

Environmental Policy

Sun Hung Kai Properties Limited (“SHKP”) is fully committed to environmental protection by constantly managing and reducing the environmental impact of our operations and the supply chain. We provide guidance to our employees and other stakeholders to act in an environmentally responsible manner through reference to this Policy.

This Policy is applicable to SHKP and its subsidiaries (collectively: the Group). All operations are expected to abide by the Policy to continuously improve the Group’s environmental performance. The Group’s associated and joint venture companies, supply chain partners (including suppliers, contractors and subcontractors) and other service providers are encouraged to comply with this Policy. This Policy covers the following areas:

Governance

- The Board of Directors, through the Executive Committee, oversees the implementation of the Group’s environmental policy and seeks to improve the Group’s environmental performance. The Sustainability Steering Committee is responsible for overseeing the execution of the Group’s environmental management strategy, monitoring sustainability performance, goals and targets, and evaluating the Group’s environmental risks.

Compliance

- Meet or exceed all applicable legal requirements and environmental standards in the respective jurisdictions of our operations.
- Maintain and keep our environmental policies and management systems up to date.

Sustainable Buildings and Operations

- Promote the use of environmentally friendly materials, technologies and practices in project design and construction, and in the operation and maintenance of buildings.
- Support sustainable procurement practices and consider sustainable and green building materials for development projects, such as environmental and health product declarations which cover locally extracted or recovered materials; low embodied carbon material; low-emitting VOC materials; and materials and packaging that can easily be recycled.
- Obtain green building labels or other sustainable building certification for our projects where applicable.
- Avoid contributing to air, water and waste pollution, and make every possible effort to prevent environmental accidents.

Energy Consumption

- Improve energy efficiency and explore the potential of adopting renewable energy during the design, construction, operation and maintenance phases.
- Reduce energy consumption and enhance building energy efficiency with the HEART approach (Hardware, Engagement, Adaptation, Real-time data and Target).

Water Consumption

- Conserve water and improve water efficiency.
- Promote efficient water conservation measures in project design and construction, and in the operation and maintenance of buildings.

Waste Management

- Practise a three-tier waste-management strategy: Prevention where possible, and reduction and recovery where unavoidable. Commit to carefully managing construction and demolition waste and implement waste separation at all sites.
- Integrate waste management plans into project design and construction for all projects and encourage the efficient use of materials to minimize waste generation.
- Provide incentives to all contractors for recovering and recycling building materials on all new contracts.
- Conduct regular training to equip employees, suppliers and contractors with waste management strategy and techniques.
- Regularly procure materials and products from recycled-products suppliers or exchanges as far as practicable.

Biodiversity

- Avoid any operational activities near sites containing globally or nationally important biodiversity throughout the entire value chain, including World Heritage areas or International Union for Conservation of Nature (IUCN) Category I-IV protected areas without government approval, if necessary, before developing projects.
- Protect the surrounding biodiversity and minimize natural habitat disturbance during all operations.
- Apply mitigation hierarchy to avoid, minimize, restore and offset any adverse impact when operating in close proximity to critical biodiversity.
- Engage stakeholders on biodiversity protection and work with conservation NGOs or external experts and partners in biodiversity assessment and management to promote awareness of biodiversity conservation among stakeholders.
- Conduct biodiversity risk assessment on development sites to measure the impact on biodiversity where applicable.
- Support no net deforestation. Avoid deforestation or logging in own operations and the supply chain where possible and set up monitoring system to ensure Group-wide compliance.
- Comply with local forest regulations and relevant mandatory standards regarding deforestation and logging.
- Engage with suppliers and partners to manage and mitigate deforestation risk. Support the use of timber from sustainable source.

Climate Change and Carbon Management

- Integrate climate risks into the Group-wide risk management and internal control systems to better manage enterprise-wide risks.
- Monitor and minimize greenhouse gas emissions along our value chain.
- Consider the impact of climate change on our business and operations when making decisions.
- Maintain an effective crisis management process (with the involvement of a Deputy Managing Director) to anticipate, prevent, forestall and respond to climate-change-related emergencies.
- Climate issues are reported to the senior executives at least annually.

Engagement with Stakeholders

- Promote environmental awareness among employees, suppliers, contractors, tenants, customers and the public.
- Collaborate with stakeholders in the promotion and implementation of environmental best practices.
- Prioritize suppliers and contractors with environmentally sound practices and management.
- Provide training for employees to understand the impact of their work activities on the environment.

Monitoring and Reporting

- Commit to establishing, monitoring and reviewing environmental targets to achieve continuous improvement and reduce environmental impacts.
- Assess and report on material environmental performance on an annual basis.
- The Sustainability Steering Committee shall periodically review this policy and report to the senior executives on its adequacy and effectiveness, as appropriate.

If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.