

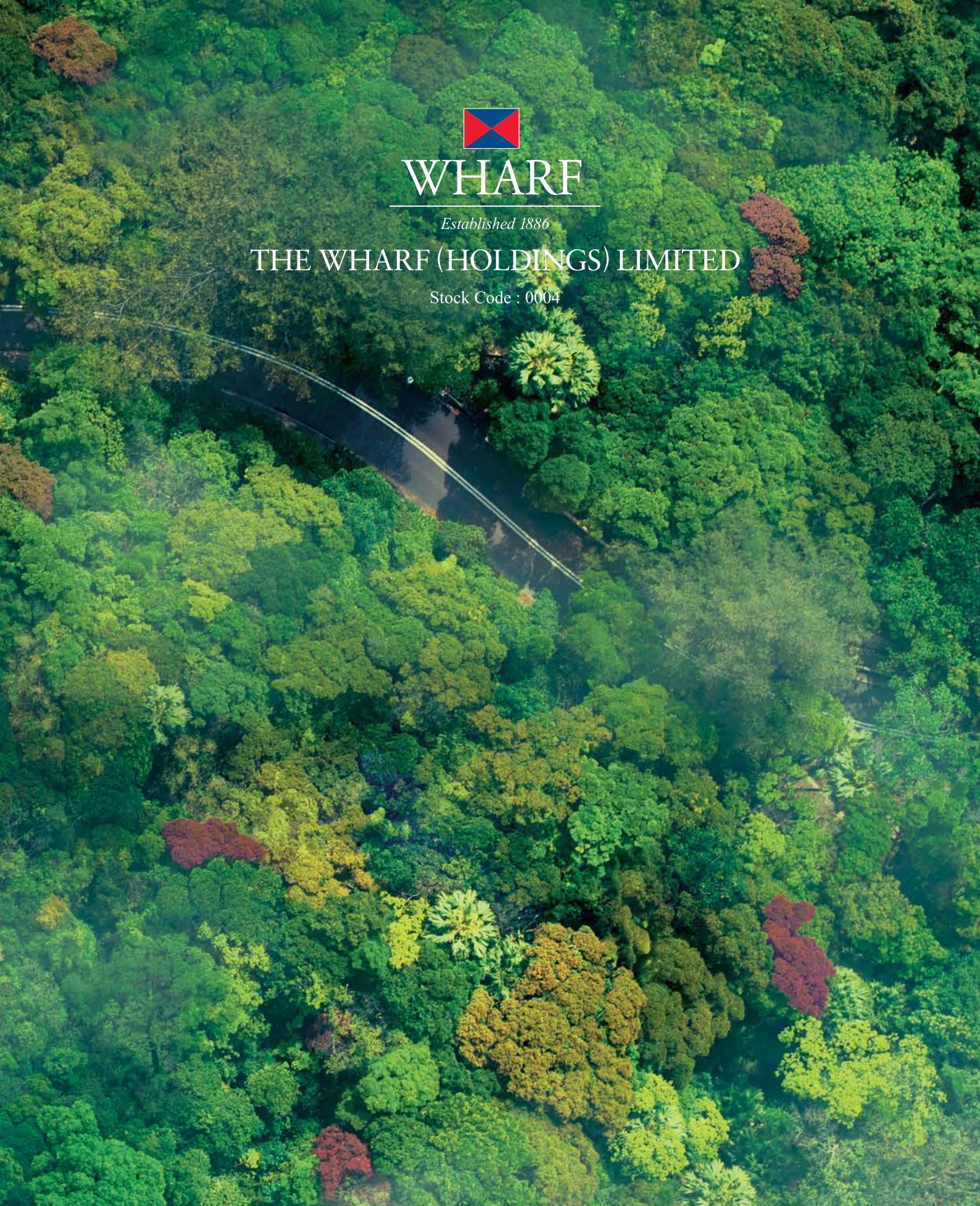


WHARF

Established 1886

THE WHARF (HOLDINGS) LIMITED

Stock Code : 0004



SUSTAINABILITY REPORT 2022

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MESSAGE FROM THE

Chairman

GRI 2-22



We are pleased to publish the ninth Sustainability Report of The Wharf (Holdings) Limited (“Wharf Holdings” or, together with our subsidiaries, “the Group”) and reaffirm the Group’s policies and commitments and share our sustainability initiatives during the reporting year.

Three years into the pandemic, the global economy is in the midst of a recovery and we continue to drive our sustainability agenda forward. We ensure that our business development aligns with the Group’s long-standing mission of “Building for Tomorrow” by optimising our environmental, social and governance (“ESG”) performance.

With the release of general sustainability-related and climate-related disclosure requirements by the International Sustainability Standards Board (“ISSB”), the requirement for ESG reporting is bound to increase. Also, in response to the cries for carbon neutrality around the world, investors have increased concerns about sustainable financial development and regulatory requirements on ESG aspects of companies.

Limiting global warming to 1.5°C remains a clear intention for the world leaders and business operations at The 27th Conference of the Parties of the United Nations Framework Convention on Climate Change (“COP27”). To support global and local efforts towards decarbonisation, the Group continues to work towards our 2030 environmental targets to minimise our carbon emissions. This year, we enhanced our climate disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). On top of carbon emissions, we strive to achieve our long-term targets on waste diversion, water and electricity consumption reduction. Shanghai Wheelock Square successfully upgraded from LEED Gold to LEED Platinum certification, while Shanghai Times Square achieved ISO 50001 to demonstrate their effective energy management. We also promote our transition to a low-carbon operation through ESG financing. Our sustainability-linked loan facilities are used for supporting our operations and ESG projects.

In face of the global challenges, we have incorporated ESG risks into our business model to increase our business resilience and adopt better risk management. To this end, we have set up a series of ESG policies, and our operational strategy is in line with the United Nations Sustainable Development Goals (“UNSDGs”). Apart from participating in the S&P Corporate Sustainability Assessment, we received recognition from MSCI by achieving a BBB rating and achieved an AA+ rating from HKQAA Sustainability Rating.

The Group commits to offering a secure, fulfilling and courteous working environment to our employees. We aim to foster a welcoming and diverse workplace. By providing competitive

remuneration packages and various development opportunities, we are able to attract and retain our employees. This year, employees’ physical and mental wellbeing was further promoted through a series of thematic programmes. We have high standards on our health and safety management to safeguard the health and safety of our employees and customers, which also ensures that we can maintain smooth business operations during the COVID-19 outbreak. The Group’s safety and health performance improves continuously with injury incident rate was further reduced to 1.2 per 100 employees in 2022.

We work hard to integrate ESG practices into every aspect of our value chain. As part of our effective supply chain management system, we communicate our standards to suppliers and work closely with them to encourage responsible procurement with our Supplier Code of Conduct. Recognising that high quality products and services form the foundation of our business success, the Group oversees the downstream portion of the value chain and conducts annual customer satisfaction surveys to understand consumers’ concerns.

Adhering to the Group’s Business-in-Community philosophy, we remain active in areas of supporting youth development, helping those in need, and advancing the arts and culture in society. Through our flagship programme Project *WeCan* (“*WeCan*”), we continued to provide financial and volunteer support to underprivileged secondary school students in spite of the pandemic. With the assistance from over 70 partner organisations, over 87,000 students and 82 schools have been benefitted from the programme. Since the pandemic began in 2019, the Group has reached out to the needy by setting up the “Wharf Emergency Relief Fund” and donating to charitable organisations.

To cope with future ESG challenges and meet the growing expectations from stakeholders, we strive to improve our resilience by enhancing our ESG performance and developing relevant goals. Beyond compliance, we will also be in line with industry best practices and monitor our targets regularly.

Last but not least, I would like to express our sincere gratitude for our stakeholders’ ongoing support on behalf of the Group. Our vision and mission will continue to serve as our compass, and we are committed to contributing to a more sustainable future.

Stephen T H Ng

Chairman and Managing Director

Hong Kong

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Report Standards 2-2

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”), the latest GRI Standards 2021 (“GRI Standards”) and the GRI G4 Construction and Real Estate Sector (“CRE”) Disclosures. The Report also refers to selected metrics of the SASB real estate industry-specific sustainability accounting standards and the recommendations of TCFD.

The Report follows the four reporting principles listed in the HKEX ESG Reporting Guide and the eight principles required by GRI Standards. Unless otherwise specified, we use consistent methodologies to compile the quantitative data presented in the Report.

HKEX ESG Reporting Guide		GRI Standards			
Materiality	Quantitative	Accuracy	Balance	Clarity	Comparability
Balance	Consistency	Completeness	Sustainability	Timeliness	Verifiability
			Context		

Report Scope 2-2, 2-3, 2-6

The Report delivers our sustainability information including related policies, strategies and performance from 1 January to 31 December 2022, aligning with the reporting period of our Annual Report 2022. This year, to present a more holistic sustainability picture, we cover details in the following selected operations:

Corporate Office

- Wharf Limited



Hong Kong Properties (“HKP”)

- 1 Plantation Road Residential Project
- Kowloon Tong Residential Project
- Kai Tak Residential Project
- No. 2-8 Mansfield Road Residential Project
- No. 9, 11 Mansfield Road Residential Project



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



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



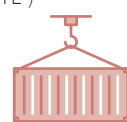
Mainland China Development Properties (“MLDP”)

- Wharf China Development Limited
- Offices – Shanghai, Chengdu, Hangzhou and Suzhou
- Chengdu Sites
- Hangzhou Sites
- Suzhou Sites



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 2022. Managed hotels which are owned by Wharf Real Estate Investment Company Limited (“Wharf REIC”) are covered in Wharf REIC’s Sustainability Report 2022.

In comparison to the report scope of the year ended 31 December 2021, No. 2-8 Mansfield Road Residential Project and No. 9, 11 Mansfield Road Residential Project are newly added.

The Report focuses on most of the Group's operations in development and investment 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 ESG impacts. For better demonstration, the Report contains companies that are under our direct control and supervision, in the development or operating phase, and have a major impact on the Group's ESG performance, in addition to operations that contribute significant revenue to the Group. Over 85% of our businesses are included in the report scope, while non-material joint ventures and assets are not included. Some entities listed in the report scope for the financial reporting are not included in the report scope of this Report. For details of the report scope of the financial reporting, please refer to our Annual Report 2022.

Report Assurance

The Report has been approved by the Board of Directors of Wharf Holdings (the "Board") and 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)"), and regarding greenhouse gas ("GHG") emission, the International Standard on Assurance Engagements 3410. Please refer to page 80 for the verification statement.

Report Publication Date and Feedback

The Report is published on 4 April 2023. 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.



2022 at a Glimpse

Green building certifications

LEED Platinum “Operations and Maintenance: Existing Buildings”

- Chengdu IFS
- Changsha IFS
- Shanghai Wheelock Square

LEED Gold “Core and Shell”

- Wuxi IFS



EarthCheck certification

EarthCheck Gold

- Niccolo Chengdu
- Marco Polo Wuhan
- Marco Polo Lingnan Tiandi, Foshan

EarthCheck Silver

- Niccolo Changsha
- Niccolo Chongqing
- Marco Polo Xiamen
- Marco Polo Parkside, Beijing



ISO certifications

ISO 14001:2015

- Chengdu IFS, Changsha IFS and Modern Terminals

ISO 50001:2018

- Shanghai Times Square

ISO 45001:2018

- Chengdu IFS and Changsha IFS

ISO 9001:2015

- Chengdu IFS and Changsha IFS



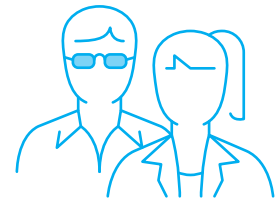
Gender diversity

Gender ratio:

1.32:1 (Male: Female)

Overall gender pay ratio*:

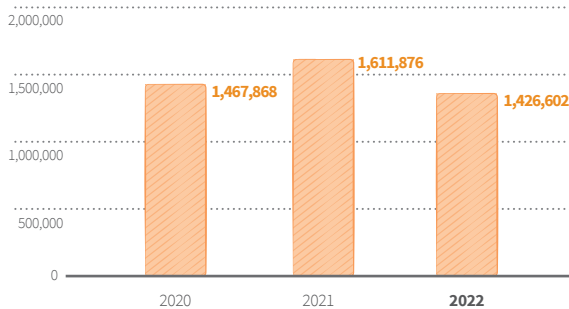
1.39:1 (Male: Female)



Decreased total energy consumption



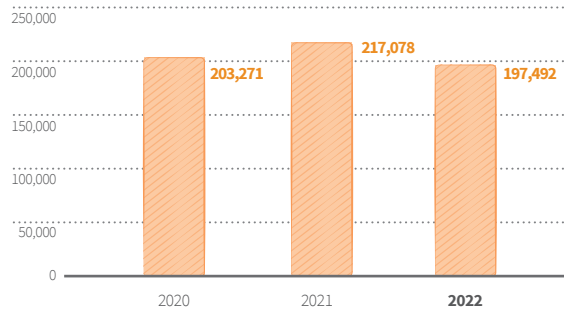
GJ



Decreased GHG emissions (Scope 1 and 2)



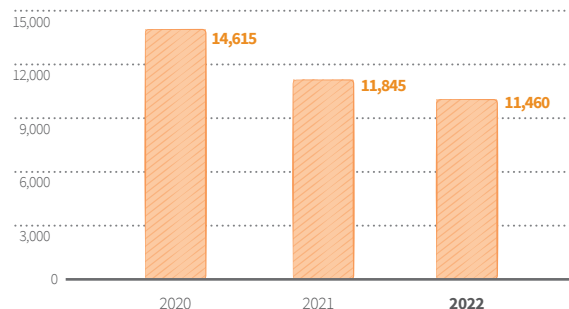
tonnes CO₂e



Decreased general refuse to landfill



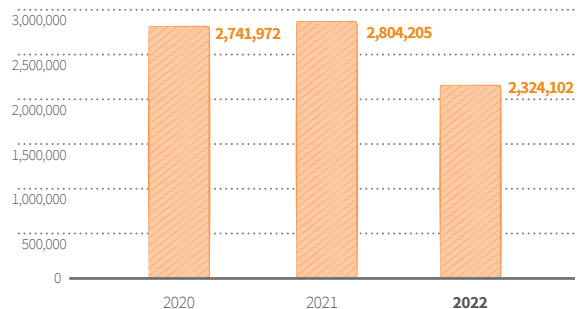
tonnes



Decreased total water consumption



m³



* We pay men and women the same for doing the same job. Yet due to our business nature and business location, male staff in HK portfolio is significantly more that enlarged the gap for the Group.

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Our Business Overview GRI 2-1, 2-6

Founded in 1886 and with headquarters in Hong Kong, The Wharf (Holdings) Limited is a publicly listed company engaging in a wide range of business operations, including property investment and property development in Hong Kong and Mainland China, and hospitality management in Hong Kong, Mainland China and the Philippines. The Group also engages in the operation of logistics business through Modern Terminals in Hong Kong. Buyers are our major customers of development properties, and tenants, shoppers, and residents are our major customers in investment properties, while hotel guests for leisure and hospitality, and corporate clients for logistics. There are no significant changes in the Group's sectors, value chain, and other relevant business relationship compared to the previous reporting period.

Hong Kong Properties

The Group's exclusive Peak Portfolio in Hong Kong comprises a rare collection of unique properties. In addition, the Group is in possession of Kowloon Tong Residential Project and Kowloon East Portfolio.

Mainland China Development Properties

The Group's development properties in Mainland China are mainly located in Chengdu, Hangzhou and Suzhou. The Group adopts a selective land acquisition policy with a strategic focus to secure positive economic returns. The land bank of development properties in Mainland China stands at a total of 1.7 million square metres at the end of 2022.



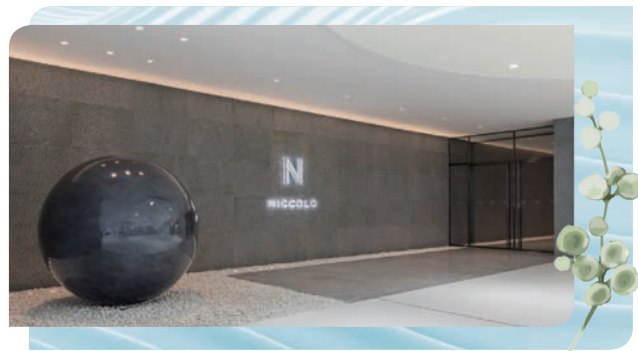
Mainland China Investment Properties

The Group's investment properties portfolio has established leading market positions in Mainland China. The Group's investment properties include the flagship IFS series, Shanghai Wheelock Square, Times Square series and Times Outlets series.



Leisure and Hospitality

The Group operates 16 hotels, totalling over 5,000 rooms and suites in Hong Kong, Mainland China and the Philippines, under the business travel brand Marco Polo Hotels and the award-winning luxury Niccolo Hotels brand, four of which are wholly or partly owned by the Group.



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. It also resulted in higher efficiency and lower emission.



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 2022.

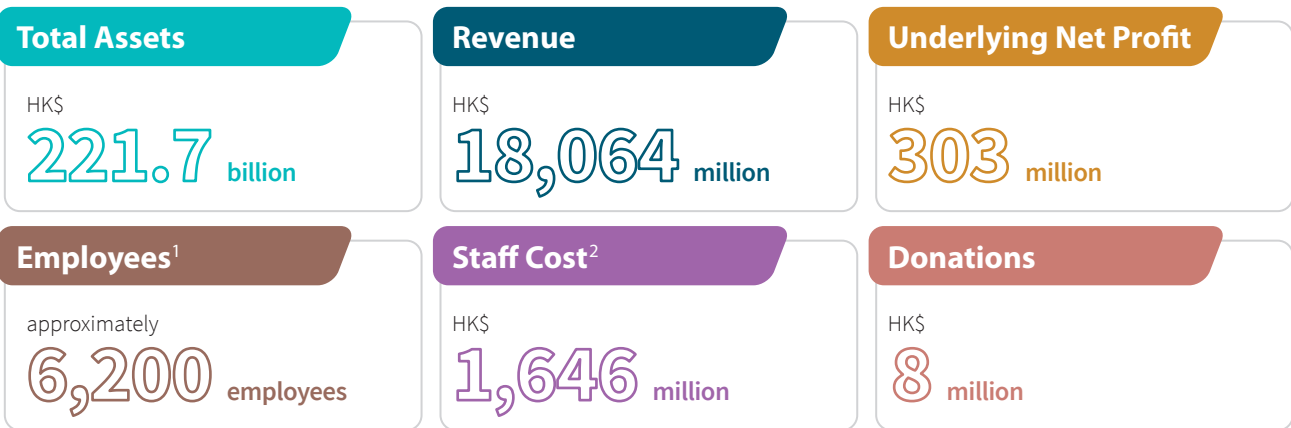
Our Core Value

As a preeminent company in the industry, Wharf Holdings is backed by the long-standing mission of “Building for Tomorrow” with a proven track record in management and execution. Our sustainability vision and mission have been integrated into our management approach. Apart from achieving financial success, the Group also commits to creating long-term shared value for the community and our stakeholders. The Group thrives to exceed its stakeholders’ expectations, protect the natural environment, and make a positive social impact.

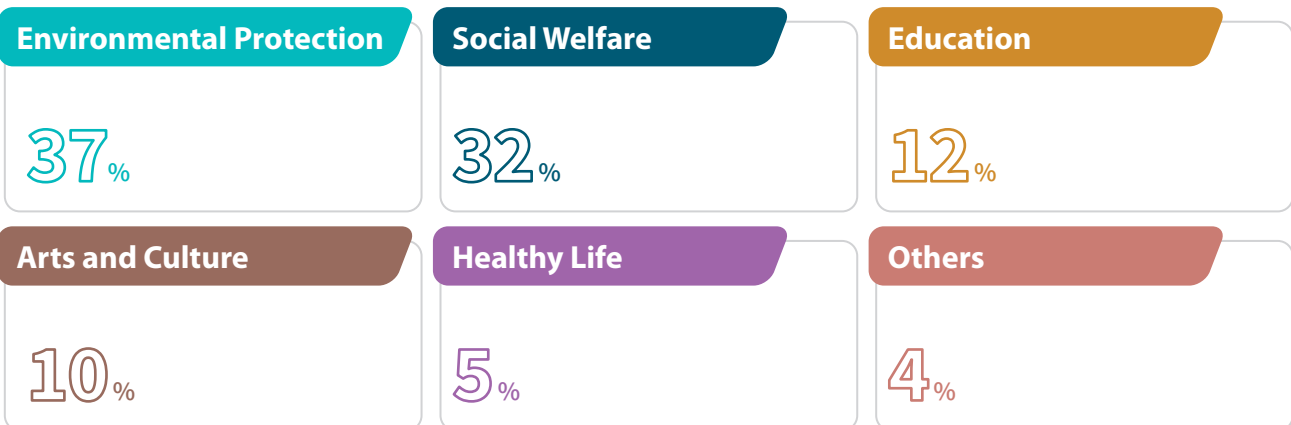
Our Presence and Impact GRI 2-6, 3-3, 201-1, 203-1; HKEX KPI B8.1, B8.2

The Group creates long-term value for stakeholders and contributes to local economies and communities by operating in a prudent management approach. Our contributions in 2022 are highlighted as follows:

Economic Presence and Impact and Community Contributions



Community Events Supported (in number of events)



1 The Group's total number of employees, including those employed by managed operations. Under the Report's reporting scope, the total number of employees is 5,173.

2 Staff costs include contributions to defined contribution pension schemes of HK\$190 million, which included MPF schemes after a forfeiture of HK\$3 million.

GOVERNANCE

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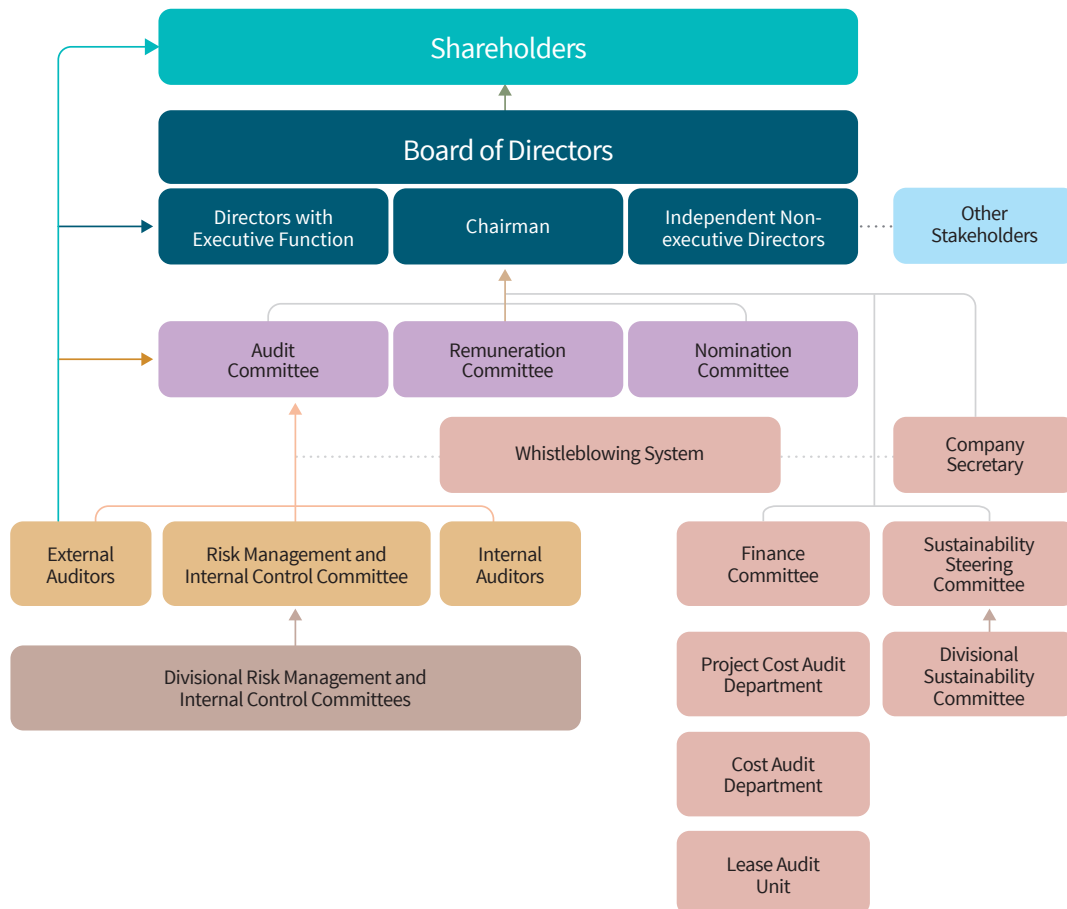
Our Governance Approach

A robust corporate governance model and ethical business practices are the key elements to pursue long-term business success. Besides complying with the legal requirements, the Group maintains a rigorous and effective system to assess and manage risks and implement vigorous control on business conduct.

