

CONNECT TO THRIVE

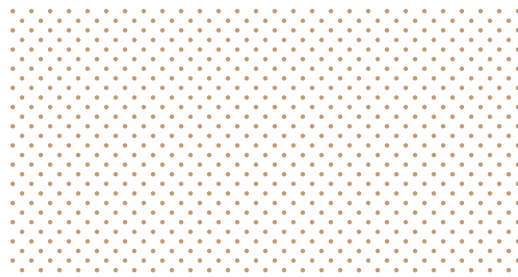


TABLE OF CONTENTS

Message from the Management	→	2
About this Report	→	3
About Hopewell	→	4
Our Community	→	14
Our People	→	26
Our Environment	→	34
Our Value Chain	→	43
Major Recognitions, Awards, Charters and Memberships	→	49
Performance Data Summary	→	52
Verification Statement	→	57
GRI Standards and HKEX ESG Reporting Guide Content Index	→	58



MESSAGE FROM THE MANAGEMENT

“At Hopewell, we believe a thriving community contributes to the enduring prosperity of our business. Our commitment to the well-being of the communities where we operate drives our dedication to sustainability.”

I am delighted to present this eighth annual Sustainability Report which showcases our continuous efforts to integrate sustainability into our business. This standalone verified Report also demonstrates our transparency and accountability to our stakeholders with whom we maintain longstanding partnerships.

2017/18 was a year of milestones for the Group. We celebrated our 45th anniversary as a listed company and the disposal of the Group's shares of Hopewell Highway Infrastructure Limited enabled us to explore new investment opportunities in both Hong Kong and Mainland China, in particular in the Greater Bay Area. Meanwhile, the Group's major pipeline projects in Wan Chai, namely Hopewell Centre II, Hill Side Terrace Cluster and the 153-167 QRE project are expected to bring significant changes to the Wan Chai South neighbourhood. In Kowloon East, Kowloonbay International Trade & Exhibition Centre (“KITEC”) is well-positioned to contribute to, and benefit from, improved connectivity as well as the Hong Kong Government's plans to transform Kowloon East into a prime business district.

With increased mandatory disclosure requirements on environmental, social and governance aspects for listed companies and rising expectations of stakeholders on sustainable business practices, we enhanced our sustainability governance during this reporting year by expanding membership of our Sustainability Steering Committee to include representatives from all core business and functional units. A comprehensive independent stakeholder engagement exercise has also been conducted to help provide us with updated information on stakeholders' expectations and topics perceived as material for the Group. Additionally, we undertook a holistic review of our operations and consolidated our sustainability practices into a Group-wide Sustainability Policy which will guide all our business units and subsidiaries to operate in a sustainable manner.

Deeply rooted in Hong Kong and closely knit with local communities, our commitment to the sustainable development of Hong Kong remains unwavering. As we drive business growth, we will continue to pursue the highest standards of integrity and accountability. We will keep abreast of developments in sustainability across all our operations and investigate best practices while actively engaging with our stakeholders to maximise synergy and generate shared value.

I would like to take this opportunity to thank our employees for their outstanding efforts and our stakeholders for their ongoing support and feedback. Your continued participation and support are crucial to our quest for economic, environmental and social development for both the Group and our community.



Thomas Jefferson WU

Deputy Chairman and Managing Director,
Hopewell Holdings Limited
Chairman of Sustainability Steering Committee

ABOUT THIS REPORT

This is the eighth annual Sustainability Report (the “Report”) covering sustainability initiatives of Hopewell Holdings Limited (“the Group”, “the Company” or “HHL”) (Code: 054) and its subsidiaries. This Report provides an overview of the Group’s sustainability approach, strategy and overall performance in terms of economic, environmental and social aspects.

SCOPE OF THE REPORT

This Report covers the period from 1 July 2017 to 30 June 2018. The scope of this Report encompasses the Group’s business in Hong Kong and Mainland China and its joint ventures, including property investment and development, hospitality, convention and entertainment businesses, where the Company has dominant operational control. For Heyuan Power Plant located in Mainland China, we recognise our stakeholders’ interest in the operation’s impacts and, in response, have included relevant sustainability initiatives, practices and measures undertaken by them in this Report. HHL has divested of its Hopewell Highway Infrastructure Limited (“HHI”) shares during the reporting period and therefore, information related to the highway operation will no longer be disclosed in our Reports. We invite you to refer to our [Annual Report 2017/18](#) for more details on our business and financial performance.

REPORTING STANDARD AND ASSURANCE

This Report was prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”): Core option and the latest Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by Hong Kong Exchanges and Clearing Limited (“HKEX”), and with reference to the GRI G4 Construction and Real Estate (“CRE”) Sector Disclosures.

To augment credibility and reliability of the Report, we carried out an extensive stakeholder engagement exercise with our internal and external stakeholders. In addition, this Report has been independently verified by the Hong Kong Quality Assurance Agency. The scope and the results of the verification can be found in the Verification Statement.

We welcome your feedback and suggestion for improvements of this Report and our sustainability initiatives. Please share your views at sustainability@hopewellholdings.com.



ABOUT HOPEWELL

HHL, a Hong Kong-based group listed on the Stock Exchange of Hong Kong since 1972. The Group has continuously grown and become one of the leading conglomerates in Hong Kong. The Group has seized opportunities to span its business from construction to a range of sectors including property, hospitality, convention and entertainment as well as power. With a solid foundation and strong financial position, the Group continues to grow its property and infrastructure businesses in Hong Kong and the Greater Bay Area.

The Group is headquartered at Hopewell Centre, an iconic building in Hong Kong situated in the heart of Wan Chai district. Rooted in the community, the Group has witnessed and participated in the development of Hong Kong for the past 46 years. Throughout the years, we have embraced a holistic approach to our business which benefits our stakeholders and supports the sustainable development of the places where we operate.



Properties

HHL focuses on property development, investment and management in Hong Kong and Mainland China. Our operations cover all aspects of the property development process from conception to completion. The Group values customer experience, and continuously provides high-quality facility management and leasing services to address the needs of tenants and customers. Our investment properties portfolio includes office buildings, shopping arcades and serviced apartment. In Hong Kong, the projects under development include Hopewell Centre II, Hill Side Terrace Cluster and 153-167 Queen's Road East ("QRE") in Wan Chai. Hopewell Centre II is expected to be one of the largest hotels in Hong Kong with comprehensive conference facilities once completed.

Hospitality, Convention and Entertainment

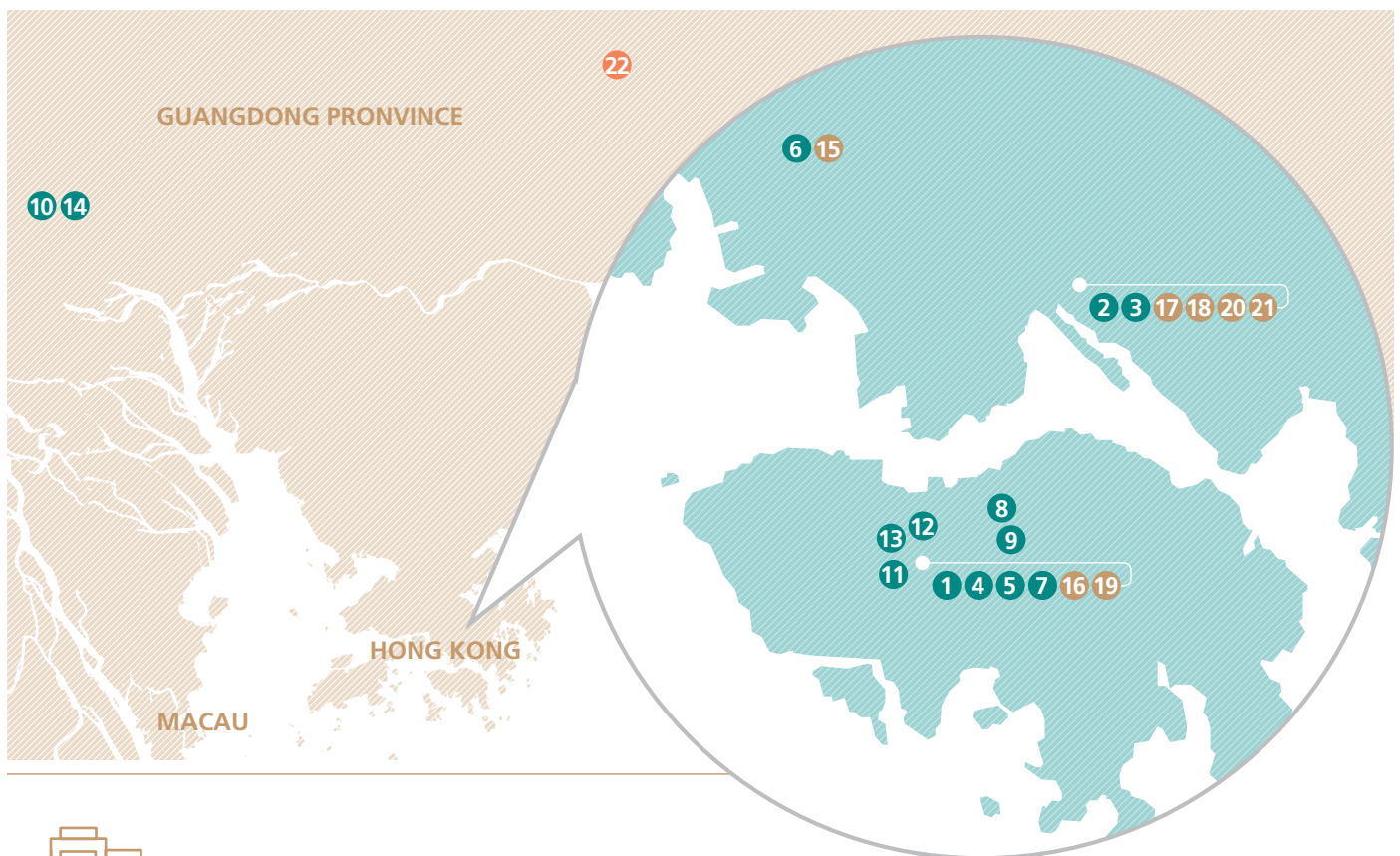
Our portfolio includes hotel, serviced apartment, restaurants, convention and entertainment facilities. HHL operates Panda Hotel in Tsuen Wan, which has over 900 guest rooms serving both business and leisure travelers. Moreover, HHL runs GARDENEast in Wan Chai, a 28-storey building offering 216 premium service apartment units, plus 3 retail shops on the ground floor and the second floor. The Group has expanded its presence in catering and restaurants as well as the entertainment business. Working to support the cultural development of our communities, the Group leverages its properties as platforms to showcase Hong Kong's local and international musical and performance talents. KITEC is well-positioned to echo the Hong Kong Government's Energizing Kowloon East initiative. It provides an ideal location for conventions and exhibitions, concerts, entertainment, dining and shopping all under one roof.

Power

The Group began its power plant operations in the mid-1980s to address the shortage of energy infrastructure in Mainland China. The Heyuan Power Plant Project is a joint venture between HHL and the Shenzhen Energy Group for a 2 x 600 megawatts ultra-supercritical coal-fired power plant built in Heyuan City, Guangdong Province. Heyuan Power Plant was the first power plant in China to be equipped with a flue gas desulphurisation wastewater treatment system. It is one of the most efficient and environmentally friendly coal-fired power plants in Guangdong Province.



• Our Business at a Glance 2017/18



Properties

- Commercial (office)**
 - 1 Hopewell Centre
 - 2 KITEC
- Retail**
 - 3 E-Max
 - 4 The East (including retail shops in GARDENEast, Hopewell Centre, QRE Plaza, Wu Chung House)
 - 5 Lee Tung Avenue
 - 6 Panda Place
- Residential**
 - 7 The Avenue
 - 8 Broadwood Twelve
 - 9 Broadview Villa
 - 10 Hopewell New Town
- Developments in progress**
 - 11 Hopewell Centre II
 - 12 153-167 QRE
 - 13 Hill Side Terrace Cluster
 - 14 Hopewell New Town



Hospitality, Convention and Entertainment

- 15 Panda Hotel
- 16 GARDENEast
- 17 Xi Shan Chinese Restaurant
- 18 MENU Restaurant
- 19 1563' at the East Live House & Restaurant
- 20 KITEC (exhibition and convention)
- 21 The Metroplex



Power

- 22 Heyuan Power Plant

• Performance Highlights



HK\$5.6 billion
revenue in FY2017/18



46 Years
in business as
a listed company



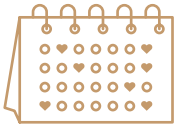
Headquartered
in Hong Kong



3.5 million sq. ft.
total GFA of investment
properties



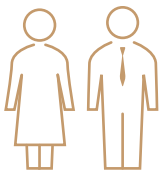
1.3 million sq. ft.
additional GFA under
development in Hong Kong



100+
community programmes
were implemented



~ HK\$3 million
contribution to community
programmes in Hong Kong
(including cash and
in-kind donation)



1,300+
employees



6,000+ hours
of training received by
employees



Over 5%
reduction in electricity
consumption at our
corporate office



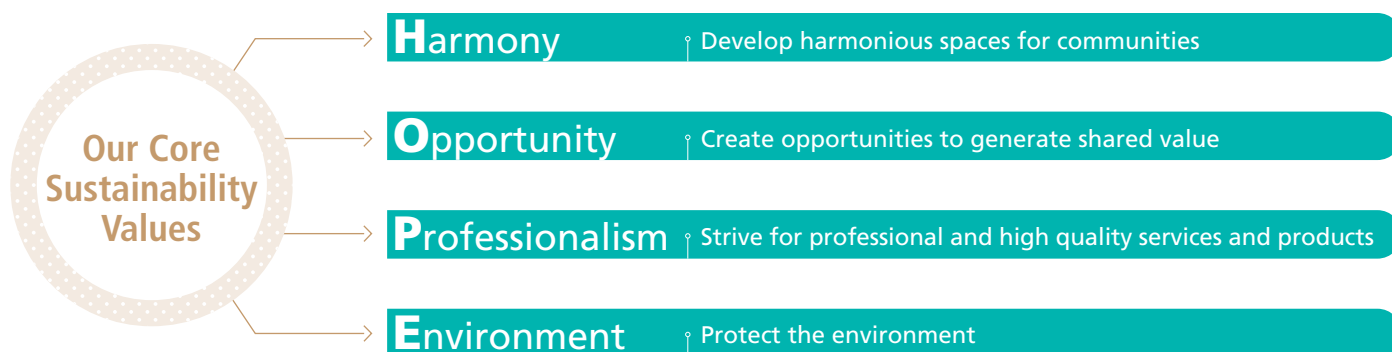
137
EV chargers
provided



~150 tonnes
food waste
recycled

SUSTAINABILITY APPROACH

The Group aims to enhance the lifestyle of the surrounding community and beyond through our activities. It is our long-standing belief that we thrive when the community thrives, therefore Hopewell has always sought to support the community's sustainable development as we conduct our operations. Our core sustainability values continue to guide the investments we make and the operations we undertake to maximise the value that is created and shared with stakeholders.



Business Ethics and Corporate Governance

An ethical corporate culture is vital to Hopewell's continued success. Honesty, integrity and fair play are considered important values shared with our employees and our business partners. We comply with the laws and regulations of the places where we operate and strive to go beyond as we proactively gather, review and respond to stakeholder feedback.


All employees are required to uphold the highest standards of business ethics in all their endeavors. The Group-wide **Code of Conduct** outlines standards of ethical behaviour for employees across all levels. It clarifies corporate policies and procedures in relation to bribery, conflicts of interest and interactions with various stakeholders. Any serious concerns of violations or inappropriate behaviour can be reported in a confidential manner without fear of retaliation following the procedures outlined in our **Whistleblowing Policy**. Any issues raised will be investigated thoroughly and reported to the Audit Committee semiannually as necessary.

The Group has a robust corporate governance structure with effective oversight and control in place. The Board of Directors (the "Board") is the highest governance body which, together with three individual Committees, properly manages the company in the interest of its varied stakeholders. While the Board sets Hopewell's overall strategic direction and policies, it has delegated the Committee of Executive Directors with the authority and responsibility to review and approve daily operations. The Remuneration Committee oversees the Group's policy and

structure for Director and senior management remuneration and makes related recommendations to the Board. The Group's financial controls and reporting, legal and regulatory compliance, risk management and internal controls are reviewed and monitored by the Audit Committee.

To ensure risk management and internal controls are integrated into the normal business processes and align with the strategic goals of the Group, the Risk Management Policy was approved by the Board in 2013 and updated in 2016. A holistic framework for risk management in relation to economic, environmental, social and legal and regulatory risks is adopted across the Group. The Board, through the Audit Committee, has consistently reviewed the effectiveness and proper functioning of the Group's internal control and risk management systems. During this process, risks are identified, evaluated, reviewed and updated annually by each of our business units. The Board's risk management approach has been deemed effective during the reporting year.

Detailed information on the Group's corporate structure, core businesses and corporate governance can be found in the Group's Annual Report.



Sustainability Governance

Established in 2011, our designated Sustainability Steering Committee (“SSC”) is chaired by the Group’s Deputy Chairman and Managing Director and comprises senior management representatives from various functions and business units.

The SSC oversees strategies and initiatives related to sustainability which are reported to the Board. To support the SSC, a CSR Sub-committee is set up for reviewing and implementing related initiatives throughout the Group.

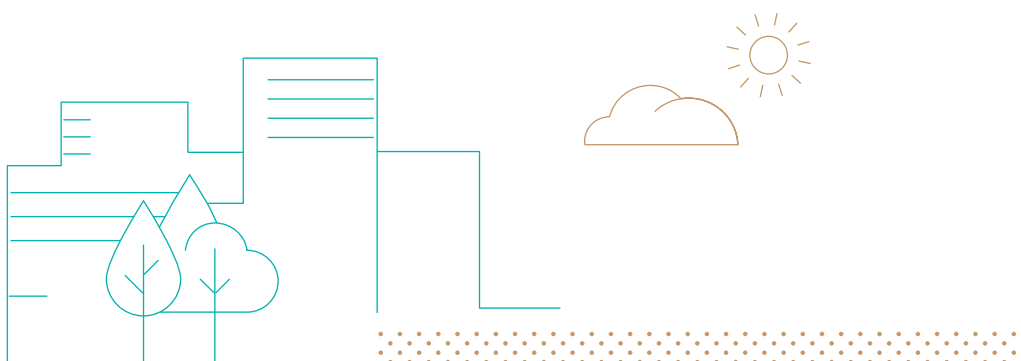


Responsibilities of the Sustainability Steering Committee

- Establish and review corporate sustainability vision, strategy and principles
- Adopt policies and practices to promote corporate sustainability
- Formulate objectives, key performance indicators and measures to oversee sustainability performance
- Monitor progress and review sustainability initiatives, policies and practices
- Make recommendations to the Board where appropriate

With the change in business operations due to the disposal of HHI shares, we prepared for a shift in sustainability priorities and issues raised by stakeholders. During the reporting year, we reviewed the composition of the SSC and re-appointed representatives from our core business and functional units to ensure that we continue to address the right issues presented by our dynamic business environment.

The Group’s Sustainability Policy (the “Policy”) was established to formalise our longstanding sustainability practices with regards to the workplace, environmental protection, value chain and community investment. The Policy outlines our approach to sustainable development across all our operations and subsidiaries. It states principles to guide responsible behaviour including compliance with applicable legal requirements, working to surpass prevailing standards, and integrating sustainable considerations into decision-making processes.

