

# Hong Yip Holdings

## Sustainability Report 2022/23



康業控股有限公司  
Hong Yip Holdings Limited

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# Introduction

Hong Yip Holdings Limited (“Hong Yip” or the “Company”) is pleased to present the Company’s 2022-23 Sustainability Report, focusing our valuable achievements on environment, employees, customers, vendors and community in the period from 1 July 2022 to 30 June 2023.

Hong Yip has been in the property and facility management business for over 55 years, continuously improving service quality to ensure that it can exceed customer expectations and maintain a leading competitive edge in the industry. The Company’s commitment and efforts have payoffs, not only resulting in steady business growth, but also unanimously recognized by customers, business partners and other related project personnel.

As businesses and operations expand, Hong Yip is fully aware of its impact on the environment, the local community and management responsibilities. As a socially responsible enterprise, the Company must incorporate sustainability responsibility into its business strategy. Corporate social responsibility goes far beyond operating the business and providing excellent and high-quality service to customers by adhering to ethical concepts. The Company is also responsible for making progress in employee participation, community investment, volunteer activities and environmental protection. All of them depend on the hard work of all parties to make it happen.

## Message from Sustainability Committee

The Sustainability Committee is pleased to share Hong Yip’s “2022-23 Sustainability Report” to report our progress on sustainability over the reporting year.

Adhere to the core value of “Serving Customers with Heart” of our parent company Sun Hung Kai Properties Limited (“SHKP” or the “Group”), Hong Yip aims to provide ultimate management service with the integration of innovative technology and environmental protection management, to provide a better living environment, to create a better lifestyle, and to build a better community for customers to enjoy.

At the same time, Hong Yip insists on focusing on building a green living environment to meet the future environmental challenges, such as climate change. The Company has also implemented a series of programs to promote renewable energy and sustainable green communities.

Hong Yip cares for the community and offers assistance to the disadvantaged groups affected by the pandemic. For ten consecutive years, Hong Yip has organized the “PeaceBox Campaign” with other organizations to support the community, striving to build a sustainable and healthy society and create a beautiful and harmonious community.

# About Hong Yip Service Company Limited

Hong Yip Service Company Limited, a wholly-owned subsidiary of Sun Hung Kai Property Development Company Limited ( "SHKP" ), was established in 1967. Since its establishment, Hong Yip has been committed to innovation and promoting the service level of local property management to reach international standards. At present, it manages more than 1,700 properties, including premium private housing estates, commercial buildings, shopping malls, government properties, tertiary institutions and facilities, which constitute the largest community in Hong Kong and are trusted by all walks of life.

Hong Yip always adheres to the parent company’s spirit of “Building Homes with Heart” and concept of Serving Customers with Heart”, working together to tackle every challenge and build a better home, a premium lifestyle and a harmonious community.



**Vision**  
“To Be Asia’s Best and Most Innovative Property and Facilities Management Company”.



**Mission**  
“To Deliver the Most Ideal and Advanced Management Services Catering for Customer’s Lifestyles and Needs”.



**Value**  
“Customer Focus, Innovation, Quality Service and Best Value”.

## Core Value

The Group always adheres to the commitment of “Serving Customers with Heart” and strives for providing excellent and premium services to residents. We strongly advocate the motto of Excellent Service is the Core, which is a solid foundation for our continuous improvement and development. We will continue to inherit this excellent service culture and build a beautiful home for the residents.

<b>Serving Customers with Heart</b>	Provide premium property and facility management service and build beautiful homes for residents.
<b>Investigate Strictly, Inquire Politely, Decline Gently</b>	Implement “strict investigation, polite inquiry and polite refusal” to improve the security service continuously.
<b>Be proactive, Smile, Be Kind, Greeting</b>	Think what customers think and win the hearts of residents.
<b>Follow through the complaint, take action, get the result, result must be good</b>	Enhance the customer complaint system, turning crises into opportunities.

## Our Vision

Adhering to the core values of our parent group Sun Hung Kai Properties “Building Homes with Heart” and “Serving Customers with Heart”, Hong Yip adopts the management principles of quality services, technology integration and green management to ensure its sustainable development and foster long-term value creation for customers, employees, partners and community.

## Our Commitment

We pledge to achieve "carbon neutrality" by 2050 and promote Hong Kong as a sustainable green city.

**SERVICE**  
**For Tomorrow**  
— 為未來 • 服務 —

## Service For Tomorrow

As a property management service provider, Hong Yip strives to achieve its sustainability goal of "**SERVICE FOR TOMORROW**", which is driven by seven core values of "SERVICE", being the acronym for the following namely:



With these seven core values, we would continue to strengthen our environmental, social and economic resilience in pursuit of sustainable growth, synchronizing with SHKP’s development, with a view to providing a better living environment, creating a better lifestyle, building a more harmonious and healthier community.

## Sustainability Strategy

Hong Yip places great emphasis on environmental, social and corporate governance (ESG). We have incorporated sustainability into our core corporate strategy and adopted five sustainable development principles to achieve sustainable development through good governance and risk management. By mapping our sustainability strategy with the United Nations' Sustainable Development Goals (SDGs), we support SDGs and join the universal call by the United Nations Member States.

**Environment:** Hong Yip advocates the concept of "Sustainable Green City" to improve the living environment. In addition to continuous promotion of greenery, we set strict environmental standards for our properties to enhance environmental performance and energy efficiency. We aim to create a green and comfortable living environment for customers and contribute to the achievement of the United Nations Sustainable Development Goals.

**Employee:** Hong Yip promotes a culture of diversity and inclusion, values health and safety, and is committed to creating a people-oriented work environment for our employees. By investing in their professional development, we help build an abundant pool of talents for the continued growth of the Group.

**Customer:** The Company adheres to the belief of "Serving Customers with Hearts" and is committed to providing excellent and premium property management and caring services. We always satisfy our customers' need and keep pace with the times through innovation and application of technology.

**Vendor:** Hong Yip is committed to building a sustainable supply chain in terms of environment, society and governance. We actively communicate with suppliers and contractors to establish long-term and mutually beneficial partnerships.

**Community:** Hong Yip cares for the underprivileged to create a positive value in their lives through the collaboration of our staff, business partners and customers.

## Regular Communication with Stakeholders

Hong Yip conducts regular questionnaire surveys with residents, carries out random home visits, provides a 24-hour complaint hotline, continuously develops customer mobile apps, QR codes, etc. and extensively listens to the opinions of the residents. With the policy of "Follow through the complaint, take action, get the result, result must be good", Hong Yip also regularly organizes activities to enhance communication with residents, and publishes estate newsletters to improve the transparency of estate management.

Hong Yip continues to:

- Maintain close contact and communication with stakeholders through different channels, understand their expectations and opinions and continuously improve the our sustainability;
- Collaborate with business partners and external organizations to promote the best practices for sustainable development; and
- Conduct regular employee surveys and enhance staff communication through the Group's mobile apps WeCom.

# Our Influence



Awarded Directors Of The Year Awards 2022 (Non-listed Companies – Boards) by HKIoD



8,700 solar photovoltaic panels were installed, generating an annual electricity output of 3,600,000 kWh, equivalent to the electricity consumption of 1,100 households



Our launch of the Advanced Diploma in Integrated Property Services Management (QF Level 4) was approved by PMSA as the specified qualification for Property Management Practitioners' Tier 2 License



Sun Hung Kai Centre was awarded the LEED "v4.1 Operations and Maintenance: Existing Buildings" Platinum certification



PEACEBOX has been launched for ten consecutive years, donating more than 80,000 boxes of gifts



Electronic Procurement System was launched to new business and sustainable procurement guidelines added in ISO procurement procedure



100% local vendors and suppliers all achieve "Excellent" or "Good" grading



# Social



## Create Value for a Better Community

As a good corporate citizen, we provide continuous support for various community activities by offering volunteer service and sponsoring different community associations in their efforts to build a sustainable healthy society. We care for our employees, customers, business partners, from the general public to the environment, engaging in multi-faceted voluntary services that reach out to the needy.

Since 2002, Hong Yip and its subsidiaries have been awarded the Caring Company Logo by the Hong Kong Council of Social Services in recognition of outstanding performance in corporate social responsibility and efforts to create a more inclusive and caring community. Hong Yip has been awarded the honor for the “Caring Company Plus” for 20 consecutive years, recognizing our long-term commitment to participating in various volunteering projects for the betterment of the community.

With more than 170,000 units under Hong Yip’s management, our clientele is much wider than that of the general industry. Therefore, in addition to providing the most comprehensive and quality management services to our customers, more than 720 staff members have participated in volunteer service activities in the past year. With the company's advantage of having a wide range of customer contacts, we are able to effectively publicize our corporate philosophy and build a better and healthier community.

### Hong Yip Volunteer Team

Established in 2001, the Hong Yip Volunteer Team serves as a platform for our employees to connect with and give back to the community. Over the last 20 years, 1,560 team members have accumulated over 790,000 service hours, through involvement in 1,460 events, covering a wide spectrum of volunteer/charity projects.

Currently, Hong Yip together with its business units have formed 52 sub-teams engaging in various meaningful programs, such as charity sale, fundraising, relocation maintenance services and visiting activities. Moreover, we have established long-term partnership with St. James' Settlement, Hong Kong Society for the Blind, Neighborhood Advice Society, Haven of Hope, Helping Hands Association, Social Welfare Department and other charitable organizations. In the past 5 years, our staff have received 379 Individual Gold Awards, 252 Individual Silver Awards, and 409 Individual Bronze Awards from the Social Welfare Department. Many of our volunteering staff members have served the community continuously for a long period. Amongst Hong Yip’s Volunteer Team members, 14 have won long-term service honor for having contributed towards the society for more than 20 consecutive years (annual service exceeding 50 hours); while 24 individuals were honored for over 15 consecutive years’ service; and 27 were awarded for having served the community continuously for more than 10 years. In the Team Award category, achievement was equally remarkable, with 43 Gold Awards, 26 Silver Awards and 44 Bronze Awards.



- For ten consecutive years, Hong Yip has joined hands with a number of social enterprises and organizations to co-organize PEACEBOX, our annual charity event.

## PEACEBOX – Annual Charity Event

With the idea of “Sharing of LOVE and BLESSINGS”, starting from Easter 2014, Hong Yip has been committed to extending love and care through a gift box — the “PeaceBox” — to those in need in the community. This little box does not only offer a little support on food and daily necessities, but is also a box full of love and care. Over the past 9 years, PeaceBoxes packed with daily necessities, dried food, toys, stationeries and hygiene products etc. have been donated and delivered to grassroot families and the underprivileged, with the hope of sending them happiness, love and mutual care.

This year, we continued to work with organizations such as Saddleback Church and Hong Kong Church Network for the Poor to promote the message of “it is more blessed to give than to receive”. With the continued support of various organizations, churches and schools, Close to 80,000 boxes of donated gifts were given to people in need, bringing them hope and positive energy.

Hong Yip has been encouraging young people to join the "Young Upward Mobility Mentorship Program". On 21st April 2023, Hong Yip arranged a visit for young trainees, guided by mentors to spread our love and care for residents in squatter huts as well as to distribute peace boxes to them. We continue to encourage compassionate residents, tenants and citizens to share gifts in Easter with the aim of achieving the theme for GROW - Life Grows Through Action this year.”

For ten consecutive years since 2014, more than 20,000 volunteers have participated in this initiative, making up a cumulative total of over 250,000 man-times. Through home visits and various activities, we have delivered gifts to grassroot families, elderly and other people in need, spreading our blessings throughout the city. Through each PeaceBox, we hope to ease their burden and cheer them up with positive energy, so they can still feel the presence of happiness and love in the face of adversity.

For more information, please visit: <https://www.peaceboxhk.org>

### Self-enhancement Home Minor Maintenance Volunteer Program

Hong Yip has launched the “Self-enhancement Home Minor Maintenance Volunteer Program” to assist new arrivals and single mothers in need to adapt to the community. Our technicians first taught women living in Tin Shui Wai and Tsuen Wan some basic home maintenance skills, then led them to carry out minor home maintenance work for themselves. Later they were formed into teams to help more women in need and seniors living alone. The program aims at helping more needy families, promoting community inclusion and truly achieving the essence of “Helping people to help themselves”.

### Pak Tin Estate Reconstruction – Friendly Neighborhood Project

Hong Yip and the Neighborhood Advice Association are long-term partners. After Shek Kip Mei Estate’s reconstruction, in order to help residents moving into the estate to adapt to the new community life, enhance the sense of belonging and rebuild the neighborhood support network for the residents, Hong Yip fully supported the “Pak Tin Estate Reconstruction – Friendly Neighborhood Project”. In order to prevent the elderly from falling in the dark at night, Hong Yip volunteer team enthusiastically installed night sensor lights for them and brought them lucky bags (including soup bags, rice, masks, towels and hand sanitizers, etc.). Further, the team gave them detailed instructions on how to use the lights, to express our concern and blessings to the elderly.

### Inclusive Society

Hong Yip cares for the community and promotes the idea of inclusive society, supporting people with disabilities to actively participate in social activities and helping them to join the society. We participated in activities such as “Jockey Club Light Up Sports program” jointly held by SHKP and Hong Kong Blind Sports Federation. The visually impaired participants were led by pilots to enhance the interest and experience of two-person cycling, thus improving the cycling skills of both persons (the visually impaired and the pilot). In addition, every year Hong Yip forms a mixed team consisting of staff and people with visual impairment to compete in the “Hong Kong Bowling Tournament for All cum Hong Kong Blind Bowling Tournament” jointly organized by the Hong Kong Blind Sports Federation and Rotary International District and sponsored by Labour and Welfare Bureau. The main objective is to provide equal opportunity to people with visual impairment to compete with sighted bowling players and promote inclusive society and the spirit of sportsmanship.

Furthermore, Hong Yip participated in “Stargaze Camp for All and the Blind” pooling the disabled and able-bodied together to enjoy the starry night and the sunrise, and to learn more about the stars and astronomy from the stargazing equipment provided by the HK Observatory, sharing the moment of harmony of inclusive society.

## Youth Upward Mobility Mentorship Program (YUM)

Hong Yip is always committed to nurturing future talents. We collaborate with non-profit organizations to organize training courses, provide teaching services to social enterprises/non-profit organizations, to fulfill our social responsibility and recruit suitable talents at the same time. In addition to employing ERB graduates to provide job opportunities to minority groups, we also work with different institutions to provide internship opportunities for students through a one-stop model – training, attachment, recruitment, and recruitment.

Hong Yip has supported the “Youth Upward Mobility Mentorship Program” (YUM Program) of The Hong Kong Church Network for the Poor for many years by offering young people an alternative to further academic pursuit and providing them training, counselling and financial assistance for education. Participating mentees would receive guidance and support from mentors through this program to enhance their interpersonal skills and develop habit of continuous learning, so as to enhance their competitiveness. Mentors would also help them build up their self-awareness and develop positive values in life, identify their personal goal and direction, and motivate their upward mobility desire.



Over the past years many of our staff have joined this YUM Program, providing training to help mentees acquire job skills and subsidizing them to further take on courses of related industries. Mentees can also build up their positive values in life with guidance from mentors and pave their way for their better future.

In November 2022, Hong Yip invited the Hong Kong College of Technology Group Limited (HKCT) to be the training organization and successfully recruited quite a number of graduates to join Hong Yip as “Customer Service Ambassadors” after 7 days of work experience training, they joined us to work in our clubhouse, residential properties and shopping malls.



A kick-off event for the YUM Program, which Hong Yip worked together with the Hong Kong Church Network for the Poor, was held on 17 December 2021, with over 30 youngsters aged between 18 and 24. Mentors subsequently joined in this program to offer this group of young people guidance and support to enhance their interpersonal skills. This one-year mentorship program also offered them an alternative path to further education, providing them training, counselling and financial assistance for employment, which eventually motivated their upward mobility in our society.