Governance Structure and Risk Management GRI 2-9, 2-12, 3-3, 202-2, 405-1

The Board reviews the Group’s business strategies and oversees the performance, including Wharf Holdings’ ESG strategy and reporting. The diversity of the Board is critical to keep the Group on the leading edge and develop sustainable and balanced perspectives. The Board was formed by a group of experts from various industries including investment properties, property development, finance and accounting, public service, hospitality, media and entertainment, entrepreneurship, academia, and logistics and transportation. 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 2022.

Composition of Wharf Holdings’ Board of Directors ³							
	Age			Gender		Ethnicity	
	<60	60-69	≥70	Male	Female	Chinese	Non-Chinese
Number	1	5	6	9	3	10	2
%	8	42	50	75	25	83	17



To operate in a dynamic business environment and adapt to the rapidly changing market, the Group has implemented a robust risk management and internal control system. We respond to the tightening limitation and identify the risk in our Enterprise Risk Management (“ERM”) framework. The Compliance Policy Statement is in place to outline the standards and approach to adhere to relevant laws and regulations.

3 All members of the Board of Directors are hired from the local community, i.e. Hong Kong and Mainland China. The profile of the Board of Directors is outlined in the Annual Report 2022 (page 73 to 78).

Ethical Business Operations GRI 2-25, 2-27, 3-3, 205-2, 205-3; HKEX KPI B7.1, B7.2, B7.3

The Group is committed to upholding high standards of business ethics and corporate governance. Our Anti-corruption Policy, Statement of Business Integrity and Code of Conduct form a holistic anti-corruption framework. The Anti-corruption Policy sets out the ethical standards and expectations we embrace and requires all personnel of the Group, including employees at all levels and others who may provide services to or act on behalf of the Group, to comply with it. We strictly prohibit solicitation or acceptance of an advantage, any form of bribery⁴, extortion, fraud, or money laundering in our operations. The expected business behaviours are specified in the Statement of Business Integrity and Code of Conduct, requiring employees to comply with all applicable policies and guidelines on conflicts of interest, insider dealing, anti-competition and anti-corruption. The Group performs due diligence process regularly to forestall potential misconduct. Approval on donations and sponsorships by the Group's Chairman and General Managers of business units ("BUs") is also required to prevent bribery and corruption.

Our Whistleblowing Policy and Procedures states our commitment to whistle-blower protection as well as our complaint initiation and investigation procedures. The mechanism offers a confidential channel to encourage employees to report any malpractice and misconduct, which is essential for the integrity and transparency of business operations. During the reporting year, five partially valid complaints regarding non-critical matters raised through whistleblowing channel were communicated to the Audit Committee. The Group has taken appropriate follow-up actions and has strengthened control measures accordingly.

Employees are offered orientation and refresher training, aiming to emphasise ethical business conduct and cultivate an anti-corruption culture. We also invited representatives from the Independent Commission Against Corruption ("ICAC") to raise our employees and the Board members' awareness of ethical business conducts and share with us the best practices on a regular basis to prevent unintentional non-compliance.

During the reporting year, the Group was not aware of any non-compliance with relevant laws and regulations⁵ and no legal cases regarding corruptive practices were brought against the Group.

Total training hours on anti-corruption:

2,138 hours



Our Sustainability Governance

Board Statement GRI 2-13, 2-14

The Group is determined to maintain a solid governance structure and build effective business management across operations. The Board takes overall responsibility for overseeing ESG matters, including strategy, management approach and reporting. The Group's sustainability risks and opportunities are discussed and evaluated in the board meetings regularly.

The Sustainability Steering Committee, which is delegated by the Board, meets at least twice a year to guide, manage and monitor the Group's economic, environmental and social impacts. The Divisional Sustainability Committee, the Cross-BU Sustainability Group and the Group Sustainability Team collaborate in implementing the Group's ESG strategies across the business. The materiality of the relevant ESG issues is identified and assessed through risk assessment exercises and regular stakeholder engagement activities. We also implement corresponding management initiatives to resolve problems encountered in our operations. The sustainability risks, performance and ESG-material topics identified are reported to the Board annually for review.

To operate in adherence to our long-standing mission of "Building for Tomorrow", we formulated targets on carbon emission, electricity and water consumption and waste disposal with the Board's oversight of the progress on a regular basis.

⁴ Section 3–11 of the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong).

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

Sustainability Governance 2-13, 2-14

The Group is one of the leading companies in the industry in Hong Kong and Mainland China in ESG. We received recognition from MSCI by achieving a BBB rating and obtained an AA+ rating from HKQAA Sustainability Rating. We manage our sustainability approach and performance by establishing a solid governance structure. The Group is proud that it has been a constituent of the Hang Seng Corporate Sustainability Index Series since 2014.

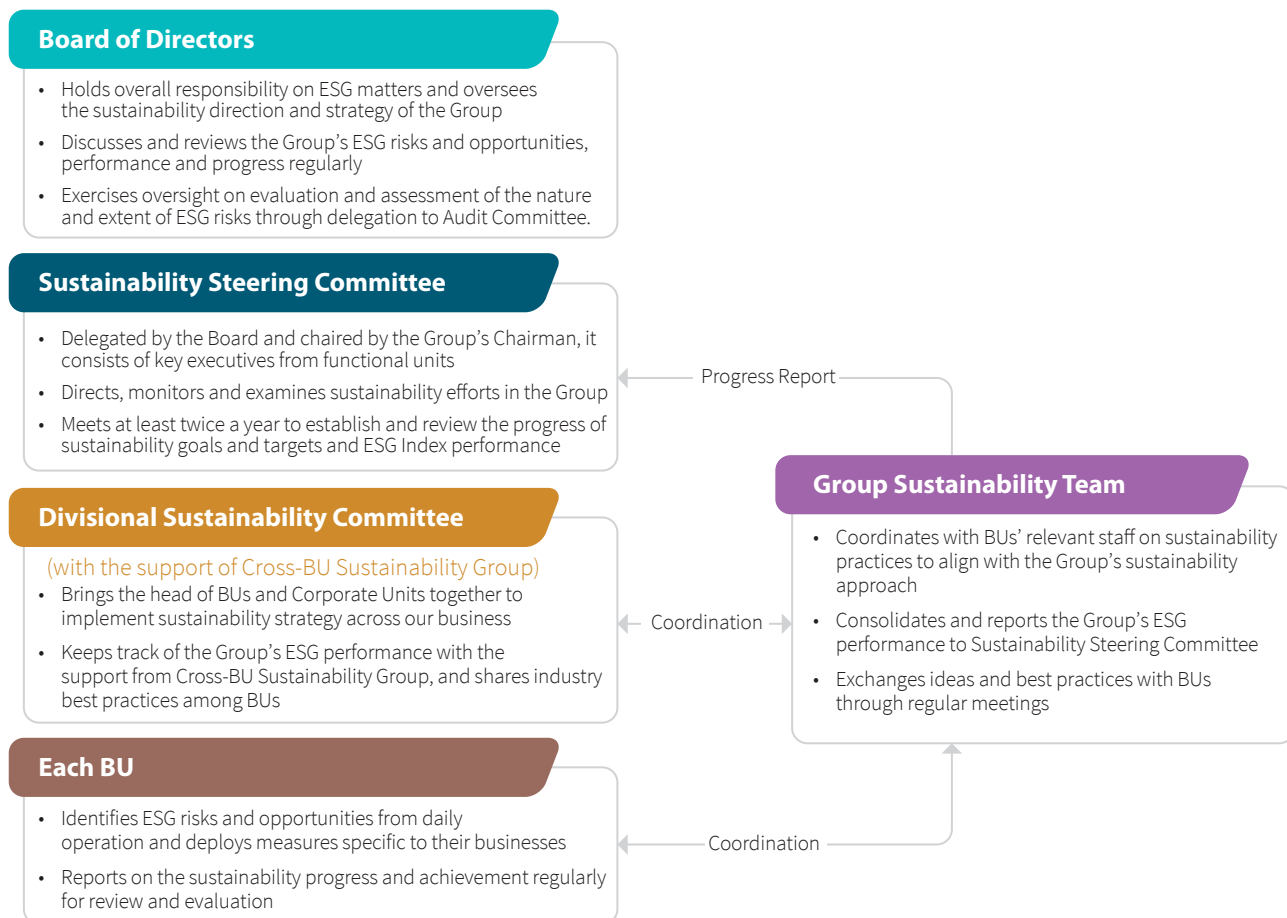


Hang Seng Corporate Sustainability Index Series Member 2022-2023



The Group’s Corporate Social Responsibility Guidelines have laid out our goals and commitments since 2016 with four key aspects, namely environment, people, community and corporate governance. We formulated sustainability policies to escalate the control over material ESG issues, striving for an effective sustainability pathway and management.

Our Sustainability Governance Structure



In order to identify, assess and manage the related ESG risk effectively, they have been integrated into our ERM framework.



Sustainability Policies GRI 2-23, 2-24

Our sustainability policies are aligned with the Group's key sustainability perspectives, and are approved and reviewed from time to time by the Sustainability Steering Committee. All business operations and employees at all levels abide by these policies. Stakeholders who may provide services to or act on behalf of the Group are also governed by selected policies. Policies are communicated to stakeholders through formal meetings and website, etc. Please refer to each policy for details on how it is embedded in the Group.

List of Sustainability Policies:

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

Sustainable Finance

We believe sustainable financing is one of the ways to build a sustainable society. With the announcement of the Central Government's plan of carbon neutrality before 2060 and Hong Kong's Climate Action Plan 2050, we are establishing a roadmap to support carbon neutrality, and sustainable financing is one of the key measures. Since 2019, the Group has been securing fund by entering into sustainable finance transactions. We will continue to explore sustainable financing opportunities to support implementation of the Group's ambition in sustainability.

Sustainability-linked Loan

HK\$
By far, **2.1** billion

Green Loan

HK\$ RMB
By far, **2** billion **1.58** billion

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (“UNSDGs”) has set out a framework for positive change, and therefore, we have aligned our key sustainable foci with them to support. Following are the 11 UNSDGs we have identified out of the 17 which are relevant to our operations, and the details will be disclosed in the corresponding sections in this Report.

THE ENVIRONMENT

Corresponding Section

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

Relevant UNSDGs



FAIR AND DIVERSE COMMUNITY

Corresponding Section

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

Relevant UNSDGs



WORKPLACE AND COMMUNITY WELLBEING

Corresponding Section

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

Relevant UNSDGs



STAKEHOLDER ENGAGEMENT AND **Materiality Assessment**

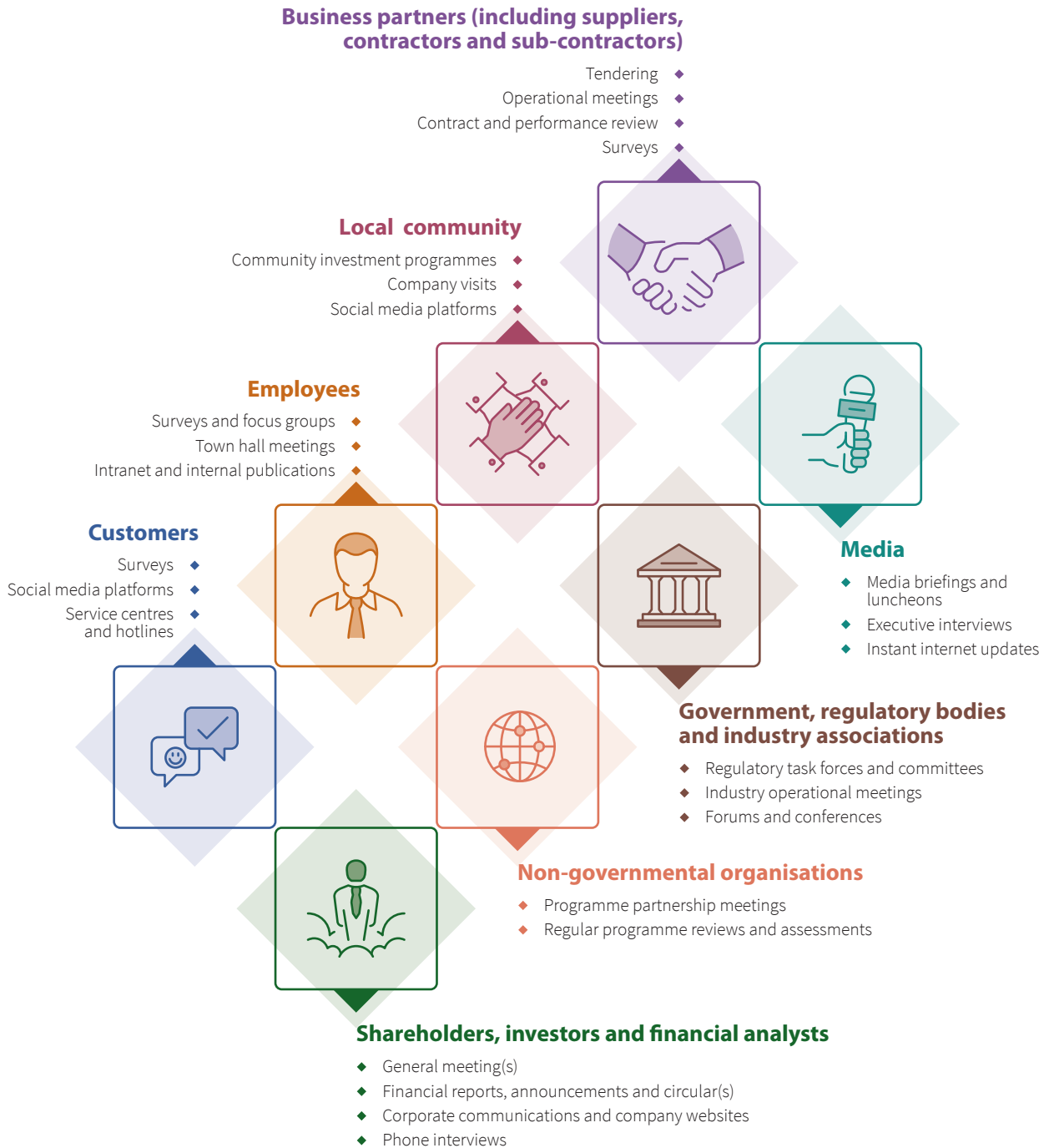
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Stakeholder Engagement GRI 2-26, 2-29, 3-3




The Group values the opinion of the stakeholders and responds to their concerns continuously. We engage with the stakeholders through different platforms periodically and engage their feedback in our decision-making and strategy-planning process.

Our Stakeholder Groups and Engagement Channels







Stakeholder Comments and Our Responses

We have appointed an independent consultant to conduct stakeholder engagement exercise in accordance with the AccountAbility AA1000 Stakeholder Engagement Standard 2015. To ensure a meaningful engagement was conducted, we successfully engaged 845 stakeholders this year, including employees, suppliers, tenants, investors and customers from online questionnaires, interviews and focus group discussions. 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:

Stakeholder Feedback		Our Responses
<p>Suppliers, tenants and investors suggested involving more stakeholders in sustainability initiatives to increase sustainability awareness and further improve sustainability performance.</p>	<p>Sustainability Strategy</p> 	<p>We have been communicating with our stakeholders through different channels such as delivering newsletter to our tenants and suppliers. We will inform them of our latest development in sustainability performance and enhance the requirement for the suppliers.</p>
<p>Investors suggested disclosing more information on the roadmap of sustainability development and developing more ambitious environmental targets.</p>	<p>Sustainability Disclosure</p> 	<p>We understand that a roadmap is critical for our business operations and investors' evaluation. The Group has formulated carbon reduction and other environmental targets by 2030 and disclosed the progress. We will consider developing science-based emission reduction targets in the future.</p>
<p>Investors pointed out that Wharf Holdings has not disclosed substantial green building policy development compared with peers in Hong Kong.</p>	<p>Sustainable Building</p> 	<p>We have formulated various policies to improve our sustainability performance and enhance the built environment to achieve the 2030 environmental targets. Our key investment properties have also obtained green building certificates in the previous years. We will study and consider developing formal policies for sustainable buildings.</p>

Materiality Assessment GRI 3-1, 3-2

Materiality analysis is a comprehensive way to identify the material sustainability issues that are relevant to our business and our stakeholders. We adopt a four-step process to prepare the Report.

Step 1 Identification 	We identified potential material topics for disclosure with reference to the internationally accepted GRI Standards and the HKEX ESG Reporting Guide. Internal and external stakeholders were invited to participate in an online survey to identify the material topics.
Step 2 Prioritisation 	We reviewed local, regional and international peers' disclosure to identify industry practice and invited stakeholders to rank the materiality of various material topics. Feedback from the stakeholders regarding the Group's Sustainability Report was also considered. Internal and external views on significant impact were gathered to prioritise the issues. 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.
Step 3 Validation 	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.
Step 4 Review 	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
Top five material topics		
8 Energy	√	√
17 Occupational Safety and Health ("OSH")	√	√
24 Customer Health and Safety	√	√
18 Training and Education	√	√
19 Equal Opportunities, Diversity and Inclusion	√	√
Other material topics		
23 Community Investment and Engagement	√	√
12 Waste*	√	√
21 Employee Wellbeing*	√	√
6 Innovation*	√	√
14 Sustainable Buildings*	√	√
25 Customer Privacy	√	√
9 Water	√	√
1 Economic Performance*	√	√
11 Greenhouse Gas and Emissions	√	√
26 Customer Satisfaction and Engagement*	√	√
3 Supply Chain Management*	√	√
15 Recruitment and Retention	√	√
4 Anti-corruption	√	√

* Topics newly identified as material topics in the reporting year.

18 aspects are identified as material this year, compared to 16 in 2021 and 2020. "Energy" is the most material aspect in 2022. "Indirect Economic Impacts" is no longer considered as material to Wharf Holdings this year.

All material topics identified have actual, potential and positive impacts on either the economy, environment or people, except for "Water", "Waste", "Energy" and "Greenhouse Gas and Emissions" where the impacts are both positive and negative to the environment.

Wharf Holdings' Materiality Matrix 2022

We introduce new criteria to determine whether a topic is material for reporting this year. The matrix below illustrates the 26 material topics by plotting the external view on significance of impact against internal view on significance of impact. The aspects in the top-right corner are considered to have significant impact by both internal and external stakeholders, and thus are prioritised for reporting. To avoid duplicating the indication of impact, the sizing difference of the individual points on the materiality matrix to indicate ability of Wharf Holdings to create impact has been removed.

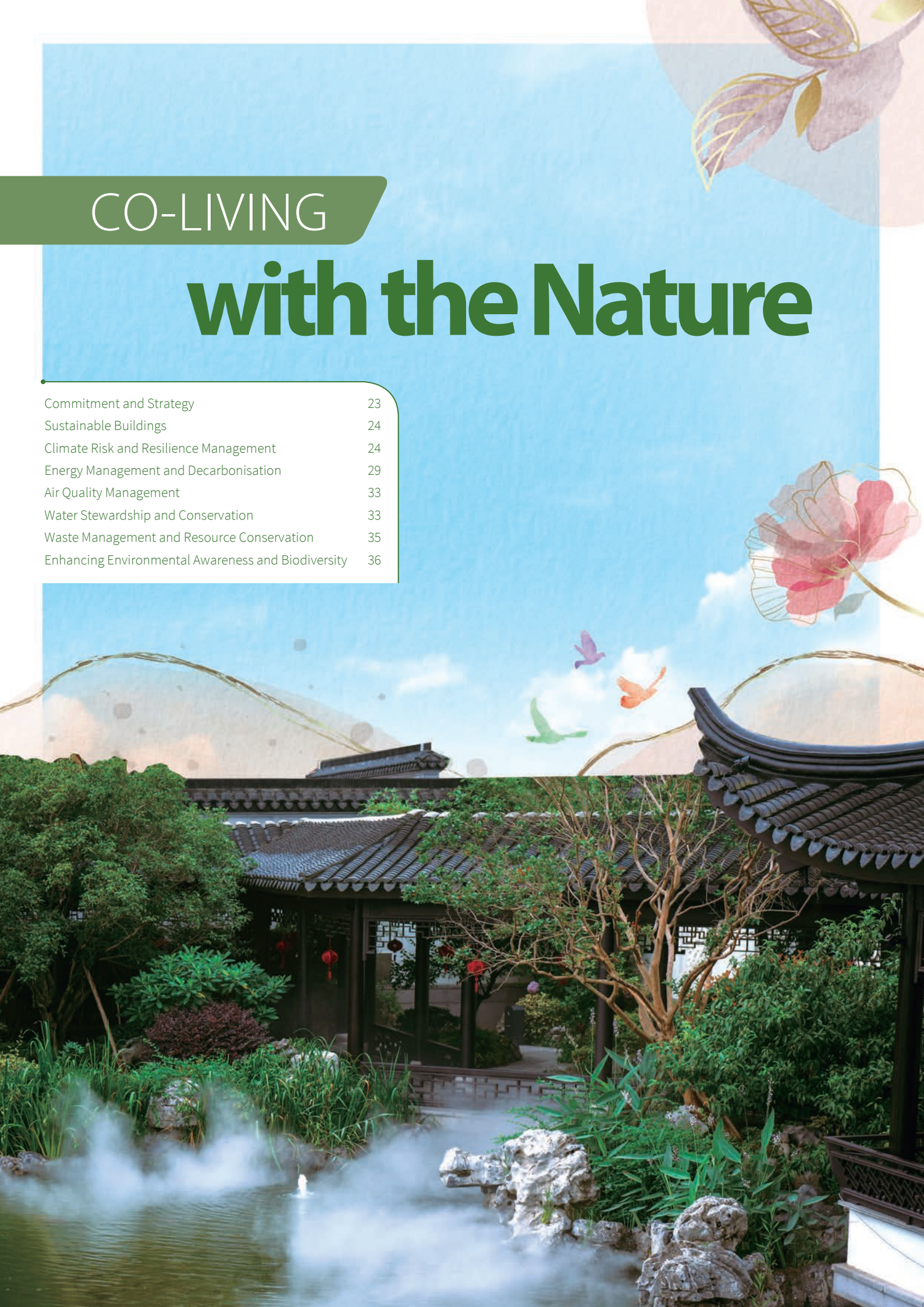
Wharf Holdings' Materiality Matrix 2022



CO-LIVING

with the Nature

Commitment and Strategy	23
Sustainable Buildings	24
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UNSDGs addressed in this chapter:



Material topics addressed in this chapter:

- ENERGY
- WATER
- WASTE
- SUSTAINABLE BUILDINGS
- INNOVATION

Commitment and Strategy

GRI 2-23, 2-24, 2-25, 2-27, 3-3; **HKEX** KPI A1.5, A1.6, A2.3, A2.4

Our society has been unprecedentedly threatened by environmental issues, including climate change, water scarcity, and resource depletion. Global economies, market patterns and government policies are impacted by the growing environmental challenges we confront. In response to these global threats, efforts are being made by governments to solve these problems by establishing policies, legislation and regulations. All relevant environmental laws and regulations⁶ are strictly followed by the Group. We established the Environmental Policy to provide guidelines on how our BUs should operate to reduce their negative impact on the environment. This includes, but is not limited to ensuring compliance, preventing pollution, managing carbon emissions and resources, preserving biodiversity, and encouraging communication with stakeholders on environmental performance. Furthermore, to satisfy compliance standards, each BU has established its own set of environmental guidelines and practices specific to the size, location and nature of its business activities. To reduce the likelihood of adverse

environmental impacts, we routinely evaluate our business operations' environmental performance, risks, control measures and management approaches. There was no case of violation of environmental laws or regulations during the reporting year. The Group continues to strive to fulfil full compliance with all relevant laws and regulations in the future.

