



(Incorporated in Bermuda with limited liability)
(Stock Code : 78)

A stylized illustration of a city skyline in white line art, set against a background of blue and purple watercolor washes. The skyline includes several skyscrapers of varying heights and shapes, some with grid-like window patterns. A green sprig with small leaves is positioned in the upper left, and another green sprig with larger leaves is in the lower right.

2018

Environmental, Social and Governance Report



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About this Report

REPORTING STANDARD

This report was prepared in accordance with the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

To enable meaningful communication and informed decision-making, we follow the four fundamental reporting principles listed in the ESG Reporting Guide:

- **Materiality:** Materiality assessment was conducted and we identified 13 material issues in our business operation through stakeholder engagement to determine the focus of this report.
- **Quantitative:** Environmental and social responsibility data were collected to monitor our progress in implementing environmental and social responsibility initiatives.
- **Balance:** This report presents both our achievements and improvement plans to present an unbiased picture of our environmental, social and governance (“ESG”) performance.
- **Consistency:** The reporting methodologies remain consistent with past reports to enable a meaningful comparison of our performance. In case of changes in data compilation methodology and scope, remarks are provided for stakeholders’ reference.

REPORTING SCOPE AND BOUNDARY

This is the third annual standalone ESG report of Regal Hotels International Holdings Limited (“Regal” or the “Company” and together with its subsidiaries, the “Group” or the “Regal Group”). This report covers the sustainability performance of material ESG issues at hotels owned and managed by the Group in Hong Kong, and also includes the initiative highlights for the Group’s managed hotels in Mainland China.

There have been no changes from previous reporting periods in the scope of this Report.

REPORTING PERIOD

Unless otherwise specified, this report encapsulates the highlights of our progress and performance on material ESG issues for the period from 1 January 2018 to 31 December 2018.

ACCESSIBILITY OF THE REPORT

An electronic copy of this report can be accessed on Regal’s website at www.regal.com.hk. If you have any enquires about the report or have opinions regarding Regal’s ESG performance, please feel free to contact us via info@regal.com.hk.

BOARD APPROVAL

This report was approved by the Board of Directors of the Company (the “Board”) on 30 July 2019.

Chairman's Statement

I am pleased to present herewith the 2018 Environmental, Social and Governance Report of the Company.

Corporate Social Responsibility ("CSR") Programmes remain an essential part of the Company's hotel operations. We continue to uphold our mission to be an internationally recognised hotel group known for its CSR Programmes. We started our sustainability journey in 2012 when we first launched our CSR Programmes. We have, since then, continually implemented various CSR Programmes that serve to benefit the environment, the communities and the economy wherein the Company operates.

In 2018, for the first time, Regal was selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index. We regard this as a recognition of our dedication to sustainability. The quality works and achievements of our Environmental Sustainability Programmes are also well-recognised by EarthCheck. While Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel have attained EarthCheck Gold Certificate in 2018, the iclub Wan Chai Hotel, iclub Fortress Hill Hotel and iclub Sheung Wan Hotel have attained EarthCheck Silver Certificate in the same year.

Our Social Sustainability Programmes continue to focus on 3 areas: youth development, health care and social inclusion in the communities. In 2018, Regal was accredited as a Caring Company by The Hong Kong Council of Social Service for the 16th consecutive year.

We will continue to commit resources to fulfil our Corporate Social Responsibility towards the community and will also continue to strengthen its CSR Programmes for all our hotels and properties within our international operating network. We believe that our sustainability initiatives will create long term values for all our stakeholders.

LO YUK SUI

Chairman

Hong Kong

30 July 2019

About Regal

OUR BUSINESS

Regal Group's significant investments and principal business activities mainly comprise hotel ownership business undertaken through Regal Real Estate Investment Trust ("Regal REIT", a listed subsidiary of the Company), hotel operation and management businesses, asset management of Regal REIT, property development and investment (including such endeavours undertaken through the joint venture in P&R Holdings Limited ("P&R Holdings") which is 50% owned by the Group), aircraft ownership and leasing business, and other investments including financial asset investments.

Despite its diverse investment and business portfolio, the Group's core business is hotel operation and management, which generates approximately 90% of its overall revenue.



MISSION

- Sustainable Growth
- Maximisation of Profit
- Quality Management System
- Innovative Marketing
- Recognition as a Preferred Employer
- Guest Satisfaction



CORE VALUES

- Passion and Ownership
- Innovation
- Continuous Improvement
- Quality
- Teamwork
- Initiation

OUR BRAND

Since 1980, Regal has been listed in Hong Kong as one of the largest local hotel operators. With more than 10,000 rooms and 90 restaurants and bars in its existing and developing portfolio, the Group aspires and strives to be a leading and renowned hotel group in the Asia Pacific region, appealing to guests and employees from around the world.

The Group currently operates hotels under three different brands, Regal, Regal Residence and iclub, with the fourth "Regala" taking shape, catering to guests with different demands from business to leisure and from full to select services. In the future, we will continue to promote our "Regal", "Regal Residence", "iclub" and the oncoming "Regala" brand names by enhancing the guest experience.



Regal

Elegant and upscale, Regal Hotel offers full-service accommodation with a variety of food and beverage choices, entertainment venues and conference facilities.



Regal Residence

Regal Residence incorporates hotel and residential features, providing guests with the convenience and amenities of a hotel while retaining privacy and home-away-from-home comfort for an extended stay.



iclub

iclub provides upscale select service hotels at prime locations with tech-savvy facilities that are designed for optimum functionality.

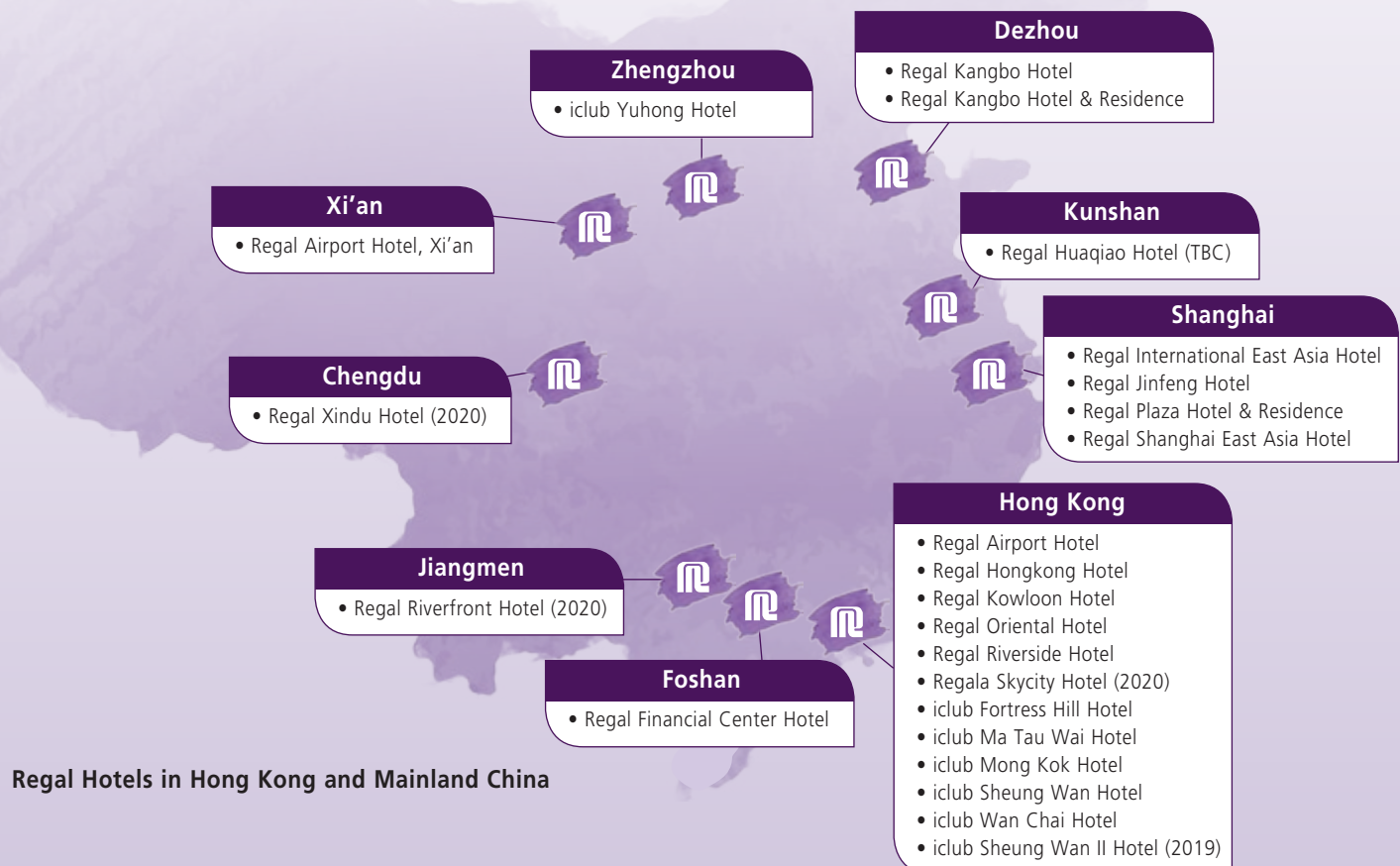
About Regal

OUR PRESENCE

To become a leading player in the Asia Pacific region, Regal has established an extensive presence in Hong Kong and Mainland China. In Hong Kong, there were nine operating hotels under the Regal and iclub by Regal brands during the reporting period. All these operating hotels in Hong Kong are owned by Regal REIT. In addition, iclub Mong Kok Hotel, newly completed by P&R Holdings, was soft opened for business in March 2019. In Mainland China, we manage nine hotels operating under the Regal, iclub by Regal and Regal Residence brands. This current portfolio of managed hotels encompasses a mix of full-service and select-service hotels in strategic locations across China, providing a wide range of services to our diverse guest profile.

