



CORPORATE SUSTAINABILITY

The URA takes forward the work of urban renewal in accordance with the Urban Renewal Strategy with the primary goal to improve the quality of life of residents in the urban areas. Through a comprehensive and holistic approach of urban renewal, the URA embraces the visionary concepts of sustainable development in its diversified business strategy to create a quality urban built environment that can sustain the growth and development of our city.

In pursuit of this vision and mission, our work has adopted a people-oriented approach and strived for environmental excellence while fuelling the vibrancy of the neighbourhood.

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

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

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Drive Our Economy

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

Preserving Local Economic Activities

To maintain economic vibrancy, the URA has leased out all the acquired units at the Prince Edward Road West revitalisation project after completing renovation of the project. The ground floor shops were 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. In addition, the preserved shophouses at the Shanghai Street/Argyle Street preservation project, which is currently undergoing fitting-out works, have been allocated for restaurant and retail use to reflect the local character and to meet local needs. The overall physical environment of the two projects has been improved and cultivated as a place where old meets new.

The URA has also adopted tactical measures along with the implementation of the H18 Peel Street/Graham Street Project in order to keep the nearby century-old market intact as well as to enhance vibrancy. The revitalised Graham Market, with the new market block at Site B of H18, has become an iconic spot for local residents to purchase a vast variety of their daily needs.

Facilitating Social Enterprises to Thrive

During 2018/19, the URA continued to render more properties for concessionary tenancy to non-governmental organisations (NGOs) and social enterprises (SEs), e.g. The Association of the Hong Kong Central and Western District Limited, The Hong Kong Council of Social Service, The Procurator in Hong Kong of the Salesian Society, Church Body of the Hong Kong Sheng Kung Hui, The Hong Kong Federation of Youth Groups, Light Be, International Social Service (Hong Kong Branch), Social Ventures Hong Kong, New Life Charitable Foundation Limited and Mighty Oaks Foundation Limited, in our rehousing blocks, acquired properties, URA-owned properties and dedicated preserved historic buildings.



5,000 m²

URA properties leased to NGOs and SEs

3,890 m²

URA-managed Government, Institutional and Community (GIC) areas for various community purposes (in 2018/19 financial year)

Care for Our Environment

Environmental sustainability interweaves the various stages of urban renewal as well as being a tenet that drives our strategies and operations. We aim to spearhead the development of green-and-smart buildings and innovative urban design in order to provide high quality and vibrant homes for our citizens.

Promoting Green Buildings

We are aware that impacts on the environment associated with our urban renewal projects are substantial and far-reaching. With planning objectives to create low-carbon neighbourhoods, green building is an essential practice to reduce the environmental impacts on the built environment and improve the quality of life of our citizens. The URA has continued to embrace green building design in its redevelopment projects, thereby improving the energy efficiency of buildings, reducing water consumption and waste generation and providing more green areas to the local community. With the combined efforts of both the URA and our joint-venture partners, the URA attained the final BEAM Plus rating in one more project during 2018/19, bringing the total to 14 projects with Hong Kong BEAM Platinum rating in addition to one project with BEAM Plus Platinum rating and two projects with BEAM Plus Gold rating. Another 19 projects in the design or construction stage have already received provisional BEAM Plus rating.

The URA not only dedicates effort to promoting new green buildings, but also strives to improve the green elements of existing buildings through rehabilitation. The URA 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 2019, the URA had approved GIS applications from the owners of about 290 building blocks (approximately 10,800 units) amounting to a total subsidy of around \$15 million.

In addition to green buildings of high environmental standards, we are incorporating "Smart Building" concepts into development projects covering five aspects, namely "Design", "Information", "Environment", "Convenience" and "Management". Smart Building will create smart quality and vibrant living and advocate the development of "Smart City" in Hong Kong. Smart features like home energy and water consumption systems, home health and wellness systems, smart displays, home waste management systems, building information modelling (BIM) and building management systems have been incorporated into the URA projects at Peel Street/Graham Street Site A, Fuk Chak Street/Li Tak Street, Reclamation Street/Shantung Street and Ma Tau Wai Road "e-Residence", Castle Peak Road/Un Chau Street, Hang On Street and Tung Chau Street/Kweilin Street.