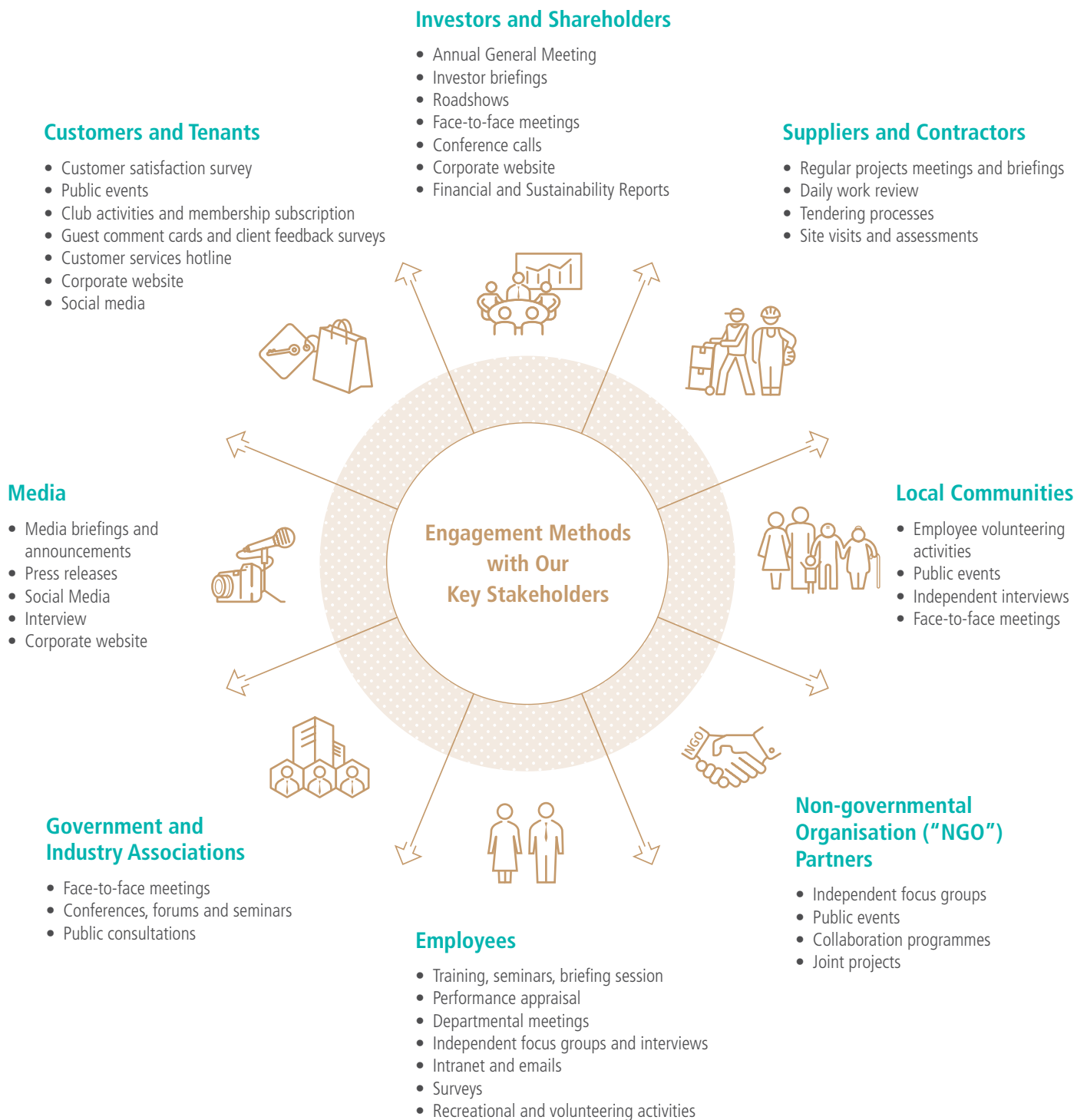


Stakeholder Engagement

Continuous engagement with our stakeholders is crucial for us to understand their views and expectations in terms of economic, environmental and social matters related to our operations. The process enables us to make informed decisions and better assess

our potential impacts. Through diverse communication channels, we regularly interact with a wide range of stakeholder groups to collect their feedback and address their concerns.

Engagement Methods with Our Key Stakeholders



During this year, we commissioned an external consultant to revisit our stakeholder profile so as to develop a comprehensive stakeholder engagement plan for the preparation of our sustainability report. We gathered views from a wide range of stakeholder groups through focus group discussions, questionnaires and interviews. The stakeholder groups engaged

for this exercise include SSC members, employees, suppliers and contractors, community partners and green NGOs as well as our end users including tenants, customers and guests. This broad selection of stakeholders allows us to understand the shifts in expectations, update the materiality matrix, and determine future sustainability strategies.

• Highlights of Stakeholder Comments and Responses from the Group



Sustainability Governance and Strategy

Employees support HHL in various sustainability initiatives and would like to know more about the Group-wide sustainability framework as well as medium- to long-term actions and goals for various divisions.

Stakeholder Comments

Our Responses

This year, the SSC reviewed its structure and added new members to reflect the changes in sustainability priorities of the Group due to business segment change. The SSC recognised the opportunity to strengthen its oversight of corporate sustainability, and is planning to establish overarching targets to align sustainability efforts across the Group.

Visit *Sustainability Governance* in this chapter for more information.



Workplace Practices

Employees appreciated the Group's efforts to promote work-life balance through various interest classes and voluntary services for staff and their families and friends, and suggested to further enhance communication platforms between general staff and management to enable the effective execution of plans and initiatives.

Stakeholder Comments

Our Responses

We consider employees to be the foundation of the company and value two-way communication as well as active engagement with them. We connect with our employees through a number of channels including meetings, briefings, emails, the intranet and outings. In 2016, our Property Management division introduced a mobile application to enhance communications between management and employees.

Visit *Our People* for more information.





Culture and Arts in the Community

Community partners recognised Hopewell's commitment to community development and its vision to support indie music for youth and cultural development in Hong Kong. Stakeholders were eager to see further incorporation of local culture into new development projects.

Stakeholder Comments

Our Responses

We are committed to creating a thriving community. Therefore, we always seek to preserve the characteristics of the neighbourhood and enhance its vibrancy when planning new development projects. Unique cultural elements have been incorporated into our existing operation, including the provision of platforms for arts, music and cultural exchange in the local community. In 2016, 1563' at the East Live House & Restaurant was created as a place for dining with live performance by local and international musicians.

Visit *Our Community* for more information.



Climate Change and Energy Use in Buildings

Customers and NGO partners recognised the Group as property developer in Hong Kong to contribute to the city's mitigation efforts responding to climate change. While there have been numerous green measures adopted by the Group over the years, stakeholders are interested in seeing targets related to GHG emissions and energy consumption for further demonstration of its environmental commitments.

Stakeholder Comments

Our Responses

Our longstanding philosophy of environmental protection is integrated throughout the life cycles of our buildings and infrastructures. We make ceaseless efforts to optimise energy efficiency at our buildings and explore new opportunities to incorporate green design measures into our development projects. We have made specific commitments to energy reduction in some of our operations and will continue to investigate ways to make renewable energy more viable in our operations.

Visit *Our Environment* for more information.



Responsible Supply Chain Management

Suppliers and contractors were aware of our preference on environmental and social performance during the selection process and were generally positive about the introduction of further management measures such as regular supplier surveys and self-assessment questionnaires.

Stakeholder Comments

Our Responses

Over the years, we have worked closely with our business partners in promoting environmentally and socially responsible practices in our supply chain. They are required to adhere to principles in respect of service and product quality, anti-corruption, environmental practice, occupational health and safety, and labour practices. Aiming to exert a positive influence on our supply chain, business divisions also develop their own specific procedures or guidelines which fit their business nature. We will continue to strengthen collaboration with our business partners to create a sustainable supply chain.

Visit *Our Value Chain* for more information.



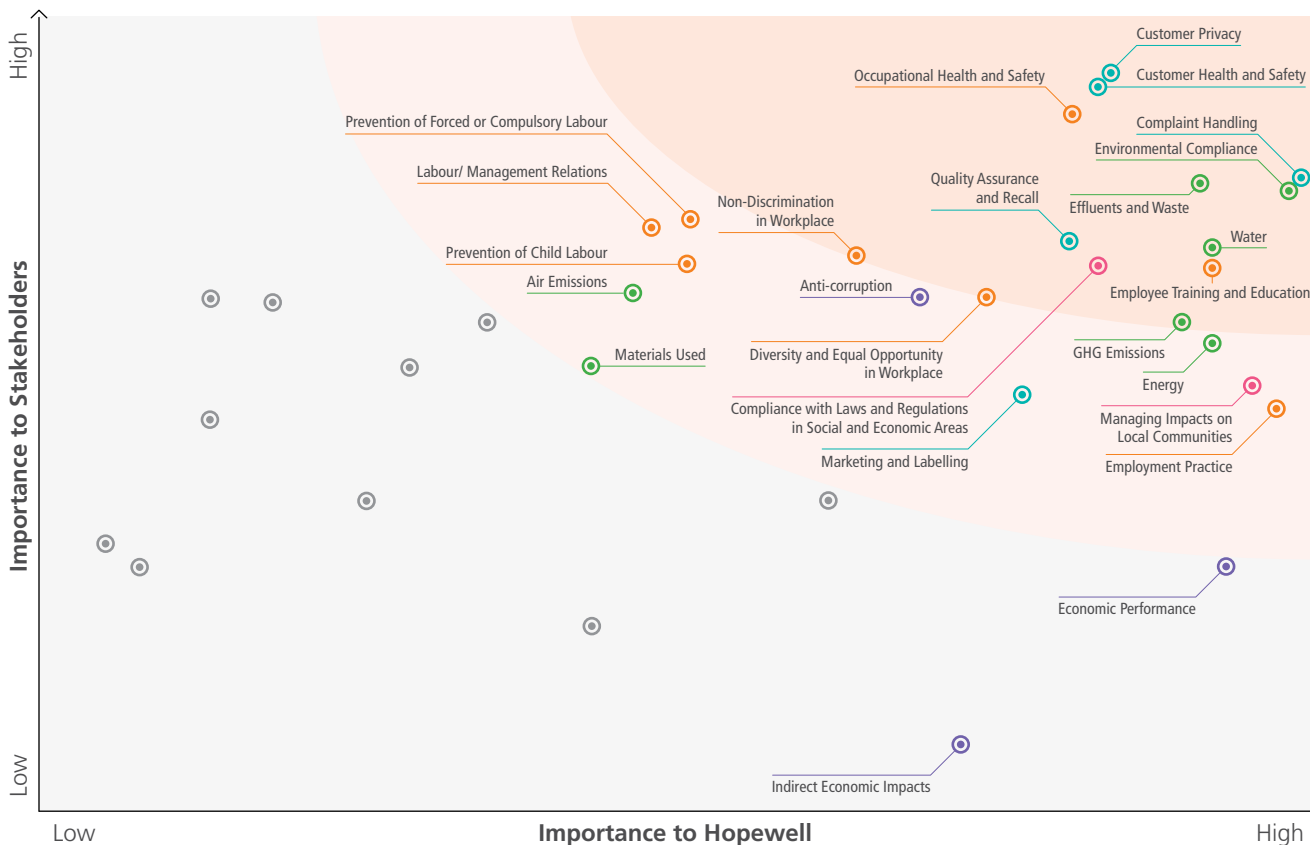
Materiality Assessment

The materiality assessment process helps us to identify and prioritise sustainability issues which have the most material impact

on the Group’s businesses and matter the most to our stakeholders. The steps are summarised as below:








• Materiality Matrix



Following the assessment, a materiality matrix was plotted with 23 identified material topics. During the validation process, two more topics were considered important to our business and thus, a total of 25 material topics are included in this report.

Topics and their Respective Boundaries

Based on the stakeholder engagement feedback, business knowledge and management review, we identified the material topics and the stakeholder groups most significantly impacted by the topics. The table below shows the full list of the material topics and their corresponding boundaries.

Category	Material Topics	Impact Boundaries			
		Employees	End-users ¹	Business Partners (Suppliers & Contractors)	Neighbouring Communities
 Economic	Anti-corruption	✓	✓	✓	
	Economic Performance	✓		✓	✓
	Indirect Economic Impacts	✓	✓		✓
 Environmental	Materials Used	✓		✓	
	Energy	✓	✓	✓	
	Water	✓	✓	✓	
	Emissions ²	✓	✓	✓	✓
	Effluents and Waste	✓	✓	✓	
	Environmental Compliance	✓		✓	✓
 Social – Employment Practice and Decent Workplace	Employment Practice	✓			
	Labour/Management Relations	✓			
	Occupational Health and Safety	✓		✓	
	Employee Training and Education	✓			
	Diversity and Equal Opportunity	✓			
	Non-Discrimination	✓			✓
	Child Labour	✓		✓	
	Forced or Compulsory Labour	✓		✓	
 Social – Product Responsibility	Customer Health and Safety ³	✓	✓	✓	
	Marketing and Labelling	✓	✓		
	Customer Privacy ⁴	✓	✓		
 Social – Community	Local Communities	✓	✓		✓
	Socioeconomic Compliance	✓		✓	

¹ End users included customers, tenants, guests and residents, etc.

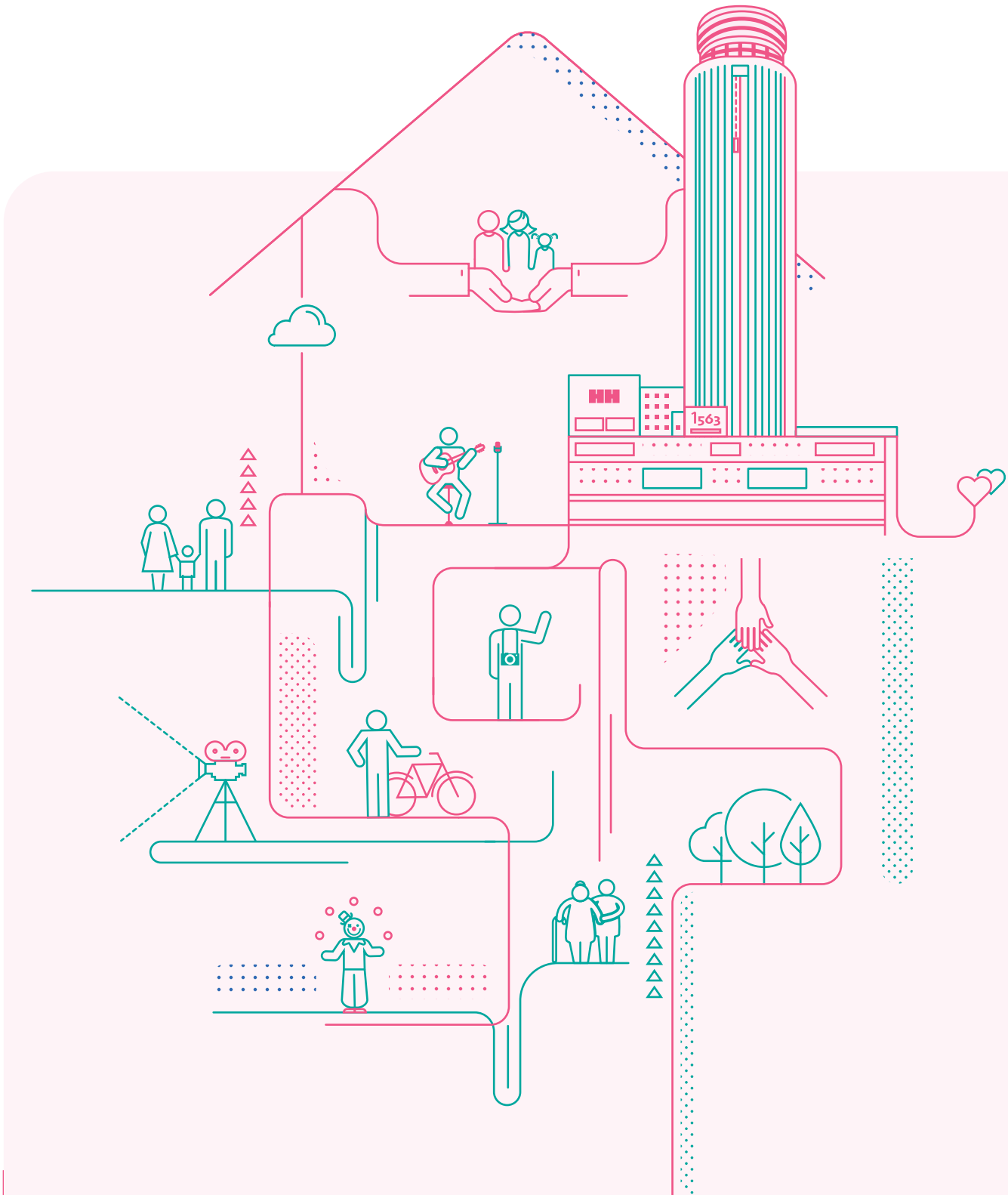
² Greenhouse Gas Emissions and Air Emissions are grouped under this topic.

³ Quality Assurance and Recall is categorised under this topic.

⁴ Complaint Handling is grouped into this topic.

Our Community

We firmly believe in creating win-win scenarios where we support the growth of the communities that enable our business to thrive and prosper.

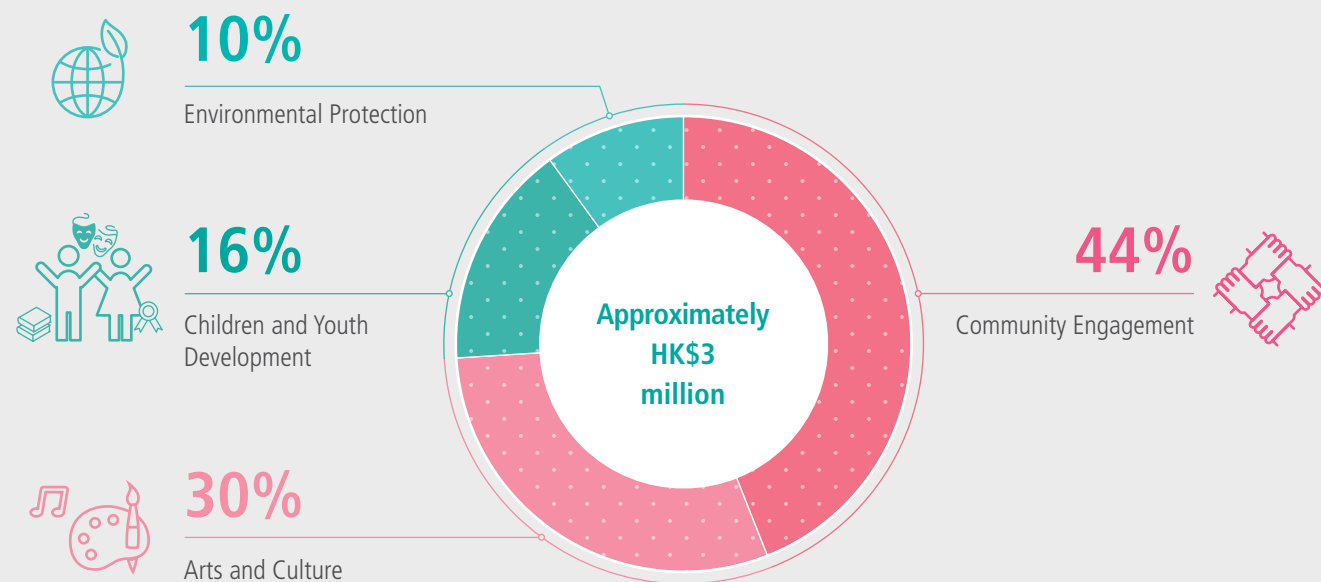


Deeply rooted in Hong Kong's society and closely knit with the local community, Hopewell has a long history of flourishing with Wan Chai since its establishment over four decades ago. We firmly believe in creating win-win scenarios where we support the growth of the communities that enable our business to thrive and prosper. We have contributed abundant resources in supporting community engagement and development programmes to cultivate the vitality and vibrancy of Wan Chai district and the wider community.

