
CORPORATE SUSTAINABILITY





The Urban Renewal Strategy (URS) advocates adopting a comprehensive and holistic approach through a diversified business strategy to rejuvenate our city. The process should be forward-looking and visionary, and embrace the concepts of sustainable development that we have incorporated into our core business strategies. Together with the joint efforts of our partners and other stakeholders, we aim to create environmentally sustainable, high-quality and vibrant homes to escalate liveability and to sustain the growth of our community. To these ends, we therefore uphold our principal value of “people-first” and strive for environmental excellence while fuelling the vibrancy of urban neighbourhoods.

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With the continuous evolution of urban renewal in terms of public aspirations, the diversified needs for our urban growth, and the challenges and opportunities arising from urban decay, four related planning objectives, namely high-density environment, low-carbon neighbourhood, smart living and walkability, are now part and parcel of our core business strategies to optimise the benefits to our city for us and our future generations.

In this section, we will discuss our sustainability performance from five domains: Economy, Environment, Society, Process and People. Each will be demonstrated through our core businesses, our various initiatives, and our internal operation.

FOSTER OUR ECONOMY

The URA endeavours to revitalise the urban neighbourhood through strengthening the inclusive economic, social and environmental fabrics for the benefit of urban communities. Urban renewal brings space for business and job opportunities, which results in a re-composition of the social landscape.

Preserving Local Economic Activities

To maintain economic vibrancy, the URA has leased out all of the acquired units at the Prince Edward Road West revitalisation project after completion of renovation of the project. The ground floors are mainly leased to flower shops to retain local characteristics, while the upper floors were leased to various tenants for commercial use related to art, culture and community services. The whole block of No. 204 Prince Edward Road West is leased to the Hong Kong Council of Social Services (HKCSS) for use as a social enterprise hub named 'GoodPoint'. The overall physical environment has been improved and cultivated as a place where old meets new.

The URA has also pledged to adopt tactical measures along with the implementation of the H18 Peel Street/ Graham Street project in order to keep the nearby century-old market intact and enhance its vibrancy. The revitalised Graham Market with the new market block at Site B of H18 has become an iconic spot for members of the community to purchase a wide variety of their daily needs.

Facilitating a Thriving Social Enterprise

During 2017/18, the URA continued to render more properties for concessionary tenancy in both our acquired properties and dedicated preserved historic buildings to non-governmental organisations (NGOs) and social enterprises (SEs), e.g. the Association of the Hong Kong Central and Western District Limited, Mighty Oaks, Hong Kong Federation of Youth Groups, Light Be, and International Social Service, Social Venture Hong Kong, and New Life Rehabilitation.



The flower shops at Prince Edward Road West revitalisation project retain local characteristics.



The new Market Block at Graham Market becomes an iconic spot for the community.

Green Finance

To support “green sustainability”, the URA has taken its first step toward investing in Green Bonds, the proceeds of which are used to fund environmentally-friendly projects.

CARE FOR OUR ENVIRONMENT

Environmental sustainability interweaves the various stages of urban renewal and is a tenet that drives our strategies and operations. The URA aims to spearhead green-and-smart buildings development and innovative urban design in Hong Kong to create high-quality and vibrant homes for residents.

Promoting Green Buildings

With planning objectives aimed at creating low-carbon neighbourhoods, green building is an essential practice to reduce the environmental impacts on

the built environment and improve quality of life. The environmental impacts associated with our urban renewal projects are more substantial and far-reaching than those from our operations and managed properties. In Hong Kong, building-related activities account for 90% of the city’s total electricity consumption compared to a global average of 40%, and they account for 60% of the city’s greenhouse gas emissions. Green buildings are therefore critical to achieving energy savings in Hong Kong, whilst high environmental standards are required for both our self-developed and joint-venture projects to successfully promote green buildings with our partners. With the combined efforts of the URA and our partners, we have attained the final BEAM Plus rating for two more projects during the year up to June 2018, making a total of 14 projects with a Hong Kong BEAM Platinum rating, plus one project with a BEAM Plus Platinum rating, and one project with a BEAM Plus Gold rating. At the same time, 18 other projects in the design or construction stage have already received a provisional BEAM Plus rating.