The URA intends to expand its Smart City initiatives to not only buildings, but also as a district wide approach. A study on smart use of underground space and smart provisions of city infrastructural facilities in the Kowloon City area will commence in 2019.

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Applying Green Innovative Technology

At "H6 CONET", a biofilter system was installed as a green wall to improve the indoor air quality. A distinctive drop of pollutants such as VOC, PM10 and CO₂ in the air flow has been realised since the installation. With the biofilter system, visitors in "H6 CONET" can enjoy clean and fresh indoor air. Meanwhile, an energy flooring, another pilot green initiative, was installed at the Tung Man Street entrance of "H6 CONET". It is a versatile custom-built flooring system generating electricity via walk-through electro-magnetic induction of pedestrians. The renewable energy can be stored and used in real-time lighting displays for interactive engagement and educational purpose. We will further explore other suitable applications of the system in our forthcoming projects.



The energy flooring at "H6 CONET" aims not only for energy saving but also for interactive engagement and educational purpose.

The URA is also exploring the feasibility of using Modular Integrated Construction (MiC) in its redevelopment projects. Under MiC, free-standing integrated modules are manufactured in a prefabrication factory and then transported to the site for installation in a building. MiC is therefore a sustainable and environment-friendly construction method which can reduce dust and noise pollution from construction sites, minimise construction waste and improve construction waste management.

Greening Our Operation

We are also aware of the implications on the environment of our own operations and managed properties. We conduct an annual carbon audit of our owned/managed premises which allows us to measure our environmental performance, and instigate more conscientious behaviour among our colleagues and business partners. The Environmental Campaign Committee (ECC) awarded the Carbon Reduction Certificate to URA's headquarters premises in 2018 for achieving 24% carbon reduction, which is valid until 2021. Furthermore, under the ECC's schemes in 2018, the URA obtained Hong Kong Green Organisation Certification (HKGOC) for waste reduction and recycling as well as the HKGOC's Wastewi\$e Certification at the "Excellence Level".

Also in 2018/19, Indoor Air Quality Certificates for URA offices have once more been issued by the Environmental Protection Department. The URA continued to adopt e-Freezing Surveys for redevelopment projects commenced in 2018/19 by using tablet computers as an environmentally friendly measure and for enhancing efficiency in data reporting. E-evaluation reports were also introduced for affected property owners' inspection to reduce paper usage.

The URA has continued to adopt BIM in its business operations to achieve the goals of sustainable construction. The "Starter Homes" Pilot Project at Ma Tau Wai Road, "eResidence", was awarded the Hong Kong BIM Award 2018 from Autodesk for its development of automated calculation of saleable areas. Central Market Revitalisation Project has also leveraged the BIM technology in building construction. Besides, the URA engaged a consultant to develop a 6D BIM – Facility Management for Shanghai Street/Argyle Street Project, which could be expanded to cover future projects retained by the URA.

Contribute to Our Society

The URA supports various programmes to improve the social inclusiveness and mobility of under-resourced people. We are committed to providing opportunities for the public to learn, to bring love and care to the residents, to instill arts and culture in old districts and to create a sustainable built environment for the community. We care about the building and housing quality, employ design measures to harmonise our projects with the surroundings and contribute to improve land use efficiency and walkability.

Educating the Community

As an ongoing effort to enhance public understanding of the issues of urban renewal from various perspectives, the URA continued to organise guided tours and docents for schools and organisations, reaching out to about 4,000 participants in the year 2018/19. Over the past year, the Urban Renewal Exploration Centre located in "H6 CONET" received almost 10,000 visitors, including those from local and overseas Government departments, business sectors, NGOs and the education community. Meanwhile, the Urban Renewal Resource Centre (URRC) at Tai Kok Tsui has also served around 17,000 members of the public for making enquiries, briefings and meetings, as well as community activities on matters relating to building repair and maintenance. It has also served as a meeting venue for mediation relating to building repair and maintenance, property valuation and construction, arranged by the Joint Mediation Helpline Office since 2014. A total of 53 mediation meetings were held at URRC in the year 2018/19.