Our CSR Sub-committee was established to support the SSC in reviewing and implementing the assigned sustainability initiatives. We also promote volunteerism among employees through our "HH Social Club".

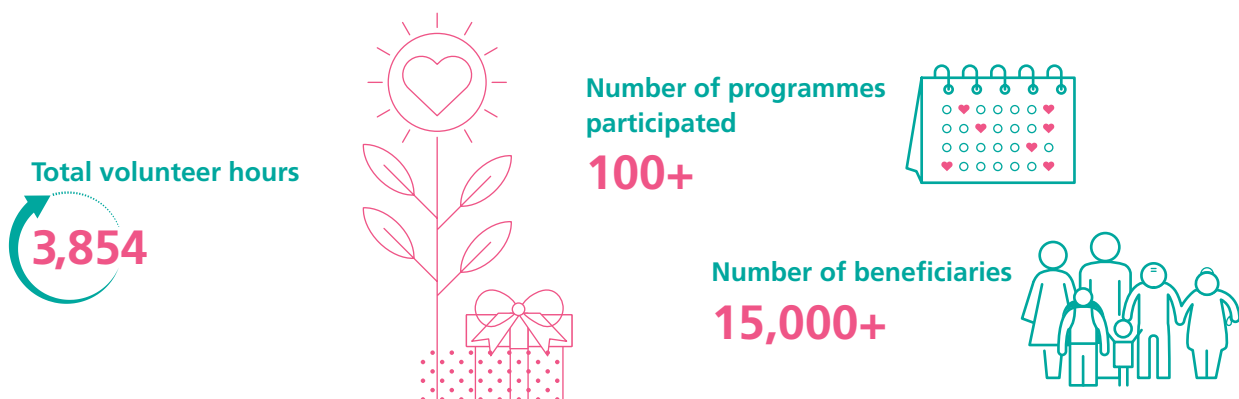
We adopt a multi-stakeholder approach as we work closely with employees, NGOs and community partners to promote CSR initiatives under four pillars: community engagement, children and youth development, environmental protection, and arts and culture.

• Total Value of Donations and In-kind Sponsorships



During the year under review, our dedicated employees, their families and friends cumulatively contributed a total of 3,854 volunteer hours to make a positive social impact. An approximate total of HK\$3 million were contributed to

our community partners through donations and other in-kind sponsorships, in which over 15,000 beneficiaries were served in these programmes.



• **Community Programme Highlights in 2017/2018**



COMMUNITY ENGAGEMENT

Community care is ingrained in our corporate culture. We are motivated to improve the quality of life of the community through our services. In addition to providing business services, we have a long-standing tradition of serving the community and promoting social integration through a series of volunteer activities and community programmes.

We have actively participated in and supported various charitable fundraising events, and magnified the impact by encouraging the participation of our employees and their families as well as the wider community. Some of the highlights are below:

Organisation	Community Programme
Heifer Hong Kong	Heifer Race to Feed 2017
The Community Chest of Hong Kong	2017/2018 Hong Kong & Kowloon Walk
	Love Teeth Day 2017/2018
	Skip Lunch Day 2017/2018
	Dress Casual Day 2017
	Mooncakes for Charity 2017
Oxfam Hong Kong	Oxfam Partners Recruitment Campaign
Hong Kong Cancer Fund	Gala Dinner 2017
Save the Children	Light Up a Life
UNICEF Hong Kong	Charity Booth
The Nature Conservancy	The Conservation Champion Programme – Save Our Yunnan Golden Monkey
The Society for the Prevention of Cruelty to Animals (“SPCA”)	SPCA Charity Raffle 2018

Festive Celebrations with the Community

We have been cultivating family harmony and providing care to the elderly in our community. We supported the Happy Family Poon Choi Banquet, which was held at Southern Playground, for the sixth consecutive year by sponsoring 2,000 sets of HH Social Club gift packs for senior citizens and residents of Wan Chai. Likewise, Panda Hotel joined hands with Evangel Children’s Home and S.K.H. St. Christopher’s Home to organise Christmas and New Year parties for underprivileged children. A total of 60 children enjoyed a lunch buffet together with our volunteers to share in the festive joy.



TWGHs “iRun” – Hong Kong Jockey Club Special Marathon 2018

To create a harmonious community, we advocate for social inclusion of people with intellectual disabilities. In January 2018, we formed a HH Social Club team to take part in the TWGHs “iRun” – Hong Kong Jockey Club Special Marathon. The HH Social Club team completed a 3km run together with intellectually disabled athletes.

Tsuen Wan Festival Lightings Programme 2017/2018

As an active community member in Tsuen Wan, Panda Hotel sponsored the Tsuen Wan Festival Lightings Programme to light up the neighbourhood during the festive season. Decorative festival lights were installed all around Tsuen Wan, bringing joy and colour to the city.

CASE STUDY

FUNtastic QRE Festival 2017

As one of the recommended events of the Hong Kong Great November Feast, the 7th “FUNtastic QRE Festival 2017” (“the Festival”) was a lively and joyous occasion in Wan Chai which included a “QRE Carnival”. This annual festival was launched to enhance community cohesion by connecting Wan Chai community and tourists to explore the mix of old and new neighbourhoods, as well as the developments of Queen’s Road East.

This year, the Festival was jam-packed with food and drinks and DIY workshops as well as a wide variety of entertainment including Flair Bartending, yo-yo and dance performances. The “QRE Carnival” was held on 25 and 26 November at the Open Piazza of Hopewell Centre with a series of exciting programmes including two-day live performances by local artists organised by 1563’ at the East Live House & Restaurant; a series of dance performances ranging from Hong Kong Funky Dance, Piano Dance to Flamenco; and from yoyo tricks performance to fascinating bubble dance. Net proceeds from the event were donated to Foodlink Foundation, a registered Hong Kong charity dedicated to fighting hunger.

18
Live Entertainment Performances

6
Workshops



HH Social Club Tuen Ng Volunteer Programme 2018

We have teamed up with St. James' Settlement ("SJS") to co-organise our signature annual Tuen Ng Volunteer Programme for eight consecutive years. Since the launch of the programme in 2010, we have served nearly 7,000 individuals. This programme aims to share festive joy with singleton elderly during the Tuen Ng Festival season. This year, we sponsored and delivered over 1,000 gift packs including rice dumplings and daily necessities to the elderly during home visits.

To enrich this signature programme, we organised an additional Tuen Ng Movie Day at The Metroplex on 9 June 2018. Our volunteers accompanied the elderly on a day out to connect with the community through movie-watching and a dim-sum lunch.

100 
volunteers

180 
singleton elderly
visited or served



Gift Packs



Rice Dumplings



It was such a fresh and delightful experience with the elderly. For some of them, it has been more than 30 years since they last went to a cinema. This has been a fun activity that encouraged singleton elderly to expand their social network and to leave their home more often.

Ms. Yvonne Lo, Senior Manager (Continuing Care Service) of SJS

CASE STUDY

Apart from the Tuen Ng Movie Day, 70 volunteers from our HH Social Club visited 90 singleton elderly in June 2018. Volunteers were trained to introduce various community resources available in the neighbourhoods of the elderly and encouraged them to reach out to the community.



..... encouraged the elderly to reach out to the community



“ This is my fifth year joining the Tuen Ng Volunteer Programme. What makes me continue joining this programme is the feeling of contentment sharing love and joy with the singleton elderly. Besides, I also learnt from them the importance of kindness and understanding, how to face problems optimistically and be thankful. ”

Edmund Yau, Front Office, Panda Hotel



CHILDREN AND YOUTH DEVELOPMENT

As children and youth are tomorrow's leaders, we have been investing in a better future by supporting children and youth development. Through a variety of community programmes, we work closely with various social partners and organisations to unleash the full potential of the next generation.

Children and youth are tomorrow's leaders

Panda Summer School

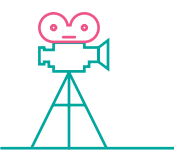
Panda Summer School creates a series of activities for children with a distinct theme each year. This year, the theme was set as "A Cooking Journey" which included cooking classes, handicraft workshops and a kitchen tour at a restaurant at Panda Place. A number of classes focused on proper table manners, customer service skills and how to run a kitchen. This programme provided learning opportunities for the children to take responsibility and enhance their interpersonal skills.



Learning Tours and Hotel Visits

To support youth career development, we organised seven visits to Panda Hotel in partnership with various organisations, including Yan Oi Tong and the Po Leung Kuk Life Planning and Financial Education Centre. More than 180 students participated in the hotel visits to gain more understanding of hotel operations and the hospitality industry. The Metroplex supported the Work Experience Movement organised by the Education Bureau of Hong Kong to cultivate students' interest in the film industry. In 2017/2018, eight secondary school students were given a one-day experience to have a taste of working at a cinema. Moreover, The Metroplex also collaborated with Hong Kong International Film Festival Society to provide 276 secondary students with a sharing session on cinema operations and filmmaking development as well as industry sharing from their business partner.

Supporting Students in Filmmaking



For years, we have been encouraging young talent to pursue a career in filmmaking through venue sponsorships for short film competitions and film screening project for graduates. During the reporting year, over 350 graduates from the Academy of Film of Hong Kong Baptist University ("HKBU") and the Hong Kong

Academy for Performing Arts presented their final year projects and graduation screenings at The Metroplex. In addition, we also supported a group of secondary students to play a 12-minute documentary of their community project under the Project Vista 2017: Closing Ceremony cum Documentary Sharing.

CASE STUDY

Hopewell Junior Volunteers Programme 2017/2018

We recognise the importance of nurturing our children. Joining hands with SJS, we organised the Hopewell Junior Volunteers Programme for the third consecutive year. Since 2015, the programme has served 220 students and contributed over 730 volunteer hours. Supported by HH Social Club volunteers and their children, the programme successfully fostered friendships and encouraged personal growth among primary students. This year, we had organised below activities:

Over **730** volunteer hours contributed

Number of beneficiaries:

220



Horse Riding Day



Graduation Ceremony



Golf Experiential Day



Table Manner Workshop

CASE STUDY

Apart from arranging the above extra-curricular activities, students from partner school also participated in eight Fabric Collage Workshop lessons to learn basic techniques such as sewing and collage, and designed their own unique upcycling

artwork using reusable fabric. Selected artwork including Photo Frame, Animal Clock, Tote Bag and 3D Bird Table Lamp were exhibited at Panda Place to showcase the students' creativity and achievements to the public.



Fabric Collage Workshop

3D Bird Table Lamp



Artwork Exhibition at Panda Place



Animal Clock & Frame



6 We are privileged to have the support of Hopewell in this programme and believe that our students have developed their social skills and achieved personal growth. The students like the programme very much especially the artwork exhibition held at Panda Place which provided a valuable experience for them to showcase their creative work and effort to their family and friends. This initiative is a good example of collaboration between the school, NGO and commercial organisation on various possibilities. 9

Ms. Hung, Teacher of The Methodist Church HK Asbury Methodist Primary School

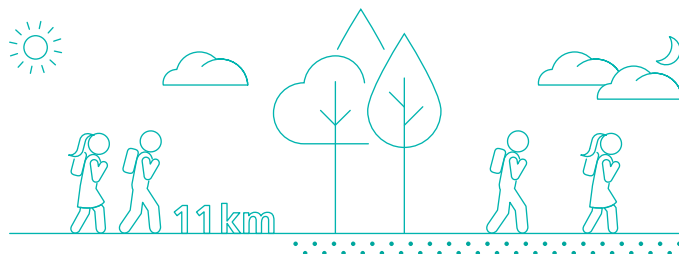


ENVIRONMENTAL PROTECTION

Enhancing awareness is essential in driving environmental sustainability in the community. Therefore, we have organised and actively participated in multiple environmental programmes to strengthen green knowledge and awareness among our employees and community members through personal involvement.

Walk for The Green Earth 2018

To spread the message of “Cherishing the Earth”, we sponsored 10 employees to join the Walk for The Green Earth 2018 to promote a non-wasteful green lifestyle. Our employees completed an 11km intensive nature night walk in Sai Kung East Country Park from day to night. They have learnt to appreciate nature and a green lifestyle.



Wan Chai District Bookcrossing Exercise 2017

Co-organised with the Wan Chai District Council Cultural and Leisure Services Committee and Hong Kong Sharing, the Wan Chai District Bookcrossing Exercise encouraged the public to “recycle, read and share” their books. We continued to support this campaign by arranging a book shelf at Hopewell Centre so that people can share their old books. Old books collected from this campaign reached new owners, instead of becoming paper waste.

Food Grace Mooncake Collection Programme

A large amount of mooncakes are disposed of after Mid-Autumn Festival in Hong Kong. To reduce food waste, we participated in the Green Mid-Autumn Festival 2017 Campaign organised by Food Grace. Over 100 mooncakes were collected at The East and redistributed to those in need.

Butterfly X Street Art – Link Up City with Nature

The East engaged with Green Power to enhance public awareness of butterfly conservation. A large-scale butterfly-themed art festival with a two-day butterfly-themed workshop, handicraft market, appreciation tour and art installation was held in October 2017. There were 28 booths showcasing green products and the event successfully attracted more than 1,000 visitors.



ARTS AND CULTURE

Supporting the development of arts and culture enables a flourishing vitality and vibrancy in our society. Therefore, we frequently organise and sponsor different kinds of programmes to promote arts and culture and enhance creativity in our community.

Neon Music Box

Recognising the importance of local music development, The East partnered with 1563' at the East Live House & Restaurant to organise "Neon Music Box" inviting local indie bands and artists to perform at the Open Piazza of Hopewell Centre. The enticing music gigs promoted local music to audiences and were welcomed by the Wan Chai neighborhood and tourists.

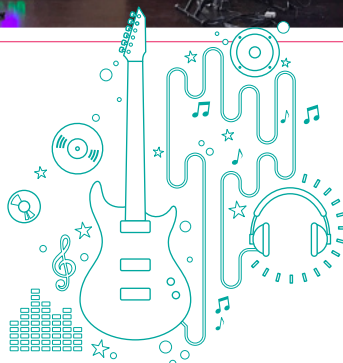


Festive Music Performances

We invited NGOs, schools and churches to arrange music performances at The East during Christmas and Chinese New Year. The performances by leading choirs and local talent serenaded the Wan Chai neighbourhood with a festive vibe.

Ear Hub 2018

Bringing international indie music to the local scene, we sponsored the Renaissance Foundation to organise Ear Hub 2018 at KITEC and 1563' at the East Live House & Restaurant - a music expo and concert showcase of indie bands from Mainland China, Japan, Korea and Taiwan. Local and international bands, producers or music labels participated in sharing sessions about the marketing strategy of indie music in Asia, providing great learning opportunities for up-and-coming musicians.



A Taste of Cuba - Mini Film Festival

To enrich the cultural offerings in the city, The Metroplex organised a mini film festival named "A Taste of Cuba" from 11 May to 20 May 2018 to screen seven selected Cuban classics, contemporary films and documentaries. Audiences were able to experience the colourfulness of Havana and learn about Cuban culture. Showcasing the sensational beats of Cuban music, The Metroplex invited famous Cuban musician David Chala and his band Banda Orbita to perform at the CUBAN MUSIC NIGHT at 1563' at the East Live House & Restaurant.



CASE STUDY

2017 Sundance Film Festival: Hong Kong

Sharing the same vision with the Sundance Institute in discovering and supporting innovation in filmmaking as well connecting the audience with independent filmmakers, The Metroplex co-organised the Sundance Film Festival: Hong Kong with the Sundance Institute for the fourth year.

12 highly-acclaimed and award-winning independent films were shown at The Metroplex between 21 September to 1 October 2017 along with an array of engagement activities

such as panel discussions, a directors meet-and-greet and an exhibition. We believe this meaningful collaboration will greatly benefit young local independent filmmakers and arouse the interest of upcoming talent.

Sundance Institute and The Metroplex also launched the second edition of the Sundance Film Festival: Hong Kong Short Film Competition, which provided a precious opportunity for rising filmmakers to gain international exposure and recognition.

Opening Night & Short Film Competition Awards Ceremony



Filmmakers' Panel Discussions



Exhibition & VR Zone



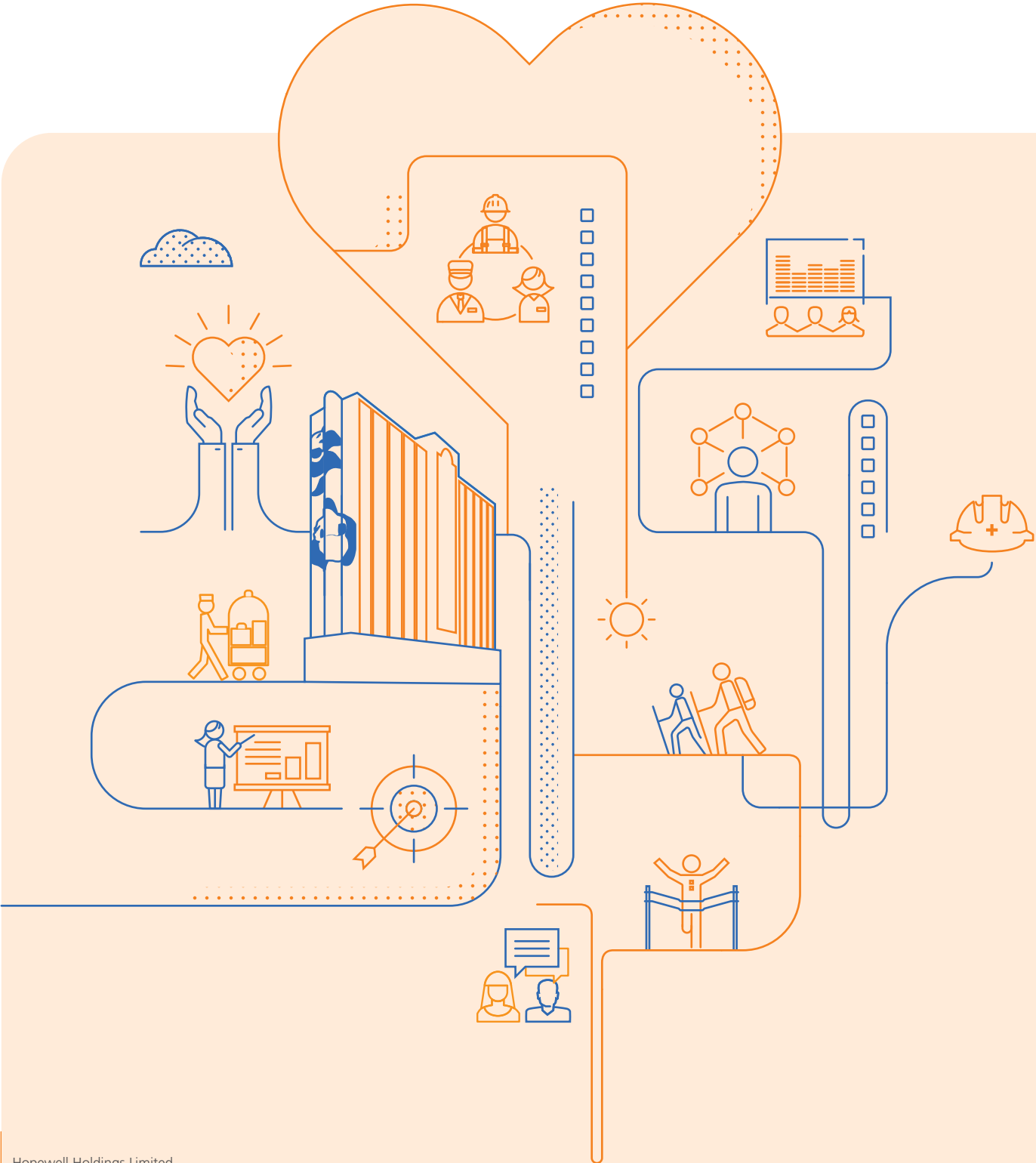
Directors Meet and Greet

“The fourth edition of the Sundance Film Festival: Hong Kong is bolder and richer this year. We remain committed to supporting the strong emerging independent film culture in Hong Kong, including showcasing the local winners of this year’s Short Film Competition. Together with Sundance Institute, we look forward to growing this world-class film festival into a must-attend event for moviephiles in Hong Kong.”