The Group is aware of the importance of a long-term strategy to make lasting changes to our sustainability performance and eco-efficiency rather than only complying with the minimal international and local standards relating to ESG disclosure. Therefore, we have set up the 2030 targets to gradually improve certain environmental aspects and regularly monitor our operations' environmental performance to facilitate our transition to a more sustainable future. Additionally, each BU is responsible for monitoring and evaluating the initiatives undertaken and their effectiveness. The table below shows an overview of the Group's environmental targets and progress:

Our 2030 Long-term Environmental Targets and Progress

	Baseline Year	Overall Targeted Reduction	Progress in 2022
GHG emission (Scope 1 and 2) intensity	2017	-25%	On track
MLIP's electricity intensity	2017	-20%	On track
Water management	2017	Reduce consumption	On track
Waste management	2017	Divert waste from landfills	On track

We will continue our existing efforts and explore feasible ways of establishing environmental quantitative targets for water and waste management.

As part of our regular business practices, we integrated robust environmental management systems in line with international standards. During the reporting year, ISO 14001:2015 Certification was maintained by Chengdu IFS, Changsha IFS and Modern Terminals. Shanghai Times Square also achieved ISO 50001:2018 Certification for its energy management system. In addition,

Modern Terminals has taken a holistic approach by adopting the Green Terminal Model (the "Model") to put its Corporate Environmental Policy into action. Various environmental risks may pose threats to different phases of the port operations, and we have proposed environmental protection action plans to address and mitigate these challenges. The Model is updated on a regular basis with reference to the changes in the market, the Group's sustainability policies, and the accumulated body of knowledge in environmental management.

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

Sustainable Buildings

Sustainable construction offers not only financial benefits such as lower maintenance costs, but also gives environmental benefits including better use of materials and waste reduction. We apply the best industry standards for our green building design and construction. In the LEED certification programme for properties, we aim for the highest possible grade of LEED Gold or above for our investment properties in Mainland China. As of the end of the reporting year, in terms of gross floor area ("GFA"), over 55% of our MLIP has obtained green certificates. We pledge to include sustainable practices across our hotel operations to further our mission. All our hotels and some managed hotels have been certified as environmentally responsible by EarthCheck, the world's leading standard for environmental certification and benchmarking programme, in recognition of our sustainability efforts in the travel and tourism industry.

In acknowledgement of our environmental initiatives, our BUs have also received several awards from international and local organisations. Please refer to Featured Awards, Charters and Memberships of the Report for more details.

In terms of GFA, over 55% of MLIP obtained green building certificates while the hotel operations' environmental efforts is also recognised by EarthCheck.

LEED Platinum "Operations and Maintenance: Existing Buildings"

- Chengdu IFS
- Changsha IFS
- Shanghai Wheelock Square

LEED Gold "Core and Shell"

- Wuxi IFS

EarthCheck Gold certification

- Niccolo Chengdu
- Marco Polo Wuhan
- Marco Polo Lingnan Tiandi, Foshan

EarthCheck Silver certification

- Niccolo Changsha
- Niccolo Chongqing
- Marco Polo Xiamen
- Marco Polo Parkside, Beijing



Climate Risk and Resilience Management

GRI 3-3, 201-2; HKEX KPI A4.1

The Group is committed to outlining our strategies and management plans for the risks and opportunities arising from climate change, as well as regular updates of our plans to stakeholders.

To ensure a sustainable future for the Group, we strive to enhance our climate-related disclosures to be in line with the TCFD's recommendations, as well as the commitment in investing in climate risk management where feasible. With reference to the TCFD framework, our climate-related disclosures are structured in four core elements: governance, strategy, risk management, and metrics and targets.

Governance

The Board oversees the management of climate-related risks and opportunities, and we have taken proactive steps and established a robust sustainability governance structure to better manage such risks and opportunities. Please refer to the Board Statement of the Report for more information.

With the delegation from the Board, and the support of the Divisional Sustainability Committee and ESG-related working staff in our BUs, the Sustainability Steering Committee meets on a regular basis to identify, analyse, manage and monitor substantial climate-related risks and opportunities of the Group. For details, please refer to the Sustainability Governance section.

The Group has established the Climate Change Policy Statement to guide our management approach and strategy on climate change mitigation, adaptation and resilience.

Strategy and Risk Management

Scenario analysis and a preliminary climate risk mapping exercise were conducted with reference to the recommendations of the TCFD to better understand the exposures of climate-related risks across our BUs in Hong Kong and Mainland China. We used the Representation Concentration Pathways (“RCPs”) adopted by Intergovernmental Panel on Climate Change (“IPCC”) and other reference reports⁷ for our analysis to localise the scenario assumptions. After assessing the risk information, we have evaluated the relevant financial and non-financial consequences and developed our mitigation plans accordingly. The climate risk assessments were conducted under the following scenarios and assumptions.

Name of scenario	4° warmer scenario	1.5-2° warmer scenario ⁸
Time frame	Short-term (2030) and Long-term (2100)	
Referenced scenario	IPCC RCP 8.5	IPCC RCP 4.5 and IPCC RCP 2.6
Assumptions	<ul style="list-style-type: none"> No or little change of fuel mix of electricity generation Little policy or regulatory change that will not increase the cost of GHG emissions Higher cost of asset maintenance and more business disruption due to more frequent extreme weather events Higher cost to prevent flooding damaging assets Food security issue 	<ul style="list-style-type: none"> Electricity consumption to be provided by renewable energy⁹ Vigorous policy or regulatory change will increase the cost of GHG emissions, for example, carbon tax and carbon trade Significantly higher cost of retrofitting or renovation to meet regulatory change of building emissions standard Higher food costs
BUs	<ul style="list-style-type: none"> MLIP MLDP Leisure and Hospitality Logistics 	<ul style="list-style-type: none"> MLIP MLDP Leisure and Hospitality Logistics

Climate-related Risks and Risk Management

By mapping the projected climate risks that are material to our business, we are able to identify the business impacts along our value chain, with risk management strategies and measures developed to alleviate the associated financial and non-financial impacts.

⁷ IPCC’s AR5 Synthesis Report: Climate Change 2014 and AR6 Synthesis Report: Climate Change 2023, Hong Kong Observatory Climate Projection for Hong Kong and Committee on Climate Change and China Expert Panel on Climate Change (2018) UK-China Co-Operation on Climate Change Risk Assessment: Developing Indicators of Climate Risk.

⁸ For Leisure and Hospitality, only assumptions from IPCC RCP 4.5 were considered.

⁹ The projected renewable energy ratio will vary based on the business operation locations under the medium-low GHG concentration scenario. In Hong Kong, 20% electricity consumption to be provided by renewable energy and current proportion of renewable energy is only 0.1%. In Mainland China, 80% electricity consumption to be provided by renewable energy and the current progress is not sufficient enough and will lead to rise of 2.7–3.5°.

Overview of Climate-related Risks of Wharf Holdings

BU	Risk Type	Risk	Impact	Mitigation Measures
MLIP	Physical (Acute)	1 Heavy rain, storm surges and tropical cyclones lead to more power outage	<ol style="list-style-type: none"> 1 Close down of operations due to extreme weather 2 Overheating of buildings 3 Accelerated equipment depreciation 	<ol style="list-style-type: none"> 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 with policies, guidance and drills 6 Allocate resources for heat stroke prevention 7 Implement home office arrangement policy and procedure subject to local government's guidelines 8 Prepare a dialogue guide for staff to facilitate the internal communication
	Physical (Chronic)	1 Increase in average temperatures, heat waves and extreme hot days	<ol style="list-style-type: none"> 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 6 Increased number of claims for injury during power outage 7 Increased communication and marketing cost to deal with reputation recovery 	
MLDP	Transition (Policy and Legal)	1 Execution of government policies to shift to a low-carbon economy	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 1 Set carbon emission target and reduction plan for the Group 2 Implement energy management system 3 Formulate write-off plan for low energy efficiency equipment 4 Investigate potential of installing renewable energy capture facilities (i.e. solar panel) 5 Retrofit existing buildings to meet increasingly stringent energy efficiency standards
	Physical (Chronic)	1 Increase in average temperature resulting in more hot days	<ol style="list-style-type: none"> 1 Negative impact on workers' health and equipment durability, potentially decreasing overall productivity 	
Leisure and Hospitality	Transition (Policy and Legal)	1 Tightened environmental regulations and codes of practice	<ol style="list-style-type: none"> 1 Additional design and regulatory requirements in development projects (i.e. apply precast system and Sponge City design code) 2 Phasing out of current management and construction methods due to the implementation of new regulations 	<ol style="list-style-type: none"> 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 or nearby suppliers on a preferential basis 6 Explore the potential of adopting renewable energy for building services
	Physical (Acute)	1 Disruption to operations and supply chain and damage to infrastructure and facilities due to extreme weather events	<ol style="list-style-type: none"> 1 Overall cost increases to repair damaged facilities 2 Reputational damage and business disruption resulting in a potential decrease in business 	
Logistics	Transition (Reputation)	1 Inability to adapt to the rising interest in sustainability of stakeholders	<ol style="list-style-type: none"> 1 Loss of competitive edge to more sustainable competitors 2 Decrease in revenue and market reputation 	<ol style="list-style-type: none"> 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 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
	Physical (Acute)	<ol style="list-style-type: none"> 1 Suspension of operation and damage to facilities caused by tropical cyclones 1 Extreme weather events such as heavy rain and extreme temperature variability 	<ol style="list-style-type: none"> 1 Disruption of operations resulted in loss of revenue 2 Rising operating costs for schedule recovery 3 Increased maintenance or repair, operating and insurance costs 4 Increased investment required to upgrade or reinforce our equipment to sustain extreme weather events 5 Higher risk of injury to staff and increased heat-related illness 6 Reduction in volume of agricultural products affecting throughput 7 Lower productivity resulted in higher operating cost 	
	Transition (Policy and Legal)	1 Government policy on green energy for container vessels	<ol style="list-style-type: none"> 1 Increase in investment cost for new infrastructure to accommodate the use of green energy 2 Extended port stay 3 Operations affected during liquefied natural gas (LNG) bunkering as stringent safety regulations/procedures and substantial safety zones are mandated 4 Loss of business if failed to meet the changing market trend and customer demand on LNG vessels and shore power 	<ol style="list-style-type: none"> 1 Evaluate engineering design and operational standards 2 Evaluate emergency management procedures 1 Closely monitor the market trend and government's policy direction

The Group has made significant efforts to incorporate climate change into our strategic plans. The climate risks identified are integrated in our ERM framework, which facilitates the assessment and response to them and enables us to better manage and monitor them across our businesses.

In addition, some BUs have obtained and implemented the ISO 14001-certified Environmental Management System, which ensures they are capable of handling climate-related risks in our daily operations in a systematic manner.

Climate Change Opportunities

Apart from risks, climate change also creates new opportunities for our businesses. The Group is dedicated to facilitating the transition to a low-carbon economy by actively exploring ways to reduce carbon footprint in our business operations. We aim to achieve this through improving energy efficiency, implementing renewable energy, switching to sustainable resource management, and adopting green technology. We also anticipate our efforts will lead to direct cost savings and decrease in energy costs.

Together with the strong growth of sustainable finance in global capital markets, the Group seizes the opportunity to support our long-term commitment and decarbonisation plan, as well as consistently enhances ESG performance and promotes carbon neutrality.

We look forward to understanding more about long-term regulatory regimes, carbon pricing and carbon trading. In the context of low-carbon economy transition, we endeavour to better manage climate risks and grasp the associated business opportunities in the future.

Metrics and Targets

The Group spares no effort in assessing and managing the risks and opportunities associated with climate change. We regularly monitor our GHG emissions, including our Scope 1, 2 and 3 emissions. We have started preparing for further expanding our scope 3 inventories to enhance the data completeness. More details are available in the Performance Data Summary — Environmental Performance section.

To demonstrate our commitment to enhance climate resilience, we have formulated long-term GHG emission and energy targets. They can be found in Co-living with the Nature — Commitment and Strategy section.



CASE STUDY

Seizing Sustainable Finance Opportunities to Foster Sustainable Development at Chengdu IFS and Changsha IFS

The Group has been using sustainable financial instruments to raise funds for environmental and social projects. By 2022:

Chengdu IFS's Green Loan Raised	Changsha IFS's Green Loan Raised
HK\$2 billion	RMB 1 billion
RMB 580 million	

The green loan proceeds raised is well-utilised and facilitates the attainment of LEED Platinum certification in both properties.

Energy Efficiency and Renewable Energy

During the reporting year, Chengdu IFS and Changsha IFS have continued to make considerable efforts to back the Group's decarbonisation plans, focusing on energy efficiency enhancement and sourcing from green energy.

Chengdu IFS	Changsha IFS
<ul style="list-style-type: none"> Utilises a Boiler Flue Gas Heat Recovery System to heat the water in the boiler 	<ul style="list-style-type: none"> Replaced 267 pieces of 18-Watt T8 fluorescent tubes with LED lightings in back-of-house corridor Upgraded fluorescent tubes to 15-Watt T5 LED lightings
Heat saving (kWh): 82,361	Heat saving (kWh): 45,185 Carbon reduction (tonnes CO ₂ e): 24
Installed exhaust air heat recovery system Heat saving (kWh): 146,242	Set up 2 photovoltaic power generators
50–80% of electricity is sourced from hydroelectric power	

Promoting a Circular Economy

Chengdu IFS has signed agreements with qualified vendors to divert food waste from landfills. 674 tonnes of food waste were recycled in 2022.



Enhanced Indoor Environmental Quality

The fresh air system of the office building in Chengdu IFS adopted electrostatic filtration to improve energy efficiency and make it easier to remove dust and other small particles. Besides, food outlets have air purifying systems and range hoods with ultraviolet ("UV") sterilisers to maintain indoor air quality. For the safety and comfort of the customers, Changsha IFS outfitted all air handling units ("AHU") and primary air units with UV sterilising lights. There is also a circulating UV sterilising system in all elevators to keep the air clean.

	Environmental Performance	
	Chengdu IFS	Changsha IFS
GHG Emissions (tonnes CO ₂ e)	45,450 (2021: 51,075) (2020: 47,988)	35,794 (2021: 37,718) (2020: 34,690)
GHG (Scope 2) Intensity (tonnes CO ₂ e/m ² /occupancy rate)	0.08 (2021: 0.09) (2020: 0.08)	0.05 (2021: 0.05) (2020: 0.05)
Energy Consumption (GJ)	326,313 (2021: 365,197) (2020: 342,761)	252,161 (2021: 265,469) (2020: 248,872)
Energy Intensity (GJ/m ² /occupancy rate)	0.57 (2021: 0.64) (2020: 0.61)	0.38 (2021: 0.37) (2020: 0.38)
Waste to Landfill (tonnes)	2,785 (2021: 2,786) (2020: 2,912)	0 (2021: 0) (2020: 0)

Energy Management and Decarbonisation

GRI 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5, CRE-1, CRE-3; **HKEX** KPI A1.1, A1.2, A1.5, A2.1, A2.3, A3.1

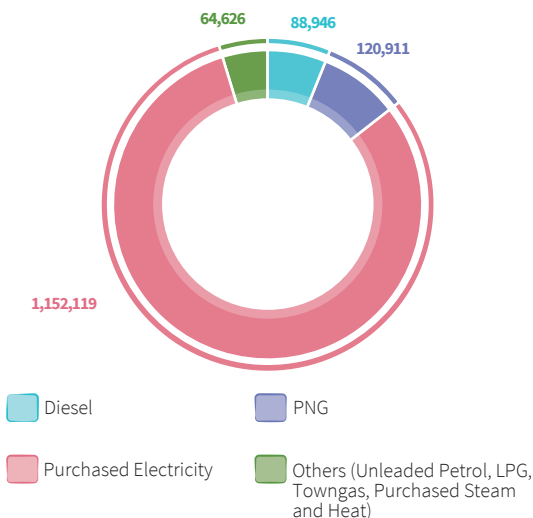
We, as an environmentally responsible real estate company, are fully aware of our responsibility to contribute to reducing global carbon emissions and slowing down the pace of climate change. Since indirect energy consumption is a primary contributor to the Group’s carbon footprint, we spare no effort to improve our business operations’ energy efficiency and cost-effectiveness. For example, Dalian Times Square adopted high-efficiency technology to optimise its power supply circuit and switched to LED lights to reduce overall energy consumption. In addition, by adding the auxiliary heating system in the swimming pool at Niccolo Changsha, the heat transfer efficiency has been improved, resulting in an annual electricity savings of 71,280 kWh. At Niccolo Chengdu, we adjusted the set temperature of the air conditioning host by slightly turning up the water temperature, saving 10,963 kWh in 2022.

We routinely examine and enhance our operational approaches to improve our energy efficiency. For example, we adopted an innovative smart energy monitoring system at Changsha IFS that enables hourly metre readings and energy analysis, increasing

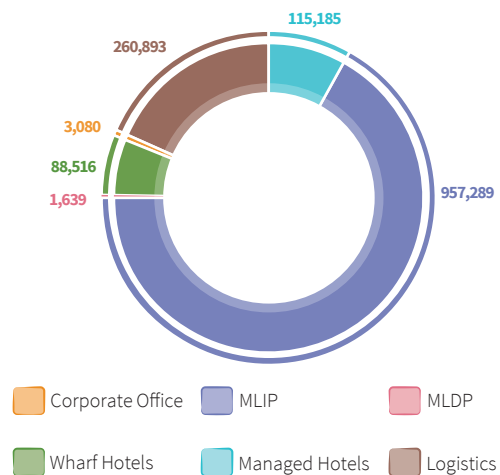
the frequency of monitoring and the accuracy of energy-saving measurements. Cloud control switches have been used to individually activate the illumination along exit routes, the lighting and the air conditioning in offices. This effort saved 47,352 kWh of electricity in 2022 by reducing unnecessary air conditioning and lighting demand while providing essential lighting for customers’ safe access. During the winter season of the year, the fresh air handling unit at Chongqing Times Square was used to regulate the elevated indoor air temperature caused by the illumination of the spotlights used for store decorations. By bringing in cooler air from the outside, we can lower the amount of electricity required to cool the building.

We emphasise the significance of energy saving in the workplace. By providing our staff with energy-saving operation guidelines and performing regular inspections, we target to increase the awareness of energy conservation of our staff members in their daily lives. Please refer to the case study on page 30 for further information on the Group’s energy conservation and decarbonisation initiatives.

Energy consumption by type in GJ



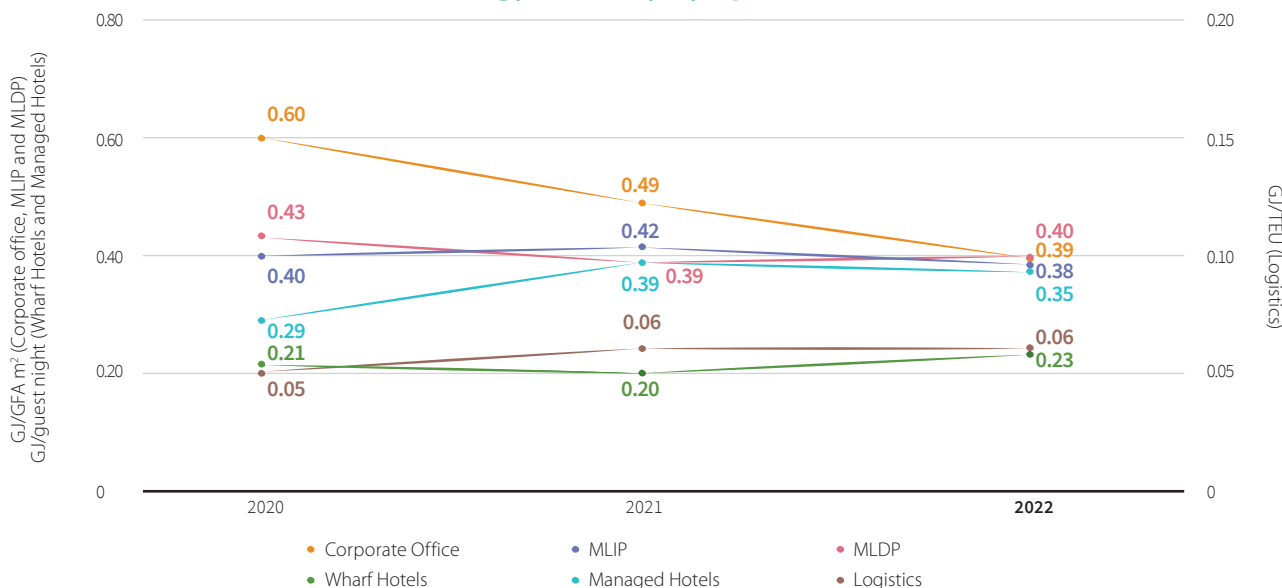
Energy consumption by operation in GJ



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 by operation



Note:

- (1) Definition of the number of guest nights in the Report is [total guest staying overnight + staff nights + total day guests/3 + total non-resident restaurant covers/4] as defined by EarthCheck.
- (2) The energy intensities of MLIP in 2020 and 2021 are restated to reflect the actual calculation.

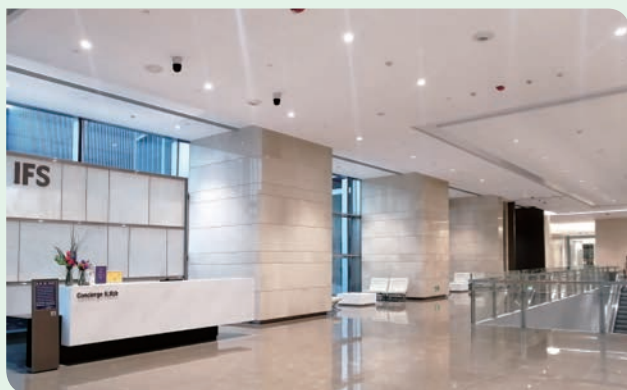
CASE STUDY

Sustainability Strategy and Decarbonisation in our Operations

The Group is concerned about climate change and supports proactive and innovative approaches to addressing the possible impacts.

Lighting Upgrade

It is widely believed that a significant portion of commercial and retail buildings’ annual energy consumption is attributable to their lighting systems. Because of this, our MLIP and Leisure and Hospitality operations have implemented several lighting retrofits to reduce energy usage.



Shanghai Wheelock Square:

- Completed 51 AHU upgrade with an annual electricity reduction of around 37,000 kWh
- Completed 614 LED lighting retrofit at plaza area and lobby in 2022, with an annual saving of around 150,000 kWh

Chongqing Times Square:

- Completed 1,382 LED Lighting retrofit in public areas such as the shopping mall, lower ground parking and elevator lobbies
- Saved roughly 147,212 kWh in 2022

Changsha IFS:

- Upgraded lighting in the equipment control room and corridors in common areas with LED bulbs
- Annually saving of 46,663 kWh

Dalian Times Square

- Switched to LED light bulbs at the parking areas and the shopping mall
- Saved 26,960 kWh in 2022

Marco Polo Wuhan:

- Replaced 35-Watt spotlights and 200-Watt light strips with 7-Watt energy-saving spotlights and 8-Watt light strips
- Conserved 1,825 kW of electricity per year

Marco Polo Jinjiang:

- Renovated the lighting system at fire stairs with a voice-controlled induction light, which reduced electricity consumption while giving brighter lighting, and lowered maintenance need

CASE STUDY

Innovative Energy Management

An infrared sensor switch is adopted to control the back-of-house lighting at Niccolo Changsha, automatically turning the lights on and off based on occupancy. This effort is expected to save 7,560 kWh of electricity per year. We also made adjustment to the elevators to enable parallel intelligent running, which can reduce annual energy consumption by 63,000 kWh. During periods of low occupancy due to the pandemic, we suspended the use of several elevators to avoid electricity wastage. When possible, we let in natural light to help reduce our energy usage. Turning off the power in vacant-floor rooms and hallways saved an average of 1,600 kWh per day. Shanghai Times Square also implemented various energy management initiatives and achieved ISO 50001:2018 to demonstrate its effective energy management.