We are further expanding our presence both in Hong Kong and Mainland China. A wholly owned subsidiary of Regal Group is developing a new hotel, Regala Skycity Hotel, within the SKYCITY Project at the Hong Kong International Airport under an agreement for sublease from the Airport Authority. The hotel is scheduled to be completed in 2020. Another iclub hotel, intended to be named as iclub Sheung Wan II Hotel, is being developed by P&R Holdings and scheduled for completion in the second half of 2019. In Mainland China, we are expecting the completion of three new hotels in the coming years. Regal Xindu Hotel, a component part within the Regal Cosmopolitan City developed by Cosmopolitan International Holdings Limited (a listed fellow subsidiary of the Group), will be managed by the Group upon its completion. Two other hotels, to be managed by the Group, which are located in Kunshan and Jiangmen and owned by independent owners, are also in the pipeline.

Regal also owns Campus La Mola, located in Barcelona, Spain. The hotel has been leased to an independent third party for operation.



Regal Hotels in Hong Kong and Mainland China

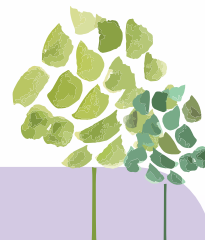
Our ESG Approach

Regal strives to execute sustainable operation practices in every Regal Hotel, be it owned or managed. Our core values are translated into a commitment to demonstrate how we can exercise sustainability in our business operations.



OUR SUSTAINABILITY CORE VALUES AND COMMITMENTS:

- To implement Green Programmes inside and outside the workplace;
- To launch a minimum of one significant Humanitarian Service Project per business unit per year focusing on Youth Development and Health Enhancement in the communities where we operate;
- To be a financially responsible Group accountable to our shareholders;
- To implement sustainable Economic and Community Development Programmes in our operations;
- To engage our guests, employees and their families in all our sustainability efforts; and
- To engage internationally recognised certification organisations to measure our sustainability performance and development.



Our ESG Approach

We uphold our mission and our role as an internationally recognised hotel group known for its Sustainability Programmes targeting environmental, social and economic sustainability.

Environmental Responsibility Programmes

- Reducing carbon emissions
- Reducing energy consumption
- Enhancing energy and water conservation
- Implementing waste management programmes and practices
- Implementing the 5-R Principle (Reduce, Reuse, Recycle, Reform and Reject)
- Exploring the implementation on renewable energy

Social Responsibility Programmes

- Employing minority and physically handicapped citizens
- Supporting health, medical and literacy projects in our community
- Bolstering youth development

Economic Responsibility Programmes

- Maximisation of revenue and minimisation of cost business practices
- Delivering maximum profit to investors and shareholders
- Creation of local employment
- Development of employees and implementation of equal employment opportunity practices
- Delivering quality products and services
- Enhancing work efficiency
- Exploiting technology and automation
- Implementing economies of scale and engaging with local partners

CORPORATE GOVERNANCE

Maintaining an integral corporate governance system is essential to our business operation. Regal follows the Code Provisions in the Corporate Governance Code in Appendix 14 of the Listing Rules. There are three board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which is delegated with different business functions under the Board's oversight. Management policies and practices and major corporate events are regularly reviewed by the Board to ensure compliance with promulgated requirements. New policies and measures are implemented whenever necessary.

Please refer to Regal's Annual Report for the year ended 31 December 2018 for more information on our corporate governance and the Board of Directors.

Our ESG Approach

SUSTAINABILITY GOVERNANCE

Regal prioritises sustainable business practices in the Group's overall operating plans. Regal considers key stakeholders' opinions on our sustainability performance and their interests against our development goals. Since 2012, the Group has put in place Group Sustainability Programmes to address environmental, social and economic issues in our business operation.

Apart from the Sustainability Programmes, we have a clear responsibility delegation system that enables efficient sustainability governance and management within the Group. The Board of Directors is responsible for oversight of the sustainability performance of the Group. The Executive Directors formulate and implement sustainability plans, considering the three major pillars of the Sustainability Programmes: environmental, social and economic sustainability. The goals of the sustainability plan are then implemented by different operating divisions of the Group based on priorities.

Regal has also set up a management system in every hotel to execute the sustainability plan. Led by the hotel general managers, relevant managerial employees are responsible for setting achievable goals to balance the needs of the community, providing high quality services and implementing relevant programmes. To encourage internal communications and improve transparency, employees are brought on board through our green and social good initiatives. In addition, we are committed to working closely with customers, investors, shareholders, business and community partners, suppliers and employees to drive action for sustainable development through collaboration and building trust among stakeholder groups.

CORPORATE SUSTAINABILITY RECOGNITION

For the first time, Regal was selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index in 2018. Hang Seng Indexes Company Limited launched the Hang Seng Corporate Sustainability Index Series in 2010. This covers companies that perform well with respect to corporate sustainability, and provides benchmarks for sustainability investments.



**Hang Seng Corporate
Sustainability Index
Series Member 2018-2019**

Our ESG Approach

STAKEHOLDER ENGAGEMENT

To understand stakeholders' opinions and their expectations on our sustainability performance, we maintain transparent and regular communication channels. Based on the needs of different stakeholder groups, we have developed communication channels to ensure that their views are collected effectively. The major communication channels for each group are listed as follows:

STAKEHOLDER GROUP ENGAGED		METHODS OF ENGAGEMENT
Internal Stakeholders	Management	<ul style="list-style-type: none"> • Regular meetings • Ongoing engagement
	General Employees	<ul style="list-style-type: none"> • Employee satisfaction questionnaires • Regular meetings • Orientation activities • Notice boards • Annual appraisal meetings • Employee engagement activities
External Stakeholders	Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings • Volunteer activities
	Hotel Guests	<ul style="list-style-type: none"> • Guest satisfaction surveys • Loyalty clubs, e.g. 925 Club • Website and social media • Day-to-day communication with front-line employees • Customer feedback mechanism • Hotlines
	Investors/Shareholders	<ul style="list-style-type: none"> • Analyst briefings • Investor meetings • General meetings • Annual and interim reports • Press releases/announcements
	Industrial Associations	<ul style="list-style-type: none"> • Industry forums
	Suppliers/Contractors/ Business Partners	<ul style="list-style-type: none"> • On-site evaluation visits and meetings • Regular meetings

Our ESG Approach

MATERIALITY ASSESSMENT

Regal regularly reviews the material sustainability issues in our business operations. The outcome of the stakeholder engagement exercise serves as the basis for the materiality assessment and the identification of material sustainability issues.

The following summarises the steps taken in our materiality assessment:



Based on the materiality assessment results, the independent consultant commissioned by the Group identified the following 13 material issues, which are discussed throughout this report:



ENVIRONMENTAL

- Energy Management
- Waste Management



OPERATING PRACTICES

- Anti-corruption
- Product and Service Quality
- Customer Data Protection
- Customer Health and Safety
- Customer Feedback Mechanism



EMPLOYEES

- Employment Relations
- Employee Retention
- Employee Training and Development
- Occupational Health and Safety
- Labour Standard Compliance



COMMUNITY

- Community Investment



Environmental Responsibility

We duly care about the environment as everyone wants our planet to survive and thrive. In our hospitality operations, we identified and prioritised three relevant focus areas, energy, water and waste, for our environmental management plan. The Green Committee of the Group implements initiatives that actively and efficiently manage our environmental impact on these three focus areas.

COMMITMENT TO THE ENVIRONMENT

Regal strives to provide a tranquil and pleasant environment for everyone to enjoy. Apart from providing comfortable accommodations to the guests in our hotels, we endeavour to promote the well-being of our surroundings and environmental quality by consciously monitoring and managing our environmental impacts.

