



HARBOUR CENTRE DEVELOPMENT LIMITED

Stock Code : 0051



ESG REPORT 2020

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About This Report

The Environmental, Social and Governance (“ESG”) Report (“the Report”) encapsulates the ESG management approach, measures and performance of Harbour Centre Development Limited (“HCDL” and together with its subsidiaries, “the Group”) for the period between 1 January and 31 December 2020 (“the reporting year”). 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”).

The scope of the Report remains unchanged and covers the flagship assets in Hong Kong, namely The Murray, Hong Kong, a Niccolo Hotel (“The Murray”) and Marco Polo Hongkong Hotel (“MP Hong Kong”), and Mainland China asset — Marco Polo Changzhou (“MP Changzhou”). The reporting scope is determined based on the assets’ ownership, revenue contribution and operating status, hence excludes other assets of the Group.

The Report adheres to the four Reporting Principles in the HKEX ESG Reporting Guide. Through the feedback received from our annual stakeholder engagement exercise, we are able to review the materiality of various issues and arrange corresponding content in this Report for relevant and material ESG issues. Balanced and quantitative information on the Group’s past and current ESG performance is presented in this Report. Standardised methods are used to derive the data unless otherwise specified.

Our Sustainability Approach

Board Statement

The Board of Directors (“the Board”) holds ultimate responsibility in overseeing the Group’s ESG performance. The Board is committed to integrating the Group’s long-standing vision of “Building for Tomorrow” into our ESG vision and mission, and strives to minimise our detrimental impacts to the environment and society. Through regular risk assessments, including stakeholder engagement and materiality assessment, the Board prioritises the ESG risks and opportunities that are material to the Group’s operations.

Delegated by the Board, the Sustainability Steering Committee, which is comprised of the Group’s Chairman and key executives of functional units, is tasked to manage and evaluate the Group’s ESG risks and performance. The Committee is also responsible for reviewing our progress towards the environmental goals and targets of our parent company, Wharf Real Estate Investment Company Limited (“Wharf REIC”).

Sustainability Governance

We work closely with our parent company Wharf REIC on managing our ESG performance. We have designated executives to coordinate and manage sustainability programmes in our daily operations. The Group regularly reports our ESG performance to Wharf REIC’s Cross-Business Unit (“Cross-BU”) Sustainability Group and Divisional Sustainability Committee and, subsequently, Sustainability Steering Committee for continuous monitoring. We also exchange information and best practices with the Cross-BU Sustainability Group to explore improvement opportunities on our ESG management approach.

Robust corporate governance structure and internal control are in place. For details, please refer to the Corporate Governance Report in the Group’s Annual Report 2020.

Stakeholder Engagement and Materiality Assessment

We adopt a stakeholder-driven approach to determine materiality. We actively engage our stakeholders, both internal and external, to collect their opinions on our ESG strategy and performance, so as to more accurately identify and prioritise material issues, and improve our ESG management and disclosure.

We determined the material issues to be disclosed in the Report by adopting a four-step process:

| | |
|-----------------------------|--|
| Step 1 Identify | We referred to the HKEX ESG Reporting Guide to identify potential material topics for disclosure. |
| Step 2 Prioritise | We reviewed local, regional and international peers' disclosure to identify industry practice. As part of Wharf REIC's stakeholder engagement exercise, extensive stakeholder groups were engaged by an independent consultant based on the AA1000 Stakeholder Engagement Standard 2015. Over 530 stakeholders were engaged through online survey, interviews and focus group discussions to review the materiality of various ESG issues and share their opinions regarding the Group's ESG performance. The results of peer benchmarking and stakeholder engagement were analysed and consolidated to derive the overall materiality level of each ESG issue and hence a prioritised list. |
| Step 3 Validate | The results of previous steps were brought forward for discussion with the Group's senior management to confirm and finalise the list of material issues for disclosure in this Report. |
| Step 4 Review | We regularly review the ESG issues and corresponding impact boundary to ensure their relevance and materiality to the Group. |

Material ESG Topics

| Aspects | Overall Materiality |
|--|---------------------|
| Environmental | |
| Greenhouse Gas and Emissions | Material |
| Energy Consumption | Material |
| Water Consumption | Relevant |
| Packaging Materials | Relevant |
| The Environment and Natural Resources | Relevant |
| Social | |
| Employment | Material |
| Occupational Safety and Health ("OSH") | Material |
| Development and Training | Most material |
| Labour Standards | Relevant |
| Supply Chain Management | Relevant |
| Product Responsibility | Most material |
| Anti-corruption | Most material |
| Community Investment | Material |

Our Environment

Beyond compliance with applicable legal and environmental standards, the Group demonstrates strong commitment towards minimising our environmental impact and integrating sustainable tourism elements in our hotel operations. We dedicate considerable efforts towards effectively managing key environmental aspects by addressing climate risks, optimising energy and water efficiency, strengthening waste management and resource conservation efforts, and promoting greater awareness of environmental issues. Through adopting a robust sustainability governance structure, our environmental risks and performance are closely monitored. Recognising our contribution to sustainable tourism, MP Hong Kong and MP Changzhou were awarded silver certification by EarthCheck, the world's leading environmental certification and benchmarking programme for the travel and tourism industry, while The Murray was awarded bronze certification.

Climate Risk Management *HKEX KPI A4.1*

As the frequency and magnitude of extreme weather events intensify and the urgency for policy makers to transition to a low-carbon economy heightens, the Group has spared no effort in building our climate resilience to cope with the evolving landscape. During the reporting year, we introduced the Climate Change Policy Statement which formalises our commitment to limit our impact on and strengthen our adaptive capacity to climate change. We identify and manage climate-related risks and opportunities, and seek opportunities to decarbonise our business.