The Kai Tak Development has attained the Hong Kong BEAM Plus Platinum rating.

In addition to green buildings of high environmental standard, the URA is incorporating "Smart Building" concepts into its development projects that cover five aspects, namely: "Design", "Information", "Environment", "Convenience" and "Management", for quality and vibrant living in line with the development of Hong Kong as "Smart City". Smart features like home energy and water consumption systems, home health and wellness systems, smart display, home waste management systems, building information modelling (BIM), and building management systems have been incorporated into our projects at Peel Street/Graham Street Site A, Fuk Chak Street/Li Tak Street, Reclamation Street/Shantung Street and Ma Tau Wai Road. The URA received its first-ever Hong Kong BIM award in 2017 for its Shanghai Street/Argyle Street project. The URA will continue to embrace Smart City initiatives not only in its projects but also through its district-based approach to urban renewal.

The URA not only promotes new green buildings but also strives to improve the green elements of existing buildings through rehabilitation. The URA has introduced the Green Item Subsidy (GIS) (which won a Hong Kong Green Building Council Award in 2016) under the "Common Area Repair Works Subsidy" to encourage property owners to use environmentally-friendly building materials and to install energy-saving facilities when carrying out building maintenance and repair works. Up to 30 June 2018, the URA has approved GIS applications from the owners of about 200 building blocks (around 7,400 units) amounting to a total subsidy of around \$10.5 million.

Applying Green Innovative Technology

To encourage research and development on green initiatives in Hong Kong, the URA has collaborated with universities and other institutions to study innovative measures that preserve the environment.

In the past year, the URA partnered with The University of Hong Kong (HKU) to study a biofilter system to improve indoor air quality. A biofilter system was installed as a green wall at "H6 CONET" to improve the indoor air quality, after which there was a distinctive drop of pollutants (VOC, PM10 and CO2) in the air flow. With the biofilter system, visitors in "H6 CONET" can enjoy clean and fresh air indoors.



The biofilter system installed as a green wall at H6 CONET improves indoor air quality.

Pavegen's energy flooring is another pilot green initiative that is scheduled to be installed at the Tung Man Street entrance of "H6 CONET" in Q3 2018. A versatile, custom-built system, Pavegen's energy flooring generates electricity through electromagnetic induction as pedestrians walk on it. This renewable energy would be accumulated for real time lighting displays used for interactive engagement and educational purposes. We will further explore other suitable applications of the system in our forthcoming projects.

Promoting Walkability

A walkable neighbourhood promotes both personal health and an integrated community. The URA is exploring pedestrian-friendly designs to promote walkability in its district-based approach and in the Yau Mong District Study. Pedestrian connectivity is also being realised between the URA's existing facilities and new projects such as the community corridor in the revamped "H6 CONET" (described in the Operating Review). A walkable pedestrian neighbourhood can ease the pressure on transport infrastructure, reduce car dependency, alleviate traffic congestion, and support the local economy and mixed communities. Through these measures, the URA hopes to cultivate a healthy and low-carbon neighbourhood and elevate the quality of urban life.

Greening Our Operation

In the six years since its first carbon audit, the URA has sought purposely to reduce the carbon footprint of our own operations and managed properties. The annual carbon audit allows us to measure our environmental performance and instigate more conscientious behaviour among our colleagues and business partners.

In 2017/18, provisional estimated carbon emissions from our own operations have achieved a year-on-year reduction of 4.9%. However, due to the expansion of the physical boundary, the Energy Use Intensity has slightly increased from 75.93 to 75.99 kWh/m² (note: our own operations take place in a mix of properties, either those with central air-conditioning provided separately, tenant-only lighting and power, or whole buildings). Environmental measures will continue to be implemented in the coming year.