ENVIRONMENTAL MANAGEMENT

Regal has formulated and implemented a group-wide Environmental Policy Statement. The Statement aims to ensure that our hotels operate in an environmentally acceptable manner and minimise adverse environmental impact wherever practicable. The Statement stipulates the environmental missions, which include compliance, monitoring and reporting, employee awareness, enhancement initiatives and risk management, for our hotels to follow. We are committed to promoting environmental quality.

Through a partnership with EarthCheck, our hotels in Hong Kong align their efforts with international standards. EarthCheck provides the integrated environmental management systems used by the tourism industry as a benchmark and certification for its operational practices.

In 2018, as part of our drive to improve environmental management, all our hotels in Hong Kong participated in the certification programme. Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel have achieved the status of Gold-certified EarthCheck Hotels, while three iclub Hotels - iclub Fortress Hill Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel have attained Silver Certification in 2018.

Opened in May 2017, iclub Ma Tau Wai Hotel has just commenced the certification process in the beginning of 2019 when a full year data is available. The hotel is expecting to attain Silver Certification within 2019.

Such achievement is the outcome of years of our continuous efforts on sustainability issues, including the following initiatives:

- setting up Environmental Management System (EMS) for effective implementation of sustainability action in hotels with more than 500 guest rooms;
- replacing quartz lamps/fluorescent lamps by LED lights for better energy saving;
- participating in Automatic Demand Response Programmes by electricity companies to reduce our electricity consumption at critical peak-load period;
- replacing aged plant by new equipment to enhance efficiency in operation, energy saving and reduction of carbon emission;
- installing new Building Management System (BMS) for the monitoring of plant and machineries operation schedule and arranging partial loading at different periods of the day;
- signing performance-based contracts with specialist contractors for the implementation of energy saving programme to the chillers in our hotels;
- incorporating frequency controller upon replacement of air conditioning system and hot-water boiling plant;

Environmental Responsibility

- working closely with the Hong Kong Hotel Association and other professional engineering bodies to gain/share the updated sustainability information; and
- appointing registered waste collectors to handle the disposal of electrical appliances, so as to curb land contamination and refrigerant leakage.



Our five Initial Hotels received EarthCheck Gold Certification.

Environmental Responsibility

In addition, EarthCheck's independent third-party verification ensures that we comply with relevant environmental laws and regulations¹ and continually improve our environmental performance to address material issues according to EarthCheck certification, such as energy and water consumption, carbon emissions and waste management in our operations.

In Mainland China, some of our managed hotels took part in the China Green Hotel certification organised by the National Tourism Administration of China. The certification scheme assessed and benchmarked our hotels' performance on green design, energy and resource management, and pollution control. The efforts made by our managed hotels have been recognised by the programme, as Regal International East Asia Hotel and Regal Airport Hotel, Xi'an are certified as Golden Leaf, its highest rating. Meanwhile, Regal Shanghai East Asia Hotel, Regal Kangbo Hotel and Regal Plaza Hotel & Residence are certified as Silver Leaf.

Since 2012, Regal has organised the "We Love Our Planet" programme to offer green activities inside and outside our workplaces. As part of our shared commitment on environmentally friendly hospitality operation, various departments in our hotels, including Engineering, Finance, Human Resources, Marketing, Operations, Project Development, Purchasing and Sales, support the programme by introducing environmentally friendly practices. For more details on their environmental commitment, please refer to the Sustainability section of our website.



"We Love Our Planet" promotes environmental sustainability inside and outside our workplace.

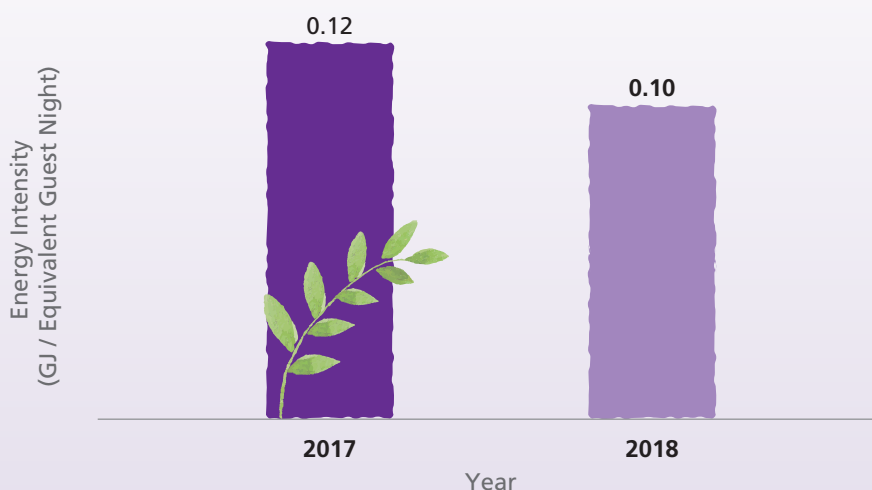
¹ The environmental laws and regulations that might be significant to Regal include Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the laws of Hong Kong) and Noise Control Ordinance (Cap. 400 of the laws of Hong Kong).

Environmental Responsibility

ENERGY AND EMISSIONS

Energy consumption is one of the key focus areas of our environmental management plan. We have put in place energy management systems to manage and monitor energy consumption in our operations. The systems are reviewed and upgraded from time to time to align with our needs and industry best practices. Regal Airport Hotel was accredited with ISO 50001 Energy Management System certification and ISO 14064 Greenhouse Gas Accounting and Verification certification, the first hotel in Hong Kong to attain these two international standards. Apart from upgrading or maintaining systems in line with international standards, all Regal hotels are required to set their respective energy and carbon reduction targets. Corresponding improvement plans and measures are implemented to achieve these targets. In 2018, the target was set as 2% of energy and carbon reduction, based on 2017's level. We strive to operate our hotels in an energy efficient and low carbon manner.

ENERGY INTENSITY OF REGAL HOTELS IN 2017 AND 2018



To reduce our energy consumption and enhance our energy efficiency, we have implemented improvement measures in our hotels. For example, our hotels are in the process of:

- replacing all lighting with more energy efficient LED lights;
- installing automatic induction devices in areas with lower guest flows to reduce unnecessary lighting;
- reviewing the energy efficiency of our kitchen and water heating equipment and systems and replacing them with more energy-efficient models whenever practicable;
- applying adequate insulation to reduce heat loss in piping and reduce energy consumption to maintain room temperature for hotels with space heating systems;
- reviewing the energy efficiency and replacing equipment of centralised air conditioning systems in some hotels; and
- working with electricity companies to conduct energy audit in hotels to explore Energy Management Opportunities (EMOs).

Environmental Responsibility



Regal Kowloon Hotel uses LED lights in festive Christmas illuminations to promote an environmentally friendly celebration.

Apart from hardware retrofitting, we also encourage our employees and guests to save energy. Employees are encouraged to switch off all lighting and electronic devices after use. We have also placed energy saving tips and reminders in our hotel lobbies and guestrooms.

The latest edition of The Intergovernmental Panel on Climate Change (IPCC) special report urges for a more stringent greenhouse gas reduction target to curb the growing threat from climate change. In addition to the energy use reduction initiatives, we have also implemented specific initiatives on greenhouse gas reduction. For instance, we

- installed electric vehicle charging stations in most of our hotels to promote clean and low carbon transportation;
- phased out and replacing diesel-powered equipment with natural gas-powered equipment to reduce air and carbon emissions; and
- set up organic farms in five of our hotels in Hong Kong to reduce carbon emissions and provide fresh and chemical-free herbs for our restaurants.

Together with other carbon reduction measures in place, iclub Wan Chai Hotel is the first carbon-neutral hotel in Hong Kong. By extending our care to the environment, we also participate in environmental initiatives hosted by external parties, such as Earth Hour organised by the World Wide Fund for Nature (WWF) to demonstrate our dedication to energy conservation and climate change movement.



Regal Airport Hotel, Xi'an supported WWF's Earth Hour activity in 2018.

Environmental Responsibility

WATER MANAGEMENT

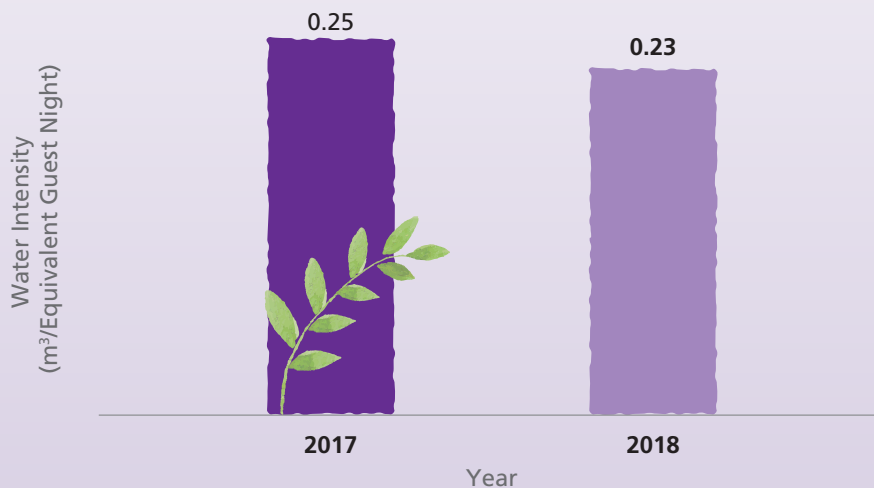
Water is important in providing hospitality to our guests, from catering and cleaning to consumption. Water management, as a result, is essential to managing our environmental footprint. We have implemented various water saving measures, including:

- recycling and reusing of air-conditioning condensing water;
- retrofitting with automatic faucets and toilet flushers in public toilets;
- installing dual-flush toilets while renovating guestrooms, which enable use of an appropriate amount of flushing water; and
- checking all water meters daily to fix any possible water leakage in a timely manner.

