



Established 1886

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1997

SUSTAINABILITY REPORT 2020



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MESSAGE FROM THE CHAIRMAN

GRI 102-14

I am pleased to share with you the fourth Sustainability Report of Wharf Real Estate Investment Company Limited (“Wharf REIC” or together with its subsidiaries, “the Group”). It summarises our efforts in promoting sustainability across our businesses and throughout the value chain.

2020 was an unprecedented year. The outbreak of COVID-19 brought profound changes to everyone’s lives and turned the spotlight on business sustainability. Companies around the world are paying unprecedented attention to sustainability strategy for building resilience. The Group remains prepared to swiftly respond to all business challenges during the pandemic and, at the same time, continues to strive for sustainability. It endeavours to uphold its long-standing mission of “Building for Tomorrow”. This commitment is reflected in our sustainability approach and aims to create long-term shared value for stakeholders.

Government and regulatory bodies have been advocating sustainable development by sharpening compliance and launching pledges. This year, HKEX has tightened disclosure requirements for environmental, social and governance issues. Central Government and Hong Kong SAR Government have also announced the targets of achieving carbon neutrality by 2060 and 2050 respectively. In response to government’s agenda on sustainable development, the Group maintains a robust and holistic governance structure to ensure our sustainability strategies are consistently implemented across the businesses. In 2020, the Group introduced new sustainability-related policies and enhanced the accountability of data to step up the Group’s sustainability performance.

The Group actively responds to international and industry initiatives on sustainability and moves beyond regulatory compliance. Business operations and strategies are aligned with 11 of the 17 United Nations Sustainable Development Goals (“UNSDGs”). Our efforts have been recognised by the capital markets. The Group has been a constituent member of Hang Seng Corporate Sustainability Index since the Group was listed and has been accredited with CSR Index Plus Mark. Notwithstanding, we will continue to strengthen our sustainability practices for the betterment of the community.

2020 also rivalled 2016 as the warmest year on record. Wharf REIC has been working to strengthen its adaptive capacity for climate change. The Group has integrated climate risks into our enterprise risk management framework and formulated the Climate Change Policy Statement to limit our impacts on climate change and build our resilience for future climate challenges. The Group also discloses according to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) to show our progress on climate change management.

The Group operates in harmony with nature by promoting green and low-carbon lifestyle through technology and innovation. With our effort in energy conservation, I am delighted that we achieved our target of reducing 12% electricity consumption by 2020. We are reviewing our environmental effort and establishing new targets to guide our further environmental management directions.

To maintain a sustainable operation in our supply chain, the Group has formulated the Green Procurement Policy that guides our operations in an environmentally responsible manner. We listen to customers’ feedback to ensure service excellence and maintain an overall satisfaction rate of more than 97% in our investment properties in Hong Kong.

The Group has been working to make a positive impact on society. To support our community fighting against the pandemic, the Group injected HK\$10 million to Wharf Emergency Relief Fund and donated medical supplies. The 2020/21 school year marks the 10th anniversary of the Group’s flagship Business-in-Community programme, Project *WeCan*. Despite the constraints that the COVID-19 pandemic has imposed, the programme continued to support the personal and career development of underprivileged secondary school students via online and mixed mode activities. The Group is also dedicated to grooming local talents and engaging young people in arts and culture. The Architectural Design Internship Programme and The Wharf Hong Kong Secondary School Art Competition have been providing young people with hands-on experience and opportunities to showcase their talents.

In the years ahead, apart from formalising our environmental targets with broader coverage and ramping up our climate efforts, we will continue to partner with our stakeholders to align with their expectations and concerns when we pursue sustainability. We believe that we will overcome all the hardships in this critical time.

Finally, we wish to express our sincere gratitude to all of our stakeholders for their support and involvement in our sustainability journey. Your active participation and input will be the guiding light that leads us towards the goal of sustainability. We will carry on the Group’s mission “Building for Tomorrow” and work together with our stakeholders to build a more sustainable future.

Stephen T H Ng
Chairman and Managing Director
Hong Kong



ABOUT THIS REPORT

Reporting Standards GRI 102-54

This 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”), the G4 Construction and Real Estate Sector (“CRE”) Disclosures and with reference to relevant metrics of the Sustainability Accounting Standards Board (“SASB”) Sustainability Accounting real estate industry-specific standards.

The Report adopts the four Reporting Principles in the HKEX ESG Reporting Guide to structure the report content. We identified sustainability issues that are relevant to the Group’s business through industry review and materiality assessment. Material issues are prioritised for disclosure. The Report contains balanced and quantitative information to illustrate the Group’s previous and latest performance on sustainability. Consistent methodologies are employed to calculate the data unless otherwise specified.

Report Scope GRI 102-45, 102-49, 102-50

The scope of the Report includes the Wharf REIC’s sustainability policy, management measures and performance in its businesses in Hong Kong, Mainland China and Singapore for the period between 1 January and 31 December 2020.

Operation	Location	Business Unit (“BU”)
Investment Properties	Hong Kong	• Harbour City
		• Times Square
		• Plaza Hollywood
		• Wheelock House
		• Crawford House
Leisure and Hospitality	Singapore	• Wheelock Place
		• Scotts Square
	Hong Kong	• The Murray, Hong Kong (“The Murray”)
		• Marco Polo Hongkong Hotel
		• Gateway Hotel
		• Prince Hotel
		• Pacific Club
		• Gateway Apartments
	Mainland China	• Marco Polo Changzhou
	Hong Kong	• The “Star” Ferry Company, Limited (“The “Star” Ferry”)
Logistics	Hong Kong	• The “Star” Ferry Company, Limited (“The “Star” Ferry”)

Apart from our established operations in Hong Kong and Mainland China, this Report covers two investment properties located in Singapore, namely Wheelock Place and Scotts Square. In defining the reporting boundary, the Group takes into account three major factors, including the significance of revenue contribution, environmental, social and governance (“ESG”) impacts, and management ownership of the assets. This approach allows us to capture the significant sustainability impacts and respective performance from our business operations in the Report. We also consider our operational control over the assets to ensure the performance and impact are entirely resulted from our operating policy and practices. The entities included in the Report represent over 90% of our business operations in investment properties, leisure and hospitality and logistics.

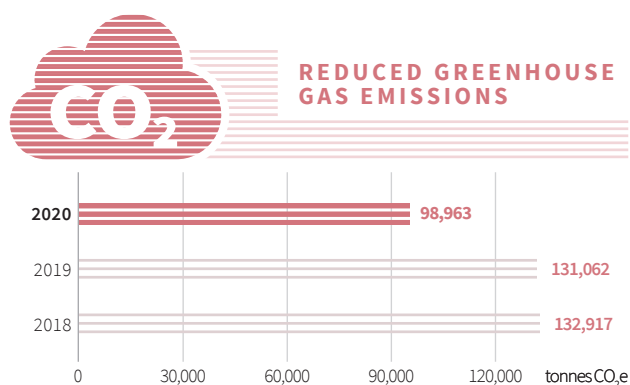
Report Assurance GRI 102-56

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 the Hong Kong Quality Assurance Agency (“HKQAA”) to obtain reasonable assurance with reference to the International Standard on Assurance Engagements 3000 (Revised) (“ISAE 3000 (Revised)”). Please refer to page 74 for the verification statement issued by HKQAA.

Feedback GRI 102-53

We welcome feedback on the Report and our sustainability approach. If any, please contact us at csr@wharfreic.com.

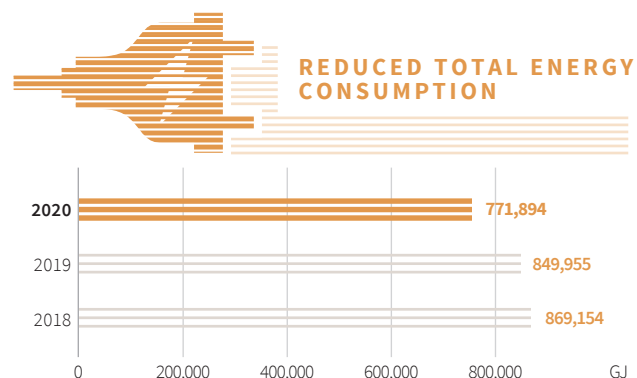
DATA AT A GLIMPSE



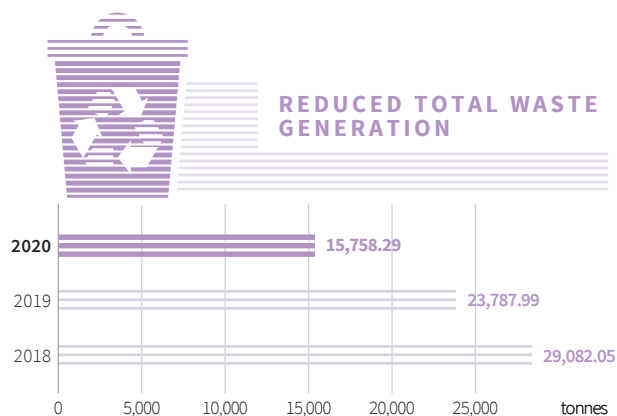
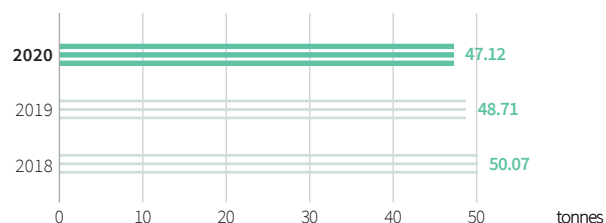
AS A CONSTITUENT MEMBER
FOR 4 CONSECUTIVE YEARS



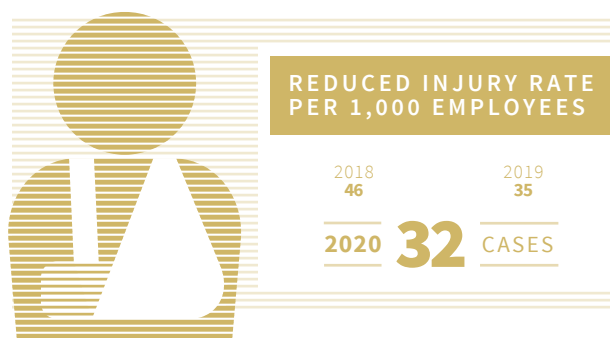
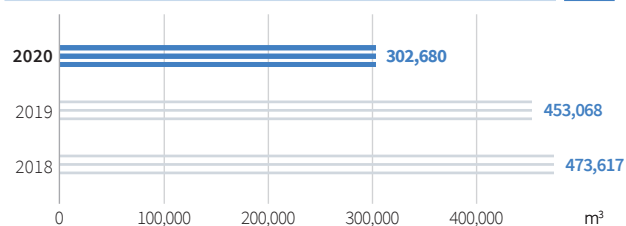
Hang Seng Corporate
Sustainability Index
Series Member 2020-2021



REDUCED AMOUNT OF
NO_x EMISSION FROM
THE "STAR" FERRY



REDUCED WATER
CONSUMPTION
FROM LEISURE AND
HOSPITALITY



WORK-RELATED
FATALITY

0 CASE
for 3 consecutive years



Note: New entities, Wheelock Place and Scotts Square in Singapore, are included in the data scope of 2020. Please refer to Performance Data Summary for more details.

SUSTAINABILITY OVERVIEW



SUSTAINABILITY OVERVIEW

About Our Business

Our Core Value (GRI 102-1, 102-3, 102-10)

The Group specialises in developing, investing and managing signature properties across Hong Kong, Mainland China and Singapore. We aspire to contribute to the economic growth of the society through offering excellent one-stop lifestyle experiences and fulfilling our role as an employer of choice for our community. Our long-standing mission of “Building for Tomorrow” enables us to develop our business while taking our environment, society and stakeholders as a whole into consideration. Our commitment on sustainability is communicated through our Vision and Mission Statement.

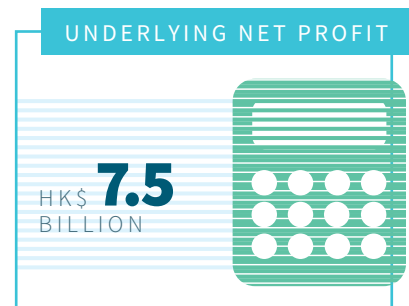
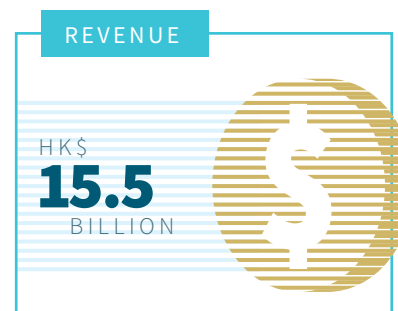
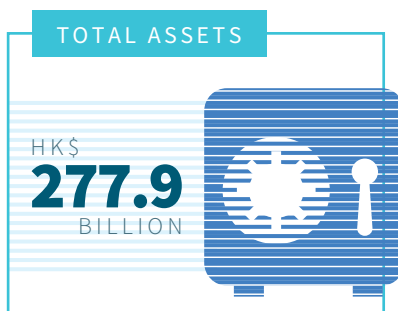
Our Business Overview (GRI 102-2, 102-4, 102-6, 102-7, 102-10)

The Group holds a portfolio of six premier quality assets in Hong Kong, namely Harbour City, Times Square, Wheelock House, Crawford House, The Murray and Plaza Hollywood, and two prime commercial properties Wheelock Place and Scotts Square in Singapore. This portfolio occupies approximately 12.3 million square feet of gross floor area (“GFA”).

For more information on our business operations, please refer to the Business Review section of our Annual Report 2020.

Our Presence and Impact (GRI 102-7, 201-1, 203-1, HKEX KPI B8.2)

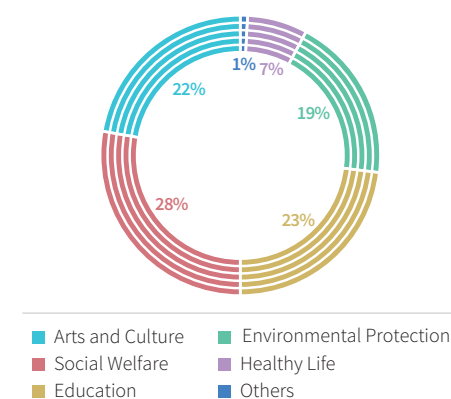
We continue to create positive impact on the economy and society through prudent management. Our contributions in 2020 are highlighted as below:



Community Contributions



What We Supported (in number of events)



¹ Total number of employees under the reporting scope.

² Staff costs included defined contribution pension schemes costs for the year ended 31 December 2020 of HK\$49 million.

Our Governance

The Group firmly believes that strong corporate governance and excellent business practices are the backbone of sustainable business growth. This year, the Group formulated the Compliance Policy Statement that sets out our requirements and approach to legal compliance in our business operations. Beyond compliance, the Group maintains a strict and robust system to monitor and manage risks and uphold business ethics.

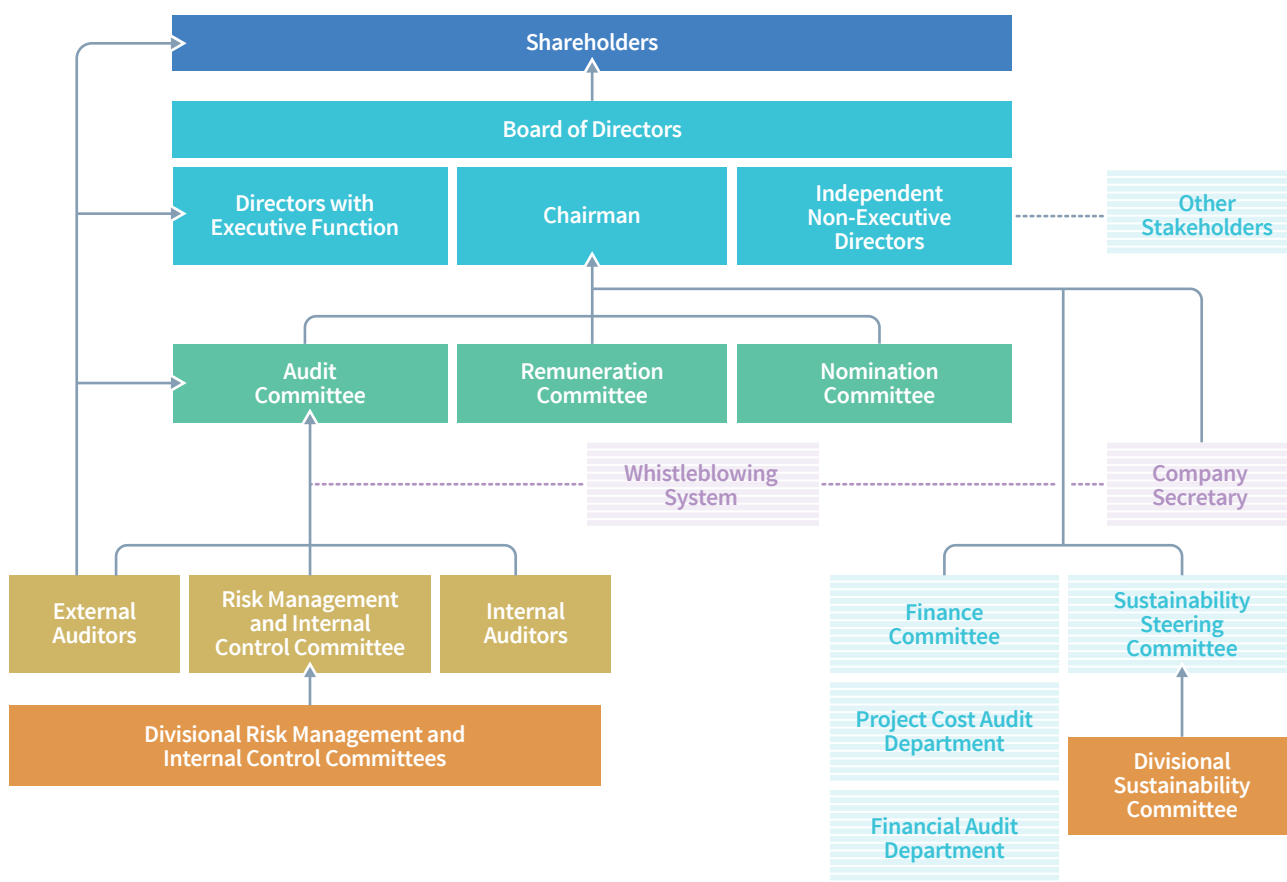
Governance Structure and Risk Management

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

Our Board of Directors directs the Group-wide strategy and development, including Wharf REIC's sustainability strategy and reporting. The Board comprises of leaders with diverse industry backgrounds, including property investment, mall management, public service, hospitality, entertainment, entrepreneurship, academia, banking, finance and accounting, and property valuation and surveyor. We believe maintaining diversity in the Board can drive positive influence on effective operation and outstanding performance of the Group.

Composition of Wharf REIC's Board of Directors³

	Age			Gender		Ethnicity	
	< 50	61–70	> = 71	Male	Female	Non-Chinese	Chinese
Number	1	5	5	9	2	1	10
%	9.1%	45.5%	45.5%	81.8%	18.2%	9.1%	90.9%



³ 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 2020 (P. 74 to 78).

In response to a competitive and ever-changing environment with varying risk exposures, the Group maintains a robust, comprehensive and responsive risk management and internal control system. In addition to traditional risk types, ESG-related risks (including climate risks) are also integrated for assessment to provide a holistic review of risks faced by our business operations.

For more information on our corporate governance and risk management model, please refer to the Corporate Governance Report in Wharf REIC's Annual Report 2020.

Ethical Business Operations (GRI 205-2, 205-3, (HKEX) B7.1, B7.2, B7.3)

Business ethics and professional conduct are the fundamentals that forms the Group's reputation and goodwill. In 2020, we continued to act in accordance with business ethics, fully complied with the laws and regulations⁴ which have significant impact on our business.

The Group does not tolerate any form of bribery, extortion, fraud or money laundering. Our Statement of Business Integrity and Code of Conduct outline our expectations of our employees' ethics. They are also required to comply with relevant policies regarding conflicts of interest, insider dealings, anti-competition and anti-corruption. To enhance awareness, representatives from the Independent Commission Against Corruption ("ICAC") are invited to conduct trainings for our employees regularly. In 2020, we conducted over 460 hours of anti-corruption training for our employees. To prevent the use of donations and sponsorships as disguised forms of bribery, the Group has established a set of due diligence procedures where all sponsorships and donations must be approved by the most senior personnel in every BU.

Total training hours on
anti-corruption training

OVER **460** HOURS



Our Whistleblowing Policy and Procedures provide a confidential channel for reporting any suspected misconduct or malpractice to the Group without the fear of retaliation. The policy clearly defines the responsibility for its implementation, compliance investigation procedures and follow-up actions. Whistleblowing reports received by the Internal Audit Department are regularly reviewed by the Audit Committee.

During the reporting year, there were no fines and penalties imposed regarding corrupt practices brought against the Group.



⁴ Please refer to Significant Laws and Regulations section for the list of laws and regulations relevant to our business operations.

Our Sustainability Approach

Board Statement

The Board reckons the significance of sustainability risks and is committed to minimising the environmental and social impacts of our business operations. We endeavour to align our sustainability efforts with our long-standing mission of “Building for Tomorrow” for future business growth.

The Board is responsible for overseeing Wharf REIC’s sustainability matters, ranging from strategy, management to disclosure. The Board regularly discusses our approach and performance, including risks and opportunities, to guide the Group’s sustainability practices. To support the Board, BUs conduct annual risk assessment to identify key sustainability risks. The Group also regularly engages stakeholders to determine the materiality of a range of sustainability issues.

For effective management and execution on sustainability matters, the Board delegates the responsibility to the Sustainability Steering Committee, which is chaired by the Group’s Chairman and constitutes key executives of functional units, meeting at least twice a year. The Committee is tasked to direct, monitor and evaluate the Group’s sustainability performance and ESG index performance and establish relevant goals and targets. The progress is reported to the Board annually for review.

