



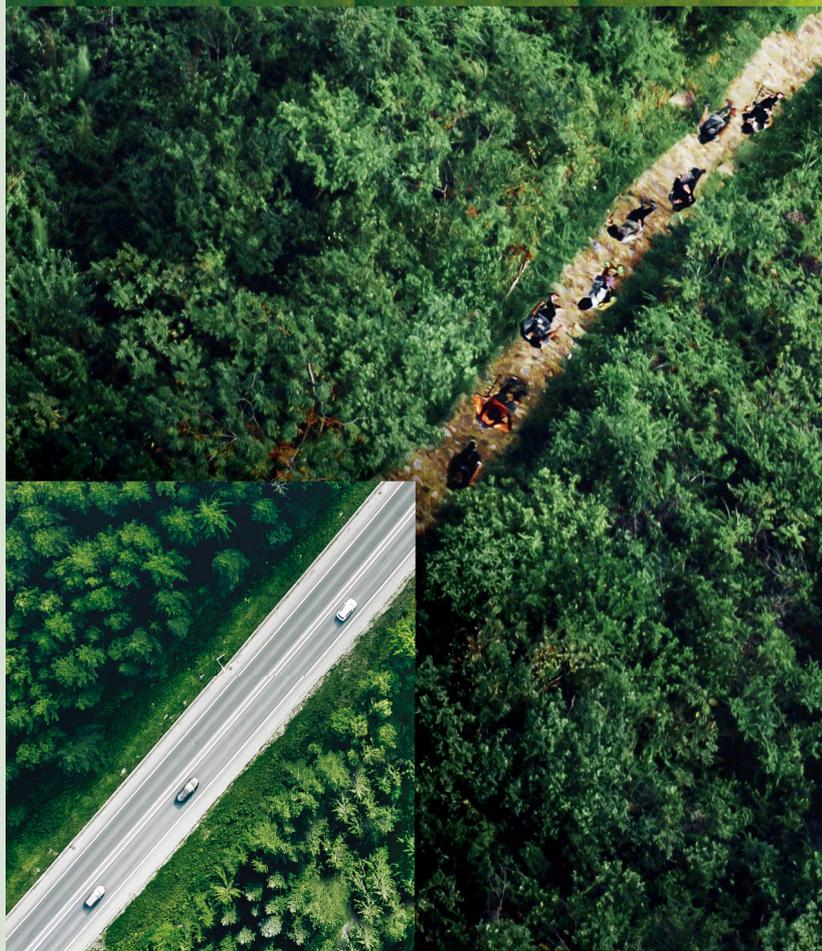
1 Management Expertise

2 Capital Resilience

3 Governance

Link Real Estate Investment Trust | Stock code: 823

Driving Scale and Reach



SCALE AND REACH: SHAPING APAC REAL ESTATE INVESTMENT

Overview

Sustainability Strategy

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About Our Report

Our integrated report showcases how we fulfil our purpose – We Link People to a Brighter Future – by presenting qualitative and quantitative data communicating how we position Link for success across our markets in the ever-evolving connected landscape.



This integrated report and consolidated financial statements for 2022/2023 were prepared by management, endorsed by the Audit and Risk Management Committee (ARMC) and approved by the Board. They have been subject to both internal and external review. The content substantially conforms with the International Integrated Reporting Council's (IIRC) <IR> Framework. We believe this report offers a balanced, fair account of the Group's 2022/2023 performance, including material events up to the approval date, 31 May 2023. While disclosing our strategic plans, we exercised judgement to avoid compromising our competitive edge.

Reporting Boundary

Our 2022/2023 Integrated Report aims to concisely communicate how Link's strategy and business model impact value creation over time, considering our external environment, material matters, principal risks and the associated opportunities. Additionally, we offer a succinct overview of our operational performance, governance and risk management practices for the financial year.

Materiality

The topics discussed in this report reflect the issues that could impact the role we play in society, as well as how our business deals with evolving market dynamics and allocates resources to ensure we deliver our value. Every three years, we conduct a detailed materiality assessment to identify the material issues that could, in our judgement, significantly impact the value we create for our stakeholders. For 2022/2023, we have reviewed and updated the materiality matrix and the content of this report is based on the outcome of that assessment.

Combined Assurance

We use a combined assurance model for assurance from management and internal and external providers. PricewaterhouseCoopers audited our 2022/2023 consolidated financial statements and subsequently gave an unmodified opinion thereon. Ernst and Young undertook an independent limited assurance engagement of selected metrics relating to Link's material ESG key performance indicators; further information is provided in our 2022/2023 Sustainability Compendium. The material ESG key performance indicators and the Sustainability Compendium have been approved by the Board. The Group's internal audit function assesses financial, operating, compliance and risk management controls.

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 during the year.

We provide a range of publications so our stakeholders can assess Link's financial and sustainability performance.



2022/2023 Strategic Report

- Integrated Report
 - Our report is our primary communication with our stakeholders and is supplemented by additional content-specific disclosures.



2022/2023 Governance and Financial Disclosures Report

- Corporate governance report
- Annual consolidated financial statements
- Summarised consolidated annual financial statements



Access the Sustainability Compendium

2022/2023 Sustainability Compendium

- 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)
- International Sustainability Standards Board (ISSB) Exposure Draft IFRS S2 Climate-related Disclosures
- Task Force on Climate-related Financial Disclosures (TCFD)

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 130 properties owned by Link across Hong Kong, 10 properties across Mainland China, 9 properties in Australia and 1 property in the United Kingdom. Unless otherwise stated, the reported ESG activity data covers all properties where we have operational control.

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 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 2-3, 3-1

2022/2023 Sustainability Snapshot



G R E S B

GRESB: Retained "Green Star" rating for 11th consecutive year



Named one of the Best Companies to Work for in Asia by HR Asia for the 3rd consecutive year



Included in Dow Jones Sustainability Index Asia Pacific Index since 2013



MSCI ESG Ratings: A

Enhanced Green Building Certification Coverage

We improved our green building certification coverage to over 97%. Highlights include:

- attained a "Good" rating for 14 of our Hong Kong properties in the BEAM Plus Existing Buildings V2.0 Selective Scheme (Management)
- achieved LEED Building Design and Construction (BD+C): Core and Shell V4 Platinum Precertification and Parksmart Pioneer Precertification at Link Plaza Tianhe in Mainland China

Engagement with our Stakeholders

We listened to the opinions and identified needs of our stakeholders and developed thought leadership through:

- collaborating with Urban Land Institute's Hong Kong Chapter to develop a report for Landlord – Tenant Decarbonisation Engagement based on our Business as Mutual mindset
- engaging community stakeholders on our Hong Kong development project at Anderson Road Quarry to address their pain points and needs at the early stage of a new neighbourhood's development

Strengthened Sustainability Governance and Disclosure

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

- streamlined material ESG KPIs for Board oversight
- reformed the Sustainability Advisory Committee with Board representatives and formulated four specific working groups under the Sustainability Committee
- developed a standalone Human Rights Policy
- enhanced public disclosure by providing asset-level sustainability factsheets on our corporate website

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, Social, Governance (ESG) 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 Resilience and Decarbonisation:

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 startups. 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, we consolidated and updated our key sustainability targets in 2022, 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 embarking on innovative pilots to realise further improvements across our portfolio.

Environment	Key Topic	Key Sustainability Target	2022/2023 Progress
 <p>Climate Resilience and Decarbonisation</p>	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 Science-Based Targets initiative's (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 intensity (Scope 1 & 2): 13.8% reduction compared to baseline Submitted our SBT Net Zero target for validation in April 2023 Committed to expand EV charging points to 3,000 by end of 2024
	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 climate risk assessment for our recently acquired Singapore assets during due diligence Updated flood/storm resilience plan for Hong Kong portfolio Currently conducting a climate risk assessment for our community mall development project in Hong Kong
 <p>Green Buildings</p>		<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 97.3% green building certification coverage, compared to 86.5% in 2021/2022 Launched publicly available asset-level sustainability factsheets on our corporate website Improved green operation standards by upgrading housekeeping contract requirements
 <p>Resource Management</p>	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"> 3.1% 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"> 15.6% general waste recovered/recycled, compared to 6.7% in 2021/2022 1,491 tonnes of organic waste recovered Expanded organic waste collection service to retail tenants Conducted waste audit in selected Hong Kong properties
	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"> 8.2% 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"> 87.5% of our horticulture investment sum was used for planting native flora Biodiversity assessment and enhancement plan for community mall development project in Hong Kong is in progress

Notes:

- (1) To cover our electricity footprint via renewable energy on-site generation and off-site procurement, purchase of renewable energy certificates 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	2022/2023 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 incidents and zero prosecutions related to OHS Regulations across all of Link's daily operations Conduct an 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 Achieved average of 26.1 hours of training per staff Conducted workstation assessment for all Linkers to enhance workplace set-up Reported on our regrettable turnover for the first time (Hong Kong Regional Centre: 16.9%; Mainland China Regional Centre: 4.5%)
	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"> Achieved 14% green lease adoption in Hong Kong and Mainland China portfolio Tenant Academy organised 3 seminars on sustainability-related themes to enhance our tenant comprehension of ESG issues
	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"> Completed environmental and social review of 122 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"> Completed Mystery Shopper Assessment with 90.8 customer satisfaction score Hired 18 staff through the Local Employment Initiative and promoted upward social mobility for the poor Link Together Initiatives committed HK\$18M over the year supporting nine community projects and 220 students under Link University Scholarship
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"> Collaborated with local startup to pilot circular economy project upcycling waste plastic fruit baskets into paving bricks that were installed at our shopping mall in Hong Kong Collaborating with Urban Land Institute's Hong Kong Chapter to develop a report for Landlord – Tenant Decarbonisation Engagement based on our Business as Mutual mindset

Governance

	Key Topic	Key Sustainability Target	2022/2023 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 Expanded Board presence in the Sustainability Advisory Committee Established Sustainability Working Groups under the Sustainability Committee to underpin our sustainability priorities Developed a standalone Human Rights Policy
	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"> 100% sustainability-linked loans with E, S, G KPIs Implemented Responsible Investment Policy in our acquisitions and development project
	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

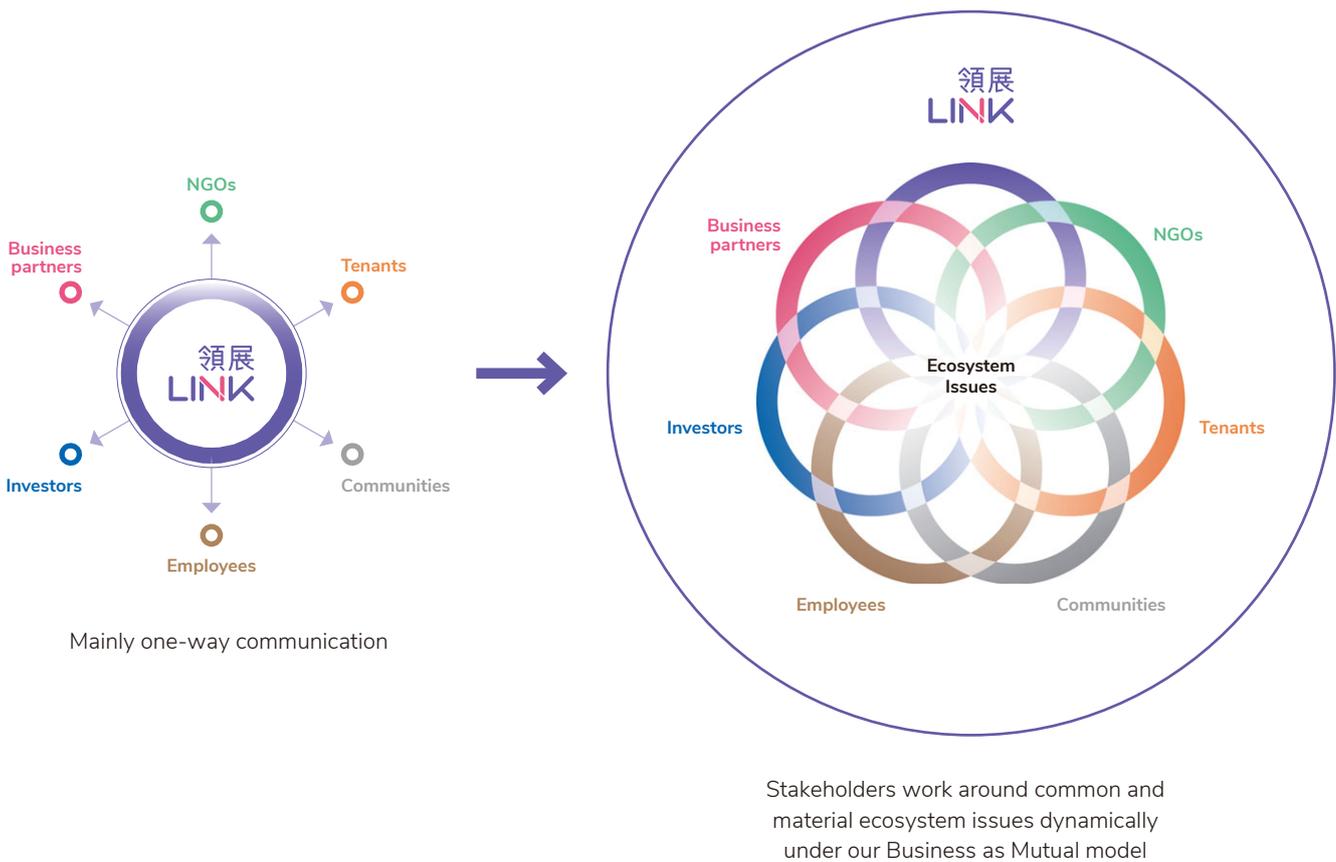
GRI 2-29

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 this good for Link but it 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.

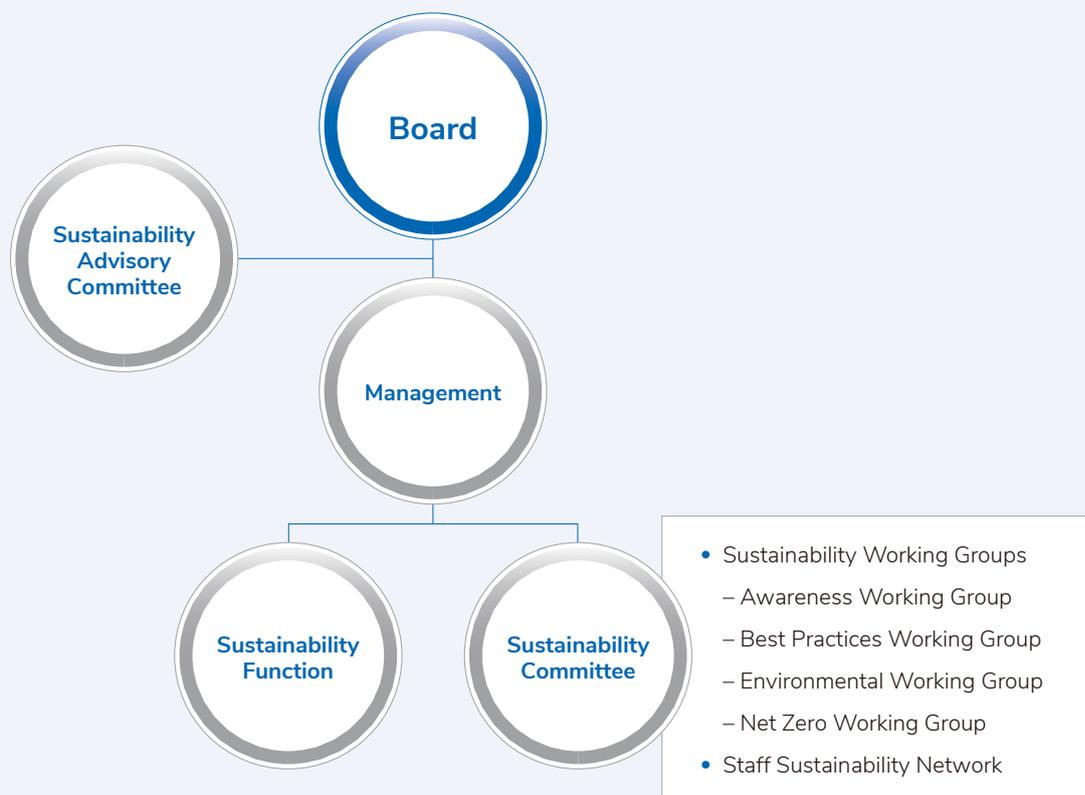
From business as usual to Business as Mutual



Sustainability Governance

Sustainability Governance Structure

GRI 2-9, 2-12, 2-13, 2-14, 2-18



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) 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.

Each member of our executive management team has 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 SAC, chaired by our Chairman, meets biannually, and comprises Board representatives and external sustainability experts from around the world and across industries. The 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.

In 2023, the SAC focused on reviewing progress towards Net Zero 2035 and the streamlining and prioritisation of ESG issues for management and Board oversight.

Sustainability Committee

Our Sustainability Committee (SC), chaired by our Sustainability & Risk Governance Lead, is convened monthly and comprises representatives across Link. Such representation ensures that each element of our Value Creation Model is considered when proposing, designing, and implementing new protocols and procedures. The SC is responsible for overseeing implementation of our corporate sustainability strategies and initiatives led by Sustainability Working 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 Working Groups

Sustainability Working Groups, with delegated authority from SC/management, are made intergenerational and interdepartmental to execute designated sustainability activities per our strategic priorities, including Awareness, Best Practices, Environmental and Net Zero. These four working groups aim to identify and mitigate existing and emerging sustainability challenges while grooming subject matter experts in promoting 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 2-12, 2-14, 3-2, 3-3

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.

