



HARBOUR CENTRE DEVELOPMENT LIMITED

Stock Code : 0051

ESG REPORT 2019



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About This Report

Reporting Standard and Scope

Prepared in accordance with the Environmental, Social and Governance Reporting Guide (Appendix 27) issued by The Stock Exchange of Hong Kong Limited (“HKEX ESG Reporting Guide”), this Environmental, Social and Governance (“ESG”) Report (“the Report”) discloses the Harbour Centre Development Limited’s (“HCDL’s” or “the Group’s”) ESG management approach, initiatives and performance between 1 January and 31 December 2019 (“the reporting year”).

Consistent with previous reporting scope, the Report covers the flagship assets — The Murray, Hong Kong, a Niccolo Hotel (“The Murray”) and Marco Polo Hongkong Hotel (“MP Hong Kong”), and Mainland China asset — Marco Polo Changzhou (“MP Changzhou”). In determining the reporting scope, the assets’ ownership, revenue contribution and operating status are considered. As a result, other assets are excluded in this Report.

The four Reporting Principles in the HKEX ESG Reporting Guide are adopted in the Report. The report framework and content are arranged based on the relative materiality our stakeholders attach to the ESG issues. The Report also includes balanced and quantitative information to present the Group’s past and current ESG performance. Standardised methods are used to derive the data unless otherwise specified.

Our Sustainability Approach

Board Statement

The Board of Directors (“the Board”) is committed to managing and minimising the environmental and social impacts generated from our business operations, and has the responsibility of overseeing our ESG strategy and reporting. To prioritise ESG issues material to our business and drive the Group’s sustainable practices, the Group’s ESG management and performance and ESG risks and opportunities identified via risk assessment exercises, including materiality assessment, are discussed regularly.

To effectively discharge our responsibility, the Board delegates to the Sustainability Steering Committee (formerly known as Corporate Social Responsibility (“CSR”) Steering Committee), which is comprised of the Group’s Chairman and key executives of functional units, the monitoring and evaluation of our ESG performance and issues, as well as the goals and targets in the environmental aspects to which our business impacts.

Sustainability Governance

Our parent company, Wharf Real Estate Investment Company Limited (“Wharf REIC”), is involved in reinforcing HCDL’s ESG management and performance through the sustainability governance structure. Besides our dedicated executives who coordinate and manage sustainability programmes in daily operations internally, we regularly report our ESG performance to Wharf REIC’s Cross-Business Unit (“Cross-BU”) Sustainability Group and, in turn, Sustainability Steering Committee for continuous monitoring. We also exchange knowledge and best practices with the Cross-BU Sustainability Group to enhance our management approach.

We have stringent structure and mechanism for corporate governance and internal control. For details, please refer to the Corporate Governance Report in the Group’s Annual Report 2019.

Stakeholder Engagement and Materiality Assessment

To identify material issues and solicit stakeholder’s opinions on our ESG strategy and performance for report preparation, we commissioned an independent consultant to carry out engagement exercise based on the AA1000 Stakeholder Engagement Standard 2015. We collected feedback from over 425 stakeholders this year by online survey, interviews and focus group discussions as part of Wharf REIC’s stakeholder engagement exercise. The stakeholders ranged from employees, hotel guests, shoppers, suppliers, contractors and sub-contractors, to tenants, investors and financial analysts, and community partners.

We determined the material issues to be disclosed in the Report by adopting a four-step process. Details of the process are as follows:

Step 1 Identify	We referred to the HKEX ESG Reporting Guide to identify topics which may deem material for disclosure.
Step 2 Prioritise	We reviewed the disclosures of local, regional and international peers to identify industry practices. Stakeholders were invited to rank the materiality of various ESG issues and share their thoughts regarding the Group's ESG Report. We then compiled and analysed the results from the peer benchmarking exercise and outcomes of the stakeholder engagement to derive the overall materiality level for each ESG issue. A prioritised list of material issues was developed for Step 3.
Step 3 Validate	The outcomes of Step 1 and 2 were brought forward for discussion with the Group's senior management to finalise and confirm the list of material issues for disclosure in this Report.
Step 4 Review	We review the ESG issues and corresponding impact boundary regularly to ensure their relevance and materiality to the Group.

Material Topics

Aspects	Overall Materiality Level
Environmental	
Air Emissions	MEDIUM
Greenhouse Gas Emissions	MEDIUM
Energy Consumption	MEDIUM
Water Consumption	MEDIUM
Packaging Materials	MEDIUM
The Environment and Natural Resources	MEDIUM
Social	
Employment	MEDIUM
Occupational Safety and Health ("OSH")	MEDIUM
Development and Training	HIGH
Labour Standards	MEDIUM
Supply Chain Management	MEDIUM
Product Responsibility	HIGH

Our Environment

We are devoted to going beyond the minimum requirement of adhering to all applicable legal and environmental standards, and striving to mitigate our environmental impacts and further promote sustainable tourism. Our environmental performance and risks are closely monitored under our sustainability governance structure. In recognition of our efforts in contributing to sustainable tourism, MP Hong Kong and MP Changzhou received the silver certification by EarthCheck, the world's leading environmental certification and benchmarking programme for the travel and tourism industry.