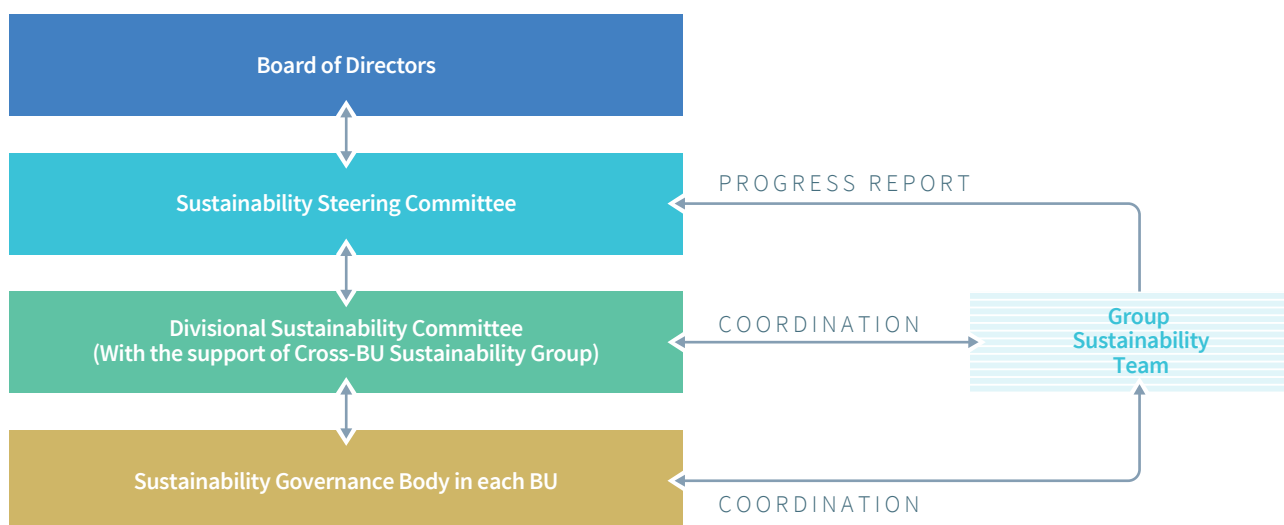
Sustainability Governance GRI 102-18, 102-19, 102-20

As one of the market leaders in real estate industry in Hong Kong, Wharf REIC strives to uphold a high standard of sustainability governance to deliver shared value to our stakeholders, the society and the environment. To achieve this aspiration, we are always enhancing our internal capacity through smart business planning and execution.

In addition to the Board and the Sustainability Steering Committee, the Divisional Sustainability Committee, comprising the Head of BUs and Corporate Units (“CUs”), oversees the routine sustainability performance and practices with the support of the staff representatives in the Cross-BU Sustainability Group. The Committee is also responsible for promoting best practices across BUs.

The responsibility of sustainability risk and opportunity identification and management lies with BUs, and they implement management approach and initiatives correspondingly. The Sustainability Team of the Group coordinates with BUs’ executives on sustainability practices and the exchange of ideas and best practices through regular meetings. Progress and achievements are then reported to the Sustainability Steering Committee regularly for monitoring.

Our Sustainability Governance Structure

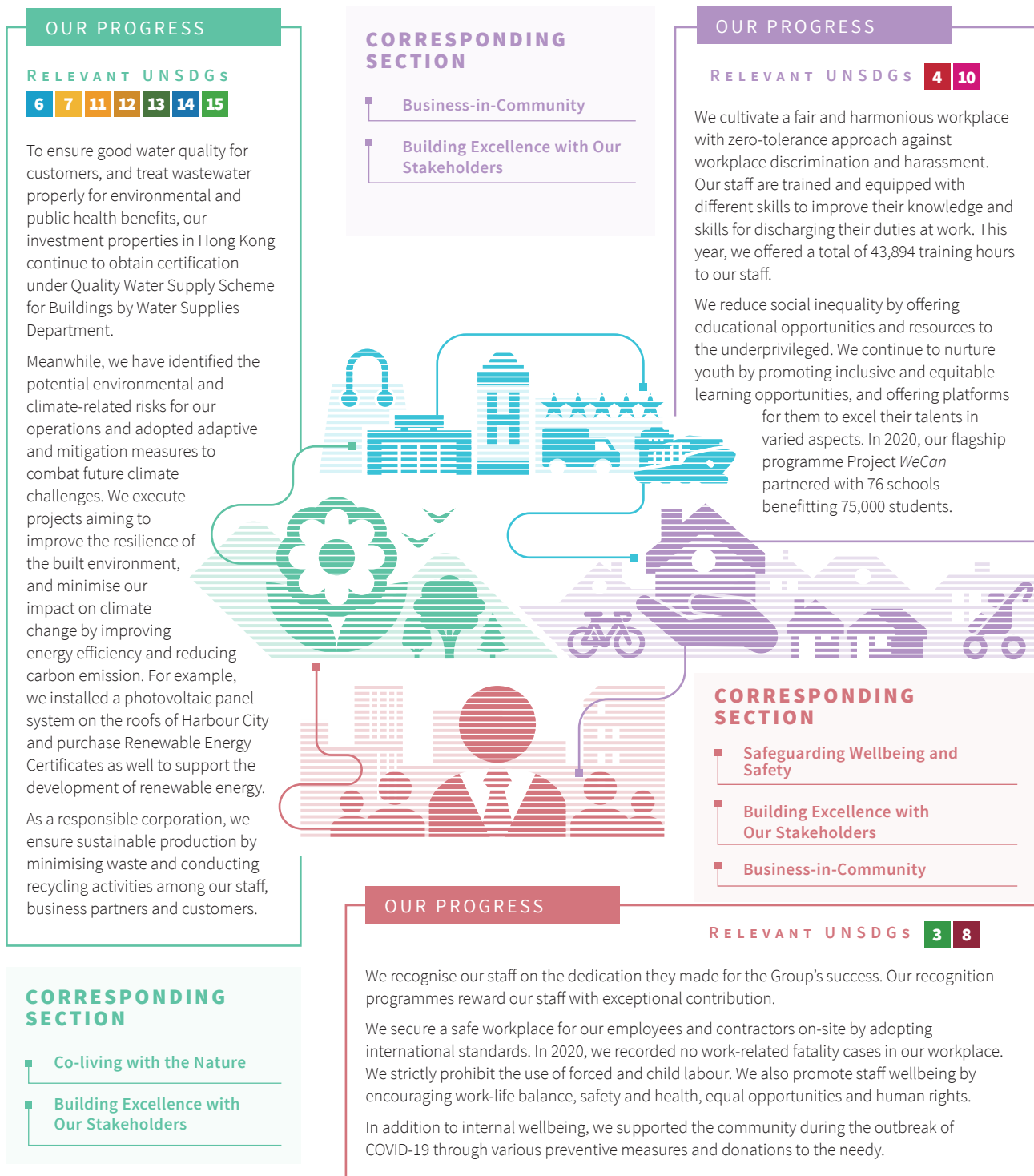


In accordance with the Group’s Corporate Social Responsibility Guidelines, we set goals and commitments and organise different sustainability programmes to deal with matters arising from Our Environment, Our People, Our Community and Corporate Governance.

United Nations Sustainable Development Goals (“UNSDGs”)

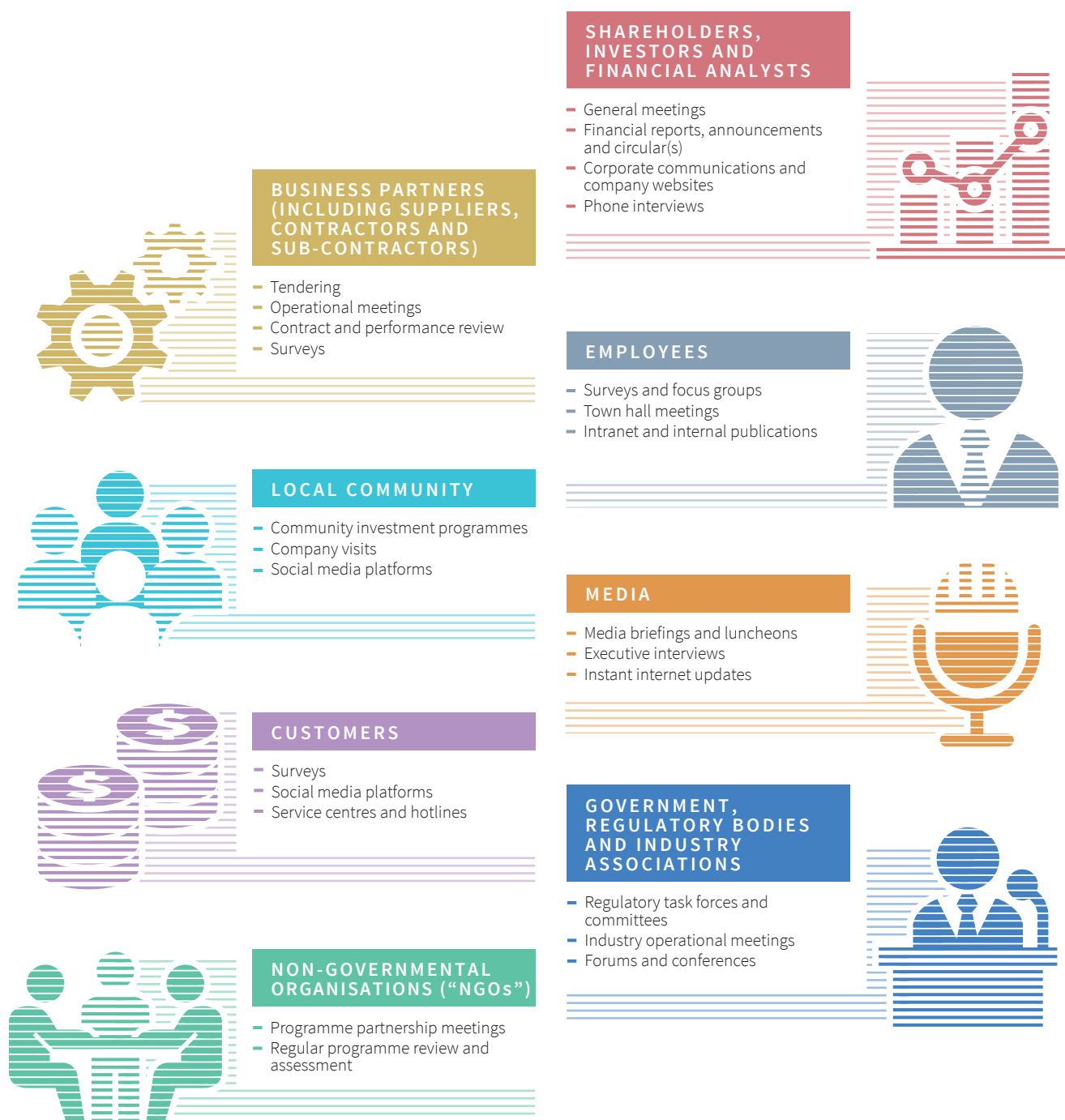
We are committed to supporting the global movement of UNSDGs to build a sustainable future. We align our operations with 11 of the 17 UNSDGs, and devote our resources and work with our stakeholders to deliver long term positive value.

Stakeholder Engagement GRI 102-40, 102-42, 102-43, 102-44



Although the pandemic poses difficulties to global economic activities, it does not impede our engagement with our major stakeholders. In 2020, we continued to listen to their concerns and suggestions through various channels. Their feedback is duly considered when we formulate action plans to improve our sustainability performance.

Our Stakeholder Groups and Engagement Channels



Stakeholder Comments and Our Responses

An independent consultant was commissioned to gauge stakeholders' opinions on our sustainability strategy and performance. We followed the AccountAbility AA1000 Stakeholder Engagement Standard 2015 when conducting online survey, one-on-one interviews and focus groups. This year, we engaged over 540 stakeholders, including employees, suppliers, contractors and sub-contractors, investors, financial analysts and customers. The major stakeholders' concerns and our responses are summarised as below:

STAKEHOLDERS' FEEDBACK

Investors and employees expect a clear business contingency plan from the Group to protect them from unexpected setbacks such as the COVID-19 pandemic.

Future Resilience



OUR RESPONSES

The Group has certain business continuity practices in place to ensure the resilience of our business operations under unanticipated shocks. For example, during early stage of COVID-19 outbreak, we noticed the importance of epidemic prevention and implemented a wide range of initiatives (See *Safeguarding Wellbeing and Safety* section) to protect our employees and customers. The Group will remain vigilant to future shocks and adopt swift responses accordingly.

Sustainability Disclosure



Most of the stakeholders regard the current disclosure is relevant and of appropriate detail. Going forward, investors would like to see more disclosure on our sustainability risks and performance, so as to facilitate their investment evaluation process.

We recognise the importance of sustainability risk and performance in our business operations and the implication for investor's evaluation. Since 2019, we have enhanced disclosure on our climate risk assessment result. We will continue to enhance our disclosure according to international disclosure framework such as the Recommendations of TCFD to enhance the transparency of our climate change management.

Sustainability Strategy



Employees would like the Group to further integrate other sustainability aspects into business operations and strategies. Employees across BUs reflected varied degree of involvement in implementing sustainability strategy in their daily work.

This year we formally published our Vision and Mission Statement on sustainability approach to further integrate our sustainability management into business operations. The Group also maintains a robust sustainability governance structure to ensure execution of relevant initiatives, share best practices across BUs and encourage employees' participation in the Group's sustainability management.

Materiality Assessment GRI 102-46, 102-47

We have conducted a four-step materiality assessment to prioritise the disclosure of sustainability issues that are relatively important to both our stakeholders and businesses. The materiality assessment result forms the basis of our report preparation.

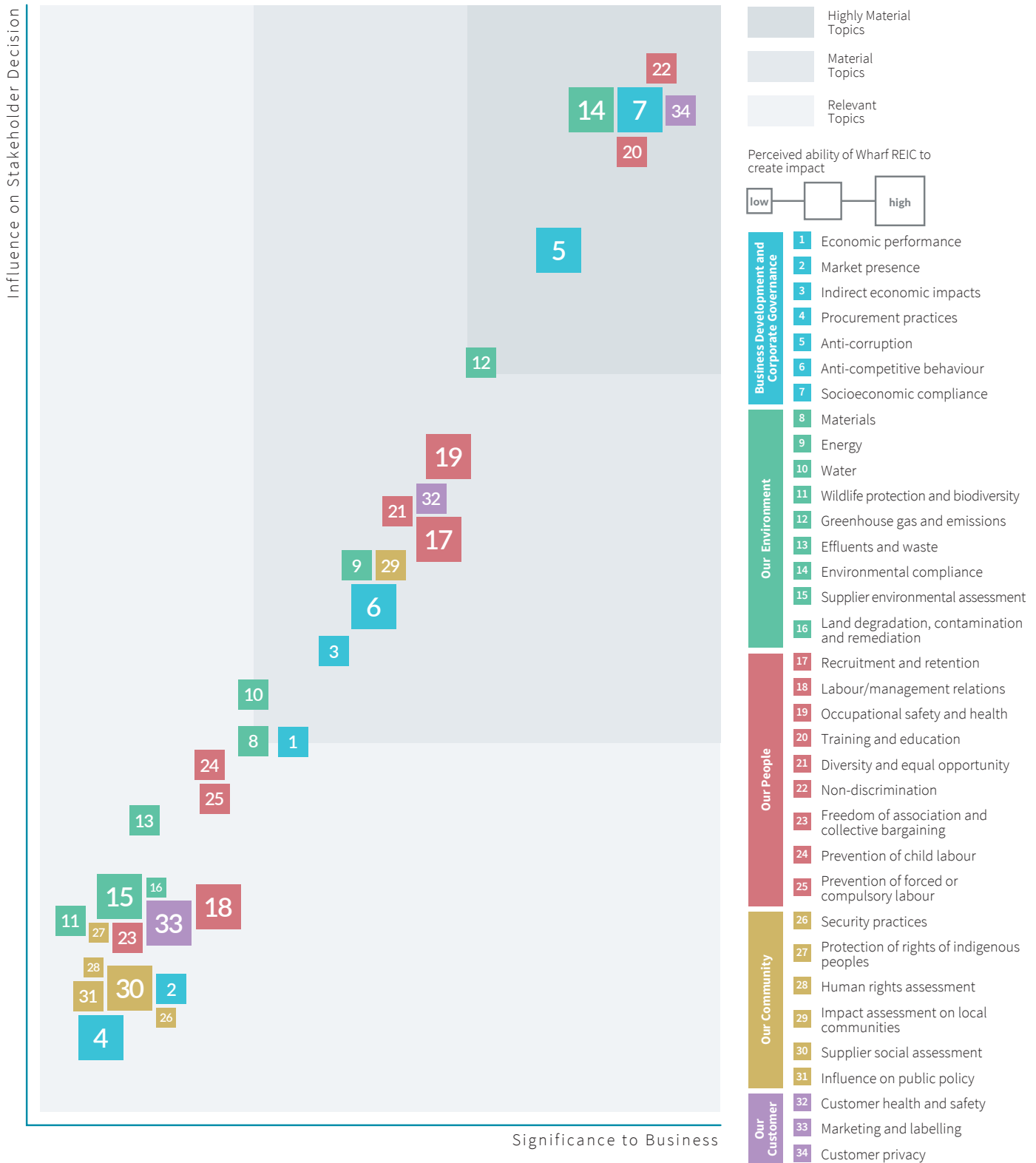


Material Topics Identified and Corresponding Topic Boundary

Material Topics	Boundary and Impact	
	Within the Group	Outside the Group
Top five material topics		
5 Anti-corruption	✓	✓
7 Socioeconomic compliance	✓	✓
20 Training and education	✓	✓
22 Non-discrimination	✓	✓
34 Customer privacy	✓	✓
Other material topics		
1 Economic performance	✓	✓
3 Indirect economic impacts	✓	✓
6 Anti-competitive behaviour	✓	✓
9 Energy	✓	✓
12 Greenhouse gas and emissions	✓	✓
14 Environmental compliance	✓	✓
17 Recruitment and retention	✓	✓
19 Occupational safety and health ("OSH")	✓	✓
21 Diversity and equal opportunity	✓	✓
29 Impact assessment on local communities	✓	✓
32 Customer health and safety	✓	✓

Wharf REIC's Materiality Matrix 2020

This year, on top of the significance to our stakeholders and business, one more dimension is incorporated in the materiality matrix. The size of the square indicates the perceived ability of Wharf REIC to create impact. The larger the square is, the higher the perceived ability that Wharf REIC can affect the outcome of the issue.





CO-LIVING WITH **THE NATURE**

CO-LIVING WITH THE NATURE

UNSDGs addressed in this chapter



Material topics addressed in this chapter

ENERGY • GREENHOUSE GAS AND EMISSIONS • ENVIRONMENTAL COMPLIANCE

Commitment and Strategy GRI 103, 307-1

From climate change to the depletion of non-renewable resources, the number of environmental issues that we face has risen to new heights, constituting threats to our society and affecting global economies and policies. The governments have implemented effective policies, legislations and regulations to tackle such issues. The Group, as a responsible corporate citizen, strictly complies with all applicable environmental laws and regulations⁵. Since 2016, the Group has formulated environmental guidelines which set forth our principles and standards in effectively managing environmental issues. The environmental performance, risks and effectiveness of control measures are closely monitored and reviewed to ensure compliance. During the reporting year, the Group did not observe any cases of non-compliance relating to environmental regulations.

Moving beyond compliance, the Group is committed to continuously improving the environmental performance of our operations and pursuing paths to achieve a sustainable future. Individual BUs have formulated their respective policies and guidelines in alignment with the Group's environmental principles. Translating our commitment to action, we have established a Group-level target of reducing 12% of our electricity consumption by 2020 when compared to 2014. With the joint efforts of our BUs, we are proud to announce that we have reached our target of electricity consumption reduction. Riding on the success, the Group has formulated the 2030 long-term target to reduce carbon emission. Other long-term targets covering a wider scope of environmental aspects will be disclosed in future.

We strive to establish environmental management systems that conform to international standards. During the reporting year, Wheelock House maintained the ISO 14001: 2015 Certification. Marco Polo Hongkong Hotel and Marco Polo Changzhou have both obtained EarthCheck Silver certifications while The Murray achieved EarthCheck Bronze Certification. Our BUs have also been widely recognised for their best practices in environmental management and received various awards and green labels including Energywise Label, Wastewise Label and Green Office Awards Labelling Scheme ("GOALS"). A list of our environmental awards and achievements can be found in the Major Awards, Charters and Memberships section of this report.

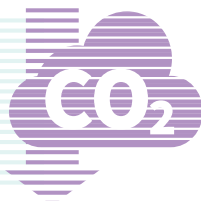


OUR 2030 ENVIRONMENTAL TARGETS

Based on 2014 level, we aim to:

REDUCE GREENHOUSE GAS EMISSION BY

30 %



LOWER ELECTRICITY INTENSITY AT INVESTMENT PROPERTIES BY

27 %



5 Please refer to Significant Laws and Regulations section for the list of laws and regulations significant to the Group's business operations.

Climate Risk and Resilience Management GRI 201-2, HKEX KPI A4.1

Marking the fifth anniversary of the Paris Agreement on climate change, which sets out a global framework to stop irreversible climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, the global momentum to tackle the climate crisis has been building toward a crescendo with progress being made on almost every front. Responding to the global cry for climate action, the Group stepped up its efforts to formulate long-term low-carbon climate resilient strategies, expand our climate risk management capacity and increase disclosure on climate-related information.

The Group established the Climate Change Policy Statement during the reporting year to stipulate our commitment to minimise our impact on climate change and build our climate resilience. Recognising the multi-dimensional nature of climate-related risks and opportunities, we leverage our existing Enterprise Risk Management (“ERM”) and risk assessment processes to stay alert, assess and manage the climate-related risks across our portfolio, and embed climate change into our business strategy. In alignment with our policy, we evaluate the risks and opportunities of climate change and its mitigation measures. The Group conducted a preliminary climate risk mapping exercise across our BUs with reference to the TCFD framework to grasp a more holistic understanding of our climate risk exposure. Based on the Intergovernmental Panel on Climate Change (“IPCC”)’s Representation Concentration Pathways (“RCPs”) and reference reports⁶, we determine our exposure to physical and transition risks of climate change that are material to our business, as well as the potential financial and non-financial impacts. Based on the findings, potential risk mitigation measures were also determined.

The Group acknowledges the importance of communicating our management approaches and strategies for climate change mitigation, adaptation and resilience to our stakeholders. We have summarised our climate-related work under the four core categories of governance, strategy, risk management and metrics and targets in the Alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures section of this report.