Swimming pools are the most water-intensive facilities in our hotels. In Regal Airport Hotel and Regal Riverside Hotel, we have replaced the activated carbon in boiler tanks with quartz sand for water filtration. Same improvement measure has been implemented in Regal International East Asia Hotel. This measure can improve pool water quality and reduce the need for refilling pool water.

To minimise the consumption of laundry water, we have reduced the frequency of washing guests' linen and bath towels to every third day of their stay, unless requested otherwise. This can reduce water consumption and water pollution from laundry.

WATER INTENSITY OF REGAL HOTELS IN 2017 AND 2018





Environmental Responsibility

WASTE MANAGEMENT

In hospitality operation, waste is a major environmental concern due to significant material consumption. To minimise the adverse impacts from waste disposal, we work with our employees, guests and non-profit organisations to reuse and recycle waste whenever economically practicable. We also track and ensure the remaining waste is disposed of responsibly. We regularly monitor the amount of waste generated and recycled and work for possible improvement whenever possible.

One of the major sources of waste in hospitality operation is food waste. Our catering services, especially banquets and buffets, generate the majority of our food waste. To reduce food waste, we estimate and procure food from our suppliers based on the number of guests and meal reservations to reduce wastage from over-purchasing. We also partner with Foodlink Foundation ("Foodlink"), a leading Hong Kong hunger relief charity, to donate to the needy unconsumed food which is confirmed to be safe for consumption. We have thus reduced food wastage at some of our hotels in Hong Kong. In 2018, we donated a total of 1,405 kg of food to Foodlink. Moreover, we also collaborate with qualified vendors to collect food waste generated from our hotels for recycling.

Another major source of waste is disposable room amenities, including soap and shampoo. We reuse such amenities to wash cleaning cloth. Regal Shanghai East Asia Hotel also donates the soap collected to the needy. A total of 165 kg of soap was donated in 2018.

Hospitality operations also involve a large quantity of documentation, which may lead to significant paper consumption. Thanks to technological advancement, we are digitising our documentation process to reduce paper consumption and disposal. In case of necessary paper usage, we also encourage duplex printing of documents and use of single-sided paper to reduce paper consumption.

Although we do not generate a significant amount of hazardous waste, we take due care of the hazardous waste generated to prevent any irreversible environmental impact. Our hazardous waste mainly includes containers or residual chemicals and cleaning products. Starting from procurement, we require our vendors to obtain eco-certificates or labels for their products. This can reduce the environmental impact of using these chemicals and cleaning products. We have also set out a protocol related to hazardous materials and waste storage and handling for our employees to follow and prevent environmental problems caused by improper handling.

We reinforce our waste handling procedure to curb land contamination. We appoint registered collectors to handle our disposed electrical appliances, such as computers, fridges and televisions. As such, we can avoid land contamination and leaking of refrigerant.

Social Responsibility

Regal not only cares about the accommodation quality of our guests but also our entire society. By bringing people together to create a greater social impact, we strive to make our community and society a better place for all.

Aiming to become a leading corporate citizen, Regal is dedicated to helping the communities in which we operate. Regarding community affairs as an essential element of corporate social responsibility, we include "Social Responsibility" as a pillar of our long-term sustainability programme. We work to serve our guests and promote a better community for citizens to live in.

To ensure that we do not deviate from the path towards sustainability, we have set up a Social Responsibility Steering Committee, which is chaired by our chief operating officer and supported by all function heads to provide continuous monitoring of our efforts in corporate social responsibility. This Steering Committee has identified three social responsibility focuses:

- Youth Development;
- Health Enhancement; and
- Social Inclusion.

COMMITMENT TO OUR COMMUNITY

To put community commitment into action, we set up regular volunteer programmes that not only work with us to serve and benefit the community, but also foster the younger generation's commitment to contributing to society. To achieve this objective, Regal has developed two volunteer teams, namely, Colour our World and Young Colour our World, consisting of adult and young people, respectively. The two teams work together to serve our society.

In 2018, we partnered with around 30 non-profit organisations such as Sheen Hok Charitable Foundation, Hong Kong Anti-Cancer Society, Home Care for Girls, The Salvation Army, The Community Chest, Methodist Centre, Outlying Islands Women's Association, Fu Hong Society, Hong Kong Association of the Deaf, Tung Chung Safe and Healthy City, Haven of Hope Christian Service, Agency for Volunteer Service, Po Leung Kuk Tung Chung Home for Elderly, Eastern District Elderly Community Centre, The Hong Kong Society for The Aged, Hong Kong Federation of Handicapped Youth, Hong Kong Federation of Youth Groups Jockey Club Ping Shek Youth S.P.O.T., Children's Cancer Foundation, Hong Kong Family Welfare Society, H.K.S.K.H. Kowloon City Family Support Networking Team, Christian Family Service Centre, Helping Hand, Green Sense, TREATS and Food Angel and etc..

Social Responsibility

Through the introduction of non-governmental organisation (“NGO”) representatives, our employees gained a better understanding of their scope of service and need in the community. Through collaboration with NGOs, in 2018 we organised 43 volunteer activities, including home visits, day trips, voluntary training workshops, house cleaning and flag selling events. We believe that these efforts can help the elderly, the underprivileged and their families. Moreover, through volunteering programmes, we hope to raise young peoples’ social awareness and help them become responsible citizens.



HIGHLIGHTS:

- Number of partnering non-profit organisations and other institutes in 2018: 30
- Number of organised volunteer activities in 2018: 43
- Total volunteer hours contributed by employees in 2018: 1690.5 hours
- Amount of donation and sponsorship in 2018: HK\$1,913,800



We have been selected as a “Caring Company” by the Hong Kong Council of Social Service for 16 years consecutively, and was recognised in “The 9th Hong Kong Outstanding Corporate Citizenship Awards”, affirming our contribution to the community.

YOUTH DEVELOPMENT

Young people are the future pillars of society. It is of utmost importance to provide them with sufficient education and development opportunities. With an aim to complement conventional school education, Regal provides young people with diverse, out-of-the-classroom learning experiences by way of internships and hotel tours.

“Regal Hotels International Youth Development Programme”

Dedicated to nurturing future talents for the hospitality industry, Regal offers ample opportunities for young people who wish to gain a better understanding of our industry. Since 2015, we have launched the “Regal Hotels International Youth Development Programme”, in which students from Hotel, Service and Tourism Studies disciplines at the Hong Kong Institute of Vocational Education (IVE), a member of the Vocational Training Council, are offered scholarships and 300 hours of internship opportunities every year. Participants in the programme work in various business departments, such as front office, food and beverage, and housekeeping in our hotels, allowing them to gain practical experience. For instance, interns in the front office sharpen their problem-solving skills by serving guests directly and handling various day-to-day and on-the-spot issues. We believe that such experience can pave the way for the students’ future success.



Social Responsibility

Hotel tours

Understanding the limits of an ordinary school education, Regal seeks to provide young people with learning experiences outside the classroom. With Tourism and Hospitality Studies now an elective subject in the Hong Kong Diploma of Secondary Education Examination, the hospitality industry has gained increased attention in recent years. Responding to this on-going trend, Regal spares no effort to support education in our local community and enhance students' learning experiences. Supporting NGOs and various education institutions, Regal organised hotel tours in 2018 for over 250 participating students from nine secondary schools to illustrate how a hotel operates.



HEALTH ENHANCEMENT

Regal believes that healthy living conditions are the cornerstones of a positive and prosperous society. Therefore, we advocate healthy lifestyles and provide assistance and financial support to those in need of medical resources.

Fun Day with Kids

Regal understands that mental stress can lead to diseases and illness. In light of this, Regal engaged in different volunteer activities to promote relief and better mental well-being in our communities. In May 2018, volunteers spent a day with children who are terminally and chronically ill and are undergoing treatment at the nearby hospital of Ronald McDonald House. Through offering different activities, including drawing, guessing games and competitions, we hoped to relieve the stress from the children and their families during the difficult times.