Energy and Greenhouse Gas Management [HKEX KPI A1.5, A2.3]

In light of the increasing threats posed by climate change, the Group recognises the need to lower our carbon footprint which is closely linked to our energy management. In this regard, we have adopted measures to improve our energy efficiency. The Group commits to supporting our parent company in reducing electricity consumption by 12% by 2020, using 2014 as the baseline year. Since then, our hotels have implemented various energy-saving initiatives and we have achieved an electricity reduction of 2.0% in the reporting year when compared to the previous year.

At MP Hong Kong, an energy audit was conducted by CLP Holdings Limited ("CLP") to identify the electricity consumption portfolio and energy-saving opportunities. Furthermore, various energy management and saving initiatives were adopted to improve energy efficiency. This included the installation of LED lamp and strip in public areas, and the use of T5 fluorescent lamps in the back-of-house staircase and plant room. In response to the lower occupancy during the reporting year, electricity saving programmes were rolled out in which several lighting and ventilation were switched off on floors that did not accommodate any guests, which contributed to saving around 760,611 kWh of electricity.

Similarly, at The Murray, a wide array of measures has been adopted to reduce electricity consumption. A target was set to save around 80,000 kWh per year through turning off the driveway t-profile lighting from 8:00 am to 4:00 pm to avoid the use of unnecessary lighting. Depending on the hotel occupancy and outdoor temperature, the chiller plant was switched off, resulting in an annual saving of 50,000 kWh of electricity consumption.

At MP Changzhou, a target to reduce 5% of both energy and electricity consumption on a year-on-year basis was set. To achieve this target, security guards conduct nightly inspections in the hotel to ensure that lights are turned off appropriately in certain locations. With the efforts of our staff, the electricity consumption in 2019 recorded 1.2% reduction compared to that in 2018. Natural gas consumption also reduced by 13.55%, surpassing our target. This is a result of our adjustment of steam pressure in the steam boiler and having tight control of the central heating time during winter.

With concerted efforts, the overall amount of direct and indirect energy consumption decreased by 3.15% between 2018 and 2019. In turn, the Group avoided emitting about 434 tonnes of greenhouse gas during the year.

Climate Risk Management [HKEX KPI A4.1]

Climate change can pose threats to the Group due to business disruption, physical damage and increased operational costs caused by sea level and temperature rise, and extreme weather events. We manage the risks by building climate resilience while also identifying opportunities in our business operations to lower our carbon footprint. A preliminary risk mapping exercise was completed in 2019 with reference to the Task Force for Climate-related Financial Disclosures ("TCFD") framework developed by Financial Stability Board. Based on the findings, physical and transition risks were identified, and potential remediation measures were proposed and studied. We will continuously incorporate sustainability and industry best practices in our business operations to keep up with increasingly stringent government regulations and the rising stakeholders' interest in sustainability.

Water Management [HKEX KPI A2.4]

Our operations depend on reliable access to clean water supply, and we recognise our role in conserving this valuable resource. Continually searching for opportunities to optimise our water usage, our water management approach includes improving water efficiency through guest behavioural change and operational process change.

At MP Hong Kong, water restrictors were installed in the bath taps and shower in 558 hotel guest rooms to regulate water flow. The water restrictor creates fine spray of water, reducing 5.6L of water use per minute, while still providing a luxurious washing and showering experience for our guests. From 2014, the hotel has been encouraging guests to practice water conservation behaviour through the green programme for guestroom linens, in which linens will only be washed per request. Nearly 30% of in-house guests participated in the programme.

At MP Changzhou, daily inspections on key water facilities are conducted to check whether there is any water leakage and employ timely rectification. To drive improvement, MP Changzhou has set a target of a 5% reduction of water consumption compared to that of 2018. These measures effectively saved 5,100 m³ of water in the reporting year, a 6.06% decrease compared to 2018.

As water is a valuable resource, we strive to gradually incorporate water recycling in our operations. At The Murray, the bleed-off water flowed from the air conditioner is optimised for recycling, in efforts to save water consumption from air conditioning in the reporting year.

Waste Management [HKEX KPI A1.6]

We are mindful of the waste we generated and are taking extra steps through reducing waste at source and facilitating recycling across our hotels. We adopt waste sorting, and appoint contractors for further handling. At MP Changzhou, the waste paper collected is transferred to certified paper buyers to recycle monthly. At MP Hong Kong, recycling programmes were implemented to recycle coffee capsules, fluorescent lamps and light bulbs. A total of 34,200 coffee capsules were collected and recycled. Meanwhile, 450 kg of fluorescent tubes and lamps were collected and sent to the Environmental Protection Department for mercury extraction and recycling.