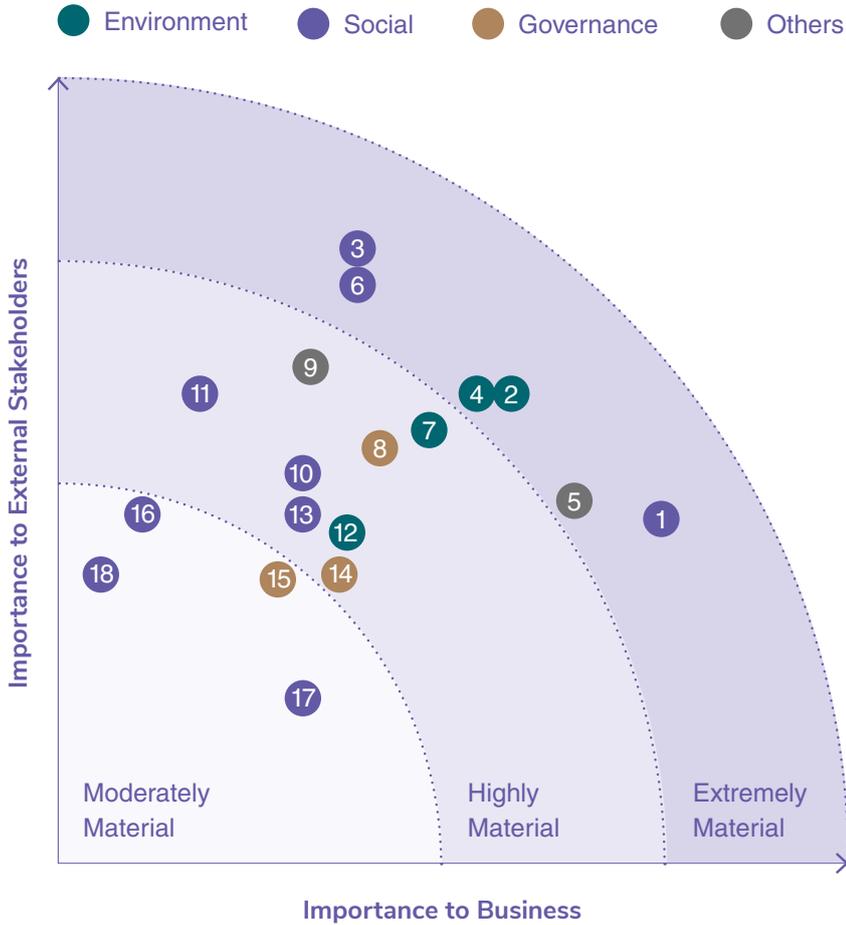
Key risks are reported to and discussed with senior management monthly for monitoring and to formulate mitigating actions. The ARMC meets at least three times a year and is the designated Board committee for the review of key risks. Our Board is ultimately responsible for providing risk management direction 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 2022/2023, 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.

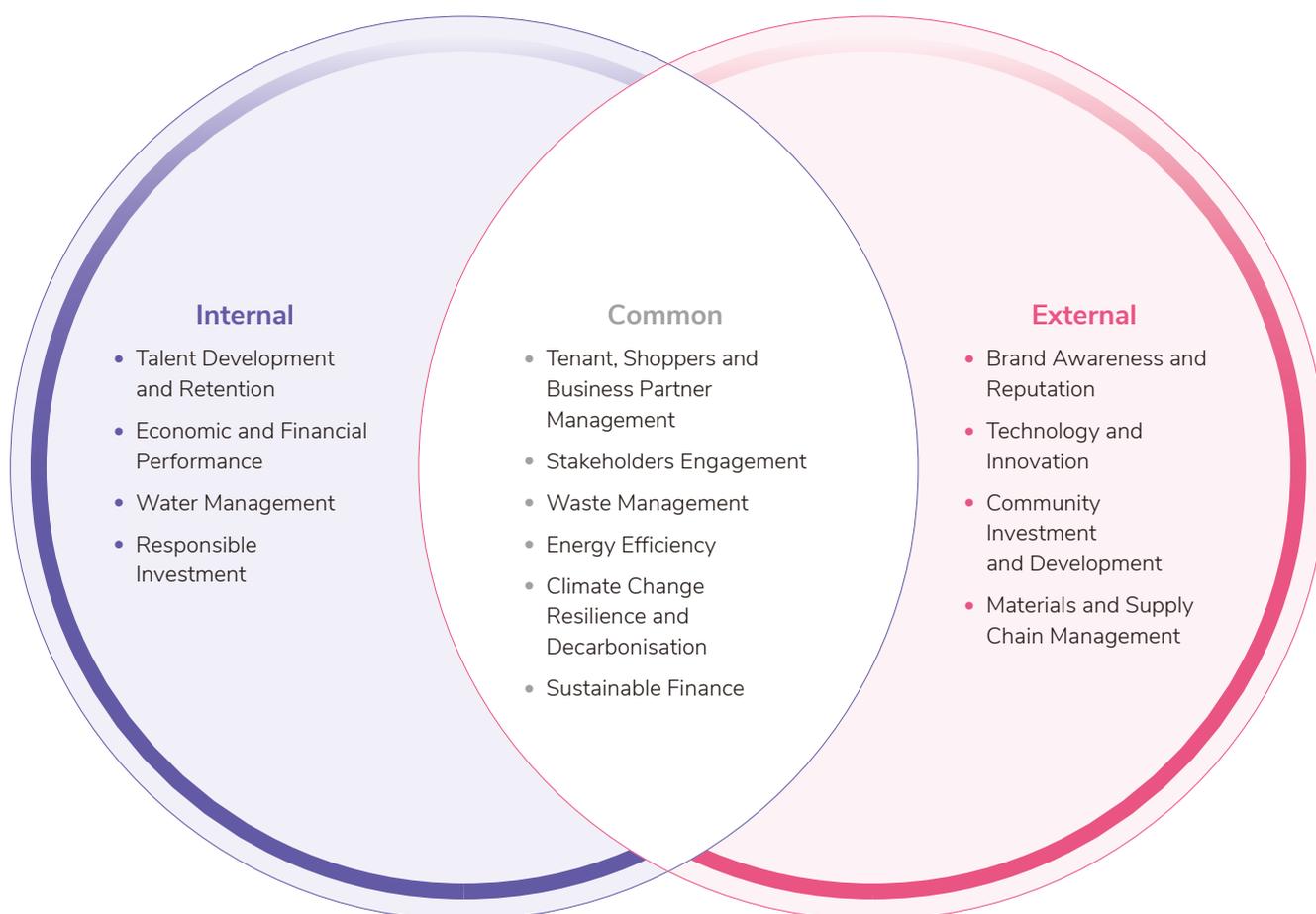
Materiality Matrix 2022/2023



List of Material Issues

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



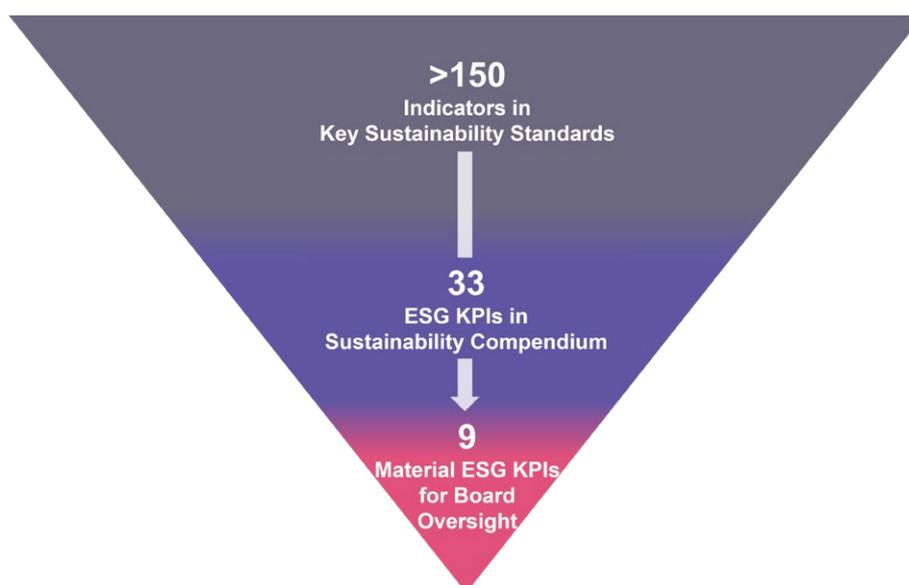
The results allowed us to update our view of key risks and their respective mitigation measures. We further mapped the top 10 material issues identified against key risks in 2022/2023 and our sustainability focus areas. The assessment shows good alignment, and we expect that our continued work in each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

Material ESG KPIs

We continue to refine our sustainability reporting to fulfil more stringent regulatory requirements and align with global best practices. Each year, we report on over 150 indicators required by key sustainability standards, such as GRI Standards, HKEx “Environmental, Social and Governance Reporting Guide”, ISSB, and TCFD. We engage an external verifier each year to audit all reported metrics.

To enhance accountability, in 2022/2023 we further prioritised 9 ESG KPIs for Board approval and increased oversight. We selected these ESG KPIs by referencing our 2022/2023 materiality assessment, our risk register and by following principles described in the ISSB exposure drafts and by assessing their impact on Enterprise Value, Business as Mutual or our corporate reputation. These metrics were discussed with and approved by the Board. In 2022/2023, we further engaged a second auditor to review and assure these selected ESG KPIs.



Common Material Issues/Risks	Material ESG KPIs ⁽¹⁾	Areas Impacted
Talent Development and Retention (strategic)	<ul style="list-style-type: none"> Employee engagement survey response rate Employee engagement score Regrettable turnover⁽²⁾ 	BAM, Reputational
Climate Change Resilience and Decarbonisation (strategic); Energy Efficiency (operational); & Waste Management (operational)	<ul style="list-style-type: none"> Carbon intensity reduction^(3,4) Electricity intensity reduction⁽³⁾ General waste recovered/recycled 	Enterprise Value, BAM
Brand Awareness and Reputation (strategic)	<ul style="list-style-type: none"> Positive brand perception 	Reputational
Stakeholder Engagement and Management (strategic)	<ul style="list-style-type: none"> Customer satisfaction score Tenant satisfaction rate 	BAM, Enterprise Value

Note:

(1) Please refer to Appendix for the definition and methodology of each material ESG KPIs.

(2) For Hong Kong Regional Centre and Mainland China Regional Centre.

(3) Compared to 2018/2019 baseline.

(4) Includes Scope 1 and 2 emissions.

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 finetune our business model.

GRI 2-12, 2-29, 3-3
 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

Who Are Our Stakeholders	Why We Engage	How We Engage	Value Created	Their Key Interests
Unitholders and Bond Investors	Being 100% free float and with no majority unitholder, continuous unitholder and bond investor support and alignment are vital for our long-term business sustainability.	<ul style="list-style-type: none"> • Transparent, regular financial reports • Proactive investor meetings • Interactive AGM • Participation in the Hong Kong Investor Relations Association IR Pledge Program 	<ul style="list-style-type: none"> • Compound annual return of 14% since IPO • Consistent, attractive returns via a robust real estate portfolio • Enhanced value driven by strategic diversification 	<ul style="list-style-type: none"> • Link’s financial health • Robust risk management strategies • Strategic growth and investment opportunities
Capital Partners	Synchronisation with capital partners ensures we meet their specific return profiles and maintain robust balance sheet.	<ul style="list-style-type: none"> • Regular financial and strategic updates • Structured meetings to discuss performance and strategies • Comprehensive documentation on risk management and investment strategies 	<ul style="list-style-type: none"> • Access to broader investment opportunities, leveraging pooled capital • Portfolio diversification, enhancing risk mitigation and potential returns 	<ul style="list-style-type: none"> • Achieving risk-adjusted returns • Transparent communication on fund performance and strategies • Strategic alignment on investment philosophies
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"> • 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 	<ul style="list-style-type: none"> • Leverage resources to attain common goals • Synergies increase output at a lower cost per unit 	<ul style="list-style-type: none"> • Future business prospects • Collaboration opportunities

Who Are Our Stakeholders	Why We Engage	How We Engage	Value Created	Their Key Interests
Operational Partners	Operational partners play a pivotal role, necessitating alignment on service quality, processes, procedures, and return expectations.	<ul style="list-style-type: none"> Regular strategic meetings to review performance Transparent contracts articulating expectations and deliverables Collaborative training and knowledge sharing sessions 	<ul style="list-style-type: none"> Enhanced tenant satisfaction and retention Efficient operation and maintenance of properties 	<ul style="list-style-type: none"> Fair contract execution and prompt payment Clarity in communication and expectations Opportunities for strategic growth and collaboration
Employees	Strategic engagement with employees enhances motivation, skills, and commitment.	<ul style="list-style-type: none"> Regular strategic updates and team meetings Employee development programmes Employee engagement initiatives Employee satisfaction surveys 	<ul style="list-style-type: none"> Improved employee retention Highly skilled and motivated workforce 	<ul style="list-style-type: none"> Career growth and development opportunities Work-life balance Competitive compensation and benefits
Tenants	Tenants, driving revenue, require sustainable and ideal places to do business.	<ul style="list-style-type: none"> Regular communication on property-related issues Tenant satisfaction surveys Regular property maintenance and upgrades 	<ul style="list-style-type: none"> Long-term leases secured by tenant satisfaction Positive referrals attracting new prospects 	<ul style="list-style-type: none"> Property maintenance and security Competitive rental rates Flexibility in lease terms
Suppliers and Contractors	Suppliers and contractors ensure the quality of Link's properties are consistent and meet expectations.	<ul style="list-style-type: none"> Regular meetings and communication Fair and transparent bidding processes Timely payments 	<ul style="list-style-type: none"> Reliable supply chain Cost savings due to good relationships and scalability of services 	<ul style="list-style-type: none"> Timely payments Fair contract terms Ongoing business relationships
Community and Shoppers	Community members and shoppers, the ultimate demand drivers, dictate property appeal and community contribution.	<ul style="list-style-type: none"> Surveys and feedback forms for customer satisfaction Social media engagement and PR activities Community events, promotions, and consultations 	<ul style="list-style-type: none"> A vibrant shopping environment driving footfall and tenant sales Positive customer experiences fostering repeat visits and referrals Supportive local communities facilitating smoother project execution 	<ul style="list-style-type: none"> Variety, quality, and affordability of retail offerings Cleanliness, safety, and accessibility of the shopping environment Sustainable and socially responsible shopping centres Link's corporate social responsibility initiatives and community contributions

Who Are Our Stakeholders	Why We Engage	How We Engage	Value Created	Their Key Interests
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"> 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 	<ul style="list-style-type: none"> Driving thought leadership on environmental and social initiatives Contribution to economic growth and offer employment opportunities 	<ul style="list-style-type: none"> Facilitation of socioeconomic growth Regulatory compliance Environmental impact Corporate governance
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"> Interviews with senior management Response to media enquiries Media releases Informal briefing through lunch and tea gatherings 	<ul style="list-style-type: none"> Transparent and clear corporate strategy Maintain positive 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
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"> 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 	<ul style="list-style-type: none"> Collaborate and sponsor environmental and social-related programmes 	<ul style="list-style-type: none"> Environmental impact Corporate sustainability and responsible business practices

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 can 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.

Case Study: CONNECTION 2023: Landlord-Tenant Collaboration on Decarbonisation

In March 2023, we collaborated with Urban Land Institute (ULI)'s Hong Kong Chapter to host a global multi-stakeholder initiative Net Zero Imperative (NZI) in our home city Hong Kong. The objective of the two-day interactive co-creation workshop was to “create a toolkit focused on tenant engagement in high-density business districts, building on existing strengths and addressing areas of growth, that will aid in reducing emissions for owners and tenants”. Leveraging our experience and network, we invited key players across the industry value chain with multi-disciplinary backgrounds and expertise as co-creation participants. As part of the ideation process, the participants conducted interviews with value chain stakeholders including anchor and smaller tenants,

industry associations, real estate peers, investors and property management services providers, seeking to understand common challenges and ideas. They also toured a Link community mall to make physical observations and to better understand the local context. Participants then contributed to multiple roundtable discussions on material ecosystem issues including decarbonisation and green leases. The resulting co-created toolkit is expected to be an important resource for tenant engagement for decarbonisation for Asia Pacific, including Hong Kong. The finalised toolkit can be accessed on our website [“ULI x Link: Landlord – Tenant Decarbonisation Engagement Toolkit”](#).



Past CONNECTION Topics:

2022	Co-creating a Sustainable Retail Environment (Green Tenancy)
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)



**Case Study:
Project Quarry**

We believe that robust community and multi-stakeholder engagement is a key aspect of a successful development project. As part of the predevelopment phase for our new community mall at Anderson Road Quarry, Hong Kong, we engaged with community stakeholders, including tenants, operational contractors and local residents of varying age groups, to understand their insights, pain points and needs. Through a series of initiatives including focus groups, neighbourhood tours, and co-creation

workshops, we collected valuable feedback and ideas that will help to inform and improve our mall design and construction. Our new community mall targets to showcase sustainable design and operation, meet shoppers' and community members' needs, whilst creating positive synergies with our surrounding properties and other recreational facilities in the district.

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 2022/2023, we introduced a Human Rights Policy which incorporates global best practices.

GRI 2-27
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.
- [Human Rights Policy](#) – Outlines our commitment to human rights (and stance against modern slavery) and sets out standards of conduct in relation to equal opportunity, diversity and inclusion, forced and compulsory labour, freedom of association and collective bargaining, compensation and working hours, workplace health and safety, human capital development, and community and collaboration.

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 2022/2023.

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 2-25, 3-3

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"> • Chair of the Real Estate Advisory Committee

Sustainable Finance



Financial



Innovation

Link is a pioneer in sustainable finance, issuing the first green bond by a Hong Kong corporate 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 3-3

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.

