

*ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT 2021*

二零二一年環境、社會及管治報告



ALLIED GROUP LIMITED

聯合集團有限公司

(Stock Code 股份代號：373)

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About This Report

Allied Group Limited (stock code: 373) (the “Company” or “AGL”, together with its subsidiaries, the “Group”) is pleased to present its Environmental, Social and Governance (“ESG”) Report (the “Report”). It is prepared in accordance with mandatory disclosure requirements and the “comply or explain” provision of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 27 of the Main Board Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and covers the period from 1st January, 2021 to 31st December, 2021 (the “Reporting Period”), unless otherwise specified. This Report supplements information disclosed elsewhere in the Company’s published Annual Report 2021.

The Company is substantially an investment holding company and with subsidiaries involved in property development, property investment, financial services, property management and elderly care services. This Report covers all material business entities, except business divisions without physical operations or associated joint venture companies in which the Company has no control in their operations. Unless otherwise stated, this Report covers the offices and branches from the following units and their subsidiaries in Hong Kong, Mainland China and Australia:

Allied Group Limited (“AGL”)

Sun Hung Kai & Co. Limited (“SHK”)

United Asia Finance Limited (“UAF”)

Sun Hung Kai Credit Limited (“Sun Hung Kai Credit”)

Tian An China Investments Company Limited (“Tian An”, which became a subsidiary of the Company with effect from 22nd October, 2021)

This Report sets out the ESG policies, initiatives and performance of the Group. All information has been compiled according to the data and information obtained within the Group. The Group’s internal control and formal review process are in place to ensure that all information is presented in an accurate and reliable manner. This Report has been reviewed and approved by the Board of Directors (the “Board”) of the Company. The preparation of this Report strictly adheres to the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”.

| | |
|---------------------|--|
| Materiality | This Report is structured based on the materiality of respective issues, resulting from materiality assessment and stakeholder engagement. The result was reviewed and confirmed by the Board and senior management. |
| Quantitative | This Report discloses material environmental and social key performance indicators (“KPIs”) of the offices and branches of AGL, SHK, UAF, Sun Hung Kai Credit and Tian An in a quantitative manner. Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for KPIs is stated wherever appropriate. |
| Balance | This Report presents an unbiased overview of the Group’s ESG performance with both achievements and areas of improvements disclosed. |
| Consistency | This Report is prepared in accordance with the ESG Guide, as well as consistent methodology for the calculation of KPIs. Unless otherwise stated, the Group’s disclosure and statistical methods are consistent with the previous financial year for meaningful comparison. For further details of the quantification methodology, please refer to “Environment” section. |

Unless otherwise indicated and except those new disclosures required for the Reporting Period under the latest ESG Guide, the disclosure of KPIs is in line with the ESG report of last year. The reporting period is from 1st January 2021 to 31st December 2021.

Governance Structure

As a responsible company, AGL is highly committed to addressing global sustainability challenges and using our influence to further advance the agenda of sustainable development. Our Sustainability Policy (“Sustainability Policy”) covers our principles in environmental and social issues. In order to reflect the changes of the evolving market and better prepare for future risks, the Sustainability Policy is reviewed annually and enacted upon the approval of the Board.

SUSTAINABILITY VISION AND COMMITMENT

Central to our ESG approach is our commitment to creating sustained value for all our stakeholders, including shareholders and investors, employees and the broader environment and society. This vision reflects our belief that business development is inherently intertwined with delivering ESG value. As such, we strive to carry out business activities while creating a positive impact on the planet, as well as shaping a diverse and fair society for future generations to inhabit.

SUSTAINABILITY GOVERNANCE

We attach great importance to a robust governance structure in managing ESG performance. To pursue our vision, we have established a comprehensive management system across our business to govern sustainability risks and opportunities.

The Board retains the overall responsibility of stewarding the Group’s ESG management, through setting up ESG goals and targets and reviewing the ESG performance on an annual basis, with the ESG initiatives implemented by management of various businesses. The heads of business unit and department are responsible for identifying ESG-related risks and determine the appropriate risk profile for the Group. Systems and procedures are put in place to identify, evaluate and manage the risks of business and activities, including ESG-related risks. The result and findings are reported annually by the management to the Chairman of Executive Committee who puts forward the same to the Audit Committee and the Board for review. Details of which are under “Risk Management and Internal Control” section contained in the Corporate Governance Report included in the Company’s published Annual Report 2021.

For further information about our corporate governance, please refer to the Corporate Governance Report in the Company’s published Annual Report 2021.

MANAGEMENT APPROACH AND STRATEGY

The Company believes in delivering long term, sustainable value creation to our shareholders. In doing so, we recognise that the choices we make will have an impact on the communities in which we carry on our business and we should make such impact a positive one. The Company has adopted the Sustainability Policy which covers our principles in the area of employment and labour practices, business integrity, the environment and the community and we endeavour to embrace these principles as part of our practice and governance to contribute to the sustainable development of society and the environment.

The Board has overall responsibility for the Company’s strategy and reporting in respect of ESG issues and has reviewed the effectiveness of the Group’s risk management and internal control systems, which are put in place to identify, evaluate and manage the risks of different businesses and activities, including the ESG-related risks. Based upon the assessments made by the Company’s senior management, subsidiaries’ respective management and the external auditors, the Board considered that such systems are effective and adequate.

STAKEHOLDER ENGAGEMENT

Stakeholder opinions are crucial for the continuous improvement of the Group's ESG performance. We strongly believe that stakeholder engagement is vital to understand the interests and expectations of our stakeholders, as well as to help us prioritise ESG topics that may ultimately serve the Company. To this end, we engaged with our stakeholders through multiple communication channels.

The major stakeholders of the Group and the respective communication channels are summarised as follows:

| Stakeholders | Communication channels |
|--|---|
| Shareholders and investors | <ul style="list-style-type: none"> • Annual general meetings • Announcements • Annual and interim reports • Company website |
| Customers, suppliers and tenants | <ul style="list-style-type: none"> • Company website • Contracts • Meetings • Social media |
| Employees | <ul style="list-style-type: none"> • Employee Handbook • Internal memos • Regular appraisals • Trainings |
| Regulatory bodies and government authorities | <ul style="list-style-type: none"> • Government inspections • Meetings • Regular filings |
| Communities | <ul style="list-style-type: none"> • Charitable donations • Company website • Corporate service responsibility activities • ESG reports • Social media |

MATERIALITY ASSESSMENT

We defined material stakeholder groups as those who we have frequent connections, significant financial and operational influence, and form a long-term and strategic relationship with the Group.

The Group will make detail disclosure of various issues in this report, taking the materiality assessment results for the year as reference and continuously enhance its ESG governance and performance in response to the stakeholders' expectations on the Group.

ANTI-CORRUPTION

We have had a Whistle Blower policy in place at AGL since 2007. This is to encourage and support staff to report (anonymously if they prefer) any concerns regarding any improper financial or other reporting, unlawful or improper practices, or wrongful conduct to senior management. If a report of suspected non-compliance or misconduct is made, the concern would be investigated by the Executive Committee and if confirmed, appropriate actions would be taken and be reported to the Audit Committee and the Board. The Board reviews the Whistle Blower Policy (and if any reports were to be made under it) at least annually.

The internal audit departments, of respective business units, will also review the enforcement of such policies and procedures on relevant operations in the course of performing ongoing review of the internal control systems.

Within UAF, anti-corruption practices are further safeguarded by the Anti-Bribery and Corruption Policy, and the Anti-Fraud Policy. During the Reporting Period, SHK has organised the corruption and bribery prevention training for all employees to understand key financial guidelines to prevent malpractices from occurring and methods to report offences relating to corruption and bribery. The training was delivered by Compliance Asia, Asia's first and renowned independent compliance consulting firm, to over 70% of all staff at SHK. At UAF, 205 employees attended the anti-bribery training, while 95 management members and employees also attended an anti-corruption online webinar conducted by personnel of the Independent Commission Against Corruption (ICAC). All Hong Kong-based staff of UAF have attended an anti-bribery training session since 2020.

A Whistle Blower Policy has also been established by Tian An to facilitate employees' direct reporting of any unlawful conduct, any incident of corruption, avoidance of internal controls, incorrect or improper financial or other reporting to senior management.

The Whistle Blower Policy is either circulated to employees of AGL and Tian An periodically or included in their employee handbooks to facilitate employees' easy access and refresh employees' awareness of reporting. During the Reporting Period, to strengthen business ethics and to keep updated in relation to regulatory requirements, we arranged trainings of anti-corruption management system for the AGL and Tian An's directors which were organised by The Hong Kong Institute of Directors; and invited representatives from the Independent Commission Against Corruption (ICAC) in Hong Kong to provide training sessions for the AGL and Tian An's senior management, new hires and existing employees. For Tian An employees in Mainland China, anti-corruption training is carried out according to Tian An group's requirement, including to invite lawyers to give lectures to all employees to enhance the awareness in such aspect.