Josephine Lam and **Stuart Wang**, Directors of The Metroplex

Our People

We espouse a merit-based culture where honesty, integrity and fair play are core values for upholding a high standard of business ethics.

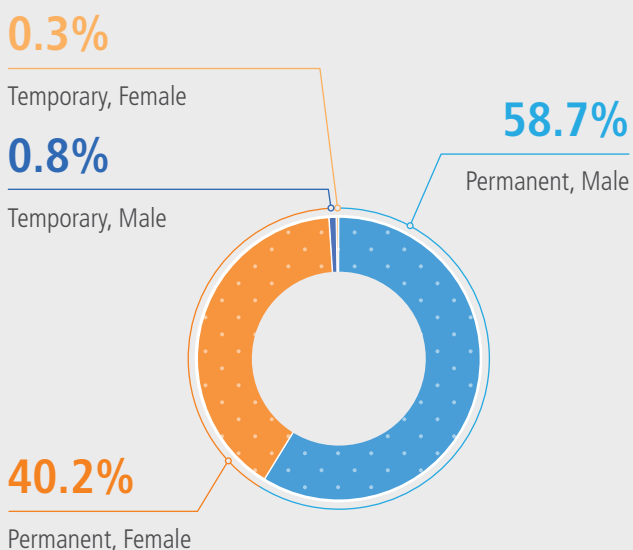


Employees are our greatest asset contributing to the continuous growth and development of the Group. We espouse a merit-based culture where honesty, integrity and fair play are core values for upholding a high standard of business ethics. We are fully committed to providing a supportive, inclusive, safe and harmonious working environment for our employees to fulfill their professional and personal aspirations. We work to build a professional team dedicated to delivering excellent services to our customers and tenants.

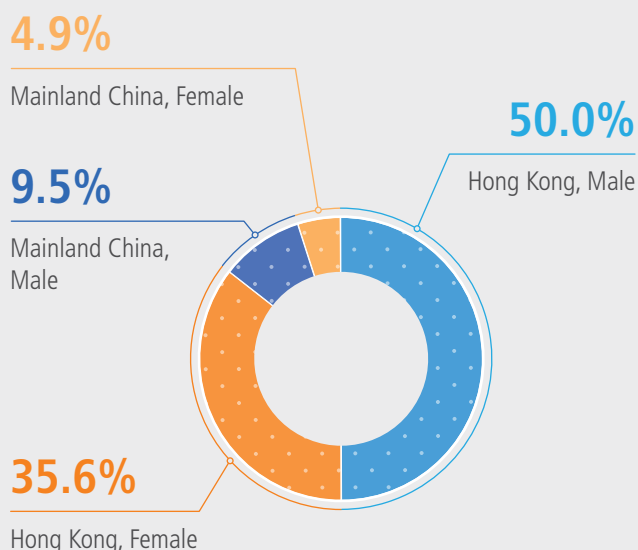
HUMAN CAPITAL PROFILE

With our diverse business operations, our employees span different business units in both Hong Kong and Mainland China. At the Group, we have a strong and competent team with more than 1,300 employees supporting all our operations and subsidiaries.

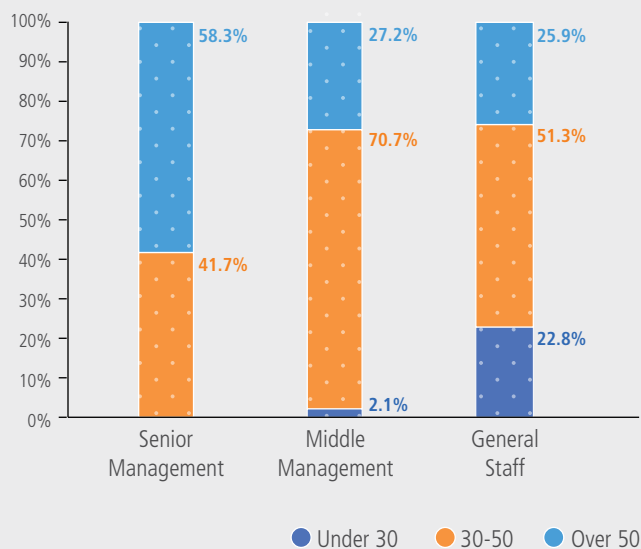
• Breakdown of Workforce by Contract Type by Gender



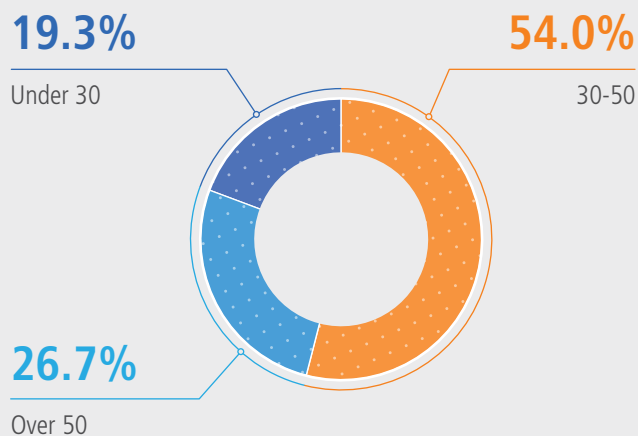
• Breakdown of Workforce by Region by Gender



• Breakdown of Workforce by Employment Category by Age



• Breakdown of Workforce by Age



FAIR AND EQUAL WORKPLACE

We cherish our employees and treat them with respect and dignity in a safe environment free from discrimination and harassment. All employees are protected by the Equal Opportunity Policy to ensure fair opportunities during the recruitment process and at the workplace regardless of age, gender, pregnancy, marital status, family status, disability, sexual orientation, religion and race.

Our **Code of Conduct** reflects Hopewell's core values and explains expectations to our employees on issues including bribery, conflicts of interest, relations with suppliers and contractors, investors, customers and consumers. In addition, we also provide clear guidance on confidential grievance channels for our employees to raise their concerns. All business divisions within the Group are in compliance with all applicable laws and regulations related to employment practices and prohibit the employment of child or forced labour.

We offer attractive remuneration packages which include an array of benefits such as medical care, retirement schemes, discretionary bonuses and a range of leave entitlements. To ensure our remuneration package is competitive against industry standards, an external and internal salary benchmarking exercise is conducted annually.

TALENT ACQUISITION

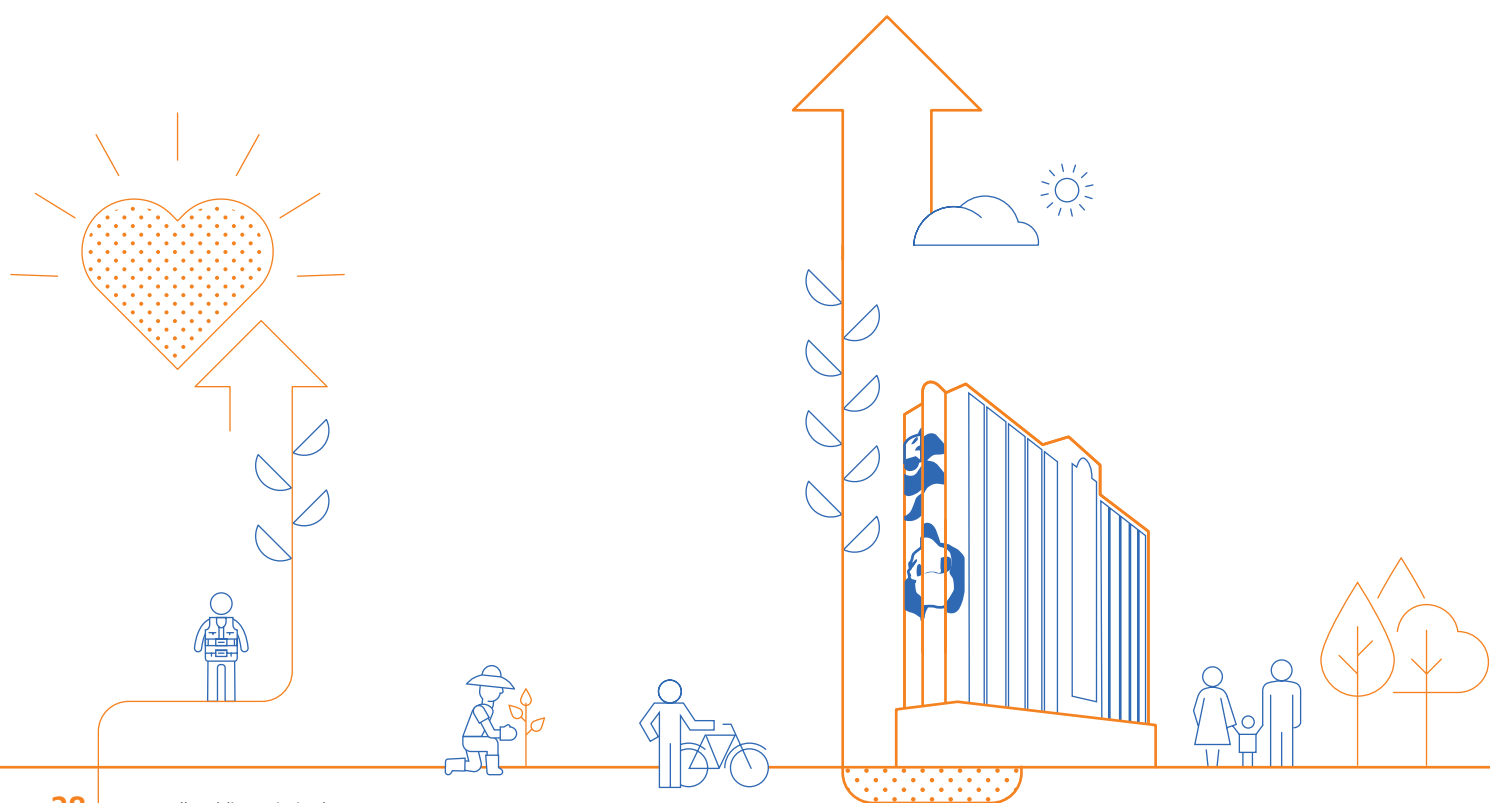
The Group is committed to building a professional team through talent acquisition and recruitment. Our employees share the Group's values and support Hopewell's vast business portfolio. Through industry networks, regular career talks, recruitment days and job fairs, we attract individuals with diverse backgrounds who can contribute their unique experiences and ideas to strengthen the Group's capabilities. We tap into the younger generation through our Summer Internship Programme which inspires undergraduate students to kick start their career planning through practical work experience and career coaching opportunities. During the reporting year, we recruited 16 undergraduates under this programme.



Industry Networks

Regular Career Talks

Recruitment Days



CASE STUDY

Developing Future Talent through the Management Trainee Programme

It is our firm belief that cultivating leadership and unveiling the potential of future talent is vital to the development of Hopewell. For more than a decade, we have fostered young talent through our 24-month management trainee (“MT”) programme. During the training period, MTs rotate across our business divisions (covering property, hospitality and corporate functions), exploring different roles while acquiring the necessary skills for advancing to managerial positions.

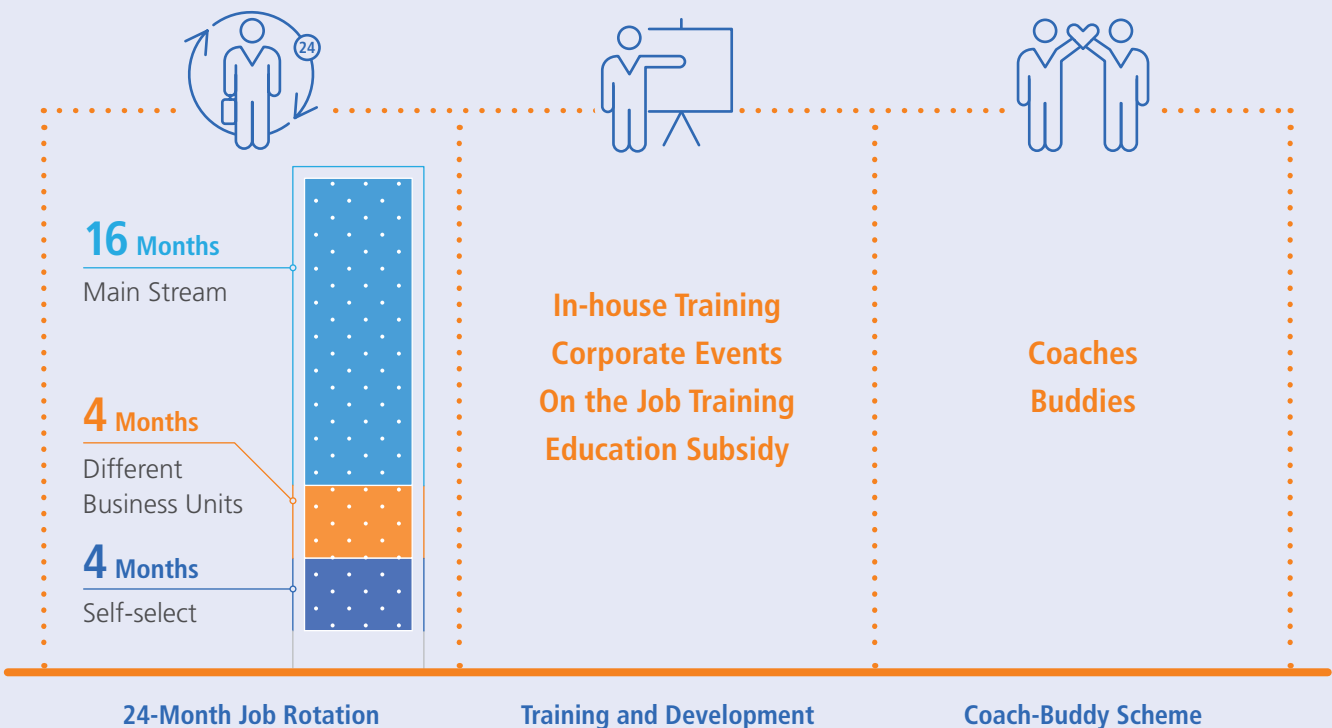
Our coach-buddy scheme makes our MT programme distinct. The programme provides two supporting channels to ensure MTs are supported adequately throughout the programme.

MTs have the opportunity to be coached by our senior management and this experience in turn helps to inspire their career goals. Our former MTs as buddies offer advice and share their experience with current MTs.



In 2017/2018, there were over **1,700** applicants for the MT programme.

• 24-Month Management Trainee Programme



“Hopewell provides me with invaluable opportunities to learn business analysis and master the art of management. I am also encouraged to take up challenging tasks. Through the well-structured two-year programme, I expect to make significant progress and I am confident I can contribute more to the Company and society.”

David Poon, Senior Project Development Officer (2016 MT Intake - Hospitality)

TRAINING AND DEVELOPMENT

We promote a culture of lifelong learning and support our employees to achieve their full potential. To ensure our team remains competitive and resilient in an ever-changing business environment, we proactively engage our employees to assess their training needs. We offer internal and external training programmes which focus on a wide spectrum of topics such as professional development, skill enhancement, corporate culture, occupational health and safety as well as regulatory compliance. These training programmes are tailored to meet the needs of each business unit. To prepare for emerging challenges, we encourage and provide education subsidies to our staff to pursue external training programmes.



During the reporting period, over **6,000** hours of training were conducted, representing an average of **4.6** training hours per employee.

Percentage of Training Hour by Catagories



2%

Regulatory Compliance



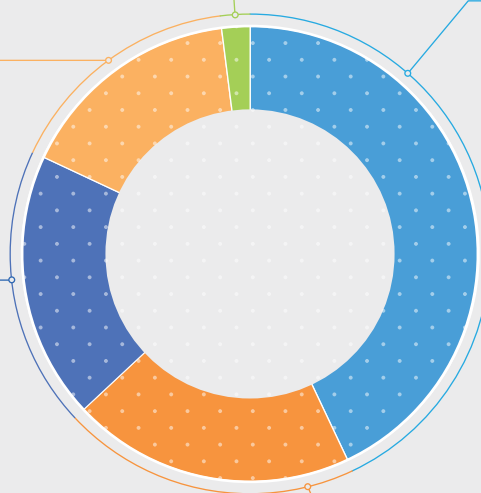
16%

Professional Development



19%

Corporate Culture Development



43%

Skill Enhancement



20%

Occupational Health and Safety



CASE STUDY

E-Communication and Learning Platform

In 2016, our Property Management division launched a mobile application as an additional communication channel between executives and employees. The application also complements our traditional classroom training and allows our employees to access training courses at any time.

Training roadmaps are custom-built with specific courses and electives assigned to employees according to their job nature. Over 300 videos are available on this self-directed e-learning system, with more than 1,000 views during the reporting year. It serves as an online resource centre for employees to acquire relevant information and knowledge. Featuring an achievements dashboard, employees have a clear picture of their quiz results and learning progress. Tokens will be given to employees with high scores under the reward programme.



- Access Training Courses at Any Time





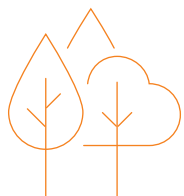
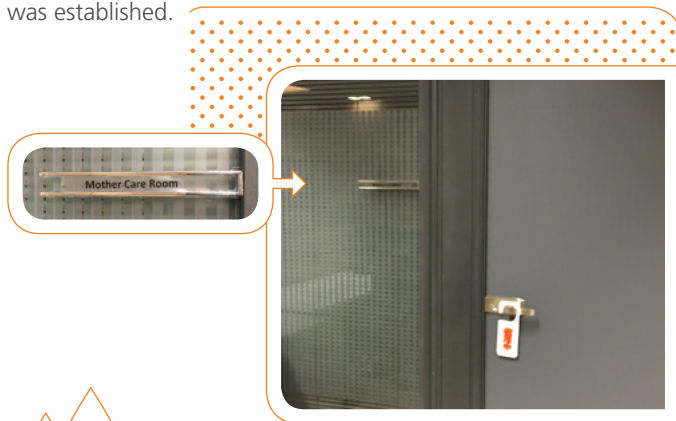
EMPLOYEE ENGAGEMENT AND WELLNESS

Staff engagement is essential to uphold healthy and harmonious work relations. We value open communication and adopt various communication channels such as a mobile application, the intranet, notice boards, a suggestion box, memos and departmental meetings. To enhance employees' physical and mental wellbeing as well as team spirit, we organise leisure activities such as annual outings, quarterly birthday celebrations, and a Christmas party. An Employee Assistance Programme offers our employees and their immediate family members a complimentary 24-hour confidential counseling hotline service.