The Group strives to devote considerable efforts to tackle the climate urgency. Looking forward, we will continue to enhance our disclosure in alignment with the Recommendations of TCFD and take the necessary steps to strengthen our climate mitigation and adaptive capacity.



INVESTMENT PROPERTIES⁷



Increased flooding events caused or amplified by extreme weather events and sea level rise, damaging infrastructure and facilities

Impact

- 1 Temporary closure of shopping malls and office buildings
- 2 Tenant complaints and compensation requests
- 3 Maintenance cost for damage repair of facilities
- 4 Reputational damage and property devaluation

Mitigation Measures

- 1 Implement best practices in water damage prevention (i.e. install flood gates, alarm system and waterproofing works)
- 2 Increase staff preparedness by conducting regular emergency drills
- 3 Integrate risk mitigation measures during refurbishment



LEISURE AND HOSPITALITY



Increased severity and frequency of extreme weather events and storm surges causing supply chain disruption, demand implication and damage to infrastructure and facilities

Impact

- 1 Higher operational costs to fix damaged facilities
- 2 Drop in business demand due to business disruption and reputational damage

Mitigation Measures

- 1 Study, assess and implement resilience measures (e.g. typhoon resistant windows)
- 2 Arrange annual emergency preparedness meeting with executive staff and Emergency Response Team to formulate and amend crisis management and transition plan for extreme weather events
- 3 Build solid supplier relationships and diverse supplier base to ensure stable and timely delivery of products



LOGISTICS



Increased extreme heat events leading to heat strokes of workers

Impact

- 1 Increased risk of work injury
- 2 Increased turnover rate of employees

Mitigation Measures

- 1 Deliver safety training and guidance
- 2 Enhance ventilation system in workplace
- 3 Refine fabric material of work uniform



Tightened climate policies and regulations to support international decarbonisation efforts

Impact

- 1 Higher operation costs to adhere to new requirements
- 2 Expectations from tenants and shoppers for compliance of facilities
- 3 Potential penalty for non-compliance

Mitigation Measures

- 1 Carry out carbon audit to benchmark performance of buildings
- 2 Formulate carbon emission target and reduction plan
- 3 Formulate a plan to retire low energy efficiency equipment



Inability to stay ahead of stakeholder’s increasing interest towards sustainability

Impact

- 1 Loss of competitive advantage
- 2 Loss of reputation

Mitigation Measures

- 1 Sustain proactive collaboration with EarthCheck
- 2 Obtain green building certifications
- 3 Integrate green building features into major renovations and new developments
- 4 Formulate strategies to achieve Paris Agreement emission targets
- 5 Closely monitor satisfaction of hotel guests
- 6 Inform hotel guests on sustainability initiatives



Tighter fuel and emission standards requiring replacement to cleaner fuel/ferry engines

Impact

- 1 Higher operation costs from fuel change, retrofitting of existing ferries, and purchasing new ferries

Mitigation Measures

- 1 Apply for government subsidies
- 2 Explore the feasibility of enhancing energy efficiency of existing ferries, or tender for production of new ferries

⁶ IPCC 2014 Climate Change Synthesis Report, Hong Kong Observatory Climate Projections for Hong Kong 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

⁷ The climate risk results for investment properties have yet to cover the two newly acquired investment properties located in Singapore, namely Wheelock Place and Scotts Square. A climate risk assessment will be conducted in the near future and the findings will be disclosed accordingly in the upcoming reports.

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

The sense of urgency to take action on carbon emission reduction is rapidly growing, in particular for the real estate industry as the sector consumes almost 40% of the global energy annually⁸. In view of this, the Group devotes strenuous effort to decarbonise. As our carbon emission are mainly from indirect energy consumption (Scope 2 emissions), we substantially invest in optimising the energy efficiency across our portfolio.

The Group endeavours to achieve comprehensive energy management by closely monitoring our energy consumption patterns and identifying improvement areas. During the reporting year, The Murray conducted an energy audit, which provided a greater understanding of the hotel's energy consumption profile and feasible energy management opportunities. With our energy management effort, the hotel's Energy Utilization Index (EUI)⁹ was 1,399 MJ/m²/annum, lower than the local hotel sector average of 1,744 MJ/m²/annum.

We invested in major asset enhancements including lighting retrofits and chiller upgrades to improve operational efficiency.

CASE STUDY

HARBOUR CITY LEVERAGES CHILLER PLANT OPTIMISATION TECHNOLOGY TO ACHIEVE ENERGY CONSERVATION

The traditional way of manually controlling chiller plant could be enhanced by introducing retro-commissioning. Harbour City took the initiative of implementing retro-commissioning projects to reduce power consumption by optimising chiller plant operations at Gateway II and Ocean Terminal Extension.

With the use of cloud computing, data analysis and Artificial Intelligence ("AI") technology, data were extracted from machine learning and big data analysis. Different combinations

of chiller sequencing control were studied to identify the optimal performance of chiller combinations for adoption. The programme resulted in a total energy saving of 61,410 kWh, which translates to 22 tonnes of CO₂ emission equivalent. It was also observed that a 16.6% and 3.0% performance improvement achieved at Gateway II and Ocean Terminal Extension respectively. The success of this pilot makes a practical basis for future retro-commissioning work as we continue to investigate the possibility of adopting similar measures at other assets in our portfolio.

At Times Square, in addition to installing variable speed drive which aims to save 10% in electricity consumption, we upgraded the air handling units to Electronically Commutated ("EC") plug fans to save an estimate of 100,313 kWh per year. We replaced the air cooled chiller system with water cooled chiller at Crawford House, resulting in a 31.6% decrease in electricity consumption. Meanwhile, at Wheelock Place in Singapore, we replaced old air handling units with newer EC motor fan air handling units, which not only decreases energy consumption but also creates a comforting environment by reducing noise and vibration during operation.



of chiller sequencing control were studied to identify the optimal performance of chiller combinations for adoption. The programme resulted in a total energy saving of 61,410 kWh, which translates to 22 tonnes of CO₂ emission equivalent. It was also observed that a 16.6% and 3.0% performance improvement achieved at Gateway II and Ocean Terminal Extension respectively. The success of this pilot makes a practical basis for future retro-commissioning work as we continue to investigate the possibility of adopting similar measures at other assets in our portfolio.

To avoid excessive use of electricity, the Group optimises major building facilities' operations. At Times Square, we adjusted the pressure set point and operating time schedule of air handling units at tenant premises, shopping mall areas and management office to reduce the operating electricity power. During non-peak

periods, chillers were shut down at Plaza Hollywood, saved a total of 684,978 kWh in 2020. To reduce the load on the air conditioning system, we reduce heat gain by setting the blinds to go down automatically when guests check out of their rooms at The Murray.

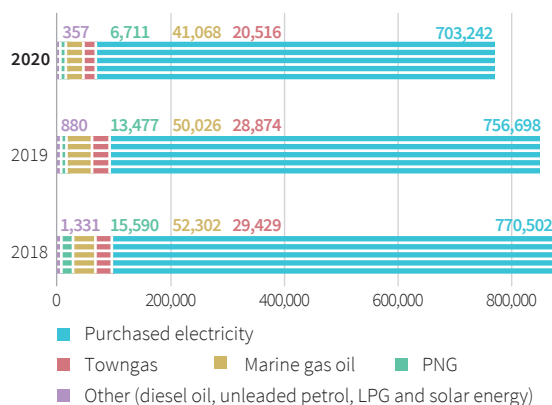
⁸ <https://gresb.com/real-estate-developers-need-transition-net-zero/>

⁹ Energy Utilization Index (EUI) indicates the energy consumption level and energy use intensity of premises and may serve as a benchmark with other similar type of premises.

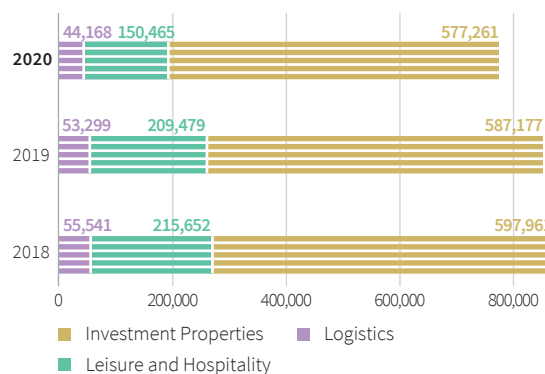
In response to the lower occupancy period inflicted by the COVID-19 pandemic, Gateway Hotel and Marco Polo Hongkong Hotel switched off lighting and set fan coil units at low speed at unoccupied floors, office and back of house areas. Similarly, Marco Polo Changzhou also turned off the lighting and equipment power supply of floors that were not utilised and adjusted the operation time of refrigerators and heating equipment, resulted in a decrease in electricity consumption.

As an important means to minimise our carbon footprint, the Group strives to increase the adoption of renewable energy. At Harbour City, we have installed a photovoltaic panel system at the rooftop of Gateway I and II. A solar water heating system was also installed at the rooftop of Gateway II to supply hot water to Gateway Apartments. The electricity generated was sold to CLP through the participation of the Feed-in Tariff ("FiT") Scheme during the reporting year. To further support local renewable energy generation, Harbour City commits to purchasing Renewable Energy Certificates of 80,000 kWh from CLP each year, avoiding 29,600 kg of carbon emission.

Energy consumption by type in GJ

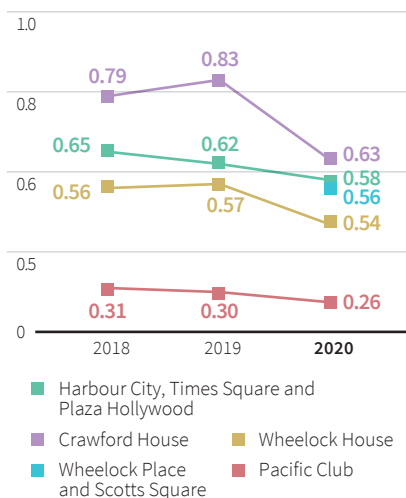


Energy consumption by operation in GJ

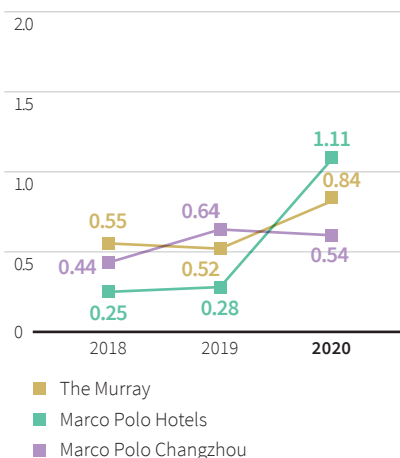


Note: Energy consumption, namely purchased electricity of Investment Properties in 2018 and 2019 were recalculated to reflect the actual situation.

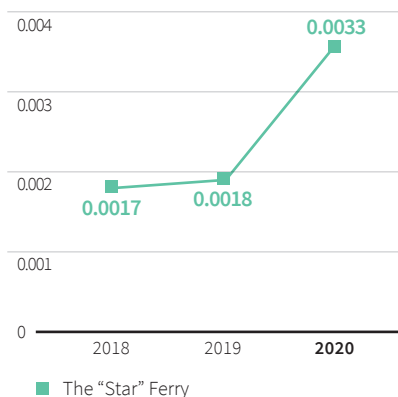
Energy intensity in GJ per GFA m²



Energy intensity in GJ per guest night



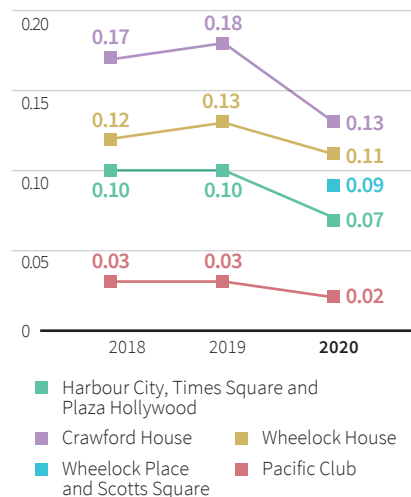
Energy intensity in GJ per passenger-km



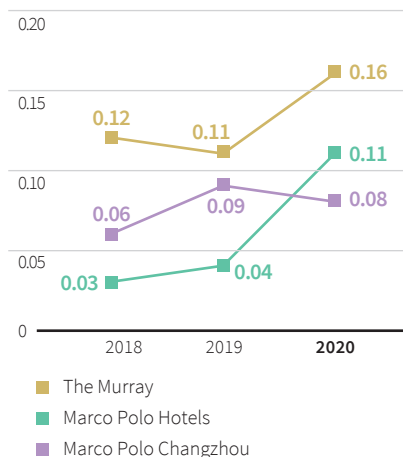
Note:

- (1) Marco Polo Hotels refer to Marco Polo Hongkong Hotel, Gateway Hotel and Prince Hotel in Hong Kong.
- (2) The data of Pacific Club only include energy from combustion. Energy from electricity consumption is included in the data of Harbour City.
- (3) Energy intensities in GJ per GFA m² for Harbour City and Times Square in 2018 and 2019 were recalculated to reflect the actual situation.
- (4) Energy intensity for The "Star" Ferry was recalculated to include marine gas oil consumed by ferries only.

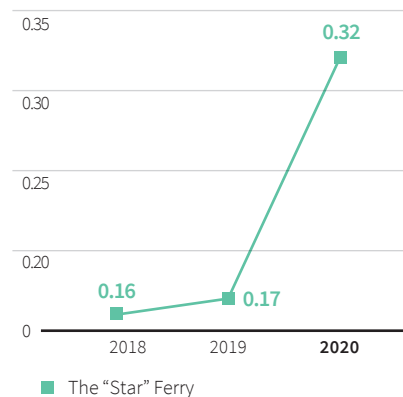
GHG emissions in tonnes CO₂e per GFA m²



GHG emissions in tonnes CO₂e per guest night



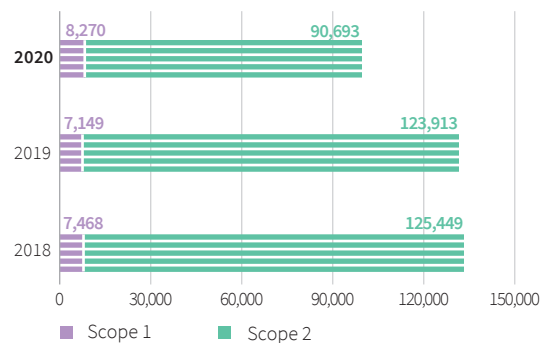
GHG emissions in kg CO₂e per passenger-km



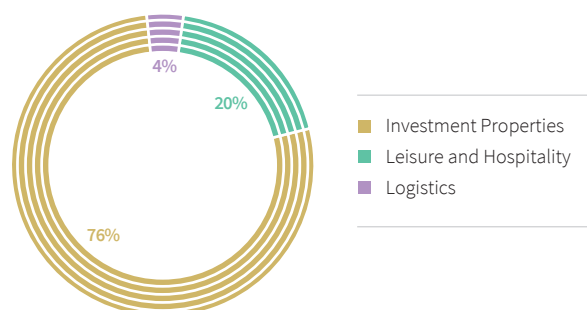
Note:

- (1) GHG emissions intensity figures cover Scope 1 and 2 GHG emissions.
- (2) GHG emissions intensity figures of Pacific Club from 2018 to 2020 only include Scope 1 GHG emissions. Scope 2 GHG emissions of Pacific Club are included in the intensity figure of Harbour City.
- (3) GHG emissions in tonnes CO₂e per GFA m² for Harbour City and Times Square in 2018 and 2019 were recalculated to reflect the actual situation.

GHG Emissions in tonnes CO₂e



Total GHG emissions by operation in percentage



Note: Scope 2 GHG emissions in 2018 and 2019 were recalculated to reflect the actual situation.

Water Management

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

Globally, rapid increase in water consumption, water quality degradation and threats posed by climate change place ever-growing pressure on this vital natural resource. Given our business nature, accessibility to reliable clean water supply is imperative to critical aspects of our operations. In light of this, the Group continued our work to ensure responsible and efficient water consumption across our BUs. Guided by our BU-specific Water Management Policy and clear guidelines stipulated in staff handbooks, our employees are required to adopt water conservation practices in our operations.

In order to continuously improve water use efficiency, it is important for the Group to grasp a better understanding of our water consumption profile. To this end, we conducted a comprehensive water audit at Times Square in 2018, which involved installing water meters to monitor water consumption patterns and identifying opportunities to implement cost-effective water saving measures. The audit enabled early identification of irregularities and improper practices in which corrective measures were executed accordingly.

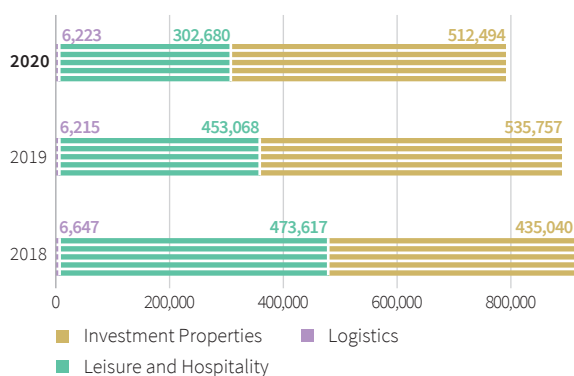
As one of our water conservation strategies, water saving devices and techniques are widely adopted to reduce water consumption. At Plaza Hollywood, we have lowered the water pressure of faucets to reduce water consumption. As a result, a 5.5% decrease in water consumption was observed when compared to 2019.

Apart from equipment upgrade, we also promote water conservation by improving our operational practices. In response to the decline in occupancy rates at our hotel operations due to COVID-19, we enforced water saving programmes to prevent unnecessary water consumption. At Gateway Hotel and Marco Polo Hongkong Hotel, the swimming pools were closed, and a proportion of kitchen equipment

was switched off. This resulted in an overall water saving of 60,905 m³, which is a 31% reduction when compared to 2019.

We strive to increase the adoption of water reuse and recycling to better utilise water resources and reduce our overall demand of water. At Crawford House, bleed-off water from the chillers was transferred to the flush water tank for flushing purposes at common areas. At Wheelock Place in Singapore, we are currently exploring the feasibility of adopting chemical-free water treatment for the cooling towers, which is more environmentally friendly, reduces water wastage and provides opportunities for water recycling for other purposes.

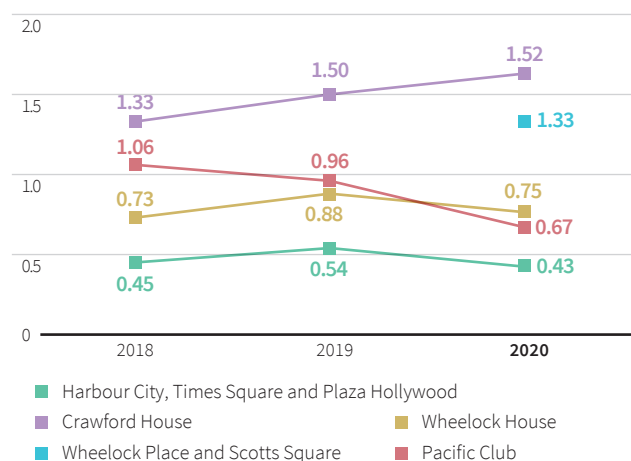
Water consumption by operation in m³



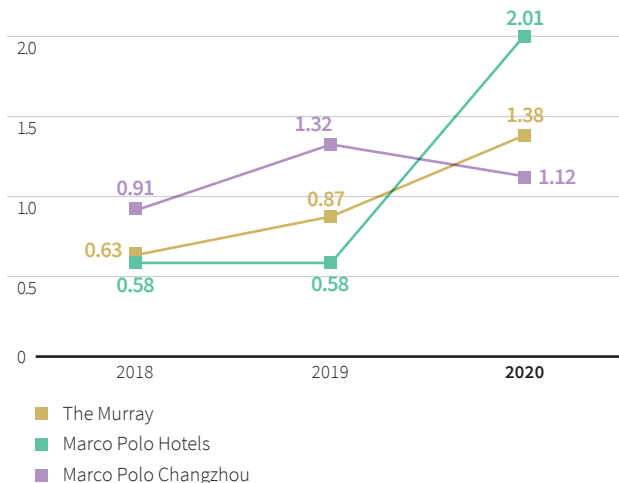
Water discharge by operation to a third party in m³



Water intensity in m³ per GFA m²



Water intensity in m³ per guest night



Note: We no longer report the water intensity for The "Star" Ferry as water consumption is not material to its operations.

Resource Management

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

Waste is one of the top municipal environmental issues, especially in space-constrained cities such as Hong Kong where landfills are near exhaustion. The Group constantly seeks ways to strengthen our waste management and resource conservation efforts along our value chain. Our Green Procurement Policy guides us to minimise waste by reducing single-use plastic packaging and prioritising eco-friendly materials.

The Group implements a wide array of measures to reduce waste generation and promote efficient use of resources. At our Hong Kong Investment Properties, we reduced the use of disposable plastic umbrella bags by placing umbrella dryers at the entrances of shopping malls and office lobbies. Times Square recorded a significant reduction in the procurement of umbrella bags by over 40% compared to 2019. To promote resource conservation and cut down the usage of paper towels, we are gradually replacing the paper towel dispensers with hand dryers in the restrooms at Times Square. The paper towel consumption decreased significantly by 31% at restrooms with replacement, impacting the total usage of paper towels to decrease by 6.4%. Likewise, Plaza Hollywood also replaced some paper towel dispensers with hand dryers, resulting in more than 14% decrease in paper towel consumption.

To divert waste from the landfill, the Group works closely with our stakeholders to facilitate their recycling. At Wheelock House, we launched Green Office Reward Programme to motivate our tenants to incorporate paper recycling into their daily habits. Tenants are provided with recycle bags to collect waste paper



which are weighed to earn Green Points for gift redemption. In only three-month time, 1,648 kg of paper was collected for recycling, which is more than twice the amount recycled during the same period of time last year. In addition to introducing more recycling bins in our offices and shopping malls to provide convenience to collect common recyclables, we have also set up collection points to collect specific types of waste generated. For instance, at Times Square, we set up a collection point to conveniently collect shoe boxes, in which 3.36 tonnes of shoe boxes were collected for recycling during the reporting year.