To Link, sustainability 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 2023, over 25% 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, which 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) GB£200 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 2023	Further Information
Environment		
Increase in % of green leases	Achieved 14% green lease adoption in Hong Kong and Mainland China portfolio	See Tenant Engagement section
Greenhouse gas emissions reduction in Hong Kong portfolio	0.0252 tonnes CO ₂ e/sq m in 2022/2023 compared to 0.0254 tonnes CO ₂ e/sq m in 2021/2022	See Greenhouse Gas Emissions section
Increase in building freshwater management certificates	Obtained Quality Water Supply Scheme for Buildings certificates at 12 properties in 2022/2023	See Water Management section
Increase in organic waste diverted from landfill in Hong Kong portfolio	1,491 tonnes organic waste collected in 2022/2023 compared to 966 tonnes in 2021/2022	See Waste Management section
Social		
Increase in % of housekeeping and security staff locally hired from targeted groups in Hong Kong portfolio	0.4% ⁽¹⁾ of housekeeping and security staff were hired in 2022/2023	See Community section
Decrease in Lost Time Injury Frequency Rate (LTIFR) for contractors in Hong Kong portfolio	10.42 in 2022/2023 compared to 4.52 in 2021/2022 (further 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	Submitted our SBT Net Zero target for validation in April 2023	See Greenhouse Gas Emissions section
Attaining certain GRESB score	“Green Star” rating for the eleventh consecutive year since 2013, and the highest A ranking in Public Disclosure for three 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

Note:

(1) Two local employment cases are subject to verification in late June 2023.

Green Bonds

Link has transacted over HK\$7 billion of green and green convertible bonds. As at the reporting date of 31 March 2023, the net proceeds from the issuance of green bonds were fully allocated. We will continue performance and impact reporting through to bond maturity. For more details, please refer to our Sustainable and Green Bond Report 2022/2023.

Transaction Date	Bond Size (HK\$ equiv.)	Coupon Rate	Bond Tenor	Bond Maturity	Outstanding Amount (as of 31 March 2023)	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 the 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 2022/2023](#)

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 3-3

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

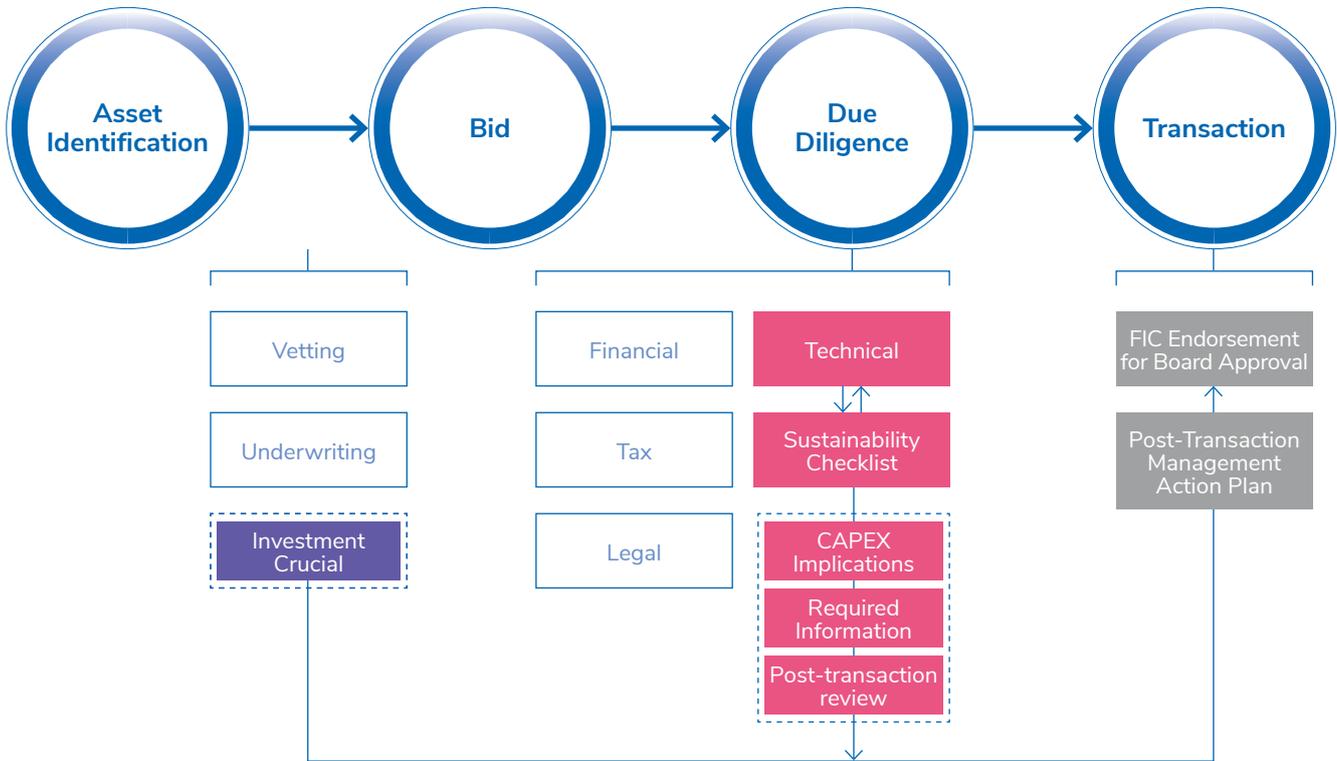
Our asset enhancement (AE) and development projects unlock opportunities to shape a sustainable built environment at the site level. We believe that a truly sustainable investment programme shall deliver strategic (re)positioning to tenants, enhanced financial returns to investors, as well as tangible 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. These standards are being actioned in our ongoing development project at Anderson Road.

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 are 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 the Responsible Investment Policy

Progress

2023	We applied Link's Responsible Investment Policy for all investment projects ranging from land acquisition for development to acquisition of operational assets with Investment, Project & Engineering and Sustainability teams working together to integrate ESG considerations during transaction due diligence and execution.
2022	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.

Case Study: Project Redwood

Acquisition processes tend to have uncertain timelines, often with tight turnaround times that can be challenging for undertaking robust assessment on ESG risks and opportunities. To ensure efficiency and thoroughness, our ESG due diligence process is two-fold: first with a macro-overview addressing investment crucial ESG issues to the operating geography prior to acquisition, followed by a micro and detailed assessment at the post-acquisition stage to detail and prioritise follow up actions for subsequent operations.

Our first entry to the Singaporean market through the acquisition of Jurong Point and Swing By @ Thomson Plaza exemplifies good practices of responsible investment. Prior to acquisition, as part of our ESG due diligence, we completed a flood risk desktop study and no major issues were uncovered. At the second stage, we engaged an external consultant to complete a Carbon Risk in Real Estate Monitor assessment and a Net Zero gap

analysis to understand the impacts and cost implications to Link's

Net Zero strategy in long run. Internally at Link, business units worked together to identify and quantify near to medium-term operating cost implications incorporating Singapore's projected carbon tax and our expected energy consumption. We further incorporated the asset level results into our corporate portfolio-wide Net Zero model to assess the impact of the investment on our decarbonisation ambitions.

With the completion of the transaction, we successfully established our Singapore regional office with 133 staff to accelerate Link 3.0 growth opportunities across Asia Pacific.



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 Scope 1 emissions footprint – 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 3-3, 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 hold 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 within the boundary of our Net Zero pathway. In April 2023, we submitted our SBT Net Zero target for validation.

Approach

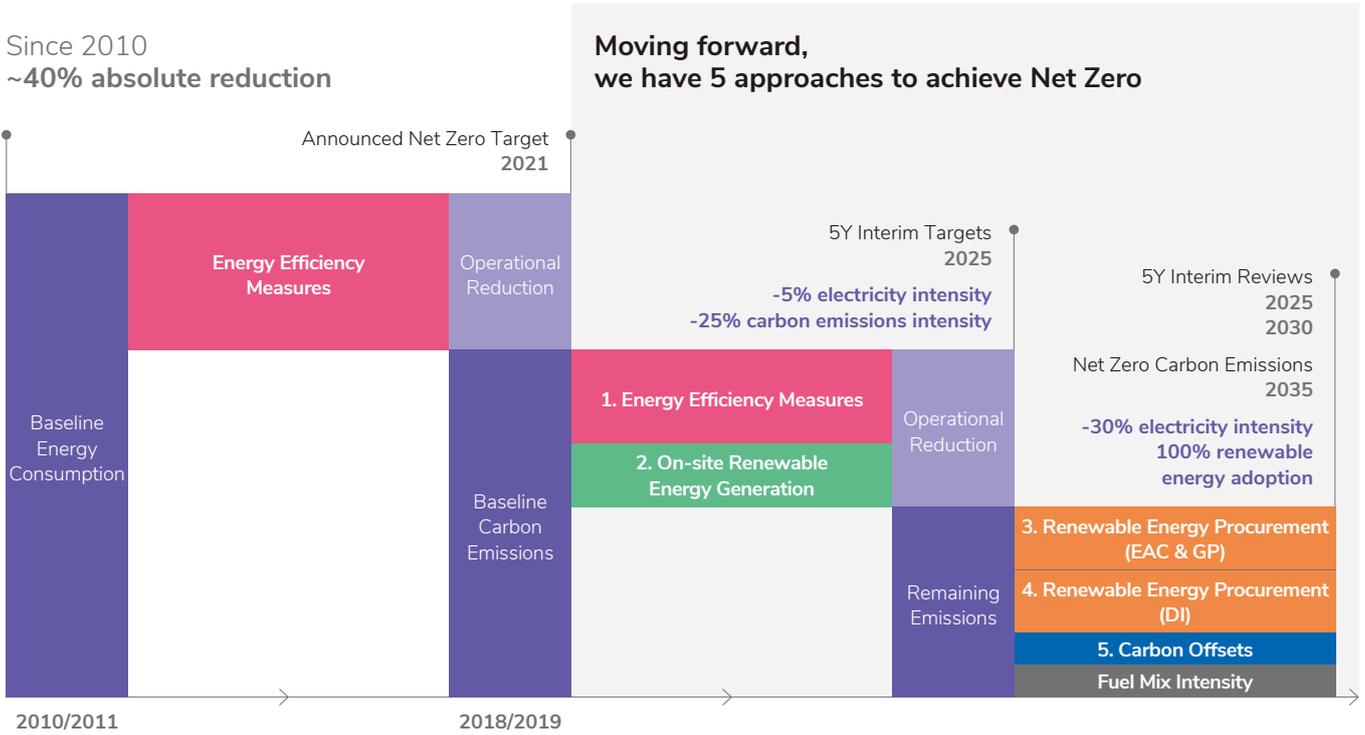
Supported by a robust greenhouse gas (GHG) inventory management and governance framework, our Net Zero carbon emissions target will be achieved via five approaches.

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 on-site generation and off-site procurement, purchase of renewable energy certificates 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	2022/2023	2021/2022	2018/2019 Baseline
Unit	%	%	Tonnes CO ₂ e/ sq m	Tonnes CO ₂ e/ sq m	Tonnes CO ₂ e/ sq m
Hong Kong	-20.6	-0.805	0.0252	0.0254	0.0318
Mainland China	-23.4	-17.2	0.0484	0.0585	0.0632
Overseas	–	+387 ⁽¹⁾	0.0590	0.0121	–
Group Total	-13.8	+1.55	0.0296	0.0291	0.0343

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 2022/2023 Scope 1 & 2 Emissions	Tonnes CO ₂ e	126,931
Total Value of Properties on 100% Basis ⁽²⁾	HK\$ million	217,196
Portfolio Carbon Footprint	Tonnes CO ₂ e per HK\$ million	0.584

Energy Efficiency Measures

In 2022/2023, we implemented a wide range of energy saving initiatives across the portfolio including:

- Chiller replacement programme
- Energy management systems
- Installation of motion sensor lighting in car parks
- LED lighting improvements
- Operational optimisation and automation
- Energy audits

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

Note:

- (1) The surge in carbon emissions intensity (Scope 1 & 2) is due to the newly included retail properties, i.e. Queen Victoria Building, The Galleries and The Strand Arcade. The intensity calculation of these three properties uses Gross Lettable Area (GLA) as Gross Floor Area (GFA) is unavailable.
- (2) Only applicable to properties included in 2022/2023 Scope 1 & 2 emissions accounting.

On-Site Renewable Energy Generation

We have identified a total of 44 potential sites across our Hong Kong portfolio for installation of solar power systems, corresponding to an installed capacity of 3.3 MWp and an estimated 3,190 MWh of renewable energy generated each year. At the time of this report, we expect that once completed in 2023/2024, the expanded solar panel project will be among the largest private solar energy generation projects in Hong Kong.

In 2022/2023, we completed our third batch of solar panel installations at the following 23 sites. The total number of properties in our Hong Kong portfolio with solar power systems is now 36.

- Choi Ming Shopping Centre
- Tsz Wan Shan Shopping Centre
- Tai Wo Plaza
- Fu Heng Shopping Centre
- Chung On Shopping Centre
- Yu Chui Shopping Centre
- Retail and Car Park within Tung Tau Estate
- Wan Tsui Commercial Complex
- Yiu Tung Shopping Centre
- Choi Yuen Plaza
- Fu Shin Shopping Centre
- Tin Yiu Plaza
- Retail and Car Park within Hong Park Court
- Lung Hang Commercial Centre
- Kin Sang Shopping Centre
- Tsui Ping North Shopping Circuit
- Wo Che Plaza
- Sau Mau Ping Shopping Centre
- Heng On Commercial Centre
- Hing Wah Plaza
- T Town
- Fu Tung Plaza
- Po Lam Shopping Centre

A total of 772 MWh renewable energy was generated on-site from our Hong Kong portfolio during 2022/2023, which increased more than three-fold compared to last year (2021/2022: 210 MWh).

A feasibility study for solar panel installation in our Hong Kong open car parks is now underway. As we increase our logistics presence in Mainland China, we have also appointed a consultant to help investigate on-site renewable energy potential for future installation plan.

Renewable Energy Procurement

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

Additionally, in 2022/2023, our properties at 151 Clarence Street and 347 Kent Street in Sydney, Australia were supplied with 100% renewable electricity for landlord-controlled consumption.

Fuel Mix Intensity

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

Carbon Offset

While there remains ongoing debate on carbon offsetting options, we believe that prudent, high-quality offsets have a role to play in reducing carbon footprint. For our newly launched Sustainability Lab at Lok Fu Place in Hong Kong, we have committed to support high quality carbon offset projects via reputable carbon marketplaces to offset the carbon emissions produced during the construction and operational phases of the project.

Alignment with Science Based Target Net-Zero Standard

Last year, we announced our commitment to setting SBTi approved net zero carbon emissions targets by 2024/2025. In April 2023, we submitted our SBT Net Zero proposal including science based near- and long-term decarbonisation targets for 2033 and 2050 respectively.

During the year, we compiled comprehensive Scope 1, 2 and 3 emissions inventories and devised emissions reduction strategies that minimise reliance on carbon offsets, demonstrating our commitment to reducing greenhouse gas emissions in a responsible manner. As part of the exercise, we identified our top Scope 3 contributors to be downstream leased assets (category 13) and fuel- and energy-related activities not included in Scope 1 Or Scope 2 (category 3), together covering almost 80% of our Scope 3 emissions baseline. We have expanded our disclosure of Scope 3 data in our Environmental Performance Data Table this year accordingly. We also improved data accuracy for tenant electricity consumption at 16 Hong Kong shopping centres via installation of power analysers. Lastly, we finetuned our house rules for emissions allocation and reporting to ensure we are in line with industry leading practices.

Moving forward, we will continue to finetune data accuracy and emissions accounting methodologies and formulate near- and long-term reduction strategies for major contributors. We will also start disclosing the breakdown across our Scope 3 emissions categories, once our targets are validated and approved by SBTi.

Looking Ahead

- Continue to work on aligning and validating our Net Zero targets in accordance with the SBTi Net Zero Standard by formulating interdepartmental working groups to actualise emissions reduction strategies.
- Continue our solar panel installation plan in Hong Kong and the Mainland China portfolios. We expect to complete the installation of solar arrays at 8 additional Hong Kong properties by 2023/2024 (installed capacity: 0.4 MWp) and explore further opportunities in the Mainland China logistics assets once findings from feasibility studies are available.
- 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.

Policies

[Climate Change and Energy Policy](#)

Climate Resilience and Adaptation



Reducing our carbon footprint and reinforcing climate resilience remain our priority. Increases in the frequency and severity of extreme weather events makes longer-term resilience and adaptation strategies indispensable.

GRI 2-12, 3-3, 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

In 2022/2023, we focused our efforts on refining our Net Zero plan, and also made progress on asset level climate resilience for new assets:

- Committed to the SBTi Net Zero Standard in May 2022 and submitted our SBT Net Zero target for validation in April 2023. Targets set under the standard will upgrade our Net Zero Strategy.
- Following our Responsible Investment Policy, we completed climate risk assessments for our new assets as part of the acquisition due diligence process and devised follow up action plans for the post-acquisition phase.

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.

In 2021/2022, we 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. In April 2023, we submitted our SBT Net Zero target for validation.

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 confined to assess the climate resilience of our portfolio through the adoption of more granular climate assessment models. In 2021/2022, 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 in 2021/2022 for our Greater Bay Area portfolio to inform better mitigation and adaptive measures. We have no major updates to the geospatial risk analysis this year.

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 impacts 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 ⁽¹⁾
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⁽²⁾	-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 are 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 in 2021/2022 to identify stranding risk for 63 of our assets. These properties include 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 to Asia Pacific companies, the CRREM model has informed us on the strategic timing of retrofit actions, particularly in 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 aligned decarbonisation pathways for in-use emissions of real estate in 2023, we foresee that CRREM will become more 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 storms-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) – a coastal and low-lying region where flood risk is common.

In 2021/2022, as part of our commitment to growing in the GBA, we completed a local, detailed geospatial analysis of coastal threats, stress-testing our GBA portfolio against three low-regret⁽¹⁾ scenarios that took into account both sea level rise according to the latest IPCC Sixth Assessment Report (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

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.

4. Climate Risk Assessment and Resilience Planning at IGO Portfolio

We emphasise the importance of climate risk assessments when partnering with businesses in different regions, as showcased in the Investa Gateway Office (IGO) portfolio in Sydney. The properties underwent evaluation for physical and transition risks under IPCC very high GHG emissions scenario (SSP5-8.5) and IPCC low GHG emissions scenario (SSP1-2.6) respectively. With low physical risk levels identified from extreme climate change events such as heat waves, wildfire, rainfall, flooding and storm surges, asset-level climate change adaptation plans were developed to further mitigate risks, inform capital works planning and enhance operational resilience. Aligning with like-minded partners to tackle climate challenges echoes our long-term sustainability commitment.