We identified supply chain disruption, demand implication and damage to infrastructure and facilities caused by increasing extreme weather events as our major physical risks. Also, we may fail to adapt to stakeholder's interest in sustainability when transitioning to a low carbon economy. As such, we have implemented a range of mitigation measures including hardware upgrades and EarthCheck collaboration to address potential climate-related risks.

Energy and Greenhouse Gas Management *HKEX KPI A1.2, A1.5, A2.1, A2.3*

With carbon emissions closely linked to energy consumption, the Group acknowledges the importance of taking concrete steps to optimise the energy efficiency of our operations in order to reduce carbon emission. The Group has demonstrated continuous support for Wharf REIC's electricity consumption reduction target. In 2020, the target was accomplished with an electricity consumption reduction of more than 20%¹. For further improvement, the Group is working closely with our parent company in developing long-term energy and emission targets.

We closely monitor our energy consumption patterns to effectively manage the consumption of our operations. In 2020, The Murray conducted an energy audit exercise to gain insight into the hotel's energy consumption profile and identify feasible energy management opportunities. It was found that the hotel's Energy Utilization Index ("EUI") was 1,399 MJ/m²/annum, which outperformed the local hotel market average of 1,744 MJ/m²/annum².

At The Murray, we widely adopt efficient lighting fixtures and make use of occupancy sensors to switch off lighting in unoccupied areas. For instance, we replaced all the fluorescent tubes from the back of house staircases with motion sensor LED lights to save stand-by energy. We also turned off the driveway T-profile LED light strip during non-operation period. To optimise our energy efficiency, we also use variable speed drive for chillers, chilled water pumps and cooling towers, as well as energy-saving sequencing control for cooling towers. Water source heat pumps are also adopted to reduce chiller electricity consumption under cool weather conditions. In the guest rooms, we set the blinds to go down automatically when guests check out, which is a simple but efficient way to reduce the heat gain and air-conditioning loading.

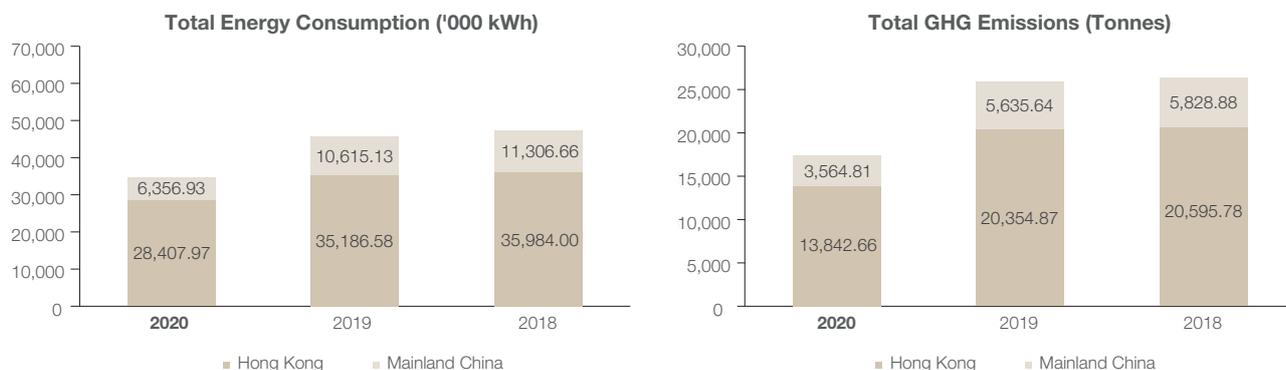
At MP Hong Kong, we implemented a dimmer lighting system at our food and beverage outlets. This provides flexibility for us to adjust the intensity of the lighting to suit the atmosphere and simultaneously helps reduce our electricity consumption. At MP Changzhou, to achieve the target of decreasing electricity consumption by 5% on a year-on-year basis, we monitor usage closely and arrange security guards to conduct nightly inspections to ensure lights are turned off appropriately.

¹ The target achievement includes contribution from other business units under Wharf REIC, which is out of the scope of the Report.

² <https://ecib.emsd.gov.hk/index.php/en/energy-utilisation-index-en/commercial-sector-en>

In response to the decreased occupancy during the COVID-19 pandemic, our hotels implemented various programmes to avoid energy wastage. MP Hong Kong turned off lighting and set fan coil units to low speed at unoccupied guest floors, as well as cut off town gas supply for some kitchen equipment. As a result, we observed savings in the usage of electricity and town gas by 22% and 24% respectively when compared to 2019. Meanwhile, at MP Changzhou, similar practices of turning off lights resulted in a 34% reduction in electricity consumption.

As a result of our efforts, the total direct and indirect energy consumption decreased by 24% in 2020 when compared to 2019, avoiding the emission of 8,583 tonnes of greenhouse gas.



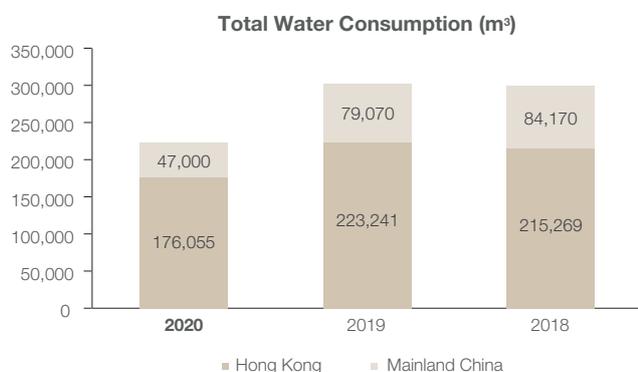
Water Management *HKEX KPI A2.2, A2.4*

As access to reliable clean water supply is critical to our business, the Group continues to scale up our water conservation efforts, which consists of optimising water efficiency through operational practices and fostering of guest behavioural change.