During the Reporting Period, the Group complies in full with applicable laws and regulations related to anti-corruption, including the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong). At the end of the Reporting Period, the Group has nil concluded legal case regarding corrupt practices.

ANTI-MONEY LAUNDERING

All of SHK group's loan businesses in Hong Kong follow the Prevention of Money Laundering and Terrorist Financing Guidance Manual (the "SHK AML Guidance Manual"). The SHK AML Guidance Manual highlights the method to manage and mitigate risks when handling loan applications from individuals and businesses, and is designed in strict compliance with applicable laws and regulations. SHK group undertakes extensive due diligence, risk assessment and verification of documents as part of the evaluation of new and existing customers. Sun Hung Kai Credit has developed monitoring protocols for the loan application process to facilitate early detection of fraudulent activities and maintenance of high quality service.

All relevant staff is required to complete mandatory Anti-Money Laundering and Counter-Terrorist Financing training. At UAF, Hong Kong staff also underwent various compliance trainings, including financial crimes, fraud awareness and sanctions, to keep abreast of the increasing global regulatory rigour and to understand core principles. During the Reporting Period, 128 employees of UAF completed 64 hours of anti-money laundering and counter-terrorist financing training while 205 employees of UAF completed 156 hours of anti-bribery training through our learning management system. At SHK, we invited representatives from Compliance Asia to conduct anti-money laundering training for all employees and over 80% of employees have attended and satisfied related assessment requirements.

INTELLECTUAL PROPERTY

We respect intellectual property rights, including but not limited to trademarks, patents and copyrights. Employees shall not privately use or allow outside parties to possess and exploit intellectual property, unless permission has been obtained by copyright owners. Employees are required to obtain the authorisation from relevant department before the use of any name, slogan or mark for any product, program or service. To safeguard intellectual property, the relevant information technology department carries out periodic inspection of employees' computers, thus ensuring that genuine software is installed.

SUPPLY CHAIN MANAGEMENT

We work with a range of service providers across the Group, spanning areas including but not limited to information technology and communication, legal, marketing, agents, consultants, office equipment suppliers, designers, contractors, constructors, construction material suppliers. In general, suppliers are selected based on their pricing, reputation, track record of good practices and value-added service to the Group. As for UAF, we also consider whether they have any significant violation record or conflict of interest, whereby a site report and business performance report may be requested if appropriate. Once contracted, the performance of suppliers are then reviewed periodically by relevant departments. These basic requirements are in place to guarantee the delivery of quality products and services.

In regards to the sustainability risks present in the procurement practices, our suppliers do not pose significant environmental or social risks to the Group. However, we promote environmentally friendly technology in our supply chain. For example, UAF actively procures through digital media agencies, in order to market our products through electronic platforms rather than through traditional marketing channels. This is expected to grow alongside our pursuit of introducing more innovative products with advanced technology.

SUPPLY CHAIN MANAGEMENT (CONT'D)

External debt collection agents support the functioning and ongoing service of the loan business of UAF and Sun Hung Kai Credit. Agents are carefully selected based on performance and reputation, among other factors, and are added to our Authorised Agents list. Authorised Agents are required to provide relevant certifications, qualifications and business performance reports to guarantee authenticity. All Authorised Agents are obliged to understand the SHK group's ethical code and professional standard through the Authorised Agents Manual that details the procedures for general business ethics, know-your-customer, data privacy, and customer confidentiality. We also require our Authorised Agents operate with the highest ethical standards by adhering to relevant laws and regulations, upholding information data protection, as well as avoiding conduct that undermines the integrity and goodwill of UAF and Sun Hung Kai Credit.

The effectiveness and performance of our Authorised Agents are annually assessed to strive for continuous improvement of quality of service. Utilising the evaluation form, Authorised Agents are assessed on criteria including, but not limited to, service effectiveness, operational behaviour and data handling. We also value the feedback from customers and the public on the quality of service, and hence administer feedback surveys regularly.

For Tian An, owing to the nature of their businesses, the suppliers related to property development is relatively significant, including the contractors, constructors and construction material suppliers. The number of such suppliers which Tian An group cooperated with during the Reporting Period are 365 (2020: 297) and are mainly concentrated in Eastern China. The suppliers' suitability and reputation are the vital factors in engagement and procurement decision making. Price is also a main factor but not the most important one. Tian An group only engages local contractors with possession of relevant qualification in relevant aspects and standard of the construction works. At least three independent potential contractors and suppliers would make or be invited to make the tender for site projects and Tian An conducts assessment and selection during the tendering process. Such tendering method will be usually applied to the property development business on the selection of main contractors and various sub-contractors, subject to the terms of the agreements with the main contractors.

For other suppliers such as stationery and administrative services, Tian An select the suppliers either by obtaining at least three quotations or choosing from various suppliers with long-term friendly and cooperative relationships. During the Reporting Period, there are 268 (2020: 225) suppliers selected through tendering and 169 (2020: 144) suppliers through other methods as mentioned above. These data was collected from the Tian An group's property development companies and various head offices.

To make the best effort to reduce environmental and social risks in each process of the supply chain, Tian An group carries out tendering and price comparison in the principle of fairness and transparency, and non-tendering method for other products or services must be approved under authorization as Tian An group prohibits any procurement without approval and to prevent procurement manipulation. They have well defined policies on selecting of suitable contractors and suppliers by checking their registered licenses, qualification level, relevant experience, as well as by referencing to their project size. Those contractors and suppliers are selected carefully based on track record of good practices, reputation and are subject to benchmarking, audits and rotation. Pursuant to the construction contract, the contractors are to adhere to the concept of green building, energy conservation and environmental protection by using green and healthy materials, and complete the project on schedule with quality and quantity guaranteed accordance with the contract. In order to ensure the quality of the construction works, products and services, Tian An's construction contracts as well as products and services supply contracts typically contain warranties for quality and completion time. The contractors are also responsible to supervise and monitor the construction works under defect liability period. Meanwhile, third-party evaluation is carried out to conduct regular inspection and monitor the quality of the construction. The engineering department of Tian An is responsible to regulate and monitor the cost control and construction progress closely during construction with periodic on-site inspection and

SUPPLY CHAIN MANAGEMENT (CONT'D)

stringent quality control procedures. Throughout the project development process, from production management all the way through to on-site management and control, Tian An also enhances employees' awareness of the importance of environmental protection and sharpen their environment management skills. They also set out provisions to the contractors and suppliers for occupational safety, good environmental practices and social responsibility and ensure they have no violation of the relevant laws and regulations of Mainland China.

LABOUR STANDARDS

The Group respects all basic human rights and forbids any forms of child or forced labour practice. During the recruitment process, we require all personnel to provide valid personal identification documents for verification purposes, while background checks will also be carried out whenever necessary. In the unlikely event that false information or a false identity is discovered, the Group will address the situation by closely following the necessary procedures in accordance with laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards. Additionally, no cases of child or forced labour were reported during the Reporting Period.

Investors and Customers

The Group is dedicated to bringing value to our investors and customers through quality products and services. To achieve our vision of creating sustained value requires that we engage in a meaningful way with customers and investors and ensure that their interests are being reflected and protected. We take pride in our long history of developing excellent customer relationships and value the reputation we have received of being trustworthy, caring and professionalism. The Group will continue to develop robust procedures to meet stakeholders' expectations and drive better results.

CLIENT PROTECTION

Protecting the general interest of our customers is our utmost priority. Hence, we are committed to incorporating industry best practices and influencing policy development to maintain the stability of the money lending industry as well as to safeguard our customers' rights.

UAF, a founding member and executive committee member of the HKSAR Licensed Money Lenders Association Limited ("LMLA"), led the drafting of the Code of Money Lending Practice ("Code") for the money lending industry. The Code is a comprehensive framework of market practices and standards, developed based on the Hong Kong Monetary Authority's guidelines to banks in Hong Kong. It details the guidelines and procedures on various aspects including customer relationships, know-your customer, anti-money laundering, credit evaluation, collection and recovery and data privacy. Through practicing the Code, we aim to strengthen consumer confidence and promote a corporate culture that treats customers fairly, so as to ensure their interests are being protected. UAF is also a member of a special task force for the Multiple Credit Reference Agency, a project led by The Hong Kong Association of Banks ("HKAB"). Additionally, we enhance consumer education on sustainable debt and sound financial management by providing useful public resources on the LMLA website. Through engaging in public bodies and working groups, we hope to promote a stronger corporate culture and integrity among the financial community.