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.

Note:

(1) On a cumulative basis.

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 rainstorms, typhoons and rises in sea levels 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. Riding on the success of our earlier pilot, we expanded our effort this year and installed a total of 260 flooding IoT sensors in 48 properties. – 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 procurement of 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 expectations 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"> Review carbon emissions inventory on an ongoing basis and ensure emission accounting approaches and disclosures are in line with leading global practices Ensure high-quality procurement of carbon credits with transparent reporting where available Leverage technologies such as data management system and blockchain that could help quantifying carbon impact and ensure credible data tracking in long run
Reputation	Near-/medium-term	Growing public demand for decarbonisation efforts	<ul style="list-style-type: none"> Reduced revenue due to reputational loss and/or losing the social license to operate 	<ul style="list-style-type: none"> Demonstrate leadership in climate resilience by committing early to a Net Zero carbon emissions (Scope 1 & 2) target by 2035, 15 years ahead of the Hong Kong Government's pledge Step up our efforts to set science-based Net Zero targets (Scope 1, 2 & 3) that are consistent with limiting global temperature rise to 1.5°C

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 sources	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	2022/2023	2021/2022	2020/2021
Energy Management	Total energy consumption	GJ	941,802	910,220	875,297
	Electricity intensity by Gross Floor Area (GFA)	kWh/sq m	59.0	60.5	60.0
Greenhouse Gas Emissions	Scope 1 emissions	Tonnes CO ₂ e	13,724	9,222	3,061
	Scope 2 emissions	Tonnes CO ₂ e	113,207	111,435	108,533
	Scope 3 emissions	Tonnes CO ₂ e	161,661	48,510	39,474
	Carbon emissions intensity (Scope 1 & 2) by GFA	Tonnes CO ₂ e/sq m	0.029	0.029	0.028
Climate-Related Opportunities	Certified green buildings by GFA	%	97.3	86.5	71.2 ⁽²⁾
	Proportion of bond and loan facilities from sustainable financing	% by value	25.1	37.3	27.3
	Properties installed with solar panels	Number	36	13	3
	Electricity generated and consumed from on-site solar panels	MWh	772	210	104
	Income generated from Feed-in Tariff scheme	HK\$'000	3,081	841	417
	Electricity consumed from off-site renewable sources	MWh	14,145 ⁽³⁾	9,527	N/A
	Electric vehicle charging bays	Number	769	700	637
Capital Deployment	Capital expenditures on energy efficiency measures	HK\$'000	170,625 ⁽⁴⁾	99,000	6,000
	R&D expenditure on climate risk identification and assessment	HK\$'000	N/A	350	156

Notes:

- (1) To cover our electricity footprint via renewable energy on-site generation and off-site procurement, purchase of renewable energy certificates 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, as well as 151 Clarence Street and 347 Kent Street's landlord-controlled consumption within the year.
- (4) Based on actual spent in Hong Kong and Mainland China properties during 2022/2023.

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 3-3

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

In 2022/2023, we advanced our efforts to improve green building certification coverage, reaching 97.3% certification by GFA across our portfolio. We are a major participant of the BEAM Plus Existing Buildings V2.0 Selective Scheme and successfully attained a “Good” rating for 14 of our Hong Kong properties in 2022/2023, summing up to a total of 76 completed projects. For our second Mainland China asset enhancement project at Link Plaza Tianhe, we achieved LEED Building Design and Construction (BD+C): Core and Shell V4 Platinum Precertification and Parksmart Pioneer.

Certification Coverage by GFA

Portfolio	2022/2023	2021/2022
Hong Kong	96.2%	81.9%
Mainland China	100%	100%
Overseas	100%	100%
Group Total	97.3%	86.5%

Note:

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

2022/2023 Highlights

Property	Certification Scheme	Rating
Fu Heng Shopping Centre	BEAM Plus Existing Buildings V2.0 Selective Scheme (Management)	Good
Heng On Commercial Centre		
Hing Tung Shopping Centre		
Kwong Fuk Commercial Centre		
Lung Hang Commercial Centre		
Lok Wah Commercial Centre		
Po Lam Shopping Centre		
Sam Shing Commercial Centre		
Shun Lee Commercial Centre		
Shun On Commercial Centre		
Sun Chui Shopping Centre		
Tai Hing Commercial Centre		
Tsui Ping North Shopping Circuit		
Yiu On Shopping Centre		
Link Plaza Tianhe	LEED Building Design and Construction (BD+C): Core and Shell V4	Platinum Precertification
	Parksmart	Pioneer Precertification
Link CentralWalk	LEED Building Design and Construction (BD+C): Core and Shell V4	Final Platinum
	SITES V2 Rating System	Platinum
100 Market Street	NABERS Energy (Renewal)	5.5 Stars
151 Clarence Street	NABERS Energy (Renewal)	6 Stars
	NABERS Water (Renewal)	4 Stars
	WELL Building Standard V1 Core and Shell (C&S)	Platinum
	WELL Health-Safety Rating ⁽¹⁾	Certified
126 Phillip Street	NABERS Energy (Renewal)	5 Stars
	NABERS Water (Renewal)	4.5 Stars
	WELL Health-Safety Rating ⁽¹⁾	Certified
347 Kent Street	NABERS Energy (Renewal)	6 Stars
	NABERS Water (Renewal)	5 Stars
	WELL Health-Safety Rating ⁽¹⁾	Certified
567 Collins Street	NABERS Energy (Renewal)	5.5 Stars
	NABERS Water (Renewal)	5.5 Stars
	NABERS Indoor Environment Rating	5.5 Stars
	WELL Health-Safety Rating ⁽¹⁾	Certified

Note:

(1) Under the WELL Portfolio scheme awarded to Investa for its managed office portfolios which include the mentioned property.

Looking Ahead

We are close to reaching our target of 100% green building certification by 2025/2026. Looking ahead, we plan to revisit our target and are starting to assess certification/recertification options for properties that are currently out of scope under our existing target, e.g. car parks in Hong Kong and logistics assets in Mainland China. We also plan to upgrade green building ratings for some of our properties, including working on improving the NABERS ratings (if any) for our Australia portfolio. We also look forward to completing the green asset enhancement at Link Plaza Tianhe, implementing the wide range of sustainability features that contribute to the LEED and Parksmart precertifications.

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 3-3

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

Progress

In 2022/2023, we successfully obtained the IAQ Certificate (Good Class) certification for 8 of our shopping centres in Hong Kong.

- Choi Yuen Plaza
- Fu Tai Shopping Centre
- Hing Wah Plaza
- Homantin Plaza
- Leung King Plaza
- Nam Cheong Place
- Tin Chak Shopping Centre
- Un Chau Shopping Centre

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 received LEED Building Design and Construction (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 2023/2024.

Energy Efficiency



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 3-3, 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 significance of such downstream consumption and the role we can play to help tenants 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 best practices for energy saving 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		2022/2023	2021/2022	2018/2019 Baseline
	2018/2019 Baseline	Y-o-Y Change			
Unit	%	%	kWh/sq m	kWh/sq m	kWh/sq m
Hong Kong	-20.6	-4.97	54.7	57.5	58.3
Mainland China	-23.4	-9.97	78.6	87.3	90.7
Overseas	–	+160 ⁽¹⁾	84.9	32.7	–
Group Total	-13.8	-2.54	59.0	60.5	60.9

Note:

- (1) The surge in electricity intensity is due to the newly included retail properties, i.e. Queen Victoria Building, The Galleries and The Strand Arcade. The intensity calculation of these three properties uses GLA as GFA is unavailable.

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, air side equipment 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\$163 million on energy saving initiatives in our Hong Kong portfolio to yield an estimated savings of around 3,108 MWh in the year.
- Upgraded 17 chillers in Hong Kong portfolio with higher efficiency that exceed minimum Coefficient of Performance (COP) required under Building Energy Code.
- Employed predictive data analytics via Energy Management System (EMS) at T Town, Cheung Fat Plaza, Tsz Wan Shan Shopping Centre and TKO Gateway in Hong Kong for energy optimisation, regression modelling and fault diagnosis. EMS demonstrated a proven record of success in energy saving. One of our pilot properties, T Town, had a net energy saving of 5% this year compared to the baseline year.
- Installed motion sensor lighting in 24 carparks to optimise energy efficiency via Internet of Thing (IoT) solutions.
- Conducted energy audits for 71 properties to assess energy performance against building compliance and identify areas for improvement.
- Commenced energy audits for the entire Mainland China portfolio to identify and prioritise cost-effective energy saving opportunities.
- 71 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 21 tenants and help them identify energy saving opportunities.

Looking Ahead

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

- Full rollout of the EMS 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 2023/2024.
- Energy audits will be conducted for 26 properties in 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 3-3, 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 the phasing out the use of single-use plastics across 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

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 ceased distribution of single-use plastic umbrella bags across our Hong Kong retail portfolio since February 2022 and expanded this practice to three Mainland China retail properties, Link CentralWalk, Link Plaza · Guangzhou and Link Plaza Tianhe in March 2023. 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.

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.

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

To enhance our waste management strategy, in 2022/2023 we engaged an external consultant to conduct a waste assessment at selected properties in our Hong Kong portfolio. Through this assessment, we have a better understanding of our waste streams and have identified potential strategies to further enhance our recycling effort. This year, we added waste and recycling data reporting as one of the cleaning contract service requirements, which will improve our waste data collection process.

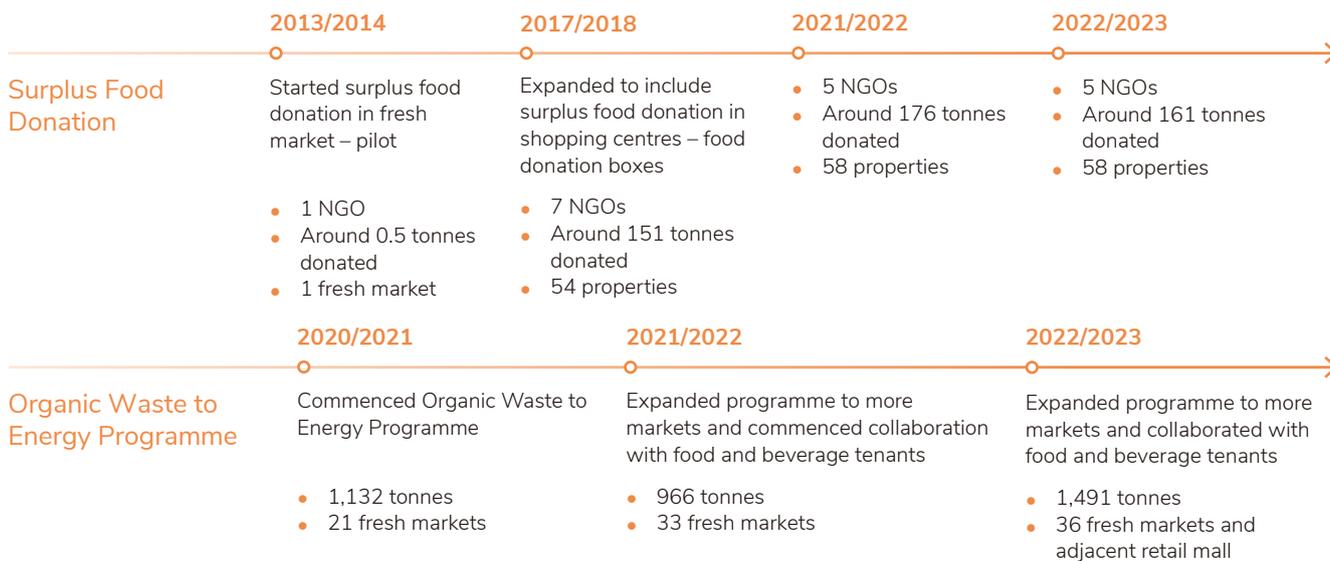
Tenants

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 (EPD) in Hong Kong to expand our organic waste collection initiative to more fresh markets. We also further expanded our collection initiative to our retail mall tenants, especially targeting the food & beverage and supermarket tenants, to jointly deliver the organic waste collected to O·Park for energy generation. To facilitate tenants on waste separation, we provided training materials on organic waste separation and offered briefing sessions on-site. In 2022/2023, over 1,490 tonnes of organic waste were delivered to O·Park, which is equivalent to more than 750 tonnes of avoided carbon emissions. The number of participating properties has increased from 33 to 36 and will further be expanded to a total of 47 properties in the upcoming year.

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 161.4 tonnes of surplus food was donated in the form of food packs and meal boxes, which have been redistributed to the needy in local communities.

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 (RVMs) 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 of 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:
Circularity Pilot**

Plastic is a common material used to manufacture a wide variety of containers including baskets used to transport fresh fruit. Fruit baskets are a major plastic waste type at our Hong Kong fresh markets. As part of our efforts to divert plastic waste from landfill, we are exploring channels to reuse or recycle these baskets.

This year, we collaborated with a local manufacturer Ecobricks to launch a pilot programme utilising discarded baskets collected at the fresh markets at Wo Che Plaza, Tai Yuen Commercial Centre and Tin Shing Shopping Centre. Together with the traffic cones and cosmetic containers collected by Ecobricks, a total of 7.4 tonnes of

plastic waste was upcycled through a cold production process to produce ~19,000 paving bricks for a repaving project at our TKO Gateway retail mall. This meaningful upcycling project is a small step forward to support a local circular economy. We see great potential for expanding this type of initiative to help us achieve our waste diversion targets, and at the same time to help grow green manufacturing and the local recycling ecosystem.



Case Study: Fu Tung Market Food Waste Recycling Challenge

Food waste is one of the largest categories of municipal solid waste disposed to landfill in Hong Kong. We recognise that to achieve our ambitious waste diversion goal, tenants are important stakeholders that we need to engage. To foster an environment for our tenants to take action and ultimately increase the food waste diversion rate, we initiated the “Fu Tung Market Food Waste Recycling Challenge” with the support of the Environmental Protection Department.

We launched a competition in September 2022 aimed at increasing food stall tenants’ awareness of food waste recycling. All eligible tenants were encouraged to participate in the competition, and their recycling practices were evaluated based on four main judging

criteria, including daily participation, activeness, continuity, and systematic set-up. During the one-month competition period, over 6 tonnes of food waste were collected, a 27% increase compared to the previous month. 23 tenants with outstanding performance were recognised as “Green Tenants”. As a reward, we sponsored “Green Coupons” for shoppers to spend at the Green Tenant stalls.

The initiative emphasises educating and motivating our tenants to adopt food waste sorting and recycling habits. Encouraged by the success at Fu Tung Market, we will continue to make efforts to engage more tenants to participate in waste reduction and diversion.

Looking Ahead

To further develop the behaviour of waste sorting in preparation for the upcoming waste levy in Hong Kong, we target to work with our tenants to jointly deliver organic waste for recycling at property level, and enhance our recycling efforts in other recyclable waste categories including cardboard and plastics. We expect that this collective approach will be more efficient and environmentally friendly.

Policies

[Waste Policy](#)

Water Management



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 3-3, 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 purposes 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 a relatively limited ability to impact and influence the city's overall level of water supply, as 70-80% fresh water comes from Dongjiang via a pre-allocation 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 use for irrigation by 50%. Portable water is further saved by using cooling tower bleed-off for flushing and water efficient sanitary fittings.

We have an established 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.

During the year, we have installed a total of 260 flooding IoT sensors nearby major facilities in 48 properties to monitor water leakage and alert over-flow conditions for timely handling to avoid water wastage.

In 2022/2023, we obtained Quality Water Supply Scheme for Buildings certificates for 12 properties in Hong Kong:

- Chung On Shopping Centre
- Fu Tai Shopping Centre
- Fung Tak Shopping Centre
- Hoi Fu Shopping Centre
- Homantin Plaza
- Lek Yuen Plaza
- Nam Cheong Place
- Oi Tung Shopping Centre
- Po Tat Shopping Centre
- Stanley Plaza
- T Town
- Tai Wo Plaza

Looking ahead

- Obtain Quality Water Supply Scheme for Buildings certificates for 15 properties in 2023/2024
- Roll out further water leakage prevention IoT solutions across portfolio after feasibility assessment

Policies

[Water Policy](#)

Biodiversity



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 3-3
HKEX KPI A3.1

Link is committed to minimising adverse biodiversity impacts 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.

Link has relatively 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

Planning, Design and Construction Phase

- Conducting a biodiversity assessment for the ongoing development project at Anderson Road Quarry and will explore the potential for biodiversity enhancement during landscape design

Operation And Maintenance Phase

- 87.5% of our horticulture investment sum was used for planting native flora in 2022/2023
- Committed more than HK\$6 million on horticultural maintenance and management across Hong Kong portfolio in 2022/2023

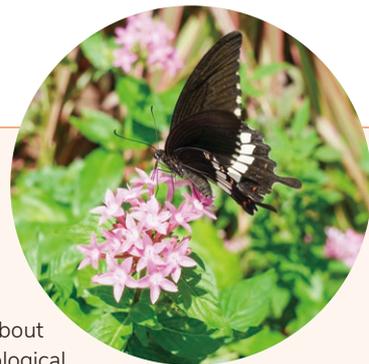
Case Study: Nature Link Butterfly Gardens

The Nature Link project is one of the funded projects under our [Link Together Initiatives](#) programme. There are a total of five butterfly gardens at Link's retail portfolio (Choi Ming Shopping Centre, Kai Tin Shopping Centre, Chung On Shopping Centre, Sau Mau Ping Shopping Centre and Tsz Wan Shan Shopping Centre). This year the butterfly survey conducted by the NGO Environmental Association revealed a substantial increase in the total number of butterfly species, rising from 5 to 29 since our launch. In addition, 60 eco-ambassadors have been recruited from the local community to assist in managing the gardens, fostering a sense of ownership and responsibility among residents.