To reduce water wastage, water restrictors are installed in the bath taps and showers at MP Hong Kong, reducing 5.6L of water use per minute through creating fine water spray. The hotel also encourages our guests to consume water responsibly by implementing the green programme of washing guest linen upon guests' request. The initiative has been well received and supported by in-house guests since its launch in 2014.

Leakage is a significant source of water wastage. As such, MP Hong Kong installed water sensors to detect leakage. MP Changzhou performs daily inspections on key water facilities to check and monitor leakage condition and employ timely rectification.

During the pandemic, we implemented multiple water saving measures according to hotel occupancy. For instance, water facilities and kitchen equipment were shut down, while the operation schedule of dishwashers and laundry room were adjusted. These measures saved approximately 70,000 m³ of water in 2020.



Resource Management *HKEX KPI A1.3, A1.4, A1.6*

We are conscious of environmental impact caused by waste generated and resource consumed in our business operations. We strive to reduce waste at source and facilitate recycling across our hotels. At MP Changzhou, wastepaper is collected and transferred to certified paper recycler every month. Meanwhile, at MP Hong Kong we continue our efforts in recycling used coffee capsules and fluorescent tubes and lamps. During the reporting year, a total of 800 kg of fluorescent tubes and lamps were collected and sent to the Environmental Protection Department (“EPD”) to perform mercury extraction and recycling.

As we recognise the importance in tackling plastic solution, our hotel operations have implemented various initiatives to shift away from single-use plastics. In recent years, MP Hong Kong has replaced plastic food picks, straws and stirrers with more eco-friendly alternatives. Through utilising the latest technological advancements, we have substituted plastic membership cards and paper certificates with mobile application. At MP Changzhou, we have also demonstrated our support towards plastic-free by ceasing the provision of bottled water at events and replacing plastic boxes with paper boxes for takeaway.

Food waste remains as one of the major types of waste produced in our operations. At MP Hong Kong, we promote food waste recycling through diverting food waste generated to the O●PARK1 of EPD of Hong Kong, which further converts the waste into compost and biogas. To reduce food wastage and support those in need, MP Hong Kong also collaborated with Foodlink by donating around 490 kg of edible surplus food to underprivileged groups. Since 2019, The Murray has served pastries and bread in excess for our staff to enjoy at the staff cafe.

Given our business nature, most of the waste generated is non-hazardous and no significant environmental impact resulted from hazardous waste. During the reporting year, there was no case of non-compliance with environmental laws and regulations³.

Environmental Awareness *HKEX KPI A3.1*

We strongly believe behavioural change is key to achieve better environmental performance. We put forward dedicated efforts in enhancing the environmental awareness of our employees and guests. To promote a sustainable lifestyle amongst our customers, we source sustainable seafood for restaurant outlets at The Murray. We also provide locals and travellers with the opportunity to participate in the Historic Murray Tour, which allows them to learn about the hotel’s architectural and energy-efficient design features reserved from the past. Meanwhile, MP Hong Kong participated in soap recycling activities to make hygiene kits and distribute to underprivileged communities, promoting upcycling and waste reduction while helping those in need.

3 Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the laws of Hong Kong), Noise Control Ordinance (Cap. 400 of the laws of Hong Kong), and the Environmental Protection Law of the People’s Republic of China.

Our People

Employees are fundamental for our long-term success; we manage them with care and full respect for their rights. We strive to offer a fair employment process, competitive employee remuneration and benefits, as well as development and training opportunities to attract talent. We also improve employees' wellbeing by means of employee recognition, OSH and regular communication. The Group is strictly governed by policies on anti-discrimination, equal opportunities, compensation and benefits, recruitment and prohibition of child or forced labour. We also comply with all applicable laws and regulations⁴ in Hong Kong and Mainland China. This year, MP Hong Kong received Good MPF Employer Award and The Murray is recognised by the Employees Retraining Board as a "Manpower Developer".

During the reporting year, no concluded legal case regarding the violation of labour rights was recorded.

Employment *HKEX KPI B4.1, B4.2*

The Group strives to engage employees to build a collaborative, inclusive and harmonious workplace. We give all candidates equal opportunities by evaluating their ability, performance, professionalism and experience in relevant areas, regardless of their demographic characteristics such as gender, religion, sexual orientation, etc. We also request proof of identity from our candidates to ensure no recruitment of child labour in the Group. Meanwhile, we adopt supplier declaration as a pledge of legal compliance of not recruiting child labour or forced labour in the supply chain.

We endeavour to recruit and retain excellent talent with competitive remuneration packages and benefits. Our comprehensive benefits packages include work-related accident insurance, regular vaccination for flu and dental scheme to ensure employees' health, safety and wellbeing. At MP Hong Kong, our employees are covered by the Compensation and Benefits Policy, where they are entitled to a set of retirement provision in recognition of their loyalty and long-term contribution. At The Murray, our employees enjoy comprehensive insurance coverage. We also safeguard employees at MP Changzhou through offering "Five Social Insurance and One Housing Fund".⁵

Development and Training *HKEX KPI B3.1, B3.2*

The Group has well-developed policy to guide our trainers to elevate skills and knowledge of staff across departments. We welcome new hires with an orientation programme to communicate our corporate direction and expectation. On-the-job learning activities are also provided to equip them with necessary knowledge and skills to fulfil their roles and responsibilities. We organised regular training courses to ensure employees' strict compliance with regulatory requirements. We also offer our employees education allowance for external training to pursue continuous learning opportunities for career development.

