



# WHARF

*Established 1886*

## WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code : 1997

## SUSTAINABILITY REPORT 2019





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## DATA AT A GLIMPSE



Air emissions particularly NO<sub>x</sub> from The "Star" Ferry dropped

2019 **48.71** tonnes

2018 **50.07** tonnes



Year-on-year greenhouse gas emissions dropped

2019 **130,766** tonnes CO<sub>2</sub>e

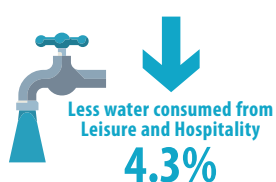
2018 **132,598** tonnes CO<sub>2</sub>e



Less energy used

2019 **848,023** GJ

2018 **867,059** GJ



Less water consumed from Leisure and Hospitality

2019 **453,068** m<sup>3</sup>

2018 **473,617** m<sup>3</sup>



Total waste generated

2019 **23,787.91** tonnes

2018 **29,082.05** tonnes



2019 **1,008** employees

2018 **1,029** employees



2017-2019

**0**  
work-related  
fatality for 3  
consecutive years



2019 male **34** female **35**

2018 male **48** female **44**



**>91%**



## MESSAGE FROM THE CHAIRMAN

GRI 102-14

In this third Sustainability Report of Wharf Real Estate Investment Company Limited ("Wharf REIC" or together with its subsidiaries, "the Group"), we continue to communicate our conscious efforts and commitments to ensure long-term sustainability.

Over the years, Wharf REIC has built corporate strategy based on our long-standing mission of "Building for Tomorrow". To create long-term shared values for our stakeholders socially and environmentally, sustainability thinking is fully embedded in every aspect of our business operation. Wharf REIC remains a constituent member of Hang Seng Corporate Sustainability Index, and is accredited with CSR Index Plus Mark by Hong Kong Quality Assurance Agency.

The Group stays abreast of the international and industry trends and goes beyond regulatory compliance in relation to sustainability. The Group has made strong commitment to 11 of the 17 United Nations ("UN") Sustainable Development Goals ("SDGs") to align our efforts with global objectives. The Group adopts a top-down management approach to formulate sustainable business and operational strategies.

Guided by our Group-level Sustainability Steering Committee, the Group manages various sustainability issues in five focus areas, namely Business Development, Protecting Our Environment, Nurturing Our People, Business-in-Community, and Products and Services.

2019 was the second hottest year on record on Earth and the hottest in Hong Kong. As climate change becomes alarmingly evident, Wharf REIC is speeding up the pace to address the impacts. This year, all of our business units ("BUs") conducted preliminary climate risk assessments with reference to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. Our largest assets — Harbour City — has also introduced a series of work for climate resilience. The invaluable experience gained in this case will strengthen our climate change adaptive capacity. On the other hand, our BUs fully support the Group-wide energy reduction target, and most of them have established their own goals. Through the concerted efforts, we reduced our year-on-year energy consumption by 2.2%.

We believe sustainable growth can be better achieved by working with our business partners. Driven by our commitment to sustainable procurement, we have a robust vendor management system to ensure our success in maintaining close ties with suppliers while managing risk. As we view sustainability as a priority, suppliers with excellent sustainability performance will be our preference alongside their ability to provide quality service and products.

We ensure our business is future-proof by engaging and empowering our people. In addition to our talent attraction and engagement strategies, we strive to provide our employees with safe, healthy and inclusive working environment, and invest in resources to sustain their professionalism. We remain committed to delivering positive social impacts through our full support for nurturing volunteerism among employees.

In 2019, some of our youth empowerment initiatives reached a new phase. Our Architectural Design Internship Programme gathered some past awardees to hold an exhibition named "Nine Wooden Chairs" to celebrate the 9<sup>th</sup> anniversary. The Wharf Young Art Programme, which aims to boost teenage creativity and art development, received the Award for Arts Education (Non-school Division) of the Hong Kong Arts Development Awards 2018. Project *WeCan* continues to empower underprivileged secondary school students for pursuing higher education and career goal, benefitting over 70,000 students since 2011.

Wharf REIC goes extra miles in maintaining service excellence and providing quality products. We give due consideration to improve customer experience, safety and privacy. Apart from constantly collecting valuable suggestions and comments from our customers, we closely monitor their satisfaction and look for rooms for improvement.

In the upcoming years, we will consider gradual adoption of TCFD framework and expand our coverage of target setting to other environmental aspects in response to HKEX's latest reporting requirements. Furthermore, our future sustainability improvement will place considerable focus on stakeholder engagement to effectively identify and manage their interests and expectations.

Before you read on, we would also like to take this opportunity to express our highest appreciation to the ongoing support and joint efforts by multi-stakeholder groups, paving the way to our success of achieving sustainable business. In particular, the current coronavirus outbreak presents unprecedented disruption to not only our business and the local economy but also the wider society. We are grateful to all of our employees as they continue to serve the community with their quality service during such a difficult time.

**Stephen T H Ng**

*Chairman and Managing Director*  
Hong Kong





# ABOUT OUR BUSINESS

**GRI** 102-2, 102-4, 102-6, 102-7, 102-10, 102-45





## About Wharf REIC

Sustaining a prominent figure in Hong Kong's real estate industry, Wharf REIC develops, invests and operates signature properties across the territories of Hong Kong. Through offering excellent one-stop lifestyle experiences<sup>1</sup> and fulfilling our role as an employer of choice for our community, we aspire to contribute to the economic growth of the city. We follow the long-standing mission of "Building for Tomorrow" to develop our business while taking our environment, stakeholders and society as a whole into consideration.

## Business Overview<sup>2</sup>

Wharf REIC holds a portfolio of six premier quality assets in Hong Kong, namely Harbour City, Times Square, Wheelock House, Crawford House, The Murray, Hong Kong, a Niccolo Hotel ("The Murray") and Plaza Hollywood. This portfolio occupies approximately 11.7 million square feet of gross floor area ("GFA"). It had a total value of HK\$268 billion as of 31 December 2019 and total revenues of HK\$15.7 billion in 2019.



### Harbour City

Situated at the heart of the city alongside the exquisite Victoria Harbour, this flagship landmark in Tsim Sha Tsui offers the all-in-one shopping, dining, entertainment and sightseeing experience for shoppers and visitors with its massive 2 million sq. ft. mall and three signature hotels.



### The Murray

Positioned in the heart of Hong Kong, The Murray, a fondly memorable Government office building renewed under the Government's Conserving Central initiative<sup>3</sup>, is a 25-storey contemporary urban hotel.



### Times Square

Located in Causeway Bay, Times Square is a 17-level shopping and lifestyle landmark for shoppers and tourists. It is a prime choice for offices, all under one roof and directly linked to a busy MTR station.



### Wheelock House

Located in Hong Kong's ground zero CBD, Wheelock House is a 25-storey prime Grade A office building.



### Plaza Hollywood

Located in Hong Kong's vibrant new Kowloon East central business district ("CBD"), this high-traffic regional shopping mall sits atop a mass transit railway ("MTR") station where two busy lines intersect, and at the entrance to a main north-south road link.



### Crawford House

Situated in Hong Kong's core CBD, Crawford House is a commercial tower spanning 7-storey retail premises (with a basement) and 18 prime office floors atop.



### The "Star" Ferry Company, Limited ("The "Star" Ferry")

As an icon of Hong Kong for decades, The "Star" Ferry provides two inner harbour ferry services: Tsim Sha Tsui to Central and Tsim Sha Tsui to Wan Chai. It also offers a circular tour service around Victoria Harbour and a water tour sightseeing service beyond Victoria Harbour.

<sup>1</sup> For details of our customer groups, please refer to the Business Review section of our [Annual Report 2019](#).

<sup>2</sup> For detailed breakdown of the products and services we provide, please refer to the Business Review section of our [Annual Report 2019](#).

<sup>3</sup> For more information, please refer to [https://www.niccolohotels.com/en/corporate/news/the\\_Wharf\\_group\\_and\\_the\\_murray\\_hong\\_kong\\_a\\_niccolo\\_hotel\\_celebrate\\_the\\_completion\\_of\\_a\\_conserving\\_central\\_initiative\\_project.html](https://www.niccolohotels.com/en/corporate/news/the_Wharf_group_and_the_murray_hong_kong_a_niccolo_hotel_celebrate_the_completion_of_a_conserving_central_initiative_project.html).



# ABOUT OUR REPORT

## Report Standards

**GRI** 102-54

The Sustainability Report (“the Report”) is prepared in accordance with the latest requirements of the Environmental, Social and Governance Reporting Guide (Appendix 27) issued by The Stock Exchange of Hong Kong Limited (“HKEX ESG Reporting Guide”), Core option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and the G4 Construction and Real Estate Sector (“CRE”) Disclosures.

When determining the structure and content, the Report takes the four Reporting Principles in the HKEX ESG Reporting Guide into practice. Sustainability issues relevant to the Group’s business are prioritised and disclosed with reference to the materiality attached by the stakeholders. Balanced and quantitative information is included in the Report to illustrate the Group’s previous and latest sustainability performance. Consistent methodologies are employed to calculate the data unless otherwise specified.





## Report Scope

GRI 102-50

The Report details Wharf REIC's sustainability policy, work and performance in the following assets for the period between 1 January and 31 December 2019:

## Operation



### Investment Properties

Wharf Estates Limited ("WEL")

- Harbour City
- Times Square
- Plaza Hollywood

Wheelock House  
Crawford House



### Leisure and Hospitality

The Murray  
Marco Polo Hotels

- Prince Hotel
- Gateway Hotel
- Marco Polo Hongkong Hotel

Marco Polo Changzhou  
Pacific Club  
Gateway Apartments



### Logistics

The "Star" Ferry

The Group considers three criteria when deciding the reporting boundary: the significance of revenue contribution, environmental, social and governance ("ESG") impacts, and management ownership of the assets. While revenue contribution financially helps distinguish the assets which are relatively material to the Group's business, the consideration of their respective ESG impacts ensures the Report can capture those that significantly influence the Group's sustainability performance in different aspects. We also take into account our operational control over them so as to account for the performance and impacts entirely resulted from the implementation of our operating policies and practices. The entities included represent over 90% of our business operations in Investment Properties, Leisure and Hospitality and Logistics.

## Report Assurance

GRI 102-53

The Board of Directors of Wharf REIC ("the Board") has approved the Report. To further reinforce the reliability, the Report has also been independently verified by Hong Kong Quality Assurance Agency ("HKQAA") to obtain reasonable assurance with reference to the International Standard on Assurance Engagements 3000 (Revised) ("ISAE 3000 (Revised)").

We welcome you to provide feedback on the Report and our sustainability approach. If any, please email us at [csr@wharfreal.com](mailto:csr@wharfreal.com).



# OUR SUSTAINABILITY APPROACH



Hang Seng Corporate  
Sustainability Index  
Series Member 2019-2020

## Board Statement

It has been widely recognised that ESG issues present financial and operational risks to sustain businesses. The Board has the responsibility and is committed to managing and minimising the ESG impacts relevant to our business operations, and align our sustainability insight with our long-standing mission of “Building for Tomorrow”.

The Board oversees Wharf REIC’s sustainability strategy and reporting. To drive Wharf REIC’s sustainable practices, its sustainability management and performance and sustainability risks and opportunities are discussed on a regular basis. Through the annual risk assessment exercise conducted by the business units, material sustainability issues will be identified for handling. To effectively oversee and manage these material sustainability issues, the Board discharges the responsibility by delegation to the Sustainability Steering Committee (formerly known as Corporate Social Responsibility (“CSR”) Steering Committee), which comprises the Group’s Chairman and key executives of functional units, to monitor and evaluate our sustainability performance and issues against the goals and targets. The progress will be reported to the Board annually.

## Sustainability Governance

**GRI** 102-11, 102-16

Recognised as one of the top 30 performers in Hong Kong by the Hang Seng Corporate Sustainability Index, Wharf REIC is committed to playing an important role in driving corporate sustainability. As we continuously enhance our internal sustainability capacity for smarter business planning and execution, we aspire to further create shared values for all our stakeholders and the society in economic, environmental and social terms.

As the highest governance body of the Group, the Board has the overall responsibility of the Group’s sustainability direction. Delegated by the Board and chaired by the Group’s Chairman, the Sustainability Steering Committee, which meets twice a year, devises and enhances the overall sustainability strategy in line with the Group’s goals and commitments, with the accountability of decisions that have economic, environmental and social impacts.

The Divisional Sustainability Committee comprises Head of Business Units (“BUs”) and Corporate Units (“CUs”). Through the support of the staff representatives in the Cross-BU Sustainability Group, it oversees the day-to-day sustainability performance and provides leadership for our BUs to achieve best practices through regular meetings.

In each BU, the respective sustainability governance body identifies sustainability risks and opportunities in relation to their operation and employs targeted measures and approaches. The Sustainability Team of the Group and BUs coordinate with the BUs’ executives in the daily management of sustainability initiatives and exchange ideas and best practices regularly through meetings. BUs’ sustainability progress and achievement are reported to the Sustainability Steering Committee on a regular basis.

## Our Sustainability Governance Structure

We follow the Group’s CSR Guidelines for organising different sustainability programmes and setting targets and commitments. Managing our corporate sustainability, we focus on five major areas, namely Business Development, Protecting Our Environment, Nurturing Our People, Business-in-Community, and Products and Services.





## Stakeholder Engagement

GRI 102-40, 102-42, 102-43, 102-46

We regularly engage our major stakeholders via multiple channels to listen to their concerns and suggestions. Their feedback is taken into account when formulating action plans to help improve our sustainability performance continuously.

### Our Stakeholder Groups and Engagement Channels

#### SHAREHOLDERS, INVESTORS AND FINANCIAL ANALYSTS

- General meeting(s)
- Financial reports, announcements and circular(s)
- Corporate communications and company websites
- Focus groups



#### EMPLOYEES

- Surveys and focus groups
- Town hall meetings
- Intranet and internal publications



#### MEDIA

- Media briefings and luncheons
- Executive interviews
- Instant internet updates



#### BUSINESS PARTNERS (INCLUDING SUPPLIERS, CONTRACTORS AND SUB-CONTRACTORS)

- Tendering
- Operational meetings
- Contract and performance review
- Surveys and focus groups



#### GOVERNMENT, REGULATORY BODIES AND INDUSTRY ASSOCIATIONS

- Regulatory task forces and committees
- Industry operational meetings
- Forums and conferences



#### NON-GOVERNMENTAL ORGANISATIONS ("NGOs")

- Programme partnership meetings
- Regular programme review and assessment

#### LOCAL COMMUNITY

- Community investment programmes
- Company visits
- Social media platforms



#### CUSTOMERS

- Surveys and focus groups
- Social media platforms
- Service centres and hotlines



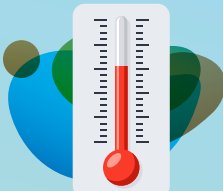




## Stakeholder Comments and Our Responses

GRI 102-44

For this Report, we commissioned an independent consultant to carry out engagement exercise to gauge the stakeholders' opinions on our sustainability strategy and performance. The exercise was conducted according to the AccountAbility AA1000 Stakeholder Engagement Standard 2015. Through online survey, one-on-one interviews and focus groups, more

than 425 stakeholders, ranging from employees, suppliers, contractors and sub-contractors, tenants, investors and financial analysts, to customers and hotel guests participated this year. As we collect their feedback, several issues were commonly brought up by the stakeholders. The Group's responses are outlined below:

Stakeholder Feedback	Aspect	Our Responses
The investors raised concern about our exposure to climate risk and plan for impact mitigation and climate change adaptation, particularly for Harbour City due to its coastal location.	<b>Climate risk</b> 	The Group and all the BUs recognise the risks and impacts of climate change to our business and operations. Hence, all BUs conducted an initial climate risk assessment during the year for better risk identification. On the other hand, in anticipation of more extreme weather and subsequent events, such as typhoon and flooding, our assets have introduced measures. Please refer to <a href="#">Climate Resilience</a> section of this report for details.
Our suppliers and employees wished to learn more about the Group's sustainability goals and targets such that they can help contribute to our sustainability vision in supply chain and workplace.	<b>Stakeholder collaboration</b> 	We give emphasis to sustainability in our business and operations for creating long-term shared values, and therefore value the collaboration with all our stakeholders. While the Group has a variety of channels to stay connected with them and communicate our values, we hope to further their understanding of our sustainability objectives by making our commitment and demand clearer. For example, we are in the process of formulating different targets for environmental management.
Stakeholders asked how committed the Group, the Board and senior management are in driving sustainability within the organisation.	<b>Sustainability governance</b> 	"Building for Tomorrow" is our long-standing mission, and we stay committed to it in our business and operations. The Group has a top-down sustainability governance framework which involves the Group's Chairman and the Board to effectively put the sustainability visions into actions. During the year, the Group formed the Divisional Sustainability Committee, which brings the Head of BUs and CUs together, to further enhance the sustainability governance structure and the execution of sustainability practices.



## Materiality Assessment

GRI 102-47, 102-49

The four-step materiality assessment forms the basis of our report preparation as we seek to prioritise the disclosure on sustainability issues that are relatively important to both our stakeholders and business.



### Step 1 Identify

We make use of the internationally accepted GRI Standards and the HKEX ESG Guide to pick the material sustainability issues.



### Step 2 Prioritise

We invite stakeholders to rank the materiality of the issues identified in Step 1. The results of the stakeholder engagement are compiled and analysed. Referencing the industry practices by benchmarking the disclosures of local, regional and international peers, we create a ranked list of material issues for Step 3.



### Step 3 Validate

The Group's senior management discusses the results of Step 1 and 2 for finalising and confirming the list of material issues to be disclosed in this Report.



### Step 4 Review

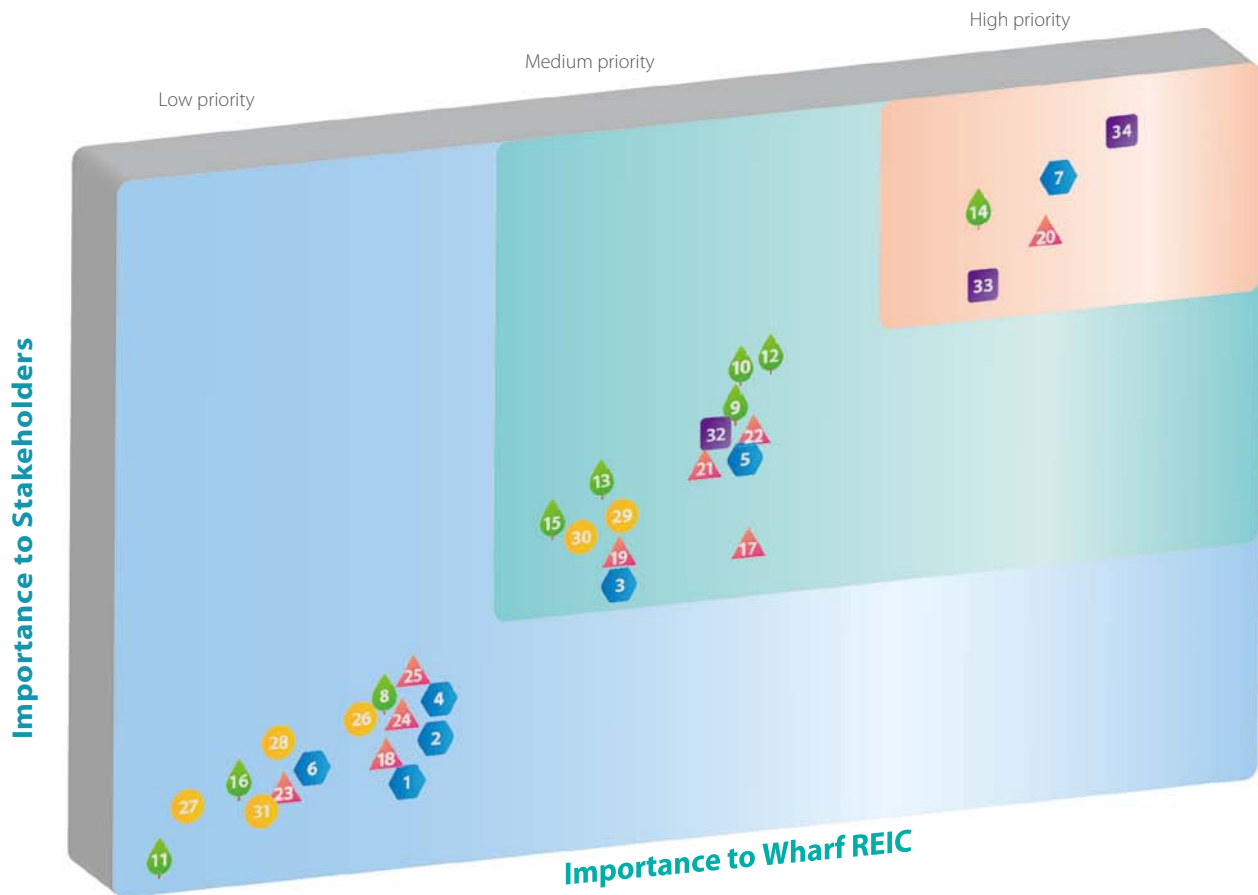
We regularly review sustainability issues and their corresponding impacts to ensure relevance and materiality to the Group on a continual basis.

## Material Topics and Corresponding Topic Boundary

Material Topics		Boundary and Impact	
		Within the Group	Outside the Group
3	Indirect economic impacts	✓	✓
5	Anti-corruption	✓	✓
7	Socioeconomic compliance	✓	✓
9	Energy	✓	✓
10	Water	✓	✓
12	Emissions	✓	✓
13	Effluents and waste	✓	✓
14	Environmental compliance	✓	✓
15	Supplier environmental assessment	✓	✓
17	Employment	✓	✓
19	Occupational safety and health ("OSH")	✓	✓
20	Training and education	✓	✓
21	Diversity and equal opportunity	✓	✓
22	Non-discrimination	✓	✓
29	Local communities	✓	✓
30	Supplier social assessment	✓	✓
32	Customer health and safety	✓	✓
33	Marketing and labelling	✓	✓
34	Customer privacy	✓	✓



## Wharf REIC's Materiality Matrix 2019



■ **Business Development**
■ **Protecting Our Environment**
■ **Nurturing Our People**
■ **Business-in-Community**
■ **Products and Services**

1 Economic performance	8 Materials	17 Employment	26 Security practices	32 Customer health and safety
2 Market presence	9 Energy	18 Labour/management relations	27 Rights of indigenous peoples	33 Marketing and labelling
3 Indirect economic impacts	10 Water	19 Occupational safety and health	28 Human rights assessment	34 Customer privacy
4 Procurement practices	11 Biodiversity	20 Training and education	29 Local communities	
5 Anti-corruption	12 Emissions	21 Diversity and equal opportunity	30 Supplier social assessment	
6 Anti-competitive behaviour	13 Effluents and waste	22 Non-discrimination	31 Public policy	
7 Socioeconomic compliance	14 Environmental compliance	23 Freedom of association and collective bargaining		
	15 Supplier environmental assessment	24 Child labour		
	16 Land degradation, contamination and remediation	25 Forced or compulsory labour		

## United Nations Sustainable Development Goals

GRI 102-11, 102-16

As demonstration of our devotion to sustainability in our business, we are strongly committed to supporting the global movement of United Nations ("UN") Sustainable Development Goals ("SDGs") for a better future. Through aligning our operations

with 11 of the 17 SDGs, we put in resources and collaborate closely with our stakeholders to drive economic development, social empowerment and environmental protection.