As plastic pollution is a pressing problem for the world's oceans, we are conscious about the use of plastic in our business operations and have implemented various single-use plastic reduction initiatives. Since 2018, MP Hong Kong has transitioned away from the use of plastic food picks, straws and stirrers, further replacing them with eco-friendly alternatives. Through leveraging the latest technological innovations, we have substituted plastic membership cards and paper certificates with a mobile app. Moreover, at MP Changzhou, we have reduced the use of plastic through discontinuing the provision of bottled water at events and replacing plastic takeaway boxes with paper boxes.

As food waste remains one of the major types of waste produced in our operations, we have been proactive in managing it. MP Hong Kong takes the initiative to arrange food waste delivery to the O-PARK1 of Environmental Protection Department of Hong Kong, which converts food waste to compost and biogas. The Murray collaborated with Foodlink and donated surplus food including pastries and fruits every week to reduce wastage while providing food to those in need. A total of 421 kg of surplus food and 229 kg of used bathroom amenities were given in the reporting year. Leftover pastries and bread were served in staff cafe from August 2019.

Due to the nature of our business operations, most of the waste produced is non-hazardous, leading to no significant environmental impact caused by hazardous waste. In the reporting year, there was no case of non-compliance with environmental laws and regulations¹.

Employees' Environmental Awareness [HKEX KPI A3.1]

Behavioural change is key to drive improvement in our environmental performance. Therefore, we place considerable focus on enhancing the environmental awareness among our employees and guests, instilling the idea of environmental responsibility in their daily life. The Murray sources sustainable seafood for restaurant outlets to enable our guests to make more sustainable choices. Furthermore, to spread the knowledge of The Murray's green features to the wider community, the Historic Murray Tour allows our locals and travellers to appreciate the hotel's architectural design features including the preserved energy-efficient windows.

¹ 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), Noise Control Ordinance (Cap 400 of the laws of Hong Kong), and the Environmental Protection Law of the People's Republic of China.

Our People

Our employees are vital to the Group's success. In return, we have to safeguard their labour rights. We have established policies governing anti-discrimination, equal opportunities, compensation and benefits, recruitment and prohibition of child or forced labour. We strictly abide by all the relevant laws and regulations² in Hong Kong and Mainland China. No concluded legal case regarding the violation of labour rights was recorded during the reporting year.

Employment [HKEX KPI B4.1, B4.2]

We embrace a collaborative, inclusive and harmonious working environment. We treat all our employees and candidates equally. They are assessed solely by their ability, performance, professionalism, and experience in relevant areas, regardless of their gender, race, age, religion, sexual orientation, or any other demographic characteristics. To prevent child labour from recruitment, candidates are mandated to present proof of identity. Forced labour usually happens in supply chain. We assess our suppliers to ensure the alignment with relevant laws and regulations and our standard. We also request them to sign a supplier declaration as a pledge of legal compliance.

To attract and retain the right people, we provide competitive remuneration packages and benefits. Employees are covered by the Compensation and Benefits Policy at MP Hong Kong. Work-related accident and travel insurance and other welfare benefits are in place to ensure the health, safety and well-being of the employees. We also acknowledge their long-term contribution and loyalty by rewarding them on retirement and after long service. At MP Changzhou, we provide the employees with "Five Social Insurance and One Housing Fund"³ and complementary insurance plans (including work-related accident insurance). The senior management of The Murray can enjoy a Group Personal Accident Insurance, and all the staff are eligible for the dental scheme and pre-employment health check. Regular health check and healthcare inpatient and outpatient plans extended to dependents are also available for eligible employees.

Development and Training

Flourishing our employees is important to sustain our business. We offer regular training on topics such as anti-corruption and personal data protection, to ensure they understand and abide by the relevant regulatory requirements. Training courses covering corporate culture, professional development, environmental protection and OSH, etc. are also provided to our staff for enhancement and continuous improvement of our service quality and risk management. To effectively communicate our corporate directions and expectations to the new hires, an orientation programme and on-the-job learning activities are organised so that they can better understand their roles and responsibilities. We also grant education allowance to our staff to facilitate their career development.

Employee Communications and Well-being

To enhance internal communications, meetings between the management and general staff are organised at The Murray. We also offer a range of recreational and sports activities to promote stronger bond among colleagues and work-life balance, and allow our staff to relax and gather together after work. Marriage, maternity and paternity leave are also granted to our employees so that they can spend quality time with their family.

