

Sustainability Compendium 2021/2022

領展
LINK

Link Real Estate Investment Trust

Stock code: 823

GROWING *Beyond*



About Link

Link Real Estate Investment Trust is one of the world's largest real estate investment trusts in terms of market capitalisation. With a diversified portfolio, we aim to deliver sustainable growth and create long-term value for our Unitholders and all our stakeholders.

About this Report

We produce this standalone Sustainability Compendium in order to provide more details on our Sustainability Strategy, as well as approach and performance in each of our Sustainability Focus Areas under Environment (E), Social (S) and Governance (G) categories. This report does not form a part of, but intends to complement our Integrated Annual Report.

Materiality

This report has been structured according to Link's Vision 2025 and Value Creation Process. The Board believes that Vision 2025 represents the strategy and opportunities that will drive value creation for our stakeholders.

Complete 2021/2022 Reports and Presentations Strategic Report

Our Strategic Report, compiled according to the International Integrated Reporting Council's International <IR> Framework, presents a comprehensive, but concise, overview of how we create value for different stakeholders and the progress we have made on Vision 2025.

Governance, Disclosures and Financial Statements

This report contains our detailed governance, disclosures and financial statements. The governance and disclosures sections are prepared in accordance with the REIT Code, applicable provisions of the Listing Rules, and other relevant laws and regulations, while the consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards, the requirements of the Trust Deed and the relevant disclosure requirements of the REIT Code and audited by PricewaterhouseCoopers.

Valuation Report

This report summarises the market value of Link's individual properties as valued by Colliers International (Hong Kong) Limited.

ESG Compliance

- Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) of The Stock Exchange of Hong Kong Limited
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) – Core Options
- United Nations Global Compact
- Task Force on Climate-related Financial Disclosures (TCFD)
- International Sustainability Standards Board (ISSB) Exposure Draft IFRS S2 Climate-related Disclosures

Sustainability Compendium

The Sustainability Compendium, which does not form part of, but which is intended to complement our Integrated Annual Report, provides more details on our Sustainability Strategy, as well as approach and performance in each of our Sustainability Focus Areas.



The Cabot
London

Link Square
Shanghai



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Overview

Introduction

This Sustainability Compendium, which does not form a part of, but which is intended to complement our Integrated Annual Report, provides more details on our Sustainability Strategy, as well as approach and performance in each of our Sustainability Focus Areas under Environment (E), Social (S) and Governance (G) categories. This report covers 124 properties owned by Link across Hong Kong, 5 properties across Mainland China, 1 property in Australia and 1 property in the United Kingdom. Unless otherwise stated, the reported ESG key performance indicators cover all properties where we have operational control that we have owned and operated for at least 1.5 years⁽¹⁾.

This report, in conjunction with our Integrated Annual Report comprising Strategic Report and Governance and Disclosures and Financial Statements, is prepared in accordance with sustainability reporting global best practices and complies with the Core Option of Global Reporting Initiatives Sustainability Reporting Standards (GRI Standards), the International Integrated Reporting Framework, the Environmental, Social and Governance Reporting Guide set out in Listing Rules Appendix 27 of The Stock Exchange of Hong Kong Limited. We support the global efforts to provide transparent and comparable reporting on climate-related issues. Our climate disclosures follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB) Exposure Draft IFRS S2 Climate-related Disclosures (ISSB Climate Exposure Draft). This report is prepared in English and Chinese, to the extent that there are any discrepancies, the English version shall prevail.

Please find [ESG Performance Data Tables and Reporting Framework Indices](#) at the end of this report and in our [Governance, Disclosures and Financial Statements](#).

GRI 102-46, 102-50, 102-54

2021/2022 Sustainability Snapshot



GRESB: Retained "Green Star" rating for 10th consecutive year



Named one of the Best Companies to Work for in Asia by HR Asia for the 2nd consecutive year

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Included in Dow Jones Sustainability Asia Pacific Index since 2013



MSCI ESG Ratings: A

Climate Resilience and Net Zero 2035

In May 2022, we committed to align our climate goals with SBTi Net Zero Standard, increasing the robustness of our Net Zero 2035 Strategy. Recognising flood risk as a key physical risk to our portfolio, we conducted a coastal threat analysis for our Greater Bay Area portfolio to increase our preparedness and better allocate flood resilience resources. We have aligned our climate disclosures to the recommendations of the TCFD and the ISSB.

New Sustainable Finance Framework

Our new Sustainable Finance Framework requires all our future sustainability-linked finance transactions to include KPIs under each of the Environment, Social and Governance areas. In March 2022, we executed a HK\$12 billion sustainability-linked loan with ambitious KPIs on rolling out green leases, promoting upward social mobility through local employment and upgrading our Net Zero Strategy in pursuance of the SBTi Net Zero Standard. The transaction was supported by 16 Hong Kong and international banks and was the largest of its kind in the real estate sector and among REITs in Asia.

Strengthened Sustainability Strategy and Governance

We made significant strides this year to strengthen our sustainability strategy and governance including:

- adding ambitious new near-term corporate sustainability targets
- completing an updated integrated materiality and risk assessment
- developed or updated a number of sustainability related policies and procedures

Note:

(1) We report data for properties where we have operational control as we are directly responsible for their ESG strategy and performance.

Sustainability Strategy

Sustainability Strategy and Sustainability Focus Areas

Our vision is to be a world class real estate investor and manager serving and improving the lives of those around us. Using our Business as Mutual mindset, we actively engage with stakeholders across our value chain to continually identify and update ourselves on sustainability issues that are material and relevant to our business. This process helps us to formulate and prioritise our sustainability focus areas under Environmental (E), Social (S), Governance (G) and to integrate these into our business activities. By setting long term targets and working on improvements and initiatives under each of our sustainability focus areas, we strive to realise our vision and to make positive impact on society and the environment.

Environment

We have identified three focus areas, each covering several key topics.

Climate and Greenhouse Gas Emissions:

We recognise and support the global goal to limit temperature rise and to prepare our portfolio in the face of physical and transitional risks.

- Greenhouse Gas Emissions
- Climate Resilience and Adaptation

Green Buildings:

Owning and operating buildings is our business, and it is through continuous improvement of the sustainability performance of our buildings as well as our management processes that we can reduce our environmental footprint and create positive impact.

- Green Buildings
- Indoor Air Quality

Resource Management:

Our buildings and operations consume natural resources. We are committed to improving resource management to support a sustainable planet.

- Energy Efficiency
- Waste Management
- Water Management
- Biodiversity

Social

We have identified two focus areas, each covering one to several key topics.

Stakeholder Engagement:

Understanding the needs and expectations of our stakeholders and engaging with them on our sustainability journey is key to maximising value creation.

- Talent Management
- Tenant Engagement
- Supply Chain
- Community
- Occupational Health, Safety and Well-being
- Diversity and Inclusion

Innovation:

We support innovation within the business and externally by piloting emerging technologies and supporting start-ups. We also support innovation in thought by being open-minded to new ways of doing business.

Governance

We have identified one focus area, covering four key topics.




Accountability and Transparency:

- Corporate and Sustainability Governance
- Sustainable Finance
- Responsible Investment
- Reporting

We discuss our approach and progress on each of the key topics in detail in this report. Where relevant, key topics are mapped to our six capitals: Financial, Portfolio, Talent, Natural, Social & Relationship and Innovation. For further discussion on the six capitals, please refer to our Strategic Report.

Key Sustainability Targets



Informed by our materiality and risk assessment conducted in 2022, we consolidated and updated our key sustainability targets, organising them by key topics under our sustainability focus areas. Achieving our goal to reach Net Zero by 2035 remains our topmost priority. Achieving these targets and achieving true integration will require deeper collaboration between internal business units and external partners. As quick win sustainability solutions are exhausted, we will need to transform existing processes by upscaling existing initiatives and embark on innovative pilots to realise further improvements across our portfolio.

Environment	Key Topic	Key Sustainability Target	2021/2022 Progress
Climate and Greenhouse Gas Emissions 	Greenhouse Gas Emissions	<ul style="list-style-type: none"> 25% reduction in carbon emissions intensity (Scope 1 & 2) across our portfolio by 2025/2026 (compared to 2018/2019 baseline) Net Zero carbon emissions (Scope 1 & 2) by 2035 Set SBTi approved net zero carbon emissions targets (Scope 1, 2 & 3) by 2024/2025 100% renewable energy adoption across our portfolio by 2035⁽¹⁾ 	<ul style="list-style-type: none"> Carbon emissions intensity (Scope 1 & 2): 15.1% reduction compared to baseline Committed to SBTi Net Zero Standard in May 2022 1% landlord building energy adopted renewable energy. Our UK property The Cabot was 100% powered by renewable electricity
	Climate Resilience and Adaptation	<ul style="list-style-type: none"> Conduct climate risk assessments across our portfolio and develop corresponding climate resilience strategies Engage with investors and regional-level policymakers to develop comprehensive climate resilience strategies 	<ul style="list-style-type: none"> Conducted a coastal threat analysis for our Greater Bay Area portfolio to increase our preparedness and better allocate flood resilience resources
Green Buildings 		<ul style="list-style-type: none"> 100% green building certification coverage across our portfolio by 2025/2026⁽²⁾ Develop minimum sustainability performance standards for each asset class and meet these standards by 2025/2026 	<ul style="list-style-type: none"> Reached 86.5% green building certification coverage, compared to 71.2% in 2020/2021
Resource Management 	Energy Efficiency	<ul style="list-style-type: none"> 30% reduction in electricity intensity across portfolio by 2035 (compared to 2018/2019 baseline) 	<ul style="list-style-type: none"> 0.6% reduction in electricity intensity compared to baseline
	Waste Management	<ul style="list-style-type: none"> >50% general waste recovered/recycled by 2035⁽³⁾ Zero organic waste to landfill Reduce single-use plastics generated in Link's premises 	<ul style="list-style-type: none"> 6.7% general waste recovered/recycled, compared to 6.4% in 2020/2021 1,149 tonnes of organic waste recovered Expanded recycling networks with NGOs and recyclers, upsizing organic waste, plastics, and glass bottle recycling Piloted styrofoam box recycling achieving close to 60% recycling rate
	Water Management	<ul style="list-style-type: none"> Reduce general water use intensity (per sq m) by 10% by 2035 (compared to 2018/2019 baseline)⁽⁴⁾ 	<ul style="list-style-type: none"> 4.0% reduction in general water use intensity compared to baseline
	Biodiversity	<ul style="list-style-type: none"> 100% of new developments and redevelopments to conduct biodiversity assessments Maintain >70% of our horticulture investment sum in planting native flora 	<ul style="list-style-type: none"> 86% of our horticulture investment sum was used for planting native flora


Notes:

- (1) To cover our electricity footprint via renewable energy installations, purchasing of renewable energy credits and direct investments in renewable energy.
- (2) Green building certification includes environmental, health and well-being related building certification schemes. Portfolio includes retail, office and logistics assets, but excludes retail <40,000 sq ft by IFA and car park properties. Newly acquired/developed assets without green building certification to be excluded from calculation for up to 24 months.
- (3) General waste includes organic, inorganic and recyclable waste (including any tenant waste) handled by Link at properties where Link has operational control. Excludes construction waste and hazardous waste.
- (4) Including water for cleansing, flushing, potable uses, irrigation and other minor uses but excluding cooling tower water.

Social

	Key Topic	Key Sustainability Target	2021/2022 Progress
Stakeholder Engagement 	Talent Management	<ul style="list-style-type: none"> Build a diverse workforce that represents the communities we operate in (considering skill-set, industry expertise and experience, background, ethnicity, age and gender) Ensure equal opportunities for career advancement Pursue zero fatalities, zero staff injury incident and zero prosecution related to OHS Regulations across all of Link's daily operations Conduct employee survey at minimum every 2 years, targeting 85% or greater response rate and engagement score of 3.5 or greater Maintain >16 hours of training per year for all staff 	<ul style="list-style-type: none"> Conducted in-depth review of talent pipeline and succession planning for leadership Expanded our talent pipeline by recruiting talents with diverse background Safeguarded employees physical and mental well-being during ongoing COVID situation Completed employee engagement survey with 87% response rate and overall score of 3.9 Achieved average of 18.7 hours of training per staff
	Tenant Engagement	<ul style="list-style-type: none"> 50% green lease adoption in Hong Kong and Mainland China by 2026/2027 	<ul style="list-style-type: none"> Completed tenant satisfaction survey with satisfaction score of over 4.0 out of 5.0 Issued updated Fit-out Handbook and Management Rules & Regulations with recommendations for sustainable tenant fit-out and operations
	Supply Chain	<ul style="list-style-type: none"> 100% implementation of Supplier Code of Conduct and Procurement Policy Environmental and social compliance review of top 5 suppliers in each business unit annually 	<ul style="list-style-type: none"> Rolled out new Procurement Policy and supplier annual compliance review procedures Completed environmental and social review of 105 top suppliers – no major violations found
	Community	<ul style="list-style-type: none"> Maintain >80% customer satisfaction rate >10% housekeeping and security staff hired locally from underprivileged groups by 2026/2027 in Hong Kong Contribute an amount of up to 0.25% of net property income to charity and community engagement 	<ul style="list-style-type: none"> Link Together Initiatives committed HK\$15.5M over the year supporting eight community projects and 220 students under Link University Scholarship Launched pilot of Local Employment Initiative, promoting upward social mobility for the poor
Innovation 		<ul style="list-style-type: none"> Investigate and invest in new technologies, materials, processes and business models Engage and collaborate with NGOs and startups to achieve sustainability targets 	<ul style="list-style-type: none"> Executed HK\$12 billion sustainability-linked loan with innovative KPIs on signing green leases, supporting local employment and committing to SBTi Net Zero Standard Launched Facilities Management Information Technology (FMIT) with initial results showing nearly 30% improvement in response time for work orders and improvement in manpower utilisation

Governance

	Key Topic	Key Sustainability Target	2021/2022 Progress
Accountability and Transparency 	Corporate and Sustainability Governance	<ul style="list-style-type: none"> Maintain an independent and diverse Board (considering skill-set, industry expertise and experience, background, ethnicity, age and gender) 	<ul style="list-style-type: none"> Maintained a diverse Board
	Sustainable Finance and Responsible Investment	<ul style="list-style-type: none"> 100% sustainability-linked finance transactions to include E, S, G KPIs Be an advocate of sustainable finance, striving to grow sustainable finance and to improve best practices 100% implementation of Responsible Investment Policy 	<ul style="list-style-type: none"> Issued new Sustainable Finance Framework requiring all sustainability-linked transactions to include E, S, G KPIs Executed HK\$12 billion sustainability-linked loan with E, S, G KPIs Updated Responsible Investment Policy
	Reporting	<ul style="list-style-type: none"> Strengthen climate disclosures by aligning to TCFD recommendations 	<ul style="list-style-type: none"> Climate disclosures in full compliance with TCFD recommendations and with mapping to ISSB Climate Exposure Draft

Business as Mutual

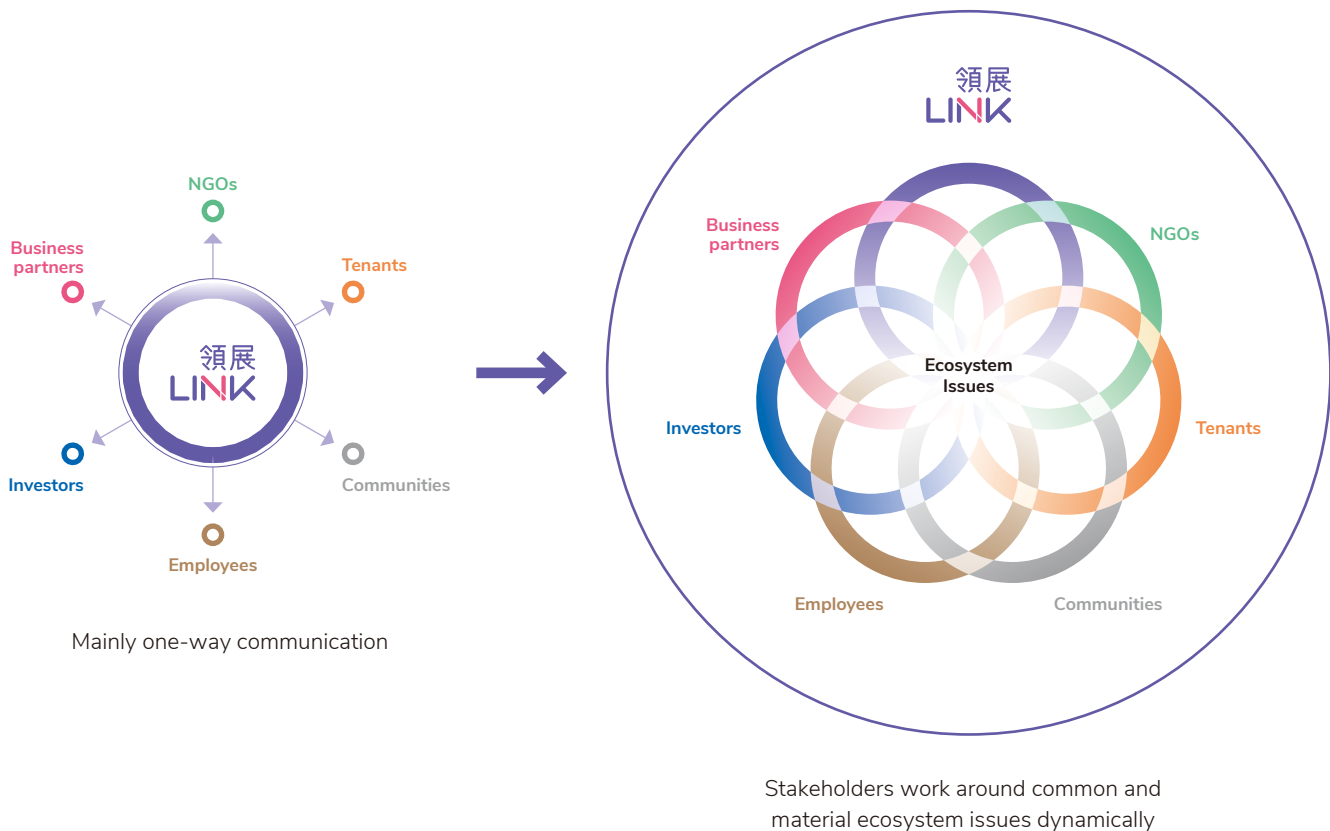
GRI 102-43

Business as Mutual (BAM) is Link's forward-looking mindset to achieve long-term business sustainability through dynamic engagement with stakeholders. We recognise the best approach to address contemporary challenges – from local issues such as waste management to a global agenda like climate change – is to align the efforts of multiple stakeholders. By doing so, we can better identify the risks, opportunities, and the broader social expectations on common material issues with people across our value chain, enabling more informed decision making and strategic feedback. This approach is critical for us to maximise value creation and achieving long-term business sustainability, which we call Business as Mutual.

We promote a holistic Business as Mutual mindset where stakeholders aim to work around common and material ecosystem issues dynamically. Not only is it good for Link but also contributes to building social capital that creates ecosystem-wide shared value for all stakeholders.

We apply the Business as Mutual approach throughout our business, including our approach to sustainability. For any project we execute or ecosystem issue we try to address, we actively engage with and collaborate with our value chain to inform and evolve our thinking and decisions.

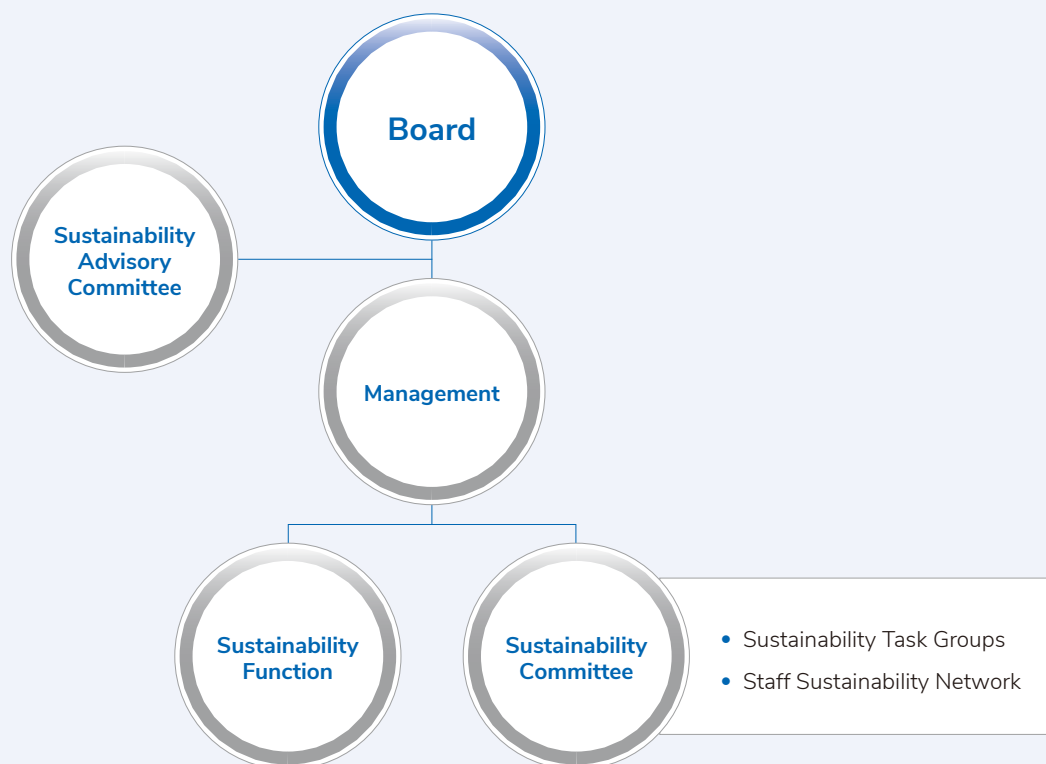
From business as usual to Business as Mutual



Sustainability Governance

Sustainability Governance Structure

GRI 102-18, 102-19, 102-20, 102-22, 102-26, 102-28, 102-31, 102-32



Board Oversight

Sustainability is a priority for our leadership team. The Board is responsible for the effective governance and oversight of ESG matters, as well as assessment and management of material environmental and social risks. The Board has overall responsibility for our corporate sustainability strategies, targets, as well as ESG and climate-related risks and opportunities. The Board has oversight of the incorporation of climate-related considerations into investment, risk and asset management processes and oversees progress against goals for addressing climate-related issues.

Our Chairman is responsible for initiating, driving, and monitoring Link's sustainability practices, with the wider Board receiving, at a minimum, biannual updates from Sustainability Advisory Committee (SAC) and Management team. Our [Audit and Risk Management Committee](#) (ARMC) with delegated authority from the Board, oversees Link's statutory and regulatory compliance, climate-related and sustainability risk management. Our [Finance and Investment Committee](#) (FIC), endorses Link's investments to the Board for its approval, taking into account climate-related and sustainability considerations across the asset life cycle.

Our Executive Management team each have key performance indicators for sustainability performance making up a percentage of their balanced scorecard. Fulfilment of such KPIs is directly linked to their bonus pay-out.

Sustainability Advisory Committee

Link's Sustainability Advisory Committee (SAC), chaired by our Chairman, meets regularly throughout the year, and comprises external sustainability experts from around the world and across industries. SAC provides recommendations to our Board on ESG emerging trends (including climate-related) and best practices and serves as an additional channel for constructive feedback on sustainability matters from the external community, which enhances our communication and transparency with stakeholders.

As of 2022, the efforts of the SAC are focused on reviewing progress towards Net Zero 2035, improving climate resilience of the portfolio and aligning our ESG reporting with global best practices.

Sustainability Committee

Our Sustainability Committee (SC), chaired by our Sustainability & Risk Governance Lead, is convened monthly and comprises representatives from all key Link departments. Such representation ensures that each element of our Value Creation Model is considered when proposing, designing, and implementing new protocols and procedures. SC is responsible for overseeing implementation of our corporate sustainability strategies and initiatives led by Sustainability Task Groups/specific business units, as well as reviewing and endorsing policies, practices, and targets for key sustainability issues to ensure accountability. SC also reports on progress, provides feedback and recommendations to the Management team which is then reported to the Board, at minimum, on a biannual basis.

Sustainability Function

The Sustainability Function's dedicated staff execute, facilitate, coordinate, and monitor corporate-wide sustainability initiatives working in conjunction with other business units on a day-to-day basis. Our Sustainability Function adopts the Business as Mutual mindset to engage closely with internal and external stakeholders to identify and prioritise sustainability issues, emerging trends, challenges, needs and solutions. Our staff participate in local and international, industry and cross-sector initiatives to learn, share and advance best practices for sustainability. The Sustainability Function is also responsible for coordination of Link's sustainability data collection and reporting, including progress on performance targets associated with sustainable finance transactions.

Sustainability Task Groups

Sustainability Task Groups, with delegated authority from SC/Management, are made intergenerational and interdepartmental to execute designated sustainability activities on a project basis, such as the one formed for our Net Zero initiative, to identify and mitigate frontline sustainability challenges while grooming future leaders to promote good practices across their business units.

Staff Sustainability Network

The Staff Sustainability Network helps bring awareness, transparency and collaboration to existing sustainability efforts. The network serves as a platform for obtaining resources and information on sustainability issues and allows our staff to participate in activities and events that promote awareness of sustainability.

Materiality and Risk Assessment

Risk Management 360 (RM360) is our integrated approach for regularly assessing enterprise risk and ESG materiality. This holistic approach ensures that our corporate and sustainability strategies are aligned, risk-informed, and that we fully integrate material ESG issues into our enterprise risk management system.

GRI 102-11, 102-21, 102-29, 102-30, 102-32, 102-44, 102-47, 103-1, 103-2, 103-3

Approach

Regular stakeholder engagement drives our RM360 process. Each of Link's business units is responsible for the ongoing identification, assessment, and management of existing and emerging risks, including ESG and climate risks. This empowers business units and individual Linkers to monitor risk and execute defined mitigation strategies when needed.

Our Sustainability and Risk Governance teams are responsible for collectively compiling, maintaining and monitoring the corporate materiality matrix and risk register. Key risks and the respective changes in risk momentum are monitored by the Risk Governance team, with the corresponding departments or functions as the risk owners. To supplement the regular internal process, we periodically conduct formal internal and external stakeholder engagement to further understand stakeholders' concerns towards recent market trends and emerging risks. We use these processes to identify risks and material issues and to rank them based on their likelihood and impact. Key risks, including ESG and climate risks, and mitigating measures are entered into our risk register.

Key risks are reported to and discussed with senior management monthly for monitoring and to formulate mitigating actions. The Board's Audit and Risk Management Committee meets at least three times a year and is the designated Board committee for the review of key risks. Our Board is ultimately responsible for providing risk management direction and ensuring the effectiveness of the materiality assessment and enterprise risk management and internal control (RM&IC) frameworks. The Internal Audit Department acts as an independent assessor of the risk management system by performing assessment on the adequacy and effectiveness of the company's risk management system. For a full discussion on our key risks in 2021/2022, please see the Enterprise Risk Management and Principal Risks section in our [Strategic Report](#).

RM360 is a key component driving our corporate risk and sustainability strategies. We regularly review and update our sustainability focus areas by mapping to the risk assessment and materiality matrix. This helps us prioritise our work and ensures our sustainability initiatives are important and relevant.

Materiality Matrix 2022/2023

In 2022, we engaged an external consultant to conduct an in-depth materiality and risk assessment including conducting surveys and workshops for internal and external stakeholders. Stakeholder groups engaged include staff across 16 internal departments, as well as tenants, suppliers, investors, financial institutions, community groups and NGOs.

