



# WHARF

*Established 1886*

## THE WHARF (HOLDINGS) LIMITED

Stock Code : 0004

### SUSTAINABILITY REPORT 2021





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## Message from the Chairman 102-14



Over the past 2 years, we have been coping with disruptions from COVID-19 across our businesses and the fight continues. In spite of the unparalleled difficulties, we have observed that the importance and awareness of business continuity and resilience have been heightened.

Against the awakened environmental, social and governance (“ESG”) backdrop, we are pleased to publish the eighth Sustainability Report of The Wharf (Holdings) Limited (“Wharf Holdings” or, together with our subsidiaries, “the Group”), reaffirming the Group’s commitments and sharing with you our achievements in this sustainability journey during the reporting year.

Climate change continues to be a global focus. We are delighted to see leaders around the world stepping up to address climate change issues. Following the commitment

of China to achieve carbon neutrality by 2060, global leaders agreed to accelerate decarbonisation at COP26. Climate change receives the same amount of attention in business world. Businesses have been busy getting prepared for climate change and addressing climate-related risks. In this regard, the Group has set a goal to reduce our carbon emissions to support global and local decarbonisation efforts. We also made reference to the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) for reporting. In addition to carbon emissions, we have developed targets in terms of electricity, water and waste reduction. The Group also shows its dedication to minimising our environmental impact by introducing new Environmental Policy. ESG financing is another key to drive for a more tenable future, in which we have raised sustainability-linked loan facilities, smoothing the transition to a low-carbon economy.

We are able to put our long-standing mission of “Building for Tomorrow” into action by developing new strategies to create long-term value for our stakeholders. In order to further increase our business resilience and better manage risk, we have integrated ESG risks into our business model, as well as implemented new ESG policies across our operations. Our strategies align with the United Nations Sustainable Development Goals (“UNSDGs”), mapping our environmental and social practices to 11 of the 17 UNSDGs. As a recognition of our ESG commitment and performance, the Group has retained our position as a constituent of the Hang Seng Corporate Sustainability Index.

The Group believes that the success of our business relies on the provision of a safe, rewarding and respectful workplace to our employees. With the formal adoption of Human Rights Policy this year, we endeavour to provide an inclusive and diverse work environment. We retain talents by offering competitive remuneration and development opportunities. By leveraging the effective health and safety management approach of the Group, we safeguard employees’ and customers’ health and safety. In times of COVID-19 outbreak, our management system has been guiding our daily preventive and control measures while ensuring business continuity.

We devote effort to embed sustainable practices along our value chain. Under our robust vendor management system, we deliver our expectations to suppliers and work closely with them to promote responsible procurement. The Supplier Code of Conduct is now in place to encourage our partners to integrate ESG practices into their operations. The Group also manages downstream of value chain by exerting itself in delivering quality products and exceptional experiences for our customers. Each year, we put significant emphasis on understanding the needs of customers by conducting customer satisfaction surveys. Through the Group’s Quality Policy Statement and the quality management framework, we are committed to providing quality products and services, and prioritising customer needs.

To uphold the creation of long-term shared value for the community, we focus on nurturing the youth, supporting the needy and promoting the arts and culture in the society. Despite the epidemic disruption, we continue to offer financial and volunteer support to underprivileged secondary school students through our flagship programme Project *WeCan* (“*WeCan*”). *WeCan* has benefitted 82 schools and 80,000 students with the support of 72 partner organisations. Emergency relief is critical during the pandemic. Since the pandemic has started in 2019, Wharf Emergency Relief Fund has already donated in turns a total of HK\$23.5 million and RMB10 million to charitable organisations in Hong Kong and in Mainland China to instantly subsidise those with financial hardships. During the ferocious fifth wave of COVID-19, the Group also offered other support measures including Kowloon Godown for storage of medical and other supplies, as well as aiding daily shipment of fresh produce and necessities from Shenzhen Dachan Bay to Kwai Tsing by Modern Terminals Limited.

In face of the climate crisis and evolving business environment, we must seek to make our business ever more resilient. We will continue to take the initiative to shoulder environmental and social responsibilities. Meanwhile, we will align with the high expectations of the stakeholders by ongoing enhancement of our ESG performance and monitoring of our targets.

We would not have been able to achieve these accomplishments without the support from our stakeholders. On behalf of the Group, I would like to thank them all for their continuous support. We shall continue to be guided by our vision and mission and play our part to contribute to a more sustainable future.

**Stephen T H Ng**

*Chairman and Managing Director*  
Hong Kong



# About This Report



VALENTINO

NICCOLO

DIOR

## Report Standards 102-54

The Sustainability Report (the “Report”) has been prepared in accordance with the requirements of Environmental, Social and Governance Reporting Guide (Appendix 27) issued by The Stock Exchange of Hong Kong Limited (“HKEX ESG Reporting Guide”), Core option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and the G4 Construction and Real Estate Sector (“CRE”) Disclosures. The Report also refers to selected metrics of the Sustainability Accounting Standards Board (“SASB”) real estate industry-specific sustainability accounting standards.

The Report follows the four reporting principles listed in the HKEX ESG Reporting Guide. We engaged our stakeholders

in the preparation of the Report to assess the materiality of various sustainability issues and arrange our report content based on the results. Balanced and quantitative sustainability data are also included for historical performance comparison. Unless otherwise specified, we use consistent methodologies to compile the quantitative data presented in the Report.

## Report Scope 102-6, 102-46, 102-49, 102-50

The reporting period of the Report aligns with the reporting period of our financial reporting. The Report covers information of our sustainability policy, strategies and performance from 1 January to 31 December 2021 in the following selected operations:



### Corporate Office

- Wharf Limited



### Mainland China Investment Properties (“MLIP”)

- Wharf China Estates Limited
- Chengdu International Finance Square (“Chengdu IFS”)
- Changsha International Finance Square (“Changsha IFS”)
- Wuxi International Finance Square (“Wuxi IFS”)
- Shanghai Wheelock Square
- Shanghai Times Square
- Chongqing Times Square
- Dalian Times Square
- Times Outlets Changsha
- Times Outlets Chengdu



### Mainland China Development Properties (“MLDP”)

- Wharf China Development Limited
- Offices – Shanghai, Chengdu, Hangzhou and Suzhou
- Chengdu Sites (Times City, Times Town)
- Hangzhou Sites (Parc Royale, Parc Regal, Imperial Park, Luxurious Mountain View)
- Suzhou Sites (The Legend, Bellagio, Villa One, Xiangcheng Yuan He Street Lot #77 Project)



### Hong Kong Properties (“HKP”)

- 1 Plantation Road Residential Project
- Kowloon Tong Residential Project
- Kai Tak Residential Project



### Leisure and Hospitality

#### Wharf Hotels

- Wharf Hotels Management Limited (“WHML”)
- Niccolo Chengdu
- Niccolo Chongqing
- Niccolo Changsha
- Marco Polo Wuhan

#### Managed Hotels\*

- Marco Polo Lingnan Tiandi, Foshan
- Marco Polo Jinjiang
- Marco Polo Xiamen
- Marco Polo Parkside, Beijing



### Logistics

- Modern Terminals Limited (“Modern Terminals” or “MTL”)

\* “Managed Hotels” refers to the hotels that are not owned by the Group. We offer management services to the owners of these hotels. The Report does not cover the Managed Hotels in the Philippines due to operational suspension in 2021.



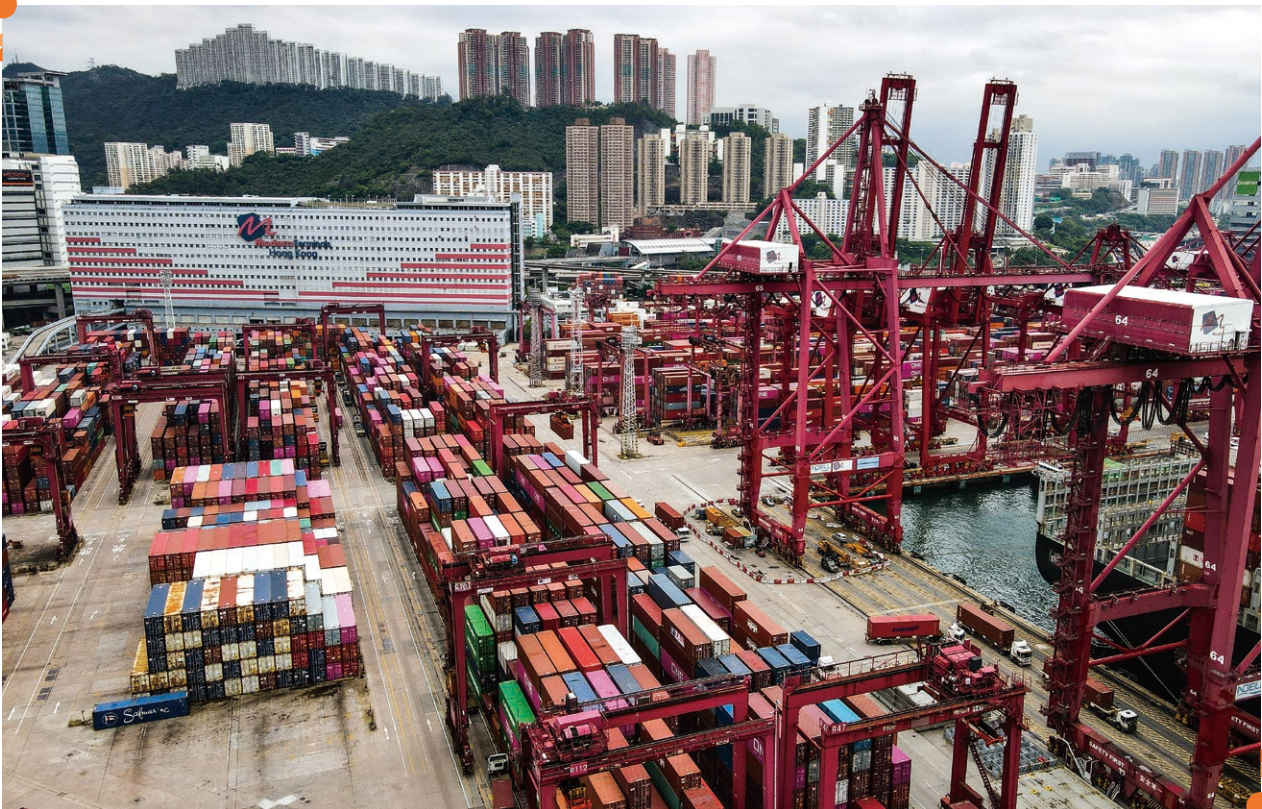
The Report covers the majority of the Group's operations in investment and development properties, leisure and hospitality, and logistics in Hong Kong and Mainland China. The reporting boundary is determined by the materiality of each entity to our business and operations, as well as the impact on sustainability. The Report comprises companies that are under our direct control and supervision, in the development or operating phase, and have a major impact on the Group's sustainability performance, in addition to operations that contribute significant revenue to the Group. Joint venture assets are not included. Some entities listed in the reporting scope for the financial reporting are not included in the reporting scope of this Report. For details of the reporting scope of the financial reporting, please refer to our Annual Report 2021.

## Report Assurance 102-53, 102-56

The Board of Directors of Wharf Holdings (the "Board") has approved the Report and it has 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) ("ISAE3000 (Revised)"). Please refer to page 76 for the verification statement.

This Report is published on 27 May 2022. To reduce paper consumption, the Report is only made available online unless specific requests for a hard copy are received from the shareholders.

We welcome feedback on the Report and our sustainability approach. If any, please contact us at [csr@wharfholdings.com](mailto:csr@wharfholdings.com).



## 2021 at a Glimpse



Hang Seng Corporate Sustainability Index Series Member 2021-2022

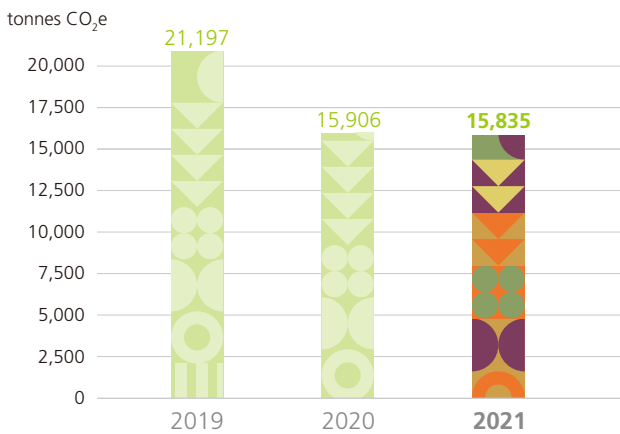


### Obtained green building certifications

**LEED Platinum**  
 Chengdu IFS  
 Changsha IFS

**LEED Gold**  
 Wuxi IFS  
 Shanghai Wheelock Square

### Decreased Scope 1 GHG emissions



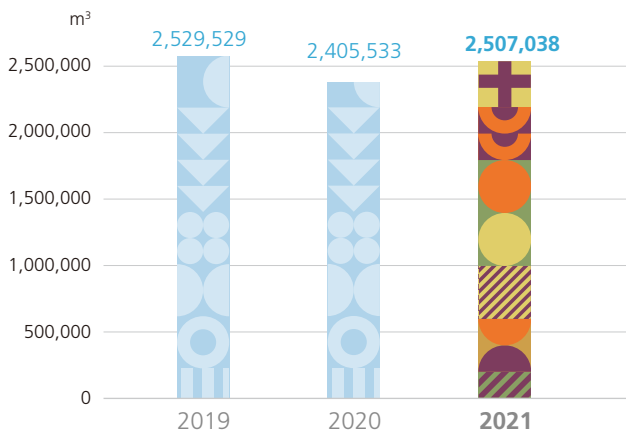
### Obtained EarthCheck certifications

**Gold**  
 Niccolo Chengdu

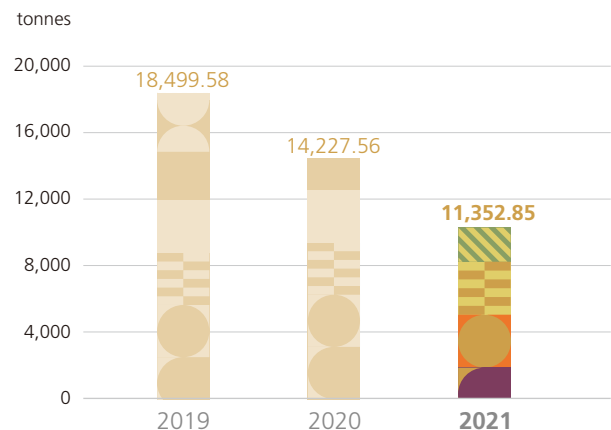
**Silver**  
 Niccolo Changsha  
 Niccolo Chongqing  
 Marco Polo Parkside, Beijing  
 Marco Polo Lingnan Tiandi, Foshan

Marco Polo Wuhan  
 Marco Polo Xiamen

### Decreased municipal water consumption



### Decreased general refuse to landfills



Note: Above includes only the Group's own operations as defined in the reporting scope.



# Sustainability Overview



## About Our Business

### Our Core Value 102-4, 102-6

Wharf Holdings is one of the leading companies in the industry, and we have adopted our long-established mission of “Building for Tomorrow” as our philosophy to grow and operate. The Group has integrated sustainability vision and mission into its management approach. We are dedicated to achieving financial success while creating long-term shared value for our stakeholders and the community. The Group achieves excellence by exceeding our stakeholders’ expectations, protecting the natural environment and making positive social impact.

### Our Business Overview 102-2, 102-7, 102-10

Founded in Hong Kong in 1886, Wharf Holdings is one of the largest companies, principally engages in different businesses, including property investment in Mainland China, property development in Hong Kong and Mainland China, and hospitality management in Mainland China and the Philippines. The Group also engages in the operation of logistics business through Modern Terminals in Hong Kong. Our customers are mainly tenants, shoppers and residents for investment properties, hotel guests for leisure and hospitality, and corporate clients for logistics.

### Mainland China Development Properties

The Group’s development properties in the Mainland are mainly located in Chengdu, Hangzhou, Shanghai and Suzhou. The Group is committed to building up its land bank for the long-term development of our business. The Group adopts a selective land acquisition policy with strategic focus to secure positive economic returns. The land

bank of development properties in Mainland China stands at a total of 2.1 million square metres at the end of 2021. In Hong Kong, the Group is currently in possession of three projects in the property development business, including The Peak Portfolio, Kowloon Tong Portfolio and Kowloon East Portfolio.

### Mainland China Investment Properties

As one of the leading investment property operators in Mainland China, the Group has a series of flagship IFS, as well as Shanghai Wheelock Square, Times Square Series and Times Outlets Series. These investment properties portfolios have recorded a sound return and exceptional market share during the reporting year.

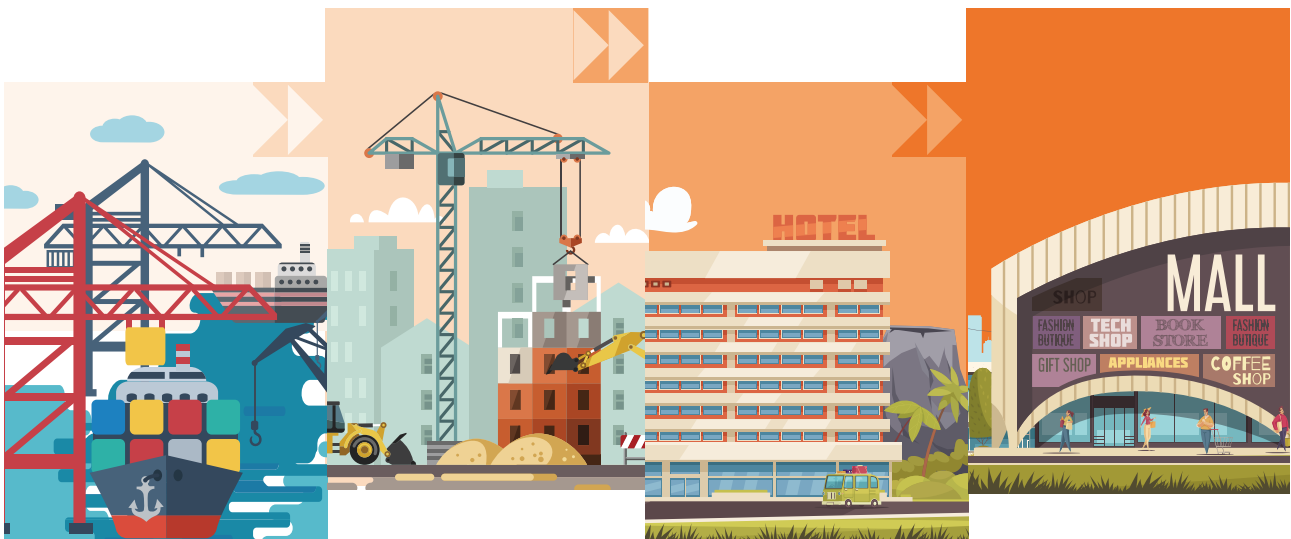
### Leisure and Hospitality

WHML manages 16 hotels in Asia under the Marco Polo Hotels brand and the Niccolo Hotels brand, including the new addition of Niccolo Suzhou.

### Logistics

Located in the hub for international trade and transportation, Modern Terminals has been a leading container terminal service operator in Hong Kong and Pearl River Delta. To deliver more efficient and cost-saving services to customers, Modern Terminals joined the Hong Kong Seaport Alliance to enhance the competitiveness of the Port of Hong Kong.

For details of our customer groups and breakdown of the products and services we provide, please refer to the Business Review section of Wharf Holdings’ Annual Report 2021.

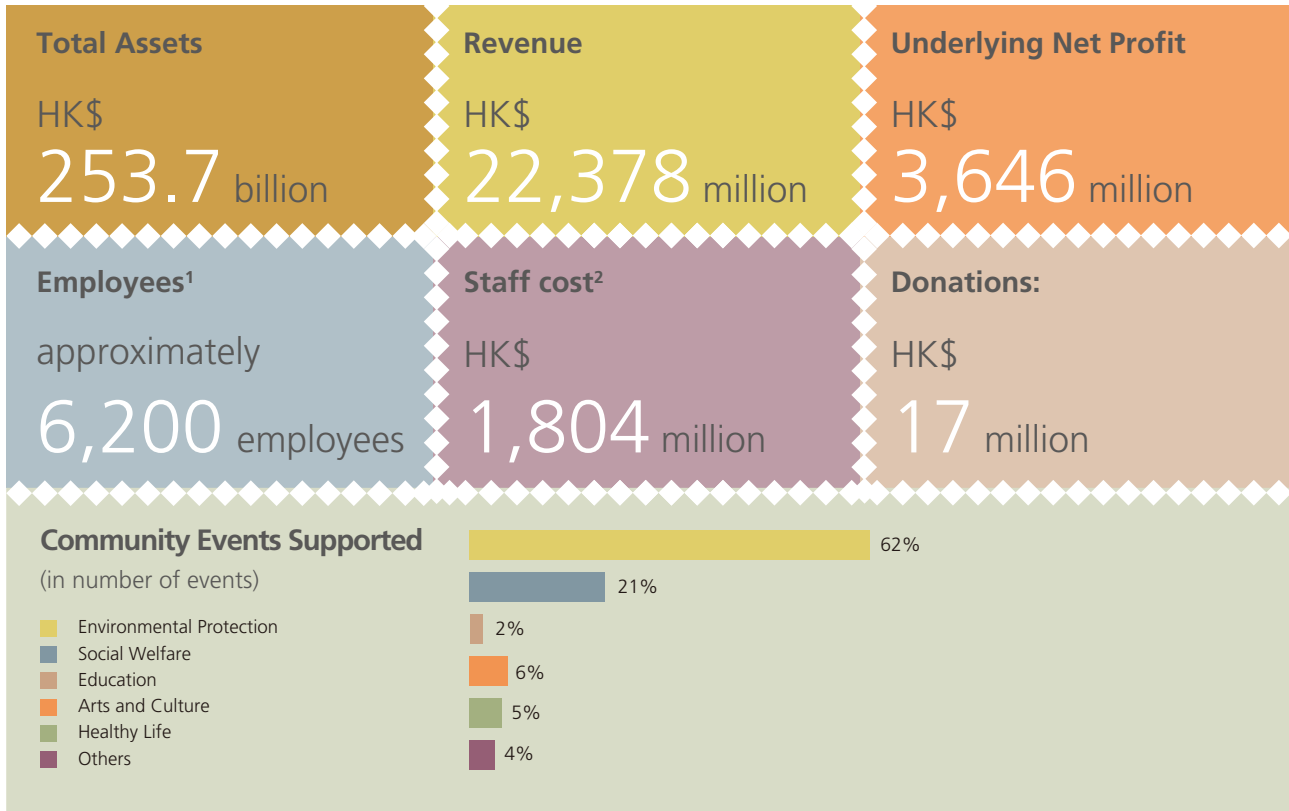




**Our Presence and Impact** (GRI) 102-7, 201-1, 203-1; (HKEX) B8.1, B8.2

Continued to be affected by the adverse economic impact of COVID-19, we maintained operation and development through prudent management approach to create long-term value for stakeholders and contribute to local economies and communities. Our contributions in 2021 are highlighted as follows:

**Economic Presence and Impact and Community Contributions**



**Our Governance**

An effective and strong corporate governance and ethical business practices are critical factors in pursuing long-term business success. The Group goes beyond compliance with legal requirements and maintains a strict and robust system to assess and manage risks and uphold ethical business conduct.