Employees' Safety and Health [HKEX KPI B2.1, B2.3]

OSH of our employees should not be compromised in any circumstances. We not only comply with the laws and regulations⁴, but also adopt a formal OSH Policy and Safety Manual to control the risk and relevant hazards. In each of the past three years including the reporting year, there was no work-related fatality case and concluded legal case regarding the violation of OSH regulations.

We prioritise OSH and have implemented different measures to strengthen it. In our daily operation, we conduct standard operating procedures training regularly, such as pre-shift briefing, fire and safety evacuation training, OSH talks, and other initiatives to raise our staff's awareness of OSH. Staff Handbook distributed on commencement date also covers topics on OSH. Furthermore, we invite the Labour Department to conduct regular physical health and mental wellness training for our staff. Depending on the job nature, our staff attended training courses including manual handling, work and general diseases, safe use of chemicals, healthy work style and stress management.

² Employment Ordinance (Cap 57 of the laws of Hong Kong), Labour Contract Law of the People's Republic of China and Labour Law of the People's Republic of China; 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) and Race Discrimination Ordinance (Cap 602 of the laws of Hong Kong); Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

³ Includes endowment insurance, medical insurance, unemployment insurance, occupational health and safety insurance, maternity insurance and housing fund.

⁴ Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong) and Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

Our Value Chain [HKEX KPI B6.3]

As the delivery of premium quality and services plays a key role in the long-term success of the Group, we strive to continually boost our guests' experience and satisfaction level, while protecting their health, safety and privacy. The Group strictly follows established internal policies and guidelines to ensure compliance with applicable regulations and industry standards. We strive to facilitate our customers in making well-informed decisions through providing marketing communications that comply with the Trade Descriptions Ordinance (Cap 362) and logo guidelines. At MP Changzhou, the internal Legal Department reviews and approves marketing material prior to publishing to ensure further compliance. The Group observes intellectual property ("IP") rights and has policy in place to avoid infringement. We are cautious about handling designs and photos, and strictly comply with patent requirements and royalty in adoption. Similarly, we defend our IP rights by proper registration and other confidential measures.

Guests' Safety and Health [HKEX KPI A4.1, B6.2, B6.4]

The Group places considerable focus on the health and safety of our guests and attaches importance to the physical safety at all our premises. It is evident that the impact of climate change can lead to physical damage of properties and potentially threaten the health and safety of our guests and employees. Based on the findings from our climate risk mapping exercise, we have strengthened potential risk mitigation measures including climate resilience investment such as flood gates and water sensors, further safeguarding physical safety.

Food safety is an area of concern in hotel business as it directly affects our guests' health and satisfaction, and impacts our brand image. Therefore, we go beyond compliance requirements and strive to adopt best practices in the industry. The pre-packed foods at our Hong Kong operations adhere to the nutrition and food allergy labelling regulations. The Hazard Analysis Critical Control Point-based ("HACCP-based") Food Safety Management System is adopted to manage the food safety and hygiene in our operations in a systematic manner. To ensure the proper functioning of our robust food safety management system, one announced and one unannounced audit are conducted monthly. Audit findings are further communicated to corresponding parties and action plans for rectification are strictly applied.

We extend our food safety standards to our suppliers. In the tendering procedures, potential suppliers are required to provide technical analysis to show the absence of ingredients that can cause allergic reactions or skin irritations. Our Hygiene Manager and representatives from the Purchasing and Culinary conduct monthly or quarterly audit to further review the performance of our suppliers. Those with poor performance during the inspection will not be considered under the supplier management system.

At MP Changzhou, HACCP is also referenced to effectively monitor and review food quality and hygiene. To further communicate our expectations and build a solid understanding of food and safety practices, we provide monthly training and examination concerning food safety to our employees.

During the reporting year, we are pleased to report that there was no incident of non-compliance with regulations and voluntary codes⁵ resulting in a fine or penalty.

Service Quality and Customer Satisfaction [HKEX KPI B6.2, B6.4]

The Group has been using various credible platforms to understand the needs of our customers and drive our performance of customer care and satisfaction. Regular guest satisfaction surveys covering customer service, rooms and hotel facilities are made available to our guests through various channels. In the case of customer complaints, our well established six-step problem-solving technique is applied to identify the problem, implement and evaluate the solutions. To promptly respond to our guests' needs, a duty manager is always on duty to handle major complaints. Our efforts have paid off with a high satisfaction rate of 93.8%, 91.5% and 95.2% received by The Murray, MP Hong Kong and MP Changzhou respectively on the Guest Satisfaction Online Survey Global Review Index.

⁵ Fire Services Ordinance (Cap 95 of the laws of Hong Kong), Hotel and Guesthouse Accommodation Ordinance (Cap 349 of the laws of Hong Kong), Food Hygiene Code published by the Government of the Hong Kong Special Administrative Region, Food Safety Law of the People's Republic of China, Trade Descriptions Ordinance (Cap 362 of the laws of Hong Kong), Law of the People's Republic of China on Protection of Consumer Rights and Interests, consumer protection legislations in Hong Kong and logo guidelines.