## Charity Sports Activities

Through sponsorship of sports activities that combine healthy living and charity, Hong Yip is committed to the mission of "Sports for Good". During the year, we have sponsored a series of sports activities to promote the enjoyment of sports while supporting the well-being of the underprivileged.

For the third year in a row, Hong Yip has participated in the "Konica Minolta" charity event that combines four elements of charity, environmental protection, sports and music. The event aims to help and care for the underprivileged and contribute to the community.

## Amazing Greeners - Kat O

Hong Yip has been supporting charity and environmental protection work for a long time. The charity event "Amazing Greeners - Kat O" was organized by Greeners Action. Four of our colleagues formed a team to participate in the coastal cleanup at Kat O. The fund raised from it would be used for supporting their waste reduction jobs, such as "Plastic Stripping", recycling of red packets and promotion of "Greeners Fusion".



## Support the Integration of Women into the Community

Hong Yip is the only property and facility management company to receive the "Outstanding Social Capital Partnership Awards (Corporate/organization) - Social Capital Builder Award" granted by the Labour and Welfare Bureau and the Community Investment and Inclusion Fund for two consecutive years. Our volunteering team, comprising our property staff, technicians and engineers, used their professional expertise to teach new arrival women and single mothers on maintenance knowledge and repair techniques in order to develop their skills and enhance their self-reliance capability, enabling them to pass on and help more women in need in the community and promote community inclusion. In addition, Hong Yip also leveraged its corporate strengths to create a series of "women-friendly employment" and guidance programs for women and was awarded the "Community Model Employer" recognition.



## St. James' Settlement – 2022 “I am: Pharyngeal Career-Workplace Experience Program”

Hong Yip participated in July in the Youth Vocational Education Platform “I am... The Career Experience Program”, in which a series of support activities were given to fresh graduates to help them prepared for further studies by adjusting their mindset. We are the only company in the property management industry being invited to provide work experience opportunity for secondary school fresh graduates that are held every July. The organization referred prospective graduates to us for a 4-day internship training to experience the company's operation and workplace culture in real life, with a view to equipping them with future job skills at an early stage.



## Hong Kong Social Venture Capital Limited – 2023 “Mom Holiday Work” Program

HATCH, a social enterprise established by the Hong Kong Social Venture Capital Fund, continues to implement the working model of regional employment, job sharing, and family-based flexible working hours through the concept of shared factories. They actively collaborate with employers to launch the "Mom Holiday Work" Scheme, which mainly provides employment and a friendly working environment for underprivileged women to work while taking care of their children. Hong Yip is one of the property management companies which fully support and participate in this scheme.

In 2023, we appointed working mothers as trainees to handle administrative works aiming to encourage women to enter the labour market.



### Jockey Club Professional Future Program 2023 (JC PROcruit C)

Hong Yip supported the JC PROcruit C Program, a one-year professional apprenticeship program jointly organized by industry coordinators and employers. It aims to enhance the future employability as well as the pre-employment preparation of motivated graduates (diploma to associate degree) and career starters by providing them with continued on-the-job training opportunities and professional coaching. In 2023, we gave support to the program by offering placements to three of the graduates to help them build up their interpersonal and professional development at an early stage. Besides, with the support of the Government's Anti-epidemic Fund, wage subsidy is provided to eligible employers for newly created job positions under the Program.

### HONG KONG Christmas Fair for Social Enterprises

The Company has always spared no effort in supporting social enterprises. Since 2014, Hong Yip has been awarded the "Social Enterprise Supporter Plus Awardees" by The Social Enterprise Supporter Award Scheme of Fullness Social Enterprises Society (FSES) for seven consecutive years for our commitment to supporting the development of social enterprises and promoting conscientious consumption.



## Child Development Initiative Alliance (CDIA)

Since 2019, Hong Yip has been supporting and participating in the "Y-WE I am useful" youth work experience program organized by the Child Development Initiative Alliance (CDIA). It provides comprehensive training and support to young people in occupation, academic preparation and life planning. In particular, the program remarks participants work experience opportunities in different industries. This has contributed to the development of valuable human resources bank and is useful to the long-term sustainable development of Hong Kong. The program is mainly for underprivileged youth aged from 16 to 21 coming from CSSA, low-income, single-parent, new arrivals and ethnic minority families. In June 2022, the organization referred teenagers to us as interns who were deployed to our properties for a 5-day internship training in July. Work experience opportunities allow them to experience the actual workplace environment, in which they can develop self-confidence, sense of responsibility, and soft skills in getting along and communicating with others simultaneously. All these lent a helping hand to them in recognizing their direction of career development sooner so that they can enter the workforce with adequate preparation.



## Ginkgo House Kitchen – 2023 Support the elderly by sending blessing rice campaign

"Ginkgo House" is a social enterprise that is constantly developing new businesses, such as social enterprise catering, outside catering, food production and retailing, rice distribution, organic farm, elderly band, etc. Its objective is to provide employment for the elderly. Employment for the Elderly is an innovative elderly service that aims to provide opportunities to fulfill the financial or psychological needs of the elderly who are willing to work to regain self-confidence and self-affirmation. It also provides retraining and employment services to help the elderly find suitable employment. Among all, "Ginkgo House" has been able to provide more diversified jobs for the elderly who need the service. As Hong Yip has always been supporting social enterprises and for the first time this year, we extend our support by inviting our (Youth Mobility Program (YUM) members and our retired colleagues to participate in the preparation of meals and distribution of blessing rice in January and June for more than 95 elderly people living alone.



# E nvironment





## Caring of Environment

Hong Yip has demonstrated innovative leadership by introducing the "Concept of Sustainable Green City" to enhance living environment of owners and tenants. Besides continuously promoting landscaping, it also sets strict environmental protection standards for its properties to improve environmental performance and energy efficiency, for a green and sustainable living environment.

### Strategy and Management

Upholding the belief of "Building Homes with Heart", Hong Yip endeavors to commit achieving sustainable development. We have committed to promoting and continuously improving environmental management and enhancing energy efficiency of buildings. The environmental targets we uphold include:

- "Comply with laws, prevent pollution, reduce waste, and make good use of resources"
- "Implement energy conservation goals and measures, and continuously improve energy efficiency"

In 2022, the company established the "Environmental, Social and Corporate Governance (ESG) Steering Committee" led by the Chairman of Hong Yip and comprising directors and heads of different departments within the company, to further strengthen our work for sustainability development, social responsibility and corporate governance.

Hong Yip also set up a special committee to promote and implement green initiatives. The committee is composed of 20 professionals from different departments and technical experts. It is responsible for monitoring building energy, promoting green management, enhancing environmental training, and sharing best practices.

## Environmental Management System

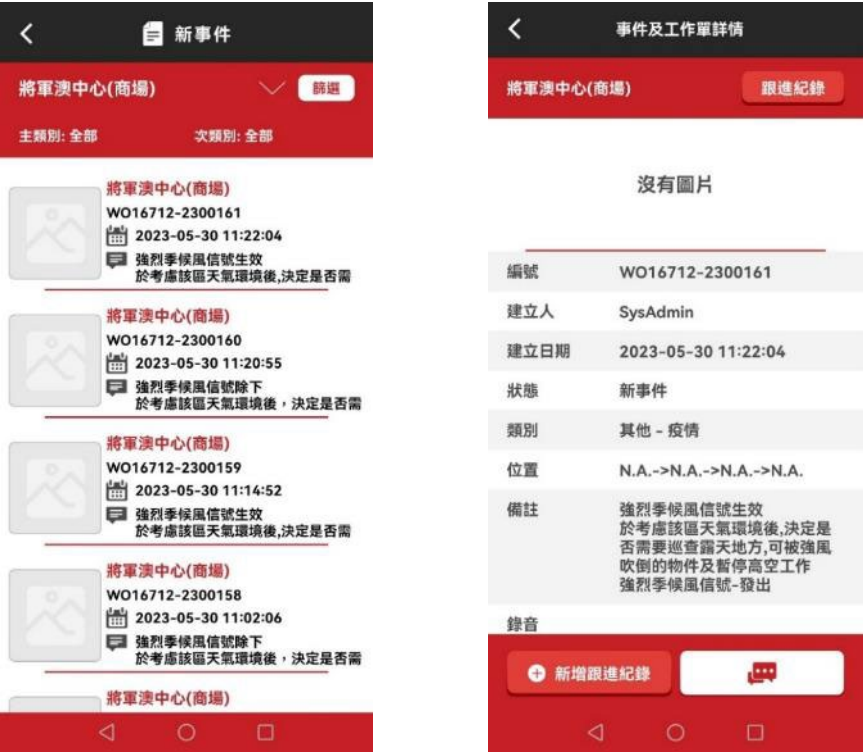
Hong Yip has been striving for continuous improvement through conducting internal and external audits to review the effectiveness of the management system. We have obtained certification of ISO 14001 Environmental Management System and ISO 50001 Energy Management System.

## Mitigation of Climate Change

Hong Yip pays close attention to the impact of extreme weather in result of climate change. We formulate emergency plans for extreme weather, strengthen risk assessment and precautions for buildings, and launch a data management platform to strengthen handling skills of frontline staffs and enhance the information flow to ensure the safety of owners and residents.

Hong Yip has launched a Real-time Typhoon Monitoring and Management Platform since 2019. In 2023, Hong Yip invests more resources in upgrading the management platform into 2.0 version. New features including automatic job reminder, monitoring and reporting workflow will be provided to achieve more time-saving, more accurate and more effective to deal with the challenges of extreme weather.

Also, Hong Yip has developed a weather alert smart phone application which is integrating the Hong Kong Observatory's weather signals with our internal management tasks. Hong Yip is the first property management company to establish a weather signals-work instruction management system on smart phone application “CRM App”. The “CRM App” will synchronize weather signals, send real-time works orders to colleagues in respect to specified jobs and manage all follow-up tasks. For example, after a typhoon, the App will create a job order to property management teams to conduct slope inspections when safe. This streamlined process, monitored by the automated system, enhances efficiency and ensures prompt response to weather-related requirements.



- The Hong Yip mobile application “CRM App” synchronizes weather data from the Hong Kong Observatory, and will automatically create works orders for the specific job required related to weather signals.

## Building Our Green Portfolio

A high-quality professional team is the key to enhance our sustainable performance. During the reporting year, the Group had a total of 24 employees who hold “BEAM Pro” or “BEAM Affiliate” qualification and registered as “RCx Pro” or “RCx Practitioner”. The Group achieves green certifications for our buildings so as to ensure that resources are effectively deployed to maintain the sustainability of our properties.

As early as 2019, Hong Yip has signed a Memorandum of Understanding with the Hong Kong Green Building Council and BEAM Society, and this year joined the Hong Kong Green Building Council as a “Silver Patron” member, to demonstrate our commitment to promoting green building. With the company’s strong promotion, we have 56 properties awarded BEAM Plus Existing Buildings (EB) certificates in the past few years, including Sun Hung Kai Centre, Harbour Centre, 26 Nathan Road, 909 Cheung Sha Wan Road, Grand City Plaza, Tsuen Wan Plaza (S.A.), Park Central (S.A.), Mikiki, PORT 33, Valais, and Imperial Cullinan being rated “Excellent” in BEAM Plus for EB Version 2.0 Selective Scheme in Management (MAN) Category. And Sun Hung Kai Centre received the LEED Platinum certification with a high score of 82 after obtaining the “Excellent” rating in the Energy Use (EU) Category, becoming the oldest platinum level commercial building in Hong Kong history.

Besides, some of the offices, industrial and residential buildings under our management were also rated “Good” in the MAN category, including this year a total of 12 properties participated in the assessment. In addition, 5 major shopping malls and commercial buildings, including Tsuen Wan Plaza (S.A.), Park Central (S.A.), Mikiki, Harbour North and New Tech Plaza, are also participated for assessment in this year, and are expected to obtain an “excellent” rating.

Besides, during the reporting year, Hong Yip and more than 300 properties under its management have obtained the Hong Kong Green Organization Certifications issued by the Environmental Campaign Committee. At the same time, they have also obtained more than 600 WastewiSe Certificates, EnergywiSe Certificates, IAQwiSe Certificates and Carbon Reduction Certificates from the Environmental Campaign Committee (ECC).

## Sustainable Development Data Management System

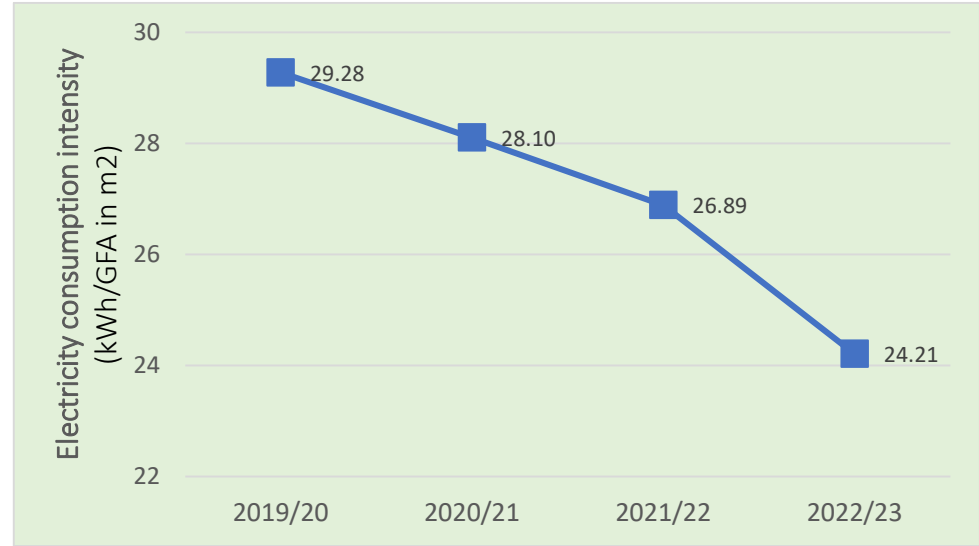
In order to maintain effective and efficient environmental management and monitoring, and continuously improve the performance of sustainable development of properties, Hong Yip began to use the Sustainable Development Data Management System in 2014. Hong Yip also regularly reviews and improves the system to meet new demands. In June 2023, the “Sustainable Development Platform system” upgrade was completed to strengthen the headquarters’ management of the sustainable development data of the whole, portfolio or individual properties. The platform has data analysis functions, which is very helpful for monitoring and improving energy use, and supports Hong Yip formulate relevant measures to promote sustainable development.

Enhancing Energy Efficiency and Minimizing Carbon Emissions

To advance towards the set carbon neutrality goal by 2050, Hong Yip has taken the impact of climate change into account in the course of developing energy management strategies for our property portfolio. We also support external initiatives, including the “Hong Kong’s Climate Action Plan 2050”, the “Energy Saving Plan for Hong Kong’s Built Environment 2015~2025+” and the “Hong Kong Roadmap on Popularisation of Electric Vehicles”.

The Company has aligned itself with the energy saving targets set by our parent company SHKP for the 2019/20 financial year, aiming to reduce electricity consumption, greenhouse gas emissions, and water use by 13%, 25% and 5% by 2029/30. In fact, driven by our proactive efforts, we have achieved half of our 10-year target for electricity consumption in the previous fiscal year.

Electricity consumption intensity of properties in Hong Yip for the period 2019/20 to 2022/23



Hong Yip has adopted a host of measures to ensure its properties are energy efficient. For an overall improvement of energy efficiency, we have carried out retro-commissioning and all-round energy-saving projects in some of our existing buildings to improve overall energy efficiency, such as replacing and retuning chiller plants, and introducing IoT sensors, flow meters, heat exchangers, LED lightings, and intelligent water pumps and air-conditioning.