As food waste remains as the major source of municipal solid waste disposed at landfills, the Group endeavours to reduce food waste generation by supporting food donation activities and food waste recycling. At Harbour City, we have installed a new food waste decomposer at Ocean Centre, targeting to increase food waste recycling by 10%. To avoid food wastage and support underprivileged groups, our hotel operations have been donating unconsumed edible food to Foodlink Foundation in the past. Due to COVID-19 pandemic, the donation programme was suspended. However, we will continue supporting the programme when it is safe to do so.

The Group also endeavours to collect, handle and dispose hazardous waste properly. Gateway Hotel and Marco Polo Hongkong Hotel have participated in Hong Kong Environmental Protection Department ("EPD")'s Fluorescent Lamp Recycling Programme. 800 kg of fluorescent tubes and light bulbs were collected for recycling. At Harbour City, we engaged our tenants to donate computers, over 800 kg computer and electronic equipment were collected and treated properly by Caritas (Hong Kong).

In Hong Kong, around 320 million red packets are consumed during Chinese New Year, which is equivalent to deforesting 16,300 trees. As such, staff members and tenants from our malls in Hong Kong joined the Lai See Reuse and Recycle Programme by Greeners Action, cumulatively donated 180 kg of used or surplus red packets. Times Square, Pacific Club, Gateway Apartments, Wheelock House and Crawford House also participate in the Tree Conservation Scheme by EPD to recycle peach blossom trees and Christmas trees. All the tangerines used as Chinese New Year décors in Harbour City were also donated through matching scheme of Fung Yuen Butterfly Reserve, Environmental Association to local farmers and NGOs to support breeding of butterflies.



CASE STUDY

PACIFIC CLUB'S EFFORTS TO ACHIEVE A FUTURE WITHOUT PLASTIC



Plastic waste has a long-lasting impact to the environment as it continues to accumulate in our oceans and landfills, endangering wildlife and undermining important ecosystem services. At Pacific Club, we play our part in addressing plastic pollution by proactively taking action to shift away from single-use plastic products.

Demonstrating our commitment, we have launched "A Future without Plastic" Campaign and have received tremendous support from our members since its implementation. We have successfully phased out single-use plastic products such as straws, stirrers and cups, further replacing them with more sustainable alternatives made of paper.

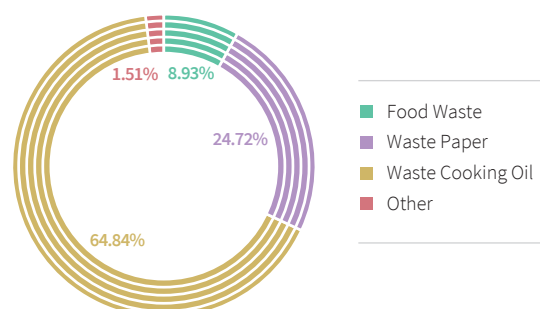
Following the success of this initiative, we expanded our efforts to reduce plastic waste by replacing PVC bags with paper bags, which are made of recycled paper and are fully degradable. Pacific Club also engages our members to reduce plastic waste at source by encouraging them to bring their own reusable bags.

As a result, we have avoided the purchase of around 75,000 pieces of plastic bags and straws annually since the launch of the campaign. Driven by these encouraging results, Pacific Club will continue our efforts in reducing plastic waste with the ultimate aim to completely phase out all single-use plastics.

Recycled waste by operation in tonnes



Recycled waste by type in percentage



Air Quality Management

GRI 305-7, HKEX KPI A1.1, A1.5

In response to increasingly stringent emission standards and regulations, as well as the growing public concern over air pollution, the Group recognises our role in drastically reducing the air pollutant emissions in our fleet operations which are mainly generated from The “Star” Ferry. Leveraging the advancement of

green technology for ferries which have demonstrated great potential and effectiveness in emission abatement, The “Star” Ferry has put forth considerable efforts in retrofitting two of our ferries, *World Star* and *Morning Star* to adopt a diesel-electric propulsion system (“DEPS”).

CASE STUDY

MORNING STAR

THE FIRST LOW EMISSION GREEN FERRY IN THE FLEET RUNNING DAILY SERVICE IN VICTORIA HARBOUR



For over a century, The “Star” Ferry has undertaken multiple rounds of upgrading its fleet to contribute in improving Hong Kong’s air quality. In 2020, the *Morning Star* underwent six months of retrofit and testing and resumed its service in July, powered by a more environmentally friendly DEPS. Making its mark in the new generation of green transportation, the *Morning Star* is the first low emission green ferry in the fleet that runs daily service in Victoria Harbour.

Morning Star is currently powered by two diesel-powered main generators that supply electricity to drive the propulsion engine for sailing, replacing the traditional two-stroke marine diesel engine. The new generators, which were also adopted in the previous retrofit of *World Star*, follow the standards of the International Maritime Organization Tier II and US Environmental Protection Agency Tier III. Along with the use of low-sulphur fuel, the emission of black smoke and other harmful air pollutants is significantly reduced. After the refurbishment, SO₂, smoke and hydrocarbon levels in exhaust emissions have reduced by 83%, 68% and 80% respectively when compared with the previous engine.

The next green ferry *Silver Star* will be launched within 2021. The “Star” Ferry will carry out retrofit or re-engineering work to other ferries subject to the company’s financial position and taking into account the latest proven green technologies available. We look forward to continuing our contributions towards the sustainability of Hong Kong’s first generation of public transport.





Singapore aims to become a Car-Lite city with the Government building a comprehensive cycling network spanning more than 700 km, aiming to reduce air emissions from vehicles. To support, Wheelock Place in Singapore introduced bicycle parking racks in the basement car park after a tenant engagement survey to better understand their needs for green commuting. Shower facilities were also built for the comfort and convenience of office tenants after their bicycle journey to work.

Enhancing Environmental Awareness

HKEX KPI A3.1

The Group strongly believes that raising environmental awareness and promoting behaviour change contribute to improve environmental performance. With this in mind, we foster environmentally conscious behaviour among our employees. To promote sustainable tourism at our hotel operations, training on EarthCheck Certification requirements is provided to new joiners. We also raise our employees' environmental awareness by participating in initiatives such as Earth Hour organised by WWF – Hong Kong.



We also collaborate with local NGOs to organise environmental workshops. During the reporting year, we partnered with Fair Trade Hong Kong and organised the Coffee Ground Mosquito Coil Workshop and Coffee Ground Candle Workshop in both offline and online formats for our staff and tenants from Harbour City and Times Square. With over 150 participants, the workshops inspired participants to reduce waste by upcycling unwanted materials such as coffee grounds. The concept of fair trade was also promoted to the participants.

To promote awareness of the issue of post-consumption textile waste, we organised a Cross-IP Community Programme 2020 — “Textile Reborn”. Under the programme, workshops were arranged to equip participants with the upcycling skills to extend the life of post-consumption textile. With 48 staff and tenants from Harbour City and Times Square participating, different types of textile crafts were created and distributed to selected charities. Some of the denim was upcycled into notebook covers which were then gifted with sanitising items and stationery to low income family children in Cha Kwo Ling.

Encouraged by the successful turnout of our “Greening Our City” roving exhibitions in previous years, we continued organising the sustainability promotion displays at our three shopping malls in Hong Kong this year. With less than a decade left to achieve the UNSDGs, this year's displays aimed to raise shoppers' and staff's awareness on achieving a sustainable future. We selected three of the Group's aligned SDGs, namely Goal 3: Good Health and Wellbeing, Goal 10: Reduced Inequalities and Goal 13: Climate Action to promote. A set of interactive displays along with introduction of our efforts contributing to the corresponding SDGs was created and displayed.

BUILDING EXCELLENCE WITH OUR **STAKEHOLDERS**



BUILDING EXCELLENCE WITH OUR STAKEHOLDERS

UNSDGs addressed in this chapter



Material topics addressed in this chapter

RECRUITMENT AND RETENTION • TRAINING AND EDUCATION • DIVERSITY AND EQUAL OPPORTUNITY
NON-DISCRIMINATION • CUSTOMER PRIVACY

Commitment and Strategy

The success of our sustainability journey relies on the joint effort by our different stakeholder groups and us. Maintaining a good stakeholder relationship helps us excel in our business operations. We strive to deliver extraordinary customer experience with quality services and products while ensuring a pleasant working environment for our employees and suppliers.

To safeguard the rights of our employees, the Group has formulated employment policies abiding with relevant laws and regulations¹⁰. On the other hand, we have established various management systems and measures to monitor and assess our products and services, and supply chain activities to ensure the compliance of relevant laws and regulations¹¹ and the performances are of the Group's standard and expectation.

To continually optimise our operation, we listen to stakeholders' feedback via diverse channels and conduct regular review to evaluate the effectiveness of our management approach. During the reporting period, there were no incidents of breaches of applicable employment regulations and voluntary codes that resulted in a fine or penalty.

Cultivating Our Employees

Talent Attraction and Retention

GRI 102-8, 401-2, 401-3, **HKEX** KPI B1.1

Employees are the core of our business success. We provide employees with fair and equal opportunities and benefits regardless of their gender, age, family background, ethnicity, religion, national origin, sexuality or disability. During the recruitment process, we consider and assess candidates in terms of their work experience, skills, abilities and related qualifications.

We offer competitive remuneration packages and incentives based on employees' experience and performance. Our full-time employees in Hong Kong are offered with top-up employer MPF contribution, paid leave, parental leave, work-related group personal accident insurance, group personal accident insurance for staff social, recreational and volunteering events, medical insurance, and long service awards, depending on the BU's employment policy. Correspondingly, our full-time employees in Mainland China are entitled to the Five Social Insurance and One Housing Fund.

To motivate the employees to excel at work, the Group organised various talent development programmes and award schemes for employees at all levels.

Programme Highlights	Details
■ Apprentice Training Programme	The four-year Apprentice Training Programme supports apprentices in acquiring higher diploma courses and craft qualification courses. To date, 38 good performers have been promoted to Technicians.
■ Mid-career Executives Development Programme	Mid-career Executives Development Programme aims to develop the strategic thinking and leadership skills of our executives with potentials through cross-functional placements in different departments to build up the management pipeline for the Group.



¹⁰ Please refer to Significant Laws and Regulations section for the list of laws and regulations significant to the Group's business operations.

¹¹ Please refer to Significant Laws and Regulations section for the list of laws and regulations significant to the Group's business operations.

Programme Highlights**Details****Staff Recognition Programme**

Staff Recognition Programme expresses appreciation for employees' contribution and accomplishment. Prize and trophy will be presented to awardees as incentives by the management.

Star Service Award

Star Service Award aims to reward employees who deliver best all-around services. Employees are assessed quarterly with a series of performance evaluations including mystery shopper assessment.

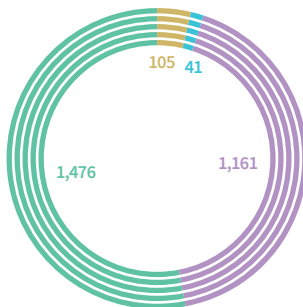
**Inclusive and Engaging Workplace**

We endeavour to create a diverse and inclusive workplace where every employee is treated with dignity and respect, regardless of gender, age, family background, ethnicity, sexuality or disability. We have established internal grievance system that opens to all staff members to report on issues or complaints concerning discrimination, harassment, victimization or vilification. Relevant procedures and requirements are shared with all staff members via intranet and staff handbook, while anti-harassment training is provided to educate employees about preventing all kinds of harassment at work. On the other hand, we have developed a Breastfeeding Friendly Workplace policy and set up nursery room in the workplace to cater for the needs of breastfeeding mothers.

Engagement Channels

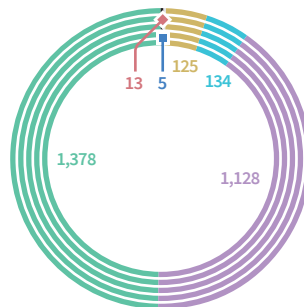
We keep an open line of communication through various channels such as staff newsletters, surveys, town hall meetings, social media platform and the intranet. We collect employees' opinions and frame relative strategies to address their concerns. The senior management takes these opinions into consideration to optimise the operation of our BUs. Likewise, we strive to establish a closer relationship with our staff through events such as dialogue with general manager, dialogue with mentors, birthday party, Chinese New Year celebration and DIY workshops.

Total workforce by employment type by gender



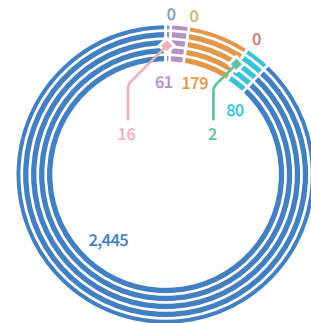
- Full-Time, Male
- Full-Time, Female
- Part-Time, Male
- Part-Time, Female

Total workforce by contract type by gender



- Permanent, Male
- Permanent, Female
- Fixed Term, Male
- Fixed Term, Female
- Temporary, Male
- Temporary, Female

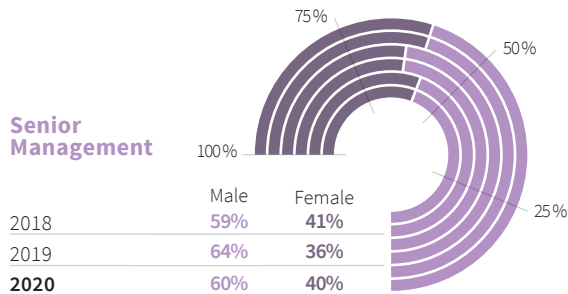
Total workforce by contract type by region



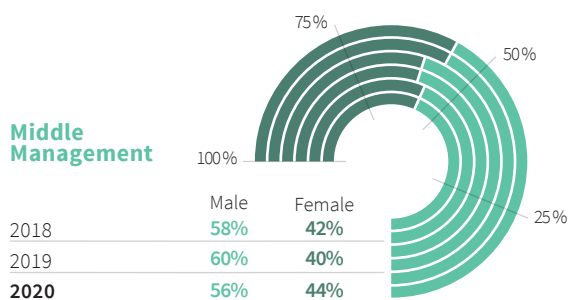
- Permanent, Hong Kong SAR
- Fixed Term, Hong Kong SAR
- Temporary, Hong Kong SAR
- Permanent, Mainland China
- Fixed Term, Mainland China
- Temporary, Mainland China
- Permanent, Singapore
- Fixed Term, Singapore
- Temporary, Singapore

Gender distribution of employees

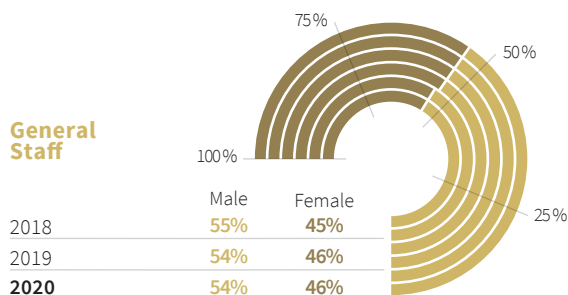
Senior Management



Middle Management



General Staff



Talent Development

GRI 404-1, 404-2, **HKEX** KPI B3.2

Facing the ever-changing business environment, we acknowledge the importance of equipping our employees with the latest skills and knowledge. Our BUs have implemented a Training Sponsorship Scheme for full-time employees to attend job-related external courses, seminars and conferences. Besides, we have designed training and development programmes according to the specific needs of BUs. Topics covered include leadership, management, supervisory, creativity, personal effectiveness, computer skills, human rights, legislation and regulations, personal data privacy, workplace culture, anti-corruption, technical skills, environmental protection and OSH.

To familiarise new hires with the company's background and culture, orientation programmes are provided to them within the first month of on-boarding. For example, we organise "Welcome to Marco Polo" for new hotel associates to familiarise with the company's background and culture. In 2020, 2 sessions were conducted with 97% attendance.

Age distribution of employees

Senior Management

	Below 30	30-50	51 or above
2018	0%	59%	41%
2019	0%	57%	43%
2020	0%	54%	46%

Middle Management

	Below 30	30-50	51 or above
2018	1%	84%	15%
2019	2%	82%	16%
2020	2%	79%	19%

General Staff

	Below 30	30-50	51 or above
2018	27%	47%	26%
2019	24%	48%	28%
2020	22%	48%	30%

In addition to trainings provided to our employees, we have also involved staff employed by contractors and sub-contractors into our training programmes to communicate our standard on quality services and safety. In 2020, we offered over 2,200 hours of training to staff employed by contractors and sub-contractors, covering topics such as professional development, OSH and human rights.

Total number of training hours provided to staff of contractors and sub-contractors

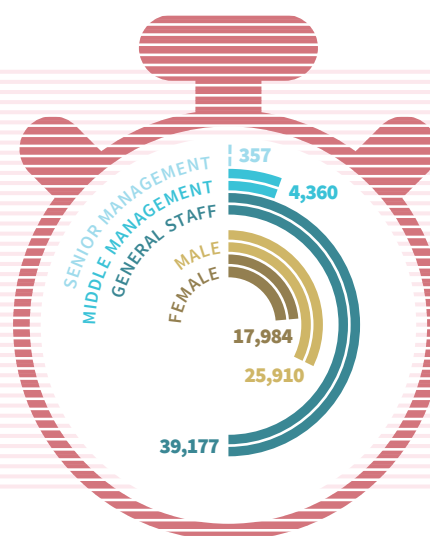
>2,200 HOURS



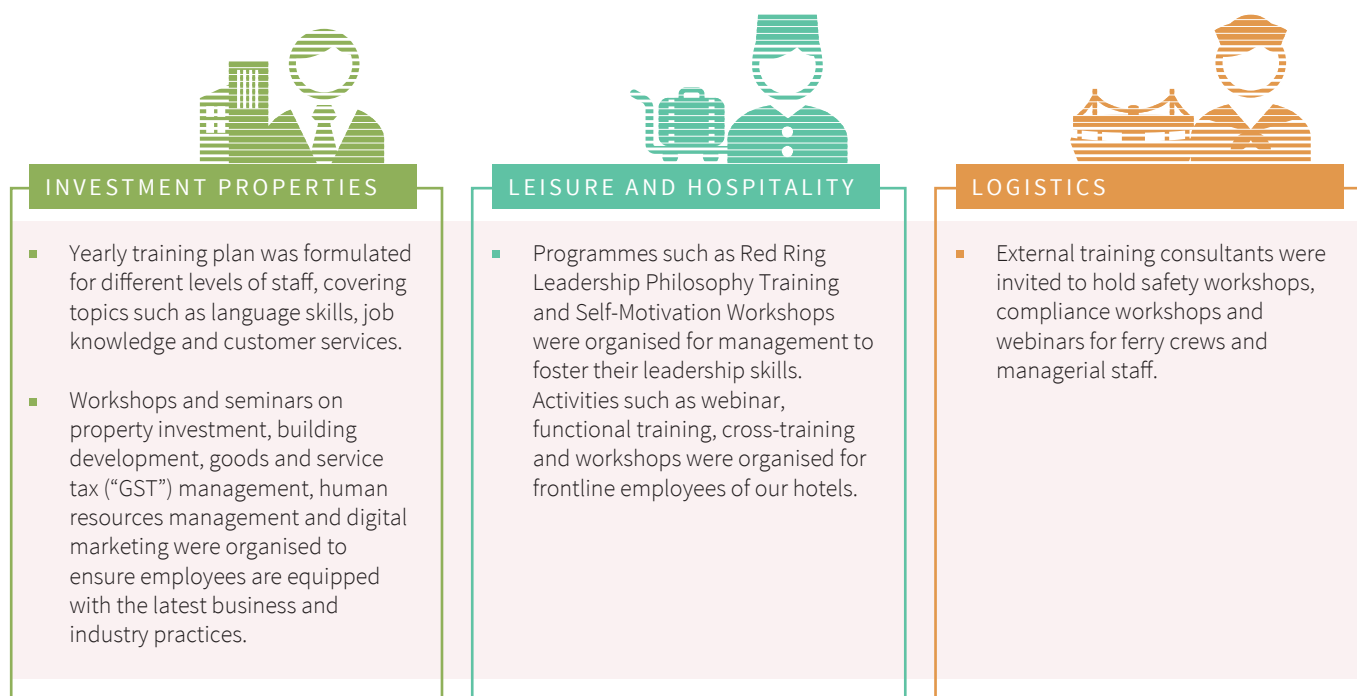
Total number of training hours provided to employees

43,894 HOURS

By employment category
By gender



Continuous learning is necessary to sustain our staff members' expertise and the Group's competitive advantage. Our BUs arranged a series of job-specific trainings and leadership programmes to foster employees of all levels:



Partnering with Our Suppliers

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

To provide stable and high quality products and services, the Group not only relies on our employees, but also another stakeholder group — suppliers. We depend on a wide range of business partners from categories such as food and beverages, services and facilities, engineering supply and maintenance, security, utilities and general supplies to deliver outstanding products and services. In 2020, there were no significant changes in our supply chain.

The Group upholds a high standard of ethical practices and expects our suppliers to act in the same manner. Suppliers are required to sign a Supplier Declaration form to declare their understanding of the clauses specified on the tender agreements and supplier registration forms that prohibit the offering of gifts and hospitality to our employees. Training were also organised on work-related legal and regulatory controls and strategies to strengthen our suppliers' ability in handling ethical dilemmas.

A robust vendor management system is in place to help BUs monitor and assess suppliers' sustainability performance and technical capabilities, and ensure they comply with applicable laws and regulations and our requirements. Vendors are required to present certificates and documents proof from relevant legislative bodies. For our hotel operations, traceability system is in place to monitor the country-of-origin labelling for all purchased food items. Meanwhile, Marco Polo Hotels in Hong Kong conducts on-site audit regularly to oversee suppliers' hygiene conditions at food factories.

Green Procurement

To minimise adverse environmental impact arising from our procurement activities, the Green Procurement Policy was formulated to provide employees of all BUs and operations who are engaged in procurement decision-making with guidance for procuring environmentally friendly products and services. Green Purchasing Clause is also included in our tender documents to encourage our suppliers to innovate and adopt green solutions. To further reduce the environmental footprint associated with logistics, our BUs constantly seek ways to consolidate shipments in both air and local transportation. We continued to prioritise local suppliers and achieve local sourcing on nearly all our products and services in 2020.