In pursuit of enhancing financial accessibility to vulnerable members of the community, we provided financial relief during the COVID-19 pandemic. In 2020, UAF joined the Interbank Debt Relief Plan, a framework agreement jointly formulated by HKAB, DTC Association and LMLA, which aims to alleviate financial difficulties of borrowers by offering debt relief plans. When qualifying for the Interbank Debt Relief Plan, customers are entitled to adjust their debt repayment plan and receive assistance to work towards financial stability and maintain a positive credit track record. During the Reporting Period, 82 cases from the Interbank Debt Relief Plan were successfully approved.

DATA PRIVACY

It is our legal obligation to safeguard the interests of our stakeholders by maintaining high standards of data protection. The Privacy Policy of SHK group explains how data are collected, managed and protected, which closely follows the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and Code of Practice on Consumer Credit Data. Compliance is not only the prime management objective, but also the direct responsibility of every staff member of the Group. To preserve the confidentiality of our customers, personal data will only be collected for necessary purposes by lawful and fair means. We implemented appropriate physical and electronic management measures to ensure that personal data is protected against unauthorised or accidental access, and processing or erasure. To further monitor the safety of our customers when using online services, encryption technology is employed for sensitive data transmission. If customer data is needed for operational or marketing purposes, we ensure that formal consent is provided. For instance, during the loan application process, customers are issued a Personal Data Collection Statement that communicates the purpose of collection, the personnel who will have access to the information, the rights to access, and other relevant information.

The Code of Conduct in the Employee Handbook further outlines the Group's expectations on handling confidential information.

DATA PRIVACY (CONT'D)

UAF and Sun Hung Kai Credit have established rigorous protocols that prohibit the extraction of any unauthorised electronic and hard copies of information from company computer networks, systems, programmes or databases. Guidance on the use and monitoring of portable storage devices are also implemented to maintain information privacy during the usage, storage, disposal and loss of data.

To further manage confidential information, UAF employees closely follow the Information Classification Policy. Depending on the risk level of the information, it ensures that only authorised personnel are able to view or access information. In addition, we educate our non-IT staff to prevent cyber security threats through e-learning courses including information security training. This training covered topics such as current challenges and emerging trends of information security, threats, vulnerabilities and impacts of security issues, and the control techniques to prevent their occurrence.

At Tian An, which services the property purchaser and tenant in Mainland China and Hong Kong, they place a very high priority to uphold the customer data privacy. Measures and clear guidelines are in place to ensure customer's relevant data are protected against unauthorised or accidental access, processing or erasure. Appropriate levels of security protection were implemented by appropriate physical, electronic and managerial measures to safeguard and secure customer's personal data. In addition, employee handbook of Tian An requires their employees to keep confidential of the information which includes customer information and states the proper procedures of handling customer data.

RESPONSIBLE MARKETING

We ensure that investors and customers are informed with complete product information to protect the risks and rights of individuals. The publicity and promotion of our materials is in compliance with the Guidelines on Additional Licencing Conditions of Money Lenders Licence as well as the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong). To uphold strict risk management, all advertisement materials relating to our money lending business include a telephone hotline for handling complaints and risk warning statements. This is displayed in a clear, consistent and understandable manner to ensure that individuals understand the terms and conditions and are able to make conscious financial decisions.

The Group prohibits any false or misleading information that deceive or mislead customers in the purchasing of financial products. UAF has made available on its website a series of guidance documents regarding money lending scandals. The guidance documents include Beware of Money Lending Scams Leaflet, Note to Intending Borrowers and Financial Health Leaflet.

CUSTOMER SERVICE

We aim to achieve service excellence by thoroughly understanding the needs of customers and surpassing their expectations. To this end, we are committed to serving our customers with the most professional, comprehensive and caring experience.

UAF conducts a customer satisfaction survey to gather honest feedback on our service attitude, service quality and remediation solutions. Through assessing the survey results, we are better equipped to achieve our objective and make meaningful improvements. In total, 1,104 (2020: 1,980) existing customers have completed the survey for the evaluation of services from different frontline departments.

CUSTOMER SERVICE (CONT'D)

We have consistent protocols and solutions for handling customer complaints, which are led by the relevant customer service department. We recognise that customer detriment may occur and undertake appropriate investigation procedures according to different levels of severity and by the seniority of handling officers to address the situation. When a complaint is received, the relevant staff will investigate each complaint, evaluate possible causes, provide a detailed response to the customer, and issue corrective actions if appropriate. For the continuous improvement of our services, complaints are appropriately filed and reviewed regularly.

For the property development business in Mainland China under Tian An group, their projects follow the relevant guidelines, laws and regulations on property quality announced by the provincial and Central governments. The project engineers of Tian An regularly inspect the building materials and construction works so as to ensure the constructors strictly abide by the relevant national laws and regulations to construct reasonable quality and safety building and meet the acceptable reliability level. During the Reporting Period, there were no known cases of non-compliance with the above laws or regulations.

Owing to the nature of the property development business where a high price product is involved, reputational risk monitoring and preventions are of utmost importance. Tian An has various measures in place to minimise risks. Results and response to property quality are monitored on a timely basis. Tian An group provides comprehensive after-sale services including handling customer complaints and supervising the repair and ongoing maintenance of the properties developed. During the defect liability period, Tian An forwards the defect to their engineering department or contractors to follow up all the substandard works reported by the purchasers. Contractors engaged for construction are tightly monitored as discussed above.

For the property rental and management services, the Group enhances our facilities and equipment to improve service quality. We endeavour to maintain a close and long term relationship with our customers and pursue customers' satisfaction. Tian An has a reception desk in property management office for each project. Tian An pays close attention to the customer dissatisfaction and forwards the complaint to relevant departments for follow up.

During the Reporting Period, the overall complaint rate is low and properly being solved. Most of the complainants accepted or were satisfied with replies and remedies offered. During the Reporting Period, no material litigation is recorded related to the customers' complaint, the Group put the best effort to response instantly to the problem and complaint submitted by the tenant.

Our employees are the most important asset and drive the long-term development and sustainability of the Group. Hence, we are committed to creating a supportive working culture and investing in the development of our employees to demonstrate their fundamental role in growing and prospering with the Group. Our human resources practises are governed by the Employee Handbook, which documents guidelines and conditions of employment, recruitment and selection, working conditions, benefits and remuneration, code of conduct, as well as training and development. It is regularly reviewed according to any changes in the Company policy or legal requirements.

TALENT RECRUITMENT AND RETENTION

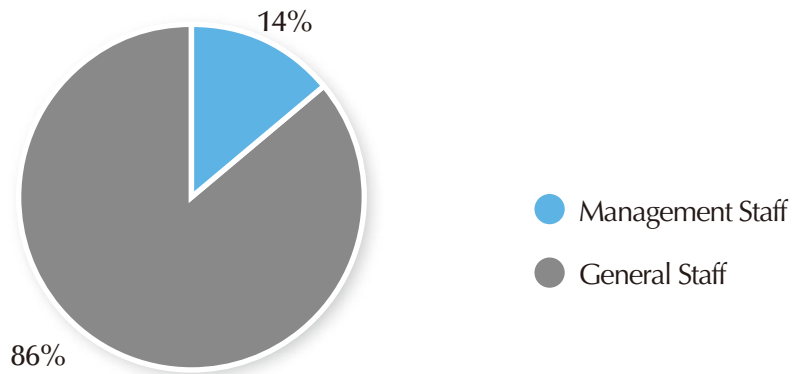
Trust is at the core of our interactions in the workplace as we believe that when given flexibility, employees will respond with a deeper ownership of their work. The Unlimited Paid Leave approach of SHK has continued to empower its employees to produce exceptional results through better control over their work-life balance. The SHK head office also developed an intranet system that allowed employees to arrange flexible hours, work remotely, and remain productive during COVID-19 restrictions.

The Group attaches great importance to the recruitment and retention of our workforce. We offer competitive salaries, and are reviewed annually to maintain our competitive advantage.