We are dedicated to leveraging technology for enhanced property management and sustainable

development. As an exemplary illustration, Sun Hung Kai Centre, one of our esteemed BEAM Plus certified buildings, has embraced cutting-edge solutions such as an IoT network, upgraded E&M facilities, and various environmental measures to optimize energy consumption management.

To further elevate property quality and management efficiency, Hong Yip and its subsidiary company, Lik Kai, have developed a 24/7 high-efficiency Building Information Modeling-Facility Management (BIM-FM) platform exclusively for Sun Hung Kai Centre. This innovative platform collects and integrates comprehensive information on the building’s operational performance and daily management across various aspects. It empowers the management team with a holistic understanding of the building performance, enabling them to extend big data analysis to building maintenance management and energy efficiency performance. Consequently, timely adjustments to management strategies can be made, thereby enhancing overall maintenance, and ESG performance.

Moreover, Sun Hung Kai Centre has undergone 3D laser scanning to obtain precise measurements and collect information on its appearance and structure from multiple angles. This data has facilitated the creation of an accurate 3D building information model, which forms the foundation of an intelligent management system. From 2015, These endeavors have culminated in an impressive aggregate energy consumption reduction of 60 million kWh, equivalent to a reduction of 42,000 tons of CO2e or the environmental impact of planting 1.8 million trees.

## Introducing Renewable Energy Installations

The Group has implemented a series of initiatives to promote the adoption of renewable energy. A total of 29 properties under the Hong Yip have been equipped with 8,700 solar photovoltaic panels, generating an annual electricity output of 3,600,000 kWh. This is equivalent to the electricity consumption of 1,100 households for an entire year.

Simultaneously, starting from July 2021, we have been purchasing Renewable Energy Certificates (RECs) from CLP Power Hong Kong for Hong Yip's training programs and designated significant events. These RECs serve to offset the electricity consumption associated with online and on-site training activities, as well as large-scale events. This demonstrates our strong support and active participation in the adoption of renewable energy and the Feed-in Tariff (FiT) Scheme.



- The residential and commercial properties managed by Hong Yip actively install solar photovoltaic panels



To reduce carbon emissions and mitigate climate change, the company has participated in the "Green Hong Kong • Carbon Audit" and signed the Business Environment Council's Low Carbon Charter in 2019. We also conduct carbon audits annually for 59 properties developed or leased by the Group, which have also participated in the "Carbon Audit • Green Partner" programme. The Green Partner programme works together to promote Hong Kong's transition to a low-carbon economy and actively respond to the Paris Agreement.

The Company has been actively engaged in the journey towards carbon neutrality, yielding notable accomplishments. We have participated in the Recognition Programme for Organisations, organised by Hong Kong Quality Assurance Agency for two consecutive years, earning the "Commitment to Net-Zero Certificate".

Furthermore, in 2022, we were honored with multiple awards, including the "Management Award for Net-Zero Contribution (Property Management) - Visionary Blueprint towards Net-Zero", "Pioneering Organisation in Net-Zero Contribution - Commitment to Net-Zero", and "Leadership Award for Net-Zero Contribution". Additionally, we were awarded "Pioneering Organisation in ESG Disclosure Enhancement", and "Gold Seal for Contribution to Sustainable Property" in 2023.

We actively research and implement various innovative methods to reduce the company's energy consumption and enhance energy-saving awareness among our colleagues and tenants. Hong Yip has participated in CLP Power Hong Kong's Smart Energy Award 2022 and has been awarded the "Sustainable Vision Award and Joint Energy Saving Award". Simultaneously, we spare no effort in promoting residents' active participation in CLP Power Hong Kong's Energy Saving Missions 2022, allowing them to contribute to environmental conservation while earning rewards. Hong Yip has also been honored with the "Top Saving in 2022" and the "Smart Partner Award 2022" from CLP Power Hong Kong in this year.

## The New Era of Vehicle Electrification

Throughout the years, the Group has actively promoted the adoption of electric vehicles, encouraging owners of our managed properties to participate in the Environmental Protection Department's EV-charging at Home Subsidy Scheme (EHSS). 40 housing properties under our management have been approved, providing access to electric vehicle charging for up to 9,000 parking spaces. Additionally, our parent company, SHKP, has introduced Hong Kong's first rewards-redeemable super-fast EV charging service for the Points members at our managed shopping malls, including Tsuen Wan Plaza (S.A.), Mikiki, and Harbour North.

We have implemented a comprehensive plan to transition our fleet to electric vehicles and promote green mobility by 2030. This initiative will result in a reduction of 20 tonnes of carbon emissions per year, which is equivalent to planting 900 trees.

## Improve Water Efficiency

While our operations do not require significant water consumption, we remain committed to minimizing waste and promoting water conservation awareness. The company has developed measures and codes of practice to ensure efficient water usage. We actively advocate for the installation of water-saving devices and the adoption of labeled water-efficient products across our properties.

Furthermore, in our efforts to enhance water efficiency and foster a culture of water appreciation, we support the Water Supplies Department's "Let's Save 10L Water 2.0" campaign. This initiative encourages tenants to cultivate water-saving habits and value the importance of water. Additionally, we actively participate in the Water Supplies Department's "Enterprises Cherish Water Campaign" to Save Water. There are 27 properties under our management have signed the ECH2O Charter, pledging to implement water conservation measures within their operations.

The properties managed by Hong Yip have been recognized at the Water Supplies Department's "ECH2O Awards 2022", a water-saving award. These accolades include the "Cherish Water Achievement Award," "Outstanding ECH2O Manager," and "Sectorial Cherish Water Award (Commercial Building)." Notably, our dedicated "ECH2O Manager" has played a pivotal role in promoting the Enterprises Cherish Water Campaign and driving water conservation efforts, leading to our Gold Award win for "Outstanding ECH2O Manager."

## Case Study: Mikiki

Mikiki has been dedicated to integrate energy conservation practices into its daily operations, striving for excellence over the years. Within the framework of the Energy Saving Charter & 4T Charter Schemes, our team has planned and implemented various energy-saving measures, which have been recognized through numerous awards and recognitions. Notable achievements include the Excellent Rating in BEAM Plus for EB Version 2.0 Selective Scheme in Management (MAN) Category, Best Green Practice in Malls - Merit Award in the HKGSA Award 2022.

Since 2013, Mikiki has obtained ISO 50001 energy management system certification. At the end of each year, the environmental and energy-saving targets will be reviewed along with action plans for the upcoming year, focusing on the major energy consumption areas identified, implementation progress is reviewed quarterly to ensure effectiveness.

Mikiki have successfully implemented several energy-saving initiatives, such as optimizing the chilled water supply temperature, reducing the operating hours of AHUs/PAUs to fit for actual operation, conducting retro-commissioning, etc. As a result, we achieved a remarkable electricity consumption reduction of over 350,000 kWh in 2022 compared to the same period of the previous year.

Furthermore, Mikiki has developed its own innovative "car park cooling system". This system utilizes the A/C condensate water from the mall to "Turn Waste to Resources". By re-using the abandoned FCUs and the collected A/C condensate water, the temperature of parking lots could be reduced by 3-5 degrees Celsius. This remarkable system has earned recognition through prestigious awards, including HKIH Elite Award 2020 - Best Innovative Idea and HKIH Elite Award 2022 - Outstanding Team. These accolades acknowledge our team's significant contributions to environmental protection within the property management sector.



In addition, in 2022, Mikiki actively participated in the Enterprises Cherish Water Campaign organized by the Green Council and the Water Supplies Department. As part of our commitment to water conservation, we signed the ECH2O Charter and organized various activities to promote the importance of preserving water resources. Notably, we held a water conservation exhibition in our shopping malls, raising awareness among visitors. To achieve significant water savings, we installed water saving device to water faucets in the shopping mall. This initiative resulted in a remarkable 13% reduction in water consumption, saving about 28,000 m3 in 2022 compared to the previous year.

By effectively managing water resources, promoting the campaign, and implementing water-efficient measures, Mikiki was honored Gold Award for Outstanding ECH2O Manager Award in Enterprises Cherish Water Campaign. This recognition from our peers and organizations validates our dedication to water conservation.

Additionally, Mikiki actively collaborates with the Education Bureau, school sponsoring bodies, and nonprofit organizations to organize visits and public welfare activities. We have arranged several eco tours for primary, secondary, and university schools in Hong Kong, to encourage them to participate into Hong Kong's sustainability development and contribute to the target of carbon neutrality by 2050.

## Utilizing Technology to Reduce Consumption

Hong Yip actively explores opportunities for utilizing multiple technologies within our managed properties to reduce resource consumption and move towards a paperless environment. We optimize sustainable data management systems to analyze and monitor greenhouse gas emissions, electricity usage, water consumption, waste disposal, and recycling performance within our managed properties. Additionally, to minimize paper usage, we promote electronic workflows to achieve paperless management. Across all our managed properties, we employ a series of mobile applications developed in-house, including Nitrol, SoProp, SoPropBiz, WeCom, and CRM, to reduce paper consumption resulting from printing, enhance document management, and drive paperless operations. Through smart technology, we further implement carbon reduction practices and enhance our environmental performance.

## Resource Conservation

Hong Yip considers environmental factors and prioritizes the procurement of materials in a sustainable manner throughout the purchasing process. We closely monitor resource consumption to minimize unnecessary waste. Furthermore, since 2021, Hong Yip has actively participated in the "CarbonCare Label" and "CarbonCare Circularity Label" schemes of the CarbonCare InnoLab. Through conducting carbon audits and waste snapshot investigations, we strengthen our monitoring and improvement efforts in carbon emissions and recycling practices.

## Green Procurement

The environmental procurement policy of Hong Yip aims to adopt environmentally friendly and energy-efficient products and services, protect resources, reduce waste, and promote the use of materials that minimize harm to the environment. Therefore, we have developed an environmental procurement guideline to enhance our company's environmental management system and environmental performance, raise employee awareness of environmentally friendly procurement, and, whenever feasible, consider purchasing environmentally friendly products or services.

The procurement guideline requires employees to consider, prior to the procurement process, the minimum but not limited to the following factors concerning the production and transportation of the product or service: (1) Manufactured without hazardous substances; (2) Recyclable or less waste-generating; (3) Commitment to environmental protection and energy saving efficiency and; (4) Compliance of the statutory requirement and code of practices for relevant environmental protection and energy efficiency (e.g. ISO 14001 and ISO 50001).

Waste Minimization

To support waste management plans initiated by Government such as “Waste Blueprint for Hong Kong 2035”, we have adopted a three-step waste reduction strategy – Avoid generating waste, Reduce waste, and Recycle waste to achieve sustainable waste management throughout our business operation. We strive to surpass regulatory requirements for achieving an ultimate goal of zero landfill.

Hong Yip advocates responsible consumption and encourages tenants and customers to adopt practices for minimizing waste delivery to landfill sites. To promote recycling and collection of different types of waste in our properties and shopping malls, we have set up smart reverse vending machines for plastic bottles collection.

Hong Yip is also supporting the waste plastic management plan organized by government and non-government organization of environmental protection to assist housing estates and residents in reducing waste at the source and recycling resources. 65 residential properties have participated in the one-stop reliable recycling service – GREEN COLLECT, which launch by the Environmental Protection Department in 2022, further enhancing the recycling service of residential properties. 7 industrial and commercial buildings have been designated to participate in the “Pilot scheme of Local Industrial Waste Plastics Transshipment Centre” organized by the Greeners Action to implement a one-stop local packaging film recycling solution.

In addition, over 100 properties including residential, commercial, industrial and shopping malls have signed up supporting the “Glass Container Recycling Charter” organized Environmental Protection Department, aiming at promoting public awareness of clean glass container recycling and separating wasters right at the source.

Hong Yip has been actively promoting food waste separation and recycling in our properties, eagerly responded to the government’s “Waste Blueprint for Hong Kong 2035.” We support property participation in the Environmental Protection Department's "Pilot Scheme on Food Waste Collection“, which involves placing food waste bins to collect household and commercial food waste, which is then transported to organic waste recycling centers for processing and conversion into renewable energy. Currently, 5 properties have participated in the scheme. Additionally, Hong Yip supports our managed residential buildings to apply for the “Supporting Residential Buildings in Adopting Smart Bins Technology in Food Waste Collection and Recycling Scheme”, funded by the Recycling Fund. This scheme involves the use of smart recycling bins to collect food waste from residents. 4 residential buildings have received government funding, and one of them has already implemented food waste recycling.

To promote a culture of food conservation and surplus food recycling, Hong Yip collaborates with the Food Angel and implements the "Food Recycling Program" in Major residential buildings across Hong Kong Island, Kowloon, and the New Territories. This program involves placing Food Donation Machines and Food Donation Boxes in our managed residential buildings , encouraging residents to donate surplus food to help those in need. Since the initiation of the program, Hong Yip has recycled over 700 kg of surplus food. We are committed to practicing surplus food recycling and aim to involve more members of the public in understanding and participating in food conservation activities, reducing waste, and channeling limited resources to those in need, thereby addressing hunger and spreading love and compassion.



■ Hong Yip invited the Assistant Director of the Environmental Protection Department to launch the "Green Collect" one-stop reliable recycling service (Left), and Hong Yip was awarded the "Green Collect" Partner Award (Right).



■ Food Recycling Program @ Scenic View



■ Food Recycling Program @ Harbour Place

## Public environmental awareness and Green messages

Hong Yip recognizes the significant influences of sustainability on our business and society. In light of this, properties under our management consistently adopt green property management practices and promote the collection and recycling of food waste, so as to achieve sustainable development by reducing waste and increasing recycling rate. At the same time, Hong Yip actively engages in educating the public about green living, encourages staff at managed properties to disseminate green concepts to residents, and fosters a sustainable lifestyle.

### Case Study: Wonderland Villas (Facilitating smart and green life)

With the goal of achieving carbon neutrality, Wonderland Villas has been actively sharing and promoting food waste recycling and waste management to various groups, academic organizations in the local community, and even in the Greater Bay Area since 2011. This demonstrates that our group is steadily progressing on the path of environmental protection.

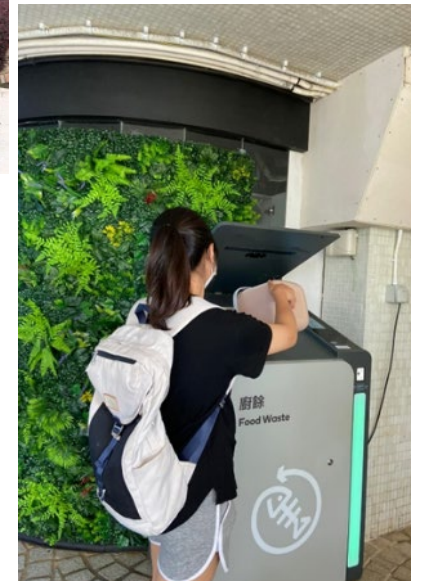
In digital era, our management team actively embraces the trend and proactively promotes intelligent environmental protection and waste reuse plans. We collaborate closely with the Environmental Protection Department and various environmental organizations to launch diverse smart recycling and waste reuse programs, for example, Smart Recycling Promotion Vehicle, and Recycling week held by Kwai Tsing Recycling Station. With the help of big data analysis, our group is able to develop a more precise and efficient recycling operational model.

To achieve better promotion and educational outcomes, our staff have taken on the role of Key Opinion Leaders (KOLs) to produce over 20 environmental protection promotional videos in Cantonese, Mandarin, and Indonesian languages. Additionally, we actively publish up-to-date environmental information to collaborate with and support the government's implementation of environmental protection policies and plans.