To groom future talent in hospitality, we launched various internship programmes to help students from our institutional partners to build competencies and achieve their future career goals.

⁴ Employment Ordinance (Cap. 57 of the laws of Hong Kong), Labour Contract Law of the People's Republic of China and Labour Law of the People's Republic of China; Sex Discrimination Ordinance (Cap. 480 of the laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the laws of Hong Kong) and Race Discrimination Ordinance (Cap. 602 of the laws of Hong Kong); Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

⁵ Includes endowment insurance, medical insurance, unemployment insurance, occupational health and safety insurance, maternity insurance and housing fund.

Employees' Safety and Health *HKEX KPI B2.1, B2.2, B2.3*

We consider employees' safety and health of utmost importance. Beyond strict compliance with relevant laws and regulations⁶, we follow Wharf REIC's Safety and Health Policy and established our safety manual and safety management system. During the past three years, there was zero work-related fatality case and concluded legal case regarding the violation of OSH regulation. The Group's injury rate (per 1,000 employees)⁷ was 42.3 in 2020.

We have implemented various measures to manage workplace safety. Standard operating procedures and complementary regular training including pre-shift briefing, food hygiene, fire and safety evacuation training are provided. We also identify OSH hazard through regular risk assessment. OSH talks and the OSH-related section in Staff Handbook also help further enhance our employees' OSH awareness. This year, MP Hong Kong invited the Occupational Safety and Health Council to share professional insights on workplace safety and health. To protect our employees during the outbreak, a series of COVID-19 workshops was also organised to improve employees' awareness of epidemic prevention measures to ensure their personal safety.

Employee Wellbeing and Engagement

We maintain open communication with all employees. Staff meetings are organised at The Murray and MP Changzhou to facilitate an openhearted conversation and enhance the relationship between management and general staff. MP Changzhou also conducted employee satisfaction survey to collect feedback.

To support employees in achieving work-life balance, we held diverse recreational activities and events such as birthday week, birthday gifts distribution and festive celebrations to strengthen employee bonding. To demonstrate our care, MP Changzhou arranged visits to the employee who suffers from severe disease and receives medical treatments in the hospital. We offer employees space and facilities to relax away from work, such as designated rest area and chillout room at The Murray. To encourage employees to spend quality time with their family, we provide marriage, maternity and paternity leave. Besides, we also strive to enhance employees' sense of belonging in the workplace by organising an award presentation ceremony to recognise and appreciate outstanding employees.

⁶ Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong) and Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

⁷ Injury rate (per 1,000 employees) = Total injury cases/Number of all employees × 1,000

Our Value Chain

The Group has adopted various management procedures and measures to uphold premium product and service quality, to enhance our guests' experience and satisfaction, and to protect their health, safety and privacy. We adhere to internal policies and guidelines to ensure compliance with applicable regulations and industry standards, such as the Trade Descriptions Ordinance (Cap. 362) and logo guidelines, when promoting our brands. Besides, we comply with relevant laws and regulations when handling customer data in our marketing activities. We observe intellectual property ("IP") rights and have policies in place to avoid infringement. We are cautious about handling designs and photos, and strictly comply with patent requirements and royalty in adoption. On the other hand, we defend our IP rights with proper registration and other confidentiality measures.

Guests' Safety and Health *HKEX KPI B6.4*

Safety and health of our guests remains a priority. We make every effort to eliminate all potential hazards at our premises. During the outbreak of COVID-19, the Group maintained a safe environment for room guests and dining guests. We have adopted various preventive measures, such as frequent sanitisation of public areas and temperature checks at the entrance of our premises. The hygiene management at our hotels has attained the Anti-Epidemic Hygiene Measures Certification by Hong Kong Quality Assurance Agency, and the Sharecare VERIFIED™ with Forbes Travel Guide badge.

We adopt stringent measures that are of best practices in the industry to safeguard food safety and hygiene. Our operation adopts the Hazard Analysis and Critical Control Points ("HACCP"). We have appointed Hygiene Managers to conduct announced and unannounced inspections on the food safety and hygiene condition of our kitchen twice a month together with rodent control treatment. We also extend our food safety management to our suppliers. Hygiene Manager and representatives from the Purchasing and Culinary conduct monthly audit to review the hygienic performance of our suppliers. All underperforming suppliers will be rejected in the supplier management system.

Furthermore, we organised trainings on food hygiene to enhance employees' awareness and knowledge of hygiene standards, food allergies and pest control. The stringent implementation of food safety and hygiene measures ensures our compliance with regulations and voluntary codes including the Food Hygiene Code published by the Government of the Hong Kong Special Administrative Region and the Food Safety Law of the People's Republic of China. During the reporting year, there were no incidents of non-compliance with regulations and voluntary codes resulting in a fine or penalty.

Customer Privacy *HKEX KPI B6.5*

The Group pays due attention when collecting and handling customers' personal information to protect the privacy of our customers. We comply with Hong Kong Personal Data (Privacy) Ordinance (Cap 486 of the laws of Hong Kong) and the General Data Protection Regulation ("GDPR") by the European Commission. We follow Wharf REIC's Data Privacy Policy Statement. We restrict access to personal information to authorised personnel only, and obtain upfront consent from guests on disclosure of personal information for marketing purposes. Besides, regular data privacy trainings are conducted to ensure employees' awareness of cybersecurity. Access to high-risk websites is prohibited while anti-virus software and firewalls are installed in all computers to protect our network system.

During the reporting year, we did not observe any complaint concerning breaches of customer privacy and no cases of identified leaks, thefts, or losses of customer data.