**Governance Structure and Risk Management** (GRI) 102-18, 202-2, 405-1

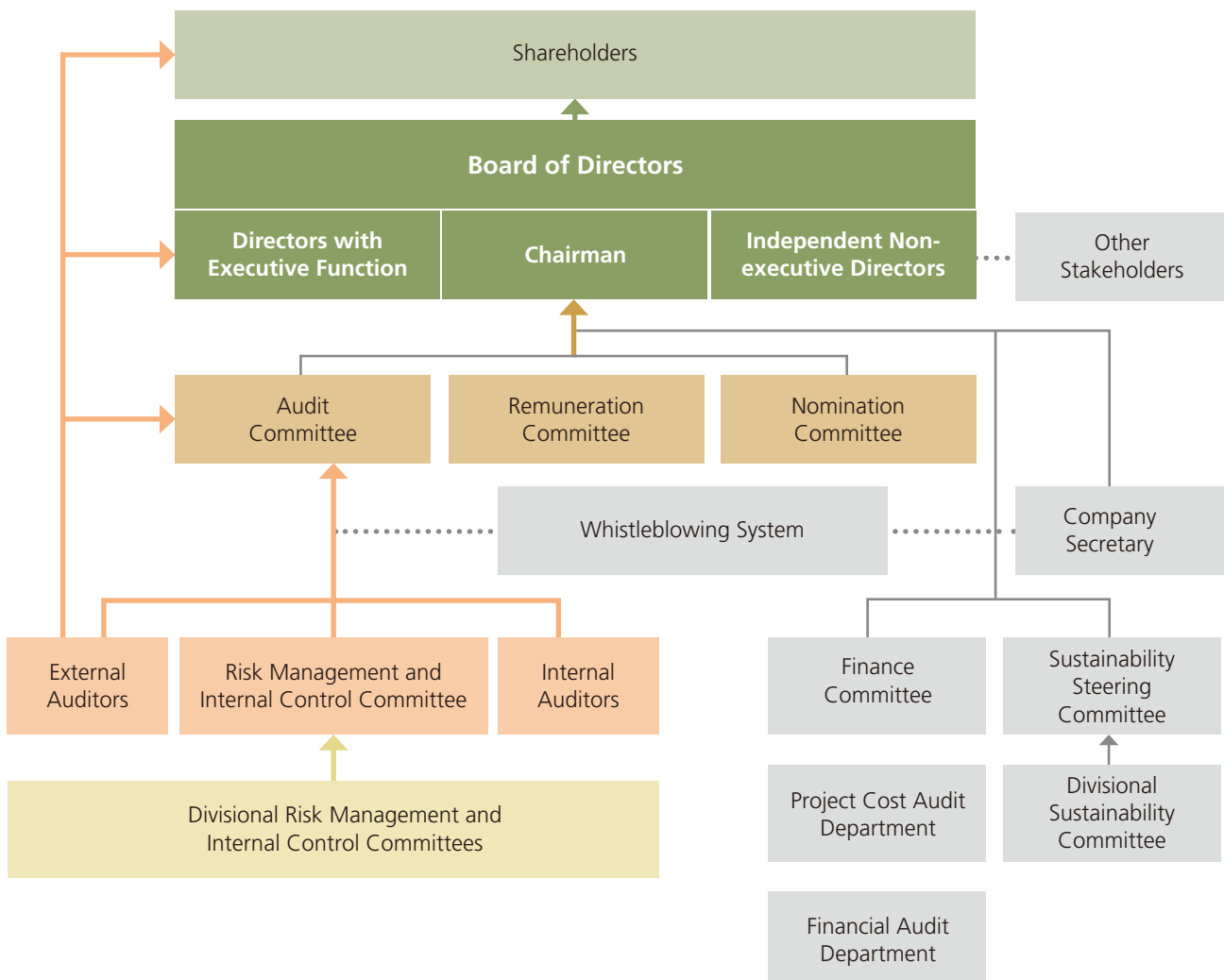
The Board reviews the Group’s business strategies and oversees the performance. As such, we consider diversity of the Board is the avail to a more sustainable and balanced development of the Group and help the Group to stay at the cutting edge. Our Board members comprised experienced and skilled specialists from various industries including investment properties, property development, finance and accounting, public service, hospitality, media and entertainment, entrepreneurship, academia and logistics and transportation.

1 The Group’s total number of employees, including those employed by managed operations.  
 2 Staff costs include contributions to defined contribution pension schemes of HK\$199 million, which included MPF schemes after a forfeiture of HK\$4 million and no equity-settled share-based payment expenses.

The composition of the Board is detailed as follows. For further information on the composition of the Board, please refer to the Corporate Governance Report and Directors' Report in the Group's Annual Report 2021.

### Composition of Wharf Holdings' Board of Directors<sup>3</sup>

	Age			Gender		Ethnicity	
	<60	60–69	≥70	Male	Female	Chinese	Non-Chinese
Number	1	8	4	10	3	11	2
%	8	61	31	77	23	85	15



<sup>3</sup> All members of the Board of Directors are hired from the local community, i.e. Hong Kong and Mainland China. The profile of the Board of Directors is outlined in the Annual Report 2021 (Page 74–79).



Operating in an active business environment, the Group adopts a strong and responsive risk management and internal control system to ensure our business adjust to the unknown changes. We integrate environmental and climate-related, social and economic risks in our Enterprise Risk Management (“ERM”) framework to provide a comprehensive view of risks faced by our business operations and to react to the increasing constraints. The Group formulated the Compliance Policy Statement that sets out our requirements and approach to legal compliance.

The Group’s Chairman also serves as Managing Director of Wharf Holdings, while conflicts of interest are cautiously prevented and mitigated. Please refer to the Corporate Governance Report in the Group’s Annual Report 2021 for details on the prevention and mitigation.

More details of the Group’s corporate governance and risk management are provided in our Corporate Governance Report in Annual Report 2021. In terms of nomination and selection processes and criteria for the highest governance body and its committees, the processes implemented to ensure that conflicts of interest are prevented and mitigated, and remuneration policies, please refer to the Corporate Governance Report and Directors’ Report in the Group’s Annual Report 2021.

For details of how important matters, including critical concerns raised through grievance mechanism and whistleblowing channel, are communicated to the Board, please refer to the Risk Management and Internal Control System section of the Corporate Governance Report in the Group’s Annual Report 2021. During the reporting year, 4 partially valid complaints raised through whistleblowing channel were communicated to the Audit Committee. The Group has taken appropriate follow-up actions and has strengthened control measures accordingly.

### Ethical Business Operations

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

The Group upholds the highest level of business ethics and corporate governance standards. The Group’s Anti-Corruption Policy, which is applicable to all personnel of

the Group, including employees at all levels and others who may provide services to or act on behalf of the Group, restates the ethical standards and expectations we embraced. We strictly prohibit solicitation or acceptance of an advantage, any form of bribery<sup>4</sup>, extortion, fraud, or money laundering in our operations. Our Business Code of Ethics and Code of Conduct lay out our expectations on designated business behaviours. Employees are required to comply with all applicable policies and guidelines on conflicts of interest, insider dealing, anti-competition and anti-corruption. The Group conducts periodic due diligence process to prevent any possible misdoing behaviours. The Group’s Chairman and General Managers of business units (“BUs”) also take responsibility to approve all donations and sponsorships to prevent bribery and corruption.

Our Whistleblowing Policy and Procedures is critical for ensuring integrity and transparency and explicitly describes our commitment to whistle-blower protection and our complaint initiation and investigation procedures. This mechanism encourages employees to report any malpractice and misconduct. Moreover, staff training including orientation training and refresher training is offered to employees to emphasise the importance of ethical business conduct and foster an anti-corruption culture. The Group also invites representatives from the Independent Commission Against Corruption (“ICAC”) to conduct training for our employees to enhance awareness and learn best practices to avoid breaching the laws inadvertently. In 2021, we conducted anti-corruption training for our directors and employees. All of the Board members received training on anti-corruption.

During the reporting year, the Group was not aware of any non-compliance with relevant laws and regulations<sup>5</sup> and no legal cases regarding corruptive practices were brought against the Group.

**Total number  
of hours of  
anti-corruption  
training:**

**2,704** hours



<sup>4</sup> Section 3–11 of the Prevention of Bribery Ordinance (Cap. 201).

<sup>5</sup> Please refer to Significant Laws and Regulations section for the list of anti-corruption laws and regulations significant to the Group’s business operations.

## Our Sustainability Approach

### Board Statement 102-18

The Group strives to maintain a robust governance structure as the foundation of effective business management across operations. The Board is responsible for overall sustainability matters and oversees our sustainability strategy and management. The Group’s sustainability risks and opportunities are discussed and evaluated by the Board on a regular basis.

The Sustainability Steering Committee is responsible for managing and making decisions on the Group’s economic, environmental and social impacts, as authorised by the Board. Through risk assessment exercise and regular stakeholder engagement activities, the Group identifies and assesses materiality of the relevant sustainability issues. Corresponding management initiatives are implemented to address the issues in our operations. To facilitate monitoring, sustainability risks identified and their respective performance are reported to the Board regularly.

New environmental targets on carbon, water consumption and waste disposal have been formulated to align with our

long-standing mission of “Building for Tomorrow”. The Board will direct the formulation and execution of action plans and review our progress and performances against the environmental targets regularly.

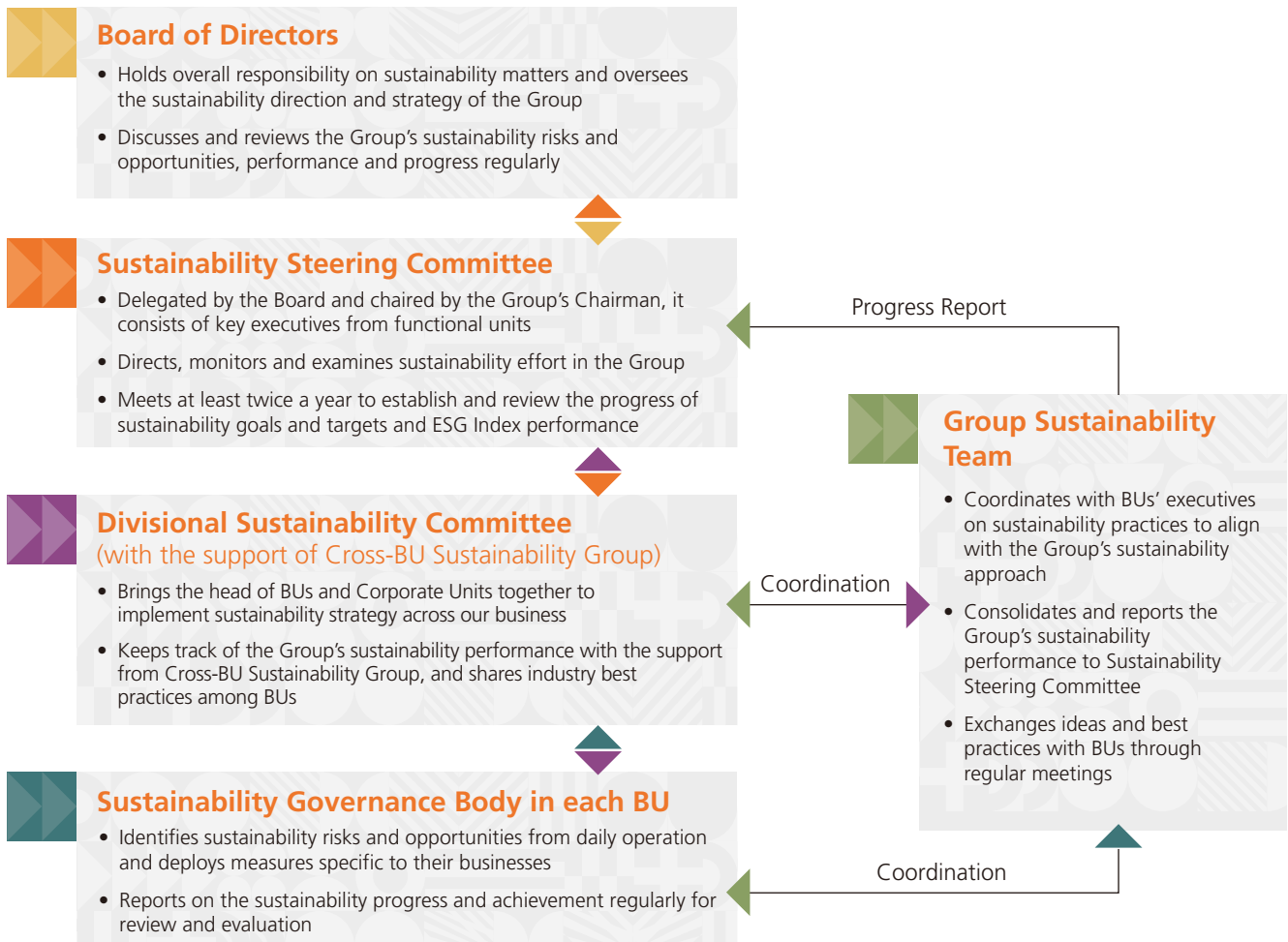
### Sustainability Governance

 102-18, 102-19, 102-20

As a constituent of the Hang Seng Corporate Sustainability Index, the Group is recognised as one of the leading performers in Hong Kong and Mainland China and has developed a well-established governance structure to manage our sustainability approach and performance.

The Group’s Corporate Social Responsibility Guidelines has been in place to guide us on our sustainability programmes, goals and commitments since 2016. We focus on four key perspectives, including environment, people, community, and corporate governance. For more effective management of sustainability, we design our sustainability pathway by formally establishing sustainability policies to strengthen the control of important sustainability issues.

### Our Sustainability Governance Structure





Our sustainability governance structure has clear hierarchy and fine division of labour. The Board holds overall responsibility of the Group’s sustainability performance as the highest governance body. The formation of the Sustainability Steering Committee, the Divisional Sustainability Committee and the Cross-BU Sustainability Group, together with the Group’s sustainability team in our sustainability governance structure ensure strategies are aligned and implemented across the businesses and performance and progress are monitored and reported.

Moreover, we have gradually integrated sustainability risks into our ERM framework to better assess and manage the related sustainability risks and risk interaction. The Board was also offered training in forms of briefings, seminars and reading materials, etc. to enhance understanding of sustainable development, goals and commitments, as well as the latest ESG trends and practices to discharge duties.



### Sustainability Policies

We have formulated the following sustainability policies in response to our sustainability foci, including the Anti-Corruption Policy, Environmental Policy, Human Rights Policy, Quality Policy Statement and the Supplier Code of Conduct. All sustainability policies are approved and reviewed from time to time by the Sustainability Steering Committee. All of the sustainability policies are applicable to all business operations and employees at all levels. Selected policies also govern those who may provide services to or act on behalf of the Group. Please refer to each individual policy for details on how it is embedded in the Group.

### List of Sustainability Policies

- Climate Change Policy Statement
- Green Procurement Policy
- Environmental Policy
- Anti-Corruption Policy
- Compliance Policy Statement
- Human Rights Policy
- Quality Policy Statement
- Safety and Health Policy
- Supplier Code of Conduct

### Sustainable Finance

To support the Central Government’s plan of carbon neutrality before 2060 and Hong Kong’s Climate Action Plan 2050, we are integrating our green efforts to draw up a roadmap to support carbon neutrality, and sustainable financing is key to the execution of this ambition. Apart from the green loan facilities raised in relation to Chengdu IFS and Changsha IFS in 2019 and 2020 respectively, during the reporting year, the Group has raised its first sustainability-linked loan of HK\$2,100 million, with key performance indicators related to our Hang Seng Indexes ESG rating, as well as our environmental and social performance.

ESG investing is growing fast, channelling capital to support a more resilient economy. The Group will grasp the opportunity and continue to explore other sustainable finance instruments to back our commitment to support carbon neutrality.

## United Nations Sustainable Development Goals

With the aim to create long-term value in sustainable communities, we support the global goals of the UNSDGs. We have prioritised 11 of the 17 UNSDGs which are relevant to our sustainability foci and integrated initiatives into the Group’s sustainability strategies to deliver positive outcomes for communities and the environment.

### The Environment

- To align with the goal to improve water-use efficiency in UNSDG No. 6 Target 6.4, we reduced water consumption through initiatives such as rainwater collection and water recycling. Meanwhile, wastewater generated is treated and reused for non-potable purposes to reduce our impact on the environment and society.
- To keep up with the UNSDG No.13 Climate Action, we have enhanced our climate resilience, conducted environmental and climate-related risk assessments to assess our potential risks and adopt corresponding mitigation measures. In addition, we strive to reduce carbon emissions and support UNSDG No.7 Target 7.2 to increase the share of renewable energy. We adopt renewable energy where feasible. For such, solar panels have been installed in our MLIP and Modern Terminals to reduce our carbon footprint.
- We implement waste minimisation initiatives and promote recycling activities throughout our value chain. To support UNSDG No.14 Target 14.1 in significantly reducing marine pollution, we seek to sustain biodiversity with proper effluent discharge.

#### Corresponding Section

- *Co-living with the Nature*
- *Building Excellence with Our Stakeholders*

#### Relevant UNSDGs



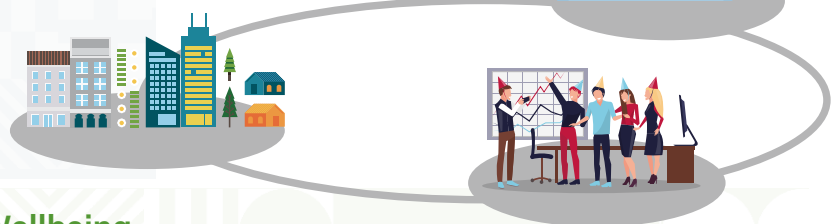
### Fair and Diverse Community

- We organise training for all employees, ensuring that they are well equipped with technical knowledge and skills to deliver quality work and services. This year, we have offered a total of 141,987 training hours.
- To align with the UNSDG No.4 in increasing the number of youths and adults who have relevant skills for employment, we support the youth by providing inclusive and equitable learning opportunities through various platforms for students to excel their talents in all aspects. Our Business-in-Community flagship programme Project *WeCan* partnered with 82 schools benefitting 80,000 students.
- To ensure equal opportunity and reduce inequalities as suggested in the UNSDG No.10 Target 10.2 and 10.3, we are committed to promoting a fair and harmonious workplace with zero-tolerance against discrimination and harassment. All candidates evaluated during the recruitment process are based on their ability, qualifications and work experience. We support social inclusion and offer educational opportunities and resources to people in need. In 2021, we supported 82 community events.

#### Corresponding Section

- *Building Excellence with Our Stakeholders*
- *Business-in-Community*

#### Relevant UNSDGs



### Workplace and Community Wellbeing

- The Group encourages work-life balance, safety and health, equal opportunities and human rights to ensure our employees’ wellbeing. To align with UNSDG No.8, we adopt international standards to ensure a safe and harassment-free workplace for our employees and contractors on site. In addition to internal wellbeing, we also care for the community. During the outbreak of COVID-19, we utilise various preventive measures and make donations to the needy to support access to quality essential health-care services as in UNSDG No.3 Target 3.8.

#### Corresponding Section

- *Safeguarding Wellbeing and Safety*
- *Building Excellence with Our Stakeholders*
- *Business-in-Community*

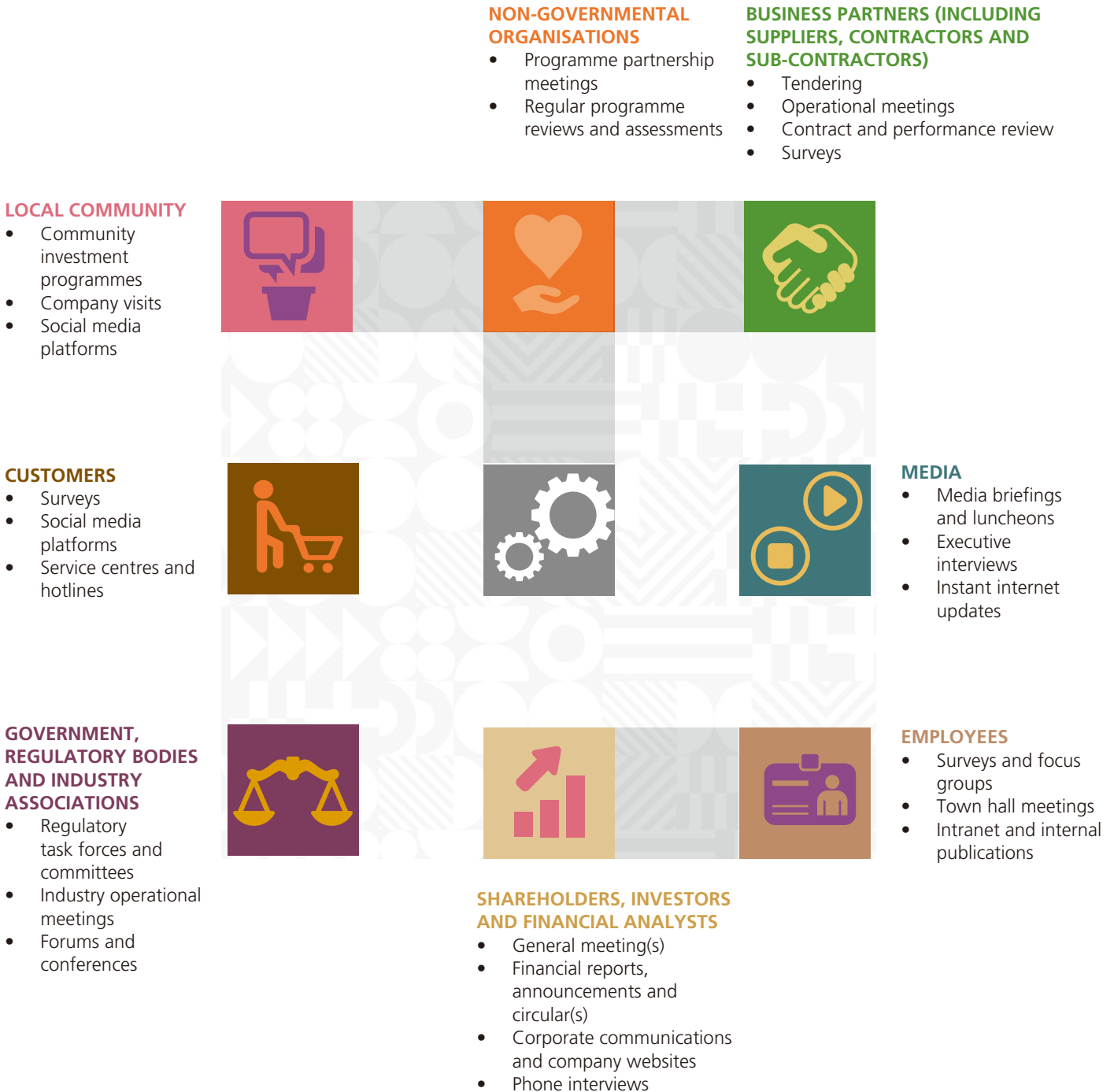
#### Relevant UNSDGs



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

The Group actively engages with our stakeholders. We gather feedback and industry trends from stakeholder group representatives to understand their expectations. This helps guide our decision-making and strategy-planning to prepare for future sustainability challenges.




### Our Stakeholder Groups and Engagement Channels









## Stakeholder Comments and Our Responses 102-44

We commissioned an independent consultant to gauge stakeholders' opinions on our sustainability strategy and performance. The stakeholder engagement was conducted in accordance with the AccountAbility AA1000 Stakeholder Engagement Standard 2015. To ensure a meaningful engagement was conducted, we have engaged with over 610 stakeholders including employees, suppliers, tenants and investors through our online survey, one-on-one interviews and focus groups. Our responses to each of the material topics can be found under corresponding chapters throughout the Report, and the table below outlines the key responses collected:

Aspect	Stakeholder Feedback	Our Responses
<p><b>Sustainability Strategy</b></p> 	<p>Investors suggested incorporating net zero and carbon neutrality targets together with the disclosure of other environmental targets.</p>	<p>The Group has formulated carbon reduction and other environmental targets by 2030. For details of our targets and progress, please refer to the Co-living with the Nature chapter of the Report.</p> <p>Upon the announcement of the Hong Kong's Climate Action Plan 2050, we will review our existing targets to perfect the alignment to give full support.</p>
<p><b>Sustainability Disclosure</b></p> 	<p>Investors suggested establishing official environmental policies, discrimination and diversity policies, and disclosing more details on the allocation of community investment.</p>	<p>We understand that sustainability policies are critical for our business operations and impact investors' evaluations. This year, we reviewed and formulated five policies covering a wide range of aspects including the environment and suppliers' code of conduct. We will also gradually enhance our disclosure on community investment.</p>
<p><b>Supply Chain Management</b></p> 	<p>Suppliers would like the Group to consider sustainable initiatives such as digitalisation during the supplier engagement procedure and adoption of biodegradable materials to reduce single-use plastic in hotel operations.</p>	<p>We have been working on digitalisation in our daily operation. At present, we have been using virtual meetings and e-document internally to reduce our paper consumption. We will consider digitalising the procurement process in the coming future. We are also exploring the feasibility of replacing plastic with more environmentally friendly materials in hotel operations to minimise our impact on the environment.</p>

## Materiality Assessment (GRI 102-46, 102-47, 102-49)

To determine sustainability topics that are the most relevant to our business and our stakeholders, we adopt a four-step materiality assessment process which underpins the preparation of the Report.