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

Sector	Region	Number of Key Suppliers
Investment properties — Hong Kong	Hong Kong	70
Investment properties — Singapore	Singapore	10
Leisure and hospitality — Hong Kong and Mainland China	Hong Kong	176
	Mainland China	13
	Others	1
Logistics — Hong Kong	Hong Kong	22

Delivering Quality for Our Customers

Customer Satisfaction [HKEX] KPI B6.2, 6.4

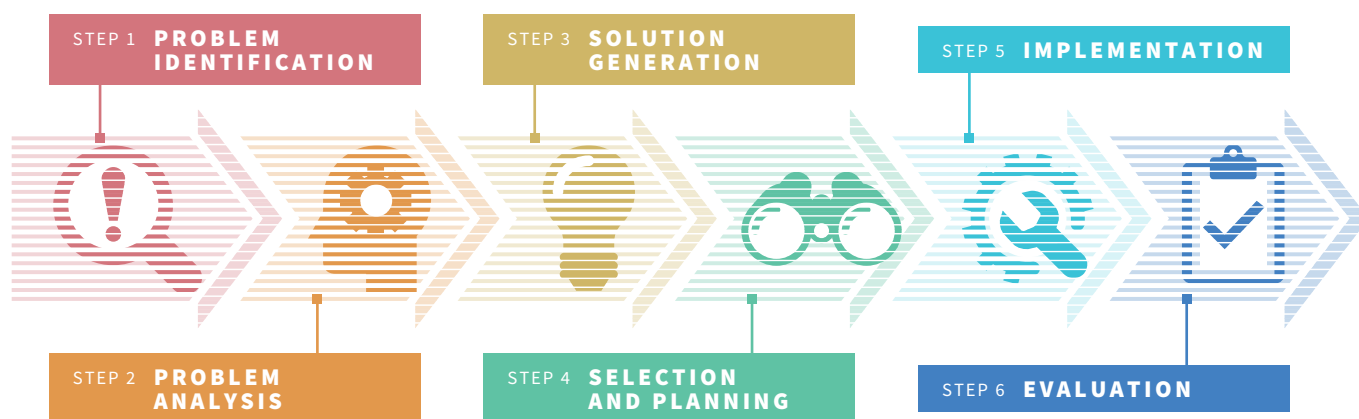
The Group is reputable in offering excellent customer experience. We value our customers' opinions and strive to make ongoing improvements that better serve their needs. As such, we have established management systems and have offered communication channels to capture feedback from customers. Internal guidelines on managing customer-related issues are in place to safeguard customers' rights.

We uphold honesty, openness and transparency in our marketing communications. Prior to publishing, all promotional materials are reviewed by managers to confirm full compliance with applicable guidelines and regulations. Besides, stringent rules are applied to all

advertising materials to protect intellectual property rights. All designs and graphics used must respect patent and royalty regulations. Likewise, we have adopted registration and confidentiality measures to secure our intellectual property rights.

We have developed procedures to ensure customer complaints are responded promptly and appropriately. We also analyse the incidents and set up remedial actions to avoid similar incidents in the future. For example, our hotel operations follow a six-step problem-solving strategy to handle customer complaints and disputes.

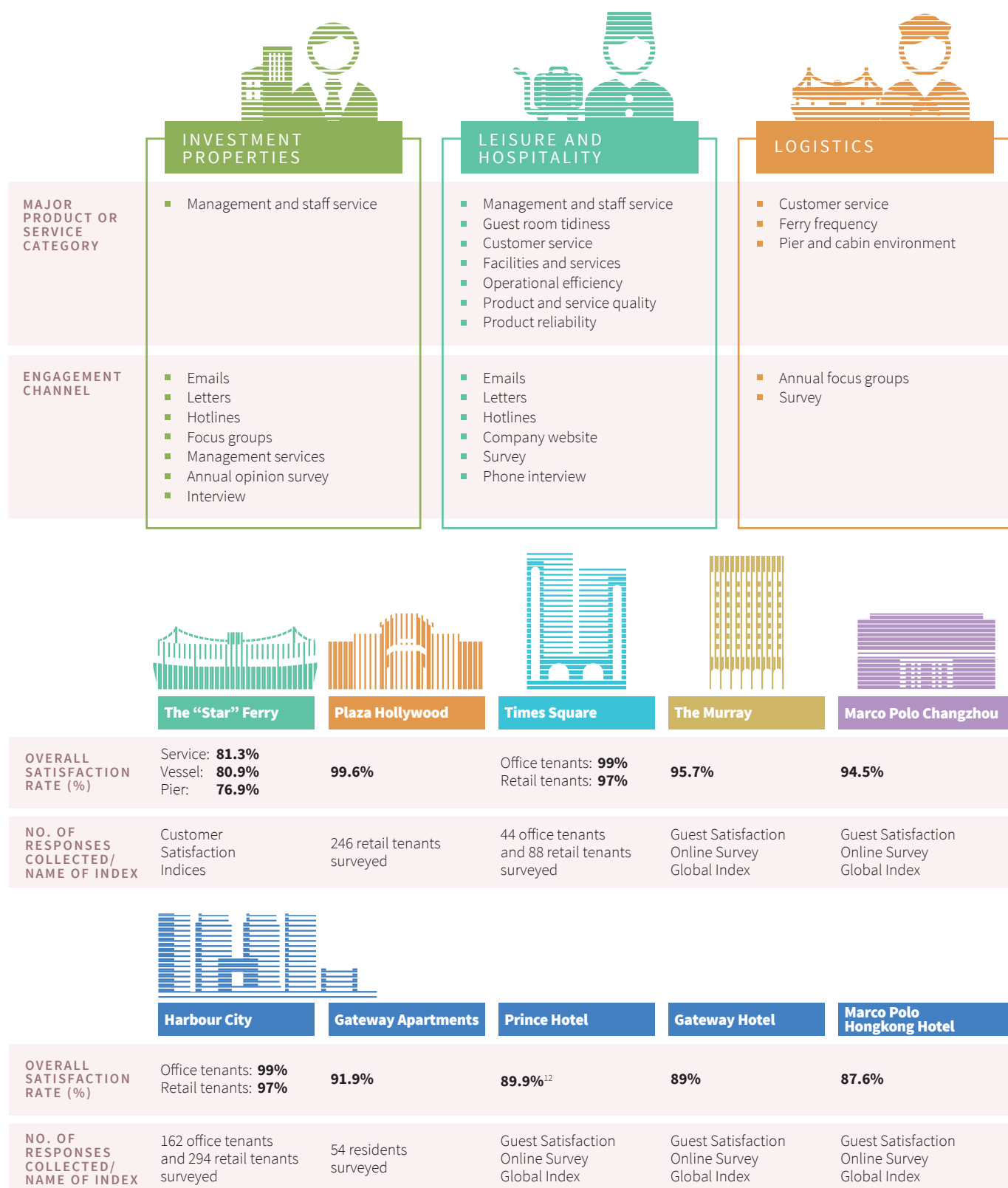
Six-step problem solving technique



To enhance frontline staff's customer communication skills, different training courses were held during the year. In terms of customer complaints, we delivered Bold Recovery training course which explains some essential skills in addressing complaints. Guest Contact Training was also given to enhance

their communication skills. To uphold the standards of our services, Wharf Hotels organised "Understanding the Forbes Standard for Winning Service" training session to introduce to all frontline staff on how to apply the Forbes service standard requirements in their duties.

We have established diverse engagement channels to collect insightful feedback from customers regarding our products and services.



12 Prince Hotel has been under renovation since March 2020, the satisfaction rate indicates the result for the first half of the year only.

In 2020, the Group was honourably awarded with various quality and service awards in recognition of our effort to provide high quality services.



Award Highlights

Harbour City	Shopping Mall Awards 2019-2020 — Top 10 Favorite Shopping Mall
Times Square	Shopping Mall Awards 2019-2020 — Top 10 Favorite Shopping Mall
Plaza Hollywood	Shopping Mall Awards 2019-2020 — “Top 25 My Favorite Shopping Malls Events”
The Murray	Best of the Decade 2020 — Best New Hotels by Smart Travel Asia
Marco Polo Hongkong Hotel	Forbes Travel Guide 2020 — Cucina Four-Star Restaurant
Gateway Hotel	Champion of the Most Popular Buffet Restaurant 2020 by Weekend Weekly
Prince Hotel	Travellers’ Choice Winner 2020 by TripAdvisor
Marco Polo Changzhou	2020 Most Recommended Hotel Award by Ctrip
Gateway Apartments	“Best Serviced Apartment Award” in Hong Kong Living Awards 2020
The “Star” Ferry	Travellers’ Choice Winner 2020 by TripAdvisor



Customer Privacy GRI 418-1, HKEX KPI B6.5

To safeguard customer privacy, we have established internal guidelines to manage confidential customer information. Access to confidential customer data is limited to authorised personnel and physical access to sensitive places including data centres and server rooms are tracked. We appoint authorised personnel to carry out maintenance works of our information communications technology ("ICT"). When discarding any ICT equipment, we adopt cautious practices such as secure overwriting, or otherwise, physically destroy the storage media. Annual penetration test is performed by the appointed third-party auditor to review the effectiveness of our security measures.

The Group implemented the Data Privacy Policy Statement, which sets out the general practice concerning the collection, use, sharing and protection of personal information. Policies on privacy and personal information collection are also publicly accessible on our BUs' websites. To ensure our personal data management is up-to-date and comply with all relevant rules of security and privacy, the policies published on our website are

reviewed from time to time. Our data breach team, comprising of senior management, head of communications and IT manager, is responsible for handling actual or possible data protection incidents. They formulate and execute action plans and contact the individuals affected. If any individual affected is located within the EU, the team will also notify the responsible supervisory authority within 72 hours of data breach.

During COVID-19 pandemic, remote working has become the new normal through utilising information technologies such as virtual conferencing. Inappropriate control on these information technology tools may lead to serious data leakage incident. The Group has taken serious steps in mitigating the potential cybersecurity risks. For example, we acquire proper software license and provide guidelines for handling customer data with due care during remote working period. We require password protection or registration for VPN access and virtual conferencing. We also restrict access to core data remotely to minimise our data leakage risks.

Examples of measures taken in different operations to safeguard customer privacy

Investment properties	<ul style="list-style-type: none"> Displayed notices on CCTV operation at malls to inform the public Placed Data Privacy Policy Statement on website and at specific locations, and on application forms
Leisure and hospitality	<ul style="list-style-type: none"> Organised data privacy online workshop and webinar on EU General Data Protection Regulation (GDPR) to enhance employee's awareness and knowledge Firewall is in place to monitor the network traffic, in order to block abnormal and malicious traffic and prevent data leakage. Endpoint protection was also installed on computers and servers
Logistics	<ul style="list-style-type: none"> Established policy and guideline on handling the personal data of passengers including restrictive uses of CCTV surveillance records



SAFEGUARDING WELLBEING AND **SAFETY**



SAFEGUARDING WELLBEING AND SAFETY

UNSDGs addressed in this chapter



Material topics addressed in this chapter

OCCUPATIONAL SAFETY AND HEALTH • CUSTOMER HEALTH AND SAFETY

Commitment and Strategy

The Group attaches paramount importance to employees and customers' health and safety. We strictly comply with all applicable laws and regulations including the Occupational Safety and Health Ordinance (Cap. 509). The Group is committed to improving the robustness and effectiveness of safety risk management, elevating the safety culture across our BUs and engaging both employees and customers to secure their wellbeing and safety.

Our group-wide Safety and Health Policy, BU-specific safety management manuals and Safety and Health Committees are in place to ensure every operating procedure is in line with our stringent safety standards. Beyond regulatory requirements, our safety and health standards are also kept updated with the social development and our employees, and customers' evolving needs to achieve higher level of health and wellbeing. We recorded no work-related fatality cases and zero non-compliance with relevant laws and regulations in the past three years.

Support for Fighting COVID-19

GRI 203-1, **HKEX** KPI B8.2, **UNSDG** 3

The COVID-19 crisis in 2020 has imposed unprecedented challenges to our business operations. To protect our stakeholders during this critical time, we have taken prompt and effective responses since the early phase of COVID-19 outbreak.

Protecting Our Employees during the COVID-19 Crisis

We have employed specific measures to protect employees' health and safety against COVID-19. The Group ensured a stable supply of medical supplies for employees, including hand sanitisers, multi-purpose cleaners and surgical face masks.

To prevent the spread of COVID-19 in our workplace while ensuring business continuity, we implemented special work arrangements such as split office, work-from-home and flexible working hours to maintain social distancing. We closely monitored the situation and provided regular and timely update to our employees on work arrangement and government measures. Trainings were organised to educate our employees on how to combat COVID-19 and sustain mental wellness during pandemic time. We also maintained close monitoring of the list of buildings with confirmed or probable cases of COVID-19 published by the government and requested employees living in affected buildings to undergo home quarantine for 14 days. Acrylic counter shields are set up in shopping malls' concierge desk to create protective barriers between customers and employees and maintain social distancing. At our hotel operations, we have implemented certain emergency procedures regarding guests, hotel staff and their family members when being identified of any COVID-19 symptom in the Emergency Procedures Handbook.



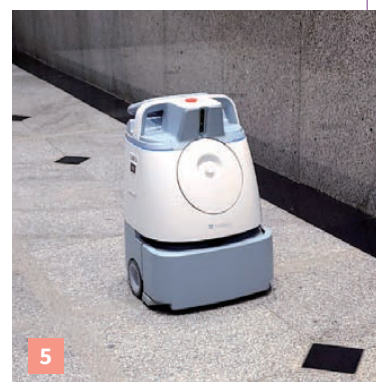
- 1 Temperature measurement at office lobby
- 2 Photocatalyst anti-bacterial and virus coating applied in elevators
- 3 Complimentary hand sanitisers for staff

Protecting Our Customers during the COVID-19 Crisis

Aside from thorough facilities cleaning and disinfection, we have increased the availability of hand sterilisers, and provided disposable mask bags and mask disposal bins in shopping malls. To prevent the entry and spread of COVID-19 in our office properties, we measure body temperature of every visitor at the office entrances. Measures are also implemented to minimise virus transfer through surface contact. For a safer ride, we applied anti-bacterial coating to the in-mall escalators' handrails. Photocatalyst anti-bacterial and virus coating is also applied on lift buttons and door handles. Meanwhile, we have arranged staff to press lift buttons on behalf of our customers to minimise risk of surface transmission.



Protective Measures for Our Customers in Investment Properties



1 Inform customers our COVID-19 prevention measures

2 Carpet sanitising

3 Handrail sanitising

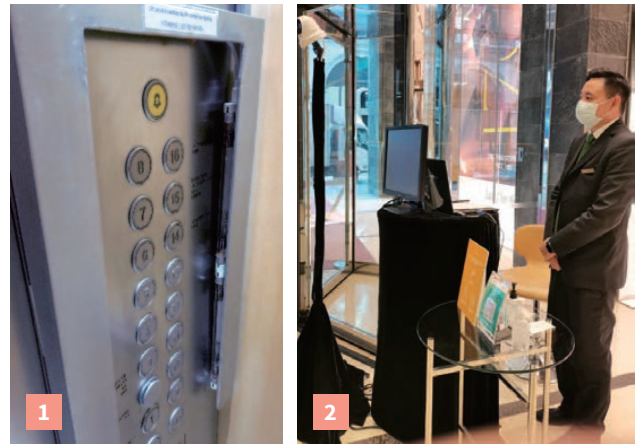
4 Disinfection for tenants

5 Smart AI vacuum cleaner

Marco Polo Hotels in Hong Kong minimise their infection risks in restaurants by changing spoons and tongs on buffet counters every 30 minutes and setting up plastic barriers between dining tables. Social Distance Ambassadors were appointed at all restaurants to help and guide the guests to comply with safe distancing measures. To ensure safe operations and a hygienic environment for the guests, they have also installed UV disinfection lightings to sanitise the lift panels in the hotel elevators.

- UV disinfection lighting 1
- Temperature screening 2

Protective Measures for Our Customers in Hotel Operations



CASE STUDY

THE “STAR” FERRY

COVID-19 SAFETY AND HYGIENIC MEASURES



As a major cross-harbour ferry operator, The “Star” Ferry has maintained vigilance against COVID-19. Since the outbreak, it has heightened the hygiene standards with more frequent disinfection and cleaning for its vessels, pier public area and back of house area.

In June 2020, it applied the photocatalyst anti-bacterial and virus coating that last for 365 days to all fleet vessels, including all passenger seats and steering and engine rooms. To further curb the spread of COVID-19, we subsequently extended the scope of photocatalyst coating application to token vending machines, turnstiles, lifts, handrails, waiting areas, washrooms and Water Tour waiting concourse in all 3 Star Ferry Piers in Tsim Sha Tsui, Central and Wan Chai.

The “Star” Ferry has been closely monitoring the latest development of COVID-19 and constantly strengthens the corresponding health and safety measures in its operations, thereby providing safe and reliable ferry services to passengers.

Supporting Our Community to Combat COVID-19

The Group doubled its efforts in minimising the detrimental impacts of COVID-19 on community wellbeing. In June 2020, we injected HK\$10 million to Wharf Emergency Relief Fund, aiming to provide financial assistance to Hong Kong families who are facing financial hardship due to the outbreak of COVID-19.

In addition to monetary support, the Group also donated medical supplies to communities to fight against this global pandemic. To deliver our love and care to the needy in Hong Kong, Marco Polo Hotels in Hong Kong mobilised staff from various departments to handmade 2,000 fabric masks and donated them together with handmade colouring books, surgical face masks and hand sanitisers to the underprivileged groups through Children's Cancer Foundation and Heep Hong Society. Marco Polo Changzhou also donated face masks and hand sanitisers to local community for fighting against COVID-19 in Mainland China.

To boost the morale in fighting against the pandemic, Marco Polo Hotels in Hong Kong produced the first-ever virtual choir in Hong Kong hotel industry with the song "Believe in You". The song aims to inspire the community to live bold, stay sharp and have faith that good days will come again soon.



Please scan QR code to view the video.

Safe Workplace

GRI 403-1, 403-2, 403-5, 403-7, 403-9, 403-10, **HKEX** KPI B2.1, B2.2, B2.3, **UNSDG** 3

Even without the challenge from COVID-19, OSH has been our focus in our business operations. We have formulated a group-wide Safety and Health Policy, which summarises our management approach, preventive measures, employee awareness building and incident handling. The Safety and Health Committee monitors the Group's safety and health performance and is responsible for implementing preventive and remedial measures. Our BUs also formulated their respective safety management manuals to echo with the Group's OSH principles and manage OSH risks arisen from their operations. In line with the Group's commitment in safety and health management, the manuals include standard operating procedures, OSH risk assessment, corresponding preventive measures and the list of mandatory personal protective equipment



for employees. We conduct regular reviews and revisions on the manuals to keep our OSH management approaches in line with the latest industrial practices and legal requirements.

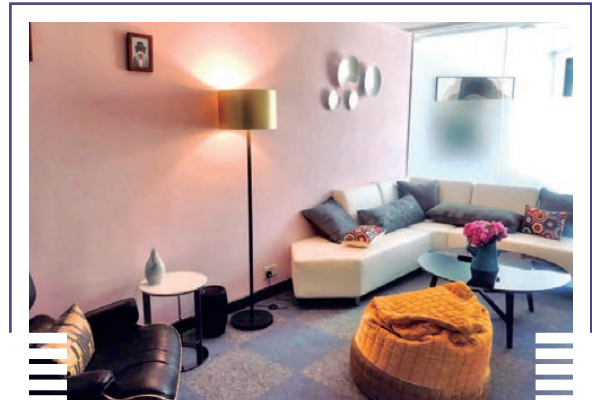
Our BUs continue to adopt comprehensive measures to eliminate hazards. The "Star" Ferry's Safety and Health Committee holds regular meetings to review and monitor all safety-related issues in its operations. It has also hired professional consulting firms to conduct annual inspection visits and safety audits. On the other hand, our shopping malls in Hong Kong conducted cross-centre safety inspections and executive committee meetings. Safety consultants and participating centres were invited to share the findings and best practices as well as discuss the precautionary and safety measures, fostering continuous improvement and employees' awareness.

We also strengthen our employees' capacity to manage OSH hazards through the provision of OSH trainings. This year, Marco Polo Hotels in Hong Kong invited the Occupational Safety and Health Council to deliver presentations on potential OSH risks and corresponding mitigation measures. To improve emergency preparedness, The "Star" Ferry conducted a typhoon safety drill to help employees become familiar with the safety procedures under extreme weather and be capable of alleviating the safety threats on their personal safety. With the Group's continuous effort in eliminating safety and health risks in the workplace, a decline in overall injury rate was recorded in 2020.

To extend our OSH management approach to the supply chain, our procurement contract includes safety clauses that concern injury of workers and safety management of third parties. We also equip our contractors with OSH knowledge and skills by offering safety training to reinforce safety precautions such as safe use of chemicals and injury preventions.

Employee Wellbeing GRI 401-2, [UNSDG 8](#)

The Group advocates a healthy work-life balance and is committed to creating a positive working environment valuing employees' wellbeing. We have completed the upgrade of female changing rooms in The Murray by setting up multi-functional space for resting and lactation purposes. Meanwhile, we also designed a chillout room for employees to relax from work to relieve their stress.



To promote workplace wellness, we also implemented a range of dedicated recreational initiatives. Investment Properties in Hong Kong design an annual thematic employee wellness programme to foster a friendly, supportive and stress-free work environment. In 2020, with the theme “Healthy Joyful Living”, the programme was composed of 4 major themes, namely “Joyful Mind Episode”, “Joyful Bonding Episode”, “Healthy Diet Episode” and “Healthy Body Episode”, and aimed to help employees maintain a healthy balance between work and personal lives. Despite the limitations caused by the COVID-19 outbreak, we still managed to provide comprehensive workshops and activities for employees and their families through online channels.

“Healthy Joyful Living” Programme



*Joyful Mind Episode —
Zentangle Art Workshop*

Participants learnt about the history, basic drawing skills and patterns of Zentangle. They enjoyed the relaxing and fulfilling moment during this art appreciation workshop.



*Joyful Bonding Episode —
Tigertail Orchid Planting Workshop*

After the instructor shared useful tips on how to take care of Tigertail Orchid, participants had the chance to use the toolkits to make their little potted plants and spent wonderful green time with their families.



*Healthy Diet Episode —
Gluten-Free Baking Workshop*

This activity aimed to promote a healthy diet by teaching participants to make different types of gluten-free food such as tuna bread and matcha cookies. Participants enjoyed fun baking while learning to make allergy-friendly food.



*Healthy Body Episode —
Pilates Class*

By practising Pilates breathing and training on lumbo-pelvic stability, participants found the exercises conducive in relieving their pressure and back pain.