Building on the success of last year, we organised a second "My Garden" design competition, which attracted 238 entries from individuals aged 2 to 90. This initiative

has been instrumental in raising awareness about environmental and ecological preservation, while also engaging the local community. See more from our community story in [Channel 823](#).

The project's success has motivated us to develop three further gardens at Choi Yuen Plaza, Tin Chak Shopping Centre, and Fu Shin Shopping Centre in 2023/2024, with the aim of creating a thriving ecosystem for local butterfly species enhancing the biodiversity of the region. As part of our commitment to community engagement, we have partnered with Environmental Association to organise community engagement workshops at the proposed locations, aimed at gathering feedback and ideas from local communities on butterfly garden development.



Policies

[Biodiversity Policy](#)

Social

Talent Management



Talent

In pursuit of sustainable growth under the Link 3.0 strategy, we continue to strengthen our talent management through the expansion of our talent pipeline, arming our employees with the right skill sets, and nurturing future leaders.

GRI 2-26, 2-30, 3-3, 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 the 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, or other inappropriate 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 outsourced 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 promote and protect employee's health and well-being, as well as maintain business continuity. In response to evolving talent expectations, we encourage mobility to broaden Linkers' 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.

We integrate sustainability throughout our business and operations. Therefore, we seek to involve Linkers to contribute to our sustainability initiatives, and in turn inspire them to adopt a more sustainable lifestyle. This year, we incorporated sustainability initiatives in our overall employee engagement plan. In November 2022, we started the "Lights-out Campaign" where lights in the working areas at our headquarters are switched off during lunch hours to conserve energy. To reduce food container waste, all Linkers received a reusable food container as an anniversary gift. We also liaised with our tenants to offer discount to Linkers buying their takeaways with reusable food containers.

Cultivate a 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

We constantly review and calibrate our Target Operating Model to strengthen our core competencies. This year, we refined our organisational structure to strengthen our Regional Centres' capabilities. We also maintained a diverse workforce to support our increasingly diversified portfolio. 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 in 2022/2023. 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 launched a new human resources management system with mobile access, which enhances 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.

Strengthen Workplace Agility and Employee Engagement

Having an engaged and dedicated workforce is key to our continued success. Therefore, we place great emphasis on elevating the employee experience. This year, we organised a total of 38 engagement activities in Hong Kong and Mainland China, 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 score of 4.00⁽¹⁾ out of 5. Key feedback from Linkers included the areas of workplace, policies and employee engagement, which we followed up at the end of 2022.

We recognise Linker's contributions and want them to take pride in their work. We celebrated their achievements through our CEO's Updates during townhall meetings and celebration events, such as the Promotion Party in July 2022, the Christmas Party in December 2022 and the Chinese New Year Celebration Ceremony in January 2023.

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

Please refer to [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 rolled out the Functional Learning Roadmap for employees from our Asset Management, Property Management and Leasing Departments. This provides a clear and structured development plan for employees across all levels to gain specific business skills to advance their careers. In addition, the Link Academy, a 24/7 digital learning platform was launched, enabling Linkers to access accredited courses offered by global top institutions via the platform. The courses focus on Link's core competencies, ESG, leadership and management skills. This easily accessible learning platform contributed to the increase of learning hours, from 20,819 in 2021/2022 to 31,348 in 2022/2023.

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.

Note:

(1) The data point was adjusted to reflect the actual situation for better accuracy.

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 3-3

Approach

Tenant Collaboration

Via a Business as Mutual approach, we partner with our tenants on environmental and social issues such as energy saving, waste management, surplus food donation 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 Leases

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 2022/2023 including in waste management, energy savings and upward social mobility.

Tenant Engagement

We conducted a tenant satisfaction survey from February to May 2022. Results were positive with improvement across almost all aspects and tenant satisfaction rate of 82% 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. This year, Tenant Academy organised 3 seminars with guest speakers from government departments, NGOs and industry partners on sustainability-related themes, such as trends in ESG management, food waste recycling and energy efficiency to enhance our tenant comprehension of ESG issues, which facilitated the tenants to attain cost savings and practice sustainability in their business operations.

Green Leases

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 Fitout 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. This year, we have achieved 14% green lease adoption in our Hong Kong and Mainland China portfolio.

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 2023/2024, Tenant Academy will provide more seminars on sustainability topics for our tenants.

Supply Chain



Natural



Social & Relationship

Link strives to be a 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 2-6, 3-3, 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. Where applicable, they will conduct ad-hoc compliance checks on vendors of significant procurement sums during tender process. 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

In 2021/2022, 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.

This year, we conducted environmental and social compliance checks on a total of 122 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 2022/2023. Less than 2% of cases were identified as non-compliant – all were minor violations in social aspects such as 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 exist in 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 3-3, 413-1

HKEX Aspect B8, KPI B8.1, B8.2

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 our net property income to charity and community engagement

Progress

Placemaking

We introduced a 12,000 square-foot public space in Lok Fu retail mall in Hong Kong with a variety of attractive leisure and resting facilities, successfully transforming the space into a community hub that has been well-received by different generations. The space is also activated by a host of regular activities including thematic markets and workshops, with different NGOs or institutions as collaboration partners.

We also launched a new art and leisure recreational area at Sha Kok Commercial Centre in Hong Kong featuring mushroom-shaped pavilions and a fitness corner, after conducting in-depth interviews with residents to uncover Sha Kok's cultural assets and characteristics. The mushroom-like food stalls contribute to the collective memory within the community and are one of the critical elements of Sha Kok.



Wherever possible, we try to lower our environmental footprint when designing placemaking initiatives. The materials used for the projects above were all sourced locally or from the Mainland China in order to reduce the carbon footprint from transportation. Recycled materials were introduced whenever appropriate.

This year, we successfully completed an outdoor improvement project at Fu Shin Shopping Centre in collaboration with volunteers from Gammon Construction, Hong Chi Association and our own staff. Through the creation of murals, we were able to breathe new life into the podium area and create a sense of community.

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

Shoppers and Community

During the year, we engaged an external consultant to conduct a customer satisfaction assessment through our Mystery Shopper Programme in Hong Kong. The assessment evaluated environmental and customer service performance across our properties. In general, our overall performance is better compared to the benchmark group, with an overall customer satisfaction score of 90.8 out of 100. There is room for improvement in particular aspects, such as washroom cleanliness and provision of informative and friendly responses to customers. Apart from continually improving our environmental cleanliness and facilities provision, we will also step up our service level by providing respective training to our frontline staff. To better understand and monitor how Link is perceived among the community, we have been engaging external consultants to conduct regular brand perception audits since 2017. In 2022/2023, our brand perception continuously improved and recorded a significant increment in positive brand perception, with 76% of the general public positively perceiving Link's brand (2021/2022: 65%).

Welfare Tenants

In 2022/2023, 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 25,000 sq ft at below market rates to NGOs in Hong Kong, amounting to estimated in-kind contribution of over HK\$4.0 million over the year. Altogether, the programme supports 110 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 special-function wheelchairs, electric nursing beds to assistive devices for lifting and eating – can be prescribed at an affordable rental price for the elderly, allowing them to live more comfortably and safely at home. To date, the rental service has benefited over 1,600 elders in the community and those discharged from hospitals, supporting ageing in place and easing the pressure on carers. The Service Centre also serves as a hub for connecting ageing-focused NGOs and business partners, facilitating collaboration, and encouraging awareness among the community. It has organised over 1,000 workshops on gerontech application for the public and attracted over 14,000 visitors.

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\$123 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\$18 million to a variety of initiatives, including a project that promotes performing arts for the elderly, one that provide sports training to underprivileged youth and an ESG leadership training programme for youth in Hong Kong. Since 2021/22, we have supported a project in Mainland China through the Shanghai Smiles Foundation, which has enabled 20 students from underprivileged families to be trained and upskilled via a three-year estate management course. Please visit the [Link Together Initiatives 2022/2023 Brochure](#) for more details.

Venue Sponsorship

In 2022/2023, we offered over 760 days of venue sponsorship to NGOs and government departments to organise community activities, amounting to estimated in-kind contribution of over HK\$3.2 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 2023, the AFDs have served 17,400 individuals across 14 districts.

Staff Volunteering

We support community development through staff volunteering initiatives. Our Volunteer Committee continues to support various charitable causes, including activities ranging from coastal cleanup to distribution of festive goodie bags and scarf knitting for low-income households. In 2022/2023, a staff count of 470 volunteered a collective 2,856 hours to support Link Together Initiatives and other charity-related activities. The total number of service hours increased by 22.8% from 2021/2022.

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 1,380 awardees, totalling HK\$27.6 million of donations. This year, we awarded HK\$4.4 million to 220 beneficiaries. Since 2021/2022, our scholarship scheme expanded to include three self-financing universities, reaching a larger segment of Hong Kong's youth. For the first time since the launch of the Scholarship, the awardees this year include students from all 11 universities in Hong Kong.

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. 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. This year, our programme successfully facilitated the full-time or part-time employment of 18 beneficiaries with our housekeeping and security contractors and tenants.

To increase our own accountability, we have set a local employment hiring target as part of our latest sustainability-linked finance transaction. Through collaboration with NGOs and our contractors, we were able to recruit 0.4%⁽¹⁾ of our housekeeping and security staff in 2022 from residents in the locality living below the poverty line.

Note:

(1) Two local employment cases are subject to verification in late June 2023.

Case Study: Link Sustainability Lab

In April 2023, Link Sustainability Lab - Hong Kong's first education and collaboration platform in the local community striving to make sustainability Accessible, Achievable, and Actionable – was opened to the public.

Located at the heart of central Kowloon, Lok Fu Place, this not-for-profit initiative is another testimony to Link's commitment to sustainable development for the community we serve. With the aim to popularise sustainability knowledge and inspire behavioural changes, this 6,800 square feet space also serves as a collaborative platform for Link to join hands with all stakeholders

in Link's ecosystem including shoppers, tenants, supply chain partners, NGOs and respective government departments.

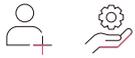
Upon the opening of the Lab, Link has engaged nearly 40 stakeholders and partners to jointly curate an array of exhibits, interactive games, education workshops and events. The debut exhibition is themed around sustainable food systems. There will be regular changeover of themes to raise public awareness on major sustainability topics.



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 3-3, 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 practice in OHS management and continuously enhance contractors' competence in health and safety through exchanging knowledge. We also monitor contractors' achievement for continual improvement in OHS performance.

We regularly conduct OHS training 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.

Promoting the 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.

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 and engaging with tenants on implementation of contingency plans. We are committed to providing 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 incidents and zero prosecutions 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, as well as safety guidelines for using mobile working platforms and working in confined spaces.

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
2022/2023	Group	0.50	1.90	2.50	7.91
	Hong Kong	0.51	2.50	2.54	10.42
	Mainland China	0.47	0	2.34	0
	Overseas	0	0	0	0
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

Employees

Family-Friendly Working Environment

Throughout the year, we organised a number of family events including staff day, goody bag distribution, scarf knitting and giveaway, Chinese lantern making workshop, and an art creation workshop. In 2022/2023, a total of 5,753 family-friendly leave days were taken by Hong Kong, Mainland China and overseas employees.

Promote Well-being of Employees

We strive to look after our employees' well-being. This year, we hired professional consultants to conduct workstation assessments for all Linkers to enhance our workplace set-up. We also produced a video demonstrating to Linkers how to properly set up their workstation to improve well-being. Looking ahead, we will receive workstation assessment training so as to have in-house assessors to conduct similar assessments for Linkers. Workstation assessment will also be included as part of the onboarding process to ensure the new joiner's workstation is properly set up.

We also have an OHS e-newsletter platform to enhance health and safety awareness amongst our employees and to provide up-to-date OHS information.

Tenants, Shoppers and Communities

We leverage our properties to promote healthy lifestyles. In 2022/2023, wellness initiatives include "Tuen Mun Adventure 2022" and "Shatin Outing", where we produced local guides featuring natural and heritage highlights and hosted wellness events such as hiking and biking to encourage our shoppers and members of the public to explore the local community. Following the success of last year's inaugural edition, we launched the second edition of the in-mall cycling relay event "Tour de LINK" in August 2022. This year, Link added a family team category to promote inclusivity and intergenerationalities. The event attracted over 10,000 citizens, with the total distance cycled of over 30,000 km.

We also promoted "New Attitudes for Living" to our customers, including maintaining a balanced diet, engaging in regular exercise and building community support in our shopping malls.

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 3-3, 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

We are also committed to serving and improving the lives of those around us through continuous enhancement of shopping experience and by promoting inclusiveness in local communities.

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 2022/2023 against a range of metrics with male to female ratio of 69%:31% as of May 2023. 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 46%:54%. Our senior management male to female ratio was 61%:39%, compared to 58%:42% 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.

To reaffirm our commitment in respecting human rights and stance against modern slavery, we introduced a Human Rights Policy in 2023. During the year, we reviewed our existing labour practices-related documents and conducted a gap analysis in accordance with global best practices. Our Human Rights Policy sets out standards of conduct that are required at Link. We also require our business partners and suppliers to uphold human rights principles and adopt similar policies within their business operations.

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.

This year, two of our properties – Oi Tung Shopping Centre and Yu Chui Shopping Centre participated in the “Charter for Age-friendly Shopping Malls”, which encourages shopping malls to provide more elder- and user-friendly measures that can better address the needs of visitors of all ages. Barrier-free facilities are equipped to cater to various visitors' needs, such as ramps and spacious accessible washrooms with improved accessibility for persons with disabilities; low-levelled design customer service counters for wheelchair users; tactile maps with braille signs and voice navigation function for the convenience of visually impaired users; and cue cards for addressing enquiries from the deaf and mute community. Regular training was also provided to our front-line officers on how to assist visitors in need.

Looking Ahead

- We will continue to build and maintain a diverse Board and workforce.
- Recognising the ageing population trend in Hong Kong, we will continue to develop and expand age-friendly facilities at our shopping centres to promote inclusiveness.

Policies

[Board Diversity Policy](#)

[Human Rights 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 3-3

Approach

Support Technical Innovation and Startups

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

Innovative Business Models

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

Progress

Support Technical Innovation and Startups

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. With the success of the pilot installations in 2021/2022, this year we installed up to 260 flooding sensors in 48 properties, accounting for around 40% of properties in Hong Kong. We will explore additional potential locations for the sensors.

Facilities Management Information Technology (FMIT)

In 2021/2022, 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. The programme has yielded close to a 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.

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.

Disclosure of Asset-level Sustainability Factsheets

Link strives to align with global best practices on sustainability disclosures. This year, we launched our new corporate website where we provide public disclosure on asset level sustainability features and performance. By providing this additional information, we intend to better inform our stakeholders and to provide greater transparency and accountability on our sustainability journey.

Case Study: Link EV Charging Roadmap

Hong Kong has an overall shortage of parking spaces resulting in limited motivation for car park owners to allocate valuable space for the installation of EV chargers. With the growth of EV ownership, there is a shortage of EV charging points in the city. To support Hong Kong's decarbonisation journey, Link has committed to leverage its extensive car park portfolio to facilitate the city's transition into a greener and smarter city.

By partnering with three leading EV charging service providers, Link will provide 3,000 charging points across 15 districts by 2024, and is set to become the largest private provider of public EV charging points. With its first batch of EV chargers coming into operation in April 2023, not only will Link provide a charging solution for EV drivers at any point of their journey, it will also partner with its three service providers to launch various promotions to

support the business and development of EV adoption.

Although challenged by installation and technical difficulties including physical space and power supply constraints, Link is dedicated to forge ahead, leveraging innovative technology to deliver solutions including reallocating idle excess electricity capacity at adjacent shopping malls after business hours to increase available energy for EV charging.

As a prominent stakeholder in shaping our communities, Link will conduct further studies to expand the EV initiative, to achieve its dedication to supporting the government's smart city blueprint and promoting a low-carbon lifestyle in the community.



Case Study: Hong Kong's Green Building Capabilities

We collaborated with the Hong Kong Trade Development Council on a thought leadership piece manifesting Hong Kong real estate sector's competitive edge in the global marketplaces to contribute to and tap into opportunities from the Regional Comprehensive Economic Partnership (RCEP) market. The report "[Hong Kong Green Capabilities in Real Estate Development and Property Management: RCEP Opportunities](#)" showcases Link's extensive efforts in green property development and management and net zero ambition across our portfolio and the Asia Pacific region.

Seven advantages of Hong Kong in the green building have been identified, including green finance; green

building products and embodied carbon reduction; industry coherence; innovative construction methods; facility management; alternative and renewable energy and sustainable lifestyle; and sustainable community development.

The report also underscores green building challenges across the RCEP countries, with which Hong Kong can strengthen collaboration in four major areas to expand Hong Kong's and regional green building capacities to create a greener and sustainable future: climate risk assessment and design consulting; green financing; construction and facility management digitalisation; and green material certification and sourcing.



Looking Ahead

- We will rethink/re-examine/explore how decarbonisation activities and new technologies will impact our portfolio and create new opportunities. We strive to support local startups via partnerships.
- We will continue to enhance our sustainability performance and data quality for robust performances.