Charity Sales

In 2018, we initiated various charity sales to raise funds for NGOs, providing support to people with disabilities or illnesses throughout the year. For instance, a Charity Cookies Sales event was held at Regal Hongkong Hotel in May 2018 and raised funds for Fu Hong Society to support rehabilitation services for people with intellectual disabilities, autism spectrum disorders, psychiatric disabilities and physical disabilities.



Social Responsibility

Donations to Sheen Hok Charitable Foundation

Regal understands that to promote a better and more inclusive life for all, more resources are needed to help people in need. In light of this, we donated in 2018 a total of HKD1,000,000 to Sheen Hok Charitable Foundation, an organisation supporting over 300 charitable organisations with beneficiaries including infants, orphans, pregnant women, the elderly, the disabled, children with facial deformities and victims of natural disasters.



Donations to the Hong Kong Anti-Cancer Society

In line with our Social Sustainability Programme's focus of "Health Promotion & Enhancement", we donated HK\$900,000 to support the Hong Kong Anti-Cancer Society ("HKACS") in 2018. Established in 1963, HKACS is a professionally managed non-profit organisation in the forefront of serving Hong Kong citizens in the aspects of cancer education, cancer research and cancer treatments. Its services include providing continual support, love and care for cancer patients as well as furnishing valuable and updated medical information on cancer prevention. HKACS also provides volunteer services and financial supports to people in need.

SOCIAL INCLUSION

In Regal Hotels, we embrace individuality and value differences. Everybody, regardless of their background and capability, should be treated equally and respected. Aiming at fostering a more inclusive community, we have organised a series of social activities to engage the underprivileged and minorities in our society. Connecting with them through events, we hope to better understand their needs so that we could motivate them to being an integral part of the community.

Joy Charity Walk • Inclusion • Tsing Yi

Regal place focuses on the growth and needs of handicapped youths. To gather the collective power of handicapped youths and to promote the spirit of self-help, Regal supported the "Joy Charity Walk • Inclusion • Tsing Yi 2018", a major fundraising event held by the Hong Kong Federation of Handicapped Youth on 14 October 2018. Experiential checkpoints including the Wheelchair Obstacle Challenge, Knee Supporter Challenge and One Arm Challenge, were designed, to enable participants to experience the difficulties and limitations that handicapped youths encounter in daily life. 21 of our employees volunteered in the Walk to help the disabled to fully integrate, participate and contribute to society.



Social Responsibility

Day Trips with Handicapped Youths

In advocating equal opportunities, Regal collaborated with the Hong Kong Federation of Handicapped Youth and conducted a total of 11 day-trips for physically challenged persons throughout the year. Social inclusion can be enhanced by pairing up our employees and the handicapped people, on the one hand, our employees can experience and understand their difficulties and, on the other hand, we hope they can in turn better integrate into the society with the support and encouragement of our employees.



Drawing workshop for special needs people

We strive to promote social inclusion by supporting people with special needs. In 2018, for instance, our hotel volunteers helped a group of challenged individuals aged from 6 to 14 at the Haven of Hope Christian Service in a Drawing Workshop. During the workshop, we helped them to practice line-drawing and using of colors to create a picture. Not only did the activity inspired the imagination and creativity of the participants, it also added colours to the lives of our participating employees and helped create an inclusive society for all.



House Cleaning for the Elderly

We understand that some elderly in our community live alone and are not physically able to take care of daily chores. Therefore, volunteers from Regal teamed up with the Hong Kong Family Welfare Society to provide house cleaning services for the elderly in September 2018. Through these activities, while helping to create a better and more hygienic living environment to the elderly, our volunteers also spent quality time with them, improving their mental and physical wellness.

Economic Responsibility

Business growth and brand reputation are oftentimes driven by quality products and services. With an aim to bringing additional value to our stakeholders, we have put effort into every part of our business to ensure a consistent and fulfilling hotel experience, including providing a fair and equal working environment and employee development, creating wonderful customer experiences and achieving responsible supply chain management.

Our economic responsibility focuses on three aspects areas: employment, customer relations and operational practices. First, we understand that our employees, as an integral part of our hotels, are indispensable in our quest towards successful and sustainable business. Therefore, we strive to offer well-designed training programmes, competitive benefits and comprehensive employment policies and initiatives to nurture and retain our talents. In our business operation, we hope to create an exceptional hotel experience for guests and to connect with them through better communication and loyalty programmes. Moreover, we hope to impact our stakeholders, including shareholders, guests, business partners and the community through our ethical business operations and responsible supply chain management.

COMMITMENT TO OUR EMPLOYEES

Employees are our valuable asset, as Regal's success could not have been achieved without their hard work. Employee-friendly policies and initiatives are essential to the consistent delivery of our quality services. Being a responsible hotel operator, Regal's mission is not only creating a wonderful experience for our guests but also providing a rewarding working experience for our employees. In achieving this goal, we are committed to providing a healthy, safe and fulfilling working environment, practical on-the-job training opportunities, as well as well-structured career paths, and employee engagement events to help our employees to thrive and unleash their potentials. Regal's Human Resources Department works closely with management in these areas for continuous improvement.

In 2018, we were recognised with regard to our employment practices. In particular, at the Family-friendly Employer Awards 2017/18, Regal Hotel was awarded a Special Mention (Gold) by the Family Council, for its contribution to employees and family members. Moreover, the Company's support for breastfeeding was appreciated and accredited by the Council. We also participated in the Good Employer Charter pledge in 2018, an annual initiative launched by the Labour Department to promote care for employees, work-life and work-family balance, satisfying employee benefits and good communication with employees.

During the reporting period, we complied with the relevant laws and regulations² that were having a significant impact on the Group on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare; providing a safe working environment and protecting employees from occupational hazards; and prohibiting the use of child and forced labour.

² The laws and regulations include Employment Ordinance (Cap. 57 of the laws of Hong Kong), Sex Discrimination Ordinance (Cap. 480 of the laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the laws of Hong Kong), Race Discrimination Ordinance (Cap. 602 of the laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong), Factories and Industrial Undertakings Ordinance (Cap. 59 of the laws of Hong Kong), Employment of Children Regulations (Cap. 57B of the laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Cap. 57C of the laws of Hong Kong).

Economic Responsibility

RECRUITMENT, RETENTION AND BENEFITS

As employees are an integral part of the Company, Regal believes that recruiting and retaining passionate talents is paramount to our corporate development. Regal is an equal opportunity employer and adopts the guidelines and regulations set by the Equal Opportunities Commission as the basis of our human resources policies. Our recruitment and promotion process adheres to strict guidelines on fairness and non-discrimination. Our employees, regardless of their gender, age, ethnicity, family status, sexual orientation, disability, race and religion, are protected from any kind of discrimination.

We are dedicated to providing a positive working environment that fosters our employees' growth. Apart from competitive remuneration, we also offer comprehensive welfare and benefits. Our Employee Handbook provides details on matters relating to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. To improve the work-life balance of employees, Regal changed the work schedule of office employees from alternative Saturdays off to five-day work weeks and provides two additional days off each month for employees working in operational divisions.

LEARNING AND CAREER DEVELOPMENT

We believe that providing a wide variety of training will enable our employees to continuously improve their job performance and achieve their career goals. To facilitate their understanding of Regal's corporate values and code of conduct, we have developed a series of standard training courses for all our employees. For instance, the compulsory orientation programme is designed for new joiners to get to know more about our operation and working environment. Other examples include training courses relating to occupational health and safety, anti-corruption, guest services and environmental management.

We understand that our employees, being responsible for different roles and sharing different career ambitions, have diverse training needs. To cater to the needs of employees at different career levels, Regal seeks to offer a wide array of tailor-made learning and training programmes, where different departments organise their own courses in accordance with their operational needs. The annual conference on hospitality market trends, organised for all sales and marketing personnel, is a case in point. To promote more flexibility on learning, we also encourage our employees to participate in external training programmes, with subsidies available for application. In the future, we will continue to diversify our training programmes and online training courses, which will further enable our employees to excel at work and grow their own expertise.

Taking employees' career development seriously, Regal offers a clear career path for each employee, with opportunities for them to be promoted from rank and file to departmental heads. In addition, we offer two additional programmes with continuous career guidance, which are the Management Trainee Programme and Executive Trainee Programme, respectively.



Economic Responsibility

EMPLOYEE ENGAGEMENT

To enrich our employees' workplace experience, we engage them through regular activities and programmes every year. Assisting our employees in achieving a better work-life balance, we arrange regular leisure activities, including sports competitions and annual employee parties. Recognising their dedication and loyalty, we present Long Service Awards to employee.

To better understand how our employees feel about their working experience, we have set up offline and online channels for them to express their opinions and provide suggestions. These channels include employee meetings with the hotel general managers, suggestion boxes and annual surveys.

In addition to formal suggestions, a grievance mechanism is in place to allow employees to voice concerns to immediate supervisors or management. All concerns are carefully handled and it is mandatory for management to respond to enquiries within a given timeframe.

