 | 68.5 |
| Group-wide average | | | | 19.3 | | |

Greenhouse gas emissions¹⁴ in total and intensity

| GHG Emissions (Tonnes of CO ₂ e) | |
|---|---------------|
| Scope 1 Emissions — Fuel Use | 115.71 |
| Scope 2 Emissions — Purchased Electricity | 637.60 |
| Scope 3 Emissions — Business Air Travel | 10.00 |
| Total GHG Emissions — Scope 1, 2 and 3 | 763.31 |
| GHG Emissions Intensity (Tonnes of CO₂e per FTE¹⁵) | 0.81 |

Energy consumption by type in total and intensity

| Energy Consumption ('000 kWh) | |
|--|-----------------|
| Direct Energy Consumption — Fuel | 389.57 |
| Indirect Energy Consumption — Electricity | 763.24 |
| Total Energy Consumption | 1,152.81 |
| Energy Intensity ('000 kWh per FTE) | 1.22 |

¹⁴ GHG emissions and energy consumption data are confined to Hong Kong K. Wah Centre, Hong Kong J SENSES, Twin Peaks and our offices in Mainland China.

¹⁵ FTE: Full time equivalent employees. The number of KWIH's FTE in 2020 was 947.

10. HK Stock Exchange ESG Guide Content Index

| Aspect | HK Stock Exchange KPI | Description | Page Number/ Remarks |
|-------------------------|-----------------------|--|--|
| A. Environmental | | | |
| A1 Emissions | A1 | General Disclosure | 16–18 |
| | A1.1 | The type of emissions and respective emissions data | Due to the nature of KWIH's business, this KPI is considered not material. |
| | A1.2 | Greenhouse gas emissions in total and intensity | 17, 24 |
| | A1.3 | Total hazardous waste produced and intensity | Due to the nature of KWIH's business, this KPI is considered not material. |
| | A1.4 | Total non-hazardous waste produced and intensity | 17 |
| | A1.5 | Measures to mitigate emissions and results achieved | 16, 18 |
| | A1.6 | How hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved | 17 |
| A2 Use of Resources | A2 | General Disclosure | 16–18 |
| | A2.1 | Direct and/or indirect energy consumption by type in total and intensity | 17, 24 |
| | A2.2 | Water consumption in total and intensity | This KPI is not significant under KWIH's operational control. |
| | A2.3 | Energy use efficiency initiatives and results achieved | 16, 18 |
| | A2.4 | Issue in sourcing water, water efficiency initiatives and results achieved | This KPI is not significant under KWIH's operational control. |
| | A2.5 | Total packaging material used for finished products | Due to the nature of KWIH's business, this KPI is considered not material. |

| Aspect | HK Stock Exchange KPI | Description | Page Number/Remarks |
|--|-----------------------|---|---|
| A3 The Environment and Natural Resources | A3 | General Disclosure | 16–18 |
| | A3.1 | Significant impacts of activities on the environment and natural resources and the actions taken to manage them | 16–18 |
| B. Social | | | |
| B1 Employment | B1 | General Disclosure | 7–8 |
| | B1.1 | Total workforce by gender, employment type, age group and geographical region | 7, 23 |
| | B1.2 | Employee turnover rate by gender, age group and geographical region | 23 |
| B2 Health and Safety | B2 | General Disclosure | 10 |
| | B2.1 | Number and rate of work-related fatalities | There are no reported cases of work-related fatalities. |
| | B2.2 | Lost days due to work injury | 10 |
| | B2.3 | Occupational health and safety measures adopted, how they are implemented and monitored | 10, 12 |
| B3 Development and Training | B3 | General Disclosure | 9 |
| | B3.1 | Percentage of employees trained by gender and employee category | 23 |
| | B3.2 | Average training hours completed per employee by gender and employee category | 24 |
| B4 Labour Standards | B4 | General Disclosure | We abide by relevant employment ordinances and statutory requirements. No relevant cases of non-compliance were recorded. |

| Aspect | HK Stock Exchange KPI | Description | Page Number/ Remarks |
|----------------------------|-----------------------|---|----------------------|
| B5 Supply Chain Management | B5 | General Disclosure | 15 |
| | B5.2 | Practices relating to engaging suppliers, no. of suppliers where and how the practices are being implemented and monitored | 15 |
| B6 Product Responsibility | B6 | General Disclosure | 13–15 |
| | B6.2 | Number of products and service related complaints received and how they are dealt with | 14 |
| | B6.4 | Quality assurance process and recall procedures | 13–14 |
| | B6.5 | Consumer data protection and privacy policies, how they are implemented and monitored | 13 |
| B7 Anti-corruption | B7 | General Disclosure | 15 |
| | 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 | 15 |
| | B7.2 | Preventive measures and whistle-blowing procedures, how they are implemented and monitored | 15 |
| B8 Community Investment | B8 | General Disclosure | 19 |
| | B8.1 | Focus areas of contribution | 19–22 |
| | B8.2 | Resources contributed (e.g. money or time) to the focus area | 19–22 |

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