	Protecting Our Environment	Nurturing Our People	Business-in-Community
<b>Our Commitment</b>	<ul style="list-style-type: none"> <li>To measure our environmental performance through an established environmental management system.</li> <li>To adopt green policies, implement initiatives to reduce our greenhouse gas emissions, and facilitate reuse and recycling of resources.</li> <li>To promote green awareness among our staff, business partners, customers and suppliers, and throughout the wider community.</li> </ul>	<ul style="list-style-type: none"> <li>To become an employer of choice.</li> <li>To promote staff well-being by encouraging work-life balance, safety and health, equal opportunities, and human rights.</li> <li>To provide greater and better opportunities for our people and future talent.</li> </ul>	<ul style="list-style-type: none"> <li>To nurture youth, support the vulnerable, and promote art and culture via our Business-in-Community initiatives.</li> <li>To provide underprivileged secondary school students with resources and care for pursuing higher education and promising careers through Project <i>WeCan</i>.</li> <li>To foster the involvement of company volunteers in supporting the community and promoting our spirit of caring for others.</li> </ul>
<b>Key Initiatives</b>	<p>Climate Risk Assessment</p> <hr/> <p>Energy Efficiency Retrofit</p> <hr/> <p>Renewable Energy Adoption</p> <hr/> <p>Water Efficiency and Reuse Programmes</p> <hr/> <p>Waste Reduction and Recycling Initiatives</p> <hr/> <p>Green Christmas Party</p>	<p>Apprentice Training Programme</p> <hr/> <p>Staff Recognition Programme</p> <hr/> <p>Red Ring Leadership Philosophy Training</p> <hr/> <p>Happy Infinity Programmes</p>	<p>Project <i>WeCan</i></p> <hr/> <p>The Wharf Hong Kong Secondary School Art Competition</p> <hr/> <p>Architectural Design Internship Programme</p>

### Relevant UNSDGs





# BUSINESS DEVELOPMENT



## Economic Presence and Impact

GRI 201-1, 203-1, HKEX KPI B8.1, B8.2, UNSDG 8

The long-term prosperity of the Group brings along positive shared value to the society. Throughout the years, the Group supports the economy and community through our

operations and donations. Our contributions in 2019 are highlighted below:

### Direct Economic Value

#### Total assets

HK\$ **284.3**  
BILLION



#### Group revenue

HK\$ **16**  
BILLION



#### Underlying net profit

HK\$ **9.8**  
BILLION



#### Employees<sup>4</sup>

**2,880**  
EMPLOYEES



#### Staff cost<sup>5</sup>

HK\$ **1,006**  
MILLION



#### Donations

HK\$ **39**  
MILLION



### Community Contributions

Apart from our economic performance and job opportunities, we support the society by applying our resources and expertise to causes including art and culture, social welfare, education, environmental protection, and healthy life. Other than donations, we sponsor venue and advertising space for charitable events and promotions. We contributed through these channels in 2019 to support 110 charitable activities<sup>6</sup>.

### Venue Sponsorship

Harbour City sponsored "Alex Strives for Water Press Conference", in support of A Drop of Life. The organisation strives to ensure the basic rights to access clean and sanitised water for everyone through sustainable water projects. The press conference held aimed to raise public awareness of the organisation and the preciousness of clean water.



<sup>4</sup> Total number of employees under the reporting scope.

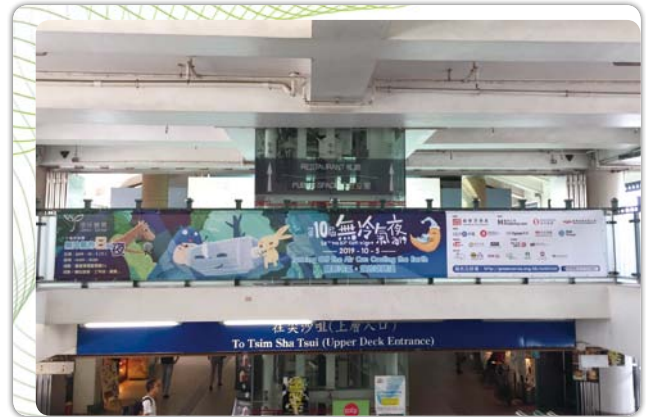
<sup>5</sup> Staff costs included defined contribution pension schemes costs for the year ended 31 December 2019 of HK\$48 million.

<sup>6</sup> The reported contribution is related to venue and advertising panels sponsorship to charitable organisations, by the Group's Hong Kong operations, namely, Harbour City, Times Square, Plaza Hollywood, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel, The Murray, Pacific Club, Gateway Apartments, and The "Star" Ferry and Mainland China operations, namely, Marco Polo Changzhou.





Plaza Hollywood sponsored a 13-day event — “The Good Old Times 2019” — organised by The Chin Family in June 2019. Role-play learning activities, storytelling, talent contest, quiz challenge, and balloon twisting were held for children to promote money management knowledge and proper money habits.



The “Star” Ferry has collaborated with Support the Employment of People with Disabilities (“SEPD”) since 2010 to showcase the handicrafts made by persons with disabilities in the market held on every Saturday at The “Star” Ferry Central Pier. It serves as a platform for citizens to support by purchasing unique, diversified, and creative fabric works, clay and pottery handicrafts, ornaments and various household products.



Apart from venue sponsorship, we also offer free advertising space and free air time to support NGOs. For instance, The “Star” Ferry sponsored banner space and panel space for over 50 community events. At Times Square, we also sponsored the TV wall for NGOs to advertise.





The Marco Polo Hongkong Hotel continued to support the Children's Cancer Foundation ("CCF"), an organisation which provides caring service for young children with cancer and their families. This year, we sponsored food and beverage, as well as the venue for its New Year Party. Our volunteers also participated in the event, sharing their love and care with the children.

## Corporate Governance

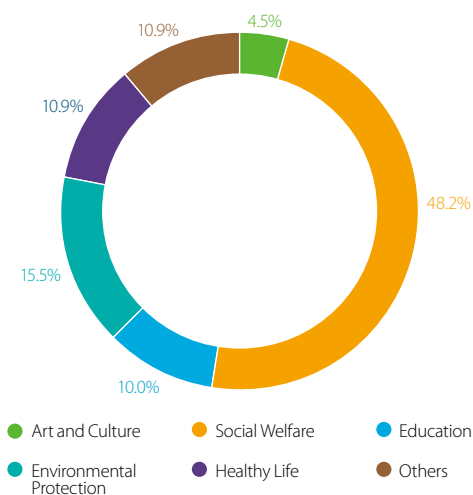
Strong corporate governance and excellent business practice are the cornerstones of the Group's sustainable success and advancement. To this end, the Group goes beyond compliance with legal requirements, and maintains a strict and robust system to monitor and manage risks, and uphold business ethics.

### Governance Structure

**GRI** 102-18, 202-2, 405-1

Comprised of leaders with diverse industry backgrounds, including investment properties, property development, banking, finance and accounting, public services, hospitality, and logistics, our Board leads us to operate in accordance with all applicable local rules and regulations, codes, and standards, and meet the highest standards of accountability, transparency and integrity. We value diversity of our Board and believe in its positive influence on effective operation and outstanding performance of the Group.

What We Supported (in number of events)

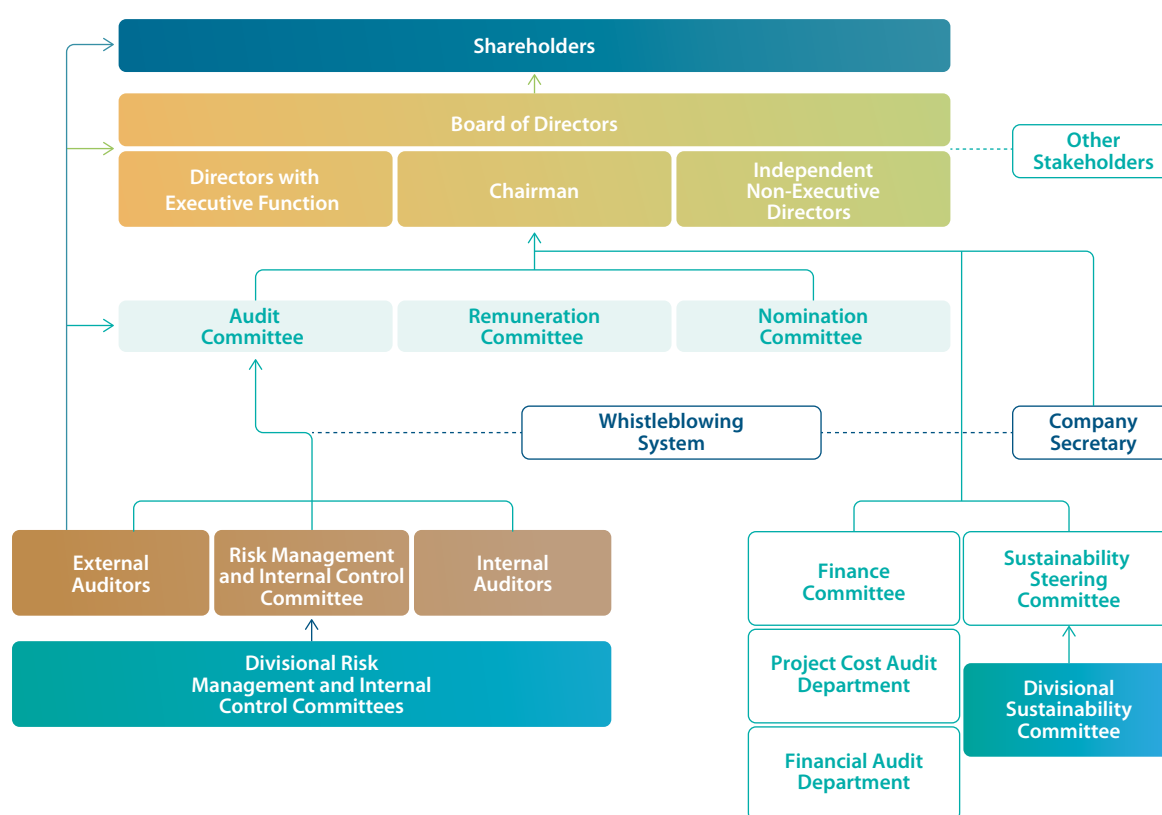




### Composition of Wharf REIC's Board of Directors<sup>7</sup>

	Age			Gender		Ethnicity	
	Under 30	30–50	Over 50	Male	Female	Non-Chinese	Chinese
Number	0	1	9	8	2	2	8
%	0%	10%	90%	80%	20%	20%	80%

The Board's Remuneration Committee, Audit Committee and Nomination Committee provide effective oversight and direction on the Group's strategies and business activities. The management team is liable for the day-to-day activities of the Group's business to ensure alignment with the Group's direction, strategies and goals.



For more details on our corporate governance performance, please refer to the Corporate Governance Report in Wharf REIC's Annual Report 2019.

<sup>7</sup> All members of the Board of Directors are hired from the local community, i.e. Hong Kong and Mainland China. The profile of the Board of Directors is outlined in the Annual Report 2019 (P.78 to 82).

## Risk Management and Internal Control

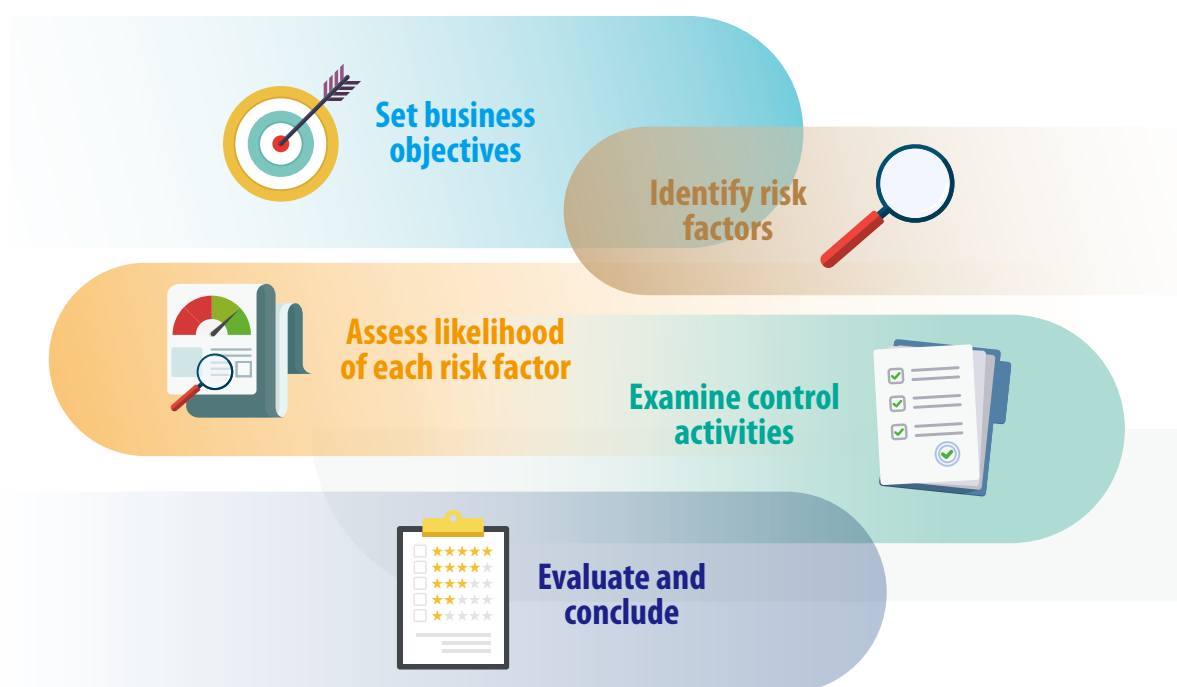
**GRI** 201-2

A robust and responsive risk management and internal control system helps protect interests of the Group and our stakeholders, especially in a competitive and ever-changing environment with varying risk exposures. Following the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) framework, the Audit Committee, led by the Board, monitors and evaluates the effectiveness of the system with help from the Risk Management and Internal Control Committee.

The Audit Committee provides directions and tools for risk identification, analysis, and management for internal control functions. Working with the Divisional Risk Management and

Internal Control Committees, Finance Committee, Internal Audit Department, Financial Audit Department, Project Cost Audit Department, and Sustainability Steering Committee, each BU utilises its resources to entrench safeguards against foreseeable risks and deficiencies.

The Group adopts a holistic approach to risk management. Formal risk assessment, which considers and monitors any economic, environmental, social, or governance risks is conducted annually. We are aware of the possible negative impacts of our business operations and have taken various measures to alleviate such impacts. Risk management system and internal control measures are continuously under review and improved where necessary in response to changes in business, operating, and regulatory environments.



With stronger typhoons and hotter weather in recent years, climate change has become increasingly evident. To speed up the pace to understand climate risks and address climate impacts to our business, all of our BUs conducted preliminary climate risk assessments with reference to the Task Force for Climate-related Financial Disclosures (“TCFD”) recommendations developed by Financial Stability Board in 2019. For more information on the climate risk assessment, please visit [Climate Resilience](#) section of this Report.



For more information on our risk governance structure and risk management procedures and how we address each of the risks, please refer to the Corporate Governance Report in [Wharf REIC's Annual Report 2019](#) and the relevant sections of this Report.

### Ethical Business Operations

**GRI** 205-2, 205-3, **HKEX** KPI B7.1, B7.2, B7.3

The Group considers business ethics and professional conduct as one of our top priorities. In 2019, we fully complied with the following laws and regulations which are significant to our business: the Prevention of Bribery Ordinance (Cap. 201) and the Competition Ordinance (Cap. 619) in Hong Kong and the Government Procurement Law, Anti-Monopoly Law, Bidding Law, and Criminal Law of the People's Republic of China.

The Group adopts zero-tolerance approach to any form of bribery<sup>8</sup>, extortion, fraud or money laundering. The Group's Statement of Business Integrity and Code of Conduct outline our ethical expectations to our employees, and they are required to follow relevant policies regarding conflicts of interest, insider dealings, anti-competition, and anti-corruption. Trainings conducted by representatives from the Independent Commission Against Corruption ("ICAC") are regularly held to update and train our employees in ethical business practices. In 2019, we conducted over 720 hours of anti-corruption training. The Group has a set of due diligence procedures to prevent the use of donations and sponsorships as disguised forms of bribery. The most senior personnel in every BU is responsible for approving all sponsorships and donations.

Committed to the highest standards of openness, probity and accountability, the Group implements a [Whistleblowing Policy and Supporting Procedures](#) which encourages our employees to raise concerns about any suspected misconduct or malpractice to the Group. The policy outlines the responsibility for its implementation, compliant investigation procedures and follow-up actions. With arrangements of independent investigation, our employees and business partners, including contractors and suppliers, are encouraged to report any potential findings about misconduct and malpractice to the Group's Company Secretary without fear of reprisals. Whistleblowing reports received by the Internal Audit Department are regularly reviewed by the Audit Committee.

In 2019, there were no fines and penalties imposed regarding corrupt practices brought against the Group.



<sup>8</sup> Section 3 – 11 of the Prevention of Bribery Ordinance (Cap. 201).

## Supply Chain Management

**GRI** 102-9, 102-10, 204-1, 408-1, 409-1, **HKEX** KPI B5.1, B5.2, B5.3, B5.4, **UNSDG** 8



To achieve stable and prosperous business development, the Group relies on a wide range of business partners to provide stable and high-quality products and services. The main categories of our business partners include food and beverages, services and facilities, engineering supply and maintenance, security, utilities and general supplies. In 2019, there were no significant changes to our supply chain.

The Group extends our ethical business practices to our supply chain. Suppliers must adhere to a specific clause in our tender documents and supplier registration forms which states clearly that suppliers should avoid offerings of gifts, cash, or coupons to our employees. Prior to engagement, suppliers are required to sign, stamp and submit a supplier declaration form as a promise to uphold business ethics and integrity. In order to strengthen the consciousness of ethical practices, training sessions are also provided to contractors and sub-contractors on the knowledge of legal and administrative controls in relation to their work and how to handle ethical dilemmas.



Safeguarding the quality of our suppliers is essential to maintain customer safety and health, customer satisfaction, business stability and operation efficiency. Most of our BUs have a robust vendor management system in place to help them evaluate suppliers' sustainability performance and technical capabilities based on a set of KPIs to ensure alignment with applicable laws and regulations and our requirements. For example, all vendors are required to submit certificates as proof of their capacities. In terms of food items purchased, our 3 Marco Polo Hotels manage the suppliers by adopting traceability system of country-of-origin labelling. They would join with The Murray in conducting audit for shortlisted suppliers during tendering process and monitoring suppliers' hygiene condition at food factories. In addition, the hotel operations would perform regular reviews or assessments to ensure all the partners in the supply chain comply with the stated requirements.

To build and promote a sustainable supply chain, a Green Purchasing Clause is included in our tender documents to encourage our suppliers to innovate and adopt green solutions. Our BUs also try to consolidate shipment in both air and local logistics to reduce greenhouse gas emissions. In 2019, we sourced almost all of our products and services locally.

The table below shows information about the most significant 70% of our supply chain by geographical region:

Operation	Region	Number of Key Suppliers
Investment Properties – Hong Kong	Hong Kong	98
Leisure and Hospitality – Hong Kong and Mainland China	Hong Kong	258
	Mainland China	16
	Others	2
Logistics – Hong Kong	Hong Kong	31



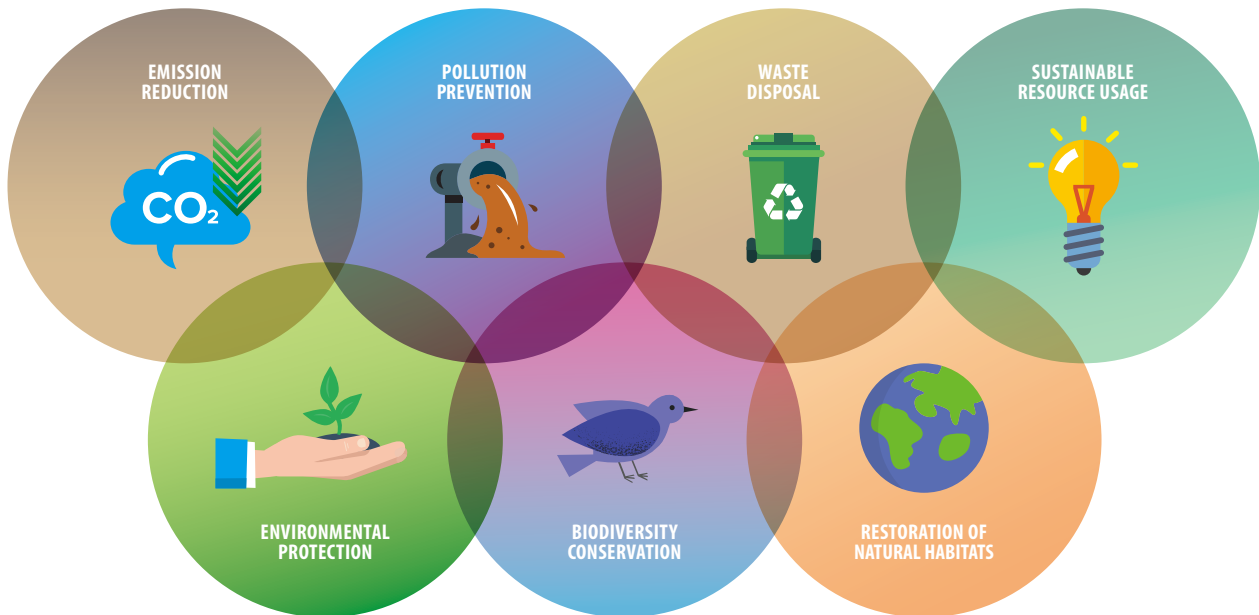
# PROTECTING OUR ENVIRONMENT

GRI 307-1



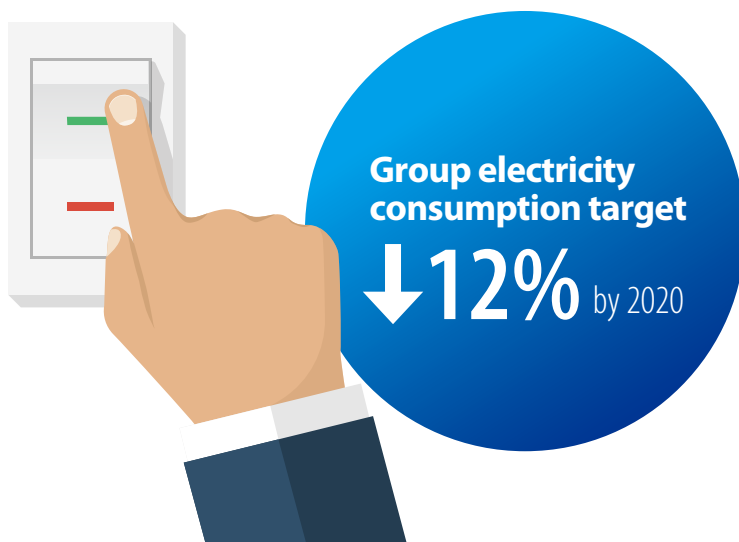
Nowadays, we are facing various environmental challenges including climate change, water scarcity and pollution, and the exhaustion of the Earth's natural resources. The increasing environmental impact caused by human activities can be captured by our growing ecological footprint with Hong Kong ranked 10<sup>th</sup> worst in the world, requiring the regenerative

capacity of 4.2 Earths if everyone adopts Hong Kong's current lifestyle<sup>9</sup>. As a responsible business, we are dedicated to address these challenges and further build a sustainable future for our long-term business success and the overall society. The Group endeavours to constantly enhance our environmental management system in the following areas:



Beyond abiding the applicable environmental laws and legislation, the Group has implemented environmental guidelines since 2016 to facilitate our work in environmental protection. Our expectations of various environmental aspects are conveyed to our BUs and their environmental performance and risks are closely monitored and addressed accordingly by the Sustainability Steering Committee. To illustrate our commitment, the Group has established an electricity reduction target of 12% by 2020, using 2014 as the baseline year. We are pleased to announce that we are very close to achieving our target, with a current electricity reduction of 11.7%<sup>10</sup>. As we have observed positive results from target setting, we will consider expanding the coverage to other environmental aspects in the upcoming years.