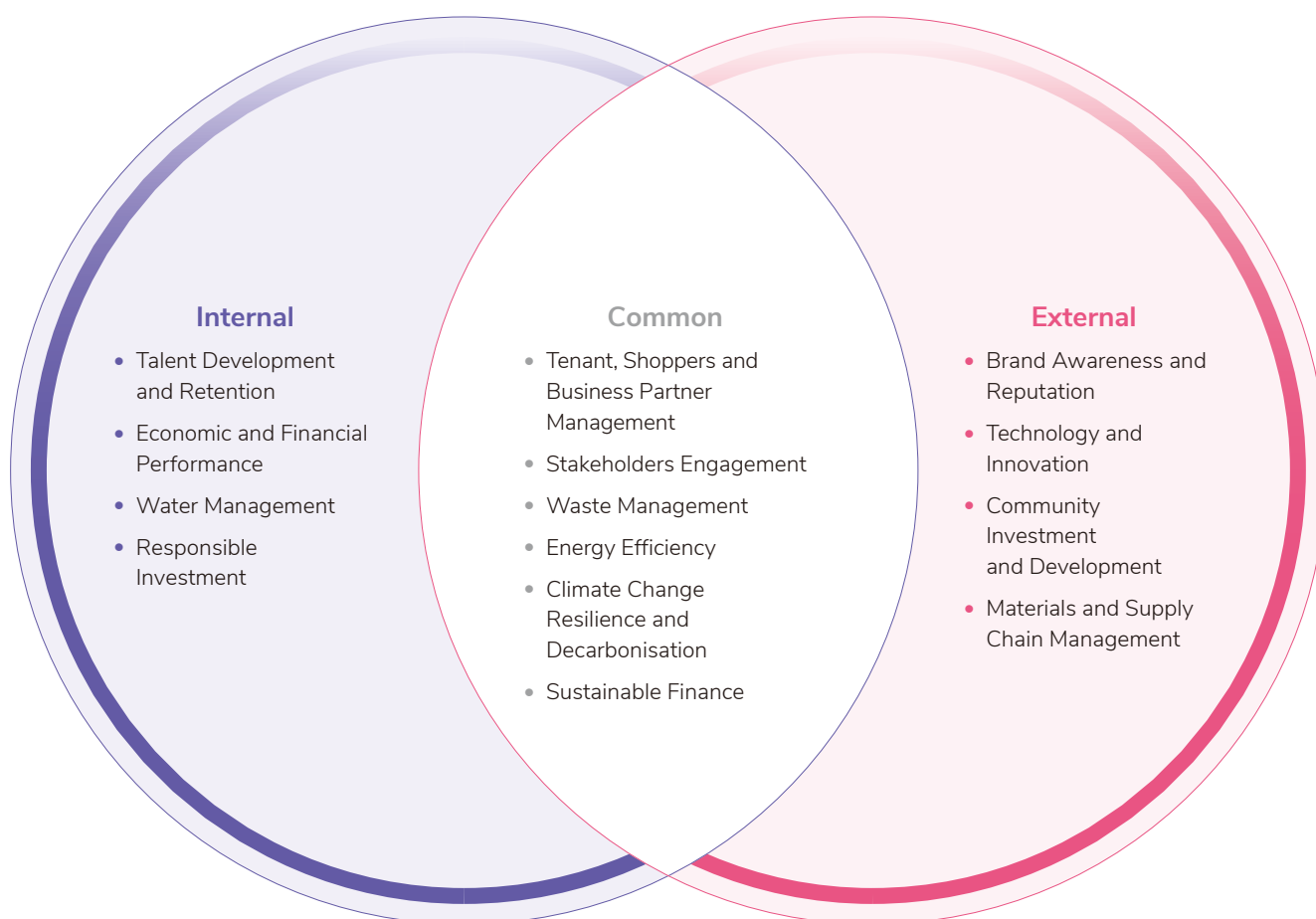
Materiality Matrix 2022/2023



List of Material Issues

- | | |
|--|--|
| 1. Talent Development and Retention | 10. Materials and Supply Chain Management |
| 2. Energy Efficiency | 11. Technology and Innovation |
| 3. Tenant, Shopper and Business Partner Management | 12. Water Management |
| 4. Waste Management | 13. Employee Well-being |
| 5. Economic and Financial Performance | 14. Responsible Investment |
| 6. Stakeholder Engagement | 15. Corporate Governance and Risk Management |
| 7. Climate Change Resilience and Decarbonisation | 16. Community Investment and Development |
| 8. Sustainable Finance | 17. Occupational Health and Safety |
| 9. Brand Awareness and Reputation | 18. Diversity and Inclusion |

We asked internal stakeholders to rank material issues based on what they consider are material to Link and external stakeholders to rank material issues based on what they find important for their own businesses. This approach allows us to identify the most material issues for Link and allows us to identify common areas that are important to internal and external stakeholders where we can work together using the Business as Mutual approach.



The results allowed us to update our view of key risks and their respective mitigation measures. We further mapped the top 10 material issues identified against key risks in 2022/2023 and our sustainability focus areas. The assessment shows good alignment, and we expect that our continued work in each of the sustainability focus areas will provide further mitigation against the listed key risks.

2022/2023 Materiality and Risk Assessment			Sustainability Strategy	
	Top 10 Material Issues	Key Risks	Sustainability Focus Area	Key Topic
1	Talent Development and Retention	Talent Recruitment, Development and Retention	Stakeholder Engagement 	Talent Management
2	Energy Efficiency	Asset Maintenance and Enhancement Acceleration of Requirement to Achieve Net Zero/Decarbonisation	Resource Management Green Buildings  	Energy Efficiency Green Buildings
3	Tenant, Shopper and Business Partner Management	Brand Reputation and Public Relations Alignment with Internal and External Stakeholder Expectation	Stakeholder Engagement Green Buildings  	Tenant Engagement Supply Chain
4	Waste Management	Asset Maintenance and Enhancement	Resource Management 	Waste Management
5	Economic and Financial Performance	Financial Strength and Performance	N/A	N/A
6	Stakeholder Engagement	Brand Reputation and Public Relations Alignment with Internal and External Stakeholder Expectation	Stakeholder Engagement 	Community
7	Climate Change Resilience and Decarbonisation	Asset Maintenance and Enhancement Acceleration of Requirement to Achieve Net Zero/Decarbonisation	Climate and Greenhouse Gas Emissions 	Climate Resilience and Adaptation Greenhouse Gas Emissions
8	Sustainable Finance	Acceleration of Requirement to Achieve Net Zero/Decarbonisation Alignment with Internal and External Stakeholder Expectation	Accountability and Transparency 	Sustainable Finance Responsible Investment
9	Brand Awareness and Reputation	Brand Reputation and Public Relations	Accountability and Transparency 	Corporate and Sustainability Governance Reporting
10	Materials and Supply Chain Management	Monitoring of Counterparty Performance Supply Chain and Procurement Project Planning and Contract Monitoring	Stakeholder Engagement Green Buildings  	Supply Chain Green Buildings

Stakeholder Engagement



Social & Relationship

Understanding the expectations of our different stakeholders helps us manage our risks, develop our corporate and sustainability strategy, respond effectively, and fine-tune our business model.

GRI 102-21, 102-29, 102-40, 102-42, 102-43, 102-44, 103-2, 103-3
HKEX KPI B6.2

Approach

Our Stakeholder Engagement Policy outlines how we utilise a range of mechanisms to establish clear and open communication to regularly and actively engage with internal and external stakeholders. Doing so has allowed us to better understand stakeholder concerns and expectations on a wide variety of issues including corporate priorities, performance and how we will manage emerging trends. We believe these interactions are valuable and provide an opportunity to identify and pursue common goals together.

Beyond periodic stakeholder engagement, we adopt a Business as Mutual mindset throughout our business to maximise value creation.

Our Stakeholders

Who Are Our Stakeholders	Why Is It Important to Engage	Their Key Interests	Ways We Engage
Employees	It is paramount to keep our employees safe, engaged and motivated at all times. Our employees are what enable Link to deliver on our Vision.	<ul style="list-style-type: none"> • Job satisfaction • Learning and development opportunities • Wellness • Remuneration and benefits • Supportive and rewarding workplace • Fun 	<ul style="list-style-type: none"> • Linker's Panel, an employee committee gathers employees' feedback and brainstorm regularly to look for ways to better support and engage our employees. The Panel covers a broad range of topics such as wellness, serving the communities, townhall meetings and new sports clubs. • Linker's Corner via intranet • Townhall meetings • Parties and events • Wellness resource centre • Volunteer Committee • Learning and Development Committee • Employee Assistance Programme • Materiality and risk assessment
<u>Investors</u>	Engaged and aligned investors are important to our business and strategy. We engage with Unitholders and fixed-income investors, as the providers of capital necessary to support our growth, to keep them up to date on the financial performance and overall sustainability of Link.	<ul style="list-style-type: none"> • Distribution growth • Future business prospects • Strategy execution • Portfolio value • Timely information • Sound corporate governance 	<ul style="list-style-type: none"> • Investor presentations and webcast • Corporate website • Roadshows and conferences • One-on-one meetings and property tours • Investor day • ESG awards and ratings • Annual and interim reports • Annual General Meetings • Materiality and risk assessment
Communities/ Shoppers	Our properties are an extension of the living rooms of the people living in the communities around us. We seek to create greater value by delivering a lasting and positive impact in the communities we serve.	<ul style="list-style-type: none"> • Clean shopping environment • Customer service • Convenience • Variety 	<ul style="list-style-type: none"> • Websites (corporate, customer and shopping centre) • Marketing programmes • Customer service ambassadors • Surveys and focus group meetings • Corporate hotline and information channels such as social media • <u>Link Together Initiatives</u>

Who Are Our Stakeholders	Why Is It Important to Engage	Their Key Interests	Ways We Engage
Tenants	Our tenants are our strategic partners in delivering a desirable shopping environment for our shoppers.	<ul style="list-style-type: none"> • Shopper footfall • Tenant mix improvement • Initiatives to enhance the shopping experience and attract shoppers • Changes in consumer spending, increasing competition and rental escalation • Maintenance of shopping mall 	<ul style="list-style-type: none"> • Meeting with asset managers • Annual CONNECTION conference • Tenant association meetings • Tenant satisfaction survey • Regular marketing programmes • Dedicated property management teams to respond to tenant concerns and listen to ideas • Tenant Academy (workshops/seminars for tenants to increase knowledge in retail operations) • Materiality and risk assessment
Suppliers and Vendors	Suppliers and vendors impact our ability to provide products and deliver services. They are required to comply with our health and safety, sustainable, and ethical procurement standards. Engaging with them contributes to business continuity, viability and operational efficiency.	<ul style="list-style-type: none"> • Timely payment • Fair business practices • Acquiring skills that may enhance their ability to deliver services • Business opportunities 	<ul style="list-style-type: none"> • Annual CONNECTION conference • Surveys and training • Centralised procurement with standardised product requirements • Materiality and risk assessment
Government/Regulators	Our relationships with government and regulators impact on our ability to contribute towards broader economic, social and environmental objectives.	<ul style="list-style-type: none"> • Facilitation of socioeconomic growth • Regulatory compliance • Environmental impact • Corporate governance 	<ul style="list-style-type: none"> • Respond to public consultations • Participation in district working groups • Representation on advisory committees • Communication of sustainability programmes and initiatives • Regular meetings and dialogue • Materiality and risk assessment
Media	The media keep Link's stakeholders informed of business developments, new products and services, the impact of our business operations and brand image.	<ul style="list-style-type: none"> • Tenant and community issues • Link's initiatives or business plans • Being informed of key activities and offerings • Transparency 	<ul style="list-style-type: none"> • Interviews with senior management • Response to media enquiries • Media releases • Informal briefing through lunch and tea gatherings.
Non-Governmental Organisations	NGOs represent the views of many public stakeholder groups and can serve as another channel to engage with different parties.	<ul style="list-style-type: none"> • Environmental impact • Corporate sustainability and responsible business practices 	<ul style="list-style-type: none"> • Annual CONNECTION conference • Membership and leadership in organisations • Collaboration on community projects • Staff volunteers • Link Together Initiatives • Provision of space for welfare organisations • Materiality and risk assessment
Joint-Venture Partners	Collaborating with strong joint-venture partners is critical to expand our business in scale especially in new markets.	<ul style="list-style-type: none"> • Future business prospects • Collaboration opportunities 	<ul style="list-style-type: none"> • Project meetings on joint projects • Investor presentations and webcast • Corporate websites • Roadshows and conferences • One-on-one meetings and property tours • Annual and interim reports • ESG awards and ratings • Materiality and risk assessment

Note:

In 2021/2022 we did not receive any substantial complaints from our customers.

CONNECTION

CONNECTION is a stakeholder engagement event we host each year to deep dive into key ESG topics, challenges, and solutions. It is a sharing platform where we update participants from across our value chain on our business strategy and more importantly, seek input and feedback from our key partners on business priorities, upcoming challenges and how we grow together. With an interactive format and adopting a Business as Mutual mindset, we can understand the challenges across our different organisations and to ideate collective and encompassing solutions, together.

In 2022, CONNECTION focused on furthering collaboration with tenants to create sustainable retail environments and to develop green leases. Industry organisations, tenants and Link business units attended online seminars and meetings to explore further collaboration opportunities in energy saving, waste management, community development, and co-create a green lease template.

CONNECTION 2022 enabled us to better understand the current priorities of tenants. Tenants were particularly interested in collaborating with Link on organic waste management given our existing programme in this area. Multiple tenants also expressed concerns on the increased use of single-use plastics for food takeaway amidst the pandemic and wanted to seek sustainable alternatives. We will further explore how to work together with our tenants in these areas in the coming year. Another issue raised by tenants was lack of knowledge in sustainability. We will assist in this area by including sustainability topics in our [Tenant Academy](#) in the coming year.

Past CONNECTION Topics:

2021	Simplifying Decarbonisation (Decarbonisation and Sustainable Finance)
2019	Together We Grow (Working Together to Reduce Single-Use Plastics)
2018	Together, We Link People to a Brighter Future (Defining Shared Value and Identifying Opportunities to Create Shared Value)
2017	We Link People to a Brighter Future (Collaboration and Partnerships for Sustainability)
2015	Supply Chain Sustainability (Ethical Sourcing, Product/Service Safety and Traceability)

Policies

[Stakeholder Engagement Policy](#)

Policies

We comply with environmental laws and regulations where we operate⁽¹⁾. To further strengthen our governance, we have a comprehensive set of sustainability-related policies that all Link business units and staff are required to follow. In 2021/2022, we completed a review and update of most of our sustainability-related policies to incorporate best practices.

GRI 307-1
HKEX KPI B6.3, Aspect B7, KPI B7.3

Environment

- [Climate Change and Energy Policy](#) – Describes our stance and approach on energy and carbon management and climate change adaptation.
- [Waste Policy](#) – Describes our stance and approach to reduce waste and to increase waste recycling/diversion from tenant operations, shoppers, and construction/renovation.
- [Water Policy](#) – Describes our stance and approach to deliver water management outcomes with our stakeholders by initiatives relating to water conservation, efficiency, quality and awareness.
- [Biodiversity Policy](#) – Describes our stance and approach on assessing biodiversity-related risks and opportunities in managing our investments.

Social

- [Stakeholder Engagement Policy](#) – Describes our stance and approach on stakeholder engagement, which helps align engagement to Link's corporate purpose and vision, as well as build trust with our stakeholders and community.
- [Occupational Health and Safety Policy](#) – Seeks to ensure that our daily operations are conducted in a manner which safeguards the safety, health and well-being of all our stakeholders. These include our communities, employees, investors, tenants and business partners (suppliers and vendors, NGOs, media and government).
- [Link Charity and Community Engagement Programme Plan Rules](#) – Describes governance and procedures for the Link Together Initiatives charitable giving programme.

Governance

- [Sustainability Policy](#) – Describes our overall stance and approach on sustainability and related governance.
- [Code of Conduct](#) – Outlines a set of appropriate behaviour guidelines in relation to anti-corruption, observing and protecting intellectual property rights, and other matters for all staff, including acting in compliance with all applicable laws and regulations. All staff receive regular training and are required, on an annual basis, to re-affirm compliance with the Code of Conduct.
- [Supplier Code of Conduct](#) – Upholds ethical business practices, e.g. complying with applicable regulations, avoiding pollution and conserving resources, as well as protecting labour rights which include health and safety, anti-discrimination and proper compensation/working hours.
- [Procurement Policy](#) – Aims to ensure consistent, efficient, and sustainable procurement while maintaining an open and fair competition with adequate control to manage Link's procurement risk.
- [Whistle-Blowing Policy](#) – Aims to provide a clear procedure and a trusted avenue so that all staff members and other stakeholders including suppliers, service providers or business partners will feel confident in reporting concerns or irregularities, malpractice, or impropriety in the workplace in good faith, without fear that they will be penalised, discriminated, or dismissed.
- [Sustainable Finance Policy](#) – Aims to provide a clear procedure on how to proceed with setting, ongoing monitoring and reporting of sustainability key performance indicators that are used in sustainability-linked finance transactions.
- [Responsible Investment Policy](#) – Outlines our fiduciary duty to our stakeholders and summarises our commitments and approach to responsible investment throughout acquisition, divestment and business operations.

Note:

(1) We received no significant fines for non-compliance in 2021/2022.

Best Practices



Innovation

At Link, we recognise the best approach to address contemporary challenges—from local issues such as waste management to a global agenda like climate change—is to align the efforts of multiple stakeholders. We participate in local and international, industry and cross-sector initiatives to learn, share and advance best practices for sustainability.

GRI 102-12, 103-2, 103-3

Our company and/or employees are participants in:

Organisations – Local	Positions
Business Environment Council (BEC)	<ul style="list-style-type: none"> • Council Member • Member of the BEC Climate Change Business Forum Advisory Group
Drink Without Waste	<ul style="list-style-type: none"> • Working Group Member
Hong Kong Green Building Council (HKGBC)	<ul style="list-style-type: none"> • Gold Patron Member
Hong Kong Green Finance Association (HKGFA)	<ul style="list-style-type: none"> • Association Member • Co-chair the Green and Sustainable Real Estate Working Group
Hong Kong Institute of Certified Public Accountants (HKICPA)	<ul style="list-style-type: none"> • Member of the Sustainability Committee
Organisations – International	Positions
GRESB	<ul style="list-style-type: none"> • Member of Asia Benchmark Committee
Principles for Responsible Investment (PRI)	<ul style="list-style-type: none"> • Co-chair of the Real Estate Advisory Committee

Sustainable Finance



Financial



Innovation

Link is a pioneer in sustainable finance, issuing our first green bond in 2016. Investors and capital providers are key stakeholders that we engage with in our sustainability finance journey to maximise our collective impact. Sustainable financing arrangements connect us with like-minded investors and hold us accountable to our sustainability goals.

GRI 103-2, 103-3

Approach

Our sustainable finance transactions, including, loans, bonds, and convertible bonds are governed by our green and sustainable finance frameworks. We develop our green and sustainable finance frameworks in alignment with international market standards and best practices (including various green, social, sustainable financing standards). Our first Green Bond Framework was issued in 2016. Our most recent Sustainable Finance Framework was issued in February 2022.

We enter into and report on sustainable finance transactions in alignment with our green and sustainable finance frameworks.

Targets

- 100% sustainability-linked finance transactions to include one KPI from each area: Environment, Social, and Governance
- Be an advocate for sustainable finance, striving to grow sustainable finance and to improve best practices

Sustainable Finance Framework

Our sustainable finance transactions, including use of proceeds transactions and sustainability-linked finance transactions are governed by our Sustainable Finance Framework, published in February 2022. This framework has been developed in alignment with international market standards and best practices and serves as an update to our 2016 Green Bond Framework and 2019 Green Finance Framework.

Sustainability to Link means delicately balancing environmental, social, governance and prosperity considerations in a way that enables the organisation to grow responsibly. To align to this understanding, our Sustainable Finance Framework requires all our future sustainability-linked finance transactions to include KPIs under each of the environment, social and governance areas. We are the first property company in Hong Kong with such requirement. We believe this ambitious new framework will support our organisation wide sustainability goals including our target to achieve Net-Zero carbon emissions by 2035.

Sustainable Finance Framework (2022)

- [Second Party Opinion by HKQAA](#)
- [Second Party Opinion by S&P Global Ratings](#)

Green Finance Framework (2019)

- [Second Party Opinion by HKQAA](#)

Green Bond Framework (2016)

- [Second Party Opinion by Sustainalytics](#)

Sustainable Finance Transactions

We issued our first green bond in 2016 and to date have transacted over HK\$27 billion in sustainable finance transactions, including sustainability-linked loans, and green convertible bonds. As of 31 March 2022, over one third of our outstanding bond and loan facilities are tied to our sustainability performance.

Sustainability-Linked Loans

We have transacted over HK\$19 billion of sustainability-linked loans.

Transaction Date	Loan Size (HK\$ Equiv.)	Loan Tenor	Relevant Framework	Remarks	Further Information
Mar-22	12,000,000,000	4 & 5-year	Link's Sustainable Finance Framework 2022	First transaction under Link's new Sustainable Finance Framework. Includes KPIs in E, S, G areas	Press Release
Sep-21	1,000,000,000	5-year	N/A	–	–
Sep-21	500,000,000	5-year	N/A	–	–
Apr-21	500,000,000	5-year	N/A	–	–
Jan-21 ⁽¹⁾	2,104,250,000	5-year	N/A	First Sterling-denominated Sustainability-linked Loans	Press Release
Jun-20	1,000,000,000	5-year	N/A	–	–
May-20	1,000,000,000	5-year	N/A	–	Press Release
Mar-20 ⁽²⁾	950,226,400	5-year	N/A	First Sustainability-linked Loan.	Press Release
Total to Date	19,054,476,400				

Notes:

(1) GBE200 million loan converted to sustainability-linked loan. HK\$ equivalent calculated using Bloomberg currency conversion rate as of transaction date.

(2) AU\$212 million loan. HK\$ equivalent calculated using Bloomberg currency conversion rate as of transaction date.

From February 2022, all sustainability-linked finance transactions will have KPIs in each Environmental, Social and Governance areas. Existing KPIs include:

	Progress/Impact up to March 2022	Further Information
Environment		
Increase in % of green leases	Commenced drafting of green lease clauses. Engaging with tenants and industry associations on green lease discussions	See Tenant Engagement section
Greenhouse gas emissions reduction in Hong Kong portfolio	0.025 tonnes CO ₂ e/sq m in 2021/2022 compared to 0.023 tonnes CO ₂ e/sq m ⁽¹⁾ in 2020/2021	See Greenhouse Gas Emissions section
Increase in building freshwater management certificates	Obtained 'Quality Water Supply Scheme for Buildings' certificates at 6 properties in 2021/2022 ⁽²⁾	See Water Management section
Increase in organic waste diverted from landfill in Hong Kong portfolio	966 tons organic waste collected in 2021/2022 compared to 1,132 tons in 2020/2021 ⁽²⁾	See Waste Management section
Social		
Increase in % of housekeeping and security staff locally hired from targeted groups in Hong Kong portfolio	Commenced pilot collaboration with NGOs and contractors	See Community section
Decrease in Lost Time Injury Frequency Rate (LTIFR) for contractors in Hong Kong portfolio	4.52 in 2021/2022 compared to 2.62 in 2020/2021 (expanded contractor coverage scope resulted in higher figure)	See Occupational Health, Safety and Well-being section
Governance		
Aligning carbon emissions goals to SBTi Net Zero Standard	Committed to SBTi Net Zero Standard in May 2022	See Greenhouse Gas Emissions section
Attaining certain GRESB score	"Green Star" rating for the tenth consecutive year since 2013, and the highest A ranking in Public Disclosure for two consecutive years since 2020	See Awards and Recognitions section
Inclusion in sustainability indices	Included in the DJSI Asia Pacific Index, FTSE4Good Index Series and Hang Seng Corporate Sustainability Index	See Awards and Recognitions section

Notes:

(1) This data point was adjusted for better accuracy, please refer to the [ESG Performance Data Tables](#).

(2) Less than expected due to COVID.

Green Bonds

Link has transacted over HK\$7 billion of green and green convertible bonds.

Transaction Date	Bond Size (HK\$ equiv.)	Coupon Rate	Bond Tenor	Bond Maturity	Outstanding Amount (as of 31 March 2022)	Relevant Framework	Use of Proceeds Requirements	Further Information
Mar-19	4,000,000,000	1.600%	5-year	March 2024	4,000,000,000	Link's Green Finance Framework 2019	Green building certification, energy efficiency, pollution prevention and control, sustainable water management and wastewater management, clean transportation or renewable energy to improve climate change resilience	Convertible Bond. On 4 April 2022, bond holders redeemed HK\$3.123B; after redemption, outstanding amount stands at HK\$787 million. Please refer to Sustainable and Green Bond Report for more details on allocation and sustainability impact.
Jul-16	3,878,100,000 ⁽¹⁾	2.875%	10-year	July 2026	3,878,100,000	Link's Green Bond Framework 2016	Green building certification, energy efficiency, reduce waste to landfill, improve water efficiency, promote adoption of low carbon transportation including electric vehicles, and improve climate change resilience	Please refer to Sustainable and Green Bond Report for more details on allocation and sustainability impact.
Total Transactions	7,878,100,000							

Reporting

[Sustainable and Green Bond Report 2021/2022](#)

Policies

[Sustainable Finance Policy](#)

Note:

(1) US\$500 million bond. HK\$ equivalent calculated using Bloomberg currency conversion rate as of transaction date.

Responsible Investment



Financial



Innovation

As a global leading real estate investor and manager, we incorporate environmental, social and governance (ESG) factors into our property investment and management decisions to support robust risk management, sustainable long-term returns and to contribute to shaping a sustainable built environment. We recognise our fiduciary duty to uphold the principles of responsible investment throughout the real estate asset life cycle.

GRI 103-2, 103-3

Approach

As a PRI signatory since 2017, Link recognises that adopting the six principles, where consistent with our fiduciary responsibilities, better aligns our investment activities with the broader interests of society.

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making process.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosures on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

We incorporate responsible investment practices throughout the real estate asset life cycle from asset acquisition, development, operation, enhancement to divestment and have integrated these into our investment process in accordance with our [Responsible Investment Policy](#). Our Board underpins the governance of the Policy.

Integrating Responsible Investment Practices into our Investment Process

Asset Enhancement and Development

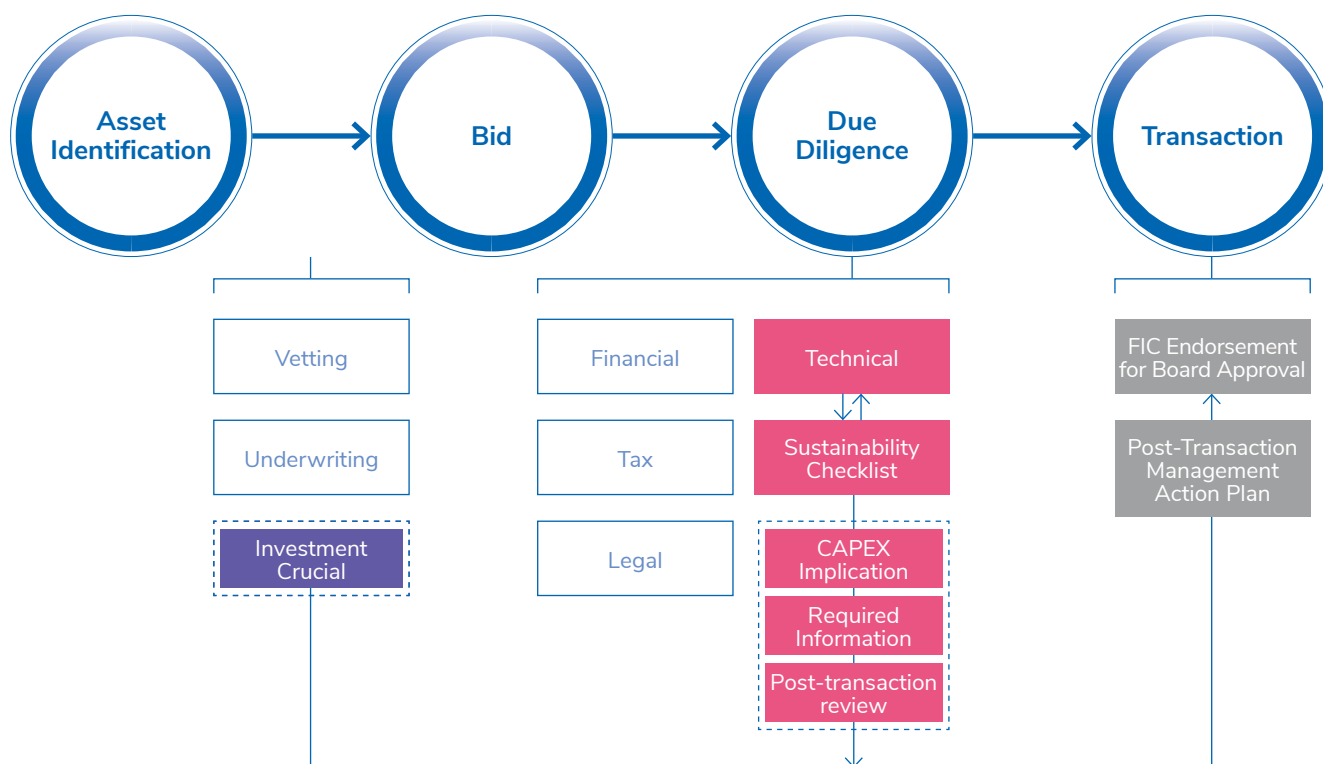
Our asset enhancement (AE) and development projects unlock opportunities to shape a sustainable built environment at the site level. We believe that a truly sustainable investment programme shall deliver strategic (re)positioning to tenants, enhanced financial returns to investors, as well as tangible and quantified positive impacts to the environment and society.