As a family-friendly employer, we aim to accommodate the needs of working mothers at Hopewell. We support the "Say Yes To Breastfeeding" Campaign organised by the United Nations Children's Fund ("UNICEF") Hong Kong. A Mother Care Room was set up at our corporate office during the reporting year and an internal guideline on creating a breastfeeding-friendly workplace was established.

6 Breastfeeding can be challenging, especially when returning to work after maternity leave. I really appreciate my company providing such a comfortable and private environment in our office for working mothers and allowing lactation breaks. Prolonging the breastfeeding period definitely benefits both my baby and myself. 9

Clara Lee,
Human Resources, HHP Management Services Limited



Set up in 2011, HH Social Club promotes voluntary service among staff and employee wellness. To enhance the sense of belonging among employees, HH Social Club organised a variety of activities such as volunteering, green activities, leisure activities, and interest group events. We continuously seek out new opportunities to partner with organisations who share the same vision as the Group to enrich our staff activities and make the overall experience more rewarding. This year, we collaborated with a number of social enterprises to integrate a volunteering element into our interest classes. This provides opportunities for our employees to explore new interests and build team spirit while contributing to the community.

CASE STUDY

Mother's Day Cake Baking Workshop

During the reporting year, HH Social Club partnered with the Evangelical Lutheran Church Social Service to hold a Mother's Day Cake Baking Workshop at Caritas La Vie Bakery. 15 volunteers from HH Social Club worked hand in hand with 11 youths to bake and decorate Mother's Day cakes to express gratitude to their loved ones.

Besides cake baking, volunteers from various business units shared their working experience with youth participants to broaden their concept of career planning.



• Highlights of Staff Activities in 2017/2018

Total Body Resistance Exercise (TRX) Training



Calligraphy Workshop



Christmas Party



Movie Day



Annual Dinner



Race to Feed 2017

OCCUPATIONAL HEALTH AND SAFETY

Ensuring Occupational Safety and Health (“OSH”) for our employees is a foremost task. We aim to achieve zero incidents by complying with OSH standards recommended by the Hong Kong Government, and relevant laws and regulations. Given the diversity of our business portfolios, our business units develop their own safety requirements which are specific to their unique workplace conditions. In addition, we maintain a list of qualified first aiders to ensure the provision of immediate care. All our frontline employees are required to attend briefings and training sessions on various OSH topics such as fire safety, first aid and occupational stress. Feedback surveys are conducted after trainings and seminars to evaluate effectiveness for the purpose of continuous improvement.

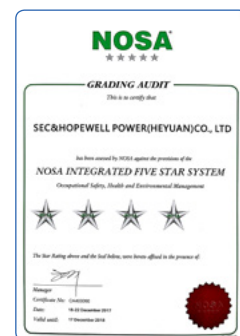


During the reporting year, over **1,500** attendees participated in training related to health and safety.

Safety briefings are conducted during orientation for new staff and at monthly staff meetings at our properties. Fire Marshals are appointed to raise employee awareness of fire safety at the workplace and fire drills are held regularly. In the Property Management division, the latest safety information and OSH

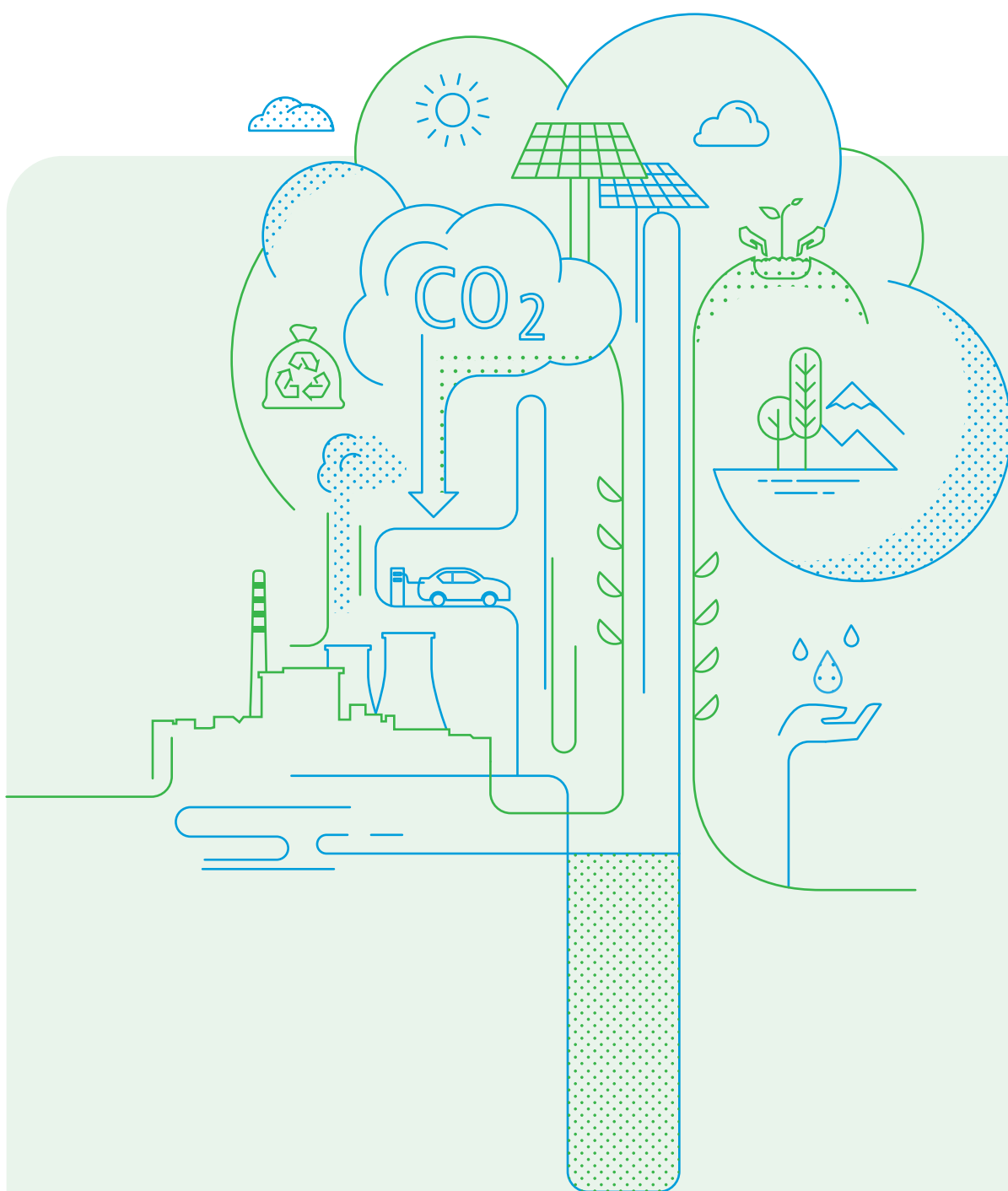
tips are shared through the mobile application. KITEC has set up an Occupational Safety and Health Committee since 2003. Comprising all department heads, the committee conducts regular meetings, site visits and safety audits to safeguard workplace safety and monitor all OSH issues. The committee also ensures that their safety systems comply with applicable laws and regulations in relation to their operations. In the year under review, Panda Hotel subscribed to the Occupational Safety Charter to promote safety management and culture in the workplace.

Likewise, at Heyuan Power Plant, the Occupational Safety, Health and Environmental (“SHE”) Management System enables the effective implementation of relevant local and national laws and regulations as well as industry standards, which covers all employees, contractors and suppliers. The safety department holds monthly meetings to monitor performance and review the effectiveness of various SHE measures at the power plant. In December 2017, we achieved a four-star rating in the National Occupational Safety Association (“NOSA”) Integrated Five Star System as recognition of our efforts in occupational safety, health and environmental management.



Our Environment

We make earnest efforts to protect and enhance our surroundings so as to create a liveable environment for all of our stakeholders.



Taking a holistic approach to sustainable development, we make earnest efforts to protect and enhance our surroundings so as to create a liveable environment for all of our stakeholders.

Our approach towards environmental responsibility is stipulated in our Sustainability Policy which states our commitment to achieve continuous improvement in our environmental performance and extend sustainable practices along the value chain.

ENVIRONMENTAL STEWARDSHIP AT HOPEWELL AND BEYOND

We believe in “small changes, big impacts”. Fostering behavioral change is essential to raise environmental awareness among our staff and influence our stakeholders. We actively organise and participate in a series of green initiatives such as green trips, workshops and campaigns to enrich staff’s environmental consciousness.

During the reporting year, we have continued to support Hong Kong Tree Planting Day for the fifth consecutive year. 37 HH Social Club volunteers joined more than 1,700 volunteers from different organisations to plant over 6,000 tree seedlings of various species at Tai Tong.

In 2018, we collaborated with World Wide Fund (“WWF”) Hong Kong to arrange a trip to Island House, where staff could explore the local natural heritage and experience a gardening activity. A total of 24 participants contributed to the City Nature Challenge, an international campaign to record wildlife in cities across the globe and share information via the “iNaturalist” app.



Tree Planting Day



Trip to Island House



iNaturalist app



CASE STUDY

Spreading a Green Message at Hopewell Annual Dinner 2018

To promote eco-living among our staff and guests, we pledged to support Green LUCK Banquet at this year’s Annual Dinner. Green banqueting with elements of vegetarian diet, no waste, and no shark fin were adopted. Collapsible cups were prepared as souvenirs for our staff and guests to encourage reuse and reduce behaviours.



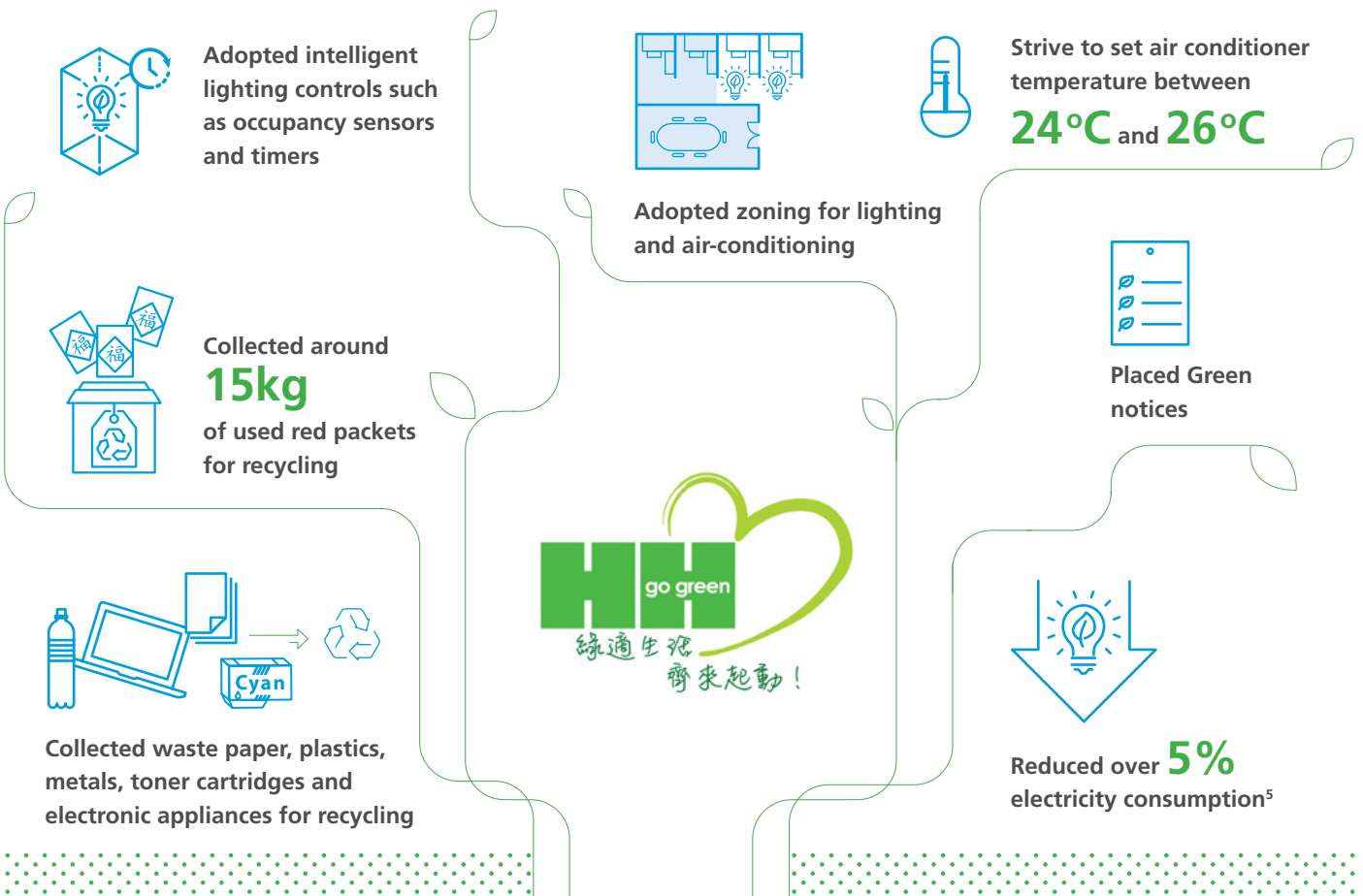
Aiming to raise public awareness and promote sustainable living to the wider community, we continue to support various external environmental programmes. Every year, we participate in the WWF Earth Hour campaign to combat climate change by switching off all non-essential lighting at our commercial buildings. We are also a signatory of the Charter on External Lighting launched by the Environment Bureau ("ENB") to promote minimisation of energy wastage and light nuisance to the neighbouring community.



We cultivate environmental stewardship among our stakeholders and support them to adopt a green lifestyle. Green and sustainable menus are available at our hotel and restaurants to provide more dining options to our customers, including a green wedding banquet menu and seafood item recommendations from the WWF-HK's Seafood Guide.

Green Office Management

Our "Go Green Workplace" campaign not only seeks to improve the environmental performance of our office but also builds a lasting green culture. Green Captains from various departments are nominated to drive and execute green office measures. Below are some of the highlights:



With our concerted efforts to promote a greener workplace, we received the Green Office Award Labelling Scheme for the third consecutive year. This award requires passing an assessment covering topics such as energy, water, waste, procurement, IT use, education and awareness.



⁵ The electricity reduction at our corporate office is calculated against 2016/17.

ENERGY EFFICIENCY AND EMISSIONS CONTROL



As a responsible corporate citizen, we consider it our duty to contribute to national and local commitments to reduce energy consumption in order to combat climate change.

We support the Hong Kong Government's vision to build a climate resilient future by implementing measures in line with the Energy Saving Plan of Hong Kong's Built Environment 2015-2025 and Hong Kong's Climate Action Plan 2030+. In view of this, we actively support government initiatives such as the Energy Saving Charter, the 4Ts Charter and the Energy Saving Champion Scheme.

Energy Optimisation and Facility Management

Given that buildings account for more than 90% of electricity usage in Hong Kong, we aim to manage our buildings and operations in an energy efficient way. Some of the buildings we manage have attained the ISO 14001 environmental management system certification whilst other buildings adhere to the same principles and standards for property management. Our Property Management division established the Green Office and Facility Energy Efficiency Guidelines which specifies instructions concerning energy saving practices for facilities management.

We seek every opportunity to improve our energy performance along with our continued business growth. In addition to regular monitoring and inspections, proper maintenance of facilities and equipment is crucial for better resource management. We constantly review and invest in facility enhancement projects in phases to adopt more energy-efficient options, with the following highlights during the reporting year.

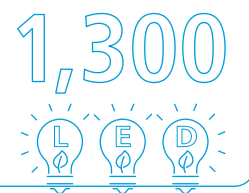
One of the major initiatives we made was the chiller retrofitting project at Hopewell Centre which replaced an air-cooled chiller by an oil-free water-cooled chiller. Electricity consumption was reduced by around 12% compared to last year.



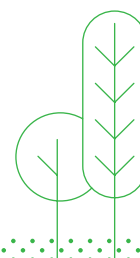
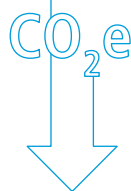
In early 2018, KITEC replaced five sets of air handling unit that can potentially improve their performances by 33%. In addition, drift eliminators and fills in 4 sets of Marley Water Cooling Tower were replaced to resume the original design of heat rejection efficiency and hence reducing energy consumption.



To widen the adoption of energy efficient lighting, we have launched a progressive plan to further replace conventional lamps with LED at our premises. This year, our property management replaced over 1,300 lighting fixtures with LED at most of our commercial and residential buildings. In the coming year, we plan to replace 115 sets of fluorescent tubes at Panda Place's carpark and achieve the full utilisation of LED spotlights at Broadwood Twelve.



With the overall savings from the above facilities enhancement projects, the annual reduction of electricity is equivalent to over **900** tonnes of CO₂e.



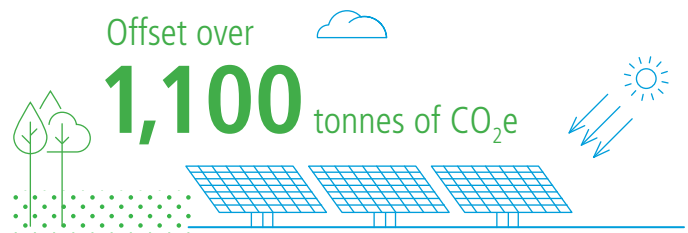
Emissions Control and Mitigation

Climate change is one of the major global challenges faced by all. China has pledged to reduce greenhouse gas emissions under the Paris Agreement and Hong Kong is required to set its operational framework to fulfill its obligation. Playing our part in both mitigation and adaptation to combat climate change, we take proactive measures to monitor and report our emissions to keep track of our performance and impacts. As a supporter of Carbon Audit • Green Partner initiated by the Hong Kong Government, we signed the Carbon Reduction Charter and carried out initiatives to reduce greenhouse gas and other air emissions across our operations.

While maintaining smooth and efficient operations is essential to delivering excellent services, we are also relentless in minimising emissions that may arise from our operations. With the launch of the carbon emissions trading scheme in Guangdong Province, we continuously monitor and review our emissions and take

the opportunity to adopt renewable technologies for reducing emissions at Heyuan Power Plant. The installed solar panels generated over 2.1GWh of clean energy in 2017/18. In support of the Hong Kong Government's plan to increase the share of renewable energy generation, we are currently studying the feasibility of making renewable energy more viable in our operations.