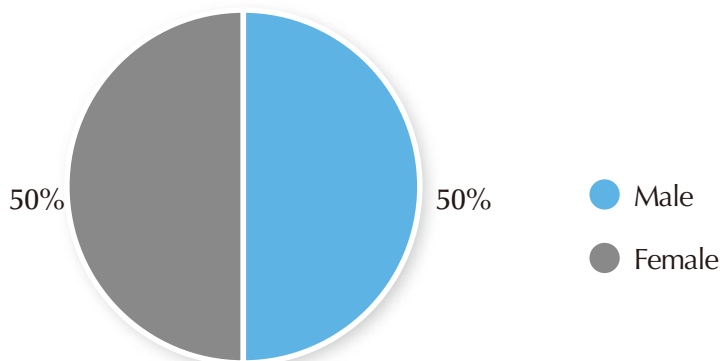
In order to foster an engaging and productive workforce, whilst valuing high-flying performers, the SHK head office continues to utilise the Incentive Program Policy. In UAF, a Long Service Award scheme is also adopted to reward individuals who completed significant years of service. During the Reporting Period, UAF continued to sign the “Good Employer Charter” organised by the Labour Department, recognising its outstanding human resource management. As of 31st December, 2021, the Group employed 4,180 (2020: 3,415) employees.

Workforce Breakdown

By Employment Category

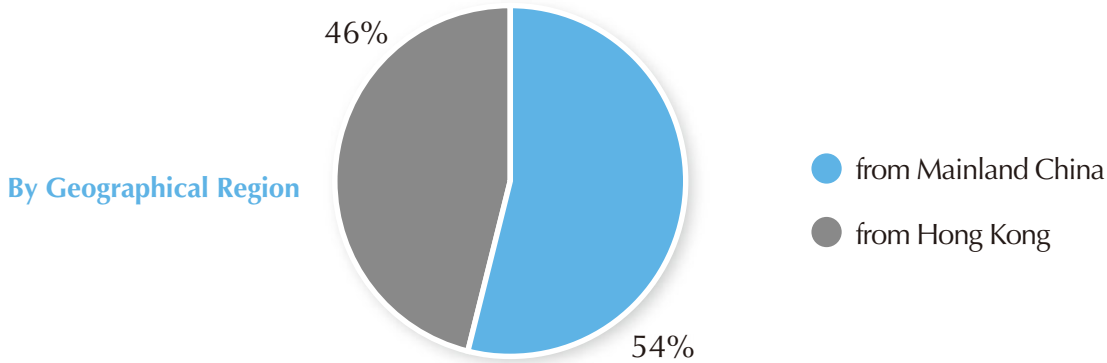
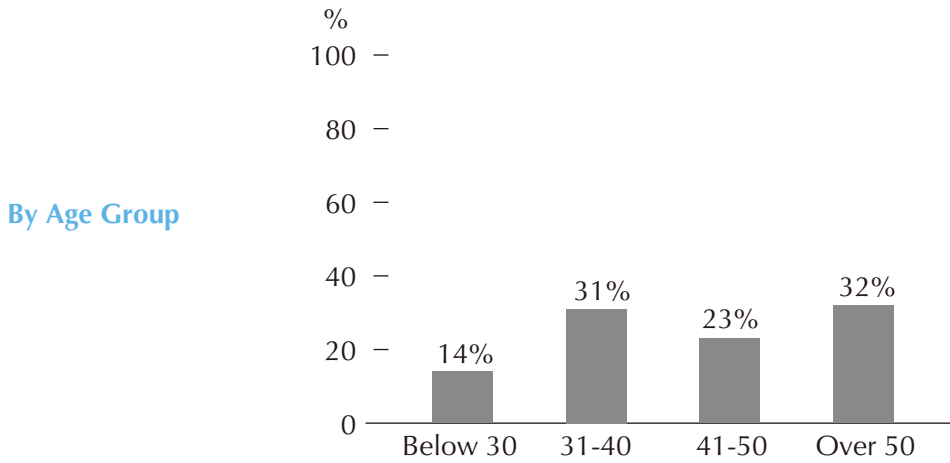


By Gender



TALENT RECRUITMENT AND RETENTION (CONT'D)

Workforce Breakdown (Cont'd)



DIVERSITY AND EQUAL OPPORTUNITIES

We believe a diverse talent pool enables us to create value to our stakeholders and makes AGL a great place to work. As an equal opportunity employer, we strictly prohibit any form of discrimination of employees and job candidates on the grounds of gender, race, colour, nationality, religion, sexual orientation, disability, military service or marital status and other status protected by law. During the Reporting Period, UAF continued to pledge to “The Racial Diversity and Inclusion Charter for Employers,” run by the “Equal Opportunities Commission”, demonstrating our commitment for diversity, equality and inclusion in the workplace.

DEVELOPMENT AND TRAINING

The development of our employees is our strategic priority as we want our employees to realise their potential. Our culture promotes lifelong self-development, encouraging employees to acquire professional knowledge outside the workplace to develop new skills and attain qualifications that will help with their career development. We provide education/training subsidies to support our employees.

DEVELOPMENT AND TRAINING (CONT'D)

We offered a wide spectrum of training courses including but not limited to technical knowledge courses such as digital technology and currencies, data analytics, and anti-corruption, as well as training on soft skills including leadership, strategic thinking and personal branding. To ensure that the programs deliver value to our employees and our business, UAF invited staff from different business functions to fill in the online training survey on their top preferences in topics annually. Each year, we also encourage employees to set their professional objectives and goals in which we will provide the necessary support to meet these targets.

UAF employees are entitled to pursue seminars academic and job-related course with subsidies under the Advanced Learning Allowance Policy. SHK and UAF Hong Kong were awarded the “Manpower Developer” from the Employees Retraining Board for three and ten consecutive years respectively.

Since 2014, UAF has continued to run a Graduate Trainee Programme that provides opportunities for local university graduates who aspire to pursue a career in the consumer finance industry to gain valuable knowledge, training and experience. We aim to help the Graduate Trainees develop an enthusiastic work attitude and offer their own intelligent insights to drive the growth of our business. During the Reporting Period, there were a maximum of seven Graduate Trainees enrolled on the programme at any given time, where one trainee had accepted an offer of employment and one participant had graduated from the scheme.

Tian An group is committed to fostering a culture of continuous learning in their organisation. Heavy emphasis is placed on employee’s training which is tailored to equip their workforce with the necessary knowledge and skills relevant for their work, as well as to build their talent pool. Management is involved, together with professional trainers, in designing training programmes to meet the demands of the workplace. Training content and topics are set to cover the key aspects of Tian An’s business. Management development initiatives currently include courses on the second language training, prevention of bribery, bankruptcy laws, data privacy, technical skills, debt collection skills, product knowledge, computer skills, customer service techniques, communication and complaints handling. Workshops for managerial and supervisory employee of Tian An are provided and are intended to enhance their employees’ career development. There are also workshops specifically for managerial employee of Tian An on career development, team building and people management skills. On top of internal training, Tian An group also provides a study subsidy for employee to advance their education in their spare time.

In the hotel sector, we have formulated strategic plans for talent retention, growth and development. We also provide training courses on regular basis for talents.

During the Reporting Period, the Group’s frontline and supporting employees completed 23,376 hours (2020: 20,448 hours) of training.

| Gender | Total Training Hours (hours) | Average Training Hours (hours/employee) |
|---------------|-------------------------------------|--|
| Female | 10,569.90 | 4.04 |
| Male | 12,838.35 | 9.09 |

| Employment Category | Total Training Hours (hours) | Average Training Hours (hours/employee) |
|----------------------------|-------------------------------------|--|
| Management | 6,264.56 | 15.74 |
| General Staff | 17,143.69 | 7.34 |

HEALTH AND WELL-BEING

Workplace Safety

The Group is committed to creating a safe and secure environment for all our employees. To this end, employees are required to be familiarised with the location of fire alarms, fire-fighting equipment, fire escape routes and emergency response protocols. Fire drills are also conducted regularly in accordance with property management guidelines. Safety equipment including first-aid boxes, earmuffs and trolleys for heavy goods is accessible in the workplace. In addition, to maintain good indoor quality, smoking indoors is strictly prohibited.

We have established safety precautions as specified in the Employee Handbook. Any work-related injuries and personal accidents that occur during and outside office hours are required to be reported to the HR department. In this Reporting Period, 31 (2020: 27) cases of workplace related accidents whereas 30 (2020: 25) cases and 1 (2020: 2) case from within office hours and out of office hours were reported respectively, resulting in 1,089 (2020: 780) lost days. In addition, no work fatalities were reported for the past three years. Moving forward, we aim to conduct regular safety assessments to minimise potential workplace injuries. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in relation to health and safety.

COVID-19 Response

In light of COVID-19, to protect our employees' health and wellbeing while maintaining business-as-usual, the Group has carried out a number of preventive measures at the offices and branches to minimise risks as much as possible. Through monitoring the situation stringently and keeping informed of local and regional guidelines, we adjusted our updates and advice on a regular basis.