Our BUs received various awards in recognition of our environmental efforts throughout the year. Our decarbonising efforts were awarded with the Carbon Reduction Certificate by the Environmental Campaign Committee and Outstanding Award in the Energy Saving Championship Scheme by the Environment Bureau. Our BUs also received various green labels including Energywise Label and Wastewise Label. Furthermore, our outstanding performance in maintaining good indoor air quality and water quality were recognised by Indoor Air Quality Certificates from the Environmental Protection Department ("EPD") and Quality Water Supply Scheme for Buildings respectively. Some of our BUs were also awarded with the Green Office Awards Labelling Scheme ("GOALS"), demonstrating their achievements in green workplace practices.



<sup>9</sup> WWF-Hong Kong Ecological Footprint 2019 ([http://awsassets.wwfhk.panda.org/downloads/2019\\_footprint\\_eng\\_20190318.pdf](http://awsassets.wwfhk.panda.org/downloads/2019_footprint_eng_20190318.pdf))

<sup>10</sup> Comparing same scope of entities, i.e. WEL, Marco Polo Hotels, Pacific Club, Gateway Apartments and The "Star" Ferry.



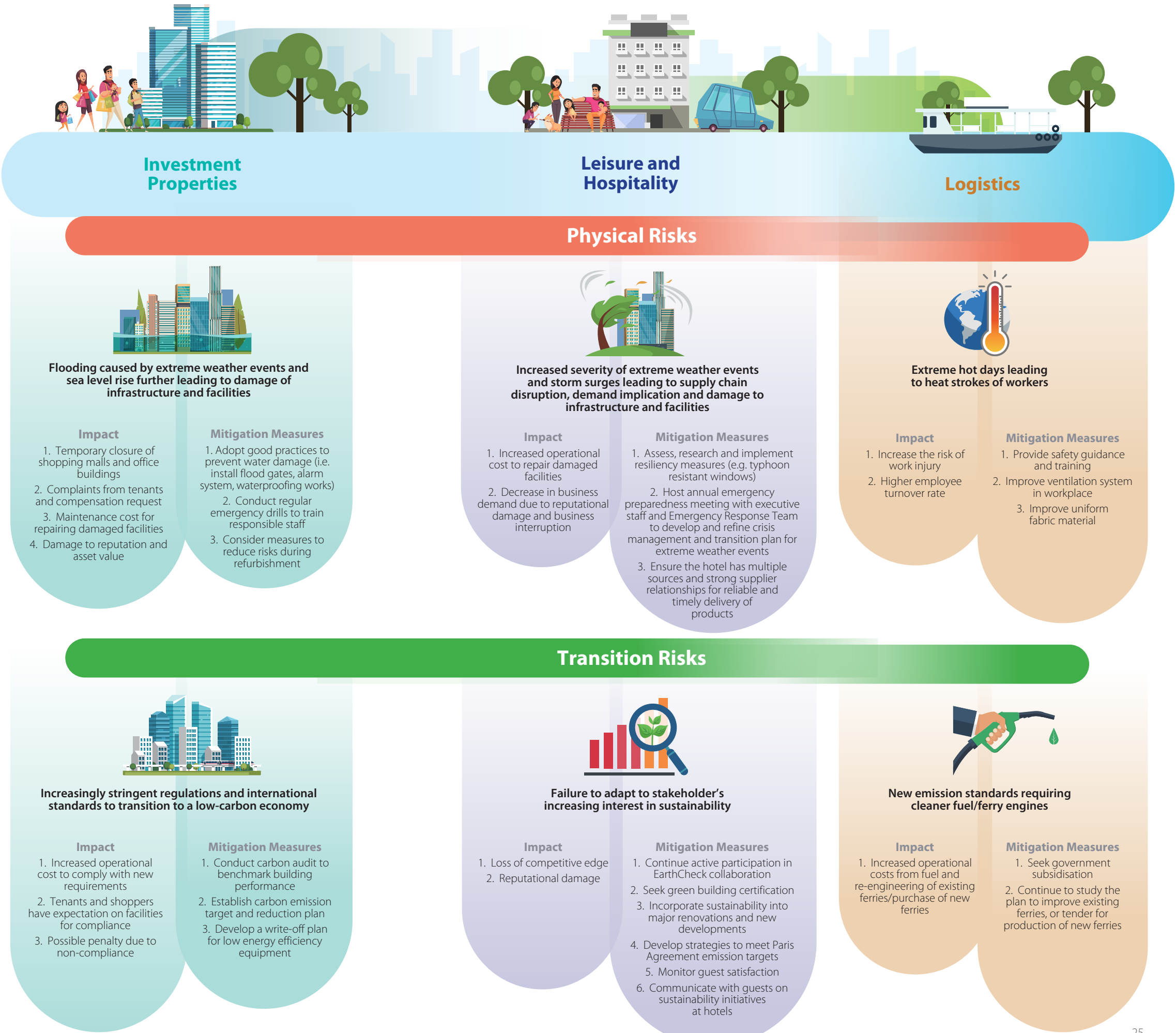
Climate Resilience

GRI 201-2, HKEX KPI A4.1

With the Paris Agreement and 2030 Agenda for Sustainable Development on the horizon, businesses have begun to realise the urgency and magnitude in shifting to a more sustainable and low-carbon society. In view of the threats posed by climate change, the Group recognises the importance in building our climate resilience and adaptive capacity, and takes precautionary measures.

During the reporting year, a preliminary climate risk mapping exercise was completed across our portfolio with reference to the TCFD framework. We used Intergovernmental Panel on Climate Change's ("IPCC's") Representation Concentration Pathways ("RCPs") and adopted reference reports<sup>11</sup> to establish the scenarios to determine the risks. Based on the assessment, physical and transition risks and their corresponding financial and non-financial impacts were identified in our BUs, along with potential risk mitigation measures.

11 IPCC 2014 Climate Change Synthesis Report (<https://www.ipcc.ch/report/ar5/syr/>), Hong Kong Observatory Climate Projections for Hong Kong ([http://www.hko.gov.hk/en/climate\\_change/future\\_climate.htm](http://www.hko.gov.hk/en/climate_change/future_climate.htm)) and Committee on Climate Change and China Expert Panel on Climate Change (2018) UK-China Co-Operation on Climate Change Risk Assessment: Developing Indicators of Climate Risk (<http://www.theccc.org.uk/publication/indicators-of-climate-risk-china-uk>)





## CASE STUDY

# MAKING HARBOUR CITY RESILIENT TO CLIMATE RISKS



In the past summers, fierce typhoons and their aftermath have sounded the alarm about the potential risks and tangible impacts caused by climate change, in particular to coastal properties. Located right by the water, Harbour City's climate resilience has been tested especially under super typhoon Mangkhut. While the damage and loss were kept at a minimum, in anticipation of more severe events caused by climate change, Harbour City is continuously assessing the climate risks exerted and identifying feasible measures to enhance its climate change adaptability.

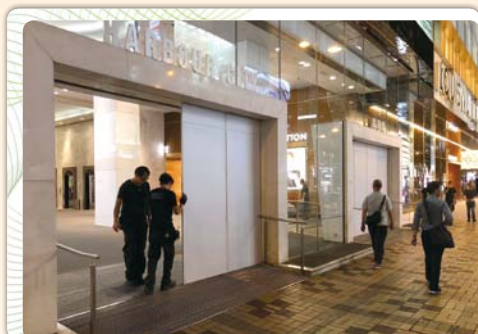
Based on the results of a preliminary climate risk mapping exercise, Harbour City identified the potential impacts caused by sea level rise and extreme weather events as one of its most pressing risks. Severe storm surges brought by extreme weather events in combination with sea level rise could lead to flooding in vulnerable areas of Harbour City including the car park, shops on the ground floor, chiller plants and sea water pump plants. In addition to the physical damage, these have financial implications due to the temporary closure of the shopping mall and office.



To mitigate the aforementioned risks posed, Harbour City has continuously implemented remediation measures. We have established Typhoon Procedure Guidelines to standardise the typhoon procedures which include protecting the outdoor building services system and strengthening any temporary building structures. We further adopt good practice to prevent the possible damage caused by flooding.

Flooding  
prevention  
works

- Erection of water flooding boards at essential entrances and plant rooms
- Protection of outdoor and lower floor escalators
- Place timber panels with reinforced anchors on glass doors



To further enhance our climate change preparedness, we will consider measures to reduce climate-related risks when refurbishment is planned. That includes installing windows that can withstand strong winds, waterproofing building exterior and coastal defenses. Based on the good practices adopted by Harbour City in combatting climate change, the Group views Harbour City as a model to be followed and strives to instil similar measures at other assets in our portfolio to gradually strengthen our climate resilience.

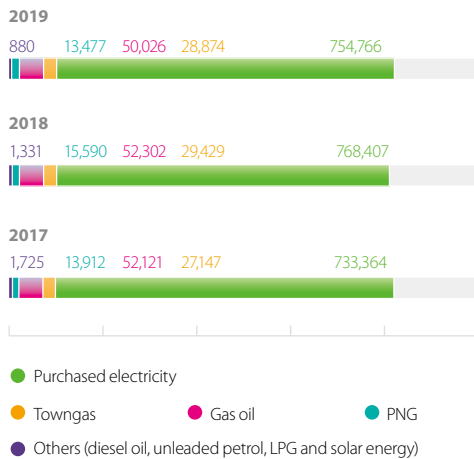
## Energy and Greenhouse Gas Management

**GRI** 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5, CRE-1, CRE-3,  
**HKEX** KPI A1.2, A1.5, A2.1, A2.3

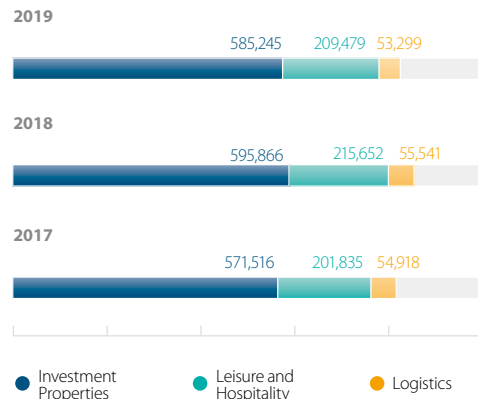
To effectively enhance climate resilience, energy and greenhouse gas management is deemed critical. We are mindful of the part we play in mitigating the negative environmental impacts from our building operations. The Group goes beyond the minimum requirement of adhering to applicable laws and regulations including the Building Energy Code and Building Energy Efficiency Ordinance (Cap. 610) and continues to put forward dedicated efforts in minimising our carbon footprint and improving the energy efficiency of our business operations. With one year remaining to achieve our electricity consumption target, our BUs monitor their own respective targets and initiatives closely to ensure alignment. They also established further measures and initiatives to show their devotion.

Having an in-depth understanding in the energy consumption patterns in our operations is a preliminary step in enhancing our energy management efforts. To this, Harbour City installed 2 sets of cloud-based intelligent building management system in 2019. The system collects core operation data of major equipment and permits real-time visualisation of building performance metrics, aiding us to identify areas for improvement and to develop plans of retro-commissioning. The Sensor Fault Detection function also enables immediate rectification to maintain system reliability and efficiency.

### Energy consumption by type in GJ



### Energy consumption by operation in GJ



### Energy Saving Initiatives

In view that electricity purchased is the main source of energy consumption in our Hong Kong Investment Properties, we have allocated extensive resources to minimise our operating electricity consumption.

Retro-commissioning works of chillers were conducted for better environmental performance. At Harbour City, the barscreen of sea water pump house has adopted nano-photocatalytic marine antifouling paint to reduce the growth of microorganisms which tend to block water flow, reduce energy efficiency of sea water pumps and even damage the equipment under serious fouling conditions. Through the

adoption of this measure, initial tests have shown that the paint can resist the growth of microorganisms and as a result enhance the energy efficiency.

Meanwhile, the chiller operations were optimised at Times Square to boost the overall energy efficiency through prioritising the usage of high efficiency chillers and operating more cooling towers to achieve a lower condensing water temperature. Moreover, at Plaza Hollywood, an aged chiller was replaced with a newer model of the same cooling capacity, saving a total of 416,208 kWh.



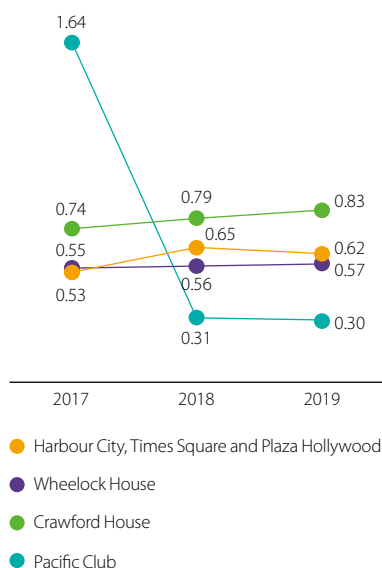
Across our BUs, various retrofitting projects on the use of chillers, heating and lighting have also been undertaken. Including Wheelock House and Crawford House, our BUs set about lighting replacements to achieve higher energy efficiency. At Crawford House, a pilot programme commenced in July 2019 to replace the corridor lighting with LED lighting tubes. As positive results were observed, the replacement of the remaining corridor lighting will be continued in the upcoming year. Meanwhile, a phased approach was adopted at Wheelock house to replace all luminaires in toilets with LED T5 8W fluorescent tube. This led to a decrease in electricity consumption of 15,978.24 kWh in the reporting year. At our hotel operations, the Prince Hotel completed its initiatives of replacing all the guest rooms with higher efficiency light bulbs while maintaining lighting levels that adhere to the recommendations set by the Chartered Institution of Building Services Engineers ("CIBSE").

To gradually decarbonise our business, the Group acknowledges the significance of using renewable energy sources wherever possible. Gateway I and II of Harbour City installed a photovoltaic panel system on the roofs, enabling Harbour

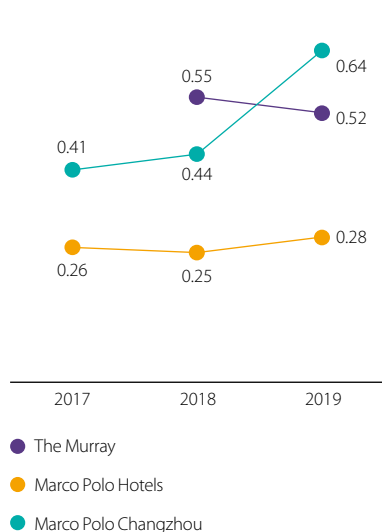
City to participate in the Feed-in-Tariff ("FiT") Scheme by CLP. In 2019, over HK\$353,000 of FiT payment was earned. Meanwhile, 80,000 kWh of Renewable Energy Certificates was purchased from CLP, reducing 40,800 kg of carbon emissions associated with purchased electricity.

To avoid excessive use of electricity, the Group considers various factors in conducting our electricity saving initiatives. During lower occupancy time of our hotel operations, electricity saving programmes have been implemented in which certain lighting and ventilation were switched off on floors that did not accommodate guests. The joint efforts of the 3 Marco Polo Hotels saved around 976,647 kWh of electricity in the second half of 2019. Moreover, The Murray turned off lighting at the driveway t-profile during day time and saved 120,960 kWh of electricity in the reporting year. These efforts were further extended to the usage of the chiller plant, which was turned off based on the hotel's daily occupancy, event happening and outdoor temperature. Security guards at Marco Polo Changzhou conduct nightly inspections at different parts of the hotel to ensure lights are turned off in unused areas to avoid wasting electricity.

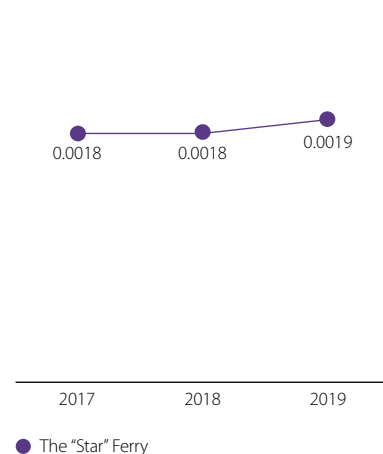
**Energy intensity in GJ per GFA m<sup>2</sup>**



**Energy intensity in GJ per guest night**



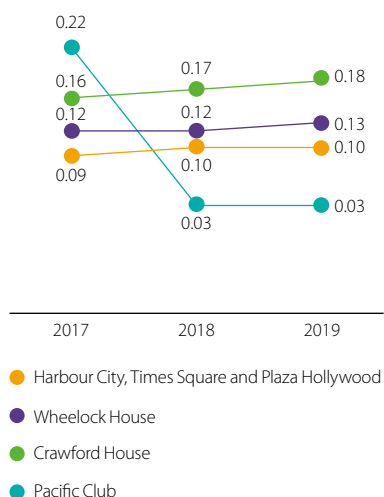
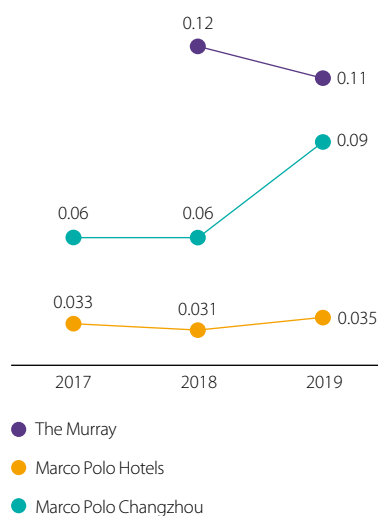
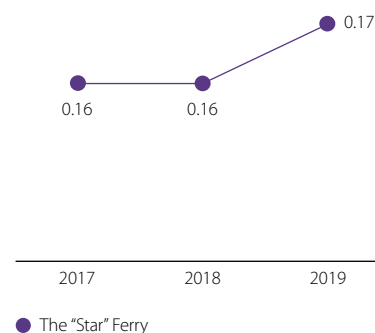
**Energy intensity in GJ per passenger-km**



**Note:**

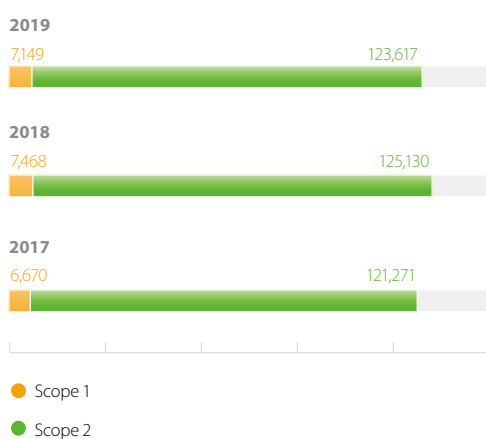
- (1) Marco Polo Hotels include Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel.
- (2) The data of Pacific Club in 2018 and 2019 only include energy from combustion. Energy from electricity consumption is included in the data of Harbour City.
- (3) The number of guest night of The Murray and Marco Polo Changzhou and the resulting intensities in 2017 and 2018 were adjusted to reflect actual situation.
- (4) Energy intensities in GJ per passenger-km for The "Star" Ferry in 2017 and 2018 were recalculated to reflect the actual situation.



**GHG emissions in tonnes CO<sub>2</sub>e per GFA m<sup>2</sup>****GHG emissions in tonnes CO<sub>2</sub>e per guest night****GHG emissions in kg CO<sub>2</sub>e per passenger-km**

Note:

- (1) GHG emissions intensity figures cover Scope 1 and 2 GHG emissions.
- (2) GHG emissions intensity figure of Pacific Club in 2018 and 2019 only include Scope 1 GHG emissions. Scope 2 GHG emissions are included in the intensity figure of Harbour City.
- (3) The number of guest night of The Murray and Marco Polo Changzhou and the resulting intensities in 2017 and 2018 were adjusted to reflect actual situation.
- (4) GHG emissions in kg CO<sub>2</sub>e per passenger-km for The "Star" Ferry in 2017 and 2018 were recalculated to reflect the actual situation.

**GHG emissions in tonnes CO<sub>2</sub>e****Water Management**

**GRI** 303-1, 303-2, 303-4, 303-5, CRE-2, **HKEX** KPI A2.2, A2.4, A3.1

Water resources are increasingly threatened by human activities and the impacts of climate change. From hotel rooms and restaurant outlets to bathrooms in shopping malls and offices, access to reliable clean water supply is crucial to the Group's business operations. In addressing this mounting challenge, we reduce water consumption across our BUs through operational and behavioural changes. Our water management practices follow relevant laws and regulations including the Water Pollution Control Ordinance (Cap. 358), and the Sewage Services Ordinance (Cap. 463). To drive changes and enhance awareness among our staff, BU-specific Water Management Policy endorsed by Management is in place, requiring all staff members to follow water conservation rules as stipulated in the policy.