• Heyuan Power Plant Solar Panel



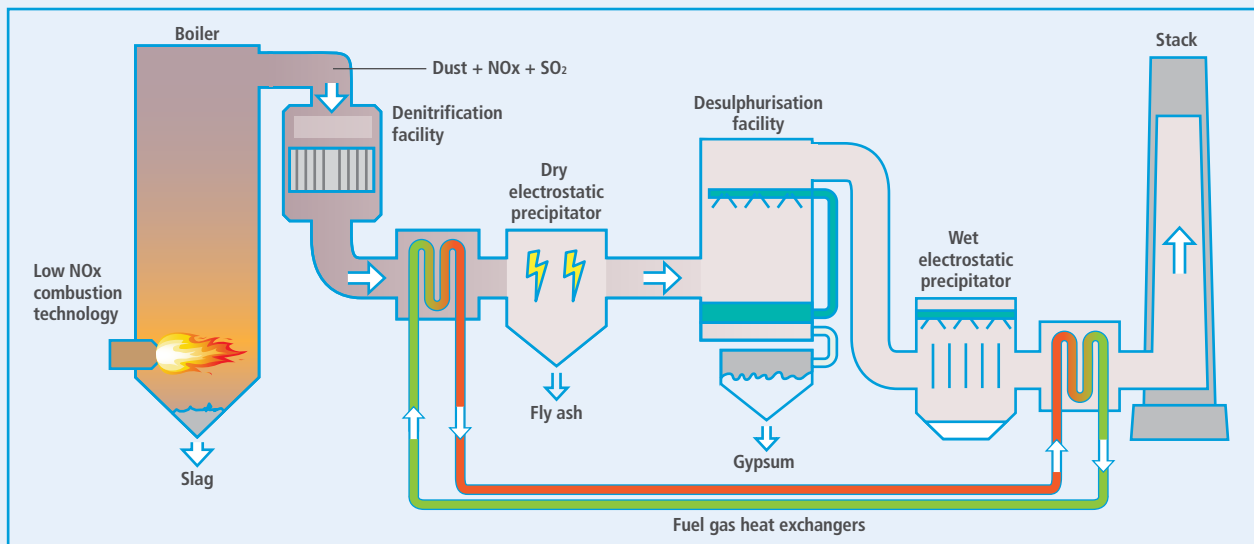
CASE STUDY

“Superlow” Emission System at Heyuan Power Plant

At Heyuan Power Plant, we strictly comply with the China Flue Gas Emission Standard at all times with the aid of a 24-hour continuing monitoring system. To further reduce emissions,

we have made significant investments to implement a “superlow” emission system to minimise the release of sulphur dioxide, nitrogen oxides and particulate matters including:

• “Superlow” Emission System



With our continuous environmental protection efforts, Heyuan Power Plant has gained the honour of “Guangdong Province

Environmentally Trustworthy (Green Label) Enterprise” for seven consecutive years.

As a business operator in densely populated areas in Hong Kong, we fully support promoting the use of electric vehicles (“EVs”) to reduce roadside emissions so as to improve air quality. We have

been pioneering the provision of EV chargers at our commercial and residential properties to cater to the needs of EV drivers.



WASTE MANAGEMENT

Increasing generation of waste continues to be a global pressing issue especially in compact cities. Proper waste management is key to alleviating the burden on Hong Kong’s landfills. We make every effort to reduce hazardous and non-hazardous wastes, and ensure that our effluent discharge meets regulatory standards. Various waste reduction and recycling programmes have been implemented across our operations.

Reduction, Utilisation and Recovery

We continue to explore and expand the types of items we can collect for reuse and recycling at our managed premises. At the same time, we find ways to minimise waste generation.

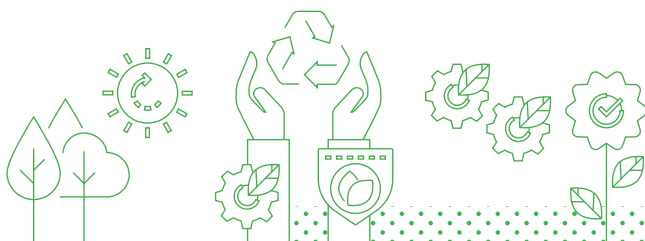
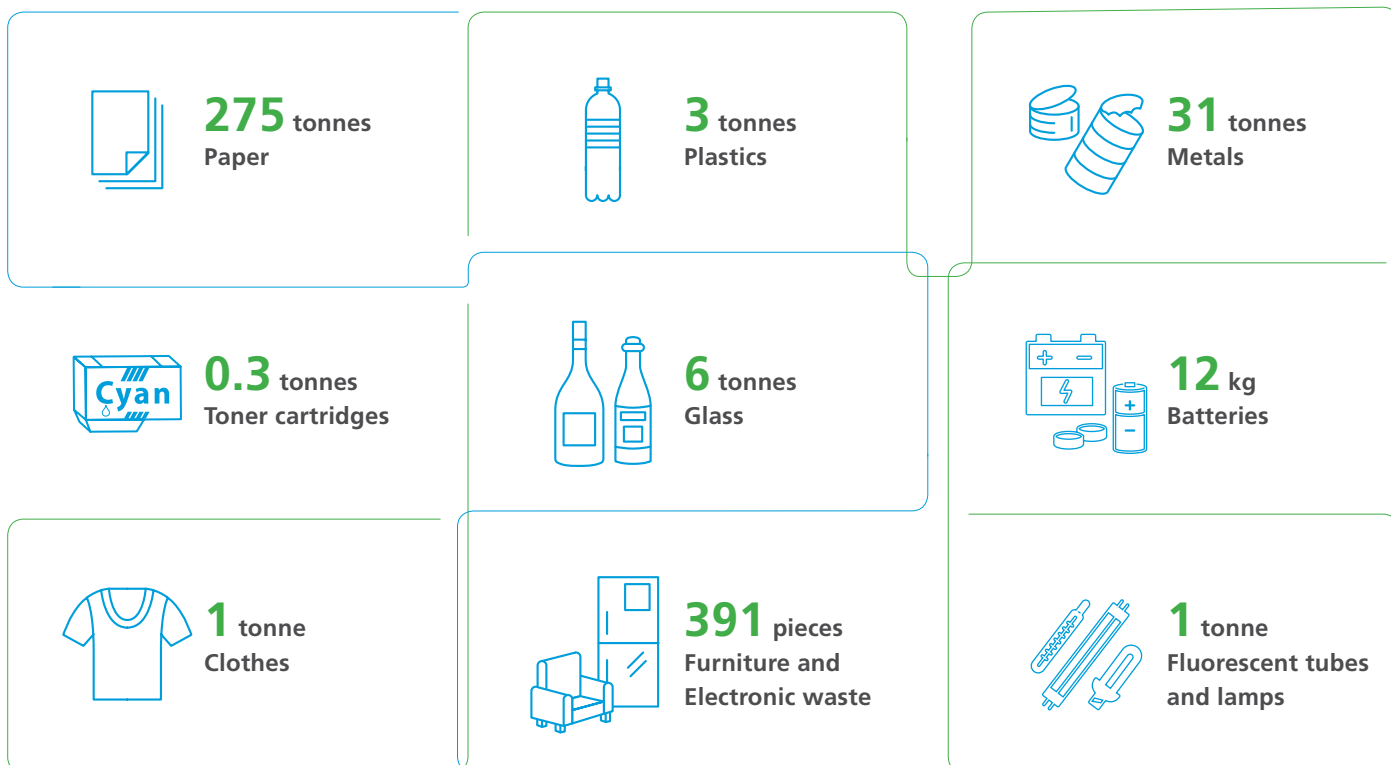
We review our operations to avoid unnecessary consumption and look for meaningful ways to utilise resources before disposal. For example, Panda Hotel installed soap dispensers in 2014 to replace single-use plastic soap bottles and reused old towels, bed sheets as well as duvet covers for cleaning.

Avoiding over
330,000
 Plastic soap bottles annually



To cultivate eco-friendly behaviour, our property management joined the “Programme on Sources Separation of Commercial and Industrial Waste” organised by the Hong Kong Environmental Protection Department (“EPD”) to encourage tenants to segregate different types of waste at source. Our continual commitment to waste management at our Property Management and Hospitality divisions has been acknowledged by the Wastewi\$e label under the Hong Kong Green Organisation Certification in the year under review.

Summary of the total recyclables collected in the reporting year:



Proper Management of Hazardous Waste

We strictly comply with all relevant laws and regulations relating to the handling of hazardous waste. Licensed contractors are appointed for proper disposal of hazardous waste. Our Property Management division has established Environmental Guidelines outlining detailed procedures for the handling and storage procedure of chemical waste. These measures are also effectively communicated to our contractors.

At Heyuan Power Plant, we achieved a 100% recovery rate of fuel ash, gypsum, slag, crystalline salt, pebble coal and sludge, which are transformed into useful building materials such as concrete, plasterboard, bricks, industrial grade salt, fuel and eco-bricks.

CASE STUDY

Food Waste Reduction Journey

According to Hong Kong Government's figures, food waste accounts for nearly 40% of municipal solid waste disposed at landfills each day. In light of this, we have taken a proactive approach to tackle food waste at our catering business since 2011. We collect food waste from Panda Hotel and restaurants managed by ITC for conversion into animal feed.

To support the Hong Kong Government's plan for food waste management, this year, we invited EPD to deliver a food waste training session with 17 participants from business units across the Group to learn more about food waste recycling as well as the Organic Resources Recovery Centre (ORRC) at Siu Ho Wan. Meanwhile, we have set up a Waste Management Task Force to prepare ourselves for the upcoming challenges on food waste as well as to study the feasibility of expanding the scope of recycling to other properties managed by the Group.



Over **430** tonnes of food waste have been collected and converted to animal feed over the past four years.



Future plans

Understanding that the municipal waste charging scheme could be implemented in Hong Kong by end-2020 at the earliest, we plan to launch a waste management study to review and better understand waste patterns at our properties.



WATER MANAGEMENT

Water is a precious natural resource essential for all living beings. We have adopted a multi-pronged approach across our operations to manage water use: by water-efficient equipment, regular monitoring and control, as well as educating our stakeholders to conserve water. Below are some of the water conservation initiatives applied at various operations.



Install dual flush toilets



Install a water-efficient dish washing system to save up to 65% of water consumption



Install water air pumping system for defrosting frozen ingredients



Conduct regular leakage tests on water pipes and water tanks



Communicate water saving tips to residents, guests and tenants



Conduct monthly meetings to review water consumption data and identify anomalies that may indicate malfunctions



Place a "green card" in hotel rooms to encourage our guests to reuse bath towels

Fresh Water



Maintaining Excellent Water Quality Supply

To ensure a clean and safe water supply, we must maintain the water plumbing system in good condition. During the reporting year, the majority of our managed properties in Hong Kong received certificates of the Quality Water Supply Scheme for Buildings.

Flushing Water



INDOOR AIR QUALITY MANAGEMENT



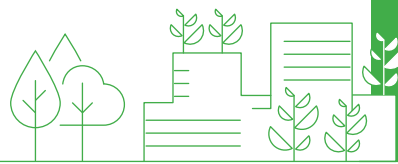
To create a pleasant environment and safeguard the health of our building users, we make great efforts in maintaining a high indoor air quality ("IAQ") standard for our employees, tenants, customers and guests.

We have executed various measures in our operations to further improve indoor air quality. Good housekeeping practices such as regular dusting and cleaning of air ducts are in place at all our properties and the hotel. During renovation works, the Property Management team implements extra measures to ensure that indoor air quality is at an acceptable level to maintain business as usual. Moreover, 25 air dispensers have been installed at Hopewell Centre to neutralise any unpleasant odours and remove harmful particulates. Recognising our efforts, some of our premises achieved Good Class ratings in the IAQ certification scheme.



INTEGRATING SUSTAINABLE CONSIDERATIONS INTO PROPERTY DEVELOPMENT

We endeavour to incorporate green elements during the design and construction phases of our buildings to achieve excellent environmental performance and improve end-user satisfaction. We align with green building standards by pursuing the Building Environmental Assessment Method (“BEAM”) Plus requirements and Green Building Evaluation Label for our new development projects in Hong Kong and Mainland China respectively.



Our vision to enhance surrounding landscapes and provide urban green spaces are demonstrated in a number of our development projects. For instance:

- The Lee Tung Avenue Project showcases a green landscaped area of over 70,000 square feet, featuring flowering trees and ornamental planting to meet the recreational needs of our community.
- A landscaped area of over 180,000 square metres has also been planned for Hopewell New Town, our latest development in Guangzhou, achieving a greening ratio of over 30%.

CASE STUDY

Hopewell Centre II – An Environmentally Sustainable Development Project

Hopewell Centre II, connected and adjacent to Hopewell Centre, will inject vitality into Wan Chai district. This development project will demonstrate our aspiration to enhance the sustainability of the community with the following notable green and people-friendly features.



Environmentally friendly construction

- Site survey, ground investigation and tree survey are conducted to preserve mature trees and shorten the construction period
- Application of slipform construction technique to reduce the use of timber formwork
- Adoption of electric air-compressors to reduce noise disturbance and improve air quality



Green space creation

- Provision of approximately 63,000sq.ft of urban green spaces
- Creating a public green park and recreational facilities in the Wan Chai community
- Adoption of vertical greening in the building

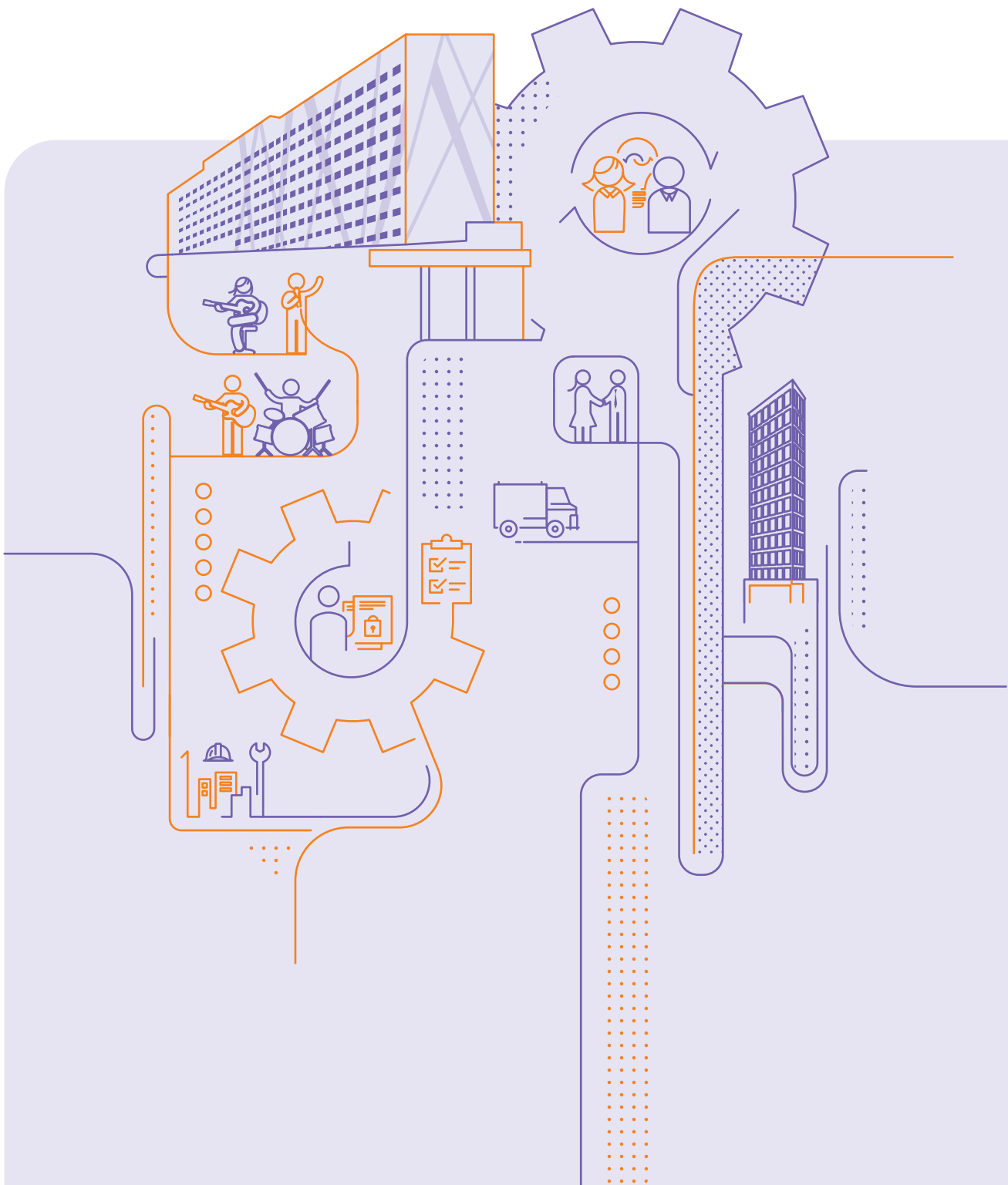


Improved walkability

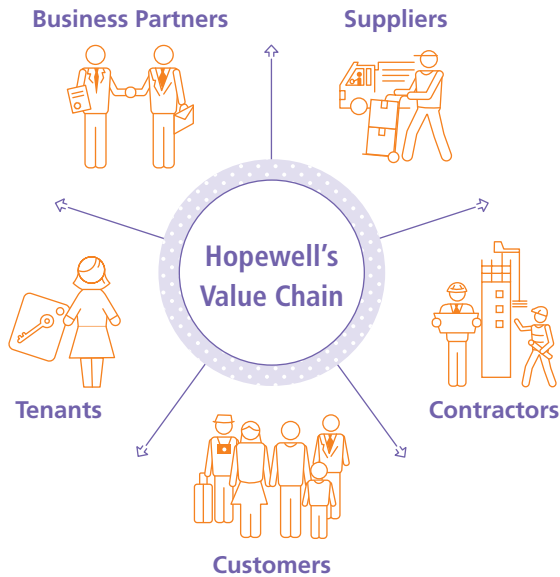
- Addition of a green, landscaped, grade-separated barrier-free pedestrian connection along Kennedy Road
- Formation of an all-weather convenient pedestrian linkage between Wan Chai South and Wan Chai North
- Transformation of the existing dilapidated Queen’s Road East back lane into a public square

Our Value Chain

We work with our stakeholders to drive the creation of shared value, deliver high quality products and services and uphold business ethics.



Our diverse business portfolio connects us to a wide range of stakeholders along the value chain, including business partners, suppliers and contractors, tenants and customers in Hong Kong and Mainland China. We work with our stakeholders to drive the creation of shared value, deliver high quality products and services and uphold business ethics. We share our core principles on business integrity, customer orientation, and promotion of shared responsibility with our partners through proactive value chain management.



Fire Drill

CUSTOMER ORIENTATION

With a large and diverse customer base, such as tenants, residents, hotel guests, audiences and shoppers, we recognise our continued success hinges on the delivery of excellent and caring customer services. We actively engage our customers on an ongoing basis to understand their needs and create unique experiences to surpass their expectations. Each of our business operations develop specific strategies to fulfil their objectives. For example, some of our operations respond to this commitment through achieving ISO 9001 Quality Management System, while others follow similar principles. We firmly comply with regulations and voluntary codes relating to customer health and safety, responsible marketing and data privacy.

Customer Health and Safety

From building facilities to food quality, customer health and safety is at top priority across all of our operations. Through the provision of regular training and in-house safety procedures, we work to enhance our staff safety awareness and minimise our customers' health and safety risk. In addition, we also benchmark against industry best practices to provide customers with high quality services.

Building and Facility Safety

We are dedicated to providing customers with well-maintained facilities and reliable management. The Property Management division and Convention and Exhibition division conduct regular inspections to safeguard the safety of our facilities. Buildings or temporary stage structures are examined and certified by an independent Registered Structural Engineer to ensure structural

integrity whenever necessary. We strictly follow regulations on fire services and ensure that firefighting equipment is in good condition. Annual fire drills for tenants are conducted to refresh their fire safety and evacuation plan knowledge.

At Hopewell Centre, two Automated External Defibrillators (AEDs) have been installed in the arcades for emergency use.