To maintain our services for customers, we ensured to develop a business continuity plan for the UAF office and branches in the event of changing COVID-19 restrictions. This enabled us to mitigate and minimise the impact of any disruption to our operations through coordinated responses, ensuring a swift recovery and continuation of critical business departments. In addition, we established a decision-tree and checklist for different risk scenarios, which provided clear guidance for employees to determine the appropriateness for continuing with business-as-usual. As we continue to conduct in-person client interactions, it is necessary to equip all UAF branches with health and safety best practices, including practising 1.5 metre distance from each other at all times, offering masks to guests, and placing signs and posters to raise awareness of personal hygiene and safety.

HEALTH AND WELL-BEING (CONT'D)

COVID-19 Response (Cont'd)

Key control measures

Head Offices (AGL, Tian An)

- Vaccination incentives of \$2,000 for injections of two doses of vaccination are provided to staff
 - Provide one-day vaccination leave for each dose of vaccination
 - Maintain inventory of face masks, hand sanitiser and hygiene supplies and focus on cleaning and sanitation
 - Cancellation of all non-essential travel
 - Flexible working plans for employees such as flexible hours and work from home arrangement
 - Self-isolation following travel, development of symptoms, or interaction with a confirmed case of COVID-19 and requirement to undergo a coronavirus test as and when necessary at the Company's cost
-

Head Offices and Branches (AGL, SHK, Sun Hung Kai Credit, UAF, Tian An)

- Conducting body temperature screening for staff and guests
 - Frequently cleaning and disinfecting meeting rooms
 - Restricting the number of occupants in meeting rooms, and encouraging use of digital forms of meeting instead
 - Require mask wearing and performing hand hygiene for all guests before entering
 - Clean and disinfect frequently touched surfaces, including reception counters and doors every two hours
 - Provide COVID-19 testing kits to our staff as and when necessary
-

Head Offices and Branches (UAF)

- Frequently replenish supply of masks for guests
 - Require mask wearing for all staff at workplace
 - Perform body temperature checks for all incoming staff and guests
 - Provide digital thermometers, hand sanitisers, face shields and masks
-

We care about making contributions to our local community to create an inclusive and sustainable society. In light of COVID-19, we had to postpone or cancel many community activities in consideration of the health and safety of our staff as well as our community members. However, we still managed to participate certain fund-raising events such as “Skip-A-Meal” and “The Community Chest Virtual Walk for Millions”. In an effort to promote a caring and sustainable community, the Group will continue to actively participate in local community projects and invest in causes and initiatives that we believe in. The Sun Hung Kai & Co. Foundation (the “Foundation”), sponsored by SHK, was established as a significant platform for the Group, business associates and partners to serve and strengthen our communities in need. Among the initiatives we support are programmes that assist economically disadvantaged families, nurture future leaders and empower youths to thrive through sport. This year, we have strengthened our community efforts after being curtailed last year due to social distancing restrictions. Since the establishment of the Foundation in 2015, the Group has donated more than HK\$50 million in ESG initiatives through the Foundation, whilst UAF has contributed more than HK\$5.8 million since 2020 to promote community wellbeing.

HELPING PEOPLE GROW, EMPOWERING THE UNDERPRIVILEGED AND SUPPORTING YOUTH THROUGH SPORT

The Group believes that we can help individuals, businesses and communities from all walks of life. From assisting individuals through financial solutions to providing investment capital for new and emerging businesses, we endeavour to build their growth aspirations and hence are bound by the commitment of helping people grow. SHK has been named “Caring Company” for the 6th consecutive year, and UAF for the 17th consecutive year. SHK also received “The Asset ESG Corporate Awards” in 2021 for the 9th consecutive year, for excellent performance in sustainability.

During the Reporting Period, the SHK group has formed a new partnership with Crossroads Foundation to create a “Trail of World Need”, aimed at inspiring and empowering families to engage with world issues. Established since 2018, the “Sun Hung Kai & Co. Foundation Fellowship Fund” continues to be the main sponsor of Harvard Business School’s need-blind admission initiative to support exemplary MBA students in pursuing their dream and a better life. To promote opportunities of quality education to the youth in Hong Kong, the Foundation is also a founding corporate sponsor of the Dalton School of Hong Kong, a non-profit dual-language and multicultural primary school that strives to cultivate global minded learners and thinkers. The Foundation established the Sun Hung Kai Scallywag Foundation which has partnered with Sailability Hong Kong to facilitate the accessibility of sailing by providing an inclusive platform that enables youth with disabilities and/or from disadvantaged backgrounds to pursue their sailing passion. Since then, the Foundation has inspired and supported 1,042 under-represented youth in Hong Kong with 147 days in water, comprising of free introductory sailing courses that include taster days and practical training.

INDUSTRY ORGANISATIONS AND NGO PARTICIPATION

Apart from our philanthropic activities, we continue to contribute to several professional associations, chambers and non-profit organisations to raise industry standards and exchange best practices. We hold positions and regularly participated in projects and committees in the following associations:

| Position | Institution |
|--|--|
| SHK | |
| Committee Member | The Listing Committee of The Stock Exchange of Hong Kong Limited Chamber of Hong Kong Listed Companies |
| Committee Member | |
| UAF | |
| Founding member, Chairman, Executive Committee Member and Secretary | The HKSAR Licensed Money Lenders Association Limited |
| Honourable Chairman | Taiwan University Alumnus Association |
| Honourable Chairman | Taiwan Business Association (HK) Ltd |
| Vice Chairman | Yunnan Province Microcredit Association |
| Executive Director | Tianjin Association of Microcredit |
| Director | HK & Macau Taiwanese Charity Fund Ltd |
| Director | Shenzhen Microfinance Industry Association |
| Director | Liaoning Microcredit Company Association |
| Director | Dalian Association of Microcredit |
| Director | Heilongjiang Microcredit Company Association |
| Director | Nanning Microcredit Industry Association |
| Director | Guangxi Microcredit Company Association |
| Trustee Member | New Asia College, The Chinese University of Hong Kong |
| Committee Member | Committee on Student Exchange Programme with Universities in Japan, New Asia College, The Chinese University of Hong Kong |
| Member | Advisory Board, College of Management, National Chung Cheng University, Taiwan |
| Member | Chongqing Microcredit Association |
| Member | Chongqing Association of Enterprises with Foreign Investment |
| Member | Sichuan Association of Microcredit |
| Member | Chengdu Microfinance Association |
| Member | Beijing Microfinance Industry Association |
| Member | Wuhan Association of Microfinance |
| Member | Hubei Microcredit Company Association |
| Member | Shanghai Association of Microcredit |
| Member | The Chamber of Commerce of Beicai Town, Pudong, Shanghai |
| Member | Qingdao Microcredit Cooperation Development Association |
| Member | Shandong Microcredit Association |
| Member | Jiana Folk Financing and Micro-credit Association |
| Member | Shenzhen Internet Finance Association |
| Member | Liaoning Area Financing Guarantee Association |

In the hotel sector, we have been promoting community contribution within the organisation for years. However, due to the outbreak of COVID-19 pandemic in Hong Kong, all community activities for local non-governmental organisations have been suspended in 2021.

We recognise that our influence extends to the environment and society in which we operate. For this reason, we are committed to advancing the global environmental agenda by striving to improve our environmental performance within our operations. Our Sustainability Policy sets out the commitments to mitigating environmental impacts, reducing emission and waste, improving energy efficiency, managing paper usage and recycling, and raising environmental awareness. As we are primarily office based, we also aim to adopt various environmental practices that cultivate a green workplace. During the Reporting Period, there were no cases of non-compliance in relation to environmental practices that have a significant impact to the Group.

RESPONSIBLE USE OF RESOURCES

Part of our global responsibility is to ensure that all resources are used responsibly and efficiently. We strive to minimise our consumption in paper, energy and water, thereby reducing the carbon emissions of our operations.

Paperless Operations

We have long considered the importance of paper usage and have made it a priority in the last few years to digitalise our operations and reduce the reliance of paper.

Since June 2013, electronic board paper systems have been promoted and implemented throughout the Group, allowing our directors to access meeting papers online anytime, anywhere with the use of portable electronic devices, improving Board efficiency whilst saving paper.

The Company has for some years established an electronic communication channel with shareholders, allowing shareholders to select to receive our corporate communications, such as annual reports, interim reports and circulars, by accessing online versions instead of receiving hard copies in mail. As a result, printing quantities of our corporate communications are substantially reduced and consumption of paper are thus minimised.