Safe Premise and Services GRI 416-2, UNSDG 3

The Group is committed to providing safe and reliable products and services to our customers. By complying with applicable laws and regulations and adopting industry-leading practices, we strive to provide customers with high quality and safe products and services.

Premise and Facility Safety

We have formulated comprehensive guidelines and offered trainings to maintain our compliance with fire service installations and equipment regulations. This year, Marco Polo Hotels in Hong Kong organised multiple sessions of fire safety training,

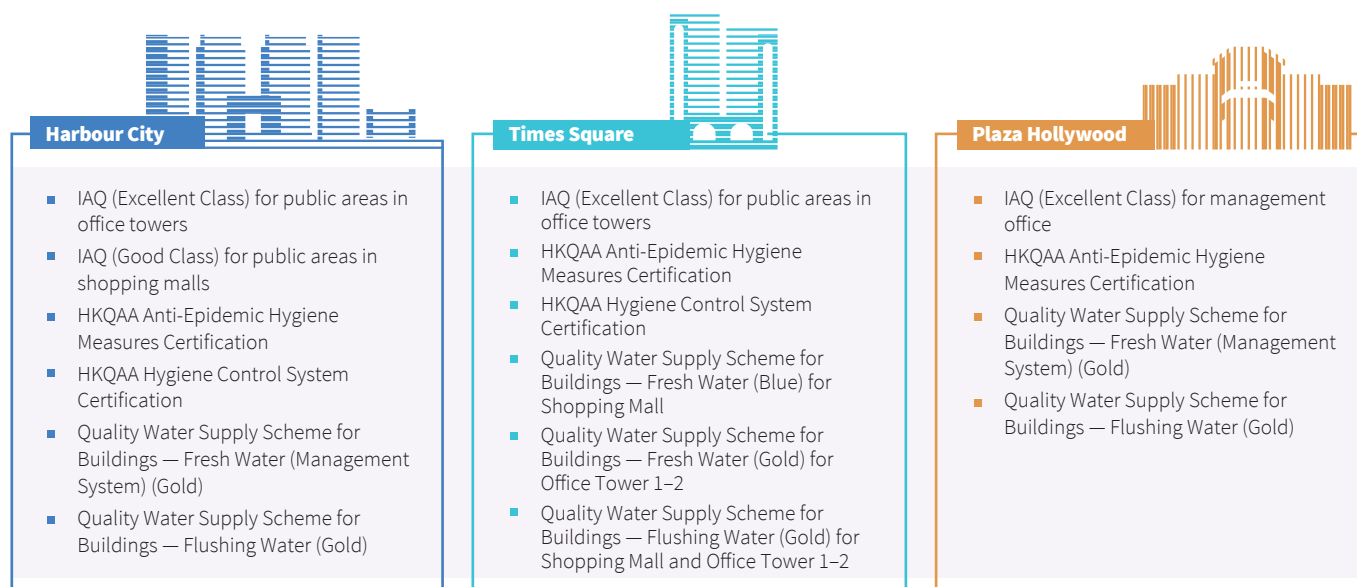
demonstrating the standard fire extinguishing and evacuation procedures. Our BUs also conducted fire drills for employees to facilitate cooperative response in emergency situations. On another front, daily patrol is performed to clear any blockage of the fire escape route. Annual maintenance and regular inspection are also carried out to ensure fire safety equipment is in good standby conditions with no signs of damage.

In maintaining our premise and facility safety, we engage an independent certified structural engineer to examine the structural integrity of decorations and exhibitions in our shopping malls. Our internal building inspectors and security guards also lead the inspection daily to ensure customer safety.



Considering the growing concerns of indoor air quality by our customers, our BUs strive to maintain indoor air quality and obtained various Indoor Air Quality Certificates from EPD's Indoor Air Quality ("IAQ") Information Centre to demonstrate our achievements.

Premises and Facility Safety Certifications





To ensure customer safety and wellbeing within our properties, we have employed effective crowd management and control measures such as setting up barricades for pedestrians during special events and arranging well-trained event securities in public areas to handle any crisis. We also conduct pre-event planning and post-event evaluations to examine the effectiveness of our crowd control measures. During renovations in our properties, hoardings are placed around the boundary of work areas to avoid potential risks to the building users and the public. We also conducted spot checks to ensure renovations pose no safety risks to our tenants and the public.

Furthermore, we have already installed a refuse compactor at Ocean Terminal to improve waste control and management and give a clean and hygienic shopping environment to our shoppers.



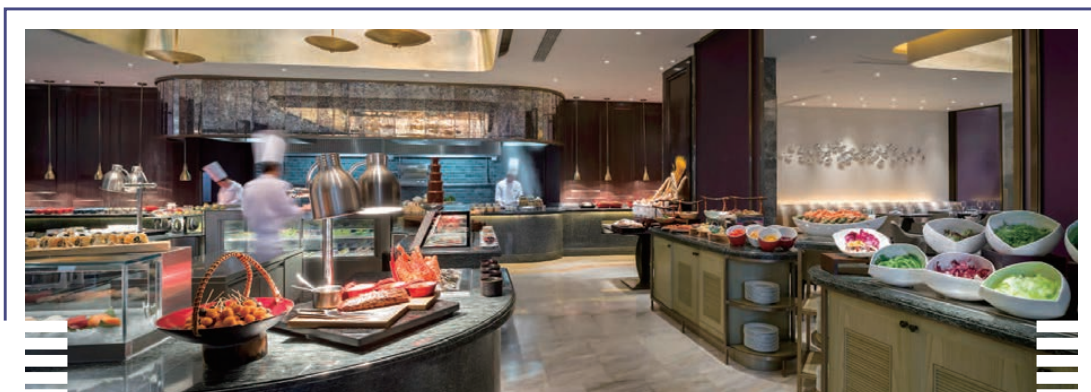
Food Safety

Food quality and safety control are of paramount importance to our businesses. We strictly adhere to applicable standards including nutrition and food allergy labelling regulations for all pre-packed food products and the Food Safety Ordinance (Cap. 612 of the laws of Hong Kong), and adopt industry best practices. Our management approach follows the international standard ISO 22000 Food Safety Management System and/or the Hazard Analysis and Critical Control Points ("HACCP")-based Food Safety Management System. We also implement microbial testing system to monitor and control quality of food, water, ice and environmental swab, and prevent food contamination.

At Marco Polo Hotels, our hygiene managers are dedicated to maintaining high standards of food safety and hygiene. They collaborate with the Purchasing and Culinary departmental representatives and review the performance of high-risk food supplies on a monthly basis to assure no inconsistencies in our food quality. In order to uphold the highest food safety and quality standards, we will terminate the suppliers' contract if their performance falls short of our supplier expectation during the inspection.

During the year, Marco Polo Hotels in Hong Kong organised food hygiene trainings for employees to increase their knowledge and awareness of food safety, including the food hygiene standards, food allergies and pest control. The Group also conducted inspections at food and beverage outlets in shopping malls. The inspections placed emphasis on rodent control treatment and hygiene level of kitchens and lavatories. We request corrective actions from relevant parties if any deficiencies are identified throughout our inspection processes.

In 2020, there was no violation of food safety-related regulations and voluntary codes that resulted in a fine or penalty.



BUSINESS-IN- COMMUNITY



BUSINESS-IN-COMMUNITY

UNSDGs addressed in this chapter



Material topics addressed in this chapter

IMPACT ASSESSMENT ON LOCAL COMMUNITIES

Commitment and Strategy HKEX KPI 8.1

The Group strives to deliver positive impacts and help our community to thrive while developing our business. We understand the needs from local community through constant engagement and support them with a wide array of community investment programmes. Focusing on youth development, arts and cultural development, and social welfare, we provide support in forms of monetary donations, venue sponsorship, volunteering and creation of employment opportunities. In view of the ageing population in Hong Kong, we also promote happy ageing initiatives to improve quality of life for the elderly.

In 2020, we continued to receive accolades including the Caring Company Logos¹³ by the Hong Kong Council of Social Service and the Social Capital Builder Logo Award¹⁴ by the Labour and Welfare Bureau's Community Investment and Inclusion Fund for our efforts in creating shared value with the community.

Number of events and activities¹⁵ advocating for economic development, social welfare, education, sports, environmental protection and health

146



¹³ Please refer to Major Awards, Charters and Memberships for more details.

¹⁴ Please refer to Major Awards, Charters and Memberships for more details.

¹⁵ The reported contribution is related to volunteer service, venue sponsorship and in-kind donations to charitable organisations, by the Group's Hong Kong operations and Mainland China operations under the scope of the Report.

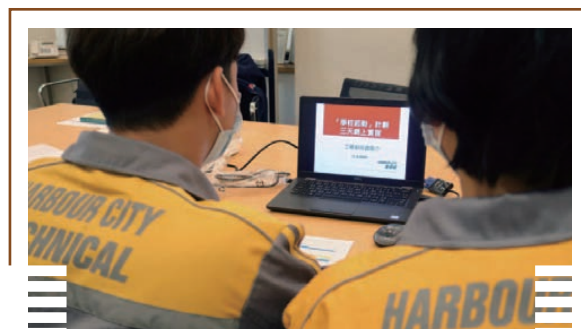
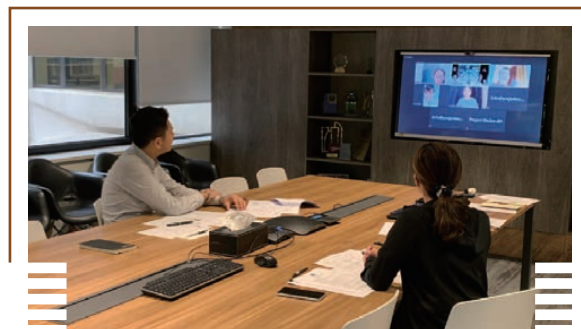
Project WeCan (“WeCan”)

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

Launched in 2011, Project *WeCan* aims to provide students who are disadvantaged in learning with opportunities and programmes that will engage them and enhance their exposure. The programme links up the partner organisations with participating secondary schools for financial and volunteer support. In May 2020, the Project *WeCan* Foundation was registered as a charitable organisation under Section 88 of the Inland Revenue Ordinance.

The pandemic outbreak did not deter our support for the participating schools and students. Many of *WeCan*’s joint-school activities have been moved online, like the Career Exploration Day, the first round of which was organised in November 2020. This was the first time where ‘job tasters’ were conducted online. Participating students, with the aid of material packs provided, could have a taste of a particular job role via interactive online activities. Other online sessions such as career consultations, talks and mock interviews were also arranged to support students’ career planning.

The Job Tasting Programme 2020 was also offered online to students as a one-week virtual internship experience. Participating students went through the normal application procedures,



including the preparation of a resume and covering letter, as well as the online panel interview. The Programme enabled students to understand more about the operations and background of different companies, and to have a taste of the jobs they applied for by meeting their supervisors online and completing short assignments as in real work environment. Over 150 students from 34 schools joined the Programme with the support from 17 partner organisations.



WeCan also launched the first English *WeCan* Online Programme in collaboration with The Education University of Hong Kong. Around 500 junior form students from 66 secondary schools completed the 100-hour learning course. Their learning outcomes were showcased through drama, singing, speech and presentations in an online Grand Finale where teachers and parents were present to support.

OVERVIEW OF PROJECT *WECAN*

Partner schools of the programme

11
SCHOOLS
IN 2011

76
SCHOOLS
IN 2020



Students benefited from the programme

10,000
STUDENTS
IN 2011

OVER **75,000**
STUDENTS
IN 2020



Number of partner schools supported by the Group

15
SCHOOLS

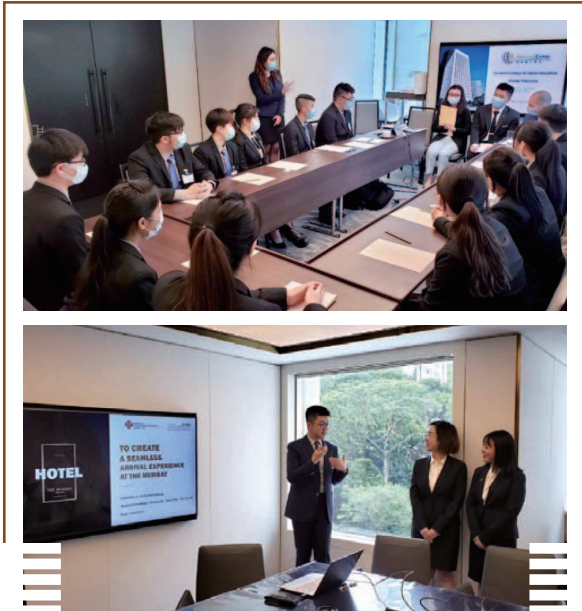


Youth Development

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

Youth is the major future force in economy and for community development. Supporting youth development has hence remained as one of the priorities in our community work.

The Group regularly organises tours and career talks for students from secondary schools, tertiary institutions and other educational institutions. Apart from participating in the tertiary institutions' online career fairs, the Group also actively offers career advice through consultancy projects in the Chinese University of Hong Kong and the Hong Kong Polytechnic University, as well as hotel internship placement to tertiary education students.



The Group not only helps students in mainstream schools, but also cares about the youth with special needs. For instance, in collaboration with Lutheran School for the Deaf, Harbour City arranged a five-day summer job tasting programme for four Form 6 students suffering from severe hearing loss, providing them with vocational training for future career planning while promoting social inclusion.



In addition, Investment Properties in Hong Kong organised the iPlan Mentorship Programme to provide mentoring support for students from a *WeCan* Partner school, Yan Oi Tong Chan Wong Suk Fong Memorial Secondary School. Collaborated with ELCHK Youth Career Development Service, the programme was designed to encourage students stepping out of their comfort zone and planning on their future career with mentors' guidance. Volunteering activities and company visits were arranged for the participating students. The third iPlan Mentorship Programme was successfully completed and the fourth one is underway.



Arts and Culture

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

We endeavour to nurture young artists and promote art and culture in the community. Since 2011, The Wharf Young Art Programme has been supporting the younger generation to unleash their creativity and nurture their interest in arts and culture. Through an array of programmes, the Group aims to further promote the art development in Hong Kong.

The Wharf Young Art Ambassadors

The Wharf Young Art Ambassadors programme promotes art education by organising art-related activities for all participants of The Wharf Hong Kong Secondary School Art Competition. In 2020, most of the activities and workshops went online, including docent tours, artist sharings and drawing challenges. We hope to widen the exposure of students in the art and cultural field. 15 activities were organised with over 730 person-time of participation recorded. More information and updates of our upcoming events are available on our Facebook page: <https://www.facebook.com/Wharf.ART/>.



Art Exhibitions

The Group is committed to supporting the promotion of arts and culture. Despite the outbreak of COVID-19, we hope the students can continue to learn arts and culture without hindrance. To this end, most of the art exhibitions were held online in 2020, and students were still enthusiastic to participate in these virtual activities.



In collaboration with the Hong Kong Museum of Art, the 2019/20 edition of the “The Wharf Hong Kong Secondary School Art Competition” added the Sculpture category and the “Museum and the City” Special Award to offer students the chance to create using different mediums. The Wharf Art Scholarship Scheme provides financial aids for students selected from the top 18 entrants of the Competition to undertake a bachelor programme in creative art. In 2020, the two scholarship awardees were admitted to the University of the Arts London for pursuing their studies.

Architectural Design Internship Programme

On the other hand, the Architectural Design Internship Programme aims to foster local architectural talent. The Programme provides placement opportunities for local architecture graduates to learn state-of-the-art architectural design practices in renowned international architectural firms. To date, the Group has awarded 35 outstanding architectural postgraduates and 31 of them have already completed internship in international architectural firms around the globe.

CASE STUDY

10TH ANNIVERSARYFOR THE WHARF GROUP'S
COMMUNITY INVESTMENT
PROGRAMMES

In 2011, the Group established the concept of “Business-in-Community” to advocate the businesses to reach out to the community beyond the “cheque-book philanthropy”. The Group has collaborated with companies, organisations and individuals from a wide array of industries and mobilised our employees to participate in volunteer works and understand the actual needs from the community.

The Group launched three major programmes, including Project *WeCan*, the Wharf Hong Kong Secondary School Art Competition and the Architectural Design Internship Programme, to support youth development while promoting arts and culture. All three programmes have been well received and recognised since their inception and 2020 marks the 10th anniversary for these programmes.



To celebrate our milestone, Project *WeCan* organised the 10th Anniversary Logo Design Competition for students to join, hoping to promote the spirit of care, inheritance and Business-in-Community. On the other hand, selected awardees from the Architectural Design Internship Programme and The Wharf Art Scholarship Scheme formed a team to represent The Wharf Group to participate in the 17th Venice Biennale International Architecture Exhibition. This collaboration connected talents from the two programmes and reflected our full support in youth development.

Going forward, the Group will continue to create shared value by stepping up our effort in community investment and collaborate with NGOs appropriately for amplified impacts.



Healthy and Happy Aging

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

Ageing population is an urging social issue in Hong Kong. The Group reckons the importance of proper care for the elderly and improving their quality of life. As such, we organised a series of activities to promote healthy and happy ageing.

The “Star” Ferry Free Ride Activities

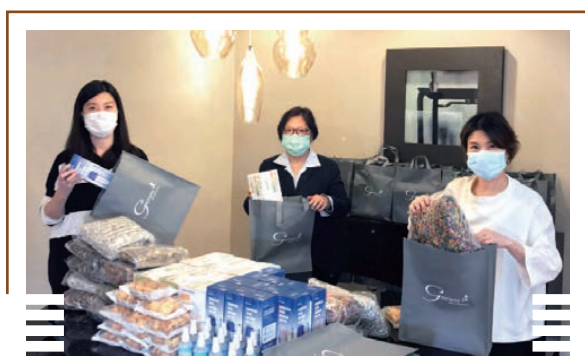
Since 1992, The “Star” Ferry has been providing free ferry rides for passengers who aged 65 or above and hold Hong Kong Senior Citizen Cards. Non-Hong Kong residents using Personalised Octopus Cards or Elder Octopus Cards and equivalent proofs of age are also eligible. From 2008 onwards, we have provided free ferry rides to over 17 million passengers with the fare forgone exceeding HK\$45 million.

We are also cautious of the needs of senior people during their ferry experience. We provide priority seats in both ferries and waiting concourses at the piers. We have also installed call bells for wheelchair users to enhance the accessibility of our ferry facilities and services.



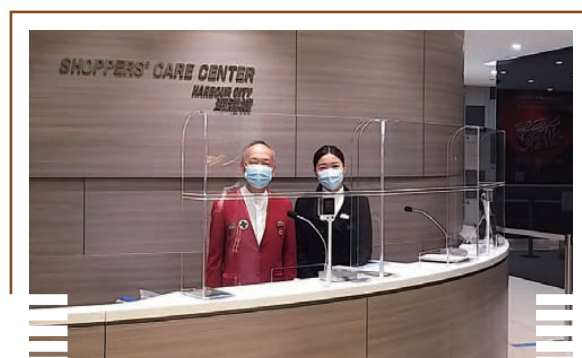
Knitting for the Elderly

Partnering with The Salvation Army, Gateway Apartments has organised the Charity Knitting Event for the eighth consecutive year. 23 employees and 5 residents volunteered to knit 105 scarves with donation of some sanitising items for the elderly in The Salvation Army Nam Tai Centre for Senior Citizens.



Bright Senior Ambassador Programme

Encouraging re-employment of retired citizens to extend their contribution to the society, Investment Properties in Hong Kong launched the Bright Senior Ambassador (“BSA”) programme in 2010. These ambassadors handle enquiries and provide assistance to shoppers in our three shopping malls. To date, we have employed over 100 ambassadors, helping them to sustain rewarding working lives.



Community Care

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

Being a part of the community, the Group strives to organise and participate in community caring and charity activities to fulfil our corporate philanthropic responsibility. We also encourage our tenants and customers to join us in caring for the community. In addition to community caring and charity activities, the Group also sponsors venue and advertising space as well as TV walls’ air time for charitable events and promotions. In 2020, we provided 16 venue sponsorship and 61 video wall and advertising space sponsorship for charitable events.



Coastline Recovery and Mai Po Nature Reserve @ WWF — Hong Kong

Coastline Recovery is a coastal clean-up activity organised by WWF — Hong Kong, during which volunteers of Investment Properties in Hong Kong cleaned up the shoreline in Tai Po and collected marine waste data. Another volunteer activity was organised in Mai Po to remove harmful invasive species for native wetland ecosystem balance. Mai Po Wetland is a natural reserve that hosts millions of migratory waterbirds and serves as a natural defence to combat climate-related disaster.



Pen Pal with Ethnic Minority Children @ BGCA

Investment Properties in Hong Kong worked with The Boys' and Girls' Clubs Association of Hong Kong ("BGCA") to help ethnic minority children integrate into our community. To nurture their interest and ability in reading and writing Chinese, our staff and volunteers were paired up with ethnic minority primary school students from community centres of BGCA and exchanged letters with them regularly.



Hotmeal Distribution @ ImpactHK

The Murray partnered with ImpactHK to distribute nutritious hot meals to homeless people and other beneficiaries at Tai Kok Tsui. 33 staff volunteers were engaged for 10 days to distribute hot meals and offer some nutritional advice to educate the beneficiaries.



LOOKING FORWARD

The Group is dedicated to continuously improving our sustainability performance through enhancing our management capability and innovative sustainability initiatives. We will endeavour to intensify our sustainability data disclosure to meet our stakeholders' needs, and work with them to create positive and sustainable value for the wider community.

APPENDIX

PERFORMANCE DATA

SUMMARY

GRI 102-48



Key for Data Performance Table

Operation	Location	Business Unit	Acronym
Investment Properties	Hong Kong	<ul style="list-style-type: none">Harbour CityTimes SquarePlaza Hollywood	WEL
		<ul style="list-style-type: none">Wheelock House**	WH
		<ul style="list-style-type: none">Crawford House**	CH
	Singapore	<ul style="list-style-type: none">Wheelock Place*Scotts Square*	WESPL
Leisure and Hospitality	Hong Kong	<ul style="list-style-type: none">The MurrayPrince HotelGateway HotelMarco Polo Hongkong HotelPacific ClubGateway Apartments	Collectively as “HK Hospitality”
		Mainland China	<ul style="list-style-type: none">Marco Polo Changzhou
	Logistics	Hong Kong	<ul style="list-style-type: none">The “Star” Ferry

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

* Wheelock Place and Scotts Square in Singapore are newly added to the 2020 reporting scope.