The URA showcased a model and information display panels to enhance public understanding of the redevelopment of the Kwun Tong Town Centre Project (K7) during a three-week period between 11 and 31 October 2018. Over 4,700 visitors and 19 local organisations, schools and Government departments visited the display venue and learned about the holistic design and proposed features of the future development of K7.



Public visit the construction model of Development Areas 4 and 5 of Kwun Tong Town Centre Project.

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Reaching Out to the Community

Our care for the people extends beyond our urban renewal works. In 2018/19, we continued to 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 social service organisations. The upcycling programme under the CSPS, which transformed discarded wood planks into tailor-made home furniture for low-income families, was in its second year of running with service extended from the Central and Western District to Kwun Tong District. Separately, a series of CSPS activities themed under "Green and Sustainability" were organised for children from low-income families to enhance their understanding of environmental protection. Since the launch of the CSPS in 2012/13, more than 1,100 volunteers have achieved a total of 8,400 service hours, benefitting over 2,000 people.



CSPS volunteers bring love and care to the residents of old districts through a series of volunteering programmes.

Caring for 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 and help people in need. It is widely acknowledged that the lack of affordable housing is a top issue affecting poverty in Hong Kong. Low-income households not currently covered by public rental housing have no choice but to reside in appalling flats or sub-divided units or cubicles. During 2018/19, the URA continued to offer some renovated flats in the acquired properties at Wing Lee Street and Staunton Street, as well as units at our rehousing blocks to NGOs and SEs including The Hong Kong Council of Social Service, The Hong Kong Federation of Youth Groups, Light Be and International Social Service (Hong Kong Branch), so that they may arrange short-term tenancies at below market rent for underprivileged residents. The URA has also rendered more properties for concessionary tenancy in our acquired properties, URA-owned properties and dedicated preserved historical buildings to these NGOs and SEs in addition to The Association of the Hong Kong Central and Western District Limited, Social Ventures Hong Kong, New Life Charitable Foundation Limited and Mighty Oaks Foundation Limited.

As an initiative to offer assistance to families residing in poor living conditions of aged buildings, especially the elderly, the URA sponsored two local organisations to launch services titled "Home Repair Services Community Programme" in Kowloon City and Sham Shui Po. The programme included home visits to the underprivileged families and free repair of household appliances. The programme received positive responses from local residents in the two districts, and more than 400 households benefited since the launch of this community service.

Cultivating Arts and Culture in Old Districts

Neighbourhood is more than its physical environment. It is the local culture and characteristics that shape its identity. An appreciation of the local arts and culture will allow for a deeper understanding of the community while enriching quality of life. In 2018/19, the URA's "Arts and Cultural Partnership Programme in Old Urban Districts: Pilot Scheme" supported a total of nine new and ongoing programmes. These covered an array of activities such as music and dance, graffiti painting and urban sketching, etc., to enliven old urban districts by bringing enjoyment to local residents. 'Hidden Art in TKW', one of the programmes with place-making element, has engaged more than 100 residents in the To Kwa Wan (TKW) district to sketch local landmarks. The art pieces were then made as art installations and exhibited in TKW for public enjoyment. Since the launch of the scheme, the URA has supported a total of 57 arts and cultural programmes, enhancing the living quality of about 667,635 people.



Volunteer repairmen help solitary elderly repair household appliances under the "Home Repair Services Community Programme".



Urban sketching activity allows local residents to enjoy art while building bonds with the community.

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Community Making

During the year, the URA has appointed Social Ventures Hong Kong to conduct a Community Making study to gather inputs from the stakeholders of Staunton Street/Wing Lee Street Project (H19) for building a harmonious community, which can be served as an example to illustrate the “5Rs” of urban renewal from the “people” perspective. The URA believes that the real meaning of urban renewal lies in the re-building of the community network of the residents in order to achieve social cohesion. Collaboration with external parties such as local organisations, public bodies or Government departments would be required to create synergy. The URA’s community making efforts will go hand in hand with its place-making efforts with an aim to create a better home for people residing in old urban districts.