At SHK head office, we implemented an employee self-service system to allow employees to complete administrative forms such as reimbursements and leave notice online. Electronic and digital mediums are also extensively used and have substituted paper for the issuing of invoices and bills for vendors and suppliers, as well as for all internal communications.

At UAF, electronic platforms help facilitate effective internal communications between staff at the head office and the extensive branch network. At UAF and SHK Credit, we currently adopt an online document management system for the efficient storing, retrieving and management of documents to help run our operations. In 2020, UAF launched the innovative app “YES UA”, which is the first app by a financing company in Hong Kong that offers authentication to all Hong Kong identity cards, thus providing customers the ability to experience the entire loan process from application to cash transfer entirely on their digital devices. In addition, the “No Show” Personal Loan service enables customers to make loan application requests directly through telephone without providing physical paper documents for approval. At the end of the Reporting Period, we had approximately 47% of approved customers making loan originations through electronic channels.

RESPONSIBLE USE OF RESOURCES (CONT'D)

Paperless Operations (Cont'd)

Throughout Tian An group, the following business processes were implemented to improve efficiency and to reduce paper usage:

- request electronic bank statements and other bank advices;
- request electronic invoices, for example, tax invoices;
- request e-submission by e-form if available;
- participate recycle schemes of office equipment and supplies; and
- use of internal electronic administration and communication platform.

| Resource Type | Unit | 2021 |
|---|----------------|-------|
| Paper Intensity per Employee | pages/employee | 5,536 |
| Paper Intensity per Customer ¹ | pages/customer | 74 |

Energy Saving

Managing energy efficiency is necessary to mitigating the impacts of climate change. Energy is primarily used in the form of petroleum for the transportation of the Group's personnel as well as electricity from our offices and branches in Hong Kong and Mainland China, and the property management business in Mainland China. Whilst the majority of electricity consumption stemmed from UAF and Tian An in Hong Kong and Mainland China during this Reporting Period, there were decreases of electricity consumption by 8% and 12.8% of UAF and Tian An respectively.

¹ Only covers consumption within the Group's head office, our subsidiaries including head offices and branches of UAF and Sun Hung Kai Credit, head offices and branches of Tian An.

RESPONSIBLE USE OF RESOURCES (CONT'D)

Energy Saving (Cont'd)

The SHK head office is located in a Final Platinum certified building under Hong Kong's BEAM Plus Existing Certification (Commercial Building), which achieved several criteria assessment such as good energy performance. At UAF Hong Kong, we have been strategically switching off external lighting that may affect the outdoor environment, including advertisements and shop signage after midnight. For this reason, since 2016, UAF Hong Kong has been awarded the "Gold Award" from the "Charter on External Lighting" launched by the Environment Bureau. One of the Group's subsidiary companies, Protech Property Management Limited, has for many years participated in the Earth Hour Campaign (the "Campaign") and encouraged owners/tenants of the flats and buildings which it manages to turn off lights every year for one hour at 8:30 pm on the Campaign nights.

Environmental protection guidelines are circulated to all staff at head office and branches. For instance, staff are reminded to switch off lights and equipment after work, during lunch break or during time working outside the office and wherever possible. Energy efficient office equipment is always preferred in making purchase decisions.

To further mobilise energy efficiency, we adopted various energy saving initiatives with the ultimate aim to reduce energy consumption and respective air and greenhouse gas ("GHG") emissions.

| Resource Type | Unit | 2020 | 2021 ² |
|------------------------------------|-------|--------------|----------------------|
| Electricity Usage | kWh | 7,121,434.98 | 23,282,793.27 |
| Electricity Intensity per Employee | kWh | 2,085.34 | 5,570.05 |
| Petroleum Usage | litre | 85,314.06 | 185,538.48 |

Water Efficiency

We endeavour to minimise water consumption and consume water responsibly throughout our business. For Hong Kong operations, water is consumed by municipal water supply and we did not encounter any issues in sourcing water during the Reporting Period. We conducted routine inspection and maintenance on water taps, containers and pipelines to prevent leakage or other issues of the water supply system. Where appropriate, washroom taps are controlled by electronic sensors to manage water consumption. To reinforce water saving practices, water conservation practices are promoted through relevant reminders displayed in pantries and washrooms.

| Resource Type | Unit | 2020 | 2021 ² |
|---------------|----------------|-----------|-------------------|
| Water Usage | m ³ | 54,616.64 | 256,321.45 |

² Tian An's consumption of the resources is added.

RESPONSIBLE USE OF RESOURCES (CONT'D)

Encouraging Eco-Friendly Options

In the property and hotel business, eco-friendly options are often considered and where possible/ appropriate are implemented in operations, construction and maintenance works. These include:

1. Building Environmental Assessment Method Plus applied to demolition and new building project.
2. Replace air-cool with water-cool air-conditioning system with selection of more efficient oil-free chillers.
3. Up-grade building management system with better control for air-handling units.
4. Carry out energy audits.
5. Replace energy wasting lights with LED lights.
6. Change diesel boilers to gas boilers and heat pumps for hot water system.
7. Use of syphonic double flush WC units where appropriate.
8. Roof waterproofing system using more economical and efficient method to reduce noise, dust and debris.
9. Use of non-Chlorofluorocarbon based refrigerants in air-conditioning unit selection.
10. Use of solar panels on the roof top to generate clean energy in supporting operations.
11. Install sensors to turn off lighting and air-conditioning automatically when not in use.
12. Use of double pane glass window for better thermos-insulating effects to reduce energy consumption.
13. Use of reclaimed water for toilet flushing where appropriate.
14. Place the recycling bins in the prominent place to encourage waste separation awareness amongst our staff and customers.
15. Perform regular checks on the lighting, air-conditioning and water pipe systems to prevent the loss of natural resources.

RESPONSIBLE USE OF RESOURCES (CONT'D)

Encouraging Eco-Friendly Options (Cont'd)

For the property development business, Tian An group encourages and implements the green design by regulating the contractors to implement various environmental protection management measures. The contractors are requested to comply with the relevant laws and regulations and are required to:

- sprinkle the construction sites regularly to reduce the dust raising;
- wash cars and trucks when entry in and out the sites;
- install temporary noise barriers and strictly follow operation hours;
- build waste water collection pipes and pools to collect household and construction waste water and ensure that hazardous waste water is properly discharged;
- separate recyclable and non-recyclable construction wastes and ensure they are properly treated; and
- request to use energy saving systems and facilities, such as solar panel, LED light, electrical sensor system, double pane glass window, external wall with thermal insulating material and natural lighting concept, etc, in order to meet Tian An's green design idea.

AIR AND GHG EMISSIONS

Emissions

We recognise the importance of reducing our GHG emissions to drive sustainable growth of our operations as well as the society. The Group's GHG sources are primarily attributed to electricity consumption and the use of the Group's vehicles from our offices and branches.

The quantification methodology is in reference to local guidelines and international standards, including the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose in Hong Kong), published by the Electrical and Mechanical Services Department and the Environmental Protection Departments, as well as the latest emission factors, with reference from the Baseline Emission Factors for Regional Power Grids in China published by the Department of Climate Change of National Development and Reform Commission.

To minimise these emissions, the use of digital teleconferencing is encouraged in replacement of business travel. In addition, we perform regular vehicle assessments and maintenance, and check fuel efficiency. We endeavour to implement effective measures to further reduce emissions reductions and to meet our emission objectives and targets in coming years.

AIR AND GHG EMISSIONS (CONT'D)

Waste Management

The Group's non-hazardous waste consists of paper, office equipment waste, office stationery, as well as domestic waste generated from our employees. We aim to reduce the amount of waste generated by diverting useful resources from landfills to recycling or repurposing, whenever applicable.

In the property and hotel business, recycling scheme for materials, such as paper, plastic, glass bottle, cooking oil and electronic materials, has been launched in certain restaurants and within internal departments. Food saving has also been encouraged in joining the Waste Check Charter with the Environmental Protection Department.

At SHK offices, we installed designated recycling bins to collect relevant waste, as well as several designated collection areas to receive waste containing confidential information. At the UAF office, we specifically practise segregation and recycling of toner, ink cartridges, plastic bottles and batteries. Due to ample efforts by our employees, we recycled 355 units of toners, 15.96 kg of plastic bottles, 6.68 kg of aluminium cans, as well as 505 bags of shredded paper. We aim to increase the number of waste collection points at the UAF offices to promote the recycling of waste. To ensure professional and responsible disposal of waste, waste is collected by external licensed collectors for further handling and disposal. Monthly records of waste are reported by external licensed collectors and internally monitored to keep track of usage amount.