** 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 ¹⁶			Emission From Vehicles and Others ¹⁷		
	2020	2019	2018	2020	2019	2018
NO _x	47.115	48.712	50.072	0.085	0.122	0.168
SO _x	0.036	0.038	0.040	0.0005	0.001	0.001
PM	1.227	1.248	1.243	0.0002	0.0005	0.0046

16 Air emissions refer to the release of air pollutants namely nitrogen oxides (“NO_x”), sulphur oxides (“SO_x”) and particulate matter (“PM”). Emission from ferries 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.

17 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.

Energy Consumption

Energy consumption by source in GJ¹⁸ (GRI) 302-1, (HKEX) A2.1

		Investment Properties				Leisure and Hospitality		Logistics	Total
		WEL	CH	WH	WESPL	HK Hospitality	MPCZ	SF	
Diesel oil	2020	125	0	7	0	19	4	0	155
	2019	405	0	8	N/A	41	4	0	458
	2018	235	0	7	N/A	3	10	0	255
Unleaded petrol	2020	0	0	0	0	132	32	0	164
	2019	0	0	0	N/A	225	157	0	382
	2018	0	0	0	N/A	251	230	0	481
Liquefied petroleum gas ("LPG")	2020	0	0	0	0	38	0	0	38
	2019	0	0	0	N/A	40	0	0	40
	2018	0	0	0	N/A	84	0	0	84
Marine gas oil	2020	0	0	0	0	0	0	41,068	41,068
	2019	0	0	0	N/A	0	0	50,026	50,026
	2018	0	0	0	N/A	0	0	52,302	52,302
Towngas	2020	0	0	0	0	20,516	0	0	20,516
	2019	0	0	0	N/A	28,874	0	0	28,874
	2018	0	0	0	N/A	29,429	0	0	29,429
Piped natural gas ("PNG")	2020	0	0	0	0	0	6,711	0	6,711
	2019	0	0	0	N/A	0	13,477	0	13,477
	2018	0	0	0	N/A	0	15,590	0	15,590
Purchased electricity	2020	520,086	11,142	13,222	32,679	106,875	16,138	3,100	703,242
	2019	558,416 ¹⁹	14,544	13,804	N/A	142,085	24,576	3,273	756,698
	2018	569,537 ¹⁹	13,964	13,707	N/A	145,181	24,874	3,239	770,502
Energy Total	2020	520,211	11,142	13,229	32,679	127,580	22,885	44,168	771,894
	2019	558,821	14,544	13,812	N/A	171,265	38,214	53,299	849,955
	2018	570,283 ²⁰	13,964	13,714	N/A	174,948	40,704	55,541	869,154

Energy intensity (GRI) 302-3, CRE-1, (HKEX) KPI A2.1

Energy Intensity (GJ/unit)			
		2020	2019
			2018
By number of employee		277.36	295.12
			291.86
By revenue (HK\$ million)		49.75	52.98
			54.32

18 2020 energy conversion factors used for diesel oil, unleaded petrol, LPG and gas oil are from CDP Technical Note: Conversion of fuel data to MWh. 2020 energy conversion factor used for PNG is from 2012 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting. Energy consumption of towngas was calculated based on formula provided by The Hong Kong and China Gas Company Limited.

19 WEL's 2018 and 2019 electricity consumption are restated to reflect actual situation in Harbour City and Times Square.

20 Also included 511 GJ of self-generated solar energy in 2018.

GHG Emissions²¹

GHG Emissions in Tonnes CO₂e (GRI) 305-1, 305-2, (HKEX) KPI A1.2

		Direct (Scope 1 ²²) GHG Emissions			Indirect (Scope 2 ²³) GHG Emissions		
		2020	2019	2018	2020	2019	2018
Investment Properties	WEL	1,636	410	439	63,490	87,915 ²⁴	89,320 ²⁴
	CH	0	0	0	2,198	3,232	3,064
	WH	0.47	1	1	2,608	3,068	3,008
	WESPL	1,587	N/A	N/A	3,708	N/A	N/A
Leisure and Hospitality	HK Hospitality	1,239	1,747	1,734	15,061	24,290	24,608
	MPCZ	411	833	968	3,154	4,803	4,861
Logistics	SF	3,397	4,158	4,326	474	605	588
Total		8,270	7,149	7,468	90,693	123,913	125,449

GHG Intensity (GRI) 305-4, CRE-3, (HKEX) KPI A1.2

GHG Intensity (tonnes CO ₂ e/unit)			
	2020	2019	2018
By number of employee	35.56	45.51	44.63
By revenue (HK\$ million)	6.38	8.17	8.31

Water Consumption

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

		Municipal Water (m ³)			Recycled Water (m ³)		
		2020 ²⁵	2019	2018	2020	2019	2018
Investment Properties	WEL	389,407	487,975	393,781	0	0	0
	CH	26,676	26,394	23,383	0	0	0
	WH	18,349	21,388	17,876	0	0	0
	WESPL	42,628	N/A	N/A	35,434	N/A	N/A
Leisure and Hospitality	HK Hospitality	255,680	373,998	389,447	0	0	0
	MPCZ	47,000	79,070	84,170	0	0	0
Logistics	SF	6,223	6,215	6,647	0	0	0
Total		785,963	995,040	915,304	35,434	0	0

Water intensity (GRI) CRE-2, (HKEX) KPI A2.2

Water Intensity (m ³ /unit)			
	2020	2019	2018
By number of employee	295.15	345.50	307.36
By revenue (HK\$ million)	52.94	62.02	57.21

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

22 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, gas oil, towngas, 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. Emission from combustion of PNG is calculated based on 2012 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting.

23 2020 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and towngas consumed by the Group, and are 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 emission by electricity purchased in China in this report is calculated based on China Eastern grid emission factor in 2011年和2012年中國區域電網平均二氧化碳排放因子. GHG emission by electricity purchased in Singapore in this report is calculated based on grid emission factor from Energy Market Authority of the Singapore Government.

24 WEL's 2018 and 2019 Scope 2 emissions are restated to reflect actual electricity consumption in Harbour City and Times Square.

25 Water consumption of WEL, HK Hospitality and SF in 2020 are based on data source from available water bills only.

Waste Management^{26 27}

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	WESPL	HK Hospitality ²⁸	MPCZ	SF	
(1) General refuse to landfill	2020	7,919.38	82.52	100.27	N/A	1,349.85	35.54	394.91	9,882.47
	2019	12,162.01	94.05	169.61	N/A	2,560.95	60.51	727.25	15,774.38
	2018	14,766.93	120.23	262.05	N/A	6,183.60	56.67	900.45	22,289.93
(2) Incinerated waste	2020	N/A	N/A	N/A	800.24	N/A	82.92	N/A	883.16
	2019	N/A	N/A	N/A	N/A	N/A	141.19	N/A	141.19
	2018	N/A	N/A	N/A	N/A	N/A	129.89	N/A	129.89
(3) Waste collected for recycling									
Non-hazardous waste									
Waste paper	2020	1,130.70	2.03	3.02	34.37	49.96	2.84	11.48	1,234.40
	2019	1,504.42	7.56	14.43	N/A	200.90	7.77	11.66	1,746.74
	2018	1,443.59	18.52	36.72	N/A	233.71	10.60	11.90	1,755.04
Plastics	2020	2.51	0.05	0.22	0.33	0.85	2.21	0.09	6.26
	2019	3.28	0.10	0.19	N/A	1.55	3.82	0.08	9.02
	2018	2.46	0.28	0.21	N/A	0.90	3.84	0.07	7.76
Metals	2020	35.20	0.01	0.01	0.37	1.21	0.44	0.11	37.35
	2019	43.24	0.16	0.00	N/A	1.80	0.97	0.13	46.30
	2018	34.30	0.17	0.00	N/A	2.41	2.66	0.13	39.67
Food waste	2020	267.09	N/A	N/A	16.76	10.18	151.93	N/A	445.96
	2019	381.54	N/A	N/A	N/A	96.28	355.23	N/A	833.05
	2018	310.10	N/A	N/A	N/A	60.17	226.70	N/A	596.97
Glass	2020	1.50	0.00	0.00	0.61	16.07	3.16	0.00	21.34
	2019	25.47	0.00	0.00	N/A	42.47	4.06	0.00	72.00
	2018	17.16	0.00	0.00	N/A	26.58	10.24	0.00	53.98
Soap	2020	N/A	N/A	N/A	N/A	0.08	0.00	N/A	0.08
	2019	N/A	N/A	N/A	N/A	0.32	0.00	N/A	0.32
	2018	N/A	N/A	N/A	N/A	0.51	0.00	N/A	0.51
Clothes	2020	0.00	0.00	0.00	0.00	0.65	0.00	0.00	0.65
	2019	0.00	0.00	0.00	N/A	1.53	0.00	0.00	1.53
	2018	0.00	0.00	0.00	N/A	2.01	0.00	0.00	2.01
Hazardous waste									
Waste cooking oil	2020	3,231.43	N/A	N/A	0.00	4.91	0.82	N/A	3,237.16
	2019	5,111.96	N/A	N/A	N/A	8.42	1.23	N/A	5,121.61
	2018	4,146.45	N/A	N/A	N/A	10.26	0.54	N/A	4,157.25
Waste industrial oil	2020	N/A	N/A	N/A	N/A	N/A	N/A	2.52	2.52
	2019	N/A	N/A	N/A	N/A	N/A	N/A	3.93	3.93
	2018	N/A	N/A	N/A	N/A	N/A	N/A	4.09	4.09
Other	2020	3.45	0.00	0.08	0.64	1.69	0.00	1.08	6.94
	2019	35.63	0.00	0.00	N/A	1.84 ²⁹	0.00	0.45	37.92
	2018	33.45	0.40	0.31	N/A	8.12	0.00	2.67	44.95
Grand total	2020	12,591.26	84.61	103.60	853.32	1,435.45	279.86	410.19	15,758.29
(1) + (2) + (3)	2019	19,267.55	101.87	184.23	N/A	2,916.06	574.78	743.50	23,787.99
	2018	20,754.44	139.60	299.29	N/A	6,528.27	441.14	919.31	29,082.05

26 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.

27 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.

28 General refuse data for Gateway Apartments has been included in WEL's (i.e. Harbour City) figure. 2018 general refuse for HK Hospitality are therefore restated after subtracting the amount arisen from Gateway Apartments.

29 Data is restated to include waste cartridge arising from Marco Polo Hongkong Hotel.

Materials Used³⁰

Material used by type (tonnes) (GRI) 301-1, (HKEX) A2.5

		Investment Properties				Leisure and Hospitality		Logistics	Total
		WEL	CH	WH	WESPL	HK Hospitality	MPCZ	SF	
Refrigerants	2020	1.14	0.00	0.00	1.11	0.08	0.00	0.00	2.33
	2019	0.27	0.00	0.00	N/A	0.09	0.00	0.01	0.37
	2018	0.30	0.00	0.00	N/A	0.09	0.00	0.00	0.39
Paper	2020	87.95	0.05	0.16	1.28	17.15	2.89	0.53	110.01
Plastics	2020	N/A	N/A	N/A	N/A	4.78	1.52	N/A	6.30



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	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	422	35	725	85	250	1,517
	Female	473	42	636	94	21	1,266
	Full time	773	61	1,353	179	271	2,637
	Part time	122	16	8	0	0	146
	Permanent	851	61	1,323	0	271	2,506
	Fixed Term	42	0	38	179	0	259
	Temporary	2	16	0	0	0	18
2019	Male	407	N/A	830	99	247	1,583
	Female	448	N/A	702	125	22	1,297
	Full time	741	N/A	1,514	224	268	2,747
	Part time	114	N/A	18	0	1	133
	Permanent	821	N/A	1,481	15	269	2,586
	Fixed Term	32	N/A	48	202	0	282
	Temporary	2	N/A	3	7	0	12
2018	Male	390	N/A	868	128	252	1,638
	Female	424	N/A	743	136	37	1,340
	Full time	712	N/A	1,601	264	266	2,843
	Part time	102	N/A	10	0	23	135
	Permanent	782	N/A	1,564	17	289	2,652
	Fixed Term	30	N/A	46	247	0	323
	Temporary	2	N/A	1	0	0	3

30 Materials used is a newly collected item in 2020. Paper and plastics for business general use and for packaging material use are included.

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

		Investment Properties		Leisure and Hospitality		Logistics	Total
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	391	30	707	0	250	1,378
	Female	460	31	616	0	21	1,128
2019	Male	381	N/A	796	8	247	1,432
	Female	440	N/A	685	7	22	1,154
2018	Male	361	N/A	838	9	252	1,460
	Female	421	N/A	726	8	37	1,192

Gender, age, group and minority group distribution of all employees by employment category³¹ in 2020 **GRI** 405-1, **HKEX** KPI B1.1

			Male	Female	Below 30	30-50	51 or above	Minority group ³³	Non-minority group
Investment Properties	WEL	Senior management	50.0%	50.0%	0.0%	50.0%	50.0%	0.0%	100.0%
		Middle management	54.9%	45.1%	0.0%	85.3%	14.7%	0.0%	100.0%
		General Staff	46.1%	53.9%	28.5%	50.7%	20.8%	0.0%	100.0%
	WESPL	Senior management	33.3%	66.7%	0.0%	33.3%	66.7%	0.0%	100.0%
		Middle management	25.0%	75.0%	0.0%	71.4%	28.6%	3.6%	96.4%
		General Staff	58.7%	41.3%	32.6%	34.8%	32.6%	52.2%	47.8%
Leisure and Hospitality ³²	HK Hospitality	Senior management	64.7%	35.3%	0.0%	50.0%	50.0%	41.2%	58.8%
		Middle management	61.8%	38.2%	3.5%	75.7%	20.8%	2.1%	97.9%
		General Staff	51.9%	48.1%	20.2%	53.0%	26.8%	6.8%	93.2%
	MPCZ	Senior management	60.0%	40.0%	0.0%	100.0%	0.0%	0.0%	100.0%
		Middle management	50.0%	50.0%	0.0%	100.0%	0.0%	10.0%	90.0%
		General Staff	47.0%	53.0%	22.0%	59.1%	18.9%	1.2%	98.8%
Logistics	SF	Senior management	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Middle management	71.4%	28.6%	14.3%	57.1%	28.6%	0.0%	100.0%
		General Staff	92.8%	7.2%	6.8%	17.0%	76.1%	0.8%	99.2%
Overall	Senior management		60.0%	40.0%	0.0%	54.0%	46.0%	28.0%	72.0%
	Middle management		55.7%	44.3%	2.1%	79.0%	18.9%	1.7%	98.3%
	General Staff		54.3%	45.7%	21.8%	48.4%	29.8%	4.5%	95.5%

31 This information is derived from BU's own human resources system.

32 The employment categorisation in Leisure and Hospitality is reviewed and revised in 2019.

33 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^{34 35} [GRI] 401-1

		Investment Properties		Leisure and Hospitality		Logistics	Total
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	50 (12%)	3 (9%)	120 (17%)	19 (22%)	33 (13%)	225 (15%)
	Female	81 (17%)	1 (2%)	93 (15%)	15 (16%)	0 (0%)	190 (15%)
	Below 30	70 (31%)	0 (0%)	82 (34%)	18 (50%)	11 (58%)	181 (34%)
	30-50	40 (8%)	4 (11%)	88 (12%)	14 (13%)	13 (27%)	159 (11%)
	51 or above	21 (12%)	0 (0%)	43 (12%)	2 (6%)	9 (4%)	75 (9%)
2019	Male	64 (16%)	N/A	187 (23%)	44 (44%)	50 (20%)	345 (22%)
	Female	104 (23%)	N/A	178 (25%)	26 (21%)	3 (14%)	311 (24%)
	Below 30	86 (39%)	N/A	123 (37%)	32 (54%)	10 (48%)	251 (40%)
	30-50	61 (13%)	N/A	178 (21%)	33 (26%)	8 (22%)	280 (19%)
	51 or above	21 (13%)	N/A	64 (18%)	5 (13%)	35 (17%)	125 (16%)
2018	Male	63 (16%)	N/A	279 (32%)	71 (55%)	56 (22%)	469 (29%)
	Female	101 (24%)	N/A	239 (32%)	81 (60%)	15 (41%)	436 (33%)
	Below 30	94 (47%)	N/A	177 (46%)	91 (96%)	18 (67%)	380 (54%)
	30-50	54 (12%)	N/A	269 (30%)	49 (36%)	14 (41%)	386 (25%)
	51 or above	16 (10%)	N/A	72 (22%)	12 (35%)	39 (17%)	139 (19%)

Regional distribution of new employee hires in numbers and percentage [GRI] 401-1, [HKEX] KPI B1.2

	Hong Kong SAR	Mainland China	Singapore	Total
2020	377 (15%)	34 (19%)	4 (5%)	415 (15%)
2019	586 (24%)	70 (21%)	N/A	656 (23%)
2018	753 (28%)	152 (58%)	N/A	905 (30%)

Employee Turnover

Gender and age distribution of employee turnover in number and percentage³⁶ [GRI] 401-1, [HKEX] KPI B1.2

		Investment Properties		Leisure and Hospitality		Logistics	Total
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	55 (13%)	8 (23%)	251 (35%)	40 (47%)	35 (14%)	389 (26%)
	Female	86 (18%)	4 (10%)	193 (30%)	51 (54%)	2 (10%)	336 (27%)
	Below 30	75 (33%)	1 (7%)	175 (72%)	51 (142%)	5 (26%)	307 (57%)
	30-50	43 (9%)	6 (16%)	161 (21%)	30 (27%)	7 (14%)	247 (17%)
	51 or above	23 (13%)	5 (20%)	108 (30%)	10 (32%)	25 (12%)	171 (21%)
2019	Male	71 (17%)	N/A	287 (35%)	75 (76%)	72 (29%)	505 (32%)
	Female	123 (27%)	N/A	291 (41%)	69 (55%)	20 (91%)	503 (39%)
	Below 30	105 (48%)	N/A	196 (59%)	82 (139%)	18 (86%)	401 (64%)
	30-50	61 (13%)	N/A	285 (34%)	49 (39%)	21 (58%)	416 (28%)
	51 or above	28 (17%)	N/A	97 (27%)	13 (33%)	53 (25%)	191 (25%)
2018	Male	63 (16%)	N/A	299 (34%)	80 (63%)	52 (21%)	494 (30%)
	Female	163 (38%)	N/A	269 (36%)	86 (63%)	17 (46%)	535 (40%)
	Below 30	117 (58%)	N/A	150 (39%)	101 (106%)	16 (59%)	384 (54%)
	30-50	77 (17%)	N/A	305 (34%)	56 (41%)	9 (26%)	447 (29%)
	51 or above	32 (20%)	N/A	113 (34%)	9 (26%)	44 (19%)	198 (26%)

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

35 New hire-related data in 2019 and 2020 are derived using the total number of new hires that were still working at the BUs as of 31 December of the respective year in the category.

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

Regional distribution of employee turnover in numbers and percentage (GRI 401-1, HKEX KPI B1.2)

	Hong Kong SAR	Mainland China	Singapore	Total
2020	622 (25%)	91 (51%)	12 (16%)	725 (26%)
2019	864 (35%)	144 (44%)	N/A	1,008 (36%)
2018	863 (32%)	166 (63%)	N/A	1,029 (35%)

Parental leave – Return to work rate³⁷ (GRI 401-3)

	Investment Properties		Leisure and Hospitality		Logistics	Overall
	WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	100%	N/A	100%	100%	100%	100%
2019	100%	N/A	97%	100%	100%	98%
2018	100%	N/A	100%	100%	N/A	100%

Parental leave – Retention rate by gender³⁸ (GRI 401-3)

		Investment Properties		Leisure and Hospitality		Logistics	Overall
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	100%	N/A	80%	100%	100%	89%
	Female	88%	N/A	100%	75%	100%	89%
2019	Male	100%	N/A	94%	100%	100%	97%
	Female	80%	N/A	71%	100%	N/A	78%

Health and Safety

Injury rate by gender and by region per 1,000 employees^{39,40} (GRI 403-9)

		Investment Properties		Leisure and Hospitality		Logistics	Overall
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	24	0	40	35	16	30
	Female	19	0	50	0	95	34
2019	Male	15	N/A	46	20	32	34
	Female	13	N/A	51	24	0	35
2018	Male	21	N/A	69	47	16	48
	Female	17	N/A	65	29	0	44

	Hong Kong SAR	Mainland China	Singapore	Overall
2020	34	17	0	32
2019	38	15	N/A	35
2018	47	38	N/A	46

37 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 × 100%

38 Retention rate (in percentage) = Total number of employees that returned to work after parental leave ended that were still employed as of 31 December of the respective year in the category/Total number of employees took parental leave in the category × 100%

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

40 There was no incident of occupational disease recorded in Hong Kong, Mainland China and Singapore in 2020.

Lost day rate by gender and by region in percentage^{41 42} (GRI) 403-9, (HKEX) KPI B2.2

		Investment Properties		Leisure and Hospitality		Logistics	Overall
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	0.04%	0.00%	0.91%	0.96%	0.15%	0.53%
	Female	0.09%	0.00%	0.55%	0.00%	0.07%	0.33%
2019	Male	0.23%	N/A	0.71%	0.00%	0.17%	0.45%
	Female	0.16%	N/A	0.12%	0.02%	0.00%	0.12%
2018	Male	0.04%	N/A	0.24%	0.08%	0.03%	0.15%
	Female	0.06%	N/A	0.32%	0.10%	0.00%	0.21%

		Hong Kong SAR	Mainland China	Singapore	Overall
2020		0.45%	0.46%	0.00%	0.44%
2019		0.34%	0.01%	N/A	0.31%
2018		0.18%	0.09%	N/A	0.18%

Absentee rate by gender and by region in percentage^{42 43} (GRI) 403-9

		Investment Properties		Leisure and Hospitality		Logistics	Overall
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	1.23%	4.55%	1.98%	1.52%	1.79%	1.78%
	Female	2.01%	2.58%	2.26%	0.72%	1.63%	2.05%
2019	Male	2.03%	N/A	1.73%	0.17%	2.07%	1.75%
	Female	2.44%	N/A	1.54%	0.65%	1.49%	1.71%
2018	Male	1.70%	N/A	0.89%	0.59%	2.05%	1.27%
	Female	2.51%	N/A	1.87%	1.60%	0.88%	2.00%