### Water discharge by operation to a third party in m<sup>3</sup>

#### Investment Properties

352,868

#### Leisure and Hospitality

374,924

#### Logistics

6,215

### Water Efficiency Initiatives

To obtain a better understanding of the water consumption profile and identify water efficiency solutions, a water audit was conducted at Times Square. It provided insightful information on the water consumption patterns and pointed out areas for improvement, building a basis for us to come up with future water saving initiatives.

To reduce water consumption, water saving techniques and devices are adopted. At Times Square and Plaza Hollywood, the water pressure has been adjusted to reduce water flow. Wheelock House installed flow controllers at all its washrooms. Marco Polo Hongkong Hotel installed tap and shower water restrictors in 558 guest rooms to regulate water flow, saving 5.6 litres of water per minute.



It is recognised that water leakage is a significant source of water waste and this can be avoided by regular examination. As a result, Marco Polo Changzhou conducts daily inspections on key water facilities to examine and monitor the water leakage condition and rectify in a timely manner. Water consumption was lowered by 6.06%, achieving the hotel's target of 5% reduction of water consumption compared to that of 2018. In Hong Kong, our 3 Macro Polo Hotels installed water sensors to detect water leakage.

### Water consumption by operation in m<sup>3</sup>

#### 2019

535,757

453,068 6,215

#### 2018

435,040

473,617 6,647

#### 2017

478,281

390,869 6,187

Investment Properties

Leisure and Hospitality

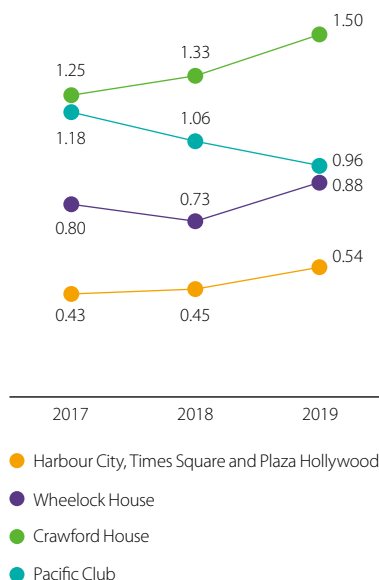
Logistics

As we believe behavioural changes are also key to water conservation, we constantly implement various water conservation programmes that engage our employees and customers. Our 3 Marco Polo Hotels involve their guests from over 1,400 rooms through a green programme for guestroom linen. During the guests' stay, the linen and towels will be changed upon request, preventing water wastage caused by excessive washing. This programme sees effect as nearly 30% of our guests participating in this water conservation arrangement.

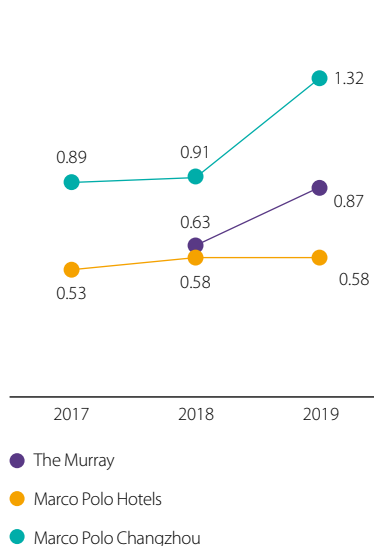
### Water Reuse Initiatives

As water is too precious to waste, we are gradually incorporating different measures to increase water recycling. At Harbour City, bleed-off water from the cooling tower is further used for flushing at the shopping mall and office toilets. The Murray optimised the bleed-off water from the air-conditioning system of the whole building to reduce water consumption. Meanwhile, we took advantage of the food waste decomposer at Plaza Hollywood and repurposed the water generated for watering plants in the shopping mall.

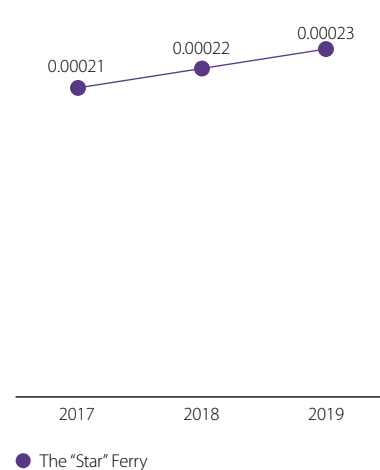
### Water intensity in m<sup>3</sup> per GFA m<sup>2</sup>



### Water intensity in m<sup>3</sup> per guest night



### Water intensity in m<sup>3</sup> per passenger-km



#### Note

- (1) Marco Polo Hotels include Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel.
- (2) The number of guest night of The Murray and Marco Polo Changzhou and the resulting intensities in 2017 and 2018 were adjusted to reflect actual situation.
- (3) Water intensities in m<sup>3</sup> per passenger-km in 2017 and 2018 were recalculated to reflect the actual situation.

## Waste Management

GRI 306-2, HKEX KPI A1.3, A1.4, A1.6

As many affluent societies, waste is one of the top environmental issues in Hong Kong. The city has limited capacity to handle the problem and we face landfill saturation soon. We are aware of the impact of the waste generated from our business operations and are actively looking for appropriate measures to manage. To this, we have established policies that adopt industry best practices in waste management. Our waste handling practices comply with relevant laws and regulations including the Waste Disposal Ordinance (Cap. 354). We further

implement a wide range of measures to encourage waste separation at source and recycling. During the reporting year, there were no cases of reported incidents regarding non-compliance of waste disposal.

### Waste Reduction and Recycling Initiatives

Across all our BUs, we make more effort to facilitate recycling. Some of our BUs have also established recycling targets to monitor and drive recycling performance. For example, Wheelock House established targets of increased recycling amount of 8% for fluorescent tubes and plastic, and 5% for paper.

During this year, we scaled up our efforts to provide additional collection services and facilities for recyclables such as paper, plastic and metal to further increase recycling participation among our tenants, customers and employees. At Harbour City, waste recycling points doubled for plastic, metal and paper. Increased recycling rate of 14%, 12% and 73% was recorded respectively, when compared to 2018. Moreover, glass recycling initiatives and facilities are present in all 3 shopping malls and hotels. Our 3 shopping malls participated in the "Glass Container Recycling Charter" organised by EPD in January 2019 and recycled over 25 tonnes of glass containers. Likewise, our hotel operations recycled over 42 tonnes of glass. Compared to 2018, the Group recycled 33% more of glass.





We also support festive waste recycling to tackle the great deal of waste generated during the occasions. Since 2015, Times Square has joined the Tree Conservation Scheme to recycle Christmas trees and peach blossoms annually. Plaza Hollywood and Pacific Club joined the Peach Blossom Trees Recycling Programme, and Pacific Club and Gateway Apartments joined the Natural Christmas Tree Recycling Service organised by the EPD. Harbour City, Pacific Club and Gateway Apartments also participated in collecting moon cake boxes for handling by Greeners Action.

The latest environmentally friendly alternatives and technologies are also adopted in our operations to reduce waste generation. During the reporting year, Harbour City joined Times Square and Plaza Hollywood in implementing newly-designed umbrella dryers at the malls' main entrances, receiving a Gold Certificate under the Umbrella Bags Reduction Accreditation Program by Greeners Action.

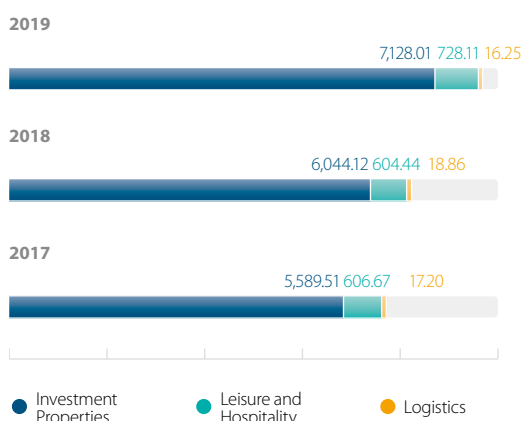
As food waste remains the largest category of municipal solid waste being landfilled in Hong Kong<sup>12</sup>, we have dedicated considerable efforts on food waste recycling. Along with Marco Polo Hongkong Hotel, Times Square coordinated food waste delivery to O•PARK1 of EPD, in which the food waste collected would be converted into compost and biogas. In 2019, Harbour

City installed an additional food waste decomposer to cater to the increasing demand from food and beverage ("F&B") tenants. Together with Plaza Hollywood, a total of 250 tonnes of food waste was recycled in 2019. To further avoid wastage and to support those in need, unconsumed edible food at our hotel operations are donated to Foodlink Foundation.

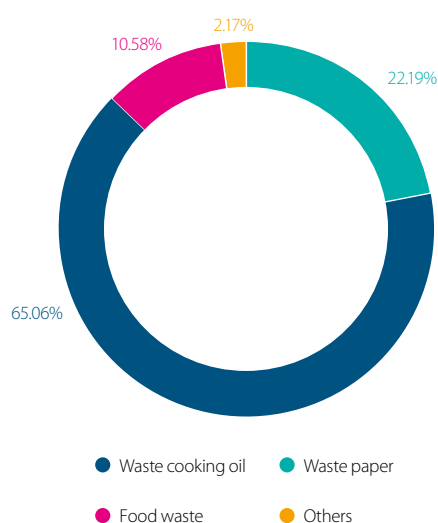
Our hotel operations implemented various single-use plastic reduction initiatives to put an end to the use of plastic bottles, straws, stirrers etc., further replacing them with sustainable alternatives made of bamboo sticks, paper and stainless steel. We also have a battery recycling programme for the guestroom door locks and safe boxes. Coffee capsules are also recycled at our hotels. Accumulatively, around 91,200 coffee capsules were collected from our Marco Polo Hotels.

We leverage the latest technological innovations to reduce the amount of waste produced in our operations. For instance, members of our Very Important Customer ("VIC") programme at Plaza Hollywood can enjoy their benefits and privileges with their electronic accounts accessible via the shopping mall's mobile apps. We have also digitised plastic membership cards and paper certificates with an app at our hotels, in which 97.2% of the Marco Polo Elite programme members currently support this measure.

### Recycled waste by operation in tonnes



### Recycled waste by type in percentage



12 [https://www.epd.gov.hk/epd/english/environmentinhk/waste/prob\\_solutions/food\\_waste\\_challenge.html](https://www.epd.gov.hk/epd/english/environmentinhk/waste/prob_solutions/food_waste_challenge.html)

## CASE STUDY

## WASTE MANAGEMENT IN TIMES SQUARE



Times Square, known as one of the most successful vertical malls across the globe, is visited by a significant number of people on a daily basis. Unfortunately, this also produces a considerable quantity of waste. Times Square recognises its role in waste minimisation and recycling and makes an effort to involve the participation of our stakeholders.

### Waste Reduction and Recycling Efforts

We encourage our employees to print less. We held internal competitions to incentivise reduction in paper consumption. Recycling bins are placed at convenient locations to encourage tenants and shoppers to recycle. Waste paper towels cannot be recycled so we have provided hand dryers in toilets as an alternative to reduce generation of such waste.

Furthermore, as we recognise the significant amount of waste generated from single-use umbrella bags, we have taken the initiative to place umbrella dryers at our entrances to reduce umbrella bag consumption.



Through the combination of our proactive glass container collection process and the placement of glass container recycling bins on typical floors in our office towers and shopping malls, Times Square recorded a nearly 300% increase in recycled glass containers comparing to 2018.

Our consistent waste management efforts were paid off during the year as the amount of waste generated reduced from 6,975.32 tonnes to 3,934.45 tonnes in 2019, which is a 43.6% reduction, while our overall recycling rate increased from 11.8% in 2018 to 19.8% in 2019.

### Treatment of Food Waste

Times Square supports food waste reduction by initiating a food waste recycling scheme which has engaged all of the F&B tenants to participate. To express support to the operation of the first organic resources recovery centre in Hong Kong, O-PARK1, Times Square delivers to it a substantial amount of food waste, which is converted into biogas for electricity generation and compost for agricultural and landscaping use. In 2019, we delivered 125 tonnes of food waste to O-PARK1 for recycling. Meanwhile, the amount of wet waste delivered to landfill has reduced by 36.1% in comparison to 2018.



## Air Emissions Management

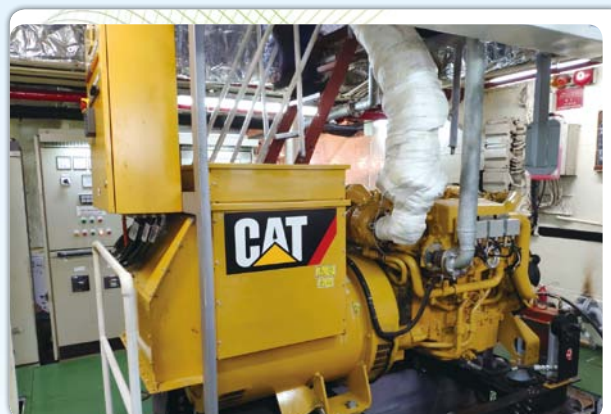
GRI 305-7, HKEX KPI A1.1

A significant proportion of the Group's air emissions originates from the combustion of fuel in our fleet operations, in particular from The "Star" Ferry. We recognise our role in contributing to better air quality for the health and well-being of the community through the adoption of air emission reduction initiatives throughout our BUs.



The "Star" Ferry, one of the beloved icons of Hong Kong, has been operating for over 120 years and is acclaimed as an important part of the commuter system. However, as the transport sector accounts for the second largest source of air pollution in Hong Kong, The "Star" Ferry underwent retrofitting works to help improve air quality and reduce carbon emissions.

Subsidised by the EPD's Pilot Green Transport Fund<sup>13</sup>, which is set up to promote the adoption of green transport technologies, The "Star" Ferry's *World Star* was retrofitted to adopt a diesel-electric propulsion (DEP) system, which reduced SO<sub>2</sub>, smoke and hydrocarbon levels in our exhaust gas emissions by 83%, 68% and 80% respectively as compared with the old diesel engine. The DEP system modification was extended to the *Morning Star* in the reporting year and is expected to further reduce emissions of air pollutants.



<sup>13</sup> [https://www.epd.gov.hk/epd/english/environmentinhk/air/prob\\_solutions/pilot\\_green\\_transport\\_fund.html](https://www.epd.gov.hk/epd/english/environmentinhk/air/prob_solutions/pilot_green_transport_fund.html)



## Environmental Awareness

Behavioural change is definitely fundamental to have better environmental performance. We invest our efforts in promoting responsible environmental behaviour among our employees. Our employees receive training on environmental protection to keep them updated on the latest environmental best practices as well as convey our standards for environmental performance to them. In our hotel operations, employees attended training on the EarthCheck Certification requirements to understand how they can contribute to sustainable tourism. We support various environmental initiatives to raise the environmental awareness of our employees including participating in Earth Hour organised by WWF – Hong Kong.



We promote employees' awareness by launching low-carbon menu at our staff canteen at Pacific Club. We also adopted less formal and fun way to enhance sustainability awareness of the Group's managers. This year, we held the annual Christmas Drink with the theme of "Green Christmas", and used small games such as pop quiz and model building to deepen their environmental consciousness.

To further enhance the sustainability awareness of our employees and tenants, we arranged green workshops throughout the year to strengthen the skills and knowledge of participants in adopting a low-carbon lifestyle. To spread environmental awareness to the wider community, the Historic Murray Tour provides an opportunity for visitors to learn more about The Murray's design features including the preservation of the original energy-efficient windows.

Following its success in the previous year, we continued hosting our annual "Greening Our City" roving exhibitions at our 3 shopping malls. Under this year's theme of "Eat Smart. Less Waste", the exhibition aimed to arouse the public's awareness over low carbon lifestyle and sustainable consumption. Engaging over 440 parents and children, 22 sessions of free upcycling and low carbon footprint diet workshops were held during the weekends. Moreover, interactive displays were set up to educate the general public on how they can contribute to environmental protection. The exhibition also introduced to the public the environmental facilities and initiatives present at our shopping malls and offices.



Furthermore, we support the governmental units to hold exhibitions to build public environmental awareness. For example, we supported Hong Kong Marine Biodiversity Roving Exhibition 2019 by the Agriculture, Fisheries and Conservation Department.



# NURTURING OUR **PEOPLE**





The Group sees employees our greatest assets and the key driver of our business success. We are committed to becoming an employer of choice through strategic deployment of talent management and development, and regular employee engagement. We strive to secure our talents by providing them with a safe, caring and rewarding workplace. They are empowered with ongoing training and invaluable job exposure to maintain their excellent performance and equip our business for change.

To accommodate needs and improve the well-being of our employees, we constantly review and improve our policies relating to compensation and dismissal, recruitment and promotion, working hours and holiday arrangement,



equal opportunity and diversity, anti-discrimination, and other benefits. We also aim to continuously improve our employment practices through listening to our employees via diverse communication channels and provide a fair and transparent recruitment process in compliance with the laws and regulations<sup>14</sup>.

Our contribution to cultivating an ideal working environment has been widely recognised. In 2019, our BUs were honoured with Manpower Developer Award by the Employees Retraining Board and Silver Asia Recruitment Award by Lighthouse Independent Media<sup>15</sup>.

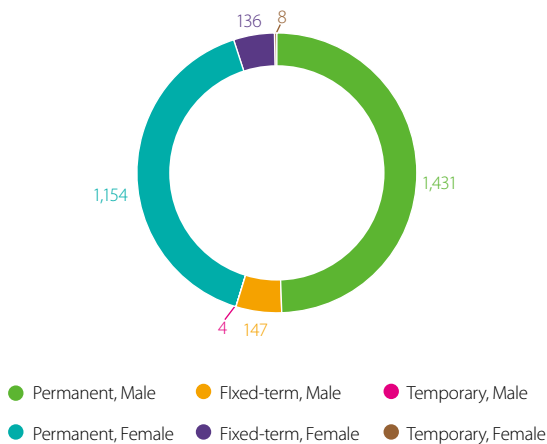


### Employee Profile

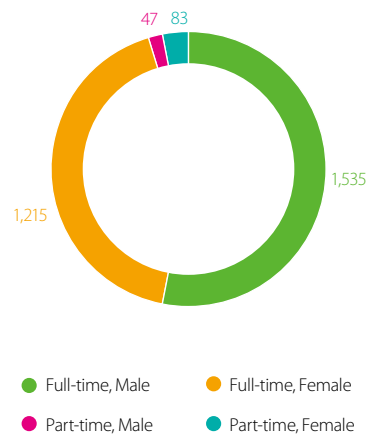
GRI 102-8, HKEX KPI B1.1

In 2019, we employed a total of 2,880 staff across our business units<sup>16</sup>.

Total workforce by contract type by gender



Total workforce by employment type by gender



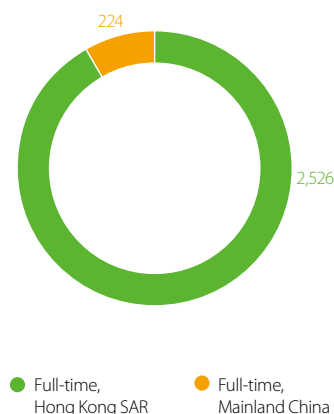
<sup>14</sup> Please refer to Significant Laws and Regulations for more details.

<sup>15</sup> Please refer to Major Awards, Charters and Memberships for more details.

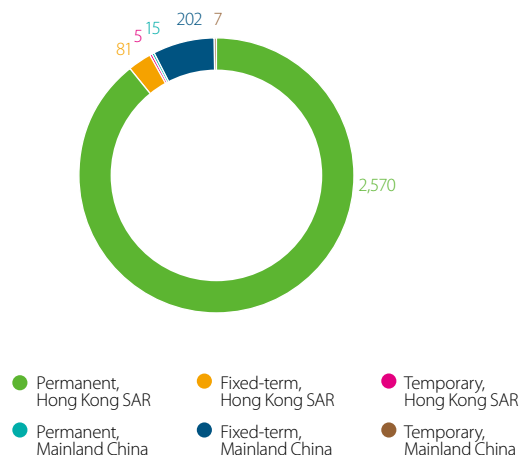
<sup>16</sup> The number of employees reported cover Wharf REIC's Hong Kong operations and Mainland China operations listed on P.7 of this Report.



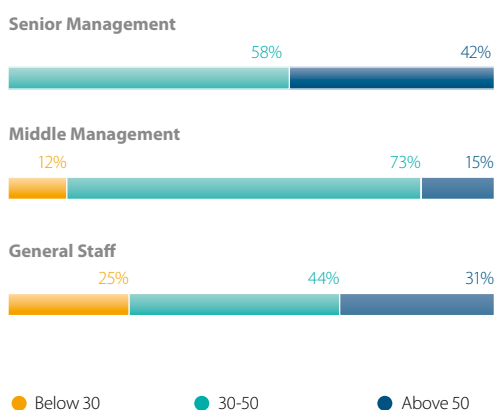
### Regional distribution of full-time employees



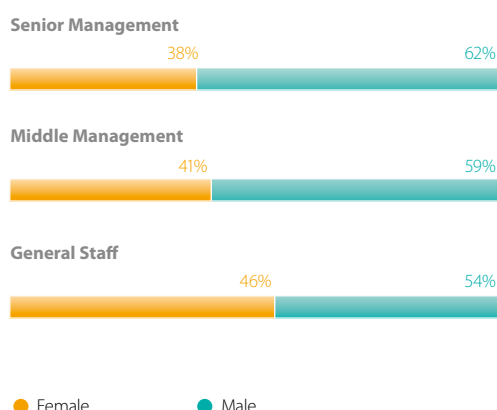
### Total workforce by contract type by region



### Age distribution of employees



### Gender distribution of employees



## Talent Attraction and Retention

We are proud of our talented employees and allow them to achieve with their great potential. To attract and retain the right talents thus are always crucial in our people approach. We care for our people, and thereby offer them with fair and equal opportunities and benefits irrespective of their gender, age, family status, race, religion, nationality, sexual orientation or disability. Experience, ability and related qualifications are the primary concerns in talent selection.

The Group has formulated employment policies within a framework of relevant laws and regulations such as the Employment Ordinance (Cap. 57), Employment of Children Regulations, Employment of Young Persons (Industry) Regulations in Hong Kong and Five Social Insurance and One Housing Fund<sup>17</sup> of the People's Republic of China. We also abide by the Labour Law of the People's Republic of China in prohibiting the use of child and forced labour in our business.

<sup>17</sup> Included endowment insurance, medical insurance, unemployment insurance, occupational health and safety insurance, maternity insurance and housing fund.