In recent years, our group has been actively promoting and encouraging residents to download and participate in the 'GREEN\$ Electronic Participation Scheme.' This enables users to utilize a mobile app for intelligent and categorized recycling activities. Currently in Wonderland Villas, there are 5 Food Waste Smart Bin, 1 smart recycling bin, and 26 recycle point for the convenience of the residents to recycle paper, metal, plastic, glass bottles, regulated electrical equipment, small appliances, compact fluorescent lamps, fluorescent tube, rechargeable battery, etc. The users can even earn more points to redeem gifts through the Extra Rewards Program.



■ Wonderland Villas Actively promoting intelligent recycling initiatives



■ Food waste smart bin in Wonderland Villas

## Green Management

Our group has actively participated in the "Earth Hour" global light-off action organized by the World Wide Fund for Nature for 14 consecutive years. During this event, a total of 170 buildings under our management join together to turn off their lights for one hour. This collective effort aims to promote a green lifestyle, and contribute to energy-saving initiatives. Furthermore, our group actively supports the 'Power Connect' program organized by CLP. This initiative aims to encourage residents to save energy and utilize electronic services. By participating in 'Power Connect,' residents have the opportunity to earn smart points and rewards while simultaneously reducing their carbon footprint and embracing a low-carbon lifestyle.

Our group remains steadfast in our commitment to environmental protection and strives to be a pioneer in the industry. This dedication has been recognized through our achievements, including winning six awards in the 2021 Hong Kong Awards for Environmental Excellence. Meanwhile, New Tech Plaza, Park Central, Royal Peninsula, and Tsuen Wan Plaza (S.A.) have become HKAEE collaborative partners, which approve Hong Yip's excellent performance in facilitating environment protection.

Furthermore, Wonderland Villas, Royal Peninsula, and Tsuen Wan Plaza (S.A.), which are properties managed by Hong Yip, have won the gold award and bronze award in the property management category of the BOCHK Corporate Low Carbon Environmental Leadership Awards 2022. The awards recognize the outstanding performance of properties managed by Hong Yip in promoting environmental initiatives among residents.

Hong Yip actively collaborates with customers and tenants to promote green initiatives and foster a sustainable built environment. For instance, we regularly organize events and exhibitions in our managed shopping centers to promote sustainability and cultivate a green culture. Tsuen Wan Plaza (S.A.) incorporates green concepts into the new tenants and interior design to encourage stakeholders to adopt a sustainable lifestyle. Several commercial properties, including Mikiki, Harbour North, Hong Kong Plaza, Tsuen Wan Plaza (S.A.), Welland Plaza, Port 33, and Park Central (S.A.), have been recognized with the award "Merit in Best Green Practice in Malls" and "Excellent Green Product Advocator" respectively. These accolades serve as a proof to Hong Yip's dedicated efforts in implementing green measures and promoting sustainable practices in shopping centre.



■ HKQAA - Leadership Award for Net-Zero Contribution



■ Smart Energy Award 2022 –Sustainable Vision Award



■ HKQAA Management Award for Net-Zero Contribution (物業管理) - 卓越遠見碳中和規劃藍圖



■ Energy Saving Missions - 2022 Top Saving



■ HKQAA - Pioneering Organization in Net-Zero Contribution



■ Energy Saving Missions - 2022 Smart partner Award

# Risk Management



# Corporate Governance

## Governance Philosophy

"Serving Customers with Heart" is the belief of Hong Yip in providing services to our customer. We are committed to ensuring that environmental, social and corporate governance (ESG) factors are taken into account in the decision-making process of operations and business. We maintain our sustainable development and create value to our stakeholders based on good corporate governance strategy and related sustainable policies. In addition to seizing opportunities to promote sustainable development, we also promote communication with our stakeholders, build trust and enhance transparency with our customers, employees and the community through continuous and positive dialogue. A high level of corporate governance is an important message to stakeholders to ensure that a company has good management, ethical conduct, openness and transparency. We have put in place a comprehensive set of corporate policies and guidelines to ensure that the Group maintains good corporate governance and has established Whistleblowing Policies and channels for reporting misconduct. We have also established a solid risk management framework to respond to different situations that may arise in the rapidly changing business environment.

With a high level of corporate governance, Hong Yip ensures that the rights and interests of its stakeholders, including customers, employees, suppliers and the community, are fully protected. We adhere to the principles and policies of good corporate governance and clearly demonstrate our commitment to social responsibility to all stakeholders.

The Board of Directors serves as the highest governing body of the Group and is responsible for implementing corporate governance and risk management. Through its various committees, the Board of Directors ensures effective internal control, enhances transparency, and upholds accountability.

## Governance System

We have always complied with regulatory requirements and are committed to maintaining integrity as our core value. There are many regulatory provisions in the property management industry, and we need to strictly comply with Building Management Ordinance (Cap. 344), Property Management Services Ordinance (Cap. 626), Deed of Mutual Covenants, Occupational Safety and Health Ordinance (Cap. 509), etc., to carry out our management work.

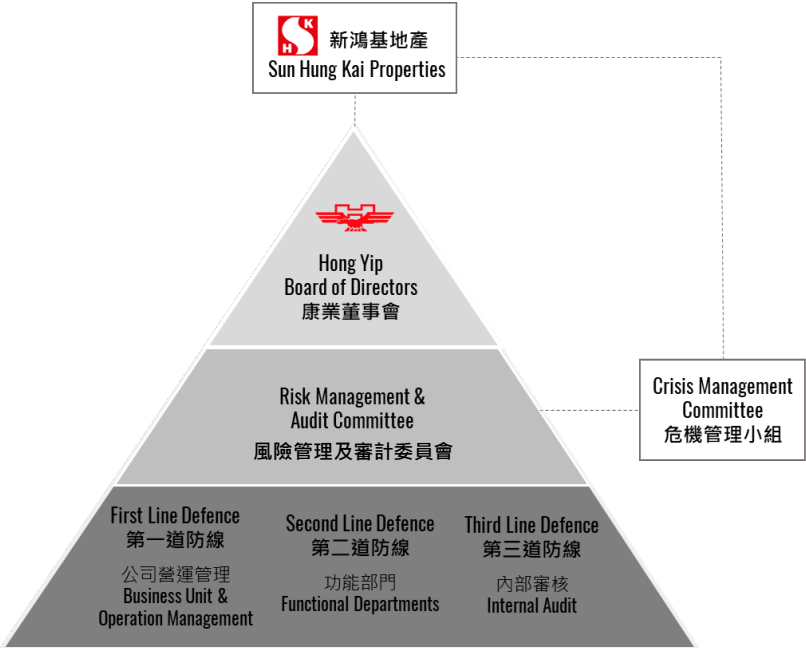
The Board of Directors constantly reminds subsidiary and department to comply with all regulatory requirements through the bi-monthly Strategic Committee meetings, as well as the Holding Executive meeting, departmental meetings, and subsidiary meetings. It is the responsibility of all subsidiary and department heads to closely monitor the performance of employees to ensure compliance with the Code of Conduct. They should report investigation result to the Human Resources and Administration Department and then submit the report to the Board of Directors if any impropriety is found. Any employee found to have violated the Code of Conduct will be subject to disciplinary action, including dismissal. We also work with our business partners and customers to monitor the ethical conduct of our workforce.

Risk Management

Hong Yip stresses great importance on risk management, continues to establish and maintain a robust risk management and internal control system to strengthen the Group's future business development and create long-term value for stakeholders.

The Group's risk management procedures cover all departments and business units, which are closely related to each employee. Risk management is an ongoing process, which is not only an integral part of the Group's day-to-day business operations but also part of the Group's culture. The Risk Management and Audit Committee under the Board of Directors is responsible for overseeing the Group's risk management comprehensively. The Committee also evaluates and defines the nature and extent of risks that the Group is willing to undertake based on the strategic business development indicators.

To ensure the effective operation of risk reporting channels, the Committee regularly recommends the company's risks and corresponding control measures to the Board of Directors and assists in making the final approval.



Board of Directors

The Board of Directors is Hong Yip's highest governance body and has the overall responsibility for establishing and maintaining sound and effective risk management and internal control systems. The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic and business objectives.

Risk Management and Audit Committee

The Risk Management and Audit Committee under the Board of Directors is responsible for overseeing the overall risk management of the Group. The Committee reviews the risk management and internal control systems of the Group regularly and recommends to the Board of Directors the Group's risks and corresponding control measures and assists the Board of Directors for final approval. The Committee consists of members from senior management, including Heads of Business Units and Heads of Functional Departments of the Group.

First Line of Defence

Each business unit has the duty to manage its own risks in the course of its daily operations. Heads of Business Units are responsible for establishing their own risk management measures for identifying, measuring, mitigating and monitoring the risks in their business units.

Second Line of Defence

As the second line of defence, Heads of Functional Departments are responsible for reviewing and assessing risk and internal controls of all business units and provide support and guidance to them. They propose enhancements to risk management and internal control systems for consideration by the Risk Management and Audit Committee.

Third Line of Defence

The Internal Audit Department is primarily responsible for performing independent review and audit to evaluate the proper functioning of the risk management and internal control systems. Results of risk assessment and room for improvement are reported to the Risk Management and Audit Committee for consideration. The Internal Audit Department also puts forward any risk action plans for implementation by relevant business units and functional departments concerned.

## Crisis Management Committee

The Crisis Management Committee is established to deal with crises and major emergency events, such as natural disasters, human errors, or social events which may seriously affect the operation, business, legal rights and reputation of Hong Yip. To minimize the impact of these crises or emergency events to the Group, the committee will immediately launch the "Red, Yellow and Green Three-Level" alarm sign and provide timely support to relevant business units from head office, including resource re-allocation, strategies adjustment, legal guidance, or human resources cooperation, etc. The committee will also provide a comprehensive review and report lessons learned after the closure of each case.

Crisis Management Committee members include Directors, Head of Community and Public Relations (Convener), Mayer Brown & Associates (Legal Counseling), World Union PR Consultant, SHKP Corporate Communications Department, SHKP Legal Department. Other SHKP and Hong Yip departments or subsidiaries will also be invited to attend the meeting if necessary.

## Integrity Management

The Group focuses on establishing a corporate culture that emphasizes employee integrity and ethics. New employees are required to receive comprehensive mandatory training, and regularly participate in refresher training and promotion activities to ensure that they understand the Group's requirements.

The Group undertakes that all business units will comply with relevant local legislations and regulations in the markets where we operate. The Group's Employee Code of Conduct provides guidelines for employees' norms of behaviour, such as equal opportunities, fair dealing, monitoring and reporting, conflicts of interest and prevention of corruption. All employees of the Group are expected to follow the principles set out in the Employee Code of Conduct; any violation will be subject to disciplinary action.

The Group firmly requires employees and business partners to abide by the provisions and spirit of the "Prevention of Bribery Ordinance" when conducting business. The Group strictly prohibits employees from bribery, solicitation and acceptance of illegal benefits from customers, suppliers, contractors, regulators, legislatures, and other business partners.

The Group's Employee Code of Conduct promotes the core value of probity and integrity, which helps us continue to strengthen anti-fraud control measures in line with the Group's ethical culture. According to the Employee Code of Conduct, the Group is committed to preventing, detecting and reporting any misconduct that has occurred or is suspected of deceit, fraud, or similar irregularities, while also adopting a zero-tolerance approach to all cases of corruption and fraud.

## Whistleblowing Policy

The Group has a Whistleblowing Policy for employees to report any cases of suspected misconduct, fraud, inappropriate, unethical or unfair treatment, in particular conduct that violates the Employee Code of Conduct or undermines the Group's principles of business ethics. The Whistleblowing Policy provides formal reporting channels and guidelines for reporting suspected misconduct. Head of the Human Resources & Administration Department and the Internal Audit Department are responsible for supervising the investigation and authentication processes. Serious cases of wrongdoing or misconduct will be reported to senior management for deliberation and further action. The Group will promptly report any violation of bribery prevention and anti-corruption policy or any anti-competitive conduct to the appropriate law enforcement agency.

## Training and Awareness

All employees have received training on the company's policy, including anti-corruption and the Employee Code of Conduct. The orientation training for new employees also covers relevant content. We also regularly organize trainings and provide relevant materials to current employees, aiming to ensure all staff adhere to the company's policies, including anti-bribery measures.

We not only actively promote the Employee Code of Conduct and Whistleblowing Policy to all employees, but also regularly deepen employees' understanding of the relevant principles to ensure that business operations strictly comply with regulatory requirements.

## Anti-competitive Practice

In our Employee Code of Conduct, we have stated our commitment to comply with all laws and regulations regarding anti-competitive practice. In order to reflect the Group's core values, the Employee Code of Conduct also provides guidelines for employees to understand the legal requirements, the importance of compliance, and the disciplinary and legal responsibilities for non-compliance.

## Protection of Intellectual Property

All employees must respect copyright and comply with all applicable laws and regulations; infringement is strictly prohibited. We also require suppliers to respect intellectual property rights. In case of any infringement of intellectual property rights, suppliers must protect the Group and be liable for any compensation.

## Diversity, Equal Opportunity and Anti-Discrimination

We have been unwavering in the promotion of equal opportunity, committed to eliminating all forms of discrimination in employment, and have established the Diversity and Inclusion Policy, complying with the anti-discrimination regulations in recruitment, remuneration, compensation, benefits, promotions, transfers, training and dismissals in the jurisdictions in which we operate. We do not tolerate any employment discrimination based on age, gender, sexual orientation, marital status, pregnancy, breastfeeding, disability, family status, race, ethnic background, nationality, religion, medical condition and other legally protected rights.

We value a diverse work team and are committed to encouraging women to join the property management industry. We help them grow and continue stay in the team. In addition, we are active in providing employment opportunities and support to people with disabilities and the elderly.

We have signed the "The Racial Diversity and Inclusion Charter for Employers" of the Equal Opportunities Commission, demonstrating our dedication to promoting equal employment opportunities for ethnic minorities and encouraging the establishment of racial diversity in the workplace. In order to promote harmony in the workplace, we have appointed one appropriate colleague as Equal Opportunities Officers to enhance the internal mechanisms that promote equal opportunities and eliminate discrimination and ensure that the entire process is fair, independent, and respectful.

# v<sub>ender</sub>

3 GOOD HEALTH  
AND WELL-BEING



11 SUSTAINABLE CITIES  
AND COMMUNITIES



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



17 PARTNERSHIPS  
FOR THE GOALS

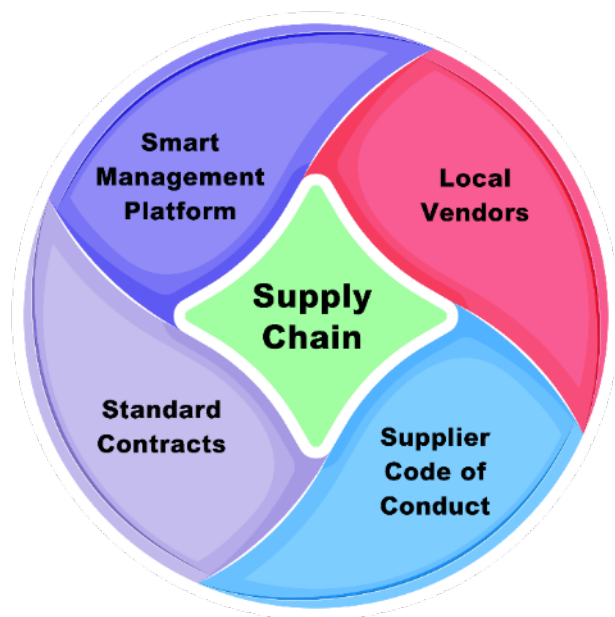


## “Move forward with Partner” - Supply Chain

Hong Yip is committed to building a sustainable supply chain in terms of environment, society and governance. We actively communicate with suppliers and contractors to establish long-term and mutually beneficial partnerships.