<b>Step 1</b> <b>Identify</b>		We identified potential material topics for disclosure referencing the internationally accepted GRI Standards and the HKEX ESG Reporting Guide.
<b>Step 2</b> <b>Prioritise</b>		We reviewed local, regional and international peers' disclosure to identify industry practice and invited stakeholders to rank the materiality of various material topics. Their opinions regarding the Group's Sustainability Report were also consolidated. After analysing and consolidating the peer benchmarking and stakeholder engagement results, the overall materiality level of each sustainability issue and a prioritised list can be derived.
<b>Step 3</b> <b>Validate</b>		The results of previous steps were discussed by the Group's Sustainability Steering Committee for confirmation and finalisation of the list of material issues for disclosure in this Report.
<b>Step 4</b> <b>Review</b>		The sustainability issues and corresponding impact boundary are reviewed on a regular basis to ensure their relevance and materiality to the Group.

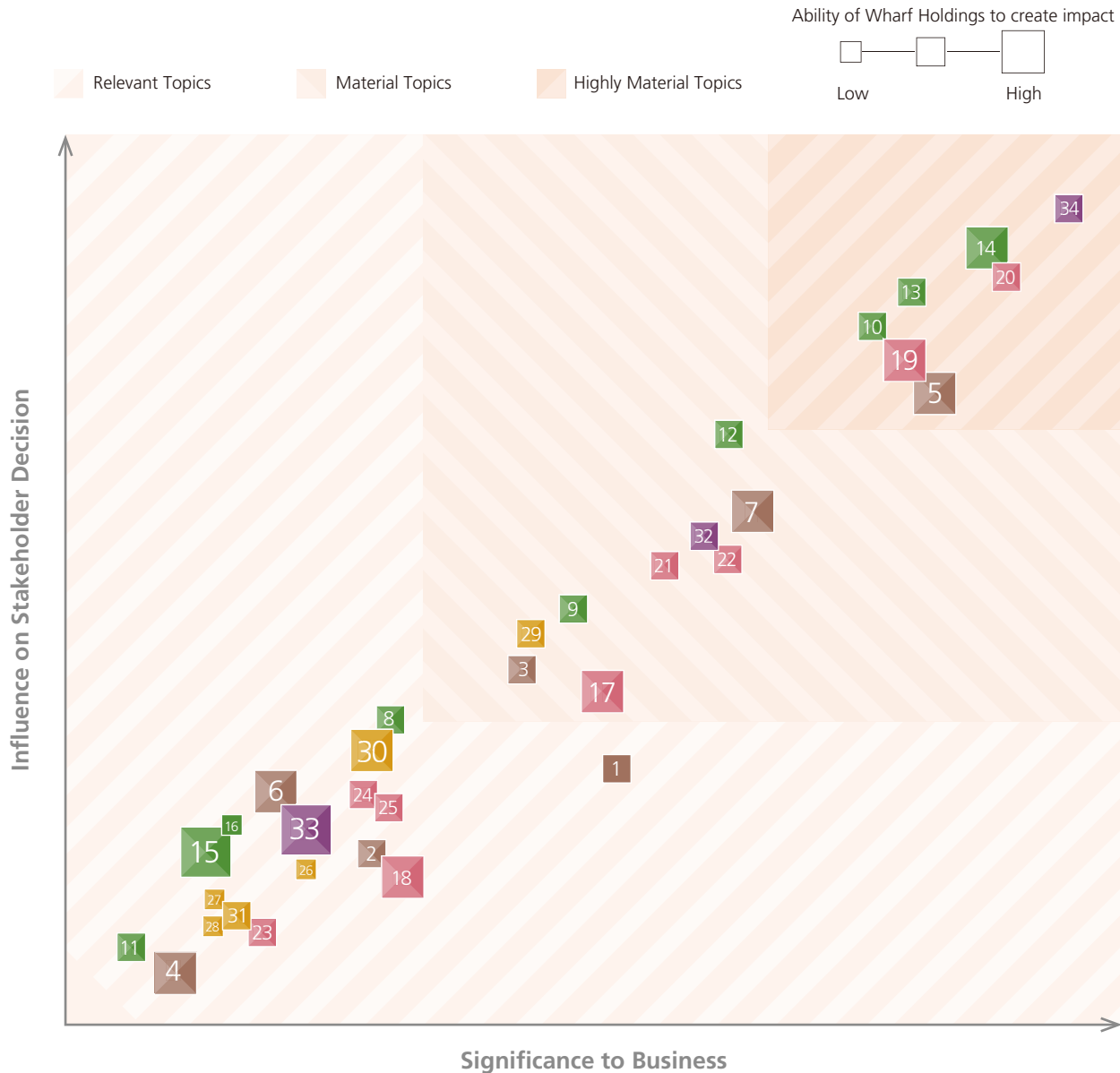
## Material Topics and Corresponding Topic Boundary

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

16 topics are identified as material this year, compared to 16 in 2020 and 19 in 2019. "Customer privacy" remains as the most material aspect in 2021. Stakeholders ranked "Water" and "Effluents and waste" as highly material topics this year. On the other hand, stakeholders no longer considered "Economic performance" and "Anti-competitive behaviour" as material in comparison with other topics for the Group. All of the material topics identified have actual, potential and positive impacts on either the economy, environment or people, except for "Water", "Effluents and waste", "Energy", and "Greenhouse gas and emissions" where the impacts are both positive and negative to the environment.

### Wharf Holdings' Materiality Matrix 2021

The matrix below illustrates the 34 material topics by plotting the influence on stakeholder decision against the significance to our business. The size of the square indicates the ability of Wharf Holdings to create impact. The larger the square is, the higher the ability Wharf Holdings can affect the outcome of the issue.



**Business Development and Corporate Governance**

- 1. Economic performance
- 2. Market presence
- 3. Indirect economic impacts
- 4. Procurement practices
- 5. Anti-corruption
- 6. Anti-competitive behaviour
- 7. Socioeconomic compliance

**Our Environment**

- 8. Materials
- 9. Energy
- 10. Water
- 11. Wildlife protection and biodiversity
- 12. Greenhouse gas and emissions
- 13. Effluents and waste
- 14. Environmental compliance
- 15. Supplier environmental assessment
- 16. Land degradation, contamination and remediation

**Our People**

- 17. Recruitment and retention
- 18. Labour/management relations
- 19. Occupational safety and health
- 20. Training and education
- 21. Diversity and equal opportunity
- 22. Non-discrimination
- 23. Freedom of association and collective bargaining
- 24. Prevention of child labour
- 25. Prevention of forced or compulsory labour

**Our Community**

- 26. Security practices
- 27. Protection of rights of indigenous peoples
- 28. Human rights assessment
- 29. Impact assessment on local communities
- 30. Supplier social assessment
- 31. Influence on public policy

**Our Customers**

- 32. Customer health and safety
- 33. Marketing and labelling
- 34. Customer privacy



# Co-living with the Nature





### UNSDGs addressed in this chapter:



### Material topics addressed in this chapter:

- Energy
- Greenhouse gas and emissions
- Water
- Effluents and waste
- Environmental compliance



## Commitment and Strategy

**GRI** 103, 307-1; **HKEX** KPI A1.5, A1.6, A2.3, A2.4





Environmental challenges such as climate change, water shortage and resource depletion are becoming increasingly obvious as risks to our society. The number of environmental concerns we face has reached a new high with increasing risks and impacts to our society and is affecting global economies, market trends and policies. Governments around the world are taking steps by enacting policies, legislations and regulations to address these issues. The Group is dedicated to complying with increasingly stringent standards and adhering to all applicable environmental laws and regulations<sup>6</sup>. We have introduced the Environmental Policy to govern BUs' execution to minimise the negative impact on the environment, including compliance

monitoring, pollution prevention, carbon management, resource management, considering biodiversity impact, and facilitating communication about environmental performance. Moreover, each BU has developed their own environmental guidelines and procedures that are tailored to the business scale, location, and nature of their operations in order to meet compliance requirements. Environmental performance, risks, control measures and management methods are also closely assessed to avoid and mitigate the potential negative impacts and dangers in our operation. In the reporting year, there was no case of non-compliance with environmental laws and regulations.

<sup>6</sup> Please refer to Significant Laws and Regulations section for the list of environmental laws and regulations significant to the Group's business operations.

The Group understands that steady improvement in sustainability performance requires long-term efforts which go beyond compliance to improve the eco-efficiency. We have established the 2030 long-term targets for several environmental aspects to improve and actively monitor our operations’ environmental performance and explore new opportunities for building a more sustainable future. BUs also track the effectiveness of the initiatives implemented. The table below summarises the Group’s environmental targets:

## Our 2030 Long-term Environmental Targets

	Baseline year	Overall targeted reduction by 2030
 <b>GHG emission (Scope 1 and 2) intensity</b>	2017	-25%
 <b>MLIP’s electricity intensity</b>	2017	-20%
 <b>Water management</b>	2017	Reduce consumption
 <b>Waste management</b>	2017	Divert waste away from landfills

The Group will work on to expand our current achievements in order to establish more comprehensive water and waste reduction and recycling targets.

We also implemented robust environmental management systems in accordance with international standards for our day-to-day operations. Chengdu IFS, Changsha IFS and Modern Terminals maintained ISO 14001:2015 Certification in the reporting year. On the other hand, Modern Terminals has adopted Green Terminal Model to effectively implement its Corporate Environmental Policy. To properly address its material environmental issues, environmental protection action plans are put forward throughout the different stages of the port lifecycle. The Model is reviewed periodically with reference to the latest industry trends, the Group’s sustainability strategy and the cumulative experiences gained in environmental management.

The Group is dedicated to adopting best practices in designing and constructing sustainable buildings. We strive to achieve a Gold rating or above under LEED certification programme for Mainland China properties. We also extend our commitment to integrate sustainability into our hotel operations. In acknowledgement of our contribution to sustainable tourism, our hotels have received certifications under EarthCheck, the world’s leading environmental certification and benchmarking programme for the travel and tourism industry.

Our BUs have also received multiple awards in recognition of our environmental efforts which are summarised in the Featured Awards, Charters and Memberships section of the Report.



<p><b>LEED Platinum “Operations and Maintenance: Existing Buildings”</b></p> <ul style="list-style-type: none"> <li>• Chengdu IFS</li> <li>• Changsha IFS</li> </ul>	
<p><b>LEED Gold “Operations and Maintenance: Existing Buildings”</b></p> <ul style="list-style-type: none"> <li>• Shanghai Wheelock Square</li> </ul>	
<p><b>LEED Gold “Core and Shell”</b></p> <ul style="list-style-type: none"> <li>• Wuxi IFS</li> </ul>	
<p><b>EarthCheck Gold certification</b></p> <ul style="list-style-type: none"> <li>• Niccolo Chengdu</li> </ul>	
<p><b>EarthCheck Silver certification</b></p> <ul style="list-style-type: none"> <li>• Niccolo Changsha</li> <li>• Niccolo Chongqing</li> <li>• Marco Polo Wuhan</li> <li>• Marco Polo Xiamen</li> <li>• Marco Polo Lingnan Tiandi, Foshan</li> <li>• Marco Polo Parkside, Beijing</li> </ul>	



## Climate Risk and Resilience Management

GRI 201-2; HKEX KPI A4.1

Global cry for climate change mitigation has been surging, with significant progress being made on practically every front. Stronger commitments from global political and economic leaders have heightened the sense of urgency surrounding climate action. Given our obligation to address the problem of climate change as a responsible corporate citizen and a leading company in the real estate industry, the Group has made considerable efforts in expanding our climate governance and management capability, creating climate mitigation and adaptation strategies, and boosting our climate-related disclosure.

Our Climate Change Policy Statement asserts our commitment to minimise our impact on climate change while simultaneously enhancing our climate resilience. Given the complexity of climate-related risks, we focus on our existing ERM framework to maintain vigilance, assess and respond to climate-related risks throughout our operations, and incorporate climate change into our strategic plans.

In order to gain a better understanding of our climate risk exposure, a preliminary climate risk mapping exercise was carried out with reference to TCFD's Recommendations throughout our portfolio, using the Representation Concentration Pathways ("RCPs") from the Intergovernmental Panel on Climate Change ("IPCC") and reference reports<sup>7</sup>. In 2021, upon the release of the Sixth Assessment Report of IPCC<sup>8</sup>, we used the new climate information to review and redefine relevant physical and transition risks over the time frame to 2030 and 2100, and under different plausible climate scenarios, including the more ambitious well below 2°C or 1.5°C pathway. After we updated our risk information, the corresponding financial and non-financial impacts and mitigation strategies were reconfirmed.

The Group is dedicated to setting out our strategies and management plans on material climate-related risks and opportunities and providing updates of our plans to all

stakeholders. Referring to TCFD's Recommendations, we present our climate-related disclosures according to the four core categories of governance, strategy, risk management, and metrics and targets in the Alignment with the Recommendations of Task Force on Climate-related Financial Disclosures section of the Report.

In the upcoming years, to ensure a sustainable future, the Group will continue to improve our climate-related disclosures in accordance with TCFD's Recommendations and increase our investments in climate mitigation and adaptation where feasible.

### Climate Change Opportunities

Climate change not only imposes risks, but also gives rise to opportunities. When the Group actively pursues ways to minimise carbon footprint through enhancing energy efficiency, adopting renewable energy, adjusting to sustainable resource management and applying green technology in our business operations, we found direct cost savings and reduction in energy costs resulted from the transition.

Meanwhile, with thriving sustainable finance, the Group explores opportunities of capital access to back our commitment to continuously improve sustainability performance and support carbon neutrality. The fight against climate change would not be cheap. Sustainable finance is essential for the Group to achieve our decarbonisation plan.

We are eagerly expecting information of long-term regulatory regimes and carbon pricing. We expect to better manage climate-related risks and at the same time seize the corresponding business opportunities through the transition to a low-carbon economy.

<sup>7</sup> IPCC 2014 Climate Change Synthesis Report (<https://www.ipcc.ch/report/ar5/syr/>), Hong Kong Observatory Climate Projection for Hong Kong ([https://www.hko.gov.hk/en/climate\\_change/future\\_climate.htm](https://www.hko.gov.hk/en/climate_change/future_climate.htm)) and Committee on Climate Change and China Expert Panel on Climate Change (2018) UK-China Co-Operation on Climate Change Risk Assessment: Developing Indicators of Climate Risk (<http://www.theccc.org.uk/publication/indicators-of-climate-risk-china-uk>)

<sup>8</sup> [https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC\\_AR6\\_WGI\\_Full\\_Report.pdf](https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Full_Report.pdf)

## Overview of Climate-related Risks of Wharf Holdings

### MLIP



### MLDP



**Increase in average temperatures, heat waves, heavy rain, and extreme hot days**

#### Impact

1. Close down of operations due to extreme weather
2. Overheating of buildings
3. Accelerated equipment depreciation
4. Increased air conditioning use for cooling resulting in higher electricity cost
5. Employees with outdoor job duties may suffer from heat stress-related illnesses (i.e. heat stroke and heat rash) which can reduce productivity and increase loss of working days

#### Mitigation Measures

1. Explore business interruption insurance to cover all potential and actual loss
2. Carry out electricity conservation measures
3. Optimise energy efficiency of shopping malls
4. Examine measures to minimise heat stress risk when refurbishment is planned (i.e. green space and passive solar design)
5. Strengthen employees' awareness on heat stress-related illnesses
6. Allocate resources for heat stroke prevention
7. Properly arrange work schedules



**Increase in average temperature resulting in more hot days**

#### Impact

1. Negative impact on workers' health and equipment durability, potentially decreasing overall productivity

#### Mitigation Measures

1. Modify workers' rest schedule
2. Increase accessibility to cooling facilities for workers
3. Incorporate more heat resistant materials
4. Increase usage of precast system to lessen on-site work

Physical Risks



**Execution of government policies to shift to a low-carbon economy**

#### Impact

1. Rising operational costs due to tightened requirements on energy management
2. Early retirement of equipment
3. Implementation costs for new practices/processes and installation of high efficiency equipment
4. Sudden and unexpected increases in energy costs

#### Mitigation Measures

1. Set carbon emission target and reduction plan for the company
2. Implement energy management system
3. Formulate write-off plan for low energy efficiency equipment
4. Investigate potential of installing renewable energy facilities (i.e. solar panel)
5. Retrofit existing buildings to meet increasingly stringent energy efficiency standards



**Tightened environmental regulations and codes of practice**

#### Impact

1. Additional design requirements and regulations necessary in development projects (i.e. apply precast system and Sponge City design code)
2. Prior management and construction methods do not meet new regulations

#### Mitigation Measures


1. Adopt higher standards for green construction code and conduct trial in projects
2. Increase precast system utilisation in residential development
3. Require contractors to utilise reusable concrete form panel
4. Provide training to staff and contractors to meet new regulations
5. Utilise local/nearby suppliers on a preferential basis
6. Explore the potential of adopting renewable energy for building services

Transition Risks

## Leisure and Hospitality



## Logistics


**Disruption to operations and supply chain and damage to infrastructure and facilities due to extreme weather events**

### Impact

1. Overall cost increase to repair damaged facilities
2. Reputational damage and business disruption resulting in a potential decrease in business

### Mitigation Measures

1. Assess, research and implement resiliency measures (i.e. typhoon-resistant windows)
2. Schedule annual emergency preparedness meeting to develop and improve crisis management and transition plans for extreme weather events
3. Ensure hotels have a diverse supplier base
4. Develop a strong supplier relationship with suppliers to ensure timely delivery of products




**Suspension of operation and damage to facilities caused by tropical cyclones. Extreme weather events such as heavy rain and extreme temperature variability**

### Impact

1. Disruption of operations resulted in loss of revenue
2. Rising operation costs for schedule recovery
3. Increased maintenance/repair and insurance costs
4. Increased investment required to upgrade or reinforce our equipment to sustain extreme weather events
5. Increasing chance of power outages because of flooding in electrical facilities

### Mitigation Measures

1. Evaluate engineering design and operational standards
2. Evaluate emergency management procedures




**Inability to adapt to the rising interest in sustainability of stakeholders**

### Impact

1. Loss of competitive edge to more sustainable competitors
2. Decrease in revenue and market reputation

### Mitigation Measures

1. Maintain active participation in EarthCheck
2. Pursue green building certification
3. Employ energy reduction initiatives
4. Prioritise sustainability in renovations and new developments
5. Monitor guest satisfaction and hotel reputation closely
6. Communicate with stakeholders on the sustainability initiatives implemented



**Government policy on green energy for container vessels**

### Impact

1. Rising operating cost for connecting to shore power
2. Extended port stay
3. Loss in ground slots
4. Operations affected during liquefied natural gas bunkering as stringent safety regulations/procedures and substantial safety zones are mandated.
5. Loss of business if failed to meet the changing market trend and customer demand on liquefied natural gas vessels and shore power

### Mitigation Measures

1. Closely monitor the market trend and government's policy direction

Physical Risks

Transition Risks



# CASE STUDY

## Achieving Sustainable Development through Sustainable Finance at Chengdu IFS and Changsha IFS



The Group has noticed the capital market has put more attention on sustainable development and related investment opportunities. Seeing this, we have implemented sustainable finance instruments to raise funding for long-term environmental and social projects. We raised a HK\$2 billion Green Loan Facility for Chengdu IFS in 2019 and RMB1 billion for Changsha IFS in 2020. The green loan proceeds raised enabled the two properties to achieve LEED Platinum certification.

### Energy Efficiency and Renewable Energy

In 2021, Changsha IFS accomplished a significant saving of 110,798 kWh from lighting upgrade. This result was achieved from the combined efforts of replacing 36 lighting fixtures with LED lamps, as well as switching 830 18-Watt and 9-Watt LED bulbs with 3-Watt LED bulbs. The endeavour translates to an emission reduction of 58 tonnes of CO<sub>2</sub> equivalent.

Chengdu IFS and Changsha IFS are making substantial efforts to support the decarbonisation strategies of the Group. At Changsha IFS, two photovoltaic power producers have been installed. The electricity generated was used to power the stairwells and explosion-proof lighting. Chengdu IFS, on the other hand, preheats the water entering the boiler via a Boiler Flue Gas Heat Recovery System. During the reporting year, over 80,000 kWh of heat was recovered. At Chengdu IFS, an exhaust air heat recovery system was also installed to boost the facility's air conditioning performance. This system exchanges heat and eliminates thermal gaps between indoor exhaust air and outdoor fresh air, thereby minimising the building's winter and summer heating and cooling loads. It recovered more than 350,000 kWh of heat in 2021. Moreover, around 70% of the electricity consumed at Chengdu IFS are sourced from hydroelectric power.

### Promoting a Circular Economy

Chengdu IFS has contracted with qualified vendors to manage food waste. In 2021, a total of 698 tonnes of food waste was recycled via this means.

### Enhanced Indoor Environmental Quality

To create a good indoor environment for our tenants, we use electrostatic filtration in the fresh air system of our office buildings in Chengdu IFS. This also results in more efficient dust and fine particle removal, as well as increased energy efficiency. Similarly, ultraviolet sterilisers were placed in food outlets in addition to the range hood and air purifying system. At Changsha IFS, we installed ultraviolet sterilising lights at all air handling units and primary air units for the health and comfort of premise users. Circulating ultraviolet sterilising system was also installed at all elevators to ensure good indoor air quality.

### Environmental Performance

**Chengdu IFS**                      **Changsha IFS**



#### GHG Emissions (tonnes CO<sub>2</sub>e)

Chengdu IFS	Changsha IFS
<b>51,075</b>	<b>37,718</b>
(2020: 47,988)	(2020: 34,690)
(2019: 49,158)	(2019: 36,944)



#### GHG (Scope 2) Intensity (tonnes CO<sub>2</sub>e/m<sup>2</sup>/occupancy rate)

Chengdu IFS	Changsha IFS
<b>0.09</b>	<b>0.05</b>
(2020: 0.08)	(2020: 0.05)
(2019: 0.08)	(2019: 0.07)



#### Energy Consumption (GJ)

Chengdu IFS	Changsha IFS
<b>365,197</b>	<b>265,469</b>
(2020: 342,761)	(2020: 248,872)
(2019: 361,250)	(2019: 273,514)



#### Energy Intensity (GJ/m<sup>2</sup>/occupancy rate)

Chengdu IFS	Changsha IFS
<b>0.64</b>	<b>0.37</b>
(2020: 0.61)	(2020: 0.38)
(2019: 0.64)	(2019: 0.56)



#### Waste to Landfill (tonnes)

Chengdu IFS	Changsha IFS
<b>2,786</b>	<b>0</b>
(2020: 2,912)	(2020: 0)
(2019: 3,125)	(2019: 7,360)

## Energy Management and Decarbonisation

**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

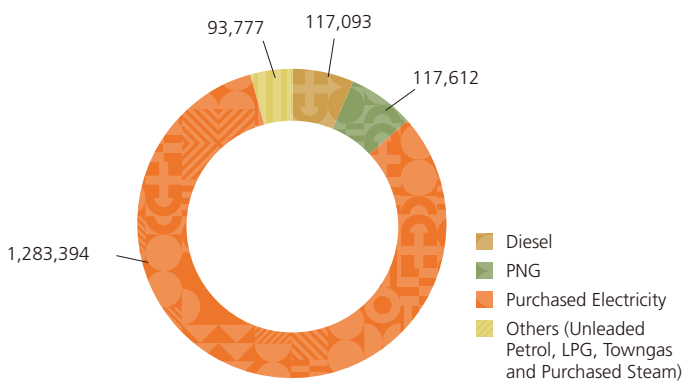
In our capacity as a real estate company, we are in a unique position to assist the global movement in decarbonisation. The Group’s carbon emissions are mainly due to indirect energy consumption, thus, we strive to increase energy efficiency and cost savings across our portfolio. For instance, Dalian Times Square conserves energy by replacing traditional lighting to LED lighting and optimising the power supply circuit with high-efficiency equipment. At Niccolo Changsha, we have optimised the heat-transmission efficiency by upgrading and renovating the swimming pool’s heat pump pipeline, contributing to a reduction in electricity consumption of 71,280 kWh per year.