Our employees are remunerated by competitive salary based on their experience and performance. We provide full-time Group employees in Hong Kong with top-up MPF contribution, paid annual leave, maternity and parental leave, employees' compensation insurance, group personal accident insurance for staff social, recreational and volunteering activities, medical insurance, and long services awards set out by BU's employment policy. Likewise, we safeguard our full-time employees in Mainland China by the Five Social Insurance and One Housing Fund.

As a talent-driven organisation, we attract and retain the top talent by offering career development opportunities and staff recognition programme. During the reporting year, the Group organised a range of talent development programmes for employees at all levels.

### Apprentice Training Programme

The Group has introduced the Apprentice Training Programme with an aim of motivating continuous learning as well as building a talent pipeline for high-level technicians. Since its inception in 2006, the programme assists our apprentices in attaining higher diploma and certificate in engineering while working. During the four-year apprenticeship programme, we also offer on-the-job training and tuition assistance. Apprentices receive Certificate of Completion of Apprenticeship under the Apprenticeship Ordinance (Cap. 47) issued by the Apprenticeship Office upon the completion of the programme. A total of 37 good performers have been promoted to Technicians.

### Staff Recognition Programme

We keep our employees motivated and engaged by rewarding their contribution with our Staff Recognition Programme. Under the programme, we express our appreciation to employees who achieve astonishing performance far beyond the call of regular duties by setting up an annual Best Employee Award, Best Frontliner Supervisor Award and Best Frontline Employee Award. Trophy and cash prize are bestowed upon the recipients at the annual Christmas party as encouragement.



Besides, we set up a quarterly Star Service Award to reward outstanding frontliners who deliver the best all-round services in a series of performance evaluations including mystery shopper assessment.

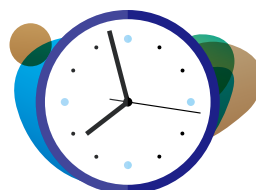


## Development and Learning

**GRI** 404-1, 404-2, **HKEX** KPI B3.2, **UNSDG** 4, 8

Cultivating a learning culture is important under an ever-changing business environment, we host training and development programmes to equip our staff with skills and knowledge to adapt to change. Topics are tailored to specific needs of BUs covering laws and regulations, personal data privacy protection, corporate culture, anti-corruption, professional skills, environmental protection, and OSH. To effectively communicate our standards and ensure our expectation of quality services is observed, we extend the training programmes to employees hired by contractors and sub-contractors.

To our new hires, we provide orientation programme to them within the first month of on-boarding. The programme introduces our corporate culture, mission, value and business structure to integrate them into our organisation. To equip our employees with business-specific knowledge or skills, we offered extensive job-specific training and professional development programmes.



**Total number of training hours provided**  
**65,075 HOURS**

### Average Training Hours

#### General Staff

**22.2**  
HOURS



#### Middle Management

**25.1**  
HOURS



#### Senior Management

**12.8**  
HOURS



#### Female

**23.3**  
HOURS



#### Male

**22.0**  
HOURS



#### The Group

**22.6**  
HOURS



During the reporting year, our BUs offered an array of learning opportunities. WEL formulated and executed the yearly training plan covering training and development initiatives ranging from leadership, management, personal effectiveness to legislative updates for employees at different levels, echoing the commitment of service excellence.

At The "Star" Ferry, we invited external training consultants to conduct safety workshops, customer service training workshops on customer care and complaint handling skills for inspectors and ferry crews.

Our hotels organised programmes for management personnel to foster their professional development. Besides, activities including etiquette workshops, cross-departmental learning programmes, cross-training among hotels were arranged to cater the learning needs of employees.

Moreover, we encourage employees to seek external opportunities for learning and professional development. Our BUs have implemented a Training Sponsorship Scheme for full-time employees to attend job-related external courses, seminars and conferences. In 2019, we supported employees' self-initiated development in diverse areas. They include license acquisition, degree programme and certification, emergency care skills and external coaching.



## Programme Highlights



### “Mission Possible” VR Team Building Challenge

- WEL hosted a team building day featuring VR experiential games and STEM activities to provide employees with more insights of emerging digital technologies.
- Employees were also encouraged to communicate and exchange ideas in games to enhance their problem-solving skills and teamwork.



### Red Ring Leadership Philosophy Training

- Wharf hotels introduced this programme in 2017, as a leadership road map to foster the “LIVE BOLD. STAY SHARP.” leadership culture.
- The programme comprises 4 leadership categories: leading people, exceptional results, personal effectiveness and strong relationships.

## Inclusive and Engaging Workplace

GRI 401-2, UNSDG 8

The Group embraces the value of individuality and diversity. We promote an inclusive and harmonious workplace where employees are well-respected irrespective of their gender, age, family status, race, religion, nationality, sexual orientation or disability. We closely observe relevant laws and regulations<sup>18</sup>. We also take various measures to eliminate all forms of

### Digital Transformation Series

- WEL organised the training series to prepare staff members for digital transformation.
- Content included core challenges and market trends with business showcases, use of design thinking and customer-centric approaches for formulating value-added strategies as well as big data analytics.



### Vessel and Pier Operation Training

- The “Star” Ferry provided training to the coxswains, sailors and other personnel at piers for service quality.
- Training related to Coxswain Grade 1, 2 and 3 Certificates, Certificate of Competency in Radiotelephony and pier operation-related refreshers were available during the reporting year.

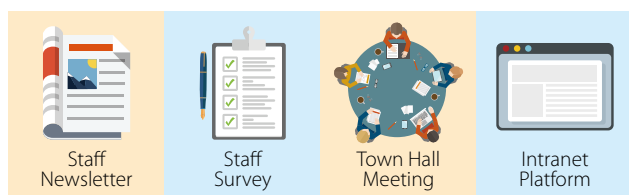


discrimination. Employee grievance system is in place at BU level for all employees to report any issues concerning discrimination, harassment, victimisation or vilification. Relevant expectations and requirements are also specified in the staff handbook. We also provide anti-harassment training to employees to better understand and avoid all forms of workplace harassment.

<sup>18</sup> Please refer to Significant Laws and Regulations for more details.

## Engagement Channels

We treasure open dialogues with our employees at all levels and strive to engage them in an ongoing manner. As we gather opinions and suggestions from employees through different means of engagement, we formulate corresponding approaches to address the concerns raised. Our senior management regularly reviews the feedback collected and takes it as a basis to optimise the operation of our BUs. We also actively share the latest news of the company with employees via a [social media platform](#).



## Happy Formula

### Happy Couple Workshop

The workshop invited a registered clinical psychologist to explore with the participants on how to keep their relationship fresh and healthy.



## Happy Tasting

### Baking Workshop

In this bread-making workshop, the participants experienced the “fun” and “tasty” hand-made bread with their families, and unleashed their creativity to “design” their own bread.



## Employee Wellbeing

The Group is dedicated to help our employees strike a good work-life balance. Apart from initiatives such as provision of nursing rooms and employee assistance hotline, during the reporting year, an array of recreational activities, outings and interest classes were carried out to improve their wellbeing.

WEL organises annual thematic wellbeing activities to bond the staff and their family members. The theme for 2019 is “Happy Infinity” with an aim to cultivate a happy culture and enhance employee engagement. Participants went through different happiness journeys including “Happy Formula”, “Happy Momentum”, “Happy Tasting” and “Happy Together” by joining an array of experiential events and workshops.



## Happy Momentum

### Yoga Class and Stretching Exercise Workshop

To prevent and relieve “Office Syndrome”, WEL organised a 4-lesson Yoga Class for the staff. The participants have their lower back and neck stretched and found that their fatigue and tension of the day were relieved after the lesson.



## Happy Together

### Wooden Chair Painting Workshop

Participants made full use of their creativity in this fun and interactive art workshop to paint their own wooden chairs and enjoyed a joyful afternoon with families.

## Safety and Health at Work

**GRI** 403-1, 403-2, 403-5, 403-7, 403-9, **HKEX** KPI B2.1, 2.2, 2.3, **UNSDG** 3

Our different businesses are manpower-intensive in nature. Safeguarding our people and emphasising workplace safety and health remain the Group's high priority. The Group takes a zero-tolerance stance on any occupation-related harm and adopts BU-specific risk management measures. We comply with all the applicable laws and regulations including the Occupational Safety and Health Ordinance (Cap. 509).

To effectively monitor the Group's safety and health performance, we have Safety and Health Committees, OSH policies and robust management system in place to guide our regular inspection on plants, equipment and machinery and continuous review of safety measures. Relevant OSH policies and safety manual are also strictly carried out in our BUs to sustain our stringent safety standards.

The "Star" Ferry's Safety and Health Committee is responsible for addressing safety-related issues in regular meetings. It also commissions independent consulting firm to conduct safety audit annually. Briefings on vessel safety operation, navigation watch keeping, and anti-collision measures for coxswains are provided. The staff also undertake proper training and emergency drills to ensure they are competent in handling critical situations.



This year, our 3 Marco Polo Hotels invited the Labour Department to present specific issues, such as safe use of chemicals, work and general diseases, to our employees in an OSH seminar. We also put in place emergency procedures and conduct fire safety and evacuation training to better prepare employees in case of fire or other significant incidents.

Regular cross-centre safety inspections are carried out at WEL to ensure our compliance with OSH standards. WEL also holds annual Safety Award Recognition Day to enhance safety awareness of the frontline staff, while centres with significant improvement and zero work-related injuries will be awarded. Moreover, safety measures and best practices are shared by safety consultant and participating centres for cross-learning and continuous improvement.

The Group did not have any cases of work-related fatality in both Hong Kong and Mainland China in each of the past 3 years including the reporting year.

The Group is also committed to maintaining safe workspace for our contracted workers. Through safety training, we relay the importance of workplace safety to our contractors or sub-contractors and provide them with OSH knowledge, including safe use of chemicals and machinery as well as prevention of injuries.





# BUSINESS-IN- COMMUNITY

GRI 203-1, 413-1, HKEX KPI B8.2



The Group recognises the significance of creating positive impacts to our community. We engage local community stakeholders and align our community initiatives with respect to their needs and interests. We pledge support to local community development through investing manpower and financial resources as well as offering employment opportunities in several projects in three distinct areas, namely arts and cultural development, youth development and social welfare.

In 2019, we were honoured with the Social Capital Builder Logo Award<sup>19</sup> by the Labour and Welfare Bureau's Community Investment and Inclusion Fund. In addition, in recognition of our years of commitment to fulfilling corporate citizenship in community contribution, we received the Caring Company Logos<sup>20</sup> by the Hong Kong Council of Social Service.



### Architectural Design Internship Programme

Number of postgraduate students awarded:

**27**



### The Wharf Art Scholarship Scheme

Number of awardees:

**15**



Number of events and activities supported <sup>21</sup>:

**175**



<sup>19</sup> Please refer to Major Awards, Charters and Memberships for more details.

<sup>20</sup> Please refer to Major Awards, Charters and Memberships for more details.

<sup>21</sup> Events and activities advocating for economic development, social welfare, education, sports, environmental protection and health.



## Art and Culture

**GRI** 203-1, 413-1, **HKEX** KPI B8.2, **UNSDG** 4

We strive to enrich the community through the promotion of art and culture. With the launch of The Wharf Young Art Programme in 2011, a platform is built for our younger generation to showcase their creativity and nurture their interest in art and culture. We aim to facilitate the creation of a diverse art culture in the community, and provide an array of community programmes to influence the public and promote artistic development in Hong Kong.

### The Wharf Hong Kong Secondary School Art Competition 2018–19

We have introduced The Wharf Hong Kong Secondary School Art Competition since 2011. The 2018-19 edition was a collaboration with Goethe-Institut Hongkong for celebrating the 100<sup>th</sup> anniversary of the establishment of Bauhaus, and a special award of this theme was added to further express our support for young artistic talents. To demonstrate our keen support of art and culture, the winning entries were exhibited at the Group's malls and Goethe-Institut Hongkong, allowing the general public to appreciate these outstanding works. The top 18 winners and Special Award recipients were invited to join an Arts and Cultural Exchange Tour to Berlin in Germany to broaden their horizons.



On the other hand, The Wharf Art Scholarship Scheme provides financial support for the winning students in pursuing further studies in art-related bachelor programmes in their preferred local and overseas tertiary institutions. To date, 15 students have been covered by full scholarships to study creative art in reputed institutions. A graduation exhibition “linger” was held at Gallery by the Harbour in early November 2019 for 2 of the Scholarship graduates to promote their artistic talents to the public.



We also promote art education through numerous art and cultural activities organised under The Wharf Young Art Ambassadors programme. A certificate of appreciation is issued to students who satisfy attendance requirements. In 2019, around 30 activities were organised with close to 500 students participated. More information and updates of our upcoming events are available on our Facebook page: <https://www.facebook.com/Wharf.ART/>.





## Youth Development

**GRI** 203-1, 413-1, **HKEX** KPI B8.2, **UNSDG** 4

We believe that the youth are crucial to advance community progress and development. Youth empowerment continues to be our main community focus.

One of the examples is our Architectural Design Internship Programme, which has successfully provided architectural graduates with global outlook and practical experience (see

case study below). Furthermore, all of our BUs organised tours and career talks regularly for students from secondary schools, tertiary institutions and other educational institutions to present them with the practical challenges of the working environment. Recruitment is recognised as more and more challenging for hotel industry nowadays. Hotel tours and career talks thus allow the students to understand more about different positions and the requirements, aiding them to explore their interest and career.

### CASE STUDY

## CELEBRATING THE 9TH ANNIVERSARY OF ARCHITECTURAL DESIGN INTERNSHIP PROGRAMME



Our Architectural Design Internship Programme is one of this year's highlights. In 2011, the initiative was inaugurated by the Wharf ArchDesign Resource Trust to bridge graduates of the Master of Architecture programme with internationally renowned architectural firms to help them gain international exposure and experience. Under the programme, students are offered hands-on understanding of international design practices in cutting-edge architectural design.

The programme provides financial support covering airfares and living expenses up to HK\$350,000 for each awardee. A total of 31 postgraduates have been awarded and 27 of them have worked in renowned international architectural design firms in Denmark, France, Germany, India, Italy, Japan, the Netherlands, Portugal, Spain, Switzerland, Thailand, the United Kingdom and the United States.

To mark its 9<sup>th</sup> anniversary, we specially held a "Nine Wooden Chairs" exhibition at Ocean Terminal in Harbour City to showcase a series of chairs designed by nine past awardees. Each chair puts the designer's thoughts and vision from their overseas internship experience on display and demonstrates their observations and reflection on architecture in relation to the increasingly "globalising" design scenes.

Apart from the exhibition, interactive modelling workshops engaging students from Project WeCan and The Wharf Young Art Programme were arranged, allowing the students to explore alternative means to tackle sustainability through the aspects of environmental architectural design.



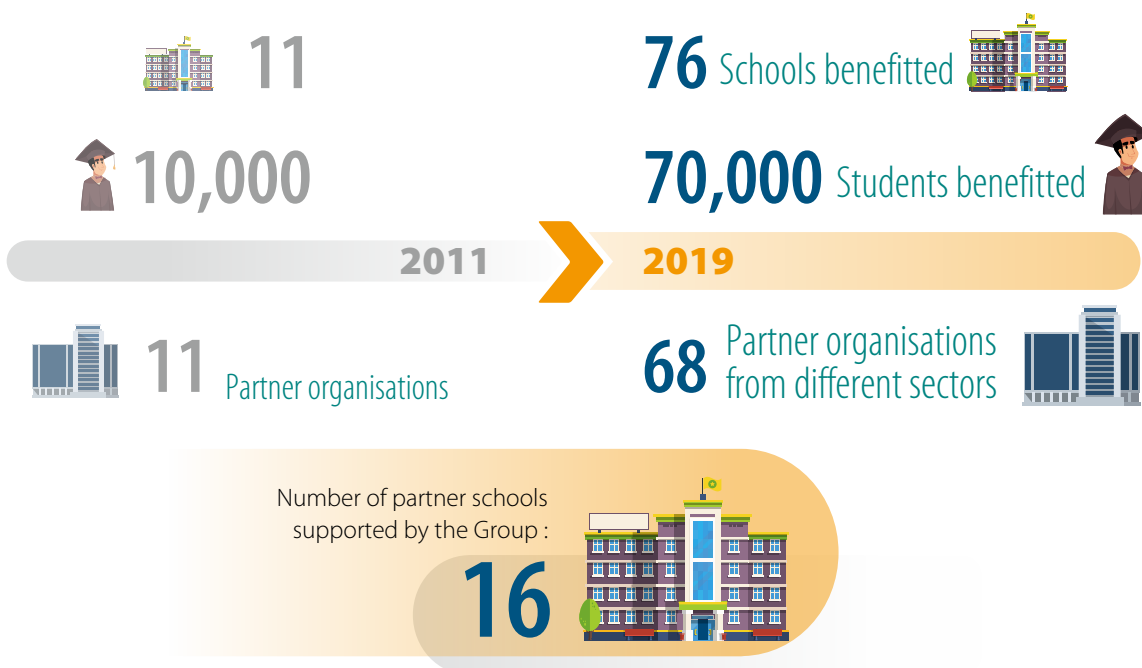
### Project WeCan ("WeCan")

Project *WeCan* is one of the Group's signature Business-in-Community initiatives. The programme was launched in 2011 to empower secondary school students who are disadvantaged in learning in pursuing further education and career goals. The initiative applies an adopt-a-school model to provide an open platform for every participating school. It pairs the school with a partner organisation in a multi-year collaboration for financial and volunteer support.

In the 2018/19 school year, *WeCan* organised a few joint school events which had record-breaking participation numbers. Over 1,500 secondary school students from 63 schools participated in our 7<sup>th</sup> Young Innovators Bazaar. This unique three-day indoor bazaar helps the students gain start-up experience from booth design, product development, pricing, marketing strategies to product sourcing.

We also coordinated the "Shape Our Future: *WeCan!*" Career Exploration Day. More than 5,600 students from 76 schools joined the event. 38 companies and organisations, including our hotel operations offered hands-on experience to students, helping them to gain a deeper understanding of the daily operations. Other career-focused training including mock interviews, workshops, and career talks were also provided to inspire students with determination to explore their career pathway.

Our 3 Marco Polo Hotels also participated in the *WeCan's* Job Tasting Programme, offering a 4-week work exposure opportunity in several departments. Students were able to enhance their work readiness skills after going through different phases of the recruitment process from job application to interviews to perform task in the real work environment.



## Community Care

**GRI** 203-1, 413-1, **HKEX** KPI B8.2, **UNSDG** 10

Following the long-standing mission of “Building for Tomorrow”, the Group commits itself to undertaking corporate philanthropic responsibility via our wide variety of community caring and charity activities. In 2019, the Group backed over 175 events and activities<sup>22</sup> with focuses on art and culture, social welfare, education, environmental protection and healthy life.

### Bright Senior Ambassador Programme

WEL launched the Bright Senior Ambassador (“BSA”) Programme in 2010 as one of our CSR initiatives. It offers re-employment opportunities for retired citizens who would like to extend their contribution to the society. Our ambassadors are responsible for handling enquiries and aiding shoppers and tourists in Harbour City, Times Square and Plaza Hollywood. With their diversified background and wealth of experience, they not only bring pleasant shopping experience to our customers but also share their wisdom and experience with the younger staff members.

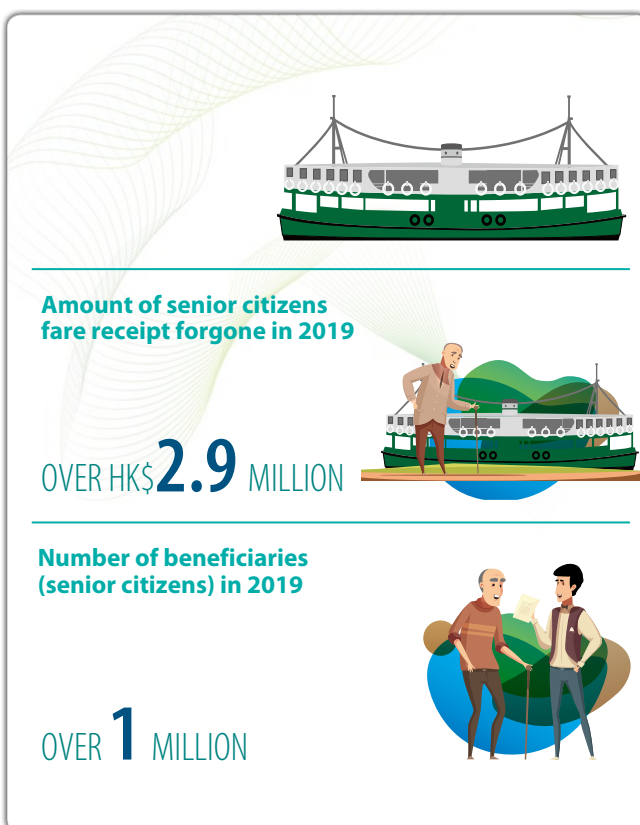
To date, we have employed 88 ambassadors with an average age of 65.2. With the successful implementation of this tailor-made inclusive programme, the Group was awarded Age-friendly Employer Award from Jockey Club Age-friendly City Project this year.



### The “Star” Ferry Free Ride Activities

To show our care and love for the elderly, passengers who aged 65 or above and holding Hong Kong Senior Citizen Cards are entitled to free ferry rides at The “Star” Ferry. Non-Hong Kong residents using Personalised Octopus Cards or Elder Octopus Cards and equivalent proofs of age are also eligible to enjoy the offer.

This non-government subsidised programme has been operating since 1992. From 2008 to 2019, over 17 million passengers have been benefited, fare forgone exceeded HK\$43 million. We also pay attention to the need of senior people who take the ferry. In both ferries and waiting concourses at the piers, priority seats are provided for the elderly. We have further enhanced the service accessibility by installing call bells for wheelchair users. All these caring facilities enable us to receive Age-friendly Facilities Award from Jockey Club Age-friendly City Project during the reporting year.



<sup>22</sup> The reported contribution is related to volunteer service, venue sponsorship and in-kind donations to charitable organisations, by the Group’s Hong Kong operations, namely, Harbour City, Times Square, Plaza Hollywood, Crawford House, Wheelock House, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel, The Murray, Pacific Club, Gateway Apartments, and The “Star” Ferry and Mainland China operations, namely, Marco Polo Changzhou.



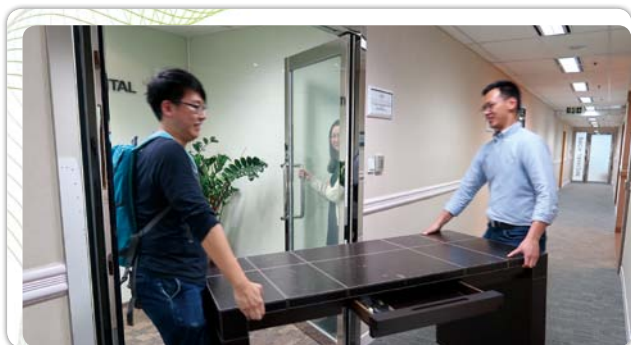
### Little Master Chef

In collaboration with Heep Hong Society, our 3 Marco Polo Hotels organised Little Master Chef. This year, as a way to strengthen family bonds, our hotel chefs invited children to make racing car cake with their families.