Given the frequent and diverse use of our properties, in particular during events or festive seasons, a comprehensive crowd management system is in place to maintain public safety at all times. To enhance staff awareness against safety risks, a wide range of safety trainings, such as first aid care and drills, were organised. During training our staff learnt how to handle emergency situations such as in fires, typhoons and rainstorms, flooding, electricity and water supply interruptions, and chemical spills.




Food Safety

We take every step to maintain high food safety standards. To this end, at the Hospitality division we appoint designated hygiene personnel to conduct daily site walks and inspections. An independent external party also conducts monthly food laboratory tests to ensure food safety. Furthermore, our food and beverage ("F&B") outlets consistently satisfy the requirements of the Food and Environmental Hygiene Department's inspections and we uphold our high standards throughout all processes. Extending our standards to the supply chain, we inspect and evaluate the performance of our F&B suppliers at least once a year to validate that our safety and hygiene standards are being implemented. In cases of underperformance, we take prompt action to address problems and register issues for future reference.

Customer Engagement

We provide the highest service levels as we deliver unique and memorable experiences to our customers and tenants. Through driving shared value and creating synergy, we remain in close contact with our end-users. We see customer feedback as an opportunity to understand their concerns and devise measures to strive for improvement. Furthermore, a systematic complaint handling mechanism is in place to ensure due response and proper follow up actions. Complaints received are carefully handled and reported to management during regular meetings.

• A Glimpse of our Approach towards Customer Orientation

Operations	Types of Customers	Focus	Quality Assurance
 Properties	<ul style="list-style-type: none"> • Tenants • Residents • Shoppers 	<ul style="list-style-type: none"> • Facility enhancement • Service quality • Customer privacy and satisfaction • End-user relationships 	<ul style="list-style-type: none"> • Site inspection • Service pledge • Customer data handling procedure • Satisfaction survey and interview • Regular greeting and visit
 Hospitality, Convention and Entertainment	<ul style="list-style-type: none"> • Guests • Diners • Exhibitors • Visitors • Audiences 	<ul style="list-style-type: none"> • Food and venue safety • Customer privacy • Venue and facilities enhancement • Customer care and relationships 	<ul style="list-style-type: none"> • Food lab test • Customer data handling procedure • Venue check-up • Guest comment and satisfaction management
 Power	<ul style="list-style-type: none"> • Electricity grid company 	<ul style="list-style-type: none"> • Reliability of power supply 	<ul style="list-style-type: none"> • Regular inspection and monitoring

Customer Experience

We also cater to our customers' and tenants' needs by providing comprehensive services and facilities. Our tenants are invited to join the Elite Club which offers dynamic activities and exclusive privileges. For shoppers and hotel guests, we initiate membership-based loyalty programmes such as The East Club and iPanda to offer rewards and benefits.

In addition, a fitness centre at KITEC has been set up to promote healthy lifestyle among tenants while our properties are well-equipped with Baby Care rooms and barrier-free facilities for people in need. During the reporting year, Hopewell Centre installed LED displays inside the car park area from 9/F to 15/F and on 17/F. This facility enhancement not only provides drivers with a better indication of available parking spaces but also improves traffic control of Kennedy Road.

During the year under review, YinYue at Panda Hotel was recognised as a 'Recommended Restaurant' by 'MICHELIN Guide Hong Kong Macau' for the fourth year in a row. Meanwhile, Panda Café, Balcony and YinYue were recognised as QTS-accredited restaurants by the Hong Kong Tourism Board. Both of these awards acknowledge that our F&B operations strive to deliver distinguished customer experiences.



Fitness Centre at KITEC



Baby Care Room



LED Displays Inside Car Park Area



QTS- accreditation by the Hong Kong Tourism Board

Customer Satisfaction

In all our operations, we put customer needs first with dependable, proactive and responsive services. We review customer satisfaction through feedback received from surveys, social media, comment cards, corporate website and customer hotlines. Our regular customer satisfaction surveys serve as an open communication channel to ensure that customers' voices are being heard.

Our Property Management division committed to performance pledges regarding emergency handling, customer service, security service, facility management and training in order to deliver the best possible customer experience. At Panda Hotel, we made use of the automated Guest Comment Management System to collect customer feedback through surveys. We review guest comments from more than 20 online travel agencies in different languages to explore possible opportunities for continuous improvement.

Creation of Shared Value

We believe business growth and community advancement can go hand-in-hand. We aim to create shared value for our customers and tenants while simultaneously addressing environmental and social needs.

One of our efforts is to engage our tenants to improve their environmental performance. As a member of Green Shop Alliance, we encourage our tenants to join and support the movement which can create a more sustainable retail experience to meet the rising expectations of customers.

Property Management achieved a high satisfaction rate ranging between

87% and 99%

with over **160** responses from tenants and residents.



GARDENEast was rated **4** or above on a 5-point scale of satisfaction from **96%** of surveys completed.



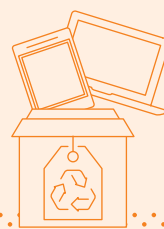
Panda Hotel achieved **90%** satisfaction rate with more than **1,200 surveys** completed.



CASE STUDY

WEEE-PARK Visitation With Our Tenants

Echoing the government's Producer Responsibility Scheme on Waste Electrical and Electronic Equipment, we invited our tenants to join our staff from various business units to visit WEEE-PARK in June 2018. This served to extend our sustainability commitment to a wider set of stakeholders to better understand e-waste recycling and development in Hong Kong.



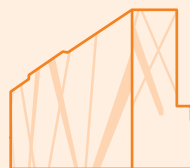
CASE STUDY

Fostering a Cultural and Creative Platform

As a commercial complex with integrated convention and entertainment facilities, KITEC aims to deliver the best experiences while supporting the thriving development of Hong Kong's creative industry. A vast number of events including concerts, musicals, fan meetings, award ceremonies, expos, competitions and sporting events were held at KITEC during the reporting year.

Star Hall has consolidated its reputation as one of the hotly sought-after integrated performance venues in town since it first opened. Shows featuring acclaimed local and overseas performers were held at Star Hall allowing the public to enjoy a broader range of entertainment. During the reporting year, different types of exhibitions were newly introduced such as a baby care expo, a fun-filled musical show as well as a food expo. To support the development of the music industry, Music Zone@E-Max, the first performance venue in Hong Kong with the concept of Live House, offers a well-equipped venue for local and overseas artists to stage their live tours, mini-concerts and fan-meetings.

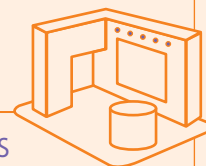
Through these activities, we cultivate a vibrant community in Hong Kong and encourage artistic expression and global cultural exchange, in addition to creating local job opportunities and contributing to Hong Kong's economy.



STAR HALL
匯星

70+

Shows and Exhibitions



100+

Music Performances

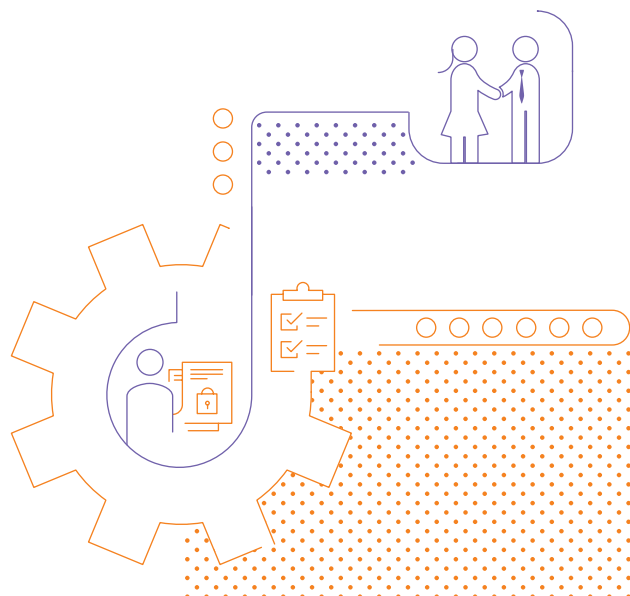


Customer Interests

We value the trust our customers and tenants place in us. Strict adherence to laws and regulations is imperative for us to safeguard our customer privacy and business integrity.

Our [Privacy Policy](#) outlines our approach and commitment to protecting customer information. All employees are required to comply with the Personal Data (Privacy) Ordinance. Only authorised personnel can access customer information and all personal data must be handled in an appropriate manner. Personal information will be treated confidentially and is only retained for a certain period. During the reporting year, no verified complaints concerning customer privacy were identified.

The provision of accurate and transparent marketing information enables our customers to make informed decisions. To provide reliable information regarding our goods and services, we comply with all laws and regulations related to marketing and labelling, including the Trade Descriptions Ordinance, Food and Drugs (Composition and Labelling) Regulations and the Residential Properties (First-hand Sales) Ordinance.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Suppliers and contractors are our valuable partners and share responsibility along the supply chain. As stipulated in our Sustainability Policy, we engage our partners to promote sustainable practices. We require our suppliers and contractors to comply with relevant laws and regulations related to environmental protection, anti-corruption, anti-discrimination, human rights, and health and safety. In view of the diversity of our business, each business division adopts its own tendering and evaluation procedures to manage the environmental and social risks in the procurement process. Nevertheless, all business divisions follow the same principles to ensure an impartial and transparent procurement process.

Requirements are stipulated in guidelines and documents distributed to contractors and suppliers whenever feasible. To minimise environmental impacts, the Property Management division established the Environmental Guidelines and Environmental and Social Responsibility Code of Conduct which require contractors and suppliers to follow a set of environmental practices in relation to air and noise control, waste handling, and water conservation. In addition, work instructions are provided for cleaning contractors and other contractors who handle chemicals frequently to minimise exposure to hazardous substances.

A stringent monitoring mechanism is crucial to reducing potential risks. The Property Development division carries out regular site inspections and project meetings to ensure compliance with environmental and safety requirements by contractors. Emergency drills addressing scenarios such as gas and chemical leaks are carried out every six months to familiarise workers with emergency management procedures. Contractors are required to ensure that all on-site workers have obtained the Green Card qualification and acquired competency-based safety knowledge.

Apart from site audits, effective communication channels such as work-related briefings and meetings have been set up in our supply chain to ensure that proper procedures are always in place.



The environmental, health and safety performance of suppliers and contractors are taken into consideration during the procurement evaluation process whenever possible. For example, Panda Hotel carries out annual evaluations on the environmental and safety performance of suppliers to encourage continuous improvement. Evaluation results are also recorded and used as reference for future procurement. Similarly, The Metroplex adopts sustainable and responsible sourcing criteria for F&B selections such as organic, fair trade or locally made products. Consumable products such as popcorn cups, drink cups and paper napkins are recyclable.

We prioritise local suppliers to support the domestic economy and minimise carbon footprints, benefitting the environment.



In 2017/18, around

87% of our suppliers were based in Hong Kong.

Percentage of Suppliers by Location

<1%

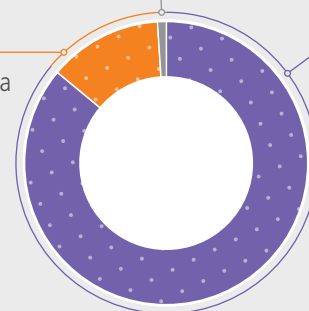
Other countries

13%

Mainland China

87%

Hong Kong



MAJOR RECOGNITIONS, AWARDS, CHARTERS AND MEMBERSHIPS

Guided by our long-standing sustainability values, we continue our efforts to pursue excellence in corporate governance, social responsibility, community investment and environmental protection. Our efforts have been well recognised by the industry and the wider community. Leveraging our connections with professional groups and industry associations, we facilitate, and benefit from, synergistic platforms for information exchange and sectoral cooperation.

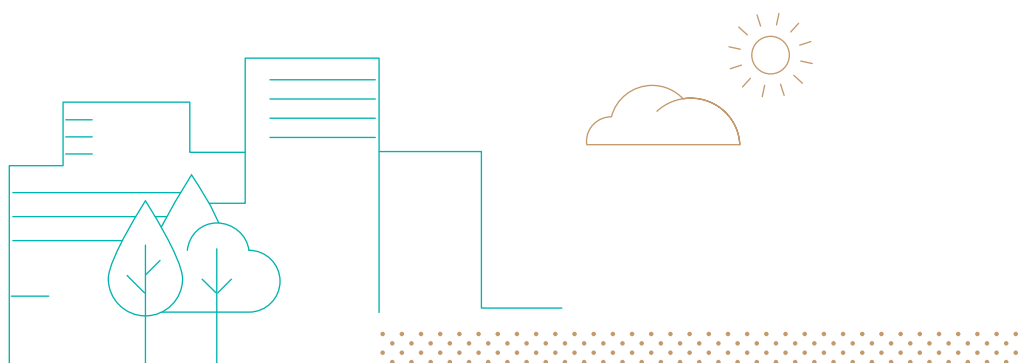
MEMBERSHIPS

Institutions	Nature of Membership
Employers' Federation of Hong Kong	Member
Hong Kong Business Accountants Association	Corporate Member
Hong Kong Hotels Association	Member
Hong Kong Institute of Human Resource Management	Corporate Member
Hong Kong Investor Relations Association	Corporate Member
National Association of Theatre Owners	International Member
Privacy Commissioner for Personal Data, Hong Kong – Data Protection Officers' Club	Organisational Member
The Chamber of Hong Kong Listed Companies	Full Member
The Green Earth	Sunlight Member
The Real Estate Developers Association of Hong Kong	Executive Committee Member
WWF Hong Kong	Silver Member



CHARTERS

Charters	Issuing Bodies
Carbon Audit Green Partner – Carbon Reduction Charter	Environmental Protection Department
Charter on External Lighting	Environment Bureau
Energy Saving Charter and 4Ts Charter	Environment Bureau and Electrical and Mechanical Services Department
Good Employer Charter	Labour Department
Occupational Safety Charter	Occupational Safety and Health Council
Waste Check Charter	Environmental Protection Department and Hong Kong Productivity Council
“Waste Cooking Oils” Recycling Administrative Registration Scheme	Environmental Protection Department



AWARDS

Awards/Recognitions	Issuing Bodies
BOCHK Corporate Environmental Leadership Awards	Bank of China (Hong Kong) and Federation of Hong Kong Industries
Caring Company Logo 2017/18 – The 10 Years Plus Caring Company Logo – The 5 Years Plus Caring Company Logo	The Hong Kong Council of Social Service
Certificate of Appreciation	Agency for Volunteer Service
ERB Manpower Developer Award Scheme 2017–18 – Manpower Developer 1 st (2010-2020)	Employees Retraining Board
Green Office Awards Labelling Scheme – Green Office Awards label – Eco - Healthy Workplace label	World Green Organisation
Guangdong Province Environmentally Trustworthy (Green Label) Enterprise	Guangdong Environmental Protection Bureau
HKACEP Excellent Award For Supportive Employer	Sports Federation and Olympic Committee of Hong Kong, China
Hong Kong Awards for Environmental Excellence – IAQwi\$e Certificate – Good Level	Environmental Campaign Committee
Hong Kong Awards for Environmental Excellence – Wastewi\$e Certificate – Excellent Level	
Hong Kong Smoke-free Leading Company Awards	Hong Kong Council on Smoking and Health
Indoor Air Quality Certificate – Good Class	Environmental Protection Department
Michelin Guide Recommended Chinese Restaurant	Michelin Guide
Programme on Source Separation of Commercial and Industrial Waste	Environmental Protection Department
Quality Tourism Services	Hong Kong Tourism Board
Quality Water Supply Scheme for Buildings – Flushing Water	Water Supplies Department
Quality Water Supply Scheme for Buildings – Fresh Water (Plus) (Basic Plan)	
Say Yes To Breastfeeding 2018–2019 – Certificate of Appreciation	UNICEF Hong Kong, Food and Health Bureau and Department of Health
The 8 th Hong Kong Outstanding Corporate Citizenship Program – Merit Award in Enterprise Category – Corporate Citizenship Logo in Volunteer Category	Hong Kong Productivity Council and Committee on the Promotion of Civic Education
The Happiness-at-work Promotional Scheme 2018 – “Happy Company” Label	Hong Kong Productivity Council and the Promoting Happiness Index Foundation
The HKIRA 4 th Investor Relations Awards – Certificate of Excellence	Hong Kong Investor Relations Association
2016 Best Selling Hotel	Ctrip
2016 Recommended Hotel	eLong.com
2017/2018 Hong Kong and Kowloon Walk for Millions – Outstanding Walk Team Award	The Community Chest

PERFORMANCE DATA SUMMARY

Economic Performance^a

Direct economic value generated and distributed	Unit	2017/18
Direct economic value generated	million HKD	12,620
Direct economic value distributed		4,636
Direct economic value retained		7,984

Environmental Performance^b

	Unit	2017/18
Energy use^c		
Total direct energy consumption	GJ	23,756
- Diesel		358
- Petrol		1,057
- Towngas		21,840
- Natural gas		501
Total indirect energy consumption	GJ	265,345
- Purchased electricity		265,345
Total energy consumption	GJ	289,101
Energy consumption intensity	GJ/m ²	0.49

GHG emissions^d

Direct (Scope 1) GHG emissions ^e	tonnes of CO ₂ e	2,507
Indirect (Scope 2) GHG emissions ^f		45,985
Total GHG emissions (Scope 1 & Scope 2)		48,492
GHG emissions intensity	tonnes of CO ₂ e/m ²	0.09

Remarks

a For more details, please refer to our [Annual Report 2017/18](#).

b Environmental data for 2017/18 cover relevant data of the Group's hospitality, convention and entertainment operations, all of its investment properties (excluding Lee Tung Avenue and The Avenue) and a construction site for Hopewell Centre II development. Intensity figures only cover the Group's commercial buildings, including Hopewell Centre, Wu Chung House, QRE Plaza, Panda Place and KITEC (including E-Max). The total gross floor area of these commercial buildings is used to calculate intensity figures.

c The quantification process and conversion factors reference CDP Technical Note: Conversion of fuel data to MWh (2018).

d CO₂, CH₄, N₂O and HFC are included in the calculation of GHG emissions.

e Covers direct GHG emissions from sources that are owned or controlled by Hopewell, including the combustion of diesel, petrol, Towngas, natural gas and fugitive emissions for refrigerants. The quantification process and emission factors reference the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" and "The GHG Protocol Corporate Accounting and Reporting Standard (updated in 2015)".

f Covers indirect GHG emissions from the generation of purchased electricity and Towngas consumed by Hopewell. Specific emission factors for electricity are available from the CLP sustainability report 2017, Hong Kong Electric sustainability report 2017 and "2011年和2012年中國區域電網平均二氧化碳排放因子" published by the China Electricity Council. For gas purchased from Towngas, the emission factor is available in the Towngas Sustainability Report 2017.

	Unit	2017/18
Waste management		
Waste disposed		
- Construction waste ^g	tonnes	1,514
- Municipal solid waste ^h		14,436
Waste recycled ⁱ		
- Paper	tonnes	275
- Plastic		3
- Glass		6
- Metal		31
- Food		150
- Fluorescent tube		1
- Toner cartridge		0.3
- Construction waste - inert		117,079
- Battery	kg	12
- Used cooking oil	litres	9,280
- Other electronic waste	pieces	329
Water used		
Municipal water	m ³	795,529
Reused water		2,034
Water consumption intensity	m ³ /m ²	1.16
Materials used		
Paper	tonnes	38
Packaging material ^j		24
Concrete		999
Reinforcement		1
Cement		36
Sand		8

Remarks

g Includes construction waste generated from Hopewell Centre, Panda Hotel, and the development of Hopewell Centre II.

h Excludes municipal solid waste generated by GARDENEast and Mainland China operations.

i Fluorescent tube, battery, toner cartridge, and other electronic waste are hazardous waste as defined by local legislation.

j Includes packaging materials used in the Hospitality division.