We review and improve our operational practices on a regular basis to avoid energy wastage. At Changsha IFS, a smart energy monitoring system has been installed in 2021, where meter reading and energy analysis can be performed once per hour to strengthen monitoring and improve energy efficiency. The exit route lighting, office lighting and office air conditioning are also modified to operate independently by cloud control switch. This initiative

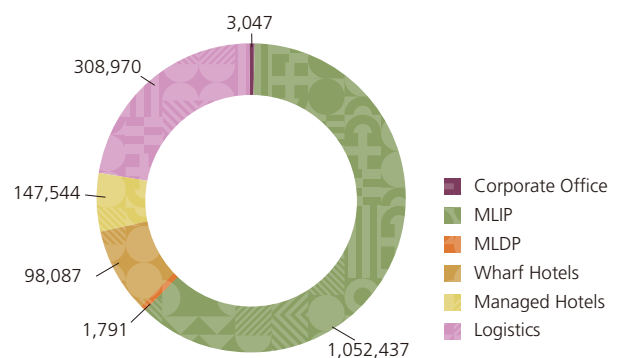
avoided the excessive use of air conditioning and lighting while maintaining adequate illumination for customers’ safe access, saving 109,163 kWh of electricity in 2021. At Chongqing Times Square, during the winter months, we make use of the fresh air handling unit to lower the indoor air temperature, which is heated by the illumination of shop decorations. Cooler external fresh air is delivered into the building, reducing the cooling load and resulting in energy savings.

We also encourage energy efficiency in workplace. We encourage our employees to be more energy conscious in their daily activities by providing them with energy saving operation guidelines and conducting frequent inspections. For more energy saving and decarbonisation measures adopted by the Group, please refer to the case study on page 28-29.

### Energy consumption by type in GJ



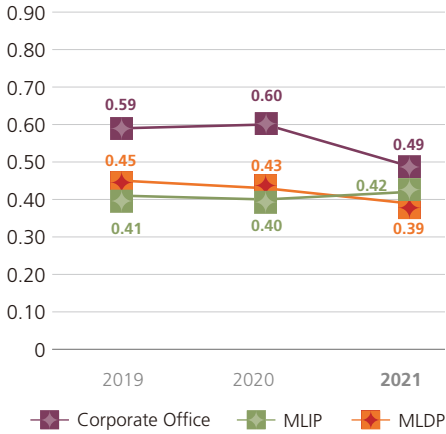
### Energy consumption by operation in GJ



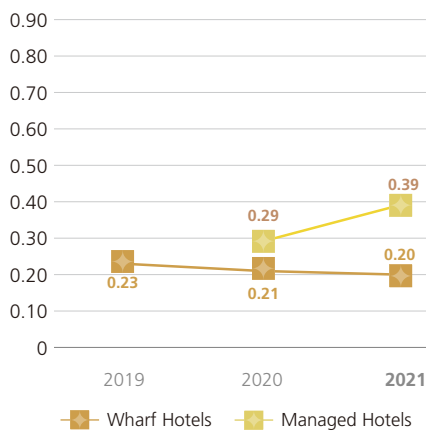
Note:

- (1) Corporate Office refers to the Group’s head office in Hong Kong.
- (2) MLIP refers to Chengdu IFS, Changsha IFS, Wuxi IFS, Shanghai Wheelock Square, Shanghai Times Square, Chongqing Times Square, Dalian Times Square, Times Outlets Changsha and Times Outlets Chengdu.
- (3) MLDP refers to the management offices located in Chengdu, Shanghai, Hangzhou and Suzhou.
- (4) Wharf Hotels refers to Niccolo Chengdu, Niccolo Chongqing, Niccolo Changsha and Marco Polo Wuhan.
- (5) Managed Hotels refers to Marco Polo Lingnan Tiandi, Foshan, Marco Polo Jinjiang, Marco Polo Xiamen, and Marco Polo Parkside, Beijing.
- (6) Logistics refers to Modern Terminals.

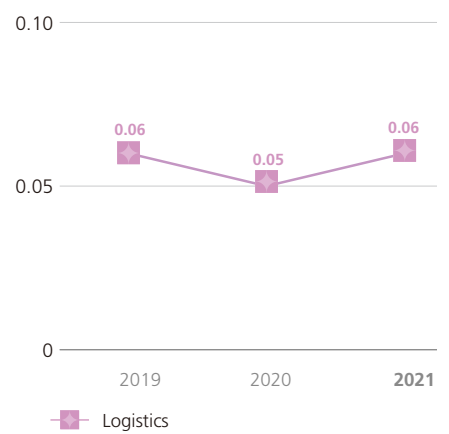
### Energy intensity in GJ per GFA m<sup>2</sup>



### Energy intensity in GJ per guest night



### Energy intensity in GJ per TEU



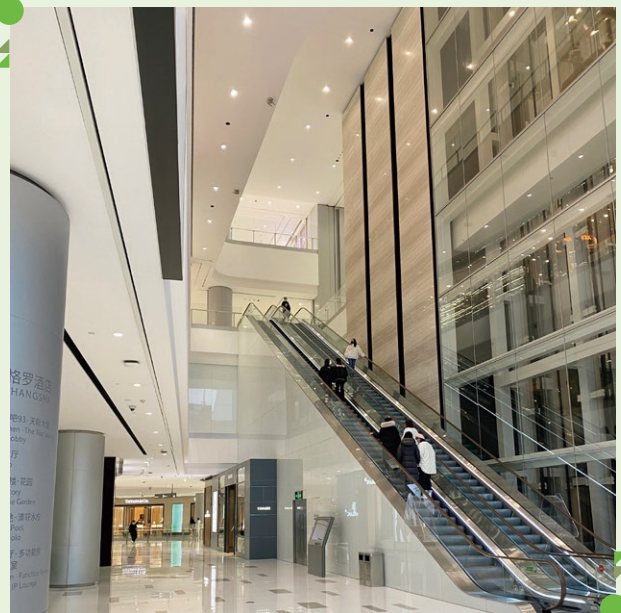
Note:

- (1) Definition of the number of guest nights in this report has been revised from [number of guests x number of nights they are staying] to [total guest staying overnight + staff nights + total day guests/3 + total non-resident restaurant covers/4] as defined by EarthCheck, as such the intensity data of Wharf Hotels and Managed Hotels in 2020 and 2019 have been restated accordingly.

# CASE STUDY

## Our Sustainability Strategy and Decarbonisation in our Operations

The Group takes the issue of climate change seriously and prefers ambitious and innovative actions towards climate change mitigation. Lighting systems are thought to account for a considerable part of energy consumption in retail and commercial properties. Therefore, various lighting retrofit initiatives have been carried out across our MLIP to reduce electricity consumption. At Chongqing Times Square, around 860 LED lamps were installed in public areas, including the shopping mall, lower ground parking and lift lobbies, resulting in an energy savings of around 100,000 kWh per year. Similarly, at Changsha IFS, we replaced traditional lighting with LED lighting in the equipment control room and corridor in common areas. Dalian Times Square also saved 37,000 kWh in 2021 by installing LED lighting for illumination in parking areas and shopping mall.





At Niccolo Changsha, we have installed an infrared sensor switch for the hotel's back of house lighting, which allows the lighting to be automatically turned on and off depending on the occupancy in the area, resulting in an annual saving of 7,560 kWh of electricity. We also modified the elevators to allow for parallel operation, which resulted in a monthly energy saving of 5,397 kWh. At Niccolo Chongqing, we turned off the power supply of some elevators during low occupancy period under pandemic. We utilise natural daylight to save energy when feasible. On empty floors, the power supply to the rooms and corridors was also switched off, resulting in a daily energy saving of 1,600 kWh.



In addition, MLIP in Mainland China have been gradually increasing the use of renewable energy. In addition to the solar photovoltaic system installed at Chengdu IFS and Changsha IFS, Shanghai Times Square also installed a solar photovoltaic power station at their rooftop, with 48,777 kWh of electricity generated in 2021.



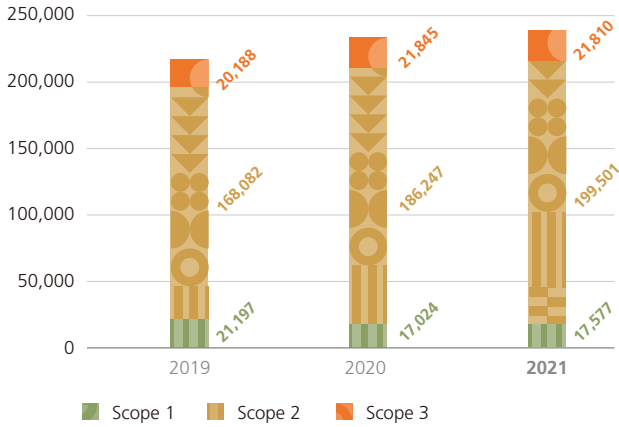
On the other hand, Modern Terminals announced the sustainability strategy in 2021 to eliminate direct greenhouse gas ("GHG") emissions from its operations by 2030 and to become carbon neutral by 2050. A main direction and clear sustainable development roadmap will be established for the container terminals in both Hong Kong and western Shenzhen. To meet the carbon reduction targets, Modern Terminals has commenced the use of renewable energy and plan to transit all container handling equipment and on-site vehicles to electric power in the future.

In 2021, 291 solar photovoltaic panels were installed on the rooftop of the warehouse building of Modern Terminals, covering an area of about 1,000 square meters. Approximately 140,000 kWh of electricity per year are expected to be generated by the system, which is equivalent to a reduction in carbon emissions of 51,800 kg every year.

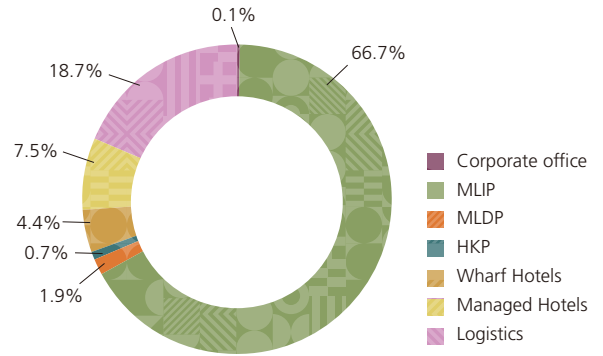


The Group understands that internal communications and simultaneous improvements of all our BUs are all critical to the success of the goal. The Group will adhere to our long-term decarbonisation vision and continue to do our share to contribute to a more sustainable future.

### Total GHG emissions in tonnes CO<sub>2</sub>e



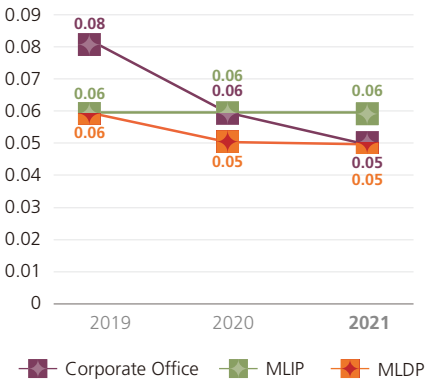
### Percentage of total GHG emissions by operation



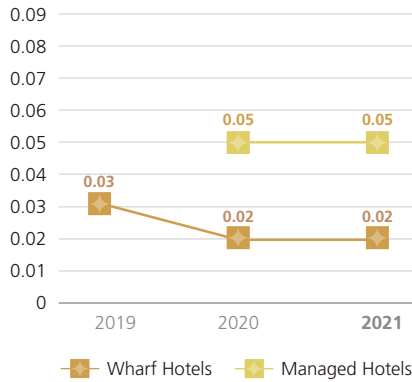
Note:

- (1) Scope 3 emissions in 2019 is restated to reflect actual calculation.
- (2) For definition of Scope 1, Scope 2 and Scope 3 emissions, please refer to footnote 21-23 on page 61.

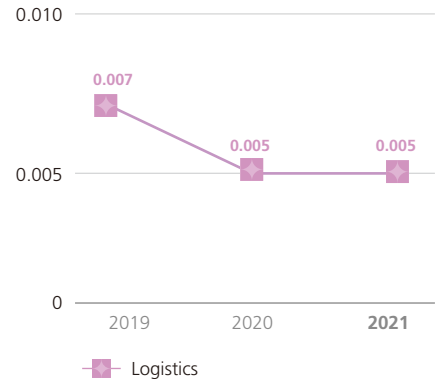
### GHG intensity in tonnes CO<sub>2</sub>e per GFA m<sup>2</sup>



### GHG intensity in tonnes CO<sub>2</sub>e per guest night



### GHG intensity in tonnes CO<sub>2</sub>e per TEU



Note:

- (1) Definition of the number of guest nights in this report has been revised from [number of guests x number of nights they are staying] to [total guest staying overnight + staff nights + total day guests/3 + total non-resident restaurant covers/4] as defined by EarthCheck, as such the intensity data of Wharf Hotels and Managed Hotels in 2020 and 2019 have been restated accordingly.
- (2) Only Scope 1 and Scope 2 GHG emissions were included in intensity calculation for comparison between 2019 and 2021 data on a like-for-like basis.

## Air Quality Management

[HKEX] KPI A1.5, A3.1

The Group recognises the potential health risks caused by air pollution. We, therefore, continuously improve our operation to enhance the air quality in Hong Kong and Mainland China, considering the health and wellbeing of our employees, customers, and the general public.

With the joint efforts throughout our BUs, we have implemented a series of air emission reduction initiatives. For example, at Modern Terminals, we have substituted all the traditional rubber-tyred gantry cranes (“RTGs”) with electricity-powered RTGs. In addition, we collaborate closely with contractors and support them in minimising air pollutant emissions. Adopting a pure electric-driven tractor, which facilitates minimising total diesel usage and alleviating air pollution, is one of the best examples of our support for air quality management.

At MLIP, we actively engaged with our tenants to manage the emissions of air pollutants. We strictly comply with national and industry-level emissions regulations and standards, thereby installing hood fans and purifiers at all restaurants in Chongqing Times Square. Furthermore, at Shanghai Times Square, the original oil boiler has been substituted with an air source heat pump that consumes less diesel and emits fewer air pollutants.

In the meantime, we take practical dust suppression measures at MLDP, aiming to minimise dust emissions to an acceptable level during our construction works. We cover all the on-site waste and fugitive construction materials to prevent windblown dust. In addition, vehicle wheels and body washing facilities are in place at the exit points of construction sites, removing any dusty materials before leaving the sites. We also transport construction materials and wastes appropriately with enclosed vehicles.



## Water Stewardship and Conservation

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

The Group understands that water is a precious resource required for survival. However, climate change has placed ever-increasing stress on this natural resource, affecting business sustainability and the wider community. For this, we are constantly in search for opportunities to improve water management and conservation.

To lower our water usage, we deploy water saving techniques and regularly review our daily practices. We have changed the pump in the water fountain at Times Outlets Chengdu that requires less frequent water replenishment and reduces water use by 10%. Additionally, we have rearranged our water tank cleaning procedure at Niccolo Changsha to minimise water wastage. Rather than emptying the water tanks prior to cleaning, we transfer the water to another tank, saving 1,390 m<sup>3</sup> of water every year.

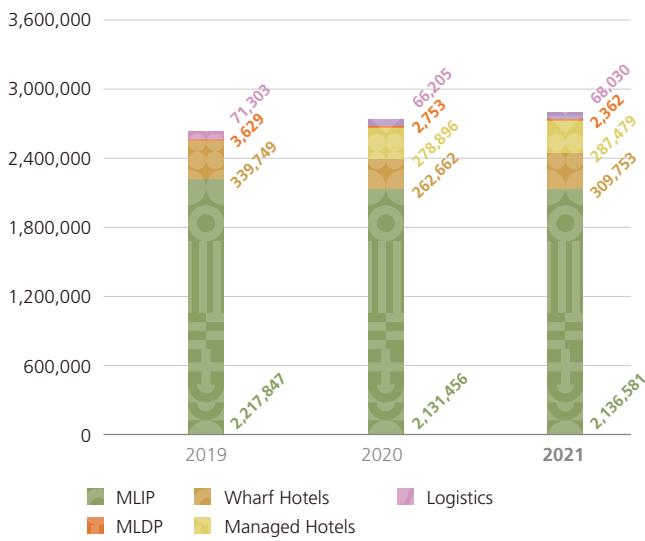
To meet the ever-increasing demands on water resources, we are constantly looking for ways to expand our efforts in water recycling. Dalian Times Square has been recovering condensed water since 2016. Almost 4,000 m<sup>3</sup> of condensing water was recovered and distributed to small business owners during the reporting year. Similarly, the recovered water from steam condensation in laundry room is used to heat the boiler at Niccolo Changsha, which targets to save around 880 m<sup>3</sup> of water per year. We have also installed sedimentation tanks at our construction sites to filter suspended particles, which allow the water to be reused for construction vehicle wheel cleaning. Additionally, we collect rainwater for irrigation and dust control. Changsha IFS has completed the expansion of their rainwater recovery system during the reporting year. The system will be put into use early 2022 and is expected to increase the amount of rainwater recovered by around 1,000 m<sup>3</sup> per year.

Water leakage detection and repair are critical components of our water management plan. Water meter readings are monitored and taken from time to time daily at Times Outlets Chengdu. If any anomalies are discovered, we will arrange investigations and maintenance promptly as follow-up actions. The office of Times Outlets Changsha also takes similar measures where inspections are carried out on water pipe leakage and dripping faucets twice daily. The engineering department will be contacted immediately for repairing if leakages are identified.

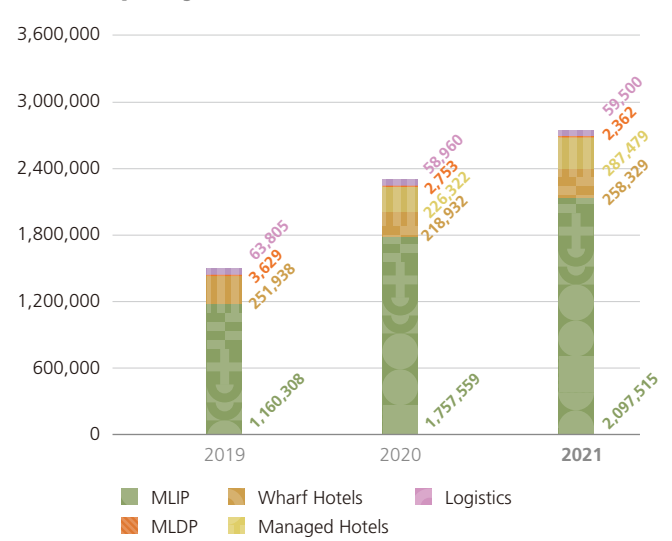


The success of long-term water conservation relies on behavioural change. We actively encourage our employees and consumers to conserve water. EarthCheck training is provided to new employees in our hotel operations, to ensure they are well-equipped with knowledge on water conservation in their daily jobs. Also, signs are placed next to the water taps in the pantries of the offices of MLDP to remind our employees to turn off taps when not in use. We also encourage our hotel guests to take part in our green programme for guest room linens, in which linen and towels are replaced only upon request to minimise water wastage by avoiding excessive washing.

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



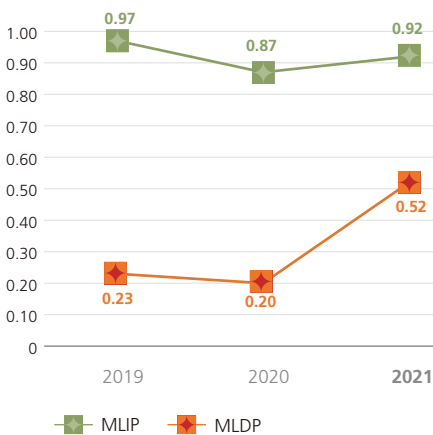
### Water discharge by operation to a third party in m<sup>3</sup>



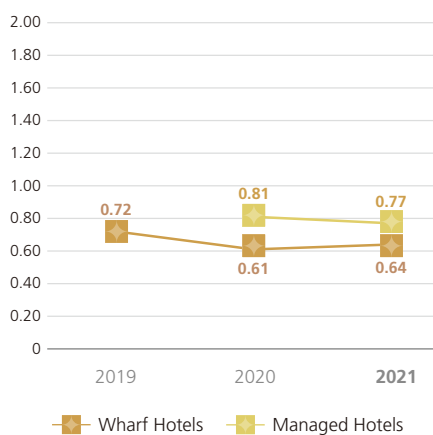
Note:

(1) The Corporate Office does not have a separate meter. The consumption is included in the bills of Harbour City. Please refer to Wharf Real Estate Investment Company Limited's standalone Sustainability Report 2021.

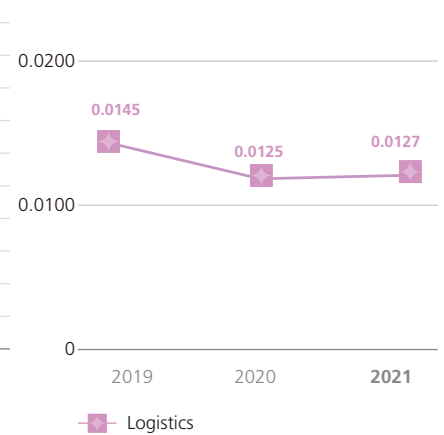
### Water intensity in m<sup>3</sup> per GFA m<sup>2</sup>



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



### Water intensity in m<sup>3</sup> per TEU



Note:

- (1) Definition of the number of guest nights in this report has been revised from [number of guests x number of nights they are staying] to [total guest staying overnight + staff nights + total day guests/3 + total non-resident restaurant covers/4] as defined by EarthCheck, as such the intensity data of Wharf Hotels and Managed Hotels in 2020 and 2019 have been restated accordingly.
- (2) The increased water intensity in MLDP in 2021 was due to the relocation of Suzhou office with a smaller GFA.

## Waste Management and Resource Conservation GRI 306-2; HKEX KPI A1.6

Waste management is one of the top environmental issues worldwide due to the dramatic increase in urbanisation and population growth globally. As such, the Group has been making substantial efforts to improve our waste management practices and to make effective use of the limited resources. Under our Green Procurement Policy, we endeavour to avoid products with single-use packaging and consider the quantity and disposal method of the waste produced at the post-consumption stage during the supplier selection process.

As part of the commitment to utilise resources efficiently, our BUs have progressively eliminating paper usage in our business operations. With the aim of becoming a paperless office, we maintain close communications with our stakeholders and digitalise our business workflow. For example, we digitally collect tenants' feedback and employees' reports and maintain records of patrol, facility maintenance and repair through the asset management system. In addition, we encourage our office staff to save paper by using email for company business, adopting double-sided printing if possible and to recycle single-sided printed paper. Furthermore, in order to guide our employees on paper saving and recycling practices, the Office Environmental Protection Operation Manual has been formulated by our MLDP. We also put up "Paper Saving" poster near printers to promote double-sided printing and place single-sided paper collection boxes for reuse. As a result of our efforts at MLDP, we decreased paper consumption on an average of 25% in 2021, compared to 2019.



For our hotel operations and shopping malls, food waste is another emphasis of our waste management. To reduce food waste, not only do we refill the buffet food more frequently with smaller amounts to reduce waste generation from source, but also adopt recycling to reduce the amount of food waste disposed of at landfills.