### Tenant Used Furniture Matching Scheme

To extend the life of office furniture and reduce unnecessary waste, Harbour City and Times Square provided assistance to tenants to donate used furniture which is in good condition to suitable community partners. Over 100 pieces of furniture were matched with the charities in 2019.



### Volunteering

The Group believes team synergy can enhance our capacity of delivering greater positive social influence. Therefore, we proactively nurture employee volunteerism and engage our staff in community services. We have staff volunteer teams in our BUs. Our tenants and residents are also invited to take part in our voluntary activities. Throughout the years, we maintain close collaboration with different stakeholders through various social activities.

### Volunteer Recognition Programme

Employees at the Group contribute their personal time and resources for societal development through our community programmes and we acknowledge their contribution. WEL organises the Annual Volunteers Recognition Ceremony to recognise the dedicated volunteers with high number of voluntary service hours.

### Cross-city Volunteering Programme 2019

#### — Social Inclusion

With this year's theme of "Helping People with Disabilities", Harbour City hosted a Career Exploration Visit for Lutheran School for the Deaf. Aided by our Technical Department, 19 students were given an opportunity to experience different job tasks as a technician, learning simple technical skills and trying some tools under the supervision of our technicians.



### Knitting for the Elderly

Gateway Apartments has organised the activity for 7 consecutive years. During a visit to The Salvation Army Nam Tai Centre for Senior Citizens, our volunteer team of 33 employees and 8 residents gave away more than 100 hand-made scarves and gift packs to the elderly.



### Elderly Assistant Tool with 3D Printing

Partnered with the Salvation Army Senior Citizens Talent Advancement Project Tung Tau Centre, our volunteers attended a 3D printing workshop and learnt how to use 3D pen to create the "CC Hook", which is designed for stabilising a walking stick when it is not in use. The volunteers then visited 10 elderly families and gave away the "CC Hook" to improve convenience in their daily lives.





### 1 Milk Charity Walk

20 employees of MP Changzhou participated in the local charity event "1 Milk Charity Walk" to raise fund for the students from poor region of Changzhou. All the donations were used to purchase milk for these students, ensuring these students can drink nutritious milk daily at school.



### Serving Hot Meals @ Food Angel and Food for Good

WEL and Prince Hotel remain supportive to food rescue. Our volunteers helped prepare nutritious hot meals and delivered them to less-privileged groups in Hong Kong together with our love and care.



### Food Friend Action @ People Service Centre

To support a food rescuing activity initiated by the People Service Centre, WEL sent volunteers to collect abandoned vegetables and fruits in Shek Kip Mei Wet Market. The volunteers then selected and sorted the leftovers to redistribute them to the needy.



### Special Child Care Centres Christmas Visit @ Heep Hong Society

We partnered with Heep Hong Society, a children education and rehabilitation organisation targeting children and youth with special needs. Our employees visited the centre and interacted with the children during the game sessions to spread the joy of Christmas and make them feel cared.



### Tree Planting Day

Volunteers from WEL took part in tree planting day. Our volunteers planted 62 tree seedlings of different native tree species and set tree guards at Tai Mo Shan, which has suffered from vegetation degradation due to soil erosion and occasional wildfire.



### Coastal Clean-up

WEL supported a coastal cleaning event at Sam Mun Tsai. Organised by Tai Po Geoheritage Centre, our 25 volunteers removed more than 82 kg of litter from the coast aiming to reduce the pollution to marine environment.





# PRODUCTS AND SERVICES

GRI 417-3





As mall development and retail management are the core businesses of the Group, we strive to deliver outstanding customer experiences through offering quality products and services. We monitor the trends to understand our customers' needs and expectations. To continually improve our performance and boost customer satisfaction, we adopt management systems and listen to our customers' feedback through various engagement channels. With the interests of our customers' in mind, we also strive to secure their health, safety and privacy.

The Group's products and services adhere to applicable regulations and voluntary codes including the Fire Services Ordinance (Cap. 95) and the Electricity Ordinance (Cap. 406). The Group also follows the Trade Descriptions Ordinance (Cap. 362), Personal Data (Privacy) Ordinance (Cap. 486), and the European Union (EU) General Data Protection Regulation for marketing communications activities and handling of sensitive customer information. Our commitment to meeting the safety and health regulatory requirements are also embedded in our internal policies and guidelines.

In recognition of our efforts, the Group was delighted to receive various quality and service awards, motivating us to continue devoting our efforts in providing the finest quality and services.

## Quality Products and Services

Since 2016, the Group adopted internal guidelines on consumer issues to safeguard the delivery of quality products and services, enabling us to provide our customers an enjoyable experience.

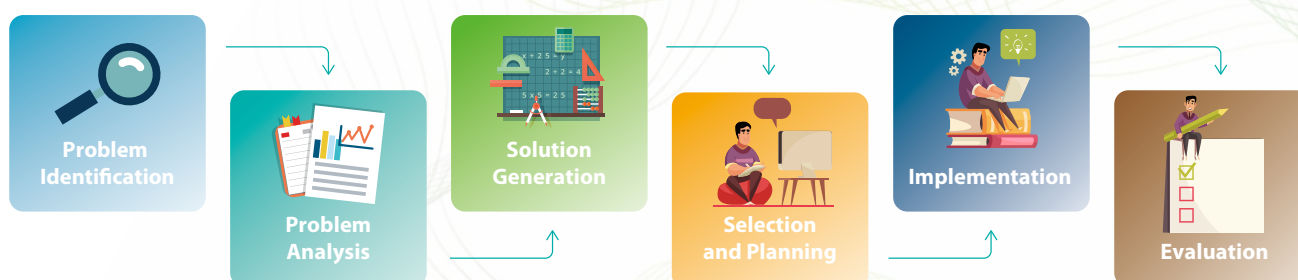
### Professional Customer Services

We aspire to operate ethically and with integrity in our marketing campaigns through providing fair and transparent marketing communications to ensure our customers are not misled. All promotional materials and messages are reviewed and approved by our managers prior to being published to ensure compliance with relevant standards and requirements. Furthermore, we have strict guidelines on observing intellectual property rights in our marketing materials. Such guidelines can avoid infringement. The adoption of designs and photos strictly complies with applicable patent and royalty requirements. Similarly, we defend our intellectual property rights by proper registration and measures to protect confidentiality.

Due to nature of our business, providing excellent quality service plays a key role in meeting our customers' demands and further assuring the long-term success of our business. Our hotel operations adopt a six-step problem-solving technique to tackle the challenges faced by our customers, and handle disputes in an appropriate manner.



### Six-step problem-solving technique:



## Highlights of the Group's Products and Services

### Considerate Investment Properties Portfolio

The Group's flagship properties Harbour City and Times Square are situated in the heart of the city's busiest commercial and retail districts. Along with Plaza Hollywood based in Kowloon East, we provide a spectacular selection of shopping, entertainment and dining options for locals and travellers. We strategically calibrate the retail tenant mix in the malls and constantly implement value-adding innovations to enhance customer satisfaction.

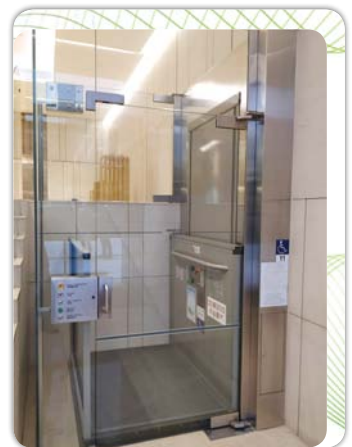


We are committed to accommodating to the diversified needs and demands of our customers. To this end, we provide various services and facilities to accommodate needs, especially for people with disabilities to support their integration into the community. Some of these include installing an audio frequency induction loop system in our malls to assist individuals with hearing loss.

We are also attentive of the fast-paced lifestyle adopted in Hong Kong and provide our customers with a convenient experience through operating a free shuttle bus every 30 minutes between Harbour City and High Speed Rail Hong Kong West Kowloon Station.



Times Square also devoted itself to establishing a barrier-free environment and culture and consistently upgrades its barrier-free services. Barrier-free facilities including lifts for persons with physical disabilities, accessible toilets and designated parking spaces are provided. At Plaza Hollywood, automatic exit door at main walkway

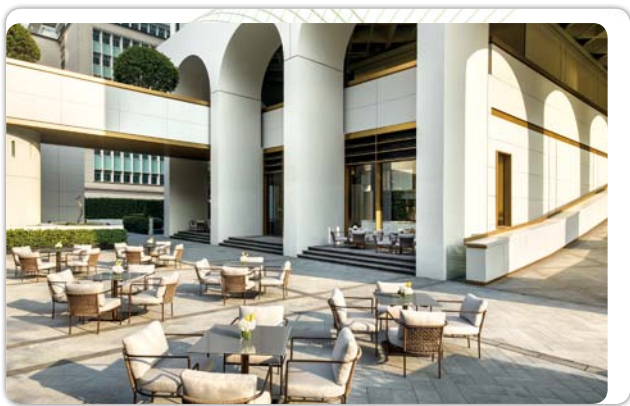


and tactile tile in front of disabled lift are installed. Furthermore, we designed a lower customer counter to provide better assistance for wheelchair users and also offer wheelchair lending services in the shopping malls. We also strive to create a family-friendly environment, and have provided breastfeeding facilities.

As a result of our efforts, our 3 shopping malls are recognised in the List of Barrier-free Companies/Organisations under the Caring Company Scheme.

## Globally Recognised Hotel Operations and Management

Steered by the Government's Heritage Preservation Initiative, The Murray was redeveloped from the iconic 1960's Murray Building and made its debut in January 2018. The hotel's rich history, architecture and unique green design features were quickly applauded in the international arena. The Murray rapidly emerged as the city's icon and received a series of reputable awards including Best Luxury Hotel in Hong Kong by TTG China's Travel Awards 2019 and Best Hotel Openings in the past 12 months by Travel + Leisure's Hotels IT List 2019.



## Memorable Ferry Journey

The "Star" Ferry is one of the beloved icons of Hong Kong and has been transporting commuters across Victoria Harbour in operation for over a century, providing locals and tourists with a memorable commute experience and magnificent view of Hong Kong's harbour. For the 5<sup>th</sup> consecutive year, The "Star" Ferry was awarded by TripAdvisor with a Certificate of Excellence, acknowledging how well-received we are among visitors.



## Customer Safety and Health

GRI 416-2



The Group is committed to providing our customers with a healthy, safe and satisfying experience through complying with applicable laws and regulations and adopting industry best practices.

## Premise and Facility Safety

It is evident that the impact of climate change can lead to asset damage, business disruptions and in severe cases, threaten the safety and health of customers and employees. To minimise and mitigate the impacts of climate change, a preliminary climate risk mapping exercise has been conducted across all our BUs with reference to the TCFD framework. Succeeding risk identification, we can develop risk mitigation measures to build our climate resilience and ultimately safeguard the interests of customers and employees. More details on our climate risk findings and mitigation measures can be found in [Climate Resilience](#) section.

To maintain the safety of our premises and facilities, our BUs strictly adhere to fire service installations and equipment regulations through the implementation of comprehensive measures. These include providing our frontline staff with safety guidelines and training to equip them with the skills and knowledge in handling emergencies. Furthermore, daily patrol is carried out to ensure there is no blockage of fire escape route. Annual fire drills and security seminars for our office and retail tenants are conducted to enhance their awareness of fire safety practices, the fire escape route as well as crime prevention.



We conduct annual maintenance of the lift and escalator system to uphold our commitment to providing safe facilities. In our shopping malls, we also appoint an independent certified structural engineer to ensure the structural integrity of decorations and exhibitions. Daily inspections are further conducted by internal building inspectors and security guards.



We have lifeguard on duty at our hotels and Pacific Club, as well as bi-monthly sample testing of the water quality of the swimming pools. In addition, we carry out a wide range of measures to provide a hygienic environment for our customers and employees.



For example, at Harbour City, a refuse compactor has been installed to have a more effective management of waste in the premises, creating a healthier and cleaner shopping and working environment for the public and our tenants respectively. Besides, Times Square applies eco-friendly,

non-toxic yet effective odour deodorisation products with the EU Ecolabel and are not classified as hazardous under Regulation (EC) No. 1272/2008 on classification, labelling and packaging of substances and mixtures, ensuring that the product used is safe for the user and the environment. Our 3 shopping malls also participated in HKQAA hygiene audit programme and were granted with the Hygiene Control System Certification.

In response to the growing demands of wellness provision, we have taken steps to monitor and maintain indoor air quality at our shopping malls and have obtained Indoor Air Quality Certificates from the EPD's Indoor Air Quality ("IAQ") Information Centre.

Extra precautions are employed along with proper crowd management and control measures to ensure crowd safety. These include having well-trained securities in public areas and setting up barricades or rope lines for pedestrians during events. To continuously improve and ensure effectiveness of our crowd control measures, pre-event planning and post-event evaluations are key. Under the circumstances of renovations, we additionally place hoardings around the boundary accordingly and conduct inspections to avoid any potential risks to the building users.

The "Star" Ferry implements a diverse range of initiatives to protect the safety of our passengers and crew members. We perform a safety review which includes documentation check, interviewing crew members to assess their understanding of the safety management system, and physical inspection of the ferry. As we are aware of the impact of poor air quality on the health of our passengers, we have widely adopted different initiatives to reduce the air pollutants emitted from our ferries. These include improving the engine technology of DEP system (See Case Study: [Retrofitting The "Star" Ferry for Cleaner Operation](#)).



#### Harbour City

- IAQ (Excellent Class) for common areas in office towers
- IAQ (Good Class) for public areas in shopping mall

#### Times Square

- IAQ (Excellent Class) for common areas in office towers
- IAQ (Good Class) for common areas in shopping mall

#### Plaza Hollywood

- IAQ (Excellent Class) for management offices
- IAQ (Good Class) for public areas in shopping mall

#### Gateway Apartments

- IAQ (Excellent Class) for common area in office towers



## Food Safety

High standards of food safety and quality are an indispensable part of our business operations. We strictly adhere to stringent standards and industry best practices including nutrition and food allergy labelling regulations for all pre-packed food products and the Food Safety Ordinance (Cap. 612). Our hygiene manager takes the responsibility to deliver high standards of food safety and hygiene in our hospitality operations through adopting ISO 22000 Food Safety Management System and/or the Hazard Analysis and Critical Control Points ("HACCP")-based Food Safety Management System.

Our standard of food safety is maintained through conducting monthly unannounced and announced audits at food and beverage outlets in our shopping malls. The audit not only looks at the food safety and hygiene conditions but also covers rodent control treatment, and the inspection of

kitchens and lavatories. In the case that deficiencies are identified, follow-up actions are requested from relevant parties for rectification.

We extend our commitment to product safety to our suppliers to ensure there are no inconsistencies in our food quality. With the collective efforts of the hygiene manager and representatives from the Purchasing and Culinary departments, the performance of food suppliers that are exposed to higher risks is reviewed monthly. For suppliers who receive unsatisfactory results during inspection, their contracts will be revoked to gatekeep the highest standard of food safety and quality.

During the reporting period, there were no incidents of breaches of applicable regulations and voluntary codes that resulted in a fine or penalty.



Pacific Club	Harbour City	Times Square	Plaza Hollywood
<ul style="list-style-type: none"> <li>ISO 22000:2005 Food Safety Management System certified</li> <li>HACCP certified</li> </ul>	<ul style="list-style-type: none"> <li>Quality Water Supply Scheme for Buildings — Fresh Water (Management System) (Gold)</li> <li>Quality Water Supply Scheme for Buildings — Flushing Water (Silver)</li> </ul>	<ul style="list-style-type: none"> <li>Quality Water Supply Scheme for Buildings — Fresh Water (Blue) for Shopping Mall</li> <li>Quality Water Supply Scheme for Buildings — Fresh Water (Gold) for Office Tower 1–2</li> <li>Quality Water Supply Scheme for Buildings — Flushing Water (Gold) for Shopping Mall and Office Tower 1–2</li> </ul>	<ul style="list-style-type: none"> <li>Quality Water Supply Scheme for Buildings — Fresh Water (Management System) (Gold)</li> <li>Quality Water Supply Scheme for Buildings — Flushing Water (Gold)</li> </ul>

## Customer Satisfaction

The Group places a high priority on our customers' satisfaction and strives to continually improve through listening to the views and concerns provided by our customers. We have established a diverse range of engagement channels to effectively receive insightful feedback regarding our products and services.

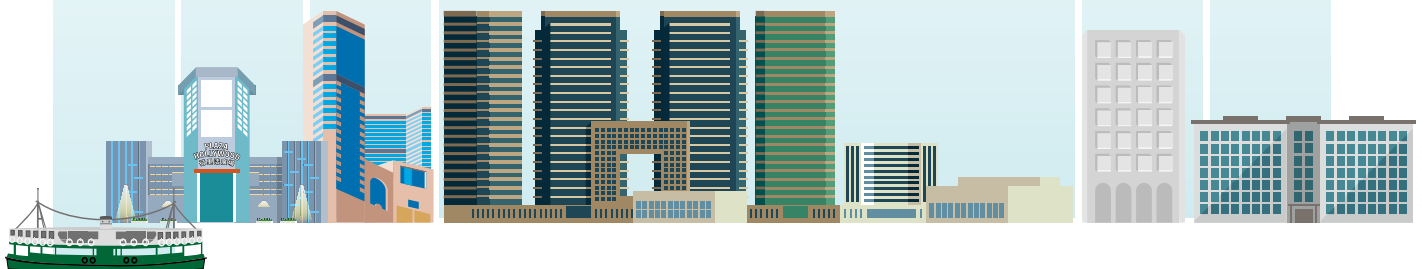
We set out to maintain the quality of our products and services by providing relevant training to our frontline staff. In case of receiving a complaint, we have an established procedure in place to handle the complaint appropriately and in a timely manner. To prevent future occurrence, we take additional steps to evaluate the situation and establish corrective actions.

### Customer Engagement Channels

Operation	Investment Properties	Leisure and Hospitality	Logistics
Major Product or Service Category	Management and staff service	Management and staff service Guest room tidiness Customer services Facilities and services Operational efficiency Product and service quality Product reliability	Customer service Ferry frequency Pier and cabin environment
Engagement Channel	Emails Letters Hotlines Focus groups Management services Annual opinion survey Interviews	Emails Letters Hotlines Company website Survey Phone interviews	Annual focus groups Survey



The "Star" Ferry	Plaza Hollywood	Times Square	Harbour City	Gateway Apartments	Prince Hotel	Gateway Hotel	Marco Polo Hongkong Hotel	The Murray	Marco Polo Changzhou
Service <b>79.2%</b>		Office tenants <b>96%</b>	Office tenants <b>97.5%</b>						
Vessel <b>78.1%</b>	<b>100%</b>	Retail tenants <b>98%</b>	Retail tenants <b>100%</b>	<b>91.9%</b>	<b>93.6%</b>	<b>93.8%</b>	<b>91.5%</b>	<b>93.8%</b>	<b>95.2%</b>
Pier <b>73.8%</b>									
Number of Responses Collected / Name of Index									
Customer Satisfaction Indices	205 retail tenants surveyed	85 office tenants and 222 retail tenants surveyed	226 office tenants and 327 retail tenants surveyed	61 residents surveyed	Guest Satisfaction Online Survey Global Index	Guest Satisfaction Online Survey Global Index	Guest Satisfaction Online Survey Global Index	Guest Satisfaction Online Survey Global Index	Guest Satisfaction Online Survey Global Index





## Customer Privacy

GRI 418-1, HKEX KPI B6.5

As we have entered the digital era, data privacy protection is becoming a mounting challenge. While we have been able to leverage the latest technology to facilitate our operations and improve our customers' overall experience, we bear the responsibility to ensure customer information collected is handled appropriately. We adopt effective measures to not only safeguard the data privacy of our customers, but also minimise the Group's reputational risk. These measures include adopting a standard procedure when handling customer data and providing relevant training to our employees. We also strictly adhere to the Personal Data (Privacy) Ordinance (Cap. 486) and the EU General Data Protection Regulation ("GDPR").

Internal guidelines along with procedures are established to ensure that sensitive customer information is handled in a proper and secure manner at all stages throughout our operations. In accordance with industry standards and relevant regulatory requirements, we only provide authorised personnel access to sensitive customer data and keep track of the physical access to premises such as data centres and server rooms. We handle our information communications technology ("ICT") equipment with the utmost care through appointing authorised personnel to carry out maintenance works as stated in our suppliers' contracts and agreements, and adopting cautious practices when discarding the

equipment including secure overwriting. When it is not possible, we seek an alternative solution of physically dismantling the storage media. To assure the effectiveness of our physical security controls, a third-party auditor is appointed to conduct a physical penetration test annually.

To convey our commitment to ensuring the handling of personal data is in accordance with appropriate standards of security and confidentiality, our BUs have listed privacy and personal information collection policies on their respective websites for customer's reference. These outline the purposes of personal data collection, the type of data collected and the data retention practices adopted. Based on changes in applicable laws and regulations, the privacy policy exhibited on our website will also be reviewed from time to time.

A data breach team which comprises of senior management, head of communications and IT manager is established to handle reports of actual or possible data protection incidents. The team is accountable for formulating appropriate action plans and decisions, as well as contacting the individual affected. In the event that the individual affected is located within the EU, it is required to notify the responsible supervisory authority within 72 hours of data breach.

During the reporting year, there were no complaints nor cases regarding breaches of the Personal Data (Privacy) Ordinance (Cap. 486) and GDPR.

### Examples of measures taken in different operations to safeguard customer privacy

#### Investment Properties



- Displayed notices with the message of CCTV operation at malls to inform the public
- Placed Data Privacy Policy Statement on website and at specific locations, and application forms

#### Leisure and Hospitality



- Provided GDPR staff training and a webinar on GDPR to ensure a solid understanding on the roles and responsibilities of all staff
- Installed firewalls on computers to prevent data leakage caused by cyberattacks

#### Logistics



- Restricted access to CCTV surveillance records to protect customer privacy

# PERFORMANCE DATA SUMMARY

GRI 102-48

## Key for Data Performance Table

Operation	Business Unit	Acronym
Investment Properties	Wharf Estates Limited	WEL
	• Harbour City	
	• Times Square	
	• Plaza Hollywood	
	Wheelock House <sup>#</sup>	WH
	Crawford House <sup>#</sup>	CH
Leisure and Hospitality	The Murray	The Murray
	Marco Polo Hotels	MPH
	• Prince Hotel	
	• Gateway Hotel	
	• Marco Polo Hongkong Hotel	
	Marco Polo Changzhou	MPCZ
	Pacific Club	PC
	Gateway Apartments	Apt
Logistics	The “Star” Ferry	SF

In the tables of this section, the totals are rounded figures.