In order to track our environmental performance, the URA has participated in environmental audit schemes, including carbon and waste audits. Following the previous introduction of carbon reduction measures and the carbon audit, the URA obtained a Carbon Reduction 5% Certificate (CRC) for its headquarters at COSCO Tower under the Hong Kong Awards for Environmental Excellence (HKAEE) administered by the Environmental Campaign Committee. This CRC

remained valid until 2017, and the result of the URA's application to renew the CRC is expected shortly. The URA has again participated in the HKAEE WasteWi\$e Labelling Scheme in 2017/18 to raise staff awareness and to introduce new waste management measures. By meeting nine of the goals covering reduced resources consumption and waste recycling, the URA has obtained the 'Excellence Class' Level. This year, the URA entered the HKAEE Awards and was awarded a Certificate of Merit under the Public Services category for demonstrating green leadership, the excellent performance of its environmental programmes, and its synergy with its partners. By participating in these HKAEE schemes, the URA has gained the title of a 'Hong Kong Green Organisation'. Furthermore, the URA has obtained Indoor Air Quality Certificates for its offices from the Environmental Protection Department.

First employed in 2016/17, e-freezing surveys have again been undertaken for redevelopment projects using tablet computers as an environmentally-friendly measure, and for fast and efficient data reporting. In 2017/18, the URA also introduced the e-evaluation report to reduce the use of paper when carrying out inspections of affected owners in our projects.

CONTRIBUTE TO OUR SOCIETY

The URA supports various programmes to improve the social inclusiveness and social mobility of the under-resourced. We are dedicated to providing opportunities to youth for learning and development; to bring love and care to the residents; to instil arts and culture in the old districts, and to create a sustainable built environment to serve the community.

Inspiring Youth

The URA needs the concerted efforts of society to tackle urban decay in a sustainable way. Through collaboration and partnership programmes with various organisations, we have reached out to the community and schools to introduce URA's work and the significance of urban renewal to youngsters and the general public.

During the year, a wide range of programmes have been organised for young people to inspire them to explore issues related to urban renewal. The Urban Renewal Exploration Centre (UREC), which was set up in 2009 with an aim to provide information to students about urban renewal in Hong Kong, was relocated to H6 CONET in late October 2017. After being revamped with new approaches and presentations via interactive means, the UREC continued to inspire students to understand urban renewal issues from various perspectives. In order to extend its reach, the new UREC is open to the public during lunchtime. Pre-booked guided tours can be organised for both group



Interactive games in the Urban Renewal Exploration Centre help inspire students to understand URA's work.





PRIMARY SCHOOL SECTION

Introduction

Complementing the General Studies of Primary Schools, this section emphasizes team investigation, the importance of adopting multiple perspectives and independent thinking. Most of the sample activities / teaching resources can be conducted on-site.



Some reminders:

1. Encourage a spirit of enquiry, leading students to think and discuss but avoid dictating the direction.
2. Create a relaxed and accommodating atmosphere that encourages open-mindedness, objectivity and respect for different views.
3. Help students understand the background and value of different parties. Guide them to recognize "subjective" concepts, and able to evaluate critically and interpret "objective" information.
4. Help students realize that the issues covered by the UR Web Academy e-portals involve different stakeholders, and some of them may be controversial.

Commenting – Thinking – Discussing – Attitude building – Understanding

The education portal "Urban Renewal Web Academy" revamped with enriched contents to inspire students to better understand URA's work and urban renewal issues.

and individual visitors. Besides, the education portal "Urban Renewal Web Academy", designed in support of secondary and primary schools' syllabi, was also revamped with enriched content and easier navigation. New stories and interactive games relating to urban renewal topics were added to inspire students to better understand URA's work and urban renewal issues. The response from the education sector has been very positive. As a new initiative, the URA has also collaborated with HKU's Education Department in the design of teaching materials relating to urban renewal for respective primary and secondary subjects. The teaching materials were uploaded to the education portal for school teachers' use.



The winning entry, named as "DOME", helps the elderly people reintegrate into the community, adding social harmony to the community.



The winners of the URA/IVE Innovative Design Competition use their creativity to enhance living quality of elderly in old districts.