We seek to measure Link's sustainability-related capital expenditure (CAPEX) invested across the portfolio, and to quantify the respective return on investment and disclose the impact where appropriate. For new development and major AE projects (>HK\$60 million), sustainability-related CAPEX spending, proportion, and cost implications are presented as part of the project approval paper to the FIC and Board.

Our new developments incorporate the highest sustainability standards feasible, while our major AE projects at a minimum ensure assets meet current best practices and evaluate strategies for improving sustainability performance. We strive to conduct building life cycle assessments that account for embodied energy and carbon, and obtain recognised third-party sustainability building certifications.

Asset Acquisition

ESG factors are considered at various stages of acquisition, from initial asset identification, due diligence to post transaction.



Our sustainability checklist for acquisitions requires our Investment team and external consultants to gather information and answer questions on key sustainability metrics.

- Statutory and Regulatory Compliance on Technical and ESG-related Requirements
- Climate Risk Exposure and Mitigation Efforts
- Land Use and Biodiversity
- Energy and Carbon Emissions
- Water Use
- Waste Management
- Third-party Sustainability Certification Schemes and Rating Systems
- ESG Commitments of Building Users
- Accessibility
- Heritage

The checklist guiding questions are designed to complement our existing technical due diligence (TDD) scope with a sustainability lens. Information on these metrics inform FIC endorsement decisions and management actions during acquisition phases.

Operation

We operate wholly owned assets in accordance with our suite of sustainability-related policies.

When an asset is owned as part of a joint venture with operational control, we ensure there is alignment of ESG strategy, execution, and management intensity between co-owner(s) and manager to drive sustainability initiatives.

For assets without operational control, our sustainability management intensity would remain at a lower level, primarily focused on high-level engagement and ESG data disclosures.

For any outsourced property management services at Link's assets, we prioritise credible and like-minded business partners who have a track record and expertise of local legislative compliance, tenant engagement, ability to collect sustainability data, provision of staff training programmes, and sustainable procurement practices. They are required to demonstrate sustainability commitments in the property management agreements. Where Link has operational control, regular meetings will be held between Asset Management team and the external property manager to align expectations, stimulate discussion, expedite actions, and monitor progress.

Asset Divestment

During asset divestment, alongside financial and legal aspects, we facilitate smooth handover with buyer(s) on technical and sustainability-related items:

- Manage Request for Information (RFI), including but not limited to full sets of building plans, engineering schematic drawings and layout plans, operation manuals, and green/sustainable building certificates where available.
- Maintain transparency of information and data sharing during TDD.
- Enable post-transaction communication including transfer of data and details of initiatives related to the ESG performance of the specific asset(s).

Targets

- 100% implementation of Responsible Investment Policy

Progress

2022	This year, we revamped our due diligence and approval procedures, and defined the roles and responsibilities of various business units to ensure formalised implementation and accountability.
Since 2018	<p>In the pre-acquisition phase, due diligence assessments are carried out by appointed consultants/contractors to identify potential ESG issues and mitigation measures. Emerging issues with direct financial relevance are incorporated into our valuation process.</p> <p>Potential ESG issues and mitigation measures are incorporated into Link's evaluation criteria when acquiring, divesting or operating properties.</p> <p>We ensure our properties, where practicable, meet green buildings standards and maintain/obtain certifications that are locally or internationally recognised.</p>
2018	Issued Responsible Investment Policy
2017	Became a signatory of PRI

We are participants in various industry associations and organisations to align ourselves with and to contribute to best practices for responsible investment. Please refer to our [Best Practices](#) section for details.

Policies

[Responsible Investment Policy](#)

Environment

Greenhouse Gas Emissions



Natural



Innovation

We recognise our role in reducing carbon emissions to slow down climate change. We have minimal footprint in Scope 1 emissions each year – the sources are mainly refrigerants, diesel, gasoline, and natural gas usage in select properties. Our largest source of carbon emissions is electricity usage, which is reported under Scope 2 emissions. Hence, our decarbonisation strategy has largely focused on electricity use reduction since early years.

GRI 103-2, 103-3, 201-2, 305-5
HKEX KPI A1.5

In April 2021, we announced our ambitious commitment to achieve Net Zero carbon emissions by 2035. We kickstarted the project with a thorough Scope 1 & 2 emissions inventory review to determine an appropriate baseline for scenario modelling. Our carbon accounting method measures all carbon emissions from assets where Link has direct operational control.

Our focus on Net Zero action does not begin and end with our own operations. We are using our influence, technology and reach to inspire and enable wider action to tackle the climate challenge – risks and opportunities – with our tenants, vendors, service providers and even Link's young talent, in whose lifetimes' climate change will have more severe impact. To lead by example, we uphold ourselves to a higher standard by engaging with our value chain to reduce carbon emissions. In May 2022, we committed to SBTi Net Zero Standard, requiring us to strengthen target credibility and include Scope 3 emissions in the boundary of our Net Zero pathway.

Approach

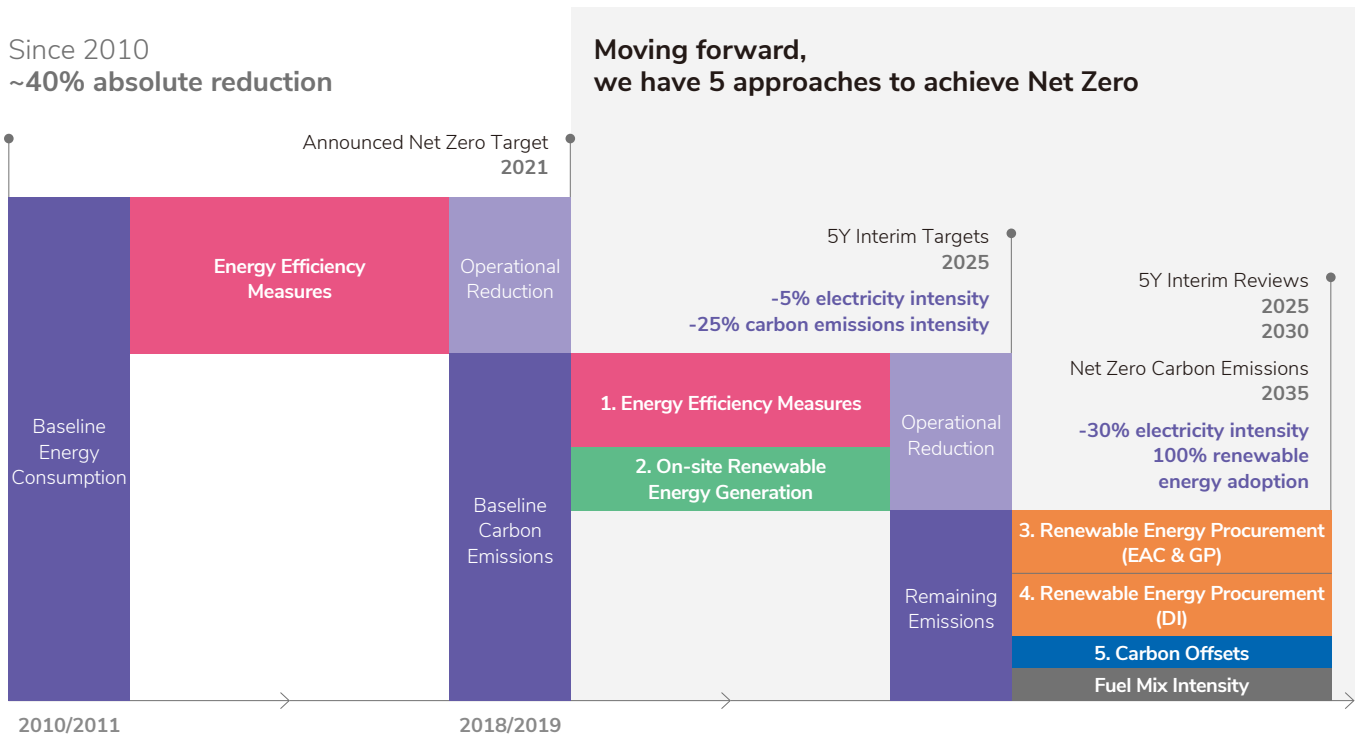
Supported by a robust greenhouse gas (GHG) inventory management and governance framework, our Net Zero carbon emissions target will be achieved via five approaches.

1. Energy Efficiency Measures
2. On-site Renewable Energy Generation
3. Renewable Energy Procurement
 - Green Power
 - Energy Attribute Certificates⁽¹⁾
4. Renewable Energy Procurement
 - Direct Investment
5. Carbon Offsets

Note:

(1) Including Renewable Energy Certificates (RECs).

Link's Pathway to Net Zero Carbon Emissions by 2035



Abbreviations:

EAC: Energy Attribute Certificate

GP: Green Power

DI: Direct Investment

Remarks:

- (1) Our Net Zero 2035 target covers Scope 1 & 2 emissions within portfolio.
- (2) The reduction targets are compared against 2018/2019 baseline.
- (3) This is a conceptual model for illustrative purpose only. Not to scale.

Targets

- 25% reduction in carbon emissions intensity (Scope 1 & 2) across our portfolio by 2025/2026 (compared to 2018/2019 baseline)
- Net Zero carbon emissions (Scope 1 & 2) by 2035
- Set SBTi approved net zero carbon emissions (Scope 1, 2 & 3) targets by 2024/2025
- 100% renewable energy adoption across our portfolio by 2035⁽¹⁾

Note:

- (1) To cover our electricity footprint via renewable energy installations, purchasing of renewable energy credits and direct investments in renewable energy.

Progress

Our progress towards 2025/2026 carbon emissions intensity (Scope 1 & 2) reduction target is shown below:

Portfolio	Change versus 2018/2019 Baseline	Y-o-Y Change	2021/2022	2020/2021	2018/2019 Baseline
Unit	%	%	Tonnes CO ₂ e/ sq m	Tonnes CO ₂ e/ sq m	Tonnes CO ₂ e/ sq m
Hong Kong	-20.0	+10.4	0.025	0.023	0.032
Mainland China	-7.5	-2.0	0.058	0.060	0.063
Overseas	—	—	0.012	—	—
Group Total	-15.1	+5.6	0.029	0.028	0.034

We calculated our carbon footprint in accordance with item 19 of Hong Kong's Securities and Futures Commission's 'Circular to licensed corporations, management, and disclosure of climate-related risks by fund managers' taking into account our portfolio's Scope 1 & 2 emissions.

Total 2021/2022 Scope 1 & 2 Emissions	Tonnes CO ₂ e	120,715
Total Value of Properties on 100% Basis ⁽¹⁾	HK\$ million	199,362
Portfolio Carbon Footprint	Tonnes CO ₂ e per HK\$ million	0.61

Energy Efficiency Measures

In 2021/2022, we implemented a wide range of energy saving initiatives across the portfolio including:

- Chiller Replacement Programme
- Energy Management System
- Installation of Motion Sensor Lighting in Car Parks
- Energy Audits

Please refer to the [Energy Efficiency](#) section for details on the above initiatives.

On-Site Renewable Energy Generation

Adding to the original 28 properties identified from our first round of preliminary study in 2020/2021, we further identified 19 properties – summing up to a total of 47 potential sites for installation of solar power systems with a potential installed capacity of 3.7 MWp, corresponding to an estimated 3,500 MWh of renewable energy generated each year⁽²⁾. At the time of this report, once completed, the expanded solar panel project will be among the largest private solar energy generation projects in Hong Kong.

In 2021/2022, we have completed our second batch of solar panel installation in the following 10 properties.

- TKO Gateway
- Cheung Wah Shopping Centre
- Tak Tin Plaza
- Siu Sai Wan Plaza
- Yat Tung Shopping Centre
- Kwong Fuk Shopping Centre
- Kai Tin Shopping Centre
- Tin Yuet Plaza
- Sam Shing Shopping Centre
- Sau Mau Ping Shopping Centre

As of March 2022, 210 MWh renewable energy was generated on-site from our first batch of rollout – Lok Fu Place, TKO Spot and Tai Yuen Commercial Centre.

We have implemented blockchain technology, in collaboration with Allinfra, to monitor, track and review our renewable energy generation. This is a pilot to assess the effectiveness of blockchain technology as an immutable ledger and to explore its potential in other aspects of the business. See more in below Case Study.

Renewable Energy Procurement

In 2021/2022, our UK property, The Cabot was powered by 100% renewable electricity, achieving net zero carbon emissions in its annual electricity consumption for both landlord and tenant operations.

Notes:

(1) Only applicable to properties included in 2021/2022 Scope 1 & 2 emissions accounting.

(2) This is the equivalent to almost 750 average Hong Kong households' electricity consumption per year based on Hong Kong EMSD average household consumption (<https://www.emsd.gov.hk/energylabel/en/cal/cal.php>).

Fuel Mix Intensity

We recognise that our decarbonisation journey will benefit from improvements in fuel mix for electricity generation. Across all geographies, we prioritise procuring electricity from utility suppliers that provide or have a robust transition plan in moving towards clean energy.

Carbon Emission Avoidance

We commenced collection of organic waste in Hong Kong several years ago for waste to energy treatment. This year, we began tracking the equivalent carbon emissions avoidance to improve measurement. In 2021/2022, avoided carbon emissions was 488 tonnes.

Looking Ahead

- Continue to work on aligning and validating our Net Zero targets in accordance with the SBTi Net Zero Standard, considering use of sectoral approach, if available.
- Continue our solar panel installation plan in Hong Kong. We expect to complete installation of solar arrays at 34 properties by 2023/2024 (Installed capacity: 2.7 MWp).
- Increase renewable electricity mix for our Mainland China and overseas portfolios.
- Develop internal carbon pricing to establish accountability for Link's Net Zero initiatives.
- Explore renewable energy investment opportunities in the longer term.
- Stay abreast of carbon market developments, including but not limited to the Greater Bay Area (GBA) Unified Carbon Market, China's national carbon emission trading scheme (ETS), and Taskforce on Scaling Voluntary Carbon Markets (TSVCM), and participate where practical.

Case Study: Leveraging Blockchain Technologies to Support Net Zero

As organisations around the world embark on their own carbon reduction journeys, we foresee that tracking and reporting carbon emissions, carbon credits and sinks will face greater scrutiny – especially as carbon pricing becomes the norm. Following our announcement in April 2021 to achieve Net Zero carbon emissions by 2035, we are increasingly cognizant of the need to accurately measure and report crucial ESG data, including the total amount of energy generated and tonnes of CO₂ avoided.

Since 2019, we launched a Solar PV Proof-of-Concept to demonstrate how blockchain technology could be an immutable, secure, and verifiable method of tracking carbon impact. In collaboration with Allinfra, we have been applying blockchain technology to enhance the

development of sustainable infrastructure. We are closely monitoring how energy optimisation improvements can come with adopting digital solutions. In the future, we expect the implementation of Allinfra's digital Renewable Energy Certificates, or dRECs, will offer us real-time, transparent, and credible electricity data tracking and environmental impact, allowing easy auditing and verification.

As part of our Business as Mutual approach, we are keen to educate and influence stakeholders across our value chain to support and facilitate low-carbon collaboration. This can create system-wide impact for our community to transition towards net zero together.



Policies

[Climate Change and Energy Policy](#)

Climate Resilience and Adaptation



Natural

Reducing our carbon footprint and reinforcing climate resilience remain our priority. Increase in frequency and severity of extreme weather events makes it indispensable for businesses to formulate longer-term resilience and adaptation strategies.

GRI 102-29, 103-2, 103-3, 201-2
HKEX KPI A3.1, A4.1

Approach

As governed by our Climate Change and Energy Policy, we regularly examine the resilience of our properties to extreme climate-related events by conducting industry- and geography-specific assessments. We also conduct research to understand climate-related regulations at national and international levels. As our portfolio expands, we will continue to assess climate-related risks and opportunities on a rolling basis.

Key climate-related risks are identified by the Sustainability and Risk Governance teams, which are then reported to the senior management for endorsement and finally reviewed by our Board Audit and Risk Management Committee quarterly. Overall progress, including how we manage material climate issues, is reported back to the Board twice yearly.

To enable transparent, consistent, comparable, and verifiable climate-related information, the following disclosures align with the latest version of the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** and have taken reference to **the Exposure Draft IFRS S2 Climate-related Disclosures released by the International Sustainability Standards Board (ISSB)** in March 2022.

We are a listed supporter of TCFD and have been playing a leading role in the United Nations Environment Programme Finance Initiative's (UNEP FI) effort to develop industry-specific guidance on how to assess climate-related impact on investment portfolios since 2019. We are also members of various industry associations and are committed to align with leading practices in the industry in managing climate risks.

Progress

This year, we advanced our efforts by setting more ambitious targets to transition to Net Zero, and enhancing Link's climate resilience from both physical and transition aspects:

- Set a pair of interim targets of 5% and 25% reduction in electricity and carbon emissions intensity (Scope 1 & 2) across our portfolio by 2025/2026 (compared to 2018/2019 baseline).
- Committed to the Science-Based Targets initiative's (SBTi) Net Zero Standard in May 2022. Targets set under the standard will upgrade our Net Zero Strategy.
- Piloted the adoption of the Carbon Risk Real Estate Monitor (CRREM) to identify stranded assets, stranding year and respective retrofit costs incurred. The real estate-specific analysis has contributed to the monetisation of transition risk for operational carbon emissions, as well as the identification of Paris alignment on property level target setting for the 1.5°C and 2°C scenarios.
- Conducted a geospatial risk analysis to identify coastal risks led by sea level rise and typhoon-related storm tides. 65 assets in Hong Kong and the Greater Bay Area were included in the pilot assessment.

Climate-related Disclosures (in accordance with TCFD Recommendations)

Governance

The Board has overall responsibility for our corporate sustainability strategy, progress and ESG issues, including climate-related risks and opportunities. Our senior management meet on a monthly basis for ongoing monitoring and mitigation of the key risks, including ESG and climate risks. Please refer to the [Sustainability Governance Structure](#) section and the [Materiality and Risk Assessment](#) section for full details.

Our senior management team each have sustainability and climate-related key performance indicators for performance, making up a percentage of their balanced scorecard. Fulfilment of such KPIs is directly linked to their bonus pay-out.

Strategy

Net Zero Strategy 2035

In April 2021, we announced our ambitious Net Zero Strategy to achieve Net Zero carbon emissions by 2035. Supported by a robust greenhouse gas inventory management and Net Zero governance framework, our target will be achieved via operational efficiency, on-site renewable generation and off-site renewable energy procurement, with carbon offsets to tackle residual emissions given the lowest priority.

This year, we have set interim targets of 5% and 25% reduction in electricity and carbon emissions intensity respectively across our portfolio by 2025/2026 (from 2018/2019 baseline) to chart our progress towards achieving our Net Zero target. We have also committed to upgrading our Net Zero Strategy to align with the SBTi Net Zero Standard.

We will continue to strive for avoiding, reducing, investing, and innovating our future greenhouse gas management as detailed in the [Greenhouse Gas Emissions](#) section.

Assessing Climate Resilience

Since conducting a group level Climate Value at Risk (CVaR) Portfolio Analysis in 2019, we have been assessing climate resilience of our portfolio by adopting more granular climate assessment models. This year, we piloted the adoption of a novel industry-specific assessment tool, [Carbon Risk Real Estate Monitor](#) (CRREM), to measure the carbon footprint and transition risk exposure of our portfolios. As flood risk was identified as one of our major climate-related risks in our 2019 assessment, we specifically conducted a geospatial risk analysis of coastal risks this year for our Greater Bay Area portfolio to inform better mitigation and adaptative measures.

1. Climate Value at Risk (CVaR) Portfolio Analysis

In 2019, we participated in a UNEP FI pilot to explore, enhance, and develop a TCFD reporting methodology for the real estate sector. By future-proofing our portfolio using TCFD and risk scenario planning, we have communicated to investors, insurers, and regulators our mitigation strategies and high level of response preparedness in the event of the physical and transitional impacts of climate change.

We used the tool to assess 1.5°C, 2°C and 3°C scenario-based physical and transition CVaR across portfolio, as well as the associated exposure to potential financial impact across a 15-year timeframe. A 2°C scenario was assumed as the primary policy criteria to assess our transition risk. The physical scenario consisted of extreme heat, coastal flooding, and tropical cyclones, all of which induce both acute and chronic impact on our asset operations and management approach. As listed in the table below, the aggregated CVaR was -0.18%, corresponding to a discounted cost of around HK\$434.23 million by 2033. In aggregate, these results suggest that we have minimal exposure to climate transition and physical risk. While the results are favourable, we will remain vigilant in monitoring and assessing our portfolio and make the necessary adjustments to improve resilience when needed.

Link's CVaR Portfolio Analysis – Overall Results

Scenario	Weighted CVaR %	Discounted Cost HK\$'M ⁽²⁾
Transition Scenario (REMIND Model)	-0.15	-345.38
Policy Risk (2°C)	-0.15	-345.38
Physical Scenario (Average Model)	-0.04	-88.84
Extreme Cold	+0.00	0.00
Extreme Heat	-0.00	-0.31
Extreme Wind	+0.00	0.00
Coastal Flooding	-0.01	-12.01
Tropical Cyclones	-0.03	-76.52
Aggregated CVaR	-0.18⁽¹⁾	-434.23

Source: Link & Carbon Delta

For more details of our participation, please read p.53-56 of [UNEP FI publication \(November 2019\) – Changing Course Real Estate](#).

2. Carbon Risk Real Estate Monitor (CRREM) Assessment

The real estate industry plays a major role in decarbonisation to achieve the Paris aligned climate target. One challenge facing the industry is that buildings not compliant with “Paris proof” decarbonisation requirements may face economic obsolescence (i.e. becoming stranded assets). It is vital to understand this industry-specific transition risk to inform decision-making on strategic retrofit planning to meet forthcoming decarbonisation requirements.

We participated in the Paris-aligned CRREM initiative this year to identify stranding risk for 63 of our assets. These properties included office buildings and retail shopping centres in all our operating geographies including Hong Kong, Mainland China, UK, and Australia. The study indicated that by 2030, without taking further mitigation measures, 48% of our assets will be stranded under the Paris-aligned 2-degree pathway, and 80% under the Paris-aligned 1.5-degree pathway.

Despite limitations such as applicability for Asia Pacific companies, the CRREM model has informed us the strategic timing of retrofit actions, particularly on its relation to our asset enhancement cycle, as well as availability and the timing of future sales. Participation in the CRREM initiative also provided us with insights in setting SBTi Net Zero targets. As CRREM and SBTi have recently announced partnership to align their methodologies for operational real estate carbon emissions, we foresee that CRREM will be widely used for the real estate sector to set targets under the SBTi Net Zero Standard.

For more details of our participation, please read p.58-59 of [UNEP FI publication \(March 2022\) – Managing Transition Risk in Real Estate: Aligning to the Paris Climate Accord](#).

Notes:

(1) Sum of aggregated CVaR is different due to rounding

(2) Using a conversion rate of \$1 USD = \$7.8 HKD

3. Coastal Threat Analysis in the Greater Bay Area Region

We anticipate that our real estate assets will be more vulnerable to coastal threats led by frequent and intensive storm-surge flood risk events and sea level rise. In particular, a significant portion of our assets are located in Hong Kong and the Greater Bay Area (collectively, the GBA region) – a coastal and low-lying region where flood risk is common.

This year, as part of our commitment to growing in the GBA, we commenced a local, detailed geospatial analysis of coastal threats, stress-testing our GBA portfolio against three low-regret⁽¹⁾ scenarios that have taken into account both sea level rise according to the latest IPCC AR6 findings and potential storm surges (see below table). The analysis is intended to help us future-proof our portfolio from physical damage and operational disruption by identifying property level vulnerabilities that we can subsequently take action to mitigate.

Three Low-regret Coastal Threat Scenarios for Modelling

Storm Tide Scenario	Acute Risk	Timeline	Chronic Risk	Timeline
5m	A hit today by T-10 storm tides and overtopping waves	Present	<ul style="list-style-type: none"> Medium to long term permanent submersion due to sea level rise with tides that “cannot be ruled out” as per 2021 IPCC-AR6’s warnings A storm like T-10 Mangkhut could become an annual event by 2050 	Medium to long Term: 2050–2100
6m	A direct hit today by an “Unlucky Mangkhut” ⁽²⁾ – a T-10 Super Typhoon arriving at high tide – bringing storm tides of 5-7m			
8m	A hit by an “Unlucky Mangkhut” that coincides with sea level rise by 2050	Medium term: 2050	Longer term permanent submersion due to sea level rise with tides that “cannot be ruled out” as per 2021 IPCC-AR6’s warnings	Long term: 2100–2150

Notes:

- (1) To minimise maladaptation, IPCC recommends multi-sectoral, multi-actor and inclusive planning with flexible pathways to encourage low-regret and timely actions that keep options open when adapting to long-term climate change. The highest plausible worst-case scenarios were thus used in the stress test to tease out such low-regret options.
- (2) Typhoon Mangkhut was a super tropical cyclone to affect Hong Kong in September 2018. The storm did not hit Hong Kong directly, but passed by 100km to the south, causing storm surges and significant damage. The “Unlucky Mangkhut” case assumes a storm of the same magnitude as Mangkhut to make a direct hit to Hong Kong at astronomical high tide. For more information on Mangkhut, please refer to [Hong Kong Observatory’s report](#).

Results of these low-regret stress-tests revealed:

- Around half of our GBA assets demonstrate strong resilience against coastal flood risk, and day-to-day operations will likely be minimally affected even under the 8m stress test. Less than a fifth of our GBA assets are exposed to storm tides of 6m.
- Detailed property-specific vulnerabilities, enables targeted allocation of resources that can enhance and maximise portfolio storm tide resilience.
- Potential red flag locations where current public infrastructure and accessibility may be compromised by coastal flooding (sea level rise and storm tides), providing vital data to make climate-informed investment decisions.

Proportion of Key Assets Affected by 5m, 6m and 8m Storm Tide Scenarios

Storm Tide Scenario	Proportion of Key Assets Affected (%) ⁽¹⁾
5m	10
6m	17
8m	48

Note:

(1) On a cumulative basis

While these results are promising, we realise that climate scenarios and risks may change – positively if infrastructure resilience measures are put in place, or negatively if temperatures accelerate faster than anticipated. Our portfolio size and distribution may also change over time. Therefore, we will review climate scenarios and identified risks on a regular basis, at minimum every 3 years.

Case Study: Acquisition of the Chai Wan Property

Climate resilience is embedded as part of our prudent portfolio strategy. Underpinned by our latest Responsible Investment Policy, we have strengthened the policy governance and formalise procedures to take climate-related risks and opportunities into consideration when we invest, and to plan ahead to future-proof our assets.