<sup>#</sup> Wheelock House and Crawford House are owned by Wharf REIC while managed by a third party. Environmental data of Wheelock House and Crawford House are included in the performance data tables whilst social data are not included.

## Environmental Performance

### Air Emissions

Air emissions by type and source in tonnes GRI 305-7, HKEX KPI A1.1

	Emission From Ferries <sup>23</sup>			Emission From Vehicles and Others <sup>24</sup>		
	2019	2018	2017	2019	2018	2017
NO <sub>x</sub>	48.712	50.072	51.480	0.122	0.168	0.110
SO <sub>x</sub>	0.038	0.040	0.040	0.001	0.001	0.001
PM	1.248	1.243	1.270	0.0005	0.0046	0.0003

23 Marine air emissions data are confined to The “Star” Ferry. Emission data are calculated based on harbour craft emissions estimation methodology with published emission factors in Port of Los Angeles Inventory of Air Emissions 2005 Technical Report ([https://kentico.portoflosangeles.org/getmedia/59baf614-fdfe-4cfa-9d58-3032d32583d7/2005\\_Air\\_Emissions\\_Inventory\\_Full\\_Doc](https://kentico.portoflosangeles.org/getmedia/59baf614-fdfe-4cfa-9d58-3032d32583d7/2005_Air_Emissions_Inventory_Full_Doc)).

24 These data are confined to air emissions from vehicles, towngas and LPG and are 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\\_envirokpi.pdf?la=en](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_envirokpi.pdf?la=en)).

## Water Consumption

Water consumption by source **GRI** 303-3, **HKEX** KPI A2.2

		Municipal Water (m³)			Captured Rainwater (m³)			Recycled Water (m³)		
		2019	2018	2017	2019	2018	2017	2019	2018	2017
Investment	WEL	487,975	393,781	438,615	0	0	0	0	0	0
Properties	CH	26,394	23,383	21,943	0	0	0	0	0	0
	WH	21,388	17,876	17,723	0	0	0	0	0	1,737 <sup>25</sup>
Leisure and Hospitality	PC, MPH, Apt, The Murray	373,998	389,447	303,689	0	0	72	0	0	0
	MPCZ	79,070	84,170	87,180	0	0	0	0	0	0
Logistics	SF	6,215	6,647	6,187	0	0	0	0	0	0

Water intensity **GRI** CRE-2, **HKEX** KPI A2.2

	Water Intensity (m³/unit)		
	2019	2018	2017
By number of employee	345.50	307.36	333.21
By revenue (HK\$ million)	62.02	57.21	41.87

GHG Emissions<sup>26</sup> in Tonnes CO<sub>2</sub>e **GRI** 305-1, 305-2, **HKEX** KPI A1.2

		Direct (Scope 1 <sup>27</sup> ) GHG Emissions			Indirect (Scope 2 <sup>28</sup> ) GHG Emissions		
		2019	2018	2017	2019	2018	2017
Investment Properties	WEL	410	439 <sup>29</sup>	10	87,619	89,001	89,441
	CH	0	0	0	3,232	3,064	2,848
	WH	1	1	1	3,068	3,008	2,954
Leisure and Hospitality	PC, MPH, Apt, The Murray	1,747	1,734	1,477	24,290	24,608	20,487
	MPCZ	833	968	871	4,803	4,861	5,026
Logistics	SF	4,158	4,326	4,311	605	588	515
Total		7,149	7,468	6,670	123,617	125,130	121,271

GHG intensity **GRI** 305-4, CRE-3, **HKEX** KPI A1.2

	GHG Intensity (tonnes CO <sub>2</sub> e/unit)		
	2019	2018	2017
By number of employee	45.40	44.53	48.70
By revenue (HK\$ million)	8.15	8.29	6.12

25 Recycled water used by Wheelock House is from its recycled grey water and condensate water collected from the air-conditioning system. This consumption figure is estimated.

26 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included in the calculation of GHG emissions.

27 2019 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, gas oil, town gas, refrigerant and LPG and are 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](https://www.epd.gov.hk/epd/sites/default/files/epd/english/climate_change/files/Guidelines_English_2010.pdf)). Emission from combustion of PNG is calculated based on 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69554/pb13773-ghg-conversion-factors-2012.pdf)).

28 2019 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and town gas consumed by the Group, and are calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.80 kg CO<sub>2</sub>e/kWh), CLP (0.51 kg CO<sub>2</sub>e/kWh) and The Hong Kong and China Gas Company Limited (0.564 kg CO<sub>2</sub>e/unit). GHG emission by electricity purchased in China in this Report is calculated based on China Eastern grid emission factor in 2012年中國區域電網平均 CO<sub>2</sub> 排放因子 (<http://www.cec.org.cn/d/file/huanbao/xingyexinxi/qihoubianhua/2014-10-10/5fbc57bcd163a1059cf224b03b751d8.pdf>) (0.7035 kg CO<sub>2</sub>/kWh).

29 In 2018, we expanded the boundary of Direct (Scope 1) emissions to include refrigerant.



## Energy Consumption

Energy consumption by source in GJ<sup>30</sup> **GRI** 302-1, **HKEX** A2.1

		Investment Properties			Leisure and Hospitality		Logistics	Total
		WEL	CH	WH	PC, MPH, Apt, The Murray	MPCZ	SF	
Diesel oil	<b>2019</b>	<b>405</b>	<b>0</b>	<b>8</b>	<b>41</b>	<b>4</b>	<b>0</b>	<b>458</b>
	2018	235	0	7	3	10	0	255
	2017	142	0	10	5	3	0	160
Unleaded petrol	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225</b>	<b>157</b>	<b>0</b>	<b>382</b>
	2018	0	0	0	251	230	0	481
	2017	0	0	0	267	295	0	562
Liquefied petroleum gas ("LPG")	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>40</b>
	2018	0	0	0	84	0	0	84
	2017	0	0	0	164	0	0	164
Gas oil	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,026</b>	<b>50,026</b>
	2018	0	0	0	0	0	52,302	52,302
	2017	0	0	0	0	0	52,121	52,121
Towngas	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,874</b>	<b>0</b>	<b>0</b>	<b>28,874</b>
	2018	0	0	0	29,429	0	0	29,429
	2017	0	0	0	27,147	0	0	27,147
Piped natural gas ("PNG")	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,477</b>	<b>0</b>	<b>13,477</b>
	2018	0	0	0	0	15,590	0	15,590
	2017	0	0	0	0	13,912	0	13,912
Purchased electricity	<b>2019</b>	<b>556,484</b>	<b>14,544</b>	<b>13,804</b>	<b>142,085</b>	<b>24,576</b>	<b>3,273</b>	<b>754,766</b>
	2018	567,442	13,964	13,707	145,181	24,874	3,239	768,407
	2017	544,088	12,977	13,460	134,324	25,718	2,797	733,364
Self-generated renewable energy — Solar	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	2018	511	0	0	0	0	0	511
	2017	839	0	0	0	0	0	839
Total	<b>2019</b>	<b>556,889</b>	<b>14,544</b>	<b>13,812</b>	<b>171,265</b>	<b>38,214</b>	<b>53,299</b>	<b>848,023</b>
	2018	568,188	13,964	13,714	174,948	40,704	55,541	867,059
	2017	545,069	12,977	13,470	161,907	39,928	54,918	828,269

Energy intensity **GRI** 302-3, CRE-1 **HKEX** A2.1

	Energy Intensity (GJ/unit)		
	2019	2018	2017
By number of employee	<b>294.45</b>	291.15	315.29
By revenue (HK\$ million)	<b>52.86</b>	54.19	39.62

30 2019 energy conversion factors used for diesel oil, unleaded petrol, LPG and gas oil are from CDP Technical Note: Conversion of fuel data to MWh ([https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcd1d.ssl.cf3.rackcdn.com/cms/guidance\\_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175](https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcd1d.ssl.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175)). 2019 energy conversion factor used for PNG 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69554/pb13773-ghg-conversion-factors-2012.pdf)). Energy consumption of towngas is calculated based on formula provided by The Hong Kong and China Gas Company Limited (<https://www.towngas.com/Eng/Cust/Household/CustService/Tariff.aspx>).

## Waste Management<sup>31 32</sup>

Waste by type and disposal method (tonnes) **GRI** 306-2, **HKEX** KPI A1.3, A1.4, A1.6

		Investment Properties			Leisure and Hospitality		Logistics	Total
		WEL	CH	WH	PC, MPH, Apt, The Murray <sup>33</sup>	MPCZ	SF	
(1) General refuse to landfill	<b>2019</b>	<b>12,162.01</b>	<b>94.05</b>	<b>169.61</b>	<b>2,560.95</b>	<b>60.51</b>	<b>727.25</b>	<b>15,774.38</b>
	2018	14,766.93	120.23	262.05	6,183.60	56.67	900.45	22,289.93
	2017	14,206.92	114.44	163.01	5,611.70	75.00	–	20,171.07
(2) Incinerated waste	<b>2019</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>141.19</b>	<b>N/A</b>	<b>141.19</b>
	2018	N/A	N/A	N/A	N/A	129.89	N/A	129.89
	2017	N/A	N/A	N/A	N/A	–	N/A	–
(3) Waste collected for recycling								
Non-hazardous waste								
Waste paper	<b>2019</b>	<b>1,504.42</b>	<b>7.56</b>	<b>14.43</b>	<b>200.90</b>	<b>7.77</b>	<b>11.66</b>	<b>1,746.74</b>
	2018	1,443.59	18.52	36.72	233.71	10.60	11.90	1,755.04
	2017	1,051.28	15.92	38.76	318.72	0.65	10.72	1,436.05
Plastics	<b>2019</b>	<b>3.28</b>	<b>0.10</b>	<b>0.19</b>	<b>1.55</b>	<b>3.82</b>	<b>0.08</b>	<b>9.02</b>
	2018	2.46	0.28	0.21	0.90	3.84	0.07	7.76
	2017	1.23	0.26	0.26	1.80	0.00	0.01	3.56
Metals	<b>2019</b>	<b>43.24</b>	<b>0.16</b>	<b>0.00</b>	<b>1.80</b>	<b>0.97</b>	<b>0.13</b>	<b>46.30</b>
	2018	34.30	0.17	0.00	2.41	2.66	0.13	39.67
	2017	21.07	0.16	0.00	1.75	0.05	0.09	23.12
Food waste	<b>2019</b>	<b>381.54</b>	<b>N/A</b>	<b>N/A</b>	<b>96.28</b>	<b>355.23</b>	<b>N/A</b>	<b>833.05</b>
	2018	310.10	N/A	N/A	60.17	226.70	N/A	596.97
	2017	438.76	N/A	N/A	17.61	233.50	N/A	689.87
Glass	<b>2019</b>	<b>25.47</b>	<b>0.00</b>	<b>0.00</b>	<b>42.47</b>	<b>4.06</b>	<b>0.00</b>	<b>72.00</b>
	2018	17.16	0.00	0.00	26.58	10.24	0.00	53.98
	2017	21.31	0.00	0.00	15.18	1.20	0.00	37.69
Soap	<b>2019</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.32</b>	<b>0.00</b>	<b>N/A</b>	<b>0.32</b>
	2018	N/A	N/A	N/A	0.51	0.00	N/A	0.51
	2017	N/A	N/A	N/A	0.86	1.10	N/A	1.96
Clothes	<b>2019</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.53</b>	<b>0.00</b>	<b>0.00</b>	<b>1.53</b>
	2018	0.00	0.00	0.00	2.01	0.00	0.00	2.01
	2017	0.00	0.00	0.00	3.54	0.06	0.00	3.60
Hazardous waste								
Waste cooking oil	<b>2019</b>	<b>5,111.96</b>	<b>N/A</b>	<b>N/A</b>	<b>8.42</b>	<b>1.23</b>	<b>N/A</b>	<b>5,121.61</b>
	2018	4,146.45	N/A	N/A	10.26	0.54	N/A	4,157.25
	2017	3,959.24	N/A	N/A	4.97	1.20	N/A	3,965.41
Waste industrial oil	<b>2019</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.93</b>	<b>3.93</b>
	2018	N/A	N/A	N/A	N/A	N/A	4.09	4.09
	2017	N/A	N/A	N/A	N/A	N/A	4.40	4.40
Other	<b>2019</b>	<b>35.63</b>	<b>0.00</b>	<b>0.00</b>	<b>1.76</b>	<b>0.00</b>	<b>0.45</b>	<b>37.84</b>
	2018	33.45	0.40	0.31	8.12	0.00	2.67	44.95
	2017	41.08	0.01	0.18	4.29	0.19	1.98	47.73
Grand total	<b>2019</b>	<b>19,267.55</b>	<b>101.87</b>	<b>184.23</b>	<b>2,915.98</b>	<b>574.78</b>	<b>743.50</b>	<b>23,787.91</b>
(1) + (2) + (3)	2018	20,754.44	139.60	299.29	6,528.27	441.14	919.31	29,082.05
	2017	19,740.89	130.79	202.21	5,980.42	312.95	17.20	26,384.46

31 Waste paper, plastics, metals, soap, and waste cooking oil in Hong Kong are 100% recycled or treated by EPD-appointed waste collectors and recyclers. In the future, the Group will be carrying out studies to measure and monitor the waste produced and improve our recycling rate.

32 Hazardous waste includes cell batteries, industrial batteries, fluorescent lamps, light bulbs, electric appliances/components, waste ink cartridge, waste cooking oil and waste industrial oil. Non-hazardous waste includes waste paper, plastics, metals, food waste, glass, soap and clothes.

33 General refuse data for Gateway Apartments has been included in WEL's (i.e. Harbour City) figure. 2017 and 2018 general refuse for Leisure and Hospitality (PC, MPH, Apt, The Murray) are therefore restated after subtracting the amount arisen from Gateway Apartments.

## Employee Statistics

### Employee Distribution

Total workforce by gender, employment type and contract type **GRI** 102-8, **HKEX** KPI B1.1

		Investment Properties	Leisure and Hospitality		Logistics	Total
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
2019	Male	407	829	99	247	1,582
	Female	448	703	125	22	1,298
	Full-time	741	1,517	224	268	2,750
	Part-time	114	15	0	1	130
	Permanent	821	1,480	15	269	2,585
	Fixed-term	32	49	202	0	283
	Temporary	2	3	7	0	12
2018	Male	390	868	128	252	1,638
	Female	424	743	136	37	1,340
	Full-time	712	1,601	264	266	2,843
	Part-time	102	10	0	23	135
	Permanent	782	1,564	17	289	2,652
	Fixed-term	30	46	247	0	323
	Temporary	2	1	0	0	3
2017	Male	381	645	137	249	1,412
	Female	434	595	146	40	1,215
	Full-time	712	1,233	283	266	2,494
	Part-time	103	7	0	23	133
	Permanent	776	1,192	18	289	2,275
	Fixed-term	34	48	265	0	347
	Temporary	5	0	0	0	5

Gender distribution of permanent contract employees **GRI** 102-8, **HKEX** KPI B1.1

		Investment Properties	Leisure and Hospitality		Logistics	Total
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
2019	Male	381	795	8	247	1,431
	Female	440	685	7	22	1,154
2018	Male	361	838	9	252	1,460
	Female	421	726	8	37	1,192
2017	Male	347	612	10	249	1,218
	Female	429	580	8	40	1,057

Gender, age, group and minority group distribution of all employees by employment category<sup>34</sup> in 2019 **GRI** 405-1, **HKEX** KPI B1.1

			Male	Female	Below 30	30-50	Above 50	Minority Group <sup>35</sup>	Non-minority Group
Investment Properties	WEL	Senior management	50.00%	50.00%	0.00%	50.00%	50.00%	0.00%	100.00%
		Middle management	56.25%	43.75%	0.00%	89.58%	10.42%	0.00%	100.00%
		General staff	46.47%	53.53%	29.16%	50.60%	20.24%	0.00%	100.00%
Leisure and Hospitality	PC, MPH, Apt, The Murray	Senior management	59.46%	40.54%	0.00%	56.76%	43.24%	29.73%	70.27%
		Middle management	63.41%	36.59%	9.78%	71.51%	18.72%	5.87%	94.13%
		General staff	51.10%	48.90%	25.95%	46.88%	27.18%	5.80%	94.20%
	MPCZ	Senior management	85.71%	14.29%	0.00%	85.71%	14.29%	0.00%	100.00%
		Middle management	43.42%	56.58%	34.21%	61.84%	3.95%	1.32%	98.68%
		General staff	42.55%	57.45%	31.91%	46.81%	21.28%	0.71%	99.29%
Logistics	SF	Senior management	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
		Middle management	66.67%	33.33%	16.67%	50.00%	33.33%	0.00%	100.00%
		General staff	92.37%	7.63%	7.63%	12.60%	79.77%	0.00%	100.00%
Overall		Senior management	62.26%	37.74%	0.00%	58.49%	41.51%	20.75%	79.25%
		Middle management	59.33%	40.67%	11.57%	73.13%	15.30%	4.10%	95.90%
		General staff	53.78%	46.22%	25.27%	44.17%	30.55%	2.92%	97.08%

<sup>34</sup> This information is derived from BU's own human resources system.

<sup>35</sup> Minority group refers to the ethnic minority at our operation locations.



## New Employee Hires

Gender and age distribution of new employee hires in number and percentage<sup>36</sup> **GRI** 401-1

		Investment Properties	Leisure and Hospitality		Logistics	Total
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
<b>2019<sup>37</sup></b>	<b>Male</b>	<b>64 (16%)</b>	<b>187 (23%)</b>	<b>44 (44%)</b>	<b>50 (20%)</b>	<b>345 (22%)</b>
	<b>Female</b>	<b>104 (23%)</b>	<b>178 (25%)</b>	<b>26 (21%)</b>	<b>3 (14%)</b>	<b>311 (24%)</b>
	<b>Below 30</b>	<b>86 (39%)</b>	<b>123 (37%)</b>	<b>32 (45%)</b>	<b>10 (48%)</b>	<b>251 (39%)</b>
	<b>30-50</b>	<b>61 (13%)</b>	<b>178 (22%)</b>	<b>33 (28%)</b>	<b>8 (22%)</b>	<b>280 (20%)</b>
	<b>Above 50</b>	<b>21 (13%)</b>	<b>64 (16%)</b>	<b>5 (15%)</b>	<b>35 (17%)</b>	<b>125 (16%)</b>
2018	Male	63 (16%)	279 (32%)	71 (55%)	57 (22%)	470 (29%)
	Female	101 (24%)	239 (32%)	81 (60%)	15 (41%)	436 (33%)
	Below 30	94 (47%)	177 (46%)	91 (96%)	18 (67%)	380 (54%)
	30-50	54 (12%)	269 (30%)	49 (36%)	14 (41%)	386 (25%)
	Above 50	16 (10%)	72 (22%)	12 (35%)	38 (17%)	139 (19%)
2017	Male	49 (13%)	157 (24%)	43 (31%)	53 (21%)	302 (21%)
	Female	96 (22%)	176 (30%)	67 (46%)	11 (28%)	350 (29%)
	Below 30	100 (44%)	146 (58%)	70 (57%)	9 (38%)	325 (52%)
	30-50	35 (8%)	138 (20%)	32 (24%)	14 (33%)	219 (17%)
	Above 50	10 (6%)	49 (17%)	8 (27%)	41 (18%)	108 (15%)

Regional distribution of new employee hires in number and percentage **GRI** 401-1, **HKEX** KPI B1.2

	Hong Kong SAR	Mainland China	Total
<b>2019<sup>37</sup></b>	<b>586 (24%)</b>	<b>70 (21%)</b>	<b>656 (23%)</b>
2018	753 (28%)	152 (58%)	905 (30%)
2017	542 (23%)	110 (39%)	652 (25%)

## Employee Turnover

Gender and age distribution of employee turnover in number and percentage<sup>38</sup> **GRI** 401-1, **HKEX** KPI B1.2

		Investment Properties	Leisure and Hospitality		Logistics	Total
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
<b>2019</b>	<b>Male</b>	<b>71 (17%)</b>	<b>287 (35%)</b>	<b>75 (76%)</b>	<b>72 (29%)</b>	<b>505 (32%)</b>
	<b>Female</b>	<b>123 (27%)</b>	<b>291 (41%)</b>	<b>69 (55%)</b>	<b>20 (91%)</b>	<b>503 (39%)</b>
	<b>Below 30</b>	<b>105 (48%)</b>	<b>196 (59%)</b>	<b>82 (115%)</b>	<b>18 (86%)</b>	<b>401 (63%)</b>
	<b>30-50</b>	<b>61 (13%)</b>	<b>285 (35%)</b>	<b>49 (41%)</b>	<b>21 (58%)</b>	<b>416 (29%)</b>
	<b>Above 50</b>	<b>28 (17%)</b>	<b>97 (25%)</b>	<b>13 (38%)</b>	<b>53 (25%)</b>	<b>191 (24%)</b>
2018	Male	63 (16%)	299 (34%)	80 (63%)	52 (21%)	494 (30%)
	Female	163 (38%)	269 (36%)	86 (63%)	17 (46%)	535 (40%)
	Below 30	117 (58%)	150 (39%)	101 (106%)	16 (59%)	384 (54%)
	30-50	77 (17%)	305 (34%)	56 (41%)	9 (26%)	447 (29%)
	Above 50	32 (20%)	113 (34%)	9 (26%)	44 (19%)	198 (26%)
2017	Male	50 (13%)	156 (24%)	43 (31%)	53 (21%)	302 (21%)
	Female	117 (27%)	150 (25%)	67 (46%)	15 (38%)	349 (29%)
	Below 30	81 (36%)	104 (41%)	70 (57%)	12 (50%)	267 (43%)
	30-50	62 (15%)	138 (20%)	32 (24%)	14 (33%)	246 (19%)
	Above 50	24 (14%)	64 (22%)	8 (27%)	42 (19%)	138 (19%)

Regional distribution of employee turnover in number and percentage **GRI** 401-1, **HKEX** KPI B1.2

	Hong Kong SAR	Mainland China	Total
<b>2019</b>	<b>864 (35%)</b>	<b>144 (44%)</b>	<b>1,008 (36%)</b>
2018	863 (32%)	166 (63%)	1,029 (35%)
2017	541 (23%)	110 (39%)	651 (25%)

36 New hire rate (in percentage) = Total number of new hires in the category/Total number of employees in the category X 100%

37 New hire-related data in 2019 are derived using the total number of new hires that were still working at the BUs as of 31 December 2019 in the category.