Renewable Energy Adoption

Additionally, we are committed to expanding the usage of renewable energy with the following initiatives:



Chengdu IFS and Changsha IFS:

- Installed the solar photovoltaic system to help generate 4,738 kWh in 2022

Shanghai Times Square:

- Installed a solar photovoltaic power station on its rooftop, with 58,148 kWh of electricity produced in 2022

The warehouse building of Modern Terminals:

- Installed 291 solar photovoltaic panels in 2021, covering roughly 1,000 square metres of roof space
- Estimated to produce about 140,000 kWh of electricity annually, which equals to a decrease in carbon emissions of 51,800 kg
- Generated 146,741 kWh in 2022 and 150,205 kWh since installation

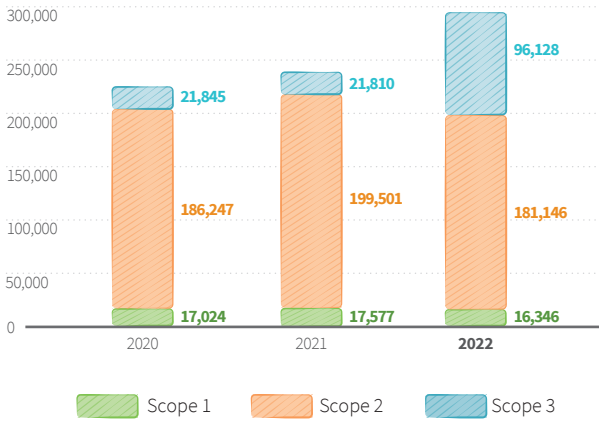
Decarbonisation at Modern Terminals

Modern Terminals strives to eliminate direct GHG emissions from its operations by 2030 and achieve carbon neutrality by 2050. It will develop a primary focus and a transparent, long-term plan for the sustainable operation of the container ports in Hong Kong and western Shenzhen. Besides, Modern Terminals has started using renewable energy and plans to switch all container handling equipment and yard vehicles to electric power or green energy to reach the carbon reduction objective.

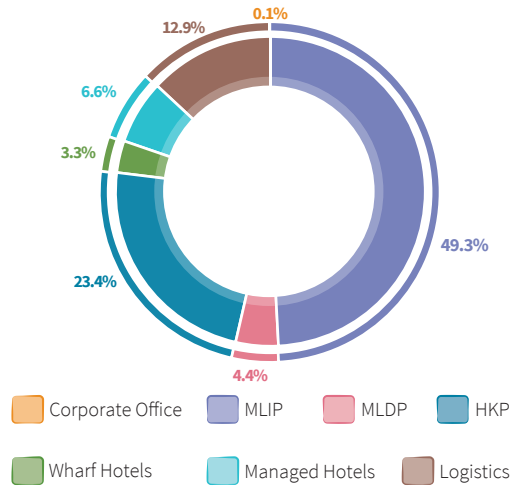


The Group recognises that effective internal communication and the active involvement of our BUs facilitate us to execute our sustainability strategy and decarbonisation initiatives successfully. We will continue to do our utmost to advocate for sustainability.

Total GHG emissions in tonnes CO₂e



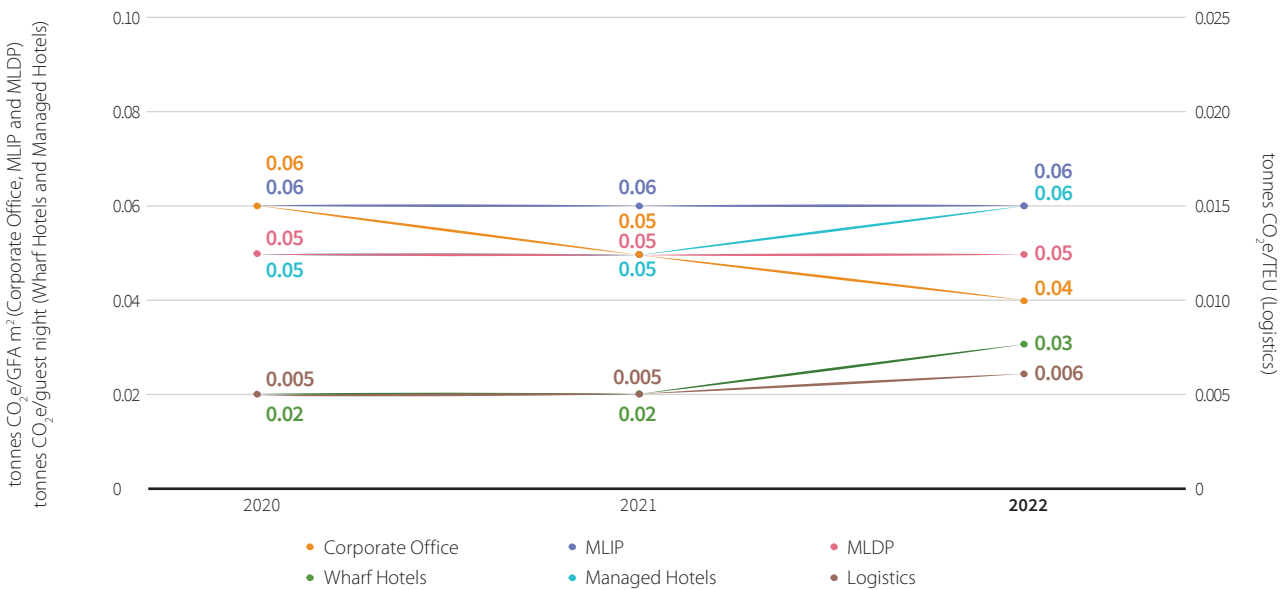
Total GHG emissions by operation in percentage



Note:

- (1) For definition of Scope 1, Scope 2 and Scope 3 emissions, please refer to footnote 6 to 9 on page 63.

GHG intensity by operation



Note:

- (1) Definition of the number of guest nights in the Report is [total guest staying overnight + staff nights + total day guests/3 + total non-resident restaurant covers/4] as defined by EarthCheck.
- (2) Only Scope 1 and Scope 2 GHG emissions were included in intensity calculation for comparison between 2020 and 2022 data.

Air Quality Management

GRI 305-7; **HKEX** KPI A1.1, A1.5, A3.1

Air quality is one of our key foci, due to the potential health risks caused by air pollution. Consequently, the Group continues to enhance the air quality in Hong Kong and Mainland China operations to assure the health and wellbeing of all stakeholders, including our employees, customers and the general public. We are gradually replacing the diesel-driven machines with those powered with electricity or green energy. At Modern Terminals, we support our contractors to adopt the use of pure electric-driven tractor, which minimises the overall diesel consumption and hence air pollution. We have also replaced all conventional rubber-tyred gantry cranes (“RTGs”) with electricity-powered RTGs.

For our MLIP, all restaurants in Chongqing Times Square are installed with hood fans and purifiers. To reduce the use of diesel, the original oil boiler at Shanghai Times Square has been replaced by an air source heat pump. More importantly, we strictly adhere to national and industry-level emissions regulations and standards.

At MLDP, we optimised our dust suppression equipment in our construction sites to minimise dust emissions to an acceptable level. This year, apart from the existing water-spraying washing machines, we introduced environmentally friendly dust removing fog cannons to prevent windblown dust. Additionally, we place vehicle wheels and body washing facilities at our construction sites exits to prevent vehicles from carrying dusty materials away from the sites. We also use enclosed vehicles to convey construction materials and waste.



Water Stewardship and Conservation

GRI 3-3, 303-1, 303-3, 303-4, 303-5, CRE-2; **HKEX** KPI A2.2, A2.4, A3.1

The Group is aware of the importance of water as a life-sustaining resource and is constantly exploring new ways to enhance water management and conservation.

We have implemented water conservation measures and are constantly re-evaluating our practices in an effort to reduce our water consumption. For example, at Times Outlets Chengdu, we have replaced the pump in the water fountain, which uses 10% less water and needs less maintenance. At Niccolo Changsha, we have also optimised our water tank cleaning process. By transferring the water to another tank instead of emptying the water tanks before cleaning, there is an annual saving of 1,755 m³ of water. At our Hangzhou sites, we require our workers to minimise water usage with guidelines, and conduct timely maintenance and inspection for water utilities, which can lead to 200 m³ of water saving per year.

Water recycling is also a key area that we constantly seek ways to improve on to keep up with the growing demand for water resources. Since 2016, condensed water has been recycled at Dalian Times Square. During the reporting year, about 1,034 m³ of condensing water was recovered and sent to small-scale business owners. Niccolo Changsha has saved around 800 m³ of water in 2022 by using water recovered from steam condensation in the laundry room to heat the boiler. Our construction sites have set up sedimentation tanks that filter water for reuse in wheel washing by removing particles like dirt and sand. We also use collected rainwater for dust suppression and irrigation. The rainwater recovery system at Changsha IFS was upgraded in 2021 to increase efficiency of rainwater collection. During the reporting year, the system enhanced rainwater recovery by around 2,300 m³.

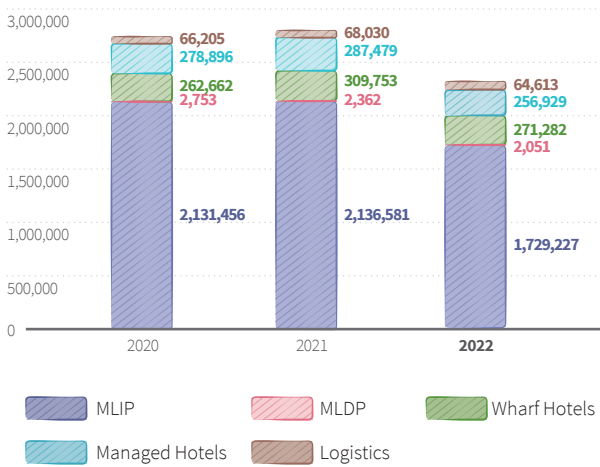
As part of our water management strategy, we have prioritised identifying and fixing water leakage. Staff at Times Outlets Chengdu regularly check and record water metre readings. Moreover, water pipe leakage and dripping faucets are inspected twice a day by relevant staff at Times Outlets Changsha. When water leakages are found, the engineering team will be directly notified to fix the problem at the earliest time.

Changes in behaviour are also pivotal to the long-term success of our water conservation efforts. Our staff and customers are strongly encouraged to reduce their water usage from daily routine. We have placed signs next to the water taps in the pantries of the offices of MLDP to remind our staff to switch off taps when not in use. At our hotel operations, all of our newly joined staff receive EarthCheck training to ensure they understand how to implement water-saving measures in their daily jobs. In addition, we invite our hotel guests to participate in our green programme for guest room linens, in which linens and towels are changed only upon request to avoid excessive washing.

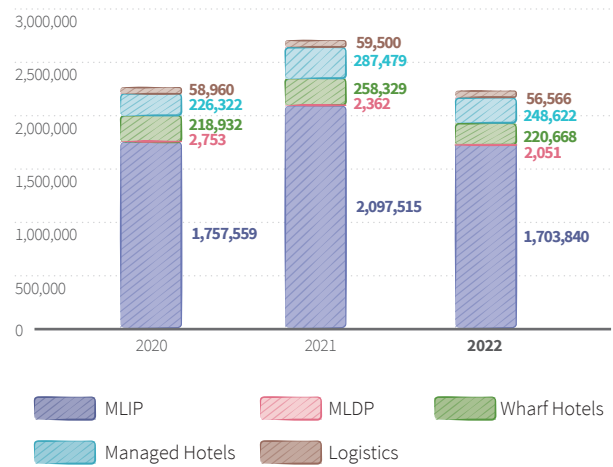
For reasons of both water quality and public safety, we take effluent management and spillage prevention very seriously, especially at Modern Terminals, to minimise the impact of our business on water quality and biodiversity. We have installed underground fuel interceptor facilities to monitor the quality of effluent treatment before discharging. We also conduct effluent quality inspections and facilities assessments on a regular basis to ensure compliance with all applicable regulations. A robust

internal management system and comprehensive emergency response guide are also in place, with steps to take in the event of a chemical spillage, to ensure that there will be no detrimental effects to the environment from the incident. In addition, to increase the preparedness of our employees during emergencies, we conduct routine emergency drills and provide them emergency response training.

Water consumption by operation in m³



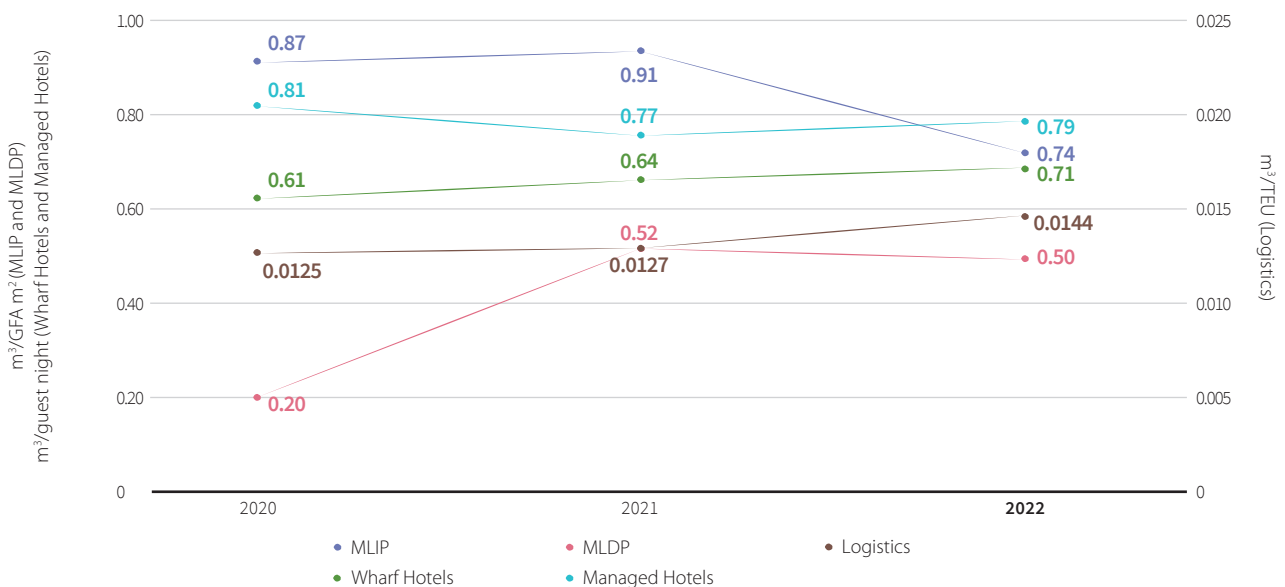
Water discharge to a third party by operation in m³



Note:

- (1) Corporate Office does not have a separate meter and its consumption is included in the bills of Harbour City. Please refer to Wharf Real Estate Investment Company Limited's Sustainability Report 2022 for details.
- (2) Chengdu and Shanghai offices of MLDP do not have a separate meter and their consumptions are included in MLIP.

Water intensity by operation



Note:

- (1) Definition of the number of guest nights in the Report is [total guest staying overnight + staff nights + total day guests/3 + total non-resident restaurant covers/4] as defined by EarthCheck.
- (2) The increased water intensity in MLDP in 2021 was due to the relocation of Suzhou office with a smaller GFA.
- (3) The water intensities of MLIP in 2020 and 2021 were restated to reflect actual calculation.
- (4) Chengdu and Shanghai offices of MLDP do not have a separate meter and their consumptions are included in MLIP.

Waste Management and Resource Conservation

GRI 3-3, 306-1, 306-2, 306-3; **HKEX** KPI A1.6, A3.1

With the significant growth in urbanisation and population around the world, waste management has become an unignorable issue for all parts of society. The Group recognises that we must act for resource conservation. We have been implementing different initiatives and contributed substantial efforts in waste management practices and efficient use of resources. As stipulated in our Green Procurement Policy, we are committed to minimising single-use disposable items and pay attention to the amount of waste disposed.

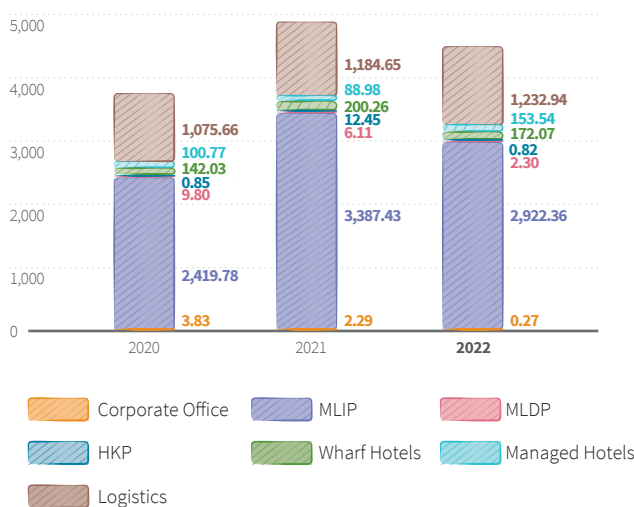
Our BUs have gradually reduced the paper usage, aiming to become a paperless office. We engage closely with our stakeholders to collect tenants' feedback and employees' performance reviews, and maintain records of patrol, facility maintenance and repair digitally. We also encourage colleagues to adopt green office practices by promoting paper saving and recycling. At MLDP, our project department endeavours to promote resource recovery and reuse, including putting environmental protection posters at printing areas to encourage printing on double sides and setting up a wastepaper recycling corner. With the concerted effort of our BUs, we reduced paper consumption by an average of 11% in 2022, compared to 2021.

In our hotels, we put emphasis on food waste management. For example, we retrain and supervise all Restaurants, Bars & Events attendants and kitchen staff on food waste classification and adjust the inventory of food according to the usage in Niccolo Chongqing.

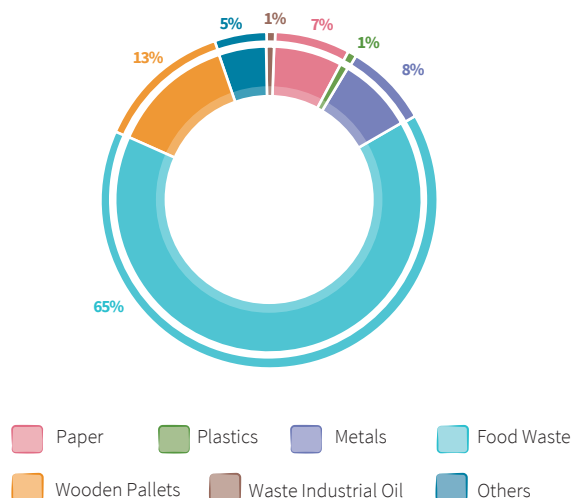
Our BUs have been actively adopting a variety of ways to limit the use of plastic, targeting to comply with the increasingly rigorous policies on banning single-use plastic. At MLDP, our staff is encouraged to bring their own containers and utensils when ordering food delivery and we replace bottled water with reusable cups. Through continuous efforts, the use of plastic bottled water at MLDP has reduced by an average of 15% in 2022, compared to 2021.

We constantly improve waste sorting and recycling across our business operations to lessen the burden of landfills. This year, we implemented effective household waste classification at Marco Polo Lingnan Tiandi, Foshan. The waste is classified into four categories, and transported and processed by agencies designated by the government. At MLDP, we have placed recycling bins in a number of areas and informed staff about garbage sorting and recycling. We have also appointed approved contractors to ensure building materials, such as scrap wood and rebar at our construction sites, are recycled properly.

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.

Enhancing Environmental Awareness and Biodiversity

HKEX KPI A3.1

In the long run, we must build up our employees' environmental awareness to improve environmental performance. We engage our employees in activities and training and provide them with guidelines to promote green living. During the reporting year, we provided a group-wide sustainability awareness training to all BUs, with over 80% of employees in MLDP participated.

MLIP organised a three-pronged Cross-IP Environmental Programme 2022 across mainland cities, with the thematic activities of carbon neutrality, planting and harvesting, and food circulation. To raise employees' awareness of the carbon neutrality trends and promote low-carbon lifestyles, a two-phase quiz competition was organised with around 600 employees participated. We have also organised activities to promote food cherishment. For example, MLIP initiated planting and harvesting activities for employees to experience the hard work required in growing crops, with over 280 staff participated. A "Clean Plate" campaign was also launched to promote food circulation and reduce food waste, with a total of 214 colleagues participated. Each "clean plate" returned was converted to food and other resources, and being donated to over 160 people from underprivileged groups.



At Modern Terminals, we actively promoted hydroponics and held the "Hydroponics Fun" Contest, with a total of 50 colleagues participated and six winners were selected after around two months of planting. There was also a physical talk introducing benefits and planting techniques of hydroponics, and a total of 38 colleagues joined this talk.



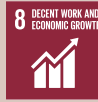
Our Environmental Policy has outlined our commitment in minimising biodiversity impacts and considering sustainability in procurement process and our business operations. To raise our employees' awareness on biodiversity, Modern Terminals organised a virtual eco-tour of the Low Carbon Energy Education Centre to strengthen colleagues' understanding on green energy sources. A "Snapshots Sustainable Living" event was held at Chengdu IFS to encourage staff to take photos and videos to record green life on topics including closeness to nature, and low carbon and healthy living style. At Chongqing Times Square, we encouraged sorting and dismantling of used clothes among our employees. The used clothes were then donated to a recycling organisation to help those in need and reduce waste. This activity is also in association with a tree-growing initiative in Gansu. More than 140 kg of clothes donated were translated to 12 trees being grown in the desert area. With our employees' passionate involvement, we hope to foster environmental awareness and waste minimisation in their daily lives.

BUILDING EXCELLENCE WITH Our Stakeholders

Commitment and Strategy	38
Nurturing Our Employees	38
Partnering with Our Suppliers	44
Delivering Quality for Our Customers	45



UNSDGs addressed in this chapter



Material topics addressed in this chapter:

- TRAINING AND EDUCATION
- RECRUITMENT AND RETENTION
- EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION
- CUSTOMER PRIVACY
- CUSTOMER SATISFACTION AND ENGAGEMENT
- SUPPLY CHAIN MANAGEMENT

Commitment and Strategy (GRI) 2-7, 3-3, 401-1, 401-2, 404, 405, 406, 417, 418; (HKEX) KPI B1

The Group views the importance of the involvement of stakeholders having an active role on the Group's sustainability development. We try to deliver top-notch services to our customers and promote a positive working environment for all stakeholders, including our employees and suppliers, to enable the sustainable growth of the Group.

The Group has implemented employment policies in compliance with all applicable laws and regulations¹⁰ to protect the interests of our employees. To enforce policies and ensure its full compliance with our business operations¹¹, we have also created numerous management systems and processes to monitor and evaluate our products and services as well as supply chain activities. The Group has established the Human Rights Policy to promote inclusion, diversity and equal opportunities within the Group to achieve higher standards and meet the expectation of the Group. The Group is committed to creating an equal and fair community and preventing infringing on rights for all stakeholders, especially stakeholders with special needs. We also aim to broaden the inclusiveness of our operation and avoid infringing on the rights of stakeholders in our future development.

To improve our operations, we regularly assess the progress of our management approach using several engagement channels to gather stakeholder viewpoints. We set up both internal and external grievance mechanisms for stakeholders to express their thoughts on our business, and through the systematic mechanisms to provide for remediation if appropriate. During the reporting year, there are no violations of applicable laws and voluntary norms that led to a fine or penalty.