Awards and Recognitions

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

<p>Dow Jones Sustainability Asia/Pacific Index</p> <p>Member of Dow Jones Sustainability Indices</p> <p>Powered by the S&P Global CSA</p>	<p>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.</p>
<p>GRESB</p> 	<p>We have retained the Green Star rating for the eleventh consecutive year since 2013, and the highest A ranking in Public Disclosure for three consecutive years since 2020.</p>
<p>MSCI</p>  <p>MSCI ESG RATINGS</p> <p>CCC B BB BBB A AA AAA</p>	<p>We received a MSCI ESG rating of A in 2022/2023.</p>
<p>FTSE4Good Index Series</p>  <p>FTSE4Good</p>	<p>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.</p>
<p>Sustainalytics' ESG Risk Ratings</p> 	<p>We were classified as Low Risk in Sustainalytics' ESG Risk Ratings in 2022/2023, indicating that we have low risk of experiencing material financial impact due to ESG factors.</p>
<p>Hang Seng Corporate Sustainability Index Series</p>  <p>Hang Seng Corporate Sustainability Index Series Member 2022-2023</p>	<p>We have been a constituent of Hang Seng Corporate Sustainability Index Series since 2015. In 2022/2023, we achieved an AA grading.</p>

We received several awards in 2022/2023 in recognition of our continuous improvement in ESG performance:

<p>The Asset The Asset Triple A Sustainable Investing Awards 2022 for Institutional Investor, ETF, and Asset Servicing Providers 2022</p>	<ul style="list-style-type: none"> • Editors' Triple Star
<p>Bloomberg Businessweek/Chinese Edition ESG Leading Enterprise Awards 2022</p>	<ul style="list-style-type: none"> • ESG Leading Enterprise Awards • Leading ESG Initiative Awards <ul style="list-style-type: none"> – Leading Environmental Initiative Awards – Leading Social Initiative Awards
<p>Brandon Hall Group Human Capital Management Excellence Award</p>	<ul style="list-style-type: none"> • Bronze Award <ul style="list-style-type: none"> – Best Use of Video for Learning
<p>C-REITs Alliance</p>	<ul style="list-style-type: none"> • The Asian REIT Award for Excellence • The Asian REIT Industry Award for Outstanding Contribution – Link's Executive Director and CEO George Hongchoy
<p>Campaign Asia Event Marketing Awards 2023</p>	<ul style="list-style-type: none"> • Silver Award – Best Health & Wellness Event <ul style="list-style-type: none"> – Tuen Mun Adventure • Bronze Award – Best Health & Wellness Event <ul style="list-style-type: none"> – Shatin Outing • Bronze Award – Best Sustainability <ul style="list-style-type: none"> – Temple Mall – Moonlight NEONade – Tsz Wan Shan Shopping Centre – Summer Egg Fun
<p>Chamber of Hong Kong Listed Companies (CHKLC) and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University Hong Kong Corporate Governance and ESG Excellence Awards 2022</p>	<ul style="list-style-type: none"> • Awards of Excellence in Corporate Governance – Category 1 (Hang Seng Index Constituent Companies)
<p>China International Public Relations Association The 18th China Golden Awards for Excellence in Public Relations</p>	<ul style="list-style-type: none"> • Bronze Award <ul style="list-style-type: none"> – Charity Events Communication
<p>CLP Power Hong Kong Smart Energy Award 2022</p>	<ul style="list-style-type: none"> • Sustainable Vision Award (Corporate/Government Bodies)
<p>Environmental Finance Sustainable Company Awards 2022</p>	<ul style="list-style-type: none"> • APAC Sustainability Reporting of the Year
<p>Environmental Protection Department EPD Pilot Scheme on Food Waste Collection</p>	<ul style="list-style-type: none"> • Appreciation Certificate <ul style="list-style-type: none"> – Homantin Market – Nam Cheong Place – Fung Tak Market – Oi Man Market – Choi Wan Phase 3 Market

<p>Environmental Protection Department Programme on Source Separation of Commercial and Industrial Waste Commendation Scheme 2021/22</p>	<ul style="list-style-type: none"> • Diamond Award <ul style="list-style-type: none"> – Fu Shin Shopping Centre • Silver Award <ul style="list-style-type: none"> – Wo Che Plaza • Bronze Award <ul style="list-style-type: none"> – Heng On Commercial Centre – Kong Fuk Shopping Centre – Tai Yuen Shopping Centre • Certificate of Merit <ul style="list-style-type: none"> – Butterfly Plaza – Cheung Wah Shopping Centre – Choi Ming Shopping Centre – Choi Yuen Plaza – Chung On Shopping Centre – Fu Tai Shopping Centre – Kin Sang Shopping Centre – Leung King Plaza – Lung Hang Shopping Centre – Mei Lam Shopping Centre – Stanley Plaza – Sun Chui Shopping Centre – T Town – Tai Hing Commercial Centre – Tai Wo Plaza – Tin Shui Shopping Centre – Tin Yiu Plaza – TKO Gateway – Yiu On Shopping Centre – Yu Chui Shopping Centre – Un Chau Shopping Centre • Award for Enhancement <ul style="list-style-type: none"> – Leung King Plaza – T Town
<p>Environmental Protection Department and the Hong Kong Productivity Council EPD Pilot Scheme on Food Waste Collection and ECF Source Separation and Collection of Food Waste for the Food & Beverage (F&B) Trade</p>	<ul style="list-style-type: none"> – The Quayside – Chuk Yuen Plaza – Lok Fu Place – TKO Market
<p>The Greater Bay Area Carbon Neutrality Association</p>	<ul style="list-style-type: none"> • GBA Low Carbon Buildings Top 100 Award <ul style="list-style-type: none"> – The Quayside

<p>Greeners Action Umbrella Bags Reduction Accreditation Program 2022</p>	<ul style="list-style-type: none"> • Diamond Award <ul style="list-style-type: none"> – Wo Che Plaza – T Town – Tsz Wan Shan Shopping Centre – Lok Fu Place
<p>Hong Kong Breastfeeding Mothers' Association Breastfeeding Friendly Community Initiative (BFCI)</p>	<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"> – Chuk Yuen Plaza – Fu Tung Plaza – Lok Fu Place – Stanley Plaza – T Town – Temple Mall – Tin Shing Shopping Centre – Tin Shui Shopping Centre – Tin Yiu Plaza – TKO Gateway – T.O.P This is Our Place
<p>Hong Kong Green Shop Alliance Hong Kong Green Shop Alliance Award 2022</p>	<ul style="list-style-type: none"> • Best Food Waste Partner Award
<p>Hong Kong Institute of Certified Public Accountants (HKICPA) Best Corporate Governance and ESG Awards 2022</p>	<ul style="list-style-type: none"> • Gold Award – Most Sustainable Companies/Organisations Awards (Hang Seng Index Category)
<p>Hong Kong Investor Relations Association HKIRA 8th Investor Relations (IR) Awards</p>	<ul style="list-style-type: none"> • Best IR Company • Best IR Team • Best Investor Meeting • Best Investor Presentation Material • Best Annual Report
<p>The Hong Kong Jockey Club Jockey Club Age-friendly City Project</p>	<ul style="list-style-type: none"> • Charter for Age-friendly Shopping Malls <ul style="list-style-type: none"> – Yu Chui Shopping Centre – Oi Tung Shopping Centre
<p>Hong Kong Management Association 2022 Best Annual Report Awards</p>	<ul style="list-style-type: none"> • Excellence Report Award • Certificate of Excellence in Environmental, Social and Governance Reporting
<p>Hong Kong Red Cross Blood Transfusion Service Elite Partnership Awards 2022</p>	<ul style="list-style-type: none"> • Corporate Partners
<p>HR Asia Best Companies to Work for in Asia Awards 2022</p>	<ul style="list-style-type: none"> • Best Companies to Work For in Asia

<p>Shanghai Huangpu District Development and Reform Commission Huangpu District 2022 energy-saving and low-carbon transformation project award certificate</p>	<ul style="list-style-type: none"> • Link Square, Shanghai
<p>Institute of ESG & Benchmark Limited ESG Achievement Awards 2021/22</p>	<ul style="list-style-type: none"> • Platinum – ESG Benchmark Awards • Outstanding Performance in Environmental Responsibility • Outstanding Sustainability and Dividend Growth Award
<p>Institutional Investor Institutional Investor 2022 All-Asia (ex-Japan) Executive Team rankings – Property Sector (Rest of Asia)</p>	<ul style="list-style-type: none"> • Most Honored Company • Best CEO • Best CFO • Top IR Professional
<p>IR Magazine IR Magazine Awards – Greater China 2022</p>	<ul style="list-style-type: none"> • Best Annual Report (large cap) • Best ESG (Environmental, Social and Governance) Materiality Reporting (large cap)
<p>Marketing Interactive The Marketing Events Awards 2022</p>	<ul style="list-style-type: none"> • Silver Award – Best Event – Health, Wellness & Fitness – Tuen Mun Adventure • Bronze Award – Best Event – Health, Wellness & Fitness – Stanley Plaza – Boundless Tempo • Silver Award – Best Sustainability Event – Sau Mau Ping and Tsz Wan Shan Shopping Centre – Butterfly Summer
<p>The Stevie® Awards 2022 Stevie® Awards for Great Employers</p>	<ul style="list-style-type: none"> • Silver Award – Best Use of Video for Learning
<p>Television Broadcasts Limited TVB ESG Awards 2022</p>	<ul style="list-style-type: none"> • Best in ESG Report

Signatories and Initiatives

GRI 2-28

HKEX Aspect B4, KPI B4.1

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 each of 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>
Urban Land Institute's Greenprint Center for Building Performance	<p>Since February 2023, we have become a Greenprint real estate member, a global alliance of over 70 cumulative real estate owners, developers, and investors who committed to improving the environmental performance and accelerating decarbonisation efforts of the real estate industry via measurement, benchmarking, knowledge-sharing and implementation of best practices.</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
Greenprint	Urban Land Institute (ULI)

ESG Performance Data Tables

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

	Unit	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio	
		2022/2023	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022
Energy Management												
Direct Energy Consumption⁽⁶⁾	GJ	30,073	1,042	1,028	875	1,192	58	78	88	100	28,973	6,094
Diesel	L	28,685	5,185	8,249	5,836	6,712	1,505	2,025	2,300	2,600	21,996	4,631
Gasoline	L	25,248	25,148	21,237	19,424	27,882	-	-	-	-	100	83
Natural/Town Gas	GJ	28,128	0.53	-	-	-	-	-	-	-	28,128	5,913
Indirect Energy Consumption	GJ	911,729	698,207	733,510	715,150	703,991	172,788	157,937 ⁽⁶⁾	159,185	93,117	40,734	11,576
Electricity ⁽⁷⁾	MWh	253,258	193,946	203,753	198,653	195,553	47,997	43,871	44,218	25,866	11,315	3,216
Electricity Intensity ⁽⁸⁾	kWh/sq m	59.0	54.7	57.5	56.1	56.7	78.6	87.3	88.0	86.6	84.9	32.7
Total Energy Consumption	GJ	941,802	699,249	734,538	716,025	705,182	172,846	158,014	159,273	93,217	69,707	17,670
Energy Intensity ⁽⁹⁾	GJ/sq m	0.219	0.197	0.207	0.202	0.199	0.283	0.315	0.317	0.186	0.523	0.180
Solar Energy Generated and Exported	MWh	772	772	210	104	-	-	-	-	-	-	-
Water Management												
Municipal Water Consumption ⁽⁶⁾	m ³	1,641,710	1,106,193	1,246,574	1,346,056	864,446	447,123	385,993	414,936	303,043	88,394	25,322
Water Intensity ^(8,9)	m ³ /sq m	0.382	0.312	0.352	0.380	0.251	0.732	0.768	0.826	1.01	0.664	0.257
Waste Management												
Non-Hazardous Waste Disposal	Tonnes	48,185	37,338	30,965	31,469	1,986	9,922	8,433	6,618	-	925	21
Construction Waste ⁽¹⁰⁾	Tonnes	3,480	908	260	2,187	1,986	2,572	4,515	2,889	-	-	-
General Waste ⁽¹¹⁾	Tonnes	44,705	36,430	30,705	29,282	-	7,351	3,919	3,729	-	925	21
Non-Hazardous Waste Recovered/ Recycled/ Reused	Tonnes	8,258	4,709	1,652	1,433	1,280	2,804	602	812 ⁽⁶⁾	-	745	227
Organic Waste – Surplus Food Donation ⁽¹²⁾	Tonnes	161	161	176	83	163	-	-	-	-	-	-
Organic Waste – Waste-to-Energy	Tonnes	1,584	1,491	966	1,132	979	-	-	-	-	93	8
General Waste	Tonnes	139	-	-	-	-	-	-	-	-	139	148
Plastic ⁽¹³⁾	Tonnes	301	301	222	14	5	-	-	-	-	-	-
Glass Bottles	Tonnes	327	277	162	111	134	-	-	-	-	50	47
Styrofoam Boxes	Tonnes	1,006	1,006	27	-	-	-	-	-	-	-	-
Cardboard/Paper ⁽¹⁴⁾	Tonnes	1,658	1,302	-	-	-	-	-	-	-	356	9
Metal ⁽¹⁴⁾	Tonnes	3	3	-	-	-	-	-	-	-	-	-
Mixed Recyclables ⁽¹⁵⁾	Tonnes	2,874	-	-	-	-	2,804	602	812	-	70	15
Clothing	Tonnes	89	89	96	92	-	-	-	-	-	-	-
Others ⁽¹⁶⁾	Tonnes	115	79	2	1	-	-	-	-	-	37	-
Hazardous Waste Disposal⁽¹⁰⁾	Tonnes	1.87	1.60	1.37	2.81	5.33	0.27	0.03	0.04	-	0	0.49
Greenhouse Gas (GHG) Emissions^(17,18)												
Direct GHG Emissions (Scope 1)	Tonnes CO ₂ e	13,724	10,379 ⁽¹⁹⁾	6,178	2,891	3,132	1,681	2,613	170	210	1,665 ⁽²⁰⁾	431
Indirect GHG Emissions (Scope 2)	Tonnes CO ₂ e	113,207	79,132	83,909	78,720	102,508	27,886	26,766	29,813	17,138	6,189 ⁽²⁰⁾	760
Indirect GHG Emissions (Scope 3)	Tonnes CO ₂ e	161,661	85,495	12,221	3,961	1,215	67,960	35,490	35,512	20,632	8,207	799
Group Total GHG Emissions (Scope 1 & 2)	Tonnes CO ₂ e	126,931	89,511	90,087	81,611	105,640	29,567	29,379	29,983	17,348	7,853	1,191
Group Total GHG Emissions Intensity (Scope 1 & 2) ⁽⁹⁾	Tonnes CO ₂ e/sq m	0.0296	0.0252	0.0254	0.0230	0.0306	0.0484	0.0585	0.0597	0.0581	0.0590	0.0121

Notes:

- (1) Unless otherwise specified, 2022/2023 Environmental Performance Data Table includes 130 Hong Kong properties, 10 Mainland China properties, and 10 overseas properties. Environmental data coverage in 2021/2022 included 124 Hong Kong properties, 5 Mainland China properties and 2 overseas properties. The significant increase in properties result in higher activity data especially in Mainland China and overseas portfolios.
- (2) We report on properties with operational control. This year, we removed the 1.5-year delay in ESG disclosures for new acquisitions/development projects to better align with financial reporting.
- (3) A whole building reporting approach is adopted for our logistics properties in Mainland China, where tenant space comprises the whole building area and activity data from common services is covered by tenants.
- (4) Due to confidentiality constraints, we were unable to obtain activity data from Hung Hom Car Service Centre and Chai Wan Car Service Centre for 2022/2023 reporting. We strive to work with our business partners and report respective figures moving forward.
- (5) “–” refers to either inapplicability or data collection stage where we were unable to report the respective data.
- (6) 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.
- (7) Landlords in Hong Kong typically do not have access to tenant electricity and water data, as the tenants are billed directly from local utility suppliers. However, we strive to enhance our disclosure progressively through collaboration, innovation and data extrapolation where feasible.
- (8) Water consumption of Queen Victoria Building, The Galleries and The Strand Arcade were reported on a whole building basis as no breakdown is available. This contributed to a relatively higher consumption and intensity amount compared to the previous year.
- (9) The base for intensity calculation is the total GFA of the properties with operational control accounted for respective activity data within the portfolio. Where GFA is unavailable, other similarly accounted floor area available will be adopted subject to the market norm practices. GLA is used for the intensity calculation of Queen Victoria Building, The Galleries and The Strand Arcade.
- (10) All construction and hazardous waste are handled by licensed waste collectors. Hazardous waste comprises fluorescent light tubes.
- (11) 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.
- (12) Surplus food refers to the food collected from Link properties and subsequently donated to the community.
- (13) As we expanded our plastic waste reduction effort, from 2022/2023 onwards, apart from the number of plastic bottles collected from RVMs, we also reported on the amount of plastic bottles and containers from recycle bins, and fruit baskets from fresh markets.
- (14) From 2022/2023 onwards, we reported data of paper and metal from recycling bins in our Hong Kong properties.
- (15) Mixed recyclables include but are not limited to paper and cardboard, plastics, cans, glasses and food waste. Note that recyclable types may vary in individual property. The major increase in Mainland China portfolio is due to the new waste management requirement announced by the local government in Jingtong (Beijing), landlords are required to collect food waste for all tenants in the building instead of letting the tenants to handle by themselves in the past.
- (16) Others include cooking oil, Lai See packets, appliances and miscellaneous items for reuse and recycling. Historical figures were traced back to 2020/2021 and disclosed where available.
- (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. This year, we enhanced our Scope 3 data disclosure extensively which includes partial emissions from value chain under category 1: purchased goods and services, category 3: fuel- and energy-related activities (not included in Scope 1 or Scope 2), category 5: waste generated in operations, category 6: business travel, category 13: downstream leased assets and category 15: investments (our joint venture investment properties without operational control, i.e., Qibao Vanke Plaza and IGO portfolio). Detailed category breakdown will be disclosed once our SBT target is validated.
- (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
 - Sustainability Reports of the local utility companies (CLP Hong Kong Limited and HK Electric), Drainage Services Department, Water Supplies Department and Towngas 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
 - Australia’s National Greenhouse Accounts Factors (2022) from Department of Climate Change, Energy, the Environment and Water (DCCEEW) and UK Government GHG Conversion Factor (2022) from Department of Business, Energy and Industrial Strategy (DBEIS) for overseas portfolio’s emissions factors

Where different versions of emission factors are available, the latest available sets of regional emission factors prevail and shall be adopted.
- (19) Surge in Scope 1 Hong Kong data was mainly contributed by the increased number of chiller disposal and replacement in the year.
- (20) Surge in Scope 1 and 2 overseas data was mainly contributed by the increased number of new properties (Queen Victoria Building, The Galleries and The Strand Arcade) started to be included in 2022/2023.