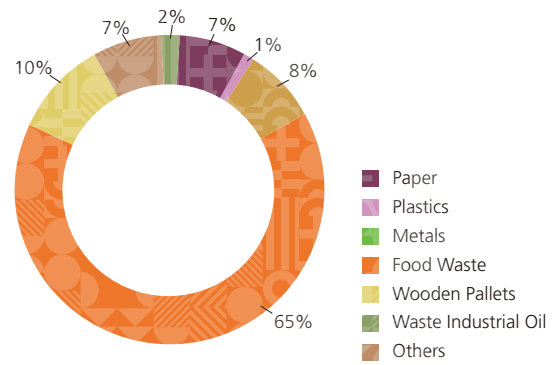
To comply with the increasingly strict policies on banning single-use plastic, our BUs have been actively taking various measures to reduce plastic use. At MLDP, we prepared reusable tea sets and water boilers for guests to use in the pantry. In addition, we substituted bottled water with reusable cups and encouraged our employees to bring their own containers and utensils when ordering delivery. By implementing these measures, the consumption of plastic bottled water at MLDP has decreased by an average of 69% in 2021, compared to 2019.

In order to lessen the burden of waste treatment facilities, our BUs have constantly strengthened the implementation of waste sorting and recycling throughout the business operations. At Niccolo Changsha, used soap are being collected and donated to the "Soap Cycling" regularly. At MLDP, we have placed recycling bins in various locations and disseminated waste sorting and recycling information to employees. Additionally, we have appointed approved contractors to ensure that we appropriately recycled construction materials such as scrap wood and rebar on our construction sites. Wherever possible, some construction materials were reused, for example, repurposing rubble and concrete material for temporary road repair and prefabricated components.

### Recycled waste by operation in tonnes



### Recycled waste by type in percentage



Note:

- (1) Others consist of the following waste types: cell batteries, industrial batteries, fluorescent lamps, light bulbs, glass, soaps, clothes, electrical appliances and components, used ink cartridge, scrap tyres, waste cooking oil, waste filter and waste rag.

## Effluent Management and Spillage Prevention HKEX KPI A3.1

We strive to alleviate the impact of our operation on water quality and biodiversity. Therefore, we deploy underground fuel interceptor facilities to ensure effluent is correctly treated before discharge. In addition, we regularly conduct effluent quality inspections and assessments on facilities to guarantee compliance with all applicable standards. At the same time, we are well prepared for internal emergency response management to prevent any impact on the environment from chemical spills. At Modern Terminals, we have formulated the emergency response guide for our employees, which clearly states the procedures for handling chemical spillages. Also, we regularly conduct emergency drills to ensure our employees are fully aware of their responsibilities and actions under emergency situations.



## Enhancing Environmental Awareness [HKEX] KPI A3.1

Building up our employees' environmental consciousness is essential for achieving environmental performance improvement in the long run. We actively engage our employees via environmental training, guidelines and operational manuals, encouraging them to live a green and sustainable lifestyle. In response to the implementation of the Chengdu Municipal Waste Management Regulations on 1 March 2021, Chengdu IFS organised an online question and answer activity on waste sorting to spread the knowledge of garbage classification and promote environmental protection and resource reuse. Over 210 employees partook in the online activity. With their active participation, we profoundly believed that they would develop environmental consciousness and eliminate the waste generated in their daily lives.

Considering climate change, MLDP has launched the Carbon Account programme with the utilisation of Alipay's Ant Forest App, encouraging our employees to partake in low-carbon activities. Green energy points will be rewarded to the users if they take any action such as taking public transit and biking to work to eliminate their carbon emissions. As more green energy points are earned, more virtual trees will grow on the app, and Alipay will collaborate with local non-governmental organisations to plant real trees or protect a conservation area. MLIP has also launched cross-city environmental protection plan "Nature WEserve" this year. Involving nearly 160 employees and their families and friends, nearly 350 native trees were planted in local tree planting bases, ecological restoration sites and country parks.



To raise our employees' awareness of biodiversity, MLIP launched an activity to invite employees and their children to create audio recordings or vlogs about biodiversity. Employees' works were shared online and recorded over 127,000 views. The event provided a fantastic opportunity for us to draw people's attention to protection of biodiversity for the wellbeing of the Planet.





# Building Excellence with Our Stakeholders



### UNSDGs addressed in this chapter:



#### Material topics to be addressed in this chapter:

- Recruitment and retention
- Training and education
- Diversity and equal opportunity
- Non-discrimination
- Customer privacy

## Commitment and Strategy

Stakeholders are more and more engaging and showing influence on a corporation's sustainability journey. Therefore, in achieving the Group's sustainable business growth, we strive to provide excellent services for our customers and foster a favourable working environment for stakeholders, including our employees and suppliers.

To safeguard our employees' rights, we have established employment policies in accordance with applicable laws and regulations<sup>9</sup>. We have also implemented various management systems and measures to monitor and assess our products and services, as well as supply chain activities to ensure compliance of our business operations with applicable laws and regulations<sup>10</sup> and satisfy the standards and expectations of the Group. During the reporting year, we have formulated the Group's Human Rights Policy to foster equal opportunities, diversity and inclusion in workplace within the Group.

We use a variety of engagement channels to collect opinions from stakeholders and analyse the effectiveness of our management strategy on a regular basis to enhance our operation. During the reporting year, there were no incidents of breaches of applicable regulations and voluntary codes that resulted in a fine or penalty.

## Nurturing Our Employees

### Talent Recruitment and Retention

(GRI) 102-8, 401-2; (HKEX) KPI B1.1

Employees should not be overlooked or neglected. Employees are of paramount importance to the Group as they can provide insights, energise operation and are our

brand ambassadors to the public. We are committed to promoting a fair and motivating workplace. Candidates are evaluated during the recruitment and selection process according to their ability, qualifications and work experience. We also observe human rights and adhere to the Group's Human Rights Policy and the Corporate Social Responsibility Guidelines when dealing with employment issues including grievance, non-discrimination, principles and rights at work, working conditions, OSH, and staff development.

To attract and retain talents, we provide competitive remuneration packages and benefits. Depending on the BU, our employees in Hong Kong can enjoy various benefits such as voluntary employer's contribution to MPF, extra paid leave<sup>11</sup>, complimentary pre-employment and regular health checks, counselling services, outpatient and hospitalisation coverage, special dental service rates, and subsidised meals. For employees in Mainland China, we offer remuneration packages referencing society's average wage level, national salary guide and market rates. Full-time employees in Mainland China can enjoy the Five Social Insurance and One Housing Fund.

For career opportunities, please visit the career section of our corporate website:



<https://www.wharfholdings.com/en/careers>

<sup>9</sup> Please refer to Significant Laws and Regulations section for the list of employment laws and regulations significant to the Group's business operations.

<sup>10</sup> Please refer to Significant Laws and Regulations section for the list of product responsibility laws and regulations significant to the Group's business operations.

<sup>11</sup> Extra paid leaves include annual leave, sick leave, maternity and paternity leave, and marriage leave.

## Workplace Diversity and Inclusiveness

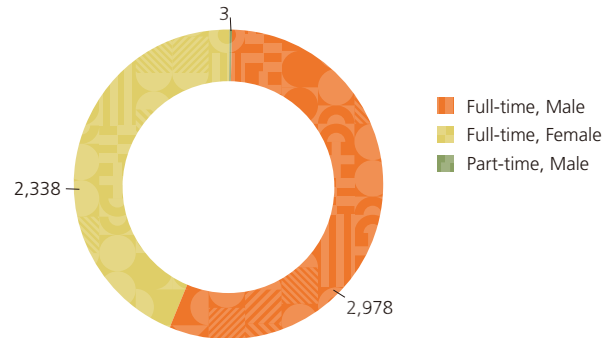
GRI 406-1

The Group adheres to all anti-discrimination legislations in Hong Kong<sup>12</sup> and adopts a zero-tolerance approach on workplace discrimination as stated in the staff handbook. To advocate diversity in the workplace, we provide opportunities for employees regardless of gender, age, family background, ethnicity, religion, nationality, sexuality or disability, but only according to their experience, ability and relevant qualifications.

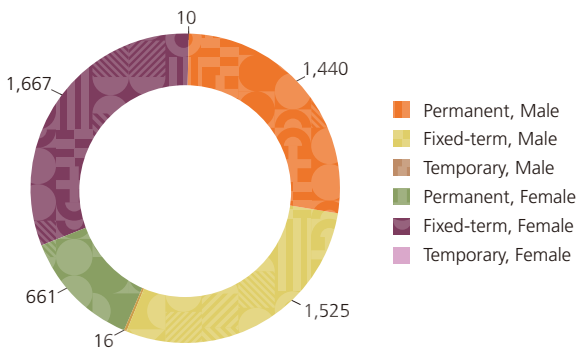
### Employee Composition

As of 31 December 2021, we have a total of 5,319 employees with the following distribution:

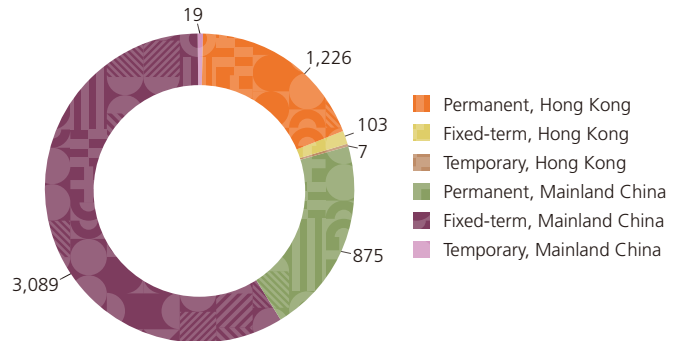
### Total workforce by employment type by gender



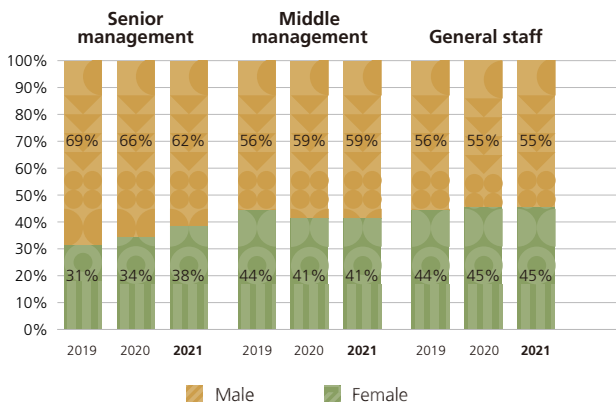
### Total workforce by contract type by gender



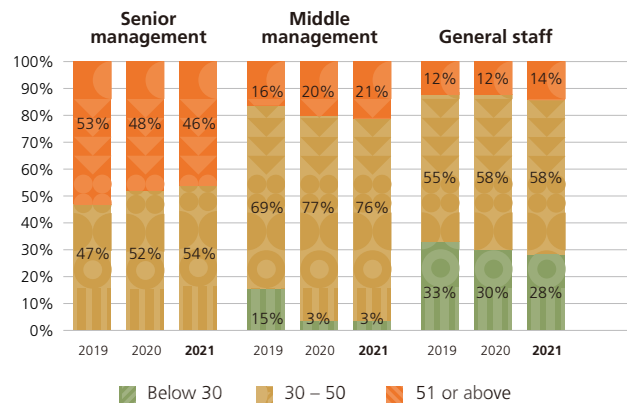
### Total workforce by contract type by region



### Gender distribution of employees by employment category



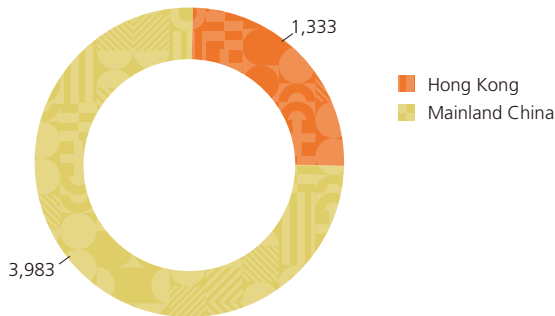
### Age distribution of employees by employment category



12 Please refer to Significant Laws and Regulations section for more details.



## Region distribution of full-time employees



There is no non-guaranteed hours employee in the Group in the reporting year. As shown, our workforce is mainly made up of permanent and fixed-term, full-time employees. There are only 3 part-time workers.

At the end of the reporting year, the total number of workers who are not employees and whose work is controlled by the organisation is approximately 4,700. The majority of workers who are not employees are contractors hired for the cleaning, security and onsite technical support functions in MLIP and Logistics.

There are no significant fluctuations in the number of employees and number of workers who are not employees during the reporting year in comparison to last reporting year.

## Engagement Channels

We encourage employee engagement through fostering effective communication and supportive corporate culture. We have frequent interactions with employees by organising activities to promote a respectful culture. For example, Niccolo Changsha implemented Colleague Appreciation Week to celebrate the hotel's 3<sup>rd</sup> Anniversary and show our gratitude to all colleagues. We have also organised activities including team building games, thanksgiving gifts distribution, VR game experience, employee badminton competition and employee food festival. We pay attention to the concerns of our employees by establishing a staff grievances policy to address issues raised by them as soon as possible. We will carry out investigation and corrective actions as well as review our human resources management strategy as appropriate after receiving grievances.



### Engagement Channels:



To foster work-life balance, we continue to organise a wide variety of thematic activities. Upon the successful completion of the "Healthy Joyful Living" Series, MLIP invited the employees to participate in activities of the new "Blissful Colours" Series, fostering employees' physical and psychological wellbeing. Moreover, Chinese Medicine Dietetic Strategies Online Workshop was held by our Corporate Office to provide knowledge to staff on healthy diet on Chinese medicine aspect, helping employees to stay healthy during the pandemic.

### “Blissful Colours” Series

#### “Shining Orange”

DIY workshops and outing were organised for employees and their children to spend quality time together.



#### “Hopeful Pink”

Activities such as music lessons for stress relief, classes teaching space planning and tidying, etc. were held to help employees maintain mental wellbeing.



#### “Powerful Red”

Activities were launched to encourage employees to exercise more and develop healthy living habits.



#### “Nature Green”

Nature-related workshops were held to introduce natural elements into employees' life.



### Employee Training and Development [\(GRI\) 404-1, 404-2](#); [\(HKEX\) KPI B3.2](#)

The Group launches a range of training programmes to enhance employees' essential skills and knowledge for coping with the ever-changing business environment. Orientation programmes are held for new hires to introduce our business structure, culture, mission and values. Each BU also undertakes an annual training need assessment for existing employees to determine the required knowledge, skills and abilities. MLIP develops a yearly training plan for employees at all levels. Some BUs provide Training Sponsorship Scheme and paid study leave for full-time employees to attend external job-oriented training courses, seminars and conferences as well as professional qualification programmes to encourage continuing education and competence building.

Our BUs delivered a variety of training throughout the year to improve employees' technical and functional skills for meeting our business needs. We have also assisted our contractors with training on quality service, health and safety and emergency handling to ensure their operation and services reach our standards.

Operation	Training Focus	
Corporate Office 	<ul style="list-style-type: none"> <li>Human resources analytics</li> <li>Personal data protection</li> <li>Strategy development</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Corporate regulatory and compliance</li> </ul>
MLIP 	<ul style="list-style-type: none"> <li>Team management skills</li> <li>Information technology application</li> <li>Goal decomposition and achievement</li> </ul>	<ul style="list-style-type: none"> <li>Customer service skills</li> <li>Talent management</li> </ul>
MLDP 	<ul style="list-style-type: none"> <li>Project management</li> <li>Land surveying and mapping</li> <li>Architectural and community design</li> <li>Organisational design management</li> </ul>	<ul style="list-style-type: none"> <li>Office automation</li> <li>Leadership and decision programme</li> <li>Understanding on industry related taxation, laws and regulations</li> </ul>
Leisure and Hospitality 	<ul style="list-style-type: none"> <li>Human resources in the hospitality and tourism industry</li> <li>Product introduction and sales</li> <li>Customer service</li> </ul>	<ul style="list-style-type: none"> <li>Crisis management</li> <li>Language proficiency</li> <li>Corporate regulatory and compliance</li> </ul>
Logistics 	<ul style="list-style-type: none"> <li>Leadership and personal effectiveness</li> <li>OSH</li> <li>Operator Competency Course</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption, environmental protection, personal data privacy and other technical skills relevant to job</li> </ul>



**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 sustain the Group’s daily operation, we rely on a broad supplier base including food and beverages, service and facilities, engineering supply and maintenance, operational services, utilities, and general supplies. We have established a stringent vendor management system to review and monitor our vendors’ environmental protection, labour rights and health and safety performance. We conduct regular on-site inspections to monitor the performance of suppliers. We have implemented practices to engage suppliers as well as to identify environmental and social risks along the supply chain. In 2021, there were no significant changes in our supply chain.

The Group places much emphasis on ethical business practices and prioritises suppliers who meet our ESG standards. To provide better guidance in supplier selection, we have implemented the Green Procurement Policy. Suppliers are required to sign a supplier declaration at the time of engagement, attesting to their compliance with applicable laws and regulations. In order to develop a green supply chain, a green purchasing clause is included in our tender document. Suppliers may also be requested to present environmental certificates. We have recently released the Supplier Code of Conduct and it will be available online.

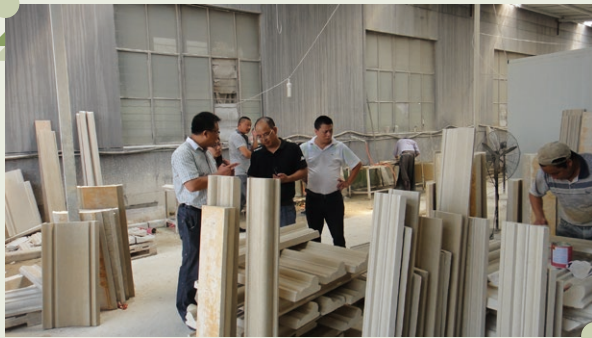


# CASE STUDY

## Prudent Supplier Selection and Evaluation

We undertake preliminary qualification review and on-site visits on the new suppliers in MLDP to ensure their compliant situation and reliability, and maintain our supply chain healthy and stable. New suppliers will be included in our authorised list if they fulfill the selection criteria, allowing them to participate in tendering and contract signing.

At least 3 departments, including Contract Department, Design Department, Project Department and Local Project Cost Audit Department, perform on-site visits. All winning



bids, as well as the performance and construction quality control of all contractors or subcontractors of projects under development or finished within the half-year, are evaluated on a biannual basis.

At hotel operation, potential suppliers are examined under a stringent mechanism to be a registered vendor. We have policies and procedures in place for the selection and pre-qualification of suppliers. The pre-qualification process includes assessment of the supplier’s company background, its financial strength and credit standing, its legal profile and risk management process, relevant certificate or attestation on its professional qualification, as well as its ESG management process and policies that are reflective of its company’s culture.

Vendor performance evaluation is conducted regularly. In case of unsatisfactory performance, we will investigate and document the results. Written warning, suspension, blacklist or termination of the vendor may be adopted depending on whether the supplier has rectified the problem in a timely and effective manner, and the extent of the issue.

The Green Procurement Policy of the Group encourages all BUs and operations to procure environmentally-friendly products. Local suppliers are prioritised in the selection process to support local economy and minimise carbon emission in

transportation. In 2021, we sourced nearly all our products and services locally. The table below shows the number of suppliers in different regions, which represents about 70% of the most significant spending of BUs’ supply chain.

Sector	Region	Number of Key Suppliers
MLIP	Mainland China	195
MLDP	Mainland China	46
Leisure and Hospitality	Mainland China	181
Logistics	Hong Kong	11
	Mainland China	1

## Delivering Quality for Our Customers

### Customer Satisfaction (HKEX) KPI B6.2, 6.3, 6.4

Our BUs provide staff with guidance and regular training on providing quality service to achieve customer satisfaction. For instance, our hotels hold training sessions on service etiquette and hotel products to ensure our front-line staff are equipped with the essential skills and understanding about quality hotel operation. We value honesty, openness,

and transparency in our marketing communications. All promotional materials prior to publication are reviewed by management to ensure full compliance with all applicable advertising and intellectual property rights guidelines and regulations<sup>13</sup>. Patents and licensing regulations are followed to avoid infringement and being infringed. To protect our intellectual property rights, we have also adopted registration and confidentiality measures.

<sup>13</sup> Please refer to Significant Laws and Regulations section for the list of product responsibility laws and regulations significant to the Group’s business operations.

In 2021, the Group formulated the Quality Policy Statement to ensure service excellence and product quality. In particular, the adoption of quality management framework will assist us to consistently improve the performance of our products and services. We also pay close attention to client

feedback and concerns. We engage our customers and encourage them to submit feedback on our services via the following engagement channels to improve the customer experience:

Engagement Channel	MLIP	MLDP	Leisure and Hospitality	Logistics
 Internet and emails	✓	✓	✓	✓
 Customer service hotlines	✓		✓	
 Social media platform	✓	✓	✓	✓
 Focus group discussion	✓		✓	✓
 Interviews	✓	✓	✓	
 Online survey	✓		✓	
 Mystery shopper	✓			

We conduct customer satisfaction surveys or service review meetings on a regular basis to get feedback and discover areas where our service quality could be improved. In order

to identify industry best practices, we also reference global customer satisfaction benchmarks for our hotel operations.

	Overall satisfaction rate	No. of responses collected/Name of index
MLIP	96%	1,746 tenants surveyed
Leisure and Hospitality	95%	ReviewPro Global Review Index

During the reporting year, the Group received 1,028 product-related complaint cases and 229 service-related complaint cases, where no complaints concerned violation of laws. All of the complaints were followed up promptly by our staff with actions like immediate installation of equipment and implementing measures to reduce noise and improve indoor air quality.

### Customer Privacy (GRI 418-1; HKEX KPI B6.5)

To ensure customers' personal data are handled safely, the Group implements a variety of data protection measures. The Group's Data Privacy Policy Statement and BUs' personal information collection statement are in place to communicate our data collecting goals and to obtain customers' consent before using their personal data.

Internal guidelines on the proper management of client data from collection to storage and disposal have been developed by our BUs. To secure information from loss, damage, or theft, the usage of Information Communications Technology ("ICT") equipment is strictly regulated. Physical access to data centres and server rooms is logged in line with procedural requirements and industry best practices, and access to sensitive customer information is confined to authorised staff. Prior to disposal, ICT equipment is securely overwritten or physically destroyed if

that is not possible. We also appoint an external auditor to conduct a penetration test on our physical security controls to assess efficiency.

Meanwhile, we have leveraged the latest technology to optimise the processing of personal data. For instance, the iMall system of Changsha IFS can identify the type and sensitiveness of customer information collected, and accordingly formulate management requirements and procedures. We provide frequent training on proper handling of client information to improve employees' data privacy awareness. The Information and Technology Department sends out email reminders to staff on a regular basis to remind them on information security.

Our data breach team, which includes senior management, the head of communications, and the IT manager, is in charge of handling any internal reports on actual or potential data protection incidents. The team will devise suitable action plans and decisions, as well as notify those who may be impacted. If the impacted individual is located within the EU, we must notify the applicable supervisory authority within 72 hours of the data breach, as required by the EU General Data Protection Regulation ("GDPR"). There were no complaints of breaches of client privacy or data losses during the reporting year.

# Safeguarding Wellbeing and Safety





UNSDGs addressed in this chapter:



Material topics to be addressed in this chapter:

- Occupational safety and health
- Customer health and safety



### Commitment and Strategy

**GRI** 103 for 403, 416

The Group prioritises the safety of our employees and customers in operating businesses. We adhere to all relevant legislations, guidelines and regulations<sup>14</sup>. We strive to advance our approaches on safety risk management, increase awareness of workplace safety and promote the wellbeing of our employees and customers.

We have established a safety committee in each BU to monitor their respective OSH performance in compliance with the Group’s Safety and Health Policy and BU-specific OSH management manuals. By embedding a culture of safety deeply in our operation, we strive to achieve excellence in health and safety and provide our customers with quality products and services. To secure our business development, we adapt our business to the new normal in 2021 amid the pandemic. There was no incident of non-compliance with laws and regulations concerning health and safety during the reporting year.

### Protecting People During the Pandemic

**HKEX** KPI B2.3; **UNSDG** 3

The COVID-19 pandemic has been making an enormous impact on the society and causing business disruptions. The Group has implemented comprehensive safety and hygiene measures to safeguard the continuity of our operation, meanwhile, to maintain a healthy workplace for employees. Since the happening of the outbreak, we have provided our employees with complimentary care packs of surgical face masks, alcohol-based hand sanitisers and anti-bacterial wet wipes. Depending on the nature of business, special work arrangements such as split-office, flexible working hours and work-from-home policy has been adopted to lower risk from commuting. We carried our cleaning and disinfection regularly in our offices, checked the temperature of employees daily and provide regular testing to them to reduce the risk of virus transmission in our workplace. When the fifth wave of COVID-19 raged recently, we have conducted more frequent cleaning and disinfection, and provide free rapid antigen test kits to our workforce. To maintain employees’ physical wellbeing, some BUs have also provided employees with nutritional supplements.