Nurturing Our Employees

Talent Recruitment and Retention (GRI) 2-7, 2-8, 401-1, 401-2, 402; (HKEX) KPI B1.1, B3.2

The Group sees employees are critical to the success of a company. We are dedicated to fostering an equitable and inspiring workplace. During the recruitment and selection process, candidates are assessed based on their skills, credentials and work experience. We do not neglect and deal with respect employment-related problems including grievances, non-discrimination, principles and rights at work, working conditions, OSH and staff development. We also respect human rights and abide by the Group's Human Rights Policy and the Corporate Social Responsibility Guidelines.

We understand that reasonable and competitive compensation and packages help a corporate to entice and retain valuable talents. We reviewed the remuneration package regularly and make the proper adjustments. In Mainland China, we provide compensation packages for employees which consider market prices, the average income level in society and national salary guidelines.

Subject to BU's own policy, our employees can take advantage of several benefits, such as a voluntary employer's contribution to the MPF for employees in Hong Kong, free pre-employment health checks, counselling services, outpatient, and hospitalisation coverage, discounted dental services and subsidised meals, etc. Routine health check and additional paid leave¹² are also offered at some BUs. In Mainland China, full-time employees have access to the Five Social Insurance and One Housing Fund in which we make employer's contributions according to each city's requirements.

Apart from employee benefits, we recognise that an encouraging and inclusive environment boosts morale and helps attract talents and retain employees. During the reporting year, the Group implemented several measures and activities to maintain good relationships with our employees and attract potential new joiners.

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

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

12 Extra paid leaves include annual leave, sick leave, maternity and paternity leave, marriage leave and compassionate leave.

2022 Happy Ice-cream Day



To show appreciation for employees' hard work during hot summer and promote a happy atmosphere, Modern Terminals distributed ice-cream and herbal tea to all employees and contractors.

“Health and Tea” Talk



Our MLDP at Suzhou office organised the “Health and Tea” Talk. In the talk, our colleagues learned the types, origins and drinking methods of Chinese tea, as well as a healthy lifestyle.

2022 Colleague Annual Party – Interstellar



Niccolo Chengdu held the 2022 Colleague Annual Party – Interstellar with shows performed by the management and departments, delicious food and lucky draw. All departments demonstrated good teamwork in the performance and had great fun.

Staff Appreciation Dinner



Marco Polo Jinjiang invited employees to buffet dinners in order to develop good communication and relationships between the management teams and frontline employees.

Staff Recognition Programme

To recognise exemplary contributions of staff members and to foster role model behaviour, Best Employee Award, Best Frontline Supervisor Award and Best Frontline Employee Award are awarded to deserving staff members whose performance and contribution go beyond their normal call of duty every year at MLIP. Long Service Award is also set up to recognise staff members' contributions and loyalty.



To evaluate the effectiveness of our relevant measures on talent recruitment and employee retention, we continuously measure the new hire rate and the employee turnover rate. We also investigate the reason for quitting to identify the areas for improvement in our workplace. We are committed to creating a better workplace for our people and maintaining a stable workforce.

Please visit our corporate website's career section to learn more about available positions.

Workplace Diversity and Inclusiveness GRI 2-7, 2-8, 401-1, 401-2, 405-1, 406-1

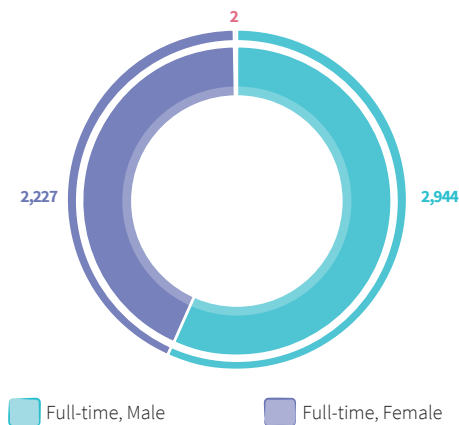
The Group complies with all anti-discrimination laws in Hong Kong according to the zero-tolerance approach to workplace discrimination. We provide equal opportunities for workers regardless of gender, age, family background, race, religion, nationality, sexual orientation or handicap, but only by their experience, ability and pertinent qualifications to support diversity in the workplace.

Embracing equitable employment, Wharf Holdings strives to create a working environment with people from a variety of backgrounds and high inclusiveness. Gender diversity in the workplace enable access to different perspectives to facilitate complex decision making, so we aim at having a well-balanced workforce. We keep track of the Group’s gender ratio and pay attention to any sign of significant change. During the reporting year, the Group’s overall gender ratio maintains at a good range with over 40% female. We fully enforce our relevant policies and integrates the ideas into our operating practices. If there were any suspicious cases found, we would immediately address the issues with no tolerance and develop countermeasures to prevent similar cases in the future. During this reporting year, there are no incidents of discrimination occurred within the Group.

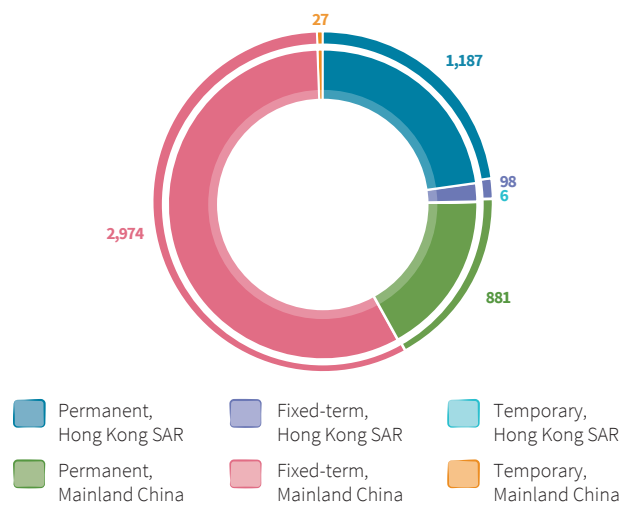
To measure the effectiveness of our relevant policies on diversity and inclusiveness, we have kept tracking the changes and trends in our employee statics. For the details and calculation methodology of our workforce, please refer to the Performance Data Summary – Employment Statistics section from page 64 to 66.

As of 31 December 2022, we have a total of 5,173 employees with the following distributions:

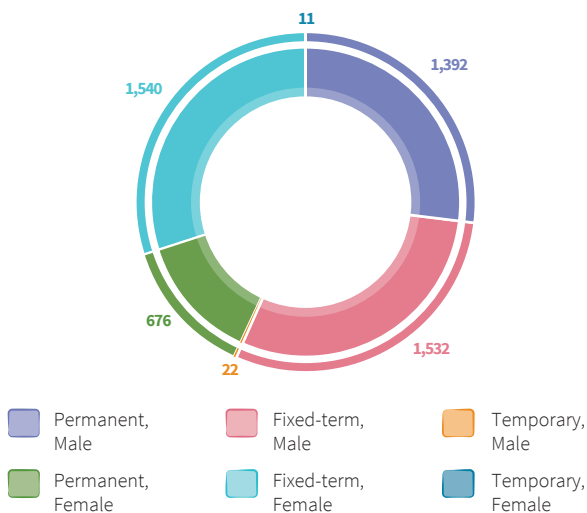
Total workforce by employment type by gender



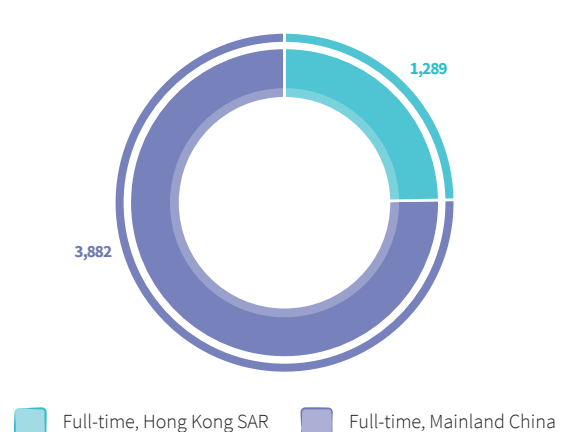
Total workforce by contract type by region



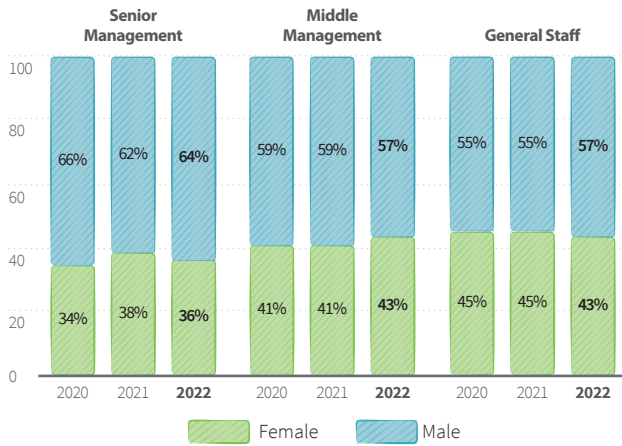
Total workforce by contract type by gender



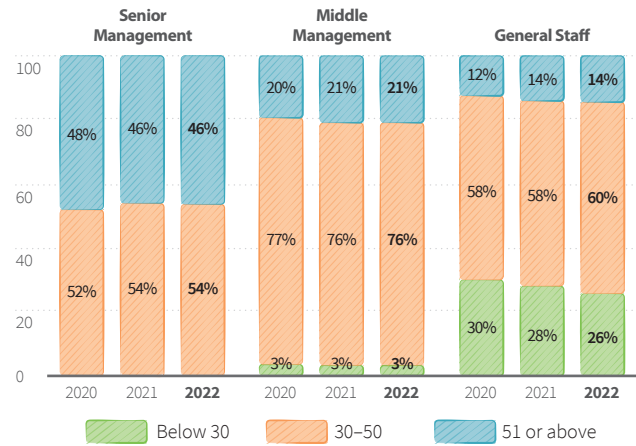
Region distribution of full-time employees



Gender distribution of employees by employment category



Age distribution of employees by employment category



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 2 part-time employees.

At the end of the reporting year, the total number of workers who are not employees and whose work is controlled by the Group is approximately 4,300. The majority of workers who are not employees are contractors hired for the cleaning, security, and onsite operation and technical support functions in MLIP and Logistics.

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

Engagement Channels

Effective communication and a positive business culture drive better results for individuals as well as organisations. The Group actively promotes employee engagement by regularly communicating with employees and organising events that advance a respectful culture. During the reporting year, we have held several activities to maintain close contact with our employees, including cake-baking classes, art workshops, virtual sports challenges, festive activities, and other team-building activities.

In response to our employees' concerns, we devised an employee complaints procedure to address issues raised by them as rapidly as feasible. Upon receiving complaints, we will investigate and address them comprehensively. If required, a reevaluation of the relevant human resources strategy and management approach would be conducted.



Internal Newsletters



Staff Surveys



Luncheons



Town Hall Meetings

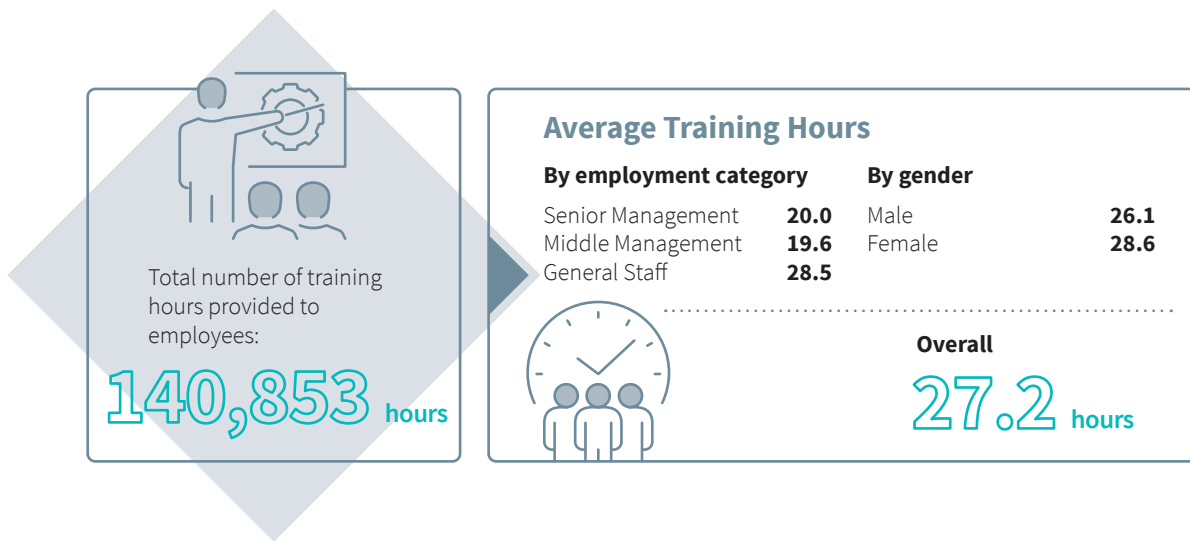







Company Intranet

Employee Training and Development GRI 3-3, 404-1, 404-2, 405; HKEX KPI B3.2

The Group introduces a variety of training programmes to improve employees’ capabilities and expertise in the constantly changing business environment. For recruits, orientation programmes are provided to convey our corporate structure, culture, mission and values. Our BUs also conduct a yearly assessment of the knowledge, skills and abilities needed for training of current staff. To promote a learning culture within the Group, full-time employees are encouraged to attend professional qualification programmes, job-related training courses, seminars and conferences that are held by third-party organisations with the support of the Training Sponsorship Scheme or Policy.

The Group also encourages and assists our service providers in providing training on quality service, service culture, OSH and emergency handling to ensure our stakeholders are protected and the operations reach our standards.



Operation	Training Focus
 Corporate Office	<ul style="list-style-type: none"> Human resources analytics Personal data protection Strategy development Anti-corruption Corporate regulatory and compliance
 MLIP	<ul style="list-style-type: none"> Leadership skills Cross department communications Application of law Core job duties Emergency handling Service culture Supervisory and coaching skills OSH and mental wellness
 MLDP	<ul style="list-style-type: none"> Project management Land surveying and mapping Architectural and community design Organisational design management Office automation Leadership and decision program Understanding on industry related taxation, laws, and regulations
 Leisure and Hospitality	<ul style="list-style-type: none"> Red Ring Leadership Engage to Connect Introduction to Forbes Services and customer service Business Code of Conduct Product introduction and sales Crisis management Language proficiency Corporate regulatory and compliance
 Logistics	<ul style="list-style-type: none"> Leadership and personal effectiveness OSH Operator Competency Course Anti-corruption, environmental protection, and other technical skills relevant to the job

MLIP – Management Training-Cross Department Communication and Team Cooperation with Scenario Planning



The training simulates different accidents and natural hazards, including earthquakes. Employees are required to role-play as different governing departments to minimise the loss and rebuild the city. Through the simulation, employee can understand the barrier of cross-department communication and learn the way to improve it.

Leisure and Hospitality – Live Bold Leadership Development Programme



In order to foster management leadership skills of our employees, our hotels have organised this programme to build leadership effectiveness for high potential future leaders through a comprehensive learning framework. Under this 12-18-month programme, employees have the opportunity to participate in various activities to obtain valuable leadership experience. The programme is developed for employees to improve their leadership skills in four areas, namely “Leading people”, “Exceptional results”, “Personnel effectiveness” and “Strong relationship”. Marco Polo Wuhan holds Red Ring Leadership concept sharing activities to invite core manager to share leadership concept regularly.



Logistics – The Leadership Challenge Programme



This programme from Modern Terminals allows our employees to set an example by aligning their actions with the shared values and enlisting their teams in a common vision, searching for opportunities to improve, building trust and facilitating relationships, recognising contributions and encouraging team spirit. The participants were introduced to the Five Best Practices of Exemplary Leadership and gained insight from the 360° feedback tool called Leadership Practices Inventory about how they see themselves as leaders, how others view them, and what actions they can take to enhance their leadership effectiveness and be able to apply the practices in their daily work.

Partnering with Our Suppliers

GRI 2-6, 3-3, 204-1, 308-1, 408-1, 409-1, 414-1; **HKEX** KPI B5.1, B5.2, B5.3, B5.4

The Group maintains close relationships with our suppliers to provide high-quality services to the customers. We rely on different suppliers to support our wide range of business operations, including food and beverage, service and facilities, engineering supply and maintenance, operational services, utilities, and general supplies categories. We put a strict vendor management system to analyse and track the performance of our suppliers in terms of environmental protection, labour rights, and health and safety. We undertake regular on-site inspections for our business partners throughout the year to obtain first-hand information from them. Along the value chain, we implement standard processes to detect environmental and social risks to prevent unexpected negative impacts, including risk qualitative identification, quantitative risk assessment and risk-controlling responses, subject to BU's operational practices.

The Group prioritises suppliers that adhere to our ESG requirements and lays great emphasis on ethical business conduct. We have put in place the Green Procurement Policy to guide all BUs and operations, enhancing supplier selection in terms of environmental and social matters. Under the policy, the environmental impacts of suppliers are considered during the selection. All things being equal, suppliers who adopt more comprehensive internal ESG practices are favoured. We prioritise the use of environmentally friendly materials and the environmental performance of suppliers, including energy efficiency, water consumption, and waste management. Currently, 57% of our suppliers in Leisure and Hospitality have been screened by our environmental and social criteria under the policy.

Percentage of New Suppliers Screened by Environmental and Social Standards in 2022

New suppliers screened by environmental standards	13%
New suppliers screened by social standards	16%

At the time of engagement, suppliers are obliged to sign a supplier declaration attesting to their compliance with all applicable laws and regulations. Our tender document contains a green buying provision that aims to create a green supply chain. The presentation of environmental certificates from suppliers may also be required. The Supplier Code of Conduct was implemented outlining the basic ESG requirements and expectations for our business partners and guide all relevant parties in developing their ESG procedures.

In 2022, we continued sourcing our products and services from local suppliers with nearly all being locally sourced. During the reporting year, there were no significant changes in our supply chain. 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	
		2021	2022
MLIP	Mainland China	195	155
MLDP	Mainland China	46	39
Leisure and Hospitality	Mainland China	181	155
Logistics	Mainland China	1	1
	Hong Kong	11	9

Delivering Quality for Our Customers

























Customer Satisfaction

Wharf Holdings strives the best to provide high-quality products and services to meet the expectation of our customers and achieve total customer satisfaction. We advise and teach personnel on meeting the highest standard for services regularly. For instance, to ensure frontline employees acquire the necessary knowledge and abilities to provide high-quality services, our hotels undertake training courses on service etiquette and hotel products.

In marketing communications, honesty, integrity and openness are the top priorities of any published information. All promotional materials are thoroughly examined by the management to ensure they adhere to all applicable advertising and intellectual property rights laws. To prevent infringement and infringement upon, we follow patents and licensing restrictions. We have also implemented registration and secrecy steps to safeguard our intellectual property rights.

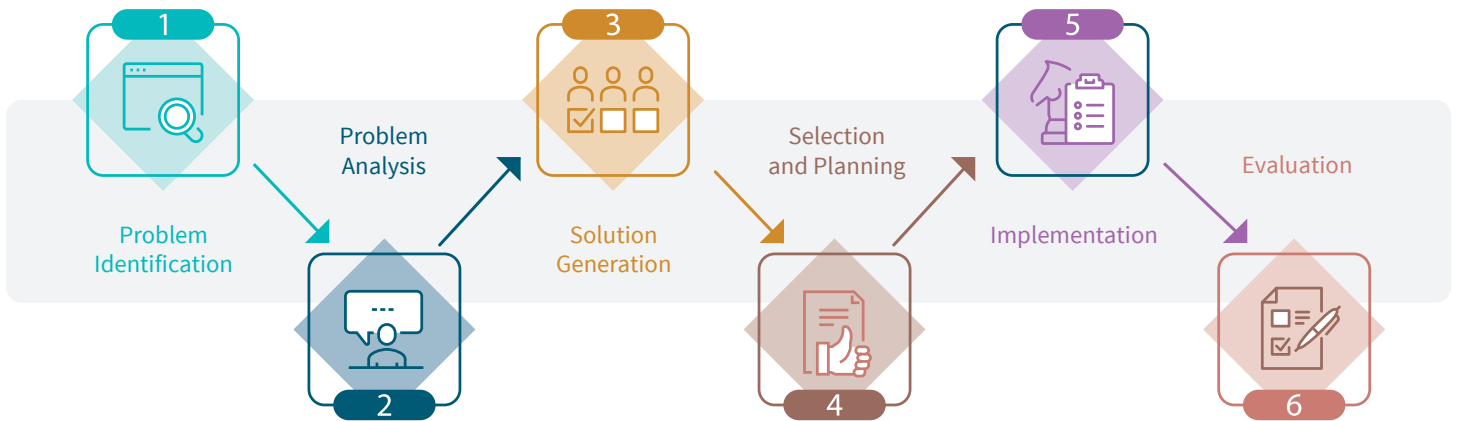
During the reporting year, there are no incidents of non-compliance concerning marketing communications occurred within the Group in all operations.

To guarantee superior customer service and high-quality products, the Group established the Quality Policy Statement, assisting employees in enhancing the performance of our products and services. Additionally, we pay special attention to customer's comments. To enhance the customer experience, we interact with our customers and invite them to provide feedback on our services through the following engagement channels:

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				

Customer’s feedback can provide us with information which can lead to improvements in products and services delivered. We value the feedback and have a clear and responsive mechanism to handle. At our hotel operations, a six-step problem-solving technique is adopted to address complaints and disputes.

Six-step Problem-solving Technique



During the reporting year, the Group received 340 product-related and 173 service-related complaint cases, and none of them was substantial. No complaint case was related to violation of laws. All the complaints, on service shortfall or room defects in majority, were handled properly and swiftly.

To collect feedback and identify areas where our service quality could be improved, we also conduct customer satisfaction surveys or service review sessions regularly. We also consult international customer satisfaction benchmarks for our hotel operations to determine industry best practices. To further ensure our service quality, we obtain insights from our customers in enhancing customer experience.

Stakeholder/Name of Index	Number of Responses Collected	Overall Satisfaction Rate
Tenant	1,332	95%
Shopper	503	95%
ReviewPro Global Review Index	N/A	96%



Customer Privacy

The Group employs several data protection procedures to guarantee the secure handling of customers' personal information. The Group established the Data Privacy Policy Statement, and BUs implemented the personal information collection statement to express our data collection objectives and gain customers' agreement before utilising their data.

Our BUs have established internal standards on how client data should be managed, from collection to storage and disposal. The use of Information Communications Technology ("ICT") equipment is rigorously controlled to protect data from loss, damage or theft. Physical access to data centres and server rooms is recorded by procedural guidelines and align with industry best practices, and only authorised employees are allowed to access critical client data. During the reporting year, over 400 hours of IT or cyber security training were provided to our employees. The Group is continuously seeking opportunities to leverage the latest technology to optimise the processing of personal data.

Any internal reports on actual or suspected data protection events will be handled by the data breach team. The team will develop appropriate action plans and judgments and inform anybody who could be impacted. According to the European Union ("EU") General Data Protection Regulation, we are obligated to notify the relevant supervisory authority of a data breach within 72 hours if the affected person resides in the EU. There were no complaints of breaches of client privacy or data losses during the reporting year.

Our BUs have organised several initiatives to enhance our employees' awareness of data privacy and knowledge of handling practices. For instance, all new joiners in our hotel operations are provided data protection training to ensure they acquire sufficient knowledge on the protection of customer privacy and understand our relevant practices to achieve our service standard.