Reaching Out to the Community

Our care for the people extends beyond our urban renewal works. We bring love and care to the residents of old districts through a series of programmes under the Community Service Partnership Scheme (CSPS), which is a collaboration between the URA, universities and NGOs. A total of six service programmes were organised in 2017/18 to serve underprivileged children and their families, senior citizens and ethnic minorities in Sham Shui Po, Yau Tsim Mong, Kowloon City, and Central and Western District. Among these programmes was a new initiative, in partnership with the Architectural Society of The University of Hong Kong (HKU) and the Hong Kong Young Women's Christian Association (HKYWCA), in which volunteers transformed used wine crates into tailor-made home furniture for low-income families in the Central and Western District. Since the launch of CSPS in 2012, some 7,800 service hours have been logged by over 1,000 URA staff member and university student volunteers for the benefit of over 1,850 people.



A student volunteer is helping a beneficiary of the Community Service Partnership Scheme to make Lunar New Year decorations at one of the Chinese handcraft workshops.



Student volunteers of CSPS programmes and URA staff tailor-make furniture for families in need in Central & Western District by upcycling wine crates.

Caring the Underprivileged

Besides adopting a people-oriented approach when delivering our core businesses of redevelopment and rehabilitation, the URA also seeks opportunities to engage our partners to help people in need with our available resources. The lack of affordable housing is a key issue affecting the state of poverty in Hong Kong. Low-income families not living in public rental housing have no choice but to reside in appalling flats or sub-divided units or cubicles. During 2017/18, the URA has continued to offer some renovated flats in the acquired properties at Wing Lee Street to NGOs and SEs – including the Hong Kong Federation of Youth Groups, Light Be, and the International Social Service (Hong Kong Branch) – so that they can arrange short-term tenancies at below market rent for the underprivileged. The URA has also rendered more properties for concessionary tenancy both in our acquired properties and dedicated preserved historical buildings to these same NGOs and SEs, as well as to the Association of the Hong Kong Central and Western District Limited, Mighty Oaks, Social Venture Hong Kong, and New Life Rehabilitation.

During the year, and with the Transport and Housing Bureau's support, the URA has worked closely with the HKCSS on the Community Housing Movement to provide temporary housing for needy families and individuals. Thus far, at our rehousing blocks in Soy Street, Mong Kok, and Shun Sing Mansion in Kennedy Town, 14 and 39 units respectively have been leased out to the HKCSS.



URA supports the "Community Housing Movement" to provide temporary housing for needy families. Ms Leung and her daughter moved out from sub-divided unit and are now residing in the URA Rehousing Block with better living environment.

Cultivating Arts and Culture in Old Districts

A neighbourhood is more than its physical environment. It is the local culture and characteristics that give it its identity. An appreciation of local arts and culture allows a deeper understanding of the community while enriching the quality of life. In view of this, the URA has implemented the "Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme" (ACPP) for nearly 7 years to support non-profit organisations in organising various arts and cultural programmes to enliven old urban districts and

bring joy and happiness to residents. As of the end of March 2018, the ACPP has supported 52 arts and cultural programmes, benefitting over 630,000 people in old urban areas.



URA-supported art and cultural activities enrich the living quality of residents in old districts.

Diversified Urban Space for Health and Happiness

As a mission-driven organisation, the URA sees itself as the catalyst for the development of a sustainable built environment to serve the community beyond green buildings. Over the years, we have endeavoured to include open space and community/institutional areas, where practicable, in our larger-scale projects. Our redevelopment projects have provided easily-accessible community and institutional facilities, including residential care homes for the elderly, youth centres, health centres, markets, cooked food centres and an indoor stadium.

To further and better utilise the open space for public enjoyment, new place-making initiatives have now been commenced in our current project portfolios (as described elsewhere in the Operating Review).

The URA also supplies space for various Government Departments and organisations to carry out a wide range of activities, training, displays and exhibitions that include the arts, youth activities, education, tourism, hobbies and so on. With the URA's assistance/sponsorship, events have been staged at venues operated by the URA and its joint-venture partners, such as Central Market, the Urban Renewal Resource Centre, Citywalk, and Western Market.