### Vision and Strategy

Hong Yip has always adhered to our core value of 「以廈為家 · 以心待客」. We aim to provide property management services to clients with professionalism, so that they can live or conduct business in an ideal environment. A complete and sustainable supply chain is also crucial to our service. Vendors are our essential business partners and we work together to keep up with market trends. We strive to provide high-quality and sustainable property management services employing different new technology and intelligent platforms.



### Local supply chain and contractor management

In order to set up a diversified supply chain ecology and support the development of local small and medium-sized enterprises (“SME”), we actively invite outstanding local vendors to apply for joining the list of approved contractors of Hong Yip. As of June this year, there were about 2,900 approved vendors on the List and 100% of them were local.

In addition to promoting the development of the local economy and various property management-related industries, the local supply chain often brings more sustainable benefits:

- Reducing transportation and storage of goods resulting in lower carbon emissions and energy use;
- Building a corporate image as “green leader” of the industry; and
- Responding to clients’ requests promptly and thereby enhancing their confidence.

To select vendors, their environmental protection and occupational safety and health performance are important considerations. For example, we will give priority to vendors with ISO14001 Environmental Management System/ ISO50001 Energy Management System/ ISO45001 Occupational Health and Safety Management System certificate. In addition, Hong Yip has also participated in the “Charter on Preferential Appointment of OSH Star Enterprise”, giving priority to hire “OSH Star Enterprises” with sound safety management systems which have passed strict audits by the Occupational Safety and Health Council, to carry out repairs, maintenance, major A&A work.

The basic information and relevant licenses of each vendor, and all updates are stored in and retrievable through the Group’s electronic vendor portal.

Vendors’ performance in daily operation is closely monitored. They are evaluated on a regular basis, including their “environmental protection and energy saving procedures”, “occupational safety and health” and “service quality”, etc. Evaluation results are reflected in the system immediately. If a low score case or a violation report is noted, the relevant departments shall follow up at once. Serious case may lead to suspension or delisting. Hence the quality of vendors on the list can always be assured.

Working closely to drive sustainable development

At present, all contractors' registration applications need to be processed through the vendor portal. This platform allows Hong Yip to proactively and efficiently distribute relevant requirements and the latest information to all contractors, in line with Hong Yip’s corporate policy, such as:

Require newly registered vendors to sign and upload the “Safety Requirements Undertaking”, “Environmental Protection and Energy Saving Requirements Undertaking”, “Declaration of Interests” and other declarations;

Regularly share the latest external activities and market information about occupational safety, health and environmental protection through the platform;

Issue and require strict compliance with the “Supplier Code of Conduct” formulated by the Group, covering areas including: -

- |                                  |   |
|----------------------------------|---|
| ✓ Legal Compliance               | ✓ Human rights and equal opportunities            |
| ✓ Governance                     | ✓ Labor Practice                                  |
| ✓ Business ethics                | ✓ Confidential Information Protection and Privacy |
| ✓ Environmental protection       | ✓ Intellectual property                           |
| ✓ Occupational health and safety | ✓ Communication                                   |

Hong Yip actively promotes “Energy Saving Charter & 4T Charter Schemes” to all vendors through the vendor portal. It aims to work together to achieve carbon neutrality by 2050. Extra credits will be given to the vendors which participated in the scheme.

Hong Yip Electronic Procurement System (“ePro”)

Our Electronic Procurement System (“ePro”) integrates our corporate procurement procedures, standard contract documents and relevant laws. The process is controlled and assured to be compliant and legal. Meanwhile, the interests and rights of clients are also safeguarded.

ePro covers the entire procurement process, from the selection of vendors, tender analysis up to the evaluation of vendors' performance. The use of an electronic and standardized platform can effectively improve the approval efficiency. Whenever the process reaches the next approval node, the system will immediately notify the approvers by email. Approvers can review the uploaded data and remarks, and hence saving the time for data transmission.

For procurement under HK\$200,000), e-Proc provides a much more convenient direct co-working platform for vendors and the company’s purchasing team. Procurement activities can be completely processed on this system.

Electronic procurement does not only bring convenience to stakeholders in their daily work, but also saves tons of paper required for tender documents and contributes to global environmental protection.

Since e-Proc is fully implemented, all procurement must be processed through the system and the data are collected in a complete and systematic manner for further analysis. Relevant departments can make use of the collected data to analyze the contract management of various regions and evaluate contractors’ performance. It aims to continuously improve the procurement process and meet the rapidly changing market and business needs.

## Standard contract documents with sustainability elements

By regularly reviewing standard contract documents and updating T&Cs such as environmental protection, employee protection and social responsibility, we clearly express Hong Yip's related requirements and expectations to all vendors. The main elements include: environmental protection, occupation safety & health, anti-corruption, fair competition and labor rights, etc.

### I. Environmental Factors

Hong Yip's procurement process is regulated by environmental protection-related terms or specifications. When purchasing products or services, we will consider the following factors: -

- Manufactured without harmful substances;
- Ability to recycle or reduce waste generation;
- Environmentally friendly and energy efficient;
- Compliance with all relevant environmental and energy efficiency regulations and codes of practice.

When purchasing electrical and mechanical equipment, we will fully consider the expenses such as electricity consumption, water consumption and maintenance costs (Life Cycle Cost). Specialist vendors are allowed to provide professional comments and alternative feasible proposals in order to achieve Energy & Cost-saving as our final goal.

### II. Occupation Safety and Health

We are concerned about the importance of OSH to our supply chain. Therefore, occupational safety and health requirements are set into our standard contract documents in order to ensure that the vendors shall comply with all relevant laws and regulations, and take necessary measures to protect the safety and health of workers. In addition, we also require vendors to monitor and report on occupational safety and health issues during contract execution to ensure their compliance.

### III. Anti-corruption

We are committed to maintaining the highest ethical standards and principles of integrity in our business operations. We have strictly regulated the supply chain against any corruption, money laundering, extortion, fraud or misrepresentation. Through our rigorous procurement policies, e-Proc platform and standard contract documents, all suppliers and contractors shall understand and comply with our anti-bribery and anti-corruption policies. Tenderers must complete the "Declaration of Interests Form" to declare any possible or actual conflict of interest. If a vendor is involved in any actual or suspected corrupt activities, we will immediately suspend the vendor from participating in the company's procurement activities or remove it from the approved list.

#### IV. Fair Competition

Fair competition is the foundation of a prudent and fair supply chain. We fully prohibit any anti-competitive conduct in accordance with the Competition Ordinance. To prevent bid rigging during the tendering process, we regularly update and evaluate the list of approved vendors. All tender documents specify the anti-collusion requirements, and will strictly control the number of companies invited to tender to ensure that there is room for competition in the tender process and protect the interests of customers. All tenderers must submit a “Confirmation of Integrity and Anti-Bid Rigging Clauses” stating that their operations are free from any anti-competitive behavior.

#### V. Labor rights

We concern whether our vendors provide their employees with reasonable salary and a safe working environment. To ensure labor right protection measures are implemented and to better manage human rights risks in our supply chain, our tender documents require suppliers and contractors to strictly comply with labor rights laws and regulations. In addition, we also monitor the performance of workers on a daily basis. If any abnormality is found, we will immediately communicate with the contractor and take appropriate follow-up action.

#### Sustainable Procurement

In the reporting year, Hong Yip joined the “Sustainable Procurement Charter” formulated by Green Council and became one of the established members. The members of the Charter include many large public utilities and private corporations in Hong Kong. All members are committed to implementing sustainable procurement procedures with reference to ISO 20400. In order to continuously improve sustainable procurement, it is a great learning platform that the members can share their best practices as well as difficulties during the implementation process.



# Innovation

8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



# Go Paperless; Combat Climate Change

## Digitalized Communication Publications

"Net-zero" and "sustainability" have been regarded environmental issues and ethical actions for the past decades. However with more and more countries announcing their net-zero emission campaigns for 2050, ESG is now gaining greater attention from enterprises around the world. The trend towards growing a global green economy has become unstoppable.

In addition, in response to the impact of the pandemic in the past two years, companies, industrial and commercial organizations, and government bodies have started practising "Work from Home", revolutionizing the office operation pattern and environment. Traditional paper documents are substituted by digital and paperless forms, thus reducing paper waste, saving energy and the forest. All these show a positive effect on climate change.

## Digital Development Supporting Diversified Businesses

Since the implementation of the electronic form and approval system, through the cooperation and efforts of IT department and other departments, the paperless system has successfully replaced various complicated processes across departments and slowly integrated into the daily work of our colleagues. Data have shown that in the past two years, the electronic system has processed more than 110,000 approval procedures. In other words, the system processes one approval procedure every two minutes each day. This has greatly improved the efficiency and transparency of the approving processes compared to the previous internal document circulation approach, when documents were circulated across divisions and headquarters on a daily basis.

## Hong Yip E-Learning Management System

In order to streamline administrative and operational procedures and continuously achieve carbon reduction, Hong Yip has developed a new "E-Learning Management System" with new functions and digital operations. Employees can flexibly apply for courses and check their training records, realizing a paperless working environment.

## Approval at Anytime and Anywhere

Digital forms and approval systems are available on different platforms. In addition to the general online application operation, staff can use the mobile application WeCom or tablet application i-Approve to process the approval. Users can also review any additional documents attached or approval history during the process to further enhance the efficiency of the whole approval procedure.



## E-Audit

Public awareness on environmental hygiene has been raised during the pandemic. To ensure the quality of cleaning services, our subsidiary Nixon has performed cleaning audits remotely through real-time communication software. Auditors can use video communication to instruct site supervisors to go to designated locations to review the quality and hygiene condition in real time. At the same time, documents can be shared through the communication software for audit purposes.

This largely reduces the need for auditors to go to different buildings, thereby reducing carbon emissions and combating the impact of climate change in the world.

## Statistics on Paper Savings

**Leave Application Form:** This is the mostly used form since its implementation in 2020, with more than 20,000 copies submitted. Since its launch, its convenient functions have been well received by all employees. The system can be tailored to suit the needs and structure of each department and subsidiary, allowing staff higher flexibility in processing and approving leave applications.

**Payment Application Form (Buildings):** Through Finance and Accounting Department's active promotion of the electronic payment system, building payments are now processed and settled in a cross-system and cross-platform manner. The system was designed to identify the appropriate reviewer to handle the approval procedure according to the conditions and actual situation of different buildings and districts. This helps simplify the complicated and nonuniform approval procedures/workflow, while simultaneously and automatically renew and update the approval authorization right arrangements needed due to personnel changes, such as transfers to other districts and staff promotions, greatly reducing the manpower required to handle the resultant administrative work. Over 1,500 applications have been settled since its launch in April, saving over 7,500 sheets of paper printing. Its application is expected to be extended to all the buildings managed by Hong Yip within this year, which will save an average of 380,000 sheets of printing per year. This helps the Company to contribute to environmental protection by reducing unnecessary resource consumption through the implementation of the paperless approval process.

## Enhancement in Communication for Work Efficiency through Technology

Hong Yip has incorporated intelligent management in the daily operations of our managed properties and applied to occupational safety and health areas.

Hong Yip uses mobile app to carry out safety inspections instead of traditional methods using paper. Inspection records generated are recorded electronically and transmitted immediately to the relevant personnel in-charge in the course of patrol or carrying out maintenance work for taking necessary actions.

All employees may use mobile app to receive important, instant messages and watch useful safety movies such as "Prevention of Typhoon Management", "Use of Anchorage in Working at Height", "Use of Chemicals for Swimming Pools", etc. and videos prepared by Labour Department and Occupational Safety and Health Council at anytime, anywhere. A simple quiz will be provided at the end of each movie to ensure viewers understand the contents of the videos.

To ensure building management tasks are completed in compliance with the Group's standards and policies, with reference to F&IU (Safety Management) Regulation and its code of practices, employees are required to conduct safety review to assess their safety performance, by filling out the e-checklist in the mobile app for collecting data efficiently and environmental-friendly reasons.

Case Study: Sun Hung Kai Centre

Hong Yip has always attached great importance to quality and service. Over the years, we have continued to improve the operational efficiency and energy performance of our managed properties through the introduction of various innovative and intelligent technology applications as well as environmentally-friendly, energy-saving and carbon-reducing management.

With the completion of Sun Hung Kai Centre in 1982, the Company has been insisting on the continuous improvement of the quality, environmental protection, occupational health and safety ISO management system. In addition to the introduction of different modern technologies to optimize the project, we have also implemented various types of energy-saving and emission reduction technologies and optimization of electrical and mechanical equipment innovation projects, enhancing the maintenance management and energy efficiency performance, to create an ideal and efficient working environment for tenants, as well as to create a comfortable and convenient lifestyle. Besides, Sun Hung Kai Centre is dedicated to implementing intelligent management, in collaboration with telecommunications company by promoting 5G and artificial intelligence-assisted video surveillance systems. These systems are deployed at key access points of the building to enhance the quality of the security services.

To further optimize property quality and management efficiency, Hong Yip and its subsidiary, Lik Kai Engineering Co. Ltd., created an efficient “Building Information Modeling - Facility Management Platform (BIM-FM)” which is an incorporating intelligent management system to collect and integrate various



information related to operational performance of daily management etc. This allows the management team to comprehensively analyze big data and timely adjust maintenance and energy management strategies for the building.

Sun Hung Kai Centre earned the highest level of excellence rating certification in both Energy use (EU) and Management(MAN) in the "Assessment Aspects of BEAM Plus Existing Buildings V2.0" launched by The Hong Kong Green Building Council (HKGBC). The building also received the Leadership in Energy and Environmental Design (LEED) Platinum certification under “v4.1 Operations and Maintenance: Existing Buildings” by the U.S. Green Building Council (USGBC), making it the longest-standing commercial building among Platinum awardees in Hong Kong, a demonstration of our parent company SHKP's spirit of "Building Homes with Heart".

Besides, Sun Hung Kai Centre was awarded four significant awards in the “Excellent Building Award 2023” organized by The Hong Kong Institution of Engineers, including the Grand Award under the Existing Building Category, the Retro-Commissioning Award, the Anti-epidemic (Covid-19) Achievement Award, and the Excellent Leadership Award, serving as a testament to the remarkable overall performance of the property management team.



■ Alkin Kwong (right), Chairman and Chief Executive of Hong Yip, receives LEED Platinum certification un “v4.1 Operations and Maintenance: Existing Buildings” for Sun Hung Kai Centre from USGBC North Asia Managing Director Andy To (left).

# Customer

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES  
AND COMMUNITIES



## Customer First

We are fully committed to our principle of “Serving Customers with Heart” and strive to provide excellent quality property management and caring services. Meeting our customers’ needs through the latest technology and innovative ideas is always our top priority.

### Create Ideal Homes for Customers

Hong Yip is committed to our principle of “Serving Customers with Heart” and well determined to deliver prime property management and caring services to exceed customers’ expectations. We try anticipate our customers’ needs, protect their rights, safeguard their health and safety, and we seek innovative technologies and ideas for continuous improvement.

### Excelling in Property Management

Hong Yip strives to provide high quality premium property management services. In addition, the Company endeavours to safeguard the health and safety of customers and secure all customer-related data and information, complying with related international standards in property and facility management.

In the course of pursuing digital innovation and continuous improvement, we actively seek opportunities to integrate digital solutions into the management programs and measures at our managed properties.

We draw on SHKP’s integrated shopping mall platform, SHKP Malls App and our corporate customer-loyalty program ‘The Point’ to provide exceptional shopping experience to our customers.