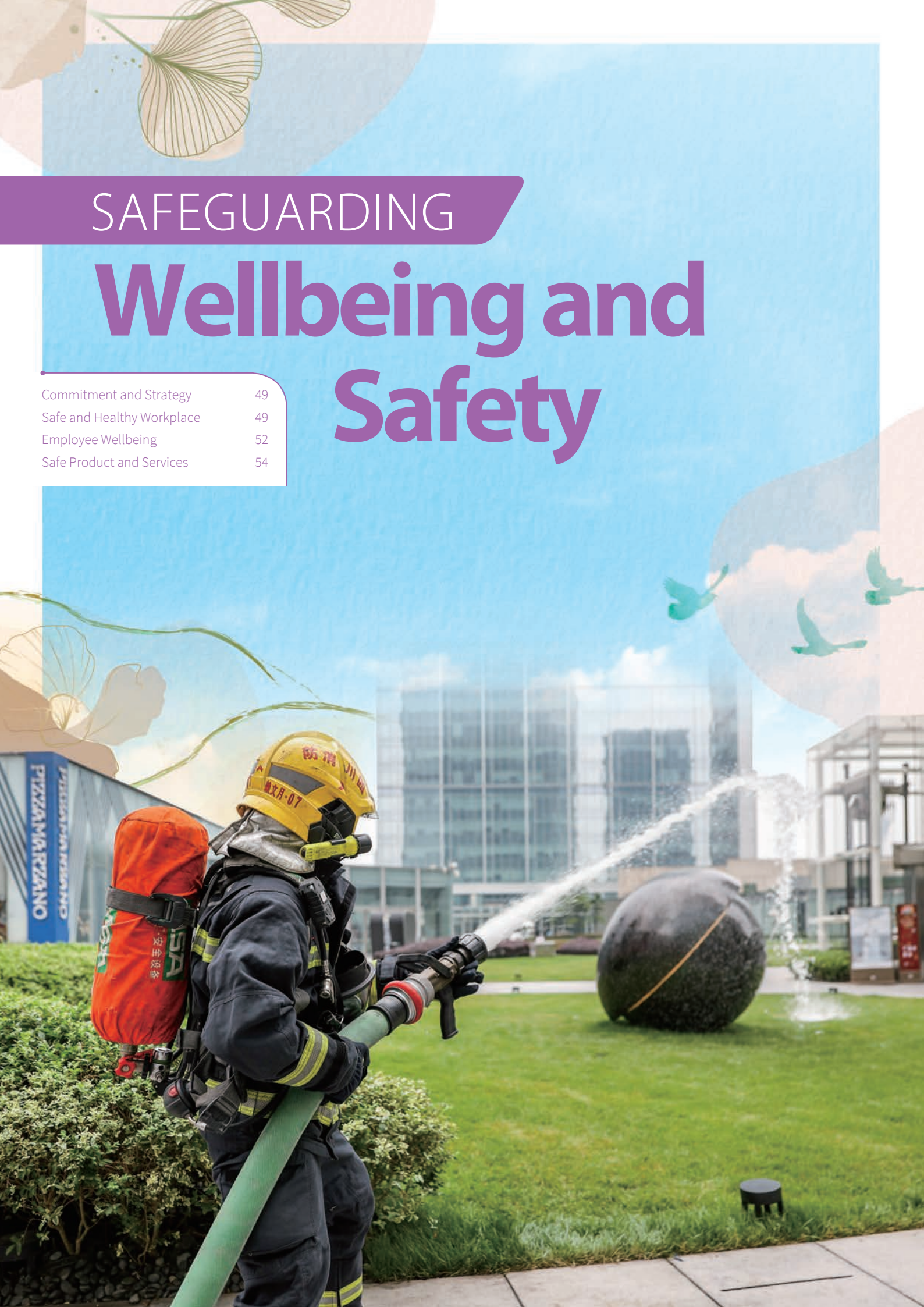
During the reporting year, over 450 hours of data privacy training were offered to our employees.



SAFEGUARDING

Wellbeing and Safety

Commitment and Strategy	49
Safe and Healthy Workplace	49
Employee Wellbeing	52
Safe Product and Services	54



UNSDGs to be addressed in this chapter:



Material topics addressed in this chapter:

- OCCUPATIONAL SAFETY AND HEALTH
- CUSTOMER HEALTH AND SAFETY
- EMPLOYMENT WELLBEING

Commitment and Strategy GRI 2-23, 2-24, 2-25, 3-3

The Group prioritises the safety of our employees and customers, with the adherence to all relevant laws and regulations¹³. We advocate the continuous improvement of our safety risk management approaches, raise workplace safety awareness and advocate the wellbeing of our employees and customers.

In accordance with the Group's Safety and Health Policy and the BU-specific OSH management manuals, we have a safety committee or a dedicated manager in each BU to oversee their respective OSH performance. We aim to excel in our health and safety practices and offer our clients high-quality products and services by fully embedding a safety-oriented culture into our operations. There was no incident of non-compliance with laws and regulations concerning health and safety during the reporting year.

Safe and Healthy Workplace GRI 3-3, 403-1, 403-2, 403-9; HKEX KPI B2.1, B2.3

An efficient OSH management strategy is essential for maintaining a safe and healthy workplace. We have the Safety and Health Policy and a robust safety management system to support OSH prevention and control, employee awareness training as well as incident investigations. The safety committees in BUs are responsible for implementing preventive measures, managing and reviewing OSH hazards of their operations.

Our Safety and Health Policy and management system undergo regular reviews to ensure compliance and conformance with the latest regulatory requirements and industry standards. In 2022, Chengdu IFS and Changsha IFS maintained their ISO 45001:2018 certified OSH systems. Modern Terminals authorises HKQAA, an independent party, to perform an annual audit on its health and safety management system to ensure compliance with applicable laws and regulations.

Various mitigation measures have been implemented to reduce adverse health and safety impacts in our operations. To facilitate employees' efficient response to workplace emergencies, MLDP has implemented a construction risk management handbook, with a thorough study of potential workplace hazards and related preventive actions. The environmental and OSH management manuals implemented are based on the latest national standards and regulations, to ensure effective control measures on construction sites. We have also formed specialised working groups and developed efficient emergency response plans to monitor and manage corresponding OSH risks on construction sites based on our designated accident categories, including construction accidents, site hygiene, dangerous items and fire. To protect our employees and contractors from potential health or safety hazards, personal protective equipment is provided on-site. MLIP also states adequate safety work procedures and safety suggestions in the employee handbook.



Intertek



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¹³ Please refer to Significant Laws and Regulation section for the list of health and safety-related laws and regulation significant to the Group's business operations.

The safety emergency plan is reviewed regularly. To identify OSH risks across all our operating sites, we also conduct routine safety audits. To better fulfil our commitment to workplace safety, we have analysed our performance data from the past and closely monitor the development. The BUs can then respond swiftly and remedially to address and prevent workplace injuries.

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. Follow-up actions, including immediate inspection, review of work procedures as well as enhancing regular safety training have been taken to avoid similar cases happening in the future. In 2022, no work-related fatality was recorded.



While the COVID-19 pandemic has alleviated in the past year, the Group continues to implement comprehensive safety and hygiene measures to safeguard our employees. We continued to provide our employees with complimentary care packs, which include surgical face masks, hand sanitisers and anti-bacterial wet wipes. Special work arrangements such as split-office, flexible working hours and work-from-home policy were in place to lower the risk of infection from commuting. We carried out regular cleaning and disinfection at our offices, checked the temperature of employees daily, and provided regular testing to them to reduce the risk of transmission in our workplace.

Cultivating a Safety Culture at Work

GRI 3-3, 403-5, **HKEX** KPI B2.2, B2.3

The Group sees a strong safety culture at work which is as an integral element in maintaining a healthy workforce. At Marco Polo Parkside, Beijing, all employees are required to attend the OSH training, which introduces applicable OSH standards and regulatory requirements. Chengdu IFS, Changsha IFS, Chongqing Times Square and Dalian Times Square also organised first aid

certificate course and certification-related examinations to improve staff knowledge and capacity to handle emergencies as part of their OSH programme.

The Group continues to conduct regular fire drills in 2022 to raise awareness and knowledge of OSH practices at the workplace, and arrange safety training on accident prevention, appropriate use of fire protection equipment and first aid. Chengdu IFS conducted a series of “Safety Day” activities, including online knowledge quizzes and offline field experiences, to enable employees to acquire basic first aid skills, learn to use fire safety equipment, and improve their ability to respond to emergencies and self-rescue. From time to time, we would also provide some safety and health tips to our employees at MLIP on topics such as hearing health, heatstroke prevention, etc., to further promote the importance of safe work practices.

Our employees strictly adhere to the safety guidelines set out by MLDP, and inspect work tools, fire safety equipment and workplace hygiene regularly. To prevent OSH accidents, Chengdu IFS issues Work Injury Case Alerts that include information on prior injury cases, preventive measures and safety advice. We always appreciate feedback and recommendations from our employees to further enhance our OSH management.

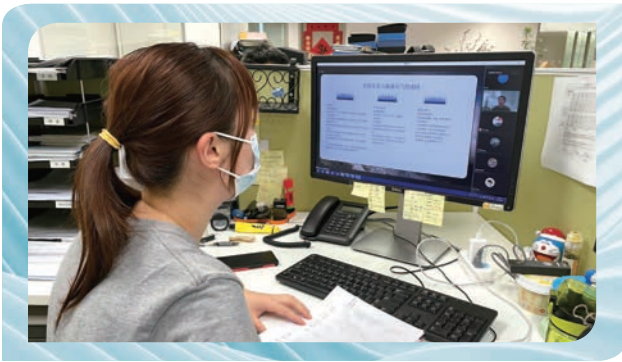
Optimising OSH Management in Supply Chain **GRI** 3-3, **HKEX** KPI B2.2, B2.3

The Group includes OSH-related terms in supplier contracts to ensure that our health and safety requirements are strictly followed along our supply chain. We evaluate our contractors’ OSH performance in our appraisal procedures. Additionally, we offered a range of training programmes to advance the OSH expertise of the on-site contractors’ employees in areas such as chemical handling, job site security, emergency preparedness and fire safety.



Online Training on “Understanding and Mitigation of Extreme Weather Events”

To enhance the knowledge and resilience of our employees against extreme weather events, MLIP invited a specialist in natural disaster rescue works to discuss with our employees the basic knowledge of extreme weather events and the preventive measures they can apply in case of such an emergency.



Changsha IFS's Introductory First-aid Training

To strengthen colleagues' ability to respond to emergencies, Changsha IFS launched a two-day introductory first-aid course for employees to learn about the necessary first-aid skills to respond to emergency first aid situations for themselves and customers.



Operation	Injury Incident Rate per 100 Employees – by Gender					
	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Corporate Office	2.7	0.9	0.0	0.0	0.0	0.0
MLIP	0.7	0.4	1.2	0.2	0.5	0.3
MLDP	0.0	0.0	0.0	0.0	0.0	0.0
Leisure and Hospitality	2.3	2.3	2.9	2.9	2.1	2.5
Logistics	1.3	0.9	1.0	0.0	1.3	1.0
Overall	1.3	1.2	1.6	1.4	1.2	1.2

	Injury Incident Rate per 100 Employees – by Region		
	2020	2021	2022
	Hong Kong	1.1	0.6
Mainland China	1.3	1.8	1.3
Overall	1.3	1.5	1.2

Employee Wellbeing GRI 3-3, 403-6, 403-7; HKEX KPI B2.3

The Group is committed to promoting work-life balance and emphasising employee wellbeing in addition to maintaining a safe and healthy workplace. We strive to maintain our employees' physical and mental health to ensure our workforce maintain a strong spirit and excel together. To motivate our employees to maintain a healthy and fruitful lifestyle while fostering their ties to and support from employees and families, we have organised a range of cultural and recreational activities in 2022. Some BUs even devised thematic wellbeing programme, for instance, MLIP devised the "WELL" Series to inspire the importance of mental health, positivity, gratitude and enjoyment of life. Employee wellbeing activity highlights in 2022 are as follows:

Happy@Work 2022



The Group participated in Happy@Work 2022 to promote workplace wellness through team-building activities and newly emerged sports. With our team's devoted effort and spirit, we won the Champion of Best Costume and the First Runner Up of Best Video. All participants enjoyed the event and had a fun day.

"Power Up" Sports Competition



Niccolo Changsha organised the climbing and basketball competitions to promote exercising among employees. The event helped them relieve stress and maintain a healthy lifestyle. Throughout this activity, our employees were encouraged to show off and demonstrate their energetic and sporty side, helping them to raise awareness about health and develop healthy habits outside of their work.

Sport Fitness Class



To provide our colleagues with a chance to relax and ease their minds from the stress of work, Chengdu IFS held a total of six sessions of elastic band fitness class. The exercises included relieving shoulder, neck and back pain, and strengthening waist and hip muscles. Participants learnt the way to relieve pain and can practice at home. The activity helped our colleagues develop healthy habits outside of their work.

Snowflake Crisp Workshop



Our employees were provided opportunities to learn how to make delicious confectionary food and spread happiness through food. Shanghai Wheelock Square hosted the “Snowflake Crisp Workshop” for our employees to enjoy their time creating snowflake crisp together. Participants enjoyed the great opportunity for bonding as well as the delicious food made.

Parent-child Exploration Day



Our Chengdu, Changsha, Chongqing and Dalian properties organised the “Parent-child Exploration Day” for employees and their children to visit ecological parks, zoos and historical buildings during weekends. It aimed to nurture employees’ love of nature and cultural landscapes, promoting the cultivation of closer family bonds, while learning more together.

Lantern Making Workshop



Shanghai Wheelock Square held a lantern making workshop, in which employees gathered to celebrate the Mid-Autumn Festival and tested out their crafting skills and creativity on making lantern using flowers and ornaments. The workshop gave our employees the opportunity to relax while crafting, as well as appreciating tradition in a fun way.

Ocarina Workshop



To help our colleagues relieve the stress of work, our MLIP held the ocarina workshop. At the workshop, our colleagues learnt some basic playing skills of ocarina. We hope to give our employees an opportunity to clear their mind, help our colleagues relax and explore new things in their daily life.

Safe Product and Services GRI 3-3, 416-2

Our customers have always enjoyed products and services from the Group that are of the highest standards of safety. We regularly evaluate the safety of our products and services, with a particular focus on food safety and equipment sanitation, to make sure that our standard of quality management is in line with best practices in the industry. Chengdu IFS and Changsha IFS have embraced the ISO 9001:2015 Quality Management System in this regard.

Customer health and safety

GRI 3-3, 416-2; HKEXI KPI B2.3

During the reporting year, the Group has also implemented comprehensive safety and hygiene measures to protect customer health and safety during COVID-19. We sanitise all our facilities more frequently, including external stairways, air conditioner filters and toilets. Temperature checks are conducted for our customers before they enter our premises, and they are also required to wear face masks and provide a valid health code. We maintain social distancing between customers and employees, for instance, by placing acrylic counter shields in shopping malls' concierge desks as protective barriers. In addition to the thorough facilities cleaning and disinfection we conduct, we have also increased the availability of hand sanitisers, and provided disposable mask bags and mask disposal bins in our malls. To reduce transmission via surface contact, we have applied photocatalyst anti-bacterial and anti-virus coating to elevators and facility surfaces. At our hotel operations, a series of emergency procedures are implemented to protect our guests.

Safe Premises and Clean Environment

To ensure the safety and security of our clients in the property, our BUs have implemented several measures. Regular fire drills and evacuation practices are held for our tenants. Fire safety gear and equipment are placed in designated areas for use by qualified staff in case of an emergency. In 2022, Dalian Times Square conducted three fire safety inspections and training for its tenants while Changsha IFS conducted two fire drills in full scale. The inspections guarantee that fire safety equipment including fire extinguishers and fire hoses are always operational. During the fire safety training, tenants were taught to operate 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.

We have developed crowd control policies and procedures for effective crowd management to protect the public. Additionally, we have hired qualified security personnel to handle emergencies in public spaces. Our employees undergo training to improve their capacity for emergency preparedness and response. At Shanghai Wheelock Square and Chengdu IFS, we deploy detection dogs to help with riot control and explosives detection to enhance the security of our facilities. The detection dogs are properly trained to patrol the area with our security agents and serve as a watchdog.

We have taken additional steps to maintain excellent indoor air quality at our facilities. To comply with national air quality regulations, we hire internationally renowned external organisations to regularly assess the interior air quality of our facilities. We have also increased the frequency of the cleaning of air-conditioning systems in public areas of our facilities. To uphold a high level of hygiene at our hotel operations, Niccolo Chongqing performs daily cleaning and disinfection of the air-conditioning systems of vacant rooms. Meanwhile, the Marco Polo Wuhan sterilises all the hotel's linens and towels for its visitors at high temperatures.

Food Safety

It is imperative to maintain a high standard of food safety at our hotel operations. We have implemented an Operational Manual on Food Safety and Hygiene to make sure that our activities adhere to our requirements. Weekly food safety and hygiene inspections are conducted by our hotel operations by the handbook. Niccolo Chengdu established a Health and Safety Committee to evaluate the current food safety management system's compliance with Hazard Analysis and Critical Control Points ("HACCP") principles and related legislation regularly. Furthermore, Niccolo Changsha and Marco Polo Parksides, Beijing have also adopted the HACCP-based Food Safety Management System.

In 2022, our three Niccolo hotels organised food hygiene training for employees to refresh their understanding of our food safety practices and standards. Our standards for food safety also extend to our partners in the supply chain. All suppliers are required to present food safety certifications during our procurement procedures, attesting to their compliance with our health and safety standards. Additionally, monthly supplier visits are conducted to ensure compliance with our standards is well-maintained.

BUSINESS-IN-

Community

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UNSDGs addressed in this chapter:



Material topics addressed in this chapter:

- COMMUNITY INVESTMENT AND ENGAGEMENT

Commitment and Strategy

GRI 2-24, 2-25, 3-3, 413-1; HKEX KPI B8.1

We contribute to the community through the Business-in-Community philosophy, aiming at delivering to our community positive social influence. We support the community by focusing on three main areas: community care, youth development, and arts and culture through different initiatives. In 2022, we organised and participated in 59 community activities with various stakeholders.

The Hong Kong Council of Social Services has honoured the Group, Modern Terminals, and WHML the “10 Years Plus Caring Company Logo”, “15 Years Plus Caring Company Logo” and “Caring Company Logo” as recognition of our corporate social responsibility. The Group also received Social Capital Builder Logo Award from the Home and Youth Affairs Bureau’s Community Investment and Inclusion Fund.

The Wharf Group was also honoured to receive the Second Top Donor Award from The Community Chest at the Annual Awards Ceremony. The Group also showed full support to Dress Causal Day organised by The Community Chest. In 2022, over 644 staff participated and raised over HK\$104,000.



Community Care GRI 3-3, 203-1, 413-1; HKEX KPI B8.2

We endeavour to follow the long-standing mission of “Building for Tomorrow” to care for the vulnerable and support the community.

Philanthropic Donation to Support the Community

The Group has been actively supporting the needy through The Community Chest for the past 30 years. The pandemic outbreak has impacted the economy and people’s lives since 2020. We are pledged to support the needy going through the pandemic plight during the fifth wave of COVID-19. Additional contributions from the “Wharf Emergency Relief Fund” included HK\$12.5 million to “The Community Chest Rainbow Fund” and “WeCan-CARE! A Pandemic Relief Fund” to provide instant cash handouts to families affected by the 5th wave of COVID-19. The Group also handed over the Kowloon Godown to the Hong Kong government for the temporary storage of Fight-COVID supplies in 2022.

Reaching Out to the Vulnerable

To show our care to the community, our BUs continue to purpose different activities to pamper the vulnerable groups. In April 2022, 17 staff volunteers participated in the “Children’s Walk” caring for children in poverty in Dalian Times Square. They designed and painted the environmentally friendly cloth bags with the children. We aim to enhance the environmental protection awareness of children through making handicrafts and to show our care to them. To promote awareness of resource recycling, Dalian Times Square also organised a clothes recycling programme “Clothes for Loves, Clothes for Warmth” to encourage our staffs to adopt a low-carbon lifestyle, while the collected clothes would be sent to the underprivileged in the community. More than 400 pieces of clothing was collected and donated in 2022.



To enhance the integration of the disabled community, a sign language workshop “I want to hear you” was held at Chengdu IFS for our staffs to build up the communication with the hearing impaired. A sign language instructor was invited to teach our staffs the basics for self-introduction and daily life conversations, enabling our staffs to understand more about the ways to communicate with those with hearing impairment, and ultimately help those affected to be integrated into the wider society.



To help the mentally recovered people re-integrate into the community and boost their confidence, Chengdu IFS held the “Tea Picking” volunteer activity in which the participants learnt tea picking, tea roasting and tea ceremony. We hope to help the participants re-integrate into the community and explore vocational chances in the future.



MLIP held a volunteer activity “Beautiful Community Beautiful Home” in May 2022 to build a better society together by cleaning up and upgrading the amenities of local community. Our volunteers supported the community by creating new wall mural for 2022 Children’s Day, redecorating park benches, visiting elderly homes to help tidy up and refurbishing garages. Their efforts has made the neighbourhood more pleasant to live in.



During the Lantern Festival, Marco Polo Wuhan organised the Lantern Festival activity and encouraged colleagues to sell their idle and used items and goods for charity donation. Over RMB 4,500 was solicited and donated to the China Disabled Persons’ Federation.



Youth Development

GRI 3-3, 203-1, 413-1; **HKEX** KPI B8.2

The Group believes youth development is an important key for advancing social development. In 2022, a wide range of community programmes and activities have been launched to provide young generation with support and opportunities to unleash their full potential.

Modern Terminals Summer Fitness Programme

Since 2017, Modern Terminals has been organising the Modern Terminals Summer Fitness Programme for teenagers to promote sports and encourage healthy lifestyles. The programme offers sports training and youth development to children aged 8 to 14 from low-income families in Kwai Tsing, students from its *WeCan* partner school Cotton Spinners Association Secondary School, and children of Modern Terminals’ employees.

In 2022, the programme provided 14 hours of sports training to 23 participants. Activities included dodgebee and flyball. Group training activity was also provided for the participants to learn about team collaboration. Modern Terminals Summer Fitness Programme Alumni aims to continue to provide the teenagers with sports-related and youth development activities.



Project WeCan

WeCan aims to support students who are disadvantaged in learning with opportunities for pursuing educational and career development. The programme pairs up each school with a partner organisation who would provide financial and volunteer support in a multi-year collaboration.

WeCan Supporting the Development of Students

Our *WeCan* programme has nurtured some of the brightest minds over the year. Four scholarship recipients of *WeCan* who have won the Hong Kong round of the “*Hong Kong Management Game*” in 2021, were selected to represent Hong Kong to join the “*Asian Management Game*” to compete with other Asian elites in 2022, and concluded the journey as the first runner-up of the competition. At the celebration luncheon with the Group’s Chairman and Managing Director and Director, students shared their learning from the games and exchanged ideas with our management.

Job Tasting Programme

With the aims to provide students with hands-on experience in workplace and a chance to explore their future vocational chances, the Job Tasting Programme was launched to provide opportunities for students to experience the daily schedules of a working environment. Supervisors were assigned to students and offered support and coaching during the programme period. In 2022, 134 students from 33 schools participated in the Programme period. With the support from 37 organisations, different job positions were offered, ranging from food and beverage, customer services, banking, accounting, engineering, retail to logistics. Students joined workshops and a 2-week internships to explore their vocational choices. Workshops included interview skills and CV writing skills. Throughout the programme, students gained a deeper understanding of various job positions and industries.



Overview of *WeCan*

Number of
partner schools

82



Number of
students benefitted

87,000+



Number of
partner organisations

72



Major Joint-school Programmes	Launch Year	Number of Participants as of 2021/2022 School Year (Students)
Job Tasting Programme	2012	1,630+
Company Visit	2013	34,400
Young Innovators Bazaar	2013	6,800
Language Enhancement Programme	2014	2,630+
Career Exploration Day	2015	36,550+

Arts and Culture GRI 3-3, 203-1, 413-1; HKEX KPI B8.2

The Group believes that arts and culture can bring a vibrant society and uplift people's quality of life. We devote abundant resources to organise exhibitions collaborating with different artists to raise public awareness on role art and culture plays. We also provide support and in-kind sponsorship to nurture the young talents.