By integrating material sustainability criteria into investment decision-making, the Responsible Investment Policy helps our teams to identify climate related risks of an investment and to take these into consideration in their acquisition process, including in their investment proposal, due diligence, negotiations, and business plan. Our policy

was put to the test during our recent acquisition of the Chai Wan property. During the early stage of due diligence, flood risk was identified as the primary physical climate risk due to its proximity to the seafront. Different business units were brought into the discussion to understand and evaluate the asset's vulnerability, mitigation options, costs, and potential insurance risk prior to acquisition. This process ensured that the property was designed and well-equipped to tackle potential flooding. The final investment plan included flood mitigation measures, transfer of risks upon completion of acquisition and identified required updates to standard operating procedures.



Risk Management

We adopt a Risk Management 360 (RM360) approach for regularly assessing enterprise risk and ESG materiality. By seeking and aligning feedback top-to-bottom and internal-external, RM360 ensures a holistic approach to identify risks and collaborative approach to developing solutions. Please see more details in the [Materiality and Risk Assessment section](#).

We have embedded climate-related risks into our risk management process and risk register. As governed by our Climate Change and Energy Policy, we regularly examine the resilience of our properties to extreme climate-related events, in particular floods and hot weather, by conducting climate scenario analysis to model future impacts. We keep abreast of climate-related regulatory regimes at national and international levels to identify emerging transition risks and opportunities. Moreover, we assess climate-related risks and opportunities as part of our investment process as guided by our Responsible Investment policy. These processes help improve our understanding of climate-related risks and opportunities, as well as provide up-to-date information for decision-making.

Through our risk management process, we have identified the following climate-related risks and opportunities that we are facing over the near, medium, and long term. Near-term (0-1 year) climate-related risks are considered to be foreseeable and manageable by us, whereas medium-(1-5 years)/long-term (more than 5 years) risks tend to be more uncertain and elevated within the market. We investigate how improvements can be made strategically to build portfolio resilience against climate change at different time horizons.

Physical Risks

Risk Categories	Time Horizon	Risk Descriptions	Potential Financial Implications	Key Mitigating Measures
Flooding/Storms	Near-/medium-term (acute) and long-term (chronic)	Flooding due to rainstorm, typhoon and sea level rise may lead to physical damage to Link's properties as well as potential injury of Link's frontline staff and/or shoppers which could induce business interruption affecting continuity of operations and harm overall shopper experience	<ul style="list-style-type: none"> Reduced revenue from decreased service capacity (e.g., transport difficulties, supply chain interruptions) Reduced revenue and higher costs from negative impacts on workforce (e.g. safety, absenteeism) Increased capital costs due to write-offs and early retirement of existing assets (e.g. damage to property and assets in "high-risk" locations) 	<ul style="list-style-type: none"> Standard Operation Procedures with a comprehensive preparedness protocol have been established with periodic training and drills for frontline staff <ul style="list-style-type: none"> Rainstorm: Clearing drains and setting up flood barriers Typhoon: Securing signage, removing loose items, restricting access to high-risk areas Flood mitigation and adaptation measures are equipped in properties located within flood-prone areas <ul style="list-style-type: none"> We utilise IoT solutions to better manage our properties against water leakage and flooding events and enhance operational efficiency. IoT sensors are installed nearby major facilities such as rooftop chiller plants and escalator pits and above-floor drainage points to alert over-flow condition for timely handling and to lessen the impact to building occupants and shoppers. This year, we piloted the solutions in TKO Gateway and TKO Spot and will target further rollout across more sites upon performance review 27 sets of flood gates have been installed in our Hong Kong headquarters office The Quayside to mitigate flood risks from potential facilities damage Link's assets are protected by relevant insurances which are subject to periodic review on its adequacy
Rising Temperature	Medium-/long-term (chronic)	May require more air-conditioning in properties to maintain a comfortable physical environment	<ul style="list-style-type: none"> Increased operating costs (e.g. longer time for running on air-conditioning which consumes more energy) Increased capital costs (e.g. speed up the retirement of equipment) Increased costs on asset enhancement works (more people may visit our properties to avoid hot weather which may require increased air-conditioning capacity) 	<ul style="list-style-type: none"> A dedicated energy management team has been set up for on-going energy optimisation in Link's assets with consideration of equipment life cycle and weather forecasting

Transition Risks

Risk Categories	Time Horizon	Risk Descriptions	Potential Financial Implications	Key Mitigating Measures
Policy and Legal	Near-/medium-term	Anticipated carbon trading and carbon taxes	<ul style="list-style-type: none"> Increased operating costs directly induced by cap-and-trade fee and/or carbon taxes, or affiliate cost such as higher compliance costs and increased insurance premiums 	<ul style="list-style-type: none"> Keep abreast of latest development in local and regional carbon markets and related regulation Continuous efforts to increase energy efficiency and procurement of onsite and offsite renewables will lower carbon footprint and related taxes
	Medium-/long-term	More stringent carbon regulations and consequent exposure to litigation	<ul style="list-style-type: none"> Higher compliance costs Increased costs for litigation Reduced demand for products and services resulting from fines and judgments 	<ul style="list-style-type: none"> Keep track of the latest ESG regulatory regimes in operating geographies Review our Responsible Investment Policy on a regular basis to include more stringent due diligence process and ensure up to date ESG and climate compliance during investment
Technology	Medium-/long-term	Costs to transition to lower carbon emissions and/or renewable energy technology	<ul style="list-style-type: none"> Increasing cost of technology investment Increase research and development (R&D) expenditures in new and alternative technologies Costs to adopt/deploy new energy-efficient and low-carbon practices and processes 	<ul style="list-style-type: none"> Consider equipment lifecycle of existing equipment strategically before retirement and prioritise maximising efficiency through retro-commissioning and automation to minimise unnecessary waste Prioritise procuring high-performing equipment with efficiency standards beyond compliance level during system and equipment upgrades
Market	Near-/medium-term	Growing demand from value-chain stakeholders for decarbonisation efforts	<ul style="list-style-type: none"> Divestment due to shift in investor preferences Reduction in capital availability 	<ul style="list-style-type: none"> Communicate with stakeholders on a regular basis especially with government, tenants, and investors to understand and manage their expectation Collaborate and assist our tenants and suppliers in lowering their carbon footprint <ul style="list-style-type: none"> Offering free energy audit to tenants Tenant Fit-out Handbook Prioritising working with suppliers who provide energy-efficient and low-carbon product and services Green lease Participate in industry and government consultation to collaboratively enhance climate resilience
	Medium-/long-term	Greater market pressure on high-quality reporting on carbon emissions and/or credits	<ul style="list-style-type: none"> Increased operational cost (e.g. higher ESG compliance) for reporting Increased R&D costs in procuring/adopting technology to accurately record carbon emission data 	<ul style="list-style-type: none"> Utilise blockchain technology to quantify carbon impact from installed solar PV Panels. This enables transparent and credible data tracking of carbon credits including financial metrics, attributable ownership, and the associated environmental impact
Reputation	Near-/medium-term	Growing public demand for decarbonisation efforts	<ul style="list-style-type: none"> Reduced revenue loss due to reputation loss and/or losing the social license to operate 	<ul style="list-style-type: none"> Demonstrate leadership in climate resilience by committing to a Net Zero carbon emissions target by 2035, 15 years ahead of the Hong Kong Government's pledge

Climate-related opportunities

Type	Climate-Related Opportunities	Potential Financial Impacts
Green building	Enhancements for more efficient buildings	<ul style="list-style-type: none"> Increased value of fixed assets (e.g. highly rated energy efficient buildings) Increased rental value as tenants shift their preference towards sustainable buildings. Buildings that are not built or managed sustainably receive brown discount Reduced operating costs (e.g. through efficiency gains and cost reduction) Improved health and safety for employees, which result in lower costs
Energy source	Use of lower carbon emission sources of energy	<ul style="list-style-type: none"> Reduced exposure to GHG emissions and anticipated carbon taxes/pricing
Stakeholder relations	Shift in stakeholder preferences	<ul style="list-style-type: none"> A more ambitious Net Zero Strategy can bring us better competitive position and improve investor and tenant loyalty, resulting in increased revenues
Resilience	Adoption of resilience planning	<ul style="list-style-type: none"> Increased market valuation through resilience planning Increased reliability of supply chain and ability to operate under various climate conditions Less potential damage and rectification costs under severe weather events
Finance	Access to capital	<ul style="list-style-type: none"> Strong ESG performance improves access to capital at a lower cost (e.g. through sustainability-linked instruments)
Human capital	Employee satisfaction and talent acquisition	<ul style="list-style-type: none"> Millennials and Generation Z are embracing ESG. Strong ESG performance can enhance employee satisfaction and help attract and retain young talents, which improve productivity and sustain business growth
Market	Access to new markets	<ul style="list-style-type: none"> Enhanced readiness to access new markets, especially more developed regions that have higher ESG compliance requirements resulting in increased revenues

Metrics and Targets

- 5% reduction in electricity intensity by 2025/2026 (compared to 2018/2019 baseline)
- 30% reduction in electricity intensity across portfolio by 2035 (compared to 2018/2019 baseline)
- 25% reduction in carbon emissions intensity (Scope 1 & 2) across our portfolio by 2025/2026 (compared to 2018/2019 baseline)
- Net Zero carbon emissions (Scope 1 & 2) by 2035
- Set SBTi approved net zero carbon emissions targets (Scope 1, 2 & 3) by 2024/2025
- 100% renewable energy adoption across our portfolio by 2035⁽¹⁾
- Conduct climate risk assessments across our portfolio and develop corresponding climate resilience strategies
- Engage with investors and regional-level policymakers to develop comprehensive climate resilience strategies

The below table shows the key metrics that we use to assess and manage material climate-related risks and opportunities.

Metric Category	Metric	Unit of Measure	2021/2022	2020/2021	2019/2020
Energy Management	Total energy consumption	GJ	910,220	875,297	798,399
	Electricity intensity by Gross Floor Area (GFA)	kWh/sq m	60.5	60.0	59.1
Greenhouse Gas Emissions	Scope 1 emissions	Tonnes CO ₂ e	9,222	3,061	3,342
	Scope 2 emissions	Tonnes CO ₂ e	111,435	108,533	119,646
	Scope 3 emissions	Tonnes CO ₂ e	48,510	39,474	21,847
	Carbon emissions intensity (Scope 1 & 2) by GFA	Tonnes CO ₂ e/sq m	0.029	0.028	0.033
Climate-Related Opportunities	Certified green buildings by GFA	%	86.5	71.2 ⁽²⁾	8.0
	Proportion of total attributable gross rental income by certified green buildings	%			
	Proportion of bond and loan facilities from sustainable financing	% by value	37.3	27.3	20.7
	Properties installed with solar panels	Number	13	3	N/A
	Electricity generated and consumed from on-site solar panels	MWh	210	104	N/A
	Income generated from Feed-in Tariff scheme	HK\$'000	841	417	N/A
	Electricity consumed from off-site renewable sources	MWh	9,527 ⁽³⁾	N/A	N/A
	Electric vehicle charging bays	Number	700	637	530
Capital Deployment	Capital expenditures on energy efficiency measures	HK\$'000	99,000 ⁽⁴⁾	6,000	9,000
	R&D expenditure on climate risk identification and assessment	HK\$'000	350	156	N/A

Notes:

- (1) To cover our electricity footprint via renewable energy installations, purchasing of renewable energy credits and direct investments in renewable energy.
- (2) Starting from 2020/2021, we kickstarted our green building certification roadmap for existing properties in Hong Kong via portfolio submission, leading to a significant increase in our certified green building coverage.
- (3) The renewable electricity amount included The Cabot's whole building consumption within the year.
- (4) Starting from 2021/2022, we expanded capturing capital expenditure data on capital deployed for energy efficiency measures adopted in asset enhancement projects. We expect to further enhance data collection in the area in subsequent years.

Green Buildings



Portfolio



Natural



Social & Relationship

Link actively adopts green and sustainable building practices across our portfolio. We aim to improve the environmental and social performance of our buildings and to provide spaces that enhance the well-being of occupants.

GRI 103-2, 103-3

Approach

To align our portfolio with sustainability best practices, we target to obtain green/sustainability-related building certifications for all the buildings in our portfolio. We have established criteria for obtaining green, environmental, or health and well-being building certifications based on asset type and investment life cycle.

For new acquisitions, our Responsible Investment Policy requires due diligence on a building's technical and environmental performance and the status of green building certification. We prioritise acquiring buildings with existing certifications or put in place post-acquisition asset enhancement and certification plans.

For new developments or redevelopments, we seek to attain the highest building certification level where possible.

For existing properties, we target at minimum to obtain existing building certifications with a focus on management or energy use to demonstrate our commitment to sustainable building management and operational efficiency. We will also upgrade equipment and service level in our buildings to achieve higher sustainability standards, or complete larger asset enhancement projects and obtain relevant certifications. Timing of hardware upgrades is part of our strategic portfolio planning that takes into consideration asset and equipment life cycle to minimise electronic and other waste.

Targets

- 100% green building certification coverage across our portfolio by 2025/2026
 - Green building certification includes environmental, health and well-being-related building certification schemes.⁽¹⁾
 - Portfolio includes retail, office, and logistics assets, but excludes retail <40,000 sq ft by IFA and car park properties.⁽¹⁾
 - Newly acquired/developed assets without green building certification are excluded from calculation for up to 24 months.⁽¹⁾
- Develop minimum sustainability performance standards for each asset class and meet these standards by 2025/2026

Progress

We advanced our efforts to improve green building certification coverage, reaching 86.5% certification by GFA across our portfolio. On top of our noteworthy achievement in obtaining LEED and SITES platinum precertification as well as WELL Health-Safety Rating for our Link CentralWalk's asset enhancement project, we were a major participant of the BEAM Plus Existing Buildings V2.0 Selective Scheme (Energy Use) and successfully attained a "Good" rating for 12 of our Hong Kong properties in 2021/2022.

Certification Coverage by GFA

Portfolio	2021/2022	2020/2021
Hong Kong	81.9%	77.0%
Mainland China	100%	45.1%
Overseas	100%	100%
Group Total	86.5%	71.2%

Note:

(1) The % coverage takes into account the carve-outs applied for the target.

2021/2022 Highlights

Property	Certification Scheme	Rating
Tin Shing Shopping Centre	BEAM Plus Existing Buildings V2.0 Selective Scheme (Energy Use)	Good
Siu Sai Wan Plaza		
Oi Tung Shopping Centre		
Tin Chak Shopping Centre		
Tin Shui Shopping Centre		
Choi Ming Shopping Centre		
Tak Tin Plaza		
Kai Tin Shopping Centre		
Tsz Wan Shan Shopping Centre		
Sau Mau Ping Shopping Centre		
Yat Tung Shopping Centre		
Fu Tung Plaza		
Link Square, Shanghai	LEED Operations and Maintenance (O+M): Existing Buildings V4.1 (Renewal)	Final Platinum
	Fitwel Built Certification	2 Stars
	WELL Health-Safety Rating	Certified
Link CentralWalk, Shenzhen	LEED Building Design and Construction (BD+C): Core and Shell V4	Platinum Precertification
	SITES V2 Rating System	Platinum Precertification
	WELL Health-Safety Rating	Certified
Link Plaza • ZGC, Beijing	WELL Health-Safety Rating	Certified
Link Plaza • Jingtong, Beijing		
Link Plaza • Guangzhou, Guangzhou		
100 Market Street, Sydney	NABERS Energy (Renewal)	5.5 Stars
151 Clarence Street, Sydney	NABERS Energy	5.5 Stars
	NABERS Water	4.5 Stars
126 Phillip Street, Sydney ⁽¹⁾	NABERS Energy	5 Stars
	NABERS Water	4.5 Stars
347 Kent Street, Sydney ⁽¹⁾	NABERS Energy	5 Stars
	NABERS Water	4.5 Stars
567 Collins Street, Melbourne ⁽¹⁾	NABERS Energy	5.5 Stars
	NABERS Water	5.5 Stars

Note:

(1) Transaction of the acquisition is expected to complete in 2022/2023.

Looking Ahead

In 2022/2023, we are planning to obtain more existing building certifications for our Hong Kong properties and retain our NABERS Energy and Water ratings (if any) for our Australian portfolio. We will also incorporate a wide range of sustainability features and achieve green building certifications for our second Mainland China asset enhancement project.

Showcase Projects

Link CentralWalk

An urban paradise on the central axis of Futian featuring green design in every nook and cranny.

Project Completion: 2022

Green Building Certifications Achieved:

- LEED BD+C: Core and Shell V4 – Platinum Precertification
- SITES V2 Rating System – Platinum Precertification
- WELL Health-Safety Rating

We completed asset enhancement of our property Link CentralWalk in Futian, Shenzhen in early 2022. The new shopping mall interior is designed with the theme of four seasons. The seasonal cycle of spring, summer, autumn, and winter is presented through thematic decoration and a variety of seasonal plants. At the rooftop and outdoor sunken plaza, plants that bloom in different seasons, together with evergreens, present changing greenery scenery to visitors throughout the year.

Following the asset enhancement, Link CentralWalk's green area now spans more than 18,000 square metres with as many as 36 kinds of plants within the mall. The total green coverage ratio has been significantly raised to 43.1%, providing a wide range of environmental benefits such as enhancing site biodiversity, reducing heat island effects, site precipitation runoff and improving microclimate. Through careful selection of plant species, we also reduced the demand for irrigation, pesticides, and fertilisers, as well as the burden of subsequent pruning and maintenance.

During the construction process, we procured building materials which mitigate environmental, economic, and social impact: ceramic tiles and steel were regionally produced and included pre-consumer and post-consumer recycled content. We also renovated and reused existing ground stone paving materials to extend infrastructure life cycle and reduce waste generation.

The large glass sunroof connects the interior of building with the outdoor environment, reducing required energy use for lighting, and improves thermal comfort for building users. We also revamped the outdoor shared space to provide better accessibility and connectivity, adding new recreational facilities and seating options. The revived space has become a social hub and comfortable outdoor oasis for the surrounding community.



The Quayside

Designed with a harmonious vision in mind stretching across environmental and human aspects: a vertical community and place-making hub that engages occupants and visitors in the spirit of community and well-being.

Project Completion: 2019

Green Building Certifications Achieved:

- LEED BD+C: Core and Shell V2009 – Final Platinum
- BEAM Plus New Buildings V1.2 – Final Platinum
- WELL Core and Shell V1 – Final Gold

The Quayside is a premium Grade-A office project located in Kowloon East of Hong Kong that we developed in conjunction with Nan Fung Development Limited. The twin tower complex boasts over 40 innovative features to enhance the building performances in terms of sustainability, social benefits to the community as well as health and well-being.

Public spaces, outdoor greenery, building setback and canopies provide 30% greenery coverage to form a green community and enrich the pedestrian experience in the neighbourhood. There is a 40m long electricity-generating jogging track on the level three podium garden that turns users' steps into electricity. The air induction units are fitted with carbon filters enhance air quality and thermal comfort during hot summers.

To further facilitate air flow, reduce noise pollution and maximise sea views, the building's orientation is shifted by 45 degrees, while its architectural fins are tailored in accordance with solar irradiation to provide shading from bright light and to reduce heat load – combined with high performance glass, such building design achieves an Overall Thermal Transfer Value (OTTV) of about 18W/sq m, significantly lower than the code requirement of 24W/sq m.

Meanwhile, the rainwater recycling system reduces the potable water use for irrigation by 50%. Cooling tower bleed-off for flushing and water efficient sanitary fittings further save water resources.

1,100sq m of evacuated-tube solar thermal collectors are placed on the main roof, making up a 300kW of solar thermal system that accounts for an estimated annual generation of 400 MWh solar thermal energy/200,000 kgCO₂e avoided carbon emissions. Designed for Hong Kong's year-round humidity, the solar thermal system heats up water that is used to regenerate the desiccant in the building's dehumidification system, lowering the requirement for purchased energy use.

To encourage green travelling, we have over 400 EV charging bays at The Quayside, making it one of the most electric-car-friendly buildings in Hong Kong.

Indoor Air Quality



Natural



Social & Relationship

Our properties are where our stakeholders – our employees, tenants, shoppers, and the wider community – work, shop and socialise. Ensuring good indoor air quality at our buildings is vital for enhancing the health and well-being of our stakeholders.

GRI 103-2, 103-3

Approach

For existing buildings, our goal is to ensure good indoor air quality at our shopping centres and offices by supporting the Hong Kong government's Indoor Air Quality (IAQ) Certification Scheme.

For new development, we strive to create low carbon spaces and healthy environments that align with leading standards on health and well-being.

Progress

In 2021/2022, we successfully obtained the IAQ Certificate (Good Class) certification for 8 of our shopping centres in Hong Kong.

- Kai Tin Shopping Centre
- Tsz Wan Shan Shopping Centre
- Lok Fu Place
- Tin Yiu Plaza
- Lei Yue Mun Plaza
- Wan Tsui Shopping Centre
- Fu Shin Shopping Centre
- TKO Spot

The Quayside, our headquarters and Grade-A commercial complex in Kowloon East, has been awarded the WELL Core and Shell V1 – Final Gold rating, and is one of the few WELL certified buildings in Hong Kong. The Quayside has previously received LEED-BD+C: Core and Shell V2009 – Final Platinum certification, and BEAM Plus New Buildings V1.2 – Final Platinum certification.

Looking ahead

We target to obtain the IAQ Certificate (Good Class) certification for 8 further shopping centres in 2022/2023.

Energy Efficiency



Natural

As we strengthen our decarbonisation efforts transitioning towards Net Zero by 2035, increasing energy efficiency via optimisation and technology adaptation remains our priority, especially since electricity also contributes a significant portion of our operating expenses.

GRI 103-2, 103-3, 302-4
HKEX KPI A2.3, A3.1

Approach

We develop and roll out energy management plans strategically by considering asset life cycle (from acquisition, design, and construction to operational management), technological readiness and cost effectiveness. Through piloting, we identify optimal solutions to roll out across our portfolio, increasing operational efficiency and making strategic upgrades of equipment and systems. Equipment life cycle is also taken into account to extract the most value and minimise unnecessary electrical waste.

We reference local and international best practices and standards where relevant (e.g. ISO 50001, Hong Kong EMSD Online Energy Benchmarking Tool, HKGBC Benchmarking and Energy Saving Tool, NABERS Energy Rating, and the United Kingdom EPC Rating) to set energy saving targets and assess our on-going performance.

We chart our progress by continually developing and reviewing energy reduction targets while improving overall energy performance through strategic review and implementation of energy management plans. By establishing accountability among relevant business units, we coordinate efforts between geographies and clusters to ensure that our portfolio-level energy reduction progress stays on track.

A significant portion of our portfolio is located in Hong Kong where we do not own tenant energy data as electricity is billed directly to tenants by the local utility suppliers. Nevertheless, we recognise the impact and influence Link has on helping tenants to minimise their environmental footprints. We actively communicate with our tenants (via Fit-out Handbook, Management Rules & Regulations and Tenant Academy etc.) on energy efficient technologies and measures, encouraging them to adopt energy best practices during fit-outs and operations.

Targets

- 30% reduction in electricity intensity across portfolio by 2035 (compared to 2018/2019 baseline)
- 5% reduction in electricity intensity by 2025/2026 (compared to 2018/2019 baseline)

Progress

Our progress towards 2025/2026 electricity intensity reduction target is shown below:

Portfolio	Change versus 2018/2019 Baseline	Y-o-Y Change	2021/2022	2020/2021	2018/2019 Baseline
Unit	%	%	kWh/sq m	kWh/sq m	kWh/sq m
Hong Kong	-1.3	+2.6	57.5	56.1	58.3
Mainland China	-3.7	-0.8	87.3	88.0	90.7
Overseas	—	—	32.7	—	—
Group Total	-0.6	+0.8	60.5	60.0	60.9

Energy Efficiency Measures

We have been managing energy efficiency through our Link Energy Management Programme (LEMP) that was established more than a decade ago. Throughout the journey, we made ambitious moves by launching a series of programmes such as chiller replacement, lighting improvement, installation of building management system (BMS), variable speed drives (VSD), electromagnetic induction devices (EID) and power analysers (PoA), as well as re-commissioning. Moving forward, we will continue to evaluate the maturity of different energy efficient technologies and apply them where feasible.

This year, we have implemented a wide range of energy saving initiatives across portfolio:

- Invested over HK\$69 million on energy saving initiatives in our Hong Kong portfolio to yield an estimated savings of around 1,750 MWh in the year, equivalent to more than HK\$2.24 million of cost saving.
- Upgraded 7 chillers in Hong Kong portfolio with higher efficiency that exceed minimum Coefficient of Performance (COP) required under Building Energy Code.
- Rolled out Energy Management System (EMS) at 4 pilot properties including T Town, Cheung Fat Plaza, Tsz Wan Shan Shopping Centre, and TKO Gateway in our Hong Kong portfolio, which help us employ predictive data analytics for energy optimisation, regression modelling and fault diagnosis with follow up actions.
- Kickstarted motion sensor lighting installation in 6 carparks to optimise energy efficiency via Internet of Thing (IoT) solutions.
- Conducted energy audits for 22 properties to assess energy performance against building compliance and identify areas for improvement.
- 73 properties were awarded Platinum Award in the Hong Kong Environmental Protection Department's Charter on External Lighting for switching off external lighting from 11 p.m. to 7 a.m.
- Collaborated with CLP Power Hong Kong to offer free energy audits for 39 tenants and help them identify energy saving opportunities.

To reduce infection risk amidst the pandemic, in 2021/2022, the Hong Kong government implemented measures requiring increased air change for property common areas and food and beverage outlets. This, coupled with greater than average number of hot days, slightly increased our overall electricity intensity for our Hong Kong portfolio.

Looking Ahead

We will continue to roll out energy efficiency projects across our portfolio and identify further opportunities for improvement:

- Performance evaluation of the EMS pilot will take place in mid 2022/2023. Full rollout in the Hong Kong portfolio is expected to be completed by 2025/2026.
- An additional 24 properties will be equipped with motion sensor lighting in car park areas by 2022/2023.
- Energy audits will be conducted for 71 and 26 properties in 2022/2023 and 2023/2024 to assess energy performance against building compliance and identify areas for improvement.

We will continue to work with our tenants on energy efficiency measures, encouraging them to join free energy audit programmes and to adopt saving measures where feasible.

Policies

[Climate Change and Energy Policy](#)

Waste Management



Natural

Global resources are being consumed and waste is being generated at an unsustainable rate. We take ownership to preserve the environment by reducing and managing waste responsibly. This will enable Link to minimise the impacts of rising operational costs on our tenants and investors; and anticipate and prepare for emerging environmental regulations and increasing societal expectations.

GRI 103-2, 103-3, 306-1, 306-2
HKEX Aspect A1, KPI A1.6, A3.1

Approach

Link is committed to reducing waste from tenant operations, shoppers, and construction/renovation. We work closely with stakeholders to identify opportunities to reduce waste generation across our value chain. With a large retail portfolio, we are particularly focused on engaging with our tenants and shoppers to reduce waste to landfills through waste diversion and recycling. We also continue exploring on phasing out the use of single-use plastics in our portfolio.

We support transition to a circular economy and target to increase recovery and recycling of waste, minimising waste transferred to landfill. Our largest waste diversion programme is in organic waste, since we have identified this to be one of the most significant waste categories for our portfolio, particularly at our fresh markets. We work closely with our tenants and housekeeping contractors on waste sorting and recycling and have set up recycling programmes together with our working partners for plastics, metal, paper/cardboard, and glass. We will continue to improve and scale up our waste recovery/recycling efforts to improve measurement, increase efficiency to contribute to greater waste diversion rate from landfill. We support Compulsory Waste Sorting requirements in Mainland China as well as the upcoming Municipal Solid Waste Charging scheme in Hong Kong and view these as an opportunity for us to step up our efforts, working with local governments and our value chain to further reduce waste to landfill.