Customer Privacy [HKEX KPI B6.5]

The Group adopts stringent measures when collecting and handling customers' personal information to ensure compliance with statutory requirements and voluntary codes including the Hong Kong Personal Data (Privacy) Ordinance (Cap 486 of the laws of Hong Kong) and the General Data Protection Regulation ("GDPR") by the European Commission. Some examples of these measures include providing restricted access of personal information to authorised personnel only, and strictly prohibiting the disclosure of guest details to third party and for marketing purposes unless guest consent is given. On the other hand, to minimise the risks of cyber-attacks, anti-virus programme is installed in all computers and network system is protected by firewall at our hotel operations. Further, internet access to high-risk websites is restricted.

In the reporting year, there was no case of identified leaks, thefts, or losses of customer data and no substantiated complaints received concerning breaches of customer privacy.

Supply Chain Management [HKEX KPI B5.2, B5.3, B5.4]

We procure from a diverse range of suppliers and adopt responsible sourcing practices through considering the environmental and social practices of our suppliers. During the year, we had 177 new suppliers, and all underwent the screening with environmental and social criteria. A Green Purchasing Clause is included in our tender documents to encourage our suppliers to adopt and innovate green solutions. We also conduct regular social and environmental audits. These help the Group build and promote a sustainable supply chain.

Food safety is one of the main concerns in hotel business. Qualified food suppliers thus are important. Our food and beverage items purchased have to meet a set of stringent food safety control requirements by the Food and Environmental Hygiene Department ("FEHD") of Hong Kong and the Food Safety Commission of Mainland China, respectively. We adopt rigorous measures to avoid the disruption of our food quality along the supply chain. These include requiring our food suppliers to have appropriate licenses as required by FEHD and the Food Safety Commission, and adopting a traceability system of the country-of-origin labelling on all purchased food items.

Business Ethics [HKEX KPI B5.2, B7.1, B7.2, B7.3]

The Group strives to uphold high ethical and governance standards in our operating practices, and has zero tolerance for any form of bribery, extortion, fraud or money laundering. A robust risk management and internal control system is adopted to protect our business operations, and our standards of professional conduct are further communicated in our Business Code of Conduct. For our employees, we invited the Independent Commission Against Corruption ("ICAC") to conduct the anti-bribery and anti-corruption training during the reporting year. About 395 hours of anti-corruption trainings were provided to our employees.

We extend our high ethical standards to our supply chain. We communicate our expectations of business integrity to all of our suppliers through incorporating a specific clause in our tender documents and supplier registration forms that strictly prohibits any offerings of gifts, cash or coupons. A standardised due diligence is implemented across our operations to prevent the occurrence of situations in which donations and sponsorships are used to conceal the act of bribery. To further encourage our employees to report incidents of malpractice or misconduct, we follow the Whistleblowing Policy and Procedures which is stated in the Group's website. More information can be acquired in the Corporate Governance Report of the Group's Annual Report 2019. During the reporting year, there was no reported legal case regarding corrupt practices brought against the Group.

Business-in-Community [HKEX KPI B8.1, B8.2]

Being a socially responsible organisation, we invest in the communities where we operate our business. To be in line with our community contribution focus areas, namely youth development and community care, we contribute to our communities in many ways. Apart from supporting the activities through cash and in-kind donations, our employees at The Murray and MP Hong Kong contributed over 300 volunteer hours to charity works during the year.

Community Care

Beyond supporting the flagship youth development initiative of the Wharf Group — Project *WeCan*, we collaborated with Heep Hong Society in organising a range of activities to empower children. The activities, such as Little Master Chef, Heep Hong Centre Visit and Heep Hong Graduation Ceremony, connected us with the children through teaching them to make cake, celebrating Christmas and providing suitable venue for their graduation ceremony, respectively. We also offered work exposure programme to secondary school students to allow them to have a glimpse of the hotel industry. Regular hotel tours and career talks were organised for students of various higher education institutions to provide them with insightful career information. MP Changzhou also supported local community by joining charity walk to raise fund for disadvantaged students and visiting the elderly regularly.

To show our commitment to community care, we partnered with Food Angel to deliver hot meals to the underprivileged in Hong Kong. In collaboration with Foodlink, we took part in many charitable events, such as donating surplus food and used bathroom amenities, to help people in need. We also supported events held by the Community Chest, such as Dress Casual Day and Swim for Million, which benefited over 160 social welfare agencies that reached out to more than 2.5 million beneficiaries in Hong Kong.