We are also introducing smart-living concepts through the use of mobile applications (SoProp and SoPropBiz) at many of our residential properties. Besides, a dedicated TOWNPLACE App is designed for our residents at one of the residential leasing properties TOWNPLACE to provide one-stop property management services. In particular, it allows tenants to operate the electronic door lock with smartphone authentication technology, get notifications when receiving mails by applying smart-sensor technology, as well as access to wireless charging. With just one click on the App, residents can control the home automation system, reserve facilities of Duo Social Space and access communal areas via QR code for greater convenience, which help create smart and sustainable living.

### Customer Satisfaction and Complaints Handling: ISO 10002

Our property management subsidiaries all have had ISO 10002-certified Complaints Handling Management Systems in place.

We are committed to undertaking formal reviews on each complaint we have received and provide timely response.

### Health and Safety: ISO 45001

The Group has adopted ISO 45001-certified Health and Safety Management Systems. We conduct regular audits and reviews to ensure the effectiveness of the systems.

### Information Security: ISO 27001

Hong Yip plays pioneering and leading roles in the application of information security in the property and facility management industry and we are the first property management company to obtain the ISO 27001 certification.

Professional training is provided regularly to employees who have to handle sensitive customer and company information.

### Service Quality: ISO 9001

The Group has long earned ISO 9001 certification for Quality Management Systems.

By identifying best service management practices through performing peer benchmarking, clear guidelines and regular training are provided to employees to enhance their customer-handling skills.

### Environmental Management System: ISO 14001

The Group always expends great efforts to implement environmental management system good practices, with regard to energy saving, noise reduction, sewage treatment, tree planting, etc.

### Energy management System: ISO 50001

The Group continuously devotes effort in “Retro-commissioning” (RCx) schemes and installation of smart devices to enhance energy efficiency and save costs for better environmental protection on an on-going basis.

### Smart Living

Working closely with our subsidiary, Lik On Security Ltd, we have developed customer-friendly technologies, such as SoProp and SoPropBiz mobile apps, Home Intake Easy and VisitorGo, etc. and integrated well into our property management operation, enhancing work efficiency and bringing convenience to our customers. In addition, we have provided Home Automation system for our serviced apartments.

In order to provide a safe and secure living environment, we introduced a number of touchless technologies in the Wetland Seasons Park with the automation functions of existing facilities. For example, residents can use the estate-specific mobile App to automatically open and close the entrance door or activate the lift. Residents can also enjoy the convenience brought by a series of smart technology designs, including using their smartphone to activate the traditional building intercom function to verify visitors' identities and also use the estate-specific App for online shopping and ordering takeaways. Visitors will find it a breeze to arrive at their destinations by using the navigation programme's real-time map.

### Innovative Property Management

We have adopted smart property management solutions to create sustainable smart living for tenants and residents. A number of innovative technologies, including smart sensors and smart home automation systems, have been introduced in our residential leasing brand "Townplace".

## Close Communication with Customers

To ensure seamless communication with our customers, we make use of different types of communication channels, including home visits, tea gatherings, SoProp and SoPropBiz feedback collection, QR codes, 24-hour customer hotline, and customer relationship system (CRM).

SoProp and SoPropBiz, mobile applications developed by Hong Yip, enable residents to pay management fees, reserve clubhouse facilities in advance, and get the latest information about the building, etc.. The visitor booking app "VisitorGo" is equipped with a "visitor registration function", allowing visitors to register in advance and confirm their identity with a unique QR code, for better logistic efficiency. Hong Yip has also developed a mobile phone navigation - "Wayfinding" function to help visitors to locate and reach the building they plan to visit.

SoProp is also equipped with Home Automation function, which enables residents to control their home installations such as lights, air conditioning and TV channels, creating ideal comfortable homes for them.

Mobile applications do not only facilitate our daily management, but also improve communication between the management team and customers during the current pandemic time. In addition to posting epidemic prevention poster in the lobby, Hong Yip management team also makes good use of SoProp and SoPropBiz to keep customers posted of the latest information, so that they can keep abreast of the pandemic situation.

Digital technologies are also adopted to improve the overall property handover process and experience. We have developed the mobile application 'Intake Easy' to facilitate homebuyers during the handover process. With this application, homebuyers can conveniently sign off documents, report any defects identified during the handover, and keep track of all repairs and maintenance work during the warranty period.

## Enhance Quality of Living

Hong Yip has always been firmly upholding the corporate mission of "Delivering the Most Ideal and Advanced Management Services Catering for Customer's Lifestyles and Needs". We are committed to meeting the expectations of our customers by keeping abreast of the latest technological advancements, striving for excellence, and continuously improving intelligent management to demonstrate our ultimate pursuit of high quality services. By introducing the Internet of Things (IoT) to support property management, we have developed our own system, Nitrol (smart mobile patrol system), greatly enhancing our work efficiency and management quality.

We have always been providing value-added and caring services to our customers, including cleaning, security, club management, operational & financial management and housekeeping services. Besides, we also provide professional and diversified services in different aspects, such as building maintenance, environmental protection & energy saving, greening & landscaping, and catering services, etc. to create ideal homes for customers.

Hong Yip collaborated with Visa, the world's leader in digital payments to empower over 100,000 residents at more than 100 residential complexes with the option to pay for their property management fees with Visa.

Property management going smart is the latest trend in the industry nowadays. Our subsidiary, Superpower Pumping Engineering Company Limited, has developed a system called "Intelligent Flooding Alarm", now widely applied in our managed properties. When a water pipe bursts and floods, the flood alarm will be triggered and the water source will be cut off automatically. An alert message will be sent to the management team via cloud for immediate handling, avoiding any further potential losses.

## New Shopping Experience

Since 2017, Tsuen Wan Plaza has introduced the Internet of Things (IoT) which enables the management team to conduct environmental monitoring and intelligent control of building facilities. Lighting in the mall can be adjusted remotely according to the sunlight; temperature and humidity can also be monitored to regulate indoor temperature by controlling the air-conditioning operation, so as to provide a comfortable environment for customers.

## Ensure Customers Health and Safety

Maintaining a safe and healthy environment in our properties and operations has always been our top priority. Besides complying with the minimum legal requirements, we have obtained ISO 45001 Occupational Health and Safety Management Systems certifications (previously named OHSAS 18001) for our health and safety management systems since 2001.

## Occupational Health and Safety Management Systems

To enable us offer timely resuscitation in case of emergencies, in particular heart attacks, all of our major shopping malls, offices and residential properties are equipped with automated external defibrillators (AED). Regular customer safety and first-aid training are provided to our frontline staff to enable them to deal with emergency situations. We have also stepped up our efforts in maintaining indoor air quality to prevent the spread of virus during the outbreak of coronavirus.

We strive to maintain optimal indoor air quality to create a healthy indoor environment for all our property users. As such, we have adopted the latest indoor air quality technologies and introduced a variety of measures, including conducting regular inspections of air-handling units and replacing filters as necessary, to improve indoor air ventilation. In view of the coronavirus outbreak, we have enhanced the frequency of cleansing and disinfection of the ventilation systems to ensure good air circulation and hygiene indoor.

We conduct annual fire system inspections, fire drills and safety talks at our buildings. IoT technology contributes to our smart fire safety management, including magnetic door sensors and our internal Intellinet 4.0 system. High-risk areas are monitored and tenants receive emergency notifications via our SoProp and SoPropBiz apps. An AI visual analysis system at Hong Yip's properties monitors high-risk areas and sends alerts to our control room.

## Star of Service Excellence Election

Hong Yip's culture of service excellence depends on the dedication of our frontline colleagues in providing quality service to our clients. The Company's Star of Service Election is held every two to three years, which invites our clients to participate in the voting and election of outstanding employees. Through the participation of clients, not only can it help enhance the Company's image, but also consolidate our corporate value of cherishing quality service in the heart of our clients. By implementing the Election, the performance of outstanding employees are well recognized. They will then become more enterprising and more motivated in rendering exceptional service to our clients with "excellence" and "all-out" attitude. Besides, they will continue to be the important agent bridging between the Company and our clients. At the same time, they will become the role model for their peers to follow and the Company's overall service level can continue to upgrade as a result.

## WOW Service Appreciation Scheme

With our motto of "Serving Customers with Heart", Hong Yip strives to promote the excellent service culture. Since 2015, we have been holding the "WOW Service Appreciation Scheme", recognizing the essence of quality service through the heartfelt cases of our staff and to commend their excellent service performance.

### Case 1: "Fireflies in the Dark"

In June 2022, the cable fault at CLP plunged residents in New Territories West into power outage. Team members of our Management Office worked together to go to nearby shops after work to collect necessities and rushed back to the housing estate to support residents overnight. For examples, a support station was set up by our colleagues from the management office at the entrance of the lobby that night to provide bottled water, drinks, field rations, etc. to our tenants; manpower was arranged to provide traffic control in major thoroughfares; clubhouse was opened to all tenants, allowing the elderly, the disabled or even families to choose to spend the night there. These good deeds not only made our tenants more confident about our company's brand but also created positive discussions in forums and extensive media coverage.

### Case 2: "Drowning in Sight"

A 70-year old lady was found drowned in the clubhouse pool and lost consciousness. Our clubhouse colleagues immediately called an ambulance. The subject had taken food before swimming. She vomited and her face was darkened at that time, which indicated she was in a very critical condition. The two lifeguards on duty were not afraid of filth, and in the spirit of saving people first, they instantly and decisively performed artificial respiration and cardiopulmonary resuscitation for her. The team coordinated with each other on the spot, and the rescue process was in a race against time. Finally the drowned restored consciousness before the ambulance arrived at the scene, and was immediately sent to hospital for examination.

## Respond to Our Customers' Needs

We actively pay attention and respond to our customers' needs through a wide range of communication channels to drive continuous improvement in our products and services. Findings of the latest customer engagement surveys reveal that our customer service teams have received high customer satisfaction ratings consistently throughout the years.

According to 2020/21 Customer Engagement Surveys, Hong Yip has well established customer-service protocols and operational procedures which form part of its commitment to delivering premium services to customers.

## Secure Customers' Data Privacy

Both data privacy and cybersecurity issues are the growing concerns of all consumers. As the first property management company accredited with the ISO 27001 certification, Hong Yip plays a pioneering and leading role in safeguarding information security in its service delivery, serving as a role model in the local property and facility management industry. Extensive regular professional training is provided to employees who need to handle sensitive customer and company information. Our IT Department is responsible for ensuring secure handling of personal information. Relevant policies and procedures have been established and updated as necessary according to the Personal Data (Privacy) Ordinance and other relevant laws and regulations. The Customer Data (Privacy) Policy provides details to our customers about how their personal information is collected, handled and used in order to safeguard confidentiality. We regularly invite external professionals to provide updates on the latest data privacy regulations and data security issues related to operations to enhance employees' understanding and awareness on data protection.

To enhance awareness of cybersecurity among frontline staff, we introduce cybersecurity measures and carry out internal training to equip them with the required knowledge and skills in handling customer and company information. Every staff member is required to follow the latest prescribed procedures when handling customer data to prevent any possible information leakage. Hong Yip also keeps all employees updated on fraudulent emails, text messages and the use of phone and USB flash units through issuing cybersecurity alerts and tips on our intranet. Obligations for each business unit during each data collection process are also highlighted in the guidelines. In addition, webpage that collects customer data is required to include the Customer Data (Privacy) Policy statement as stipulated in the corporate guidelines to comply with relevant laws and regulations.

# Employee



## Employee Caring

Hong Yip adheres to the philosophy of “Serving Customers with Heart”, and is committed to providing premium property management and caring services to our customers. We keep pace with the times through the application of innovative technologies and initiatives to meet the needs of our customers in all aspects.

## Talent Strategy and Management

We have always regarded our employees the greatest asset of our Company. The Group firmly believes that it is important to promote “individual value” to each employee, develop “creative management” and ensure “quality service” to customers, so that the Group’s business can continue to prosper.

Aligning with the Group’s development direction, there are two main strategic priorities:

1. Improve talent capability and quality: recruit outstanding talents through diversified channels; regularly review the performance and contribution-based compensation system to retain talents; encourage their continuous learning and contribution of innovative ideas in order to improve the Group’s talent quality.
2. Promote innovation: Through our “Breakthrough and Innovative Corporate Culture” as the fundamentals, we keep pace with the trend of digital transformation and utilize creative management to improve overall service quality, work safety level and employee competency and performance.

We value and support fair employment practices and ensure compliance with relevant local labor laws and regulations including the Employment Ordinance and the Minimum Wage Ordinance. Our Human Resources & Administration Department/Safety & Health Committee are responsible for formulating, monitoring and reviewing human resources policies, as well as existing and new trends related to health and safety. Through regular review, our potential risks of daily operations are minimized. In addition, we have implemented the Diversity and Inclusion Policy, Equal Opportunity Policy and Occupational Health and Safety Policy, which are regularly reviewed based on business strategies and feedback from employees. Through these policies, we are committed to creating a safe, equal and friendly working environment for all employees.

## Talent Acquisition

Acquiring the needed talents from all sources in the market is the key to business development.

The Group has an ongoing requirement for recruiting talents, including outstanding talents with innovative ideas and progressive mindsets in order to maintain business competitiveness, and build up reserves for meeting future corporate development. There are three main areas in our talent acquisition:

### I. Management Trainee Program

The 24-month Management Trainee Program aims to nurture future leaders and build a talent pool for the long-term development of the Company. The program equips motivated young people with cross-departmental training to prepare them for their ideal careers in different business areas. In July 2022, we had 3 management trainees participated in the program. The planned orientation includes a series of training programs and attachments to the Company's different nature of properties to deepen their understanding about our business operations.



## II. Human Resources Strategies and Management

### a. Talent Acquisition & Retention

We have established a wide-range of employment practices, including family-friendly policies, competitive remuneration packages, etc to create a satisfactory and attractive working environment for our employees.

Full-time employees in Hong Kong are entitled to various staff benefits, including maternity leave, paternity leave, medical and dental insurance, education allowance and performance-based year-end bonus, childbirth medical assistance and employee assistance services. Eligible employees are also entitled to children's education funding, which enables their children receive company scholarships for overseas exchange programs and attending local universities. At the same time, we have developed family-friendly measures for employees who need to take care of their families, including flexible working hours. Employees can also apply for special leaves such as marriage leave, compassionate leave and other temporary leaves.

Our group will keep abreast of the labor market trend to review and adjust the compensation and benefits to reward our employees for their performance and contribution.

#### b. Employer Brand Building

Strengthening our publicity strategy to promote an outstanding employer brand, Hong Yip actively works hand-in-hand with different tertiary educational institutions, non-profit organizations, training institutes and Vocational Training Council to source and recruit talents through various internship/workplace attachment programs, such as the “Internship First, then Employment”, Industry Partner Scheme with Hong Kong Baptist University, Work-Integrated Education (WIE) agreement signed with The College of Professional & Continuing Education (CPCE) of PolyU, Child Development Initiative Alliance, Employees Retraining Board and The Hong Kong Management Association, etc. All the above-mentioned contribute significantly towards increasing the employment opportunities of graduates. In addition, we have been participating in career talks/forums of local colleges and universities every year to introduce career development opportunities in the property management industry to graduates.



### III. Talent Cohesion and Management

We aim to actively create and maintain a working environment where employees can grow their potentials and their talents can be fully developed and utilized. Our goal is to cultivate a sustainable corporate culture, supporting employees to create shared value for different stakeholders, and preparing the staff team for meeting future challenges and opportunities. To strengthen talent cohesion and acquisition, the Group emphasizes the following three regimes:

#### a. Enhancing the Promotion System

Hong Yip has established a comprehensive system of promotion boards that aims to ensure promotion of appropriate talents through well-established and fair criteria and processes that can tie in with employees’ career planning and development. The purpose is to ensure the provision of a steady supply of high performers and to retain talents to cope with the Group’s continuous business development. In order to assess employee’s ability, competency, experience and qualification, we have set up three different Internal Promotion Boards (according to staff rank). Board meetings are held in January and July every year to review the promotion applications and interview nominated employees systematically. Only when board members unanimously accept that the nominee has satisfied all the promotion criteria will the proposal be approved.