Targets

- >50% general waste⁽¹⁾ recovered/recycled by 2035
- Zero organic waste to landfill
- Reduce single-use plastics generated in Link's premises

Note:

(1) General waste includes organic, inorganic, and recyclable waste (including any tenant waste) handled by Link at properties where Link has operational control. Excludes construction waste and hazardous waste.

Progress

Waste Reduction

Tenants

Tenants are required under our Management Rules & Regulations and Fit-out Handbook to reduce waste during fit-out, reinstatement and operations. Where possible, our leasing team will encourage incoming tenants to utilise existing fit-out elements from previous tenants, thereby reducing wastage. We recommend that tenants consider using recycled materials for their fit-out and to avoid excessive packaging in their operations. We regularly interact with our tenants to discuss and share best practices for waste reduction, including reduction of single-use plastics and food waste.

Shoppers

We strive to reduce single-use plastics by providing alternative solutions for our shoppers. Past efforts include piloting the use of biodegradable cassava bags at our fresh markets and a bring-your-own-box campaign at selected food outlets in our portfolio. We have recently ceased distribution of single-use plastic umbrella bags, a common local practice, across our Hong Kong retail portfolio since February 2022. To support this change, we added physical amenities such as eco-friendly umbrella dryers and blower fans, increased cleaning capacity, and launched an educational campaign for our shoppers.

Construction/Renovation

In our development and asset enhancement projects, we adopt sustainable materials and methods to reduce material wastage and the use of natural resources. We partner with contractors to reduce construction waste materials.

Waste Recovery/Recycling

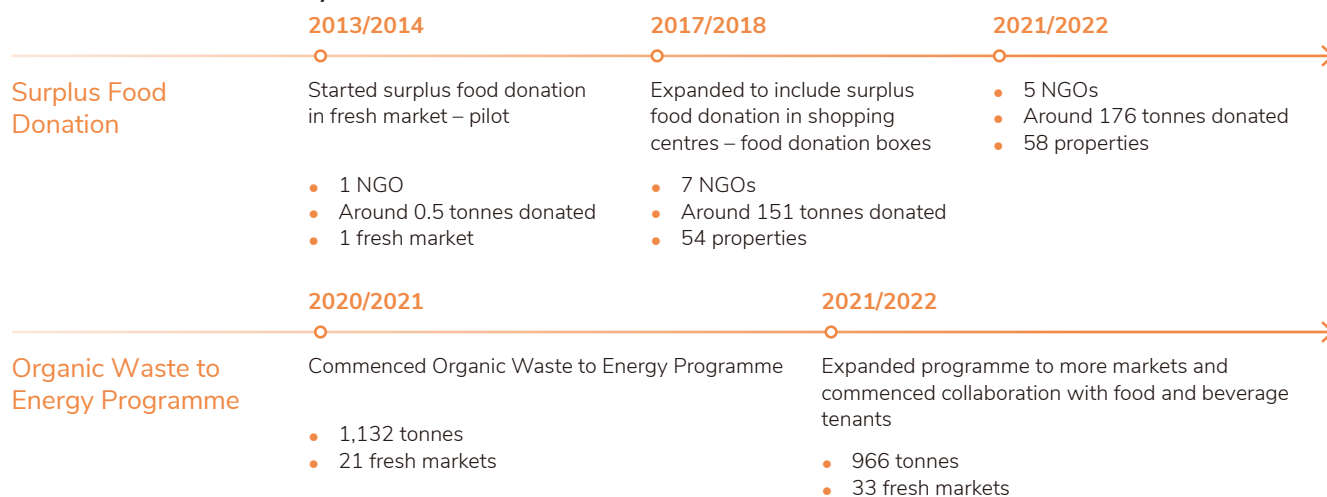
Tenants

We require our tenants to comply with responsible waste management practices and encourage and support our tenants to conduct waste separation and recycling during fit-out, reinstatement, and daily operations.

We work closely with our tenants to divert waste from landfill and have initiated programmes to divert organic waste, plastics, metal, paper/cardboard, and glass from landfill. We are expanding these programmes to reach our target to increase diversion from landfill.

During the year, we worked closely with the Environmental Protection Department in Hong Kong to expand our organic waste collection initiative to more fresh markets. Organic waste collected from our market tenants are delivered to O·Park for energy generation. Despite expanding our collection points, we collected less organic waste this year, 966 tonnes in 2021/2022 compared to 1,132 tonnes in 2020/2021 mainly due to periods of fresh market closures and fresh food shortages in Hong Kong during the pandemic period.

Food Waste Diversion Journey



To avoid food wastage, we continued to partner with various NGOs to facilitate surplus food collection from our fresh market tenants (and shoppers). During the period, a total of 176.1 tonnes of surplus food was donated in the form of food packs and meal boxes, which have been redistributed to the needy in local community.

Shoppers

We provide recycling bins (paper, metals, and plastics) in the public areas of our shopping centres, encouraging shoppers to recycle. Collected recyclables are sorted and sent for recycling by our housekeeping contractors.

To further engage and encourage the community to recycle, we have collaborated with EPD and Watsons Water to install plastic bottle reverse vending machines in our Hong Kong retail properties that reward recyclers for every bottle deposited. We also support the collection of other recyclables, such as glass bottles and used clothes, as well as lai see packets during Chinese New Year period.

Construction/Renovation

We manage our construction and renovation waste according to statutory requirements, for example, we responsibly dispose our construction waste materials in compliance with the Waste Disposal Ordinance (Chapter 354). Our management measures include a clear waste classification system, as well as a multi-pronged approach that champions avoid and minimise, reuse, recover and recycle, and treatment and disposal of various kinds of construction waste.



Case Study: Styrofoam Box Recycling

A unique challenge we faced first hand in 2021/2022 was the impact of value chain disruption, specifically for recyclable materials. Hong Kong has limited capacity for processing recyclable materials, and most are transported to Mainland China for proper treatment. At the onset of the fifth wave of COVID in Hong Kong, traffic between Hong Kong and Mainland China was disrupted. Expanded polystyrene boxes – commonly known as Styrofoam – used to transport vegetables to fresh markets, began to pile up around our properties creating a visual nuisance and potential fire hazard. Instead of disposing at the local landfill, we were committed to finding a better and more responsible solution.

We engaged with stakeholders within the ecosystem including fresh market stall operators, cleaning contractors, local NGOs, downstream recyclers, and technology providers to collectively invest resources and manpower to rapidly upscale the city's Styrofoam handling capacity. At the end of March, within a month of operation, we achieved a recycling rate of nearly 60% for fresh market Styrofoam boxes, preventing over 59,000 boxes from entering landfill or escaping into the environment. The recycled Styrofoam will be used as raw material for production of new plastic products such as coat hangers or garden furniture. We will continue these efforts in the coming year and target to increase the recycling rate further.

Looking Ahead

To further develop the behaviour of waste sorting in preparing for the upcoming waste levy in Hong Kong, we will further expand our organic waste collection programme to our retail malls. We target to work with our tenants to jointly deliver organic waste for recycling at property level. We expect that this collective approach will be more efficient and environmentally friendly.

Although our cleaning contractors are required to separate out plastics and other recyclable materials and to divert from landfill, we do not yet have good data measurement of these items. We will work with our cleaning contractors and deploy necessary technology to improve our waste measurement.

Policies

[Waste Policy](#)

Water Management



Natural

Integrating resource conservation into our daily business operations is key to minimising our environmental footprint. We treat water as a valuable natural resource and support stakeholders in promoting sustainable use and management of water resources together.

GRI 103-2, 103-3, 303-1, 303-2
HKEX KPI A2.4, A3.1

We strive to deliver water management outcomes in terms of water conservation, efficiency, and quality across our portfolio during operation and renovations.

Our water consumption is for domestic uses in Link's properties – primarily include cooling towers, cleansing, flushing, potable water and irrigation. Our operations do not produce hazardous effluents and wastewater.

Approach

We reduce water consumption within our operational control by:

- Reusing rainwater for irrigation purpose where practical
- Prioritising planting drought-resistant plants to minimise water use for irrigation
- Adopting water-efficient fixtures such as self-closing taps, flow restrictors and dual flush valves in our properties
- Inspecting plumbing fixtures, pipes, and drainage systems regularly to repair leaks and avoid water wastage in a timely manner
- Measuring and monitoring consumption of different water usages via metering and/or sub-metering systems during construction, operation and renovation works

In Hong Kong, we have relatively limited ability to impact and influence the city's overall amount of water supplies, as 70-80% fresh water comes from Dongjiang by pre-allocated arrangement with the Guangdong authorities. The majority of our Hong Kong properties are also privileged to be covered under the seawater supply network for flushing – contributing to significant conservation of water resources.

We ensure water safety and quality by participating in the Quality Water Supply Scheme for Buildings – Fresh Water (Management System) launched by the Hong Kong Water Supplies Department for selected properties each year.

We engage, support, and encourage our stakeholders to conserve water. Our Fit-out Handbook and Management Rules & Regulations require tenants and their appointed contractors to avoid sewage contamination and encourages adoption of water-efficient appliances and fixtures.

Targets

- 10% reduction in general water⁽¹⁾ use intensity by 2035 compared to 2018/2019 baseline

Note:

(1) General water uses includes water for cleansing, flushing, potable uses, irrigation and other minor uses but excludes cooling tower water.

Progress

At our Hong Kong headquarters, The Quayside, we deploy a rainwater recycling system which is designed to reduce potable water for irrigation by 50%. Potable water is further saved by using cooling tower bleed-off for flushing and water efficient sanitary fittings.

This year, we introduced our new Water Policy and a water savings target to drive reduction efforts. Water usage for cooling towers is excluded from the target boundary at this stage, as we anticipate inevitable surging water demand for cooling towers when we upgrade to more water-cooled chiller systems in the future.

We also installed remote moisture sensors nearby major facilities in TKO Gateway and TKO Spot to monitor water leakage and alert over-flow conditions for timely handling to avoid water wastage.

In 2021/2022, we obtained Quality Water Supply Scheme for Buildings certificates for 5 properties in Hong Kong. Our original plan was to obtain certification for more properties this year, however due to COVID, it was only possible to complete certifications for the following 5 properties.

- Tsz Wan Shan Shopping Centre
- Kai Tin Shopping Centre
- Yu Chui Shopping Centre
- Choi Ming Shopping Centre
- TKO Spot

Looking ahead

- Obtain Quality Water Supply Scheme for Buildings certificates for ~6 properties in 2022/2023
- Roll out further water leakage prevention IoT solutions across portfolio after feasibility assessment

Policies

[Water Policy](#)

Biodiversity



Natural

Biodiversity is essential for the processes that support all life on Earth. We recognise that without a wide range of animals, plants, and microorganisms, we cannot have healthy ecosystems. Biodiversity also brings direct and indirect benefits to our business through the provision of natural resources, such as food, water, fuel, and natural fibres, as well as absorption of pollution and waste.

GRI 103-2, 103-3
HKEX KPI A3.1

Link is committed to minimising adverse biodiversity impact and contributing positively where feasible in locations where our business operates and establishing a resilient natural environment for our future generations.

Approach

We regularly assess nature related risks and opportunities. All of our properties are in urban locations and none are in or adjacent to protected areas with high biodiversity value, including but not limited to World Heritage Sites, Sites of Special Scientific Interest (SSSI) and International Union for Conservation of Nature (IUCN) I-IV protected areas.

In compliance with the Code on Real Estate Investment Trusts (REIT Code), Link has few development projects (both greenfield and brownfield sites). Hence, we have limited risk exposure and impacts on biodiversity in general.

Nevertheless, we remain mindful that the physical footprint of our assets can have both negative and positive impacts on biodiversity at different stages of investment and asset life cycles: acquisition; planning, design, and construction; operation and maintenance; and fit-out and renovation.

We strive to deliver biodiversity outcomes during investment and asset life cycle phases in accordance with our Biodiversity Policy by:

Acquisition Phase

We consider risks and opportunities specific to biodiversity conservation in investment decision making in accordance with our Biodiversity Policy and our Responsible Investment Policy.

Planning, Design and Construction Phase

We conduct ecological impact assessments for development and redevelopment projects. In our planning, we consider use of sustainable materials for development and redevelopment projects.

Operation and Maintenance Phase

We prioritise sustainable use of natural resources to minimise adverse biodiversity impacts during operation. We also partner with local community parties and environmental groups to draw on their expertise for improving local biodiversity and to support relevant programmes in/adjacent to area of where our assets are located.

Fit-Out and Renovation

We leverage our assets to bring positive value to biodiversity and ecosystems where feasible, in conjunction with placemaking and well-being initiatives, such as:

- Greening Link's landscape improves the health and well-being of the communities we serve. The greenery planted throughout our properties can help filter the surrounding air and roof gardens provide additional public green space to the residents. To help enhance microclimate for shoppers, we have also adopted both horizontal and vertical greening in our properties. Wherever possible, we are committed to planting native plant species.
- We are dedicated to creating green leisure hubs for our communities to further promote a wellness lifestyle. Our efforts range from introducing urban farms to give citizens first-hand experience of organic farming, as well as partnering with NGOs to transform outdoor space into biodiversity hot spots such as butterfly gardens.

Targets

- 100% of new developments and redevelopments to conduct biodiversity assessments
- Maintain >70% of our horticulture investment sum in planting native flora

Progress

Operation and Maintenance Phase

- 86% of our horticulture investment sum was used for planting native flora in 2021/2022
- Committed more than HK\$9 million on horticultural maintenance and management across Hong Kong and Mainland China portfolios in 2021/2022
- Further invested HK\$796,500 in our Nature Link project (see below Case Study) in 2021/2022, after observing positive biodiversity and social impact for existing gardens.

Fit-Out and Renovation

- Completed in 2021/2022, our Mainland China asset enhancement project Link CentralWalk prioritised increasing green area. Post enhancement, the green area now spans more than 18,000 square meters (total green coverage ratio: 43.1%) with as many as 36 kinds of plants within the mall area. See more in [Green Buildings](#) section.

Case Study: Nature Link Butterfly Gardens

The Nature Link project is one of the funded projects under our [Link Together Initiatives](#) programme. Following the success of our previous two gardens at Sau Mau Ping Shopping Centre and Tsz Wan Shan Shopping Centre, we extended our partnership with the NGO Environmental Association in 2021/2022, further committing to the creation of 3 additional outdoor butterfly gardens at our properties (Choi Ming Shopping Centre, Kai Tin Shopping Centre, and Chung On Shopping Centre).

According to the butterfly survey conducted by the Environmental Association in 2021, the butterfly species at Sau Mau Ping Shopping Centre and Tsz Wan Shan Shopping Centre increased to 20 comparing to 5 species counted in the baseline survey. There were

also 30 more butterfly-friendly plant species in the two urban gardens,

The new gardens will help to create a territory-wide urban stepping stone habitat, strengthening the connection of butterfly networks to increase local biodiversity and restore life on land. Ambassadors will be recruited from the local community and will be trained to manage the gardens.

For the first time this year, a 'My Garden' design competition was held to engage the local community and raise awareness on environmental and ecological preservation, attracting 120 entries in total. See more from our community story in [823 Channel](#).



Policies

[Biodiversity Policy](#)

Social

Talent Management



Talent

In pursuit of Vision 2025 and beyond, we continue to strengthen our talent management through expanding our talent pipeline, arming our employees with the right skillsets, and nurturing future leaders.

GRI 102-17, 102-41, 103-2, 103-3, 401-2, 401-3, 402-1, 404-2
HKEX Aspect B1, Aspect B4, KPI B4.1, B4.2

Approach

Pursuit of Growth and Transformation

We continually work on improving organisational effectiveness to support sustainable growth of Link.

Talent Acquisition, Retention and Development

We focus on sustaining leadership growth and building talent capability to ensure that our talent possess the qualities, skills and attributes required for future business success.

We regularly review our workforce composition, overall compensation components and other benefits to ensure that our offer is competitive and motivating to our high performing employees. Our Board oversees the governance and implementation of sound remuneration principles to ensure that they align with our corporate business strategy.

We are committed to ensuring fair and equal treatment of all employees, regardless of their gender, age, race, ethnicity, disability, religion or sexual orientation. We comply with labour and human rights laws and regulations at business locations where we operate. We ensure that there are no instances of forced labour, child labour or any forms of human trafficking in our workforce. We are also committed to creating a harassment-free workplace to ensure that no employee is exposed to violence, harsh/degrading treatment, harassment, and other disruptive conditions. We believe all our employees should have the right to favourable conditions of work such as safe working conditions, reasonable limitation of working hours, maternity protection and periodic holidays with pay. We comply with the Minimum Wage Ordinance and exceed regulatory requirements of minimum wage legislation by offering out-sourced workers paid lunch break and rest days. There are no formal collective bargaining agreements in place at Link.

Strengthen Workplace Agility and Employee Engagement

We continually adjust our workplace arrangement to protect employee's health and well-being, as well as maintain business continuity. In response to evolving talent expectations, we encourage mobility, in terms of where and how you work, to broaden Linker's horizon and exposure.

We value open communication and encourage our employees to exchange ideas and information through various channels, such as the intranet, Linker's Panel (our employee committee), interactive communication tools like Microsoft Teams and Yammer. We notify our employees regarding any significant managerial or operational changes as soon as possible. We also measure employee engagement level through surveys on a regular basis.

Cultivate Lifelong Learning Environment

We embrace a growth mindset with commitment to lifelong learning through providing our employees with opportunities and resources for just-in-time learning and career development.

Targets

- Employee engagement: conduct employee survey at minimum every 2 years, targeting 85% or greater response rate and engagement score of 3.5 or greater
- Attrition rate: identify and retain 90% of key contributors/performers at Grade AGM+; overall regrettable turnover rate of 15% or lower
- Training hours: each employee to receive a minimum of 16 hours of training annually
- Career development/mobility: facilitate 5 cross-department or cross-location job assignments annually

Progress

Pursuit of Growth and Transformation

This year, we established a group organisation structure, creating group function teams and regional operation teams. We also continued to strengthen our leadership bench strength at group and regional levels. Please refer to the Talent Capital section in our [Strategic Report](#) for a full discussion.

To further enhance our organisational effectiveness, we implemented an Enterprise Resource Planning (ERP) system this year. ERP is an integrated, cloud-based human resources management, procurement, and finance system, which provides standardisation and global consistency, enabling us to achieve better internal control and corporate governance as we manage an increasingly diverse asset portfolio in different geographies. As part of the ERP rollout, we have been preparing for the launch of a new human resources management system which will enhance both operational efficiency and employee experience by digitising manual processes.

In support of a high-performance culture, we hosted e-learning, webinar and briefing sessions to equip our talent with the knowledge to better review performance, recognise accomplishments, set new goals, and discuss professional and personal development opportunities.

Talent Acquisition, Retention and Development

To enable us to develop the next generation of senior leaders, we offer bespoke development covering leadership assessment, personality profiling, executive coaching, and leadership transformational programmes. We host an annual management retreat for senior leaders and management to collectively review, strategise and acquire new insights for continuous learning and development.

This year, we undertook an in-depth review of Link's talent pipeline and the succession planning for leadership. We recruited the largest cohort of Management Associates and Management Trainees this year. For further details please refer to Culture of Excellence section in our [Strategic Report](#).

We have an unwavering commitment to safeguard our employees' physical, mental health, safety, and well-being. For more details, please refer to the [Occupational Health, Safety and Well-being](#) section.

Strengthen Workplace Agility and Employee Engagement

The most recent COVID wave has impacted both Hong Kong and Mainland China since the second half of 2021/2022. Our robust crisis planning in place helped us manage through the pandemic while maintaining business continuity. Our strategic decision to equip employees with the needed technology to work remotely several years ago allowed us to be agile and maintain business continuity as social distancing measures evolved.

This year, we organised a total of 45 engagement activities, such as festive parties, Friday drinks and various wellness workshops. These activities connect and engage our employees with one another on official and social occasions, further enhancing our employee engagement level. We conducted an Employee Engagement Survey in May 2021, with 87% response rate and achieved an overall rating of 3.96 out of 5. Key feedback from Linkers included the areas of workplace, policies and employee engagement, and we will follow up by end of 2022.

We recognise Linker's contributions and want them to take pride in their work. We celebrated their achievements through CEO's Updates during townhall meetings and celebration events, such as the Promotion Party in July 2021 and the Appreciation Dinner in December 2021.

Since 2012, we have in place the Employee Unit Purchase Plan (EUPP) so that participating employees can become Link's unitholders.

Please refer to Talent Capital section in our [Strategic Report](#) for how we support our employees during the most recent COVID wave, and [Occupational Health, Safety and Well-being](#) section on our approaches and measures to safeguard health and well-being for our employees.

Cultivate Lifelong Learning Environment

Our e-onboarding supports new employees with understanding the critical role they play at Link and ensures ease in transition into the organisation. E-orientation modules with virtual reality components and interactive modules featuring senior leaders, provides new Linkers with a thorough insight of Link's strategic focus and business directives.

We offer competency-based curriculum programmes through both digital learning and live interactive workshops to ensure employees develop the capacity to respond with agility to remain competitive in the changing business environment. Customised learning modules such as portfolio management provide our talent with business specific knowledge to drive Link's success. This year, we organised a series of development programmes such as LinkMentor and the Certified Programme of Property Asset Management Essentials. With ESG being core to our business strategy, the Learning and Development Committee organised the Food for Thought Series – Execution of ESG in Asset Management to enhance employee understanding of ESG issues.

We continue to leverage our self-directed digital learning platform, LinkEDGE to provide hybrid learning options to our employees. Our employees and contractor staff achieved a jump in learning hours this year, completing over 26,310 learning hours in 2021/2022, around 1,970 hours more than the previous year.

To foster a lifelong learning culture, we offer education sponsorships to encourage employees to steer their own learning and to further strengthen their job-related knowledge, skills, and academic qualifications for career development. This year, we also enhanced our LinkREAD programme by providing employees with online access to a selection of e-books and audio books so that they can read and learn anytime, anywhere.

Tenant Engagement



Portfolio



Natural



Social & Relationship

Our tenants are our strategic partners in delivering a sustainable and healthy shopping environment for our shoppers and community. With our Business as Mutual approach, we partner with our tenants on environmental and social issues, such as energy savings, waste management, surplus food donations and supporting local employment. Through active engagement, we continue to create environments for tenants to grow and flourish.

GRI 103-2, 103-3

Approach

Tenant Collaboration

Via a Business as Mutual approach, we partner with our tenants on environmental and social issues such as energy savings, waste management, surplus food donations and supporting local employment.

Tenant Engagement

We communicate regularly with our tenants to understand their needs and priorities to seek opportunities for working together to create a more sustainable and healthy retail environment. We actively share knowledge with our tenants through Link's Tenant Academy and other channels and continue to create sustainable environments that inspire success and to increase value for our tenants.

Green Lease

We include recommendations in our tenancy documents and guidelines for tenants to operate more sustainably from fit-out to operations.

Targets

- 50% of green lease adoption in Hong Kong and Mainland China by 2026/2027

Progress

Tenant Collaboration

We continued to grow our collaboration with tenants in 2021/2022 including in waste management, energy savings and upward social mobility.

Tenant Engagement

We conducted a tenant satisfaction survey during Feb to May 2022. Results were positive with improvement across almost all aspects and satisfaction score of over 4.0 out of 5 for all areas (customer service, tidiness and facility). Through collecting comments from tenants, we have identified washroom tidiness as an area where we can make improvement by increasing frequency of cleaning during peak hours and weekends. Founded in 2009, Tenant Academy has organised around 100 seminars, engaging over 21,000 tenants and audiences, covering topics from customer engagement, operation efficiency, e-commerce, to ESG management.

Green Lease

In 2021/2022, we commenced working on updating our suite of tenancy documents to include green lease clauses, referencing international best practices and consulting with industry organisations and our tenants. In May 2022, we rolled out our updated Fit-out Handbook and Management Rules & Regulations to including guidelines and recommendations for more sustainable fit-out and operations, ranging from prioritising the use of sustainable materials and products in fit-out to green operating measures such as energy savings and responsible waste handling. To increase our own accountability, we have set green lease rollout targets as part of our latest sustainability-linked finance transaction.

Looking Ahead

ESG has become a priority for many of our tenants and we target to expand our collaboration with more tenants to increase our positive impact. In 2022/2023, Tenant Academy will provide more seminars on sustainability topics for our tenants.

Supply Chain



Natural



Social & Relationship

Link strives to be an overall positive contributor to environmental and social sustainability. We recognise that our service delivery and overall ESG performance can be affected by our suppliers. We aspire to establish strong partnerships with our suppliers to foster a resilient and sustainable value chain together.

GRI 102-9, 103-2, 103-3, 308-2, 408-1, 409-1, 412-3, 414-1, 414-2
HKEX KPI B4.1, B4.2, Aspect B5, KPI B5.2, B5.3, B5.4, B6.4

Approach

Sustainability is embedded in our procurement and supply chain decision-making from vetting and prioritising to assessing and monitoring phases. We uphold robust vendor registration and tendering procedures in accordance with our Procurement Policy to ensure consistent, efficient, and sustainable procurement while maintaining open competition and effective risk management.

Vetting and Prioritising

We require new vendors to fulfil prerequisites in terms of company profile, financial and technical performance. As part of their onboarding process, vendors need to acknowledge that they have read and understood their duties and responsibilities to comply with the principles and provisions under Link's [Supplier Code of Conduct](#). The Code covers a broad range of environmental and social topics, e.g. business ethics, health and safety, human rights, and pollution, setting out statutory and regulatory compliance at minimum. Specifically, the Code prohibits suppliers from forced labour, child labour, human trafficking or any other forms of modern slavery. All suppliers are required to adhere to the Code.

Our employees are encouraged to procure goods and services in a responsible manner that considers ESG efforts and impacts of the suppliers during selection and/or contract renewal. We prioritise working with suppliers who fulfil and outperform in the following areas:

- Fully comply with Supplier Code of Conduct, i.e. obey all applicable laws and regulations, care for staff, and minimise environmental footprint.
- Adopt internationally recognised management systems related to sustainability including but not limited to ISO 14001 Environmental Management System, ISO 50001 Energy Management, ISO 45001 Occupational Health and Safety, ISO 9001 Quality Management, and ISO 26000 Social Responsibility.
- Have sustainability policies and procedures in place and provide training to their staff.

Where practical, we prioritise procuring goods that are:

- Durable and reusable
- Energy and water-efficient
- Recyclable and/or have high recyclable content
- Wood and paper products from well-managed sources, e.g. Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC)
- Chemical products that minimise environmental and health and safety hazards, e.g. low volatile organic compound (VOC) paints and adhesives
- Locally/regionally produced materials where available

Assessing and Monitoring

We monitor our Tier-1 ⁽¹⁾ suppliers' performance and incidents of non-compliance and misconduct that have fallen below the standard of the Code. Suppliers are expected to retain all documentation records that demonstrate their compliance with the Code and allow our access to relevant documents and conduct on-site inspections where needed.

In the event of any identified breach, we will ask the supplier to provide explanation for the incident and to inform us of any remedial/follow up actions as appropriate. If the breach is deemed to be material, we reserve the right to suspend or terminate contracts with them.

We classify high-spending and critical component suppliers as our critical suppliers. After completion of contract, we assess our suppliers' performance on areas such as quality of goods and services, delivery, timeliness and responsiveness. We also require all user departments to conduct an environmental and social compliance check on their top 5 suppliers each year.

We further identify sustainability high-risk suppliers (those having high potential to create significant and long-lasting adverse ESG impacts, may impede our business operations or lead to reputational damage to Link). For any identified sustainability high-risk suppliers, we conduct further monitoring and review.

Targets

- 100% implementation of Supplier Code of Conduct and Procurement Policy⁽²⁾
- Conduct annual environmental and social compliance check on each business unit's top 5 suppliers⁽³⁾

Progress

This year, we revamped our Supplier Code of Conduct and Procurement Policy, setting out a more stringent level of commitment on identifying, assessing, monitoring, and mitigating environmental and social risks along our supply chain. Training and guidance were provided to user departments on the new policies and procedures.