WORKPLACE HEALTH AND SAFETY

As a caring employer, we make every effort to provide a healthy and safe working environment for all employees. Different facets of a hospitality operation, from room cleaning and catering to engineering and renovation work, are vulnerable to potential occupational safety hazards. To mitigate these risks, we have published a Safety Manual to outline the management, control and coordination of our safety work. Regal has also established a Safety Committee to assist the hotel general managers in conducting monthly reviews on the implementation of the Safety Manual. A safety management system is maintained to comply with all relevant laws and regulations. To help our employees better understand relevant health and safety legal requirements, a Safety Policy has been introduced to regulate all operations. The policy is reviewed periodically to keep up with the latest developments in workplace health and safety, and related regulations.

Apart from the establishment of a management mechanism, a series of measures has also been implemented to ensure workplace health and safety at the operational level. First, Regal has a team of Safety and Security Officers, whose duties are to identify any potential hazards, devise prevention measures and recommend alternatives for improvement. Through inspections, job hazard analysis, monitoring and safety audits, and implementation of safety management systems and prevention measures for accidents, we strive to minimise workplace health and safety risks. In case of any non-compliance found, personnel not following the safety rules and practices may be penalised. In addition, Regal requires all its hotels to maintain adequate personal protective equipment and first aid materials. With our health assurance programme, we also arrange pre-job and regular medical examinations for employees who are exposed to health hazards to ensure their physical well-being.

Economic Responsibility

We believe that workplace health and safety is more than just following rules but also about employees' awareness of potential dangers. In light of this, we provide safety training for all our employees on occupation-related safety risks. We also invite external parties to provide training to supervisory and managerial personnel, which focuses more on application of safety knowledge in daily hotel operation. In terms of emergency preparedness, we have appointed an adequate number of trained personnel who are competent in the use of fire-fighting equipment and provision of first aid and rescue techniques. To model real-life scenarios, our Safety and Security Officers organise simulated emergency drills regularly for all emergency and rescue teams. On 13 July 2018, Regal Oriental Hotel partnered with the Hong Kong Fire Services Department to jointly organise an annual fire evacuation drill, a practical evacuation training session which reinforces employees' knowledge and ability to handle emergencies.



Regal Oriental Hotel partnered with the Hong Kong Fire Services Department to jointly organise an annual fire evacuation drill.

Healthy and safe working environment requires continuous monitoring and awareness of all potential occupational hazards. Therefore, we put up posters at workplaces and distribute health and safety information sheets, newsletters and bulletins to our employees. Relevant warning signs, emergency and rescue procedures, notices and placards are placed prominently in hotel offices, workshops and welfare facilities to keep employees alert. Moreover, to provide incentives for working safely, we introduced a Safety Award to recognise the best health and safety practices at work. Safety and Security Officers are required to submit monthly safety reports detailing any accidents, injury statistical data, health and safety training undertaken, safety inspections and audits for the hotel general manager's endorsement.

COMMITMENT TO OUR GUESTS

As a responsible hotel operator, Regal is devoted to creating memorable moments in life for our guests with our premium services and amenities. Our long-standing commitment to safety, quality and attention to detail has enabled us to drive "Regal" and "iclub by Regal" as two pre-eminent hotel brands in the Greater China region. To continue to thrive in a changing hospitality landscape, we are more than prepared to listen and respond to customer needs and wants. We proactively engage and communicate with our guests through various channels, including the Regal Card, Regal Rewards and 925 Club, to seek their opinions on our services. We also protect customers' privacy throughout our operations while providing reliable services to our guests.

GUEST HEALTH AND SAFETY

As Regal provides a wide array of hospitality services to our guests, concern about their health and safety lies at the heart of our operations. We have established stringent standards on food safety to ensure the standard of the food quality from our food suppliers and their compliance with government regulations. All vendors are required to declare compliance with Hong Kong laws and regulations, including but not limited to Part V of the Public Health and Municipal Services Ordinance (Cap. 132 of the laws of Hong Kong) and the Food Safety Ordinance (Cap. 612 of the laws of Hong Kong).



Economic Responsibility

Besides imposing stringent standards on food-related procurement, 4 Regal hotels, namely Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel are certified with ISO 22000:2005 Food Safety Management System, in which “traceability” is the core requirement. We conduct safety checks on all incoming raw materials from suppliers. For ready-made food products, we require our food suppliers to provide a full list of ingredients with supporting documents for their delivery. Our employees also strictly follow the receiving guidelines clearly stated in our Food Safety Policy and ingredients delivered without supporting documents are not accepted to ensure food safety. Any incoming food is stored in accordance with its category upon the receipt of food products to prevent any cross-contamination risks.

In addition, selected suppliers’ product and/or process controls are audited on-site during plant visits to ensure the safety of our food supply. In 2018, Regal Airport Hotel detected a fault concerning raw material food safety under our internal monitoring system and the raw material was tested immediately upon its arrival. With substandard quality, the use of the affected raw material was banned immediately and isolated for storage.

CUSTOMER DATA PROTECTION

Protecting customers’ privacy is always a prime concern of Regal. We strictly comply with all laws and regulations on personal data privacy in our operating jurisdictions. Under our privacy policy, all personal data collected is handled with strict confidentiality. Various levels of access rights have been set up so that only authorised personnel are permitted to access to customers’ personal information. Personal information collected for membership maintenance is only used for membership programme administration and marketing with the customers’ consent. As Regal Hotels welcome guests from all over the world, we also comply with the European Union General Data Protection Regulation, which came into force on 25 May 2018. Under the regulations, we provide visitors with a clear explanation on how their personal information will be captured, maintained and used and reassure them that their permission is required for data usage. During the reporting period, we observed no non-compliance cases against Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong).

CONNECTING WITH OUR GUESTS

As a renowned hotel operator, we hope to bring a delightful, unique and memorable hotel experience to our guests. Therefore, Regal applies various approaches to engage our guests to better understand them and keep abreast of market trends. Moreover, we deploy the latest technology to create a connected hotel environment that facilitates our guests in planning and enjoying their travel experience.

To keep our guests updated with the hotel’s latest promotions and build brand loyalty, Regal offers a wide range of customised rewards programmes. The Regal Rewards Programme was launched in 2007 and is an exclusive reward programme with refined services and special privileges tailor-made to frequent travellers and loyal customers. At present, there is a total of five major loyalty programmes for our guests, namely Regal Rewards, 925 Club, Regal Card, Regal Kids Club and Airline Rewards, serving different customer segments and satisfying their respective needs.

Economic Responsibility

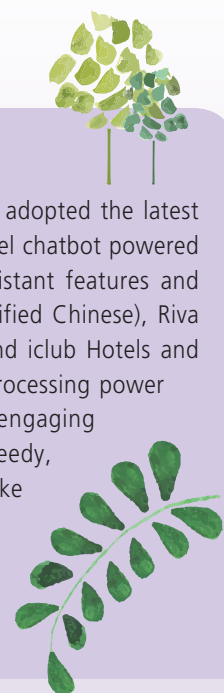
We value every comment from our customers, as their opinions could drive the continuous improvement of our facilities and services. Aiming to achieve a “win-win” situation and maintaining a positive image of our hotels, Regal strives to handle and resolve guest complaints efficiently. Thus, Regal has set up Guest Comments Reply Standards to ensure that every guest comment, regardless of nature, is heard and regarded as a priority. To facilitate our guests in expressing their views, various channels, including verbal communication, guest questionnaires and websites, have been established to gather their feedback. All comments, once collected, are reported, categorised and redistributed to relevant departments. The departments are required to follow up on comments by contacting guests in person or by writing within 48 hours. Further follow-up actions are taken whenever necessary.



**REGAL & ICLUB
VIRTUAL ASSISTANT**

Our AI Guest Service Officer – RIVA

To enrich the customer experience at our hotels, we have adopted the latest artificial intelligence technology to create Riva, the first hotel chatbot powered by IBM Watson in Greater China. By using its virtual assistant features and three built-in languages (English and traditional and simplified Chinese), Riva serves as the first Guest Service Officer in Regal Hotels and iclub Hotels and works around the clock. Relying on its natural language processing power and AI technology, Riva provides a personalised and engaging experience for clients and interacts with them. The speedy, technology-enabled responses that Riva delivers also make trip planning easier for guests. Through the deployment of advanced technology, Regal Hotels is committed to delivering high-quality services and experiences to its guests.



SUPPLY CHAIN MANAGEMENT

Regal has an extensive and complex supply chain, which encompasses a vast network of vendors to provide a wide variety of products and services including food and beverages, hotel cleaning and laundry services, guestroom supplies, and all sorts of hotel amenities. As the supplies we purchase materially affect the quality of services that we deliver to our guests, Regal carefully selects accredited partners with specific procurement terms and guidance on listed criteria, while controlling the overall procurement cost. Moreover, knowing that our purchasing decisions might have profound impacts on the community and environment, we advocate green and local purchases in our daily procurement.