Social Performance

Workforce profile	Unit	2017/18
By gender		
Male	number	791
Female		538
By age		
Under 30	number	257
30-50		717
Over 50		355
By region		
Hong Kong	number	1,138
Mainland China		191
By employment type		
Full-time	number	1,287
Part-time		42
By employment contract		
Permanent	number	1,315
Temporary		14
By employment category		
Senior management	number	24
Middle management		195
General staff		1,110
Board diversity		
By gender		
Male	number	13
Female		2
By age		
Under 30	number	0
30-50		3
Over 50		12

Employee hire and turnover	Unit	2017/18
New employee hires		
By gender		
Male	number (%)	272 (20%)
Female		180 (14%)
By age		
Under 30	number (%)	163 (12%)
30-50		179 (13%)
Over 50		110 (8%)
By region		
Hong Kong	number (%)	405 (30%)
Mainland China		47 (4%)

Employee turnover^k		
By gender		
Male	number (%)	293 (22%)
Female		190 (14%)
By age		
Under 30	number (%)	158 (12%)
30-50		190 (14%)
Over 50		135 (10%)
By region		
Hong Kong	number (%)	431 (32%)
Mainland China		52 (4%)

Employee training ^l	Unit	2017/18
Average by gender		
Male	hours	4.0
Female		5.4
Average by employment category		
Senior management	hours	3.1
Middle management		3.6
General staff		4.8

Remarks

^k Employee turnover rate = Total number of employees left in the category / Total number of employees x 100%.

^l Average number of training hours per employee = Total training hours in the category / Total workforce in the category.

Occupational health and safety	Unit	2017/18
Work-related fatalities		
Total	number	0
Injury rate^m		
By gender		
Male	cases per 200,000 working hours	2.3
Female		3.2
By region		
Hong Kong	cases per 200,000 working hours	3.0
Mainland China		0.5
Lost day rateⁿ		
By gender		
Male	cases per 200,000 working hours	84.5
Female		71.7
By region		
Hong Kong	cases per 200,000 working hours	92.0
Mainland China		3.7
Occupational disease rate^o		
Overall rate	cases per 200,000 working hours	0
Absentee rate^p		
By gender		
Male	%	1.8%
Female		1.8%
By region		
Hong Kong	%	2.0%
Mainland China		0.4%

Remarks

m Injury rate = (Total injury cases in the category / Total number of hours worked) X 200,000 hours worked. A total of 2,000 working hours per employee were assumed in 2017/18.

n Lost day rate = (Total lost days in the category / Total number of hours worked) X 200,000 hours worked. A total of 2,000 working hours per employee were assumed in 2017/18. Lost day count begins the day of sick leave after the accident.

o Occupational disease rate = (Total occupational disease cases in the category / Total number of hours worked) X 200,000 hours worked. A total of 2,000 working hours per employee were assumed in 2017/18.

p Absentee rate (in percentage) = Total absentee days in the category / Total days scheduled to be worked of all employees in the category X 100%. A total of 250 working days per employee were assumed in 2017/18.

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Hopewell Holdings Limited ("HHL") to undertake an independent verification for its Sustainability Report 2017/18 ("the Report"). The scope of this verification covers the sustainability performance data and information of HHL's business in Hong Kong SAR and Mainland China for the period of 1st July 2017 to 30th June 2018, as defined in the Report.

The aim of this verification is to provide a reasonable assurance on the reliability of the report contents. The Report has been prepared in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and the Environmental, Social and Governance Reporting Guide ("ESG Guide") of Hong Kong Exchanges and Clearing Limited, as well as with reference to the GRI G4 Construction and Real Estate Sector Disclosures.

Level of Assurance and Methodology

HKQAA's verification procedure was designed for devising opinions and conclusions to obtain a reasonable level of assurance. The extent of this verification process undertaken covered the criteria set in the GRI Standards: Core Option, GRI G4 Construction and Real Estate Sector Disclosures and the ESG Guide.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

HHL was responsible for the collection and preparation of the information presented. HKQAA did not involve in calculating and compiling the reporting data, or the content development of the Report. Our verification activities were entirely independent from HHL.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards: Core Option and the ESG Guide, as well as with reference to the GRI G4 Construction and Real Estate Sector Disclosures;
- The Report illustrates the sustainability performance of HHL's material topics in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of HHL and discloses transparently the sustainability performance of the company that is commensurate with its sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency



Jorine Tam
Director, Corporate Business
October 2018

GRI STANDARDS AND HKEX ESG REPORTING GUIDE CONTENT INDEX

GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
GRI: 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016				
<i>Organisational Profile</i>				
102-1	Name of the organisation		About Hopewell	P.4 - 13
102-2	Activities, brands, products, and services		About Hopewell	P.4 - 13
102-3	Location of headquarters		About Hopewell	P.4 - 13
102-4	Location of operations		About Hopewell	P.4 - 13
102-5	Ownership and legal form		About Hopewell	P.4 - 13
102-6	Markets served		About Hopewell	P.4 - 13
102-7	Scale of the organisation		About Hopewell Performance Data Summary Annual Report 2017/18 - 5-Year Financial Summary (P.3)	P.4 - 13 P.52 - 56
102-8	Information on employees and other workers	KPI B1.1	Our People Performance Data Summary	P.26 - 33 P.52 - 56
102-9	Supply chain	GD B5 KPI B5.1 KPI B5.2	Our Value Chain	P.43 - 48
102-10	Significant changes to the organisation and its supply chain		About Hopewell About this Report	P.4 - 13 P.3
102-11	Precautionary Principle or approach		About Hopewell - Sustainability Approach Annual Report 2017/18 – Corporate Governance Report (P.61 - 78)	P.7 - 13
102-12	External initiatives		Major Recognitions, Awards, Charters and Memberships	P.49 - 51
102-13	Membership of associations		Major Recognitions, Awards, Charters and Memberships	P.49 - 51
<i>Strategy</i>				
102-14	Statement from senior decision-maker		Message from the Management	P.2

GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
<i>Ethics and Integrity</i>				
102-16	Values, principles, standards, and norms of behavior	KPI B7.2	About Hopewell Annual Report 2017/18 – Corporate Governance Report (P.61 - 78)	P.4 – 13
<i>Governance</i>				
102-18	Governance structure		About Hopewell Annual Report 2017/18 – Corporate Governance Report (P.61 - 78)	P.4 – 13
<i>Stakeholder Engagement</i>				
102-40	List of stakeholder groups		About Hopewell – Sustainability Approach	P.7 - 13
102-41	Collective bargaining agreements		100% of the Group's employees located in Mainland China are covered by collective bargaining agreements. Not applicable to Hong Kong.	-
102-42	Identifying and selecting stakeholders		About Hopewell – Sustainability Approach	P.7 - 13
102-43	Approach to stakeholder engagement	KPI B6.2	About Hopewell – Sustainability Approach	P.7 - 13
102-44	Key topics and concerns raised	KPI B6.2	About Hopewell – Sustainability Approach	P.7 - 13
<i>Reporting Practice</i>				
102-45	Entities included in the consolidated financial statements		About this Report	P.3
			About Hopewell	P.4 - 13
			Annual Report 2017/18 - Notes to the Consolidated Financial Statements (P.103 - 164)	
			Lee Tung Avenue and The Avenue are not included in the report scope.	
102-46	Defining report content and topic Boundaries		About this Report About Hopewell – Sustainability Approach	P.3 P.7 - 13
102-47	List of material topics		About Hopewell – Sustainability Approach	P.7 - 13
102-48	Restatements of information		There were no restatements of information from the previous report.	-
102-49	Changes in reporting		About this Report	P.3
			About Hopewell – Sustainability Approach	P.7 - 13
102-50	Reporting period		About this Report	P.3

GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
102-51	Date of most recent report		The Group's Sustainability Report 2016/17 was published in October 2017.	-
102-52	Reporting cycle		Annual	-
102-53	Contact point for questions regarding the report		About this Report	P.3
102-54	Claims of reporting in accordance with the GRI Standards		About this Report	P.3
102-55	GRI content index		GRI Standards and HKEX ESG Reporting Guide Content Index	P.58 - 64
102-56	External assurance		About this Report Verification Statement	P.3 P.57
Topic-specific Disclosures				
GRI 200 Series: Economic Topics				
GRI 201: Economic Performance 2016				
103	Management Approach		About Hopewell Message from the Management Annual Report 2017/18 – Management Discussion and Analysis (P.21 - 51)	P.4 - 13 P.2
201-1	Direct economic value generated and distributed	KPI B8.2	Performance Data Summary Annual Report 2017/18 - 5-Year Financial Summary (P.3)	P.52 - 56
GRI 203: Indirect Economic Impacts 2016				
103	Management Approach		About Hopewell Our Community Our Value Chain Annual Report 2017/18	P.4 - 13 P.14 - 25 P.43 - 48
203-1	Infrastructure investments and services supported	KPI B8.1	About Hopewell Our Community Our Value Chain	P.4 - 13 P.14 - 25 P.43 - 48
203-2	Significant indirect economic impacts		Our Community Our Value Chain	P.14 - 25 P.43 - 48
GRI 205: Anti-corruption 2016				
103	Management Approach	GD B7 KPI B7.2	About Hopewell – Sustainability Approach Our People Our Value Chain	P.7 - 13 P.26 - 33 P.43 - 48

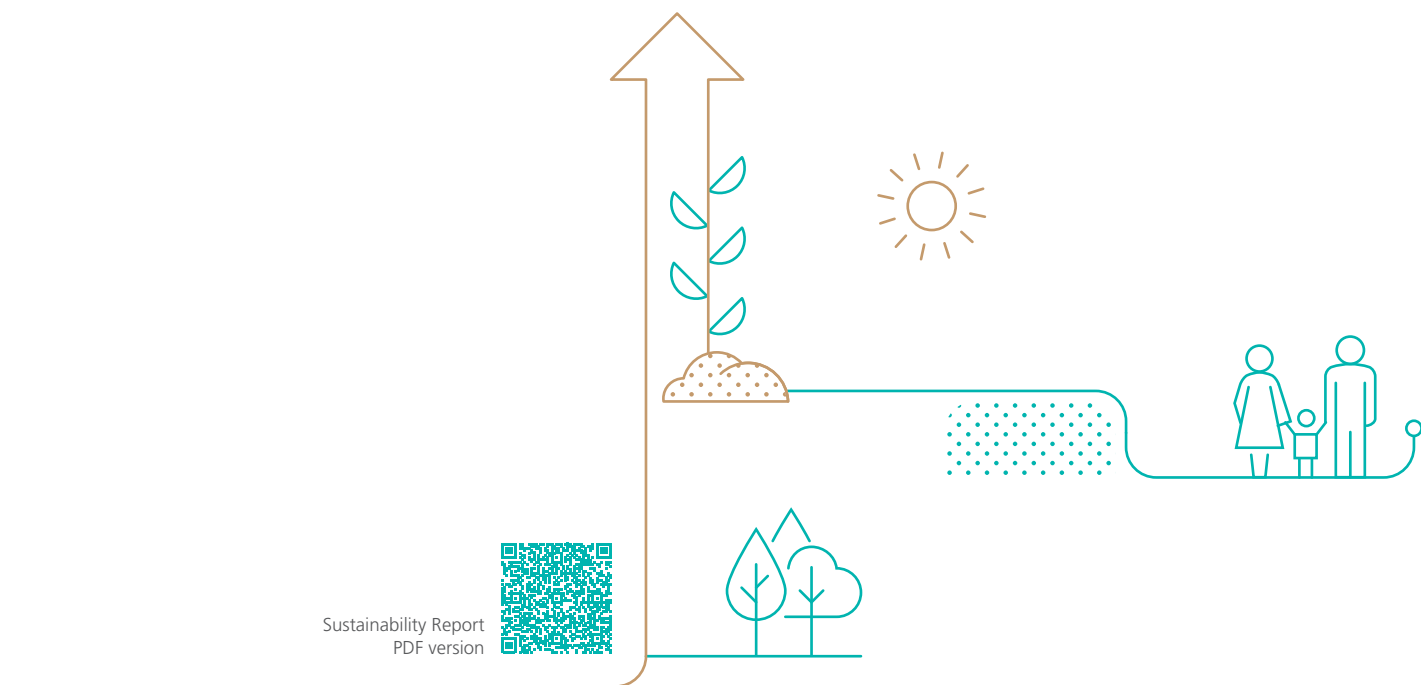
GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
205-3	Confirmed incidents of corruption and actions taken	GD B7 KPI B7.1	There were no confirmed cases of corruption during the reporting year.	-
GRI 300 Series: Environmental Topics				
GRI 301: Materials 2016				
103	Management Approach	GD A2 GD A3 KPI A3.1	Our Environment	P.34 - 42
301-1	Materials used by weight or volume	KPI A2.5	Performance Data Summary	P.52 - 56
GRI 302: Energy 2016				
103	Management Approach	GD A2 GD A3 KPI A2.3 KPI A3.1	Our Environment	P.34 - 42
302-1	Energy consumption within the organisation	KPI A2.1	Performance Data Summary	P.52 - 56
302-3	Energy intensity	KPI A2.1	Performance Data Summary	P.52 - 56
302-4	Reduction of energy consumption	KPI A2.3	Our Environment	P.34 - 42
CRE1	Building Energy Intensity	KPI A2.1	Performance Data Summary	P.52 - 56
GRI 303: Water 2016				
103	Management Approach	GD A2 KPI A2.4 GD A3 KPI A3.1	Our Environment	P.34 - 42
303-1	Water withdrawal by source	KPI A2.2	Performance Data Summary	P.52 - 56
303-3	Water recycled and reused	KPI A2.2 KPI A2.4	Performance Data Summary	P.52 - 56
CRE2	Building Water Intensity	KPI A2.2	Performance Data Summary	P.52 - 56
GRI 305: Emissions 2016				
103	Management Approach	GD A1 KPI A1.5 GD A3 KPI A3.1	Our Environment	P.34 - 42
305-1	Direct (Scope 1) GHG emissions	KPI A1.2	Performance Data Summary	P.52 - 56

GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.2	Performance Data Summary	P.52 - 56
305-4	GHG emissions intensity	KPI A1.2	Performance Data Summary	P.52 - 56
305-5	Reduction of GHG emissions	KPI A1.5	Our Environment	P.34 - 42
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	KPI A1.1	Emissions of NOx, SOx and other pollutants are considered not significant in our operations.	-
CRE3	Greenhouse gas emissions intensity from buildings	KPI A1.2	Performance Data Summary	P.52 - 56
GRI 306: Effluents and Waste 2016				
103	Management Approach	GD A1 KPI A1.6 GD A3 KPI A3.1	Our Environment	P.34 - 42
306-2	Waste by type and disposal method	KPI A1.3 KPI A1.4 KPI A1.6	Performance Data Summary	P.52 - 56
GRI 307: Environmental Compliance 2016				
103	Management Approach		Our Environment Our Value Chain	P.34 - 42 P.43 - 48
307-1	Non-compliance with environmental laws and regulations	GD A1	There are no significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting year.	-
GRI 400 Series: Social Topics				
GRI 401: Employment 2016				
103	Management Approach	GD B1	About Hopewell – Sustainability Approach Our People	P.7 - 13 P.26 - 33
401-1	New employee hires and employee turnover	KPI B1.2	Performance Data Summary	P.52 - 56
GRI 402: Labour/Management Relations 2016				
103	Management Approach		Our People	P.26 - 33
402-1	Minimum notice periods regarding operational changes		There is no fixed minimum notice period regarding operational changes. Normally, a reasonable notice period will be given to our employees prior to such changes.	-

GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
GRI 403: Occupational Health and Safety 2016				
103	Management Approach	GD B2 KPI B2.3	Our People	P.26 - 33
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	KPI B2.1 KPI B2.2	Performance Data Summary	P.52 - 56
GRI 404: Training and Education 2016				
103	Management Approach	GD B3	Our People	P.26 - 33
404-1	Average hours of training per year per employee	KPI B3.2	Performance Data Summary	P.52 - 56
404-2	Programs for upgrading employee skills and transition assistance programs	GD B3	Our People	P.26 - 33
404-3	Percentage of employees receiving regular performance and career development reviews		100% of full-time employees	-
GRI 405: Diversity and Equal Opportunity 2016				
103	Management Approach	GD B1	Our People	P.26 - 33
405-1	Diversity of governance bodies and employees	KPI B1.1	Performance Data Summary	P.52 - 56
GRI 406: Non-discrimination 2016				
103	Management Approach	GD B1	Our People	P.26 - 33
406-1	Incidents of discrimination and corrective actions taken		There was one confirmed case of discrimination during the reporting year.	-
GRI 408: Child Labour 2016				
103	Management Approach	GD B4 KPI B4.1 KPI B4.2	Our People Our Value Chain	P.26 - 33 P.43 - 48
408-1	Operations and suppliers at significant risk for incidents of child labour	KPI B4.1 KPI B4.2	No operations and suppliers with significant risk for incidents of child labour and young workers exposed to hazardous work were identified.	-
GRI 409: Forced or Compulsory Labour 2016				
103	Management Approach	GD B4 KPI B4.1 KPI B4.2	Our People Our Value Chain	P.26 - 33 P.43 - 48
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	KPI B4.1 KPI B4.2	No operations and suppliers with significant risk for incidents of forced or compulsory labour exposed to hazardous work were identified.	-

GRI Standards Disclosure		HKEX ESG Reporting Guide Reference	Section Reference and Remark	Page Number
GRI 413: Local Communities 2016				
103	Management Approach	GD B8	Our Community	P.14 - 25
413-1	Operations with local community engagement, impact assessments, and development programs		Our Community	P.14 - 25
GRI 416: Customer Health and Safety 2016				
103	Management Approach	GD B6	Our Value Chain	P.43 - 48
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GD B6	There were no non-compliance cases concerning the health and safety impacts of products and services during the reporting year.	-
NA	Description of quality assurance process and recall procedures	KPI B6.4	Our Value Chain	P.43 - 48
GRI 417: Marketing and Labelling 2016				
103	Management Approach	GD B6	Our Value Chain	P.43 - 48
417-2	Incidents of non-compliance concerning product and service information and labeling	GD B6	There were no non-compliance cases concerning product and service information and labeling during the reporting year.	-
417-3	Incidents of non-compliance concerning marketing communications	GD B6	There were no non-compliance cases concerning marketing communications during the reporting year.	-
GRI 418: Customer Privacy 2016				
103	Management Approach	GD B6 KPI B6.2 KPI B6.5	Our Value Chain	P.43 - 48
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GD B6 KPI B6.2	There were no substantial complaints concerning breaches of customer privacy and losses of customer data during the reporting year.	-
GRI 419: Socioeconomic Compliance 2016				
103	Management Approach		About Hopewell – Sustainability Approach	P.7 - 13
419-1	Non-compliance with laws and regulations in the social and economic area	GD B1 GD B2 GD B4 GD B6 GD B7	There were no significant fines and non-monetary sanctions for non-compliance cases with laws and regulations in the social and economic area during the reporting year.	-





Sustainability Report
PDF version



HOPEWELL HOLDINGS LIMITED

64th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
www.hopewellholdings.com