Appendix I: Performance Data Table

A1.1 Air Emissions^{6 7} in Total

	Unit	2019			2018		
		The Murray	MP Hong Kong	MP Changzhou	The Murray ⁸	MP Hong Kong	MP Changzhou
NO _x emissions	kg	5.66	70.66	2.79	4.65	73.73	45.08
SO _x emissions	kg	0.03	0.42	0.07	0.02	0.44	0.10
PM emissions	kg	0.00	0.23	0.21	0.00	0.25	4.32

A1.2 Greenhouse Gas Emissions⁹ Data in Total and Intensity¹⁰

	Unit	2019			2018		
		The Murray	MP Hong Kong	MP Changzhou	The Murray ¹³	MP Hong Kong	MP Changzhou ¹³
Guest night	Guest night	94,459.00	194,670.00	59,881.00	88,376.00	221,802.00	92,573.00
Total greenhouse gas emissions	Tonnes	10,636.67	9,718.20	5,635.64	10,450.68	10,145.10	5,828.88
	Intensity (kg per guest night)	112.61	49.92	94.11	118.25	45.74	62.97
Scope 1 emissions ¹¹	Tonnes	77.51	910.37	832.99	61.49	948.30	968.02
	Intensity (kg per guest night)	0.82	4.68	13.91	0.70	4.28	10.46
Scope 2 emissions ¹²	Tonnes	10,559.16	8,807.83	4,802.65	10,389.19	9,196.80	4,860.86
	Intensity (kg per guest night)	111.79	45.24	80.20	117.56	41.46	52.51

A2.1 Direct and Indirect Energy Consumption and Intensity¹⁴

	Unit	2019			2018		
		The Murray	MP Hong Kong	MP Changzhou	The Murray ¹³	MP Hong Kong	MP Changzhou ¹³
Total direct energy consumption — fuel ¹⁵	'000 kWh ¹⁶	401.18	4,724.15	3,788.33	321.13	4,920.42	4,397.12
	Intensity (kWh per guest night)	4.25	24.27	63.26	3.63	22.18	47.50
Total indirect energy consumption — electricity	'000 kWh	13,178.27	16,882.98 ¹⁷	6,826.80	13,132.82	17,609.63 ¹⁷	6,909.54
	Intensity (kWh per guest night)	139.51	86.73	114.01	148.60	79.39	74.64

A2.2 Water Consumption and Intensity¹⁸

	Unit	2019			2018		
		The Murray	MP Hong Kong	MP Changzhou	The Murray ¹³	MP Hong Kong	MP Changzhou ¹³
Water consumption	m ³	82,565.00	140,676.00	79,070.00	55,613.47	159,656.00	84,170.00
	Intensity (m ³ per guest night)	0.87	0.72	1.32	0.63	0.72	0.91

A1.3 & 1.4 Waste by Type and Disposal Method (tonnes)

		The Murray	MP Hong Kong	MP Changzhou	Total
General refuse to landfill	2019	1,057.30	1,254.40	60.51	2,372.21
	2018	744.00	1,716.60	55.67	2,516.27
Incinerated waste	2019	–	–	141.19	141.19
	2018	–	–	129.89	129.89
Waste collected for recycling					
Non-hazardous waste					
Paper	2019	–	124.76	7.77	132.53
	2018	–	148.07	10.60	158.67
Plastics	2019	0.52	0.19	3.82	4.53
	2018	0.00	0.27	3.84	4.11
Metals	2019	0.00	0.51	0.97	1.48
	2018	0.00	0.88	2.66	3.54
Food waste	2019	–	24.96	355.23	380.19
	2018	–	20.75	226.70	247.45
Glass	2019	21.63	7.74	4.06	33.43
	2018	12.30	5.91	10.24	28.45
Soap	2019	0.05	0.17	0.00	0.22
	2018	0.03	0.36	0.00	0.39
Hazardous waste					
Waste cooking oil	2019	0.82	1.52	1.23	3.57
	2018	1.52	2.45	0.54	4.51
Fluorescent lamps, light bulbs and waste ink cartridge	2019	0.00	0.45	0.00	0.45
	2018	0.00	0.63	0.00	0.63
Grand total	2019	1,080.32	1,414.70	574.78	3,069.80
	2018	757.85	1,895.92	440.14	3,093.91

	Unit	2019			2018		
		The Murray	MP Hong Kong	MP Changzhou	The Murray	MP Hong Kong	MP Changzhou
Wastewater discharge ¹⁹	m ³	73,454.92	98,473.20	63,256.00	47,418.07	157,288.40	67,336.00