38 Turnover rate (in percentage) = Total number of turnover in the category/Total number of employees in the category X 100%

### Parental leave – Return to work rate<sup>39</sup> 401-3

	Investment Properties	Leisure and Hospitality	Logistics	Overall
	WEL	PC, MPH, Apt, The Murray	MPCZ	SF
2019	100%	97%	100%	98%
2018	100%	100%	100%	100%

### Parental leave – Retention rate by gender<sup>40</sup> 401-3

		Investment Properties	Leisure and Hospitality		Logistics	Overall
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
2019	Male	100%	94%	100%	100%	97%
	Female	80%	71%	100%	N/A	78%

## Health and Safety

### Injury rate by gender and by region per 1,000 employees<sup>41 42</sup> 403-9

		Investment Properties	Leisure and Hospitality		Logistics	Overall
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
2019	Male	15	46	20	32	34
	Female	13	51	24	0	35
2018	Male	21	69	47	16	48
	Female	17	65	29	0	44
2017	Male	18	47	44	8	32
	Female	5	74	27	0	41
		Hong Kong SAR		Mainland China	Overall	
2019		38		15	35	
2018		47		38	46	
2017		36		35	36	

### Lost day rate by gender and by region in percentage<sup>43</sup> 403-9, KPI B2.2

		Investment Properties	Leisure and Hospitality		Logistics	Overall
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
2019	Male	0.21%	0.71%	0.00%	0.17%	0.44%
	Female	0.14%	0.12%	0.02%	0.00%	0.11%
2018	Male	0.04%	0.24%	0.08%	0.03%	0.15%
	Female	0.05%	0.32%	0.10%	0.00%	0.20%
2017	Male	0.18%	0.07%	0.06%	0.03%	0.09%
	Female	0.00%	0.22%	0.01%	0.00%	0.12%
		Hong Kong SAR		Mainland China		Overall
2019		0.32%		0.01%		0.30%
2018		0.18%		0.09%		0.17%
2017		0.11%		0.03%		0.10%

39 Return to work rate (in percentage) = Total number of employees that did return to work after parental leave/Total number of employees due to return to work after taking parental leave X 100%

40 Retention rate (in percentage) = Total number of employees that returned to work after parental leave ended that were still employed as of 31 December 2019 in the category/Total number of employee took parental leave in the category X 100%

41 Injury rate (per 1,000 employees) = Total injury cases in the category/Number of all employees in the category X 1,000

42 There was no incident of occupational disease recorded in both Hong Kong and Mainland China between 2017 and 2019.

43 Lost day rate (in percentage) = Total lost days in the category/Total number of days scheduled to be worked of all employees in the category X 100%

Absentee rate by gender and by region in percentage<sup>44</sup> **GRI** 403-9

		Investment Properties	Leisure and Hospitality		Logistics	Overall
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
<b>2019</b>	<b>Male</b>	<b>1.80%</b>	<b>1.73%</b>	<b>0.17%</b>	<b>2.07%</b>	<b>1.70%</b>
	<b>Female</b>	<b>2.10%</b>	<b>1.54%</b>	<b>0.65%</b>	<b>1.49%</b>	<b>1.64%</b>
2018	Male	1.80%	0.89%	0.59%	2.05%	1.29%
	Female	2.38%	1.87%	1.60%	0.88%	1.97%
2017	Male	1.47%	1.24%	0.21%	2.06%	1.35%
	Female	2.07%	1.94%	0.18%	0.81%	1.73%
		Hong Kong SAR		Mainland China	Overall	
<b>2019</b>		<b>1.78%</b>		<b>0.42%</b>	<b>1.67%</b>	
2018		1.63%		1.11%	1.58%	
2017		1.69%		0.20%	1.52%	

## Training and Education

Percentage of employees trained by gender and by employment category **HKEX** KPI B3.1

		Investment Properties	Leisure and Hospitality		Logistics	Overall
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
<b>2019</b>	<b>Male</b>	<b>81.57%</b>	<b>87.33%</b>	<b>100.00%</b>	<b>94.33%</b>	<b>87.74%</b>
	<b>Female</b>	<b>77.68%</b>	<b>84.64%</b>	<b>100.00%</b>	<b>86.36%</b>	<b>83.74%</b>
	<b>Senior management</b>	<b>75.00%</b>	<b>70.27%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>75.47%</b>
	<b>Middle management</b>	<b>83.33%</b>	<b>94.69%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>93.47%</b>
	<b>General staff</b>	<b>79.09%</b>	<b>83.91%</b>	<b>100.00%</b>	<b>93.51%</b>	<b>84.42%</b>

Average number of training hours per employee by gender and by employment category<sup>45</sup> **GRI** 404-1, **HKEX** KPI B3.2

		Investment Properties	Leisure and Hospitality		Logistics	Overall
		WEL	PC, MPH, Apt, The Murray	MPCZ	SF	
<b>2019</b>	<b>Male</b>	<b>18.4</b>	<b>24.8</b>	<b>7.2</b>	<b>7.6</b>	<b>19.4</b>
	<b>Female</b>	<b>7.0</b>	<b>32.2</b>	<b>8.0</b>	<b>5.7</b>	<b>20.7</b>
	<b>Senior management</b>	<b>13.8</b>	<b>10.0</b>	<b>7.7</b>	<b>13.8</b>	<b>10.4</b>
	<b>Middle management</b>	<b>14.0</b>	<b>25.5</b>	<b>10.1</b>	<b>12.0</b>	<b>21.1</b>
	<b>General staff</b>	<b>12.2</b>	<b>29.6</b>	<b>6.3</b>	<b>7.3</b>	<b>19.9</b>
2018	Male	22.1	27.1	19.4	8.7	22.5
	Female	8.7	26.1	21.2	3.2	19.5
	Senior management	24.4	20.0	16.1	4.0	20.2
	Middle management	9.2	30.1	20.9	8.7	24.2
	General staff	15.7	26.0	20.2	8.0	20.5
2017	Male	25.9	24.5	44.3	7.4	23.8
	Female	12.9	20.3	44.3	2.0	19.9
	Senior management	40.2	22.9	17.7	2.9	24.4
	Middle management	16.5	32.6	23.8	8.0	27.0
	General staff	19.0	20.2	54.1	6.7	21.1

44 Absentee rate (in percentage) = Total absentee days in the category/Total days scheduled to be worked of all employees in the category X 100%

45 Average number of training hours per employee = Total training hours in the category/Total workforce in the category



# MAJOR AWARDS, CHARTERS AND MEMBERSHIPS

GRI 102-12, 102-13

## Selected Awards and Recognition

Organisers	Awards and Recognition	Business Units
Hang Seng Index Company Limited	A constituent member of Hang Seng Corporate Sustainability Index	Wharf REIC
Hong Kong Quality Assurance Agency	CSR Index Plus	Wharf REIC
The Hong Kong Jockey Club	Age-friendly Employer Award	Wharf REIC
	Age-friendly Facilities Award	Wharf REIC
The Hong Kong Council of Social Service	Caring Company Logo	The "Star" Ferry (15 years plus), Pacific Club and Gateway Apartments (10 years plus), WEL, Harbour City, Times Square and Plaza Hollywood (5 years plus), Wharf REIC, Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
Employees Retraining Board	ERB Manpower Developer Award Scheme	WEL (since 2013), Marco Polo Hongkong Hotel, Prince Hotel and Gateway Hotel (2018) and The "Star" Ferry (since 2010)
Mandatory Provident Fund Schemes Authority	Good MPF Employer Award	WEL, Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
Human Resources magazine (Lighthouse Independent Media)	Asia Recruitment Award — Silver Award for Best Use of Digital Media	Marco Polo Hongkong Hotel
EarthCheck	Silver Certification	Marco Polo Hongkong Hotel and Marco Polo Changzhou
Environment Bureau	Energy Saving Championship Scheme 2018 — Hanson I&T Outstanding Award, Hanson I&T Merit Awards	Harbour City
Environmental Campaign Committee	Hong Kong Awards for Environmental Excellence Certificate of Merit	Gateway Apartments and Pacific Club
	Hong Kong Green Organisation Certification — Green Organisation Label	Plaza Hollywood, Gateway Apartments, Pacific Club and The "Star" Ferry
	Hong Kong Awards for Environmental Excellence — Energywise Certificate — Excellent Class	Gateway Apartments
	Hong Kong Awards for Environmental Excellence "Class of Excellence" Wastewise Certificate — Excellent Class	Gateway Apartments and Pacific Club
Promoting Happiness Index Foundation and Hong Kong Productivity Council	Happy Company	WEL (5 years plus), Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
UNICEF	Breastfeeding Friendly Workplace	WEL, Harbour City, Times Square and Plaza Hollywood
Labour and Welfare Bureau	Social Capital Builder Logo Awards	Wharf REIC, WEL, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel
Hong Kong Productivity Council	The 10 <sup>th</sup> Hong Kong Outstanding Corporate Citizenship Logo	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel
The Hong Kong Council of Social Service	List of Barrier-free Companies/Organisations	Harbour City, Time Square, Plaza Hollywood
Condé Nast Traveler	Readers' Choice Awards 2019	The Murray
TTG Asia	TTG Asia Travel Awards — Best City Hotel — Hong Kong	The Murray
TripAdvisor	Certificate of Excellence 2019	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel, and The "Star" Ferry
TripExpert	2019 Experts' Choice Awards	The "Star" Ferry
World Travel Award	Hong Kong's Leading City Hotel	Gateway Hotel
Hotel of the Year Awards Limited	2019 Hotel of the Year Awards	Gateway Hotel

## Selected Membership and Charters

Organisations	Nature of Membership/Name of Charters	Business Units
Employers' Federation of Hong Kong	Corporate Member	The "Star" Ferry
Occupational Safety and Health Council	Corporate Member	The "Star" Ferry
	Green Cross Group Member	WEL, Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
Hong Kong Green Shop Alliance	Member	Wharf REIC, Harbour City, Times Square and Plaza Hollywood
Hong Kong General Chamber of Commerce	Full Member/Member	Marco Polo Hongkong Hotel and The Murray
Hong Kong Hotels Association	Organisational Member/Member	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The Murray
Association of Corporate Travel Executives (ACTE)	Member	The Murray
The Society of the Golden Keys of Hong Kong	Adherent Member	Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
Equal Opportunities Commission	Club Member/Member	WEL, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel
Singapore Chamber of Commerce	Full Member/Member	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel, The Murray
Labour Department	Occupational Safety Charter	WEL and The "Star" Ferry
	Good Employer Charter	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The "Star" Ferry
Occupational Safety and Health Council	Joyful@Healthy Workplace Charter	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The "Star" Ferry
Hong Kong Quality Assurance Agency	Hygiene Control System Certification	Harbour City, Times Square and Plaza Hollywood
Environment Bureau	Charter on External Lighting	Harbour City, Times Square, Plaza Hollywood and Pacific Club
Environment Bureau and Electrical and Mechanical Services Department	Energy Saving Charter	Harbour City, Times Square, Plaza Hollywood and The "Star" Ferry
	4Ts Charter	Harbour City, Times Square, Plaza Hollywood and The "Star" Ferry
Environmental Protection Department	Carbon Reduction Charter and Carbon Audit Green Partner	Pacific Club
	Glass Container Recycling Charter	Harbour City, Times Square, Plaza Hollywood, Pacific Club and Gateway Apartments

# SIGNIFICANT LAWS AND REGULATIONS

## Environment

### Aspect A1: Emissions

- Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong)
- Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the laws of Hong Kong)

### Aspect A2: Use of Resources

- Water Pollution Control Ordinance (Cap. 358 of the laws of Hong Kong)

### Aspect A3: The Environment and Natural Resources

- Environmental Impact Assessment Ordinance (Cap. 499 of the laws of Hong Kong)
- Environmental Protection Law of the People's Republic of China

## Social

### Aspect B1: Employment

- 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)
- Labour Contract Law of the People's Republic of China

### Aspect B2: Safety and Health

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

### Aspect B6: Product Responsibility

- 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
- Food Hygiene Law of the People's Republic of China
- Ferry Services Ordinance (Cap. 104 of the laws of Hong Kong)
- 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
- Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong)
- EU General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation))

### Aspect B7: Anti-corruption

- Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong)
- Competition Ordinance (Cap. 619 of the laws of Hong Kong)
- Telecommunications Ordinance (Cap. 106 of the laws of Hong Kong)

# GRI STANDARDS AND HKEX ESG REPORTING GUIDE CONTENT INDEX

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Disclosures	HKEX ESG Guide	Page Number/Remarks
<b>102: General Disclosures 2016</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	Wharf Real Estate Investment Company Limited
102-2	Activities, brands, products, and services	P.5
102-3	Location of headquarters	Hong Kong
102-4	Location of operations	P.5
102-5	Ownership and legal form	Publicly listed company
102-6	Markets served	P.5
102-7	Scale of the organization	P.5
102-8	Information on employees and other workers	KPI B1.1 P.37–38, 64
102-9	Supply chain	KPI B5.1, B5.2, B5.3, B5.4 P.21
102-10	Significant changes to the organization and its supply chain	P.5, 21
102-11	Precautionary principle or approach	P.8, 13, 17
102-12	External initiatives	P.68
102-13	Membership of associations	P.68
<b>Strategy</b>		
102-14	Statement from senior decision-maker	P.2–3
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	KPI B7.2 P.8, 13, 17
<b>Governance</b>		
102-18	Governance structure	P.17–18
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	P.9
102-41	Collective bargaining agreements	Collective bargaining agreements do not apply to the Group's operations.
102-42	Identifying and selecting stakeholders	P.9
102-43	Approach to stakeholder engagement	P.9
102-44	Key topics and concerns raised	P.10
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Annual Report 2019: Independent Auditor's Report (P.93–95)
102-46	Defining report content and topic boundaries	P.9–12
102-47	List of material topics	P.11–12
102-48	Restatements of information	P.28–31, 60–61, 63
102-49	Changes in reporting	P.7, 11
102-50	Reporting period	P.7
102-51	Date of most recent report	Published in June 2019, Sustainability Report 2018 is the most recent report.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	P.7
102-54	Claims of reporting in accordance with the GRI Standards	P.6 This Report has been prepared in accordance with GRI Standards: Core option.
102-55	GRI content index	P.70–73
102-56	External assurance	P.74



Disclosures		HKEX ESG Guide	Page Number/Remarks
<b>200: Economic</b>			
<b>201: Economic Performance 2016</b>			
103	Management approach		P.5, 8 Annual Report 2019 – Chairman's Statement (P.8–9)
201-1	Direct economic value generated and distributed		P.15 Annual Report 2019 – Directors' Report (P.74–92)
201-2	Financial implications and other risks and opportunities due to climate change	GD A4, KPI A4.1	P.19, 24–26 Annual Report 2019 – Corporate Sustainability (P.42–49)
201-4	Financial assistance received from government		No financial assistance from HKSAR Government was received.
<b>202: Market Presence 2016</b>			
103	Management approach		P.17
202-2	Proportion of senior management hired from the local community		P.18
<b>203: Indirect Economic Impacts 2016</b>			
103	Management approach	GD B8	P.8, 13, 15, 45
203-1	Infrastructure investments and services supported	KPI B8.1, B8.2	P.15–17, 45–51
<b>204: Procurement Practices 2016</b>			
103	Management approach	GD B5	P.8, 13, 21
204-1	Proportion of spending on local suppliers	KPI B5.1	P.21 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.
<b>205: Anti-corruption 2016</b>			
103	Management approach	GD B7	P.8, 13, 20
205-2	Communications and training about anti-corruption policies and procedures	KPI B7.3	P.20 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.
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	In 2019, there were no confirmed incidents of corruption.
<b>300: Environmental</b>			
<b>302: Energy 2016</b>			
103	Management approach	GD A2, A3	P.8, 13, 23
302-1	Energy consumption within the organization	KPI A2.1	P.27, 62
302-3	Energy intensity	KPI A2.1	P.28, 62
CRE-1	Building energy intensity	KPI A2.1	P.28
302-4	Reduction of energy consumption	KPI A2.3	P.27–28
<b>303: Water and Effluents 2018</b>			
103	Management approach	GD A2, A3	P.8, 13, 29
303-1	Interactions with water as a shared resource	KPI A2.4, A3.1	P.29–31 There is no withdrawal of surface or groundwater. All water consumed in Hong Kong and Mainland China are purchased and distributed by the Government's municipal water supplies department.
303-3	Water withdrawal	KPI A2.2	P.30, 61
CRE-2	Building water intensity	KPI A2.2	P.31, 61

Disclosures		HKEX ESG Guide	Page Number/Remarks
<b>305: Emissions 2016</b>			
103	Management approach	GD A1, A3	P.8, 13, 23, 34
305-1	Direct (Scope 1) GHG emissions	KPI A1.2	P.61
305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.2	P.61
305-4	GHG emissions intensity	KPI A1.2	P.29, 61
CRE-3	GHG emissions intensity from buildings	KPI A1.2	P.29, 61
305-5	Reduction of GHG emissions	KPI A1.5	P.27–29, 34
305-7	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	KPI A1.1	P.34, 60
<b>306: Effluents and Waste 2018</b>			
103	Management approach	GD A1, A3, KPI A2.5	P.8, 13, 31 The Group does not have significant impact on the environment from packaging materials.
306-2	Waste by type and disposal method	KPI A1.3, A1.4, A1.6	P.31–33, 63
306-3	Significant spills	KPI A3.1	No significant spill was recorded.
306-5	Water bodies affected by water discharges and/or runoff	KPI A3.1	No water bodies are significantly affected by our operations.
<b>307: Environmental Compliance 2016</b>			
103	Management approach		P.8, 13
307-1	Non-compliance with environmental laws and regulations		In 2019, the Group received no fines or non-monetary sanctions for incidents of non-compliance.
<b>400: Social</b>			
<b>401: Employment 2016</b>			
103	Management approach	GD B1	P.8, 13, 37
401-1	New employee hires and employee turnover	KPI B1.2	P.65
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	KPI B1.2	P.39, 41–42
401-3	Parental leave		P.66
<b>402: Labor/Management Relations 2016</b>			
103	Management approach		P.8, 13, 41
402-1	Minimum notice periods regarding operational changes		We do not have a fixed notice period. Depending on commercial and/or other aspects of business sensitivity, reasonable notice is normally allowed for any significant operational changes of the company.
<b>403: Occupational Health and Safety 2018</b>			
103	Management approach	GD B2	P.8, 13, 43
403-1	Occupational health and safety management system	KPI B2.3	P.43
403-2	Hazard identification, risk assessment, and incident investigation	KPI B2.3	P.43
403-5	Worker training on occupational health and safety	KPI B2.3	P.43
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	KPI B2.3	P.43
403-9	Work-related injuries	KPI B2.1, B2.2	P.43, 66–67

Disclosures		HKEX ESG Guide	Page Number/Remarks
<b>404: Training and Education 2016</b>			
103	Management approach	GD B3	P.8, 13, 40
404-1	Average hours of training per year per employee	KPI B3.2	P.40, 67
404-2	Programmes for upgrading employee skills and transition assistance programmes		P.40–41
<b>405: Diversity and Equal Opportunity 2016</b>			
103	Management approach		P.8, 13, 41–42
405-1	Diversity of governance bodies and employees	KPI B1.1	P.18, 64
<b>406: Non-discrimination 2016</b>			
103	Management approach		P.8, 13, 41–42
406-1	Incidents of discrimination and corrective actions taken		In 2019, there were no recorded incidents of non-compliance with anti-discrimination legislation.
<b>408: Child Labour 2016</b>			
103	Management approach	GD B4	P.8, 13, 19, 38
408-1	Operations and suppliers at significant risk for incidents of child labor	KPI B4.1, B4.2	P.21, 38 Child labour is not material to our business. The relevant KPIs are therefore not disclosed.
<b>409: Forced or Compulsory Labour 2016</b>			
103	Management approach	GD B4	P.8, 13, 19, 38
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	KPI B4.1, B4.2	P.21, 38 Forced labour is not material to our business. The relevant KPIs are therefore not disclosed.
<b>413: Local Communities 2016</b>			
103	Management approach		P.8, 13, 45
413-1	Operations with local community engagement, impact assessments and development programmes		P.45–51
<b>416: Customer Health and Safety 2016</b>			
103	Management approach	GD B6	P.8, 13, 55–57
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	KPI B6.1, B6.4	In 2019, there were no recorded incidents of non-compliance.  Product recall is not applicable to the Group's business.
<b>417: Marketing and Labelling 2016</b>			
103	Management approach	GD B6	P.8, 13, 53
417-3	Incidents of non-compliance concerning marketing communications	KPI B6.2, B6.3	In 2019, there were no recorded incidents of non-compliance.
<b>418: Customer Privacy 2016</b>			
103	Management approach	GD B6	P.8, 13, 59
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	In 2019, there were no recorded incidents of non-compliance.
<b>419: Socioeconomic Compliance 2016</b>			
103	Management approach		P.8, 13
419-1	Non-compliance with laws and regulations in the social and economic area		In 2019, there were no recorded incidents of non-compliance.



# VERIFICATION STATEMENT

GRI 102-56



## Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Wharf Real Estate Investment Company Limited ("Wharf REIC") to undertake an independent verification for its Sustainability Report 2019 ("the Report"). The scope of this verification covers the sustainability performance data and information of Wharf REIC's business in Hong Kong and Mainland China for the period of 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019, as defined in the Report.

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

## Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The verification process was designed to obtain a reasonable level of assurance in accordance with the standard for the purpose of devising the verification conclusion. The extent of verification covered the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), the GRI G4 Construction and Real Estate Sector Disclosures and the Environmental, Social and Governance Reporting Guide ("ESG Guide") of The Stock Exchange of Hong Kong Limited.

The verification procedures performed included discussion of the materiality analysis process, reviewing systems and processes for collecting, collating and reporting of the performance data, verifying relevant documentation, interviewing responsible personnel with accountability for preparing the Report. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

## Independence

Wharf REIC was responsible for the collection and presentation of the information. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents where HKQAA's verification activities were entirely independent from Wharf REIC. There was no relationship between HKQAA and Wharf REIC that would affect the independence of HKQAA for providing the verification service.

## Conclusion

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

- The Report has been prepared in accordance with the GRI Standards — "Core Option" and GRI G4 Construction and Real Estate Sector Disclosures, as well as the ESG Guide;
- The Report illustrates Wharf REIC's sustainability performance, covering all material and relevant aspects and topics, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

In the past year, Wharf REIC has been improving its data management mechanism and extending the scope of its risk management approach especially on climate issues. The Report outlines its continuous efforts in transparent disclosure to stakeholders of its progress and performance towards sustainability.

## Signed on behalf of Hong Kong Quality Assurance Agency

**Connie Sham**

*Head of Audit*

March 2020





# WHARF

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