<sup>14</sup> Please refer to Significant Laws and Regulations section for the list of health and safety-related laws and regulations significant to the Group’s business operations.

We also put efforts to ensure customer safety. We maintain social distancing between customers and employees by placing acrylic counter shields in shopping malls' concierge desks as protective barriers. In addition to thorough facilities cleaning and disinfection, we increased the availability of hand sterilisers, and provided disposable mask bags and mask disposal bins in our malls. We set up equipment to measure visitors' body temperature at the entrances of our properties. Visitors are required to wear face masks and provide a valid health code for access to our malls. To reduce transmission via surface contact, we have applied photocatalyst anti-bacterial and virus coating to elevators and facility surface. At hotel operations, a series of emergency procedures are implemented to protect guests.

## Safe and Healthy Workplace

**GRI** 403-1, 403-2, 403-6, 403-7, 403-9; **HKEX** KPI B2.1, B2.3;

**UNSDG** 3

The Group recognises that an effective OSH management approach is a foundation to maintain health and safety at workplace. We have the Safety and Health Policy and a robust safety management system to support our OSH prevention and control measures, employee awareness training and incident investigations. We have established a safety committee in each BU to implement preventive measures, and identify, manage and review OSH hazards.

We review our safety and health policies as well as the management system on a regular basis to ensure their alignment with the latest legal requirements and industry standards. In 2021, Chengdu IFS and Changsha IFS maintained their ISO 45001:2018 certified OSH systems. Every year, Modern Terminals authorises HKQAA, an independent party, to perform an audit on its health and safety management system to ensure its compliance with applicable laws and regulations.



We have implemented various practical measures to reduce adverse impacts regarding health and safety in our operations. MLDP developed a Construction Risk

Management Handbook with a comprehensive analysis of potential workplace hazards and related preventive measures to enable employees' effective response to workplace emergencies. We also based the environmental and OSH management manuals on national standards and regulations to ensure effective control measures on construction sites. We have established dedicated working groups and formulated effective emergency response plans to monitor and manage corresponding OSH risks at construction sites based on our specified accident categories, which include construction accidents, site hygiene and dangerous products and fire. On-site personal protective equipment is also provided to safeguard our employees and contractors from safety or health risks. MLIP also states adequate safety work procedures and safety suggestions in the employee handbook.



We implement and review the safety emergency plan on a regular basis. We undertake periodical safety audits to identify OSH risks throughout our operating sites. BUs are responsible for taking prompt corrective actions in response to any findings in order to resolve the issues and prevent workplace injuries. We have been reviewing our historical performance statistics for formulating OSH targets in the future to further accomplish our commitment to safety in workplace.


No work-related fatality was recorded in 2019. However, one case of work-related fatality was recorded in 2020 at Modern Terminals. In 2021, one incident of work-related fatality was recorded at Niccolo Changsha. A worker from the engineering department fell to the ground while repairing roller blinds. Follow-up actions, including immediate examination of equipment and review of work procedures, strengthening of regular safety training and inspection as well as ensuring the provision of sufficient personal protection equipment, have been taken to avoid similar cases happening in the future.

## Cultivating a Safety Culture at Work (GRI) 403-5, 403-9; (HKEX) KPI B2.2, B2.3

The Group endeavours to communicate the significance of OSH to our employees through regular safety training. Modern Terminals provides compulsory health and safety induction training introducing applicable OSH standards and regulatory requirements for all new employees who will be handling containers at quayside, yard and on-board vessels. It also delivered multiple revalidation courses of mandatory basic safety training (Green Card and Blue Card) to its employees in 2021. In order to enhance employees' awareness and ability to deal with emergencies, MLIP has held "Standard First Aid Certificate Course" and corresponding certification examinations. The programme will become a regular training and will be conducted every year.

The Group conducted regular fire drills for employees to practice fire evacuation routes and other emergencies in 2021. Niccolo Chongqing has conducted 3 practices for its employees in 2021. We have also conducted safety training on accident preventions, appropriate use of fire-fighting equipment and first aid. For instance, Shanghai Wheelock Square organised fire safety knowledge seminars to enable employees to master firefighting and escape skills. Hotel operations arrange safety training and teach the use of fire-fighting equipment upon new staff on board. Chengdu IFS also conducted a series of "Safety Day" activities, including online knowledge quizzes and offline field experiences, for employees to acquire skills so as to improve their ability to respond to emergencies and for self-rescue.

Our employees diligently follow the safety guidelines established by MLDP and conduct inspections on work equipment, fire safety equipment and workplace hygiene regularly. At Chengdu IFS, Work Injury Case Alert that listed details of previous injury cases, relevant preventive measures and safety tips are issued to prevent the recurrence of OSH accidents. We always welcome feedback and suggestions from our employees to improve our OSH strategies for the sake of reviving the Group's OSH management.

 Operation	Injury Rates ('000) – by gender					
	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Corporate Office	0	0	27	9	0	0
MLIP	12	2	7	4	9	7
MLDP	0	0	0	0	4	4
Leisure and Hospitality	29	29	23	23	26	35
Logistics	10	0	13	9	6	10
Overall	16	14	13	12	11	16

	Injury Rates ('000) – by region		
	2021	2020	2019
Hong Kong	6	11	6
Mainland China	18	13	16
Overall	15	13	13

Note: There was no incident of occupational disease recorded in 2021.

## Optimising OSH Management in Supply Chain (GRI) 403-1, 403-5, 403-7; (HKEX) KPI B2.2, B2.3

The Group stringently adheres to our health and safety standards in managing our supply chain through inserting OSH related clauses in supplier contracts. In our appraisal processes, we assess the OSH performance of our contractors. We also provided a variety of training courses to help on-site contractors' workers improve their OSH knowledge and skills, including chemical handling, construction site safety, emergency response and fire safety. In 2021, we provided a total of 4,215 OSH training hours to our contractors.



**Employee Wellbeing** [GRI] 403-6; [HKEX] KPI B2.3; [UNSDG] 8

In addition to ensuring safety, the Group places emphasis on employee wellbeing and is dedicated to advocating work-life balance in the workplace. We strive to maintain our employees' physical and psychological wellbeing. We organised a variety of cultural and leisure programmes in 2021 to encourage our employees to engage in physical activity while strengthening their bonding and support with colleagues and families.



**Happy@Work 2021**

The Group participated in team building games and inter-company competition to promote workplace wellness. We won prizes including the Best of the Best Prize in competing with other companies in outdoor or indoor team building games.



**Cold Drinks Contest**

Marco Polo Xiamen distributed cold drinks to its employees for them to cool down during hot weather, as well as to show appreciation to their industry and contribution.



**Hairdressing Activity**

Niccolo Changsha organised a hairdressing activity for employees in order to show our professional image of contemporary and chic in front of the guests.

**Sports and Social Club**

The Sports and Social Club of Modern Terminals hosted a variety of competition and interest class. These activities not only encourage colleagues to do more exercises under the pandemic, but also provide opportunity for employees to socialise and learn new skills after work.



**African Drums Interest Class**

MLIP arranged African Drums Interest Classes for their employees to learn basic music theory and master the skills of drumming through completing a performance of pop songs.



**"Power Up" Online Sports Competition**

Chengdu IFS organised a competition online to promote exercising among employees. Employees are encouraged to upload photos after they exercise. The event helps them relieve stress and maintain a healthy lifestyle.



## Safe Product and Services

[GRI] 416-2; [UNSDG] 3

High quality and safe products and services are expected by our stakeholders. To ensure our standard of quality management align with industry best practices, we conduct safety evaluation regarding food safety and equipment sanitation on a regular basis. In this regard, Chengdu IFS and Changsha IFS have adopted ISO 9001:2015 Quality Management System.



## Safe Premises and Clean Environment

Our BUs have implemented a variety of measures to ensure the safety of our customers on the premises. Our tenants are engaged to participate in regular fire drills and evacuation practice. In the event of an emergency, fire safety equipment and gear are placed in specified areas for well-trained employees to utilise. In 2021, Dalian Times Square conducted 4 fire safety inspections and training for its tenants. The inspections guarantee that fire safety equipment including fire extinguishers and fire hoses are always operational. During the training, tenants have also learnt how to use fire safety equipment properly. Chengdu IFS deployed a fire-fighting robot to integrate technological advancement into our emergency management, facilitating more efficient and effective responses.

To maintain public safety, we have crowd control guidelines and procedures for excellent crowd management. In addition, we recruit competent security professionals to deal with emergencies in public areas. Our employees will also receive training to enhance their emergency preparedness and response capabilities. We introduced detection dogs to assist in riot control and explosives detection at Shanghai Wheelock Square and Chengdu IFS to strengthen the security of our properties. The detection dogs are well trained to stand guard and patrol with our security officers at the premises.

In view of the growing concern from our customers, we have adopted additional measures to maintain a high level of indoor air quality at our premises. MLIP engaged several nationally recognised external organisations to assess the indoor air quality of our premises regularly to assure that we comply with national air quality standards. We have also raised the frequency of cleaning air-conditioning systems in public areas. Niccolo Chongqing performs daily cleaning and disinfection on the air conditioners of empty rooms to maintain excellent hygiene standards at our hotel operation. In the meantime, Marco Polo Wuhan sterilises items in hotel rooms, including towels and linen, at high temperatures for its guests.

To ensure customer safety under pandemic, the Group has implemented a variety of precautionary measures to prevent the spread of COVID-19 in our properties. Please refer to the Protecting People During the Pandemic section for details.

## Food Safety

Guaranteeing a high standard of food safety is very important to our hotel operations. To ensure that our operations are in compliance with our standards, we have established an Operational Manual on Food Safety Hygiene. Our hotel operations undertake weekly food safety and hygiene inspections in accordance with the manual. Niccolo Chengdu has established a Health and Safety Committee to assess its present food safety management system and ensure its compliance with Hazard Analysis and Critical Control Points ("HACCP") principles and related regulations on a regular basis. Furthermore, the HACCP-based Food Safety Management System has been adopted in Niccolo Changsha and Marco Polo Parkside, Beijing.

In 2021, our three Niccolo hotels organised food hygiene training for employees at least monthly to refresh their understanding of our food safety practices and standards. In addition, we extend our food safety requirements to the supply chain. During our procurement processes, we request all suppliers to submit food safety certifications, and to declare that they reach to our health and safety standards. Supplier visits are also conducted annually to ensure their compliance is maintained.



# Business-in-Community





UNSDGs addressed in this chapter:



Material topics addressed in this chapter:

- Impact Assessment on Local Communities

## Commitment and Strategy

**HKEX** KPI B8.1

We have committed to the Business-in-Community philosophy, striving to create a positive impact on our community while developing our business operations. Through donation, volunteering and initiating community programmes, etc., we support the community with three key foci, namely youth development, community care, and promoting the arts and culture. During the reporting year, we organised and participated in 82 community activities with different stakeholders to deliver positive influence.

The Group, Modern Terminals and WHML have been awarded the 10 Years Plus “Caring Company” Logo, 15 Years Plus “Caring Company” Logo and “Caring Company” Logo by the Hong Kong Council of Social Services respectively as a mark of our corporate social responsibility. The Wharf Group is also honoured to attain Social Capital Builder Logo Award from Labour and Welfare Bureau’s Community Investment and Inclusion Fund and the Second Top Donor Award presented by The Community Chest at the Annual Awards Ceremony.



## Community Care (GRI) 203-1, 413-1; (HKEX) KPI B8.2; (UNSDG) 10

Following the long-standing mission of "Building for Tomorrow", we endeavour to care for and support the community, especially for vulnerable individuals.

### Philanthropic Donation to Support the Community

The Group spares no effort to help the people in need and has been actively supporting The Community Chest over the past three decades. The economy and people's lives have been affected by the pandemic outbreak since 2020. During the fifth wave of COVID-19, we pledged to help the needy to overcome this hardship. The Wharf Emergency Relief Fund made an additional donation of HK\$5 million to The Chest's Anti-NCP Rainbow Fund and in April 2022, another donation of HK\$2.5 million to The Chest to support. We also donated HK\$5 million to support the students in the 82 *WeCan* partner schools whose families are affected by the fifth wave of COVID-19.

When disastrous floods hit Henan during the summer of 2021, the Group immediately extended support with a donation of HK\$15 million via Wharf Emergency Relief Fund for disaster relief and post-disaster rebuilding effort.

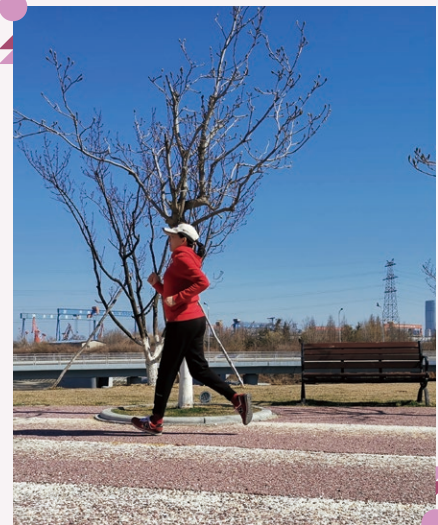
# CASE STUDY

## WE Run For Love

WE Run For Love is a cross-city community programme to arouse public awareness for underprivileged women. Affected by the epidemic, some women with low income or critical illness face financial difficulties. The pandemic aggravates their burden, and they are unable to pay for their living.

190 staff volunteers from MLIP aim to solicit donation of daily necessities and uplift the status of the needy by participating in the WE Run For Love. The participants ran and the running distance was recorded on the mobile app. Their effort was converted into daily necessities such as oil, rice, blanket, and microwave oven, and donated to the needy through different charitable institutions.

More than RMB18,000 worth of daily necessities have been donated to the underprivileged women. Not only can they receive help and care from our volunteers, but also we have engaged more people to care about the problem faced by women at the grassroots.



## Reaching Out to the Needy

To show our care to the needy in the society, 15 volunteers from Modern Terminals learned how to make mosquito repellent sachets at the "Scented Sachet Care Action" workshop and donated 90 sachets to Christian Family Service Centre for low-income families.

Changsha IFS, Shanghai Wheelock Square and Shanghai Times Square organised Sustainable Fashion Shows with the disabled and children rehabilitation centres. Staff volunteers designed garments with disabled and autistic children using abandoned waste such as newspapers, plastic bags and cardboard boxes. We aim to promote recycling and show our care to the disabled and autistic children.



Chengdu IFS arranged a flea market for employees to barter and donate clothes. Employees exchanged more than 200 items and 658 pieces of clothing were donated or recycled. Summer clothes were collected by Feimayi for recycling, which could reduce 181.9 kg of carbon emission, while the winter clothes were donated to the underprivileged in Ngawa Tibetan and Qiang Autonomous Prefecture, helping them stay warm in winter.



To support the 52<sup>nd</sup> Earth Day, volunteers and their children from Marco Polo Xiamen participated in the Rooftop Gardening Programme. They learnt about different plant varieties and plant growing cycles in the programme. They also had a chance to grow fruits, herbs, and vegetables in the garden. The revenue from selling the harvest would be donated to the needy in the community. We strive to promote sustainability values and create a positive impact in the society through these activities.

To celebrate the Christmas with the community, Modern Terminals held a one-hour ferry tour at the Victoria Harbour for 8 low-income families with a total of 24 participants. It was the first time for most of the participants to enjoy the lighting decoration from a harbour tour. It was a great experience for them to celebrate the Christmas with their beloved family.



## Youth Development

GRI 203-1, 413-1; HKEX KPI B8.2; UNSDG 4, 10

The Group believes youth development is significant for advancing social development. We have been initiating different community programmes and activities targeting the young generation, aspiring to equip them for future development and challenges.

### Modern Terminals Summer Fitness Programme

Modern Terminals has been organising the Modern Terminals Summer Fitness Programme with the Chinese YMCA New Territories Centre for teenagers since 2017, with the aim of promoting sport for a healthy lifestyle. The programme provided 14 hours of sports training to 24 participants in 2021, including children from low-income families in Kwai Tsing, students from our *WeCan* partner school Cotton Spinners Association Secondary School, and children of our staff. Besides training in dodgebee and flyball, we also held positive thinking sessions for participants to learn about stress relief. Modern Terminals Summer Fitness Programme Alumni was established to foster a long-term connection with alumni by proving sports-related and youth development activities.



### MLIP's Internship Programme

In 2021, MLIP launched an internship programme in collaboration with vocational schools in Changsha, Chengdu and Chongqing. 39 students who are interested in the commercial property industry have been recruited to participate in the company's six-month to one-year internship where job skills training, mentoring, monthly assessment and interviews were provided to help them integrate and improve their job competence.



### Project WeCan

As a charitable organisation registered under Section 88 of the Inland Revenue Ordinance, WeCan is an open platform to provide opportunities for students who are disadvantaged in learning, empowering them for pursuing higher studies and future careers. Participating schools are coupled with partners in a multi-year collaboration for providing financial and volunteer support.

2021 marked the 10th anniversary of WeCan. A logo design competition was organised to celebrate this important milestone. The winner was announced after three rounds of judging, with a logo that shows the spirit of WeCan-Care, Inheritance and Business-in-Community. A video and a collection of all Principals' stories had been produced for partners, schools and students to share their WeCan journey over the last 10 years.



### Pandemic Relief for WeCan Students

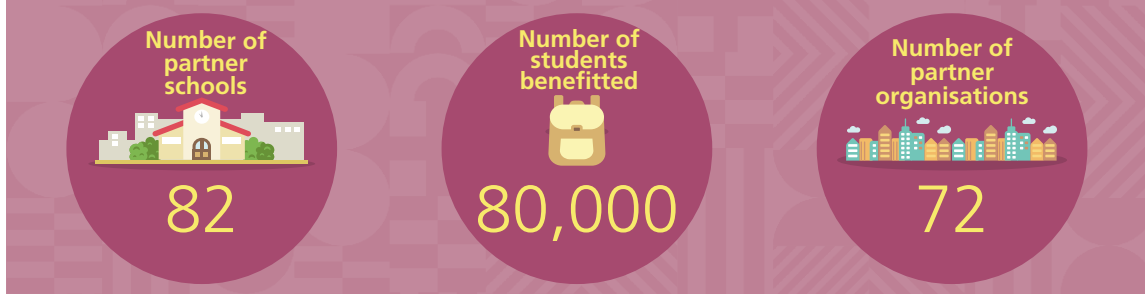
To provide relief for WeCan students and their families who have been hard hit by the prolonged COVID-19 pandemic, The Wharf Emergency Relief Fund donated HK\$5 million to the Project WeCan Foundation. Cash subsidies were provided to eligible students and their families of the 76 WeCan schools through the newly established "WeCan-CARE! A Pandemic Relief Fund". The Relief Fund aims to give a helping hand to students and families in need and ride out the storm brought by the pandemic. Due to the fifth wave of COVID-19, the Wharf Emergency Relief Fund donated an additional HK\$5 million to the Project WeCan Foundation.

### Young Innovators Bazaar

With the support of TVB, our WeCan partner, around 1,000 students from 54 secondary schools got an opportunity to be "the boss" of their online shops on big big shop after attending a series of workshops and training sessions which had equipped them with the basic knowledge of doing business online.



### Overview of WeCan



Major Joint-school Programmes	Started in Year	No. of participants as of 2020/2021 school year
Job Tasting Programme	2012	1,500 students
Company Visit	2013	29,000 students
Young Innovators Bazaar	2013	6,800 students
Career Exploration Day	2015	30,300 students

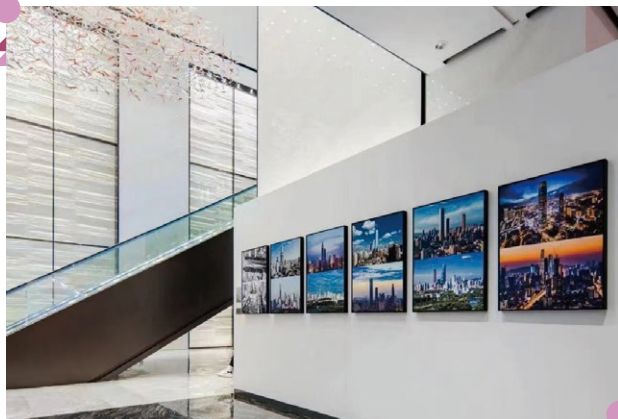
## Arts and Culture

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

The Group aims to facilitate the creation of a diverse art and culture scene in the society and promote artistic development to the public. We host and support exhibitions with different artists in our investment properties. Venues and other forms of sponsorships are also provided to introduce art and culture to more people.

### Modern Lighthouse @ Niccolo Changsha

A Changsha city photography exhibition was held at Niccolo Changsha showcasing 22 photography works taken by Mr. Sheng Long. The photos were taken in Changsha, hoping to record the difference between the past and modern metropolis. The 24-hour art gallery showed the visitors the beauty of the city and local culture.



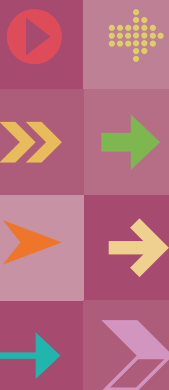
### YUE MINJUN's New Image – Hehe Haha @ Changsha IFS

An exhibition was held by Changsha IFS collaborating with one of the leading contemporary artists in China, YUE MINJUN, to celebrate the 3<sup>rd</sup> anniversary of Changsha IFS. The theme of "LOVE", "LAUGH", and "HAHA" represents love and joy. The installation art pieces with smiling faces aim to spread happiness in the city.



## Looking Forward

The Group has always been devoted to improving sustainability performance across all our business activities. To meet the Central Government's and Hong Kong Government's decarbonisation plans, we are working on approaches to enhance our ESG strategies in order to evaluate and control carbon emissions in our operations. At present, carbon reduction target and relevant initiatives have been formulated to ensure the incorporation of sustainable development considerations into our business decisions. We will continue to invest and construct high quality development that contribute positively to the communities and the environment.



# Appendix

## Key Metrics 102-48

### Key for Data Performance Table

Operation	Business Unit	Acronym
Corporate Office	<ul style="list-style-type: none"> <li>Wharf Limited</li> </ul>	WL
Mainland China Investment Properties	Wharf China Estates Limited* <ul style="list-style-type: none"> <li>Chengdu IFS</li> <li>Changsha IFS</li> <li>Wuxi IFS</li> <li>Shanghai Times Square</li> <li>Shanghai Wheelock Square</li> <li>Chongqing Times Square</li> <li>Dalian Times Square</li> <li>Times Outlets Changsha</li> <li>Times Outlets Chengdu</li> </ul>	MLIP
Mainland China Development Properties	Wharf China Development Limited** <ul style="list-style-type: none"> <li>Offices – Shanghai, Chengdu, Hangzhou and Suzhou</li> <li>Chengdu Sites (Times City, Times Town)</li> <li>Hangzhou Sites (Parc Royale, Parc Regal, Imperial Park, Luxurious Mountain View)</li> <li>Suzhou Sites (The Legend, Bellagio, Villa One, Xiangcheng Yuan He Street Lot #77 Project)</li> </ul>	MLDP
Hong Kong Properties	<ul style="list-style-type: none"> <li>1 Plantation Road Residential Project **</li> <li>Kowloon Tong Residential Project **</li> <li>Kai Tak Residential Project **</li> </ul>	HKP
Leisure and Hospitality	<ul style="list-style-type: none"> <li>Wharf Hotels Management Limited (“WHML”)*</li> <li>Niccolo Chengdu</li> <li>Niccolo Chongqing</li> <li>Niccolo Changsha</li> <li>Marco Polo Wuhan</li> </ul>	Wharf Hotels
	<ul style="list-style-type: none"> <li>Marco Polo Lingnan Tiandi, Foshan</li> <li>Marco Polo Jinjiang</li> <li>Marco Polo Xiamen</li> <li>Marco Polo Parkside, Beijing</li> </ul>	Managed Hotels
Logistics	<ul style="list-style-type: none"> <li>Modern Terminals Limited</li> </ul>	MTL

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

\* For WHML, only social data are reported. For MLIP, environmental data are collected from generation of public area.