		Hong Kong SAR	Mainland China	Singapore	Overall
2020		1.91%	1.10%	3.59%	1.90%
2019		1.86%	0.42%	N/A	1.73%
2018		1.62%	1.11%	N/A	1.58%

41 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 × 100%

42 Lost day rate and absentee rate of WEL in 2018 and 2019 were recalculated to reflect the actual situation.

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

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	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	67.1%	31.4%	88.7%	92.9%	52.4%	75.6%
	Female	53.1%	28.6%	78.3%	86.2%	23.8%	66.9%
	Senior management	87.5%	66.7%	70.6%	100.0%	0.0%	76.0%
	Middle management	68.6%	35.7%	85.4%	100.0%	85.7%	75.3%
	General staff	58.2%	23.9%	84.0%	88.4%	49.2%	71.1%
2019	Male	81.6%	N/A	87.2%	100.0%	94.3%	87.7%
	Female	77.7%	N/A	84.8%	100.0%	86.4%	83.8%
	Senior management	75.0%	N/A	70.3%	100.0%	100.0%	75.5%
	Middle management	83.3%	N/A	87.2%	100.0%	100.0%	86.8%
	General staff	79.1%	N/A	86.4%	100.0%	93.5%	86.1%

Average number of training hours per employee by gender and by employment category⁴⁴ **[GRI]** 404-1, **[HKEX]** KPI B3.2

		Investment Properties		Leisure and Hospitality		Logistics	Overall
		WEL	WESPL	HK Hospitality	MPCZ	SF	
2020	Male	15.1	1.1	25.0	5.4	3.6	17.1
	Female	3.0	2.8	25.2	4.5	0.8	14.2
	Senior management	14.3	16.4	4.6	7.3	0.0	7.1
	Middle management	5.6	2.7	24.4	15.5	6.3	15.0
	General staff	9.1	0.7	25.7	4.2	3.3	16.0
2019	Male	18.4	N/A	24.8	7.2	7.6	19.4
	Female	7.0	N/A	32.2	8.0	5.7	20.7
	Senior management	13.8	N/A	10.0	7.7	13.8	10.4
	Middle management	14.0	N/A	20.4	9.4	12.0	17.3
	General staff	12.2	N/A	29.6	7.5	7.3	20.4
2018	Male	22.1	N/A	27.1	19.4	8.7	22.5
	Female	8.7	N/A	26.1	21.2	3.2	19.5
	Senior management	24.4	N/A	20.0	16.1	4.0	20.2
	Middle management	9.2	N/A	27.9	12.3	8.7	20.1
	General staff	15.7	N/A	26.7	21.0	8.0	21.3

44 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 Recognitions

Organisers	Awards and Recognitions	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 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) 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
EarthCheck	Silver Certification	Marco Polo Hongkong Hotel and Marco Polo Changzhou
	Bronze Certification	The Murray
Environmental Campaign Committee	Hong Kong Awards for Environmental Excellence Certificate of Merit	Pacific Club and Gateway Apartments
	Hong Kong Green Organisation Certification — Green Organisation Label	Plaza Hollywood, Pacific Club, Gateway Apartments and The "Star" Ferry
	Hong Kong Awards for Environmental Excellence — Energywise Certificate	Times Square and The "Star" Ferry (Good Level); Harbour City and Gateway Apartments (Basic Level)
	Hong Kong Awards for Environmental Excellence — Wastewise Certificate — Excellent Level	Harbour City, Pacific Club, Gateway Apartments and The "Star" Ferry
Environment Bureau & Electrical and Mechanical Services Department	Energy Saving Championship Scheme — Outstanding RCx (Proposal) Award and RCx Merit Award	Harbour City
Building and Construction Authority	Green Mark for Building Award (Gold)	Wheelock Place
Promotion Happiness Index Foundation and The Chinese Manufacturers' Association of Hong Kong	Happy Company — 5 years plus	WEL and The "Star" Ferry
UNICEF	Breastfeeding Friendly Premises — Gold Label	WEL
	Breastfeeding Friendly Workplace	WEL, Harbour City, Times Square, Plaza Hollywood, Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
Labour and Welfare Bureau	Social Capital Builder Logo Award	Wharf REIC, WEL, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The "Star" Ferry
TripAdvisor	Travellers' Choice Winner 2020	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The "Star" Ferry
Forbes Travel Guide	Forbes Travel Guide 2020 — Recommended Hotel and Cucina Four-Star Restaurant	Marco Polo Hongkong Hotel
The Hong Kong Council of Social Service	List of Barrier-free Companies/Organisations	Harbour City, Times Square and Plaza Hollywood
Fair Trade Hong Kong	Fair Trade Award 2020 — Platinum Award	WEL
CTgoodjobs	The Best HR Awards 2020 — Best Corporate Social Responsibility Award (Gold)	The Murray
The Hong Kong Jockey Club Charities Trust	Jockey Club Age-friendly City Partnership Scheme	Wharf REIC and The "Star" Ferry
Hong Kong Economic Times	Shopping Mall Awards 2019-2020 — Top 10 Favorite Shopping Mall	Harbour City and Times Square
	Shopping Mall Awards 2019-2020 — "Top 25 My Favorite Shopping Malls Events"	Plaza Hollywood
Smart Travel Asia	Best of the Decade 2020 — Best New Hotels	The Murray
Weekend Weekly	Champion of the Most Popular Buffet Restaurant 2020	Gateway Hotel
Ctrip	2020 Most Recommended Hotel Award	Marco Polo Changzhou
Hong Kong Living	Hong Kong Living Awards 2020- Best Serviced Apartment Award	Gateway Apartments

Selected Memberships and Charters

Organisations	Nature of Memberships/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
	Joyful@Healthy Workplace Charter	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The "Star" Ferry
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
EO Club of Equal Opportunities Commission	Club Member/Member	WEL, Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel
Singapore Chamber of Commerce	Full Member/Member	Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The Murray
Labour Department	Occupational Safety Charter	WEL and The "Star" Ferry
	Good Employer Charter	WEL, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel and The "Star" Ferry
Environmental Bureau	Charter on External Lighting	Harbour City, Times Square, Plaza Hollywood and Pacific Club
Environmental Bureau & 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 & Carbon Audit Green Partner	Pacific Club
	Glass Container Recycling Charter	Harbour City, Times Square, Plaza Hollywood, Pacific Club and Gateway Apartments
Office of the Privacy Commissioner for Personal Data	Member	WEL
Real Estates Developers' Association of Singapore	Ordinary Member	WESPL
Singapore National Employee Federation	Corporate Member	WESPL
Quality Tourism Services Association	Corporate Member	The "Star" Ferry
Equal Opportunities Commission	The Racial Diversity & Inclusion Charters for Employers	Harbour City, Times Square, Prince Hotel, Gateway Hotel and Marco Polo Hongkong Hotel

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)
- Environmental Protection and Management Act (Cap. 94A of the laws of Republic of Singapore)

Aspect A2: Use of Resources

- Water Pollution Control Ordinance (Cap. 358 of the laws of Hong Kong)
- Energy Conservation Act 2012 (Cap. 92C of the laws of Republic of Singapore)

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
- Environmental Protection and Management Act (Cap. 94A of the laws of Republic of Singapore)

Social

Aspect B1: Employment and Aspect B4: Labour Standards

- 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
- The Employment Act (Cap. 91 of the laws of Republic of Singapore)

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
- Workplace Safety and Health Act (Cap. 354A of the laws of Republic of Singapore)

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)
- Consumer Protection (Trade Descriptions and Safety Requirements) Act (Cap. 53 of the laws of Republic of Singapore)
- 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)
- Prevention of Corruption Act (Cap. 241 of the laws of Republic of Singapore)


ALIGNMENT WITH THE RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In 2017, TCFD published a voluntary framework to assist organisations in disclosing climate-related risks and opportunities. The following table illustrates how the Group's public disclosure aligns with the TCFD recommendations under the four thematic areas of governance, strategy, risk management, and metrics and targets.

Disclosure Area	TCFD Recommended Disclosure	Information Disclosed by Wharf REIC	References
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	The Group has a strong and holistic sustainability governance structure to ensure adequate Board oversight of climate-related risks and strategies.	Board Statement, page 10
		Delegated by the Board, the Sustainability Steering Committee, with the support of the Divisional Sustainability Committee and the respective sustainability governance body in each BU identify, evaluate and mitigate the climate-related risks and opportunities.	Sustainability Governance, page 10
		The Group has formulated a Climate Change Policy to guide our work on combatting climate change and building our climate resilience and adaptive capacity.	Climate Change Policy Statement
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	The Group discloses the physical and transition risks, the associated financial and non-financial impacts posed on different BUs, coupled with potential risk mitigation measures.	Climate Risk and Resilience Management, page 18–19
		The Group has implemented a host of energy saving features in our BUs to reduce our GHG emissions and gradually decarbonise our business operations.	Energy and Greenhouse Gas Management, page 20–22
		In anticipation of the physical effects of climate change, the Group's assets introduce appropriate adaptation measures to increase our climate change preparedness.	Climate Risk and Resilience Management, page 18–19
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	The Group conducted a preliminary climate risk mapping exercise with all the BUs and identified physical and transition risks, potential impacts and corresponding mitigation measures.	Climate Risk and Resilience Management, page 18–19
		Climate-related risks are embedded into our enterprise risk management system to manage the risks, explore risk mitigation and propose management approaches in a more systematic manner.	Our Sustainability Approach, page 10–15
		Environmental management system is in place to identify and manage climate-related risks in our daily operations.	Co-living with the Nature — Commitment and Strategy, page 17
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Key climate-related metrics including GHG emissions (Scope 1 and Scope 2) are tracked regularly and disclosed in our annual sustainability report.	Energy and Greenhouse Gas Management, page 20–22
			Performance Data Summary, page 54–63
		We have already achieved the group-level electricity consumption reduction target in 2020 and renewed our environmental targets.	Co-living with the Nature — Commitment and Strategy, page 17
			Energy and Greenhouse Gas Management, page 20–22

GRI STANDARDS, HKEX ESG REPORTING GUIDE AND SASB STANDARDS CONTENT INDEX

Disclosures	HKEX ESG Guide	SASB Standards	Page Number/Remarks
102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation		Wharf Real Estate Investment Company Limited
102-2	Activities, brands, products, and services		About Our Business (page 7–9)
102-3	Location of headquarters		Hong Kong
102-4	Location of operations		About Our Business (page 7–9)
102-5	Ownership and legal form		Publicly listed company
102-6	Markets served		About Our Business (page 7–9)
102-7	Scale of the organisation	IF-RE-000.A, IF-RE-000.B	About Our Business (page 7–9)
102-8	Information on employees and other workers	KPI B1.1	Cultivating Our Employees (page 29–33)
102-9	Supply chain	KPI B5.1, B5.2, B5.3, B5.4	Partnering with Our Suppliers (page 33–34)
102-10	Significant changes to the organisation and its supply chain		About Our Business (page 7–9); Partnering with Our Suppliers (page 33–34)
102-11	Precautionary principle or approach		Our Sustainability Approach (page 10–15)
102-12	External initiatives		Major Awards, Charters and Memberships (page 64–65)
102-13	Membership of associations		Major Awards, Charters and Memberships (page 64–65)
Strategy			
102-14	Statement from senior decision-maker		Message from the Chairman (page 2–3)
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	KPI B7.2	Our Sustainability Approach (page 10–15)
Governance			
102-18	Governance structure		Our Sustainability Approach (page 10–15)
Stakeholder engagement			
102-40	List of stakeholder groups		Our Sustainability Approach (page 10–15)
102-41	Collective bargaining agreements		Collective bargaining agreements do not apply to the Group's operations
102-42	Identifying and selecting stakeholders		Our Sustainability Approach (page 10–15)
102-43	Approach to stakeholder engagement		Our Sustainability Approach (page 10–15)
102-44	Key topics and concerns raised		Our Sustainability Approach (page 10–15)

Disclosures		HKEX ESG Guide	SASB Standards	Page Number/Remarks
Reporting practice				
102-45	Entities included in the consolidated financial statements			2020 Annual Report: Independent Auditor's Report
102-46	Defining report content and topic boundaries			About This Report (page 4); Our Sustainability Approach (page 10–15)
102-47	List of material topics			Our Sustainability Approach (page 10–15)
102-48	Restatements of information			For information restated, we have put remarks in respective information to indicate the restatement and reason.
102-49	Changes in reporting			About This Report (page 4)
102-50	Reporting period			About This Report (page 4)
102-51	Date of most recent report			Published in May 2020, Sustainability Report 2019 is the most recent report.
102-52	Reporting cycle			Annual
102-53	Contact point for questions regarding the report			About This Report (page 4)
102-54	Claims of reporting in accordance with the GRI Standards			This report has been prepared in accordance with GRI Standards: Core option.
102-55	GRI content index			GRI Standards, HKEX ESG Reporting Guide and SASB Standards Content Index (page 68–73)
102-56	External assurance			Verification Statement (page 74)
	200: Economic			
201: Economic Performance 2016				
103	Management approach			About Our Business (page 7–9); 2020 Annual Report – Chairman's Statement
201-1	Direct economic value generated and distributed			About Our Business (page 7–9); 2020 Annual Report – Directors' Report
201-2	Financial implications and other risks and opportunities due to climate change	GD A4 KPI A4.1	IF-RE-450a.2	About Our Business (page 7–9); Climate Risk and Resilience Management (page 18–19)
201-4	Financial assistance received from government			We received a total amount of HK\$140 million of financial subsidy from HKSAR Government in 2020 due to COVID-19 outbreak.
202: Market Presence 2016				
103	Management approach			Our Sustainability Approach (page 10–15)
202-2	Proportion of senior management hired from the local community			Our Governance (page 8)
203: Indirect Economic Impacts 2016				
103	Management approach	GD D8		Business-in-Community (page 46–53)
203-1	Infrastructure investments and services supported	KPI B8.1, B8.2		About Our Business (page 7–9); Business-in-Community (page 46–53)
204: Procurement Practices 2016				
103	Management approach	GD B5		Partnering with Our Suppliers (page 33–34)
204-1	Proportion of spending on local suppliers	KPI B5.1		Partnering with Our Suppliers (page 33–34) 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.

Disclosures		HKEX ESG Guide	SASB Standards	Page Number/Remarks
205: Anti-corruption 2016				
103	Management approach	GD B7		Our Governance (page 8–9); Our Sustainability Approach (page 10–15)
205-2	Communications and training about anti-corruption policies and procedures	KPI B7.3		Our Governance (page 8–9); Our Sustainability Approach (page 10–15)
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1		In 2020, there were no confirmed incidents of corruption.
300: Environmental				
301: Materials 2016				
103	Management approach	GD A2, A3		Co-living with the Nature – Commitment and Strategy (page 17); Resource Management (page 24–25)
301-1	Materials used by weight or volume	KPI A2.5		Performance Data Summary (page 54–63)
302: Energy 2016				
103	Management approach	GD A2, A3		Co-living with the Nature – Commitment and Strategy (page 17); Energy and Greenhouse Gas Management (page 20–22)
302-1	Energy consumption within the organisation	KPI A2.1	IF-RE-130a.2	Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
302-3	Energy intensity	KPI A2.1		Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
CRE-1	Building energy intensity	KPI A2.1		Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
302-4	Reduction of energy consumption	KPI A2.3		Energy and Greenhouse Gas Management (page 20–22)
303: Water and Effluents 2018				
103	Management approach	GD A2, A3	IF-RE-140a.4	Co-living with the Nature – Commitment and Strategy (page 17); Water Management (page 22–23)
303-1	Interactions with water as a shared resource	KPI A2.4, A3.1		Water Management (page 22–23)
303-2	Management of water discharge-related impacts	KPI A3.1		Our wastewater is treated by municipal water treatment facilities before discharge to waterbodies. Thus, the Group has no minimum standards set for quality of effluent discharge.
303-3	Water withdrawal	KPI A2.2	IF-RE-140a.2	Water Management (page 22–23); Performance Data Summary (page 54–63) There is no withdrawal of surface or groundwater. All water consumed in Hong Kong, Mainland China and Singapore are purchased and distributed by the Government's municipal water supplies department.
CRE-1	Building water intensity	KPI A2.2		Water Management (page 22–23); Performance Data Summary (page 54–63)

Disclosures		HKEX ESG Guide	SASB Standards	Page Number/Remarks
305: Emissions 2016				
103	Management approach	GD A1, A3		Co-living with the Nature – Commitment and Strategy (page 17); Energy and Greenhouse Gas Management (page 20–22)
305-1	Direct (Scope 1) GHG emissions	KPI A1.2		Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
305-2	Energy Indirect (Scope 2) GHG emissions	KPI A1.2		Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
305-4	GHG emissions intensity	KPI A1.2		Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
CRE-3	GHG emissions intensity from buildings	KPI A1.2		Energy and Greenhouse Gas Management (page 20–22); Performance Data Summary (page 54–63)
305-5	Reduction of GHG emissions	KPI A1.5		Energy and Greenhouse Gas Management (page 20–22)
305-7	NO _x , SO _x , and other significant air emissions	KPI A1.1		Performance Data Summary (page 54–63)
306: Waste 2020				
103	Management approach	GD A1		Co-living with the Nature – Commitment and Strategy (page 17); Resource Management (page 24–25)
306-1	Waste generation and significant waste-related impacts	GD A1		Resource Management (page 24–25)
306-2	Management of significant waste-related impacts	GD A1		Resource Management (page 24–25)
306-3	Waste generated	KPI A1.3, A1.4, A1.6		Resource Management (page 24–25); Performance Data Summary (page 54–63)
307: Environmental Compliance 2016				
103	Management approach			Co-living with the Nature – Commitment and Strategy (page 17)
307-1	Non-compliance with environmental laws and regulations			In 2020, the Group received no fines or non-monetary sanctions for incidences of non-compliance.
400: Social				
401: Employment 2016				
103	Management approach	GD B1		Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
401-1	New employee hires and employee turnover	KPI B1.2		Performance Data Summary (page 54–63)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			Cultivating Our Employees (page 29–33)
401-3	Parental leave			Performance Data Summary (page 54–63)
402: Labor/Management Relations 2016				
103	Management approach			Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
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.

Disclosures		HKEX ESG Guide	SASB Standards	Page Number/Remarks
403: Occupational Health and Safety 2018				
103	Management approach	GD B2		Safe Workplace (page 42)
403-1	Occupational health and safety management system	KPI B2.3		Safe Workplace (page 42)
403-2	Hazard identification, risk assessment, and incident investigation	KPI B2.3		Safe Workplace (page 42)
403-5	Worker training on occupational health and safety	KPI B2.3		Safe Workplace (page 42)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	KPI B2.3		Safe Workplace (page 42)
403-9	Work-related injuries	KPI B2.1, B2.2		Safe Workplace (page 42); Performance Data Summary (page 54–63)
404: Training and Education 2016				
103	Management approach	GD B3		Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
404-1	Average hours of training per year per employee	KPI B3.2		Performance Data Summary (page 54–63)
404-2	Programmes for upgrading employee skills and transition assistance programmes			Cultivating Our Employees (page 29–33)
405: Diversity and Equal Opportunity 2016				
103	Management approach			Our Sustainability Approach (page 10–15); Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
405-1	Diversity of governance bodies and employees	KPI B1.1		Our Governance (page 8); Our Sustainability Approach (page 10–15); Performance Data Summary (page 54–63)
406: Non-discrimination 2016				
103	Management approach			Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
406-1	Incidents of discrimination and corrective actions taken			In 2020, there were no recorded incidents of non-compliance with anti-discrimination legislation.
408: Child Labour 2016				
103	Management approach	GD B4		Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
408-1	Operations and suppliers at significant risk for incidents of child labour	KPI B4.1, B4.2		Child labour is not material to our business. The relevant KPIs are therefore not disclosed.
409: Forced or Compulsory Labour 2016				
103	Management approach	GD B4		Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Cultivating Our Employees (page 29–33)
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	KPI B4.1, B4.2		Forced labour is not material to our business. The relevant KPIs are therefore not disclosed.
413: Local Communities 2016				
103	Management approach			Business-in-Community – Commitment and Strategy (page 47)
413-1	Operations with local community engagement, impact assessments and development programmes			Business-in-Community (page 46–53)

Disclosures		HKEX ESG Guide	SASB Standards	Page Number/Remarks
416: Customer Health and Safety 2016				
103	Management approach	GD B6		Safeguarding Wellbeing and Safety – Commitment and Strategy (page 39); Safe Premise and Services (page 44–45)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	KPI B6.1, B6.4		In 2020, there were no recorded incidents of non-compliance.
417: Marketing and Labelling 2016				
103	Management approach	GD B6		Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Delivering Quality for Our Customers (page 34–37)
417-3	Incidents of non-compliance concerning marketing communications	KPI B6.2, B6.3		In 2020, there were no recorded incidents of non-compliance.
418: Customer Privacy 2016				
103	Management approach	GD B6		Building Excellence with Our Stakeholders – Commitment and Strategy (page 29); Delivering Quality for Our Customers (page 34–37)
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5		In 2020, there were no recorded incidents of non-compliance.
419: Socioeconomic Compliance 2016				
103	Management approach			Our Sustainability Approach (page 10–15)
419-1	Non-compliance with laws and regulations in the social and economic area			In 2020, 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 2020 (“the Report”). The scope of this verification covers the sustainability performance data and information of Wharf REIC’s business in Hong Kong, Mainland China and Singapore for the period of 1st January 2020 to 31st December 2020.

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. It also provides disclosures with reference to the standards for real estate industry set by the Sustainability Accounting Standards Board (“SASB Standards”).

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 GRI Standards, the GRI G4 Construction and Real Estate Sector Disclosures, the ESG Guide and SASB Standards.

The verification procedures performed included reviewing the stakeholder engagement, materiality assessment processes and data management mechanism, checking of relevant supporting evidence and interviewing responsible personnel with accountability for preparing the Report. Raw data 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 compilation of the Report. Our verification activities were entirely independent from Wharf REIC. There was no relationship between HKQAA and Wharf REIC that would affect the impartiality of 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;
- The Report complied with the ESG Guide;
- The Report disclosure is aligned with the SASB Standards;
- 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 conclusion, Wharf REIC has been putting continuous efforts in improving its report transparency and overall quality. The Report allows stakeholders to visualize the company’s sustainability commitments, stewardship and performance in a frank and explicit fashion.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit

April 2021



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