We conducted an environmental and social compliance check on a total of 105 tier-1 suppliers based in Hong Kong, Mainland China, Australia, and the United Kingdom, and together they contributed to more than half of our awarded contract sums in 2021/2022. Less than 7% of non-compliant cases were identified – all were minor violations in areas of environment, health, and safety. None of our assessed suppliers were categorised as sustainability high-risk during the year. No operations and suppliers were considered to have significant risk for incidents of forced or compulsory labour. No relevant incidents were identified during the reporting period.

Policies

[Supplier Code of Conduct](#)

[Procurement Policy](#)

Notes:

(1) Tier-1 suppliers refer to direct suppliers of goods, materials, or services to Link

(2) Applicable to suppliers who provide services for our managed portfolio with operational control

(3) By awarded contract sum in the financial year

Community



Portfolio



Social & Relationship

We recognise that a successful business cannot rest on a society that fails. We invest in our communities by providing sustainable and healthy environments, as well as uplifting the community groups around us.

GRI 103-2, 103-3, 413-1
HKEX Aspect B8, KPI 8.1, 8.2

Approach

Placemaking

We shape and create sustainable and vibrant spaces where people can thrive and prosper.

People

We partner with NGOs and spearhead our own initiatives to support community groups, particularly those focusing on youth and elderly.

Social Mobility

We invest in and support initiatives that promote upward social mobility.

Targets

- >10% housekeeping and security staff hired locally from underprivileged groups by 2026/2027 in Hong Kong
- Contribute an amount of up to 0.25% of net property income to charity and community engagement

Progress

Placemaking

Project Together

We launched Project Together as part of Link's 15th Anniversary celebration in 2020, where we committed to complete a series of pro bono enhancement works for selected welfare tenants in our portfolio. We have since taken the lead in organising our suppliers, contractors, community service tenants and Link volunteers to carry out the enhancement works, so that we can create better environments for our welfare tenants and their beneficiaries. To date, we have completed two pilot schemes: improving an outdoor play area for the public library in Tsz Wan Shan Shopping Centre and creating a lively entrance area for a Salvation Army at Wan Tsui Shopping Centre. We also invited [landscape architecture](#) students from Hong Kong Design Institute to join the Lok Wah South Car Park rooftop placemaking competition.



Improved Tsz Wan Shan Public Library Sky Garden play area

Barrier-free Access

We commenced Link's Barrier-free Access (BFA) Improvement Plan in 2011 and have since invested approximately HK\$229 million (excluding asset enhancement projects) in providing barrier-free access. All our Hong Kong properties have now been fitted with basic BFA facilities that complies with the Best Practicable Principles, standards of Universal Design within the Buildings Department's Design Manual: Barrier-Free Access 2008. The Hong Kong Buildings Department further updated this manual in 2021 and it is our intent to comply with any new requirements. We have also extended our efforts by creating a barrier-free website design, which was recognised by the Internet Professional Association with a Certificate of Appreciation.

Fresh Markets

Fresh markets represent a traditional and important part of Hong Kong life and culture. As a major operator of fresh markets in Hong Kong, we have revitalised our fresh markets to evolve the traditional market experience to offer greater convenience, hygiene, and a sense of community. Our upgrades provide greater accessibility and visibility of the goods on offer and provide our shoppers with an enhanced shopping experience. For details of our approach on revitalising fresh markets, please visit our [Growing Brighter – The Bold New Spirit of Hong Kong's Fresh Markets](#) website.

People

Welfare Tenants

In 2021/2022, we provided approximately 531,000 sq ft in our Hong Kong portfolio to NGOs at concessionary rental rates as part of our commitment to the Housing Authority since IPO under the welfare letting covenant. Further, we let out an additional area of approximately 117,000 sq ft at below market rates to NGOs in Hong Kong, amounting to estimated in-kind contribution of over HK\$3.0 million over the year. Altogether, the programme supports 136 NGOs, enabling them to reach more target beneficiaries at convenient community locations.

To help address the challenge of ageing population in Hong Kong, we have added a Gerontech Education and Rental Service Centre as a welfare tenant in Yu Chui Shopping Centre. Gerontech products – from wheelchairs to assistive devices for lifting and eating – can be tailor made at an affordable price for the elderly, allowing them to live more comfortably and safely at home. The Service Centre serves as hub for connecting ageing-focused NGOs and business partners, facilitating collaboration, and encouraging awareness among the community.

Link Together Initiatives

Each year, we contribute an amount of up to 0.25% of our net property income from the previous financial year to the Link Together Initiatives, in accordance with the [Link Charity and Community Engagement Programme Plan Rules](#). Since 2013, we have invested HK\$105 million in youth empowerment, active ageing, and resource management, covering all 18 districts of Hong Kong through the Link Together Initiatives. This year, we committed HK\$15.5 million to a variety of initiatives, including a project that promotes performing arts for the elderly and one that provide sports training to underprivileged youth. We have supported the Hong Kong Guide Dogs Association for the past eight years to benefit visually impaired persons and to promote an inclusive society. Please visit the [Link Together Initiatives 2021/2022 Brochure](#) for more details.

Venue Sponsorship

In 2021/2022, we offered over 1,190 days of venue sponsorship to NGOs and government departments to organise community activities, amounting to estimated in-kind contribution of over HK\$6.7 million over the year.

Assistance to the Underprivileged

We maintain close communications with various NGOs to support the underprivileged. Funded and initiated by The Hong Kong Jockey Club Charities Trust, we have been collaborating with Food Angel in supporting The Jockey Club Food Assistance Programme since 2020 by placing multiple Automated Food Dispensers (AFDs) in 10 easily accessible shopping malls, which operate around the clock and allow the unemployed and the underemployed to collect their meal boxes in a discrete matter. As of March 2022, the AFDs have served 6,420 individuals across 11 districts.

During the fifth wave of COVID in Hong Kong, many citizens were quarantined at home and did not have access to food and daily necessities. To address this urgent need, we worked with community leaders and resident groups in 15 public housing estates to identify families in need and delivered food and grocery packs to them. In addition, we supported The Neighbourhood Advice-Action Council in delivering fresh food and grocery packs to double-elderly households (elderly who live with their older father/mother) in six districts. A total of 2,500 COVID-affected families were benefited. For more details on how we supported the community in the fifth wave, please refer to [Occupational Health, Safety and Well-being](#) section.

Staff Volunteering

We support community development through staff volunteering initiatives. Our Volunteer Committee continues to support various charitable causes despite the COVID pandemic, including the distribution of groceries to needy households mentioned above. In 2021/2022, a staff count of 295 volunteered a collective 2,325 hours to support Link Together Initiatives and other charity-related activities. The total number of service hours increased by 93% from 2020/2021.

Social Mobility

Link University Scholarship

Link University Scholarship is a part of Link Together Initiatives and is our signature youth empowerment programme to promote upward social mobility in Hong Kong. This non-means-tested university scholarship was launched in 2015, for selected students who are the first amongst three generations in their families to attend university in Hong Kong. Since inception, we have granted scholarships to 1,160 awardees, totalling HK\$23.2 million of donations. This year, we awarded HK\$4.4 million to 220 beneficiaries. We also broadened the scholarship scheme to include three self-financing universities reaching a larger segment of Hong Kong's youth.

Local Employment Initiative

Recognising our broad geographic coverage in Hong Kong, we initiated an upward social mobility programme this year to provide local employment opportunities for individuals living below the poverty line. In early 2022, we piloted working with NGOs, our contractors and tenants on this initiative and have successfully arranged initial job placements. Beneficiaries can save on travelling time and cost by living and working in the same district, enhancing their quality of life. To increase our own accountability, we have set a local employment hiring target as part of our latest sustainability-linked finance transaction.

Policies

[Link Charity and Community Engagement Programme Plan Rules](#)

Occupational Health, Safety and Well-being



Talent Social & Relationship

We strive to enhance Occupational Health and Safety (OHS) for our employees and contractors, and to offer healthy and safe environments for our tenants, shoppers and the wider community.

GRI 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 416-1
HKEX Aspect B1, Aspect B2, KPI B2.3, Aspect B3

Approach

Employees and Contractors (Occupational Safety)

OHS is an important focus area for us. We have an established Health, Safety and Environment Policy Plan and a Health, Safety & Environment Management System Manual. These plans and procedures follow ISO 14001 & ISO 45001 Standard where possible. Our Project & Operations and Property Management teams record health and safety issues in our operations and provide these records to our Sustainability & Risk Governance department on a quarterly basis. We also have an online platform and standard procedures: Property & Public Liability Claims Registration for handling insurance claims.

We regularly communicate to our contractors and service providers on our OHS policy and standards and require them to comply with these obligations. We conduct OHS inspections for major asset enhancement works, as well as repair & maintenance, and CAPEX works. For engineering works that have higher risk, OHS requirements are further defined in tender and contract documentation.

We strive to keep abreast of best industry practices in OHS management and continuously enhance contractors' competence in health and safety through exchanging knowledge. We also monitor contractors' achievement for continual improved OHS performance.

We regularly conduct OHS trainings for our employees and contractors, as well as organise Mandatory Basic Safety Training Courses (Construction Work), Green Card Training Courses, to provide relevant basic safety and health training to our employees and contractors that carry out construction work in our properties. The courses are recognised by the Commissioner for Labour as a Mandatory Basic Safety Training Course. We also provide our contractors with clear guidelines for making insurance claims in case of any incidents, to ensure prompt and professional investigation and resolution of any loss situation.

Employees

Family-Friendly Working Environment

We are committed to providing a family-friendly working environment for employees. We have a family-friendly leave policy that also promotes well-being: in addition to annual leave, we provide birthday leave, marriage leave, maternity leave, paternity leave, compassionate leave, family care leave, examination/study leave, and volunteering leave.

We provide caring rooms to support the needs of working mothers, reflecting our core value of serving people. We have also established a Parents' Club to better engage working parents and their parents/kids in our workplace.

Promote Well-being of Employees

We closely engage with our employees to host a variety of activities to enhance their well-being. We have a Virtual Wellness Resource Centre to provide healthy living tips to employees. We also have an Employee Assistance Programme (EAP) to support our employees and their immediate family members. EAP provides 24/7 hotline counselling service, face-to-face counselling as well as clinical psychology service, covering key interpersonal aspects such as emotional management, marital relationships, and conflict management.

Swift Actions to Mitigate COVID Impacts

We have established rigorous protocols to safeguard our employees against the COVID pandemic and other similar outbreaks. We have a comprehensive set of policies and protocols to protect our employees, which cover workplace reminder, quarantine protocol, and rules on social contact and health declaration. We have established a drill protocol that ensures staff can evacuate the office swiftly when there is confirmed COVID case in office.

Tenants and Shoppers

We have integrated measures into our daily operations to protect the health, safety and well-being of our tenants and shoppers. These include regular deep cleaning and sanitisation of facilities on our premises, raising frontline staff's anti-infection awareness and upgrading their gear, and engaging with tenants on implementation of contingency plans.

We are also committed to provide a healthy and sustainable building environment for our tenants, shoppers and wider community. Please refer to the [Green Buildings](#) and [Indoor Air Quality](#) sections for further details.

Communities

We closely collaborate with community leaders, NGOs and the government to promote health and well-being in the community. As a shopping mall owner operating in 15 out of 18 districts in Hong Kong, we leverage our shopping malls as social hubs to promote a healthy way of living.

Target

- Pursue zero fatalities, zero staff injury incident and zero prosecution related to OHS regulations across all of Link's daily operations

Progress

Employees and Contractors (Occupational Safety)

In 2019, we developed an Insurance Claims Manual to ensure proper handling of accident and insurance claims procedures for third party property damage and bodily injury. The manual also provides action and avoidance points for property management staff to follow.

We updated our Site Safety Handbook this year to cover more OHS topics including dust control, asbestos control, as well as safety guidelines for using hand tools and electric tools.

This year, we recorded one work-related fatal incident: regrettably a contractor staff was hit by a moving elevating working platform in Choi Wan site. We immediately suspended all works that require use of the elevating working platform at Choi Wan Commercial Complex for full investigation. Subsequently, we established a new guideline on the safe use of handling machinery and heavy objects and required contractors to provide further safety workshops to their staff before resuming use of the elevated working platform.

Our Lost Time Injury Rate (LTIR) and Lost Time Injury Frequency Rate (LTIFR) are as follows:

Portfolio		LTIR (per 100 employees)		LTIFR	
		Permanent Staff	Contractors	Permanent Staff	Contractors
2021/2022	Group	0.36	1.01	1.80	4.23
	Hong Kong	0.42	1.08	2.11	4.52
	Mainland China	0	0	0	0
2020/2021	Group	0.28	0.77	1.42	3.20
	Hong Kong	0.33	0.63	1.63	2.62
	Mainland China	0	0.90	0	3.73
2019/2020	Group	0.66	0.85	3.30	3.53
	Hong Kong	0.66	0.85	3.30	3.53
	Mainland China	–	–	–	–

Employees

Family-Friendly Working Environment

Throughout the year, we organised a number of family events and parenting workshops through our Parents' Club, including a dye workshop and a workshop for handmaking of Christmas trees and wreaths. These workshops were very well received by our employees. In 2021/2022, a total of 4,844 family-friendly leave days were taken by Hong Kong and Mainland China employees.

Promote Well-being of Employees

This year, we provided a mental health guide and stress relief tips to our employees to support their well-being during the pandemic. We also organised workshops on stress management, mindfulness, parenting tips, traditional Chinese medicine, and mindfulness drawing sessions to promote a healthy way of living.

In view of work from home arrangement during the pandemic, we also launched an OHS e-newsletter platform to enhance health and safety awareness amongst our employees and to provide up to date OHS information.

Swift Actions to Mitigate COVID Impacts

To better support our frontline employees who continued to carry out necessary duties during the fifth wave pandemic, we provided them with necessary protective equipment and lunch subsidies. We also granted employees an extra day off as vaccination leave for each dose they received. Our medical insurance policy also covers medical treatment for the side effects of COVID vaccinations.

Tenants and Shoppers

During the fifth wave, we distributed COVID rapid antigen test kits to fresh market tenants on the first day of Vaccine Pass implementation. Our agile response helped tenants resume their businesses quickly, helping to restore customer confidence.

We also utilise our properties as testing grounds for new technologies to help people stay healthy and safe. In 2021, we joined hands with AlipayHK to drive digital payment transformation at fresh markets by offering shoppers a total of HK\$5 million worth of cash coupons through AlipayHK platform. Digital payment minimises contact with objects and enables a more convenient and hygienic way of transaction.

Community

In 2021/2022, we supported a series of public initiatives to help Hong Kong fight the COVID pandemic. In September 2021, we collaborated with the Hong Kong government to launch a Vaccination Outreach Service at Lok Fu Place. The service was recognised by the government and serviced 450 participants.

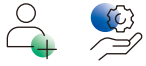
To promote vaccination in the city, we organised a lucky draw in October 2021 for all Hong Kong residents who had received two doses of the COVID vaccine. To support the government's efforts to increase vaccination rates, we also provided vaccine appointment registration assistance at our mall customer service counters for residents who have limited internet access.

To encourage citizens to exercise regularly to nourish body and mind, we launched a month long in-mall cycling relay event "Tour de LINK" in August 2021. The event attracted 6,000 citizens and received positive feedback from tenants and secured extensive publicity, reinforcing our role as the healthy community enabler.

Policies

[Occupational Health and Safety Policy](#)

Diversity and Inclusion



Talent Social & Relationship

Link is committed to upholding, protecting, and embracing people with different thinking, background, culture, disability, sexual orientation, gender, ethnicity, age, religion and other life experiences. We celebrate diversity and inclusion, and our approach stems from our first core value of respect.

GRI 103-2, 103-3, 405-1, 406-1
HKEX Aspect B1

Approach

Link is the first REIT in Asia to endorse [The Women's Empowerment Principles](#) (WEP), and we are committed to implementing the principles at all levels of our business.

Jointly promoted by the UN Women and UN Global Compact, WEP is the global champion for gender equality, working to develop and uphold standards and create an environment in which every woman and girl can exercise her human rights and live up to her full potential.

We uphold the WEP by:

- Maintaining a diverse Board
- Creating environments which respect diversity in the workplace
- Promoting diversity groups across all of Link's daily operations
- Creating places that are accessible and welcoming to all people
- Ensuring that local heritage and cultures are respected and embraced

Targets

- Maintain an independent and diverse Board (considering skill-set, industry expertise and experience, background, ethnicity, age and gender)
- The Board will have a minimum representation of 20% of either gender
- Build a diverse workforce that represents the communities we operate in (considering skill-set, industry expertise and experience, background, ethnicity, age and gender)
- Ensure equal opportunities for career advancement

Progress

We maintained a diverse Board in 2021/2022 against a range of metrics with male to female ratio of 75%:25%. For more information on Board diversity, please see our [Governance, Disclosures and Financial Statements](#).

We continued to perform well in building workforce diversity with overall male to female staff ratio at 48%:52%. We improved our senior management male to female ratio to 58%:42%, compared to 59%:41% one year ago. To promote an inclusive working environment, we provide caring rooms to support the needs of working mothers and have a family-friendly leave policy including birthday leave, marriage leave, maternity leave, paternity leave, compassionate leave, and family care leave. Our corporate office is equipped to support employees with disabilities. There were no confirmed incidents of discrimination during the reporting period.

We commenced Link's Barrier-free Access (BFA) Improvement Plan in 2011 and have since invested approximately HK\$229 million (excluding asset enhancement projects) in providing barrier-free access. All our properties in Hong Kong have now been fitted with basic BFA facilities, which contributes to building a more inclusive society.

Looking Ahead

Looking ahead, we will continue to build and maintain a diverse Board and workforce.

Policies

[Board Diversity Policy](#)

Innovation



Innovation

The urgency of the climate crisis and other critical environmental and social problems require innovative solutions beyond business as usual. Innovation that supports technological breakthroughs and scaling is key to help us evolve and meet the challenges of the new market landscape.

GRI 103-2, 103-3

Approach

Support Technical Innovation and Start-Ups

We support and invest in emerging technologies, materials, and processes to meet existing and future market demands. We particularly support local start-ups via partnerships.

Innovative Business Models

We support innovation within business, especially in thought and ways of doing business.

Progress

Support Technical Innovation and Start-Ups

Utilising IoT Technology to Manage Flooding Events

A key climate risk across our portfolio is increased torrential rain and associated floods. To adapt to these risks, we deployed IoT solutions to better manage our properties against water leakage and flooding events and enhance operational efficiency. Remote moisture sensors are installed near major facilities such as rooftop chiller plants and escalator pits, and above-floor drainage points to alert over-flow conditions for timely handling, to lessen the impact on building occupants and shoppers and to reduce insurance claims. This year, we piloted the solutions in our TKO Gateway and TKO Spot retail malls in Hong Kong and will target further rollout across more sites after assessing performance.

Facilities Management Information Technology (FMIT)

During the year, we developed and launched FMIT programme to improve various aspects of property management and maintenance: better budget control by reducing unplanned maintenance, inventory and asset management, tracking and reporting of work orders, workflow improvement to standardise best practice and better contractor performance management. Initial results have been promising after full implementation across all our Hong Kong properties from April 2022. It has shown a nearly 30% improvement in response time for repair and maintenance work orders and better utilisation and planning of manpower. We have also seen streamlining of crucial property management functions including site safety, housekeeping and security.

Tracking Carbon Emissions Impact via Blockchain Technology

We have collaborated with Allinfra to implement blockchain technology to track real time solar energy production. Blockchain technology can be an immutable, secure, and verifiable method of tracking carbon emissions impact, which helps meet the future market demand of accurately measuring and reporting carbon emissions data. The collaboration commenced with a pilot solar project in Lok Fu Place since February 2021. We will target for further rollout after assessing performance.

Innovative Business Models

Launch of Sustainable Finance Framework

We launched an innovative sustainable finance framework, requiring all future sustainability-linked finance transactions to include KPIs in each of the environment, social and governance areas. This ensures that our financing supports corporate targets that balance environmental, social, governance and prosperity considerations in a way that enables Link to grow responsibly.

Looking Ahead

We will rethink/re-examine/explore how decarbonisation activities and new technologies will impact our portfolio and create new opportunities. We particularly support local start-ups via partnerships.

Awards and Recognitions

GRI 102-12

We participate in various sustainability ratings and are included in indices that benchmark companies' sustainability performances. Our continuous efforts have been recognised in both international and local arenas.

Dow Jones Sustainability Asia/Pacific Index



We have been selected as an index component of the Dow Jones Sustainability Asia/Pacific Index since 2013. We are also the first and only Hong Kong-listed REIT included in the index.

GRESB



G R E S B
☆☆☆☆ 2021

We have retained the Green Star rating for the tenth consecutive year since 2013, and the highest A ranking in Public Disclosure for two consecutive years since 2020.

MSCI



We received a MSCI ESG rating of A in 2021/2022.

FTSE4Good Index Series



FTSE4Good

We have been included in the highly regarded FTSE4Good Index Series since 2013. We are also the first Hong Kong-listed REIT to be included in the FTSE4Good Index, confirming our compliance with internationally recognised social responsibility standards.

S&P Global Ratings ESG Evaluation

S&P Global
Ratings

In 2021/2022, we achieved an ESG Evaluation score of 73/100, which is on par with global best practice.

Sustainalytics' ESG Risk Ratings



We were classified as Low Risk in Sustainalytics' ESG Risk Ratings in 2021/2022, indicating that we have low risk of experiencing material financial impact due to ESG factors.

Hang Seng Corporate Sustainability Index Series



Hang Seng Corporate
Sustainability Index
Series Member 2021-2022

We have been a constituent of Hang Seng Corporate Sustainability Index Series since 2015. In 2021/2022, we achieved an AA- grading.

We received several awards in 2021/2022 in recognition of our continuous improvement in ESG performance:

The Asset The Asset ESG Corporate Awards 2021	<ul style="list-style-type: none"> • Platinum Award • Best Chief Executive Officer
Breastfeeding Friendly Community Initiative (BFCI)	<ul style="list-style-type: none"> • Special Contribution Award • Our following properties have participated in “BFCI Project – Staff Training” and awarded as “Breastfeeding Star Premise”: <ul style="list-style-type: none"> – Leung King Plaza – Butterfly Plaza – Long Ping Commercial Centre – T Town – Tin Yiu Plaza – Tin Shui Shopping Centre – Tin Shing Shopping Centre – Choi Yuen Plaza – Chuk Yuen Plaza – Lok Fu Place – Temple Mall – Sau Mau Ping Shopping Centre – Maritime Bay – TKO Gateway – TKO Spot – Choi Wan Commercial Complex – Nam Cheong Place – Fu Tung Plaza – Stanley Plaza – T.O.P This is Our Place – The Quayside
Chamber of Hong Kong Listed Companies (CHKLC) and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University (CCGFP) The Hong Kong Corporate Governance and ESG Excellence Awards 2021	<ul style="list-style-type: none"> • Corporate Governance Excellence Awards – Category 1 Hang Seng Index Constituent Companies

<p>Environmental Protection Department Programme on Source Separation of Commercial and Industrial Waste Commendation Scheme 2020/2021</p>	<ul style="list-style-type: none"> • Diamond Award <ul style="list-style-type: none"> – Chung On Shopping Centre – Hin Keng Shopping Centre – Fu Shin Shopping Centre – Kwong Fuk Commercial Centre – Tai Yuen Commercial Centre • Gold Award <ul style="list-style-type: none"> – Wo Che Plaza • Silver Award <ul style="list-style-type: none"> – Heng On Commercial Centre – Mei Lam Commercial Centre – Sun Chui Shopping Centre • Bronze Award <ul style="list-style-type: none"> – Yiu On Shopping Centre – Lung Hang Commercial Centre • Certificate of Merit <ul style="list-style-type: none"> – Butterfly Plaza – Choi Ming Shopping Centre – Choi Yuen Plaza – Kin Sang Shopping Centre – Leung King Plaza – Stanley Plaza – T Town – Tai Hing Commercial Centre – Tai Wo Plaza – Tin Shui Shopping Centre – Tin Yiu Plaza – TKO Gateway – Yu Chui Shopping Centre • Award for Enhancement <ul style="list-style-type: none"> – Fu Shin Shopping Centre – Kwong Fuk Shopping Centre – Tai Yuen Commercial Centre – Kin Sang Shopping Centre
<p>Greeners Action Umbrella Bags Reduction Accreditation Program 2021</p>	<ul style="list-style-type: none"> • Gold Level <ul style="list-style-type: none"> – Tin Chak Shopping Centre – Tai Yuen Market – Yu Chui Shopping Centre – The Quayside
<p>Hong Kong Cancer Fund</p>	<ul style="list-style-type: none"> • Top Fundraising Company of Cancer Fund's Dress Pink Day 2021
<p>Hong Kong Green Shop Alliance Hong Kong Green Shop Alliance Award 2021</p>	<ul style="list-style-type: none"> • Best Collaborative Effort of Malls and Shops – Merit Award
<p>Hong Kong Institute of Certified Public Accountants (HKICPA) Best Corporate Governance and ESG Awards 2021</p>	<ul style="list-style-type: none"> • Special Mention – Most Sustainable Companies and Organisations (MSCO) section (Hang Seng Index Category)

Hong Kong Red Cross Blood Transfusion Service Give Blood Alliance	<ul style="list-style-type: none"> • Gold Award <ul style="list-style-type: none"> – Lei Yue Mun Plaza • Bronze Award <ul style="list-style-type: none"> – Cheung Fat Plaza – Tin Chak Shopping Centre – TKO Spot
HK01 01 Gold Medal Awards 2021	<ul style="list-style-type: none"> • Real Estate and Utilities Category – Outstanding Community Building Company (地產及公用事業組別－傑出社區建設企業)
HR Asia Best Companies to Work for in Asia Awards 2021	<ul style="list-style-type: none"> • Best Companies to Work For in Asia • WeCare™ HR Asia Most Caring Companies Award
Institute of ESG & Benchmark Limited ESG Achievement Awards 2020	<ul style="list-style-type: none"> • Platinum – ESG Benchmark Awards
Institute of Shopping Centre Management (ISCM) ISCM Awards 2021	<ul style="list-style-type: none"> • Best Rejuvenate Shopping Centre – Grand Winner <ul style="list-style-type: none"> – Hin Keng Shopping Centre • Best Rejuvenate Shopping Centre – Excellence <ul style="list-style-type: none"> – Lok Fu Place • Best Retail Marketing and Promotion Campaign – Merit <ul style="list-style-type: none"> – Lok Fu Place – Lok Fu Place Urban Retreat
Marketing Interactive The Marketing Events Awards 2021	<ul style="list-style-type: none"> • Best Sustainability Event – Silver <ul style="list-style-type: none"> – Lok Fu Place – Lok Fu Place Urban Retreat
PropertyGuru 2021 PropertyGuru Asia Property Awards	<ul style="list-style-type: none"> • Best Asset Enhancement Initiative (Hong Kong) <ul style="list-style-type: none"> – TKO Spot
The Stevie® Awards The Asia-Pacific Stevie® Awards 2021	<ul style="list-style-type: none"> • Gold Award <ul style="list-style-type: none"> – Innovative Achievement in Human Resources – Award for Innovation in Human Resources Management, Planning & Practice (Financial Services Industries) • Silver Award <ul style="list-style-type: none"> – COVID-19 Response Categories – Most Exemplary Employer – COVID-19 Response Categories – Most Valuable Corporate Response • Bronze Award <ul style="list-style-type: none"> – COVID-19 Response Categories – Most Valuable Corporate Response

Signatories and Initiatives

GRI 102-12, 102-13

HKEX Aspect B4, KPI 4.1

We support various international sustainability initiatives and commitments, including major United Nations charters, principles and goals. We are committed to being a responsible business and to create positive impact.