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

	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio	
	2022/2023	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022
Workforce Profile											
Permanent Staff	1,200	985	948	921	908	214	165	138	118	1	-
By Age Group											
Below 30	229	184	173	158	165	45	41	38	34	0	-
Male	102	87	83	85	87	15	14	14	15	0	-
Female	127	97	90	73	78	30	27	24	19	0	-
30-50	839	676	650	642	621	163	122	97	82	0	-
Male	381	319	323	320	301	62	48	34	30	0	-
Female	458	357	327	322	320	101	74	63	52	0	-
Above 50	132	125	125	121	122	6	2	3	2	1	-
Male	73	67	64	64	64	5	2	2	1	1	-
Female	59	58	61	57	58	1	0	1	1	0	-
By Grade											
Non-Management	697	572	568	566	570	125	95	88	73	0	-
Male	292	244	252	263	253	48	40	31	29	0	-
Female	405	328	316	303	317	77	55	57	44	0	-
Middle Management	395	324	300	282	275	71	54	42	37	0	-
Male	198	171	167	162	159	27	19	15	13	0	-
Female	197	153	133	120	116	44	35	27	24	0	-
Senior Management	108	89	80	73	63	18	16	8	8	1	-
Male	66	58	51	44	40	7	5	4	4	1	-
Female	42	31	29	29	23	11	11	4	4	0	-
By Nationality⁽⁴⁾											
Chinese	1,185	971	935	912	902	214	165	138	118	0	-
Non-Chinese	15	14	13	9	6	0	0	0	0	1	-
Temporary Staff⁽⁵⁾	50	50	39	60	38	0	0	3	1	0	-
Contractors⁽⁶⁾	4,269	3,158	2,858	2,825	2,871	1,059	837	887	606	52	52
New Hires											
Permanent New Hires	379	299	302	169	218	79	62	40	67	1	-
By Age Group											
Below 30	122	99	122	75	99	23	26	16	28	0	-
Male	58	48	57	46	50	10	6	5	14	0	-
Female	64	51	65	29	49	13	20	11	14	0	-
30-50	238	185	175	89	104	53	35	23	37	0	-
Male	109	87	88	53	48	22	19	10	14	0	-
Female	129	98	87	36	56	31	16	13	23	0	-
Above 50	19	15	5	5	15	3	1	1	2	1	-
Male	7	3	4	4	11	3	1	1	1	1	-
Female	12	12	1	1	4	0	0	0	1	0	-
By Grade											
Non-Management	262	213	221	125	168	49	34	29	43	0	-
Male	117	95	104	80	81	22	15	11	18	0	-
Female	145	118	117	45	87	27	19	18	25	0	-
Middle Management	98	74	71	33	35	24	20	10	20	0	-
Male	44	34	38	18	19	10	8	5	8	0	-
Female	54	40	33	15	16	14	12	5	12	0	-
Senior Management	19	12	10	11	15	6	8	1	4	1	-
Male	13	9	7	5	9	3	3	0	3	1	-
Female	6	3	3	6	6	3	5	1	1	0	-
Permanent New Hires Rate⁽⁷⁾	31.6%	30.4%	31.9%	18.3%	24.0%	36.9%	37.6%	29.0%	56.8%	100%	-

	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio	
	2022/2023	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022
Turnover⁽⁸⁾											
Staff Turnover	294	264	282	157	205	30	35	20	5	0	-
By Gender											
Male	151	135	151	87	98	16	14	12	1	0	-
Female	143	129	131	70	107	14	21	8	4	0	-
By Age Group											
Below 30	78	69	80	54	67	9	21	7	1	0	-
Male	38	33	42	31	33	5	6	4	0	0	-
Female	40	36	38	23	34	4	15	3	1	0	-
30-50	180	160	182	82	113	20	12	13	4	0	-
Male	102	92	96	45	52	10	7	8	1	0	-
Female	78	68	86	37	61	10	5	5	3	0	-
Above 50	36	35	20	21	25	1	2	0	0	0	-
Male	11	10	13	11	13	1	1	0	0	0	-
Female	25	25	7	10	12	0	1	0	0	0	-
By Grade											
Non-Management	197	182	198	116	141	15	24	10	1	0	-
Male	105	94	105	65	67	11	6	8	0	0	-
Female	92	88	93	51	74	4	18	2	1	0	-
Middle Management	81	70	73	33	48	11	9	8	4	0	-
Male	37	33	42	19	26	4	6	3	1	0	-
Female	44	37	31	14	22	7	3	5	3	0	-
Senior Management	16	12	11	8	16	4	2	2	0	0	-
Male	9	8	4	3	5	1	2	1	0	0	-
Female	7	4	7	5	11	3	0	1	0	0	-
Staff Attrition Rate	20.9%	22.3%	26.9%	14.6%	18.6%	8.9%	19.3%	10.7%	7.0%	0%	-
Leave											
Staff who Took Parental Leave	46	27	29	27	32	19	6	8	5	0	-
By Gender											
Male	23	11	15	13	15	12	2	3	1	0	-
Female	23	16	14	14	17	7	4	5	4	0	-
Return to Work Rate⁽⁹⁾											
By Gender											
Male	92.9%	90.9%	80%	92.3%	100%	94.1%	100%	100%	100%	-	-
Female	91.7%	93.7%	100%	100%	93.3%	87.5%	75%	100%	100%	-	-
Days Taken for Family-Friendly Leave⁽¹⁰⁾	5,753	4,380	4,306	3,587	2,427	1,373	538	687	424	0	-
Staff Benefits											
Staff who Joined Employee Unit Purchase Plan	418	418	465	507	549	-	-	-	-	-	-
Employee Contribution	\$11,643,488	\$11,643,488	\$12,223,149	\$13,808,373	\$16,313,945	-	-	-	-	-	-
Company Contribution	\$1,040,702	\$1,040,702	\$1,974,317	\$2,305,348	\$2,755,324	-	-	-	-	-	-
Number of Education Sponsorship Offered	219	219	388	639	281	-	-	-	-	-	-
By Grade											
Non-Management	83	83	155	250	97	-	-	-	-	-	-
Middle Management	103	103	216	283	135	-	-	-	-	-	-
Senior Management	33	33	57	106	49	-	-	-	-	-	-
Company Contribution	\$759,992	\$759,992	\$847,141	\$1,110,832	\$792,770	-	-	-	-	-	-

Performance and Reporting

	Group	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio	
	Total	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022
Training											
Staff Training Hours	31,348	28,823	18,621	18,434	21,133	2,522	2,198	1,064	1,136	4	-
By Grade											
Non-Management	18,469	17,331	10,680	9,814	11,036	1,138	748	542	393	-	-
Middle Management	9,509	8,626	5,393	5,591	5,837	884	1,018	429	544	-	-
Senior Management	3,371	2,867	2,548	3,029	4,260	500	432	94	199	4	-
By Topic⁽¹⁴⁾											
Business Ethics and Compliance	3,762	3,533	2,693	-	-	228	282	-	-	1	-
Health and Safety	2,159	1,256	640	-	-	903	78	-	-	0	-
Cyber Security	1,763	1,327	488	-	-	436	186	-	-	0	-
ESG Trends	617	561	506	-	-	54	106	-	-	2	-
Average Training Hours	26.1	29.3	19.6	20.0	23.3	11.8	13.3	7.7	9.6	4.0	-
By Grade											
Non-Management	26.5	30.3	18.8	17.3	17.8	9.1	7.9	6.2	5.4	-	-
Middle Management	24.1	26.6	18.0	19.8	18.4	12.4	18.9	10.2	14.7	-	-
Senior Management	31.2	32.2	31.9	41.5	32.9	27.8	27.0	11.7	24.9	4.0	-
Contractor Training Hours⁽¹²⁾	4,467	4,467	5,498	4,843	6,013	0	0	0	90	0	-
Average Training Hours	1.6	2.5	3.2	2.8	3.5	0	0	0	0.1	0	-
Staff and Contractor Training Hours⁽¹³⁾	35,815	33,290	-	-	-	2,552	-	-	-	4	-
By Gender											
Male	16,460	15,477	-	-	-	980	-	-	-	4	-
Female	19,355	17,813	-	-	-	1,542	-	-	-	-	-
Staff Volunteering											
Staff count of Volunteers	470	444	295	199	142	26	-	-	-	-	-
Volunteer Hours	2,856	2,548	2,325	1,203	783	308	-	-	-	-	-
Occupational Health and Safety											
Permanent Staff											
Number of Lost Time Injuries (Sick Leave > 0 Day)	6	5	4	3	6	1	0	0	-	0	-
Number of Reportable Injuries (Sick Leave > 3 Days)	2	1	2	1	4	1	0	0	-	0	-
Number of High-Consequence Work-Related Injuries (Sick Leave > 6 Months)	0	0	0	0	0	0	0	0	-	0	-
Lost Days Due to Injuries	37	8.5	20	24	66	28	0	0	-	0	-
Hours Worked	2,400,000	1,970,000	1,896,000	1,842,000	1,816,000	428,000	330,000	276,000	-	2,000	-
Lost Time Injury Frequency Rate (LTIFR) ⁽¹⁴⁾	2.50	2.54	2.11	1.63	3.30	2.34	0	0	-	0	-
Lost Time Injury Rate (LTIR) (Per 100 Employees) ⁽¹⁵⁾	0.50	0.51	0.42	0.33	0.66	0.47	0	0	-	0	-
Reportable Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0.17	0.10	0.21	0.11	0.44	0.47	0	0	-	0	-
High-Consequence Work-Related Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0	0	0	0	0	0	0	0	-	0	-
Absentee Rate^(14,16)	1.69%	1.89%	2.30%	2.68%	1.65%	0.75%	0.96%	0.79%	0.58%	0%	-
Number of Occupational Diseases	0	0	0	0	0	0	0	0	-	0	-
Number of Fatalities	0	0	0	0	0	0	0	0	-	0	-
Fatality Rate ⁽¹⁵⁾	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	-

	Group Total	Hong Kong Portfolio				Mainland China Portfolio				Overseas Portfolio	
	2022/2023	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022	2020/2021	2019/2020	2022/2023	2021/2022
Contractors⁽¹⁷⁾											
Number of Lost Time Injuries (Sick Leave > 0 Day)	81	79	31	2	3	2	0	3	-	0	7
Number of Reportable Injuries (Sick Leave > 3 Days)	65	63	28	2	3	2	0	2	-	0	7
Number of High-Consequence Work-Related Injuries (Sick Leave > 6 Months)	5	5	1	0	0	0	0	0	-	0	0
Lost Days Due to Injuries	3,016	2,949	330	11	83	67	0	91	-	0	0
Hours Worked	10,245,600	7,579,200	6,859,200	763,200	849,600	2,541,600	2,008,800	804,000	-	124,800	124,800
Lost Time Injury Frequency Rate (LTIFR) ⁽¹⁴⁾	7.91	10.42	4.52	2.62	3.53	0	0	3.73	-	0	56.1
Lost Time Injury Rate (LTIR) (Per 100 Employees) ⁽¹⁵⁾	1.90	2.50	1.08	0.63	0.85	0	0	0.90	-	0	13.5
Reportable Injury Rate (Per 100 Employees) ⁽¹⁵⁾	1.52	1.99	0.98	0.63	0.85	0	0	0.60	-	0	13.5
High-Consequence Work-Related Injury Rate (Per 100 Employees) ⁽¹⁵⁾	0.12	0.16	0.03	0	0	0	0	0	-	0	0
Number of Occupational Diseases	0	0	0	0	0	0	0	0	-	0	0
Number of Fatalities	0	0	1	0	0	0	0	0	-	0	0
Fatality Rate ⁽¹⁵⁾	0%	0%	3.50%	0%	0%	0%	0%	0%	-	0%	0%

Notes:

- (1) Unless otherwise specified, 2022/2023 Social Performance Data Table includes the Hong Kong, Mainland China and overseas portfolios. Following the establishment of our Mainland China Headquarter in 2019/2020, we have set up the regional centre in Australia this year. During 2022/2023, our overseas portfolio's operational management was fully outsourced to property management agencies (PMA). We did not hire any frontline 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. The figures represent the number of suppliers with on-site presence in their own geographical regions.
- (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) 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.
- (10) Family-friendly leave includes birthday leave, compassionate leave, parental leave, marriage leave and family leave.
- (11) 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.
- (12) 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.
- (13) Starting from 2022/2023, we reported our staff and contractor training hours categorised by gender.
- (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 have been finetuning the data accuracy and expanding the scope of Hong Kong contractors' occupational health and safety data to those who are responsible for the services of property management support, housekeeping and car park operation as well, leading to a surge in figures over the years. 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. Data for 100 Market, Queen Victoria Building, The Galleries and The Strand Arcade were not available but will be reported in future years.

EY Assurance Statement



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Independent Limited Assurance Report in relation to Link Real Estate Investment Trust's ESG Disclosure 2022/2023

To the Management and the Board of Directors of Link Real Estate Investment Trust

Scope

We have been engaged by Link Real Estate Investment Trust (the "Company") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on nine selected environmental, social and governance ("ESG") Key Performance Indicators ("KPIs") for the year ended 31 March 2023, including (1) carbon intensity reduction, (2) electricity intensity reduction, (3) general waste recovered/recycled, (4) employee engagement survey response rate, (5) employee engagement score, (6) regrettable turnover, (7) positive brand perception, (8) customer satisfaction score and (9) tenant satisfaction rate (the "Subject Matter"), as contained in the Company's Strategic Report and Sustainability Compendium 2022/2023 (the "Reports").

Criteria applied by Link Real Estate Investment Trust

In preparing the Subject Matter, the Company applied the Definitions and Methodologies as in Appendix – Material ESG KPIs of the Reports ("Criteria"). Such Criteria were specifically designed for the purpose of the preparation of the Subject Matter included in the Reports and, as a result, the subject matter information may not be suitable for another purpose.

Link Real Estate Investment Trust's responsibilities

Link Real Estate Investment Trust's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a limited assurance conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000), and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies Hong Kong Standard on Quality Control 1 (HKSQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with selected management and personnel to understand the business and reporting process;
- Conducted interviews with selected personnel to understanding the process for collecting, collating and reporting the selected ESG key performance indicators during the reporting period;
- Performed analytical review over the Subject Matter and enquired the management on the reasons behind material year-on-year variances;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Checked the arithmetical accuracy of the calculations performed; and
- Tested, on a sample basis, underlying source information to check the accuracy of the data.

Inherent Limitations

There are inherent limitations in performing assurance. Assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non – compliance may occur and not be detected.



Our assurance was limited to the Subject Matter set out within the Reports for the year ended 31 March 2023. We have only sought evidence to support key information and data related to the Subject Matter and our responsibility does not include:

- Any work in respect of ESG information published elsewhere in the Company's annual report, website and other publications; and
- Forward-looking statements made by the management.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 March 2023, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of the Company for the purpose of the preparation of the Subject Matter included in the Reports, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, script font.

Ernst & Young
Hong Kong
8 June 2023



Appendix 1

The ESG KPIs listed below constitute the Subject Matter within the scope of the assurance procedures and report.

Environmental	Climate Change Resilience and Decarbonisation
Reporting period: 12 months to 31 March 2023	Carbon Intensity Reduction ^{1,2}
	Energy Efficiency
	Electricity Intensity Reduction ¹
	Waste Management
	General Waste Recovered/Recycled
Social	Talent Development and Retention
Reporting period: 12 months to 31 March 2023	Employee Engagement Survey Response Rate
	Employee Engagement Score
	Regrettable Turnover ³
	Brand Awareness and Reputation
	Positive Brand Perception
	Stakeholder Engagement and Management
	Customer Satisfaction Score
Tenant Satisfaction Rate	

Notes:

¹ Compared to 2018/2019 baseline

² Includes Scope 1 and 2 emissions

³ For Hong Kong Regional Centre and Mainland China Regional Centre

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 2022/2023 Strategic Report and its 2022/2023 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 2022 to 31st March 2023, as defined in the Report and Compendium. The Report and Compendium outlined LAML’s commitments, efforts and the overall sustainability performance for 130 properties across Hong Kong, 10 properties across Mainland China, 9 properties in Australia and 1 property in the United Kingdom.

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 Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards 2021”), 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 2021 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 2021 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

Connie Sham
Head of Audit
May 2023

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 2022/2023.