FACILITATE THE RENEWAL PROCESS

Our urban renewal efforts may bring entrenched impacts to the community while we are committed to enrich the urban old districts living vibrancy and construct a safe and hygienic built environment with sustainability for the betterment of society. To facilitate the urban renewal process, we provide both financial and technical support to encourage owners taking part in the building rehabilitation to join hands to slow down the urban decay. Assurances of various kinds are also offered to affected residents in our redevelopment projects, among others, the "Project Engagement Programme" is launched to help residents overcome their worries in the acquisition and rehousing process, contributing to expedite the pace of redevelopment.

Encouraging and Facilitating Timely Rehabilitation

The URA is tasked to improve the living standard of families living in older urban districts through urban renewal. Apart from redevelopment, rehabilitation also takes a prime role in the urban renewal process to extend the lifespan of buildings, beautify façades, and slow down the pace of urban decay. Section 19 of the URS emphasises that the proper repair and maintenance of buildings is vital for regenerating ageing districts. As calculated in December 2016, about 3,500 building blocks that are more than 50-years old are in poor and varied condition; yet many building owners lack the confidence to rehabilitate, in part due to concerns of bid-rigging in the building renovation industry. Therefore, to empower the community to tackle the problem of ageing buildings, URA staff need to establish trust with the building owners by providing professional advice and technical support. This personal assistance is valued by the building owners as much as the financial assistance provided through rehabilitation schemes. Since 2004 and up to the end of June 2018, about 3,950 building blocks (around 128,900 units) have been rehabilitated with the support of various URA assistance schemes. On top of personal assistance, an Building Rehab Info Net has been set up to provide



Over \$208 million

Loan and Subsidies Released
(For 2017/18 financial year)

practical information on building rehabilitation and various rehabilitation subsidy schemes to let property owners equip themselves with more relevant knowledge. A new Building Rehabilitation Platform as an all-in-one information centre has also been formed (as described in the Operating Review). The URA is also devising a building rehabilitation strategy to sustain the life-span of buildings in order to improve the standard of the built environment.

Assisting Households in Ageing Districts

Redevelopment is more than just replacing the building stock; it is also about improving the living standards of displaced households, including owner-occupiers and tenants. A majority of the buildings in our redevelopment projects are severely dilapidated, with various serviceability hazards and hygiene problems. During 2017/18, acquisition offers were made to the owners of 1,809 property interests in six projects. The cash compensation and ex-gratia payments allow affected domestic owner-occupiers to purchase replacement premises that are in better condition than their existing ones. With a view to enabling residents to retain their social network in the neighbourhood, a flat-for-flat option is also available for domestic owner-occupiers who prefer to buy a flat in the same site after redevelopment. Alternatively, they may also choose to buy a flat in the designated Kai Tak Flat-for-Flat Development.

On the other hand, domestic tenants have also been offered cash compensation or rehousing in public rental flats or units in the URA's Rehousing Blocks. The patience and compassion of URA staff involved in the rehousing arrangements were rewarded with a number of commendation letters in 2017/18 from the beneficiaries of several redevelopment projects, including: Bailey Street/Wing Kwong Street, Hung

Fook Street/Ngan Hon Street, Hung Fook Street/Kai Ming Street, Hang On Street, Kai Ming Street/Wing Kwong Street, Tonkin Street/Fuk Wing Street and Castle Peak Road/Un Chau Street, etc. To facilitate a smooth clearance process, our staff have also gone the extra mile in helping tenants with the retrieval of important documents from Government departments, or in providing temporary storage space for tenants during their relocation.

In its To Kwa Wan projects, the URA has taken extra steps to strengthen outreach and establish relationships with affected residents of redevelopment projects – especially during the period of uncertainty and anxiety prior to project approval – by launching a new “Project Engagement” Programme. The Programme serves to complement the work of project areas’ Social Service Teams and helps to directly connect residents to the URA. The Programme, which was kick-started in October 2016, was completed within the year in four of the To Kwa Wan projects (i.e. Bailey Street/Wing Kwong Street project, Hung Fook Street/Ngan Hon Street project, Hung Fook Street/Kai Ming Street project and Wing Kwong Street project), with visits paid to about 2,840 occupiers and owner-landlords. Many of the visits were conducted outside office hours. The Programme has also been extended to Sung Hing Lane/Kwai Heung Street project in Central and Western District. Some 98% of owner-occupiers and owner-landlords have been visited as at June 2018.