B1.1 Total Workforce by Gender, Employment Type and Age Group

Business Unit	Employment Category ²⁰	2019						2018					
		Male	Female	Below 30	30-50	Over 50	Male	Female	Below 30	30-50	Over 50	Male	Female
The Murray	Senior management	7	2	0	5	4	4	2	0	4	2	4	2
	Middle management	96	43	19	105	15	51	30	2	75	4		
	General staff	116	108	71	110	43	199	137	120	179	37		
MP Hong Kong	Senior management	7	8	0	11	4	6	8	0	11	3		
	Middle management	73	57	15	91	24	81	59	11	109	20		
	General staff	186	158	103	157	84	183	177	129	159	72		
MP Changzhou	Senior management	6	1	0	6	1	5	0	0	4	1		
	Middle management	33	43	26	47	3	44	39	28	54	1		
	General staff	60	81	45	66	30	79	97	67	77	32		

Business Unit	Employment Type	2019	2018
The Murray	Full-time	370	422
	Part-time	2	1
MP Hong Kong	Full-time	486	510
	Part-time	3	4
MP Changzhou	Full-time	224	264
	Part-time	0	0

B1.2 Employee Turnover Rate by Gender and Age Group (Both Full-Time and Part-Time)

Business Unit	2019						2018					
	Male	Female	Below 30	30-50	Over 50	Male	Female	Below 30	30-50	Over 50	Male	Female
The Murray	59.82%	83.01%	98.89%	64.55%	43.55%	39.37%	57.40%	36.89%	48.84%	60.47%		
MP Hong Kong	22.18%	33.18%	45.76%	23.94%	15.18%	29.63%	22.95%	29.29%	24.73%	27.37%		
MP Changzhou	75.76%	55.20%	115.49%	41.18%	38.24%	62.50%	63.24%	106.32%	41.48%	26.47%		

B2.2 Lost Days due to Work Injury

Business Unit	2019			2018	
	Male	Female		Male	Female
The Murray	821 ²¹	13		128	172
MP Hong Kong	137	85		100	115
MP Changzhou	1	7		21	28

B3.1 Percentage of Employees Trained by Gender and Employment Category in 2019

Business Unit	Male	Female	Employment Category		
			Senior management	Middle management	General staff
The Murray	100.00%	100.00%	100.00%	100.00%	100.00%
MP Hong Kong	98.50%	99.55%	100.00%	98.46%	99.13%
MP Changzhou	100.00%	100.00%	100.00%	100.00%	100.00%

B3.2 Average Training Hours Completed per Employee by Gender and Employment Category

Business Unit		Male	Female	Employment Category		
				Senior management	Middle management	General staff
The Murray	2019	13.61	14.15	10.81	14.49	13.54
	2018	30.65	34.75	46.53	29.43	32.73
MP Hong Kong	2019	29.25	35.91	18.01	29.63	33.92
	2018	27.70	28.80	26.07	29.94	27.64
MP Changzhou	2019	7.19	7.98	7.71	10.09	6.30
	2018	19.37	21.24	16.11	20.90	20.18

Appendix I: Performance Data Table

B5.1 Number of Suppliers by Geographical Region

	2019			2018		
	The Murray	MP Hong Kong	MP Changzhou	The Murray	MP Hong Kong	MP Changzhou
Hong Kong	99	99	0	90	100	0
Mainland China	1	1	14	0	0	15
Others	2	0	0	1	0	0

- 6 Air emissions refer to the release of air pollutants namely nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM") generated by motor vehicles and gaseous fuel consumption into the atmosphere.
- 7 The data only include vehicular emissions and were calculated based on the methodology with published emission factors from the HKEX Reporting Guidance on Environmental KPIs (https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listed-Issuers/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2_envirokpis.pdf?la=en).
- 8 The Murray was opened on 15 January 2018. Full operation started from August 2018.
- 9 Greenhouse gases ("GHG") are emitted from fossil fuel consumption. CO₂, CH₄ and N₂O are included in the calculation of GHG emissions.
- 10 Intensity refers to the greenhouse gases emitted from fossil fuel consumption for supporting the operation of 1 guest night.
- 11 Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the Group, such as the combustion of diesel, unleaded petrol, towngas and refrigerant and were calculated based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (https://www.epd.gov.hk/epd/sites/default/files/epd/english/climate_change/files/Guidelines_English_2010.pdf). Emissions from combustion of piped natural gas in Mainland China were calculated based on 2012 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting.
- 12 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and towngas consumed by the Group and were calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.80 kg CO₂e/kWh), CLP (0.51 kg CO₂e/kWh) and The Hong Kong and China Gas Company Limited (0.564 kg CO₂e/unit). GHG emissions by electricity purchased in China in this Report were calculated based on China Eastern grid emission factor in 2012 年中國區域電網平均 CO₂排放因數 (<http://www.cec.org.cn/d/file/huanbao/xingyexinxi/qihoubianhua/2014-10-10/5fbc57bcd163a1059cf224b03b751d8.pdf>) (0.7035 kg CO₂/kWh).
- 13 The number of guest night of The Murray and MP Changzhou and the resulting intensities in 2018 were adjusted to reflect actual situation.
- 14 Intensity refers to the energy consumption for supporting the operation of 1 guest night.
- 15 This figure does not include our tenants' consumption. Fuel consumed covers towngas, piped natural gas, unleaded petrol and diesel.
- 16 Energy conversion factors used for diesel oil and unleaded petrol are from CDP Technical Note: Conversion of fuel data to MWh (https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175). Energy conversion factor used for piped natural gas is from 2012 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69554/pb13773-ghg-conversion-factors-2012.pdf). Energy consumption of towngas was calculated based on formula provided by The Hong Kong and China Gas Company Limited (<https://www.towngas.com/Eng/Cust/Household/CustService/Tariff.aspx>).
- 17 This figure includes the consumption of our tenants: Nishimura, Lane Crawford (escalator), Dan Ryan's Chicago Grill, Grand Ocean (lobby AC and screening room), SmarTone, Hutchison and PCCW.
- 18 Intensity refers to the water consumption for supporting the operation of 1 guest night.
- 19 The Murray and MP Hong Kong adopted the discharge factor on the water bills issued by Hong Kong's Water Supplies Department to collect the amount of wastewater discharge, whereas MP Changzhou calculated the data by multiplying the amount of water supply by 80%.
- 20 Senior management refers to General Manager and Executive Committee/Directors; Middle management refers to Managers and Supervisors; General staff refers to General Associates.
- 21 A staff member was injured on 16 September 2018 and the case resulted in 353 lost days in 2019.