Modern Lighthouse @ Niccolo Changsha

Niccolo Changsha supported the Changsha city Photography Exhibition with venue sponsorship. A selection of 22 urban photography works of Changsha were exhibited in the hotel lobby, presenting our guests the peak and growth, as well as the diverse charm of the city in multiple dimensions.



Tells the 1790s French Fashion Story @ Changsha IFS

Changsha IFS collaborated with the footwear designer Jingxing Fu to tell the story of the French fashion history from the period of the 1790s. The exhibits included French fashion magazine in 1793, fashion drawings, vintage collectables and sketches by the fashion legend Karl Lagerfeld. Through the exhibition, our visitors would learn more about the rich culture and history of French fashion.

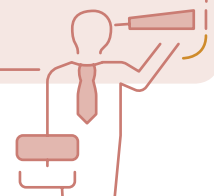
"the MELON-VERSE" Immersive Interactive Art Exhibition @ Chengdu IFS

Chengdu IFS co-created the "MELON-VERSE" with the world's renowned visual artist Cyril Lancelin. People immersed themselves in the artificial and experiential landscape of 200 giant watermelon sculptures. As a gesture to actively embracing the digital world, Chengdu IFS also released its first-ever themed NFT collection, a milestone move that seeks to empower artworks with new "life energy" and support the meaningful cause of giant panda conservation.



LOOKING FORWARD

The Group understands sustainability is not a "nice-to-have" for the few. It has permeated every section of society, shaping the investment environment and the way for companies to conduct businesses. To shoulder our responsibility to climate change and meet the Hong Kong and Central Governments' decarbonisation plans of 2050 and 2060, the Group has strived to improve ESG performance and explore approaches to evaluate and better manage the carbon emissions and climate risks in our operations. Embracing the Group's long-standing mission of "Building for Tomorrow", we endeavour to support and care for our community. ESG initiatives are drawn out to guarantee that sustainability issue is incorporated into our business. We will continue to invest in high quality and sustainable development, address environmental and social concerns of our stakeholders and contribute positively to our society.



	Unit	Total			Corporate Office			MLIP			MLDP			HKP			Wharf Hotels			Managed Hotels			Logistics		
		2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Material Use¹⁰																									
Material use by type (GRI) 301-1; (HKEX) KPI A2.5																									
Refrigerants	tonnes	1.00	0.48	1.23	N/A	N/A	N/A	0.32	0.10	0.75	N/A	N/A	N/A	N/A	N/A	N/A	0.23	0.16	0.06	0.40	0.18	0.01	0.05	0.04	0.41
Paper	tonnes	608.53	681.48	249.67	6.79	7.91	8.24	458.60	510.35	119.00	4.75	11.76	9.51	3.87	2.75	0.0	75.76	78.00	73.48	37.38	47.15	24.86	21.38	23.56	14.58
Plastic	tonnes	7.74	9.23	9.76	N/A	N/A	N/A	1.36	5.82	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	0.19	0.32	6.38	3.22	9.44	N/A	N/A	N/A
Metal	tonnes	8.74	27.82	4.31	N/A	N/A	N/A	4.50	2.32	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.11	4.24	25.50	4.20	N/A	N/A	N/A
Others	tonnes	0.004	3.53	0.18	N/A	N/A	N/A	0.004	0.38	0.18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction material																									
Concrete	tonnes	87,537.78	284,192.92	409,365.65	N/A	N/A	N/A	309.53	21.60	0.00	4,375.00	173,661.50	343,225.04	82,852.84	110,509.82	66,140.61	0.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bricks	tonnes	315.19	8,353.10	18,299.55	N/A	N/A	N/A	6.18	5.17	3.44	40.00	3,551.92	18,156.01	269.01	4,795.02	66.60	0.00	0.89	3.50	N/A	0.10	N/A	N/A	N/A	N/A
Steel	tonnes	5,125.42	51.00	4,385.80	N/A	N/A	N/A	18.85	34.55	2.39	13.00	16.45	2,091.15	5,074.77	0.00	2,291.96	N/A	N/A	N/A	18.80	N/A	0.30	N/A	N/A	N/A
Reinforced steel bars	tonnes	10,670.36	29,339.13	33,302.41	N/A	N/A	N/A	12.71	8.96	0.31	2,209.00	11,854.86	24,763.40	8,448.65	17,475.31	8,538.70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sand	tonnes	2,543.51	8,598.67	6,345.86	N/A	N/A	N/A	280.07	88.72	48.14	515.00	4,864.90	6,295.62	1,748.00	3,639.05	0.00	0.24	N/A	N/A	0.20	6.00	2.10	N/A	N/A	N/A
Stones	tonnes	308.80	2,755.70	6,779.99	N/A	N/A	N/A	185.30	46.08	17.45	44.00	2,055.30	6,762.19	78.50	654.32	0.00	N/A	N/A	0.25	1.00	N/A	0.10	N/A	N/A	N/A
Rubber	tonnes	3.50	0.00	29.78	N/A	N/A	N/A	3.50	0.00	0.00	N/A	N/A	29.78	N/A	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wood	tonnes	140.17	1,746.21	610,565.34	N/A	N/A	N/A	24.11	35.05	2.35	53.65	458.72	610,561.41	61.71	1,250.98	0.00	0.10	1.26	0.05	0.60	0.20	1.53	N/A	N/A	N/A
Granite	tonnes	437.67	355.77	1,284.65	N/A	N/A	N/A	167.31	8.68	9.08	270.00	332.00	1,273.00	0.00	14.13	0.00	0.36	0.16	2.52	0.00	0.80	0.05	N/A	N/A	N/A
Cement	tonnes	1,354.33	3,663.54	11,010.17	N/A	N/A	N/A	156.42	46.60	30.89	720.00	3,105.90	10,859.98	476.79	509.80	117.60	0.37	0.19	0.40	0.75	1.05	1.30	N/A	N/A	N/A
Earthworks	m ³	11,756.00	99,902.60	149,858.59	N/A	N/A	N/A	56.00	0.60	0.00	11,700.00	99,902.00	149,858.59	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mud	m ³	0.10	0.50	0.00	N/A	N/A	N/A	0.10	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mortar	m ³	914.50	14,616.45	24,668.65	N/A	N/A	N/A	0.00	1.00	9.36	808.00	9,620.50	24,654.04	106.50	4,994.95	5.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Others ¹¹	m ³	3.34	N/A	N/A	N/A	N/A	N/A	2.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waste Management (GRI) 306-1, 306-3, 306-4, 306-5; (HKEX) KPI A1.3, A1.4, A1.6																									
Waste by type and disposal method																									
General Refuse to landfill	tonnes	11,459.75	11,844.93	14,614.97	1.91	N/A	N/A	7,090.06	9,364.60	12,827.16	27.48	34.21	35.19	2,819.52	446.52	0.00	421.65	541.62	380.44	247.51	492.08	387.41	851.62	965.90	984.77
Incinerated waste	tonnes	5,218.64	6,467.28	5,757.85	N/A	N/A	N/A	4,679.63	5,931.00	5,547.00	N/A	N/A	N/A	N/A	N/A	N/A	417.91	531.53	204.63	121.10	4.75	6.23	N/A	N/A	N/A
Waste collected for recycling																									
Non-hazardous waste recycled																									
Paper	tonnes	294.36	360.74	354.72	N/A	N/A	N/A	243.88	302.69	276.96	1.74	4.51	1.72	0.20	1.47	0.72	19.14	18.58	17.25	14.52	12.31	34.43	14.88	21.18	23.64
Plastics	tonnes	37.07	46.93	36.90	N/A	N/A	N/A	24.10	34.86	28.95	0.12	0.26	0.52	0.08	0.31	0.11	5.34	6.15	6.70	7.12	5.04	0.51	0.31	0.31	0.11
Metals	tonnes	365.77	379.89	334.70	N/A	N/A	N/A	22.45	17.45	17.85	0.00	0.12	0.00	N/A	10.67	0.02	1.12	1.25	1.09	3.94	1.77	0.00	338.26	348.63	315.74
Food waste	tonnes	2,897.99	3,191.11	2,307.95	N/A	N/A	N/A	2,595.81	2,914.97	2,078.61	0.36	0.99	7.42	N/A	N/A	N/A	137.91	154.99	108.60	112.04	52.59	65.83	51.87	67.57	47.49
Glass	tonnes	36.15	45.74	8.23	N/A	N/A	N/A	14.18	20.97	2.01	0.00	0.18	0.00	N/A	N/A	N/A	6.67	7.96	6.10	15.08	16.57	0.00	0.22	0.06	0.12
Soap	tonnes	0.13	0.21	0.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.13	0.21	0.16	N/A	N/A	N/A	N/A	N/A	N/A
Hazardous waste recycled¹²																									
Solid	tonnes	774.45	722.80	641.85	0.27	2.29	3.83	3.90	17.48	2.28	0.08	0.05	0.14	0.01	N/A	N/A	0.15	9.43	0.63	0.26	0.00	0.00	769.78	693.55	634.97
Liquid	tonnes	78.38	134.75	68.21	N/A	N/A	N/A	18.04	79.01	13.12	N/A	N/A	N/A	0.53	N/A	N/A	1.61	1.69	1.50	0.58	0.70	0.00	57.62	53.35	53.59
Total waste generated	tonnes	21,162.69	23,194.38	24,125.55	2.18	2.29	3.83	14,692.05	18,683.02	20,793.94	29.78	40.32	44.99	2,820.34	458.97	0.85	1,011.63	1,273.41	727.10	522.15	585.81	494.41	2,084.56	2,150.55	2,060.43

Unit	Total			Corporate Office			MLIP			MLDP			HKP			Wharf Hotels			Managed Hotels			Logistics			
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	
Construction Waste to Landfill and Recycled¹³																									
Construction waste																									
To landfill	tonnes	59,734.19	33,618.58	20,622.61	N/A	N/A	N/A	22,361.72	31,391.36	18,003.05	0.00	57.45	0.00	37,219.49	2,035.53	2,503.47	N/A	N/A	N/A	9.00	N/A	N/A	143.98	134.24	116.09
To incineration	tonnes	11,225.40	13,431.00	11,545.00	N/A	N/A	N/A	11,225.00	13,431.00	11,545.00	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.40	N/A	N/A	N/A	N/A	N/A
Recycled	tonnes	43,906.57	1,647.85	2,452.10	N/A	N/A	N/A	6.03	0.00	0.00	41.80	365.91	174.86	43,837.39	1,281.94	2,277.24	N/A	N/A	N/A	21.35	N/A	N/A	N/A	N/A	N/A
Earthworks and mud																									
To landfill	m ³	0.00	0.00	9,200.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	0.00	9,200.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recycled	m ³	0.00	0.00	62.54	N/A	N/A	N/A	N/A	N/A	N/A	0.00	0.00	62.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1 Air emissions refer to the release of air pollutants namely nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") 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 Stock Exchange of Hong Kong Limited's Reporting Guidance on Environmental KPIs. NO_x and PM emissions from trailer mounted boom lifts at MLIP are not included.

2 Energy conversion factors used for diesel oil, unleaded petrol, LPG and gas oil 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.

3 Purchased electricity of Chengdu and Shanghai offices of MLDP, and Niccolo Chengdu and Niccolo Changsha is included in MLIP.

4 Increase in the amount of purchased steam in 2020 was mainly resulted from the consumption by Dalian Times Square.

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

6 2022 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 oil, unleaded petrol, towngas, refrigerant and LPG. 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.

7 2022 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and towngas consumed by the Group, and were calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.71 CO₂e kg/kWh), CLP (0.39 CO₂e kg/kWh) and The Hong Kong and China Gas Company Limited (0.588 CO₂e kg/unit). GHG emission by electricity purchased in China in this report is calculated based on China grid emission factor in 2012年中國區域電網平均二氧化碳排放因子. For Calculation of 2020 and 2021 Scope 2 emissions, please refer to the corresponding reports.

8 2022 Scope 3 emissions covers categories 1, 2 (excluding earthworks, mud, and mortar as they do not have emission factor), 3 and 5 as categorised by GHG Protocol, and were calculated based on emission factors from UK Government GHG Conversion Factors for Company Reporting 2022. For scope of Scope 3 emissions in 2020 and 2021, please refer to the corresponding reports.

9 The Scope 3 emissions also include Scope 3 emissions form HKP. HKP Scope 3 emission in 2022, 2021 and 2019 were 68,652, 1,762 and 2,423 tonnes CO₂e respectively.

10 Materials for business general use and for packaging material use were included.

11 Other construction materials include rock, marble and glass.

12 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.

13 Construction waste is produced mainly by tenants of MLIP and contractors on construction sites.

Employee Statistics

	Total			Hong Kong			Mainland China		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Employee Distribution									
Total workforce by gender, employment type and contract type <small>(GRI) 2-7; (HKEX) KPI B1.1</small>									
Male	2,946	2,981	3,169	949	983	992	1,997	1,998	2,177
Female	2,227	2,338	2,494	342	353	366	1,885	1,985	2,128
Full-time	5,171	5,316	5,659	1,289	1,333	1,356	3,882	3,983	4,303
Part-time	2	3	4	2	3	2	0	0	2
Permanent	2,068	2,101	2,087	1,187	1,226	1,258	881	875	829
Fixed-term	3,072	3,192	3,558	98	103	99	2,974	3,089	3,459
Temporary	33	26	18	6	7	1	27	19	17
Gender distribution of permanent contract employees <small>(GRI) 2-7; (HKEX) KPI B1.1</small>									
Male	1,392	1,440	1,425	862	891	908	530	549	517
Female	676	661	662	325	335	350	351	326	312
Gender, age group and minority group distribution of all employees by employment category¹⁴ <small>(GRI) 405-1; (HKEX) KPI B1.1</small>									
Male									
Senior Management	70 (63.6%)	70 (61.9%)	74 (66.1%)	35 (63.6%)	37 (64.9%)	39 (66.1%)	35 (63.6%)	33 (58.9%)	35 (66.0%)
Middle Management	374 (57.0%)	383 (59.4%)	388 (58.6%)	226 (64.4%)	231 (66.6%)	229 (64.9%)	148 (48.5%)	152 (51.0%)	159 (51.5%)
General Staff	2,502 (56.8%)	2,528 (55.4%)	2,707 (55.4%)	688 (77.7%)	715 (76.7%)	724 (76.5%)	1,814 (51.5%)	1,813 (50.0%)	1,983 (50.3%)
Female									
Senior Management	40 (36.4%)	43 (38.1%)	38 (33.9%)	20 (36.4%)	20 (35.1%)	20 (33.9%)	20 (36.4%)	23 (41.1%)	18 (34.0%)
Middle Management	282 (43.0%)	262 (40.6%)	274 (41.4%)	125 (35.6%)	116 (33.4%)	124 (35.0%)	157 (51.5%)	146 (49.0%)	150 (49.0%)
General Staff	1,905 (43.2%)	2,033 (44.6%)	2,182 (44.6%)	197 (22.3%)	217 (23.3%)	222 (23.5%)	1,708 (48.5%)	1,816 (50.0%)	1,960 (49.7%)
Below 30									
Senior Management	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Middle Management	17 (2.6%)	20 (3.1%)	22 (3.3%)	11 (3.1%)	11 (3.2%)	10 (2.8%)	6 (2.0%)	9 (3.0%)	12 (3.9%)
General Staff	1,133 (25.7%)	1,276 (28.0%)	1,457 (29.8%)	123 (13.9%)	141 (15.1%)	139 (14.7%)	1,010 (28.7%)	1,135 (58.7%)	1,318 (33.4%)
30-50									
Senior Management	59 (53.6%)	61 (54.0%)	58 (51.8%)	15 (27.3%)	18 (31.6%)	19 (32.2%)	44 (80.0%)	43 (76.8%)	39 (73.6%)
Middle Management	502 (76.5%)	490 (76.0%)	511 (77.2%)	229 (65.3%)	226 (65.1%)	239 (67.7%)	273 (89.5%)	264 (88.6%)	272 (88.0%)
General Staff	2,635 (59.8%)	2,643 (57.9%)	2,822 (57.7%)	505 (57.1%)	513 (55.1%)	528 (55.8%)	2,130 (60.5%)	2,130 (58.7%)	2,294 (58.2%)
51 or above									
Senior Management	51 (46.4%)	52 (46.0%)	54 (48.2%)	40 (72.7%)	39 (68.4%)	40 (67.8%)	11 (20.0%)	13 (23.2%)	14 (26.4%)
Middle Management	137 (20.9%)	135 (20.9%)	129 (19.5%)	111 (31.6%)	110 (31.7%)	104 (29.5%)	26 (8.5%)	25 (8.4%)	25 (8.1%)
General Staff	639 (14.5%)	642 (14.1%)	610 (12.5%)	257 (29.0%)	278 (29.8%)	279 (29.5%)	382 (10.8%)	364 (10.0%)	331 (8.4%)
Minority group ¹⁵									
Senior Management	21 (19.1%)	19 (16.8%)	21 (18.7%)	7 (12.7%)	8 (14.0%)	9 (15.3%)	14 (25.5%)	11 (19.6%)	12 (22.6%)
Middle Management	8 (1.2%)	9 (1.4%)	6 (0.9%)	1 (0.3%)	2 (0.6%)	1 (0.3%)	7 (2.3%)	7 (2.3%)	5 (1.6%)
General Staff	81 (1.8%)	72 (1.6%)	91 (1.9%)	1 (0.1%)	1 (0.1%)	1 (0.1%)	80 (2.3%)	71 (2.0%)	90 (2.3%)
Non-minority group									
Senior Management	89 (80.9%)	94 (83.2%)	91 (81.3%)	48 (87.3%)	49 (86.0%)	50 (84.7%)	41 (74.5%)	45 (80.4%)	41 (77.4%)
Middle Management	648 (98.8%)	636 (98.6%)	656 (99.1%)	350 (99.7%)	345 (99.4%)	352 (99.7%)	298 (97.7%)	291 (97.7%)	304 (98.4%)
General Staff	4,326 (98.2%)	4,489 (98.4%)	4,798 (98.1%)	884 (99.9%)	931 (99.9%)	945 (99.9%)	3,442 (97.7%)	3,558 (98.0%)	3,853 (97.7%)

	Total			Hong Kong			Mainland China		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
New Employees Hires									
Gender, age and regional distribution of new employee hires in number and percentage^{16,17} [GRI] 401-1									
Male	417 (14%)	413 (14%)	382 (12%)	85 (9%)	88 (9%)	61 (6%)	332 (17%)	325 (16%)	321 (15%)
Female	387 (17%)	430 (18%)	401 (16%)	59 (17%)	56 (16%)	38 (10%)	328 (17%)	374 (19%)	363 (17%)
Below 30	408 (35%)	462 (36%)	445 (30%)	46 (34%)	56 (37%)	47 (32%)	362 (36%)	406 (35%)	398 (30%)
30–50	344 (11%)	337 (11%)	316 (9%)	89 (12%)	75 (10%)	49 (6%)	255 (10%)	262 (11%)	267 (10%)
51 or above	52 (6%)	44 (5%)	22 (3%)	9 (2%)	13 (3%)	3 (1%)	43 (10%)	31 (8%)	19 (5%)
Senior Management ¹⁸	17 (15%)			5 (9%)			12 (22%)		
Middle Management ¹⁸	64 (10%)			37 (11%)			27 (9%)		
General Staff ¹⁸	723 (16%)			102 (12%)			621 (18%)		
Group overall	804 (16%)	843 (16%)	783 (14%)	144 (11%)	144 (11%)	99 (7%)	660 (17%)	699 (18%)	684 (16%)
Employee Turnover									
Gender, age and regional distribution of employee turnover in number and percentage¹⁹ [GRI] 401-1; [HKEX] KPI B1.2									
Male	566 (19%)	687 (23%)	580 (18%)	157 (17%)	121 (12%)	84 (8%)	409 (20%)	566 (28%)	496 (23%)
Female	568 (26%)	664 (28%)	610 (24%)	85 (25%)	81 (23%)	46 (13%)	483 (26%)	583 (29%)	564 (27%)
Below 30	505 (44%)	590 (46%)	510 (34%)	64 (48%)	35 (23%)	21 (14%)	441 (43%)	555 (49%)	489 (37%)
30–50	489 (15%)	639 (20%)	561 (17%)	121 (16%)	110 (15%)	60 (8%)	368 (15%)	529 (22%)	501 (19%)
51 or above	140 (17%)	122 (15%)	119 (15%)	57 (14%)	57 (13%)	49 (12%)	83 (20%)	65 (16%)	70 (19%)
Group overall	1,134 (22%)	1,351 (25%)	1,190 (21%)	242 (19%)	202 (15%)	130 (10%)	892 (23%)	1,149 (29%)	1,060 (25%)
Voluntary Turnover Rate									
Gender, age and regional distribution of voluntary employee turnover in number and percentage¹⁸									
Male	390 (13%)			98 (10%)			292 (15%)		
Female	431 (19%)			70 (20%)			361 (19%)		
Below 30	398 (35%)			45 (34%)			353 (35%)		
30–50	365 (11%)			108 (14%)			257 (11%)		
51 or above	58 (7%)			15 (4%)			43 (10%)		
Group overall	821 (16%)			168 (13%)			653 (17%)		
Parental Leave									
Parental leave – return to work rate²⁰ [GRI] 401-3									
	97%	96%	99%	100%	100%	100%	97%	95%	99%
Parental leave – retention rate by gender²¹ [GRI] 401-3									
Male	95%	92%	90%	100%	96%	95%	93%	91%	88%
Female	92%	81%	87%	100%	100%	100%	92%	79%	86%
Health and Safety									
Injury incident rate by gender and by region per 100 employees [GRI] 403-9									
Male	1.2	1.6	1.3	1.1	0.8	1.2	1.3	2.0	1.4
Female	1.2	1.4	1.2	0.3	0.0	0.5	1.4	1.6	1.3
Group overall	1.2	1.5	1.3	0.9	0.6	1.1	1.3	1.8	1.3
Number of lost days¹⁸									
Male	1,351	2,174	957	951	1,183	781	400	991	176
Female	334	253	200	2	0	2	332	253	198
Group overall	1,685	2,427	1,157	953	1,183	783	732	1,244	374

	Total			Hong Kong			Mainland China		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Lost day rate by gender and by region in percentage²² [GRI] 403-9; [HKEX] KPI B2.2									
Male	0.20%	0.31%	0.13%	0.38%	0.45%	0.30%	0.09%	0.22%	0.04%
Female	0.07%	0.05%	0.04%	0.00%	0.00%	0.00%	0.08%	0.06%	0.04%
Group overall	0.14%	0.20%	0.09%	0.29%	0.35%	0.23%	0.09%	0.14%	0.04%
Absentee rate by gender and by region in percentage²³ [GRI] 403-9									
Male	2.02%	1.26%	1.05%	3.88%	2.10%	1.82%	0.93%	0.77%	0.62%
Female	1.45%	0.94%	1.03%	2.99%	1.71%	1.54%	1.16%	0.80%	0.94%
Group overall	1.78%	1.13%	1.04%	3.67%	2.01%	1.75%	1.04%	0.79%	0.78%
Training and Education									
Average training hours per employee by gender, age group and employment category²⁴ [GRI] 404-1; [HKEX] KPI B3.2									
Male	26.1	24.9	42.5	21.3	21.6	13.1	28.4	26.6	55.9
Female	28.6	28.9	40.7	10.2	11.4	8.1	32.0	32.0	46.3
Below 30 ¹⁸	45.6			41.6			46.1		
30-50 ¹⁸	23.5			20.1			24.6		
51 or above ¹⁸	16.1			7.7			24.3		
Senior management	20.0	20.8	14.8	11.0	10.6	5.8	28.9	31.2	24.8
Middle management	19.6	21.8	14.9	15.9	15.4	9.7	24.0	29.3	20.9
General staff	28.5	27.5	45.9	19.8	20.7	12.9	30.7	29.3	53.9
Group overall	27.2	26.7	41.7	18.4	18.9	11.7	30.2	29.3	51.1
Employees trained by gender and by employment category in percentage [HKEX] KPI B3.1									
Male	91.3%	87.8%	78.1%	81.9%	80.9%	64.5%	95.8%	91.2%	84.2%
Female	92.1%	92.5%	87.9%	79.2%	83.0%	77.9%	94.5%	94.2%	89.7%
Senior Management	91.8%	86.7%	91.1%	94.5%	77.2%	86.4%	89.1%	96.4%	96.2%
Middle management	86.4%	87.9%	74.6%	81.5%	89.0%	68.3%	92.1%	86.6%	81.9%
General staff	92.4%	90.2%	83.3%	80.2%	78.9%	66.9%	95.5%	93.1%	87.2%
Group overall	91.7%	89.9%	82.4%	81.2%	81.4%	68.1%	95.2%	92.7%	86.9%
Employee Engagement^{19,25}									
Employee engagement survey									
Employees participated in percentage	98%	N/A	N/A	N/A	N/A	N/A	98%	N/A	N/A
Gender Pay Ratio¹⁸ (Male: Female)									
	1.39:1								