Climate-related Disclosures

Disclosure Description	Location
<p>Governance</p> <p>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:</p>	
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
<p>Strategy and decision-making</p> <p>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:</p>	<p>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:</p> <p>i) information about current and anticipated changes to its business model, including:</p> <ol style="list-style-type: none"> 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. 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). 3. information about indirect adaptation and mitigation efforts it is undertaking (for example, by working with customers and supply chains or use of procurement). <p>ii) how these plans will be resourced.</p>	<ul style="list-style-type: none"> • Greenhouse Gas Emissions • Greenhouse Gas Emissions • Climate Resilience and Adaptation – Strategy • Greenhouse Gas Emissions • Climate Resilience and Adaptation – Strategy • Energy Efficiency • Tenant Engagement • Supply Chain • Greenhouse Gas Emissions • Energy Efficiency
	<p>b) information regarding climate-related targets for these plans including:</p> <p>i) the processes in place for review of the targets;</p> <p>ii) the amount of the entity’s emission target to be achieved through emission reductions within the entity’s value chain;</p> <p>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:</p> <ol style="list-style-type: none"> 1. the extent to which the targets rely on the use of carbon offsets; 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; 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). 	<ul style="list-style-type: none"> • Materiality and Risk Assessment • Greenhouse Gas Emissions • Climate Resilience and Adaptation – Strategy • Climate Resilience and Adaptation – Strategy <p>We have not made this disclosure at this time. We will further develop the criteria for the intended use of carbon offsets once our submitted targets are validated and approved by SBTi. We will ensure the criteria align with SBTi requirements.</p>
	<p>c) quantitative and qualitative information about the progress of plans disclosed in prior reporting periods in accordance with disclosure 5(a)–(b).</p>	<ul style="list-style-type: none"> • Greenhouse Gas Emissions

Disclosure Description	Location
Financial position, financial performance and cash flows	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.
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:	<p>a) how significant climate-related risks and opportunities have affected its most recently reported financial position, financial performance and cash flows;</p> <p>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;</p> <p>c) how it expects its financial position to change over time, given its strategy to address significant climate-related risks and opportunities, reflecting:</p> <ul style="list-style-type: none"> 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; <p>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</p> <p>e) if the entity is unable to disclose quantitative information for disclosure 6(a)–(d), an explanation of why that is the case.</p> <p>• Climate Resilience and Adaptation – Risk Management</p> <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>

Disclosure Description	Location
<p>ii) when climate-related scenario analysis is not used:</p> <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
<p>Risk Management</p> <p>8. Disclose the process, or processes, by which climate-related risks and opportunities are identified, assessed and managed. Specifically, an entity shall disclose:</p>	<p>a) the process, or processes, it uses to identify climate-related:</p> <ol style="list-style-type: none"> i) risks; and ii) opportunities; <p>b) the process, or processes, it uses to identify climate-related risks for risk management purposes, including when applicable:</p> <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; <p>c) the process, or processes, it uses to identify, assess and prioritise climate-related opportunities;</p> <p>d) the process, or processes, it uses to monitor and manage the climate-related:</p> <ol style="list-style-type: none"> i) risks, including related policies; and ii) opportunities, including related policies; <p>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</p> <p>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.</p>
	<ul style="list-style-type: none"> • Climate Resilience and Adaptation – Risk Management • Materiality and Risk Assessment
	<ul style="list-style-type: none"> • Materiality and Risk Assessment
	<ul style="list-style-type: none"> • Climate Resilience and Adaptation – Risk Management • Materiality and Risk Assessment
	<ul style="list-style-type: none"> • Materiality and Risk Assessment

Disclosure Description	Location	
<p>Metrics and Targets</p> <p>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:</p>	<p>a) information relevant to the cross-industry metric categories, which are relevant to entities regardless of industry and business model;</p> <p>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;</p> <p>c) other metrics used by the board or management to measure progress towards the targets identified in disclosure 9(d); and</p> <p>d) targets set by the entity to mitigate or adapt to climate-related risks or maximise climate-related opportunities.</p>	<ul style="list-style-type: none"> Climate Resilience and Adaptation – Metrics and Targets
<p>10. Disclose information relevant to the cross-industry metric categories of:</p>	<p>a) greenhouse gas emissions – the entity shall disclose:</p> <p>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:</p> <ol style="list-style-type: none"> Scope 1 emissions; Scope 2 emissions; Scope 3 emissions; <p>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;</p> <p>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:</p> <ol style="list-style-type: none"> the consolidated accounting group (the parent and its subsidiaries); associates, joint ventures, unconsolidated subsidiaries or affiliates not included in disclosure 10(a)(iii)(1); <p>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);</p> <p>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;</p> <p>vi) for Scope 3 emissions disclosed in accordance with disclosure 10(a)(i)(3):</p> <ol style="list-style-type: none"> an entity shall include upstream and downstream emissions in its measure of Scope 3 emissions; 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; 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; 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"> Climate Resilience and Adaptation – Metrics and Targets 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.	

APPENDIX

Material ESG KPIs – Basis of Reporting

Material Issues	Material ESG KPIs	Definition	Methodology
Talent Development and Retention (strategic)	Employee engagement survey response rate	<p>Employee engagement survey</p> <p>Feedback channel for employees to rate their engagement level at workplace on a regular basis.</p>	<p>The employee engagement survey is conducted online every 2 years at minimum.</p> <p>Employee engagement survey response rate is calculated as:</p> $= \frac{\text{Number of employee response to the employee engagement survey}}{\text{Total number of employee as at the date of completing the employee engagement survey}} \times 100\%$
	Employee engagement score	<p>Employee engagement score</p> <p>Examination of Link's corporate culture, employee engagement level and career enablement, including but not limited to staff's learning and development opportunities, physical and mental wellbeing at workplace and career empowerment.</p>	<p>With a 5-point rating scale (1: Strongly Disagree; 5: Strongly Agree), the engagement score is calculated with the average scores of all questions in the employee engagement survey that the employees have rated.</p>
	Regrettable turnover ⁽¹⁾	<p>Regrettable turnover</p> <p>Voluntary termination of a Linker who has completed the last performance appraisal during the year and the rating was Meet Expectation (ME) or above. Employee(s) who rated below ME would be put on Performance Improvement Plan, they will be managed out as non-regrettable leavers.</p>	<p>Regrettable turnover is calculated as:</p> $= \frac{\text{Number of regrettable turnover}}{\text{Average headcount in a rolling 12-month period}} \times 100\%$

Material Issues	Material ESG KPIs	Definition	Methodology
Climate Change Resilience and Decarbonisation (strategic); Energy Efficiency (operational); & Waste Management (operational)	Carbon intensity reduction ^(2,3)	<p>Carbon</p> <p>Converted into carbon dioxide equivalent (CO₂e), greenhouse gas emissions such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs) have been taken into account for measuring Link's carbon footprint.</p> <p>Carbon intensity</p> <p>Carbon emissions per unit of Gross Floor Area (GFA). Total direct and indirect CO₂e emissions (Scope 1 and 2) are included for calculation.</p> <p>– Scope 1 emissions</p> <p>Direct CO₂e emissions from operations that are owned or controlled by Link, including emissions from fuel combustion in company-owned stationary and mobile sources, and fugitive emissions such as leakage from refrigerants and fire extinguishers.</p> <p>– Scope 2 emissions</p> <p>Indirect CO₂e emissions resulting from the generation of purchased electricity consumed by Link. Portfolio emissions are calculated using a hybrid approach of location- and market-based approaches, the latter will be adopted where available.</p>	<p>Carbon emissions (Scope 1 and 2) from our operations per unit of GFA of the year versus that of 2018/2019 baseline.</p> <p>Carbon intensity reduction is calculated as:</p> $= \frac{\text{Difference between carbon intensity of the year and that of 2018/2019 baseline}}{\text{Carbon intensity of 2018/2019 baseline}} \times 100\%$ <p>Carbon emissions (Scope 1 and 2) are calculated according to the GHG Protocol published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).</p> <p>Having adopted an operational control approach, only properties considered having Link's control over operations are included in the carbon intensity calculation. The adopted GFA includes only the accounted properties with operational control.</p> <p>Activity data is collected and kept track of in-house by Link. Where properties are externally managed, the data is provided by our appointed property manager(s).</p> <p>For the emission factors used, please refer to ESG Performance Data Tables section for details.</p>
	Electricity intensity reduction ⁽²⁾	<p>Electricity</p> <p>Grid electricity delivered to properties from the utility network.</p> <p>Electricity intensity</p> <p>Purchased electricity consumption per unit of GFA.</p> <p>Common area electricity consumption only. Tenant consumption is excluded.</p> <p>Both non-renewable and renewable electricity are considered in calculation.</p>	<p>Purchased electricity per unit of GFA of the year versus that of 2018/2019 baseline.</p> <p>Electricity intensity reduction is calculated as:</p> $= \frac{\text{Difference between electricity intensity of the year and that of 2018/2019 baseline}}{\text{Electricity intensity of 2018/2019 baseline}} \times 100\%$ <p>Having adopted an operational control approach, only properties considered having Link's control over operations are included in the electricity intensity calculation. The adopted GFA includes only the accounted properties with operational control.</p> <p>Activity data is collected and kept track of in-house by Link. Where properties are externally managed, the data is provided by our appointed property manager(s).</p>

Material Issues	Material ESG KPIs	Definition	Methodology
	General waste recovered/recycled	<p>General waste</p> <p>Organic, inorganic and recyclable waste, excludes construction waste and hazardous waste.</p> <p>Recovered/recycled</p> <p>Waste that is diverted from landfill under Link's initiated recycling programmes for employees, tenants, shoppers and community, such as organic waste to O · Park1, clothing, plastic and glass bottle collection, styrofoam boxes recycling, plastic fruit basket upcycling.</p>	<p>General waste recovered/recycled per the total amount of waste handled by Link at properties (including tenant waste) where Link has operational control.</p> <p>General waste recovered/recycled is calculated as:</p> $= \frac{\text{Amount of general waste recovered/recycled}}{\text{Total amount of general waste handled}} \times 100\%$ <p>Having adopted operational control approach, only properties considered having Link's control over operations are included in the general waste recovered/recycled rate calculation.</p> <p>Activity data is compiled through various sources, including housekeeping contractors, business partners, tenants and NGOs. Where properties are externally managed, the data is provided by our appointed property manager(s).</p>
Brand Awareness and Reputation (strategic)	Positive brand perception	<p>Brand reputation audit</p> <p>Examines Link's brand image over the review period to track measures of overall brand perception versus the previous year and the peer brands; and assesses the impact of Link's stakeholder engagement initiatives and other external factors (such as Link's business and unit price performance) on the overall brand perception.</p> <p>Interview results are regarded invalid if the interviewee has no impression of Link (does not know Link) as these results do not contribute to the overall brand perception.</p>	<p>Brand perception audit is performed annually by an external third party based on research methodology comprised of quantitative (such as street intercepts and online surveys) and qualitative (such as focus groups, in-depth interviews, and online qualitative surveys).</p> <p>Brand perception is derived from the overall impression of Link as scored by the general public in Hong Kong. A 7-point scale (1-3: Negative; 4: Neutral; 5-7: Positive) has been adopted for calculation.</p>

Material Issues	Material ESG KPIs	Definition	Methodology
Stakeholder Engagement and Management (strategic)	Customer satisfaction score	<p>Customer satisfaction</p> <p>Examination of customer satisfaction over Link Hong Kong portfolio's customer service (CS) and environmental performance delivered by our frontline personnel such as security guards, cleaners, car park attendants, customer services counter staff.</p> <p>– Customer service performance</p> <p>Tidiness of appearance, greeting, enquiry handling and closing, and willingness to help shoppers.</p> <p>– Environmental performance</p> <p>Cleanliness and facilities in public area, washroom, CS/security counter, lift/escalator and passageway.</p>	<p>Customer service audit is conducted annually by a third party via a mystery shopper program to assess selected properties with representation of all clusters in Hong Kong portfolio. Local peers are selected for benchmarking.</p> <p>The assessment has a 1-to-100 rating scale, i.e., 1 as the lowest rate to 100 as the highest rating.</p> <p>Customer satisfaction score is calculated by dividing the total scores by the total possible highest scores of all the responses received from the customer service audit.</p>
	Tenant satisfaction rate	<p>Tenant satisfaction</p> <p>Examination of tenant satisfaction over Link Hong Kong portfolio's performance in terms of customer service, environmental tidiness, facility provision and marketing strategy.</p>	<p>Tenant satisfaction survey is conducted by Link staff every 2 years at minimum.</p> <p>The assessment has a 1-to-5 rating scale, i.e., 1 as the lowest rating to 5 as the highest rating, and supplemented with multiple choices, ranking and open-end questions to gauge feedback from our tenants.</p> <p>Tenant satisfaction rate is calculated as the average of all response scores received from the tenant satisfaction survey.</p>

Data assurance

Link's material ESG KPIs are reviewed and verified annually by an external third party. For the verification statement, please refer to [EY Assurance Statement](#) and [HKQAA Assurance Statement](#) section for details.

Notes:

- (1) For Hong Kong Regional Centre and Mainland China Regional Centre.
- (2) Compared to 2018/2019 baseline.
- (3) Includes Scope 1 and 2 emissions.



**SUSTAINABLE AND
GREEN BOND REPORT
2022/2023**

Sustainable and Green Bond Report 2022/2023

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 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 [Sustainable 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 2023 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 2023, 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.

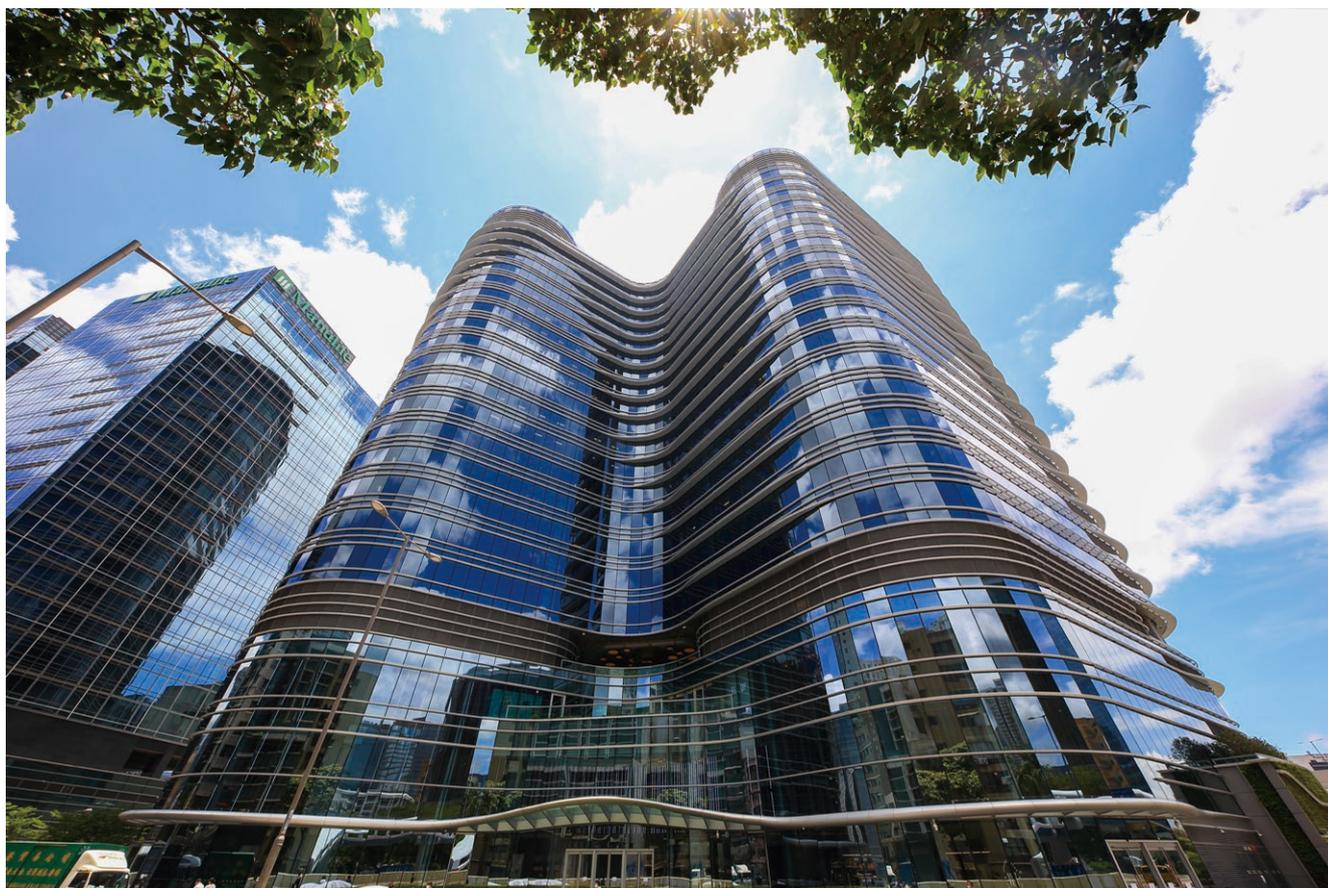
	Allocated Proceeds			Total Allocated Proceeds
	Green Buildings	Energy Efficiencies	Renewable Energy	
2016 Green Bond	HK\$3.743B	HK\$0.093B	–	HK\$3.836B
2019 Green Convertible Bond	HK\$3.934B	HK\$0.030B	HK\$0.010B	HK\$3.974B
Grand Total	HK\$7.677B 98.3%	HK\$0.123B 1.6%	HK\$0.010B 0.1%	HK\$7.810B 100%

Note:

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

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 were installed 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 systems 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/sq m – significantly lower than the 24W/sq m requirement of Code of Practice for OTTV in Buildings issued by the Buildings Department In 2022/2023, the common area electricity consumption of The Quayside was 11,547 MWh
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 In 2022/2023, the common area water consumption of The Quayside was 52,776 m³
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, PM_{2.5} 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 In 2022/2023, the common area electricity consumption of T.O.P This is Our Place was 3,446 MWh
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 the Water Efficiency Labelling Scheme (WELS) Grade 1 potable water fittings Installation of sensor type water taps In 2022/2023, the common area electricity consumption of T.O.P This is Our Place was 15,156 m³
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>2022/2023 renewable energy generation:</p> <ul style="list-style-type: none"> Lok Fu Place: 79.1 MWh TKO Spot: 77.5 MWh Tai Yuen Commercial Centre: 51.3 MWh <p>2022/2023 carbon emissions avoided⁽¹⁾:</p> <ul style="list-style-type: none"> Lok Fu Place: 30,865 kgCO₂e TKO Spot: 30,244 kgCO₂e Tai Yuen Commercial Centre: 20,021 kgCO₂e

Note:

(1) Using the 2022 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"> Reduced energy consumption and improved 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

Chair

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

Melissa WU Mao Chin

Company Secretary of the Manager

Kenneth Tai Lun WONG⁽¹⁾

Responsible Officers of the Manager⁽²⁾

George Kwok Lung HONGCHOY

NG Kok Siong

Ronald THAM Seng Yum⁽³⁾

Christine CHAN Suk Han

Kenny LAM Ting Pong⁽⁴⁾

Authorised Representatives⁽⁵⁾

George Kwok Lung HONGCHOY

Kenneth Tai Lun WONG

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Cushman & Wakefield Limited⁽⁶⁾

Colliers International (Hong Kong) Limited⁽⁷⁾

Notes:

(1) email: cosec@linkreit.com

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

(3) Appointed on 22 May 2023

(4) Appointed on 15 May 2023

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

(6) Appointed on 17 November 2022

(7) Retired on 16 November 2022

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