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

To deliver excellent services that meet customers' needs, the Group has been adopting various communication platforms to gather customer feedback. We distribute guest satisfaction surveys on quality of customer service, rooms and hotel facilities regularly via different channels. Upon receiving customer feedback, our staff would follow the six-step problem-solving technique to identify the problem, implement and evaluate the solutions. Our duty manager operates on a 24-hour basis to provide instant response for major complaints. All three hotels fared with high satisfaction rates from the Guest Satisfaction Online Survey Global Review Index in 2020.

Supply Chain Management *HKEX KPI B5.1, B5.2, B5.3, B5.4*

The Group works with a diverse range of suppliers and adopts responsible sourcing practices. During the procurement process, we prioritise suppliers who use environmentally friendly products and materials. During the reporting year, we had 161 new suppliers and all of them were selected under the consideration of environmental and social performance criteria. In 2020, Wharf REIC formally introduced the Green Procurement Policy, which provides guidance for employees engaging in procurement decision-making. Green Purchasing Clause is also embedded into our tender documents to encourage suppliers to adopt and innovate green solutions. The Group conducts environmental and social audits regularly to monitor and assess suppliers' performance.

The Group adheres to maintaining the highest standard of food safety when overseeing and managing our supply chain. All of the Food & Beverage items purchased shall meet the food safety control requirement by Food and Environmental Hygiene Department and the Food Safety Commission of Mainland China. Rigorous measures are adopted to avoid the disruption of our food quality along the supply chain. For example, food samples are sent to laboratory for testing quarterly and walkthroughs are conducted regularly in our kitchen and restaurant area to monitor operational quality.

Business Ethics *HKEX KPI B5.2, B7.1, B7.2, B7.3*

We strive to uphold the highest ethical and governance standards in our business operations. The Group maintains zero tolerance to any form of bribery, extortion, fraud or money laundering. Wharf REIC has formulated the Compliance Policy Statement to delineate our commitment on legal compliance and ethical business operations. We have also adopted a robust risk management and internal control system to oversee our business operations. The Business Code of Conduct further communicates our standards of professional conduct to employees. To raise their awareness on anti-bribery practice, we invited the Independent Commission Against Corruption ("ICAC") to provide training. During the reporting year, over 220 hours of anti-corruption trainings were provided to our employees.

We extend our high standard of ethical practices to our suppliers. We clearly communicate our expectations on business integrity in our tender documents and supplier registration forms, with a specific clause on the strict prohibition of offering gifts, cash or coupons to our employees. To prevent the occurrence of the situation where donations and sponsorship are used to conceal acts of bribery, we have implemented a standardised due diligence process. We encourage our employees to report incidents of malpractice or misconduct by following the Whistleblowing Policy and Procedures stated in the Group's website. More information can be acquired in the Corporate Governance Report of the Group's Annual Report 2020. During the reporting year, there were no reported legal cases regarding corrupt practices brought against the Group.

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

Apart from creating economic value, we strive to create social values for the communities where we operate. Our community contribution focuses on areas including youth development and community care, and takes diverse forms such as cash, in-kind donations and time contribution. In the reporting year, our employees actively participated in volunteer work.

Community Care

The Group continues its active participation in Project *WeCan*, the Wharf Group's flagship Business-in-Community programme to empower secondary school students. Despite various restrictions brought by COVID-19, MP Hong Kong successfully carried out a series of events under Project *WeCan* including online interview for Job Tasting Programme and Job Tasting Virtual Internship Programme for students to learn more about different job positions and develop early career skills, gaining insights into the hospitality industry. The Murray also supported the programme by donating sanitary items to Project *WeCan* schools to assist their disinfection and enhance hygiene awareness.

MP Hong Kong and The Murray also supported a variety of career exposure programmes for students in higher education institutions, aiming to inspire students by offering them early industry engagement, career advice and development opportunities.

In the time of the pandemic, we also took up our responsibility to protect and care for community wellbeing. Facing the challenge of limited mask supply in the early stage of pandemic, MP Hong Kong employees proactively launched initiative to make reusable handmade fabric masks. A total of 2,000 fabric masks have been produced and distributed to employees and charities. We also distributed several hygiene kits alongside handmade colouring books made by hotel associates to the community through Children's Cancer Foundation and Heep Hong Society, delivering our love and care to the underprivileged in this challenging time. The Murray also partnered with ImpactHK to distribute hot meals to homeless people and other beneficiaries at Tai Kok Tsui.

In recognition of our effort in promoting community care, MP Hong Kong received Social Capital Builder (SCB) Logo award, and The Murray has won Best Corporate Social Responsibility Award (Gold) of The Best HR Awards 2020 organised by CTgoodjobs this year.

Appendix I: Performance Data Table

A1.1: Air Emissions^{8,9} in Total

| | Unit | 2020 | | 2019 | |
|---------------------------|------|-----------|----------------|-----------|----------------|
| | | Hong Kong | Mainland China | Hong Kong | Mainland China |
| NO _x emissions | kg | 58.12 | 0.54 | 76.32 | 2.79 |
| SO _x emissions | kg | 0.33 | 0.01 | 0.45 | 0.07 |
| PM emissions | kg | 0.11 | 0.04 | 0.23 | 0.21 |

A1.2: Greenhouse Gas Emissions¹⁰ Data in Total and Intensity¹¹

| | Unit | 2020 | | 2019 | |
|---------------------------------|--------------------------------|-----------|----------------|-----------|----------------|
| | | Hong Kong | Mainland China | Hong Kong | Mainland China |
| Total greenhouse gas emissions | Tonnes | 13,842.66 | 3,564.81 | 20,354.87 | 5,635.64 |
| | Intensity (kg per guest night) | 153.61 | 84.74 | 70.40 | 94.11 |
| Scope 1 emissions ¹² | Tonnes | 796.86 | 411.09 | 987.88 | 832.99 |
| | Intensity (kg per guest night) | 8.84 | 9.77 | 3.42 | 13.91 |
| Scope 2 emissions ¹³ | Tonnes | 13,045.80 | 3,153.72 | 19,366.99 | 4,802.65 |
| | Intensity (kg per guest night) | 144.77 | 74.96 | 66.98 | 80.20 |