CLIMATE CHANGE

The Group recognises that the long-term risks of climate change have far-reaching impacts on our operations and environment. As such, we are committed to mitigating the impacts of climate change and other environmental related risks. The largest source of impact derives from carbon emissions that result from the consumption of electricity from the office and branches. We have implemented various mitigation measures as mentioned in "Responsible Use of Resources" and "Air and GHG Emissions".

Changes in weather patterns and the increased severity of extreme weather events will likely disrupt the continuity of daily operations in terms of the ability for our staff to serve our customers and investors. For this reason, we have developed emergency protocols to handle such events, as outlined in the Employee Handbook, including procedures to approach typhoons and black rainstorms.

The direct and indirect impacts of climate change can affect our stakeholders and assets. We shall continue to explore relevant risks and opportunities to develop green products and services that serve the long-term needs of the environment and consider climate resilience in our businesses in the future.

GREEN EDUCATION

In efforts to champion towards a greener future, we strive to raise environmental awareness within our operations as well as the wider society. At AGL, we seek to educate our staff members on how to incorporate sustainability into their everyday lives. Various practices are communicated, including but not limited to the following examples:

Office Environmental Awareness

Staff are encouraged to

- Prevent unnecessary prolonged use of office appliances
 - Activate energy-saving mode or switch off monitors during their lunch hour and when not in use
 - Lower the brightness of their monitor screen
 - Switch off lights and air conditioning after the use of a room
 - Switch off and unplug all appliances when not in use
 - Use reflectors when there was excessive sunlight
 - Reuse packaging materials such as plastic bags and plastic boxes
-

In support of a circular economy, employees of SHK volunteered to create lanterns for the Mid-Autumn Festival using upcycled materials, along with intellectually disabled students and our partnering organiser HandsOn Hong Kong. Building on our concerns of waste, SHK teamed up with Clean Up Hong Kong Trails to enable employees to participate in a hiking trail clean-up day. Co-organised with Green Monday, Lunch and Learn event was held for SHK employees, which consisted of an informative session of environmentally conscious eating behaviour followed by a “Build Your Own Burger” workshop. Through the Foundation, we also participated in various initiatives to mobilise environmental change, such as the Enough Plastic movement campaign in 2018, led by Eco Drive Hong Kong and Youth Energy Hong Kong that educated the public of the damaging effects of using single-use plastic. Moreover, we supported the Great Barrier Reef Foundation in 2019 through funding projects that accelerate the protection and restoration of the Great Barrier Reef and coral reefs around the world.

During the Reporting Period, the Group was not aware of any material non-compliance with any relevant laws and regulations that have a significant impact on the Group. The following table communicates all material laws and regulations that the Group adheres to.

Business

- Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong)
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)
- Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong)
- Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong)
- Competition Ordinance (Cap. 619 of the Laws of Hong Kong)
- Guiding Opinions of the China Banking Regulatory Commission
- Model Code for Securities Transactions by Directors of Listed Issuers
- Prevention and Suppression of Bribery in the Private Sector (Law No. 19/2009)
- Prevention and Suppression of Money Laundering Crimes (Law No. 2/2006)
- People's Bank of China on the Pilot Operation of Small Loan Companies
- Special Rectification Documents
 - *Notice on Regulating and Rectifying the "Cash Loan" Business* 《關於規範整頓「現金貸」業務的通知》
 - *Notice on the Implementation Plan for the Special Rectification of the Risks of the Online Small Loan Business for Companies that Print and Distribute Small Loan* (Online Loan Rectification Letter [2017] No. 56) 《關於印發小額貸款公司網絡小額貸款業務風險專項整治實施方案的通知》(網貸整治辦函 [2017]56號)
 - *Notice on the Special Rectification Work for the P2P Network Lending Risks* (Online Loan Rectification Letter [2017] No. 57) 《關於做好P2P網絡借貸風險專項整治整改驗收工作的通知》(網貸整治辦函[2017]57號)
- Landlord and Tenant (Consolidation) Ordinance (Cap. 7 of the Laws of Hong Kong)
- Building Management Ordinance (Cap. 344 of the Laws of Hong Kong)
- Residential Care Homes (Elderly Persons) Ordinance (Cap. 459 of the Laws of Hong Kong)

Investors and Customers

- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)

People

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong)
- Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China
- Labour Relations Law (Law No. 7/2008)
- Regulation on Prohibition of Illegal Work (Regulation No. 17/2004)
- Law for the Employment of Non-Residents Workers (Law No. 21/2009)

Environment

- Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611 of the Laws of Hong Kong)
- Environmental Protection Law of the People's Republic of China
- The Law of the People's Republic of China on Appraising Environmental Impacts
- Ambient Air Quality Standards of the People's Republic of China
- Environmental Quality Standard for Noise of the People's Republic of China

| Key Performance Indicators Environmental | Unit | 2021 | | | Total |
|---|---------------------------------|---------------|------------------|----------------------|---------------|
| | | AGL | SHK ³ | Tian An ⁴ | |
| Air and GHG Emissions | | | | | |
| NOx Emissions | kg | 154.03 | 17.06 | 81.05 | 252.14 |
| SOx Emissions | kg | 0.84 | 0.53 | 1.91 | 3.28 |
| PM Emissions | kg | 13.97 | 1.26 | 5.97 | 21.20 |
| GHG Emission – Scope 1 | tCO ₂ e | 148.61 | 95.59 | 352.30 | 596.50 |
| GHG Emission – Scope 2 | tCO ₂ e | 2,683.91 | 2,273.55 | 9,728.51 | 14,685.97 |
| Total GHG Emissions (Scope 1–2) | tCO ₂ e | 2,832.52 | 2,369.14 | 10,080.81 | 15,282.47 |
| GHG Emission Intensity by Revenue | tCO ₂ e/HK\$ Million | N/A | 0.55 | N/A | 0.55 |
| GHG Emission Intensity by Workforce | tCO ₂ e/person | 2.54 | 1.36 | 7.59 | 3.66 |
| Energy Use | | | | | |
| Petroleum Usage | litre | 55,233.48 | 35,887.54 | 130,305.00 | 221,426.02 |
| Electricity Usage | kWh | 3,780,152.85 | 3,198,216.87 | 16,304,423.55 | 23,282,793.27 |
| Total Energy Usage | MJ | 15,463,290.52 | 12,718,684.28 | 63,071,566.68 | 91,253,541.52 |
| Energy Usage Intensity by Revenue | MJ/HK\$ Million | N/A | 2,941.42 | N/A | 2,941.42 |
| Energy Usage Intensity by Workforce | MJ/person | 13,893.34 | 7,318.00 | 36,289.74 | 21,830.99 |
| Water Use | | | | | |
| Water Usage ⁵ | m ³ | 51,444.0 | 4,960.40 | 199,917.00 | 256,321.45 |
| Water Usage Intensity by Revenue | m ³ /HK\$ Million | N/A | 1.15 | N/A | 1.15 |
| Water Usage Intensity by Workforce | m ³ /person | 46.22 | 2.85 | 150.43 | 61.32 |
| Waste | | | | | |
| Paper Consumed | kg | 28,602.04 | 71,404.77 | 7,695.41 | 107,702.22 |
| Paper Consumed | pages | 6,146,218 | 15,343,986 | 1,653,646 | 23,143,850 |
| Paper Intensity per Employee | pages/employee | 5,522.21 | 8,828.53 | 1,244.28 | 5,536.81 |
| Paper Intensity per Customer | pages/customer | 55.45 | 79.78 | 150.72 | 189.99 |
| Office Furniture and Office Equipment for Recycling | pieces | N/A | 648.00 | N/A | 648.00 |

³ SHK including Sun Hung Kai & Co. Limited, United Asia Finance Limited, Sun Hung Kai Credit Limited.

⁴ Tian An including Tian An China Investments Company Limited, Tian An Australia Limited and Asiasec Properties Limited and their subsidiaries, the KPIs of which are included in the Performance Data Table since Tian An became a subsidiary of the Company on 22nd October, 2021.

⁵ Limited to the Group's head office, our subsidiaries including head offices and branches of SHK, in Hong Kong and offices and branches in Dalian, Fuzhou, Harbin, Nanning, Qingdao, Shenzhen and Yunnan in Mainland China, and head offices of Tian An in Hong Kong and branches in Mainland China.