Community Engagement

The URA attaches importance in engaging the community with a view to enhancing the understanding of URA's vision and mission. During the year, we have implemented a structured, message-driven and proactive communication programme through a series of media activities, our Managing Director's Blog, and articles contributed by our URA Chairman and Board members. In addition, URA Board members and senior management have also been involved in various community and educational activities to enlist public support for URA's work.

CHERISH OUR PEOPLE

Just as those affected by the URA's work and the community at large are our key stakeholders, so too are our staff members.

Building Our Capacity

Without a dedicated and competent team, the URA cannot sustain its urban renewal efforts. During the year, the URA provided over 80 training programmes and offered 13,300 training hours for its employees, which is an average of over 25 hours per head. In 2017/18, the training focus was put on facilitating our staff members at different levels to learn the latest technology, e.g. BIM, Smart City, Artificial Intelligence (AI), Big Data, Internet of Things (IoT), etc. At the same time, effort was also put on reinforcing our staff members' functional know-how and core competency skills, e.g. understanding the media, innovation and creativity, language and management skills. In order to meet staff learning needs and sustain corporate development, a Training and Development Needs Survey was conducted in December 2017 through questionnaires, interviews and focus groups. Looking ahead, the focus of our training will be put on building our staff members' ability to apply the latest technology into our work; widening their horizons and perspectives via local and overseas visits; enhancing their people and leadership skills further through workshops, talks and simulation exercises; and strengthening their agility and intrapreneurship via project study. Work Improvement Teams will be continued to provide an application and collaboration platform for Divisions to develop, communicate and apply their innovative ideas into work to promote a continuous improvement culture within the URA and improve the efficiency of existing work procedures.



Various technical training programmes are offered to URA staff members.

Applying the Core Competencies for Succession Management / Performance Management and Training & Development

The core competencies that define the knowledge, skills and attitude for different staff levels were used across the organisation to identify, evaluate, train and nurture preferred employee behaviour.

Attracting, Motivating and Retaining the Right Staff

To ensure competitive remuneration is offered to attract, motivate and retain the right staff to support our mission, a consultant was engaged to conduct a comprehensive remuneration review for all jobs at Director level and below. A new salary structure was recommended and approved for implementation.

Building an Effective and Engaging Workforce

In response to the feedback collected from the Employee Engagement Survey conducted in 2016/17, a Staff Newsletter was introduced to improve internal communication. A new Staff Suggestion Scheme was also launched to invite ideas from staff members to improve work efficiency and effectiveness, and to enhance the sense of belonging. Among the 17 submissions received in Q3 and Q4 of 2017/18, five suggestions were assessed with positive impact to the organisation and has been / will be adopted by the URA.

Planning Ahead

With persistent demands from the community and rising expectations from external stakeholders, our staff continuously face more challenges. In a tight labour market, the need for an effective means to attract, retain, train, develop and motivate the right talent remains high.

To cater for the changing operating environment, the URA will expand its training curriculum to cover technology training for staff at different levels. New management training, communication and self-development programmes will be launched in the coming year to reinforce the core competencies of staff. These programmes will enhance individual knowledge, communication skills and attitudes, stakeholder engagement, innovation, personal development, and leadership.



The URA is named Manpower Developer by the Employees Retraining Board in recognition of the outstanding achievements in manpower training and development.

To foster the skills and knowledge for succession assessment and career development, competencies are incorporated into divisional career ladders. The same competencies are also applied to assess potential successors and evaluate their readiness, and to help identify any gaps that may require them to engage in further development.

As part of the succession scheme, four management trainees were recruited in 2017/18 and two management trainees will be employed in 2018/19. The URA also strives to groom urban renewal and development talent internally to support the sustainable development of the organisation.

Building on recent success, Work Improvement Teams will be launched across the whole organisation again to promote a continuous improvement culture within the URA.