To better manage our supply chain and mitigate risks, the Group Purchasing Department is wholly responsible for managing procurement of items relating to daily hotel operations. We have developed a well-established mechanism to monitor suppliers with respect to a wide range of rules so that we can minimise the negative environmental and social impacts that may otherwise arise from our procurement process.



Economic Responsibility

RESPONSIBLE SOURCING

Product safety and quality are of our utmost concern. Recognising the importance of good supply chain management, the Group Purchasing Department is responsible for monitoring the quality of products regularly and ensuring the suppliers meet our Supplier Code of Conduct as a standard requirement to evaluate whether we will continue or extend our cooperation with them. Suppliers and vendors are prudently selected to ensure that all relevant work with our Group complies with all regulations. For instance, all contractors are required to comply with regulations regarding occupational safety at work sites.

During the pre-qualification period, we request tenderers to provide necessary samples and catalogues for strict testing and examination. An On-site Evaluation Checklist is in place to evaluate the quality of all types of purchases, from engineering-related equipment to food and beverage items. By doing so, all risk that may occur during slaughtering or harvesting, storage, distribution and transportation of our products is minimised. This process is carried out before we make any selection of suppliers and afterwards we conduct regular reviews to ensure compliance throughout the term of our business relationship. In addition, we prefer to choose contractors that are ISO 9001 certified whenever possible. As there was an outbreak of African Swine fever in mid-2018, we implemented a dual-track measure to ensure that no infected pork meat would be supplied to our hotels. While prohibiting the supply of pork meat from places where the outbreak occurred, we also requested all suppliers to submit certificates of origin and national inspection and quarantine results for their pork products.

Besides setting stringent requirements on product quality and safety, Regal also seeks to fulfil its environmental and social responsibility as part of the supply chain management. Being a member of the Green Council since 2012, we have developed policies and screening mechanisms to select suppliers that share our same core values to create a socially and environmentally sustainable supply chain. In accordance with the Green Purchasing Policy, our Group Purchasing Manager and Group Hygiene Manager evaluate potential contractors using an On-site Evaluation Checklist to ensure that they employ environmentally friendly techniques to process products. Also, the policy states that Regal should purchase recycled and other environmentally preferable products whenever they meet cost and performance requirements.

We take the environmental impact into consideration when procuring products and purchase products that have minimal impact on the environment and human health, such as LED lighting, bio-degradable shopping bags and recycled-paper packages. We have eliminated the use of disposable cutlery and we purchase vegetables and fruit from local farmers whenever possible. Additionally, we only purchase hazardous chemicals and cleaning products with eco-certificates or labels. Beyond daily procurement, we take heed of sustainability considerations when engaging with our suppliers. Maintaining sustainability in the supply chain requires constant collaborative work with guests, employees and suppliers. Through collaboration with different parties, we maintain our guiding principles and build a solid foundation for sustainable development.

Economic Responsibility

ANTI-CORRUPTION

Regal regards honesty, integrity and fair play as part of the core values that must be upheld by all employees and we strive to prevent any bribery and corruption in our business operations. We request our employees and suppliers to comply with the Supplier Code of Conduct, which is included in the Supplier/Distributor Registration Application Form. The Form is a pre-requisite for any co-operation with the Group and provides guidelines on the primary consideration of managing corruption and bribery incidents. We believe that gifts among employees of business associates are to the detriment of fair and honest co-operative partnership. To improve transparency and overall ethical standards, under our strict rules, any employee who requests or receives gifts from a supplier, in money or any other form, during business dealings may be subject to dismissal.

Helping our employees better understand the Company's requirement on anti-corruption, we have outlined anti-corruption measures and controls in our Employee Handbook. The Handbook provides definitions and scenario descriptions, such as gifts and gratuities, to educate our employees on how corruption can be prevented in our daily operation. Any employee who is found to be involved in corruption or bribery is subject to disciplinary action or immediate dismissal. Similarly, related parties are expected to be free of conflicts of interests in business dealings with the Group, such as procurement. If our employees have any conflicts of interests in any business dealings with the Group, they are required to disclose that information to the Group. Otherwise, disciplinary action or immediate dismissal may apply.

Seeing our anti-bribery and anti-corruption work as a continuous effort, we have arranged ICAC talks periodically for our employees to enhance their understanding and remind them of the importance of business integrity. While these measures serve to safeguard the interests of Regal, they are also pivotal to creating a clean and well-functioning working environment. During the reporting period, we complied with the Prevention of Bribery Ordinance (Cap. 201 of laws of Hong Kong). No legal cases regarding corrupt practices brought against the Group or its employees were recorded in 2018.

FAIR COMPETITION

We believe that fair practice can only be achieved throughout the supply chain if healthy competition is maintained among suppliers. Therefore, with a view to reassure that no anti-competitive behaviour exists, our tendering documents request suppliers to declare an anti-collusion confirmation. We also arrange sufficient training sessions for all employees on anti-competitive conduct and all relevant laws and regulations to ensure that they have sufficient knowledge to combat anti-competitive behaviour.

During the reporting period, we observed no non-compliance cases against Competition Ordinance (Cap. 619 of the laws of Hong Kong) in our operations.

Appendix I – Awards, Recognitions, Qualifications and Membership

AWARDS AND RECOGNITIONS

REGAL HOTELS INTERNATIONAL LIMITED, OUR HOTEL MANAGEMENT COMPANY



AWARDS AND RECOGNITIONS	ORGANISATIONS
Business for Sustainability	Hong Kong Council of Social Service
Certificate of Appreciation	Agency for Volunteer Service
Certificate of Appreciation	TREATS
Certificate of Appreciation - Gold Category	Volunteer Movement
Certificate of Appreciation	The Salvation Army
Corporate Drive for Hong Kong Corporate Citizenship Award (Enterprise Category)	Hong Kong Productivity Council
Family-Friendly Employers Award - Corporate Category	The Family Council
Family-Friendly Employers Award - Corporate Category ~ Special Mention (Gold)	The Family Council
Family-Friendly Employers Awards for Breastfeeding Support	The Family Council
Good Employer Charter Certificate	Labour Department
Sincere Engagement Service Award	Hong Kong College of Technology
Social Capital Builder	Labour and Welfare Bureau & Community Investment and Inclusion Fund
15 Years+ Caring Company	Hong Kong Council of Social Service

Appendix I – Awards, Recognitions, Qualifications and Membership

REGAL AIRPORT HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Best Airport Hotel Asia-Pacific	Travel Weekly Asia
World's Best Airport Hotel	Business Traveller
Travel Hall of Fame and the Best Airport Hotel	TTG Asia-Pacific Awards
At Your Service Most Helpful Company	Hong Kong Airport Authority

REGAL HONGKONG HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Certificate for Participants in the 2018 Peach Blossom Trees Recycling Programme	Baguio Waste Management & Recycling Limited

REGAL KOWLOON HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Partner Employer Award 2018/19	The Hong Kong Chamber of Small and Medium Business
10-year QTS Merchant Recognition - Mezzo	Hong Kong Tourism Board

REGAL ORIENTAL HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Christian Action Training Services Certificate	Christian Action Training Services Division Trade Advisory Committee (Hotel)
Christian Action Training Services Certificate of Appreciation	Christian Action Training Services
Good Employer Charter Certificate	Labour Department
CLP Smart Energy Award	CLP Power Hong Kong Limited (CLP)

Appendix I – Awards, Recognitions, Qualifications and Membership

REGAL RIVERSIDE HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Certificate of Appreciation, Rotary Life Planning Programmes	Education Bureau and the Rotary
Good Employer Charter Certificate	Labour Department
Christian Action Training Services Certificate of Appreciation	Christian Action Training Services
"Hong Kong No Air Con Night" Certificate	Green Sense
10-year QTS Merchant Recognition	Hong Kong Tourism Board
– Aji Bou Izakaya	
– Avanti Pizzeria	
– Vi	
Friends of the Earth (HK) "Used Clothes Recycling Program" Certificate	Friends of the Earth
CLP Peak Demand Management Programme Certificate	CLP Power Hong Kong Limited (CLP)

REGAL FINANCIAL CENTER HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
City Landmark Hotel	China Hotel Golden Horse Awards
Annual Marketing Excellence Award	Shenzhen Jubang International Travel Agency Co.
Booking.com Guest Review Awards	Booking.com

REGAL INTERNATIONAL EAST ASIA HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
The Best Meeting Hotel Award	City Traveler
Certificate of Excellence	TripAdvisor
Top Choice for International Business Travellers	China Hotel Golden Horse Awards
Best Partnership Hotel	H.M.C

REGAL JINFENG HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Preferred Hotel of International Business Travel	China Hotel Golden Horse Awards

Appendix I – Awards, Recognitions, Qualifications and Membership

REGAL PLAZA HOTEL & RESIDENCE

AWARDS AND RECOGNITIONS	ORGANISATIONS
Green Golden Award for Hotel Construction in China	Hotel Professional Executive Magazine
The Best Business Hotel - Taiwan, Hong Kong, Macau and Overseas Chinese Most Favourite Hotels Awards	Emigrant to Shanghai Magazine
Best Family Leisure Hotel	Chance Magazine
Best Residence Hotel	Better Homes & Garden Magazine
Shanghai Harmonious Work Relations Standard Enterprise honored	Shanghai Labour and Social Security Bureau, Shanghai General Labour Union

REGAL SHANGHAI EAST ASIA HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Trustworthy Restaurant	Shanghai Municipal Food & Drug Administration

REGAL AIRPORT HOTEL, XI'AN

AWARDS AND RECOGNITIONS	ORGANISATIONS
Best Crew Service Hotel	Capital Airlines
The Best Airport Hotel in China	China Hotel Golden Horse Award
Top Hotel Quality	Cooperative Union of China Provincial and Municipal Hotel Association

QUALIFICATIONS

- EARTHCHECK (GOLD)**

Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel are certified.