Appendix II: HKEX ESG Reporting Guide Content Index

Aspect	HKEX KPI	Description	Page Number/Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	P.4–5
	A1.1	The types of emissions and respective emissions data	P.10
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity	P.10
	A1.3	Total hazardous waste produced and intensity	P.11
	A1.4	Total non-hazardous waste produced and intensity	P.11
	A1.5	Description of emission target(s) set and steps taken to achieve them	P.4, the Group is in the process of formulating environmental targets. They will be disclosed in future reports.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	P.5, the Group is in the process of formulating environmental targets. They will be disclosed in future reports.
A2 Use of Resources	A2	General Disclosure	P.4–5
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	P.10
	A2.2	Water consumption in total and intensity	P.10
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	P.4, the Group is in the process of formulating environmental targets. They will be disclosed in future reports.
	A2.4	Description of issue in sourcing water, water efficiency target(s) and steps taken to achieve them	P.4–5, the Group is in the process of formulating environmental targets. They will be disclosed in future reports.
	A2.5	Total packaging material used for finished products	The Group does not have significant impact on the environment from packaging materials.
A3 The Environment and Natural Resources	A3	General Disclosure	P.4–5
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P.5
A4 Climate Change	A4	General Disclosure	P.4
	A4.1	Description of the significant climate-related issues and the actions taken to manage them	P.4, 7
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure	P.6
	B1.1	Total workforce by gender, employment type, age group and geographical region	P.12
	B1.2	Employee turnover rate by gender, age group and geographical region	P.12
B2 Health and Safety	B2	General Disclosure	P.6
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	P.6
	B2.2	Lost days due to work injury	P.13
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P.6

Aspect	HKEX KPI	Description	Page Number/Remarks
B3 Development and Training	B3	General Disclosure	P.6
	B3.1	The percentage of employees trained by gender and employee category	P.13
	B3.2	The average training hours completed per employee by gender and employee category	P.13
B4 Labour Standards	B4	General Disclosure	P.6
	B4.1	Description of measures to review employment practices to avoid child and forced labour	P.6
	B4.2	Description of steps taken to eliminate such practices when discovered	P.6
Operating Practices			
B5 Supply Chain	B5	General Disclosure	P.8
	B5.1	Number of suppliers by geographical region	P.14, based on the principle of materiality, the Report includes the number of suppliers whom are the most significant 70% by spending in our BUS' supply chain.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P.7–8
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P.8
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P.8
B6 Product Responsibility	B6	General Disclosure	P.7–8
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	This indicator is not applicable to the Group's business.
	B6.2	Number of products and service related complaints received and how they are dealt with	P.7
	B6.3	Description of practices relating to observing and protecting intellectual property rights	P.7–8
	B6.4	Description of quality assurance process and recall procedures	P.7
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P.8
B7 Anti-corruption	B7	General Disclosure	P.8
	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	P.8
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P.8
	B7.3	Description of anti-corruption training provided to directors and staff	P.8, anti-corruption training was provided to staff but not directors in the reporting year. Transitioning to meet HKEX's latest ESG requirements, we will arrange the training to both directors and staff in the future.
Community			
B8 Community Investment	B8	General Disclosure	P.9
	B8.1	Focus areas of contribution	P.9
	B8.2	Resources contributed to the focus area	P.9