\*\* Electricity, water and GHG emissions (Scope 1 and 2) cover only management offices of MLDP. Data from construction sites in Chengdu, Hangzhou, Suzhou and HKP are included in the calculations of GHG emissions (Scope 3) and waste.

## Environmental Performance

### Air Emissions

Air emissions by type and source in tonnes<sup>15</sup> [GRI 305-7](#); [HKEX](#) KPI A1.1

	2021	2020	2019
NO <sub>x</sub>	1.660	1.842 <sup>16</sup>	1.158
SO <sub>x</sub>	0.053	0.045	0.046
PM	0.095	0.105	0.075

### Energy Consumption

Energy consumption by source in GJ<sup>17</sup> [GRI 302-1](#); [HKEX](#) A2.1

		WL	MLIP	MLDP	Wharf Hotels	Managed Hotels	MTL	Total
Diesel oil	2021	72	426	N/A	277	114	116,204	117,093
	2020	76	323	N/A	375	107	97,306	98,187
	2019	68	6,400	N/A	8	N/A	98,324	104,800
Unleaded petrol	2021	598	431	895	106	433	585	3,048
	2020	611	424	1,024	81	479	541	3,160
	2019	741	343	1,080	159	N/A	925	3,248
Liquefied petroleum gas ("LPG")	2021	N/A	N/A	N/A	N/A	N/A	7,459	7,459
	2020	N/A	N/A	N/A	N/A	N/A	7,141	7,141
	2019	N/A	N/A	N/A	N/A	N/A	6,887	6,887
Towngas	2021	N/A	N/A	N/A	N/A	N/A	2,748	2,748
	2020	N/A	N/A	N/A	N/A	N/A	2,452	2,452
	2019	N/A	N/A	N/A	N/A	N/A	2,564	2,564
Piped natural gas ("PNG")	2021	N/A	46,536	N/A	49,706	21,370	N/A	117,612
	2020	N/A	57,178	N/A	43,646	17,196 <sup>16</sup>	N/A	118,020
	2019	N/A	85,704	N/A	57,897	N/A	N/A	143,601
Purchased electricity <sup>18</sup>	2021	2,377	966,792	724	47,998	83,529	181,974	1,283,394
	2020	3,079	887,414	646	45,336	83,282	180,123	1,199,880
	2019	2,855	845,288	630	50,238	N/A	175,610	1,074,621
Purchased steam <sup>19</sup>	2021	N/A	38,252	172	N/A	42,098	N/A	80,522
	2020	N/A	39,028	N/A	N/A	N/A	N/A	39,028
	2019	N/A	8,845	N/A	N/A	N/A	N/A	8,845
Total	2021	3,047	1,052,437	1,791	98,087	147,544	308,970	1,611,876
	2020	3,766	984,367	1,670	89,438	101,064	287,563	1,467,868
	2019	3,664	946,580	1,710	108,302	N/A	284,310	1,344,566

Energy intensity [GRI 302-3](#), CRE-1; [HKEX](#) KPI A2.1

	2021	2020	2019
Energy consumption per number of employee	303.04	259.20	271.90
Energy consumption per HK\$ million revenues	72.03	69.91	79.68



## GHG Emissions<sup>20</sup>

Scope 1, Scope 2 and Scope 3 GHG emissions in tonnes CO<sub>2</sub>e (GRI) 305-1, 305-2, 305-3, 305-4, CRE-3; (HKEX) KPI A1.2

		WL	MLIP	MLDP	Wharf Hotels	Managed Hotels	MTL	Total
Direct (Scope 1) GHG emissions <sup>21</sup>	2021	54	3,064	73	3,477	1,742	9,167	17,577
	2020	56	4,553	85	2,765	1,118	8,447	17,024
	2019	66	5,745	89	7,139	N/A	8,158	21,197
Energy indirect (Scope 2) GHG emissions <sup>22</sup>	2021	258	156,251	141	7,009	16,094	19,748	199,501
	2020	316	144,137	126	6,620	16,505	18,543	186,247
	2019	404	135,310	123	7,336	N/A	24,908	168,082
					2021	2020	2019	
Other indirect (Scope 3) GHG emissions <sup>23</sup>					21,810	21,845	20,188 <sup>16</sup>	
Total (Scope 1, 2 & 3) emissions					238,888	225,116	209,467	
Total (Scope 1, 2 & 3) emissions per number of employee					44.91	39.75	42.36	
Total (Scope 1, 2 & 3) emissions per HK\$ million revenues					10.68	10.72	12.41	

## Water Consumption

Water consumption by source in m<sup>3</sup> (GRI) 303-3; (HKEX) KPI A2.2

		MLIP	MLDP	Wharf Hotels	Managed Hotels	MTL	Total
Municipal water	2021	2,126,893	2,362	309,753	287,479	68,030	2,794,517
	2020	2,073,913	2,753	262,662	278,896	66,205	2,684,429
	2019	2,115,736	3,629	338,861	N/A	71,303	2,529,529
Captured rainwater	2021	6,008	N/A	N/A	N/A	N/A	6,008
	2020	7,323	N/A	N/A	N/A	N/A	7,323
	2019	2,317	N/A	N/A	N/A	N/A	2,317
Underground water	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	44,278	N/A	N/A	N/A	N/A	44,278
	2019	93,605	N/A	N/A	N/A	N/A	93,605
Recycled water	2021	3,680	–	–	–	N/A	3,680
	2020	5,942	–	–	–	N/A	5,942
	2019	6,189	–	888	N/A	N/A	7,077

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

	2021	2020	2019
Water consumption per number of employee	527.21	481.19	532.36
Water consumption per HK\$ million revenues	125.31	130.59	156.01

## Material Use<sup>24</sup>

Material use by type<sup>25</sup> (GRI 301-1; HKEX A2.5)

		WL	MLIP	MLDP	HKP	Wharf Hotels	Managed Hotels	MTL	Total
Refrigerants	2021	N/A	0.10	N/A	N/A	0.16	0.18	0.04	0.48
	2020	N/A	0.75	N/A	N/A	0.06	0.01	0.41	1.23
	2019	N/A	0.02	N/A	N/A	2.52	N/A	0.22	2.76
Paper	2021	7.91	510.35	11.76	2.75	78.00	47.15	23.56	681.48
	2020	8.24	119.00	9.51	0.00	73.48	24.86	14.58	249.67
Plastic	2021	N/A	5.82	N/A	N/A	0.19	3.22	N/A	9.23
	2020	N/A	0.00	N/A	N/A	0.32	9.44	N/A	9.76
Metal	2021	N/A	2.32	N/A	N/A	N/A	25.50	N/A	27.82
	2020	N/A	0.00	N/A	N/A	0.11	4.20	N/A	4.31
Others	2021	N/A	0.38	N/A	N/A	3.15	N/A	N/A	3.53
	2020	N/A	0.18	N/A	N/A	N/A	N/A	N/A	0.18
<b>Construction material</b>									
Concrete	2021	N/A	21.60	173,661.50	110,509.82	N/A	N/A	N/A	284,192.92
	2020	N/A	0.00	343,225.04	66,140.61	N/A	N/A	N/A	409,365.65 <sup>16</sup>
Bricks	2021	N/A	5.17	3,551.92	4,795.02	0.89	0.10	N/A	8,353.10
	2020	N/A	3.44	18,156.01	66.60	3.50	N/A	N/A	18,229.55
Steel	2021	N/A	34.55	16.45	0.00	N/A	N/A	N/A	51.00
	2020	N/A	2.39	2,091.15	2,291.96	N/A	0.30	N/A	4,385.80
Reinforcing steel bars	2021	N/A	8.96	11,854.86	17,475.31	N/A	N/A	N/A	29,339.13
	2020	N/A	0.31	24,763.40	8,538.70	N/A	N/A	N/A	33,302.41
Sand	2021	N/A	88.72	4,864.90	3,639.05	N/A	6.00	N/A	8,598.67
	2020	N/A	48.14	6,295.62	0.00	N/A	2.10	N/A	6,345.86
Stones	2021	N/A	46.08	2,055.30	654.32	N/A	N/A	N/A	2,755.70
	2020	N/A	17.45	6,762.19	0.00	0.25	0.10	N/A	6,779.99
Rubber	2021	N/A	0.00	N/A	0.00	N/A	N/A	N/A	0.00
	2020	N/A	0.00	29.78	0.00	N/A	N/A	N/A	29.78
Wood	2021	N/A	35.05	458.72	1,250.98	1.26	0.20	N/A	1,746.21
	2020	N/A	2.35	610,561.41	0.00	0.05	1.53	N/A	610,565.34
Granite	2021	N/A	8.68	332.00	14.13	0.16	0.80	N/A	355.77
	2020	N/A	9.08	1,273.00	0.00	2.52	0.05	N/A	1,284.65
Cement	2021	N/A	46.60	3,105.90	509.80	0.19	1.05	N/A	3,663.54
	2020	N/A	30.89	10,859.98	117.60	0.40	1.30	N/A	11,010.17
Earthworks (m <sup>3</sup> )	2021	N/A	0.60	99,902.00	0.00	N/A	N/A	N/A	99,902.60
	2020	N/A	0.00	149,858.59	0.00	N/A	N/A	N/A	149,858.59
Mud (m <sup>3</sup> )	2021	N/A	0.50	0.00	0.00	N/A	N/A	N/A	0.50
	2020	N/A	0.00	0.00	0.00	N/A	N/A	N/A	0.00
Mortar (m <sup>3</sup> )	2021	N/A	1.00	9,620.50	4,994.95	N/A	N/A	N/A	14,616.45
	2020	N/A	9.36	24,654.04	5.25	N/A	N/A	N/A	24,668.65

## Waste Management 306-2, 306-3, 306-4, 306-5; KPI A1.3, A1.4, A1.6

### Waste by type and disposal method in tonnes

		WL	MLIP	MLDP	HKP	Wharf Hotels	Managed Hotels	MTL	Total
General refuse to landfill	2021	N/A	9,364.60	34.21	446.52	541.62	492.08 <sup>26</sup>	965.90	11,844.93
	2020	N/A	12,827.16	35.19	0.00	380.44	387.41 <sup>26</sup>	984.77	14,614.97
	2019	N/A	16,560.10	9.69	N/A	500.69	N/A	1,429.10	18,499.58
Incinerated waste	2021	N/A	5,931.00	N/A	N/A	531.53	4.75	N/A	6,467.28
	2020	N/A	5,547.00	N/A	N/A	204.63	6.23	N/A	5,757.86
<b>Non-hazardous waste recycled</b>									
Paper	2021	N/A	302.69	4.51	1.47	18.58	12.31	21.18	360.74
	2020	N/A	276.96	1.72	0.72	17.25	34.43	23.64	354.72
	2019	N/A	411.68	1.39	N/A	16.65	N/A	24.12	453.84
Plastics	2021	N/A	34.86	0.26	0.31	6.15	5.04	0.31	46.93
	2020	N/A	28.95	0.52	0.11	6.70	0.51	0.11	36.90
	2019	N/A	8.12	0.36	N/A	6.22	N/A	0.11	14.81
Metals	2021	N/A	17.45	0.12	10.67	1.25	1.77	348.63	379.89
	2020	N/A	17.85	0.00	0.02	1.09	0.00	315.74	334.70
	2019	N/A	26.23	0.00	N/A	5.15	N/A	196.27	227.65
Food waste	2021	N/A	2,914.97	0.99	0.00	154.99	52.59	67.57	3,191.11
	2020	N/A	2,078.61	7.42	0.00	108.60	65.83	47.49	2,307.95
	2019	N/A	4,332.60	1.82	N/A	146.51	N/A	40.73	4,521.66
Glass	2021	0.00	20.97	0.18	0.00	7.96	16.57	0.06	45.74
	2020	0.00	2.01	0.00	0.00	6.10	0.00	0.12	8.23
	2019	0.01	0.00	0.00	N/A	6.29	N/A	0.31	6.61
Soap	2021	N/A	N/A	N/A	N/A	0.21	0.00	N/A	0.21
	2020	N/A	N/A	N/A	N/A	0.16	0.00	N/A	0.16
	2019	N/A	N/A	N/A	N/A	1.10	N/A	N/A	1.10
<b>Hazardous waste<sup>27</sup> recycled</b>									
Solid	2021	2.29	17.48	0.05	0.00	9.43	0.00	693.55	722.80
	2020	3.83	2.28	0.14	0.00	0.63	0.00	634.97	641.85
	2019	0.34	0.65	0.17	N/A	0.06	N/A	436.19	437.41
Liquid	2021	N/A	79.01	N/A	0.00	1.69	0.70	53.35	134.75
	2020	N/A	13.12	N/A	0.00	1.50	0.00	53.59	68.21
	2019	N/A	31.68	N/A	N/A	1.42	N/A	60.89	93.99
Grand total	2021	2.29	18,683.03	40.32	458.97	1,273.41	585.81	2,150.55	23,194.38
	2020	3.83	20,793.94	44.99	0.85	727.10	494.41	2,060.43	24,125.55
	2019	0.35	21,371.06	13.43	N/A	684.09	N/A	2,187.72	24,256.65

## Construction waste to landfill, to incineration and recycled<sup>28 29</sup>

			MLIP	MLDP	HKP	MTL	Total
Construction waste	2021	to landfill	31,391.36	57.45	2,035.53	134.24	33,618.58
		to incineration	13,431.00	0.00	N/A	N/A	13,431.00
		recycled	0.00	365.91	1,281.94	N/A	1,647.85
	2020	to landfill	18,003.05	0.00	2,503.47	116.09	20,622.61
		to incineration	11,545.00	0.00	N/A	N/A	11,545.00
		recycled	0.00	174.86	2,277.24	N/A	2,452.10
	2019	to landfill	3,584.40	8.00	N/A	95.89	3,688.29
		recycled	76.83	373.62	N/A	0.00	450.45
	Earthworks and mud (m <sup>3</sup> )	2021	to landfill	N/A	0.00	0.00	N/A
recycled			N/A	0.00	0.00	N/A	0.00
2020		to landfill	N/A	9,200.00	0.00	N/A	9,200.00
		recycled	N/A	62.54	0.00	N/A	62.54
2019		to landfill	N/A	87,472.00	N/A	N/A	87,472.00
		for recycling	N/A	76.60	N/A	N/A	76.60

- 15 Air emissions refer to the release of air pollutants namely nitrogen oxides (“NO<sub>x</sub>”), sulphur oxides (“SO<sub>x</sub>”) and particulate matter (“PM”). These data are confined to air emissions from vehicles, LPG and towngas and are calculated based on the methodology from the HKEX Reporting Guidance on Environmental KPIs. NO<sub>x</sub> and PM emissions from trailer mounted boom lifts at MLIP are not included.
- 16 Figure is restated to reflect the actual calculation.
- 17 Energy conversion factors used for diesel oil, unleaded petrol and LPG are from CDP Technical Note: Conversion of fuel data to MWh. Energy conversion factors 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 the formula provided by The Hong Kong and China Gas Company Limited.
- 18 Purchased electricity of Niccolo Chengdu and Niccolo Changsha is included in MLIP.
- 19 Increase in the amount of purchased steam in 2020 was mainly resulted from the consumption by Dalian Times Square.
- 20 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included in the calculation of GHG emissions.
- 21 2021 Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the Group, such as the GHG emissions by the combustion of diesel, unleaded petrol, towngas, and LPG, and emissions from refrigerants. They 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.
- 22 2021 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 providers in Hong Kong, Power Assets (0.71 CO<sub>2</sub>e kg/kWh), CLP (0.39 CO<sub>2</sub>e kg/kWh) and The Hong Kong and China Gas Company Limited (0.592 CO<sub>2</sub>e kg/unit). GHG emissions by electricity purchased in Mainland China in this Report is calculated based on China grid emission factors in 2012 年中國區域電網平均二氧化碳排放因子。
- 23 2021 Scope 3 emissions include: diesel oil consumption of heavy goods vehicle by haulage contractors of MTL, other mobile machinery operated by contractors in Lung Cheung Road, and stationary facilities operated by contractors in HKP; unleaded petrol from passenger cars operated by contractors in Kowloon Tong Residential Project, and purchased electricity in HKP and our construction sites of MLDP.
- 24 Material use was newly collected item in 2020. Materials for business general use and for packaging material use were included.
- 25 The unit of all data is in tonnes, except the earthworks, mud and mortar are measured in m<sup>3</sup>.
- 26 Waste data of Managed Hotels in 2020 and 2021 did not include that of Marco Polo Jinjiang, which will be reported in the future as data collection capacity matures.
- 27 Hazardous waste includes cell batteries, industrial batteries, fluorescent lamps, light bulbs, electric appliances/components, used ink cartridge, scrap tyres, waste cooking oil, waste industrial oil, wooden pallets, waste filter and waste rag.
- 28 Construction waste data is in unit of tonnes, and earthworks and mud are measured in m<sup>3</sup>.
- 29 Construction waste is produced mainly by tenants of MLIP and contractors on construction sites.



## Employee Statistics

### Employee Distribution

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

		Hong Kong	Mainland China	Total
2021	Male	983	1,998	2,981
	Female	353	1,985	2,338
	Full-time	1,333	3,983	5,316
	Part-time	3	0	3
	Permanent	1,226	875	2,101
	Fixed-term	103	3,089	3,192
	Temporary	7	19	26
2020	Male	992	2,177	3,169
	Female	366	2,128	2,494
	Full-time	1,356	4,303	5,659
	Part-time	2	2	4
	Permanent	1,258	829	2,087
	Fixed-term	99	3,459	3,558
	Temporary	1	17	18
2019	Male	1,005	1,782	2,787
	Female	361	1,797	2,158
	Full-time	1,365	3,576	4,941
	Part-time	1	3	4
	Permanent	1,316	572	1,888
	Fixed-term	47	2,973	3,020
	Temporary	3	34	37

### Gender, age, group and minority group distribution of all employees by employment category<sup>30</sup> in 2021

**GRI** 405-1; **HKEX** KPI B1.1

		Male	Female	Below 30	30-50	51 or above	Minority group <sup>31</sup>	Non-minority group
Hong Kong	Senior management	37 (64.9%)	20 (35.1%)	0 (0.0%)	18 (31.6%)	39 (68.4%)	8 (14.0%)	49 (86.0%)
	Middle management	231 (66.6%)	116 (33.4%)	11 (3.2%)	226 (65.1%)	110 (31.7%)	2 (0.6%)	345 (99.4%)
	General staff	715 (76.7%)	217 (23.3%)	141 (15.1%)	513 (55.1%)	278 (29.8%)	1 (0.1%)	931 (99.9%)
Mainland China	Senior management	33 (58.9%)	23 (41.1%)	0 (0.0%)	43 (76.8%)	13 (23.2%)	11 (19.6%)	45 (80.4%)
	Middle management	152 (51.0%)	146 (49.0%)	9 (3.0%)	264 (88.6%)	25 (8.4%)	7 (2.3%)	291 (97.7%)
	General staff	1,813 (50.0%)	1,816 (50.0%)	1,135 (31.3%)	2,130 (58.7%)	364 (10.0%)	71 (2.0%)	3,558 (98.0%)
Group overall	Senior management	70 (61.9%)	43 (38.1%)	0 (0.0%)	61 (54.0%)	52 (46.0%)	19 (16.8%)	94 (83.2%)
	Middle management	383 (59.4%)	262 (40.6%)	20 (3.1%)	490 (76.0%)	135 (20.9%)	9 (1.4%)	636 (98.6%)
	General staff	2,528 (55.4%)	2,033 (44.6%)	1,276 (28.0%)	2,643 (57.9%)	642 (14.1%)	72 (1.6%)	4,489 (98.4%)

### Gender distribution of permanent contract employees (GRI 102-8; HKEX KPI B1.1)

		Hong Kong	Mainland China	Total
2021	Male	891	549	1,440
	Female	335	326	661
2020	Male	908	517	1,425
	Female	350	312	662
2019	Male	972	355	1,327
	Female	344	217	561

### Employee Turnover

#### Gender and age distribution of employee turnover in number and percentage<sup>32</sup> (GRI 401-1; HKEX KPI B1.2)

		Hong Kong	Mainland China	Total
2021	Male	121 (12%)	566 (28%)	687 (23%)
	Female	81 (23%)	583 (29%)	664 (28%)
	Below 30	35 (23%)	555 (49%)	590 (46%)
	30-50	110 (15%)	529 (22%)	639 (20%)
	51 or above	57 (13%)	65 (16%)	122 (15%)
	Group overall	202 (15%)	1,149 (29%)	1,351 (25%)
2020	Male	84 (8%)	496 (23%)	580 (18%)
	Female	46 (13%)	564 (27%)	610 (24%)
	Below 30	21 (14%)	489 (37%)	510 (34%)
	30-50	60 (8%)	501 (19%)	561 (17%)
	51 or above	49 (12%)	70 (19%)	119 (15%)
	Group overall	130 (10%)	1,060 (25%)	1,190 (21%)
2019	Male	123 (12%)	522 (29%)	645 (23%)
	Female	89 (25%)	676 (38%)	765 (35%)
	Below 30	46 (33%)	715 (54%)	761 (52%)
	30-50	116 (15%)	448 (22%)	564 (20%)
	51 or above	50 (11%)	35 (15%)	85 (13%)
	Group overall	212 (16%)	1,198 (33%)	1,410 (29%)

### Parental leave – Return to work rate<sup>33</sup> (GRI 401-3)

	Hong Kong	Mainland China	Overall
2021	100%	95%	96%
2020	100%	99%	99%
2019	100%	98%	98%

### Parental leave – Retention rate by gender<sup>34</sup> (GRI 401-3)

		Hong Kong	Mainland China	Overall
2021	Male	96%	91%	92%
	Female	100%	79%	81%
2020	Male	95%	88%	90%
	Female	100%	86%	87%
2019	Male	89%	90%	90%
	Female	100%	90%	91%

## New Employee Hires

Gender and age distribution of new employee hires by region in number and percentage<sup>35</sup> **GRI** 401-1; **HKEX** KPI B1.2

		Hong Kong	Mainland China	Total
2021	Male	88 (9%)	325 (16%)	413 (14%)
	Female	56 (16%)	374 (19%)	430 (18%)
	Below 30	56 (37%)	406 (35%)	462 (36%)
	30-50	75 (10%)	262 (11%)	337 (11%)
	51 or above	13 (3%)	31 (8%)	44 (5%)
	Group overall	144 (11%)	699 (18%)	843 (16%)
2020	Male	61 (6%)	321 (15%)	382 (12%)
	Female	38 (10%)	363 (17%)	401 (16%)
	Below 30	47 (32%)	398 (30%)	445 (30%)
	30-50	49 (6%)	267 (10%)	316 (9%)
	51 or above	3 (1%)	19 (5%)	22 (3%)
	Group overall	99 (7%)	684 (16%)	783 (14%)
2019	Male	107 (11%)	432 (24%)	539 (19%)
	Female	71 (20%)	539 (30%)	610 (28%)
	Below 30	56 (41%)	611 (46%)	667 (46%)
	30-50	112 (14%)	339 (17%)	451 (16%)
	51 or above	10 (2%)	21 (9%)	31 (5%)
	Group overall	178 (13%)	971 (27%)	1,149 (23%)

## Health and Safety

Lost day rate and absentee rate by gender and by region in percentage<sup>36 37</sup> **GRI** 403-9; **HKEX** KPI B2.2

			Hong Kong	Mainland China	Overall
Lost day rate	2021	Male	0.45%	0.22%	0.31%
		Female	0.00%	0.06%	0.05%
		Group overall	0.35%	0.14%	0.20%
	2020	Male	0.30%	0.04%	0.13%
		Female	0.00%	0.04%	0.04%
		Group overall	0.23%	0.04%	0.09%
	2019	Male	0.46%	0.08%	0.24%
		Female	0.01%	0.07%	0.06%
		Group overall	0.35%	0.08%	0.16%
Absentee rate	2021	Male	2.10%	0.77%	1.26%
		Female	1.71%	0.80%	0.94%
		Group overall	2.01%	0.79%	1.13%
	2020	Male	1.82%	0.62%	1.05%
		Female	1.54%	0.94%	1.03%
		Group overall	1.75%	0.78%	1.04%
	2019	Male	2.28%	0.62%	1.31%
		Female	1.63%	1.15%	1.24%
		Group overall	2.12%	0.89%	1.28%