- EARTHCHECK (SILVER)**

iclub Wan Chai Hotel, iclub Sheung Wan Hotel and iclub Fortress Hill Hotel are certified.

Appendix I – Awards, Recognitions, Qualifications and Membership

- **GREEN HOTEL AWARDED BY CHINA TOURIST HOTEL STAR RATING COMMITTEE/NATIONAL GREEN HOTEL COMMITTEE:**

- Golden Leaf Green Hotel in China: Regal International East Asia Hotel and Regal Airport Hotel, Xi'an
- Silver Leaf Green Hotel in China: Regal Kangbo Hotel, Regal Shanghai East Asia Hotel and Regal Plaza Hotel & Residence
- Green Hotel in China: Regal Kangbo Hotel & Residence

- **QUALITY WATER:**

Under the Quality Water Supply Scheme for Buildings of the Water Supplies Department, the Government of Hong Kong Special Administrative Region, four Initial Hotels in Hong Kong achieved the below levels:

- Regal Hongkong Hotel – Gold
- Regal Oriental Hotel – Gold
- Regal Riverside Hotel – Gold
- Regal Kowloon Hotel – Blue

- **QUALITY AIR:**

All five Initial Hotels and four iclub Hotels in Hong Kong received Indoor Air Quality Certificates awarded by the Environmental Protection Department, the Government of Hong Kong Special Administrative Region.

- **ISO CERTIFICATIONS:**

- ISO 14064 – 1: All five Initial Hotels and four iclub Hotels in Hong Kong are certified.
- ISO 22000: Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel are certified.
- ISO 50001: Regal Airport Hotel is certified.

- **CARBON REDUCTION:**

All five Initial Hotels in Hong Kong achieved Carbon Reduction Certificates, Hong Kong Green Organisation Certification issued by the Environmental Campaign Committee.

MEMBERSHIP

The Group has been a member of the Hong Kong Green Purchasing Charter of the Green Council since 2012, advocating green and local purchases.

Appendix II – Performance Tables



ENVIRONMENTAL RESPONSIBILITY PERFORMANCE³

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Air Emissions⁴			
Nitrogen Oxide (NOx)	kg	N/A	2,125
Sulphur Oxide (SOx)	kg	N/A	7.87
Particulate Matters (PM)	kg	N/A	99
Greenhouse gas (GHG) emissions			
Total GHG emissions	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	51,522	53,779
Direct GHG emissions (Scope 1) ⁵	tonnes CO ₂ e	7,633	8,780
Indirect GHG emissions (Scope 2) ⁶	tonnes CO ₂ e	43,888	44,999
GHG emission intensity	kg CO ₂ e/equivalent guest night ⁷	15.64	14.59
Energy consumption			
Total energy consumption	GJ	385,520	372,512
Electricity	kWh	67,078,400	66,147,823
Towngas	GJ	123,150	116,926
Fuel	GJ	15,873	17,454
Steam	GJ	5,015	0
Energy intensity	GJ/equivalent guest night ⁷	0.12	0.10
Water consumption			
Total water consumption	m ³	828,730	844,230
Water intensity	m ³ /equivalent guest night ⁷	0.25	0.23
Waste disposal			
General waste disposed	tonnes	3,942	4,428
Waste recycled			
Used cooking oil	Litre	20,912	19,576
Aluminium cans	kg	477	569
Plastic bottles	kg	9,553	11,511
Paper	kg	125,639	116,210
Food waste and donations	kg	208,482	169,889
Glass bottles	kg	19,051	16,869
Soap	kg	1,429	1,836

³ The performance data only covers hotel management operations in Hong Kong, including the five Initial Hotels (Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel) and four iclub Hotels (iclub Fortress Hill Hotel, iclub Ma Tau Wai Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel), in 2018.

⁴ We started to collect air emission data in 2018, thus the data in 2017 is not available.

⁵ Direct GHG emission generated from fuel consumption and leaked refrigerant/CO₂e from equipment.

⁶ Indirect GHG emissions generated from electricity and towngas consumption.

⁷ Equivalent guest night includes the total number of guests stayed overnight in our hotels and one third on total number of guest patron in our restaurants and banquet/function rooms.

Appendix II – Performance Tables

ECONOMIC RESPONSIBILITY PERFORMANCE³

EMPLOYMENT PRACTICE

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Total workforce by employment contract			
Permanent	number of people	2,006	1,890
Contract	number of people	0	93
Trainee	number of people	4	7
Total workforce	number of people	2,010	1,990
Total workforce by gender			
Male	number of people	1,133	1,012
Female	number of people	877	978
Total workforce by age group			
Under 25	number of people	236	178
25 – less than 40	number of people	640	624
40 – less than 55	number of people	823	828
55 or above	number of people	311	360
Total workforce by employment category			
Senior management	number of people	63	63
Middle management	number of people	250	309
General Employees	number of people	1,697	1,618

OCCUPATIONAL HEALTH AND SAFETY

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Total number of work related fatalities	number of people	0	0
Total number of lost day ⁸ due to work injuries	number of days	2,101.5	1,609.5

⁸ Lost days refer to sick leave due to all types of work-related injuries.

Appendix II – Performance Tables

DEVELOPMENT AND TRAINING

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Percentage of employees trained by gender			
Male	%	77	98
Female	%	100	100
Percentage of employees trained by employment category			
Senior management	%	98	100
Middle management	%	99	93
General Employees	%	85	100
Average training hours by gender			
Male	number of hours	8	7
Female	number of hours	11	6
Average training hours by employment category			
Senior management	number of hours	20	18
Middle management	number of hours	14	8
General Employees	number of hours	8	6

SUPPLY CHAIN MANAGEMENT

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Number of suppliers by geographical region			
Hong Kong	number of suppliers	1,952	2,139
Mainland China	number of suppliers	5	7
Overseas	number of suppliers	72	70

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INDICATORS		SECTION/ STATEMENT
A. Environmental		
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management
	KPI A1.1 The types of emissions and respective emissions data.	
	KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility Performance
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility Performance
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility Performance
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	Energy and Emissions
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management

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INDICATORS		SECTION/ STATEMENT
A. Environmental		
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility Performance
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility Performance
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	Energy and Emissions
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Management
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the core business of Regal
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Commitment to the Environment
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Commitment to the Environment



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INDICATORS		SECTION/ STATEMENT
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>KPI B1.1 Total workforce by gender, employment type, age group and geographical region.</p> <p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>Recruitment, Retention and Benefits</p> <p>Economic Responsibility Performance³</p> <p>Economic Responsibility Performance³</p>
Aspect B2: Health and Safety	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>KPI B2.1 Number and rate of work-related fatalities.</p> <p>KPI B2.2 Lost days due to work injury.</p> <p>KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	<p>Workplace Health and Safety</p> <p>Economic Responsibility Performance³</p> <p>Economic Responsibility Performance³</p> <p>Workplace Health and Safety</p>

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INDICATORS		SECTION/ STATEMENT
B. Social		
Employment and Labour Practices		
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Learning and Career Development
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Economic Responsibility Performance ³
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Economic Responsibility Performance ³
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Recruitment, Retention and Benefits
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Recruitment, Retention and Benefits
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Recruitment, Retention and Benefits
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	KPI B5.1 Number of suppliers by geographical region.	Economic Responsibility Performance ³
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management



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INDICATORS		SECTION/ STATEMENT
B. Social		
Operating Practices		
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Commitment to Our Guests
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the core business of Regal
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Connecting with Our Guests
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Not material to the core business of Regal, yet we ensure that intellectual rights are protected. Only authorised logos or trademarks are used for promotion and, where appropriate, marketing materials are only used for designated promotion upon mutual agreement with joint promotion partners.
	KPI B6.4 Description of quality assurance process and recall procedures.	Guest Health and Safety
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Data Protection

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INDICATORS		SECTION/ STATEMENT
B. Social		
Operating Practices		
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
Community		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Commitment to Our Community
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Responsibility
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Social Responsibility



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