#### b. Encouraging Innovation — Hong Yip Innovative Suggestion Scheme

To encourage employees to use their creativity and apply innovative ideas to help enhance the overall service quality, work safety standard and performance, Hong Yip launched the “Hong Yip Innovative Suggestion Scheme” since 2013. This scheme aims to provide a platform for employees from Departments, Subsidiary Companies, Property Management Districts, individuals or groups, to think creatively and share constructive ideas. Through this incentive scheme, those who are able to provide valuable recommendations will be duly recognized and awarded. Under “Hong Yip Innovative Suggestion Scheme 2022” - Service Quality Enhancement Advice Category, the champion award was won by “VR Life Can't Stop!”. At the same time, this initiative was also the winner of SHKP Group's Quality Enhancement Advice Scheme (QRSS) 2022, showing that our innovative idea was highly regarded by the Group.

#### Case Study: “VR Life Can't Stop!” – Champion of “Hong Yip Innovative Suggestion Scheme 2022” - Service Quality Enhancement Suggestion Scheme

In Hong Kong where technology is navigating, SHKP’s customers continuously demand for a better quality of life. To exceed their expectations, the application of VR is one of the mainstream. In that light, the company has developed “VR Life Can't Stop!” using Matterport shooting hardware, which is a platform designed for customers to enjoy and experience life as well as to play with unlimited creative space. Services provided include: online or audio navigation, synchronous navigation, online location promotion and shopping cart, interactive game experience design, property viewing, property repossession and decoration services.

The number of customers using “VR Life Can't Stop!” has reached 153, distributed in 52 countries including Hong Kong, France, the United States, Spain and the United Kingdom with shopping malls, restaurants, public service agencies, etc. being the major client bases worldwide.



## Nurturing Talents; Unleashing Full Potential

We offer employees a great variety of learning provisions, including systematic training programs, on-the-job “Mentoring”, on-site practice and coaching after class, on-site observation and learning, cross-working units transfer, various e-learning platforms, etc., and these are supplemented by different auxiliary tools/materials. To make the full use of various learning methods, Hong Yip provides employees with tailor-made training programs to uplift their professional knowledge, skills, experience and ultimately work performance. We cultivate potential talents not only to meet our current operational needs but also to cope with the Group's future development.

### Setting Up “Hong Yip People Development Academy”

In 2007, Hong Yip established the “Hong Yip People Development Academy” (HYPDA), with “Initiative, Proactive, Learning, and Experience” as the core values. Its set up not only enhances our staff's professionalism, but also provides them job skills and industry knowledge that help their career development and achieve more advanced qualifications.

The Board of Directors of HYPDA, chaired by our Chairman and Chief Executive Officer, is responsible for planning and charting the overall talent development direction, formulating policy, and scrutinizing & approving action plans, so as to ensure that a desirable pool of quality talents is maintained, able to meet the current operational needs as well as the Group's future development.

HYPDA has a “Program and Quality Advisory Committee” under it, which is composed of senior professionals from the industry and academia to ensure that the quality and content of the training programs meet the needs of the industry and society. During the reporting year, HYPDA has organized more than 800 courses, lectures, online seminars and video training sessions totaling over 100,000 224,000 training hours. We also subsidize employees to take external work-related training programs, ranging from seminars to master's degree pursuits.

The “Sustainability/ESG Training Centre” of the academy provides various ESG-related training activities for employees to enhance their awareness and understanding, and to encourage the incorporation of ESG elements into their daily work processes and operations so as to help drive the company's ESG strategy and realize ESG objectives in different areas.

### Diversified Training and Learning Experience

In 2014, Hong Yip launched a self-developed mobile app “WeCom”, which has become one of the main communication platforms between the Group and employees. More than 500 training videos have been uploaded onto WeCom, which are categorized into 35 “themes”. The contents and elements of the videos cover: ESG, business ethics, anti-corruption, equal opportunities, laws and regulations, emergency handling, occupational safety and health, environmental protection, mental health, etc. On one hand, employees can click in easily to watch all videos anytime anywhere to help enhance their work efficiency. On the other hand, invaluable property management experience, knowledge and skills are also being shared through this effective app platform.

To cope with the development of Innovative Technology as part of the corporate strategy, Hong Yip organizes a wide range of technology development and application training programs. In the property management industry, Hong Yip is the first company to introduce new training technologies, such as Virtual Reality (VR) and Augmented Reality (AR). They have been applied in various internal courses including Traffic Accident Handling, Injured Handling, Emergency Flooding, Arboriculture Safety, Work at Height, Fire Handling, etc., to provide close-to-real experience in the virtual world. Furthermore, we have introduced web-based training utilizing gamification apps, which could be run on computers and mobile phones, to increase learning interest as well as enhance training effectiveness.



Enhancement of Professionalism through Promoting Qualification Framework

HYPDA has been an active promoter of the “Qualifications Framework”, realizing its value to our employees as well as to our Group for nurturing and retaining our talents. In 2010, Hong Yip became the first property management company qualified to run QF-recognized Level 1-4 training programs in the industry. In the same year, we succeeded as the first in private sector authorized to offer in-house QF Specifications of Competency Standards (SCS) based courses for our staff. Within a short span of 13 years, the academy has successfully organized 23 QF-recognized courses and issued over 6,200 QF certificates, accounting for the majority of QF-recognized programs offered by the property management industry.



Furthermore, Hong Yip was the first company in the market (beginning as early as 2014) that signed MOU on Credit Accumulation and Transfer Agreements with various universities and educational institutions, which establishes the recognition of qualifications and facilitates the learning progression from our in-house programs to programs offered by other universities/institutes without having to replicate those overlapping parts. Hong Yip successfully developed and launched the Advanced Diploma in Integrated Property Services Management (QF Level 4) in year 2022. It has been approved by Property Management Services Authority (PMSA) as the specified qualification for Property Management Practitioners’ Tier 2 License. Hong Yip is the first and the only course provider in the property management industry at this QF level. Besides, the academy is organizing the Certificate Course in Property Management for Provisional Property Management Practitioner (Tier 1) jointly with the Li Ka Shing School of Professional and Continuing Education of the Hong Kong Metropolitan University to pave the way for the development of our future property managers.

## Comprehensive Training of ESG Strategy

With our well defined target in implementing the Group's ESG strategy in mind, we started to organize and arrange relevant training activities for our employees on a regular basis in recent years, including "Introduction to ESG Seminar", "Business Ethics Training Series", "Occupational Safety and Health Training Series", "Environmental Protection Training Series", etc. Especially in the "Business Ethics Training Series", we covered topics and elements of business ethics, anti-corruption, fair competition, and these are arranged as mandatory training for all new employees to ensure that they are well aware of the Group's requirements on these important topics.

In the annual "Brainstorm Meeting" held in January 2023, we invited Ms. Lee Wai Pu, Co-organizer and CEO of GoImpact and Mr. Alfred Sit, ex-Secretary for Innovation and Technology, to share how to successfully promote ESG and innovation for employees. Staff was arranged to discuss relevant issues and submit group reports after the meeting. The management also selected outstanding group submission for sharing at the Annual Strategic Planning Meeting as well. To further enhance employees' understanding about the development of ESG aspects, the Company regularly invites external organizations (e.g. HKPC) to brief staff on the latest trends of "Environmental, Social and Governance (ESG)/Sustainable Development", and collaborates with external professional bodies (e.g. Hong Kong Career Development Service, Hong Kong Management Association, etc.) to organize certificate courses of related topics on "Environmental, Social and Governance (ESG)/Sustainability". With the aids of these educational events, they will become more effective in the implementation of ESG at work.

In addition, we have proactively established systematic training and all-round sharing sessions for our talents, including Mentorship program, District Instructors Scheme, VIP Serving Skills program, gamification-based training and brainstorming session. All schemes and programs are tailor-made to meet specific training needs of employees and teams so as to unleash their potential for improving work effectiveness and efficiency.

## Succession Planning and Talent Development Program

For years, we are proud to be an employer of choice, helping us to attract and retain top talents. Besides establishing the “Succession Planning” mechanism for Senior Management which helps to identify successors of senior leaders, we have also developed a Talent Development program to cultivate potential employees and strengthen the talent pool to support sustainability and the continuously growth of business. In order to achieve the Group’s goals and meet with the needs of top talents, we continuously design tailor-made training for these high-flyers, including applying A.I. Competency Assessment Tool, establishing “Meeting with Management sessions”, tailored-made training program for directors and delivering training programs such as Elite Leadership Development program, DISC Communication Skills Training, Team Building Workshops, e-Learning programs, Management Skills program and Project Management, etc. All are designed to provide potential talents opportunities to uplift their professionalism, drive their sense of engagement and help plot a clearer way for advancing their career prospects.



## Mentorship Program

Mentoring Program is one of the well-developed training models in driving Hong Yip’s operations. Experienced employees with outstanding performance track records serve in the role of on-site mentors. They are responsible for observing their mentees’ performance and identifying areas for improvement in daily work, and to provide guidance, demonstration and on-the-job instructions helping new employees to adapt to the work environment quickly to meet the Group’s standards. In addition, to strengthen the effectiveness of the “Mentorship program” and to motivate employees’ mindset with “Customer First”, we have gone one step further and launched the “Senior Mentorship program” to develop our existing mentors, aiming at improving our overall customer service quality to the highest order.

## Cultivating Talents with External Recognitions

HYPDA has a comprehensive training spectrum and system and actively participates in the development of talents within the group and has won numerous external awards over the years for our outstanding achievements:

### I. Best Training Award for Security Services

This award scheme is co-organized by the Hong Kong Police Force and the Vocational Training Council Security Services Industry Training Committee. Hong Yip has participated in the competition for 13 consecutive years and won the Gold Award (in the category of more than 500 participants) to date. At present, Hong Yip is the only company that has won the Gold Award for 13 consecutive years.



### II. Excellent Industry Practitioners Election

Organized by the “Hong Kong Institute of Certified Property Managers” in co-operation with a number of tertiary institutions, professional committees and other institutions, the purpose of this Election is to encourage and recognize the outstanding performance and extraordinary achievements of property management practitioners at all levels, and to enhance the image of the industry. We have participated in this election for 10 consecutive years, and a total of 70 Hong Yip employees have won awards in four categories (manager level, middle management, frontline staff and Caring the Elderly and the Concierge Service Award), and have been highly acclaimed and recognized by various professional bodies, which is a testament to their commitment in providing professional and high-quality customer service.



### III. Recognitions on HR Performance

In 2022, we won the "2022 Asia's Best Employer Award" at the HR Asia Awards, which is a testament to our commitment to nurturing talent and building an ideal workplace for our employees. We also won the Best Training and Development Practice Award, Learning and Development of the Year Award and Excellence in the Use of Technology Award at the Hong Kong HR Awards organized by Recruit and CTgoodJobs respectively. These awards highlight our outstanding performance in nurturing talents and our innovative training and development strategies.

### Qualifications Framework - Award Scheme for Learning Experiences

Hong Yip firmly believes in the value of nurturing future talent and promoting continuous learning. Apart from providing in-house Hong Kong Qualifications Framework accredited courses, Hong Yip has encouraged employees to participate in the Award Scheme for Learning Experiences every year since 2013. In the areas of Property Management, Security Services, Human Resource Management, Arboriculture & Horticulture and Electrical & Mechanical Services, Hong Yip has been awarded 41 awards in total. Particularly in Property Management and Security Services, 20 winners are from Hong Yip, qualifying us as the pioneer in the industry.

Hong Yip was awarded the "QF in Action Achiever 2022" and "QF Gold Level Employer" at the "QF Partner Recognition Ceremony 2023" celebrating the 15th Anniversary of the QF, in recognition of the Company's active support and participation in the QF over the years and its contribution to human resource development.



# Employee Communication

Well aware of the importance of mutual communication with our employees, Hong Yip has established different channels facilitating two-way communication to strengthen the relationship with all our employees.

## I. Internal Sharing Sessions

We regularly hold brainstorm sessions with our Chairman & Chief Executive, Directors, Department/Subsidiary Heads, Regional Managers and other managerial staff to encourage employees to think out of the box, to gather opinions for enhancing our products and services and eventually to develop creative solutions and new measures for the group as a whole. Different project teams are formed to formulate long-term corporate strategies. This does not only provide great opportunities for promoting communication among employees, but also enhances staff cohesion and contributes towards the future development of our Group.

We attach great importance to talent development, and are committed to organizing various training and networking activities to nurture and retain talents. One of those is our “study tours” arranged for our colleagues to visit other managed properties. By doing so, they will be able to learn from the successful experiences of others and meet with the management to exchange views on the development direction of the company from different perspectives, which enable participants to understand others’ needs and promote good communication.



## II. Employee Engagement

WeCom mobile app is one of our self-developed online platforms for employees working in Hong Yip. The main role of WeCom is to enable all staff to receive and access all company's information at anytime and anywhere, which traditional way of communication can hardly achieve. WeCom mobile app also includes Chairman's message, internal training, company event highlights and employees' feedback, etc., allowing employees openly and thoroughly communicate within the Group. Meanwhile, WeCom serves as an important platform to build connection between management and employees so that all of us can share mutual corporate values and missions to achieve the Group's goal.

### Employee Activities

"Hong Yip Staff Recreation Committee" comprises representatives from different departments, subsidiaries and regions, ranging from department heads, general managers to front-line staff, to promote communication among colleagues of different ranks and types through organizing various recreational, sports and travel activities.

Employees are always an important asset of the company. Outside of work, the Company pays much attention to both their physical and mental health. We encourage and support colleagues to participate in various sports activities and Sports-Friendly Program by regularly arranging large and small, group or individual sports or recreational activities to show our care to them.

### Case Study: Joint Event with the Disabled

In February this year, as in the past 12 years, our employees were arranged to participate in the Hong Kong-wide "Joy of Inclusion Bowling Competition" hosted by the Hong Kong Sports Federation for the Blind and co-organized by Rotary International 3450.

Despite the impact of epidemic, this year, a record-breaking 58 teams with a total of 232 people participated in this disability and health inclusive competition. A visually impaired player from the Hong Kong Blind Sports Association was assigned by the organizer to each team. The main purpose of this competition was to spread the message of inclusiveness and equal participation of the disabled and able-bodied in the society and promote the integration of the visually impaired into the society. Through the mutual encouragement and learning of everyone during the competition, good morale and friendship were cultivated with each other and the activities had a more pleasant atmosphere. Our team was the second runner-up of this contest.