A2.1 Direct and Indirect Energy Consumption and Intensity¹⁴

| | Unit | 2020 | | 2019 | |
|---|---------------------------------|-----------|----------------|-----------|----------------|
| | | Hong Kong | Mainland China | Hong Kong | Mainland China |
| Total direct energy consumption — fuel ¹⁵ | '000 kWh ¹⁶ | 3,951.03 | 1,874.03 | 5,125.33 | 3,788.33 |
| | Intensity (kWh per guest night) | 43.84 | 44.55 | 17.73 | 63.26 |
| Total indirect energy consumption — electricity ¹⁷ | '000 kWh | 24,456.94 | 4,482.90 | 30,061.25 | 6,826.80 |
| | Intensity (kWh per guest night) | 271.40 | 106.56 | 103.97 | 114.01 |

A2.2 Water Consumption and Intensity¹⁸

| | Unit | 2020 | | 2019 | |
|-------------------|--|------------|----------------|------------|----------------|
| | | Hong Kong | Mainland China | Hong Kong | Mainland China |
| Water consumption | m ³ | 176,055.33 | 47,000.00 | 223,241.00 | 79,070.00 |
| | Intensity (m ³ per guest night) | 1.95 | 1.12 | 0.77 | 1.32 |

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

| | | Hong Kong | Mainland China | Total |
|--|------|--------------------|----------------|----------|
| Total waste generated | 2020 | 1,183.63 | 279.86 | 1,463.49 |
| | 2019 | 2,495.02 | 574.78 | 3,069.80 |
| General refuse to landfill | 2020 | 1,145.98 | 35.54 | 1,181.52 |
| | 2019 | 2,311.70 | 60.51 | 2,372.21 |
| Incinerated waste | 2020 | N/A | 82.92 | 82.92 |
| | 2019 | N/A | 141.19 | 141.19 |
| Non-hazardous waste recycled | | | | |
| Paper | 2020 | 25.42 | 2.84 | 28.26 |
| | 2019 | 124.76 | 7.77 | 132.53 |
| Plastics | 2020 | 0.06 | 2.21 | 2.27 |
| | 2019 | 0.71 | 3.82 | 4.53 |
| Metals | 2020 | 0.25 | 0.44 | 0.69 |
| | 2019 | 0.51 | 0.97 | 1.48 |
| Food waste | 2020 | 1.76 | 151.93 | 153.69 |
| | 2019 | 24.96 | 355.23 | 380.19 |
| Glass | 2020 | 7.43 | 3.16 | 10.59 |
| | 2019 | 29.37 | 4.06 | 33.43 |
| Soap | 2020 | 0.05 | 0.00 | 0.05 |
| | 2019 | 0.22 | 0.00 | 0.22 |
| Hazardous waste recycled | | | | |
| Waste cooking oil | 2020 | 1.83 | 0.82 | 2.65 |
| | 2019 | 2.34 | 1.23 | 3.57 |
| Fluorescent lamps, light bulbs and waste ink cartridge | 2020 | 0.85 | 0.00 | 0.85 |
| | 2019 | 0.53 ¹⁹ | 0.00 | 0.53 |

| | Unit | 2020 | | 2019 | |
|------------------------------------|----------------|------------|----------------|------------|----------------|
| | | Hong Kong | Mainland China | Hong Kong | Mainland China |
| Wastewater discharge ²⁰ | m ³ | 133,039.24 | 37,600.00 | 171,928.12 | 63,256.00 |

A2.5 Packaging Material Used in 2020²¹

| | Unit | Hong Kong | Mainland China |
|--------------------|--------|-----------|----------------|
| Packaging Material | Tonnes | 4.34 | 3.44 |

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

| Business Unit | Employment Category ²² | 2020 | | | | | 2019 | | | | |
|----------------|-----------------------------------|------|--------|----------|-------|---------|------|--------|----------|-------|---------|
| | | Male | Female | Below 30 | 30-50 | Over 50 | Male | Female | Below 30 | 30-50 | Over 50 |
| Hong Kong | Senior management | 13 | 7 | 0 | 12 | 8 | 15 | 9 | 0 | 15 | 9 |
| | Middle management | 66 | 40 | 5 | 84 | 17 | 67 | 40 | 5 | 87 | 15 |
| | General staff | 352 | 289 | 158 | 350 | 133 | 402 | 328 | 203 | 398 | 129 |
| Mainland China | Senior management | 3 | 2 | 0 | 5 | 0 | 6 | 1 | 0 | 6 | 1 |
| | Middle management | 5 | 5 | 0 | 10 | 0 | 7 | 7 | 0 | 14 | 0 |
| | General staff | 77 | 87 | 36 | 97 | 31 | 86 | 117 | 59 | 106 | 38 |
| Business Unit | | 2020 | | | | | 2019 | | | | |
| Hong Kong | Employment Type | | | | | | | | | | |
| | Full-time | | | | | | 767 | | | | |
| Mainland China | Employment Type | | | | | | | | | | |
| | Part-time | | | | | | 0 | | | | |
| | Employment Type | | | | | | | | | | |
| | Full-time | | | | | | 179 | | | | |
| | Employment Type | | | | | | | | | | |
| | Part-time | | | | | | 0 | | | | |