Diversified Urban Space for Health and Happiness

As a mission-driven organisation, the URA sees its role as a catalyst for the development of a sustainable built environment to serve the community that goes beyond green buildings. Over the years, as far as practicable, we have endeavoured to include open space and community/institutional areas in our moderate to large scale projects. Our redevelopment projects in various districts 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.

For better utilisation of open space for public enjoyment, place-making initiatives have been initiated in our current project portfolios (as described in the Operating Review).



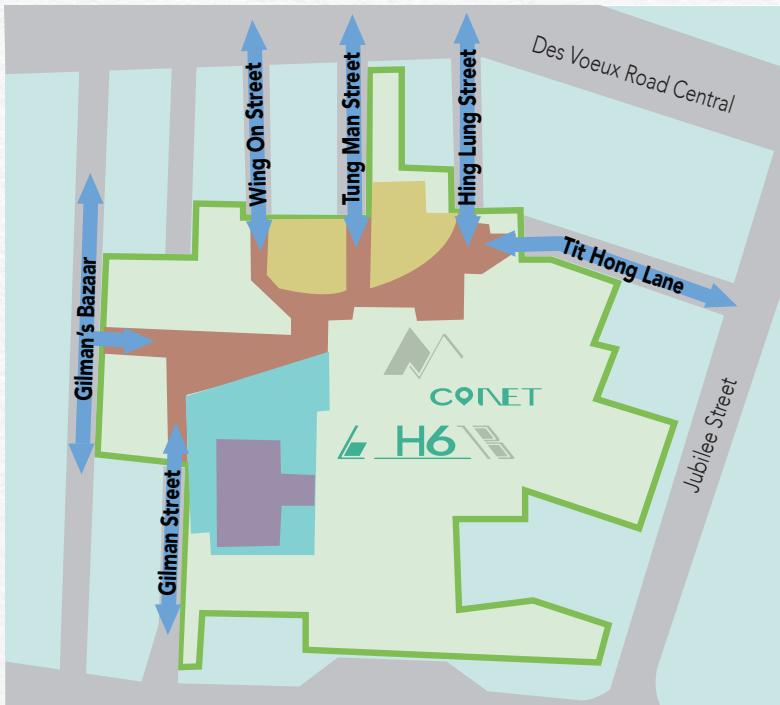
Community events held in URA premise promote health and happiness.

The URA also supplies space for various Government departments and organisations to carry out a wide range of activities, training, displays and exhibitions, including art, youth activities, education, tourism, hobbies and so on. With the URA’s support, events have been staged at venues operated by the URA and its joint-venture partners such as the URRC, Citywalk, “H6 CONET” and “7 Mallory Street”.



Promoting Walkability

Health promotion is an obvious benefit from a walkable urban neighbourhood. A walkable urban neighbourhood can also ease the pressure on transport infrastructure, reduce car dependency, alleviate traffic congestion, and support the local economy and mixed communities. To achieve a walkable neighbourhood, the concept of pedestrian priority must be embraced in all levels of planning and design. In line with planning objectives, the URA is exploring pedestrian-friendly designs to promote walkability in its district-based approach and the Yau Mong District Study. Redevelopment projects in To Kwa Wan district, launched under the district-based approach, will create a pedestrian-friendly neighbourhood through restructuring and re-planning the existing pedestrian and vehicular traffic network. 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. We aim to cultivate a healthy and low-carbon neighbourhood and elevate the urban quality of life.



"H6 CONET" re-opens the connection with six nearby streets, promoting walkability.

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Facilitate the Renewal Process

Our urban renewal efforts bring profound impacts to the community as we are committed to enriching the urban old districts living vibrancy and constructing a safe and hygienic built environment for the betterment of society. One of the critical success factors of urban renewal is how well our works have created satisfaction, happiness, goodwill and values among the community stakeholders.