Signatories or Commitments	Details
The United Nations Global Compact	<p>We have been a staunch supporter of the United Nations Global Compact (UNGC) since 2012 and strive to adhere to all the Ten Principles, reaffirming our commitment to respect labour standards and human rights, to operate in an environmentally responsible manner and to maintain zero tolerance towards corruption</p> <p>The UNGC is an international initiative outlining the Ten Principles for responsible business in the areas of human rights, labour, the environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the International Labour Organisation (ILO)'s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.</p> <p>We are committed to eliminate any instances of forced labour, child labour or any forms of human trafficking.</p>
The Women's Empowerment Principles	<p>We are the first REIT in Asia to endorse The Women's Empowerment Principles, and we are committed to implementing the principles at all levels of our business.</p> <p>Jointly promoted by the UN Women and UN Global Compact, The Women's Empowerment Principles is the global champion for gender equality, working to develop and uphold standards and create an environment in which every woman and girl can exercise her human rights and live up to her full potential.</p>
The United Nations-supported Principles for Responsible Investment	<p>Demonstrating our commitment to responsible investment, we became a signatory to The United Nations-supported Principles for Responsible Investment (PRI) in 2017. The PRI is an international network of investors working together to put the six Principles into practice.</p> <p>While supporting long-term value creation, the application of the six Principles help to align investors with the UN initiative Sustainable Development Goals (SDGs).</p>
The United Nations Sustainable Development Goals	<p>Since 2018, we have aligned our sustainability focus areas with The United Nations Sustainable Development Goals (SDGs). While we look at how we can contribute to each of the SDGs, our efforts are primarily focused on SDGs 9, 11 and 17, which are most relevant to our business.</p>
Science Based Targets initiative Corporate Net Zero Standard	<p>We have committed to the Science Based Targets initiative (SBTi) Net Zero Standard in May 2022 to upgrade our Net Zero Strategy. SBTi Net Zero Standard provides the guidance and tools for companies to set science-based net zero targets.</p>
Business Ambition for 1.5°C	<p>By committing to the SBTi Net Zero Standard, we have simultaneously joined the Business Ambition for 1.5°C campaign to set science-based Net Zero targets consistent with limiting global temperature rise to 1.5°C.</p>

We have also signed the following charters and initiatives to further contribute to our community.

Charter or Initiatives	Sponsoring Organisations
4T Charter	Environment Bureau and Electrical and Mechanical Services Department
"Carbon Neutrality" Partnership	Environment Bureau
Charter on External Lighting	Environment Bureau
Food Wise Charter	Environment Bureau
Glass Container Recycling Charter	Environmental Protection Department
Green Event Pledge	Environmental Protection Department
Low Carbon Charter (Pathway 1)	Business Environment Council (BEC)
Manifesto for Energy Efficiency in Buildings	World Business Council for Sustainable Development

ESG Performance Data Tables

Environmental Performance Data Table^(1,2,3,4,5,6)

		Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio
	Unit	2021/2022	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022
Energy Management											
Direct Energy Consumption ⁽⁷⁾	GJ	7,199	1,028	875	1,192	974	78	88	100 ⁽⁸⁾	69	6,094
Diesel	L	14,905	8,249	5,836	6,712	4,763	2,025	2,300	2,600 ⁽⁸⁾	1,800	4,631
Gasoline	L	21,320	21,237	19,424	27,882	23,620	–	–	–	–	83
Natural Gas	GJ	5,913	–	–	–	–	–	–	–	–	5,913
Indirect Energy Consumption	GJ	903,023	733,510	715,150 ⁽⁸⁾	703,991 ⁽⁸⁾	717,501 ⁽⁸⁾	157,937	159,185	93,117	97,547	11,576
Electricity ^(9,10)	MWh	250,840	203,753	198,653 ⁽⁸⁾	195,553 ⁽⁸⁾	199,306 ⁽⁸⁾	43,871	44,218	25,866	27,096	3,216
Electricity Intensity ⁽¹¹⁾	kWh/sq m	60.5	57.5	56.1 ⁽⁸⁾	56.7 ⁽⁸⁾	58.3 ⁽⁸⁾	87.3	88.0	86.6	90.7	32.7
Total Energy Consumption	GJ	910,222	734,538	716,025 ⁽⁸⁾	705,182 ⁽⁸⁾	718,476 ⁽⁸⁾	158,014	159,273	93,217 ⁽⁸⁾	97,616	17,670
Energy Intensity ⁽¹¹⁾	GJ/sq m	0.22	0.21	0.20	0.20	0.20	0.31	0.32	0.19	0.19	0.18
Solar Energy Generated and Exported	MWh	210	210	104	–	–	–	–	–	–	–
Water Management											
Municipal Water Consumption ⁽⁹⁾	m³	1,657,889	1,246,574	1,346,056 ⁽⁸⁾	864,446	1,237,690	385,993	414,936	303,043 ⁽⁸⁾	312,487	25,322
Water Intensity ⁽¹¹⁾	m³/sq m	0.40	0.35	0.38	0.25	0.36	0.77	0.83	1.01 ⁽⁸⁾	1.05	0.26
Waste Management											
Non-Hazardous Waste Disposal	Tonnes	39,419	30,965	31,469 ⁽⁸⁾	1,986	–	8,433	6,618	–	–	21
Construction Waste ⁽¹²⁾	Tonnes	4,774	260	2,187	1,986	–	4,515	2,889	–	–	–
General Waste ⁽¹³⁾	Tonnes	34,645	30,705	29,282 ⁽⁸⁾	–	–	3,919	3,729	–	–	21
Non-Hazardous Waste Recovered/ Recycled/ Reused	Tonnes	2,480	1,652	1,433 ⁽⁸⁾	1,280	637	602	812 ⁽⁸⁾	–	–	227
Organic Waste – Surplus Food Donation ⁽¹⁴⁾	Tonnes	176	176	83	163	177	–	–	–	–	–
Organic Waste – Waste-to-Energy	Tonnes	973	966	1,132	979	460	–	–	–	–	8
General Waste	Tonnes	148	–	–	–	–	–	–	–	–	148
Plastic Bottles	Tonnes	222	222	14	5	–	–	–	–	–	–
Glass Bottles	Tonnes	210	162	111	134	–	–	–	–	–	47
Styrofoam Boxes	Tonnes	27	27	–	–	–	–	–	–	–	–
Cardboard	Tonnes	9	–	–	–	–	–	–	–	–	9
Mixed Recyclables ⁽¹⁵⁾	Tonnes	616	–	–	–	–	602	812 ⁽⁸⁾	–	–	15
Clothing ⁽¹⁶⁾	Tonnes	96	96	92	–	–	–	–	–	–	–
Others ⁽¹⁶⁾	Tonnes	2	2	1	–	–	–	–	–	–	–
Hazardous Waste Disposal ⁽¹²⁾	Tonnes	1.89	1.37	2.81	5.33	–	0.03	0.04	–	–	0.49
Greenhouse Gas (GHG) Emissions ^(10,17,18)											
Direct GHG Emissions (Scope 1) ⁽¹⁹⁾	Tonnes CO ₂ e	9,222	6,178	2,891 ⁽⁸⁾	3,132 ⁽⁸⁾	1,802 ⁽⁸⁾	2,613	170	210 ⁽⁸⁾	928	431
Indirect GHG Emissions (Scope 2)	Tonnes CO ₂ e	111,435	83,909	78,720 ⁽⁸⁾	102,508 ⁽⁸⁾	106,900 ⁽⁸⁾	26,766	29,813	17,138	17,957	760
Indirect GHG Emissions (Scope 3)	Tonnes CO ₂ e	48,510	12,221	3,961 ⁽⁸⁾	1,215 ⁽⁸⁾	1,190 ⁽⁸⁾	35,490	35,512 ⁽⁸⁾	20,632 ⁽⁸⁾	–	799
Group Total GHG Emissions (Scope 1 & 2)	Tonnes CO ₂ e	120,658	90,087	81,611 ⁽⁸⁾	105,640 ⁽⁸⁾	108,701 ⁽⁸⁾	29,379	29,983	17,348 ⁽⁸⁾	18,885	1,191
Group Total GHG Emissions Intensity (Scope 1 & 2) ⁽¹¹⁾	Tonnes CO ₂ e/sq m	0.029	0.025	0.023 ⁽⁸⁾	0.031 ⁽⁸⁾	0.032 ⁽⁸⁾	0.058	0.060	0.058 ⁽⁸⁾	0.063	0.012

Notes:

- (1) Environmental data coverage in 2021/2022 includes 124 Hong Kong properties, 5 Mainland China properties and 2 overseas properties.
- (2) Environmental data coverage in 2020/2021 includes 124 Hong Kong properties and 5 Mainland China properties.
- (3) Environmental data coverage in 2019/2020 includes 123 Hong Kong properties and 3 Mainland China properties.
- (4) Environmental data coverage in 2018/2019 includes 122 Hong Kong properties and 3 Mainland China properties.
- (5) We report on properties with operational control 1.5 years after acquisition/construction completion year for development projects.
- (6) “–” refers to either inapplicability or data collection stage where we were unable to report the respective data.
- (7) Factors used for converting volumetric units of diesel and gasoline consumption from Litre (L) to gigajoule (GJ) are extracted from U.S. Energy Information Administration’s energy conversion calculator.
- (8) The data was adjusted to reflect the actual situation for better accuracy.
- (9) Link does not have access to Hong Kong tenant electricity or water data, as they are billed directly from local utility suppliers.
- (10) This year, a consistent adjustment traced back to 2018/2019 has been applied to our Hong Kong portfolio’s electricity consumption and respective emissions as we added back the shared electricity portion with third parties that was borne by Link.
- (11) The base for intensity calculation is the total Gross Floor Area (GFA) of the respective portfolio.
- (12) All construction and hazardous waste are handled by licensed waste collectors. Hazardous waste comprises fluorescent light tubes. Significant decrease in construction waste during 2021/2022 was due to the fewer construction works taken in place.
- (13) General waste is collected from our retail, fresh market, office and car park area where applicable, and sent to landfills. Excluding recyclables and organic waste, general waste amount is either measured by weigh-in stations or estimated with the number of rubbish bins on a regular basis.
- (14) Surplus food refers to the food collected from Link properties and subsequently donated to the community.
- (15) Mixed recyclables include paper and cardboard, plastic and cans.
- (16) Starting from 2021/2022, we reported data on donation of clothing and others. Others include Lai See packets, appliances and miscellaneous items for reuse and recycling. Historical figures were traced back to 2020/2021 and disclosed.
- (17) The greenhouse gas (GHG) emissions included in our calculations are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃) and biogenic CO₂ emissions are not identified from our portfolio activities. Scope 1 data includes direct emissions from diesel used for generator sets, gasoline used for company-owned vehicles, and leakage from refrigerants and fire extinguishers. Scope 2 data includes indirect emissions from purchased electricity. Scope 3 data includes indirect emissions from Hong Kong portfolio from fresh water used by Water Services Department and Drainage Services Department for processing, partial tenant electricity consumption, business air travel by employees, and paper waste disposed at landfills. For Mainland China portfolio, Scope 3 data includes indirect emissions from tenant electricity consumption and paper waste disposed at landfills. For overseas portfolio, Scope 3 data includes indirect emissions from water supply and treatment, partial tenant electricity consumption, as well as fuel usage.
- (18) Our calculation standards for GHG emissions follow the GHG Protocol published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). Sources of emission factors for reporting are taken from:
 - Global Warming Potential Values (GHG Protocol) from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report
 - “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)” from Hong Kong Environmental Protection Department and Electrical and Mechanical Services Department
 - Latest Sustainability Reports of the local utility companies (CLP Hong Kong Limited and HK Electric), Drainage Services Department and Water Supplies Department for Hong Kong portfolio’s emission factors
 - National Emission Factors (2019) from The Ministry of Ecology and Environment of People’s Republic of China for Mainland China portfolio’s emission factors
 - UK Government GHG Conversion Factors (2021) for Company Reporting from Department of Environment, Food & Rural Affairs and Australia’s National Greenhouse Accounts Factors (2021) from Department of Industry, Science, Energy and Resources for overseas portfolio’s emission factors
- (19) Increase in Scope 1 emissions during 2021/2022 was due to the more frequent business ground travel via company-owned vehicles and our change of calculation methodology to reflect more accurate refrigerant leakage starting from this year.

Social Performance Data Table^(1,2,3)

	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio
	2021/2022	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022
Workforce Profile										
Permanent Staff	1,113	948	921	908	897	165	138	118	-	-
By Age Group										
Below 30	214	173	158	165	168	41	38	34	-	-
Male	97	83	85	87	84	14	14	15	-	-
Female	117	90	73	78	84	27	24	19	-	-
30-50	772	650	642	621	611	122	97	82	-	-
Male	371	323	320	301	297	48	34	30	-	-
Female	401	327	322	320	314	74	63	52	-	-
Above 50	127	125	121	122	118	2	3	2	-	-
Male	66	64	64	64	60	2	2	1	-	-
Female	61	61	57	58	58	0	1	1	-	-
By Grade										
Non-Management	663	568	566	570	567	95	88	73	-	-
Male	292	252	263	253	252	40	31	29	-	-
Female	371	316	303	317	315	55	57	44	-	-
Middle Management	354	300	282	275	267	54	42	37	-	-
Male	186	167	162	159	154	19	15	13	-	-
Female	168	133	120	116	113	35	27	24	-	-
Senior Management	96	80	73	63	63	16	8	8	-	-
Male	56	51	44	40	35	5	4	4	-	-
Female	40	29	29	23	28	11	4	4	-	-
By Nationality⁽⁴⁾										
Chinese	1,100	935	912	902	-	165	138	118	-	-
Non-Chinese	13	13	9	6	-	0	0	0	-	-
Temporary Staff⁽⁵⁾	39	39	60	38	31	0	3	1	-	-
Contractors⁽⁶⁾	3,747	2,858	2,825	2,871	2,928	837	887	606	-	52
New Hires										
Permanent New Hires	364	302	169	218	190	62	40	67	-	-
By Age Group										
Below 30	148	122	75	99	72	26	16	28	-	-
Male	63	57	46	50	37	6	5	14	-	-
Female	85	65	29	49	35	20	11	14	-	-
30-50	210	175	89	104	76	35	23	37	-	-
Male	107	88	53	48	52	19	10	14	-	-
Female	103	87	36	56	24	16	13	23	-	-
Above 50	6	5	5	15	42	1	1	2	-	-
Male	5	4	4	11	5	1	1	1	-	-
Female	1	1	1	4	37	0	0	1	-	-
By Grade										
Non-Management	255	221	125	168	147	34	29	43	-	-
Male	119	104	80	81	75	15	11	18	-	-
Female	136	117	45	87	72	19	18	25	-	-
Middle Management	91	71	33	35	34	20	10	20	-	-
Male	46	38	18	19	15	8	5	8	-	-
Female	45	33	15	16	19	12	5	12	-	-
Senior Management	18	10	11	15	9	8	1	4	-	-
Male	10	7	5	9	4	3	0	3	-	-
Female	8	3	6	6	5	5	1	1	-	-
Permanent New Hires Rate⁽⁷⁾	32.7%	31.9%	18.3%	24.0%	21.2%	37.6%	29.0%	56.8%	-	-

	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio
	2021/2022	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022
Turnover⁽⁸⁾										
Staff Turnover	317	282	157	205	184	35	20	5	-	-
By Gender										
Male	165	151	87	98	99	14	12	1	-	-
Female	152	131	70	107	85	21	8	4	-	-
By Age Group										
Below 30	101	80	54	67	58	21	7	1	-	-
Male	48	42	31	33	35	6	4	0		
Female	53	38	23	34	23	15	3	1		
30-50	194	182	82	113	112	12	13	4	-	-
Male	103	96	45	52	56	7	8	1		
Female	91	86	37	61	56	5	5	3		
Above 50	22	20	21	25	14	2	0	0	-	-
Male	14	13	11	13	8	1	0	0		
Female	8	7	10	12	6	1	0	0		
By Grade										
Non-Management	222	198	116	141	131	24	10	1	-	-
Male	111	105	65	67	69	6	8	0		
Female	111	93	51	74	62	18	2	1		
Middle Management	82	73	33	48	45	9	8	4	-	-
Male	48	42	19	26	25	6	3	1		
Female	34	31	14	22	20	3	5	3		
Senior Management	13	11	8	16	8	2	2	0	-	-
Male	6	4	3	5	5	2	1	0		
Female	7	7	5	11	3	0	1	0		
Staff Attrition Rate	25.8%	26.9%	14.6%	18.6%	16.4%	19.3%	10.7%⁽⁹⁾	7.0%	-	-
Leave										
Staff who Took Parental Leave	35	29	27	32	24	6	8	5	-	-
By Gender										
Male	17	15	13	15	13	2	3	1	-	-
Female	18	14	14	17	11	4	5	4	-	-
Return to Work Rate⁽¹⁰⁾										
By Gender										
Male	82.4%	80%	92.3%	100%	76.9%	100%	100%	100%	-	-
Female	94.4%	100%	100%	93.3%	81.8%	75%	100%	100%	-	-
Days Taken for Family-Friendly Leave⁽¹¹⁾	4,844	4,306	3,587	2,427	1,828	538	687	424	-	-
Staff Benefits										
Staff who Joined Employee Unit Purchase Plan	465	465	507	549	558	-	-	-	-	-
Employee Contribution	\$12,223,149	\$12,223,149	\$13,808,373	\$16,313,945	\$15,741,776	-	-	-	-	-
Company Contribution	\$1,974,317	\$1,974,317	\$2,305,348	\$2,755,324	\$2,633,823	-	-	-	-	-
Number of Education Sponsorship Offered	388	388	639	281	442	-	-	-	-	-
By Grade										
Non-Management	115	115	250	97	192	-	-	-	-	-
Middle Management	216	216	283	135	178	-	-	-	-	-
Senior Management	57	57	106	49	72	-	-	-	-	-
Company Contribution	\$847,141	\$847,141	\$1,110,832	\$792,770	\$860,616	-	-	-	-	-

Performance and Reporting

	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio
	2021/2022	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022	2020/2021	2019/2020	2018/2019	2021/2022
Training										
Staff Training Hours	20,819	18,621	18,434	21,133	19,232	2,198	1,064	1,136	–	–
By Grade										
Non-Management	11,428	10,680	9,814	11,036	10,966	748	542	393 ⁽⁹⁾	–	–
Middle Management	6,411	5,393	5,591	5,837	5,209	1,018	429	544 ⁽⁹⁾	–	–
Senior Management	2,980	2,548	3,029	4,260	3,057	432	94	199 ⁽⁹⁾	–	–
By Topic⁽¹²⁾										
Business Ethics and Compliance	2,975	2,693	–	–	–	282	–	–	–	–
Health and Safety	718	640	–	–	–	78	–	–	–	–
Cyber Security	674	488	–	–	–	186	–	–	–	–
ESG Trends	612	506	–	–	–	106	–	–	–	–
Average Training Hours	18.7	19.6	20.0	23.3	21.4	13.3	7.7	9.6 ⁽⁹⁾	–	–
By Grade										
Non-Management	17.2	18.8	17.3	17.8	19.3	7.9	6.2	5.4 ⁽⁹⁾	–	–
Middle Management	18.1	18.0	19.8	18.4	19.5	18.9	10.2	14.7 ⁽⁹⁾	–	–
Senior Management	31.0	31.9	41.5	32.9	48.5	27.0	11.7	24.9 ⁽⁹⁾	–	–
Contractor Training Hours⁽¹³⁾	5,498	5,498	4,843	6,013	5,312	0	0	90 ⁽⁹⁾	–	–
Average Training Hours	2.1	3.2	2.8	3.5	2.9	0	0	0.1 ⁽⁹⁾	–	–
Staff Volunteering										
Staff count of Volunteers	295	295	199 ⁽⁹⁾	142	158	–	–	–	–	–
Volunteer Hours	2,325	2,325	1,203	783	920	–	–	–	–	–
Occupational Health and Safety										
Permanent Staff										
Number of Lost Time Injuries (Sick Leave > 0 Day)	4	4	3	6	1	0	0	–	–	–
Number of Reportable Injuries (Sick Leave > 3 Days)	2	2	1	4	3	0	0	–	–	–
Number of High-Consequence Work-Related Injuries (Sick Leave > 6 Months)	0	0	0	0	0	0	0	–	–	–
Lost Days Due to Injuries	20	20	24	66	7	0	0	–	–	–
Hours Worked	2,226,000	1,896,000	1,842,000	1,816,000	1,794,000	330,000	276,000	–	–	–
Lost Time Injury Frequency Rate (LTIFR) ⁽¹⁴⁾	1.80	2.11	1.63	3.30	0.56	0	0	–	–	–
Lost Time Injury Rate (LTIR) (Per 100 Employees) ⁽¹⁵⁾	0.36	0.42	0.33	0.66	0.11	0	0	–	–	–
Reportable Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0.18	0.21	0.11	0.44	0.33	0	0	–	–	–
High-Consequence Work-Related Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0	0	0	0	0	0	0	–	–	–
Absentee Rate⁽¹⁶⁾	2.30%	2.68%	1.65%	2.31%	–	0.96%	0.79%	0.58%	–	–
Number of Occupational Diseases	0	0	0	0	0	0	0	–	–	–
Number of Fatalities	0	0	0	0	0	0	0	–	–	–
Fatality Rate ⁽¹⁵⁾	0%	0%	0%	0%	0%	0%	0%	–	–	–
Contractors⁽¹⁷⁾										
Number of Lost Time Injuries (Sick Leave > 0 Day)	38	31	2	3	7	0	3	–	–	7
Number of Reportable Injuries (Sick Leave > 3 Days)	35	28	2	3	7	0	2	–	–	7
Number of High-Consequence Work-Related Injuries (Sick Leave > 6 Months)	1	1	0	0	0	0	0	–	–	0
Lost Days Due to Injuries	330	330	11	83	88	0	91	–	–	0
Hours Worked	8,992,800	6,859,200	763,200	849,600	828,000	2,008,800	804,000 ⁽⁹⁾	–	–	124,800
Lost Time Injury Frequency Rate (LTIFR) ⁽¹⁴⁾	4.23	4.52	2.62	3.53	8.45	0	3.73 ⁽⁹⁾	–	–	56.1
Lost Time Injury Rate (LTIR) (Per 100 Employees) ⁽¹⁵⁾	1.01	1.08	0.63	0.85	2.03	0	0.90	–	–	13.5
Reportable Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0.93	0.98	0.63	0.85	2.03	0	0.60	–	–	13.5
High-Consequence Work-Related Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0.03	0.03	0	0	0	0	0	–	–	0
Number of Occupational Diseases	0	0	0	0	0	0	0	–	–	0
Number of Fatalities	1	1	0	0	0	0	0	–	–	0
Fatality Rate ⁽¹⁵⁾	2.67%	3.50%	0%	0%	0%	0%	0%	–	–	0%

Notes:

- (1) Social data coverage includes the Hong Kong, Mainland China and overseas portfolios. Following the establishment of our Mainland China Headquarter in 2019/2020, we are at the early stage of setting up our overseas corporate office. During 2021/2022, our overseas portfolio's operational management was fully outsourced to property management agencies (PMA). We did not hire any Link staff who were stationed in Australia and the United Kingdom.
- (2) "—" refers to either inapplicability or data collection stage where we were unable to collect the respective data.
- (3) Provided by our Human Resources Department from Hong Kong and Mainland China Headquarters, the social data profile is compiled based on the workforce number as of each reporting year end.
- (4) New data points reported since 2021/2022. Historical figures were traced back to 2019/2020 and disclosed.
- (5) Temporary staff refers to Link staff with fixed-term employment contracts such as part-time staff and summer interns. Gender and age breakdowns have not been further provided due to its insignificant portion within our workforce profile.
- (6) Contractors refer to the non-Link supervised workers who are responsible for the services of property management support, housekeeping, car park operation, and repair and maintenance.
- (7) Permanent new hires rate is calculated as the total number of new permanent hires in the reporting year divided by the total number of permanent employees as of each reporting year end.
- (8) Turnover covers voluntary resignation, involuntary termination and retirement of permanent staff in the reporting period. Staff attrition rate is calculated as the accrual number of leavers divided by the average headcount in a rolling 12-month period.
- (9) The data point was adjusted to reflect the actual situation for better accuracy.
- (10) Return to work rate is calculated as the total number of permanent staff who return to work after parental leave divided by the total number of parental leave takers as of each reporting year end.
- (11) Family-friendly leave includes birthday leave, compassionate leave, parental leave, marriage leave and family leave.
- (12) Starting from 2021/2022, we reported our training hours that are categorised by topics related to business ethics and compliance, health and safety, cyber security, and ESG trends.
- (13) Contractor training hours are applicable to contractors who are responsible for property management support and housekeeping services. Average training hours are calculated as the total training hours received divided by the total number of the aforementioned contractors.
- (14) LTIFR is calculated as the total number of lost time injuries multiplied by 1,000,000 hours and then divided by the total number of hours worked.
- (15) LTIR, reportable injury rate, high-consequence work-related injury rate and fatality rate are calculated as the total number of injuries multiplied by the factor and then divided by the total number of hours worked. Factor 200,000 for permanent staff is due to the assumed annual hours worked by 100 employees, i.e. 40 hours per week for 50 weeks a year. Factor 240,000 for contractors is due to the assumed annual hours worked by 100 contractors, i.e. 48 hours per week for 50 weeks a year.
- (16) Absentee rate is calculated as the total number of lost days divided by the number of scheduled work days in the reporting year. Lost days cover absenteeism due to both work and non-work related sickness and injuries.
- (17) Starting from 2021/2022, we expanded the scope of contractors' occupational health and safety data to contractors who are responsible for the services of property management support, housekeeping and car park operation as well. Only Term Maintenance Contractors (TMCs) were taken into account in the previous years. Occupational health and safety data for contractors within overseas portfolio included only The Cabot, as 100 Market was still under data collection stage for this item.

HKQAA Assurance Statement



香港品質保證局

Verification Statement

Scope and Objectives

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Link Asset Management Limited ("LAML") to undertake an independent verification for the sustainability related contents stated in its 2021/2022 Strategic Report and its 2021/2022 Sustainability Compendium (herein referred to as "the Report and Compendium"). The scope of this verification covered the sustainability performance data and information of LAML for the period of 1st April 2021 to 31st March 2022, as defined in the Report and Compendium. The Report and Compendium outlined LAML's commitments, efforts and the overall sustainability performance for 124 properties across Hong Kong, 5 properties across Mainland China and 2 properties across overseas.

The aim of this verification was to provide reasonable assurance on the completeness and accuracy of the information stated in the Report and Compendium, as well as the conformity of the Report and Compendium to the International Integrated Reporting Framework ("Framework"). The Report and Compendium have also been prepared in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), and the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Listing Rules Appendix 27 of The Stock Exchange of Hong Kong Limited as well as making reference to the International Sustainability Standards Board (ISSB) Exposure Draft IFRS S2 Climate-related Disclosures ("ISSB Climate Exposure Draft") for disclosing information about the company exposure to significant climate-related risks and opportunities.

Level of Assurance and Methodology

The process applied in this verification was referenced to the International Standard on Assurance Engagement 3000 (ISAE 3000) – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. HKQAA's verification procedure was designed for devising opinions and conclusions to obtain a reasonable level of assurance. The extent of this verification process undertaken covered the criteria set in the Framework, GRI Standards: Core Option and the ESG Guide, as well as the framework of the ISSB Climate Exposure Draft.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

LAML was responsible for the collection and preparation of the information. HKQAA was not involved in calculating and compiling the reporting data, or in the content development of the Report and Compendium. HKQAA's verification activities were entirely independent from LAML.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is of the opinion that:

- The Report and Compendium have been prepared in accordance with the GRI Standards: Core Option and the ESG Guide. The Report and Compendium also followed the Framework and made reference to the ISSB Climate Exposure Draft;
- The Report and Compendium illustrated the sustainability performance of LAML's material aspects in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report and Compendium were reliable and complete.

In conclusion, the Report and Compendium reflected truthfully the sustainability commitments, policies and performance of LAML and disclosed transparently the sustainability performance of the company that was commensurate with its sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam
Director, Corporate Business
May 2022

ISSB Climate Exposure Draft Content Index

This content index is based on International Sustainability Standards Board's (ISSB) Exposure Draft IFRS S2 Climate-related Disclosures, published in March 2022. Relevant information can be found in the Sustainability Compendium 2021/2022.