Performance Data Table (Cont'd)

| Key Performance Indicators Social | Unit | 2021 | | | Total |
|---|--------|-------|-------|---------|-------|
| | | AGL | SHK | Tian An | |
| Total Workforce | person | 1,113 | 1,738 | 1,329 | 4,180 |
| Workforce by Gender | | | | | |
| Female | person | 621 | 967 | 494 | 2,082 |
| Male | person | 492 | 771 | 835 | 2,098 |
| Workforce by Age | | | | | |
| <30 Years Old | person | 69 | 429 | 109 | 607 |
| 31-40 Years Old | person | 114 | 823 | 348 | 1,285 |
| 41-50 | person | 174 | 376 | 406 | 956 |
| >50 Years Old | person | 756 | 110 | 466 | 1,332 |
| Workforce by Employment Category | | | | | |
| Management | person | 71 | 301 | 207 | 579 |
| General Staff | person | 1,042 | 1,437 | 1,122 | 3,601 |
| Workforce by Geographical Region | | | | | |
| Hong Kong | person | 1,113 | 712 | 80 | 1,905 |
| Mainland China | person | 0 | 1,017 | 1,242 | 2,259 |
| Overseas | person | 0 | 9 | 7 | 16 |
| Turnover Rate | | | | | |
| Total Turnover Rate ⁶ | % | 32.91 | 43.37 | 24.00 | 37.22 |
| Turnover Rate by Gender | | | | | |
| Female | % | 33.17 | 46.23 | 22.70 | 36.74 |
| Male | % | 35.37 | 53.31 | 24.70 | 37.70 |
| Turnover Rate by Age | | | | | |
| <30 Years Old | % | 46.38 | 85.55 | 43.10 | 73.48 |
| 31-40 Years Old | % | 37.72 | 48.97 | 24.70 | 41.40 |
| 41-50 | % | 37.36 | 18.62 | 20.90 | 23.01 |
| >50 Years Old | % | 31.75 | 16.36 | 21.50 | 26.88 |
| Turnover Rate by Geographical Region | | | | | |
| Hong Kong | % | 34.14 | 17.70 | 12.50 | 26.98 |
| Mainland China | % | 0 | 71.98 | 24.80 | 46.04 |
| Overseas | % | 0 | 0 | 0 | 12.50 |

⁶ Number of permanent staff who left during the year divided by the average total number of staff employed by the Group over the same timeframe.

| Key Performance Indicators Social | Unit | 2021 | | | Total |
|---|---------------------|----------|-----------|----------|-----------|
| | | AGL | SHK | Tian An | |
| Employee Training | | | | | |
| Total Training Hours ⁷ | hours | 2,092.75 | 16,285.00 | 5,030.50 | 23,408.25 |
| Employee Training by Gender | | | | | |
| Female | hours | 1,156.70 | 7,370.00 | 2,043.20 | 10,569.90 |
| Male | hours | 936.05 | 8,915.00 | 2,987.30 | 12,838.35 |
| Employee Training by Employment Category | | | | | |
| Managerial Staff | hours | 269.06 | 4,378.50 | 1,617.00 | 6,264.56 |
| General Staff | hours | 1,823.69 | 11,906.50 | 3,413.50 | 17,143.69 |
| Average Training Hours | hours/person | 3.05 | 9.44 | 13.10 | 5.82 |
| Average Training Hours by Gender | | | | | |
| Female | hours/person | 2.75 | 7.67 | 13.99 | 4.04 |
| Male | hours/person | 3.52 | 11.66 | 12.55 | 9.09 |
| Average Training Hours by Employment Category | | | | | |
| Managerial Staff | hours/person | 5.28 | 16.22 | 21.00 | 15.74 |
| General Staff | hours/person | 2.87 | 8.55 | 11.12 | 7.34 |
| Percentage of Employees Trained | | | | | |
| Total Percentage of Employees Trained | % | 61.73 | 97.35 | 28.89 | 96.22 |
| Percentage of Employees Trained by Gender | | | | | |
| Female | % | 67.79 | 97.00 | 39.00 | 71.76 |
| Male | % | 54.07 | 97.80 | 61.00 | 59.10 |
| Percentage of Employees Trained by Employment Category | | | | | |
| Managerial Staff | % | 88.73 | 91.04 | 22.00 | 70.81 |
| General Staff | % | 61.04 | 96.94 | 78.00 | 64.87 |
| Work-Related Incident | | | | | |
| Work Related Injury Rate | per 1,000 employees | 2.52 | 0.58 | 0.62 | 0.74 |
| Lost Days Due to Work-Related Injury | no. of days | 897 | 0 | 192 | 1,089.00 |
| Suppliers by Geographical Region | | | | | |
| Hong Kong | number | 435 | 249 | 46 | 730 |
| Mainland China | number | 0 | 405 | 391 | 796 |
| Others | number | 0 | 19 | 0 | 19 |

⁷ Total average training hours is calculated by dividing the total training hours by the number of full time employees as of 31st December, 2021.

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---------------------------------------|---|--|
| A. Environmental | | |
| Aspect A1: Emissions | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Environment – Responsible Use of Resources, Air and GHG Emissions, Green Education; Laws and Regulations |
| KPI A1.1 | The types of emissions and respective emissions data. | Environment – Air and GHG Emissions; Performance Data Table |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environment – Air and GHG Emissions; Performance Data Table |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | The Group did not generate hazardous waste during the Reporting Period. |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environment – Paperless Operations; Performance Data Table |
| KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them. | The Group shall consider analysing emission patterns based on a 3-year timeline and consider implementing emission targets and relevant initiatives, where material. |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Environment – Air and GHG Emissions, Waste Management. |
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Environment – Responsible Use of Resources |
| KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Environment – Responsible Use of Resources; Performance Data Table |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Environment – Responsible Use of Resources; Performance Data Table |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|--|--|
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | The Group shall consider analysing our energy use patterns based on a 3-year timeline and consider implementing energy efficiency targets and relevant initiatives, where material. |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Environment – Responsible Use of Resources. The Group shall consider analysing our water efficiency patterns based on a 3-year timeline and consider implementing water efficiency targets and relevant initiatives, where material. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Packaging material is not applicable to the nature of our operations. |
| Aspect A3: The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Environment – Responsible Use of Resources, Air and GHG Emissions, Climate Change, Green Education |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Environment – Responsible Use of Resources, Air and GHG Emissions, Climate Change, Green Education |
| Aspect A4: Climate Change | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Environment – Climate Change |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Environment – Climate Change |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|--|---|---|
| B. Social | | |
| Employment and Labour Practices | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employees – Talent Recruitment and Retention, Diversity and Equal Opportunities, Development and Training; Laws and Regulations |
| KPI B1.1 | Total workforce by gender, employment type, age group and geographical region. | Employees – Talent Recruitment and Retention; Performance Data Table |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | Performance Data Table |
| Aspect B2: Health and Safety | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Employees – Health and Wellbeing; Laws and Regulations |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | Employees – Health and Wellbeing |
| KPI B2.2 | Lost days due to work injury. | Employees – Health and Wellbeing; Performance Data Table |
| KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Employees – Health and Wellbeing |
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Employees – Development and Training |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. management, general staff). | Employees – Development and Training; Performance Data Table |
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | Employees – Development and Training; Performance Data Table |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|--|---|--|
| Aspect B4: Labour Standards | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Business – Labour Standards; Laws and Regulations |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Business – Labour Standards |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | Business – Labour Standards |
| Operating Practices | | |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Business – Supply Chain Management |
| KPI B5.1 | Number of suppliers by geographical region. | Performance Data Table |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Business – Supply Chain Management |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Business – Supply Chain Management |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Business – Supply Chain Management |
| Aspect B6: Product Responsibility | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Investors and Customers – Client Protection, Data Privacy, Responsible Marketing, Customer Service; Laws and Regulations |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Due to the nature of our operations, we do not sell products that are recalled for safety and health reasons. |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | Investors and Customers – Customer Service |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Business – Intellectual Property |
| KPI B6.4 | Description of quality assurance process and recall procedures. | Investors and Customers – Customer Service |
| KPI B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | Investors and Customers – Data Privacy |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|--|--|---|
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Business – Anti-Corruption, Anti-Money Laundering; Laws and Regulations |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. | Business – Anti-Corruption |
| KPI B7.2 | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored. | Business – Anti-Corruption |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | Business – Anti-Corruption, Anti-Money Laundering |
| Community | | |
| Aspect B8: Community Investment | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community – Helping People Grow, Empowering the Underprivileged, and Supporting Youth Through Sport, Industry Organisations and NGO Participation |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Community – Helping People Grow, Empowering the Underprivileged, and Supporting Youth Through Sport, Industry Organisations and NGO Participation |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Community – Helping People Grow, Empowering the Underprivileged, and Supporting Youth Through Sport, Industry Organisations and NGO Participation |



ALLIED GROUP LIMITED
聯合集團有限公司