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

| Business Unit | 2020 | | | | | 2019 | | | | |
|----------------|--------|--------|----------|--------|---------|--------|--------|----------|--------|---------|
| | Male | Female | Below 30 | 30-50 | Over 50 | Male | Female | Below 30 | 30-50 | Over 50 |
| Hong Kong | 38.98% | 39.88% | 68.10% | 27.13% | 44.30% | 39.26% | 53.32% | 68.75% | 40.80% | 28.76% |
| Mainland China | 47.06% | 54.26% | 141.67% | 26.79% | 32.26% | 75.76% | 55.20% | 138.98% | 38.89% | 33.33% |

B2.2 Lost Days due to Work Injury

| Business Unit | 2020 | | 2019 | |
|----------------|-------|--------|------|--------|
| | Male | Female | Male | Female |
| Hong Kong | 1,173 | 783 | 958 | 98 |
| Mainland China | 195 | 0 | 1 | 7 |

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

| Business Unit | | Year | Male | Female | Employment Category | | |
|----------------|--|------|---------|---------|---------------------|-------------------|---------------|
| | | | | | Senior management | Middle management | General staff |
| Hong Kong | | 2020 | 97.45% | 94.94% | 100.00% | 96.23% | 96.26% |
| | | 2019 | 99.38% | 99.47% | 100.00% | 100.00% | 99.32% |
| Mainland China | | 2020 | 92.94% | 86.17% | 100.00% | 100.00% | 88.41% |
| | | 2019 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

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

| Business Unit | | Year | Male | Female | Employment Category | | |
|----------------|--|------|-------|--------|---------------------|-------------------|---------------|
| | | | | | Senior management | Middle management | General staff |
| Hong Kong | | 2020 | 29.38 | 35.59 | 7.31 | 30.24 | 33.18 |
| | | 2019 | 22.23 | 26.98 | 15.27 | 22.01 | 24.95 |
| Mainland China | | 2020 | 5.42 | 4.47 | 7.30 | 15.50 | 4.20 |
| | | 2019 | 7.19 | 7.98 | 7.71 | 9.39 | 7.51 |

B5.1 Number of Suppliers²³ by Geographical Region

| | 2020 | | 2019 | |
|---------------------------------|-----------|----------------|-----------|----------------|
| | Hong Kong | Mainland China | Hong Kong | Mainland China |
| Hong Kong Suppliers | 167 | 0 | 198 | 0 |
| Mainland China Suppliers | 0 | 13 | 2 | 14 |
| Others | 1 | 0 | 2 | 0 |

- 8 Air emissions refer to the release of air pollutants namely nitrogen oxides (“NO_x”), sulphur oxides (“SO_x”) and particulate matter (“PM”) generated by motor vehicles and gaseous fuel consumption into the atmosphere.
- 9 The data only include vehicular emissions and were calculated based on the methodology with published emission factors from the HKEX Reporting Guidance on Environmental KPIs.
- 10 Greenhouse gases (“GHG”) are emitted from fossil fuel consumption. CO₂, CH₄ and N₂O are included in the calculation of GHG emissions.
- 11 Intensity refers to the greenhouse gases emitted from fossil fuel consumption for supporting the operation of one guest night.
- 12 2020 Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the Group, such as the combustion of diesel, unleaded petrol, towngas and refrigerant and were calculated based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (https://www.climateready.gov.hk/files/pdf/Guidelines_English_2010.pdf). Emissions from combustion of piped natural gas in Mainland China were calculated based on 2012 Guidelines to Defra/DECC’s GHG Conversion Factors for Company Reporting.
- 13 2020 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and towngas consumed by the Group and were calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.71 kg CO₂e/kWh), CLP (0.37 kg CO₂e/kWh) and The Hong Kong and China Gas Company Limited (0.597 kg CO₂e/unit). GHG emissions by electricity purchased in China in this Report were calculated based on China Eastern grid emission factor in 2012年中國區域電網平均CO₂排放因子 (0.7035 kg CO₂/kWh).
- 14 Intensity refers to the energy consumption for supporting the operation of 1 guest night.
- 15 This figure does not include our tenants’ consumption. Fuel consumed covers towngas, piped natural gas, unleaded petrol and diesel.
- 16 Energy conversion factors used for diesel oil and unleaded petrol are from CDP Technical Note: Conversion of fuel data to MWh (https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcd1d.ssl.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175). Energy conversion factor used for piped natural gas is from 2012 Guidelines to Defra/DECC’s GHG Conversion Factors for Company Reporting (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69554/pb13773-ghg-conversion-factors-2012.pdf). Energy consumption of towngas was calculated based on formula provided by The Hong Kong and China Gas Company Limited (<https://www.towngas.com/Eng/Cust/Household/CustService/Tariff.aspx>).
- 17 Total indirect energy consumption — electricity in Hong Kong includes the consumption of our tenants: Nishimura, Lane Crawford (escalator), Dan Ryan’s Chicago Grill, Grand Ocean (lobby AC and screening room), SmarTone, Hutchison and PCCW in MP Hong Kong.
- 18 Intensity refers to the water consumption for supporting the operation of 1 guest night.
- 19 The amount of fluorescent lamps, light bulbs and waste ink cartridge recycled in 2019 in Hong Kong is restated to reflect actual situation.
- 20 The Murray and MP Hong Kong adopted the discharge factor on the water bills issued by Hong Kong’s Water Supplies Department to collect the amount of wastewater discharge, whereas MP Changzhou calculated the data by multiplying the amount of water supply by 80%.
- 21 Packaging materials include paper and plastics. We started to collect data on the amount of packaging material used in 2020. Therefore, data in 2019 is not available for comparison.
- 22 Senior management refers to General Manager and Executive Committee/Directors; Middle management refers to Managers and Supervisors; General staff refers to General Associates. We reviewed the employment categorisation in hotel operations and revised the breakdown accordingly in 2019.
- 23 Based on the principle of materiality, the number of suppliers includes only the most significant 70% by spending in our supply chain.