Encouraging and Facilitating Timely Rehabilitation

The URA is tasked with improving the living standard of households in the older urban districts through urban renewal. In this process, rehabilitation takes a prime role in helping to extend the lifespan of buildings, beautifying the façade and slowing down the pace of urban decay. Section 19 of the URS emphasises that proper maintenance of buildings is vital for regenerating ageing districts. As calculated in December 2018, about 3,600 building blocks more than 50-years old are in poor and varied conditions and yet many building owners lack the confidence to rehabilitate, in part due to concerns of bid rigging in the building renovation industry. To empower the community to tackle the problem of ageing buildings, URA staff



over \$65 million
Loan and Subsidies Released (in 2018/19 financial year)

strive to establish trust among building owners by providing professional advice and technical support. The personal assistance is as valued by the building owners as the financial assistance provided through the rehabilitation schemes. From 2004 up to the end of June 2019, about 1,680 building blocks (around 73,100 units) have been rehabilitated through the various URA assistance schemes. To tackle building safety hazards and enhance the fire and lift safety standards, three new schemes, namely Operation Building Bright 2.0, Fire Safety Improvement Works Subsidy Scheme and Lift Modernisation Subsidy Scheme, were introduced in 2018/19. A new Building Rehabilitation Platform as an all-in-one information centre was also formed to provide comprehensive building rehabilitation information and technical support, including Building Rehabilitation Guidebook, standard documents to building owners and its Owners' Corporation for reference (as described in the Operating Review). The URA is now devising a new building rehabilitation strategy to sustain the life span of buildings to further improve the standard of the built environment.

Assisting Households in Ageing Districts

Redevelopment is more than just replacing buildings with new stock, but 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 safety hazards and hygiene problems. During 2018/19, acquisition offers were made to the owners of 164 property interests in two 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 the residents to retain their social network in the neighbourhood, a flat-for-flat option is also available for those domestic owner-occupiers who prefer to buy a flat at the same site after redevelopment or a flat at a new development in the same district. Alternatively, they may also choose to buy a flat at the designated Kai Tak Flat-for-Flat Development.

On the other hand, domestic tenants were offered cash compensation or rehousing in public rental flats or units in the URA's Rehousing Blocks. To facilitate a smooth clearance process, our staff have also gone the extra mile, such as helping tenants with the retrieval of important documents from Government departments, or providing temporary storage space during relocation.

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 implemented a structured, message-driven and proactive communication programme through a series of media activities, Managing Director's Blog and articles contributed by URA Chairman and Board members. In addition, URA Board members and senior management are also involved in various community and educational activities to enlist public support for the URA's work.

Care about People

We care about people, in particular those who are affected by our urban renewal projects. This group of stakeholders include domestic property owners and tenants, shop and business operators, as well as kids, students, workers and visitors within the neighbourhood of our projects. Just as those affected by the URA's work and the community at large are our key stakeholders, so too are our staff members.

Our Next Generation

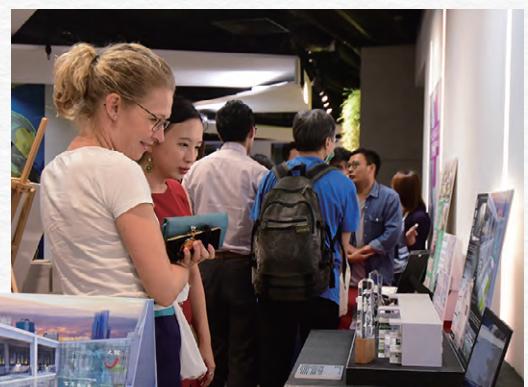
In view of several redevelopment projects being launched in the To Kwa Wan (TKW) area, the URA formed its first-ever "oUR Amazing Kid Band" for the local community in 2018/19, aiming at strengthening the social network for participating kids and their families through regular training lessons, performances and other activities. A total of 30 underprivileged children residing and/or studying in TKW, who had no prior music training, were invited to join the band and enjoy free music lessons through a full sponsorship from the URA. Four performances were arranged during the year. Positive feedback was received from the participants who enjoyed the training and performances as well as the friendships they established through the programme.



"oUR Amazing Kid Band" serves to strengthen the social network of participating kids and their parents who live in the URA project area.

Inspiring Youth

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



Winning piece of the Innovative Design Competition on display for public viewing.