Employee networking and environmental activities

In spite of the effect of the epidemic and the Government's epidemic prevention policies in the past year, we make use of every available opportunity to organize various activities for colleagues to do networking and communication after work, so as to help them enhance their future cooperation with others at work and sense of belonging to the company. From the middle of last year to May this year, nearly 20 employee activities were held, including environmental protection, networking, sports, lunchtime handicrafts, etc. These activities included:

Environmental Education Activities:	<ul style="list-style-type: none"><li>• Hiking – Tai Fu Tai Mansion / Ho Pui Reservoir / Shek Lei Pui Reservoir / Golden Hill / Red Incense Burner Summit / Tseung Kwan O Cross Bay Bridge</li><li>• Cycling - Tai Wai / Science Park / Tai Po</li></ul>
Sports Activities:	<ul style="list-style-type: none"><li>• Basketball: Sports for Good – YMCA Charity Three-Man Basketball Tournament</li><li>• Bowling: Hong Yip Holdings Bowling Competition</li><li>• Hiking: Green Power Island Walking Charity Hiking Race</li></ul>
Relaxing handicraft activities for lunch:	<ul style="list-style-type: none"><li>• Homemade crystal decorations/ Homemade dried flower crystal coasters/Solar mosaic night lights</li></ul>
Networking Activities:	<ul style="list-style-type: none"><li>• Peak Tram/Exhibition City Pavilion /Cattle Depot Art Park /Hong Kong Palace Museum /Wetland Park / Tsim Bei Tsui /Lau Fo Shan</li></ul>



Employee Care

To strengthen colleagues’ awareness of personal and environmental hygiene, the Group has implemented a series of preventive and disinfection measures in the workplace, including:

- checking body temperature at the reception area every day before going to work;
- placing hand sanitizers at public areas of the office for colleagues to use;
- adopting new technologies to sterilize the workplace to improve office hygiene, such as adding antibacterial disinfectant coatings to the office and vehicles’ veneers to kill bacteria and viruses on the objects’ surface;
- distributing rapid antigen test kits and face masks to employees regularly;
- conducting office disinfection on a timely basis;
- carrying out “Work-From-Home”.

In addition, to protect the health of its employees working in hot weather conditions, our subsidiary, Nixon Cleaning Co. Ltd. (Nixon), provides portable fans to staff deployed outdoors. This helps to relieve the heat experienced in hot weather and prevent heat stroke to workers.



## Safe, Fast, Good, Cost Effective (安全、快、好、省)

### Standard and Objectives

To foster an occupational safety and health culture, Hong Yip is dedicated to provide our employees a safe and healthy work environment. To achieve this, we have established a Corporate Safety and Health Committee chaired by an Executive Director with members comprising of all Department Heads, regional managers and frontline representatives to review company safety and health policies and procedures, as well as risk management mechanism, etc., and hold regular meetings and seminars/activities related to health and safety. Hong Yip was certified by International Standard Organization for meeting OHSAS 18001 requirements in 2000, which was successfully converted to ISO 45001 by external certification body in 2019. In order to continuously improve and raise the standard of safety and healthy working environment, Hong Yip has formulated long-term strategies on health and safety and pledged to give its employees and contractors a safe and healthy work environment within the ambit of law. In tendering stage, all contractors are required not only to submit their quality and financial status, but also their past safety conviction records and resultant penalties, if any. They are all required to commit to following all legal requirements, our safety policies and guidelines during their operations.

### Teamwork and Professional Quality

To ensure maintenance of the good performance of occupational safety and health in the managed properties, our staff are equipped with relevant and up-to-date knowledge. All technical staff must have completed the mandatory safety training (possessing the so-called “Green Card”), while all engineers responsible for property maintenance & repair must possess the safety supervisor qualification. For other frontline staffs of other trades, such as landscaping, cleaning and catering, completion of safety training in specified trades is required. For enhancement of fire safety in our managed properties, building in-charge are appointed as “Fire Safety Ambassadors”. They are recognized by Fire Services Department, responsible for conducting regular fire safety inspections and other fire safety operations.

In addition, management staff stationed at our managed properties are also appointed as “Building Fire Safety Envoy” for further reinforcing fire safety management. Currently, most of our managed properties have at least one qualified “Building Fire Safety Envoy”.

We believe employee possessing a variety of knowledge in occupation safety and health will be beneficial for identifying possible risks in building operations. All area managers are chairmen of their “Job Hazards Analysis Teams”, working closely with facility management officers, safety supervisors, frontline representatives and person in-charge of contractors in different trades to carry out tailor-made risk assessments and recommending control measures for minimizing all possible risks.

## Continuous Improvement of Occupational Safety and Health

To enhance occupational safety and health, the Company has fully implemented the "Safety and Health Management System" formulated by the Labour Department since 2016. Annual safety audits are conducted every year to review the level of safe and healthy working environment in the buildings. For high-risk off-site work, the Company actively encourages our staff to make use of various kinds of safety enhancement equipment, such as the "Off-site Work Safety Trio", the "Rolling Fall Arrestor" and the "Safety Alarm" designed by our staff. In addition, in order to prevent frontline staff from suffering from heat stroke while working outdoors, the Company has provided cooling undershirts, ice-cold towels, sun sleeves and portable fans to protect the safety and health of staff at work. The Company's implementation of the above efforts and measures has helped minimize injuries to employees.

In order to raise the awareness of occupational safety and health and environmental protection among our staff, Hong Yip organized the "WhatsApp Sticker Design Competition" this year, so that our staff can make use of these beautifully-designed and interesting WhatsApp Stickers to further promote Hong Yip's occupational safety and health and environmental protection culture to colleagues, contractors and other stakeholders.

## Good Performance Recognized Openly

Hong Yip has actively participated in competitions organized by well respected organizations and won prizes in various categories. In the "21st Hong Kong Occupational Safety & Health Award" competition, Mount One, Valais and Downtown 38 won the Excellence Award and Outstanding Award respectively in the "Safety Performance Award". In the "10th Best Property Safety Management Award" competition, Imperial Cullinan won the Best Property Management Award in Occupational Safety and Health – Bronze Award, while Mount One won the Merit Award. In the "18th Occupational Health Award" competition, De Novo won the Outstanding Award, while Wetland Seasons Park, Downtown 38, Park Central (both Residential and Shopping Arcade), eResidence and Tak Tin Estate won the Merit Award. In addition, Valais was awarded the Excellence Award and Tsuen Wan Plaza (Shopping Arcade) was awarded the Outstanding Award. Eight of our buildings including Grandeur Shopping Arcade and Sham Wan Towers won the Merit Award. In the "The 15th Outstanding OSH Employees Award" competition, our staff including the assistant technical manager of Harbour North, the estate manager of Yee Nga Court and the project foreman of Victoria Harbour were awarded the Merit Award.

Our subsidiary, Nixon received the Gold Award in the category of Best Property Contractor Occupational Safety and Health under the 10th Best Property Safety Management Award organized by the Occupational Safety and Health Council. Lik Kai Engineering Company Limited also won the three Outstanding Awards in the category of Safety Performance Award (Construction Industry) and Rookie Safety Performance Award (Construction Industry) respectively in the 21st Hong Kong Occupational Safety & Health Award.

All these awards and honors demonstrate the acclaim from different industries and organization towards Hong Yip's enviable achievements, all of which were made possible through the good efforts that all Hong Yip staffs have contributed in occupational safety and health throughout these years.



## **Appendix**

**I – Award and Appreciation**

**II – Performance Overview**

**III – Stakeholder Communication**

## Appendix I: Award and Appreciation

Organizer	Awards	Awarded Unit
The Hong Kong Institute of Directors (HKIoD)	Directors Of The Year Awards 2022 (Non-listed Companies – Boards)	Hong Yip Service Co Ltd
Institute of ESG and Benchmark (IESGB)	Special ESG Achievement Awards	Hong Yip & Lik Kai: Outstanding ESG Award
Hong Kong ESG Reporting Awards (HERA)	Hong Kong ESG Reporting Awards 2022	Hong Yip: Best Sustainability Report for Non-listed Company
Hong Kong Quality Assurance Agency (HKQAA)	Recognition Awards for Organizations 2023 - Leadership Award for Net-Zero Contribution - Management Award for Net-Zero Contribution - Pioneering Organization in Net-Zero Contribution	Hong Yip Service Co Ltd
CLP Power Hong Kong Limited (CLP)	Smart Energy Award 2022	Hong Yip Service Co Ltd: Sustainable Vision Award Top Saving – Gold Smart Partner Award Joint Energy Saving Award
Community Investment and Inclusion Fund (CIIF)	Social Capital Builder Awards	Hong Yip Service Co Ltd
Bank of China (Hong Kong) and Federation of Hong Kong Industries	Corporate Low-Carbon Environmental Leadership Awards 2022	Wonderland Villas: Gold Award Royal Peninsula, Tsuen Wan Plaza (S.A.): Bronze Award
SocietyNext Foundation	ESG Care Label	Hong Yip Service Co Ltd

Organizer	Awards	Awarded Unit
Hong Kong Q-Mark Council	- The Hong Kong Q-Mark Service Scheme - The Hong Kong Green Mark Certification Scheme - Q-Mark Elite Brand Award	Hong Yip Service Co Ltd
Hong Kong Institute of Facility Management	Excellence of Facility Management Award	Hong Yip Service Co Ltd
The Hong Kong Association of Property Management Companies, The Hong Kong Institute of Surveyors (Property & Facility Management Division)	Quality Property & Facility Management Award 2022	Hong Yip Service Co Ltd
Leisure and Cultural Services Department	The Best Landscape Award for Private Property Development 2022	Hong Yip Service Co Ltd
Green Council	Sustainable Procurement Charter	Hong Yip Service Co Ltd
Headline Daily	Headline No.1 Award	Hong Yip Service Co Ltd
Sing Tao Daily	Sing Tao Service Awards	Hong Yip Service Co Ltd
JobMarket	2022 Employer of Choice Award - Employer of Choice Award - Corporate Sustainability Award - ESG HR Strategy Excellence - Greater Bay Area Outstanding Employer Award	Hong Yip Service Co Ltd
HK01	HK01 Gold Medal Awards - Outstanding Enterprise Award – Excellent Property Management	Hong Yip Service Co Ltd

## Appendix I: Award and Appreciation (cont'd)

Organizer	Awards	Awarded Unit
Hong Kong WEEE Recycling Association & Greater-China Association Of Branding Industry	100% HK Branding Award	Hong Yip: Outstanding CSR in Environmental Conservation
Oriental Daily News	Elite Brand Awards 2022	Hong Yip Service Co Ltd
The Hong Kong Jockey Club	Jockey Club Age-friendly City Partnership Scheme 2022	Hong Yip: Age-friendly Employer Award
Hong Kong Economic Times	HKET Excellence Awards	Hong Yip Service Co Ltd
The Hong Kong Institution of Engineers	Excellent Building Award 2023	Sun Hung Kai Centre: Grand Award (Existing Building Category), Retro-Commissioning Award, the Anti-epidemic (Covid-19) Achievement Award, and the Excellent Leadership Award
Qualifications Framework	QF Partnerships Commendation QF Gold Star Employer QF in Action (QFIA) Achiever	Hong Yip Service Co Ltd
HSBC	HSBC Living Business Awards	Cheung Sha Wan (I) District
The Hong Kong Council of Social Service	Caring Company 20+	Hong Yip Service Co Ltd

Organizer	Awards	Awarded Unit
The Environmental Campaign Committee (ECC), Environment and Ecology Bureau	Hong Kong Awards for Environmental Excellence 2021	Merit: Mikiki, Tsuen Wan Plaza (S.A.), Valais, Aria, Century Link, Manhattan Hill
	Outstanding Promotional Partner Commendation Scheme	Park Central (S.A.), New Tech Plaza, Royal Peninsula, Tsuen Wan Plaza (S.A.)
International Facility Management Association	IFMA Asia Pacific Awards of Excellence	PolyU West Kowloon Campus
World Green Organization (WGO)	GOALS (Green Office Awards Labelling System)	Hong Yip Service Co Ltd
The Environmental Campaign Committee	Hong Kong Green Organisation Certification	Hong Yip, Grandeur, Royal Elite: A total of 316 properties received the certificate
Home Affairs Department (Building Management) - Kowloon City	Kowloon City District Quality Building Management Competition	Lockoo Gardens, Royal Peninsula
The Hong Kong Green Building Council (HKGBC)	Hong Kong Green Shop Alliance Award 2022	Best Green Practice in Malls : Mikiki (Merit) Excellent Green Product Advocate: Harbour North, Hong Kong Plaza, Park Central (S.A.), Port 33, Tsuen Wan Plaza (S.A.), Welland Plaza
CarbonCare InnoLab	- CarbonCare® Label - CarbonCare® Circularity Label	CarbonCare® Label – Level 2 CarbonCare® Circularity Label – Level 5

# Appendix II – Performance Overview

## Environmental Performance

	Unit	2020/21	2021/22	2022/23
<u>Greenhouse gas (GHG) emissions</u>				
Indirect GHG emissions (scope 2)	tonnes of CO2 Equivalent (tonnes CO2e)	114,546	105,121	73,791
GHG emission intensity	tonnes CO2e/m2	0.011	0.013	0.012
<u>Waste recycled</u>				
Paper	Kg	1,860,116	1,591,899	1,337,639
Plastic	Kg	48,592	37,672	47,459
Metals	Kg	123,571	92,504	61,426
Glass	Kg	124,718	70,911	65,604
Used Clothes	kg	27,209	27,820	51,250
<u>Electricity consumption(Head office)</u>				
Head office	kWh	327,817	315,644	331,689

## Charters

- Charter on External Lighting of Hong Kong Environment Bureau
- Energy Saving Charter of Hong Kong Environment Bureau and Hong Kong Electrical and Mechanical Services Department
- 4Ts Charter of Hong Kong Environment Bureau and Hong Kong Electrical and Mechanical Services Department
- Let’s Save 10L Water 2.0 Campaign of Hong Kong Environment Bureau and Hong Kong Water Supplies Department
- Carbon Reduction Charter and Carbon Audit • Green Partner of Hong Kong Environmental Protection Department
- Glass Container Recycling Charter of the Environmental Protection Department
- Low Carbon Charter of Business Environment Council
- ECH2O Charter of Water Supplies Department and Green Council

## Appendix III – Stakeholder Communication

Hong Yip has engaged stakeholders via extensive channels regularly to communicate and gather feedback on our performance.

Stakeholder Groups	Method of Engagement
Customers and Tenants (including residents, commercial and industrial building tenants)	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Mobile Applications - SoProp · SoPropBiz</li> <li>• Customer service office and concierge</li> <li>• QR code</li> <li>• Customer hotlines</li> <li>• 24-hour control centre</li> <li>• Company website</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Meetings</li> <li>• Intranet</li> <li>• Mobile Applications - WeCom</li> <li>• “Hong Yip People Development Academy”</li> <li>• “Innovative Suggestion Scheme”</li> <li>• Staff activities</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Audits and assessments</li> <li>• Vendor portal</li> <li>• Ongoing direct engagements</li> </ul>
Industry Peers	<ul style="list-style-type: none"> <li>• Industry forums</li> <li>• Seminars</li> <li>• Regular meetings</li> <li>• The Hong Kong Association of Property Management</li> <li>• The Hong Kong Institute of Housing</li> <li>• The Hong Kong Institute of Real Estate Administrators</li> <li>• The Hong Kong Institute of Facility Management</li> <li>• The Hong Kong Management Association, etc.</li> </ul>

Stakeholder Groups	Method of Engagement
Charitable organizations	<ul style="list-style-type: none"> <li>• Community activities organized by SHKP and Hong Yip Volunteer Team</li> <li>• Christian Family Service Centre</li> <li>• YMCA of Hong Kong</li> <li>• Hong Kong Church Network for the Poor</li> <li>• Suicide Prevention Services</li> <li>• St. James' Settlement</li> <li>• Rainbow Foundation, etc.</li> </ul>
Professional organizations	<ul style="list-style-type: none"> <li>• Employees Retraining Board</li> <li>• Vocational Training Council</li> <li>• Occupational Safety &amp; Health Council, etc.</li> </ul>
Institutions	<ul style="list-style-type: none"> <li>• Cooperation framework agreements with various universities and institutions</li> </ul>
Environmental organizations	<ul style="list-style-type: none"> <li>• The Green Earth</li> <li>• Hong Kong Environmental Protection Association</li> <li>• Friends of the Earth (HK)</li> <li>• Green Sense</li> <li>• Greeners Action</li> <li>• World Green Organisation, etc.</li> </ul>



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