Appendix II: HKEX ESG Reporting Guide Content Index

| Aspect | HKEX KPI | Description | References/Remarks |
|--|----------|--|--|
| A. Environmental | | | |
| A1 Emissions | A1 | General Disclosure | Our Environment (page 4–6) |
| | A1.1 | The types of emissions and respective emissions data | Performance Data Table (page 12–16) |
| | A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity | Performance Data Table (page 12–16) |
| | A1.3 | Total hazardous waste produced and intensity | Performance Data Table (page 12–16) |
| | A1.4 | Total non-hazardous waste produced and intensity | Performance Data Table (page 12–16) |
| | A1.5 | Description of emissions target(s) set and steps taken to achieve them | Our Environment – Energy and Greenhouse Gas Management (page 4–5) The Group is in the process of formulating environmental targets. They will be disclosed in future reports. |
| | A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Our Environment – Resource Management (page 6) The Group is in the process of formulating environmental targets. They will be disclosed in future reports. |
| A2 Use of Resources | A2 | General Disclosure | Our Environment (page 4–6) |
| | A2.1 | Direct and/or indirect energy consumption by type in total and intensity | Performance Data Table (page 12–16) |
| | A2.2 | Water consumption in total and intensity | Performance Data Table (page 12–16) |
| | A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | Our Environment – Energy and Greenhouse Gas Management (page 4–5) The Group is in the process of formulating environmental targets. They will be disclosed in future reports. |
| | A2.4 | Description of issue in sourcing water, water efficiency target(s) and steps taken to achieve them | Our Environment – Water Management (page 5) The Group is in the process of formulating environmental targets. They will be disclosed in future reports. |
| | A2.5 | Total packaging material used for finished products | Performance Data Table (page 12–16) |
| A3 The Environment and Natural Resources | A3 | General Disclosure | Our Environment (page 4–6) |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Our Environment – Environmental Awareness (page 6) |
| A4 Climate Change | A4 | General Disclosure | Our Environment – Climate Risk Management (page 4) |
| | A4.1 | Description of the significant climate-related issues and the actions taken to manage them | Our Environment – Climate Risk Management (page 4) |
| B. Social | | | |
| Employment and Labour Practices | | | |
| B1 Employment | B1 | General Disclosure | Our People (page 7–8) |
| | B1.1 | Total workforce by gender, employment type, age group and geographical region | Performance Data Table (page 12–16) |
| | B1.2 | Employee turnover rate by gender, age group and geographical region | Performance Data Table (page 12–16) |
| B2 Health and Safety | B2 | General Disclosure | Our People – Employees' Safety and Health (page 8) |
| | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Performance Data Table (page 12–16) |
| | B2.2 | Lost days due to work injury | Performance Data Table (page 12–16) |
| | B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored | Our People – Employees' Safety and Health (page 8) |

| Aspect | HKEX KPI | Description | References/Remarks |
|---------------------------------------|----------|---|---|
| B3 Development and Training | B3 | General Disclosure | Our People — Development and Training (page 7) |
| | B3.1 | The percentage of employees trained by gender and employee category | Performance Data Table (page 12–16) |
| | B3.2 | The average training hours completed per employee by gender and employee category | Performance Data Table (page 12–16) |
| B4 Labour Standards | B4 | General Disclosure | Our People (page 7–8) |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labour | Our People — Employment (page 7) |
| | B4.2 | Description of steps taken to eliminate such practices when discovered | Our People — Employment (page 7) |
| Operating Practices | | | |
| B5 Supply Chain Management | B5 | General Disclosure | Our Value Chain — Supply Chain Management (page 10) |
| | B5.1 | Number of suppliers by geographical region | Performance Data Table (page 12–16) Based on the principle of materiality, the Report includes the number of suppliers whom are the most significant 70% by spending in our BUs' supply chain. |
| | B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | Our Value Chain — Supply Chain Management (page 10) Our Value Chain — Business Ethics (page 10) |
| | B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | Our Value Chain — Supply Chain Management (page 10) |
| | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | Our Value Chain — Supply Chain Management (page 10) |
| B6 Product Responsibility | B6 | General Disclosure | Our Value Chain (page 9–10) |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | This indicator is not applicable to the Group's business. |
| | B6.2 | Number of products and service related complaints received and how they are dealt with | Our Value Chain — Service Quality and Customer Satisfaction (page 10) |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights | Our Value Chain (page 9–10) |
| | B6.4 | Description of quality assurance process and recall procedures | Our Value Chain — Guests' Safety and Health (page 9) |
| | B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored | Our Value Chain — Customer Privacy (page 9) |
| B7 Anti-corruption | B7 | General Disclosure | Our Value Chain — Business Ethics (page 10) |
| | B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | Our Value Chain — Business Ethics (page 10) |
| | B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored | Our Value Chain — Business Ethics (page 10) |
| | B7.3 | Description of anti-corruption training provided to directors and staff | Our Value Chain — Business Ethics (page 10) Anti-corruption training was provided to staff but not directors in the reporting year. Transitioning to meet HKEX's latest ESG requirements, we will arrange the training to both directors and staff in the future. |
| Community | | | |
| B8 Community Investment | B8 | General Disclosure | Business-in-Community (page 11) |
| | B8.1 | Focus areas of contribution | Business-in-Community (page 11) |
| | B8.2 | Resources contributed to the focus area | Business-in-Community (page 11) |