## Training and Education

Employees trained by gender and by employment category in percentage [\[HKEX\] KPI B3.1](#)

		Hong Kong	Mainland China	Overall
2021	Male	80.9%	91.2%	87.8%
	Female	83.0%	94.2%	92.5%
	Senior management	77.2%	96.4%	86.7%
	Middle management	89.0%	86.6%	87.9%
	General staff	78.9%	93.1%	90.2%
2020	Male	64.5%	84.2%	78.1%
	Female	77.9%	89.7%	87.9%
	Senior management	86.4%	96.2%	91.1%
	Middle management	68.3%	81.9%	74.6%
	General staff	66.9%	87.2%	83.3%
2019	Male	77.6%	94.8%	88.6%
	Female	79.8%	93.7%	91.3%
	Senior management	70.0%	100.0%	79.1%
	Middle management	82.9%	99.7%	91.4%
	General staff	76.9%	93.6%	89.7%

Average training hours per employee by gender and by employment category<sup>38</sup> [\[GRI\] 404-1](#); [\[HKEX\] KPI B3.2](#)

		Hong Kong	Mainland China	Overall
2021	Male	21.6	26.6	24.9
	Female	11.4	32.0	28.9
	Senior management	10.6	31.2	20.8
	Middle management	15.4	29.3	21.8
	General staff	20.7	29.3	27.5
2020	Male	13.1	55.9	42.5
	Female	8.1	46.3	40.7
	Senior management	5.8	24.8	14.8
	Middle management	9.7	20.9	14.9
	General staff	12.9	53.9	45.9
2019	Male	18.4	24.8	22.5
	Female	11.2	27.5	24.8
	Senior management	12.1	34.4	18.9
	Middle management	17.6	43.6	30.8
	General staff	16.3	24.0	22.3

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

31 Minority group refers to the ethnic minority at our operation locations.

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

33 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%

34 Retention rate (in percentage) = Total number of employees that returned to work after parental leave ended and 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%

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

36 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%

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

38 Average training hours per employee = Total training hours in the category / Total workforce in the category



## Featured Awards, Charters and Memberships 102-12, 102-13

### Selected Awards and Recognitions

Organiser	Award and Recognition	Business Unit
Hang Seng Index Company Limited	Constituent member of Hang Seng Corporate Sustainability Index	Wharf Holdings
Hong Kong Quality Assurance Agency	Sustainability Rating – AA	Wharf Holdings
	CSR Index Plus	Wharf Holdings
U.S. Green Building Council – LEED	Platinum for Existing Buildings: Operations and Maintenance Standard	Chengdu IFS and Changsha IFS
	Gold for Existing Buildings: Operations and Maintenance Standard	Shanghai Wheelock Square
	Gold for Core and Shell	Wuxi IFS
EarthCheck	Gold Certification	Niccolo Chengdu
	Silver Certification	Niccolo Changsha, Niccolo Chongqing, Marco Polo Wuhan, Marco Polo Xiamen, Marco Polo Lingnan Tiandi, Foshan and Marco Polo Parkside, Beijing
Mandatory Provident Fund Schemes Authority	Good MPF Employer (5 years+)	Wharf Limited and Modern Terminals
	Good MPF Employer	Wharf China Development Limited, Wharf China Estates Limited and WHML
Employees Retraining Board	Manpower Developer	Wharf China Estates Limited, WHML and Modern Terminals
Promoting Happiness Index Foundation	Happy Company 5 years+	Wharf China Estates Limited and Modern Terminals
Hong Kong Council of Social Services	Caring Company Logo	Wharf Holdings (10 years plus), Modern Terminals (15 years plus) and WHML
Labour and Welfare Bureau	Social Capital Builder Logo Award	Wharf Holdings
Hong Kong Quality Assurance Agency	Outstanding Award for Green and Sustainable Loan Issuer (Port & Logistics Industry) – Visionary Sustainability-linked Loan Performance Metrics	Modern Terminals
The Hong Kong Management Association	Hong Kong Sustainability Award 2020/21 – Certificate of Excellence	Modern Terminals
Chinese YMCA of Hong Kong	Sport-Friendly Action Logo 2020-2021	Modern Terminals
Employee Experience Institute	EXAwards@ – Onboarding Experience Award	Chengdu IFS
The Stevie® Awards	Gold Award for Changsha IFS – iGO – Innovative Achievement in Science or Technology	Wharf China Estates Limited
	Gold Award for “New Kitzzz” – Innovative Achievement in Sales or Revenue Generation	Chengdu IFS
Premium Traveler	2021 Premium Traveler Awards – Luxury Hotel of the Year in Greater China	Niccolo Chengdu and Niccolo Chongqing
TTG China	TTG China Travel Awards – Best Hotel in Central South and Southwest China	Niccolo Changsha
Hangzhou Construction Engineering Quality Security Superintend Terminal	Hangzhou Construction Engineering Structure Quality Award – First half of 2021	Hangzhou Sites
International Awards Associate (IAA)	MUSE Design Awards – Landscape Design – Platinum Award	Suzhou Sites

## Selected Memberships and Charters

Organisation	Nature of Membership/Name of Charter	Business Unit
Hong Kong General Chamber of Commerce	Corporate Member	Wharf Holdings and Modern Terminals
Employers' Federation of Hong Kong	Corporate Member	Wharf Holdings, Wharf Limited, Wharf China Development Limited, WHML and Modern Terminals
WWF-Hong Kong	Double Diamond Member	Wharf Holdings
Business Environment Council	Council Member, Founding Members, Communications and Membership Committee Member	Modern Terminals
Hong Kong Occupational Safety and Health Council	Green Cross Group	Wharf Limited and Modern Terminals
	Joyful@Healthy Workplace Charter	Modern Terminals
Hong Kong Occupational Safety and Health Association	Company Member	Modern Terminals
The Chartered Institute of Logistics and Transport in Hong Kong	Organisation Member	Modern Terminals
Hong Kong Container Terminal Operators Association	Corporate Member, Committee Member and Treasurer	Modern Terminals
Office of the Privacy Commissioner for Personal Data	Data Protection Officers' Club	Wharf Limited
China Real Estate Chamber of Commerce – Commercial Real Estate Association	Member	Chengdu IFS and Dalian Times Square
Chengdu New Consumption Industry Ecosystem Alliance	Executive Director Unit	Chengdu IFS
Chengdu Retailers Business Association	Vice President	Chengdu IFS
The Hong Kong Chamber of Commerce in China-Sichuan	Vice President	Chengdu IFS
China Shopping Center Development Association of Mall China	The Senior Associate Members	Dalian Times Square
The American Chamber of Commerce	The Corporate Member, Co-chair of Transport & Logistics Subcommittee	Modern Terminals
Global Hotel Alliance	Member	Niccolo Chengdu, Niccolo Changsha, Niccolo Chongqing, Marco Polo Wuhan, Marco Polo Xiamen, Marco Polo Jinjiang, Marco Polo Lingnan Tiandi, Foshan and Marco Polo Parkside, Beijing
Business Environment Council	Low Carbon Charter Pathway 1	Modern Terminals
Environmental Bureau & Electrical and Mechanical Services Department	Energy Saving Charter	Modern Terminals
	4T Charter	Modern Terminals
Equal Opportunities Commission	The Racial Diversity & Inclusion Charter for Employers	Modern Terminals

## 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)
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

#### Aspect A2: Use of Resources

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

#### Aspect A3: The Environment and Natural Resources

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

### Social

#### Aspect B1: Employment 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
- Labour Law of the People's Republic of China

#### Aspect B2: Health and Safety

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

#### Aspect B6: Product Responsibility

- Fire Services Ordinance (Cap. 95 of the laws of Hong Kong)
- Hotel and Guesthouse Accommodation Ordinance (Cap. 349 of the laws of Hong Kong)
- Food Hygiene Code published by the Government of the Hong Kong Special Administrative Region
- Food Safety Law of the People's Republic of China
- Food Hygiene Law of the People's Republic of China
- Urban Real Estate Administration Law of the People's Republic of China
- Trade Descriptions Ordinance (Cap. 362 of the laws of Hong Kong)
- Law of the People's Republic of China on Protection of Consumer Rights and Interests
- Consumer protection legislations in Hong Kong and logo guidelines
- Advertising Law of the People's Republic of China
- Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong)
- EU 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)
- Anti-Unfair Competition Law of the People's Republic of China

## Alignment with the Recommendations of Task Force on Climate-related Financial Disclosures

TCFD has developed a voluntary framework to allow companies to incorporate climate-related risks and opportunities into their risk management and strategic planning processes in 2017. Continuing with the practice from last year, we have outlined the Group's public disclosure with the TCFD Recommendations under the four core areas of governance, strategy, risk management, and metrics and targets.

Disclosure Area	TCFD Recommended Disclosure	Information disclosed by Wharf Holdings	References
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	A robust sustainability governance structure is in place to ensure adequate oversight of climate risk and opportunity by the Board.	Board Statement, page 13
		The Sustainability Steering Committee meets regularly to identify, assess and manage material climate-related risks and opportunities with the support of the Divisional Sustainability Committee and the sustainability governance bodies in our BUs.	Sustainability Governance, page 13-14
		Our management approach to climate change mitigation, adaptation, and resilience is currently guided by our Climate Change Policy Statement.	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 potential financial and non-financial impacts associated with the identified physical and transitional risks, along with adequate risk mitigation measures.	Climate Risk and Resilience Management, page 23-26
		The Group established decarbonisation strategies through constructing certified green buildings and adopting renewable energy source for existing buildings.	Energy Management and Decarbonisation, page 27-30
		To mitigate the physical impacts of climate change, the Group's business operations have implemented adaptive measures.	Climate Risk and Resilience Management, page 23-26
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	The Group have embedded climate-related risks into enterprise risk management (ERM) system to identify, manage and disclose climate-related risks as part of our regular business approach.	Climate Risk and Resilience Management, page 23-26
		To identify physical and transitional risks, impacts and potential mitigation measures, the Group conducted a preliminary climate risk mapping exercise across all BUs.	Sustainability Governance, page 13-14
		Several BUs have obtained ISO 14001-certified environmental management system to manage climate-related risks in our daily operations.	Co-living with the Nature – Commitment and Strategy, page 21-22
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	We regularly monitor our climate-related metrics, including our Scope 1, 2 and 3 emissions. The climate-related metrics are disclosed in our annual sustainability report.	Co-living with the Nature – Commitment and Strategy, page 21-22
		We have formulated environmental targets including GHG emission and energy reduction to be achieved in 2030.	Key Metrics – Environmental Performance, page 57-58



## GRI Standards Table, HKEX ESG Reporting Guide and SASB Standards Content Index

Disclosure		HKEX ESG Reporting Guide	SASB Standards	Page Number/Remarks
<b>102: General Disclosures 2016</b>				
<b>Organisational profile</b>				
102-1	Name of the organisation			The Wharf (Holdings) Limited
102-2	Activities, brands, products, and services			About Our Business, page 9
102-3	Location of headquarters			Hong Kong
102-4	Location of operations			About Our Business, page 9
102-5	Ownership and legal form			Publicly listed company
102-6	Markets served			About Our Business, page 9
102-7	Scale of the organisation		IF-RE-000.A, IF-RE-000.B	About Our Business, page 9
102-8	Information on employees and other workers	KPI B1.1		Nurturing Our Employees, page 37-41
102-9	Supply chain	KPI B5.1, B5.2, B5.3, B5.4		Partnering with Our Suppliers, page 41-42
102-10	Significant changes to the organisation and its supply chain			About Our Business, page 9; Partnering with Our Suppliers, page 41-42
102-11	Precautionary principle or approach			Our Sustainability Approach, page 13-19
102-12	External initiatives			Featured Awards, Charters and Memberships, page 66-67
102-13	Membership of associations			Featured Awards, Charters and Memberships, page 66-67
<b>Strategy</b>				
102-14	Statement from senior decision-maker			Message from the Chairman, page 2-3
<b>Ethics and integrity</b>				
102-16	Values, principles, standards, and norms of behaviour	KPI B7.2		Our Sustainability Approach, page 13-19
<b>Governance</b>				
102-18	Governance structure			Our Governance, page 10-12; Our Sustainability Approach, page 13-19
102-19	Delegating authority			Our Sustainability Approach, page 13-19
102-20	Executive-level responsibility for economic, environmental, and social topics			Our Sustainability Approach, page 13-19
<b>Stakeholder engagement</b>				
102-40	List of stakeholder groups			Our Sustainability Approach, page 13-19
102-41	Collective bargaining agreements			Some of our business units in Mainland China have set up trade unions to safeguard the legitimate rights and interests of our employees and to establish a coordinated and stable employment relation. Collective bargaining agreements do not apply to the Group's operations in Hong Kong.
102-42	Identifying and selecting stakeholders			Our Sustainability Approach, page 13-19
102-43	Approach to stakeholder engagement			Our Sustainability Approach, page 13-19
102-44	Key topics and concerns raised			Our Sustainability Approach, page 13-19

Disclosure		HKEX ESG Reporting Guide	SASB Standards	Page Number/Remarks
<b>Reporting practice</b>				
102-45	Entities included in the consolidated financial statements			2021 Annual Report – Independent Auditor’s Report, page 91-97
102-46	Defining report content and topic boundaries			About This Report, page 4-6; Our Sustainability Approach, page 13-19
102-47	List of material topics			Our Sustainability Approach, page 13-19
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 4-6
102-50	Reporting period			About This Report, page 4-6
102-51	Date of most recent report			Published in May 2021, Sustainability Report 2020 is the most recent report.
102-52	Reporting cycle			Annual
102-53	Contact point for questions regarding the report			About This Report, page 4-6
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 Table, HKEX ESG Reporting Guide and SASB Standards Content Index, page 70-75
102-56	External assurance			Verification Statement, page 76
<b>200: Economic</b>				
<b>201: Economic Performance 2016</b>				
103	Management approach			About Our Business, page 9; 2021 Annual Report – Chairman’s Statement, page 7-10
201-1	Direct economic value generated and distributed	KPI B8.2		About Our Business page 9; 2021 Annual Report – Directors’ Report, page 70-90
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 9; Climate Risk and Resilience Management, page 23-26
201-4	Financial assistance received from government			No financial assistance received from the government in 2021.
<b>202: Market Presence 2016</b>				
103	Management approach			Our Sustainability Approach, page 13-19
202-2	Proportion of senior management hired from the local community			Our Governance, page 10-12
<b>203: Indirect Economic Impacts 2016</b>				
103	Management approach	GD B8		Business-in-Community, page 50-55
203-1	Infrastructure investments and services supported	KPI B8.1, B8.2		About Our Business, page 9; Business-in-Community, page 50-55
<b>204: Procurement Practices 2016</b>				
103	Management approach	GD B5		Partnering with Our Suppliers, page 41-42
204-1	Proportion of spending on local suppliers	KPI B5.1		Partnering with Our Suppliers, page 41-42 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.

Disclosure		HKEX ESG Reporting Guide	SASB Standards	Page Number/Remarks
<b>205: Anti-corruption 2016</b>				
103	Management approach	GD B7		Our Governance, page 10-12; Our Sustainability Approach, page 13-19
205-2	Communications and training about anti-corruption policies and procedures	KPI B7.3		Our Governance, page 10-12
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1		In 2021, there were no confirmed incidents of corruption.
<b>300: Environmental</b>				
<b>301: Material 2016</b>				
103	Management approach	GD A2, A3		Co-living with the Nature – Commitment and Strategy, page 21-22; Waste Management and Resource Conservation, page 33-34
301-1	Materials used by weight or volume	KPI A2.5		Key Metrics, page 59
<b>302: Energy 2016</b>				
103	Management approach	GD A2, A3		Co-living with the Nature – Commitment and Strategy, page 21-22; Energy Management and Decarbonisation, page 27-30
302-1	Energy consumption within the organisation	KPI A2.1	IF-RE-130a.2	Energy Management and Decarbonisation, page 27-30; Key Metrics, page 57
302-3	Energy intensity	KPI A2.1		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 57
CRE-1	Building energy intensity	KPI A2.1		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 57
302-4	Reduction of energy consumption	KPI A2.3		Energy Management and Decarbonisation, page 27-30
<b>303: Water and Effluents 2018</b>				
103	Management approach	GD A2, A3	IF-RE-140a.4	Co-living with the Nature – Commitment and Strategy, page 21-22; Water Stewardship and Conservation, page 31-32
303-1	Interactions with water as a shared resource	KPI A2.4, A3.1		Water Stewardship and Conservation, page 31-32
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 Stewardship and Conservation, page 31-32; Key Metrics, page 58 There is no withdrawal of surface or groundwater. All water consumed in Hong Kong and Mainland China are purchased and distributed by the Government's municipal water supplies department.
303-4	Water discharge			Water Stewardship and Conservation, page 31-32
303-5	Water consumption	KPI A2,2		Water Stewardship and Conservation, page 31-32; Key Metrics, page 58
CRE-2	Building water intensity	KPI A2.2		Water Stewardship and Conservation, page 31-32; Key Metrics, page 58

Disclosure		HKEX ESG Reporting Guide	SASB Standards	Page Number/Remarks
<b>305: Emission 2016</b>				
103	Management approach	GD A1, A3		Co-living with the Nature – Commitment and Strategy, page 21-22; Energy Management and Decarbonisation, page 27-30
305-1	Direct (Scope 1) GHG emissions	KPI A1.1, A1.2		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 58
305-2	Energy Indirect (Scope 2) GHG emissions	KPI A1.1, A1.2		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 58
305-3	Other indirect (Scope 3) GHG emissions	KPI A1.1, A1.2		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 58
305-4	GHG emissions intensity	KPI A1.2		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 58
CRE-3	GHG emissions intensity from buildings	KPI A1.2		Energy Management and Decarbonisation, page 27-30; Key Metrics, page 58
305-5	Reduction of GHG emissions	KPI A1.5		Energy Management and Decarbonisation, page 27-30
305-7	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	KPI A1.1		Key Metrics, page 58
<b>306: Waste 2020</b>				
103	Management approach	GD A1		Co-living with the Nature – Commitment and Strategy, page 21-22; Waste Management and Resource Conservation, page 33-34
306-1	Waste generation and significant waste-related impacts	GD A1		Waste Management and Resource Conservation, page 33-34
306-2	Management of significant waste-related impacts	GD A1, KPI A1.6, A3.1		Waste Management and Resource Conservation, page 33-34
306-3	Waste generated	KPI A1.3, A1.4		Waste Management and Resource Conservation, page 33-34; Key Metrics, page 60-61
306-4	Waste diverted from disposal	KPI A1.6		Key Metrics, page 60-61
306-5	Waste directed to disposal			Key Metrics, page 60-61
<b>307: Environmental Compliance 2016</b>				
103	Management approach			Co-living with the Nature – Commitment and Strategy, page 21-22
307-1	Non-compliance with environmental laws and regulations			In 2021, the Group received no fines or non-monetary sanctions for incidents of non-compliance.
<b>400: Social</b>				
<b>401: Employment 2016</b>				
103	Management approach	GD B1		Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
401-1	New employee hires and employee turnover	KPI B1.2		Key Metrics, page 63
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			Nurturing Our Employees, page 37-41
401-3	Parental leave			Key Metrics, page 63



Disclosure		HKEX ESG Reporting Guide	SASB Standards	Page Number/Remarks
<b>402: Labor/Management Relations 2016</b>				
103	Management approach			Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
402-1	Minimum notice periods regarding operational changes			We do not have a fixed notice period. Depending on commercial and/or other aspects of business sensitivity, reasonable notice is normally allowed for any significant operational changes of the company.
<b>403: Occupational Health and Safety 2018</b>				
103	Management approach	GD B2		Safe and Healthy Workplace, page 46-47
403-1	Occupational health and safety management system	KPI B2.3		Safe and Healthy Workplace, page 46-47
403-2	Hazard identification, risk assessment, and incident investigation	KPI B2.3		Safe and Healthy Workplace, page 46-47
403-5	Worker training on occupational health and safety	KPI B2.3		Safe and Healthy Workplace, page 46-47
403-6	Promotion of worker health	KPI B2.3		Employee Wellbeing, page 48
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	KPI B2.3		Safe and Healthy Workplace, page 46-47
403-9	Work-related injuries	KPI B2.1, B2.2		Safe and Healthy Workplace, page 46-47; Key Metrics, page 64
<b>404: Training and Education 2016</b>				
103	Management approach	GD B3		Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
404-1	Average hours of training per year per employee	KPI B3.2		Nurturing Our Employees, page 37-41; Key Metrics, page 65
404-2	Programmes for upgrading employee skills and transition assistance programmes			Nurturing Our Employees, page 37-41
<b>405: Diversity and Equal Opportunity 2016</b>				
103	Management approach			Our Sustainability Approach, page 13-19; Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
405-1	Diversity of governance bodies and employees	KPI B1.1		Our Governance, page 10-12; Our Sustainability Approach, page 13-19; Key Metrics, page 62-63
<b>406: Non-discrimination 2016</b>				
103	Management approach			Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
406-1	Incidents of discrimination and corrective actions taken			In 2021, there were no recorded incidents of non-compliance with anti-discrimination legislations.

Disclosure		HKEX ESG Reporting Guide	SASB Standards	Page Number/Remarks
<b>408: Child Labour 2016</b>				
103	Management approach	GD B4		Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
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.
<b>409: Forced or Compulsory Labour 2016</b>				
103	Management approach	GD B4		Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Nurturing Our Employees, page 37-41
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.
<b>413: Local Communities 2016</b>				
103	Management approach			Business-in-Community – Commitment and Strategy, page 51
413-1	Operations with local community engagement, impact assessments and development programmes			Business-in-Community, page 50-55
<b>416: Customer Health and Safety 2016</b>				
103	Management approach	GD B6		Safeguarding Wellbeing and Safety – Commitment and Strategy, page 45; Safe Products and Services, page 49
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	KPI B6.1, B6.4		In 2021, there were no recorded incidents of non-compliance.
<b>417: Marketing and Labelling 2016</b>				
103	Management approach	GD B6		Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Delivering Quality for Our Customers, page 42-43
417-3	Incidents of non-compliance concerning marketing communications	KPI B6.2, B6.3		In 2021, there were no recorded incidents of non-compliance.
<b>418: Customer Privacy 2016</b>				
103	Management approach	GD B6		Building Excellence with Our Stakeholders – Commitment and Strategy, page 37; Delivering Quality for Our Customers, page 42-43
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5		In 2021, there were no recorded incidents of non-compliance.
<b>419: Socioeconomic Compliance 2016</b>				
103	Management approach			Our Sustainability Approach, page 13-19
419-1	Non-compliance with laws and regulations in the social and economic area			In 2021, WHML received an infringement notice issued under section 67 of the Competition Ordinance (Cap. 619) regarding anti-competitive conduct in the sale of tourist attractions and transportation tickets in Hong Kong.

## Verification Statement 102-56



### Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) has been commissioned by The Wharf (Holdings) Limited (“Wharf Holdings”) to undertake an independent verification for its Sustainability Report 2021 (“the Report”). The scope of this verification covers the sustainability performance data and information of its business in Hong Kong and Mainland China for the period of 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021.

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 Holdings is responsible for the preparation and presentation of the Report. HKQAA’s verification activities are independent from Wharf Holdings. There is no relationship between HKQAA and Wharf Holdings that would affect the impartiality of 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 has complied with all mandatory disclosure requirements and “comply or explain” provisions outlined in the ESG Guide;
- The Report disclosure is aligned with the SASB Standards;
- The Report illustrates the sustainability performance of Wharf Holdings, 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.

Wharf Holdings has been working diligently to continue reinforcing its management mechanism to uphold the integrity and reliability of the sustainability data. In conclusion, the Report reflects most prudently the sustainability performance of Wharf Holdings in the past year.

### Signed on behalf of Hong Kong Quality Assurance Agency

**Connie Sham**  
Head of Audit  
April 2022



WHARF

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