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During the year, a wide range of programmes were organised for young people in order to inspire them to explore issues related to urban renewal. A series of education and extension programmes (E&E) was organised during 2018/19 to reach out to the younger generation, aimed at enhancing understanding and fostering a positive image of the URA. The E&E efforts covered a wide range of activities, including summer programmes run in collaboration with the Planning Department with briefings and field trips for primary school students; and the Innovative Design Competition run in collaboration with the Institute of Vocational Education and Hong Kong

Design Institute for students to unleash their creativity in improving the living environment of old urban areas through smart design. The URA also supported activities run by different institutions to encourage young minds to apply their knowledge in urban renewal such as "Create Your District" Competition organised by The Hong Kong Institute of Surveyors. In the 2018/19 Young Leaders Programme co-organised with the Tung Wah Group of Hospitals, case studies on "place-making", "smart-living" and "building rehabilitation" were assigned to participating students. A series of activities including guided tours, docents, school talks and workshops was organised to equip students with leadership skills as well as information and knowledge relating to their assigned topics. The students were also required to share the knowledge they acquired about urban renewal with their schoolmates.

Mitigation Measures for Those Affected

Since October 2016, the URA has implemented a "Project Engagement" programme to strengthen outreach support and establish relationships with affected residents and owners of the properties in the URA's redevelopment projects, especially during the period of uncertainty and anxiety prior to project approval and property acquisition. In 2018/19, the programme was conducted for four redevelopment projects, namely Sung Hing Lane/Kwai Heung Street (C&W-005) and Queen's Road West/In Ku Lane (C&W-006) in Central and Western District; Oak Street/Ivy Street (YTM-011) in Tai Kok Tsui and Wing Kwong Street/Sung On Street (KC-014) in To Kwa Wan, with visits paid to 482 residents and owners.

Building Our Capacity

Without a dedicated and competent team, the URA cannot sustain its urban renewal efforts. In 2018/19, the training focus remained on facilitating our staff members at different levels to learn the latest technologies e.g. BIM, Smart City, Artificial Intelligence (AI), Big Data, Internet of Things (IoTs), etc. At the same time, effort was also put into reinforcing our staff members' functional know-how and core competence skills in communication, stakeholder engagement, innovation, personal development and leadership. During the year, around 12,800 training hours were provided for around 4,000 participants with over 20 new training programmes, and 40 visits and talks, mostly related to innovation and technology



A series of education and extension programmes related to urban renewal is organised to inspire the younger generation.



Various technical training programmes are offered to URA staff members.

which could be applied to the work of the URA. In order to meet staff learning needs and sustain corporate development, a Training and Development Task Force has been set up to identify and prioritise training and development needs through input from staff members of different Divisions/Departments. Looking ahead, we will continue to put emphasis on building our staff members' capabilities to apply the latest technology into their work; widen their horizons and exposure via talks and visits; further enhance their people and leadership skills through workshops and simulation exercises and strengthen their agility and entrepreneurship via project studies. Work Improvement Teams (WITs) will continue to provide an application and collaboration platform for staff members to develop, communicate and apply their innovative ideas into work in order to promote a continuous improvement culture within the URA and improve existing work procedures and efficiency.

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

To foster the skills and knowledge for succession assessment and career development, core competencies which define the knowledge, skills and attitude for different staff levels are incorporated into divisional career ladders. The same competencies are also applied to assess potential successors in order to evaluate their readiness and to identify any gaps for further development.

Attracting, Motivating and Retaining the right staff

In a tight labour market, the need for effective means to identify, employ, retain and motivate the right talent remains high. In order to attract, motivate and retain young qualified professionals with satisfactory performance, combined establishment at Assistant Manager and Manager levels was introduced to allow more upward movement for these professional staff.

For the talent management, the URA Future Leaders Programme has been implemented to identify promising General Managers and Senior Managers for further developing their capacities and competencies so as to take up key positions in the future.

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 in 2017 to improve internal communication. Eight issues have been published since the introduction. In addition, our Staff Suggestion Scheme continues to invite ideas from staff members to improve work efficiency and effectiveness and to enhance a sense of belonging. Suggestions with positive impact to the organisation will be explored and, where feasible, adopted by the URA.