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

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

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

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

18 Newly collected data item in 2022.

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

20 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%

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

22 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%

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

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

25 This information is derived from the average percentage of employees participated in Leisure and Hospitality.

Featured Awards, Charters and Memberships

GRI 2-28

Selected Awards and Recognitions

Organisers	Awards and Recognitions	Business Units
Hang Seng Index Company Limited	Constituent member of Hang Seng Corporate Sustainability Index Series	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	Chengdu IFS, Changsha IFS and Shanghai Wheelock Square
	Gold for Core and Shell	Wuxi IFS
EarthCheck	Gold Certification	Niccolo Chengdu, Marco Polo Wuhan and Marco Polo Lingnan Tiandi, Foshan
	Silver Certification	Niccolo Changsha, Niccolo Chongqing, Marco Polo Parkside, Beijing and Marco Polo Xiamen
Beautiful China Hotel Industry Leaders Summit Organizing Committee	2021 Best Green Conference Hotel	Marco Polo Lingnan Tiandi, Foshan
Mandatory Provident Fund Schemes Authority	Good MPF Employer 5 Years+	Wharf Limited, Wharf China Development Limited, Wharf China Estates Limited and Modern Terminals
	MPF Support Award	Wharf Limited, Wharf China Development Limited, Wharf China Estates Limited and Modern Terminals
Employees Retraining Board	Manpower Developer Award Scheme — Manpower Developer	Wharf China Estates Limited, WHML and Modern Terminals
Promoting Happiness Index Foundation and Hong Kong Productivity Council	Happy Company 10 years	Wharf China Estates Limited
	Happy Company 5 years+	Modern Terminals
The Hong Kong Council of Social Services	Caring Company Logo	Wharf Holdings (10 Years Plus), Modern Terminals (15 Years Plus) and WHML
Home and Youth Affairs Bureau	Social Capital Builder Logo Award	Wharf Holdings
Dalian News Media Group and Dalian Municipal Human Resources and Social Security Bureau	2021 Dalian (8th) Employer Survey "Best Employer Award" and "2021 General Manager Talent Management Contribution Award"	Dalian Times Square
Chinese YMCA of Hong Kong	Y-Care CSR Scheme 2021–2022 — Silver Partner	Modern Terminals
2022 Asia-Pacific Stevie® Awards	Award for Innovation in Content Marketing / Branded Editorial — GOLD STEVIE®	Chengdu IFS
	Award for Innovation in Cross-Media Marketing — GOLD STEVIE®	Changsha IFS
	Award for Innovation in Consumer Events — SILVER STEVIE®	Chengdu IFS and Changsha IFS
	Award for Innovation in Brand Development — BRONZE STEVIE®	Changsha IFS
2022 Royal Institution of Chartered Surveyors	Facility Management Team of the Year — Excellence Award	Changsha IFS
Global Habitat Design Awards Committee	Global Habitat Design Award — Merit Award	Wharf China Development Limited
Navis	Navis Inspire Awards — Sustainability Award	Modern Terminals
Tripadvisor	2022 Tripadvisor Travellers' Choice "Best of the Best" Award	Niccolo Chengdu and Niccolo Changsha
Booking.com	Traveller Review Awards 2022	Marco Polo Xiamen

Selected Memberships and Charters

Organisations	Nature of Membership/Name of Charters	Business Units
Hong Kong General Chamber of Commerce	Corporate Member	Wharf Holdings and Modern Terminals
Chinese Chamber of Commerce	Committee Member, Member of External Affairs Committee and Mainland Affairs Committee	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	Founding Member, Council Member, Communications and Membership Committee Member	Modern Terminals
Occupational Safety and Health Council	Green Cross Group Member	Wharf Limited and Modern Terminals
	Joyful@Healthy Workplace Charter	Modern Terminals
The Hong Kong Occupational Safety and Health Association	Company Member	Modern Terminals
The Chartered Institute of Logistics and Transport in Hong Kong	Organisation Member, Chartered Fellow	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	Member	Dalian Times Square
Chengdu New Consumption Industry Ecosystem Alliance	Executive Director	Chengdu IFS
Chengdu Retailers Business Association	Vice President	Chengdu IFS
Hong Kong Chamber of Commerce in Sichuan	Vice President	Chengdu IFS
Chengdu Association of Building Economy Promotion	Vice President	Chengdu IFS
China Shopping Center Development Association of Mall China	The Senior Associate Members	Dalian Times Square
The American Chamber of Commerce in Hong Kong	The Corporate Member, Co-chair of Transport & Logistics Subcommittee	Modern Terminals
Federation of Hong Kong Industries	Corporate Member, Member of PRD Council, Member of Transport and Logistics Services Council	Modern Terminals
Global Hotel Alliance	Member	Niccolo Chengdu, Niccolo Changsha, Niccolo Chongqing, Marco Polo Wuhan, Marco Polo Xiamen, Marco Polo Lingnan Tiandi, Foshan, Marco Polo Parkside, Beijing and Marco Polo Jinjiang
Business Environment Council	Low Carbon Charter Pathway 1	Modern Terminals
Environment and Ecology 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

HKEX ESG Reporting Guide Index Table

Subject Areas, Aspects, General Disclosures and KPIs	Section/Page Number/Remarks
A. Environmental	
A1: Emissions	
<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Governance, page 11–16; Co-living with the Nature – Commitment and Strategy, page 23; Energy Management and Decarbonisation, page 29–32; Air Quality Management, page 33; Waste Management and Resource Conservation, page 35; Environmental Policy; Compliance Policy Statement
<p>KPI A1.1 The types of emissions and respective emissions data.</p>	Energy Management and Decarbonisation, page 29–32; Air Quality Management, page 33; Performance Data Summary, page 61
<p>KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Performance Data Summary, page 62
<p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Performance Data Summary, page 62–63
<p>KPI A1.5 Description of emission target(s) set and steps taken to achieve them.</p>	Co-living with the Nature – Commitment and Strategy, page 23; Air Quality Management, page 33
<p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	Co-living with the Nature – Commitment and Strategy, page 23; Waste Management and Resource Conservation, page 35; Performance Data Summary, Page 62–63
A2. Use of Resources	
<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Governance, page 11–16; Co-living with the Nature – Commitment and Strategy, page 23; Energy Management and Decarbonisation, page 29–32; Water Stewardship and Conservation, page 33–34; Waste Management and Resource Conservation, page 35; Environmental Policy
<p>KPI A2.1 Direct and/or indirect consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
<p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Water Stewardship and Conservation, page 33–34; Performance Data Summary, page 61
<p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	Co-living with the Nature – Commitment and Strategy, page 23; Energy Management and Decarbonisation, page 29–32
<p>KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p>	Co-living with the Nature – Commitment and Strategy, page 23; Water Stewardship and Conservation, page 33–34
<p>KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	Performance Data Summary, page 62

Subject Areas, Aspects, General Disclosures and KPIs	Section/Page Number/Remarks
A3: The Environment and Natural Resources	
<p>General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Governance, page 11–16; Co-living with the Nature – Commitment and Strategy, page 23; Energy Management and Decarbonisation, page 29–32; Water Stewardship and Conservation, page 33–34; Waste Management and Resource Conservation, page 35; Environmental Policy; Climate Change Policy Statement; Green Procurement Policy
<p>KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	Energy Management and Decarbonisation, page 29–32; Air Quality Management, page 33; Water Stewardship and Conservation, page 33–34; Waste Management and Resource Conservation, page 35; Enhancing Environmental Awareness and Biodiversity, page 36
A4: Climate Change	
<p>General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p>	Climate Risk and Resilience Management, page 24–28; Climate Change Policy Statement
<p>KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.</p>	
B. Social	
B1: Employment	
<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Building Excellence with Our Stakeholders, page 37–47; Human Rights Policy; Code of Conduct; Compliance Policy Statement
<p>KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p>	Nurturing Our Employees, page 38–44; Performance Data Summary, page 64
<p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p>	Performance Data Summary, page 65
B2: Health and Safety	
<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Safeguarding Wellbeing and Safety, page 48–54; Safety and Health Policy; Compliance Policy Statement
<p>KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	Safeguarding Wellbeing and Safety, page 50
<p>KPI B2.2 Lost days due to work injury.</p>	Performance Data Summary, page 65–66

Subject Areas, Aspects, General Disclosures and KPIs	Section/Page Number/Remarks
KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safeguarding Wellbeing and Safety, page 48–54
B3: Development and Training	
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Nurturing Our Employees, page 38–44
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary, page 66
KPI B3.2 The average training hours completed per employee by gender and employee category.	Nurturing Our Employees, page 42; Performance Data Summary, page 66
B4: Labour Standards	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Human Rights Policy; Compliance Policy Statement
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Human Rights Policy
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Human Rights Policy
B5: Supply Chain Management	
General Disclosure Policies on managing environmental and social risks of the supply chain.	Partnering with Our Suppliers, page 44–45; Green Procurement Policy; Supplier Code of Conduct
KPI B5.1 Number of suppliers by geographical region.	Partnering with Our Suppliers, page 44–45
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Partnering with Our Suppliers, page 44–45; Green Procurement Policy; Supplier Code of Conduct
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Partnering with Our Suppliers, page 44–45; Green Procurement Policy
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Partnering with Our Suppliers, page 44–45; Green Procurement Policy
B6: Product Responsibility	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Delivering Quality for Our Customers, page 45–46; Quality Policy Statement; Data Privacy Policy Statement; Compliance Policy Statement

Subject Areas, Aspects, General Disclosures and KPIs	Section/Page Number/Remarks
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No products sold or shipped were subject to recalls for safety and health reasons during the reporting year.
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Delivering Quality for Our Customers, page 45–46
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Delivering Quality for Our Customers, page 45–46
KPI B6.4 Description of quality assurance process and recall procedures.	Delivering Quality for Our Customers, page 45–46; Quality Policy Statement
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Delivering Quality for Our Customers, page 45–46; Code of Conduct; Data Privacy Policy Statement
B7: Anti-corruption	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Business Operations, page 13; Anti-corruption Policy; Compliance Policy Statement; Statement of Business Integrity; Code of Conduct
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ethical Business Operations, page 13
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethical Business Operations, page 13
KPI B7.3 Description of anti-corruption training provided to directors and staff.	Ethical Business Operations, page 13
B8: Community Investment	
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Business-in-Community, page 55–60
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	About Our Business, page 10; Business-in-Community, page 55–60
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	About Our Business, page 10; Business-in-Community, page 55–60

GRI Standards and SASB Sector Standards Index Table

Statement of use	The Wharf (Holdings) Limited has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI G4 Construction and Real Estate Sector (CRES)

GRI 2: General Disclosures 2021

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
2-1	Organisational details		Cover Page of SR; About Our Business, page 8–10
2-2	Entities included in the organisation's sustainability reporting		About This Report, page 4–6
2-3	Reporting period, frequency and contact point		About This Report, page 4–6
2-4	Restatements of information		Performance Data Summary, page 61–66
2-5	External assurance		About This Report, page 6; Verification Statement, page 80
2-6	Activities, value chain and other business relationships	IF-RE-000.A, IF-RE-000.B	About This Report, page 4–6; About Our Business, page 8–10; Partnering with Our Suppliers, page 44–45; 2022 Annual Report – Business Review, page 14–29
2-7	Employees		Nurturing Our Employees, page 38–44; Performance Data Summary, page 64–66
2-8	Workers who are not employees		Nurturing Our Employees, page 38–44
2-9	Governance structure and composition		Governance, page 11–16; 2022 Annual Report – Corporate Governance Report, page 46–69
2-10	Nomination and selection of the highest governance body		2022 Annual Report – Corporate Governance Report, page 46–69
2-11	Chair of the highest governance body		2022 Annual Report – Corporate Governance Report, page 54
2-12	Role of the highest governance body in overseeing the management of impacts		Governance, page 11–16; 2022 Annual Report – Corporate Governance Report, page 54
2-13	Delegation of responsibility for managing impacts		2022 Annual Report – Corporate Governance Report, page 54, 57–58
2-14	Role of the highest governance body in sustainability reporting		Governance, page 11–16
2-15	Conflicts of interest		2022 Annual Report – Corporate Governance Report, page 56
2-16	Communication of critical concerns		No critical matters were raised during the reporting year
2-17	Collective knowledge of the highest governance body		Governance, page 12 The Board was also offered training in the forms of briefings, seminars and reading materials, etc. to enhance their knowledge in sustainable development, goals, and commitments, the latest ESG trends and reporting requirements during the reporting year.
2-18	Evaluation of the performance of the highest governance body		The information is treated as confidential.
2-19	Remuneration policies		The information is treated as confidential.
2-20	Process to determine remuneration		The information is treated as confidential.

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
2-21	Annual total compensation ratio		This information is treated as confidential.
2-22	Statement on sustainable development strategy		Message from the Chairman, page 2–3
2-23	Policy commitments		Governance, page 11–16; Co-living with the Nature – Commitment and Strategy, page 23; Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Safeguarding Wellbeing and Safety, page 48–54; sustainability policies
2-24	Embedding policy commitments		Governance, page 11–16; Co-living with the Nature – Commitment and Strategy, page 23; Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Safeguarding Wellbeing and Safety, page 48–54; Business-in-Community, page 55–60; sustainability policies
2-25	Processes to remediate negative impacts		Governance, page 11–16; See the Commitment and Strategy of each section of the Report
2-26	Mechanisms for seeking advice and raising concerns		Stakeholder Engagement and Materiality Assessment, page 17–21
2-27	Compliance with laws and regulations		Governance, page 11–16, Significant Laws and Regulations, page 69; Compliance Policy Statement There was no incident of non-compliance with the relevant laws and regulations during the reporting year
2-28	Membership associations		Featured Awards, Charters and Memberships, page 67–68
2-29	Approach to stakeholder engagement		Stakeholder Engagement and Materiality Assessment, page 67–68
2-30	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.

GRI 3: Material Topics 2021

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
3-1	Process to determine material topics		Stakeholder Engagement and Materiality Assessment, page 67–68
3-2	List of material topics		Stakeholder Engagement and Materiality Assessment, page 67–68
200: Economic			
201: Economic Performance 2016			
3-3	Management of material topics		About Our Business, page 8–10; 2022 Annual Report – Chairman's Statement, page 8–10
201-1	Direct economic value generated and distributed		About Our Business, page 8–10; 2022 Annual Report – Financial Highlights, page 10
201-2	Financial implications and other risks and opportunities due to climate change	IF-RE-450a.2	About Our Business page 8–10; Climate Risk and Resilience Management, page 24–28
201-4	Financial assistance received from government		Subsidies (HK\$26 million) from Employment Support Scheme under the Anti-epidemic Fund from the government of HKSAR were received in FY2022
202: Market Presence 2016			
3-3	Management of material topics		Sustainability Governance, page 13–16;
202-2	Proportion of senior management hired from the local community		Governance, page 11–16;

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
203: Indirect Economic Impacts 2016			
3-3	Management of material topics		Business-in-Community, page 55–60
203-1	Infrastructure investments and services supported		About Our Business, page 8–10; Business-in-Community, page 55–60
204: Procurement Practices 2016			
3-3	Management of material topics		Partnering with Our Suppliers, page 44–45; Green Procurement Policy; Supplier Code of Conduct
204-1	Proportion of spending on local suppliers		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.
205: Anti-corruption 2016			
3-3	Management of material topics		Ethical Business Operation, page 13; Anti-corruption Policy; Code of Conduct; Statement of Business Integrity
205-2	Communications and training about anti-corruption policies and procedures		Ethical Business Operation, page 13
205-3	Confirmed incidents of corruption and actions taken		In 2022, there were no confirmed incidents of corruption.
300: Environmental			
301: Material 2016			
3-3	Management of material topics		Co-living with the Nature – Commitment and Strategy, page 23; Waste Management and Resource Conservation, page 35
301-1	Materials used by weight or volume		Performance Data Summary, page 62
302: Energy 2016			
3-3	Management of material topics		Co-living with the Nature – Commitment and Strategy, page 23; Energy Management and Decarbonisation, page 29–32
302-1	Energy consumption within the organisation	IF-RE-130a.2	Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
302-3	Energy intensity		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
CRE-1	Building energy intensity		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
302-4	Reduction of energy consumption		Energy Management and Decarbonisation, page 29–32
303: Water and Effluents 2018			
3-3	Management of material topics	IF-RE-140a.4	Co-living with the Nature – Commitment and Strategy, page 23; Water Stewardship and Conservation, page 33–34
303-1	Interactions with water as a shared resource		Water Stewardship and Conservation, page 33–34
303-2	Management of water discharge-related impacts		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.

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
303-3	Water withdrawal	IF-RE-140a.2	Water Stewardship and Conservation, page 33–34; 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.
CRE-2	Building water intensity		Water Stewardship and Conservation, page 33–34; Performance Data Summary, page 61
303-4	Water discharge		Water Stewardship and Conservation, page 33–34
303-5	Water consumption		Water Stewardship and Conservation, page 33–34; Performance Data Summary, page 61
305: Emission 2016			
3-3	Management of material topics		Co-living with the Nature – Commitment and Strategy, page 23; Energy Management and Decarbonisation, page 29–32; Climate Risk and Resilience Management, page 24–28; Climate Change Policy Statement
305-1	Direct (Scope 1) GHG emissions		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
305-2	Energy Indirect (Scope 2) GHG emissions		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
305-3	Other indirect (Scope 3) GHG emissions		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
305-4	GHG emissions intensity		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
CRE-3	GHG emissions intensity from buildings		Energy Management and Decarbonisation, page 29–32; Performance Data Summary, page 61
305-5	Reduction of GHG emissions		Energy Management and Decarbonisation, page 29–32
305-7	NO _x , SO _x , and other significant air emissions		Air Quality Management, page 33; Performance Data Summary, page 61
306: Waste 2020			
3-3	Management of material topics		Co-living with the Nature – Commitment and Strategy, page 23; Waste Management and Resource Conservation, page 35
306-1	Waste generation and significant waste-related impacts		Waste Management and Resource Conservation, page 35; Performance Data Summary, page 62
306-2	Management of significant waste-related impacts		Waste Management and Resource Conservation, page 35
306-3	Waste generated		Waste Management and Resource Conservation, page 35; Performance Data Summary, page 62
306-4	Waste diverted from disposal		Performance Data Summary, page 62
306-5	Waste directed to disposal		Performance Data Summary, page 62
308: Supplier Environmental Assessment 2016			
3-3	Management of material topics		Partnering with Our Suppliers, page 44–45; Green Procurement Policy; Supplier Code of Conduct
308-1	Percentage of new suppliers that were screened using environmental criteria.		Partnering with Our Suppliers, page 44–45

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
400: Social			
401: Employment 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44
401-1	New employee hires and employee turnover		Nurturing Our Employees, page 38–44; Performance Data Summary, page 65
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Nurturing Our Employees, page 38–44
401-3	Parental leave		Performance Data Summary, page 65
402: Labour/Management Relations 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44
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.
403: Occupational Health and Safety 2018			
3-3	Management of material topics		Safeguarding Wellbeing and Safety, page 48–54
403-1	Occupational health and safety management system		Safeguarding Wellbeing and Safety, page 48–54; Safety and Health Policy
403-2	Hazard identification, risk assessment, and incident investigation		Safeguarding Wellbeing and Safety page, 48–54
403-5	Worker training on occupational health and safety		Safeguarding Wellbeing and Safety, page 48–54
403-6	Promotion of worker health		Employee Wellbeing, page 52–53
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Safeguarding Wellbeing and Safety, page 48–54
403-9	Work-related injuries		Safeguarding Wellbeing and Safety, page 48–54; Performance Data Summary, page 65
404: Training and Education 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44
404-1	Average hours of training per year per employee		Nurturing Our Employees, page 38–44; Performance Data Summary, page 66
404-2	Programmes for upgrading employee skills and transition assistance programmes		Nurturing Our Employees, page 38–44
405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics		Governance, page 11–16; Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44
405-1	Diversity of governance bodies and employees		Governance, page 11–16; Nurturing Our Employees, page 38–44; Performance Data Summary, page 64

GRI Standards	Disclosure	SASB Standards	Location and Remarks/Omission
406: Non-discrimination 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44
406-1	Incidents of discrimination and corrective actions taken		In 2022, there were no recorded incidents of non-compliance with anti-discrimination legislations.
408: Child Labour 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44; Human Rights Policy
408-1	Operations and suppliers at significant risk for incidents of child labour		Child labour is not material to our business. The relevant KPIs are therefore not disclosed
409: Forced or Compulsory Labour 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Nurturing Our Employees, page 38–44; Human Rights Policy
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		Forced labour is not material to our business. The relevant KPIs are therefore not disclosed.
413: Local Communities 2016			
3-3	Management of material topics		Business-in-Community – Commitment and Strategy, page 56
413-1	Operations with local community engagement, impact assessments and development programmes		Business-in-Community, page 55–60
414: Supplier Social Assessment 2016			
3-3	Management of material topics		Partnering with Our Suppliers, page 44–45; Green Procurement Policy; Supplier Code of Conduct
414-1	Percentage of new suppliers that were screened using social criteria		Partnering with Our Suppliers, page 44–45
416: Customer Health and Safety 2016			
3-3	Management of material topics		Safeguarding Wellbeing and Safety – Commitment and Strategy, page 49; Safe Products and Services, page 54
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In 2022, there were no recorded incidents of non-compliance.
417: Marketing and Labelling 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Delivering Quality for Our Customers, page 45–47
417-3	Incidents of non-compliance concerning marketing communications		In 2022, there were no recorded incidents of non-compliance.
418: Customer Privacy 2016			
3-3	Management of material topics		Building Excellence with Our Stakeholders – Commitment and Strategy, page 38; Delivering Quality for Our Customers, page 45–47; Code of Conduct; Data Privacy Policy Statement
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		In 2022, there were no recorded incidents of non-compliance.

Verification Statement



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 2022 (“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 1st January 2022 to 31st December 2022.

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 Global Reporting Initiative’s Sustainability Reporting Standards (“GRI Standards”),
- the GRI G4 Construction and Real Estate Sector (“CRE”) 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”), and
- the recommendations from the Task Force on Climate-Related Financial Disclosures (“TCFD”).

Level of Assurance and Methodology

The process applied in this verification is based on:

- The International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
- The International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements 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 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, HKQAA’s verification team concluded that:

- The Report has been prepared in accordance with the GRI Standards;
- The Report has complied with the mandatory disclosure requirements and “comply or explain” provisions specified in the ESG Guide;
- The Report disclosure is aligned with the SASB Standards and TCFD recommendations;
- 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.

In conclusion, HKQAA has obtained reasonable assurance and is in the opinion that Wharf Holdings has disclosed its sustainability performance in a transparent manner. The information included in the Report are objective, responsive and free from material misstatement.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
March 2023



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