Climate-related Disclosures

Disclosure Description		Location
Governance		
1. Disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of climate-related risks and opportunities, and information about management's role in those processes. Specifically, an entity shall disclose:	a) the identity of the body or individual within a body responsible for oversight of climate-related risks and opportunities;	<ul style="list-style-type: none"> Sustainability Governance Structure
	b) how the body's responsibilities for climate-related risks and opportunities are reflected in the entity's terms of reference, board mandates and other related policies;	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Governance
	c) how the body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities;	<ul style="list-style-type: none"> Sustainability Governance Structure
	d) how and how often the body and its committees (audit, risk or other committees) are informed about climate-related risks and opportunities;	<ul style="list-style-type: none"> Sustainability Governance Structure Materiality and Risk Assessment
	e) how the body and its committees consider climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions, and its risk management policies, including any assessment of trade-offs and analysis of sensitivity to uncertainty that may be required;	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Approach Climate Resilience and Adaptation – Risk Management
	f) how the body and its committees oversee the setting of targets related to significant climate-related risks and opportunities, and monitor progress towards them, including whether and how related performance metrics are included in remuneration policies; and	
	g) a description of management's role in assessing and managing climate-related risks and opportunities, including whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee. The description shall include information about whether dedicated controls and procedures are applied to management of climate-related risks and opportunities and, if so, how they are integrated with other internal functions.	<ul style="list-style-type: none"> Materiality and Risk Assessment

Disclosure Description	Location
Strategy 2. Disclose strategy for addressing significant climate-related risks and opportunities. Specifically, an entity shall disclose information about:	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Risk Management <ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy Greenhouse Gas Emissions <ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy Greenhouse Gas Emissions <p>We have not made this disclosure at this time due to uncertainty of the effects of climate-related risks and opportunities on our financial position and financial performance.</p> <ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy
<i>Climate-related risks and opportunities</i> 3. Disclose the significant climate-related risks and opportunities that could reasonably be expected to affect the entity's business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term. Specifically, the entity shall disclose:	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Risk Management
4. Disclose its assessment of the current and anticipated effects of significant climate-related risks and opportunities on its business model. Specifically, an entity shall disclose:	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy

Disclosure Description		Location
Strategy and decision-making		
5. Disclose the effects of significant climate-related risks and opportunities on its strategy and decision-making, including its transition plans. Specifically, an entity shall disclose:		
a) how it is responding to significant climate-related risks and opportunities including how it plans to achieve any climate-related targets it has set. This shall include:		
i) information about current and anticipated changes to its business model, including:		<ul style="list-style-type: none"> Greenhouse Gas Emissions
1. about changes the entity is making in strategy and resource allocation to address the risks and opportunities identified in disclosure 4. Examples of these changes include resource allocations resulting from demand or supply changes, or from new business lines; resource allocations arising from business development through capital expenditures or additional expenditure on operations or research and development; and acquisitions and divestments. This information includes plans and critical assumptions for legacy assets, including strategies to manage carbon-energy- and water-intensive operations, and to decommission carbon-energy- and water-intensive assets.		<ul style="list-style-type: none"> Greenhouse Gas Emissions Climate Resilience and Adaptation – Strategy
2. information about direct adaptation and mitigation efforts it is undertaking (for example, through changes in production processes, workforce adjustments, changes in materials used, product specifications or through introduction of efficiency measures).		<ul style="list-style-type: none"> Greenhouse Gas Emissions Climate Resilience and Adaptation – Strategy Energy Efficiency
3. information about indirect adaptation and mitigation efforts it is undertaking (for example, by working with customers and supply chains or use of procurement).		<ul style="list-style-type: none"> Tenant Engagement Supply Chain
ii) how these plans will be resourced.		<ul style="list-style-type: none"> Greenhouse Gas Emissions Energy Efficiency
b) information regarding climate-related targets for these plans including:		
i) the processes in place for review of the targets;		<ul style="list-style-type: none"> Materiality and Risk Assessment
ii) the amount of the entity's emission target to be achieved through emission reductions within the entity's value chain;		<ul style="list-style-type: none"> Greenhouse Gas Emissions
iii) the intended use of carbon offsets in achieving emissions targets. In explaining the intended use of carbon offsets the entity shall disclose information including:		<ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy
1. the extent to which the targets rely on the use of carbon offsets;		<ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy
2. whether the offsets will be subject to a third-party offset verification or certification scheme (certified carbon offset), and if so, which scheme, or schemes;		We have not made this disclosure at this time. We will further develop the criteria for carbon offset usage when we align with the SBTi Net Zero Standards in the coming months.
3. the type of carbon offset, including whether the offset will be nature-based or based on technological carbon removals and whether the amount intended to be achieved is through carbon removal or emission avoidance; and		
4. any other significant factors necessary for users to understand the credibility and integrity of offsets intended to be used by the entity (for example, assumptions regarding the permanence of the carbon offset).		
c) quantitative and qualitative information about the progress of plans disclosed in prior reporting periods in accordance with disclosure 5(a)–(b).		<ul style="list-style-type: none"> Greenhouse Gas Emissions

Disclosure Description

Location

Financial position, financial performance and cash flows	a) how significant climate-related risks and opportunities have affected its most recently reported financial position, financial performance and cash flows;	
6. Disclose the effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term – including how climate-related risks and opportunities are included in the entity's financial planning. An entity shall disclose quantitative information unless it is unable to do so. If an entity is unable to provide quantitative information, it shall provide qualitative information. When providing quantitative information, an entity can disclose single amounts or a range. Specifically, an entity shall disclose:	b) information about the climate-related risks and opportunities identified in disclosure 6(a) for which there is a significant risk that there will be a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements within the next financial year;	
	c) how it expects its financial position to change over time, given its strategy to address significant climate-related risks and opportunities, reflecting: i) its current and committed investment plans and their anticipated effects on its financial position (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements); ii) its planned sources of funding to implement its strategy;	
	d) how it expects its financial performance to change over time, given its strategy to address significant climate-related risks and opportunities (for example, increased revenue from or costs of products and services aligned with a lower-carbon economy, consistent with the latest international agreement on climate change; physical damage to assets from climate events; and the costs of climate adaptation or mitigation); and	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Risk Management
	e) if the entity is unable to disclose quantitative information for disclosure 6(a)–(d), an explanation of why that is the case.	We have not made this disclosure at this time due to uncertainty of the effects of climate-related risks and opportunities on our financial position and financial performance.

Disclosure Description	Location
<p><i>Climate resilience</i></p> <p>7. Disclose the resilience of the entity's strategy (including its business model) to climate-related changes, developments or uncertainties – taking into consideration an entity's identified significant climate-related risks and opportunities and related uncertainties. The entity shall use climate-related scenario analysis to assess its climate resilience unless it is unable to do so. If an entity is unable to use climate-related scenario analysis, it shall use an alternative method or technique to assess its climate resilience. When providing quantitative information, an entity can disclose single amounts or a range. Specifically, the entity shall disclose:</p>	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy
<p>a) the results of the analysis of climate resilience, which shall enable users to understand:</p> <ol style="list-style-type: none"> the implications, if any, of the entity's findings for its strategy, including how it would need to respond to the effects identified in disclosure 7(b)(i)(8) or 7(b)(ii)(6); the significant areas of uncertainty considered in the analysis of climate resilience; the entity's capacity to adjust or adapt its strategy and business model over the short, medium and long term to climate developments in terms of: <ol style="list-style-type: none"> the availability of, and flexibility in, existing financial resources, including capital, to address climate-related risks, and/or to be redirected to take advantage of climate-related opportunities; the ability to redeploy, repurpose, upgrade or decommission existing assets; and the effect of current or planned investments in climate-related mitigation, adaptation or opportunities for climate resilience. <p>b) how the analysis has been conducted, including:</p> <ol style="list-style-type: none"> when climate-related scenario analysis is used: <ol style="list-style-type: none"> which scenarios were used for the assessment and the sources of the scenarios used; whether the analysis has been conducted by comparing a diverse range of climate-related scenarios; whether the scenarios used are associated with transition risks or increased physical risks; whether the entity has used, among its scenarios, a scenario aligned with the latest international agreement on climate change; an explanation of why the entity has decided that its chosen scenarios are relevant to assessing its resilience to climate-related risks and opportunities; the time horizons used in the analysis; the inputs used in the analysis, including – but not limited to – the scope of risks (for example, the scope of physical risks included in the scenario analysis), the scope of operations covered (for example, the operating locations used), and details of the assumptions (for example, geospatial coordinates specific to entity locations or national- or regional-level broad assumptions); and assumptions about the way the transition to a lower-carbon economy will affect the entity, including policy assumptions for the jurisdictions in which the entity operates; assumptions about macroeconomic trends; energy usage and mix; and technology. 	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy


Disclosure Description

Location

	ii) when climate-related scenario analysis is not used: <ol style="list-style-type: none"> 1. an explanation of the methods or techniques used to assess the entity's climate resilience (for example, single-point forecasts, sensitivity analysis or qualitative analysis); 2. the climate-related assumptions used in the analysis including whether it includes a range of hypothetical outcomes; 3. an explanation of why the entity has decided that the chosen climate-related assumptions are relevant to assessing its resilience to climate-related risks and opportunities; 4. the time horizons used in the analysis; 5. the inputs used in the analysis, including – but not limited to – the scope of risks (for example, the scope of physical risks included in the analysis), the scope of operations covered (for example, the operating locations used), and details of the assumptions (for example, geospatial coordinates specific to entity locations or national- or regional-level broad assumptions); 6. assumptions about the way the transition to a lower-carbon economy will affect the entity, including policy assumptions for the jurisdictions in which the entity operates; assumptions about macroeconomic trends; energy usage and mix; and technology; and 7. an explanation of why the entity was unable to use climate-related scenario analysis to assess the climate resilience of its strategy. 	N/A
Risk Management 8. Disclose the process, or processes, by which climate-related risks and opportunities are identified, assessed and managed. Specifically, an entity shall disclose:	a) the process, or processes, it uses to identify climate-related: <ol style="list-style-type: none"> i) risks; and ii) opportunities; 	<ul style="list-style-type: none"> • Climate Resilience and Adaptation – Risk Management • Materiality and Risk Assessment
	b) the process, or processes, it uses to identify climate-related risks for risk management purposes, including when applicable: <ol style="list-style-type: none"> i) how it assesses the likelihood and effects associated with such risks (such as the qualitative factors, quantitative thresholds and other criteria used); ii) how it prioritises climate-related risks relative to other types of risks, including its use of risk-assessment tools (for example, science-based risk-assessment tools); iii) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and iv) whether it has changed the processes used compared to the prior reporting period; 	<ul style="list-style-type: none"> • Materiality and Risk Assessment
	c) the process, or processes, it uses to identify, assess and prioritise climate-related opportunities;	<ul style="list-style-type: none"> • Climate Resilience and Adaptation – Risk Management • Materiality and Risk Assessment
	d) the process, or processes, it uses to monitor and manage the climate-related: <ol style="list-style-type: none"> i) risks, including related policies; and ii) opportunities, including related policies; 	
	e) the extent to which and how the climate-related risk identification, assessment and management process, or processes, are integrated into the entity's overall risk management process; and	<ul style="list-style-type: none"> • Materiality and Risk Assessment
	f) the extent to which and how the climate-related opportunity identification, assessment and management process, or processes, are integrated into the entity's overall management process.	

Disclosure Description	Location
Metrics and Targets	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Metrics and Targets
9. Disclose an entity's progress in measuring, monitoring and managing its significant climate-related risks and opportunities, including progress towards the targets it has set. Specifically, an entity shall disclose:	<ul style="list-style-type: none"> a) information relevant to the cross-industry metric categories, which are relevant to entities regardless of industry and business model; b) industry-based metrics which are associated with disclosure topics and relevant to entities that participate within an industry, or whose business models and underlying activities share common features with those of the industry; c) other metrics used by the board or management to measure progress towards the targets identified in disclosure 9(d); and d) targets set by the entity to mitigate or adapt to climate-related risks or maximise climate-related opportunities.
10. Disclose information relevant to the cross-industry metric categories of:	<ul style="list-style-type: none"> a) greenhouse gas emissions – the entity shall disclose: <ul style="list-style-type: none"> i) its absolute gross greenhouse gas emissions generated during the reporting period, measured in accordance with the Greenhouse Gas Protocol Corporate Standard, expressed as metric tonnes of CO₂ equivalent, classified as: <ol style="list-style-type: none"> 1. Scope 1 emissions; 2. Scope 2 emissions; 3. Scope 3 emissions; ii) its greenhouse gas emissions intensity for each scope in disclosure 10(a)(i)(1)–(3), expressed as metric tonnes of CO₂ equivalent per unit of physical or economic output; iii) for Scope 1 and Scope 2 emissions disclosed in accordance with disclosure 10(a)(i)(1)–(2), the entity shall disclose emissions separately for: <ol style="list-style-type: none"> 1. the consolidated accounting group (the parent and its subsidiaries); 2. associates, joint ventures, unconsolidated subsidiaries or affiliates not included in disclosure 10(a)(iii)(1); iv) the approach it used to include emissions for the entities included in disclosure 10(a)(iii)(2) (for example, the equity share or operational control method in the Greenhouse Gas Protocol Corporate Standard); v) the reason, or reasons, for the entity's choice of approach in disclosure 10(a)(iv) and how that relates to the disclosure objective in disclosure 9; vi) for Scope 3 emissions disclosed in accordance with disclosure 10(a)(i)(3): <ol style="list-style-type: none"> 1. an entity shall include upstream and downstream emissions in its measure of Scope 3 emissions; 2. an entity shall disclose the categories included within its measure of Scope 3 emissions, to enable users of general purpose financial reporting to understand which Scope 3 emissions have been included in, or excluded from, those reported; 3. when the entity's measure of Scope 3 emissions includes information provided by entities in its value chain, it shall explain the basis for that measurement; 4. if the entity excludes those greenhouse gas emissions in disclosure 10(a)(vi)(3), it shall state the reason for omitting them, for example, because it is unable to obtain a faithful measure; <ul style="list-style-type: none"> • Introduction • Climate Resilience and Adaptation – Metrics and Targets • ESG Performance Data Tables

Disclosure Description	Location	
	b) transition risks – the amount and percentage of assets or business activities vulnerable to transition risks;	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Strategy
	c) physical risks – the amount and percentage of assets or business activities vulnerable to physical risks;	
	d) climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities;	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Metrics and Targets
	e) capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	
	f) internal carbon prices: <ul style="list-style-type: none"> i) the price for each metric tonne of greenhouse gas emissions that the entity uses to assess the costs of its emissions; ii) an explanation of how the entity is applying the carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); 	We have not made this disclosure at this time because we have not yet established internal carbon pricing mechanism.
	g) remuneration: <ul style="list-style-type: none"> i) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations; and ii) a description of how climate-related considerations are factored into executive remuneration. 	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Governance
11. Disclose climate-related targets. For each climate-related target, an entity shall disclose:	a) metrics used to assess progress towards reaching the target and achieving its strategic goals;	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Metrics and Targets
	b) the specific target the entity has set for addressing climate-related risks and opportunities;	
	c) whether this target is an absolute target or an intensity target;	
	d) the objective of the target (for example, mitigation, adaptation or conformance with sector or science-based initiatives);	
	e) how the target compares with those created in the latest international agreement on climate change and whether it has been validated by a third party;	<ul style="list-style-type: none"> Greenhouse Gas Emissions
	f) whether the target was derived using a sectoral decarbonisation approach;	
	g) the period over which the target applies;	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Metrics and Targets
	h) the base period from which progress is measured; and	
	i) any milestones or interim targets.	



SUSTAINABLE AND GREEN BOND REPORT 2021/2022

Sustainable and Green Bond Report 2021/2022

Link adopts responsible financing practices to ensure the integration of sustainability best practices into our daily operations.

Investors and capital providers are key stakeholders that we engage with in our sustainability journey to maximise our collective impact. Sustainable financing arrangements allow us to connect with like-minded investors and hold us accountable to our sustainability goals.

Our sustainable and green bond transactions, including, bonds and convertible bonds are governed by our green and sustainable finance frameworks. We develop our green and sustainable finance frameworks in alignment with international market standards and best practices (including various green, social, sustainable financing standards).

Frameworks

We issued our first Green Bond [Framework](#) 2016 in alignment with the Green Bond Principles (GBP) published by the International Capital Market Association (ICMA) in June 2016. Our Green Bond Framework received a second party opinion from Sustainalytics.

We issued an updated Green Finance [Framework](#) 2019 in alignment with GBP published by ICMA in June 2018, and the Green Loan Principles (GLP) issued by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications & Trading Association (LSTA) in December 2018. Our Green Finance Framework received a second party opinion from the Hong Kong Quality Assurance Agency (HKQAA).

In February 2022, we issued our new Sustainable Finance Framework, in alignment with the GBP published by ICMA in June 2021, Social Bond Principles (SBP) published by ICMA in June 2021, the Sustainability Bond Guideline (SBG) published by ICMA in June 2021, the GLP established by LMA, APLMA and LSTA in February 2021, the Social Loan Principles (SLP) established by LMA, APLMA and LSTA in April 2021, the Sustainability-Linked Bond Principles (SLBP) published by the ICMA in June 2020, and the Sustainability Linked Loan Principles (SLLP) established by LMA, APLMA and LSTA in May 2021. Our Sustainable Finance Framework received second party opinion from HKQAA on its alignment with GBP, SBP, GLP, SLP, SLBP and SLLP. The framework also received a second party opinion from S&P Global Ratings on its alignment with GBP, SBP, SBG, GLP, and SLP.

Please refer to the [Green Finance](#) section of our website to download the above frameworks and second party opinions.

Bond Issuance Details

We issued our inaugural green bond in 2016 and subsequently issued a green convertible bond in 2019. Outstanding issuances as of 31 March 2022 are detailed below.

	2016 Green Bond	2019 Green Convertible Bond
Issuer	The Link Finance (Cayman) 2009 Limited	Link CB Limited (formerly known as Link 2019 CB Limited)
Size	US\$500,000,000	HK\$4,000,000,000 ⁽¹⁾
Tenor	10 years	5 years
Issue Date	21 July 2016	3 April 2019
Maturity Date	21 July 2026	3 April 2024
Coupon Rate	2.875%	1.600%
Listing	Hong Kong Stock Exchange	Hong Kong Stock Exchange
Second Party Opinion Provider	Sustainalytics	HKQAA
Relevant Framework	Green Bond Framework 2016	Green Finance Framework 2019

Reporting Criteria

In accordance with the reporting criteria in the Green Bond Framework 2016 and the Green Finance Framework 2019, the followings are disclosed for each green bond/green finance transaction:

- the list of eligible green project categories and amounts allocated to these categories;
- balance amount of unallocated bond/green finance proceeds; and
- a selection of project examples financed by an amount equal to the net proceeds of the issuances.

The information will be renewed annually until full allocation and as necessary thereafter in the event of new developments.

Use of Proceeds

As at the reporting date of 31 March 2022, the use of the bond proceeds is illustrated in the table below. The net proceeds from the issuance of green bonds have been fully allocated.

	Allocated Proceeds			
	Green Buildings	Energy Efficiencies	Renewable Energy	Total Allocated Proceeds
2016 Green Bond	HK\$3.743B	HK\$0.093B	–	HK\$3.836B
2019 Green Convertible Bond	HK\$3.934B	HK\$0.030B	HK\$0.010B	HK\$3.974B
Grand Total	HK\$7.677B 98.3%	HK\$0.123B 1.6%	HK\$0.010B 0.1%	HK\$7.810B 100%

Note:

(1) On 4 April 2022, bond holders redeemed HK\$3.123B; after redemption, outstanding amount stands at HK\$787M.

Green Project Updates

The Quayside, New Development



Project Name	The Quayside, New Development	
Location	77 Hoi Bun Road, Kwun Tong, Kowloon East	
Storeys	23	
Occupation Permit (OP) Date	May 2019	
GFA	82,044.5 sq m	
Certification	Certification Date	
	• LEED V2009 BD+C: Core and Shell – Final Platinum	• July 2020
	• BEAM Plus New Buildings V1.2 – Final Platinum	• June 2020
	• WELL V1 Core and Shell Certification – Final Gold	• June 2021
Net Proceeds Allocated	HK\$7.582 billion	

Area of Focus	Highlights of Green Elements	Estimated Environmental Impact
Renewable Energy	<ul style="list-style-type: none"> 1,100 sq m of evacuated-tube solar thermal collectors are placed on the main roof, making up a 300kW of solar thermal system 	<ul style="list-style-type: none"> Around 400 MWh of solar thermal energy can be generated annually, which is equivalent to a carbon emissions avoidance of 200,000 kgCO₂e⁽¹⁾
Energy Efficiency	<ul style="list-style-type: none"> Solar responsive shading fins to prevent excessive solar heat gain and interior glare from curtain walls of the building The solar thermal energy generated (see Renewable Energy above) heats up water that regenerates desiccant in the building's dehumidification system, reducing the need for purchased energy Variable speed drive (VSD) chillers Heat recovery system The use of LED lighting Regenerative lifts 	<ul style="list-style-type: none"> Annual energy savings exceeding BEAM Plus⁽²⁾ and LEED⁽³⁾ baseline performance by >30% and >19% respectively The solar-responsive architectural fins achieve an Overall Thermal Transfer Value (OTTV) of about 18W/m² – significantly lower than the 24W/m² requirement of Code of Practice for OTTV in Buildings issued by Building Department
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Cooling tower bleed-off for flushing Water-efficient sanitary fittings Rainwater recycling system 	<ul style="list-style-type: none"> Potable water reduction exceeding BEAM Plus and LEED baseline performance by >47% and >61% respectively
Well-being	<ul style="list-style-type: none"> Air Induction Unit (AIU) to enhance air quality and thermal comfort 	<ul style="list-style-type: none"> Achieved the air quality and thermal comfort standard of the WELL Building Standard. All pollutants tested including Total Volatile Organic Compounds (TVOC), Carbon Monoxide, PM2.5 and PM10 are below the WELL Building Standard threshold limit

Notes:

(1) Using the 2019 emission factor of CLP Power Hong Kong Limited

(2) Based on Building Energy Code 2012 Edition as baseline

(3) Based on ASHRAE 90.1 2007 (Appendix G) as baseline

Renovation to Existing Building – T.O.P This is Our Place



Project Name	Renovation to existing building – T.O.P This is Our Place	
Location	700 Nathan Road, Mong Kok, Kowloon	
Storey	23 (15-storey tower block and eight-storey retail podium)	
IFA ⁽¹⁾	1,981.51 sq m	
GFA ⁽¹⁾	26,456 sq m	
Certification		Certification Date
	<ul style="list-style-type: none"> BEAM Plus Interiors V1.0 – Unclassified⁽²⁾ 	<ul style="list-style-type: none"> July 2020
	<ul style="list-style-type: none"> BEAM Plus Existing Buildings V2.0 Selective Scheme (Management) – Good 	<ul style="list-style-type: none"> March 2021
Net Proceeds Allocated	HK\$0.095 billion	

Notes:

- (1) The IFA covering eight-storey retail podium was used in applying for the BEAM Plus Interiors V1.0 scheme whereas the GFA was used in the application of the BEAM Plus Existing Buildings V2.0 Selective Scheme (Management).
- (2) We allocated the green bond proceeds on this project targeting to obtain BEAM Plus Interiors V1.0 – Silver but have not achieved this target at the time of reporting. We have instead obtained BEAM Plus Existing Buildings V2.0 Selective Scheme (Management) – Good in March 2021.

Area of Focus	Highlights of Green Elements	Estimated Environmental Impact
Sustainable Building Materials	<ul style="list-style-type: none"> Promotes the use of environmentally friendly materials and manufacturing processing by adopting sustainable flooring, ceiling, internal walls and door materials 	<ul style="list-style-type: none"> 85.6% of the flooring materials were manufactured in a factory that implemented an Environmental Management System (EMS) 82.2% of all newly installed ceiling materials were made from recycled materials, manufactured locally within 800km radius from the project space, and in a factory that implemented an EMS 58.6% and 67% of all internal wall and door materials were manufactured in a factory that implemented an EMS and were manufactured locally within 800km radius from the project space
Energy Efficiency	<ul style="list-style-type: none"> Upgraded energy-efficient lighting systems in the common area 	<ul style="list-style-type: none"> Lighting Power Density (lux/sq m) was reduced by >60% compared to BEAM Plus⁽¹⁾ baseline performance
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Upgraded water-efficient fixtures in the common area 	<ul style="list-style-type: none"> Adoption of Water Efficiency Labelling Scheme (WELS) Grade 1 potable water fittings Installation of sensor type water taps
Indoor Environmental Quality	<ul style="list-style-type: none"> Established Indoor Air Quality (IAQ) Management Plans during construction for both enabling work and main construction work in accordance with Construction IAQ Management Plan Measured Total Volatile Organic Compounds (TVOCs), Formaldehyde (HCHO), Carbon Monoxide (CO), Nitrogen Dioxide (NO₂), Respirable Suspended Particulate (RSP, PM₁₀) and ozone level during normally occupied period 	<ul style="list-style-type: none"> Minimised potential IAQ problems arising from deconstruction and fit-out activities Ensured our interior spaces were not under contamination from indoor sources or infiltration from outdoor sources during normally occupied period Attained Good Class in the IAQ Certification Scheme administered by Environmental Protection Department

Note:

(1) Based on Building Energy Code (BEC) 2015 Edition as baseline

Solar PV Installations in Lok Fu Place, TKO Spot and Tai Yuen Commercial Centre



1. Lok Fu Place
2. TKO Spot
3. Tai Yuen Commercial Centre

Project Name	Solar PV installation in Lok Fu Place, TKO Spot and Tai Yuen Commercial Centre
Net Proceeds Allocated	HK\$0.010 billion

Area of Focus	Highlights of Green Elements	Estimated Environmental Impact
Renewable Energy	<ul style="list-style-type: none"> Installation of solar photovoltaics (PV) system at roof 	<p>Annual renewable energy generation:</p> <ul style="list-style-type: none"> Lok Fu Place: 84 MWh TKO Spot: 79 MWh Tai Yuen Commercial Centre: 62 MWh <p>Annual carbon emissions avoided⁽¹⁾:</p> <ul style="list-style-type: none"> Lok Fu Place: 41,785 kgCO₂e TKO Spot: 39,420 kgCO₂e Tai Yuen Commercial Centre: 31,142 kgCO₂e

Note:

(1) Using the 2019 emission factor of CLP Power Hong Kong Limited

Portfolio-wide Energy Efficiency Projects



Project Name	Portfolio-wide energy efficiency projects
Net Proceeds Allocated	HK\$0.123 billion

Area of Focus	Highlights of Green Elements	Estimated Environmental Impact
Energy Efficiency	<ul style="list-style-type: none"> Energy management projects in various properties 	<ul style="list-style-type: none"> Reduce energy consumption and improve operational efficiency via chiller replacement, chiller plant optimisation, lighting improvement, Variable Speed Drive (VSD) installation, re-commissioning and power analyser installation

Corporate Information

Board of Directors of the Manager

Chairman

Nicholas Charles ALLEN
(also an Independent Non-Executive Director)

Executive Directors

George Kwok Lung HONGCHOY
(Chief Executive Officer)

NG Kok Siong
(Chief Financial Officer)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE

Ed CHAN Yiu Cheong

Jenny GU Jialin

Lincoln LEONG Kwok Kuen

Blair Chilton PICKERELL

Poh Lee TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling

Company Secretary of the Manager

Kenneth Tai Lun WONG⁽¹⁾

Responsible Officers of the Manager⁽²⁾

George Kwok Lung HONGCHOY

NG Kok Siong

Christine CHAN Suk Han

Authorised Representatives⁽³⁾

George Kwok Lung HONGCHOY

Kenneth Tai Lun WONG

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Colliers International (Hong Kong) Limited

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(2) Required by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

(3) Required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

