

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE RESPONSIBILITY

The Group strongly believes that it has a responsibility to bequeath a better environment to future generations. The Group formulates such policies and adopts such initiatives to ensure that its operations are as environmentally friendly as possible.

To steer the Group's green policies and activities, an Environmental Committee was established by the Company during the year. All the Group's employees are involved in environmental initiatives as far as practicable. The Group was also appointed as the Eco-Action Champion of Eco-Pages 2005 for its commitment to balance the need for operating as a profitable business and meeting environmental concerns.

During 2005, the Group supported a number of charitable community initiatives. In particular, the Group made corporate donations and encouraged employees contributions to several programmes organized by the Red Cross, Community Chest, Habitat for Humanity, the Children's Heart Foundation and various green groups.

PROPERTY DEVELOPMENT AND MANAGEMENT

Working together with its contractors, the Group incorporates strict environmental criteria in the planning, design, construction and commissioning of its property developments.

As part of its effort to develop environmentally-responsible projects, the Group takes into account such design considerations for the purpose of ensuring proper building orientation, enabling the inflow of natural daylight without

excessive solar gain, and utilizing natural ventilation with optimum air flow and weather protection. Other aspects affecting a building's micro-climate, such as pollution dispersal, are also key parameters in the Group's approach to building designs.

To be in harmony with the environment, the Group strives to minimize resource depletion and the use of construction processes that have an adverse environmental impact. Care has also been taken in the selection of materials, based on a balance between construction time frame, cost and re-use or suitability for re-cycling.

Furthermore, the Group manages its properties with care and with the goal of providing highly liveable green environments. The Group pursues this objective by creating space for attractive and desirable landscapes, as well as involving residents in a range of re-cycling, planting and outdoor activities and charity sales.

The abovementioned green initiatives are extended to the community at large through the reduction of the impact of the Group's properties on the environment. As a result of these ongoing activities, the Group have won numerous Quality Building Management Awards for its property portfolio.

LOGISTICS OPERATIONS

To fulfil its responsibilities as a corporate citizen, Kerry Logistics has been sponsoring the Hong Kong Invention Association and its activities since April 2005 in terms of facilities and logistics support.

In November 2005, Kerry Logistics participated in Operation Santa Claus in Hong Kong to help build a giant Christmas tree made of canned food in Central, Hong Kong, as emergency food assistance for those in need. Kerry Logistics offered free logistics services in collecting some 20,000 cans of food from local corporations and schools for the construction of the Christmas tree.

In December 2005, Kerry Logistics also sponsored the Action Asia Challenge Hong Kong, which was an event to raise funds for the mentally handicapped and under-privileged children. Kerry Logistics offered free logistics support for the entire event, including the delivery of water, ropes, life jackets and tire tubes.

Environmental protection was one of the major initiatives under Kerry Logistics' corporate social responsibility programme in 2005. As part of this initiative, Kerry Logistics aims to promote awareness of environmental protection and energy conservation for its staff members, and to support protection of the world's scarce resources and the building of a greener supply chain service for its customers.

INFRASTRUCTURE INVESTMENTS

The Group's concern for sustainability was further pursued through selective investments in waste management and water treatment facilities in Mainland China. The Group believes that such investments will help balance the growing need for economic development with the environmental interests of both present and future generations.

STAFF PARTICIPATION

The Group sponsors and encourages all staff members to participate in community programmes and environmental initiatives, whilst actively promoting greater environmental awareness among them. Internally, the Group has implemented a number of measures to encourage re-cycling, which thereby reduces the consumption of resources and saves energy.